



HOUSE OF REPRESENTATIVES

H. No. 6194

BY REPRESENTATIVES BELMONTE (J.), MACAPAGAL-ARROYO, FUENTEBELLA, BIAZON, CASTELO, BELLO (S.), RAMIREZ-SATO, SUANSING, BATOCABE, CO, MERCADO-REVILLA, DEL ROSARIO (A.G.), BINAY, REVILLA, ZAMORA (R.), CHIPECO, ACOP, BENITEZ, UNGAB, CUA, DEL MAR, BATAOIL AND PRIMICIAS-AGABAS, PER COMMITTEE REPORT NO. 909

AN ACT CREATING THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, DEFINING ITS MANDATES, POWERS AND FUNCTIONS, AND PROVIDING FUNDS THEREFOR

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

CHAPTER I

TITLE AND DECLARATION OF POLICY

SECTION 1. *Short Title.* - This Act shall be known as the "Department of Housing and Urban Development Act".

SEC. 2. *Declaration of Policy.* - The State shall, by law and for the common good, undertake, in cooperation with the private sector, a continuing program of housing and urban development which shall make available at affordable cost, decent housing and basic services to underprivileged and homeless citizens in urban centers and resettlement areas. It shall also promote adequate employment opportunities to such citizens. In the

1 implementation of the program, the State shall respect the rights of small
2 property owners.

3 The State shall pursue the realization of a modern, humane,
4 economically viable, and environmentally sustainable society where the
5 urbanization process is manifest in towns and cities being centers of
6 productive economic activity and is led by market forces; where urban areas
7 have affordable housing, sustainable physical and social infrastructure and
8 services facilitated under a democratic and decentralized system of
9 governance; and where urban areas provide the opportunities for an improved
10 quality of life and the eradication of poverty.

11 The State shall ensure that poor dwellers in urban or rural areas shall
12 not be evicted nor their dwelling demolished, except in accordance with law.

13 In addition, the State shall encourage on-site development in the
14 implementation of housing programs and shall promote the creation of new
15 settlements and development of sustainable urban renewal programs.

16 CHAPTER II

17 DEFINITION OF TERMS

18 SEC. 3. *Definition of Terms.* – As used in this Act:

19 (a) *Attachment* refers to the lateral relationship between a department
20 and the attached agency or corporation for purposes of policy and program
21 coordination, and as defined in the Administrative Code;

22 (b) *Housing* refers to a multidimensional concept relating to the
23 process of residing and the objects of dwelling whose main attributes are
24 location relative to access to livelihood, tenure arrangements, cost and physical
25 structure, as well as their environment. Housing is likewise a physical
26 structure as well as a social structure, functioning at different spatial scales
27 from homes, neighborhoods, communities, municipalities, cities, provinces,
28 and regions. It is also a sector of the economy, an important category of land

1 use in both urban and rural areas, especially in cities, and is an important
2 factor in the overall dynamics of the urban system;

3 (c) *Informal Settler Families (ISFs)* refer to households living in:

4 (1) A lot without consent of the property owner;

5 (2) Danger areas such as esteros, railroad tracks, garbage dumps,
6 riverbanks, shorelines, and waterways;

7 (3) Areas for government infrastructure projects;

8 (4) Protected/forest areas (except for indigenous people);

9 (5) Areas for priority development (APD) as declared in Presidential
10 Decree No. 1967, Series of 1980, if applicable;

11 (6) Other government/public lands or facilities not intended for
12 habitation; and

13 (d) *Urban Development* refers to the process of occupation and use of
14 land or space for such activities as residential, industrial, commercial, and the
15 like or their combinations, necessary to carry out the functions of urban living.
16 It entails the building or rebuilding of more or less permanent structures over
17 land that is often withdrawn or converted from its original use, resulting in the
18 creation of a built environment.

19 CHAPTER III

20 DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

21 *SEC. 4. Creation and Mandate of the Department of Housing and*
22 *Urban Development.* – There is hereby created the Department of Housing
23 and Urban Development, hereinafter referred to as the Department, through
24 the consolidation of the Housing and Urban Development Coordinating
25 Council (HUDCC) and the Housing and Land Use Regulatory Board
26 (HILURB). The Department shall act as the primary national government
27 entity responsible for the management of housing and urban development.
28 It shall be the sole and main planning and policy-making, regulatory,
29 program coordination, and performance monitoring entity for all housing

1 and urban development concerns, primarily focusing on the access to and the
2 affordability of basic human needs.

3 **SEC. 5. Powers and Functions.** – The Department shall:

4 (a) Formulate the national and urban development and housing policy
5 and strategy that is consistent with the Philippine Development Plan to
6 promote social and economic welfare, in coordination and consultation
7 with the stakeholders, local government units (LGUs), and other government
8 agencies;

9 (b) Exercise initiative and assume a lead role in coordinating,
10 supervising, and integrating all government activities relative to housing and
11 urban development;

12 (c) Formulate housing finance policies to promote the establishment of
13 a self-sustaining housing finance system;

14 (d) Develop and maintain a housing database that shall include a
15 shelter and urban development management information system;

16 (e) Develop mechanisms and programs that will initiate and promote
17 the establishment of new settlements and urban renewal programs;

18 (f) Oversee the fast-tracked development and management of
19 proclaimed housing sites, including the use of these land assets as resource
20 mobilization strategy to raise alternative funds in developing new town
21 housing projects which shall serve as central relocation sites for the affected
22 informal settlers;

23 (g) Develop effective and efficient financing programs for housing
24 beneficiaries and developers;

25 (h) Ensure the Department's participation in sustainable development,
26 climate change adaptation, and disaster risk reduction;

27 (i) Enter into contracts, joint venture agreements, public-private
28 partnerships (PPPs), and memoranda of agreement or understanding, either

1 domestic or foreign, under such terms and conditions as the Department may
2 deem proper and reasonable and subject to existing laws;

3 (j) Discharge all responsibilities of the government that may arise
4 from treaties, agreements and other commitments on housing and urban
5 development to which the government is a signatory, including the
6 determination of forms of assistance for housing and urban development to
7 be sourced through bilateral or multilateral loans or assistance programs;

8 (k) Receive, take, and hold by bequest, device, gift, purchase or lease,
9 either absolutely or in trust for any of its purposes, from foreign and domestic
10 sources, any asset, grant or property, real or personal, subject to such
11 limitations provided under existing laws and regulations;

12 (l) Exercise oversight functions, coordinate, monitor and evaluate the
13 policies and programs of all its attached agencies;

14 (m) Conduct continuing and comprehensive studies and research
15 necessary for housing and urban development;

16 (n) Assist LGUs in strengthening the role and building the capability of
17 provinces, cities, and municipalities as the primary entities for urban
18 development and management;

19 (o) Monitor local government compliance with housing and urban
20 development laws, standards and guidelines, as well as on their judicious and
21 fair application of local housing and urban development ordinances;

22 (p) Support local government partnerships with communities, civil
23 society organizations (CSOs), nongovernmental organizations, and private
24 groups in the implementation of urban development and management;

25 (q) Develop and establish a sector performance monitoring and
26 assessment mechanism to monitor and independently report on the
27 performance of national government agencies and LGUs involved in housing
28 and urban development and ensure continuing improvements in sector policy
29 and strategy formulation;

1 (r) Declare an identified area as an Urban Development, New
2 Settlement Site or Renewal Site, and jointly with the concerned LGU, develop
3 and implement subprojects under a PPP arrangement;

4 (s) Advocate for and assist the LGUs in the establishment of a Special
5 Housing Fund (SHF) to be sourced from the proceeds of Real Property Tax
6 (RPT) pegged at one percent (1%) of the assessed value of real property
7 which shall be exclusively used for the new settlement projects with housing
8 and urban development new settlement projects and renewal projects of the
9 LGUs;

10 (t) Conduct the pre- and post-proclamation activities as orchestrator
11 and facilitator of the entire disposition process, including the stewardship of
12 the Local Inter-Agency Committees (LIACs) which are primarily tasked to
13 oversee the implementation of housing proclamation projects;

14 (u) Implement a single regulatory system that shall govern all activities
15 relative to the planning, production, marketing, and management of housing
16 and urban development projects;

17 (v) Declare, upon petition of the homeowners association and after due
18 notice and hearing, a subdivision or condominium project as abandoned and
19 grant the petitioner the authority to take over, cause, or initiate the
20 development and completion of the project at the expense of the owner or
21 developer, jointly and severally: *Provided*, That for purposes of this Act, and
22 where the developer can no longer be located, the roads in the abandoned
23 subdivision project shall become public in character one (1) year after the
24 declaration of abandonment of the project;

25 (w) Encourage private sector participation in the housing industry;

26 (x) Promote and accredit the use of indigenous materials and
27 technologies in housing construction;

1 (y) Implement prototype projects in housing and urban development
2 undertakings, with the right to exercise the power of eminent domain, when
3 necessary;

4 (z) Determine, fix and collect reasonable fees and charges necessary
5 for the effective implementation of all laws, rules and regulations enforced by
6 the Department and impose reasonable fines and penalties for violation
7 thereof;

8 (aa) Register, regulate and provide community development programs
9 for Homeowners Associations (HIOAs), Condominium Units Owners
10 Association/Corporation (CUOA/C) and other housing development
11 associations;

12 (bb) Formulate and implement housing policies and programs for
13 urban poor communities and ISFs that shall promote the social and economic
14 welfare of homeless families, particularly the poor and underprivileged;

15 (cc) Encourage deeper and active participation of a broader spectrum
16 of citizenry through housing cooperatives and CSOs as the avenue for the
17 assessment and recognition of their housing needs and, together with the
18 LGUs, serve as the implementing agencies of their housing and urban
19 development programs; and

20 (dd) Perform other related functions as may be mandated by law.

21 SEC. 6. *Composition.* - The Department shall be composed of the
22 Office of the Secretary, the offices directly supporting the Office of the
23 Secretary, the offices of the undersecretaries and their immediate staff, and its
24 various bureaus and regional offices.

25 SEC. 7. *The Secretary.* - The Secretary shall:

26 (a) Advise the President on matters under the jurisdiction of the
27 Department;

1 (b) Establish policies and standards for the efficient and effective
2 operations of the Department in accordance with the programs of the
3 government;

4 (c) Promulgate rules, regulations, and other issuances necessary in
5 carrying out the Department's mandate, objectives, policies, plans, programs,
6 and projects;

7 (d) Exercise control and supervision over all functions and personnel
8 of the Department;

9 (e) Delegate authority for the performance of any substantive or
10 administrative function to subordinate officials of the Department;

11 (f) Call on other agencies and instrumentalities of the government and
12 private entities for cooperation and assistance to the Department in the
13 performance of its functions; and

14 (g) Perform such other functions as may be provided by law or
15 assigned by the President.

16 The Secretary shall be a voting member of the National Economic and
17 Development Authority (NEDA) Board and the governing Boards of the
18 Social Security System (SSS), the Government Service Insurance System
19 (GSIS), the Climate Change Commission (CCC), the National Disaster Risk
20 Reduction and Management Council (NDRRMC), and the Philippine
21 Reclamation Authority (PRA). The Secretary shall be a member of the
22 NEDA's Committee on Infrastructure (INFRACOM), Investment
23 Coordination Committee (ICC) and Social Development Committee (SDC).
24 The Secretary shall also be a member of the body authorized to formulate,
25 prescribe, or amend guidelines pursuant to Republic Act No. 6957, as
26 amended, otherwise known as the "Build-Operate-Transfer (BOT) Law".

27 SEC. 8. *The Undersecretaries.* – Taking into account the requirements
28 of the Department and subject to the approval of the President, the Secretary
29 shall be assisted by:

1 (a) One (1) Undersecretary for the Bureau of Policy Development and
2 Program Coordination, Monitoring, and Evaluation;

3 (b) One (1) Undersecretary for the Bureau of Environmental, Land Use
4 and Urban Planning and Development;

5 (c) One (1) Undersecretary for the Bureau of Regulation of Housing
6 and Real Estate Development; and

7 (d) One (1) Undersecretary for the Bureau of Homeowners,
8 Homeowners' Associations, and Community Development.

9 They shall have the powers and functions as provided for in Section 10,
10 Chapter 2, Book IV of the Administrative Code of 1987. The Secretary is
11 further authorized to delineate and assign the other functional areas of
12 responsibility of the Undersecretaries.

13 *SEC. 9. Qualifications and Appointment.* - The Secretary and
14 Undersecretaries shall be citizens and residents of the Philippines, of good
15 moral character, and of proven competence and integrity. They shall all be
16 appointed by the President. The Undersecretaries shall be career officers.

17 *SEC. 10. Departmental Bureaus and Regional Offices.* - The
18 Department shall establish, operate, and maintain the following bureaus and
19 other support offices:

20 (a) Policy Development and Program Coordination, Monitoring, and
21 Evaluation Bureau;

22 (b) Environmental, Land Use and Urban Planning and Development
23 Bureau;

24 (c) Housing and Real Estate Development Bureau;

25 (d) Homeowners, Homeowners' Associations, and Community
26 Development Bureau; and

27 (e) Legal and Support Services.

28 There shall be a Regional Office in all administrative regions, headed
29 by a Regional Director.

1 In addition to the existing functions of the HUDCC and the HLURB,
2 the Regional Office shall perform such other functions as may be delegated by
3 the Secretary.

4 SEC. 11. *Staffing Pattern.* – The development of the Department's
5 staffing pattern shall be based on an assessment of the personnel requirements
6 of the entire Department by the Secretary and as approved by the Department
7 of Budget and Management (DBM). The remuneration structure of the
8 positions and the staffing pattern shall strictly conform to the Salary
9 Standardization Law, as amended.

10 CHAPTER IV

11 HUMAN SETTLEMENTS ADJUDICATORY COMMISSION

12 SEC. 12. *Reconstitution of the HLURB as the Human Settlements*
13 *Adjudicatory Commission (HSAC).* – The HLURB is hereby reconstituted and
14 shall henceforth be known as the Human Settlements Adjudicatory
15 Commission, hereinafter referred to as the HSAC, which shall operate as an
16 independent Commission within the Department.

17 The HSAC is a quasi-judicial body with original and exclusive
18 jurisdiction over all issues and controversies arising from the interpretation
19 and implementation of Republic Act No. 7279, otherwise known as the
20 "Urban Development and Housing Act of 1992", all amendments thereto, and
21 its implementing rules and regulations (IRR).

22 SEC. 13. *Transfer of Adjudicatory Function of the HLURB to the*
23 *HSAC.* – The adjudicatory function of the HLURB is hereby transferred to the
24 HSAC.

25 SEC. 14. *Composition and Qualification of Members.* – The HSAC
26 shall be composed of the Secretary and nine (9) full time Commissioners:
27 *Provided,* That the term of the incumbent Commissioners shall be respected:
28 *Provided, further,* That the subsequent appointees of the President shall be
29 members of the Philippine Bar, of which three (3) Commissioners shall have

1 experience in urban development planning, sustainable development, climate
2 change adaptation, and disaster risk reduction; three (3) shall be nominees of
3 the urban poor and homeowners' associations; and three (3) shall come from
4 the private sector.

5 The Commissioners must have been engaged in the practice of law for a
6 period of at least five (5) years prior to their appointment.

7 The Commissioners shall hold office for six (6) years or until they
8 become incapacitated to discharge the duties of their office, whichever comes
9 earlier.

10 No person who has been convicted of a crime involving moral turpitude
11 shall be appointed at any time as a Member of the IISAC.

12 The most senior Commissioner shall be the Presiding Commissioner of
13 the First Division and the two (2) next senior Members shall be the Presiding
14 Commissioners of the Second and Third Divisions, respectively: *Provided*,
15 That each Division that shall be composed of three (3) members shall have one
16 (1) member representing the urban poor communities or the homeowners and
17 homeowners' associations.

18 For the purpose of this Act, precedence in seniority shall be determined
19 in the order in which the appointments were issued by the President.

20 **SEC. 15. Exercise of Adjudicatory Function and Other Powers.** – The
21 IISAC, sitting *en banc* and presided over by the Secretary, shall promulgate
22 the rules and regulations governing the hearing and disposition of cases before
23 any of its Divisions and its arbiters in its Regional Offices, and shall formulate
24 policies effecting its administration and operations.

25 The IISAC shall exercise its adjudicatory and all other powers,
26 functions, and duties through its Divisions. The Divisions of the IISAC shall
27 have exclusive appellate jurisdiction over cases decided by its Arbiters.

28 The HSAC sitting *en banc* may, on temporary or emergency basis,
29 allow cases within the jurisdiction of any Division to be heard and decided by

1 any other Division whose docket allows the additional workload: *Provided,*
2 That the transfer shall not expose litigants to unnecessary additional expense.

3 The HSAC sitting *en banc* may designate any Commissioner who shall
4 exercise administrative supervision over the HSAC and its Regional branches
5 and all their personnel, including the Arbiters.

6 The HSAC shall be assisted by the Board Secretariat which shall
7 perform such similar or equivalent functions of the Board Secretary of the
8 HLURB.

9 SEC. 16. *Decisions and Resolutions.* - The concurrence of two (2)
10 Commissioners of a Division shall be necessary for the pronouncement of a
11 judgment or resolution. Whenever the required membership in a Division is
12 not complete and the concurrence of two (2) Commissioners to arrive at a
13 judgment or resolution cannot be obtained, the most senior Commissioner
14 shall designate into the Division such number of additional Commissioners
15 from the other Divisions as may be necessary.

16 The conclusions of a Division on any case submitted to it for decision
17 shall be reached through consultation before the case is assigned to a Member
18 for the writing of the decision. It shall be mandatory for the Division to meet
19 for purposes of the consultation ordained herein. A certification to this effect,
20 signed by the Presiding Commissioner of the Division, shall be issued and a
21 copy shall be attached to the record of the case and served upon the parties.

22 SEC. 17. *Compensation.* - A Commissioner shall receive an annual
23 salary of at least equivalent to an Undersecretary.

24 The incumbent full time Commissioners of the present HLURB
25 pursuant to Executive Order No. 648, Series of 1981 "Reorganizing the
26 Human Settlements Regulatory Commission" shall remain in office unless
27 they opt to avail of the retirement and separation benefits as provided for in
28 Section 33 of this Act, or are sooner removed for cause.

1 **SEC. 18. Jurisdiction.** – In addition to the existing jurisdiction of the
2 **HLURB, the Arbiters shall exercise original and exclusive jurisdiction over**
3 **cases involving the following matters:**

4 **(a) Cases involving real estate properties, subdivisions, and**
5 **condominiums:**

6 **(1) Squatting on subdivision lots and condominium units;**

7 **(2) Cases arising from any violation of the mandatory requirements in**
8 **the execution of eviction or demolition involving underprivileged and**
9 **homeless citizens under Section 28 on Eviction and Demolition of Republic**
10 **Act No. 7279, otherwise known as the “Urban Development and Housing Act**
11 **of 1992”;**

12 **(3) Disputes involving buyer financing agreements with any financing**
13 **institution for condominium or subdivision projects;**

14 **(4) Easements of right of way in subdivisions;**

15 **(5) Intra-corporate disputes involving condominium corporations;**

16 **(6) Disputes between landowners and developers, and between**
17 **banks/financing institutions and developers whenever the interest of buyers is**
18 **involved; and**

19 **(7) Disputes involving the enforcement of Comprehensive Land Use**
20 **Plans (CLUPs).**

21 **(b) Violations of administrative rules and regulations implementing**
22 **Section 7 on Inventory of Lands, Section 8 on Identification of Sites for**
23 **Socialized Housing, Section 18 on Balanced Housing Development, and**
24 **Section 28 on Eviction and Demolition of Republic Act No. 7279.**

25 **(c) Cases submitted by parties which shall be heard and decided within**
26 **ninety (90) days:**

27 **(1) Unsound and fraudulent real estate business practices;**

28 **(2) Claims for refund against project owners, developers, dealers,**
29 **brokers, or salespersons;**

1 (3) Specific performance of contractual and statutory obligations filed
2 by buyers of subdivision lots, or house and lots, or of condominium units
3 against the project owner, developer, dealer, broker or salesperson;

4 (4) Cases for nullity of mortgage filed by the unit buyer against the
5 developer as mortgagor and the financial institution as mortgagee;

6 (5) Cases filed by subdivision or condominium owners or developers
7 against lot or unit buyers relating to subdivision and condominium contracts,
8 but not limited to, the collection of unpaid amortizations;

9 (6) Other related cases arising from contractual or statutory obligations
10 of owners, dealers, brokers, or salespersons toward a lot or house and lot or
11 unit buyers; and

12 (7) Intra and intercorporate disputes between and among
13 homeowners' associations.

14 The Secretary may assume jurisdiction over any complaint or case and
15 decide the same or certify such case for decision to the HSAC, when
16 authorized by both Houses of Congress through a resolution, if the
17 controversy involves massive fraud or unsound business practices of critical
18 socioeconomic or environmental considerations that may have serious
19 potential impact on the interests of the sector or the general welfare.

20 *SEC. 19. Powers and Authorities of the HSAC.* – In addition to the
21 adjudicatory powers given to the HLURB, the HSAC shall:

22 (a) Issue writs and orders prohibiting demolitions, seizures, or closures
23 of property including temporary writs or orders restraining demolitions,
24 seizures, and closures of property;

25 (b) Issue writs and orders to execute demolitions, seizures, or closures
26 of property in accordance with its decision or judgment;

27 (c) Impose administrative fines or penalties, or both, for violation of
28 Republic Act No. 7279, as amended, and other laws implemented by the
29 HSAC, including pertinent rules and regulations, orders, decisions, or rulings:

1 *Provided*, That the HSAC may adjust such fines not more than once every
2 three (3) years; and

3 (d) Exercise such other powers as are implied, necessary, or incidental
4 to carry out the express powers granted to the HSAC or to achieve the
5 objectives and purposes of this Act, and other laws implemented by the
6 HSAC.

7 **SEC. 20. *Institution of Criminal Prosecution.*** – The criminal
8 prosecution of violations of housing laws and regulations shall be instituted
9 before the appropriate criminal courts.

10 **SEC. 21. *The Arbiters: Qualifications and Appointment.*** – The
11 existing HLURB Arbiters shall be deemed qualified. Henceforth, additional
12 Arbiters that shall be appointed must have been a member of the Philippine
13 Bar for at least three (3) years, with at least two (2) years of experience or
14 exposure in the field of real estate and land use development cases.

15 The President, upon the recommendation of the Secretary, shall appoint
16 Arbiters, as may be necessary, for each administrative region, upon the
17 recommendation of the HSAC *en banc*.

18 The HSAC *en banc* shall have the power to assign the Arbiters to the
19 Regional Offices.

20 **SEC. 22. *The Sheriff.*** – The HSAC shall appoint a Sheriff or such
21 number of Sheriffs in its Central and Regional branches. To be appointed as
22 Sheriff, one must be a second grade Civil Service eligible and must have
23 completed at least two (2) years of college. The Sheriff shall be responsible
24 for the service and execution of all writs, summons, orders, and other
25 processes of the HSAC.

26 **SEC. 23. *Appeals.*** – Decisions, awards, or orders of the Arbiters shall
27 be final and executory unless appealed to the HSAC within fifteen (15)
28 calendar days from receipt of the decisions, awards, or orders. The appeal may
29 be entertained only on any of the following grounds:

1 (a) If there is *prima facie* evidence of abuse of discretion on the part of
2 the Arbiters in rendering the questioned decision, award, or order;

3 (b) If the decision, order, or award was secured through fraud or
4 coercion, including graft and corruption;

5 (c) If the appeal is made purely on questions of law; and

6 (d) If serious errors in the findings of facts are raised, which
7 errors would cause grave or irreparable damage or injury to the
8 appellant.

9 The decision of the HSAC upon any disputed matter may be brought to
10 the Court of Appeals on a question of law and facts by way of a petition for
11 review. For this purpose, the procedure on appeals from the regional trial
12 court shall be followed as far as practicable and consistent with the purpose
13 of this Act. An appeal from a decision of the HSAC must be filed
14 within fifteen (15) calendar days from notice of judgment, award, or order
15 sought to be appealed, pursuant to Rule 43 of the Rules of Court. If the
16 decision of the HSAC involves only questions of law, the same shall be
17 reviewed by the Supreme Court. No appeal bond shall be required. No
18 appeal shall act as a *supersedeas* or a stay of the order of the HSAC, unless
19 the HSAC itself, or the Court of Appeals or the Supreme Court, shall so
20 order.

21 **SEC. 24. Prohibition Against Restraining Order or Injunction.** – No
22 lower court of the Philippines shall have jurisdiction to issue any restraining
23 order, or writ of preliminary injunction, or permanent injunction against the
24 HSAC or its Arbiters in any case, dispute, or controversy arising from,
25 necessary to, or in connection with the application, implementation,
26 enforcement, or interpretation of this Act and other pertinent laws on housing
27 and on just and humane eviction or demolition procedures.

28 **SEC. 25. Pending Cases.** – All cases pending in regular courts arising
29 from or in connection with the implementation of pertinent laws on housing

1 and on just and humane eviction and demolition procedures, shall continue to
2 be heard, tried, and decided to their finality by such courts.

3 CHAPTER V

4 ATTACHED AGENCIES

5 SEC. 26. *Attached Agencies and Corporations.* - The following
6 agencies and corporations are hereby attached to the Department for policy
7 and program coordination, monitoring and evaluation:

- 8 (a) National Housing Authority (NHA);
9 (b) Home Guaranty Corporation (HGC);
10 (c) National Home Mortgage Finance Corporation (NHMFC);
11 (d) Home Development Mutual Fund (HDMF); and
12 (e) Social Housing Finance Corporation (SHFC).

13 SEC. 27. *Nature of Attachment.* - Any provision of law, or the
14 respective charters of the abovementioned corporations and agencies to the
15 contrary notwithstanding, the Secretary shall, in a concurrent capacity, be the
16 *ex officio* Chairperson of the respective boards of the NHA, HGC, NHMFC,
17 HDMF, and SHFC.

18 The agencies shall continue to function according to existing laws and
19 their respective charters. However, each of the heads of the attached
20 agencies shall enter into a performance contract annually with the Secretary.
21 Such contracts shall embody the national targets on housing and
22 urban development and shall include the overall administration of the
23 agency.

24 The reorganization, merger, streamlining of functions, abolition,
25 or privatization of any attached government-owned and/or -controlled
26 corporation (GOCC) shall be implemented with the concurrence of the
27 Secretary pursuant to Republic Act No. 6656, entitled "An Act to Protect the
28 Security of Tenure of Civil Service Officers and Employees in the
29 Implementation of Government Reorganization".

1 (a) The transfer to the Department of the assets, equipment, funds,
2 records, and pertinent transactions of the HUDCC and the HLURB; and

3 (b) The submission of the Department and the HISAC of a request to
4 the DBM for the creation of additional positions and the augmentation of their
5 budget appropriations as may be needed.

6 *SEC. 32. Absorption of Employees of the Consolidated Agencies. —*
7 The present career employees of the HUDCC and the HLURB shall enjoy
8 security of tenure and shall be absorbed by the Department, in accordance with
9 its staffing pattern and selection process as prescribed under Republic Act No.
10 6656, unless they are separated from the service by virtue of the reorganization
11 resulting from this Act, or opt and are qualified to retire from service.

12 *SEC. 33. Separation from the Service. —* Unless absolutely required,
13 no employee shall be separated from the service as a result of any
14 reorganization or consolidation under the provisions of this Act. Nonetheless,
15 employees so separated or phased out from the service shall, within one (1)
16 month from their separation or phase out from the service, receive separation
17 benefits in accordance with existing laws.

18 In addition, those who desire and are qualified to retire shall be entitled
19 to all benefits provided under the existing retirement laws.

20 *SEC. 34. Transfer of Rights and Obligations. —* The Department shall,
21 by virtue of this Act, be subrogated to all rights and assume all the liabilities of
22 the HUDCC and all other agencies of the government whose functions and
23 powers have been transferred to it, and all their pertinent funds, records,
24 property, assets, equipment and such personnel, including unexpended
25 portions of their appropriations.

26 *SEC. 35. Implementing Rules and Regulations. —* The Secretary shall
27 prepare and issue the implementing rules and regulations (IRR) of the
28 Department within ninety (90) days upon the effectivity of this
29 Act.

CHAPTER VII

FUNDING

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3 **SEC. 36. *Funding.*** – The amount necessary for the initial
4 implementation of the provisions of this Act shall be charged against the
5 current year's appropriations of the IUDCC and the HLURB. Thereafter,
6 such sums as may be necessary for the continued implementation of this Act
7 shall be included in the annual General Appropriations Act.

CHAPTER VIII

FINAL PROVISIONS

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10 **SEC. 37. *Identification and Designation of Lands for Housing and***
11 ***Urban and Rural Development.*** – For the purpose of designating lands for
12 housing and urban and rural development, the Department of Environment and
13 Natural Resources (DENR), the Department of Agrarian Reform (DAR) and
14 the Department of Agriculture (DA) shall, within one hundred eighty (180)
15 days from the effectivity of this Act, jointly identify agricultural lands which,
16 under Republic Act No. 6657, otherwise known as the Comprehensive
17 Agrarian Reform Law of 1988, and other existing laws, rules and regulations
18 are already exempted from conversion requirements: *Provided*, That the list
19 shall exclude lands that are declared as nonnegotiable or protected from
20 conversion under existing laws and issuances and those lands covered under
21 Republic Act No. 6657: *Provided, further*, That the designation of lands for
22 housing and urban and rural development purposes shall neither prejudice the
23 rights of qualified beneficiaries under Republic Act No. 6657, nor undermine
24 the protected agricultural areas intended to ensure the attainment of food
25 security under Republic Act No. 8435, otherwise known as the "Agriculture
26 and Fisheries Modernization Act of 1997" (AFMA) and other existing laws:
27 *Provided, furthermore*, That in the case of lands exempted from conversion
28 duly approved by the DAR and contested by an affected individual or
29 community beneficiaries, no horizontal or vertical development by the

1 individual or community beneficiary shall be allowed without prior clearance
2 or approval from the DAR or the DA, consistent with the terms of the
3 approved order or conversion: *Provided, finally*, That all idle government
4 lands in highly urbanized cities are hereby prioritized for housing and urban
5 development purposes.

6 **SEC. 38. *Creation of Social Housing One-Stop Processing Centers***
7 **(SHOPCs).** – The Department shall establish SHOPCs in all administrative
8 regions of the country. The SHOPCs shall be responsible for the centralized
9 processing and issuance of all required housing-related permits, clearances,
10 and licenses in accordance with Executive Order No. 45, Series of 2001,
11 entitled “Prescribing Time Periods for Issuance of Housing Related
12 Certifications, Clearances and Permits, and Imposing Sanctions for Failure to
13 Observe the Same”: *Provided*, That for the foregoing purpose, the respective
14 ceilings for socialized, low cost/economic and middle-income housing shall be
15 jointly determined by the Department and the NEDA: *Provided, further*, That
16 at any time, but not more than once every two (2) years, such ceilings may be
17 reviewed or revised to conform to prevailing economic conditions. All
18 agencies involved in the issuance of said permits, clearances, and licenses
19 shall be represented in the SHOPC and shall assign SHOPC personnel from
20 regional centers who shall be sufficiently authorized to process and issue the
21 same.

22 **SEC. 39. *Mandatory Review on the Implementation of this Act.*** – The
23 Department shall conduct a review on the implementation of this Act and shall
24 submit to Congress a report on its findings at the end of the second year from
25 the date of the effectivity of this Act.

26 **SEC. 40. *Separability Clause.*** – If, for any reason or reasons, any
27 portion or provision of this Act shall be held unconstitutional or invalid, the
28 remaining provisions not affected thereby shall continue to be in full force and
29 effect.

1 *SEC. 41. Repealing Clause.* - All laws, executive orders,
2 proclamations, rules, regulations and other issuances or parts thereof which are
3 inconsistent with the provisions of this Act are hereby repealed, amended or
4 modified accordingly.

5 *SEC. 42. Effectivity.* - This Act shall take effect fifteen (15) days after
6 its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,

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