



HOUSE OF REPRESENTATIVES

H. No. 6775

BY REPRESENTATIVES BELMONTE (J.C.), MACAPAGAL-ARROYO, BIAZON, ROMUALDEZ, CASTELO, NIETO, ROMERO, VILLARIN, BAGATSING, VILLARICA, DALIPE, DE VENECIA, OLIVAREZ, SUANSING (E.), BULUT-BEGTANG, BORDADO, MANALO, PRIMICIAS-AGABAS, BELMONTE (R.), ALVAREZ (P.), FARIÑAS, SUAREZ, ROMUALDO, BENITEZ, NOGRALES (K.A.), LACSON, SALO, BERTIZ, PADUANO, SARMIENTO (E.M.), PINEDA, NAVA, ABU, PALMA, MONTORO, ESCUDERO, GO (M.), TUGNA, LANETE, HOFER, TEJADA, BATAOIL, ALONTE, TAN (A.), LAOGAN, DEL MAR, YAP (A.), SANGCOPAN AND TAMBUNTING, PER COMMITTEE REPORT NO. 532

AN ACT CREATING THE DEPARTMENT OF HUMAN SETTLEMENTS AND URBAN DEVELOPMENT, DEFINING ITS MANDATE, POWERS AND FUNCTIONS, AND APPROPRIATING 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 Human Settlements and Urban Development Act".

SEC. 2. *Declaration of Policy.* - The State shall, by law and for the common good, undertake, in cooperation with the relevant

1 sectors, a continuing program of housing and urban development
2 which shall make available at affordable cost, decent housing and
3 basic services to underprivileged and homeless citizens in urban
4 centers and resettlement areas. It shall also promote adequate
5 employment opportunities to such citizens. In the implementation
6 of the program, the State shall respect the rights of small property
7 owners.

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

17 The State shall ensure that poor dwellers in urban and rural
18 areas shall not be evicted nor their dwelling demolished, except in
19 accordance with law.

20 In addition, the State shall, in the implementation of housing
21 and urban development programs, guarantee the preservation of
22 agricultural lands necessary for food security.

23 CHAPTER II

24 DEFINITION OF TERMS

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

26 (a) *Attachment* refers to the lateral relationship between a
27 department and the attached agency or corporation for purposes of

1 policy and program coordination, and as defined in the
2 Administrative Code;

3 (b) *Housing* refers to a multidimensional concept relating to
4 the process of residing and the objects of dwelling whose main
5 attributes are location relative to access to livelihood, tenure
6 arrangements, cost and physical structure, as well as their
7 environment. Housing is likewise a physical structure as well as a
8 social structure, functioning at different spatial scales from homes,
9 neighborhoods, communities, municipalities, cities, provinces, and
10 regions. It is also a sector of the economy, an important category of
11 land use in both urban and rural areas, especially in cities, and is
12 an important factor in the overall dynamics of the urban system;

13 (c) *Human settlements* refer to the integrative concept that
14 comprise of: (1) physical components of shelter and infrastructure;
15 and (2) community services to which the physical elements provide
16 support, such as education, livelihood, health, culture, welfare,
17 recreation, food, nutrition, and other basic services;

18 (d) *Informal settler families (ISFs)* refer to households living
19 in a lot, whether private or public, without the consent of the
20 property owner; or those without legal claim over the property they
21 are occupying; or those living in danger areas such as esteros,
22 railroad tracks, garbage dumps, riverbanks, shorelines, and
23 waterways;

24 (e) *Socialized housing* refers to housing programs and
25 projects covering houses and lots or homelots only or residential
26 condominium units undertaken by the government or the private
27 sector for the underprivileged and homeless citizens which shall

1 include sites and services development, long-term financing,
2 liberalized terms on interest payments, and such other benefits in
3 accordance with the provisions of Republic Act No. 10884; and

4 (f) *Urban development* refers to the process of occupation and
5 use of land or space for such activities as residential, industrial,
6 commercial, and the like or their combinations, necessary to carry
7 out the functions of urban living. It entails the building or
8 rebuilding of more or less permanent structures over land that is
9 often withdrawn or converted from its original use, resulting in the
10 creation of a built environment.

11 CHAPTER III

12 DEPARTMENT OF HUMAN SETTLEMENTS AND URBAN DEVELOPMENT

13 SEC. 4. *Creation and Mandate of the Department of Human*
14 *Settlements and Urban Development.* – There is hereby created the
15 Department of Human Settlements and Urban Development,
16 hereinafter referred to as the Department, through the
17 consolidation of the Housing and Urban Development Coordinating
18 Council (HUDCC) and the Housing and Land Use Regulatory Board
19 (HLURB). The Department shall act as the primary national
20 government entity responsible for the management of housing,
21 human settlement and urban development. It shall be the sole
22 and main planning and policy-making, regulatory, program
23 coordination, and performance monitoring entity for all housing,
24 human settlement and urban development concerns, primarily
25 focusing on the access to and the affordability of basic human needs.
26 It shall develop and adopt a national strategy to immediately
27 address the provision of adequate and affordable housing to all

1 Filipinos, and shall ensure the alignment of the policies, programs,
2 and projects of all its attached agencies to facilitate the achievement
3 of this objective.

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

5 (a) On Policy Development, Coordination, Monitoring and
6 Evaluation

7 (1) Formulate national housing and urban development
8 policies and strategies that are consistent with the Philippine
9 Development Plan to promote social and economic welfare, in
10 coordination and consultation with stakeholders, local government
11 units (LGUs), and other government agencies;

12 (2) Formulate housing finance policies, recommend and
13 facilitate the development of mechanisms that promote and
14 harmonize, among others, the establishment of a self-sustaining
15 housing finance system and relevant housing subsidy programs in
16 coordination with the appropriate agencies;

17 (3) Formulate and implement housing policies and programs,
18 in coordination with key shelter agencies (KSAs) for urban poor
19 communities and ISFs that shall promote the social and economic
20 welfare of homeless families, particularly the poor and the
21 underprivileged;

22 (4) Conduct continuing and comprehensive studies and
23 research necessary for housing and urban development; and

24 (5) In the exercise of oversight functions, develop and
25 establish a sector performance monitoring and assessment
26 mechanism to accurately and independently report on the
27 performance of national government agencies and LGUs involved in

1 the housing and urban development and ensure continuing
2 improvements in sector policy and strategy information.

3 (b) On Environmental, Land Use and Urban Planning and
4 Development

5 (1) Develop and maintain a shelter and urban development
6 management and monitoring information system which shall
7 include the following data sets: inventory of idle lands,
8 comprehensive land use plans, inventory of housing stock, and a list
9 of beneficiaries;

10 (2) Provide technical assistance to LGUs to strengthen their
11 role and build the capability of provinces, cities, and municipalities
12 as the primary entities for housing and urban development and
13 management, such as the formation of a Local Housing Board
14 (LHB) or similar entity, and preparation of the comprehensive land
15 use plan (CLUP) and local shelter plans (LSP), and ensure local
16 government compliance with housing and urban development laws,
17 standards, and guidelines;

18 (3) Advocate for and assist the LGUs in the establishment of
19 a Special Housing Fund (SHF) which shall be exclusively used for
20 the new settlement projects with housing and urban development,
21 and new settlement and renewal projects of the LGUs;

22 (4) Own and administer government-owned lands, whether
23 owned by the national government or any of its subdivisions,
24 instrumentalities, or agencies, including government-owned
25 or -controlled corporations (GOCCs) and their subsidiaries, which
26 have not been used for the purpose for which they have been
27 reserved or set aside for at least ten (10) years and identified as

1 suitable for urban development, particularly for housing purposes:
2 *Provided*, That the lands held in trust by the GOCCs for and on
3 behalf of their members shall be excluded from the coverage hereof;

4 (5) Formulate and prescribe land use planning and zoning
5 standards and regulations for the guidance of cities and
6 municipalities in the formulation of their respective comprehensive
7 land use plans; and

8 (6) Develop and implement a comprehensive plan for the
9 establishment of government centers in the country.

10 (c) On Housing and Real Estate Development

11 (1) Develop mechanisms and implement programs, in
12 coordination with KSAs and concerned agencies, that will initiate
13 and promote the establishment of estate and new towns, new
14 settlements, urban renewal programs, and prototypes of housing
15 and urban development interventions, while facilitating the
16 participation therein of local government partnerships with
17 communities, civil society organizations, nongovernment
18 organizations, and private groups;

19 (2) Manage and oversee the development of government lands
20 and proclaimed housing sites, and use these assets when necessary,
21 to tap alternative resources for the development of housing projects,
22 either by itself or through its attached agencies;

23 (3) Implement a single regulatory system that shall govern
24 all activities relative to the planning, production, marketing, and
25 management of housing and urban development projects; and

26 (4) Take over unfinished, incomplete or abandoned licensed
27 real estate development projects under Presidential Decree No. 957,

1 otherwise known as "The Subdivision and Condominium Buyer's
2 Protective Decree", in coordination with the appropriate
3 government agencies and instrumentalities, under such guidelines
4 as may be formulated, and regulate the use of road and street
5 systems of said projects.

6 (d) On Homeowners' Association and Community
7 Development

8 (1) Register, regulate, and provide community development
9 programs for homeowners' associations (HOAs) and condominium
10 units owners associations/corporations (CUOAs/Cs) and other
11 housing development associations;

12 (2) Provide technical assistance to encourage housing
13 cooperatives and civil society organizations to serve as the
14 implementing agencies of their housing and urban development
15 programs; and

16 (3) Promote integrated approaches that provide decent
17 housing, suitable living environments, and expanded economic
18 opportunities for low and moderate income persons by developing
19 partnerships among all levels of government and the private sector,
20 including for-profit and nonprofit organizations.

21 (e) On Other Powers and Functions

22 (1) Open roads of subdivisions to the public when the general
23 welfare requires it upon consultation with stakeholders;

24 (2) Enter into contracts, joint venture agreements,
25 public-private partnerships, and memoranda of agreement or
26 understanding, either domestic or foreign, under such terms and

1 conditions as the Department may deem proper and reasonable, and
2 subject to existing laws;

3 (3) Receive, take, and hold by bequest, devise, gift, purchase,
4 or lease, either absolutely or in trust for any of its purposes, from
5 foreign and domestic sources, any asset, grant, or property, real or
6 personal, subject to such limitations provided under existing laws
7 and regulations;

8 (4) Discharge all responsibilities of government that may
9 arise from treaties, agreements and other commitments on housing
10 and urban development to which the government is a signatory,
11 including the determination of forms of assistance for housing and
12 urban development to be sourced through bilateral or multilateral
13 loans or assistance programs;

14 (5) Determine, fix, and collect reasonable amounts to be
15 charged as fees and charges necessary for the effective
16 implementation of all laws, rules, and regulations enforced by the
17 Department and impose reasonable fines and penalties for violation
18 thereof: *Provided*, That income generated from fees, fines, charges,
19 and other collections shall be deposited to the National Treasury;

20 (6) Recommend new legislation and amendments to existing
21 laws as may be necessary to attain the government's objectives in
22 housing; and

23 (7) Perform such functions and activities, as may be
24 mandated by law, which are necessary for the effective performance
25 of the abovementioned objectives.

26 SEC. 6. *Composition.* - The Department shall be composed
27 of the Office of the Secretary and the various bureaus, services and

1 regional offices. The Office of the Secretary shall house the Office of
2 the Department Secretary, the Offices of the Undersecretaries, the
3 Offices of the Assistant Secretaries and their immediate support
4 staff.

5 SEC. 7. *The Secretary.* – The Secretary shall be appointed by
6 the President and shall perform the following functions:

7 (a) Advise the President of the Republic of the Philippines on
8 matters under the jurisdiction of the Department;

9 (b) Promulgate rules, regulations, and other issuances
10 necessary to carry out the Department's mandate, objectives,
11 policies, plans, programs, and projects;

12 (c) Establish policies and standards for the efficient and
13 effective operations of the Department in accordance with the
14 programs of the government;

15 (d) Appoint officers and employees of the Department,
16 excluding the undersecretaries, assistant secretaries, and regional
17 and assistant regional directors, in accordance with the Civil
18 Service laws, rules and regulations;

19 (e) Exercise control and supervision over all functions and
20 personnel of the Department;

21 (f) Recommend to the President, in coordination with the
22 Governance Commission for GOCCs (GCG), the reorganization,
23 rearrangement, restructuring, or transfer of the powers and
24 functions of its attached agencies from one to another except those
25 which are adjudicatory in nature: *Provided*, That no attached
26 agency shall be abolished without the approval of the Congress in
27 the exercise of its oversight functions;

1 (g) Coordinate with other agencies and instrumentalities of
2 the government and private entities for cooperation and assistance
3 to the Department in the performance of its functions;

4 (h) Formulate such rules and regulations and exercise such
5 other powers as may be required to implement the objectives of this
6 Act;

7 (i) Implement the provisions of this Act, including the
8 necessary organizational changes within the specified six (6)-month
9 transition period as provided for under Section 27 of this Act; and

10 (j) Perform such other functions as may be provided by law or
11 assigned by the President.

12 The Secretary shall also serve as a voting member of the
13 National Economic and Development Authority (NEDA) Board, the
14 governing Boards of the Climate Change Commission (CCC), the
15 National Disaster Risk Reduction and Management Council
16 (NDRRMC), and the National Land Use Committee (NLUC). The
17 Secretary shall be a member of the NEDA Committee on
18 Infrastructure (INFRACOM), Investment Coordinating Committee
19 (ICC), and Social Development Committee (SDC). The Secretary
20 shall also be a member of the body authorized to formulate,
21 prescribe, or amend guidelines under Republic Act No. 6957, as
22 amended, otherwise known as the Build-Operate-Transfer (BOT)
23 Law.

24 SEC. 8. *The Undersecretaries.* – The Secretary shall be
25 assisted by four (4) Undersecretaries and four (4) Assistant
26 Secretaries, who shall be appointed by the President upon the
27 recommendation of the Secretary: *Provided, That* at least two (2) of

1 the Undersecretaries and at least two (2) of the Assistant
2 Secretaries shall be career officers.

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

7 As far as practicable, each of the Undersecretaries shall be
8 assigned to perform each of the functional areas of responsibility of
9 the Department.

10 SEC. 9. *Qualifications and Appointment.* – No person shall
11 be appointed Secretary, Undersecretary and Assistant Secretary of
12 the Department unless one is a citizen and resident of the
13 Philippines, of good moral character, of proven integrity,
14 competence and expertise in housing, urban planning and
15 development.

16 SEC. 10. *Department Bureaus and Regional Offices.* – The
17 Department shall establish, operate, and maintain the following
18 Bureaus and other support offices:

19 (a) Policy Development, Coordination, Monitoring and
20 Evaluation;

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

23 (c) Housing and Real Estate Development;

24 (d) Homeowners' Association and Community Development;

25 and

26 (e) Legal and Support Services.

1 SEC. 13. *Composition.* – The HSAC shall be composed of the
2 following:

3 (a) *Commission En Banc* – The *Commission En Banc* shall be
4 composed of the Secretary, as Chairperson; the Executive
5 Commissioner, as Vice Chairperson; and the nine (9)
6 Commissioners, as members. The Commission shall sit *en banc*
7 only for purposes of promulgating rules and regulations governing
8 the hearing and disposition of cases before any of its Divisions and
9 Regional Adjudication Branches, and formulating policies affecting
10 its administration and operations.

11 The Executive Commissioner and the nine (9) Commissioners
12 shall be appointed by the President of the Republic of the
13 Philippines upon the recommendation of the Secretary of the
14 Department. The Executive Commissioner shall be responsible for
15 the administration and operations of the HSAC, including the
16 supervision of personnel, and shall be assisted by the Executive
17 Clerk of the HSAC: *Provided*, That, in the absence of the Executive
18 Commissioner, the Presiding Commissioner of the First Division
19 shall be the Acting Executive Commissioner. The Executive
20 Commissioner may be replaced any time by the President from
21 among the Commissioner;

22 (b) *Divisions* – The HSAC shall be divided into three (3)
23 Divisions composed of three (3) Commissioners each, with the most
24 senior Commissioner as Presiding Commissioner of the First
25 Division, and the next two (2) senior Commissioners as Presiding
26 Commissioners of the Second and Third Divisions: *Provided*, That,
27 for purposes of this Act, precedence in seniority shall be determined

1 in the order in which the appointments were issued by the
2 President. The Commission, when acting through its Divisions,
3 shall be assisted by their respective Division Clerks of the HSAC in
4 the performance of such similar or equivalent functions and duties
5 as are discharged by the Division Clerks of Court of the Court of
6 Appeals.

7 The HSAC shall exercise its appellate jurisdiction and all its
8 powers through its Divisions. The First and Second Divisions shall
9 handle cases exclusively from Luzon and the Third Division, cases
10 exclusively from the Visayas and Mindanao: *Provided*, That the
11 Commission sitting *en banc* may, on temporary or emergency basis,
12 allow cases within the jurisdiction of any Division to be heard and
13 decided by any other Division whose docket allows the additional
14 workload and such transfer will not expose litigants to unnecessary
15 additional expense; and

16 (c) Regional Adjudication Branch – There shall be as many
17 Regional Adjudication Branches as there are Regional Offices of the
18 Department. The President shall appoint the Regional Executive
19 Adjudicators and as many Regional Adjudicators as may be
20 necessary upon the recommendation of the Secretary. The Regional
21 Executive Adjudicator and Regional Adjudicator shall be assisted by
22 the Branch Clerk of the HSAC in the performance of such similar or
23 equivalent functions and duties as are discharged by the Clerk of
24 Court of the Regional Trial Courts.

25 SEC. 14. *Qualifications, Term of Office and Compensation.* –
26 The qualifications, term of office and compensation are as follows:

1 (a) Commissioners – The Commissioners must be natural
2 born citizens of the Philippines, of good moral character, have been
3 engaged in the practice of law and members of the Philippine Bar, of
4 good standing for a period of at least ten (10) years prior to the
5 appointment: *Provided*, That three (3) Commissioners each shall be
6 nominees of the planning sector, urban poor and homeowners'
7 associations, and the real estate trade or business, with experience
8 in urban development planning, sustainable development, climate
9 change adaptation, disaster risk reduction and/or real estate
10 development.

11 The Commissioners shall hold office for six (6) years. In case
12 of death, permanent disability, removal from office, resignation and
13 incapacity to discharge the duties of office, the person appointed as
14 Commissioner shall only serve the unexpired term: *Provided*, That
15 the term of office of the incumbent Commissioners shall be
16 respected.

17 The most senior Commissioner shall receive an annual salary
18 equivalent to an Undersecretary while the other members of the
19 HSAC shall receive a salary equivalent to an Assistant Secretary.
20 The Senior Commissioner shall, at the same time, act as the
21 Executive Director of the HSAC; and

22 (b) Regional Adjudicator – The Regional Adjudicator must be
23 a citizen of the Philippines, of good moral character, has been in the
24 practice of law and a member of the Philippine Bar, of good
25 standing for at least seven (7) years, with at least three (3) years
26 experience in realty and/or land use and development cases, prior to

1 the appointment: *Provided*, That the existing HLURB Adjudicators
2 are deemed qualified.

3 The Regional Executive Adjudicator and Regional Adjudicator
4 shall receive annual salaries equivalent to Director III and Director
5 II, respectively.

6 SEC. 15. *Jurisdiction of the HSAC and the Secretary.* – The
7 HSAC shall have the exclusive appellate jurisdiction over all cases
8 decided by the Regional Adjudicators. The decision of the HSAC
9 shall be final and executory after fifteen (15) calendar days from
10 receipt thereof by the parties.

11 The Secretary may assume jurisdiction over any complaint or
12 case and certify such case for decision to the HSAC if the
13 controversy involves massive real estate fraud or unsound business
14 practices of critical socioeconomic or environmental considerations
15 that may have serious potential impact on the interests of the sector
16 or the general welfare.

17 SEC. 16. *Decisions and Resolutions of the HSAC and Finality.*
18 – The conclusions of a Division on any case submitted to it for
19 decision shall be reached in consultation before the case is assigned
20 to a member for the writing of the opinion. It shall be mandatory
21 for the Division to meet for the purpose of the consultation ordained
22 herein. A certification to this effect signed by the Presiding
23 Commissioner of the Division shall be issued and a copy thereof
24 attached to the record of the case and served upon the parties.

25 The concurrence of two (2) Commissioners of a Division shall
26 be necessary for the pronouncement of a judgment or a resolution.
27 Whenever the required membership in a Division is not complete

1 and the concurrence of two (2) Commissioners to arrive at a
2 judgment or a resolution cannot be obtained, the Executive
3 Commissioner shall designate such number of additional
4 Commissioners from the other Divisions as may be necessary to
5 obtain a majority concurrence to the judgment or resolution.

6 The decision of the HSAC shall be final and executory after
7 fifteen (15) calendar days from receipt thereof by the parties.

8 SEC. 17. *Jurisdiction of the Regional Adjudicators.* – The
9 Regional Adjudicators shall exercise original and exclusive
10 jurisdiction to hear and decide the following:

11 (a) Cases involving housing, land use and urban development:

12 (1) Appeals from decisions of local and regional planning and
13 zoning bodies;

14 (2) Suits filed in opposition to the issuance of locational
15 clearances, certifications or permits, when issued by the
16 Department;

17 (3) Disputes involving the enforcement of CLUPs and/or their
18 accompanying zoning ordinances;

19 (4) Disputes involving the inventory of lands and the
20 identification of lands for socialized housing and violations of the
21 administrative rules and regulations implementing Sections 7 and 8
22 of Republic Act No. 7279, as amended, otherwise known as the
23 "Urban Development Housing Act of 1992"; and

24 (5) Disputes involving the implementation of the Balanced
25 Housing Act and violations of the administrative rules and
26 regulations implementing Section 18 of Republic Act No. 7279, as
27 amended;

1 (b) Cases involving subdivisions, condominiums, memorial
2 parks and similar real estate development projects:

3 (1) Suits filed in opposition to an application for certificate of
4 registration and license to sell, of subdivisions and other real estate
5 developments, and additionally, the development permit for
6 condominium projects, clearance to mortgage, or cancellation
7 thereof;

8 (2) Actions concerning unsound real estate business practices;

9 (3) Claims for refund, and other claims filed by subdivision lot
10 or condominium unit buyer against the project owner, developer,
11 dealer, broker or salesman;

12 (4) Cases involving specific performance or contractual and
13 statutory obligations filed by subdivision lot or condominium unit
14 buyer against the project owner, developer, dealer, broker or
15 salesman;

16 (5) Suits filed by the project owner or developer against a
17 buyer for the collection of unpaid amortization, cancellation of
18 contract and/or ejection;

19 (6) Disputes involving the open spaces or common areas
20 filed by the project owner or developer or the duly registered
21 homeowners' association or condominium corporation, including the
22 eviction of illegal occupants therein, in accordance with the
23 requirements of law, and the rules and regulations promulgated by
24 duly constituted authorities;

25 (7) Suits to declare subdivision, condominium or other real
26 estate developments within the regulatory jurisdiction of the
27 Department as abandoned;

1 (8) Disputes involving buyer financing agreements with any
2 financing institution for the purchase of condominium units or
3 subdivision lots: *Provided, That*, notwithstanding the filing of a
4 complaint against any financing institution, housing loan borrowers
5 are required to comply with their contractual obligation to pay their
6 housing loan amortizations until and unless the complainant has
7 secured a temporary restraining order (TRO) or injunction from the
8 HSAC or the Courts prohibiting the financing institution from
9 collecting the said amortizations or cancelling the contracts with the
10 complainants for violation of the said contracts;

11 (9) Disputes between landowners and developers, and
12 between banks or financing institutions and developers whenever
13 the interest of the buyers is involved; and

14 (10) Disputes involving easements within or among
15 subdivision projects;

16 (c) Cases involving homeowners' associations and
17 condominium corporations:

18 (1) Controversies involving the registration and regulation of
19 homeowners' associations and condominium corporations;

20 (2) Intra-association disputes or controversies arising out of
21 the relations between and among members of homeowners'
22 associations or condominium corporations; between any or all of
23 them and the homeowners' association or condominium corporation
24 of which they are members, and vice versa, pertaining to the
25 exercise of their rights, duties and obligations as members of their
26 homeowners' association or condominium corporation;

1 (3) Inter-association disputes or controversies arising out of
2 the relations between and among two (2) or more homeowners'
3 associations or condominium corporations, between and among
4 federations and other umbrella organizations, on matters pertaining
5 to the exercise of their rights, duties, and functions;

6 (4) Controversies between and among homeowners and other
7 property holders and the homeowners' association or condominium
8 corporation of which they are not members, and vice versa, on
9 matters pertaining to the exercise of their rights, duties and
10 obligations as such homeowners and property holders; and

11 (5) Disputes between homeowners' association or
12 condominium corporation and the State, insofar as it concerns their
13 individual franchise or right to exist and those which are
14 intrinsically connected with the regulation of homeowners'
15 associations and condominium corporations or dealing with the
16 internal affairs of such entity; and

17 (d) Disputes or controversies involving laws and regulations
18 being implemented by the Department and such other actions as
19 may be provided by law.

20 SEC. 18. *Powers and Authorities of the HSAC.* – The HSAC
21 shall have the power and authority:

22 (a) To promulgate rules and regulations governing the
23 hearing and disposition of cases before it and its Adjudicators, as
24 well as those necessary to carry out its functions;

25 (b) To administer oaths, summon the parties to a controversy,
26 issue subpoenas requiring the attendance and testimony of
27 witnesses or the production of such books, papers, contracts,

1 records, statements of accounts, agreements, and others as may be
2 material to a just determination of the case; and

3 (c) To hold any person in contempt, directly or indirectly, and
4 impose appropriate penalties therefor in accordance with law.

5 Any person committing any act of misbehavior in the presence
6 of any member of the HSAC or any Adjudicator as to obstruct or
7 interrupt the proceedings before the same, including disrespect
8 toward said officials, offensive acts toward others, or refusal to be
9 sworn, or to answer as a witness or to subscribe an affidavit or
10 deposition when lawfully required to do so, may be summarily
11 adjudged guilty of direct contempt by said officials and shall be
12 punished by a fine not exceeding five thousand pesos (P5,000.00) or
13 imprisonment not exceeding five (5) days, or both, if it be committed
14 against the HSAC or any member thereof; and, if the offense is
15 committed against an Adjudicator, it shall be punishable by a fine
16 not exceeding one thousand pesos (P1,000.00) or imprisonment not
17 exceeding one (1) day, or both.

18 The person adjudged in direct contempt by the Adjudicator
19 may appeal to the HSAC and the execution of the judgment shall be
20 suspended pending the resolution of the appeal upon the filing of a
21 bond on condition that such person will abide by and perform the
22 judgment of the HSAC should the appeal be denied. Judgment of
23 the HSAC on direct contempt is immediately executory and
24 unappealable. Indirect contempt shall be dealt with by the HSAC
25 or the Adjudicator in the manner prescribed under Rule 71 of the
26 Revised Rules of Court (ROC):

1 (1) To enjoin or restrain, after due notice and hearing, any
2 actual or threatened commission of any or all prohibited or unlawful
3 acts, or to require the performance of a particular act in any dispute
4 within its jurisdiction which, if not restrained or performed
5 forthwith, may cause grave or irreparable damage to any party or
6 render ineffectual any decision in favor of such party. In no case
7 shall a temporary or permanent injunction be issued except after a
8 finding of fact by the HSAC, that:

9 (i) Prohibited or unlawful acts have been committed and will
10 continue to be committed unless restrained. No injunction or TRO
11 shall be issued on account of any threat, prohibited or unlawful act,
12 except against the person or persons, association or organization
13 making the threat, or committing the prohibited or unlawful act, or
14 actually authorizing or ratifying the same after actual knowledge
15 thereof;

16 (ii) Substantial and irreparable injury to complainant's
17 property will follow;

18 (iii) Greater injury will be inflicted upon complainant by the
19 denial of any relief than will be inflicted upon defendants by the
20 granting of relief;

21 (iv) The complainant has no adequate remedy in law; and

22 (v) Public officers charged with the duty to protect the
23 complainant's property are unable or unwilling to furnish adequate
24 protection.

25 Such hearing shall be held after due and personal notice
26 thereof has been served to all known persons against whom relief is
27 sought, and in such manner as the HSAC shall direct. An official

1 notice shall also be served upon the public officials of the province or
2 city who are charged with the duty to protect the complainant's
3 property within which the unlawful acts have been threatened or
4 committed: *Provided, however,* That if a complainant shall also
5 allege that a substantial and irreparable injury to complainant's
6 property will be unavoidable unless a TRO is issued, such a TRO
7 may be issued upon testimony under oath, bearing facts and
8 allegations that are sufficient to justify the HSAC in issuing a
9 temporary injunction. Such a TRO shall be effective for no longer
10 than twenty (20) days and shall become void at the expiration of
11 said twenty (20) days.

12 No such TRO or temporary injunction shall be issued except
13 on condition that the complainant shall first file an undertaking
14 with adequate security in an amount to be fixed by the HSAC
15 sufficient to recompense those enjoined for any loss, expense, or
16 damage caused by the improvident or erroneous issuance of such
17 order or injunction, including all reasonable costs, including a
18 reasonable attorney's fee, and expenses to be incurred in defense
19 against the order, or against the granting of any injunctive relief
20 sought in the same proceeding and subsequently denied by the
21 HSAC.

22 The undertaking herein mentioned shall be understood to
23 constitute an agreement entered into by the complainant and the
24 surety upon which an order may be rendered in the same suit or
25 proceeding against said complainant and surety, upon a hearing to
26 assess damages, of which hearing, complainant and surety shall
27 have reasonable notice. The complainant and surety shall submit

1 themselves to the jurisdiction of the HSAC for that purpose. But
2 nothing herein contained shall deprive any party having a claim or
3 cause of action under or upon such undertaking from electing to
4 pursue an ordinary remedy by suit at law or in equity: *Provided,*
5 That the reception of evidence for the application of a writ of
6 injunction may be delegated by the HSAC to any of its Adjudicators.
7 The hearings shall be conducted in such places as the Adjudicator
8 may determine to be accessible to the parties and their witnesses;
9 and

10 (2) To exercise such other powers as are necessary or
11 incidental to carry out the express powers granted to the HSAC.

12 Authority is hereby vested in the HSAC to directly utilize the
13 income generated from fees, fines, charges, and other collections in
14 the performance of its functions, to defray operating expenses.

15 SEC. 19. *Appeals.* – Decisions, awards, or orders of the
16 Regional Adjudicators shall be final and executory unless appealed
17 to the HSAC within fifteen (15) calendar days from receipt of such
18 decisions, awards, or orders. The appeal may be entertained only on
19 any of the following grounds:

20 (a) There is *prima facie* evidence of abuse of discretion on the
21 part of the Regional Adjudicator in rendering the questioned
22 decision, award, or order;

23 (b) The decision, award, or order was secured through fraud
24 or coercion, including graft and corruption;

25 (c) The appeal is made purely on questions of law; and

1 (d) Serious errors in the finding of facts are raised, which
2 errors would cause grave or irreparable damage or injury to the
3 appellant.

4 The decisions of the HSAC upon any disputed matter may be
5 brought to the Court of Appeals by way of a Petition for Certiorari
6 under Rule 65 of the Rules of Court.

7 SEC. 20. *Execution of Decisions, Awards, or Orders.* – The
8 Secretary or any Regional Director, the HSAC or any Regional
9 Adjudicator may *motu proprio* or on motion of any interested party
10 and under such rules as may be duly promulgated, issue a writ of
11 execution on an order, award or judgment within five (5) years from
12 the date it becomes final and executory, and by independent action
13 for the enforcement of the decision, award, or order filed with the
14 Regional Adjudication Branch which issued the decision, award, or
15 order.

16 The HSAC shall appoint a Sheriff or such number of Sheriffs,
17 in accordance with the provisions of the Civil Service law, rules and
18 regulations, who shall be responsible for the service and execution
19 of all writs, summonses, and orders and other processes of the
20 HSAC.

21 The Secretary, Commissioners, or the Regional Executive
22 Adjudicator may designate special Sheriffs and take any measure
23 under existing laws to ensure compliance with their decisions,
24 awards, or orders and those of the Regional Directors and Regional
25 Adjudicators, including the imposition of administrative fines.

1 human settlements and urban development, and the overall
2 administration of the corporation.

3 Furthermore, within two (2) years from the effectivity of this
4 Act, the Secretary, in coordination with the GCG, shall recommend
5 to the President, the restructuring of the foregoing corporations
6 guided by the objectives found hereunder:

7 (a) To eliminate overlaps, if any, in programs, within and
8 among the attached corporations that serve the same beneficiaries
9 or clientele;

10 (b) To identify functions and programs of corporations that
11 properly belong to regular government agencies such as
12 policymaking, regulation, standard setting, and service provision
13 from functions that are imbued with commercial motives which
14 require a corporate structure. Thereafter, line functions shall be
15 transferred to the Department while commercial functions shall be
16 retained with the corporations;

17 (c) To clarify the role of each corporation along the housing
18 value chain, including housing production, primary financing,
19 secondary market development, and housing insurance and
20 guarantee to promote the development of a comprehensive and
21 synergetic housing industry; and

22 (d) To strengthen integration of functions, programs, and
23 services among the corporations and the Department to leverage
24 limited public resources and maximize the value of housing
25 products and services offered by the public sector.

26 Any reorganization, merger, streamlining, abolition or
27 privatization of any attached corporation shall be formulated and

1 implemented in coordination with the GCG and in consultation with
2 the GOCC concerned and the relevant provisions of Republic Act
3 No. 10149.

4 CHAPTER VI

5 OTHER PROVISIONS

6 SEC. 24. *Socialized Housing One-Stop Processing Centers*
7 (*SHOPCs*). – The Department shall establish SHOPCs in the
8 regions, which shall centralize the processing and issuance of all
9 required housing-related permits, clearances, and licenses in
10 accordance with Executive Order No. 45, series of 2001, entitled
11 “Prescribing Time Periods for Issuance of Housing Related
12 Certifications, Clearances and Permits, and Imposing Sanctions for
13 Failure to Observe the Same”: *Provided*, That for the foregoing
14 purpose, the respective ceilings for socialized, low cost, economic
15 and middle-income housing shall be jointly determined by the
16 Department and the NEDA: *Provided, further*, That at any time,
17 but not more than once every two (2) years, such ceilings may be
18 reviewed or revised to conform to prevailing economic conditions.

19 All agencies involved in the issuance of said permits,
20 clearances and licenses shall be represented in the SHOPC and
21 shall assign to SHOPC personnel from the regional centers who
22 shall be sufficiently authorized to process and issue the same.

23 SEC. 25. *Identification and Designation of Lands for Human*
24 *Settlements and Urban and Rural Development*. – For the purpose
25 of designating lands for human settlements and urban and rural
26 development, the Department of Human Settlements and Urban
27 Development, the Department of Environment and Natural

1 Resources (DENR), the Department of Agrarian Reform (DAR), the
2 Department of Agriculture (DA), and the Land Registration
3 Authority (LRA) shall, within one hundred eighty (180) days from
4 the effectivity of this Act, jointly identify agricultural lands which,
5 under Republic Act No. 6657, as amended, otherwise known as the
6 "Comprehensive Agrarian Reform Law", and other existing laws,
7 rules and regulations are already exempted from conversion
8 requirements: *Provided*, That in addition to those lands covered
9 under Republic Act No. 6657, the list shall exclude lands that are
10 declared as nonnegotiable or protected from conversion under
11 existing laws and issuances: *Provided, further*, That the designation
12 of lands for human settlements and urban and rural development
13 purposes shall neither prejudice the rights of qualified beneficiaries
14 under Republic Act No. 6657, nor undermine the protected
15 agricultural areas intended to ensure the attainment of food
16 security under Republic Act No. 8435, otherwise known as
17 "Agricultural and Fisheries Modernization Act (AFMA) of 1997",
18 and other existing laws: *Provided, furthermore*, That in the case of
19 lands exempted from conversion by the DAR, but which are
20 contested by affected individual or community beneficiaries, no
21 horizontal or vertical development shall be allowed to proceed
22 without prior clearance or approval from the DAR or the DA,
23 consistent with the terms of the approved order or conversion:
24 *Provided, finally*, That the lands held in trust by the GOCCs for and
25 in behalf of their members shall not be designated as lands for
26 housing and urban development.

CHAPTER VII

TRANSITORY PROVISIONS

1
2
3 SEC. 26. *Abolition and Transfer of Functions, Assets, and*
4 *Obligations.* – (a) The HUDCC and the HLURB are hereby
5 abolished.

6 The following functions are hereby transferred to the
7 Department:

8 (1) The land use planning and monitoring function of the
9 HLURB, including the imposition of penalties for noncompliance to
10 ensure that LGUs will follow the planning guidelines and
11 implement their CLUPs and zoning ordinances;

12 (2) The regulatory functions of the HLURB, including the
13 formulation, promulgation, and enforcement of rules, standards,
14 and guidelines for the registration, licensing, sale and development
15 of subdivisions, condominiums, and similar real estate
16 developments; and

17 (3) The registration, regulation, and supervision of
18 homeowners' associations and condominium corporations.

19 (b) The existing adjudication functions of the HLURB are
20 hereby transferred to the HSAC.

21 The Department shall, by virtue of this Act, be subrogated to
22 all rights and assume all the liabilities of the HUDCC and the
23 HLURB, except those that may hereafter be transferred to or
24 absorbed by the HSAC.

25 In addition, the following dispositive actions shall be
26 implemented within six (6) months from the effectivity of this Act:

1 (1) The assets, equipment, funds, records, and pertinent
2 transactions of the HUDCC and the HLURB shall be transferred to
3 the Department and the HSAC; and

4 (2) The Department and the HSAC shall cause the creation of
5 additional positions and augment their budget appropriations, as
6 may be necessary.

7 SEC. 27. *Transition Period.* - All transfer of functions,
8 assets, funds, equipment, properties, transactions, and personnel in
9 the affected national government agencies and the formulation and
10 implementation of the internal organic structures, staffing patterns,
11 operation systems, and revised budgets of the Department and the
12 HSAC shall be completed within six (6) months from the effectivity
13 of this Act, during which existing personnel shall continue to
14 assume their posts in holdover capacities until new appointments
15 are issued. Accordingly, all applications and cases pending with the
16 HLURB upon the effectivity of this Act and filed during the
17 transition period shall continue to be acted upon by the incumbents
18 until the rules and regulations as provided under Section 29 of this
19 Act shall have been in force.

20 The Secretary shall implement the provisions of this Act,
21 including the necessary organizational changes within the specified
22 six (6)-month transition period.

23 SEC. 28. *Absorption or Separation from Service of Employees*
24 *of the Consolidated Agencies.* - The existing employees of the
25 HUDCC and the HLURB shall enjoy security of tenure and shall be
26 absorbed by the Department or the HSAC, in accordance with their
27 staffing patterns and the selection process as prescribed under

1 Republic Act No. 6656, otherwise known as the "Government
2 Reorganization Law".

3 Employees opting to be separated from the service as a
4 consequence of the abolition, consolidation or reorganization under
5 the provisions of this Act shall, within one (1) month from their
6 separation or phaseout from the service, receive separation benefits
7 in accordance with existing laws. In addition, those who are
8 qualified to retire shall be allowed to retire and be entitled to all
9 benefits provided under any of the existing retirement laws.

10 SEC. 29. *Implementing Rules and Regulations.* - The
11 Department, DBM and Civil Service Commission (CSC) shall
12 prepare and issue the implementing rules and regulations (IRR) of
13 this Act within ninety (90) days upon the effectivity of this Act.

14 SEC. 30. *Funding.* - The amount necessary for the initial
15 implementation of the provisions of this Act shall be charged
16 against the current year's appropriations of the HUDCC and the
17 HLURB. Thereafter, such sums as may be necessary for the
18 continued implementation of this Act shall be included in the
19 annual General Appropriations Act (GAA). The Department shall
20 include in its proposed budget the necessary amount to enable it to
21 achieve its mandate of providing adequate and affordable housing to
22 all Filipinos.

23 CHAPTER VIII

24 MISCELLANEOUS PROVISIONS

25 SEC. 31. *Mandatory Review of the Implementation of this Act.*
26 - The Department shall conduct a review of the implementation of

1 this Act at the end of the third year from the date of its effectivity
2 and submit a report to Congress.

3 SEC. 32. *Separability Clause.* – If, for any reason, any
4 portion or provision of this Act shall be held unconstitutional or
5 invalid, the remaining provisions not affected thereby shall continue
6 to be in full force and effect.

7 SEC. 33. *Repealing Clause.* – Executive Order No. 90, series
8 of 1996, entitled “Identifying the Government Agencies Essential for
9 the National Shelter Program and Defining their Mandates,
10 Creating the Housing and Urban Development Coordinating
11 Council, Rationalizing Funding Sources and Lending Mechanisms
12 for Home Mortgages and for Other Purposes”, and Executive Order
13 No. 648, series of 1981, entitled “Reorganizing the Human
14 Settlements Regulatory Commission”, are hereby repealed. All other
15 laws, executive orders, proclamations, rules and regulations, and
16 other issuances or parts thereof which are inconsistent with the
17 provisions of this Act are hereby repealed or amended accordingly.

18 SEC. 34. *Effectivity.* – This Act shall take effect fifteen (15)
19 days after its publication in the *Official Gazette* or in any newspaper
20 of general circulation.

Approved,

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