

1 (b) Adopt workable policies that will guarantee the rationalization
2 and optimum utilization of land and resources in order to meet the spatial
3 and physical requirements of housing and urban development and create a
4 more balanced urban-rural interdependence;

5 (c) Develop a sustainable and viable housing finance system that
6 shall tap alternative, including nontraditional sources of funds, for the
7 government's housing program;

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

12 (e) Encourage greater government-private sector partnership and
13 more effective peoples' participation in shelter delivery and urban
14 development by institutionalizing their involvement in the planning and
15 implementation process.

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

18 (a) "Agricultural land conversion" refers to the undertaking of any
19 activity that will modify or alter the physical characteristics of agricultural
20 lands to render them suitable for nonagricultural purposes with an
21 approved order of conversion from the Secretary of the Department of
22 Agrarian Reform (DAR).

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

1 (c) "New town" refers to any large-scale planned development
2 which includes housing, work places and related facilities within a more or
3 less self-contained environment.

4 (d) "Secondary mortgage market" refers to the system which entails
5 purchase, acquisition, discounting or refinancing of loan and mortgage
6 packages or participations therein. These instruments, in turn, are traded
7 in the financial market through issuance and/or sale of bonds, promissory
8 notes, debentures, conveyances and other financial instruments or
9 participation therein, backed by the same pool of mortgages, securities and
10 other assets.

11 (e) "Socialized housing" refers to housing programs and projects
12 covering houses and lots or home lots only undertaken by the government
13 or private sector for the underprivileged and homeless citizens which shall
14 include sites and services development, long-term financing, liberalized
15 terms on interest payments, and such other benefits in accordance with the
16 provisions of this Act and to housing packages that are priced up to the
17 loan ceiling as may be set or prescribed by the Department of Housing and
18 Urban Development (DHUD) created hereunder.

19 (f) "Urban development" refers to the process of occupation and
20 use of land or space for such activities as residential, industrial,
21 commercial and the like, necessary to carry out the functions of city life. It
22 entails building or rebuilding of more or less permanent structures over
23 land that is often withdrawn or converted from its original use, resulting in
24 the creation of the built environment.

25 (g) "Urban planning" refers to a process, also called city planning
26 or town planning, that involves planning for diverse elements that comprise
27 an urbanized area, including its physical infrastructure, environment,
28 housing and transportation, and management of land use and urban growth.

1 (h) "Urban renewal" refers to the idea of consciously renewing the
2 outworn areas of towns and cities, through redevelopment and
3 rehabilitation.

4 SEC. 4. *Statement of Objectives.* -- Toward this end, the State shall:

5 (a) Formulate and oversee the implementation of a comprehensive
6 housing and urban development policy as an integral part of national
7 development plans to regulate and direct urban growth and expansion
8 towards a dispersed urban net and to achieve a more balanced urban-rural
9 interdependence;

10 (b) Undertake with the participation of the private sector, which
11 shall include the business sector as well as people's organizations (POs),
12 nongovernment organizations (NGOs) and cooperatives, a continuing
13 comprehensive, affordable and sustainable housing program;

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

17 (d) Improve coordination of national government housing and
18 urban development policies and programs and extend adequate technical
19 and material assistance to LGUs;

20 (e) Encourage participation of all stakeholders in housing and
21 urban development, such as LGUs, NGOs, POs, cooperatives and the
22 business sector;

23 (f) Rationalize the structure, powers and functions of the different
24 housing and urban development agencies and integrate all housing and
25 urban development policies, plans, programs and projects of various
26 government corporations and agencies to expedite the delivery of decent,
27 affordable and sustainable housing, and urban development programs and
28 projects; and

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

4 (e) Supervise all corporations and agencies attached to the
5 Department namely: the Home Guaranty Corporation (HGC), the National
6 Housing Authority (NHA), the National Home Mortgage Finance
7 Corporation (NHMFC), the Home Development Mutual Fund (HDMF),
8 the Public Estates Authority (PEA), the Housing and Land Use Regulatory
9 Board (HLURB), and the *Presidential Commission for the Urban Poor*
10 (PCUP) to: (1) ensure adherence, consistency and integration with
11 Department policies, plans and programs; and (2) monitor the performance
12 and soundness of their management and financial policies in accordance
13 with the government's housing and urban development framework;

14 (f) Promulgate, amend or repeal such rules and regulations as may
15 be necessary to complement the intent and purposes of this Act;

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

19 (h) Develop and establish a sector performance monitoring,
20 assessment and reporting mechanism to enable continuing improvements in
21 sector policy and strategy formulation;

22 (i) Provide technical assistance and information to assist LGUs in
23 developing solutions to problems on housing, community, and urban
24 development and/or renewal;

25 (j) Coordinate the development activities of LGUs toward a more
26 effective housing delivery, optimal land use, and the balanced growth of
27 urban and urbanizing communities in relation to demographic factors,
28 productive capacity and natural resource endowment;

1 (k) Exercise initiative and, under the directions of the President,
2 assume a lead role in coordinating the activities of other agencies and
3 instrumentalities that impact on urban development;

4 (l) Call on other agencies or instrumentalities of the government
5 and private entities for cooperation and assistance in the performance of its
6 functions;

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

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

15 (o) Ensure consumers' education and protection, and establish and
16 administer mechanisms such as the development, maintenance, updating
17 and upgrading of an industry information system and data bank;

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

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

27 (r) Determine, fix and collect reasonable amounts to be charged as
28 administrative fees, fines and penalties on any natural or juridical person
29 who practice real estate services without any license; and

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

3 SEC. 7. *Composition.* – The Department shall be headed by a
4 secretary. The Department proper shall be composed of the office of the
5 secretary, the offices of the undersecretaries and assistant secretaries, the
6 bureaus, the services, and other offices of the Department.

7 SEC. 8. *The Secretary.* – The Secretary shall be appointed by the
8 President, subject to the confirmation by the Commission on
9 Appointments. The Secretary, in addition to the regular powers and
10 functions provided under Section 7, Chapter 2, Book IV of the
11 Administrative Code of 1987, shall have the following powers and
12 functions:

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

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

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

23 (d) Coordinate with LGUs, other agencies, and public and private
24 interest groups, including NGOs, POs and cooperatives on Department
25 policies and initiatives;

26 (e) Restructure the internal organization of the Department, subject
27 to the approval of the President;

28 (f) Recommend to the President on the restructuring of the
29 structures of its attached agencies and/or corporations;

1 (g) Review existing rules and regulations governing financing
2 schemes, homeowners' associations and other issues attendant to the
3 different shelter programs and projects, with the end in view of ensuring
4 their effectiveness and efficiency; and

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

7 SEC. 9. *The Undersecretaries.* – The Secretary shall be assisted by
8 two undersecretaries, who shall be appointed by the President upon the
9 recommendation of the Secretary: *Provided,* That one of the
10 undersecretaries shall be a career officer coming from the ranks of the
11 existing government housing agencies and offices. They shall have the
12 powers and functions as provided for in Section 10, Chapter 2, Book IV of
13 the Administrative Code of 1987, and other powers and functions that will
14 be assigned by the Secretary.

15 The offices of the undersecretaries shall consist of the
16 undersecretaries and their respective immediate staff.

17 SEC. 10. *Assistant Secretaries.* – The Secretary shall be assisted by
18 a maximum of three assistant secretaries who shall be career officers
19 appointed by the President upon the recommendation of the Secretary.

20 The respective assignments of the assistant secretaries shall be
21 determined by the Secretary.

22 SEC. 11. *Qualifications.* – No person shall be appointed secretary,
23 undersecretary or assistant secretary of the Department unless he is a
24 citizen and a resident of the Philippines, of good moral character, and of
25 proven competence and integrity.

26 SEC. 12. *Bureaus.* – The Department shall have the following
27 bureaus: (a) Financial and Institutional Development Bureau; (b) Urban
28 Development Bureau; (c) Housing Technology Bureau; and (d)

1 *Settlements and Social Housing Bureau.* The bureaus shall each have a
2 research and development unit.

3 The bureaus shall coordinate with the concerned corporations,
4 which shall be attached to the Department for policy and program
5 coordination as provided for in Section 17 of this Act, in the performance
6 of the following functions:

7 (A) Financial and Institutional Development Bureau

8 (1) Provide fiscal and financial incentives to LGUs, the business
9 sector, *cooperatives*, NGOs and POs to encourage their full participation in
10 ensuring adequate housing stock especially for low-income families;

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

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

15 (4) Facilitate the development of a sustainable social housing
16 finance system which promotes the adequate flow of private funds into the
17 primary and *secondary mortgage markets*;

18 (5) Administer programs to LGUs, community associations,
19 cooperatives and other private groups to improve their capability to engage
20 in all aspects of urban development and renewal programs, housing and
21 resettlement, including the restoration of neighborhoods, the investment in
22 or improvement of public facilities, and the rehabilitation of housing;

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

26 (7) Monitor the implementation of projects and programs under its
27 jurisdiction; and

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

1 (B) Urban Development Bureau

2 (1) Coordinate with the PEA and the concerned LGUs in the
3 development of new towns with complete basic facilities and services in
4 urbanizable and urbanizing areas, including the identified growth areas
5 such as, but not limited to, CALABARZON, East Asian Growth Area and
6 the North Quadrangle, in order to decongest existing urban communities;

7 (2) Assist the LGU in undertaking a rational, well-balanced,
8 orderly and efficient redevelopment or renewal of existing urban
9 communities;

10 (3) Assist in the formulation and updating of national objectives for
11 housing and urban development, specifically the National Urban
12 Development Framework;

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

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

17 (C) Housing Technology Bureau

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

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

22 (3) Accredite, promote and encourage the development and
23 utilization of innovative housing technology that can reduce the cost of
24 housing to make it *within the reach* of the poor without sacrificing safety
25 requirements, and provide for the prototyping/piloting of the same;

26 (4) Provide awards, incentives and citations to innovative and
27 ingenious discoveries and inventions in coordination with the Department
28 of Science and Technology (DOST) and the Board of Investments (BOI);

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

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

3 (7) Monitor, evaluate and validate the programs and projects under
4 its jurisdiction; and

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

7 (D) Settlements and Social Housing Bureau

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

11 (2) Formulate and ensure the enforcement of policies, rules and
12 regulations governing socialized housing provisions, slum upgrading and
13 provision of security of tenure and improvement of informal settlements;

14 (3) Formulate and enforce policies, rules and regulations governing
15 resettlement, relocation, eviction and demolition activities and for this
16 purpose, issue relocation/eviction compliance clearances for national and
17 local government projects which will involve the eviction or demolition of
18 structures of homeless and underprivileged citizens in accordance with
19 Republic Act No. 7279 (UDHA) and its implementing rules and
20 regulations (IRR);

21 (4) Develop social housing programs for adoption by government
22 housing agencies and/or LGUs;

23 (5) Coordinate with the local housing board or any special body on
24 housing or urban poor concerns within the LGUs and other concerned
25 agencies on the implementation of government socialized housing policies
26 and programs;

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

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

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

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

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

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

17 SEC. 13. *Services.* – The Department shall have the following
18 services: (A) Planning and Management Service; (B) Administrative and
19 Financial Service; and (C) Legal Service.

20 The services shall perform the following functions:

21 (A) Planning and Management Service

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

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

1 (3) Develop and provide legal, regulatory and supervisory
2 frameworks that promote the development of a sustainable social housing
3 finance system to ensure the adequate flow of private funds into the
4 primary and secondary mortgage markets;

5 (4) Develop clearly defined, transparent and well-targeted housing
6 subsidy mechanisms to enhance its accessibility to low-income housing
7 beneficiaries;

8 (5) Establish and maintain a management information system and
9 subsystems for monitoring and evaluating Department-wide programs and
10 projects, including those that are executed by operating bureaus and
11 offices;

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

15 (7) Formulate policies, plans and procedures for data control and
16 systems management;

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

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

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

22 (B) Administrative and Financial Service

23 (1) Provide the Department with economical, efficient and
24 effective services relating to personnel, communication, procurement,
25 supplies, equipment, transportation services, collections, disbursement,
26 security and property management;

27 (2) Conduct in-house training; and

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

1 (C) Legal Service

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

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

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

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

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

14 (6) As special counsels duly deputized by the Office of the
15 Solicitor General (OSG), represent the Department in court for the purpose
16 of defending the official acts of its officers and employees that were
17 regularly and diligently performed in the course of the normal discharge of
18 their functions;

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

21 (8) Attend and participate in congressional hearings and inter-
22 agency meetings relative to the formulation of legislative measures,
23 proposed executive issuances, rules and regulations and/or memoranda of
24 agreement with other offices and agencies or the private sector; and

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

27 SEC. 14. *Regional Offices.* -- Consistent with the requirements of
28 economy and efficiency, there shall be established, on a need basis,
29 regional offices, which shall be headed by regional directors: *Provided,*

1 That they are established in accordance with the regional staffing pattern as
2 prescribed by existing laws.

3 SEC. 15. *Functions of the Regional Directors and Regional*
4 *Offices.* – While program bureaus exercise technical supervision functions
5 over regional counterparts, the regional director shall be the responsible
6 line official for all Department programs in the administrative region. The
7 regional director shall be appointed by the President and shall report to the
8 Secretary.

9 The regional office shall perform the following functions:

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

13 (b) Ensure the consistency between the overall regional
14 development goals and programs and the National Urban Development
15 Strategy and between Department programs and regional plans of other
16 government agencies;

17 (c) Directly manage and implement Department programs in the
18 immediate geographic area;

19 (d) Monitor, investigate and assess compliance with approved
20 subdivision and condominium plans, endorse and recommend the filing of
21 appropriate charges for violations thereof;

22 (e) Coordinate with the LGUs with regard to their local urban
23 development, land use and shelter plan, and provide the necessary
24 technical assistance on devolved powers related to housing and urban
25 planning as mandated by the Local Government Code and other related
26 laws;

27 (f) Coordinate the plans and programs of the regional offices of the
28 attached agencies and corporations; and

1 .(g) Perform such other functions as may be provided for by law
2 and by the Secretary.

3 SEC. 16. *Relationship of the Regional Offices with the Attached*
4 *Corporations and/or Agencies and the LGUs.* – The relationship of the
5 regional offices of the Department with its attached corporations, the
6 HLURB and the LGUs, shall be purely coordinative.

7 CHAPTER III

8 ATTACHED CORPORATIONS AND/OR AGENCIES

9 SEC. 17. *Attached Corporations and/or Agencies and their*
10 *Functions.* – Any provision of law or their respective charters to the
11 contrary notwithstanding, the following are hereby attached to the
12 Department for policy and program coordination:

- 13 (a) Home Guaranty Corporation (HGC);
14 (b) National Housing Authority (NHA);
15 (c) National Home Mortgage Finance Corporation (NHMFC);
16 (d) Home Development Mutual Fund (HDMF);
17 (e) Public Estates Authority (PEA); and
18 (f) Presidential Commission for the Urban Poor (PCUP).

19 The HLURB is likewise attached to the Department for
20 administrative supervision.

21 They shall continue to operate and function in accordance with their
22 respective charters, laws or orders creating them insofar as they are not
23 inconsistent with this Act.

24 Any provision to the contrary notwithstanding, the integrity and
25 character of PAG-IBIG funds for the benefit of its members shall not be
26 prejudiced.

27 Any provision of law or the respective charters of the
28 abovementioned corporations and agencies to the contrary
29 notwithstanding, the Secretary shall, in a concurrent capacity, be the *ex*

1 *officio* chairman of the respective boards of the HGC, the NHA, the
2 NHMFC, the HDMF, the PEA, the HLURB and the PCUP.

3 CHAPTER IV

4 PUBLIC ESTATES AUTHORITY

5 SEC. 18. *Public Estates Authority (PEA)*. – In addition to the
6 existing mandate of the PEA created under Presidential Decree No. 1084,
7 as amended by Executive Order No. 525, (series of 1979) and Executive
8 Order No. 654 (series of 1981), the PEA is hereby mandated to ensure that
9 its programs and projects are in accordance with the broader objective of
10 the national urban development and housing framework. In coordination
11 with the Department and the local government concerned, the PEA shall
12 undertake the development of new towns with complete basic facilities in
13 urbanizable and urbanizing areas including growth areas to decongest
14 existing urban communities.

15 All succeeding issuances after the ratification of the Freedom
16 Constitution in 1987 are hereby automatically rescinded. All reclaimed
17 lands except those to be specifically devoted for public use and public
18 purpose shall henceforth be considered patrimonial lands.

19 CHAPTER V

20 TRANSITORY PROVISIONS

21 SEC. 19. *Abolition of the HUDCC and Transfer of its Powers and*
22 *Functions*. – The HUDCC is hereby abolished. Within six months after
23 the approval of this Act, the powers and functions of the HUDCC shall be
24 transferred to the Department. The foregoing transfer of powers and
25 functions shall include all applicable funds and appropriations, records,
26 equipment, property and personnel as may be necessary.

27 All *ex officio* functions of the chairman of the HUDCC are likewise
28 transferred to the Secretary.

1 SEC. 20. *Transfer of Rights, Assets and Liabilities.* – The
2 Department shall, by virtue of this Act, be subrogated to all rights and
3 assume all the liabilities of the HUDCC, in accordance with the Auditing
4 Code and other pertinent laws, rules and regulations.

5 SEC. 21. *Separation Incentive Package (SIP).* – Permanent
6 officials and employees of the HUDCC and all attached agencies and
7 corporations who elect to leave government service, or who prefer to
8 retire, shall be entitled to a SIP equivalent to the following:

9 (a) One and a half months of the basic salary for every year of
10 government service and a fraction thereof for those who have rendered
11 fifteen (15) years and below;

12 (b) Two months of the basic salary for every year of government
13 service and a fraction thereof for those who have rendered sixteen (16)
14 years to thirty (30) years of service; and

15 (c) Three months of the basic salary for every year of government
16 service and a fraction thereof, for those who have rendered thirty-one (31)
17 years of service and more.

18 In computing the number of years of service rendered, a fraction of
19 more than six months shall be considered equivalent to one year of service.

20 The existing number of officials and employees of the HUDCC and
21 the attached corporations and agencies shall not be increased and no new
22 hiring shall be allowed until all of them have been properly placed. Those
23 who opt to stay shall retain their remuneration and seniority. No official or
24 personnel shall be dislocated and involuntarily separated.

25 For the purpose of the SIP, there is hereby appropriated the
26 necessary amount from any funds or resources of the HUDCC and the
27 attached corporations and agencies. Any deficiency shall be automatically
28 appropriated in the succeeding year's General Appropriations Act. If for
29 any reason the fund for the SIP is inadequate, officials and employees who

1 have opted to be separated but have not received their benefits may choose
2 to stay or be reinstated and retain their previous remuneration and rank:
3 *Provided*, That the option shall be exercised within three (3) years.

4 CHAPTER VI

5 FUNDING

6 SEC. 22. *Appropriations.* – The amount needed for the initial
7 implementation of this Act shall be charged against the current year's
8 appropriation of the HUDCC. Thereafter, such sums as may be necessary
9 for the continued implementation of this Act shall be included in the
10 annual General Appropriations Act.

11 CHAPTER VII

12 MISCELLANEOUS AND FINAL PROVISIONS

13 SEC. 23. *Social Housing One-Stop Processing Centers (SHOPCs).*
14 – For purposes of socialized, low-cost, economic and middle-income
15 housing development, as well as housing development by housing
16 cooperatives, the Department shall establish SHOPCs in the regions, which
17 shall centralize the processing and issuance of all required permits,
18 clearances and licenses: *Provided*, That for the foregoing purpose, the
19 respective ceilings for socialized, low cost/economic and middle-income
20 housing shall be jointly determined by the Department and the NEDA:
21 *Provided, further*, That at any time, but not more often than once every
22 two years, such ceilings may be reviewed or revised to conform to
23 prevailing economic conditions. All agencies involved in the issuance of
24 said permits, clearances and licenses shall be represented in the SHOPC
25 and shall assign to SHOPC regional centers personnel who shall be
26 sufficiently authorized to process and issue the same.

27 SEC. 24. *Identification and Designation of Lands for Housing and*
28 *Urban Development.* – For the purpose of designating lands for housing
29 and urban development, the DHUD, the DAR and the Department of

1 Agriculture (DA) shall, within one hundred eighty (180) days from the
2 effectivity of this Act, jointly identify agricultural lands which under
3 Republic Act No. 6657, otherwise known as the *Comprehensive Agrarian*
4 *Reform Law*, and other existing laws, rules and regulations are already
5 exempted from conversion requirements: *Provided*, That the list shall
6 exclude lands that are declared as nonnegotiable or protected from
7 conversion under existing laws and issuances and those lands covered
8 under Republic Act No. 6657: *Provided, further*, That the designation of
9 lands for housing and urban development purposes shall neither prejudice
10 the rights of qualified beneficiaries under Republic Act No. 6657, nor
11 undermine the protected agricultural areas intended to ensure the
12 attainment of food security under Republic Act No. 8435, otherwise known
13 as the *Agriculture and Fisheries Modernization Act (AFMA)* and other
14 existing laws: *Provided, also*, That in the case of lands exempted from
15 conversion though these have been approved by the DAR, if these are
16 contested by affected individual or community beneficiaries, it shall not be
17 allowed to proceed with any horizontal or vertical development without
18 need for any prior clearance or approval from the DAR or the DA
19 consistent with the terms of the approved order of conversion: *Provided*,
20 *finally*, That all idle government lands in highly urbanized cities are hereby
21 prioritized for housing and urban development purposes.

22 SEC. 25. *Creation of an Advisory Committee.* – Within thirty (30)
23 days from the effectivity of this Act, an advisory committee consisting of
24 key representatives from the urban poor organizations, cooperatives and
25 other marginalized groups, NGOs, academic, business sector, local
26 government, the PCUP and national government agencies shall be created
27 to provide a forum for broader sector participation and dialogue on key
28 housing and urban development issues and policies. The representatives of
29 the urban poor, cooperatives and other marginalized groups shall be

1 selected by their respective National Anti-Poverty Commission (NAPC)
2 sectoral councils.

3 *SEC. 26. Disclosure and Divestment of Financial Interest.* – Before
4 assumption into office, the Secretary, the undersecretaries and the assistant
5 secretaries shall submit to the Civil Service Commission (CSC) a list of all
6 companies, partnership or business enterprises, including nonprofit
7 organizations, in which they or any immediate member of their families
8 within the second degree of consanguinity or affinity, have any form of
9 financial interest or employment relationship, including consultancy:
10 *Provided, however,* That all other forms of employment relationship held
11 by the heads of the offices of the Department shall be immediately
12 terminated upon assumption into office.

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

19 The divestment provided in the preceding paragraph shall likewise
20 apply to the members or the immediate members of their families within
21 the second degree of consanguinity having interest in any institution or
22 activity which falls under the regulatory jurisdiction and supervision of the
23 Department and the attached agencies and corporations.

24 *SEC. 27. Relationship with Other Government Departments.* – The
25 Department and its priority projects shall enjoy preferential attention from
26 the DENR, the DAR, the DA, the Department of Justice (DoJ) and the
27 LGUs, relative to the issuance of permits and licenses necessary for the
28 implementation of housing and urban development programs and projects.

1 Upon request of the Department or any of its bureaus, all
2 government agencies with functions relative to the approval of the projects
3 of the Departments or its duly authorized and endorsed entities, whether
4 government or private, shall act upon and resolve the matter within ten
5 (10) calendar days. Toward this end, the Secretary with the approval of
6 the President may establish an inter-agency secretariat for the purpose of
7 expediting the approval of said projects.

8 SEC. 28. *Mandatory Review Six Months After the Enactment of this*
9 *Act.* – The Department shall review the charters and mandates of attached
10 agencies and corporations and recommend the necessary legislation to
11 ensure consistency with the policy of this Act and avoid duplication of
12 functions or any other dysfunction among the attached agencies and
13 corporations.

14 SEC. 29. *Formulation of the Implementing Rules and Regulations.*
15 – Within three months after the approval of this Act, the President shall
16 convene an inter-agency committee that shall formulate and issue the
17 appropriate rules and regulations necessary for the efficient and effective
18 implementation of any and all provisions of this Act, including applicable
19 existing housing laws, formation of homeowners associations to manage
20 subdivision and condominium projects, ownership and/or management by
21 housing cooperatives of subdivision and housing projects and availment of
22 loans on terms easily affordable to all.

23 The inter-agency committee shall be composed of the following:

- 24 (a) The Secretary of the DHUD, as chairman;
25 (b) The Secretaries of the DILG, the DAR and the DA;
26 (c) The heads of the NHA, the NHMFC, the HDMF, the HGC, the
27 PEA, the HLURB and the PCUP;
28 (d) The chairpersons of the Senate Committees on Finance and
29 Urban Planning, Housing and Resettlement; and the House Committees on

1 Housing and Urban Development, Government Reorganization and
2 Appropriations;

3 (e) Six representatives for the urban poor sector three from
4 accredited POs and three from NGOs to be appointed by the chairpersons
5 of the Joint Congressional Committee; and

6 (f) Two representatives each from the respective organizations of
7 real estate brokers, real estate appraisers and real estate consultants.

8 SEC. 30. *Penal Provision.* – The Department shall impose a
9 maximum imposable fine for violations of its standards, rules and
10 regulations which shall not exceed Five hundred thousand pesos
11 (P500,000.00): *Provided*, That said limit shall be accordingly adjusted by
12 the Secretary, and such adjustment shall be reflective, but not exceed the
13 annual rate of increase of the Consumer Price Index: *Provided, further*,
14 That the Secretary may adjust such rates not more than once every three
15 years.

16 SEC. 31. *Separability Clause.* – If for any reason or reasons, any
17 part or provision of this Act shall be held to be unconstitutional or invalid,
18 other parts or provisions hereof which are not affected thereby shall
19 continue to be in full force and effect.

20 SEC. 32. *Repealing Clause.* – Provisions of laws, decrees, orders,
21 proclamations, rules, regulations or parts thereof which are inconsistent
22 herewith are hereby repealed, amended or modified accordingly.

23 SEC. 33. *Effectivity.* – This Act shall take effect fifteen (15) days
24 following its complete publication in at least two national newspapers of
25 general circulation.

Approved,