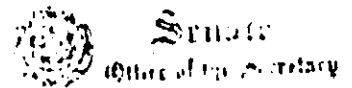
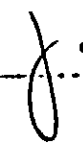


SIXTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Third Regular Session )



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SENATE  
SENATE BILL NO. 3086

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*Prepared by the Committees on Urban Planning, Housing and Resettlement; Civil Service, Government Reorganization and Professional Regulation; and Finance with Senators Marcos, Legarda, Ejereito Estrada and Ejercito as authors.*

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**AN ACT CREATING THE DEPARTMENT OF HUMAN SETTLEMENT 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 **SEC 1. Title.** – This act shall be known as the “*Department of Human Settlement and Urban*  
2 *Development Act of 2016*”.

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

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

15 Poor dwellers in urban or rural areas shall not be evicted nor their dwelling demolished,  
16 except in accordance with law.

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**CHAPTER II**  
**DEFINITION OF TERMS**

5 **Sec. 3. Definition of Terms-** As used in this Act, the following terms shall mean:

- 6 a) *Attachment* refers to lateral relationship between a department and the attached agency or  
7 corporation for purposes of policy and program coordination and as further defined in the  
8 Administrative Code.
- 9 b) *Housing* refers to the system and its components which establish the residential quality  
10 of life, including housing, utilities, access to social services and other community  
11 facilities, security and other aspects related to an individual's residence.
- 12 c) *Informal Settler Families (ISFs)* refer to household living in:  
13 1) Lot without consent of the property owner;  
14 2) Dangerous areas;  
15 3) Areas for government infrastructure projects;  
16 4) Protected/forest areas (except for indigenous people);  
17 5) Areas for Priority Development (APDs, if applicable); and  
18 6) Other government/public land or facilities not intended for habitation.
- 19 d) *Urban Development* refers to the process of occupation and use of land or space for such  
20 activities as residential, industrial, commercial and the like or their combinations,  
21 necessary to carry out the functions of urban living. It entails the building or rebuilding of  
22 more or less permanent structures over land that is often withdrawn or converted from its  
23 original use, resulting in the creation of a built environment.
- 24 e) *Human Settlement* - comprise of (a) physical components of shelter and infrastructure;  
25 and (b) services to which the physical elements provide support, such as community  
26 services which includes education, health, culture, welfare, recreation and nutrition

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**CHAPTER III**  
**DEPARTMENT OF HUMAN SETTLEMENT AND URBAN DEVELOPMENT**

30 **Sec. 4. Creation and Mandates of the Department of Human Settlement and Urban**  
31 **Development-** there is hereby created the Department of the Human Settlement and Urban  
32 Development, hereinafter referred to as the Department, through the consolidation of the  
33 Housing and Development Coordinating Council (HUDCC) and the Housing and Land Use  
34 Regulatory Board (HLURB). The Department shall act as primary national government entity  
35 responsible for the management of housing, human settlement and urban development. It shall  
36 be the sole and main planning and policy-making regulatory, program coordination, and

1 performance monitoring entity for all housing, human settlement and urban development  
2 concerns, primary focusing on the access to and affordability of the basic human needs.  
3

4 **Sec. 5. Powers and Functions-** the Department shall perform the following:

- 5 a) Formulate the national and urban development and housing policy and strategy that  
6 ensures consistency with the Philippine Development Plan (PDP) and the National  
7 Physical Framework Plan (NPPF) to promote social and economic welfare;
- 8 b) Exercise initiative and assume a lead role in coordinating, supervising, and integrating all  
9 government activities relative to the human settlement and urban development;
- 10 c) Formulate housing finance policies to promote the establishment of self-sustaining,  
11 private sector-led housing financing system;
- 12 d) Develop and maintain housing database that shall include a shelter and urban  
13 development management information system;
- 14 e) Manage and oversee the fast-tracked development of proclaimed housing sites, including  
15 the use of these land assets as resource mobilization strategy to raise alternative funds in  
16 developing new town housing projects which will serves as central relocation sites for the  
17 affected informal settlers;
- 18 f) Develop effective and efficient financing programs for housing beneficiaries and  
19 developers;
- 20 g) Ensure the Department's participation in sustainable development, climate change  
21 adaption, and disaster risk reduction;
- 22 h) Enter into contracts, joint venture agreements or understanding, either domestic or  
23 foreign, under such terms and conditions as the Department may deem proper and  
24 reasonable and the subject to existing laws;
- 25 i) Discharge all responsibilities of government that may arise from treaties, agreements and  
26 other commitments on human settlement and urban development to be extended through  
27 bilateral or multilateral loans and/or assistance programs;
- 28 j) Receive, take and hold by bequest, device, gift, purchase or lease, either absolutely or in  
29 trust for any of its purposes from foreign and domestic sources, any asset, grant or  
30 property, real or personal, subject to such limitations as are provided under existing laws  
31 and regulations;
- 32 k) Exercise oversight function, coordinate, monitor and evaluate the policies and programs  
33 of all its attached agencies;
- 34 l) Conduct continuing and comprehensive studies and research necessary for human  
35 settlement and urban development;
- 36 m) Provide assistance to build the capacity of LGUs in urban development and management  
37 to strengthen the role of provinces, cities and municipalities as the primary entries for the  
38 urban development, renewal planning and management;

- 1 n) Monitor local and government compliance with housing and urban development laws,  
2 standards and guidelines, as well with their judicious and fair application of local housing  
3 and urban development ordinances;
- 4 o) Support local government partnerships with communities, civil society organizations,  
5 non-government organizations, and private groups in the implementation of urban  
6 development and renewal projects.
- 7 p) Develop and establish a sector performance monitoring and assessment mechanism,  
8 monitor and independently report on the performance of national government agencies  
9 and LGUs in the human settlement and urban development sector to enable continuing  
10 improvements in sector policy and strategy formulation;
- 11 q) Lead in the disposition of lands intended for housing and owned by the Government or  
12 any of its subdivisions, instrumentalities, agencies or government-owned-or-controlled  
13 corporations (GOCCs) such as but not limited to military reservations, lands reserved for  
14 government offices, facilities and other installations, and other land assets including friar  
15 lands which have not been used for the purposes for which have been reserved or set  
16 aside for the past ten (10) years from the effectivity of Republic Act No. 7279, otherwise  
17 known as the Urban Development and Housing Act of 1992.
- 18 r) Declare an area as Urban Development/Renewal site including the development and  
19 implementation of sub-projects jointly with the concerned LGUs under a Public-Private  
20 Partnership (PPP) arrangement;
- 21 s) Advocate and assist the LGUs in the establishment of Special Housing Fund (SHF) to be  
22 sourced from the proceeds of Real Property Tax (RPT) pegged at one-half per centum  
23 (.5%) of the assessed value of real property which will be exclusively used for  
24 identification of sites for socialized housing and low-cost housing, data gathering,  
25 inventory of lands; mobilization and implementation of socialized and low-cost housing  
26 programs of the LGUs;
- 27 t) Take the lead in the conduct of Pre- and Post- Proclamation activities as orchestrator and  
28 facilitator of the entire disposition process, including the stewardship of the Local Inter-  
29 Agency Communities (LIACs) which are the primary tasked to oversee the  
30 implementation of housing proclamation projects;
- 31 u) Effect and oversee a single regulatory system that shall govern all activities relative to the  
32 planning, development, production, marketing, and management of housing and urban  
33 development projects;
- 34 v) Take over unfinished, incomplete or abandoned licensed real estate development projects  
35 under Presidential Decree No. 957, in coordination with the appropriate government  
36 agencies and instrumentalities under such guidelines as may be formulated;
- 37 w) Encourage the private sector to address and serve a large part of the country's housing  
38 needs;

- 1 x) Promote, accredit and regulate the use of indigenous material and technologies in the  
2 housing construction;
- 3 y) Implement prototype projects, including the power of eminent domain, in housing and  
4 urban development undertakings;
- 5 z) Determine, fix and collect reasonable amounts to be charged as fees and charges  
6 necessary for the effective implementation of all laws, rules and regulations enforced by  
7 the Department and impose reasonable fines and penalties for violation thereof, provided,  
8 that income generated from fees, fines, charges and other collections in the performance  
9 of its functions may be utilized to defray operating expenses;
- 10 aa) Register, regulate and provide community development programs for Homeowners  
11 Association (HOAs) and Condominium Units Owners Associations/Corporations  
12 (CUOA/Cs);
- 13 bb) Formulate and ensure the implementation of housing policies and programs for urban  
14 poor communities and informal settler families (ISFs) that will promote the social and  
15 economic welfare of homeless families, particularly the poor and unprivileged;
- 16 cc) Initiate and encourage deeper and active involvement and participation of a broader  
17 spectrum of citizenry through housing cooperatives and civil society organizations which  
18 shall be used as an avenue through which housing needs are assessed and recognized and,  
19 together with the local government units, serve as the implementing agencies for housing  
20 and urban development programs; and
- 21 dd) Perform such other related functions as may be mandated by law.

22

23 **Sec.6. Composition-** The Department shall be composed of the Office of the Secretary, its  
24 immediate staff, the Offices of the Undersecretaries and Assistant Secretaries with respect to  
25 their areas of responsibilities and their respective staff, and the Offices directly supporting the  
26 Office of the Secretary.

27

28 **Sec.7. The Secretary -** The Secretary shall:

- 29 a) Advise the president of the promulgation of rules, regulations and other issuances  
30 relative to matters under the jurisdiction of the Department;
- 31 b) Establish policies and standards for the efficient and effective operations of the  
32 Department in accordance with programs of the government;
- 33 c) Promulgate rules, regulations and other issuances necessary in carrying out the  
34 Department's mandate, objectives, policies, plans, programs and projects;
- 35 d) Exercise control and supervision over all personnel and functions of the Department;
- 36 e) Delegate authority for the performance of any administrative or substantive function to  
37 the subordinate officials of the Department;

1 f) Call on other agencies and instrumentalities of the government and private entities for  
2 cooperation and assistance in the performance of its functions; and

3 g) Perform such other function as may be provided by law or assigned by the President.  
4

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

13 **Sec. 8. *The Undersecretaries-*** The Secretary shall be assisted by:

14 a) One (1) Undersecretary for the Bureau of Policies, Coordination, Monitoring,  
15 Evaluation and Programs;

16 b) One (1) Undersecretary for the Bureau of Environmental, Land Use and Urban  
17 Planning and Development;

18 c) One (1) Undersecretary for the Bureau of Regulation of Housing and Real Estate  
19 Development; and

20 d) One (1) Undersecretary for the Bureau of Homeowners, Homeowners Associations  
21 and Community Development.  
22

23 They shall have the powers and functions as provided for in Section 10, Chapter 2, Book  
24 IV of the Administrative Code of 1987. The Secretary is further authorized to delineate and  
25 assign the other functional areas of responsibility of the Undersecretaries.  
26

27 **Sec. 9. *Qualifications and Appointment-*** The Secretary and Undersecretaries shall be citizens  
28 and residents of the Philippines, of good moral character, and of proven competence and  
29 integrity. They shall be appointed by the President. The Undersecretaries shall be career officers.  
30

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

33 a) Environmental, Land Use and Urban Planning and Development;

34 b) Community Development

35 c) Plans, Policies, Programs and Monitoring Group; and

36 d) Legal and Support and Services Group.



1 membership in a Division is not complete and the concurrence of two [2] Commissioners to  
2 arrive at a judgment or resolution cannot be obtained, the most senior Commissioner shall  
3 designate into the division such number of additional Commissioners from the other divisions as  
4 may be necessary.

5 The conclusion of a Division on any cases submitted to it for decision shall be reached in  
6 consultation before the case is assigned to a Member for writing of the decision. It shall be  
7 mandatory for the Division to meet the purposes of the consultation ordained herein. A  
8 certification to this effect by the presiding Commissioner of the division shall be issued and a  
9 copy thereof attached to the record of the case and served upon the parties.

10

11 **Sec. 17. Precedence and Supervision** – The most senior Commissioner shall be the Presiding  
12 Commissioner of the first Division and the two (2) next senior Members shall be the Presiding  
13 Commissioners of the second and third Divisions, respectively.

14 The Commission sitting en banc may designate any Commissioner who shall have  
15 administrative supervision over the Commission and its Regional branches and all their  
16 personnel, including the Arbiters.

17 The Commission shall be assisted by the Board Secretariat which shall perform such  
18 similar or equivalent functions of the Board Secretary of the HLURB.

19

20 **Sec. 18. Compensation** – A Commissioner shall receive an annual salary at least equivalent to an  
21 Undersecretary.

22 The incumbent full time Commissioners of the present HLURB shall remain in office  
23 unless they opt to avail of the retirement and separation benefits as provided for in Sec. 34 of its  
24 Act or are sooner removed for cause.

25

26 **Sec. 19. Jurisdiction of Arbiters** – The Arbiters shall exercise exclusive jurisdiction to hear and  
27 decide cases involving the following:

28 a. Claims for refund, complaints against unsound real estate business practices and other  
29 actions for specific performance of contractual and statutory obligations filed by subdivision lot  
30 or condominium unit buyer against the project owner, developer, dealer, broker or salesman;  
31 and other complaints for violation of Presidential Decree 8 No. 957 and other related laws;

32 b. Intra-association disputes or controversies arising out of the relations between and  
33 among members of homeowners associations or condominium corporations; between any or all  
34 of them and the homeowners association or condominium corporation of which they are  
35 members, including federations of homeowners associations;



1 c. Inter-association disputes or controversies arising out of the corporate relations  
2 between and among two or more homeowners associations or condominium corporations or  
3 federations;

4 d. Disputes between such homeowners association or condominium corporation and the  
5 State, insofar as it concerns their individual franchise or right to exist and those which are  
6 intrinsically connected with the regulation of homeowners associations and condominium  
7 corporations or dealing with the internal affairs of such entity;

8 e. Suits filed in opposition to an application for certificate of registration and license to  
9 sell, development permit for condominium projects, clearance to mortgage, or the revocation or  
10 cancellation thereof, and locational clearances, certifications or permits, when issued by the  
11 HLURB/the Department;

12 f. Suits filed by the project owner/developer against a buyer for the collection of unpaid  
13 amortization, cancellation of contract and/or ejection.

14 g. Eviction of informal settlers in open spaces or common areas of subdivisions and  
15 condominiums filed by the project owner or developer or the duly registered homeowners  
16 association or condominium corporation of the project;

17 h. Disputes involving buyer financing agreements with any financing institution for the  
18 purchase of condominium units or subdivision lots; and

19 i. Disputes involving easements within or among subdivisions projects.

20 j. Violations of administrative rules and regulations implementing Sections 7, 8 and 18 of  
21 Republic Act No. 7279.

22 k. Disputes between landowners and developers, and between banks/financing  
23 institutions and developers whenever the interest of the buyers is involved;

24 l. Disputes involving the enforcement of comprehensive land use plans (CLUPs) and/or  
25 their accompanying zoning ordinances.

26 m. Such other actions as may be provided by law.

27 **Sec. 20. Jurisdiction of the Commission and the Secretary.** The Commission shall have the  
28 exclusive appellate jurisdiction over all cases decided by the Arbiters. The decision of the  
29 Commission shall be final and executory after fifteen (15) calendar days from receipt thereof by  
30 the parties. The Secretary may assume jurisdiction over any complaint or case and decide the  
31 same or certify such case for decision to the Commission if the controversy involves massive  
32 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 general  
2 welfare.

3 **Sec. 21. Powers and Authorities of the Commission** – The Commission shall have the power  
4 and authority:

5 a) To issue writs, and orders prohibiting demolitions, seizures or closures of property  
6 including temporary writs or orders restraining demolitions, seizures or closures of property;

7 b) To issue writs and orders to execute demolitions or seizures or property in accordance  
8 with its decision or judgment.

9 c) To impose administrative fines and/or penalties for violation of R.A. No. 7279, as  
10 amended, and other laws implemented by the Commission, including pertinent rules and  
11 regulations, orders, decisions and/or rulings: Provided, That the Commission may adjust such  
12 fines not more than once every three (3) years; and

13 d) To exercise powers granted to the Commission or to achieve the objectives and  
14 purposes of this Act, and other laws implemented by the Commission.

15

16 **Sec. 22. Criminal Prosecution** – The criminal prosecution for violation of housing laws and  
17 regulations shall be instituted before criminal Courts having appropriate jurisdiction.

18

19 **Sec. 23. The Arbiters – Qualifications and Appointment.** The existing HLURB Arbiters shall be  
20 deemed qualified. Additional Arbiters should be a member of the Philippine Bar for at least  
21 seven (7) years, with at least three (3) years of experience or exposure in the field of real and  
22 land use development cases.

23 The Arbiters shall receive a minimum monthly compensation corresponding to Salary  
24 Grade 28 as prescribed under Republic Act No. 6758, as amended. The President, upon the  
25 recommendation of the Secretary, shall appoint Arbiters, and as may be necessary, for each  
26 administrative region, upon the recommendation of the Commission en banc.

27

28 **Sec. 24. The Sheriff** - The Commission shall appoint a Sheriff or such member of Sheriffs in its  
29 Central and Regional branches, in accordance with the provisions of the Civil Service Law, rules  
30 and regulations. The Sheriff shall be responsible for the service and execution of all writs,  
31 summonses, and orders and other processes of the Commission.

32

33 **Sec. 25. Appeals** – Decisions, awards, or orders of the Arbiters shall be final and executory  
34 unless appealed to the HSAC within fifteen (15) calendar days from receipt of such decisions,  
35 awards, or orders. The appeal may be entertained only on any of the following grounds:

36 a) If there is *prima facie* evidence of abuse of discretion on the part of the Arbiters in  
37 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 findings of facts are raised, which errors would cause grave or  
5 irreparable damage or injury to the appellant.

6  
7 Decision of HSAC can be appealed to the Court of Appeals by way of a Petition for  
8 Review within fifteen (15) calendar days from notice of judgment, award, or order sought to be  
9 appealed, pursuant to Rule 43 of the Rules of Court.

10  
11 **Sec. 26. Prohibition against Restraining Order of Injunction** – No lower Court of the  
12 Philippines shall have jurisdiction to issue any restraining order or writ of preliminary injunction  
13 or permanent injunction-against Commission or its Arbiters in any application, implementation,  
14 enforcement, or interpretation of the Act and other pertinent laws on housing and on just and  
15 humane eviction or demolition procedures.

16  
17 **Sec. 27. Pending Cases** – All cases pending in regular Courts arising from in connection with the  
18 implementation of pertinent laws on housing and on just and humane eviction and demolition  
19 procedures, shall continue to be heard, tried and decided to their finality by such Courts.

## 20 21 CHAPTER V 22 ATTACHED AGENCIES

23 **Sec. 28. Attached Agencies and Corporations** – The following agencies and corporations are  
24 hereby attached to the Department for policy and program coordination monitoring and  
25 evaluation:

- 26 a) National housing Authority (NHA)
- 27 b) Home Guaranty Corporation (HGC)
- 28 c) National Home Mortgage Finance Corporation (NHMFC)
- 29 d) Home Development Mutual Fund (HDMF)
- 30 e) Social Housing Finance Corporation (SHFC)
- 31 f) Human Settlement Adjudicatory Commission (HSAC)

32  
33 All these agencies shall continue to function according to existing laws and their  
34 respective Charters. However, each of the heads of the attached agencies shall enter into a  
35 performance contract annually with the secretary. Such contracts shall embody the national  
36 targets on housing and urban development and shall include the over-all administration of the  
37 agency and the streaming of personnel for effective and efficient service.

1 The reorganization, merger, streamlining, abolition or privatization of any attached  
2 GOCCs shall be in consultation with the department and the GOCC concerned. The appointment  
3 of the Board of Directors of Trustees of the attached GOCCs shall be in accordance with R.A  
4 No. 10149, otherwise known as the GOCC Governance Act of 2011.

5  
6 **Sec 29. Nature of Attachment-** The Secretary shall be elected as Chairperson of the governing  
7 Boards of the NHA, HDMF, NHMFC, SHFC, and HGC.

8  
9 **CHAPTER VI**  
10 **OTHER PROVISIONS**

11  
12 **Sec 30. Social Housing One- Stop Processing Centers (SHOPCs) -** The Department shall  
13 establish SHOPCs in the regions, which shall centralize the processing and issuance of all  
14 required housing-related permits, clearances, and licenses in accordance with Executive Order  
15 No. 45, series of 2001 entitled "Prescribing time periods for issuance of housing related  
16 certifications, clearances and permits, and imposing sanctions for failure to observe the same"  
17 Provided, That for the foregoing purpose, the respective ceilings for socialized, low cost/  
18 economic and middle-income housing shall be jointly determined by the Department and NEDA;  
19 Provided further, That at any time, but not more than once every two (2) years, such ceilings may  
20 be reviewed or revised to conform to prevailing economic conditions. All agencies involved in  
21 the issuance of said permits, clearances and licenses shall be represented in the SHOPC and shall  
22 assign to SHOPC regional centers personnel who shall be sufficiently authorized to process and  
23 issue the same.

24  
25 **Sec 31. Identification and Designation of Lands for Housing and Urban and Rural**  
26 **Development-** For the purpose of designating lands for housing and urban and rural  
27 development, the Department, the DENR, the DAR and the DA shall, within one hundred eighty  
28 (180) days from effectivity of this Act, jointly identify agricultural lands which under R.A No.  
29 6657, otherwise known as the Comprehensive Agrarian Reform Law and other existing rules and  
30 regulations are already exempted from conversion requirements; Provided, that the list shall  
31 exclude lands that are declared as non-negotiable or protected from conversion under existing  
32 laws and issuances and those lands covered under R.A. No. 6657; Provided further, That the  
33 designation of lands for Housing and Urban and Rural Development purposes shall neither  
34 prejudice the rights of qualified beneficiaries under R.A No. 6657, nor undermine the protected  
35 agricultural areas intended to ensure the attainment of food security under R.A No. 8435,  
36 otherwise known as the Agriculture and Fisheries Modernization Act of 1997 (AFMA) and other  
37 existing laws; Provided further, That in the case of lands exempted from conversion though these  
38 have been approved by the DAR, if these are contested by the affected individual or community

1 beneficiaries, it shall not be allowed to proceed with by horizontal or vertical development  
2 without need for any prior clearance or approval from the DAR or the DA consistent with the  
3 terms of approved order or conversion: Provided, finally, that all idle government lands in highly  
4 urbanized cities are hereby prioritized for housing and urban development purposes.

## 6 CHAPTER VII

### 7 TRANSITORY PROVISIONS

8 **Sec 32. *Absorption of Employee of the Consolidated Agencies-*** The existing civil servants of  
9 HUDCC and HLURB shall enjoy security of tenure and shall be absorbed by the Department in  
10 accordance with their staffing patterns and the selection process as prescribed under R.A. No.  
11 6656 on the Rules on Government reorganization, unless the civil servant wants to avail of  
12 Section 35 hereof.

13  
14 **Sec 33. *Transfer of Assets and Obligations-*** The following dispositive actions shall be  
15 implemented within six (6) months from the effectivity of this Act:

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

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

20  
21 **Sec 34. *Transition Period-*** All transfer of functions, assets, funds, personnel, equipment,  
22 properties, transactions, and personnel in the affected national government agencies and the  
23 formulation and implementation of the internal organic structures, staffing patterns, operations  
24 systems, and revised budgets of the Department and the Department and the Commission, shall  
25 be completed within six (6) months from the effectivity of this Act, during which existing  
26 personnel shall continue to assume their posts in holdover capacities until new appointments are  
27 issued.

28  
29 **Sec 35. *Separation from the Service-*** Employees separated and/ or phased out from the service  
30 as a result of the consolidation and/or reorganization under the provisions of this Act shall within  
31 one (1) month from their separation and/or phase out from the service, receive separation  
32 benefits in accordance with existing laws. In addition, those who are qualified to retire shall be  
33 allowed to retire and be entitled to all benefits provided, under any of the existing retirement  
34 laws.

35  
36 **Sec 36. *Transfer of functions-*** The following functions are hereby transferred as stipulated  
37 hereunder:

1 a) The regulatory function of the HLURB, including the formulation, promulgation, and  
2 enforcement of rules, standards and guidelines are hereby transferred to the Department;

3 b) The HLURB's monitoring function, including the imposition of penalties for non-  
4 compliance to ensure that LGUs will follow the planning guidelines and implement their  
5 CLUPs/ZOs shall likewise be transferred to the Department; and

6 c) The registration of incorporation of homeowners associations and condominium  
7 corporations of the HLURB are hereby transferred to the Department.

8  
9 **Sec 37. *Abolition of the Housing and Urban Development Coordinating Council (HUDCC)***  
10 ***and the Transfer of Rights and Assets.*** The Housing and Urban Development Coordinating  
11 Council is hereby abolished. The Department shall, by virtue of this Act, be subrogated to all  
12 rights and assume all the liabilities of the HUDCC and HLURB, except those that may hereafter  
13 be transferred to or absorbed by the Commission.

14  
15 **Sec 38. *Formulation of Implementing Rules and Regulations-*** The Secretary shall prepare and  
16 issue the implementing rules and regulations (IRR) of the Department within sixty (60) days  
17 upon the effectivity of this Act.

18  
19 **CHAPTER VIII**  
20 **IMPLEMENTING AUTHORITY AND FUNDING**

21  
22 **Sec 39. *Implementing Authority-*** The Secretary is hereby authorized to undertake the  
23 implementation of the provisions of this ACT and implement the necessary organizational  
24 changes within the specified six (6) month transition period.

25  
26 **Sec 40. *Funding-*** The amount necessary for the initial implementation of the provisions of this  
27 Act shall be charged against the current year's appropriations of the HUDCC and HLURB.  
28 Thereafter, such sums as may be necessary for the continued implementation of this Act shall be  
29 included in the annual General Appropriations Act (GAA).

30  
31 **CHAPTER IX**  
32 **MISCELLANEOUS PROVISIONS**

33  
34 **Sec 41. *Mandatory Review of the Implementation of this Act-*** The Department shall conduct  
35 and submit a report to Congress a review of the implementation of this Act at the end of the  
36 second year from the date of its effectivity.

1 **Sec 42. *Repealing Clause-*** All laws, executive orders, proclamations, rules, regulations, and  
2 other issuances or parts thereof which are inconsistent with the provisions of this act are hereby  
3 repealed, amended or modified accordingly.

4 **Sec 43. *Separability Clause-*** If, for any reasons, any portion or provisions of this Act shall be  
5 held unconstitutional or invalid, the remaining provisions not affected thereby shall continue to  
6 be in full force and effect.

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8 **Sec 44. *Effectivity-*** This Act shall take effect fifteen (15) days after its complete publication in at  
9 least two (2) national newspapers of general circulation.

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11 *Approved.*

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