



Senate  
Office of the Secretary

SEVENTEENTH CONGRESS OF THE ]

REPUBLIC OF THE PHILIPPINES ]

First Regular Session ]

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SENATE

S.B. No. 1182

Introduced by SEN. WIN GATCHAMAN

**AN ACT**

**DEFINING THE VISION AND POLICIES OF GOVERNMENT IN THE HOUSING AND URBAN DEVELOPMENT SECTOR, CREATING THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, DEFINING ITS MANDATE, POWERS AND FUNCTIONS, AND FOR OTHER PURPOSES**

**EXPLANATORY NOTE**

The problem of housing continues to hound the Philippine Society. In a study conducted by global homeless statistics, "It is estimated that around 44% of the urban population in the Philippines live in slums (UN Habitat, 2008) with Manila as containing the largest homeless population of any city in the world with 3.1 million.

It is sad that the government continues to fail in providing Filipinos with one of life's basic needs. No less than the 1987 Constitution protects the right of the Filipinos to a decent housing. Section 9, Article XIII provides that "The State shall, by law, and for the common good, undertake, in cooperation with the private sector, a continuing program of urban land reform and housing, which will make available at affordable cost, decent housing and basic services to under-privileged and homeless citizens in urban centers and resettlement areas. It shall also promote adequate employment opportunities to such citizens. In the implementation of such program the State shall respect the rights of small property owners."

Pursuant to this Constitutional provision, we mandate the creation of a Department of Housing and Urban Development. This agency will be the foremost mechanism of the government in ensuring the availability of affordable housing. Further, it shall be the lead agency in formulating all housing and urban development policies, plans, programs and projects for the Filipino People.

This is a Senate counterpart bill to one filed in the House of Representatives by Rep. Ruffy B. Biazon.



**BIN GATCHALIAN**

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DEFINING THE VISION AND POLICIES OF GOVERNMENT IN THE HOUSING  
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HOUSING AND URBAN DEVELOPMENT, DEFINING ITS MANDATE, POWERS  
AND FUNCTIONS, AND FOR OTHER PURPOSES

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

CHAPTER 1  
SHORT TITLE, VISION, POLICY AND PRINCIPLES

- 1 SECTION 1. **Short Title.** – This act shall be known as the “*Department of*  
2 *Housing and Urban Development Act*”.
- 3 Sec. 2. **Declaration of Vision and Policies.** – The state shall pursue the  
4 realization of a modern, humane, economically viable and environmentally  
5 sustainable society where the urbanization process is manifest in towns and cities  
6 being centers of productive economic activity, led by market forces; where urban  
7 areas have affordable housing, sustainable physical and social infrastructure and  
8 services facilitated under a democratic and decentralized system of governance;  
9 where urban areas provide the opportunities for an improved quality of life and the  
10 eradication of poverty; and where there is a high degree of complementarity  
11 between urban and rural communities.

1           Sec. 3. **Principles of Sector Governance.** – The stipulated vision and policy  
2 shall be pursued and realized in accordance with principles that will guide the  
3 definition of government functions in the sector; its relationship with the private  
4 sector; the vertical compartmentalization of government functions among levels of  
5 governance, national and local; and, the horizontal compartmentalization of  
6 national government functions. These principles that will define and delineate the  
7 functions, responsibilities and accountabilities of various national government  
8 agencies are as follows:

9           (1) *Steering Role of the National Government in the Sector.* – The national  
10 government shall perform a steering role in the urban development and  
11 housing sector. In this regard it shall:

- 12           a) strengthen its role in guiding, mobilizing and facilitating in housing  
13 and urban development. It shall define the urban development  
14 vision and provide a housing and urban development framework  
15 that will guide the investments and activities of the private sector.  
16 It shall provide policies on spatial integration, urbanization, urban  
17 environmental management, urban regeneration, urban land  
18 management, housing development and other related concerns to  
19 facilitate private enterprise and participation. It shall formulate and  
20 enforce a minimum set of standards and regulations that will  
21 ensure the establishment of a level playing field in the provision of  
22 urban infrastructure and services and in locational choices of  
23 investors, and prevent urban decay, congestion, diseconomies of  
24 scale and environmental degradation of urban areas; and  
25           b) provide policies that will mobilize public and private sector  
26 resources toward a self-sustaining housing finance system.

27           (2) *Continuing Devolution of Functions to Local Governments.* The national  
28 government and local governments shall act as partners in housing and  
29 urban development. Functions and the corresponding authority and  
30 accountability shall be continuously devolved to local government units  
31 and such devolution shall be guided by the following:

- 32           a) The delineation of functions between the national government and  
33 local governments shall be such that inefficiencies are removed,  
34 access to public services is improved, and plans, programs and  
35 services are responsive to local needs and opportunities. For this

1 purpose, functions that are location specific in their benefits and  
2 costs shall, to the extent possible, be devolved to local governments.

3 b) The determination of the proper level of government to which a  
4 function will be devolved shall be determined by the extent of the  
5 geographical effects of the benefits and the cost of undertaking such  
6 function.

7 c) Local governments shall implement national government policies in  
8 their respective localities. Location specific functions that are to be  
9 devolved to local governments are those that relate to the provision  
10 of public goods and services. Local governments shall to the extent  
11 possible, encourage the private sector to assume primary  
12 responsibility in the production of public goods.

13 d) Local governments shall have full autonomy in housing and urban  
14 development planning and management consistent with national  
15 policies, strategies and regulatory framework.

16 e) The national government shall be the facilitator, independent  
17 monitor and performance evaluator. It shall formulate national  
18 standards and rules to guide local governments in the formulation  
19 of localized standards. The promulgation and enforcement of  
20 standards and regulations shall be undertaken by local  
21 governments.

22 (3) *Maximum Participation of the Private Sector and Communities in Housing*  
23 *and Urban Development.* The government shall provide policies to  
24 maximize private sector participation in housing and urban development  
25 and to mobilize public and private sector resources toward a self-  
26 sustaining housing and urban development finance system. The national  
27 government, through local governments, shall ensure that communities  
28 are involved in the formulation of housing and urban development policies  
29 and plans that will impact upon them, their livelihood and their living  
30 conditions. Full community participation in housing and urban  
31 development policies, programs and projects of government shall be  
32 encouraged.

33 (4) *Responsiveness to the shelter needs of the urban poor communities.* The  
34 government shall directly address the concerns and needs of the urban  
35 poor communities by formulating the policies, providing and mobilizing  
36 resources, and designing as well as implementing programs and

1 intervention that will address urban homelessness and unemployment.  
2 Government shall facilitate the establishment of a finance system that  
3 enables all sectors of society to have the opportunity to access funds and  
4 facilitate the provision of adequate shelter, security of tenure and  
5 appropriate infrastructure, where subsidies, if provided, are transparent  
6 in nature and targeted at those in need.

7 (5) *Clear Horizontal Compartmentalization and Coordination of Functions*  
8 *Among National Government Agencies.* The Department of Housing and  
9 Urban Development, created in this Act shall be the primary entity for  
10 policy formulation and coordination of all housing and urban development  
11 functions. It shall define the delineation of housing and urban development  
12 functions and responsibilities of, and relationship among, national  
13 government agencies to promote efficiency and effectiveness, clarify  
14 accountability, and ensure synchronization.

15 (6) *Policy and Coordinating Role of the Department of Housing and Urban*  
16 *Development.* The role of the Department is to support the  
17 accomplishment of the sector vision and, in particular, encourage more  
18 opportunities to improve the lives of the urban poor.

19  
20 **CHAPTER 2**  
21 **DEFINITION OF TERMS**  
22

23 Sec. 4. ***Definition of Terms.*** – As used in this Act, the following terms shall  
24 mean:

- 25 (a) Devolution – the transfer of responsibility, authority and accountability for  
26 the performance of a defined function from the national government to  
27 local governments;
- 28 (b) Urban Land Management – refers to the range of government interventions,  
29 including policies, incentives, regulation and titling, land use planning and  
30 zoning, land development, public information and conflict resolution that  
31 will promote the optimization and most efficient use of urban land,  
32 including appropriate land valuation to achieve efficiency in use, promote  
33 access, support economic productivity, ensure sustainable development  
34 and protect individual rights;

- 1 (c) Land Use Plan – refers to the document, formulated by the local  
2 government in consultation with its stakeholders, that defines or provides  
3 guidelines on the allocation, utilization, development and management of  
4 all lands within a given territory or jurisdiction according to the inherent  
5 qualities of the land itself and supportive of economic, demographic, socio-  
6 cultural and environmental objectives;
- 7 (d) Shelter – refers to the system and its components which establish the  
8 residential quality of life, including housing, utilities, access to social  
9 services and other community facilities, security, and other aspects related  
10 to an individual's residence;
- 11 (e) Urban Development – pertains to the process of occupation and use of land  
12 or space for such activities as residential, industrial, commercial and the  
13 like, necessary to carry out the functions of urban living. It entails the  
14 building or rebuilding of more or less permanent structures over land that  
15 is often withdrawn or converted from its original use, resulting in the  
16 creation of a built environment;
- 17 (f) Urban Development Planning – also called city planning or town planning,  
18 is a process that involves the planning of diverse elements that comprise  
19 an urbanized area, including its physical infrastructure, environment,  
20 housing, transportation, and management of land use and urban growth;
- 21 (g) Urban Renewal or Regeneration – the process of planned renewal and  
22 physical as well as socio-economic revitalization of outworn, old, derelict  
23 areas of towns and cities through redevelopment and rehabilitation;
- 24 (h) Secondary Mortgage Market – refers to the system which entails purchase,  
25 acquisition, discounting, or refinancing of retail loan and mortgage  
26 packages or other similar instruments. Once purchased, these  
27 instruments in turn are traded in the financial market through the  
28 issuance and or sale of bonds, promissory notes, debentures, conveyances,  
29 and other financial instruments or participation therein, backed by the  
30 same pool of mortgages and other assets;
- 31 (i) Zoning Ordinance – refers to the set of rules, regulations and specific  
32 procedures and requirements promulgated by the local government that  
33 will guide land use and land development and the development of built  
34 environment within the jurisdiction of the local government;
- 35

- 1 (j) Attachment – refers to the lateral relationship between the department and  
2 the attached agency or corporation for purposes of policy and program  
3 coordination and as further defined under the Administrative Code.  
4

### 5 CHAPTER 3

#### 6 DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

##### 7 Sec. 5. **Creation of the Department of Housing and Urban Development.**

8 – There is hereby created the Department of Housing and Urban Development,  
9 hereinafter referred to as the Department.

10 Sec. 6. **Powers and Functions.** – The Department shall perform the following  
11 functions:

- 12 (a) Formulate the national urban development and shelter policy and strategy  
13 that is consistent with the National Development Plan;
- 14 (b) Formulate the urban development and shelter planning framework,  
15 establish and operate a national urban development and shelter planning  
16 system, and develop the necessary planning guidelines, procedures, and  
17 urban development standards that will define and delineate the roles of all  
18 stakeholders, and guide the planning, standards localization,  
19 promulgation and enforcement of rules, and service delivery programs of  
20 national government and local governments, and facilitate private sector  
21 investment;
- 22 (c) Formulate housing finance policies, and recommend and facilitate the  
23 development of mechanisms that promote the establishment of a self-  
24 sustaining, private sector-led housing finance system;
- 25 (d) Formulate and implement a shelter program for urban poor communities  
26 that will promote their social and economic welfare, and mobilize resources  
27 and encourage stakeholder participation in the provision of urban services  
28 for the poor;
- 29 (e) Provide assistance to, and capability building of, local governments in  
30 urban development, urban regeneration and urban management in  
31 support of national policies and strategies in the sector, as well as  
32 strengthen the role of independent component cities and provincial  
33 governments as the primary entities for urban development planning and  
34 management at the local level;



- 1 (f) Develop and establish a sector performance monitoring and assessment  
2 mechanism, and monitor and independently report on the performance of  
3 national government agencies and local governments in housing and  
4 urban development sector to enable continuing improvements in sector  
5 policy and strategy formulation;
- 6 (g) Delineate areas for priority development as urban renewal areas and  
7 prepare programs for their regeneration;
- 8 (h) Support devolution and decentralization where local governments in  
9 partnerships with communities, non-government organizations and  
10 private groups assume the functions of urban renewal and regeneration;
- 11 (i) Exercise administrative investigatory powers over local governments to  
12 ensure their faithful compliance with housing and urban development  
13 laws, standards and guidelines, as well as their judicious and fair  
14 application of local housing and urban development and housing  
15 ordinances, and require the submission by local governments of pertinent  
16 documents and information as may be necessary in the judicious and  
17 effective conduct of investigation;
- 18 (j) Coordinate the policies and programs of attached agencies; and
- 19 (k) Perform such other related functions as may be mandated by law.

20 Sec. 7. **Mandate.** - The Department shall be the primary national government  
21 entity responsible for the management of housing and urban development. It shall  
22 be the main planning and policy-making, program coordination, and performance  
23 monitoring entity for all housing and urban development concerns.

24

25 **CHAPTER 4**

26 **DEPARTMENT PROPER**

27 Sec. 8. **Composition.** - The Department Proper shall be composed of  
28 the Office of the Secretary, his/her immediate staff, the Offices of the Undersecretary  
29 and Assistant Secretaries, and the offices and services directly supportive of the  
30 Office of the Secretary.

31 Sec. 9. **The Secretary.** - The Secretary shall:

- 32 (a) Advise the President on the promulgation of rules, regulations and other  
33 issuances relative to matters under the jurisdiction of the Department;

- 1 (b) Establish policies and standards for the efficient and effective operations  
2 of the Department in accordance with the programs of the government;  
3 (c) Promulgate rules, regulations and other issuances necessary in carrying  
4 out the Department's mandate, objectives, policies, plans, programs and  
5 projects;  
6 (d) Exercise supervision and control over all functions and activities of the  
7 Department;  
8 (e) Delegate authority for the performance of any administrative or  
9 substantive function to subordinate officials of the Department; and  
10 (f) Perform such other functions as may be provided by law or assigned by  
11 the President.  
12

13 The Secretary shall also serve as an ex-officio, non-voting member of the  
14 National Economic and Development Authority (NEDA) Board, the governing boards  
15 of the Social Security System (SSS), the Government Service Insurance System  
16 (GSIS) and the Public Estates Authority (PEA). The Secretary shall be a member of  
17 the NEDA's Committee on Infrastructure (INFRACOM) and the Social Development  
18 Committee (SDC). The Secretary shall be a member of the body authorized to  
19 formulate, prescribe, or amend guidelines under Republic Act No. 6957, otherwise  
20 known as the Build-Operate-Transfer Law. Further, the Secretary shall be the  
21 chairperson of the governing boards of the National Housing Authority (NHA), the  
22 Home Development Mutual Fund (HDMF), the Home Guaranty Corporation (HGC)  
23 and the National Home Mortgage Finance Corporation (NHMFC).

24 **Sec. 10. *The Undersecretary and Assistant Secretaries.*** – The Secretary  
25 shall be assisted by an Undersecretary and such Assistant Secretaries as may be  
26 necessary and allowed by law or organizational policy of government. The  
27 Undersecretary and Assistant Secretaries shall be career officers and shall be  
28 appointed by the President upon the recommendation of the Secretary. They shall  
29 have the powers and functions as provided for in Section 10, Chapter 2, and Book  
30 IV of the Administrative Code of 1987. The Secretary is hereby authorized to delineate  
31 and assign the respective functional areas of responsibility of the undersecretary and  
32 assistant secretaries.

33 **Sec. 11. *Departmental Services Office.*** – The Departmental Services Office,  
34 under the Office of the Secretary, shall be headed by an Assistant Secretary, and  
35 shall have the following services: Financial Management Service, Administrative

1 Service, Legal and Legislative Service, Research and Development Service, Public  
2 Relations and Information Service, and Information and Communications  
3 Technology Service.

4 Sec. 12. **Financial Management Service.** - The Financial Management  
5 Service shall:

- 6 a) Formulate the medium-term and annual expenditure program for the  
7 Department and prepare, execute and administer the Department's annual  
8 budget;
- 9 b) Develop and implement approaches, methodologies and procedures for  
10 ensuring efficiency in the allocation and utilization of budgetary and other  
11 resources of the Department;
- 12 c) Provide accounting, financial management, disbursement and cashiering  
13 services to the department and ensure the submission of the appropriate  
14 financial and physical performance reports and financial statements;
- 15 d) Monitor and make recommendations on the financial and physical  
16 performance of the Department's programs, projects and activities; and
- 17 e) Perform such other related functions as may be assigned by the Secretary.

18 Sec. 13. **Administrative Service.** - The Administrative Service shall provide  
19 the Department with efficient and effective services relative to personnel, human  
20 resources development, records management and custodial work, supplies and  
21 inventory management, procurement, physical assets management, and other  
22 related administrative functions as may be assigned by the Secretary.

23 Sec. 14. **Legal and Legislative Service.** - The Legal and Legislative Service  
24 shall:

- 25 a) Provide the Department, its officials and personnel with legal counseling  
26 services;
- 27 b) Provide assistance to the Secretary in handling cases affecting the  
28 Department and in the investigation of administrative cases involving  
29 Department personnel;
- 30 c) Provide assistance to the Secretary and other Department personnel in the  
31 preparation of legislative proposals and legal issuances affecting the sector  
32 or the Department;

1 d) Review and make recommendations to the Secretary on the legal and  
2 legislative implications of plans, programs and activities affecting the  
3 sector or the Department; and

4 e) Perform such other related functions as may be assigned by the Secretary.

5 Sec. 15. **Research and Development Service.** - The Research and  
6 Development Service shall:

7 a) Formulate and implement a research and development agenda and  
8 mobilize public and private sector resources to generate new knowledge;  
9 develop and/or adopt new technologies; identify and design new products  
10 and services, to support continuing improvement in housing and urban  
11 development regulation, production and service delivery;

12 b) Undertake continuing studies on the research and development  
13 requirements of the housing and urban development sector for the purpose  
14 of, but not limited to, policy development, planning and standards  
15 formulation;

16 c) Establish collaborative mechanisms with international and local  
17 institutions, the academe and research institutions, industry, local  
18 governments and national government agencies, and other entities and  
19 individuals for knowledge sharing, research resources sharing, technology  
20 transfer, commercialization, and useful exploitation and industry use of  
21 research and development;

22 d) Publish and disseminate research and development information to the  
23 public to promote innovation in the various aspects of housing and urban  
24 development; and

25 e) Perform such other related functions as may be assigned by the Secretary.

26 Sec. 16. **Public Relations and Information Service.** - The Public Relations  
27 and Information Service shall:

28 a) Formulate and implement a public information and relations program that  
29 will promote public and stakeholder knowledge of, and feedback on, the  
30 policies, regulations, incentives, opportunities and programs and projects  
31 in the housing and urban development sector;

32 b) Prepare, produce and publish materials to support such public  
33 information and public relations program;

34 c) Establish collaborative networks for the dissemination of information and  
35 generation of feedback on sectoral concerns; and

1 d) Perform such other related functions as may be assigned by the Secretary.

2 Sec. 17. **Information and Communications Technology Service.** - The  
3 Information and Communications Technology Service shall:

4 a) Formulate and implement an information and communications technology  
5 plan for the sector that will ensure the speedy generation, organization,  
6 and processing of data and production of analytic information to support  
7 planning, policy formulation, performance monitoring and assessment and  
8 the transaction processing systems of the Department.

9 b) Define the design of the integrated information systems and their  
10 functional specifications, and undertake the management of the  
11 development, operation and maintenance of applications;

12 c) Establish collaborative electronic data sharing and communications  
13 linkages with other departments, agencies, industry and local government  
14 units to ensure the generation of comprehensive, up-to-date and accurate  
15 data and promote their wider use in decision-making;

16 d) Undertake continuing user training and assistance to improve computer  
17 literacy and promote the sophisticated use of information technology in  
18 planning, analysis, transaction processing and decision-making;

19 e) Be responsible for the maintenance and provision of support services to all  
20 Department employees in the use of information technology;

21 f) Conduct continuing studies on best uses of information and  
22 communications technology in the housing and urban development sector;  
23 and

24 g) Perform such other functions as may be assigned by the Secretary.

25 Sec. 18. **Advisory Committees.** - The Secretary shall have the power to  
26 establish ad-hoc advisory committees consisting of key representatives from national  
27 government agencies, local governments, the private sector, urban poor  
28 communities, academe, and other marginalized groups, to provide a forum for  
29 stakeholder participation and dialogue on key housing and urban development  
30 issues and policies.

31 Sec. 19. **Staffing Pattern.** - The Secretary shall prepare and implement a  
32 staffing pattern for the Department proper that shall be based on an assessment of  
33 the personnel requirements of the entire Department. The remuneration structure of  
34 the positions in the staffing pattern shall conform to the Salary Standardization Law.

1 The Department of Budget and Management shall fund in full the staffing pattern of  
2 the Department.

3 The internal structure and the specific number of divisions that will comprise  
4 each of the above bureaus and units under the Department shall be determined and  
5 established by the Secretary.

6

7

## CHAPTER 5

8

### PLANS, POLICIES AND MONITORING OFFICE

9 Sec. 20. **Plans, Policies and Monitoring Office**. – The Plans, Policies and  
10 Monitoring Office (PPMO) under the Office of the Secretary shall be headed by an  
11 Assistant Secretary and shall be the central government policy, planning and  
12 monitoring think tank for housing and resettlement, and urban planning,  
13 development and regeneration. The PPMO shall be responsible for the:

14 (a) Formulation of national housing policy, urban and regional development  
15 policies, and resettlement policy;

16 (b) Updating of national urban development and housing framework;  
17 preparation of national shelter plan and agency corporate plan;

18 (c) Provision of internal planning services; reviewing policies, plans and  
19 programs of key shelter agencies;

20 (d) Conduct of research and development in housing technologies and into  
21 housing and urban development;

22 (e) Monitoring of the effectiveness of government policies and programs in  
23 housing delivery and urban development, including those of the attached  
24 agencies;

25 (f) Development of performance indicators for housing and urban  
26 development and the formulation and development of performance  
27 indicators and program targets for key shelter agencies and local  
28 governments;

29 (g) Monitoring of the performance of key shelter agencies against targets as  
30 well as the accomplishment of the national shelter plan and adherence to  
31 the urban development and housing framework.

- 1 (h) Provision of internal evaluation services to HUDCC;
- 2 (i) Integration of housing and urban development data banks with those of
- 3 other government agencies; and
- 4 (j) Monitoring of the performance of local government programs in housing
- 5 and urban development.

6 Sec. 21. **Bureaus Under the PPMO.** – The Assistant Secretary for Plans,

7 Policies and Monitoring shall supervise the following:

8 (1) *Plans, Policies and Programs Bureau.* – The Plans, Policies and Programs

9 Bureau shall:

- 10 (a) Formulate, review and update, in consultation with national
- 11 government agencies, local governments, private sector,
- 12 communities and other stakeholders, national plans, objectives and
- 13 policies for housing and urban development, specifically the
- 14 National Urban Development and Housing Framework and the
- 15 National Shelter Program;
- 16 (b) Establish and implement a national housing and urban
- 17 development planning system and coordinate the preparation and
- 18 timing of the sectoral plans of national government agencies with
- 19 the local development plans of local government units, ensuring
- 20 their consistency with the National Urban Development and
- 21 Housing Framework, the National Shelter Program and the
- 22 Medium-term Philippine Development Plan;
- 23 (c) Design programs for the provision of capacity building assistance to
- 24 local governments in housing and urban development planning,
- 25 investment programming, formulation of zoning ordinances, plan
- 26 administration and performance assessment;
- 27 (d) Formulate policies and design interventions that will directly
- 28 address the shelter concerns of the urban poor communities,
- 29 including the formulation of guidelines on eviction and relocation;
- 30 (e) Standardize planning data and sector information requirements
- 31 under a uniform data classification and storage and through
- 32 geographic information systems;

- 1 (f) Formulate a foreign-assisted projects framework consistent with the  
2 Urban Development and Housing Framework, National Shelter  
3 Program and Sector Public Investment Program;
- 4 (g) Formulate an effective monitoring and performance evaluation  
5 system and undertake the overall monitoring and performance  
6 assessment of foreign-assisted housing and urban development  
7 projects of the Department, its attached agencies and other national  
8 government agencies, local government units, and other entities;
- 9 (h) Establish project management units to manage and coordinate the  
10 implementation of foreign assisted projects of the Department,  
11 where necessary;
- 12 (i) Provide technical assistance to project management and  
13 implementation offices and units of foreign-assisted projects of the  
14 Department in the facilitation of project implementation in  
15 accordance with approved policies and schedules; and
- 16 (j) Perform such other functions as may be assigned by the Secretary.
- 17 (2) *Monitoring and Evaluation Bureau.* – The Monitoring and Evaluation  
18 Bureau shall:
- 19 (a) Monitor and evaluate the performance of the sector particularly on  
20 the consistency of programs, projects and activities of national  
21 government agencies, local government units, industry and other  
22 stakeholders with the National Urban Development and Housing  
23 Framework, National Shelter Strategy, sector public investment  
24 programs and policies of the department;
- 25 (b) Develop and operate a sector performance monitoring and  
26 evaluation system, and monitor, evaluate and independently report  
27 on the performance of the sector and that of local governments,  
28 industry, national government and other key sector stakeholders;
- 29 (c) Recommend changes and coordinate action needed to ensure the  
30 accomplishment of the objectives of the National Urban  
31 Development and Housing Framework, National Shelter Strategy,  
32 sector public investment programs and the policies of the  
33 department;
- 34 (d) Regularly monitor the corporate and operational performances of all  
35 the organic bureaus, attached agencies and corporations, and make  
36 recommendations thereon; and



1 (e) Perform such other related functions as may be assigned by the  
2 Secretary.

3 (3) *Housing Finance Development Bureau.* - The Housing Finance  
4 Development Bureau shall:

5 (a) Formulate policies to encourage a sustainable market-oriented  
6 housing finance system to ensure adequate flow of private funds  
7 into the primary and secondary mortgage markets;

8 (b) Develop and implement incentive schemes to encourage greater  
9 participation by the private sector, communities and other  
10 stakeholders in the provision of housing and housing finance;

11 (c) Design the most appropriate subsidy mechanism to increase  
12 transparency and efficiency in the use of public funds, including the  
13 creation of a socialized housing fund or other mechanisms to  
14 administer up-front grants or amortization support, and design the  
15 implementing systems and procedures for the program maximizing  
16 the principles of decentralization and devolution;

17 (d) Undertake continuing studies for the improvement of the  
18 institutional framework and administrative operations for housing  
19 finance;

20 (e) Recommend legislation to improve housing finance laws, policies  
21 and mechanisms and develop initiatives for private sector and  
22 community participation;

23 (f) Conduct continuing studies on improving housing finance,  
24 resource generation and mobilization, and their implementing  
25 strategies and mechanisms;

26 (g) Administer homeless assistance or grants to LGUs, NGOs and  
27 private communities for temporary or emergency housing in  
28 response to man-made or natural calamities; and

29 (h) Perform such other functions as may be assigned by the Secretary.  
30

31 **CHAPTER 6**

32 **URBAN DEVELOPMENT AND HOUSING OPERATIONS OFFICE**

33

1           Sec. 22. **The Urban Development and Housing Operations Office.** – The  
2 Urban Development and Housing Operations Office (UDHOO), under the Office of the  
3 Secretary, shall be headed by an Assistant Secretary and shall be responsible for the:

- 4           (a) Development of the capacity of local governments to plan, implement and  
5           monitor housing, land management, urban development and urban  
6           regeneration programs;  
7           (b) Development and administration of the national government subsidy  
8           program for social housing;  
9           (c) Provision of advice and guidance on the development of housing finance  
10           market in the Philippines; and  
11           (d) Provision of technical and administrative support to management and  
12           implementation of foreign assisted projects at the central level.

13           Sec. 23. **Bureaus under the UDHOO.** – The Assistant Secretary for Urban  
14 Development and Housing Operations shall supervise the following:

15           (1) **Housing and Land Use Regulation Bureau.** – The Housing and Land Use  
16 Regulation Bureau shall be responsible to:

- 17           (a) Formulate, review and update national policies and standards,  
18           guidelines and regulations relative to land use for implementation  
19           and enforcement by local government units;  
20           (b) Develop urban development planning and urban development, land  
21           use, zoning and urban management standards and guidelines for  
22           the formulation of local development plans, land use plans and  
23           zoning ordinances, and for local development administration and  
24           urban management by local governments, ensuring the integration  
25           of the spatial and socio-economic aspects of development,  
26           promoting consultation and consensus, and improving development  
27           quality;  
28           (c) Formulate national standards and regulation relative to the  
29           development of condominium and subdivision projects which will  
30           serve as guide for the enforcement of such regulation by the  
31           provincial governments and independent cities;  
32           (d) Formulate zoning and other land use standards and guidelines  
33           which shall govern: the development and implementation of local  
34           land use plans and zoning ordinances of municipalities and  
35           component cities; the zoning components of civil works and

1 infrastructure projects of the national, regional and local  
2 governments located within the geographical jurisdiction of the  
3 province or independent component city; subdivision or estate  
4 development projects of the public and private sectors; and urban  
5 renewal plans, programs and projects; *Provided*, That these  
6 standards and guidelines shall respect the classification of public  
7 lands for forest purposes as certified by the Department of  
8 Environment and Natural Resources;

9 (e) Monitor, evaluate, investigate and independently report on the  
10 performance of local governments, the private sector, and other  
11 stakeholders in the aspects of housing development, land use  
12 management, and their regulation;

13 (f) Issue rules and regulations to enforce land use policies as  
14 prescribed by existing laws on land use and such other laws  
15 regulating the use of land, including the regulatory aspect of the  
16 Urban Land Reform Act and all decrees relating to the value of land  
17 and improvements and their rental, in their respective geographical  
18 areas of jurisdiction;

19 (g) Develop and install a housing and land use development oversight  
20 monitoring system and undertake reserve compliance monitoring  
21 function deemed vital by the Secretary;

22 (h) Formulate and implement real estate consumer education and  
23 protection programs; and

24 (i) Perform such other related functions as may be assigned by the  
25 Secretary.

26 (2) *Urban Land Management and Regeneration Bureau.* – The Urban Land  
27 Management and Regeneration Bureau shall be responsible to:

28 (a) Formulate urban land management, renewal and regeneration  
29 policies, strategies, concepts, and models; mobilize community  
30 support and create the governance mechanisms, incentives and  
31 disincentives and other modes of intervention to mobilize public and  
32 private sector resources;

33 (b) Undertake continuing monitoring and assessment of urban land  
34 management policies, programs, interventions and institutional  
35 mechanisms and assess the urban land management, renewal and

- 1 regeneration needs and reform requirements to improve policy and  
2 strategy formulation;
- 3 (c) Coordinate the urban land management, renewal and regeneration  
4 activities of the national government to ensure efficient use of public  
5 resources; prevent duplication and overlapping, streamline  
6 procedures, encourage private sector and community participation  
7 and improve services;
- 8 (d) Undertake studies on urban land management regeneration, and  
9 apply best practices and lessons in improving policy, government  
10 intervention and practice;
- 11 (e) Design programs for improving capacities of local governments in  
12 urban land management, renewal and regeneration; and
- 13 (f) Perform such other functions as may be assigned by the Secretary.  
14

## 15 CHAPTER 7

### 16 OFFICE FOR REGIONAL OPERATIONS

17 Sec. 24. **The Office for Regional Operations.** - The Office for Regional  
18 Operations shall exercise supervision and control over the Department's Regional  
19 Offices, described in Section 25 hereof. It shall be responsible for the provision of  
20 public information, monitoring of LGU performance, development of a regional-  
21 central reporting and work flow processes, provision of government assistance to  
22 LGUs, administration of subsidy and other regional operations.

23 Sec. 25. **Regional Offices.** - The Department is hereby authorized to  
24 establish, operate and maintain a Department-wide regional office in each of the  
25 country's administrative regions. Each Regional Office shall be headed by a Regional  
26 Director and shall have the following functions:

- 27 (a) Implement the policies and programs of the Department in the concerned  
28 region;
- 29 (b) Implement the local government housing and urban development capacity  
30 building programs of the Department in their respective regions;
- 31 (c) Ensure the consistency of the over-all regional development goals and  
32 programs with the National Urban Development and Housing Framework,  
33 and the National Shelter Program, and vice-versa; similarly between  
34 Department programs and regional plans of other government agencies;

- 1 (d) Review all local development and land use plans of provinces and  
2 independent cities for purposes of ensuring compliance with laws;
- 3 (e) Undertake the independent monitoring and review of sector performance  
4 and the performance of national government, local governments, industry  
5 and other stakeholders in the regions, and recommend appropriate action  
6 thereon;
- 7 (f) Monitor, investigate and assess compliance to approved subdivision and  
8 condominium plans; and for the purpose, impose fines/penalties and, on  
9 its own or upon complaint of any interested party, after the conduct of  
10 appropriate investigation, issue notices of violations and Cease and Desist  
11 Orders for non-compliance thereof;
- 12 (g) Coordinate the housing and urban development planning process in the  
13 regions to ensure the delivery of various services such as titling, issuance  
14 of permits for subdivision plans, the provision of social and livelihood  
15 services, and other services related to housing and urban development;
- 16 (h) Maintain a regional database and information system for the sector in the  
17 region;
- 18 (i) Undertake a public information program to provide the industry, general  
19 public and other stakeholders with information on national and local  
20 government policies, regulations and programs, as well as to establish a  
21 consultative mechanism to serve as a forum for continuing planning and  
22 evaluation of settlement programs and projects;
- 23 (j) Implement, monitor and evaluate policies, rules and regulations  
24 governing resettlement, relocation, eviction or demolition of the homeless  
25 and underprivileged and recommend appropriate action thereon;
- 26 (k) Ensure that local government units institute preventive measures against  
27 squatting and address other concomitant problems such as rural to urban  
28 migration;
- 29 (l) Monitor and evaluate the implementation of government programs and  
30 projects which would require housing provision and/or relocation and  
31 resettlement activities, and recommend appropriate action thereon;
- 32 (m) Administer homeless assistance or advances/grants to LGUs, NGOs and  
33 private communities for temporary and emergency housing, in  
34 response to man-made and natural calamities;

- 1 (n) Implement innovative, clearly defined, transparent and on-budget housing  
2 subsidy mechanisms for the homeless and underprivileged in the regions  
3 to enhance accessibility to housing;  
4 (o) Registration of incorporation of homeowners associations and  
5 condominium corporations; and  
6 (p) Perform such other functions as may be assigned by the Secretary.  
7

8 **CHAPTER 8**  
9 **ATTACHED AGENCIES**

10 Sec. 26. **Attached Agencies and Corporations.** - The following agencies and  
11 corporations are hereby attached to the Department for policy and program  
12 coordination:

- 13 (a) National Housing Authority (NHA);  
14 (b) Housing Guarantee Corporation (HGC);  
15 (c) National Home Mortgage Finance Corporation (NHMFC);  
16 (d) Home Development Mutual Fund (HDMF); and  
17 (e) Housing and Urban Development Adjudication Commission (HUDAC).

18 Sec. 27. **National Housing Authority (NHA).** - The National Housing  
19 Authority shall remain as the sole national government arm for shelter production  
20 and shall institute such programs and approaches that will promote housing  
21 provision for low-income families. It shall encourage private sector participation in  
22 socialized housing production and assist local governments in building capabilities  
23 for the implementation of local housing programs and projects.

24 Sec. 28. **Home Guarantee Corporation (HGC).** - The Home Guaranty  
25 Corporation shall concentrate on its mandate of providing guarantees to: (a)  
26 encourage the flow of private funds for mass housing development and homebuyers'  
27 financing; and (b) support the development and sustainability of the secondary  
28 mortgage market for housing. The Corporation shall conduct studies and initiate  
29 activities for greater private sector participation in the short-term and for its eventual  
30 privatization over the medium term.

31 Sec. 29. **National Home Mortgage Finance Corporation (NHMFC).** - The  
32 National Home Mortgage Finance Corporation shall focus on its designated function  
33 as the secondary mortgage institution of the country. To achieve this, the  
34 Corporation shall implement measures necessary to enhance its organizational

1 capability and financial viability, including but not limited to, improvement of  
2 collection efficiency, restructuring of management information systems, and  
3 upgrading of its technical capability. The Corporation shall conduct studies and  
4 initiate activities for greater private sector participation in the short-term and for its  
5 eventual privatization over the medium term.

6 Sec. 30. **Home Development Mutual Fund (HDMF).** - The Fund shall  
7 continue its function of providing a savings system for public and private sector  
8 employees with housing as its primary investment, as provided for in P.D. 1752, as  
9 amended by E.O. 35 and Republic Act 7742.

10 Sec. 31. **Nature of Attachment.** - The Secretary shall in concurrent capacity,  
11 be the *Ex-Officio* Chairperson of the governing boards of the attached corporations,  
12 namely, the NHA, the HGC, the NHMFC and the HDMF.

13  
14 **CHAPTER 9**

15 **HOUSING AND URBAN DEVELOPMENT ADJUDICATION COMMISSION**

16 Sec. 32. **Renaming and Reconstitution of the Housing and Land Use**  
17 **Regulatory Board.** - The Housing and Land Use Regulatory Board is hereby  
18 renamed and reconstituted as the Housing and Urban Development Adjudication  
19 Commission (HUDAC), hereinafter referred to as the Commission.

20 Sec. 33. **Power and Authority.** - The Commission shall have the following  
21 powers and authorities:

- 22 (a) To promulgate rules and regulations governing the hearing and disposition  
23 of cases filed before it and those pertaining to its internal functions and  
24 such other regulations as may be necessary to carry out the purposes for  
25 which it is established: *Provided*, That it shall not be bound by technical  
26 rules of procedure but shall proceed to hear and decide all cases, disputes  
27 or controversies in a most expeditious manner employing all reasonable  
28 means to ascertain the facts of every case in accordance with justice, equity  
29 and merit;
- 30 (b) To administer oaths, summon parties to a controversy, issue subpoenas  
31 requiring attendance and testimony of witnesses or the production of such  
32 books, papers, contracts, records, agreements and other documents of

1 similar nature as may be material to a just determination of the matter  
2 under investigation or hearing conducted in pursuance of this Act;

3 (c) To issue writs, orders to execute demolition, or seizure or closure of  
4 property in accordance with its decision;

5 (d) To issue preliminary or permanent injunctions, whether prohibitory or  
6 mandatory, in all cases in which it has jurisdiction, and in which the  
7 pertinent provisions of the Rules of Civil Procedure shall apply;

8 (e) To hold any person in contempt, directly or indirectly, and impose  
9 appropriate penalties thereof;

10 (f) To impose administrative fines and /or penalties for violation of this Act,  
11 the Urban Development and Housing Act and other laws implemented by  
12 the Commission, including pertinent rules and regulations, orders,  
13 decisions and/or rulings: *Provided*, That the maximum fines or penalties  
14 to be imposed shall not exceed Five Hundred Thousand Pesos  
15 (P500,000.00): *Provided further*, That the Commission may adjust such  
16 rates not more than once every three (3) years;

17 (g) To determine and order the payment by the losing party of the cost of the  
18 litigation incurred by the winning party and prescribe the manner in which  
19 such payments shall be made;

20 (h) To deputize any law enforcement agency in the execution of its final orders,  
21 rulings or decisions; and

22 (i) To exercise such other powers as implied, necessary, or incidental to  
23 carrying out the express powers granted to the Commission or to achieve  
24 the objectives and purposes of this Act, and other laws implemented by the  
25 Commission.

26 The Chairperson, aided by the Executive Clerk of the Commission, shall have  
27 administrative supervision over the Commission and its regional branches and  
28 all its personnel including the Housing and Land Use Arbiters.

29 **Sec. 34. *Composition and Qualification of Members.*** - The Commission  
30 shall be composed of a Chairperson and fourteen (14) full-time Members to be  
31 appointed by the President, majority of whom shall be members of the Philippine Bar  
32 while the others shall have a background or experience in urban development  
33 planning, development and implementation of shelter programs for urban poor  
34 communities, management, architecture, civil engineering, and other related fields.  
35 They must have been engaged in the practice of their respective professions or  
36 specialization or employed in an appropriate office for a period of at least five (5)



1 years. In addition, no person who has been convicted of a crime involving moral  
2 turpitude shall be appointed as members of the Commission.

3 The Commission may sit en banc or in five (5) divisions, each composed of  
4 three (3) members. Subject to the penultimate sentence of this paragraph, the  
5 Commission shall sit en banc only for purposes of promulgating rules and  
6 regulations governing the hearing and disposition of cases before any of its divisions  
7 and regional offices and formulating policies affecting its administration and  
8 operations. The Commission shall exercise its adjudicatory and all other powers,  
9 functions, and duties through its divisions. Of the five (5) divisions, the first, second  
10 and third divisions shall handle cases coming from the National Capital Region and  
11 parts of Luzon. The fourth and fifth divisions, cases from the Visayas and Mindanao,  
12 respectively: *Provided*, That the Commission sitting en banc may, on temporary or  
13 emergency basis, allow cases within the jurisdiction of any division to be heard and  
14 decided by any other division whose docket allows the additional workload and such  
15 transfer will not expose litigants to unnecessary additional expense: *Provided further*,  
16 That the Commission shall designate one (1) division to hear and resolve cases  
17 involving eviction and relocation of urban poor communities. Each division of the  
18 Commission shall have exclusive appellate jurisdiction over cases within its  
19 territorial jurisdiction.

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

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

31 The Chairperson shall be the Presiding Commissioner of the first division and  
32 the four (4) other senior members shall be the Presiding Commissioners of the  
33 second, third, fourth and fifth divisions, respectively. In the case of the absence or

1 incapacity of the Chairperson, the Presiding Commissioner of the Second Division  
2 shall be Acting Chairperson.

3 The Chairperson, aided by the Executive Clerk of the Commission, shall have  
4 administrative supervision over the Commission and its regional branches and all its  
5 personnel including the Executive Housing and Land Use Arbiters and Housing and  
6 Land Use Arbiters.

7 The Commission, when sitting en banc shall be assisted by the Executive  
8 Clerk and, when acting through its Divisions by the Division Clerk, respectively, who  
9 shall perform such similar or equivalent functions and duties as are discharged, by  
10 the Clerk of Court and Deputy Clerk of Court of the Court of Appeals.

11 Sec. 35. **Term and Compensation.** – The Members of the Commission shall  
12 be appointed for a term of six (6) years without prejudice to reappointment after said  
13 term shall have expired. The Chairperson and Members of the Commission shall  
14 receive an annual salary at least equivalent to that of, and be entitled to the same  
15 allowances and benefits as, an Undersecretary and Assistant Secretary of the  
16 Department, respectively.

17 The incumbent full-time Commissioners of the present HLURB shall remain  
18 in office unless they opt to avail of the retirement and separation benefits provided  
19 in Section 50 of this Act or are sooner removed for cause.

20 Sec. 36. **Housing and Land Use Arbiters, Qualifications, Powers and**  
21 **Functions.** – The qualifications, powers and functions of the Housing and Land Use  
22 Arbiters shall be as indicated hereunder:

- 23 (a) The Secretary, upon recommendation of the Chairperson of the  
24 Commission, shall appoint Housing and Land Use Arbiters as the needs of  
25 the service may require for each administrative region;
- 26 (b) No person shall be appointed Housing and Land Use Arbiter unless he/she  
27 is a member of the Philippine Bar with at least three (3) years experience  
28 or exposure in the field of real estate and land use development cases;
- 29 (c) The Housing and Land Use Arbiters shall receive an annual salary at least  
30 equivalent to that of, and be entitled to the same allowances and benefits,  
31 as an Assistant Regional Director of the Department; and
- 32 (d) The Housing and Land Use Arbiters shall have original and exclusive  
33 jurisdiction to hear and decide cases enumerated in Section 35 of this Act.

1           Sec. 37. **Jurisdiction.** - The Housing and Land Use Arbiters shall exercise  
2 original and exclusive jurisdiction to hear and decide cases involving the following:

3           (1) On Real Estate -

- 4                   (a) Unsound and fraudulent real estate business practices;  
5                   (b) Claims for refund against project owners, developers, dealers,  
6                   brokers and salespersons;  
7                   (c) Specific performance of contractual and statutory obligations filed  
8                   by buyers of subdivision lots or condominium units against the  
9                   owner, developer, dealer, broker or salespersons;  
10                  (d) Squatting on subdivision lots;  
11                  (e) Eviction and relocation of squatter communities;  
12                  (f) Disputes involving buyer-financing agreements with any financing  
13                  institution for condominium/subdivision projects;  
14                  (g) Disputes involving easements or right of way arising from the  
15                  development of subdivision and housing projects;  
16                  (h) Disputes between: (1) land owners and developers, and (2) banks  
17                  and developers, whenever the interest of buyers of subdivision lots,  
18                  or house and lots, or condominium units are involved;  
19                  (i) Releases of mortgage titles of subdivision lots and condominium  
20                  units;  
21                  (j) Disputes involving easement of waterways, drainage, connections  
22                  and light and view arising from the development of subdivision and  
23                  housing projects;  
24                  (k) Disputes involving homeowners associations and condominium  
25                  corporations, whether intra corporate or inter corporate;  
26                  (l) Claims of broker/salesmen for unpaid commissions for  
27                  condominium/sub-division projects;  
28                  (m) Other related cases arising from contractual or statutory obligations  
29                  of owners, dealers, brokers or salesmen towards lot or unit buyers;  
30                  and  
31                  (n) Regulation of the relationship between residential lessors and  
32                  lessees that are governed by the Rent Control law.

- 33           (2) On Housing and Land Use Planning and Regulation - Decisions and actions  
34           of: (a) local housing boards or provincial governments, highly urbanized  
35           independent component cities and the cities and municipalities of Metro

1 Manila; (b) regional and local physical planning and zoning bodies,  
2 including zoning boards of adjustment and appeals on complaints alleging  
3 violations of local zoning ordinances not involving land conversion issues;  
4 and (c) provincial and component independent city governments with  
5 respect to applications relative to applications with opposition, petitions or  
6 complaints for revocation of clearances, permits and licenses issued and  
7 issuance of Cease and Desist Orders and administrative fines

8 (i) On Shelter Rights – Violations of administrative rules and regulations  
9 implementing Sections 18 and 28 of Republic Act 7279, otherwise known  
10 as the Urban Development and Housing Act.

11 The Commission shall have exclusive appellate jurisdiction over all cases  
12 decided by the Housing and Land Use Arbiters.

13 Sec. 38. **Criminal Prosecution.** – Criminal prosecution for violation of  
14 housing laws and regulations shall be instituted before regular courts with  
15 appropriate jurisdiction.

16 Sec. 39. **Sheriff.** – The Commission shall appoint a sheriff or such number  
17 of sheriffs in its central and regional branches. No person shall be appointed to the  
18 position of sheriff unless he is a second grade civil service eligible and has finished  
19 at least two (2) years of college. The sheriff shall be responsible for the service or  
20 execution of all writs, summons and orders and other processes of the Commission.

21 Sec. 40. **Appearances.** – A lawyer appearing for a party is presumed to be  
22 properly authorized for that purpose. A non-lawyer may appear before the  
23 Commission or the Housing and Land Use Arbiter only if: a) he/she represents  
24 him/herself as a party to the case; or b) he/she represents his/her organization or  
25 members thereof: *Provided*, That he/she shall be made to present written proof that  
26 he/she is properly authorized.

27 Sec. 41. **Appeals.** – Decisions, awards or orders of the Housing and Land Use  
28 Arbiters shall be final and executory unless appealed to the Commission within ten  
29 (10) calendar days from receipt thereof. The appeal may be entertained only on any  
30 of the following grounds:

31 (a) If there is *prima facie* evidence of abuse of discretion on the part of the  
32 Housing and Land Use Arbiter in rendering the questioned decision, award  
33 or order;

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

3 (c) If made purely on questions of law; and

4 (d) If serious errors in the findings of facts are raised that would cause grave  
5 or irreparable damage or injury to the appellant.

6 Decisions of the Commission can be appealed only to the Court of Appeals  
7 by way of a Petition for Review within fifteen (15) days from notice of judgment, award  
8 or order pursuant to Rule 43 of the 1997 Rules of Civil Procedure.

9 Sec. 42. **Prohibition Against Restraining Order of Injunction.** – No lower  
10 court of the Philippines shall have jurisdiction to issue any restraining order or writ  
11 of preliminary injunction or permanent injunction against the Commission or its  
12 Housing and Land Use Arbiters in any case, dispute or controversy arising from,  
13 necessary to, or in connection with the application, implementation, enforcement or  
14 interpretation of this Act and other pertinent laws on housing and just and humane  
15 eviction or demolition procedures.

16 Sec. 43. **Pending Cases.** – All cases pending in court arising from or in  
17 connection with the implementation of pertinent laws on housing and just and  
18 humane eviction/demolition procedures shall continue to be heard, tried and  
19 decided to their finality.

20  
21 **CHAPTER 10**  
22 **FUNCTIONS OF LOCAL GOVERNMENTS IN RELATION TO**  
23 **HOUSING AND URBAN DEVELOPMENT**

24 Sec. 44. **Continuing Devolution of Functions to Local Governments.** – The  
25 national government, through the Department and in consultation with the  
26 Department of Interior and Local Government and the local governments, shall  
27 formulate and implement a continuing devolution program for housing and urban  
28 development sector functions, responsibilities, authority and accountability, in  
29 accordance with the principles of sector governance stipulated in this Act.

30 Sec. 45. **Devolution of Rule Enforcement Functions to Provinces and**  
31 **Independent Component Cities.** – The following regulatory functions of the  
32 Housing and Land Use Regulatory Board as provided for in Executive Order No. 648,

1 dated 07 February 1981 as amended by Executive Order No. 90, dated 17 December  
2 1986, are hereby devolved to provincial governments, independent component city  
3 governments and the cities and municipalities of the Metropolitan Manila Area:  
4 *Provided*, That all rule promulgation and enforcement functions and activities of local  
5 government units, are in accordance with the prescribed regulatory framework and  
6 policies as well as guidelines issued by the Department:

7 (a) Review, evaluate and approve or disapprove comprehensive local  
8 development plans, local land use plans and zoning ordinances of  
9 component cities and municipalities; the zoning components of civil works  
10 and infrastructure projects of national, regional and local governments;  
11 subdivision, condominium or estate development projects including  
12 industrial estates, of the public and private sectors; and urban renewal  
13 and regeneration plans, programs and projects; *Provided* that the review  
14 and approval of such comprehensive local development plans, local land  
15 use plans and zoning ordinances shall respect the classification of public  
16 lands for forest purposes as certified by the Department of Environment  
17 and Natural Resources; and *Provided* that the classification of specific  
18 alienable and disposable lands by the Bureau of Lands shall be in  
19 accordance with the relevant zoning ordinance of the local government  
20 where such lands are located; and the provisions of RA 6657 with regard  
21 to the lands distributed, and issued notice of coverage under the  
22 Comprehensive Agrarian Reform Program (CARP) as certified by the  
23 Department of Agrarian Reform; *Provided*, Further, that nothing in this  
24 Section shall be construed as repealing, amending or modifying in any  
25 manner, the provisions of RA 6657;

26 (b) Registration of subdivision lots and condominium projects; issuance of  
27 license to sell subdivision lots and condominium units in the registered  
28 units; approval of performance bond and the suspension of license to sell;  
29 approval or mortgage on any subdivision lot or condominium unit made  
30 by owner or developer; granting of permits for the alteration of plans and  
31 the extension of period for completion of subdivision or condominium  
32 projects, subject to the standards and requirements of the Department;

33 (c) Impose fines and penalties as may be allowed under existing laws or  
34 Department policies, and guidelines;

35 (d) Conduct public hearings and consultations on the promulgation of  
36 regulation;

- 1  
2 (e) Formulate and adopt rules and procedures for rule enforcement;  
3 (f) Provide information to the Department necessary in the monitoring of local  
4 urban development and housing in accordance with the report content and  
5 formatting guidelines of the Department; and  
6 (g) Perform such other related regulatory functions as may be provided for by  
7 law.  
8

9  
10 **CHAPTER 11**  
**TRANSITORY PROVISIONS**

11 Sec. 46. **Transfer of Functions.** - The following functions are hereby  
12 transferred as stipulated hereunder:

- 13 (a) The rule, standards and guidelines formulation functions of the Housing  
14 and Land Use Regulatory Board is hereby transferred to the Department,  
15 while its rule promulgation and enforcement functions are hereby  
16 transferred to the provincial governments, independent component cities  
17 and to the cities and municipalities comprising the Metropolitan Manila  
18 Area; and  
19 (b) The registration of incorporation of homeowners associations and  
20 condominium corporations are hereby transferred to the regional offices of  
21 the Department.

22 Sec. 47. **Formulation of Regulatory Framework and Devolution**  
23 **Implementation Program.** - The Department shall formulate a regulatory  
24 framework and design the necessary policies, standards, guidelines and procedures  
25 to guide the rule promulgation and enforcement functions of provincial governments,  
26 independent component cities and the cities and municipalities of the Metropolitan  
27 Manila Area. The Department shall formulate and implement a devolution plan  
28 which shall include a multi-year capacity building program, and technical assistance  
29 services for the institutional capacity development of provincial governments,  
30 independent component cities and the cities and municipalities of the Metropolitan  
31 Manila Area and the gradual transfer of regulatory functions, and the turnover of the  
32 pertinent records and transactions to the pertinent local governments which should  
33 be completed within Five (5) years from the effectivity of this Act.

34 Sec. 48. **Abolition and Conversion of Agencies.** - The following dispositive  
35 actions shall be implemented within six (6) months from the effectivity of this Act:

1 (a) The Housing and Urban Development Coordinating Council. Its functions,  
2 assets, equipment, funds, choses in action, records and pertinent  
3 transactions, shall be transferred to the Department. The employees of the  
4 abolished Council may be transferred and absorbed by the Department  
5 subject to its staffing pattern and the selection process as prescribed under  
6 Republic Act No. 6656 on the Rules on Government Reorganization.

7 (b) The Housing and Land Use Regulatory Board is hereby converted to and  
8 renamed as the Housing and Urban Development Adjudication  
9 Commission. Its assets, equipment, funds, personnel, pertinent records,  
10 choses in action, and pertinent transactions of the Board are hereby  
11 transferred to the Commission. The Commission shall formulate and  
12 complete its internal organic structure and its regional offices, staffing,  
13 operating systems and procedures and new budget within six (6) months  
14 from the effectivity of this Act.

15 Sec. 49. **Transfer of Rights, Assets and Liabilities.** - The Department  
16 shall, by virtue of this Act, be subrogated to all rights and assume all the liabilities  
17 of the Housing and Urban Development Coordinating Council and all other agencies  
18 of the government whose functions and powers have been transferred to the  
19 Department, and all their pertinent funds, records, property, assets, equipment and  
20 such personnel, as may be necessary, including unexpended portions of their  
21 appropriations, except the assets, pertinent funds, records, property, assets,  
22 equipment and personnel of the Housing and Land Use Regulatory Board.

23 Sec. 50. **Transition Period.** - All transfer of functions, assets, funds,  
24 personnel, equipment, property, transactions and personnel in affected national  
25 government agencies and the formulation and implementation of the internal organic  
26 structures, staffing patterns, operating systems and revised budgets of the  
27 Department and the Commission, shall be completed within six (6) months during  
28 which existing personnel shall continue to assume their posts in holdover capacity.

29 Sec. 51. **Impact Mitigation Strategy.** - The Secretary shall formulate and  
30 implement respective impact mitigation strategies of the Department and its attached  
31 agencies/corporations that will minimize adverse effects on existing personnel of the  
32 creation or modification of organization structures and staffing of the Department  
33 and its attached agencies, in accordance with pertinent provisions of the Civil Service  
34 Code, the Administrative Code, and pertinent budgetary rules and regulations.  
35 Employees separated from the service as a result of the abolition or reorganization



1 under the provisions of this Act shall, within one (1) month from their separation,  
2 receive a separation pay equivalent to one hundred fifty percent (150%) of their  
3 monthly basic salary for every year of service in the government: *Provided*, That those  
4 who are qualified to retire under existing retirement laws shall be allowed to retire  
5 and be entitled to all benefits provided under said retirement laws and shall receive  
6 said benefits within ninety (90) days from their separation from service.

7           Sec. 52. **Formulation of Implementing Rules and Regulations and Other**  
8 **Implementation Mechanisms.** – The following implementing rules and regulations  
9 (IRR) shall be prepared and issued as indicated hereunder:

10           (a) The Implementing Rules and Regulations for the operationalization of the  
11 Commission and the conversion of the HLURB into the Commission, within  
12 sixty (60) days upon approval of this Act;

13           (b) The Implementing Rules and Regulation for the creation of the  
14 Department, the abolition of the HUDCC and the transfer and refocusing,  
15 as the case may be, of the attached agencies, within sixty (60) days upon  
16 approval of this Act;

17           (c) The promulgation of the rules and regulation governing the hearing and  
18 disposition of cases and other adjudication functions of the Commission,  
19 within six (6) months after the constitution of the Commission; and

20           (d) The Urban Development Planning System, and the corresponding  
21 implementing guidelines, to be completed and operational within six (6)  
22 months upon approval of this Act and the updated Housing and Urban  
23 Development Framework and Plan completed within one (1) year upon  
24 approval of this Act.

## 26   CHAPTER 12

### 27   **IMPLEMENTING AUTHORITY AND FUNDING**

28           Sec. 53. **Implementing Authority.** – The Secretary of the Department and the  
29 Chairperson of the Commission are hereby authorized to undertake the  
30 implementation of the provisions of this Act and implement the necessary  
31 organizational changes within the specified six (6)-month transition period.

32           Sec. 54. **Authority of Attached Agencies to Reorganize.** – The boards of  
33 attached corporations and agencies and the Chairperson and Commissioners of the  
34 Commission are hereby authorized to make the necessary changes and

1 improvements in their respective internal formal structures, operating systems,  
2 staffing and budget configuration in order to implement the newly mandated or  
3 refocused mandates and functions stipulated in this Act.

4       Sec. 55. **Protection of Security of Tenure by Affected Personnel.** – The  
5 existing authority granted pursuant to the preceding two Sections shall be governed  
6 by the provisions of RA 6657 and relevant civil service rules and regulations in order  
7 to protect the security of tenure of personnel who shall be affected by the  
8 reorganization.

9       Sec. 56. **Funding.** – The initial funding for the implementation of this Act  
10 shall come from the unreleased balances of the budgets of the HUDCC and the  
11 HLURB. All such other amounts necessary further needed for the implementation of  
12 this Act shall be released by the Department of Budget and Management within 30  
13 days upon submission by the Department and the Commission of their respective  
14 budget estimates.

### CHAPTER 13

#### MISCELLANEOUS PROVISIONS

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16  
17  
18       Sec. 57. **Mandatory Review of the Implementation of this Act.** – The  
19 Department shall conduct and submit a report to Congress a review of the  
20 implementation of this Act at the national government level at the end of the second  
21 year of its effectivity and a review of the devolution of functions to local governments  
22 at the end of the fifth year of its effectivity.

23       Sec. 58. **Repealing Clause.** – All laws, executive orders, proclamations, rules,  
24 regulations, and other issuances or parts thereof which are inconsistent with the  
25 provisions of this Act are hereby repealed, amended or modified accordingly.

26       Sec. 59. **Separability Clause.** – If for any reason, any portion or provision of  
27 this Act is declared invalid or unconstitutional, the remaining provisions not affected  
28 thereby shall continue to be in full force and effect.

29       Sec. 60. **Effectivity.** – This Act shall take effect fifteen (15) days after its  
30 publication in at least two (2) newspapers of general circulation.

*Approved,*