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SENATE

SENATE BILL NO. **1578** RECEIVED  
(In substitution of Senate Bill Nos. 37, 232, 328, 952, 1139, and 1182) 

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Prepared by the Committee on Urban Planning, Housing and Resettlement joint with the Committee on Civil Service, Government Reorganization and Professional Regulation; and the Committee on Finance with Senators Legarda, Drilon, Ejercito, Pacquiao, Binay, Angara, Villanueva, Gatchalian, and Trillanes as authors thereof

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AN ACT  
CREATING THE DEPARTMENT OF HUMAN SETTLEMENTS AND URBAN  
DEVELOPMENT, DEFINING ITS MANDATES, POWERS AND FUNCTIONS,  
PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES

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

CHAPTER I

TITLE, VISION AND POLICIES

1 **Section 1. Title.** - This act shall be known as the "*Department of Human Settlements and*  
2 *Urban Development Act of 2017*".

3

4 **Sec. 2. Declaration of Policies-** The state shall, by law and for the common good, undertake,  
5 in cooperation with the private sector, a continuing program of housing, urban and rural  
6 development which shall make available at affordable cost, decent housing and basic services  
7 to the underprivileged and homeless citizens in urban centers and resettlement areas. It shall  
8 also promote adequate employment opportunities to such citizens. In the implementation of  
9 such program, the state shall respect the rights of all property owners.

10

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

7  
8 The State shall ensure that poor dwellers in urban and rural areas shall not be evicted  
9 nor their dwelling demolished, except in accordance with law.

10  
11 In addition, the State shall encourage on-site development in the implementation of  
12 housing programs and shall promote the creation of new settlements and development of  
13 sustainable urban renewal programs.

14  
15 **CHAPTER II**  
16 **DEFINITION OF TERMS**

17  
18 **Sec. 3. Definition of Terms-** As used in this Act, the following terms are defined as follows:

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

23  
24 b) *Housing* refers to a multi-dimensional concept relating to the process of residing and  
25 the objects of dwelling whose main attributes are location relative to access to

1 livelihood, tenure arrangements, cost and physical structure, as well as their  
2 environment. Housing is likewise a physical structure as well as a social structure,  
3 functioning at different spatial scales from homes, neighborhoods, communities,  
4 municipalities, cities, provinces, and regions. It is also a sector of the economy, an  
5 important category of land use in both urban and rural areas, especially in cities, and  
6 is an important factor in the overall dynamics of the urban system.

7  
8 c) *Human Settlements* - comprise of (a) physical components of shelter and  
9 infrastructure; and (b) services to which the physical elements provide support, such  
10 as community services which includes education, health, culture, welfare, recreation  
11 and nutrition

12  
13 (d) *Informal Settler Families (ISFs)* refers to individuals or households living under any  
14 of the following conditions:

- 15
- 16 1. a lot/dwelling unit without consent of the property owner;
- 17 2. danger areas;
- 18 3. areas intended for government infrastructure projects;
- 19 4. protected/forest areas (except for indigenous peoples);
- 20 5. areas for Priority Development as declared under Proclamation No. 1967,  
21 series of 1980, if applicable; and
- 22 6. other government/public lands or facilities not intended for human habitation.
- 23

24 (e) *Comprehensive Land Use Plan* refers to the document, formulated by the local  
25 government in consultation with its stakeholders, that defines or provides guidelines

1 on the allocation, utilization, development and management of all lands within a  
2 given territory or jurisdiction according to the inherent qualities of the land itself and  
3 supportive economic, demographic, socio-cultural and environmental objectives.  
4

5 *(f) Urban Development* refers to the process of occupation and use of land or space for  
6 activities such as residential, industrial, commercial and the like or their  
7 combinations, necessary to carry out the functions of urban living. It entails the  
8 building or rebuilding of more or less permanent structures over land that is often  
9 withdrawn or converted from its original use, resulting in the creation of a built  
10 environment.  
11

12 *(g) Urban Development Planning* refers to the process that involves the planning of  
13 diverse elements that comprise an urbanizing and urbanized area, including its  
14 physical infrastructure, environment, housing, transportation and management of land  
15 use and urban growth.  
16

### 17 CHAPTER III

#### 18 DEPARTMENT OF HUMAN SETTLEMENTS AND URBAN DEVELOPMENT

19

##### 20 **Sec. 4. Creation and Mandates of the Department of Human Settlements and Urban**

21 **Development.** There is hereby created the Department of the Human Settlements and Urban  
22 Development, hereinafter referred to as the Department, through the consolidation of the  
23 Housing and Urban Development Coordinating Council (HUDCC) and the Housing and  
24 Land Use Regulatory Board (HLURB).  
25

1           The Department shall act as primary national government entity responsible for the  
2 management of housing, human settlements and urban development. It shall be the sole  
3 planning and policy-making, regulatory, program coordination, and performance monitoring,  
4 adjudicating entity for all housing, human settlement and urban development concerns,  
5 primary focusing on the access to and affordability of the basic human needs.

6  
7 **Sec. 5. Powers and Functions** - The Department shall exercise the following powers and  
8 functions:

9  
10       **I. Policy Development, Coordination, Monitoring and Evaluation**

11  
12       a. Formulate a national housing and urban development policies and strategies that  
13       are consistent with the Philippine Development Plan to promote social and  
14       economic welfare, in coordination and in consultation with national and local  
15       stakeholders, local government units (LGUs), and other government agencies.

16  
17       b. Formulate housing finance policies, recommend and facilitate the development of  
18       mechanisms that promote the establishment of a self-sustaining housing finance  
19       system in coordination with the relevant agencies.

20  
21       c. Formulate and implement housing policies and programs, in coordination with the key  
22       shelter agencies for urban poor communities and informal settler families (ISFs) that

1 shall promote the social and economic welfare of homeless families, particularly the  
2 poor and underprivileged.

3  
4 d. Conduct continuing and comprehensive studies and research necessary for housing  
5 and urban development.

6  
7 e. In the exercise of oversight functions, develop and establish a sector performance  
8 monitoring and assessment mechanism to accurately and independently report on the  
9 performance of national government agencies and LGUs involved in the housing and  
10 urban development and ensure continuing improvements in sector policy and strategy  
11 formulation.

## 12 13 **II. Environmental, Land Use and Urban Planning and Development**

14  
15 a. Develop and maintain a shelter and urban development management, standards and  
16 monitoring information system which shall include but not be limited to the following  
17 data sets: inventory of idle lands, comprehensive land use plans, inventory of housing  
18 stocks, and list of beneficiaries.

19  
20 b. Provide technical assistance to LGUs in strengthening its role and building the  
21 capability of provinces, cities and municipalities as the primary entities for housing  
22 and urban development and management, such as but not limited to: the formation of  
23 a Local Housing Board (LHB) or similar entity, preparation of Comprehensive Land  
24 Use Plans (CLUP) and Local Shelter Plans (LSP); and local government compliance  
25 with housing and urban development laws, standards and guidelines.

- 1
- 2 c. Advocate for assist the LGUs in the establishment of a Special Housing Fund (SHF)
- 3 which shall be exclusively used for the new settlement projects with housing and
- 4 urban development new settlement projects and renewal projects of the LGUs.
- 5

6 **III. Housing and Real Estate Development Regulation**

7

- 8 a. Develop mechanisms and implement programs, in coordination with KSAs and
- 9 concerned agencies, that will initiate and promote the establishment of new
- 10 settlements, urban renewal programs, and prototypes of housing and urban
- 11 development interventions, while facilitating the participation therein of local
- 12 government partnerships with communities, civil society organizations, non-
- 13 government organizations, and private groups.
- 14

- 15 b. Manage and oversee the development of proclaimed housing sites, including the use
- 16 of these land assets as resource mobilization strategy to raise alternative resources in
- 17 developing new housing projects and efficient financing programs, either by itself or
- 18 through its attached.
- 19

- 20 c. Implement a single regulatory system that shall govern all activities relative to the
- 21 planning, production, marketing, and management of housing and urban development
- 22 projects.
- 23

- 24 d. Take over unfinished, incomplete or abandoned licensed real estate development
- 25 projects under Presidential Decree No. 957, in coordination with the appropriate

1 government agencies and instrumentalities, under such guidelines as may be  
2 formulated. Further, the Department shall be in charge of the regulating use of road  
3 and street systems of projects taken-over under this provisions.  
4

#### 5 **IV. Homeowners Association and Community Development**

- 6
- 7 a. Register, regulate and supervise the Homeowners Associations (HOAs) and  
8 Condominium Units Owners Associations/Corporations (CUONCs) and other  
9 housing development associations.
- 10
- 11 b. Provide technical assistance to encourage housing cooperatives and civil society  
12 organizations to serve as the implementing agencies of their housing and urban  
13 development programs.
- 14
- 15 c. Promote integrated approaches that provide decent housing, suitable living  
16 environment, and expanded economic opportunities for low and moderate income  
17 persons by development of partnerships among all levels of government and the  
18 private sector, including for-profit and non-profit organizations.
- 19
- 20 d. Effect and oversee a single regulatory system that shall govern all activities relative to  
21 the planning, development, production, marketing, and management of housing and  
22 urban development projects, without encroaching on the jurisdiction of other  
23 agencies.  
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#### 25 **V. General Powers**



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- 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. 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.
  
- c. 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.
  
- d. Promote, accredit and regulate the use of indigenous material and technologies in the housing construction.
  
- e. Implement prototype projects in housing and urban development undertakings, with the right to exercise the power of eminent domain, when necessary.
  
- f. 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

1 collections shall be deposited with the National Treasury as income of the general  
2 fund.

3  
4 g. Recommend new legislation and amendments to existing laws as maybe necessary for  
5 the attainment of government's objectives in housing.

6  
7 h. Perform such other related functions as may be mandated by law.  
8

9 **Sec. 6. Composition** - The Department shall be composed of the Office of the Secretary, and  
10 the various bureaus, services and regional offices. The Office of the Secretary shall house the  
11 Office of the Department Secretary, the Offices of the Undersecretaries, the Offices of the  
12 Assistant Secretaries, and their immediate support staff.

13 **Sec. 7. The Secretary** – The Secretary shall have the following functions:  
14

15 a. Advise the President of the Philippines on matters related to housing, human  
16 settlements, and rural and urban development;

17  
18 b. Establish policies and standards for the efficient and effective operations of the  
19 Department in accordance with programs of the government;

20  
21 c. Promulgate rules, regulations and other issuances necessary in carrying out the  
22 Department's mandate, objectives, policies, plans, programs and projects;  
23

- 1 d. Exercise disciplinary powers over officers and employees of the Department in  
2 accordance with law, including their investigation and the designation of a committee  
3 or officer to conduct such investigation;  
4
- 5 e. Designate and appoint officers and employees of the Department, excluding the  
6 undersecretaries, assistant secretaries, and regional and assistant regional directors, in  
7 accordance with the civil service laws, rules and regulations;  
8
- 9 f. Coordinate with other agencies and instrumentalities of the government to ensure the  
10 effective and efficient implementation of housing and urban development programs;  
11 and  
12
- 13 g. Formulate such rules and regulations and exercise such other powers as may be  
14 required to implement the objectives of this Act; and  
15
- 16 h. Perform such other function as may be provided by law or assigned by the President.  
17

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

1

2 **Sec. 8. The Undersecretaries** - The Secretary shall be assisted by four (4) Undersecretaries  
3 and four (4) Assistant Secretaries, who shall be appointed by the President, upon the  
4 recommendation of the Secretary; *Provided*, That the Undersecretaries and Assistant  
5 Secretaries shall be career officers They shall have the powers and functions as provided for  
6 in Chapter 2, Book IV of the Administrative Code of 1987. The Secretary is further  
7 authorized to delineate and assign other functional areas or responsibility of the  
8 Undersecretaries and Assistant Secretaries.

9

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

14

15 **Sec. 10. Department Bureaus and Regional Offices** - The Department shall establish,  
16 operate, and maintain Bureaus under it such as but not limited to:

17

- 18 a) Policy Development, Coordination, Monitoring and Evaluation;
- 19 b) Environmental, Land Use and Urban Planning and Development;
- 20 c) Housing and Real Estate Development Regulation; and
- 21 d) Homeowners Associations and Community Development;

22

23 As may be necessary, a regional office may be established in the administrative regions  
24 of the country. In addition to the existing functions of the regional offices of the HUDCC and

1 HLURB, the regional offices shall perform such other functions as may be provided by law or  
2 assigned by the Secretary.

3

4 **Sec. 11. Structure and Staffing Pattern** - Subject to the approval of the Department of  
5 Budget and Management (DBM), the Department shall determine its organizational structure  
6 and create new divisions or units as it may deem necessary, and shall appoint officers and  
7 employees of the Department in accordance with the civil service laws, rules and regulations.  
8 The remuneration structure of the positions in the staffing pattern shall strictly conform to  
9 Republic Act No. 6758 or the Salary Standardization Law, as amended.

10

11

#### CHAPTER IV

12

#### HUMAN SETTLEMENTS ADJUDICATION COMMISSION

13

14 **Sec. 12. Reconstitution of the HLURB as the Human Settlements Adjudication**  
15 **Commission (HSAC)** - The HLURB is hereby reconstituted and shall henceforth be known  
16 as the Human Settlements Adjudication Commission, hereinafter referred to as the  
17 "Commission".

18

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

21

22 **Sec. 13. Composition** – The Commission shall be composed of the following:

23

24 a) **Commission en banc** – The Commission *en banc* shall be composed of the  
25 Secretary, as Chairperson, the Executive Commissioner, as Vice-Chairperson, and the eight

1 (8) Commissioners, as Members. The Commission shall sit *en banc* only for purposes of  
2 promulgating rules and regulations governing the hearing and dispositions of cases before  
3 any of its Divisions and Regional Adjudication Branches, and formulating policies affecting  
4 its administration and operations.

5  
6 The Executive Commissioner, chosen by the President from among the nine (9)  
7 Commissioners, shall be responsible for the administration and operations of the  
8 Commission, including the supervision of personnel, and shall be assisted by the Executive  
9 Clerk of the Commission: *Provided*, That, in the absence of the Executive Commissioner, the  
10 Presiding Commissioner of the Second Division, shall be the Acting Executive  
11 Commissioner.

12  
13 b) **Divisions** – The Commission shall also be divided into three (3) Divisions  
14 composed of three (3) Commissioners each, with the Executive Commissioner as Presiding  
15 Commissioner of the First Division, and the next two (2) most senior Commissioners as  
16 Presiding Commissioners of the Second and Third Divisions: *Provided*, That, for purposes of  
17 this Act, precedence in seniority shall be determined in the order in which the appointments  
18 were issued by the President. The Commission, when acting through its Divisions, shall be  
19 assisted by their respective Division Clerks of the Commission in the performance of such  
20 similar or equivalent functions and duties as are discharged by the Division Clerks of Court  
21 of the Court of Appeals.

22  
23 The Commission shall exercise its appellate jurisdiction and all its powers, through its  
24 Divisions. The First and Second Divisions shall handle cases exclusively from Luzon and the  
25 Third Division, cases exclusively from the Visayas and Mindanao; *Provided*, That the

1 Commission sitting *en banc* may, on temporary or emergency basis, allow cases within the  
2 jurisdiction of any Division to be heard and decided by any other Division whose docket  
3 allows the additional workload and such transfer will not expose litigants to unnecessary  
4 additional expense.

5

6 **c) Regional Adjudication Branch** – There shall be as many Regional Adjudication  
7 Branches as there are Regional Offices of the Department. The President shall appoint the  
8 Regional Executive Adjudicators and as many Regional Adjudicators as may be necessary  
9 upon the recommendation of the Secretary. The Regional Executive Adjudicator and  
10 Regional Adjudicator shall be assisted by the Branch Clerk of the Commission in the  
11 performance of such similar or equivalent functions and duties as are discharged by the Clerk  
12 of Court of the Regional Trial Courts.

13

14 **Sec. 14. Qualifications, Terms of Office and Compensation** - The qualifications, terms of  
15 office and compensation are as follows:

16

17 **a) Commissioners** – Commissioners must be natural born citizens of the Philippines,  
18 of good moral characters and have been engaged in the practice of law and a member of the  
19 Philippine Bar of good standing for a period of at least ten (10) years prior to the  
20 appointment: *Provided*, That three (3) Commissioners shall be nominees of the planning  
21 sector, three (3) nominees of the urban poor and homeowners' associations; and three (3)  
22 shall be nominees of the real estate development business, *Provided, further* that, all  
23 nominees shall have experience in urban development planning, sustainable development,  
24 climate change adaptation, disaster risk reduction and/ or real estate development.

25

1           The Commissioners shall hold office during good behavior until they reach the age of  
2 sixty-five years, unless sooner removed for cause as provided by law or become incapacitated  
3 to discharge the duties of their office.  
4

5           **b) Regional Adjudicators** - Regional Adjudicators must be citizens of the  
6 Philippines, of good moral character, have been in the practice of law and member of the  
7 Philippine Bar of good standing for at least seven (7) years, with at least three (3) years'  
8 experience in realty and/or land use and development cases, prior to the appointment;  
9 *Provided*, That the existing HLURB Arbiters are deemed qualified.  
10

11           The Regional Adjudicators shall hold office on good behavior until otherwise  
12 incapacitated or have reached the retirement age in accordance with law, rules and  
13 regulations promulgated by duly constituted authorities, whichever comes earlier.  
14

15           The Regional Executive Adjudicator and Regional Adjudicator shall receive annual  
16 salaries equivalent to Director III and Director II, respectively.  
17

18 **Sec. 15. Jurisdiction of the Commission and the Secretary.** The Commission shall have  
19 the exclusive appellate jurisdiction over all cases decided by the Regional Adjudicators. The  
20 decision of the Commission shall be final and executory after fifteen (15) calendar days from  
21 receipt thereof by the parties.  
22

23           The Secretary may assume jurisdiction over any complaint or case and decide the  
24 same or certify such case for decision to the Commission if the controversy involves massive  
25 real estate fraud or unsound business practices of critical socio-economic or environmental



1 considerations that may have serious potential impact on the interests of the sector or the  
2 general welfare.

3

4 **Sec. 16. Decisions and Resolutions of the Commission** – The conclusions of a Division on  
5 any case submitted to it for decision shall be reached in consultation before the case is  
6 assigned to a member for the writing of the opinion. It shall be mandatory for the Division to  
7 meet for the purpose of the consultation ordained herein. A certification to this effect signed  
8 by the Presiding Commissioner of the Division shall be issued and a copy thereof attached to  
9 the record of the case and served upon the parties.

10

11 The concurrence of two (2) Commissioners of a Division shall be necessary for the  
12 pronouncement of judgment or resolution. Whenever the required membership in a Division  
13 is not complete and the concurrence of two (2) Commissioners to arrive at a judgment or  
14 resolution cannot be obtained, the Executive Commissioner shall designate such number of  
15 additional Commissioners from the other divisions as may be necessary to obtain a majority  
16 concurrence to the judgment or resolution.

17

18 **Sec. 17. Jurisdiction of Regional Adjudicators** - The Regional Adjudicators shall exercise  
19 original and exclusive jurisdiction to hear and decide cases involving the following:

20

21 **a) Cases involving housing, land use and urban development:**

22

- 23 1. Appeals from decisions of local and regional planning and zoning bodies;
- 24 2. Suits filed in opposition to the issuance of locational clearances, certifications or  
25 permits, when issued by the Department;

- 1           3. Disputes involving the enforcement of comprehensive land use plans (CLUPs)
- 2           and/or their accompanying zoning ordinances;
- 3           4. Disputes involving the inventory of lands and the identification of lands for
- 4           socialized housing and violations of the administrative rules and regulations
- 5           implementing Sections 7 and 8 of Republic Act No. 7279.
- 6           5. Disputes involving the implementation of the Balanced Housing Act and
- 7           violations of the administrative rules and regulations implementing the Section 18
- 8           of Republic Act No. 7279, as amended.

9

10       **b) Cases involving subdivisions, condominiums, memorial parks and similar real**

11       **estate developments**

- 12
- 13       1. Suits filed in opposition to an application for certificate of registration and license
- 14       to sell, for subdivisions and other real estate developments, and additionally, the
- 15       development permit for condominium projects, clearance to mortgage, or the
- 16       revocation or cancellation thereof;
- 17       2. Actions concerning unsound real estate business practices;
- 18       3. Claims for refund, and other claims filed by subdivision lot or condominium unit
- 19       buyer against the project owner, developer, dealer, broker or salesman;
- 20       4. Cases involving specific performance or contractual and statutory obligations;
- 21       5. Suits filed by the project owner/developer against a buyer for the collection of
- 22       unpaid amortization, cancellation or contract and/or ejectment;
- 23       6. Disputes involving the open spaces or common areas filed by the project owner
- 24       or developer or the duly registered homeowners association or condominium
- 25       corporation, including the eviction of informal settlers therein, in accordance with

1 the requirements of law, and the rules and regulations promulgated by duly  
2 constituted authorities;

- 3 7. Suits to declare subdivision, condominium or other real estate developments  
4 within the regulatory jurisdiction of the Department as abandoned;
- 5 8. Disputes involving buyer financing agreements with any financing institution for  
6 the purchase of condominium units or subdivision lots;
- 7 9. Disputes between landowners and developers, and between banks/financing  
8 institutions and developers whenever the interest of the buyers is involved;
- 9 10. Disputes involving easements within or among subdivision projects.

10  
11 **c) Cases involving Homeowners Associations**

- 12  
13 1. Controversies involving the registration and regulation of homeowners  
14 associations and condominium corporations;
- 15 2. Intra-association disputes or controversies arising out of the relations between  
16 and among members of homeowners associations or condominium corporations;  
17 between any or all of them and the homeowners association or condominium  
18 corporation of which they are members, and vice-versa, pertaining to the exercise  
19 of their rights, duties and obligations as members of their homeowners  
20 association or condominium corporation;
- 21 3. Inter-association disputes or controversies arising out of the relations between  
22 and among two or more homeowners associations and/or condominium  
23 corporations, between and among federations and other umbrella organizations,  
24 on matters pertaining to the exercise of their rights, duties and functions;

- 1           4. Controversies between and among homeowners and other property holders and  
2           the homeowners association or condominium corporation of which they are not  
3           members, and vice-versa, on matters pertaining in the exercise of their rights,  
4           duties and obligations as such homeowners and property holders;
- 5           5. Disputes between such homeowners association or condominium corporation and  
6           the State, insofar as it concerns their individual franchise or right to exist and  
7           those which are intrinsically connected with the regulation of homeowners  
8           associations and condominium corporations or dealing with the internal affairs of  
9           such entity;
- 10          6. Disputes between homeowners association or condominium corporation and the  
11          State, insofar as it concerns their individual franchise or right to exist and those  
12          which are intrinsically connected with the regulation of homeowners associations  
13          and condominium corporations or dealing with the internal affairs of such entity;

14

15          **d) Disputes or controversies involving laws being implemented by the Department**  
16          **and such other actions as may be provided by law.**

17

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

- 22
- 23          a. If there is *prima facie* evidence of abuse of discretion on the part of the Regional  
24          Adjudicator in rendering the questioned decision, award, or order;

- 1        b. If the decision, order or award was secured through fraud or coercion, including graft  
2            and corruption;
- 3        c. If the appeal is made purely on questions of law; and
- 4        d. If serious errors in the finding of facts are raised, which errors would cause grave or  
5            irreparable damage or injury to the appellant.
- 6

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

17

18 **Sec. 19. Prohibition Against Injunctive Relief** – No Court, except the Supreme Court, shall  
19 issue any temporary restraining order or writ of preliminary injunction or permanent  
20 injunction against any decisions and orders of the Commission or its Regional Adjudicators  
21 in any application, implementation, enforcement, or interpretation of this Act and other  
22 pertinent laws on housing and on just and humane eviction or demolition procedures.

23

24 **Sec. 20. Execution of Decisions, orders or awards.** – The Secretary or any Regional  
25 Director, the Commission or any Regional Adjudicator, may *motu proprio* or on motion of

1 any interested party and under such rules as may be duly promulgated, issue a writ of  
2 execution on an order, award or judgment within five (5) years from the date it becomes final  
3 and executory, and by independent action for the enforcement of the order, award or decision  
4 filed with the Regional Adjudication Branch which issued the order, award or decision.  
5

6 The Commission shall appoint a Sheriff or such number of Sheriffs, in accordance  
7 with the provisions of the Civil Service Law, rules and regulations, who shall be responsible  
8 for the service and execution of all writs, summonses, and orders and other processes of the  
9 Commission.  
10

11 The Secretary, Commissioners or the Regional Executive Adjudicator may designate  
12 special sheriffs and take any measure under existing laws to ensure compliance with their  
13 decisions, orders or awards and those of the Regional Directors and Regional Adjudicators,  
14 including the imposition of administrative fines.  
15

16 **Sec. 21. Powers and Authorities of the Commission** - The Commission shall have the  
17 power and authority:  
18

- 19 a. To promulgate rules and regulations governing the hearing and disposition of cases  
20 before it and its Arbiters, as well as those necessary to carry out its functions;  
21
- 22 b. To administer oaths, summon the parties to a controversy, issue subpoenas requiring  
23 the attendance and testimony of witnesses or the production of such books, papers,  
24 contracts, records, statement of accounts, agreements, and others as may be material  
25 to a just determination of the case;

1  
2 c. To hold any person in contempt directly or indirectly and impose appropriate  
3 penalties therefor in accordance with law.  
4

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

16 The person adjudged in direct contempt by the Arbiter may appeal to the Commission  
17 and the execution of the judgment shall be suspended pending the resolution of the appeal  
18 upon the filing by such person of a bond on condition that he/she will abide by and perform  
19 the judgment of the Commission should the appeal be decided against him/ her. Judgment of  
20 the Commission on direct contempt is immediately executory and unappealable. Indirect  
21 contempt shall be dealt with by the Commission or Arbiter in the manner prescribed under  
22 Rule 71 of the Revised Rules of Court (ROC).  
23

24 d. To enjoin or restrain, after due notice and hearing, any actual or threatened  
25 commission of any or all prohibited or unlawful acts or to require the performance of

1 a particular act in any dispute within its jurisdiction which, if not restrained or  
2 performed forthwith, may cause grave or irreparable damage to any party or render  
3 ineffectual any decision in favor of such party. In no case shall a temporary or  
4 permanent injunction be issued except after a finding of fact by the Commission, to  
5 the effect that:

- 6
- 7 1. Prohibited or unlawful acts have been threatened and will be committed and  
8 will be continued unless restrained, but no injunction or temporary restraining  
9 order shall be issued on account of any threat, prohibited or unlawful act,  
10 except against the person or persons, association or organization making the  
11 threat or committing the prohibited or unlawful act or actually authorizing or  
12 ratifying the same after actual knowledge thereof;
- 13 2. Substantial and irreparable injury to complainant's property will follow;
- 14 3. As to each item of relief to be granted, greater injury will be inflicted upon  
15 complainant by the denial of relief than will be inflicted upon defendants by  
16 the granting of relief;
- 17 4. Complainant has no adequate remedy at law; and,
- 18 5. Public officers charged with the duty to protect complainant's property are  
19 unable or unwilling to furnish adequate protection.
- 20

21 Such hearing shall be held after due and personal notice thereof has been served, in  
22 such manner as the Commission shall direct, to all known persons against whom relief is  
23 sought, and also to the Chief Executive and other public officials of the province or city  
24 within which the unlawful acts have been threatened or committed, charged with the duty to  
25 protect complainant's property: *Provided, however,* That if a complainant shall also allege



1 that, unless a temporary restraining order shall be issued without notice, a substantial and  
2 irreparable injury to complainant's property will be unavoidable, such a temporary  
3 restraining order may be issued upon testimony under oath, sufficient, if sustained, to justify  
4 the Commission in issuing a temporary injunction. Such a temporary restraining order shall  
5 be effective for no longer than twenty (20) days and shall become void at the expiration of  
6 said twenty (20) days.

7  
8 No such temporary restraining order or temporary injunction shall be issued except  
9 on condition that complainant shall first file an undertaking with adequate security in an  
10 amount to be fixed by the Commission sufficient to recompense those enjoined for any loss,  
11 expense or damage caused by the improvident or erroneous issuance of such order or  
12 injunction, including all reasonable costs, together with a reasonable attorney's fee, and  
13 expense of defense against the order or against the granting of any injunctive relief sought in  
14 the same proceeding and subsequently denied by the Commission.

15  
16 The undertaking herein mentioned shall be understood to constitute an agreement  
17 entered into by the complainant and the surety upon which an order may be rendered in the  
18 same suit or proceeding against said complainant and surety, upon a hearing to assess  
19 damages, of which hearing, complainant and surety shall have reasonable notice, the said  
20 complainant and surety submitting themselves to the jurisdiction of the Commission for that  
21 purpose. But nothing herein contained shall deprive any party having a claim or cause of  
22 action under or upon such undertaking from electing to pursue his / her ordinary remedy by  
23 suit at law or in equity; Provided further, That the reception of evidence for the application of  
24 a writ of injunction may be delegated by the Commission to any of its Arbiters who shall

1 conduct such hearings in such places as he /she may determine to be accessible to the parties  
2 and their witnesses and shall submit thereafter his /her recommendation to the Commission.

3  
4 e. To exercise such other powers as are implied, necessary, or incidental to carry out the  
5 express powers granted to the Commission.

6  
7 Authority is hereby vested in the Commission to directly utilize the income  
8 generated from fees, fines, charges, and other collections in the performance of its functions,  
9 to defray operating expenses.

10  
11 **Sec. 22. Criminal Prosecution** - The criminal prosecution for violation of housing laws and  
12 regulations shall be instituted before criminal Courts having appropriate jurisdiction.

13 **Sec. 23. Pending Cases** - All cases pending in courts of general jurisdiction arising from in  
14 connection with the implementation of pertinent laws on housing and on just and humane  
15 eviction and demolition procedures, shall continue to be heard, tried and decided to their  
16 finality by such Courts.

17  
18 **CHAPTER V**

19 **NATIONAL SHELTER BOARD**

20  
21 **Sec. 24. Creation of a National Shelter Board** – The corporate powers and functions of the  
22 attached agencies shall be exercised by a single Board of Trustees, known as the National  
23 Shelter Board, hereinafter referred to as Board, composed of the following:

- 1 a. The Secretary of Human Settlements and Urban Development, as the ex-officio
- 2 Chairman;
- 3 b. The Director General of National Economic Development Authority or his/her
- 4 designated Deputy Secretary General, as ex-officio member;
- 5 c. The Secretary of Finance or his/her duly designated Undersecretary, as ex-officio
- 6 member;
- 7 d. The Secretary of Budget and Management or his/her duly designated Undersecretary,
- 8 as ex-officio member;
- 9 e. The Secretary of Department of Public Works and Highways or his/her duly
- 10 designated Undersecretary, as ex-officio member;
- 11 f. The Secretary of Interior and Local Government or his/her duly designated
- 12 Undersecretary, as ex-officio member;
- 13 g. The Heads of all attached agencies of the Department of Human Settlements and
- 14 Urban Development, ex-officio member;

15

16 **Sec. 25. Attached Agencies and Corporations** - The following agencies and corporations

17 are hereby attached to the Department for policy and program coordination, monitoring and

18 evaluation:

- 19
- 20 a. National Housing Authority (NHA)
- 21 b. Home Guaranty Corporation (HGC)
- 22 c. National Home Mortgage Finance Corporation (NHMFC)
- 23 d. Home Development Mutual Fund (HDMF)
- 24 e. Social Housing Finance Corporation (SHFC)

1 All these agencies shall continue to function according to existing laws and their  
2 respective Charters.

3  
4 **Sec. 26. Executive Committee** - To support the Board, an Executive Committee is hereby  
5 created and shall be composed of the heads of the attached agencies and corporations. The  
6 Secretary, shall sit as the ex-officio Chairman. The functions and authorities of the Executive  
7 Committee shall be defined by the Board.

8  
9 **SEC. 27. Advisory Council.** - The Secretary shall have the power to establish advisory  
10 councils consisting of the heads of the attached agencies and corporations, local government  
11 units, representatives from the private sector including private developers' associations,  
12 bankers, contractors, urban poor communities, accredited professional organizations,  
13 academe, and other marginalized groups, to provide a forum for stakeholder participation and  
14 dialogue on key housing and urban development policies, issues and concerns. Such councils  
15 shall be chaired by an Undersecretary designated by the Secretary.

## 16 CHAPTER VI

### 17 OTHER PROVISIONS

18  
19 **See 28. Social Housing One- Stop Processing Centers (SHOPCs)** - The Department shall  
20 establish SHOPCs in the regions, which shall centralize the processing and issuance of all  
21 required housing-related permits, clearances, and licenses in accordance with Executive  
22 Order No. 45, series of 2001 entitled "Prescribing time periods for issuance of housing  
23 related certifications, clearances and permits, and imposing sanctions for failure to observe  
24 the same" *Provided*, That for the foregoing purpose, the respective ceilings for socialized,  
25 low cost/ economic and middle-income housing shall be jointly determined by the

1 Department and NEDA; *Provided further*, That at any time, but not more than once every  
2 two (2) years, such ceilings may be reviewed or revised to conform to prevailing economic  
3 conditions,  
4

5 All agencies involved in the issuance of said permits, clearances and licenses shall be  
6 represented in the SHOPC and shall assign to SHOPC regional centers personnel who shall  
7 be sufficiently authorized to process and issue the same.  
8

9 **SEC. 29. Identification and Designation of Lands for Housing and Urban and Rural**  
10 **Development.** - For the purpose of designating lands for housing and urban and rural  
11 development, the Department of Human Settlements and Urban Development (DHSUD), the  
12 Department of Environment and Natural Resources (DENR), the Department of Agrarian  
13 Reform (DAR) Department of Agriculture (DA), and the Land Registration Authority (LRA)  
14 shall, within one hundred eighty (180) days from the effectivity of this Act, jointly identify  
15 agricultural lands which, under Republic Act No. 6657, as amended, otherwise known as the  
16 Comprehensive Agrarian Reform Law, and other existing laws, rules and regulations are  
17 already exempted from conversion requirements: *Provided*, That the list shall exclude lands  
18 that are declared as non-negotiable or protected from conversion under existing laws and  
19 issuances and those lands covered under Republic Act No. 6657: *Provided, further*, That the  
20 designation of lands for housing and urban and rural development purposes shall neither  
21 prejudice the rights of qualified beneficiaries under Republic Act No. 6657, nor undermine  
22 the protected agricultural areas intended to ensure the attainment of food security under  
23 Republic Act No. 8435, otherwise known as Agricultural and Fisheries Modernization Act  
24 (AFMA) of 1997 and other existing laws: *Provided, furthermore*, That in the case of lands  
25 exempted from conversion, though these have been approved by the DAR, if these are

1 contested by affected individual or community beneficiaries, it shall not be allowed to  
2 proceed with any horizontal or vertical development without need for any prior clearance or  
3 approval from the DAR or the DA consistent with the terms of the approved order or  
4 conversion: *Provided, finally,* That all idle government lands in highly urbanized cities,  
5 except lands owned by the government-owned or controlled corporations and government  
6 financial institutions engaged in shelter financing as part of its fiduciary obligation to its  
7 members and/or are taken possession of in their ordinary conduct of business, are hereby  
8 prioritized for housing and urban development purposes.

## 10 CHAPTER VII

### 11 TRANSITORY PROVISIONS

12  
13 **Sec 30. Abolition and Transfer of Functions and Assets.** The Housing and Urban  
14 Development Coordinating Council (HUDCC) and the Housing and Land Use Regulatory  
15 Board (HLURB) are hereby abolished.

16  
17 The following functions of the HLURB are hereby transferred as stipulated  
18 hereunder:

- 19  
20 a. The land use planning and monitoring function, including the imposition of  
21 penalties for non-compliance to ensure that LGUs will follow the planning  
22 guidelines and implement their comprehensive land use plans and zoning  
23 ordinances shall be transferred to the Department;

- 1           b. The regulatory function, including the formulation, promulgation, and enforcement  
2           of rules, standards and guidelines over subdivisions, condominiums and similar  
3           real estate developments are hereby transferred to the Department;
- 4           c. The registration, regulation and supervision of homeowners associations and  
5           condominium corporations are hereby transferred to the Department;
- 6           d. The adjudicatory mandate is hereby transferred to the Commission.

7

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

11

12          **Sec. 31. Transition Period-** All transfer of functions, assets, funds, personnel, equipment,  
13          properties, transactions, and personnel in the affected national government agencies and the  
14          formulation and implementation of the internal organic structures, staffing patterns,  
15          operations systems, and revised budgets of the Department and the Commission, shall be  
16          completed within six (6) months from the effectivity of this Act, during which existing  
17          personnel shall continue to assume their posts in holdover capacities until new appointments  
18          are issued. Accordingly, all applications for permits and licenses, and cases pending with  
19          HLURB upon the effectivity of this Act and filed during the transition period shall continue  
20          to be acted upon by the incumbents until the rules and regulations as provided under this Act  
21          shall have been in force.”

22

23

24          **Sec 32. Transfer of Assets and Obligations -** The following dispositive actions shall be  
25          implemented within six (6) months from the effectivity of this Act:

- 1
- 2 a. The assets, equipment funds, records, and pertinent transactions of HUDCC and
- 3 HLURB shall be transferred to the Department and the Commission, and;
- 4 b. The Department and the Commission shall cause the creation of additional
- 5 positions and augment their budget appropriations, as may be necessary.
- 6

7 **Sec. 33. Absorption or Separation from Service of Employees of the Consolidated**

8 **Agencies** - The existing employees of HUDCC and HLURB shall enjoy security of tenure

9 and shall be absorbed by the Department or the Commission, in accordance with their

10 staffing patterns and the selection process as prescribed under R.A. No. 6656 on the Rules on

11 Government Reorganization.

12

13 Employees opting to be separated from the service as a consequence of the abolition,

14 consolidation and/or reorganization under the provisions of this Act shall within one (1)

15 month from their separation and/or phase out from the service, receive separation benefits in

16 accordance with existing laws. In addition, those who are qualified to retire shall be allowed

17 to retire and be entitled to all benefits provided, under any of the existing retirement laws.

18

19 **Sec. 34. Implementing Rules and Regulations** - The HUDCC, HLURB, DBM and Civil

20 Service Commission (CSC) shall prepare and issue the implementing rules and regulations

21 (IRR) of the Department within ninety (90) days upon the effectivity of this Act.

22

23 **Sec. 35. Implementing Authority** - The HUDCC Chairperson is hereby authorized to

24 undertake the implementation of the provisions of this Act and implement the necessary



1 organizational changes within the specified six (6) month transition period or until a  
2 Department Secretary has been appointed and has assumed office.

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

## 8 9 **CHAPTER VIII**

### 10 **MISCELLANEOUS PROVISIONS**

11  
12 **Sec. 37. Mandatory Review of the Implementation of this Act** - The Department shall  
13 conduct and submit a report to Congress a review of the implementation of this Act at the end  
14 of the third year from the date of its effectivity.

15  
16 **Sec. 38. Repealing Clause** – *Executive Order No. 90, Presidential Decree 757, Republic Act*  
17 *8763, Presidential Decree 1267, Republic Act 9679 and all other laws, executive orders,*  
18 *proclamations, rules, regulations, and other issuances or parts thereof which are inconsistent*  
19 *with the provisions of this act are hereby repealed, amended or modified accordingly.*

20  
21 **Sec. 39. Separability Clause** - If, for any reasons, any portion or provisions of this Act shall  
22 be held unconstitutional or invalid, the remaining provisions not affected thereby shall  
23 continue to be in full force and effect.

24

- 1 **Sec. 40. Effectivity** - This Act shall take effect fifteen (15) days after its complete publication
- 2 in at least two (2) national newspapers of general circulation.

*Approved.*