

FIFTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

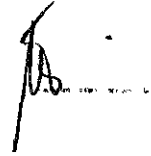
SENATE
OFFICE OF THE SECRETARY

10 JUL -1 P1 28

SENATE

S. No. 66

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Introduced by Senator JUAN MIGUEL F. ZUBIRI

EXPLANATORY NOTE

Housing is one of the major problems the country is faced with. With millions of housing units backlog, the government housing agencies as well as the private sector seem to be helpless in meeting the demands for housing units.

What is compounding the situation is the proliferation of colonies of informal settlers in many urban areas and cities, thus affecting the developmental programs of these areas. Even danger zones such as railroad tracks and banks of esteros and rivers have become sites of improvised settlements for our poor countrymen.

While at present, there are housing agencies tasked to address different aspects of the housing sector, the government needs to have a holistic approach to the housing sector. It should have a department that is focus in the housing sector and that would coordinate and synthesize all efforts and programs of the different housing agencies.

This bill seeks to answer such predicament. It provides for the creation of a *Department of Housing and Urban Development* and the rationalization of the housing and urban development programs of the national government. It will streamline the bureaucracy and the process of formulating human settlement programs to meet the demands of our increasing population and decreasing space. As a full-pledge department, the shelter program shall likewise be elevated in priority and attention given by national government to the problem of the housing sector.

It is in this light that approval of this bill is earnestly sought.



JUAN MIGUEL F. ZUBIRI

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AN ACT
CREATING THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,
RATIONALIZING THE ORGANIZATION AND FUNCTIONS OF GOVERNMENT
AGENCIES AND CORPORATIONS RELATED TO HOUSING AND URBAN
DEVELOPMENT, AND FOR OTHER PURPOSES

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

CHAPTER 1

GENERAL PROVISIONS

Section 1. **Title.** – This Act shall be known as the “Omnibus Housing and Urban Development Act of 2010.”

Sec. 2. **Declaration of Policy.** – It is hereby declared the policy of the State to:

(a) Undertake a comprehensive and continuing program of housing and urban development which will make available at affordable cost, decent housing and basic services to the Filipino people, especially those who are underprivileged and homeless;

(b) Adopt workable policies that will guarantee the rationalization and optimum utilization of land

(c) Develop a sustainable and viable housing finance system that shall tap alternative, including non-traditional sources of funds, for the government’s housing program;

(d) Rationalize and strengthen the urban development and shelter delivery system of the government by enhancing local autonomy and decentralization and provide local government units more power, authority, responsibility and resources; and

(e) Encourage more effective peoples’ participation by institutionalizing their involvement at all levels of the urban planning and development process.

1 **Sec. 3. Definition of Terms.** – For purposes of this Act, the terms or words and
2 phrases used shall mean or be understood as follows:

3 (a) “ Abot-Kaya Pabahay Fund” – refers to the fund established under Republic
4 Act No. 6846, otherwise known as “The Social Housing Support Fund Act”, as
5 amended by republic Act No. 7835, otherwise known as “The Comprehensive
6 and Integrated Shelter Financing Act of 1994”. The fund shall be used
7 exclusively to enhance the affordability of low-cost housing by low-income
8 families through its four (4) components, namely: amortization support,
9 development financing, cash flow guaranty, interest subsidy and liquidity
10 support.

11 (b) Agricultural Land Conversion – refers to the undertaking of any activity that
12 will modify or alter the physical characteristics of agricultural lands to render
13 them suitable for non-agricultural purposes with an approved order of
14 conversion from the Secretary of the Department of Agrarian Reform (DAR).

15 (c) CISFA – refers to Republic Act No. 7835.

16 (d) “Community Mortgage Program” – refers to the mortgage-financing program
17 of the National Home Mortgage Finance Corporation (NHMFC), which assists
18 legally organized associations of underprivileged and homeless citizens to
19 purchase and develop a tract of land under the concept of community
20 ownership.

21 (e) “Formal sector” – refers to members of the Government Service Insurance
22 System (GSIS), Home Development Mutual Fund (HDMF) and the Social
23 Service Security System (SSS).

24 (f) “Homeless and underprivileged” – refers to the beneficiaries of Republic Act
25 No. 7279, otherwise known as the “Urban Development and Housing Act
26 (UDHA), and to individuals or families whose income or combined household
27 income falls within the poverty threshold as defined by the National Economic
28 and Development Authority (NEDA), who do not own housing facilities, who
29 live in makeshift dwelling units, and do not enjoy security of tenure.

30 (g) “Informal sector” – refers to non-members of the GSIS, HDMF, and the SSS.

31 (h) “New town” – refers to any large-scale planned development, which includes
32 housing, work places, and related facilities within a more or less self-
33 contained environment.

34 (i) “Secondary mortgage market” – refers to the system, which entails purchase,
35 acquisition, discounting or refinancing of loan and mortgage packages or

1 participation therein. These instruments, in turn, are traded in the financial
2 market through issuance and/or sale of bonds, promissory notes, debentures,
3 conveyances and other financial instruments or participation therein, backed
4 by the same pool or mortgages, securitizations, and other assets.

5 (j) "Socialized housing" – refers to housing programs and projects covering
6 houses and lots or home lots only undertaken by the government or the
7 private sector for the underprivileged and homeless citizens which shall
8 include sites and services development, long term financing, liberalized terms
9 on interest payments, and such other benefits in accordance with the
10 provisions of this Act.

11 (k) "Urban development" – refers to the process of occupation and use of land or
12 space for such activities as residential, industrial, commercial and the like,
13 necessary to carry out the functions of city life. It entails building or rebuilding
14 of more or less permanent structures over land that is often withdrawn or
15 converted from its original use, resulting in the creation of the built
16 environment.

17 (l) "Urban planning" – refers to a process, also called city planning or town
18 planning, that involves planning for diverse elements that comprise an
19 urbanized area including its physical infrastructure, environment, housing and
20 transportation, and management of land use and urban growth.

21 (m) "Urban renewal" – refers to the idea of consciously renewing the outworn
22 areas of towns and cities, through redevelopment and rehabilitation.

23 **Sec. 4. *Statement of Objectives.*** – Toward this end, the State shall:

24 (a) Formulate and oversee the implementation of a comprehensive housing and
25 urban development policy as an integral part of national development plans to regulate
26 and direct urban growth and expansion towards a dispersed urban net and to achieve a
27 more balanced urban-rural interdependence;

28 (b) Undertake with the participation of the private sector a continuing
29 comprehensive, affordable and sustainable housing program;

30 (c) Establish a sustainable housing finance system that ensures affordable housing
31 through low down payment, long-term financing and low interest rate;

32 (d) Improve coordination of national government housing and urban development
33 policies and programs and extend adequate technical and material assistance to local
34 government units;

1 (e) Encourage participation of all stakeholders in housing and urban development,
2 such as local government units (LGUs), non governmental organizations (NGOs),
3 peoples' organizations (POs) and the private sector;

4 (f) Rationalize the structure, powers and functions of the different housing and
5 urban development agencies and integrate all housing and urban development policies,
6 plans, programs and projects of various government corporations and agencies to
7 expedite the delivery of decent, affordable and sustainable housing and urban
8 development projects; and

9 (g) Promote the application of technologies that reduces costs and improve the
10 quality of habitability of housing.

11

12 CHAPTER II

13 THE DEPARTMENT PROPER

14 **Sec. 5. *Creation of the Department of Housing and Urban Development.*** –
15 To carry out the above-declared policy, there is hereby created a Department of
16 Housing and Urban Development, hereinafter referred to as the Department.

17 The Department shall be the primary agency of the government that will prepare,
18 integrate, coordinate and supervise plans, programs, projects and activities of the
19 government relative to urban planning, development and renewal, including land use
20 and zoning, housing provision, regulation and finance, and marginal settlement
21 assistance and services.

22 **Sec. 6. *Powers and Functions.*** – The Department shall have the following
23 powers and functions:

24 (a) Formulate, implement and update, consistent with approved national
25 development plans and guidelines on land use, a comprehensive National Urban
26 Development and Housing Framework. This Framework will specify the policies, plans,
27 programs, strategies and mechanism in order to promote a sustainable, ecologically-
28 sound and well-governed housing and urban development;

29 (b) Provide for the development of: (1) a sustainable market-oriented housing
30 finance system which promotes the adequate flow of private funds into the primary and
31 secondary mortgage markets; and (2) a complementary system of well-targeted and
32 transparent housing subsidy mechanisms for the less privileged and homeless;

1 (c) Ensure the provision of adequate housing stock to meet the needs of all income
2 groups, especially the underprivileged and homeless in urban centers and in
3 resettlement and rural areas;

4 (d) Pursue an urban renewal of blighted and slum areas, the resettlement and
5 relocation of informal dwellers, and the containment of squatting, pursuant to law, in a
6 just and humane manner;

7 (e) Supervise all corporations and agencies attached to the Department namely:
8 Home Guaranty Corporation (HGC), National Housing Authority (NHA), National Home
9 Mortgage Finance Corporation (NHMFC), Home Development Mutual Fund (HDMF),
10 and Housing and Urban Development Adjudication Commission (HUDAC), to (1) ensure
11 adherence, consistency and integration with Department policies, plans and programs;
12 (2) monitor the performance and soundness of their management and financial policies
13 in accordance with the government's housing and urban development framework;

14 (f) Promulgate, amend or repeal such rules and regulations as may be necessary to
15 complement the intent and purposes of this Act, which upon approval by the President
16 and after due publication thereof, shall have the force of law;

17 (g) Effect and oversee a single regulatory system that shall govern all activities
18 relative to the planning, production, marketing and maintenance of residential and
19 commercial development projects;

20 (h) Develop and establish a sector performance monitoring and assessment
21 mechanism and monitor and report on the performance of the sector, national
22 government agencies and LGUs in urban development and housing and enable
23 continuing improvements in sector policy and strategy formulation;

24 (i) Adopt and promulgate development standards and guidelines that shall govern
25 the preparation and implementation of land use plans and zoning ordinances of LGUs
26 and property development of the public and private sectors;

27 (j) Provide technical assistance and information to assist LGUs in developing
28 solutions to problems on housing, community, and urban development and/or renewal;

29 (k) Coordinate the development activities of LGUs toward a more effective housing
30 delivery, optimal land use and the balanced growth of urban and urbanizing
31 communities in relation to demographic factors, productive capacity and natural
32 resource endowment;

33 (l) Exercise initiative and, under the directions of the President, assume a lead role
34 in coordinating the activities of other agencies and instrumentalities that impact on
35 urban development;

1 (m) Call on other agencies or instrumentalities of the government and private entities
2 for cooperation and assistance in the performance of its functions;

3 (n) Monitor compliance and provide policy directions, standards and technical
4 assistance to LGUs in the preparation of their respective land use plans and zoning
5 ordinances subject to the over-all land use plan of the regional development councils
6 and the NEDA;

7 (o) Undertake a rational, balanced, orderly and efficient development of new
8 settlements and the redevelopment of existing urban communities that indicate
9 potentials for accelerated growth. Such activities shall assure the dwellers thereon of
10 decent and affordable housing, job and livelihood opportunities, efficient mass transit,
11 public safety, health care, educational opportunities and clean environment;

12 (p) Conduct continuing research and development of innovative and indigenous
13 technologies that will enhance housing affordability;

14 (q) Ensure consumers' education and protection and establish and administer
15 mechanisms such as the development, maintenance, updating and upgrading of an
16 industry information system and data bank which shall include a master list of
17 beneficiaries;

18 (r) Establish a mechanism to identify, update and validate and determine full
19 eligibility of target beneficiaries for socialized housing programs and projects in order to
20 maximize government resources and avoid double availment of such programs and
21 projects;

22 (s) Discharge all responsibilities of government that may arise from agreements and
23 other commitments on housing, land use and urban development to which it is a
24 signatory, including the determination of forms of assistance for housing, land use and
25 urban development to be extended through multilateral or bilateral assistance program;

26 (t) Determine, fix and collect reasonable amounts to be charged as administrative
27 fees, fines and penalties; as well as issue *motu proprio*, after the conduct of appropriate
28 investigation, notices of violation, cease and desist and/or closure and demolition
29 orders, ejectment and summary abatement orders, necessary for the effective
30 implementation of all laws, rules and regulations, and other legal issuances enforced by
31 the Department;

32 (u) Determine, fix and collect reasonable amounts to be charged as administrative
33 fees, fines and penalties on any natural or juridical person who practice real estate
34 services without any license; and

1 (v) Perform such other acts not inconsistent with this Act as are necessary to
2 achieve its purposes.

3 **Sec. 7. *Composition.*** – The Department shall be headed by a Secretary. The
4 Department proper shall be composed of the Office of the Secretary, the Offices of the
5 Undersecretaries and Assistant Secretaries, the bureaus, services, and other offices of
6 the Department.

7 **Sec. 8. *The Secretary.*** – The Secretary shall be appointed by the President,
8 subject to the confirmation by the Commission on Appointments.

9 The Secretary in addition to the regular powers and functions provided under
10 Section 7, Chapter 2, Book IV of the Administrative Code of 1987, shall have the
11 following powers and functions:

12 (a) Provide executive direction, control and supervision over the entire operations of
13 the Department;

14 (b) Rationalize delivery systems as is necessary for the effective attainment of the
15 objectives of the Department, including the creation of regional and field offices, other
16 service units and divisions, and the delegation of authority to regional and field offices
17 for the decentralized programs, subject to the provisions of existing laws;

18 (c) Call on other government and private entities for cooperation and assistance in
19 the performance and discharge of the Department's functions;

20 (d) Coordinate with LGUs, other agencies, and public and private interest groups,
21 including NGOs and POs on Department policies and initiatives;

22 (e) Restructure the internal organization of the Department, subject to the approval
23 of the President;

24 (f) Recommend to the President on the restructuring of the structures of its attached
25 agencies and corporations;

26 (g) Review existing rules and regulations governing financing schemes,
27 homeowners associations and other issues attendant to the different shelter programs
28 and projects, with the end view of ensuring their effectiveness and efficiency; and

29 (h) Formulate such rules and regulations and exercise such other powers as may be
30 necessary to implement the objectives of this Act.

31 **Sec. 9. *The Undersecretaries.*** – The Secretary shall be assisted by two (2)
32 Undersecretaries, who shall be appointed by the President upon recommendation of the
33 Secretary: *Provided*, that one of the Undersecretaries shall be a career officer coming

1 from the ranks of the existing government housing agencies and offices. They shall
2 have the powers and functions as provided for in Section 10, Chapter 2, Book IV of the
3 Administrative Code of 1987, and other powers and functions that will be assigned by
4 the Secretary.

5 The Offices of the Undersecretaries shall consist of the Undersecretaries and
6 their respective immediate staff.

7 Sec. 10, **Assistant Secretaries.** – The Secretary shall be assisted by a
8 maximum of three (3) Assistant Secretaries who shall be career officers appointed by
9 the President upon the recommendation of the Secretary'

10 The respective assignments of the Assistant Secretaries shall be determined by
11 the Secretary'

12 Sec. 11. **Qualifications.** – No person shall be appointed Secretary,
13 Undersecretary or Assistant Secretary of the Department unless he is a citizen and a
14 resident of the Philippines, of good moral character, and of proven competence and
15 integrity.

16 Sec. 12. **Bureaus.** – The Department shall have the following Bureaus: (a)
17 Financial and Institutional Development Bureau, (b) Urban Development Bureau, (c)
18 Housing Technology Bureau, (d) Realty Regulation and Consumer Protection Bureau,
19 and (e) Settlements and Social Housing Bureau.

20 The bureaus shall perform the following functions:

21 **(a) Financial and Institutional Development Bureau –**

22 (1) Provide fiscal and financial incentives to LGUs, the private sector, NGOs and
23 POs to encourage their full participation in ensuring adequate housing stock especially
24 for low-income families;

25 (2) Institute a mechanism to ensure a consistently high collection efficiency and the
26 viability of the national shelter program;

27 (3) Assist in and facilitate the sourcing of adequate housing and urban development
28 funds from foreign, local and other alternative sources;

29 (4) Facilitate the development of a sustainable market-oriented housing finance
30 system which promotes the adequate flow of private funds into the primary and
31 secondary mortgage markets;

32 (5) Administer programs to LGUs, community associations, cooperatives and other
33 private groups to improve their capability to engage in all aspects of urban

1 development/renewal programs, housing and resettlement, including the restoration of
2 neighborhoods, the investment in or improvement of public facilities, and rehabilitation
3 of housing;

4 (6) Extend technical assistance to the local housing board or any special body on
5 housing within an LGU and housing cooperatives in the preparation of local shelter
6 plans and projects;

7 (7) Accredite, train and extend assistance to homeowners' associations or
8 cooperatives of targeted beneficiaries for purposes related to housing, and evaluate and
9 recommend the same for possible availment of a housing program or project;

10 (8) Monitor the implementation of projects and programs under its jurisdiction; and

11 (9) Perform such other related functions as may be assigned to it by the Secretary.

12 **(b) Urban Development Bureau –**

13 (1) Promulgate appropriate rules and regulations for the proper implementation and
14 enforcement of predetermined national standards and guidelines on land use, urban
15 planning and development;

16 (2) Install new and appropriate mechanisms for the extension of technical and other
17 forms of assistance to LGUs to ensure that their land use plans and zoning ordinances
18 are consistent with prescribed standards and guidelines and national policies and other
19 issuances of the Department and NEDA;

20 (3) Coordinate with the Public Estate Authority (PEA) in the development of new
21 towns with complete basic facilities and services in urbanizable and urbanizing areas,
22 including the identified growth areas such as, but not limited to, CALABARZON, East
23 Asian Growth Area and the North Quadrangle, in order to decongest existing urban
24 communities;

25 (4) Assist the LGU in undertaking a rational well-balanced, orderly and efficient
26 redevelopment/renewal of existing urban communities;

27 (5) Assist in the formulation and updating of national objectives for housing and
28 urban development , specifically the National Urban Development Framework;

29 (6) Monitor the implementation of projects and programs under its jurisdiction; and

30 (7) Perform such other related functions as may be assigned by the Secretary.

31 **(c) Housing Technology Bureau –**

32 (1) Study and promulgate appropriate standards on all types of housing construction;

1 (2) Review and update national standards and technical requirements for economic
2 and socialized housing projects;

3 (3) *Accredit, promote and encourage the development and utilization of innovative*
4 *housing technology that can reduce the cost of housing and within the reach of the poor*
5 *without sacrificing safety requirements, and provide for the prototyping/piloting of the*
6 *same;*

7 (4) Provide awards, incentives and citations to innovative and ingenious discoveries
8 and inventions in coordination with the Department of Science and Technology (DOST)
9 and the Board Of Investments (BOI);

10 (5) Publicize findings and research on new technologies;

11 (6) Participate in local and international expositions, competitions, and various
12 research and development activities on housing technology;

13 (7) Monitor, evaluate and validate the programs and projects under its jurisdiction;
14 and

15 (8) Perform such other related functions as may be assigned to it by the Secretary.

16 **(d) Realty Regulation and Consumer Protection Bureau –**

17 (1) *Oversee the enforcement of the approved rules, regulations and standards on all*
18 *types of housing developments such as subdivision, condominium, townhouse, single-*
19 *detached or multi-unit housing, industrial subdivisions, industrial condominiums, farm*
20 *subdivisions, resort and leisure estates, memorial parks, office/commercial*
21 *condominiums, condominium-hotels (condotels) and commercial centers;*

22 (2) *Oversee the issuance by the regional offices of certificates of registration and*
23 *licenses to sell for all real estate development projects, and the collection of the*
24 *necessary penalties, fines and fees, and monitor, assess and investigate compliance*
25 *with the approved subdivision and condominium plans;*

26 (3) *Continually streamline the implementation and enforcement of regulations,*
27 *including the regulatory aspect of the urban land reform program, the Subdivision and*
28 *Condominium Buyer's Protective Decree, land value and building rental regulations,*
29 *Rent Control Law, and other related laws;*

30 (4) *Undertake the acceptance and initial processing of complaints of housing related*
31 *cases mentioned in Section 23 of this Act and the referral of the same to the housing*
32 *arbiters;*

1 (5) Accredite duly licensed brokers, through their organizations, to source lands for
2 project development and to market certain housing inventories or to solicit qualified
3 beneficiaries;

4 (6) Accredite developers to undertake the development of certain urban lands;

5 (7) Register, issue certificates of incorporation to, and regulate homeowners'
6 associations and condominiums corporations organized pursuant to Presidential Decree
7 No. 957, Republic Act No. 4726, Presidential Decree No. 902-A and other related laws;

8 (8) License real estate brokers, real estate appraisers and real estate consultants;

9 (9) Develop and implement real estate consumer education and protection
10 programs;

11 (10) Promote public trust and consumer education through the implementation of a
12 strategic communications plan that will offer timely dissemination of accurate and
13 updated information on the department's policies, plans, programs and projects;

14 (11) Monitor the implementation of projects and programs under its jurisdiction; and

15 (12) Perform such other related functions as may be assigned to it by the Secretary.

16 **(e) Settlements and Social Housing Bureau –**

17 (1) Ensure that relevant government housing programs shall make available to the
18 lowest thirty percent (30%) of the income earners decent and affordable housing with
19 basic services and employment opportunities;

20 (2) Formulate and ensure the enforcement of policies, rules and regulations
21 governing socialized housing provision, upgrading provision of tenure and improvement
22 of informal settlements;

23 (3) Formulate and enforce policies, rules and regulations governing resettlement,
24 relocation, eviction and demolition activities and for this purpose, issue
25 relocation/eviction compliance clearances for national or local government projects
26 which will involve the eviction or demolition of structures of homeless and
27 underprivileged citizens in accordance with Republic Act No. 7279 (UDHA) and the
28 implementing rules and regulations (IRR);

29 (4) Implement the conduct of pre-relocation and post-relocation activities for national
30 government programs and projects in accordance with Section 28 of Republic Act No.
31 7279 (UDHA) and IRR;

32 (5) Coordinate with the local housing board or any special body on housing or urban
33 poor concerns within the LGUs and other concerned agencies on the pre-relocation and

1 post-relocation activities in accordance with Section 28 of Republic Act No. 7279
2 (UDHA) and IRR;

3 (6) Monitor compliance with the balanced housing requirement under Republic Act
4 No. 7279 (UDHA) and IRR;

5 (7) Coordinate with concerned agencies and the LGUs in the formulation,
6 development and implementation of an information system that will provide the
7 government and the general public with timely, accurate and reliable data on the
8 underprivileged and homeless citizens;

9 (8) Administer, through the regional offices, homeless assistance advances/grants to
10 LGUs and NGOs and private communities for temporary and emergency housing as
11 well as building renovation, improvements, in coordination with the Department of Social
12 Welfare and Development (DSWD);

13 (9) Administer the amortization support component of the Abot-Kaya Pabahay Fund,
14 and other similar funds;

15 (10) Institute measures such as but not limited to the setting up of an LGU-led Anti-
16 Squatting Task Force to detect and thwart squatting and to address such other
17 concomitant problems as rural-to-urban migration;

18 (11) Monitor the implementation of projects and programs under its jurisdiction; and

19 (12) Perform such other related functions as may be assigned to it by the Secretary.

20 Sec. 13. **Services.** – The Department shall have the following services: (a)
21 Planning and Management Service (b) Administrative and Financial Service, and (c)
22 Legal Service.

23 The services shall perform the following functions:

24 **(a) Planning and Management Service –**

25 (1) Formulate, update and ensure the implementation of an integrated national
26 housing and urban development framework that will provide policy directives,
27 guidelines, strategies and support mechanisms for active multi-sectoral participation;

28 (2) Conduct continuing comprehensive studies and research on housing and urban
29 development necessary for policy and program review and formulation;

30 (3) Develop and provide legal, regulatory and supervisory frameworks that promote
31 the development of a sustainable market-oriented housing finance system to ensure the
32 adequate flow of private funds into the primary and secondary mortgage markets;

1 (4) Develop clearly defined, transparent and well-targeted housing subsidy
2 mechanisms to enhance access by low-income housing beneficiaries;

3 (5) Establish and maintain a management information system and sub-systems for
4 monitoring and evaluating Department-wide programs and projects, including those that
5 are executed by operating bureaus and offices;

6 (6) Manage and maintain a housing and urban development data bank to include a
7 shelter indicator system, beneficiary profile, and other national database on shelter and
8 urban development;

9 (7) Formulate policies, plans and procedures for data control and systems
10 management;

11 (8) Act as the central repository of existing and future computer files;

12 (9) Maintain and operate the Department's library; and

13 (10) Establish and maintain a viable information network with other government
14 agencies and instrumentalities.

15 **(b) Administrative and Financial Service –**

16 (1) Provide the Department with economical, efficient and effective services relating
17 to personnel, communication, procurement, supplies, equipment, transportation
18 services, collections, disbursement, security and property management;

19 (2) Conduct in-house training; and

20 (3) Provide disbursement, budgeting, accounting, comptrollership and internal audit
21 service to the Department.

22 **(c) Legal Service –**

23 (1) Conduct research on such matters brought before the Department's attention by
24 interested parties and offices seeking legal advice, opinion and assistance;

25 (2) Recommend the issuance of opinions and the adoption of policies, rules and
26 regulations based on the foregoing;

27 (3) Draft, recommend and review proposed legislative measures;

28 (4) Prepare and maintain an index, compilation, annotation and digest of laws, rules,
29 regulations, commission and court decisions relevant to the Department's mandates;

30 (5) Review proposed contracts and/or agreements of the Department to ensure their
31 consistency with existing laws, rules and regulations;

1 (6) As Special Counsels duly deputized by the Office of the Solicitor General (OSG),
2 represent the Department in court for the purpose of defending the official acts of its
3 officers and employees that were regularly and diligently performed in the course of the
4 normal discharge of their functions;

5 (7) Prepare pleadings and other legal documents and submit progress reports on the
6 cases handled by them;

7 (8) Attend and participate in congressional hearings and inter-agency meetings
8 relative to the formulation of legislative measures, proposed executive issuances, rules
9 and regulations and/or Memoranda of Agreement with other offices and agencies or the
10 private sector; and

11 (9) Provide/extend legal advice assistance to other offices of the Department.

12 **Sec. 14. *Regional and Field Offices.*** – Consistent with the requirements of
13 economy and efficiency, there shall be established a Regional Office, which shall be
14 headed by a Regional Director, in every administrative region and in as many field
15 offices as are necessary: *Provided, That they are established in accordance with the*
16 *regional pattern as prescribed by existing laws.*

17 **Sec. 15. *Functions of the Regional Directors and Regional Offices.*** – While
18 program bureaus exercise technical supervision functions over regional counterparts,
19 the Regional Director shall be the responsible line official for all Department programs in
20 the administrative region. The Regional Director shall be appointed by the President
21 and shall report to the Secretary.

22 The Regional Office shall perform the following functions:

23 (a) Ensure that Department program-goals are met and that programs are
24 implemented in accordance with the duly adopted policies, standards and guidelines;

25 (b) Ensure the consistency between the overall regional development goals and
26 programs and the National Urban Development Strategy and between Department
27 programs and regional plans of other government agencies;

28 (c) Directly manage and implement Department programs in the immediate
29 geographic area;

30 (d) Direct and evaluate the performance of field offices in the region;

31 (e) Monitor, investigate and assess compliance with approved subdivision and
32 condominium plans, endorse and recommend the filing of appropriate charges for
33 violations thereof;

1 (f) Coordinate with the LGUs with regard to their local urban development, land use
2 and shelter plans, and provide the necessary technical assistance on devolved powers
3 related to housing and urban planning as mandated by the Local Government Code and
4 other related laws;

5 (g) Administer the registration of homeowners' associations and condominium
6 corporations;

7 (h) Undertake the issuance of certificates of registration and licenses to sell for
8 condominium and subdivision projects, and collect fees for the purpose;

9 (i) Advise and coordinate the plans and programs of the Regional and Field Offices
10 of the attached agencies and corporations; and

11 (j) Perform such other functions as may be provided for by law and by the
12 Secretary.

13 **Sec. 16. *Functions of Field Directors and Offices.*** – A Field Director shall
14 head a Field Office and shall be accountable to the Regional Director. The Field Officer
15 shall directly administer Department programs in his/her jurisdictional area and shall
16 ensure their proper implementation.

17 The Field Director shall maximize his/her detail in the areas under jurisdiction by
18 closely coordinating with the local planning officer, the pertinent sanggunian committee,
19 the Urban Poor Affairs Office (UPAO), and the local housing boards, if any, for program
20 monitoring, implementation and enforcement.

21 **Sec. 17. *Relationship Among the Regional and Field Offices of the***
22 ***Department, its Attached Agencies and Corporations, and the LGUs.*** – The
23 relationship among the Regional and Field Offices of the Department, its attached
24 agencies and corporations, and the LGUs, shall be purely coordinative.

25 **CHAPTER III**

26 **ATTACHED AGENCIES AND CORPORATIONS**

27 **Sec. 18. *Attached Corporations and Agencies and their Functions.*** – Any
28 provision of law or their respective charters to the contrary notwithstanding, the
29 following corporations and agencies are hereby attached to the Department for general
30 supervision, and policy and program coordination. They shall continue to operate and
31 function in accordance with their respective charters, laws or orders creating them
32 insofar as they are not inconsistent with this Act:

33 (a) Home Guaranty Corporation (HGC);

1 (b) National Housing Authority (NHA);

2 (c) National Home Mortgage Finance Corporation (NHMFC);

3 (d) Home Development Mutual Fund (HDMF), and

4 (e) Housing and Land Use Regulatory Board (HLURB), hereby renamed the
5 Housing and Urban Development Adjudication Commission (HUDAC)

6 Any and all exemptions from the compensation and position classification
7 provided for under Republic Act No. 6758, otherwise known as the "Compensation and
8 Position Classification Act of 1989" which were previously granted to any and all of the
9 abovementioned attached agencies and corporations, are hereby withdrawn.

10 Any provision of law or the respective charters of the abovementioned
11 corporations and agencies to the contrary notwithstanding, the Secretary shall, in a
12 concurrent capacity, be the *ex officio* Chairman of the respective boards of HGC, NHA,
13 NHMFC, and HDMF.

14 **Sec. 19. *Reconstitution of the Governing Bodies of Attached Corporations***
15 ***and Agencies.*** – The governing bodies of the corporations and agency attached to the
16 Department are hereby reconstituted as follows, any provision of law or their respective
17 charters to the contrary notwithstanding:

18 (a) Home Guaranty Corporation (HGC). The Board of Directors of the HGC shall
19 be composed of the Secretary as *ex officio* chairman, the Secretary of Finance as vice-
20 chairman, and the following as members: the President of the HGC, the Director-
21 General of NEDA, and three (3) others appointed by the President of the Philippines,
22 who shall serve for a term of five (5) years: *Provided, further,* That in the event of a
23 vacancy, the successor appointed to fill the said vacancy shall serve only the unexpired
24 portion of the term of the member he succeeds.

25 (b) National Housing Authority (NHA). The Board of Directors of the NHA shall be
26 composed of the Secretary as chairman, the General Manager of the Authority as vice-
27 chairman, and the following as members: the Secretary of the Department of Interior
28 and Local Government (DILG), the Chairman of the National Anti-Poverty Commission,
29 the Chief Executive Officer of the NHMFC and two(2) others to be appointed by the
30 President of the Philippines, one of whom shall represent the real estate and housing
31 industry and the other shall represent the NGOs or POs.

32 (c) National Home Mortgage Finance Corporation (NHMFC). The Board of
33 Directors of the NHMFC shall be composed of the Secretary as chairman, the Chief
34 Executive Officer of the NHMFC as vice chairman, and the following as members: the
35 Administrator of the SSS, the General Manager of the GSIS, the Chief Executive Officer

1 of the HDMF, and two (2) others to be appointed by the President of the Philippines,
2 one of whom shall represent the real estate and housing industry and the other shall
3 represent the NGOs or POs.

4 (d) Home Development Mutual Fund (HDMF). The Board of Trustees of the
5 HDMF shall be composed of the Secretary as chairman, the Secretary of the
6 Department of Finance (DOF) as vice chairman, and the following as members: the
7 Secretary of the Department of Budget and Management (DBM), the Secretary of the
8 Department of Labor and Employment (DOLE), the Chief Executive Officer of the
9 HDMF, two (2) representatives of private employees, two (2) representatives of private
10 employers, one (1) representative of the real estate and housing industry.

11 The representatives of the private employers and employees shall each be
12 appointed by the President for a term of two (2) years: *Provided, however,* That of the
13 first set to be appointed, one (1) representative of the employees and one (1)
14 representative of the employers shall have a term of only one (1) year. The
15 representative of the government employees and the real estate and housing industry
16 shall be appointed by the President for a term of two (2) years.

17 CHAPTER IV

18 REAL ESTATE ADJUDICATION COMMISSION

19 **Sec. 20. *Renaming the Housing and Land Use Regulatory Board (HLURB).*** –
20 The HLURB is hereby renamed and reconstituted as the Housing and Urban
21 Development Commission (HUDAC), which shall be attached to the Department for
22 program and policy coordination and administrative supervision.

23 The regulatory functions of the former HLURB shall be performed by the
24 Department with the HUDAC retaining the quasi-judicial functions thereof.

25 The Commission shall be composed of a chairman and eight (8) full-time
26 members to be appointed by the President, majority of whom shall be members of the
27 Philippine Bar while the others shall have a background or experience in urban
28 development planning, management, architecture, civil engineering or other related
29 fields. The chairman shall have the rank of a Commission Chairman IV while the
30 commissioners shall each have the rank of a Commission Member IV. They must have
31 been engaged in the practice of their respective professions or specialization or
32 employed in an appropriate office for a period of t least five (5) years. In addition, no
33 person who has been convicted of a crime involving moral turpitude shall be appointed
34 as a chairman or a member of the Commission.

1 The incumbent full-time commissioners of the present HLURB shall remain in
2 office unless they opt to avail of the retirement and separation benefits provided in
3 Section 38 of this Act or are sooner removed for cause.

4 Upon expiration of their terms, they shall be entitled to retire under laws, if they
5 are so qualified to retire thereunder, or to receive a compulsory retirement gratuity
6 equivalent to the total of two (2) times their basic salary as a commissioner, for every
7 year of service, whichever is higher.

8 The Commission may sit *en banc* or in three (3) divisions, each composed of
9 three (3) members. The Commission shall sit *en banc* only for purposes of promulgating
10 rules and regulations governing the hearing and disposition of cases before any of its
11 divisions and regional branches, hearing and disposition of motions for reconsideration
12 and formulating policies affecting its administration and operations. The Commission
13 shall exercise its adjudicatory and all other powers, functions and duties through its
14 divisions: *Provided*. That the commission sitting *en banc* may, on temporary or
15 emergency basis, allow cases within the jurisdiction of any division to be heard and
16 decided by any other division whose docket allows the additional workload and such
17 transfer will not expose litigants to unnecessary additional expense.

18 The concurrence of two (2) commissioners of a division shall be necessary for
19 the pronouncement of judgment or resolution. Whenever the required membership in a
20 division is not complete and the concurrence of two (2) commissioners to arrive at a
21 judgment or resolution cannot be obtained, the chairman shall designate such number
22 of additional commissioners from the other divisions as may be necessary.

23 The conclusions of a division on any case submitted to it for decision shall be
24 reached in consultation before the case is assigned to a member for the writing of the
25 decision. It shall be mandatory for the division to meet for purposes of the consultation
26 ordained herein. A certification to this effect signed by the presiding commissioner of the
27 division shall be issued and a copy thereof attached to the record of the case and
28 served upon parties.

29 The Commission when sitting *en banc* shall be assisted by the executive clerk
30 and, when acting through its divisions, by the division executive clerks in the
31 performance of such similar or equivalent functions and duties as are discharged by the
32 Clerk of Court and Deputy Clerks of Court of the Court of Appeals.

33 **Sec. 21. Term and Compensation.** – The members of the HUDAC shall be
34 appointed for a term of six (6) years without reappointment. Appointment to any
35 vacancy shall be only for the unexpired term of the predecessor and shall receive the

1 same salaries and emoluments of a Commissioner of the National Labor Relations
2 Commission (NLRC).

3 **Sec. 22. Power and Authority of the Commission.** – In the exercise of its
4 judicial functions, the HUDAC shall be governed by the principles of justice, equity and
5 fairness. It shall act as an impartial and independent tribunal and shall render judgment
6 in accordance with law, evidence and merit of the case. In particular, the HUDAC shall
7 have the following powers and authorities:

8 (a) Promulgate rules and regulations governing the hearing and disposition of cases
9 filed before it and those pertaining to its internal functions and such other regulations as
10 may be necessary to carry out the purposes of this Act: *Provided*, That it shall not be
11 bound by technical rules of procedure but shall proceed to hear and decide all cases,
12 disputes or controversies in a most expeditious manner, employing all reasonable
13 means to ascertain the facts of every case including conducting clarificatory hearing, if
14 necessary, in accordance with justice, equity and merit;

15 (b) Exercise exclusive appellate jurisdiction over all cases decided by the housing
16 and urban development arbiters. However, the Secretary may assume jurisdiction over
17 any complaint or case and decide the same or certify such case for decision by the
18 Commission if, in his opinion, he believes that the controversy involves massive fraud or
19 unsound business practices or critical socioeconomic or environmental considerations
20 that has serious potential impact on the interests of the sector of the general welfare;

21 (c) Administer oaths, summon the parties to a controversy, issue subpoenas
22 requiring attendance and testimony of witnesses or the production of such books,
23 papers, contracts, records, agreements, and other documents of similar nature as may
24 be material to a just determination of the matter under investigation or hearing
25 conducted in pursuance under this Act;

26 (d) Issue cease and desist orders, preliminary or permanent injunctions, whether
27 prohibitory or mandatory, in all cases in which it has jurisdiction, and in which the
28 pertinent provisions of the rules of civil procedure shall apply;

29 (e) Hold any person in contempt, directly or indirectly, and impose appropriate
30 penalties therefor;

31 (f) Impose administrative fines and/or penalties for violation of this Act, Republic Act
32 No. 7279, and other laws implemented by the HUDAC, including pertinent rules and
33 regulations, orders, decisions and rulings: *Provided*, That the maximum imposable fines
34 or penalties shall not exceed Five hundred thousand pesos (₱500,000);

1 (g) To establish offices to cover as many provinces and cities, whenever and
2 wherever it may be expedient, necessary and feasible;

3 (h) Deputize any law enforcement agency in the execution of its final orders, rulings
4 or decisions;

5 (i) Directly utilize income generated from fees, fines, charges and other collections
6 in the performance of its functions to defray operating expenses and provide allowances
7 for its personnel;

8 (j) Issue writs, orders to execute demolition, or seizure or closure of property in
9 accordance with its decision; and

10 (k) Exercise such other powers as implied, necessary or incidental to the carrying
11 out the express powers granted to the HUDAC or to achieve the objectives and
12 purposes of this Act, and other laws implemented by the Commission.

13 The Chairman aided by the Executive Clerk Court IV shall have administrative
14 supervision over the Commission and its regional branches and all its personnel
15 including the Housing and Urban Development Arbiters.

16 Sec. 23. ***Jurisdiction of the Housing and Urban Development Arbiters.*** – The
17 Housing and Urban Development Arbiters shall have original and exclusive jurisdiction
18 to hear and decide cases of the following nature:

19 (a) On Real Estate –

20 (1) Unsound and fraudulent real estate business practices;

21 (2) Claims for refund against project owners, developers, dealers, brokers or
22 salespersons;

23 (3) Specific performance of contractual and statutory obligations filed by buyers of
24 subdivision lots or condominium units against the owner, developer, dealer, broker or
25 salesperson;

26 (4) Squatting on subdivision lots;

27 (5) Disputes involving buyer-financing agreements with any financing institution for
28 condominium/subdivision projects;

29 (6) Easements or right of way affecting or involving subdivision and condominium
30 projects;

31 (7) Disputes between: (i) landowners and developers, and (ii) banks and developers,
32 whenever the interest of buyers of subdivision lots, or house and lots, or condominium
33 units are involved;

1 (8) Partial redemption and release of mortgage titles of subdivision lots and
2 condominium units;

3 (9) Disputes involving easements of waterways, drainage, connections to public
4 utilities, and light and view affecting subdivision and condominium projects;

5 (10) Disputes involving homeowners' associations and condominium corporations,
6 whether intra-corporate or inter-corporate;

7 (11) Claims of brokers and/or salespersons for unpaid commissions for sales of
8 condominium and/or subdivision projects and all other real estate brokerage
9 transactions;

10 (12) Disputes between lessors and lessees affecting subdivision and condominium
11 units;

12 (13) Cases filed by subdivision or condominium owners or developers and mortgage
13 financing institutions against lot or unit buyers for collection of unpaid amortizations; and

14 (14) Other related cases arising from contractual or statutory obligations of owners,
15 dealers, brokers or salespersons towards lot or unit buyers.

16 (b) On Housing and Land Use Planning and Regulation

17 Complaints in areas without local zoning administrators and/or local zoning
18 boards of appeals involving: (i) opposition to any land use or development projects; and
19 (ii) petitions for recall or revocation of the grant by a local government official of any
20 zoning or locational clearance permit, both on the ground that the same is violative of
21 land use planning laws and/or zoning ordinances.

22 (c) On Shelter Rights –

23 (1) Violations of the provisions of the Urban Development and Housing Act (Republic
24 Act No. 7279), including but not limited to the following:

25 (1.1) Just and humane eviction/ demolition procedure under Section 28 and pertinent
26 implementing rules and regulations;

27 (1.2) Prohibition against professional squatters and squatting syndicates under
28 Section 27 and pertinent implementing rules and regulations;

29 (1.3) Inventory of lands under Section 7 and pertinent implementing rules and
30 regulations;

31 (1.4) Identification of sites for socialized housing under Section 8 and pertinent
32 implementing rules and regulations;

- 1 (1.5) Limitations on the disposition of land for socialized housing under Section 14 and
2 pertinent implementing rules and regulations;
- 3 (1.6) Registration of socialized housing beneficiaries under Section 17 and pertinent
4 implementing rules and regulations; and
- 5 (1.7) Balanced housing development under Section 18 and pertinent implementing
6 rules and regulations.

7 (2) All ejectment cases where the party defendants are underprivileged and
8 homeless citizens as defined by the UDHA (Republic Act No. 7279) or a duly registered
9 association whose members are underprivileged and homeless citizens as defined by
10 the UDHA (Republic Act No. 7279).

11 Sec. 24. **Criminal Prosecution** – Criminal prosecution for violation of housing
12 laws and regulations shall be instituted before regular courts with appropriate
13 jurisdiction.

14 Sec. 25. **Housing and Urban Development Arbiters, Qualifications and**
15 **Compensation.** – The Secretary upon recommendation of the chairman of the
16 Commission, shall appoint housing and urban development arbiter as the needs of the
17 service may require for each administrative region. No person shall be appointed
18 housing and urban development arbiters unless he has been a member of the
19 Philippine Bar for at least five (5) years with at least (2) years experience or exposure in
20 the field of housing, real estate and/or land use planning and zoning.

21 The Housing and Urban Development Arbiters shall receive an annual salary and
22 be entitled to the allowances and benefits equivalent to the salaries, allowances and
23 benefits of labor arbiters of the National Labor Relations Commission.

24 Sec. 26. **Sheriff.** – The Commission shall appoint a sheriff or such number of
25 sheriffs in its central and regional branches. No person shall be appointed to the
26 position of sheriff unless he is a second grade civil service eligible and has finished at
27 least two (2) years of college. The sheriff shall be responsible for the service or
28 execution of all writs, summons and orders and other process of the Commission.

29 Sec. 27. **Appearances.** – A lawyer appearing for a party is presumed to be
30 properly authorized for that purpose. A non lawyer may appear before the HUDAC or
31 the Housing and Urban Development Arbiter only if: (a) he/she represents
32 himself/herself as party to the case; or (b) he/she represents an organization: *Provided,*
33 That he/she shall be made to present written proof that he/she is properly authorized.

1 **Sec. 32. *Housing Assistance for HDMF, SSS and GSIS Members.*** – As
2 provided for in their respective charters, the HDMF, SSS and GSIS shall allocate
3 annually funds to implement home lending and housing assistance programs which
4 qualified members of these institutions may avail of. For this purpose, the HDMF, SSS
5 and GSIS shall provide annually the maximum limit of their investible funds for their
6 housing programs. Any provision to the contrary notwithstanding, the integrity and
7 character of the funds of the SSS, GSIS and HDMF for the benefit of its members shall
8 not be prejudiced.

9 The funds allocated shall be used exclusively for home financing and no part
10 thereof shall be used for administrative or operating expenses of these institutions.

11 New members of the HDMF shall be allowed to pay the required two (2) year
12 membership contribution in lump sum to immediately qualify for home lending and
13 housing assistance programs.

14 Within thirty (30) days from the effectivity of this Act, the HDMF, SSS and GSIS
15 shall jointly formulate the policies and specific terms that will govern implementation of
16 their respective facilities for Retail Loan and Development Loan Programs. The same
17 guidelines shall be adopted by government and private financial institutions
18 implementing retail and developmental home financing programs.

19 **Sec. 33. *Social Housing Fund.*** – There is hereby established a Social Housing
20 Fund (SHF) composed of the following fund sources:

21 (a) Amounts provided for socialized housing under General Appropriations Act;

22 (b) Fifty percent (50%) of the twelve percent (12%) of all proceeds of any sale, after
23 deducting all expenses related to the sale, portions of military camps as provided in
24 Republic Act No. 7227, as amended;

25 (c) Loans, grants, bequests and donations, whether from local or foreign sources;

26 (d) Proceeds from forfeited custom bonds; and

27 (e) Ten percent (10%) of the mandatory annual contributions of the Philippine
28 Charity Sweepstakes Office (PCSO) to the charity fund as provided for in Section 6 of
29 Republic Act No. 1169 shall be channelled to this fund.

30 In addition, Sixty-five billion pesos (₱65,000,000,000.00) from the unused portion
31 of the Agri-Agra funds of banks to be accessed over a period of four (4) years from the
32 effectivity of this Act shall be invested in low-cost and socialized housing.

33 The SHF shall be administered by the Department and shall be allocated solely
34 for housing programs for the low-income group of the informal sector such as squatter

1 relocation, sites and services program, urban renewal, rental housing, land banking and
2 livelihood assistance programs in resettlement areas. The programs and projects that
3 will be funded under said fund and the implementing bureau or agency shall be
4 determined by the Department.

5 CHAPTER VII

6 TRANSITORY PROVISIONS

7 Sec. 34. **Transfer of Powers and Functions.** – Within six (6) months after the
8 approval of this Act, the powers and functions of the Housing and Urban Development
9 Coordinating Council (HUDCC) shall be transferred to the Department. The foregoing
10 transfer of powers and functions shall include all applicable funds and appropriations,
11 records, equipment, property and personnel as may be necessary. The same shall
12 apply to agencies and government units which have not been abolished but whose
13 functions have been transferred to the Department except the assets, pertinent funds,
14 records, property, equipment and personnel of the HLURB needed for adjudicatory and
15 related support functions. All purely governmental functions being performed by the
16 HLURB shall be transferred to the Department. Likewise, all existing powers and
17 functions of these agencies in their charters which are inherent and incidental to their
18 corporate mandates shall be retained with the concerned agencies.

19 All *ex officio* functions of the Chairman of the HUDCC are likewise transferred to
20 the Secretary.

21 Sec. 35. **Transfer of Rights, Assets and Liabilities.** – The Department shall, by
22 virtue of this Act, be subrogated to all rights and assume all the liabilities of the HUDCC
23 and all other agencies, or government units whose functions and powers have been
24 transferred to the Department, and all their funds, records, property, assets, equipment
25 and such personnel, as may be necessary, including unexpended appropriations and/or
26 allocations except assets, pertinent funds, records, property, equipment and personnel
27 of the HLURB needed for adjudicatory and related support functions. All contracts and
28 liabilities of said offices are hereby transferred to and assumed by the Department and
29 shall be acted upon in accordance with the Auditing Code and other pertinent laws,
30 rules and regulations: *Provided*, That existing officers and employees of said
31 agencies/corporations shall assume their posts in holdover capacity until their new
32 appointments are issued.

33 Sec. 36. **Rationalization or Transfer of Functions of Attached or Related**
34 **Agencies.** – The land use planning and enforcement functions including monitoring
35 and issuance of licenses and permits of the HLURB as provided for under Sections 5a,
36 5b, 5c, 5d, 5g and 5h of Executive Order No. 648 and similar provisions in Executive

1 Order No. 90; the implementation of the pre-relocation and post-relocation activities
2 mentioned in Section 12 (e) 4 of this Act, as provided for in Section 28 of Republic Act
3 No. 7279; and the powers, authorities and responsibilities vested in the HLURB with
4 respect to the registration of homeowners' associations as provided for under Section
5 26 of Republic Act No. 8763 shall be transferred to the Department.

6 **Sec. 37. Structure and Staffing Pattern.** – Except for the position of Secretary,
7 Undersecretary and Assistant Secretary, there shall be no hiring of new personnel for
8 the Department. Within ninety (90) days from the effectivity of this Act, the Secretary
9 shall formulate and submit to the Oversight Committee for its review and approval the
10 Department's proposed organizational structure and staffing pattern that shall ensure
11 that there is no duplication of functions between the Department and its attached
12 agencies. After the Oversight's review and approval, the proposed organizational
13 structure and staffing pattern of the Department shall be submitted to the President for
14 final approval through the DBM within ninety (90) days.

15 The Oversight Committee shall be composed of the following:

16 (a) The Chairpersons of the Senate Committee on Housing, Resettlement and
17 Urban Planning, and the House Committee on Government Reorganization, as co-
18 Chairpersons; and

19 (b) The Chairpersons of the Senate Committee on Finance and the House
20 Committee on Housing and Urban Development, the House Committee on Government
21 Enterprises and Privatization, and the House Committee on Appropriations, as
22 members.

23 The authorized positions created therein shall be filled by regular appointment by
24 the President or the Secretary, as the case may be: *Provided*, That in the filling of
25 positions created, the Secretary shall create an *ad hoc* committee composed of
26 management staff of the concerned agencies to ensure that preference shall be given to
27 the personnel of the corporations or agencies affected by the restructuring provided in
28 this Act: *Provided, further*, That such individuals comply with the qualification standards
29 set by the Civil Service Commission (CSC) for the positions they shall be appointed to:
30 *Provided, Finally*, That if such individuals possess the same qualifications, seniority
31 shall be given priority.

32 **Sec. 38. Separation from the Service.** – Employees separated and/or phased-
33 out from the service as a result of the abolition and/or reorganization under the
34 provisions of this Act shall within six (6) months from their separation and/or phase-out
35 from the service receive a separation pay equivalent to two (2) times the monthly basic
36 salary for every year of service in the government and the refund of their personal

1 contribution plus interest including the government share to the GSIS. In addition, those
2 who are qualified to retire shall be allowed to retire and be entitled to all benefits
3 provided, under any of the existing retirement laws. The miscellaneous personnel
4 benefits, the organization adjustment, and corporate funds may be used to fund the
5 purpose.

6 CHAPTER VIII

7 FUNDING

8 Sec. 39. **Appropriations.** – the amount needed for the initial implementation of
9 this Act shall be charged against the current year’s appropriations of HUDCC and all
10 corporations herein attached to the Department. Thereafter, such sums as may be
11 necessary for the continued implementation of this Act shall be included in the annual
12 General Appropriations Act.

13 Sec. 40. **Additional Funding.** - Subject to existing rules and regulations, the
14 funds and monies collected or which otherwise come into possession of the Department
15 and its bureaus from fees, surcharges, fines and penalties which the Department and its
16 bureaus may impose and collect under this Act, as well as amount to be determined at
17 the beginning of every calendar year representing twenty percent (20%) of the
18 outstanding balance of the funds and monies shall be deposited as a special account in
19 the General Fund and shall be disbursed for expenses necessary for the effective
20 discharge of the powers and functions of the Department under this Act, except
21 personal services requirements.

22 CHAPTER IX

23 MISCELLANEOUS AND FINAL PROVISIONS

24 Sec. 41. **Social Housing One-Stop Processing Centers.** – For purposes of
25 socialized, low cost, economic and middle-income housing development, the
26 Department shall establish Social Housing One-Stop Processing Centers (SHOPCs) in
27 the regions, which shall centralize the processing and issuance of all required permits,
28 clearances and licenses: *Provided*, That for the foregoing purpose, the respective
29 ceilings for socialized, low cost/economic and middle-income housing shall be jointly
30 determined by the Department and the NEDA: *Provided, further*, That at any time, but
31 not more often than once every two (2) years, such ceilings may be reviewed or revised
32 to conform to prevailing economic conditions. All agencies involved in the issuance of
33 said permits, clearances and licenses shall be represented in the SHOPC and shall
34 assign to SHOPC regional centers personnel who shall be sufficiently authorized to
35 process and issue the same.

1 **Sec. 42. Identification and Designation of Lands for Housing and Urban**
2 **Development.** – The Department of Housing and Urban Development (DHUD), the
3 Department of Agrarian Reform (DAR) and the Department of Agriculture (DA) shall,
4 within ninety (90) days from effectivity of this Act, jointly identify agricultural lands which
5 under Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform
6 Law, and other existing laws, rules and regulations are already exempted from
7 conversion requirements and which can be devoted for housing and urban development
8 purposes: *Provided*, That the list shall exclude lands that are declared as non-
9 negotiable for or protected from conversion under existing laws and issuances and
10 those lands covered under Republic Act No. 6657: *Provided, further*, That the
11 designation of lands for housing and urban development purposes shall neither
12 prejudice the rights of qualified beneficiaries under Republic Act No. 6657 nor
13 undermine the protected agricultural areas intended to ensure the attainment of food
14 security under Republic Act No. 8435, otherwise known as the Agriculture and Fisheries
15 Modernization Act (AFMA) and other existing laws: *Provided, finally*, That in the case of
16 lands exempted from conversion and those whose application for conversion has been
17 approved by the DAR, the applicant shall be allowed to proceed with any horizontal or
18 vertical development without need for any prior clearance or approval from the DAR or
19 the DA consistent with the terms of the approved order of conversion.

20 **Sec. 43. Creation of an Advisory Committee.** – The Department, within thirty
21 (30) days from the effectivity of this Act, an advisory committee consisting of key
22 representatives from the urban poor organizations and other marginalized groups,
23 nongovernment organizations, academe, private sector, local government, the
24 Presidential Commission for the Urban Poor (PCUP), and national government
25 agencies shall be created to provide a forum for broader sector participation and
26 dialogue on key housing and urban development issues and policies. The
27 representatives of the urban poor and other marginalized groups shall be selected by
28 their respective National Anti-Poverty Commission (NAPC) sectoral councils.

29 **Sec. 44. Disclosure and Divestment of Financial Interest.** – Before
30 assumption into office, the Secretary, the Undersecretaries and the Assistant
31 Secretaries shall submit to the CSC a list of all companies, partnerships or business
32 enterprises, including non-profit organizations, in which they or any immediate member
33 of their families within the second degree of consanguinity or affinity, have any form of
34 financial interest or employment relationship, including consultancy: *Provided, however*,
35 That all other forms of employment relationship held by the heads of the Offices of the
36 Department shall be immediately terminated upon assumption into office.

1 Within thirty (30) days thereafter, complete divestment of financial interests in
2 any institution, firm or company, which falls under the supervisory or regulatory
3 jurisdiction of the Department shall be made: *Provided, however,* That in cases where
4 confirmation of appointments by the Commission on Appointments is required, the
5 divestment, mandated herein shall be complied within thirty (30) days after such
6 confirmation.

7 The divestment provided in the preceding paragraph shall likewise apply to the
8 members or the immediate members of their families within the second degree of
9 consanguinity having interest in any institution or activity which falls under the regulatory
10 jurisdiction and supervision of the Department and the attached agencies and
11 corporations.

12 **Sec. 45. *Relationship with Other Government Departments.*** – The
13 Department and its priority projects shall enjoy preferential attention from the DENR,
14 DAR, DA, Department of Justice and the LGUs, relative to the issuance of necessary
15 permits and licenses necessary for the implementation of housing and urban
16 development programs and projects.

17 Upon request of the Department or any of its bureaus, all government agencies
18 with functions relative to the approval of the projects of the Departments or its duly
19 authorized and endorsed entities, whether government or private, shall act upon and
20 resolve the matter within ten (10) working calendar days. Toward this end, the Secretary
21 with the approval of the President may establish an inter-agency Secretariat for the
22 purpose of expediting the approval of said projects.

23 **Sec. 46. *Mandatory Review Two (2) Years after the Enactment of this Act.*** –
24 The Department shall review the charters and mandates of attached agencies and
25 corporations and recommend the necessary legislation to ensure consistency with the
26 policy of this Act and avoid duplication of functions or any other dysfunction among the
27 attached agencies and corporations.

28 **Sec. 47. *Formulation of the Implementing Rules and Regulations.*** – Within
29 three (3) months after the approval of this Act, the President shall convene an inter-
30 Agency Committee that shall formulate and issue the appropriate rules and regulations
31 necessary for the efficient and effective implementation of any and all provisions of this
32 Act, including applicable existing housing laws, formation of homeowners association to
33 manage subdivision and condominium projects and avallment of loans on terms easily
34 affordable to all.

35 The Inter-Agency Committee shall be composed of the following:

- 1 (a) The Secretary of the DHUD, as chairman;
- 2 (b) The Secretaries of the DOF, DILG, DAR and DENR;
- 3 (c) The heads of the GSIS, SSS, NHA, NHMFC, REAC, HDMF and HGC;
- 4 (d) The Chairpersons of the Senate Committees on Finance and Housing,
5 Resettlement and Urban Planning; and the House Committees on Government
6 Reorganization, Housing and Urban Development, Government Enterprises and
7 Privatization, and Appropriations;
- 8 (e) Two (2) representatives each from the dominant urban poor organization and the
9 NGOs, to be appointed by the Chairpersons of Joint Congressional Committee; and
- 10 (f) Two (2) representatives each from the respective organizations of real estate
11 brokers, real estate appraisers and real estate consultants.

12 **Sec. 48. Penal Provision.** - The Department shall impose a maximum
13 imposable fine for violations of its standards, rules and regulations should not exceed
14 Five hundred thousand pesos (₱500,000.00): *Provided*, That said limit shall be
15 accordingly adjusted by the Secretary, and such adjustment shall be reflective, but not
16 exceed the annual rate of increase of the Consumer Price Index: *Provided, further*, That
17 the Secretary may adjust such rates not more than once every three (3) years.

18 **Sec. 49. Separability Clause.** - If, for any reason or reasons, any part or
19 provision of this Act shall be held unconstitutional or invalid, other parts or provisions
20 hereof which are not affected thereby shall continue to be in full force and effect.

21 **Sec. 50. Repealing Clause.** - provisions of laws, decrees, orders,
22 proclamations, rules, regulations or parts thereof which are inconsistent herewith are
23 hereby repealed, amended or modified accordingly.

24 **Sec. 51. Effectivity.** - This Act shall take effect fifteen (15) days following its
25 complete publication in at least two (2) national newspapers of general circulation.

26 Approved,