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[REPUBLIC ACT NO. 11201]

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, pursuant to Section 9, Article XIII of the Constitution, ensure that underprivileged and homeless citizens have access to an adequate, safe, secure, habitable, sustainable, resilient and affordable home.

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

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

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

In addition, the State shall encourage on-site development in the implementation of housing programs and shall promote the creation of new settlements and development of sustainable urban renewal programs while guaranteeing the preservation of agricultural lands necessary for food security.

CHAPTER II

DEFINITION OF TERMS

SEC. 3. *Definition of Terms.* – As used in this Act, the following terms are defined as follows:

(a) *Abandoned subdivision or condominium* refers to a project whose development has not been completed in accordance with the approved development plan despite the lapse of at least ten (10) years from the target date of completion and it appears that said project owner or developer has no intention to complete the project development or, despite diligent effort for at least the last five (5) years, the project owner or developer cannot be located;

(b) *Comprehensive Land Use Plan (CLUP)* refers to the document, formulated by the local government in consultation with its stakeholders, that defines or provides guidelines on the allocation, utilization, development and management of all lands within a given territory or jurisdiction according to the inherent qualities of the land itself and supportive economic, demographic, socio-cultural and environmental objectives;

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

(d) *Human Settlements* comprise of (a) physical components of shelter and infrastructure; and (b) services to which the physical elements provide support, such as community services which include education, health, culture, welfare, recreation and nutrition;

(e) *Informal Settler Families (ISFs)* refer to households living in a lot, whether private or public, without the consent of the property owner; or those without legal claim over the property they are occupying; or those living in danger areas such as *esteros*, railroad tracks, garbage dumps, riverbanks, shorelines, and waterways;

(f) *People's plan* refers to the plan formulated by the beneficiary-association, which shall contain a site development

plan that conforms to the CLUP of the local government unit under whose jurisdiction the project site is proposed to be located, including community health, sanitation, and security plans, as well as non-physical development components such as self-help housing cooperative, livelihood, self-help development, capability building, and a system of allocation of socialized housing units that promote and protect the welfare of the elderly, persons with disability, and children;

(g) *Public housing* is housing that is owned and/or managed by the government for the purpose of providing housing to underserved families;

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

(i) *Urban Development Planning* refers to the process that involves the planning of diverse elements that comprise an urbanizing and urbanized area, including its physical infrastructure, environment, housing, transportation and management of land use and urban growth.

CHAPTER III

DEPARTMENT OF HUMAN SETTLEMENTS AND URBAN DEVELOPMENT

SEC. 4. *Creation and Mandate of the Department of Human Settlements and Urban Development.* – There is hereby created the Department of Human Settlements and Urban Development, hereinafter referred to as the Department, through the consolidation of the Housing and Urban Development Coordinating Council (HUDCC) and the Housing and Land Use Regulatory Board (HLURB). The Department shall act as the primary national government entity responsible for the management of housing, human settlement and urban development. It shall be the sole and main planning and policy-making, regulatory, program coordination, and

performance monitoring entity for all housing, human settlement and urban development concerns, primarily focusing on the access to and the affordability of basic human needs. It shall develop and adopt a national strategy to immediately address the provision of adequate and affordable housing to all Filipinos, and shall ensure the alignment of the policies, programs, and projects of all its attached agencies to facilitate the achievement of this objective.

SEC. 5. *Powers and Functions.* – The Department shall exercise the following powers and functions:

I. Policy Development, Coordination, Monitoring and Evaluation

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

(b) Formulate housing finance and production policies, recommend and facilitate the development of mechanisms that promote the establishment of a self-sustaining housing finance and housing delivery systems in coordination with the relevant agencies;

(c) Formulate housing policies and programs, such as public housing, in coordination with the attached agencies, for the homeless and underprivileged families;

(d) Conduct continuing and comprehensive studies and research necessary for housing and urban development;

(e) Formulate a framework for resilient housing and human settlements as a basis for the mechanisms for post-disaster housing and resiliency planning, research and development, extension, monitoring and evaluation of programs, projects and activities to protect vulnerable communities from the adverse effects of climate change and disasters; and

(f) In the exercise of its oversight functions, develop and establish a sector performance monitoring and assessment

mechanism to accurately and independently report on the performance of national government agencies and LGUs involved in the housing and urban development.

II. Environmental, Land Use and Urban Planning and Development

(a) Develop and maintain a shelter and urban development management, standards and monitoring information system which shall include, but not be limited to, the following data sets: inventory of idle lands, CLUPs, inventory of housing stocks, and list of beneficiaries: *Provided*, That notwithstanding this provision, all existing CLUPs duly approved and being implemented by the LGUs shall remain in full force and effect for the duration of the period as stated therein: *Provided, further*, That upon enactment of this Act, LGUs may improve, amend and enhance their existing CLUPs in accordance with the standards set by the Department;

(b) Provide technical assistance to provinces, cities and municipalities in building their capability to undertake housing and urban development and management, such as, but not limited to: creating a Local Housing Board (LHB) or similar entity; formulating CLUPs and local shelter plans (LSPs); and strengthening local government compliance with housing and urban development laws, standards and guidelines;

(c) Assist the LGUs in the utilization of the socialized housing tax, as provided in Section 43 of Republic Act No. 7279, and other sources of funds for housing which shall be exclusively used for new settlement projects, and other housing, urban development and renewal projects;

(d) Own and administer government-owned lands, whether owned by the national government or any of its subdivisions, instrumentalities, or agencies, including government-owned or -controlled corporations (GOCCs) and their subsidiaries, which have not been used for the purpose for which they have been originally reserved or set aside for at least ten (10) years and identified by the Department as suitable for urban development, particularly for housing purposes: *Provided*, That the lands held in trust by the GOCCs for and on behalf of their members shall be excluded from the coverage hereof;

(e) Formulate and prescribe land use planning and zoning standards and regulations for the guidance of cities and municipalities in the formulation of their respective CLUPs; and

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

III. Housing and Real Estate Development Regulation

(a) Develop mechanisms and implement programs, in coordination with attached agencies and concerned agencies, that will initiate and promote the establishment of estate and new towns, new settlements, urban renewal programs, and prototypes of housing and urban development interventions, including the people's plan approach, while encouraging the participation therein of local government partnerships with civil society organizations, nongovernment organizations, private groups and communities;

(b) Manage and oversee the development of proclaimed socialized and economic housing sites, including the use of these land assets as resource mobilization strategy to raise alternative resources in developing new housing projects and efficient financing programs, either by itself or through its attached agencies;

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

(d) Take over unfinished, incomplete or abandoned licensed real estate development projects under Presidential Decree No. 957, in coordination with the appropriate government agencies and instrumentalities, under such guidelines as may be formulated. Further, the Department shall be in charge of regulating the use of road and street systems of projects taken over under this provisions.

IV. Homeowners Association and Community Development

(a) Register, regulate and supervise the homeowners associations (HOAs) in subdivision projects and government housing projects;

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

(c) Promote and encourage partnerships between the government and private sectors for the provision of decent housing, suitable living environment, and expanded economic opportunities specially for the homeless and underprivileged citizens; and

(d) Effect and oversee a single regulatory system that shall govern all activities relative to the planning, development, production, marketing, and management of housing and urban development projects, without encroaching on the jurisdiction of other agencies.

V. General Powers

(a) Enter into contracts, joint venture agreements or understanding, public-private partnerships, and memoranda of agreement or understanding, either domestic or foreign, under such terms and conditions as the Department may deem proper and reasonable subject to existing laws;

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

(c) Discharge all responsibilities of government that may arise from treaties, agreements and other commitments on human settlement and urban development to be extended through bilateral or multilateral loans and/or assistance programs;

(d) Determine, fix and collect reasonable amounts to be charged as fees and charges necessary for the effective implementation of all laws, rules and regulations enforced by the Department and impose reasonable fines and penalties for violation thereof: *Provided, however,* That all income generated from fees, fines, charges, and other collections shall be deposited with the National Treasury as income of the general fund;

(e) Recommend new legislation and amendments to existing laws as may be necessary for the attainment of government's objectives in housing;

(f) Promote, accredit and regulate the use of indigenous materials and technologies in the housing construction;

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

(h) Open roads of subdivisions to the public when the general welfare requires it upon consultation with stakeholders; and

(i) Perform such other related functions as may be mandated by law.

SEC. 6. *Composition.* – The Department shall be composed of the Office of the Secretary, and the various bureaus, services and regional offices. The Office of the Secretary shall house the Office of the Department Secretary, the Offices of the Undersecretaries, the Offices of the Assistant Secretaries, and their immediate support staff.

SEC. 7. *The Secretary.* – The Secretary shall have the following functions:

(a) Advise the President of the Philippines on matters related to housing, human settlements, and rural and urban development;

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

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

(d) Exercise control and supervision, including disciplinary powers over officers and employees of the Department in accordance with law, including their investigation and the designation of a committee or officer to conduct such investigation;

(e) Exercise control and supervision, including disciplinary powers over officers and employees of the attached agencies in accordance with law, including their investigation and the designation of a committee or officer to conduct such investigation;

(f) Designate and appoint officers and employees of the Department, excluding the Undersecretaries, Assistant Secretaries, and Regional and Assistant Regional Directors, in accordance with the civil service laws, rules and regulations;

(g) Coordinate with other agencies and instrumentalities of the government to ensure the effective and efficient implementation of housing and urban development programs;

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

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

The Secretary shall also serve as a voting member of the National Economic and Development Authority (NEDA) Board, the governing Boards of the Climate Change Commission (CCC), the National Disaster Risk Reduction and Management Council (NDRRMC), and the National Land Use Committee (NLUC).

SEC. 8. The Undersecretaries and Assistant Secretaries.

– The Secretary shall be assisted by three (3) Undersecretaries and three (3) Assistant Secretaries, who shall be appointed by the President, upon the recommendation of the Secretary: *Provided*, That at least one (1) Undersecretary and one (1) Assistant Secretary shall be career officers. They shall have

the powers and functions as provided for in Chapter 2, Book IV of the Administrative Code of 1987. The Secretary is further authorized to delineate and assign other functional areas or responsibilities of the Undersecretaries and Assistant Secretaries.

SEC. 9. *Qualifications and Appointment.* – No person shall be appointed Secretary, Undersecretary and Assistant Secretary of the Department unless he or she is a citizen and resident of the Philippines, of good moral character, of proven integrity, competence and expertise in housing, urban planning and development.

SEC. 10. *Department Bureaus and Regional Offices.* – The Department shall establish, operate, and maintain Bureaus under it such as, but not limited to:

- (a) Environmental, Land Use and Urban Planning and Development;
- (b) Housing and Real Estate Development Regulation; and
- (c) Homeowners Associations and Community Development.

As may be necessary, a regional office may be established in the administrative regions of the country.

SEC. 11. *Structure and Staffing Pattern.* – Subject to the approval of the Department of Budget and Management (DBM), the Secretary shall determine the organizational structure and create new divisions or units as may be necessary, and appoint officers and employees of the Department and the Commission hereinafter created under Section 12 in accordance with the civil service laws, rules and regulations. The remuneration structure of the position in the staffing pattern shall strictly conform to Republic Act No. 6758, otherwise known as the Salary Standardization Law, as amended.

CHAPTER IV

HUMAN SETTLEMENTS ADJUDICATION COMMISSION

SEC. 12. *Reconstitution of the HLURB as the Human Settlements Adjudication Commission (HSAC).* – The HLURB

is hereby reconstituted and shall henceforth be known as the Human Settlements Adjudication Commission, hereinafter referred to as the "Commission".

The adjudicatory function of the HLURB is hereby transferred to the Commission and shall be attached to the Department for policy, planning and program coordination only.

SEC. 13. *Composition, Staffing Pattern and Compensation.* -

(a) The Commission shall be composed of the following:

(1) Commission *en banc* - Five (5) Commissioners appointed by the President shall comprise the Commission.

The Executive Commissioner, chosen by the President from among the five (5) Commissioners, shall be responsible for the administration and operations of the Commission, including the supervision of personnel, and shall be assisted by the Executive Clerk of the Commission.

(2) Regional Adjudication Branch - There shall be as many Regional Adjudication Branches as there are Regional Offices of the Department. The President shall appoint as many Regional Adjudicators as may be necessary upon the recommendation of the Secretary.

(b) Subject to the approval of the DBM, the Commission shall determine its organizational structure and create new divisions or units as it may deem necessary, and shall appoint officers and employees of the Commission in accordance with the civil service laws, rules and regulations. The remuneration structure of the positions in the staffing pattern shall strictly conform to Republic Act No. 6758 or the Salary Standardization Law, as amended.

SEC. 14. *Qualifications and Terms of Office.* - The qualifications and terms of office are as follows:

(a) Commissioner - Each Commissioner must be a natural born citizen of the Philippines, of good moral character and has been engaged in the practice of law and a member of the Philippine Bar of good standing for a period of at least

ten (10) years prior to the appointment: *Provided*, That all nominees shall have experience in urban development planning, sustainable development, climate change adaptation, disaster risk reduction and/or real estate development.

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

(b) Regional Adjudicator – Each Regional Adjudicator must be a citizen of the Philippines, of good moral character, has been in the practice of law and member of the Philippine Bar of good standing for at least seven (7) years, with at least three (3) years' experience in realty and/or land use and development cases, prior to the appointment: *Provided*, That the existing HLURB Arbiters are deemed qualified.

Each Regional Adjudicator shall hold office on good behavior until otherwise incapacitated or has reached the retirement age in accordance with law, rules and regulations promulgated by duly constituted authorities, whichever comes earlier.

SEC. 15. *Jurisdiction of the Commission.* – The Commission shall have the exclusive appellate jurisdiction over:

(a) All cases decided by the Regional Adjudicators; and

(b) Appeals from decisions of local and regional planning and zoning bodies.

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

SEC. 16. *Jurisdiction of Regional Adjudicators.* – The Regional Adjudicators shall exercise original and exclusive jurisdiction to hear and decide cases involving the following:

(a) Cases involving subdivisions, condominiums, memorial parks and similar real estate developments:

(1) Actions concerning unsound real estate business practices filed by buyers or homeowners against the project owner or developer, which cause prejudice to the buyers or committed with bad faith and disregard of the buyers' rights;

(2) Claims for refund, and other claims filed by subdivision lot or condominium unit buyer against the project owner, developer, dealer, broker or salesman: *Provided*, That when the cause of action arises from the buyer's rights under Section 23 of Presidential Decree No. 957 and the purchase price of the property is paid through a housing loan from a bank or other financing institutions, the latter shall be impleaded as necessary party;

(3) Cases involving specific performance or contractual and statutory obligations arising from the sale of the lot or unit and development of the subdivision or condominium project;

(4) Disputes involving the open spaces or common areas and their use filed by the project owner or developer or the duly registered HOA, including the eviction of informal settlers therein, in accordance with the requirements of law, and the rules and regulations promulgated by duly constituted authorities;

(5) Suits to declare subdivision, condominium or other real estate developments within the regulatory jurisdiction of the Department as abandoned, as defined under Section 3 of this Act for the purpose of Section 35 of Presidential Decree No. 957;

(6) Disputes involving easements within or among subdivision projects; and

(7) Actions to annul mortgages executed in violation of Section 18 of Presidential Decree No. 957 filed by a subdivision lot or condominium unit buyer against the project owner and/or developer and the mortgagee.

(b) Cases involving Homeowners Associations:

(1) Controversies involving the registration and regulation of HOAs;

(2) Intra-association disputes or controversies arising out of the relations between and among members of HOAs; between any or all of them and the HOA of which they are members;

(3) Inter-association disputes or controversies arising out of the relations between and among two (2) or more HOAs between and among federations and other umbrella organizations, on matters pertaining to the exercise of their rights, duties and functions; and

(4) Disputes between such HOA and the State, insofar as it concerns their individual franchise or right to exist and those which are intrinsically connected with the regulation of HOAs or dealing with the internal affairs of such entity.

(c) Disputes involving the implementation of Section 18 of Republic Act No. 7279, as amended, and its Implementing Rules and Regulations.

(d) Disputes or controversies involving laws and regulations being implemented by the Department except those cases falling within the jurisdiction of other judicial or quasi-judicial body.

SEC. 17. Powers and Authorities of the Commission. – The Commission shall have the power and authority:

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

(b) To administer oaths, summon the parties to a controversy, issue subpoenas requiring the attendance and testimony of witnesses or the production of such books, papers, contracts, records, statements of accounts, agreements, and others as may be material to a just determination of the case;

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

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

The person adjudged in direct contempt by the Adjudicator may appeal to the Commission and the execution of the judgment shall be suspended pending the resolution of the appeal upon the filing by such person of a bond on condition that he/she will abide by and perform the judgment of the Commission should the appeal be decided against him/her. Judgment of the Commission on direct contempt is immediately executory and unappealable. Indirect contempt shall be dealt with by the Commission or Adjudicator in the manner prescribed under Rule 71 of the Revised Rules of Court (ROC).

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

(1) Prohibited or unlawful acts have been threatened and will be committed and will be continued unless restrained, but no injunction or temporary restraining order shall be issued on account of any threat, prohibited or unlawful act, except against the person or persons, association or organization making the threat or committing the prohibited or unlawful

act or actually authorizing or ratifying the same after actual knowledge thereof;

(2) Substantial and irreparable injury to complainant's property will follow;

(3) As to each item of relief to be granted, greater injury will be inflicted upon complainant by the denial of relief than will be inflicted upon defendants by the granting of relief;

(4) Complainant has no adequate remedy at law; and

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

(e) To exercise such other powers as are implied, necessary, or incidental to carry out the express powers granted to the Commission.

SEC. 18. *Appeals.* – Decisions, awards or orders of the Regional Adjudicators shall be final and executory unless appealed to the Commission within fifteen (15) calendar days from receipt of such decisions, awards or orders.

The decision of the Commission upon any disputed matter may be brought upon to the Court of Appeals in accordance with Rule 43 of the Rules of Court.

SEC. 19. *Execution of Decisions, Orders or Awards.* – The Commission or any Regional Adjudicator may, *motu proprio* or on motion of any interested party and under such rules as may be duly promulgated, issue a writ of execution on an order, award or judgment within five (5) years from the date it becomes final and executory, and by independent action for the enforcement of the order, award or decision filed with the Regional Adjudication Branch which issued the order, award or decision.

The Commission shall appoint a Sheriff or such number of Sheriffs, in accordance with the provisions of the civil service laws, rules and regulations, who shall be responsible

for the service and execution of all writs, summonses, and orders and other processes of the Commission.

The Commission may designate special sheriffs and take any measure under existing laws to ensure compliance with their decisions, orders or awards.

SEC. 20. *Criminal Prosecution.* – The criminal prosecution for violation of housing laws and regulations shall be instituted before criminal courts having appropriate jurisdiction.

CHAPTER V

NATIONAL HUMAN SETTLEMENTS BOARD

SEC. 21. *Creation of a National Human Settlements Board.* – The powers and functions of the attached agencies with respect to policy and program development shall be exercised by a single Board of Trustees, known as the National Human Settlements Board, hereinafter referred to as the Board, with the Secretary of the Department as Chairperson and the following as members:

(a) The Director General of NEDA or his/her designated Deputy Secretary General;

(b) The Secretary of Finance or his/her duly designated Undersecretary;

(c) The Secretary of Budget and Management or his/her duly designated Undersecretary;

(d) The Secretary of Department of Public Works and Highways or his/her duly designated Undersecretary;

(e) The Secretary of the Interior and Local Government or his/her duly designated Undersecretary; and

(f) The Head of each attached agency of the Department.

Provided, That the Home Development Mutual Fund's corporate powers and functions shall continue to be exercised

by its own Board of Trustees, as provided for under Republic Act No. 9679.

CHAPTER VI

ATTACHED CORPORATIONS

SEC. 22. *Attached Corporations.* – The Department shall exercise administrative supervision over the following housing agencies, which shall remain to be attached for purposes of policy and program coordination, monitoring and evaluation:

- (a) National Housing Authority (NHA);
- (b) National Home Mortgage Finance Corporation (NHMFC);
- (c) Home Development Mutual Fund (HDMF); and
- (d) Social Housing Finance Corporation (SHFC).

The attached corporations shall continue to function according to existing laws and their respective Charters, subject to the policy directions of the Board.

The appointment of the Board of Directors or Trustees of the attached GOCCs shall be in accordance with Republic Act No. 10149, otherwise known as the “GOCC Governance Act of 2011”. However, each of the heads of the attached corporations shall enter into a performance contract annually with the Secretary in accordance with their respective mandates, which shall be consistent with the national targets on human settlements and urban development, and the overall administration of the corporation.

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

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

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

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

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

Any reorganization, merger, streamlining, abolition or privatization of any attached corporation shall be formulated and implemented in coordination with the GCG and in consultation with the GOCC concerned and the relevant provisions of Republic Act No. 10149.

CHAPTER VII

OTHER PROVISIONS

SEC. 23. *Housing One-Stop Processing Centers (HOPCs).*
– The Department shall establish HOPCs in the regions, which shall centralize the processing and issuance of all required housing-related permits, clearances, and licenses in accordance with Executive Order No. 45, series of 2001, entitled “Prescribing Time Periods for Issuance of Housing Related Certifications, Clearances and Permits, and Imposing Sanctions for Failure to Observe the Same”: *Provided, That* for the foregoing purpose, the respective ceilings for socialized, low cost/economic and middle-income housing shall be jointly determined by the Department and NEDA: *Provided, further, That* at any time, but not more than once every two (2) years, such ceilings may be reviewed or revised to conform to prevailing economic conditions.

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

SEC. 24. *Identification and Designation of Lands for Housing and Urban and Rural Development.* – For the purpose of designating lands for housing and urban and rural development, the Department of Human Settlements and Urban Development (DHSUD), the Department of Environment and Natural Resources (DENR), the Department of Agrarian Reform (DAR), the Department of Agriculture (DA), the Department of the Interior and Local Government (DILG), and the Land Registration Authority (LRA) shall, within one hundred eighty (180) days from the effectivity of this Act, jointly identify government lands suitable for housing and rural development: *Provided*, That all government lands which have been idle for more than ten (10) years, except lands owned by the GOCCs and government financial institutions engaged in shelter financing as part of its fiduciary obligation to its members and/or are taken possession of in their ordinary conduct of business, are hereby prioritized for housing and urban development purposes: *Provided, further*, That lands exempted from conversion under existing laws shall be excluded from the coverage of this section: *Provided, finally*, That the national lands identified under this section shall be transferred to or administered by the Department, subject to the approval of the President.

CHAPTER VIII

TRANSITORY PROVISIONS

SEC. 25. *Transfer of Functions and Assets.* – The HUDCC and the HLURB are hereby consolidated and reconstituted as the Department and HSAC, respectively.

The following functions of the HLURB are hereby transferred as stipulated hereunder:

(a) The land use planning and monitoring function, including the imposition of penalties for noncompliance to ensure that LGUs will follow the planning guidelines and

implement their CLUPs and zoning ordinances shall be transferred to the Department;

(b) The regulatory function, including the formulation, promulgation, and enforcement of rules, standards and guidelines over subdivisions, condominiums and similar real estate developments are hereby transferred to the Department;

(c) The registration, regulation and supervision of HOAs are hereby transferred to the Department; and

(d) The adjudicatory mandate is hereby transferred to the Commission.

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

SEC. 26. *Transition Period.* – All transfer of functions, assets, funds, personnel, equipment, properties, transactions, and personnel in the affected national government agencies and the formulation and implementation of the internal organic structures, staffing patterns, operations systems, and revised budgets of the Department and the Commission, shall be completed within six (6) months from the effectivity of this Act, during which existing personnel shall continue to assume their posts in holdover capacities until new appointments are issued. Accordingly, all applications for permits and licenses, and cases pending with HLURB upon the effectivity of this Act and filed during the transition period shall continue to be acted upon by the incumbents until the rules and regulations as provided under this Act shall have been in force.

SEC. 27. *Transfer of Assets and Obligations.* – The following dispositive actions shall be implemented within six (6) months from the effectivity of this Act:

(a) The assets, equipment, funds, records, and pertinent transactions of HUDCC and HLURB shall be transferred to the Department and the Commission; and

(b) The Department and the Commission shall cause the creation of additional positions and augment their budget appropriations, as may be necessary.

SEC. 28. *Absorption or Separation from Service of Employees of the Consolidated Agencies.* – The existing employees of HUDCC and HLURB shall enjoy security of tenure and shall be absorbed by the Department or the HSAC, in accordance with their staffing patterns and the selection process as prescribed under Republic Act No. 6656, otherwise known as the “Government Reorganization Law”.

Employees opting to be separated from the service as a consequence of the consolidation and reconstitution under the provisions of this Act shall, within one (1) month from their separation or phase out from the service, receive separation benefits in accordance with existing laws. In addition, those who are qualified to retire shall be allowed to retire and be entitled to all benefits provided, under any of the existing retirement laws.

SEC. 29. *Implementing Rules and Regulations.* – The HUDCC, HLURB, DBM and Civil Service Commission, in coordination with NHA, SHFC, NHMFC, HDMF and other concerned agencies, shall prepare and issue the Implementing Rules and Regulations (IRR) of the Department within ninety (90) days upon the effectivity of this Act.

SEC. 30. *Implementing Authority.* – The HUDCC Chairperson is hereby authorized to undertake the implementation of the provisions of this Act and implement the necessary organizational changes within the specified six (6)-month transition period or until a Department Secretary has been appointed and has assumed office.

SEC. 31. *Appropriations.* – The amount necessary for the initial implementation of the provisions of this Act shall be charged against the current year’s appropriations of the HUDCC and HLURB. Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act. The Department shall include in its proposed budget the necessary amount to enable it to achieve its mandate of providing adequate and affordable housing to all Filipinos.

CHAPTER IX

MISCELLANEOUS PROVISIONS

SEC. 32. *Mandatory Review of the Implementation of this Act.* – The Department shall conduct a review of the implementation of this Act at the end of the third (3rd) year from the date of its effectivity and submit a report to Congress.

SEC. 33. *Separability Clause.* – If, for any reason, any portion or provision of this Act shall be held unconstitutional or invalid, the remaining provisions not affected thereby shall continue to be in full force and effect.

SEC. 34. *Repealing Clause.* – Executive Order No. 90, s. 1986 and Executive Order No. 648, s. 1981, are hereby repealed.

All other laws, executive orders, proclamations, rules, regulations, and other issuances or parts thereof which are inconsistent with the provisions of this Act are hereby amended or modified accordingly.

SEC. 35. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in any newspaper of general circulation.

Approved,

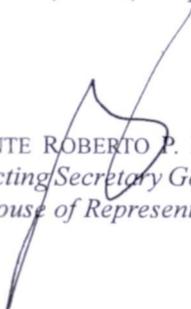


GLORIA MACAPAGAL-ARROYO
*Speaker of the House
of Representatives*



VICENTE C. SOTTO III
President of the Senate

This Act which is a consolidation of Senate Bill No. 1578 and House Bill No. 6775 was passed by the Senate and the House of Representatives on November 12, 2018 and October 10, 2018, respectively.



DANTE ROBERTO P. MALING
*Acting Secretary General
House of Representatives*



MYRA MARIE D. VILLARICA
Secretary of the Senate

Approved: **FEB 14 2019**



RODRIGO ROA DUTERTE
President of the Philippines



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