

**The Implementing Rules and Regulations of the
Department of Human Settlements and
Urban Development Act**

**Housing and Urban Development Coordinating Council
and
Housing and Land Use Regulatory Board**

19 July 2019

**THE IMPLEMENTING RULES AND REGULATIONS OF
REPUBLIC ACT NO. 11201, OTHERWISE KNOWN AS
THE "DEPARTMENT OF HUMAN SETTLEMENTS
AND URBAN DEVELOPMENT ACT"**

Pursuant to Section 29 of Republic Act No. 11201, otherwise known as the "Department of Human Settlements and Urban Development Act," the following rules and regulations are hereby adopted and promulgated:

**RULE I
GENERAL PROVISIONS**

SECTION 1. *Title and Purpose.* — These rules and regulations shall be known as the "Implementing Rules and Regulations of the Department of Human Settlements and Urban Development Act", and shall be collectively referred to as the "Rules". This Rules shall operationalize the provisions of Republic Act No. (RA) 11201, herein referred to as the "Act", and provide the regulations, guidelines and procedures that shall govern the operations of the Department of Human Settlements and Urban Development and the Human Settlements Adjudication Commission, herein referred to as the "Department" and "Commission", respectively.

SECTION 2. *Declaration of Policy.* — The State shall, pursuant to Section 9, Article XIII of the Constitution, ensure that underprivileged and homeless citizens have access to an adequate, safe, secure, habitable, sustainable, resilient and affordable home.

The State shall, by law and for the common good, undertake, in cooperation with the private sector, a continuing program of housing and urban development which shall make available at affordable cost, decent housing and basic services to underprivileged and homeless citizens in urban centers and resettlement areas. It shall also promote adequate employment opportunities to such citizens. In the implementation of the program, the State shall respect the rights of small property owners.

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

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

In addition, the State shall encourage on-site development in the implementation of housing programs and shall promote the creation of new settlements and development of

sustainable urban renewal programs while guaranteeing the preservation of agricultural lands necessary for food security.

SECTION 3. *Definition of Terms.* — For purposes of this Rules, the following terms or words shall mean or be understood as follows:

- 3.1 “Affordable Cost” refers to the most reasonable price of land and shelter based on the needs and financial capability of program beneficiaries and appropriate financing schemes;
- 3.2 “Agricultural Lands” refers to lands devoted to or suitable for the cultivation of the soil, planting of crops, growing of trees, raising of livestock, poultry, fish or aquaculture production, including the harvesting of such farm products, and other farm activities and practices performed in conjunction with such farming operations by persons whether natural or juridical and not classified by law as mineral land, forest land, residential land, commercial land, or industrial land as defined in RA 8435, otherwise known as the “Agriculture and Fisheries Modernization Act”;
- 3.3 “Abandoned Subdivision or Condominium” refers to a project whose development has not been completed in accordance with the approved development plan despite the lapse of at least ten (10) years from the target date of completion and it appears that the project owner or developer has no intention to complete the project development or, despite diligent effort for at least the last five (5) years, the project owner or developer cannot be located;
- 3.4 “Community Development” refers to the process of empowering communities, particularly housing development beneficiaries, through social preparation and participatory planning, development and implementation of programs, projects and activities that will enable the community to be self-reliant and attain a better quality of life;
- 3.5 “Community Mortgage Program” refers to a mortgage financing program of the Social Housing Finance Corporation which assists legally organized associations of underprivileged and homeless citizens to purchase and develop a tract of land under the concept of community ownership;
- 3.6 “Comprehensive Land Use Plan” (CLUP) refers to the document, formulated by the local government in consultation with its stakeholders, that defines or provides guidelines on the allocation, utilization, development and management of all lands, within a given territory or jurisdiction, including municipal waters, according to the inherent qualities of the land itself and supportive economic, demographic, socio-cultural and environmental objectives;
- 3.7 “Condominium Project” refers to the entire parcel of real property divided or to be divided primarily for residential purposes into condominium units, including all structures thereon, which complies with the requirements and standards provided

under Presidential Decree No. (PD) 957, otherwise known as the “Subdivision and Condominium Buyers’ Protective Decree”, and its implementing rules and regulations;

- 3.8 “Economic Housing Project” refers to residential subdivision projects and condominium projects which are sold at or below the prevailing price ceiling for economic housing and compliant with the standards provided under Batas Pambansa Blg. (BP) 220, otherwise known as “An Act Authorizing the Ministry of Human Settlements to Establish and Promulgate Different Levels of Standards and Technical Requirements for Economic and Socialized Housing projects in Urban and Rural Areas From Those provided Under Presidential Decrees Numbered Nine Hundred Fifty Seven, Twelve Hundred Sixteen, Ten Hundred Ninety Six and Eleven Hundred Eighty-Five”, and its implementing rules and regulations;
- 3.9 “Environmental Planning”, also known as urban and regional planning, city planning, town and country planning, and/or human settlements planning, refers to the multi-disciplinary art and science of analyzing, specifying, clarifying, harmonizing, managing and regulating the use and development of land and water resources, in relation to their environs, for the development of sustainable communities and ecosystems;
- 3.10 “Government Housing Project” refers to subdivisions, condominium buildings, medium-rise buildings, new settlements and other similar residential projects owned, managed or funded by the government;
- 3.11 “Government Lands” refers to parcels of land whose ownership or title pertains to the government, or any of its agencies, subdivisions, or instrumentalities, including government-owned or controlled corporations and their subsidiaries and lands placed under the jurisdiction of the above entities by virtue of proclamations signed by the President. Government lands also include rights-of-way or road titles;
- 3.12 “Homeowners Association”(HOA) refers to a non-stock, nonprofit corporation registered with the Department, or previously registered with the Housing and Land Use Regulatory Board (HLURB) or the Home Insurance Guarantee Corporation (now Home Guaranty Corporation) or the Securities and Exchange Commission, organized by owners or purchasers of a lot in a subdivision/village or other residential real property located within the jurisdiction of the association; or awardees, usufructuaries, legal occupants and/or lessees of a housing unit and/or lot in a government socialized or economic housing or relocation project and other urban estates; or underprivileged and homeless citizens as defined under existing laws in the process of being accredited as usufructuaries or awardees of ownership rights under the Community Mortgage Program, Land Tenure Assistance Program and other similar programs in relation to a socialized housing project actually being implemented by the national government or the local government unit;

- 3.13 “Housing” refers to:
- (a) A multi-dimensional concept relating to the process of residing and the objects of dwelling whose main attributes are location relative to access to livelihood, tenure arrangements, cost and physical structure, as well as their environment;
 - (b) A physical structure as well as a social structure, functioning at different spatial scales from homes, neighborhoods, communities, municipalities, cities, provinces, and regions; and
 - (c) A sector of the economy, an important category of land use in both urban and rural areas, especially in cities, and is an important factor in the overall dynamics of the urban system;
- 3.14 “Housing Cooperative” refers to an association organized to assist or provide access to housing for the benefit of its regular members who actively participate in the savings program for housing. It is co-owned and controlled by its members;
- 3.15 “Housing Finance” refers to the comprehensive funds flow system covering the entire housing provision cycle from identification of financial requirements to fund sourcing for various aspects of the housing program, such as lot acquisition, development/construction and end-users’ financing, and securitization of home mortgages and other housing related receivables or financial products;
- 3.16 “Human Settlements” refers to and comprises:
- (a) The physical components of shelter and infrastructure; and
 - (b) The services to which the physical elements provide support, such as community services which include education, health, culture, welfare, recreation and nutrition;
- 3.17 “Idle Lands” refers to non-agricultural lands in urban and urbanizable areas on which no improvements have been made by the owner, as certified by the city, municipal or provincial assessor;
- 3.18 “In-City Resettlement” refers to a relocation site within the jurisdiction of the local government unit where the informal settler families are living;
- 3.19 “Informal Settler Families” refers to households living in a lot, whether private or public, without the consent of the property owner; or those without legal claim over the property they are occupying; or those living in danger areas such as esteros, railroad tracks, garbage dumps, riverbanks, shorelines, and waterways;

- 3.20 “Land Banking” refers to the acquisition of land at values based on existing use in advance of actual need to promote planned development and socialized housing programs;
- 3.21 “Local Government Unit” (LGU) refers to provinces, cities, municipalities, and barangays;
- 3.22 “Local Shelter Plan” (LSP) refers to a document which provides information on the analysis of the present local housing situation, *i.e.*, identification of housing problems, upgrading and future housing needs, household affordability and local resources such as land, provision of basic services and finances. It also contains the main shelter strategies and a corresponding implementation plan which provides the details of actions needed to realize the housing objectives;
- 3.23 “Near-City Resettlement” refers to a relocation site within the jurisdiction of a LGU adjacent to the LGU having jurisdiction over the present settlements of the informal settler families;
- 3.24 “Neighborhood Association” refers to a group of potential public housing beneficiaries living in contiguous areas, identified and accredited by or organized with the assistance of the LGU for the purpose of availing of housing programs or projects being implemented by the said LGU;
- 3.25 “Off-city relocation” refers to the development of a site outside and not adjacent to the LGU where the affected informal settler families have their settlements;
- 3.26 “People’s Plan” refers to the plan formulated by the beneficiary-association, which shall contain a site development plan that conforms to the zoning ordinance of the LGU under whose jurisdiction the project site is proposed to be located, including community health, sanitation, and security plans, as well as non-physical development components such as self-help housing cooperative, livelihood, self-help development, capability building, and a system of allocation of socialized housing units that promote and protect the welfare of the elderly, persons with disability, and children;
- 3.27 “Prototype Projects” refers to an early sample, model of a housing project or design, or the pilot implementation of a housing and urban development concept, program or process for the purpose of testing its viability or sustainable replication;
- 3.28 “Public-Private Partnership” refers to a contractual agreement between the Government and a private firm targeted towards financing, designing, implementing and operating infrastructure facilities and services that were traditionally provided by the public sector;
- 3.29 “Public Housing” refers to programs and projects owned and/or managed by the government for the purpose of providing housing to underserved families;

- 3.30 “Real Estate Projects” or “Real Estate Development Projects” refers to subdivisions, condominiums, townhouses, memorial parks, columbaria and other similar projects which by law are subject to the regulatory jurisdiction of the Department;
- 3.31 “Rental Housing” refers to housing where the occupancy is permitted by the owner in consideration of the agreed payment charges, whether or not by the terms of agreement such payment over a period of time will entitle the occupant to the ownership of the premises;
- 3.32 “Resettlement Areas” refers to sites identified by the appropriate national agency or by the LGU within its jurisdiction, which shall be used for the relocation of the underprivileged and homeless citizens and other qualified households;
- 3.33 “Resilient Housing” refers to housing that is equipped with an adequate capacity to resist, absorb and accommodate the effects of climate change and hazards and to return to normal conditions in a timely and effective manner without significant changes to its basic functions and structures;
- 3.34 “Rural Development” refers to the process of improving the quality of life and economic well-being of people living in rural areas;
- 3.35 “Socialized Housing” refers to housing programs and projects covering houses and lots or homelots only, or residential condominium units undertaken by the government or the private sector for the underprivileged and homeless citizens which shall include sites and services development, long-term financing, liberalized terms on interest payments, and such other benefits in accordance with the provisions of RA 7279, otherwise known as the “Urban Development and Housing Act”, as amended by RA 10884, otherwise known as the “Balanced Housing Development Program Amendments”;
- 3.36 “Socialized Housing Project” refers to residential subdivision projects and condominium projects undertaken by the government or the private sector which are sold at or below the prevailing price ceiling for socialized housing and compliant with the standards provided under BP 220 and its implementing rules and regulations;
- 3.37 “Socialized Housing Tax” pertains to the imposition of the additional one-half percent (0.5%) tax on the assessed value of all lands in urban areas in excess of fifty thousand pesos (P50,000.00) that LGUs are authorized to impose under Section 43 of RA 7279;
- 3.38 “Subdivision Project” refers to a tract or a parcel of land registered under PD 1529, otherwise known as the “Property Registration Decree”, or previously under Act No. 496, otherwise known as the “The Land Registration Act”, which is partitioned primarily for residential purposes into individual lots with or without

improvements, and offered to the public for sale, in cash or in installment terms. It shall include all residential, commercial, industrial and recreational areas as well as open spaces and other community and public areas in the project;

- 3.39 “Underprivileged and Homeless Citizens” refers to the beneficiaries of RA 7279 and to individuals or families residing in urban and urbanizable areas whose income or combined household income falls within the poverty threshold as defined by the National Economic and Development Authority (NEDA) and who do not own housing facilities. This shall include those who live in makeshift dwelling units and do not enjoy security of tenure;
- 3.40 “Underserved Families” refers to those who are disadvantaged in terms of access to basic services because of inability to pay or other disparities by reason of economic or social status, ethnicity, geographical isolation, and other circumstances;
- 3.41 “Urban Development” refers to the process of occupation and use of land or space for activities such as residential, industrial, commercial and the like or their combinations, necessary to carry out the functions of urban living. It entails the building or rebuilding of more or less permanent structures over land that is often withdrawn or converted from its original use, resulting in the creation of a built environment;
- 3.42 “Urban Development Planning” refers to the process that involves the planning of diverse elements that comprise an urbanizing and urbanized area, including its physical infrastructure, environment, housing, transportation and management of land use and urban growth;
- 3.43 “Zoning” refers to the division of a community into districts (*e.g.*, commercial, residential, industrial, institutional, *etc.*) in order to maximize, regulate and direct their use and development according to the Comprehensive Land Use Plan. It is also concerned primarily with the use of land and through imposition of building heights, bulk, open space and density in a given area; and
- 3.44 “Zoning Ordinance” (ZO) refers to a locally enacted ordinance which embodies, among others, regulations affecting uses allowed or disallowed in each zone or district, conditions for allowing them, and deviations legally allowed, from the requirements of the ordinance.

RULE II
DEPARTMENT OF HUMANSSETTLEMENTS
AND URBAN DEVELOPMENT

SECTION 4. *Creation and Mandates of the Department.* — The Department is created by the Act through the consolidation of the Housing and Urban Development Coordinating Council (HUDCC) and the HLURB, simultaneously with the reconstitution of HLURB into

the Commission pursuant to Section 12 of the Act. The functions of the HUDCC and the planning and regulatory functions of HLURB shall be transferred to and consolidated in the Department, while the Commission shall assume and continue to perform the adjudication functions of HLURB pursuant to Section 25 of the Act.

The Department shall:

- 4.1 Act as the primary national government entity responsible for the management of housing, human settlement and urban development;
- 4.2 Be the sole and main planning and policy-making, regulatory, program coordination, and performance monitoring entity for all housing, human settlement and urban development concerns, primarily focusing on the access to and the affordability of basic human needs. For this purpose, in accordance with Section 25 of the Act, the following functions of HLURB are hereby transferred to the Department:
 - (a) The land use planning and monitoring function, including the imposition of penalties for noncompliance to ensure that LGUs will follow the planning guidelines and implement their CLUPs and ZOs;
 - (b) The regulatory function, including the formulation, promulgation, and enforcement of rules, standards and guidelines over subdivisions, condominiums and similar real estate developments, and imposition of fines and other administrative sanctions for violations, pursuant to PD 957, as amended, BP 220 and other related laws; and
 - (c) The registration, regulation and supervision of HOAs, including the imposition of fines for violations, pursuant to RA 9904, Section 26 of RA 8763 in relation to Executive Order No. (EO) 535, series of 1979, and other related laws; and
- 4.3 Develop and adopt a national strategy to immediately address the provision of adequate and affordable housing to all Filipinos, and ensure the alignment of the policies, programs, and projects of all its attached agencies to facilitate the achievement of this objective.

SECTION 5. *Composition.* — The Department shall be composed of the Office of the Secretary, and the various bureaus, services and regional offices as provided under Section 10 of the Act and as may eventually be created in accordance with existing laws and regulations.

SECTION 6. *General Powers and Functions of the Department.* — The general powers of the Department are as follows:

- 6.1 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;
- 6.2 Receive, take and hold by bequest, devise, 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;
- 6.3 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 including the formulation of policy guidelines on the implementation of foreign-assisted or funded projects and international partnerships;
- 6.4 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 in accordance with such rates and schedule it may fix, including but not limited to permits, licensing, registration and inspection fees, as well as impose reasonable fines and penalties for any violation of or noncompliance with its rules and regulations: *Provided, however,* That all income generated from fees, charges, fines, penalties and other collections shall be deposited with the National Treasury as income of the general fund;
- 6.5 Recommend new legislation and amendments to existing laws as may be necessary for the attainment of the government's objectives in housing and urban development and prepare or submit comments or inputs on proposed relevant legislations;
- 6.6 Serve as a voting member of the NEDA Board, the governing Boards of the Climate Change Commission, the National Disaster Risk Reduction and Management Council, the National Land Use Committee and such other inter-agency bodies to which the Secretary may be designated;
- 6.7 Render technical assistance to the Commission in the performance of the latter's functions; and
- 6.8 Perform such other related functions as may be mandated by law.

SECTION 7. *Policies, Plans and Programs Formulation and Development.* — The Department shall formulate and implement policies, plans and programs which are consistent with the objectives of the Philippine Development Plan to promote social and

economic welfare, and anchored on the thrusts, goals and directions under the Philippine New Urban Agenda, the National Urban Development and Housing Framework, and on such other government plans, frameworks, and commitments and agreements with international organizations, and which shall promote and encourage partnerships between the government and private sectors or nongovernment organizations (NGOs) for the provision of decent housing, suitable living environment, and expanded economic opportunities specially for the homeless and underprivileged citizens.

In the formulation and development of housing and urban development policies, plans and programs, the Department shall:

- 7.1 Conduct continuing and comprehensive data-driven and evidence-based studies and research necessary for housing and urban development, including practical approaches and strategies to ensure resiliency and sustainability of the urban environment;
- 7.2 Ensure that implementing programs, guidelines, rules and regulations are aligned with the policies, frameworks and strategies set by the Department; and
- 7.3 Coordinate with and conduct genuine, adequate, inclusive and participatory consultation engaging relevant government agencies and instrumentalities, and stakeholders.

SECTION 8. *Oversight and Monitoring Functions of the Department.* — The Department shall:

- 8.1 Monitor and evaluate the performance and accomplishment of the attached agencies with respect to their housing and urban development policies, programs and projects, and ensure the coordination thereof with the Department and the national government;
- 8.2 Develop and establish a sector performance monitoring and assessment mechanism to accurately and independently report on the performance of national government agencies (NGAs) and LGUs involved in housing and urban development or with infrastructure projects affecting informal settlers, including a framework for regular review, evaluation and assessment of their programs and projects to ensure the continuing improvements in housing sector policy and strategy formulation;
- 8.3 Require NGAs and LGUs to report and regularly submit relevant and necessary data and information; and
- 8.4 Generate data analyses and recommend policy measures to address perceived and potential issues.

SECTION 9. *Ownership and Administration of Government-owned Lands.* — In accordance with Section 5, II (d) of the Act, the Department shall exercise ownership and administration of government lands, whether owned by the national government or any

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

SECTION 10. Powers and Functions of the Department in Relation to Public Housing and Urban Development. — The Department shall:

- 10.1 Develop and manage government lands which have been identified as suitable for housing and urban development in accordance with Section 9 hereof, and pursuant to Sections 5 (II) (d) and 24 of the Act;
- 10.2 Manage and oversee emergency post-disaster/post-conflict shelter recovery or climate change adaptation and mitigation disaster risk reduction provision and interventions;
- 10.3 Manage and oversee the development of proclaimed socialized and economic housing sites;
- 10.4 Implement plans for the establishment of government centers in the country, in coordination with and assistance of relevant government agencies and instrumentalities;
- 10.5 Manage and oversee the establishment of estate and new towns, new settlements, urban renewal programs and prototypes of housing and urban development interventions, in coordination with attached agencies and concerned agencies;
- 10.6 Implement prototype projects in housing and urban development undertakings in coordination with attached agencies and concerned agencies, with the right to exercise the power of eminent domain when necessary;
- 10.7 Manage, oversee or implement the take-over of unfinished, incomplete or abandoned licensed real estate development projects under PD 957 and BP 220, in coordination with the appropriate government agencies and instrumentalities, and Regional Offices of the Department, under such rules and guidelines as may hereafter be issued by the Department, and take charge in the regulation of the use of road and street systems of the projects taken-over;
- 10.8 Implement the opening of roads of subdivision to the public when the general welfare requires it, in coordination with and assistance of relevant government agencies and instrumentalities, and upon consultation with stakeholders; and
- 10.9 Promote, accredit and regulate the use of indigenous materials and technologies in the housing construction, and act on accreditation for the use thereof.

The implementation of the foregoing functions shall be without prejudice to the existing mandates and programs in actual housing production, delivery, and finance of the attached corporations, as follows:

The Home Development Mutual Fund (HDMF).

The HDMF shall provide a mutual provident savings system for private and government employees and other earning groups, supported by matching mandatory contributions of their respective employers, with housing as the primary investment.

The National Housing Authority (NHA).

The NHA shall continue to function as a production and financing arm in housing and shall exercise all other functions based on its existing charter and its other mandates as provided under existing laws;

The National Home Mortgage Finance Corporation (NHMFC).

The NHMFC, a government corporation mandated to increase the availability of affordable housing finance to support the Filipino homebuyers on their acquisition of housing units through the development and operation of a secondary market for home mortgages and other housing related receivables.

The Social Housing Finance Corporation (SHFC).

The SHFC is the lead government agency tasked to develop and implement social housing programs for low-income groups in the formal and informal sectors, especially the underprivileged and homeless in order to uphold their right to adequate housing through flexible, affordable, innovative and responsive shelter financing, and development / production solutions that are community-driven.

**SUB-RULE II-A
THE OFFICE OF THE SECRETARY**

SECTION 11. *The Office of the Secretary.* — The Office of the Secretary shall house the Office of the Department Secretary, the Offices of the Undersecretaries, and the Offices of the Assistant Secretaries, and their immediate support staff.

SECTION 12. *Appointment and Qualifications.* — The Secretary shall be appointed by the President with the consent of the Commission on Appointments while the Undersecretaries and Assistant Secretaries shall be appointed by the President upon the recommendation of the Secretary. The Secretary shall be assisted by three (3) Undersecretaries and three (3) Assistant Secretaries: *Provided*, That at least one (1) Undersecretary and one (1) Assistant Secretary shall be career officers.

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

SECTION 13. *The Secretary.* — The authority and responsibility for the exercise of the mandates of the Department and for the discharge of its powers and functions shall be vested in the Secretary, who shall have supervision and control of the Department. The Secretary shall have the following functions:

- 13.1 Advise the President of the Philippines on matters related to housing, human settlements, and rural and urban development;
- 13.2 Establish policies and standards for the efficient and effective operations of the Department in accordance with programs of the government;
- 13.3 Promulgate rules, regulations and other issuances such as orders circulars, guidelines, and memoranda which are necessary in carrying out the Department's mandates, objectives, policies, plans, programs and projects, or implementing or interpreting the provisions of the Act and of this Rules;
- 13.4 Designate and appoint officers and employees of the Department, excluding the Undersecretaries, Assistant Secretaries, and Regional and Assistant Regional Directors, in accordance with the civil service laws, rules and regulations;
- 13.5 Exercise control and supervision, including disciplinary powers over officers and employees of the Department in accordance with law, as well as their investigation and the designation of a committee or officer to conduct such investigation;
- 13.6 Exercise control and supervision, including disciplinary powers over officers and employees of the attached agencies in accordance with law, as well as their investigation and the designation of a committee or officer to conduct such investigation;
- 13.7 Coordinate with other agencies and instrumentalities of the government to ensure the effective and efficient implementation of housing and urban development programs;
- 13.8 Ratify the CLUPs of independent component cities, highly urbanized cities, Metro Manila LGUs, and of provinces;
- 13.9 Review, revise, reverse, modify or affirm on appeal the issuances and orders of the Regional Directors;

13.10 Approve all socialized compliance and compliance projects of main subdivision and condominium projects required under Section 18 of RA 7279, as amended by RA 10884, and its implementing rules and regulations; and

13.11 Perform such other functions as may be provided by law or assigned by the President.

SECTION 14. *Powers and Duties of the Undersecretaries.* — The Undersecretaries shall have the powers and functions as provided for in Chapter 2, Book IV of the Administrative Code of 1987. The Secretary is further authorized to delineate and assign functional areas and other responsibilities of the Undersecretaries and Assistant Secretaries.

SECTION 15. *Duties and Functions of the Assistant Secretaries.* — The Assistant Secretaries shall perform such duties and functions as may be provided by law or assigned by the Secretary.

SECTION 16. *Structure and Staffing Pattern.* — Subject to the approval of the Department of Budget and Management (DBM), the Secretary shall determine the organizational structure and create new divisions or units as may be necessary, and appoint officers and employees of the Department in accordance with the civil service laws, rules and regulations. The remuneration structure of the positions in the staffing pattern shall strictly conform to RA 6758, otherwise known as the Salary Standardization Law, as amended.

SUB-RULE II-B THE BUREAUS

SECTION 17. *Department Bureaus.* — To carry out its mandates and functions, the Department shall operate and maintain Bureaus under it such as but not limited to:

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

In the implementation of their respective functions, the Bureaus shall recommend to the Secretary necessary policy reforms on housing and urban development matters and concerns.

SECTION 18. *Composition of the Bureaus.* — Each Bureau shall be headed by a Director who shall exercise administrative control and supervision over it and who shall be responsible for efficiently and effectively carrying out the functions of the Bureau. The Bureau Directors shall be appointed by the President. The Bureaus shall be divided into as many divisions as may be necessary and established in the Department's organizational structure in accordance with existing rules and regulations.

SECTION 19. *Environmental, Land Use and Urban Planning and Development Bureau.* – The Environmental, Land Use and Urban Planning Bureau shall exercise the following powers and functions:

- 19.1 Formulate national urban development policies, strategies and standards, such as but not limited to urban management, growth, redevelopment and renewal;
- 19.2 Formulate a comprehensive plan for the ownership and administration of government lands, whether owned by the national government or any of its subdivisions, instrumentalities, or agencies, including GOCCs and their subsidiaries, which have not been used for the purpose for which they have been originally reserved or set aside for at least ten (10) years and identified by the Department as suitable for urban development, particularly for housing purposes: *Provided*, That the lands held in trust by the GOCCs for and on behalf of their members shall be excluded from the coverage hereof. Such plan shall include developing and establishing land acquisition and banking strategies and compensation scheme for the transfer of title and ownership to the Department, formulating and prescribing standards, and mechanisms for the optimum development of lands to include but not limited to residential, industrial, commercial and the like;
- 19.3 For the purpose of designating lands for housing and urban and rural development, the Department, the Department of Environment and Natural Resources (DENR), the Department of Agrarian Reform (DAR), the Department of Agriculture (DA), the Department of the Interior and Local Government (DILG), and the Land Registration Authority (LRA) shall, within one hundred eighty (180) days from the effectivity of the Act, jointly identify government lands suitable for housing and rural development: *Provided*, That all government lands which have been idle for more than ten (10) years, except lands owned by the GOCCs and government financial institutions engaged in shelter financing as part of its fiduciary obligation to its members and/or are taken possession of in their ordinary conduct of business, are hereby prioritized for housing and urban development purposes: *Provided, further*, That lands exempted from conversion under existing laws shall be excluded from the coverage of this section: *Provided, finally*, That the national lands identified under this section shall be transferred to or administered by the Department, subject to the approval of the President.

The Department shall, in coordination with the DENR, DAR, DA, DILG, and LRA, issue separate rules and regulations for the implementation of Section 24 of the Act;

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

- 19.5 Formulate and prescribe land use planning and zoning standards and guidelines for the formulation of CLUPs and ZOs of cities and municipalities and Provincial Physical Framework Plans (PPFP), which shall employ effective and integrated land use planning and management approaches from ridge to reef, mainstream disaster risk management and climate change adaptation pursuant to RA 9729 and RA 10121, and integrate other urban development special areas of studies whenever necessary;
- 19.6 Pilot projects of newly-developed planning guidelines and standards;
- 19.7 Develop guidelines and strategies for the formulation of LSPs including utilization of socialized housing tax as provided under Section 43 of RA 7279, and other sources of funds for housing and urban development;
- 19.8 Formulate planning guidelines, standards and development control on urban development;
- 19.9 Develop framework and strategies for the establishment of estate and new towns, new settlements, urban renewal programs, prototypes of urban development interventions, and government centers in the country;
- 19.10 Train and capacitate the Regional Offices in providing technical assistance to provinces, cities and municipalities in undertaking housing and urban development and management such as but not limited to:
 - (a) Formulation and updating of CLUPs and ZOs, or Provincial Comprehensive Land Use Plans (PCLUPs) or PPFP: *Provided*, That no PCLUP or PPFP, and CLUP of Independent Component Cities and Highly Urbanized Cities and Metro Manila LGUs shall be approved by the Secretary without undergoing the review and approval process set forth under EO 72, series of 1993, or as provided by other existing laws and regulations;
 - (b) CLUP implementation and ZO enforcement for LGUs;
 - (c) Formulation and updating of LSPs;
 - (d) Creation of Local Housing Board or similar entity; and
 - (e) Strengthening local government compliance with housing and urban development laws, standards and guidelines;
- 19.11 Ensure compliance by the LGUs not only with the procedure for the formulation or updating of their land use or physical framework plans but also with the implementation of the same, through review or ratification, monitoring, and imposition of penalties, in accordance with existing laws and regulations; *Provided*, That notwithstanding this provision, all existing CLUPs and physical framework

plans duly approved and being implemented by the LGUs shall remain in full force and effect for the duration of the period as approved: *Provided, further,* That upon enactment of the Act, LGUs may improve, amend and enhance their existing CLUPs or physical framework plans in accordance with the standards set by the Department;

- 19.12 Formulate guidelines for the imposition of penalties for noncompliance and incentives to ensure that LGUs will follow the planning guidelines and implement their CLUPs and zoning ordinances;
- 19.13 Develop and maintain a geographic information system for management and monitoring of land use, zoning, urban development standards, which shall include but not be limited to the following data sets:
 - (a) Inventory of idle lands;
 - (b) Inventory of existing CLUPs and ZOs;
 - (c) Land use changes and reclassification of agricultural lands of cities and municipalities;
 - (d) Inventory of existing LSPs and local ordinances adopting the LSPs;
 - (e) Inventory of housing stock; and
 - (f) Listing of existing and potential beneficiaries of housing assistance, including their socio-economic profiles; and
- 19.14 Perform such other functions to carry out the above or as may be required by the Secretary.

SECTION 20. *Housing and Real Estate Development Regulation Bureau.* — The Housing and Real Estate Development Regulation Bureau shall exercise the following powers and functions:

- 20.1 Formulate national housing policies, strategies and standards such as but not limited to:
 - (a) Resettlement housing and programs, involving land acquisition and on-site development to generate serviced homelots or units for families displaced from sites earmarked for government infrastructure projects, occupying danger areas such as water ways, esteros, railroad tracks and those qualified for relocation and resettlement assistance pursuant to and in accordance with existing relevant laws, executive orders, and rules and regulations, such as but not limited to RA 7279 or the “Urban Development and Housing Act of 1992”, RA 10752 or the “Right of Way Act”, and Section 7 of EO 20, series of 2001; and

- (b) Land banking and other modes of land acquisition policies in order to ensure availability of land for housing, especially for the homeless and underprivileged;
- 20.2 Formulate housing finance and production policies that will promote the establishment of self-sustaining housing finance and delivery systems, taking into consideration the development of a variety of payment schemes and the income and capacity to pay of the intended beneficiaries or market;
- 20.3 Formulate, in coordination with the attached agencies, public housing policies and programs that recognize and explore alternative and innovative solutions in addressing the country's housing needs such as mixed-income and mixed-use development; rights-based tenurial arrangements such as but not limited to lease, rental, and usufruct; community mortgage and people's plan, including their modalities and approaches; various types of subsidies as may be appropriate and necessary to cater to the different needs and demands of intended markets and beneficiaries, especially the homeless and underprivileged families. Such policies and programs shall encourage participation of and partnership with and among LGUs and CSOs, NGOs, private groups and communities;
- 20.4 Formulate policies and guidelines on the management and oversight of the development of proclaimed socialized and economic housing sites, including the use of these land assets as resource mobilization strategy to raise alternative resources in developing new housing projects and efficient financing programs, either by itself or through its attached agencies;
- 20.5 In coordination with attached agencies and other agencies concerned, formulate and develop policies and mechanisms that will initiate and promote the establishment of estate and new towns, new settlements, urban renewal programs, and prototypes of housing and urban development interventions, including the people's plan approach, while encouraging the participation therein of local government partnerships with CSOs, NGOs, private groups and communities;
- 20.6 Determine and review or revise, jointly with the NEDA, the respective price or loan ceilings for socialized, economic, low, and middle-income housing in accordance with existing laws, rules and regulations;
- 20.7 Formulate policies and guidelines in promoting, regulating and accrediting the use of indigenous materials and technologies in the housing construction;
- 20.8 Formulate and prescribe policies and regulations for the continuation and extension of rental regulation of certain residential units, in accordance with RA 9653 or the "Rent Control Act of 2009";

- 20.9 Implement and oversee a single regulatory system that shall govern all activities relative to the planning, development, production, marketing and management of, as well as financing and guarantees for housing and urban development projects;
- 20.10 Exercise regulatory functions over the development and sale of subdivision and condominium projects and other similar real estate developments then required by law to be registered with HLURB, now with the Department, pursuant to PD 957, BP 220 and other related laws, such as but not limited to the following:
- (a) Formulation of rules, regulations, technical design, standards and guidelines for the orderly development of real estate projects and for the protection of real estate buyers pursuant to PD 957, BP 220 and other related laws;
 - (b) Formulation of rules and regulations to ensure compliance with Section 18 of RA 7279, as amended by RA 10884; and
 - (c) Formulation and updating of guidelines and procedure for the conduct of monitoring of the development, sale and maintenance of real estate projects including the open spaces and common areas to ensure their compliance with rules, regulations and standards implemented by the Department, including the imposition of fines and other administrative sanctions pursuant to PD 957 and other related laws;
- 20.11 Formulate rules and guidelines for the determination of unfinished, incomplete or abandoned licensed real estate development projects and develop schemes for their takeover by the Department, including the regulation of use of the road and street systems of real estate projects taken-over;
- 20.12 Develop systems and procedures for the establishment of Housing One-Stop Processing Centers (HOPCs) in the Regional Offices which shall centralize the processing and issuance of all required housing-related permits, clearances, and licenses in accordance with EO 45, series of 2001, entitled "Prescribing Time Periods for Issuance of Housing Related Certifications, Clearances and Permits, and Imposing Sanctions for Failure to Observe the Same", and RA 11032, the "Ease of Doing Business Act of 2018." For this purpose, the Department shall coordinate with the agencies concerned for the assignment to the HOPC of such staff or complement of sufficient competence and discretion, duly authorized to approve and sign such permits and licenses;
- 20.13 Develop capability-building programs and designs for Regional Directors and staff involved in real estate development regulation;
- 20.14 Conduct continuing research and studies on new approaches to real estate development regulation;

- 20.15 Coordinate with other agencies when necessary for the effective performance of the Department's real estate development functions;
- 20.16 Develop and maintain a spatial database of all subdivision and condominium projects and the status of their development; and
- 20.17 Perform such other functions to carry out the above or as may be required by the Secretary.

SECTION 21. *Homeowners Associations and Community Development Bureau.* — The Homeowners Associations and Community Development Bureau shall exercise the following powers and functions:

- 21.1 Formulate and amend rules and regulations for the implementation of RA 9904, including the procedure and requirements for registration of HOAs in subdivision projects, government housing projects and neighborhood associations; the Code of Ethics and Ethical Standards for board members; standard nomenclatures to be used for the associations' books of accounts; guidelines in the kinds of contributions and fees that may be charged and collected by associations; the procedure for verification and validation of petitions for the removal of directors or trustees of the association or dissolution of the board; and such other related policies for the regulation of HOAs;
- 21.2 Formulate or amend standard governing documents of HOAs and neighborhood associations;
- 21.3 Develop programs that will ensure and maintain the nonpartisan nature of the activities of HOAs;
- 21.4 Develop programs that will establish and promote linkage with the province, city or municipality, as the case may be, to ensure the inclusion of HOAs in community development and housing concerns in all local government programs and services;
- 21.5 Develop strategies to strengthen the grievance mechanism and procedure in HOAs and encourage the use of alternative modes of resolving disputes;
- 21.6 Develop standard orientation and training materials for officers and board members of associations as well as their members, and conduct trainors' training for personnel of the Regional Offices;
- 21.7 Establish procedure and requirements for the deputization of another agency or the accreditation of private institutions or training providers to conduct orientation for officers and board members of HOAs;
- 21.8 Formulate guidelines for the imposition of fines and other administrative sanctions such as but not limited to suspension, revocation or cancellation of registration,

disqualification from appointive or elective office in the association, for violation of RA 9904;

- 21.9 Coordinate with other NGAs and LGUs for the effective implementation of policies, plans, programs, and services for HOAs;
- 21.10 Establish and maintain a national registry of HOAs, neighborhood associations and their federations, confederations or umbrella organizations;
- 21.11 Develop technical assistance programs geared towards encouraging housing cooperatives and CSOs to serve as the implementing agencies of their housing and urban development programs and real estate management;
- 21.12 Develop plans and programs promoting community organizations as government partners for community development and building their capacity for homeownership and community management, including adoption of measures to protect the communities from the operation of professional squatters and squatting syndicates; and
- 21.13 Perform such other functions as may be necessary to carry out the above or as may be assigned by the Secretary.

SUB-RULE II-C THE REGIONAL OFFICES

SECTION 22. *Establishment of Regional Offices.* — The Department shall establish Regional Offices in the administrative regions of the country, as may be necessary.

SECTION 23. *Regional Directors and Assistant Regional Directors.* — The Regional Offices of the Department shall each be headed by a Regional Director, who shall be assisted by an Assistant Regional Director. They shall be appointed by the President of the Philippines.

The Regional Director shall exercise administrative control and supervision of the operations of the Regional Offices and shall represent the Department in various local interagency bodies or committees on land use planning and zoning, housing and urban development programs and projects, and other related concerns.

The Assistant Regional Directors shall perform such duties and responsibilities as may be assigned or delegated to them.

SECTION 24. *General Functions of the Regional Offices.* — The Regional Offices shall perform the following functions within their field service areas:

- 24.1 Implement laws, and the Department's policies, plans, programs, projects, rules and regulations;

- 24.2 Coordinate and maintain linkage with NGAs, LGUs, private entities, NGOs, CSOs, academe, and other stakeholders;
- 24.3 Act on applications for the issuance of various permits, licenses, clearances and certifications;
- 24.4 Conduct conciliation proceedings on issues and disputes relating to the implementation of the Department's mandates, including the regulation of real estate development and HOAs; and
- 24.5 Perform such other functions that are implied, necessary or incidental in carrying out the above or as may be assigned by the Secretary.

Each Regional Office may assign a unit that shall address and manage public inquiries, complaints, and grievances relating to the Regional Office's operations, including the implementation of the Department's plans, programs and projects, as well as its rules and regulations.

SECTION 25. *Core Functions of the Regional Offices.* — The Regional Offices shall perform the following:

25.1 *Environmental, Land Use and Urban Planning and Development Functions.*

- 25.1.1 Provide technical assistance to provinces, cities and municipalities in the preparation and updating of CLUPs, ZOs, and PCLUPs/PPFPs;
- 25.1.2 Conduct technology transfer and capability building programs for LGUs in the implementation of CLUP and ZO enforcement and development control;
- 25.1.3 Conduct training and mentoring in addressing urban development, management and governance concerns such as housing, establishment of government centers, new towns, settlements, and planned unit development, urban renewal, open spaces, traffic concerns, sewerage, waste management, and energy efficiency, among others;
- 25.1.4 Undertake review of PPFPs, CLUPs and ZOs of provinces, cities and municipalities as a member of the Provincial Land Use Committee or Regional Land Use Committee;
- 25.1.5 Extend technical assistance to and conduct technology transfer and capability building of cities and municipalities in the formulation, legitimization and implementation of LSPs, which shall include plans and strategies for the utilization of the socialized housing tax as provided under Section 43 of RA 7279 and other sources of funds for housing and urban development;

- 25.1.6 Monitor land use changes, particularly the reclassification of agricultural lands into other uses and implementation of ZOs of cities and municipalities;
- 25.1.7 Update an inventory of idle lands, existing CLUPs, ZOs, PCLUPs/PPFPs, and LSPs, inventory of housing stock and listing of government-housing program beneficiaries;
- 25.1.8 Maintain a geographic information system for monitoring of land use and zoning particularly on but not limited to:
 - (a) Compliance of LGUs to guidelines set by the Department in preparing and updating their respective CLUPs and ZOs; and
 - (b) Implementation of CLUPs and ZOs through monitoring of land use changes and reclassification; and
- 25.1.9 Perform such other functions that are implied, necessary or incidental in carrying out the above or as may be assigned by the Regional Directors.

25.2 *Housing and Real Estate Development Regulation Functions.*

- 25.2.1 Act on applications for issuance of Certificate of Registration and License to Sell to subdivisions, condominiums, and other real estate development projects, and Development Permit to condominium projects;
- 25.2.2 Review and recommend to the Secretary the approval of compliance to Section 18 of RA 7279, as amended by RA 10884;
- 25.2.3 Act on applications for issuance of other related permits such as but not limited to:
 - (a) Advertisement Approval;
 - (b) Alteration Permit for condominium projects;
 - (c) Mortgage Clearance;
 - (d) Change of Ownership;
 - (e) Extension of Time to Complete Development;
 - (f) Conversion of existing buildings into condominiums; and
 - (g) Certificate of Completion;
- 25.2.4 Act on applications for issuance of Certificate of Registration to real estate dealers, brokers and salesmen engaged in the sale of lots or units in

subdivisions, condominiums, and other real estate development projects within the regulatory jurisdiction of the Department;

- 25.2.5 Set up and manage the Regional HOPCs;
- 25.2.6 Implement capability-building programs for LGUs on subdivision plan approval and monitoring of projects in accordance with existing rules, regulations and standards;
- 25.2.7 Monitor the development, sale and maintenance of real estate development projects to ensure their compliance with existing laws, rules and regulations;
- 25.2.8 Impose fines and other administrative sanctions, including suspension or revocation of license and issuance of a Cease and Desist Order, for violation of the laws, rules and regulations being implemented by the Department in accordance with the established monitoring rules of procedure;
- 25.2.9 Recommend projects for declaration as unfinished, incomplete and abandoned and which may be subjected to takeover by the Department;
- 25.2.10 Maintain and update the spatial database and databank of all subdivision and condominium projects, the status of their development, and other related concerns; and
- 25.2.11 Perform such other functions that are implied, necessary or incidental in carrying out the above or as may be assigned by the Regional Directors.

25.3 *Homeowners Associations and Community Development Functions.*

- 25.3.1 Regulate and supervise the activities and operations of HOAs, neighborhood associations, federations, confederations or umbrella organizations of the associations, and other similar associations in subdivision projects and government housing projects;
- 25.3.2 Act on applications for issuance of Certificate of Incorporation to HOAs, neighborhood associations, federations, confederations or umbrella organizations of HOAs, and other similar associations in subdivision projects and government housing projects;
- 25.3.3 Act on applications for amendments of articles of incorporation and by-laws;
- 25.3.4 Suspend, revoke and cancel certificates of registration/incorporation, certificates of filing of amended articles of incorporation and by-laws;
- 25.3.5 Act on applications or petitions for federation, merger, consolidation, segregation and dissolution;

- 25.3.6 Call for, conduct, supervise and observe special elections;
- 25.3.7 Verify and validate petitions for removal of directors/trustees or dissolution of the Board of Directors/Trustees;
- 25.3.8 Require and monitor compliance by HOAs with reportorial requirements;
- 25.3.9 Provide technical assistance on governance and regularly conduct free orientation for officers of HOAs, or recommend the deputization of another competent agency or the accreditation of other institutions to conduct the orientation;
- 25.3.10 Issue show cause orders, impose fines and penalties and administrative sanctions for violation of RA 9904, its implementing rules and regulations, and other pertinent laws and policies;
- 25.3.11 Maintain and update data in the registry of HOAs in their respective regions;
- 25.3.12 Provide technical assistance to housing cooperatives and CSOs in building their capabilities to implement their housing and urban development plans, programs and projects;
- 25.3.13 Assist community organizations in developing their capacity to be government partners for homeownership and community development through access to government housing and financing, and estate management;
- 25.3.14 Assist community organizations in the adoption of measures to protect communities from the operation of professional squatters and squatting syndicates; and
- 25.3.15 Perform such other functions that are implied, necessary or incidental in carrying out the above or as may be assigned by the Regional Directors.

RULE III ATTACHED CORPORATIONS

SECTION 26. *Attached Corporations.* — The Department shall exercise administrative supervision over the following housing agencies, which shall remain to be attached for purposes of policy and program coordination, monitoring and evaluation:

- (a) National Housing Authority (NHA);
- (b) National Home Mortgage Finance Corporation (NHMFC);

- (c) Home Development Mutual Fund (HDMF); and
- (d) Social Housing Finance Corporation (SHFC).

The attached corporations shall continue to function according to existing laws and their respective Charters, subject to the policy directions of the National Human Settlements Board, herein referred to as the “Board”, created under Section 21 of the Act.

SECTION 27. *Appointment of Board of Directors or Trustees.* — Without prejudice to the provisions of the respective charters of the attached corporations, the appointment of their Board of Directors or Trustees shall be in accordance with RA 10149, otherwise known as the “GOCC Governance Act of 2011”.

SECTION 28. *Performance Contract.* — Upon appointment and assumption into office and every year thereafter, each of the heads of the attached corporations shall enter into a performance contract with the Secretary in accordance with their respective mandates: *Provided*, That such performance contracts shall be consistent with the national targets on human settlements and urban development, and the overall administration of the corporation.

SECTION 29. *Restructuring of the Attached Corporations.* — Within two (2) years from the effectivity of the Act, the Secretary, in coordination with the Governance Commission for GOCCs (GCG), shall recommend to the President, the restructuring of the foregoing corporations guided by the following objectives found hereunder:

- 29.1 To eliminate overlaps, if any, in programs, within and among the attached corporations, that serve the same beneficiaries or clientele;
- 29.2 To identify functions and programs of corporations that properly belong to regular government agencies such as policy-making, regulation, standard setting, and service provision from functions that are imbued with commercial motives which require a corporate structure. Line functions shall be transferred to the Department while corporate functions shall be retained with the corporations;
- 29.3 To clarify the role of each corporation along the housing value chain, including housing production, primary financing, secondary market development, and housing insurance and guarantee to promote the development of a comprehensive and synergetic housing industry; and
- 29.4 To strengthen integration of functions, programs, and services among corporations and the Department to leverage limited public resources and maximize the value of housing products and services offered by the public sector.

Any reorganization, merger, streamlining, abolition or privatization of any attached corporation shall be formulated and implemented in coordination with the GCG and in consultation with the GOCC concerned and the relevant provisions of RA 10149.

**RULE IV
HUMAN SETTLEMENTS
ADJUDICATION COMMISSION**

SECTION 30. *Reconstitution of the HLURB as the Human Settlements Adjudication Commission.* — The HLURB is reconstituted under the Act as the Human Settlements Adjudication Commission. The Commission shall assume and continue to perform the adjudication functions of HLURB, and shall be attached to the Department for policy, planning and program coordination only.

In the performance of its functions, the Commission shall be guided by the Constitutional provision that affords all persons the right to a speedy disposition of their cases before all judicial, quasi-judicial or administrative bodies. Toward this end, the independence of the adjudication process and the speedy resolution of disputes involving housing and real estate development and transactions, land use, and HOAs shall be ensured, and all parties to these controversies shall be accorded equal access to legal processes.

SECTION 31. *Composition and Compensation.* — The Commission shall be composed of the following:

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

The Executive Commissioner shall be appointed by the President from among the five (5) Commissioners. They shall have a rank and be entitled to the same compensation, allowances, retirement and other benefits as provided under RA 6758, or the Salary Standardization Law, as amended.

The Executive Commissioner, assisted by the Executive Clerk of the Commission, shall be responsible for the administration and operations of the Commission, and the supervision of personnel, including the Regional Adjudicators. The Executive Commissioner may delegate or assign administrative supervision over specific Regional Adjudication Branches (RABs) to the other four (4) Commissioners.

In order to efficiently carry out its adjudicatory functions, the Commission may sit *en banc* or in three (3) Divisions, each composed of a combination of three (3) Commissioners: *Provided*, That no two (2) Divisions shall have the same composition. The Commission and its Divisions shall be assisted by the Executive Clerk: *Provided, further*, That motions for reconsideration of the decision promulgated by the Divisions shall be resolved by the Commission *en banc*.

The Commission shall sit *en banc* for purposes of promulgating rules and regulations governing the hearing and disposition of cases before any of its Divisions and RABs and formulating policies affecting its administration and operations. The Commission *en banc* shall also define the operating and support units in the RABs.

- 31.2 RAB. — There shall be as many RABs as there are Regional Offices of the Department.

The President shall appoint as many Regional Adjudicators as may be necessary upon the recommendation of the Secretary. For this purpose, the Executive Commissioner may submit names of the Commission's nominees to the Secretary. There shall be as many Regional Adjudicators as may be necessary for the effective and efficient operations of the RAB, but in no case less than two (2). In each RAB, the Commission shall designate a Chief Regional Adjudicator who shall be responsible for the administration and operations of the Branch office, including the supervision of its personnel.

- 31.3 Organizational Structure and Staffing Pattern of the Commission. — Subject to the approval of the DBM, the Commission shall determine its organizational structure and create new divisions or units as it may deem necessary, and shall appoint officers and employees of the Commission in accordance with the civil service laws, rules and regulations. The remuneration and structure of the positions in the staffing pattern shall strictly conform to RA 6758 or the Salary Standardization Law, as amended.

SECTION 32. *Qualifications and Terms of Office.* — The qualifications and terms of office are as follows:

- 32.1 Commissioner. — Each Commissioner must be a natural born citizen of the Philippines, of good moral character and has been engaged in the practice of law and a member of the Philippine Bar of good standing for a period of at least ten (10) years prior to the appointment: *Provided*, That all nominees shall have experience in urban development planning, sustainable development, climate change adaptation, disaster risk reduction or real estate development.

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

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

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

SECTION 33. *Jurisdiction of the Commission.* — The Commission shall have the exclusive appellate jurisdiction over:

- 33.1 All cases decided by the Regional Adjudicators; and
- 33.2 Appeals from decisions of local and regional planning and zoning bodies.

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

SECTION 34. *Jurisdiction of Regional Adjudicators.* — The Regional Adjudicators shall exercise original and exclusive jurisdiction to hear and decide cases involving the following:

- 34.1 Cases involving subdivisions, condominiums, memorial parks and similar real estate developments:
 - (a) Actions concerning unsound real estate business practices filed by buyers or homeowners against the project owner or developer, which cause prejudice to the buyers or committed with bad faith and disregard of the buyers' rights;
 - (b) Claims for refund, and other claims filed by subdivision lot or condominium unit buyer against the project owner, developer, dealer, broker or salesman: *Provided*, That when the cause of action arises from the buyer's rights under Section 23 of PD 957 and the purchase price of the property is paid through a housing loan from a bank or other financing institutions, the latter shall be impleaded as necessary party;
 - (c) Cases involving specific performance of contractual and statutory obligations arising from the sale of the lot or unit and development of the subdivision or condominium project;
 - (d) Disputes involving the open spaces or common areas and their use filed by the project owner or developer or the duly registered HOA, including the eviction of informal settlers therein, in accordance with the requirements of law, and the rules and regulations promulgated by duly constituted authorities;
 - (e) Suits to declare subdivision, condominium or other real estate developments within the regulatory jurisdiction of the Department as abandoned, as defined under Section 3 of the Act for the purpose of Section 35 of PD 957;
 - (f) Disputes involving easements within or among subdivision projects; and

- (g) Actions to annul mortgages executed in violation of Section 18 of PD 957 filed by a subdivision lot or condominium unit buyer against the project owner and/or developer and the mortgagee;

34.2 Cases involving HOAs:

- (a) Controversies involving the registration and regulation of HOAs;
- (b) Intra-association disputes or controversies arising out of the relations between and among members of HOAs; between any or all of them and the HOA of which they are members;
- (c) Inter-association disputes or controversies arising out of the relations between and among two (2) or more HOAs between and among federations and other umbrella organizations, on matters pertaining to the exercise of their rights, duties and functions; and
- (d) Disputes between such HOA and the State, insofar as it concerns their individual franchise or right to exist and those which are intrinsically connected with the regulation of HOAs or dealing with the internal affairs of such entity;

34.3 Disputes involving the implementation of Section 18 of RA 7279, as amended by RA 10884, and its implementing rules and regulations; and

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

SECTION 35. *Powers and Authorities of the Commission.* — The Commission shall have the power and authority:

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

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

35.3 To hold any person in contempt directly or indirectly and impose appropriate penalties in accordance with law.

Any person committing any act of misbehavior in the presence of or so near any member of the Commission or any Adjudicator as to obstruct or interrupt the proceedings before the same, including disrespect toward said officials, offensive

acts toward others, or refusal to be sworn, or to answer as a witness or to subscribe an affidavit or deposition when lawfully required to do so, may be summarily adjudged guilty of direct contempt by said officials and shall be punished by a fine not exceeding Five thousand pesos (P5,000.00) or imprisonment not exceeding five (5) days, or both if it be committed against the Commission or any of its members; and, if the offense is committed against an Adjudicator, it shall be punishable by a fine not exceeding One thousand pesos (P1,000.00) or imprisonment not exceeding one (1) day, or both.

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

- 35.4 To enjoin or restrain, after due notice and hearing, any actual or threatened commission of any or all prohibited or unlawful acts or to require the performance of a particular act in any dispute within its jurisdiction which, if not restrained or performed forthwith, may cause grave or irreparable damage to any party or render ineffectual any decision in favor of such party. In no case shall a temporary or permanent injunction be issued except after a finding of fact by the Commission, to the effect that:
- (a) Prohibited or unlawful acts have been threatened and will be committed and will be continued unless restrained, but no injunction or temporary restraining order shall be issued on account of any threat, prohibited or unlawful act, except against the person or persons, association or organization making the threat or committing the prohibited or unlawful act or actually authorizing or ratifying the same after actual knowledge of the facts;
 - (b) Substantial and irreparable injury to complainant's property will follow;
 - (c) As to each item of relief to be granted, greater injury will be inflicted upon complainant by the denial of relief than will be inflicted upon defendants by the granting of relief;
 - (d) Complainant has no adequate remedy at law; and
 - (e) Public officers charged with the duty to protect complainant's property are unable or unwilling to furnish adequate protection;
- 35.5 To determine, fix and collect reasonable amounts to be charged as fees and charges necessary for its operations and the effective performance of its functions, as well as impose reasonable fines and penalties for any violation of or noncompliance with

laws, rules and regulations: *Provided, however,* That all income generated from fees, charges, fines, penalties and other collections shall be deposited with the National Treasury as income of the general fund;

- 35.6 To call upon the Department for technical assistance when necessary in the resolution of cases before it or the Regional Adjudicators;
- 35.7 To call upon the Philippine National Police, other law enforcement agencies, and other instrumentalities of the government, if necessary, for the enforcement of its decisions, resolutions, orders and other issuances functions; and
- 35.8 To exercise such other powers as are implied, necessary, or incidental to carry out the express powers granted to the Commission.

SECTION 36. Appeals. — Decisions, awards or orders of the Regional Adjudicators shall be final and executory unless appealed to the Commission within fifteen (15) calendar days from receipt of such decisions, awards or orders.

Subject to the Rules of Procedure as may be promulgated, the decision of the Commission upon any disputed matter may be brought to the Court of Appeals in accordance with Rule 43 of the Rules of Court.

SECTION 37. Execution of Decisions, Orders or Awards. — The Commission or any Regional Adjudicator may, *motu proprio* or on motion of any interested party and under such rules as may be duly promulgated, issue a writ of execution on an order, award or judgment within five (5) years from the date it becomes final and executory, and by independent action for the enforcement of the order, award or decision filed with the RAB which issued the order, award or decision. The provisions of the Rules of Court shall apply hereto in a supplementary manner.

The Commission shall appoint a Sheriff or such number of Sheriffs, in accordance with the provisions of the civil service laws, rules and regulations, who shall be responsible for the service and execution of all writs, summonses, and orders and other processes of the Commission: *Provided,* That the existing HLURB sheriffs are deemed qualified.

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

SECTION 38. Criminal Prosecution. — The criminal prosecution for violation of housing laws and regulations shall be instituted before criminal courts having appropriate jurisdiction.

SECTION 39. Appointment of Officers and Employees. — The Commission shall appoint its officers and employees in accordance with the civil service laws, rules and regulations. The remuneration structure of the positions in the staffing pattern shall strictly conform to RA 6758 or the Salary Standardization Law, as amended: *Provided,* That, conformably with

RA 6656, the incumbent officers and employees of HUDCC and HLURB holding permanent appointments shall be given preference for appointment to the new positions in the approved staffing pattern comparable to their former position, or in case there are not enough comparable positions, to positions next lower in rank. Unless otherwise required in the exigency of public service, no new employees shall be taken in until all permanent officers and employees have been appointed, including temporary and casual employees who possess the necessary qualification requirements, among which is the appropriate civil service eligibility, for permanent appointment to positions in the approved staffing pattern, in case there are still positions to be filled, except if such positions are policy-determining, primarily confidential, or highly technical in nature: *Provided, further,* That in no case shall this provision result in the diminution of the existing salaries, allowances and benefits of the incumbent employees.

RULE V NATIONAL HUMAN SETTLEMENTS BOARD

SECTION 40. *Composition of the National Human Settlements Board.* — The Board created under Section 21 of the Act shall act as the single policy-making body and provide overall policy directions and program development to the attached agencies. The Board shall be composed of the Secretary of the Department as the Chairperson, and the following as members:

- (a) The Director-General of NEDA or the duly designated Deputy Director-General;
- (b) The Secretary of Finance or the duly designated Undersecretary;
- (c) The Secretary of Budget and Management or the duly designated Undersecretary;
- (d) The Secretary of Department of Public Works and Highways or the duly designated Undersecretary;
- (e) The Secretary of the Interior and Local Government or the duly designated Undersecretary; and
- (f) The Head of each attached agency, namely, HDMF, NHA, NHMFC, SHFC and HSAC.

Provided, That the HDMF's corporate powers and functions shall continue to be exercised by its own Board of Trustees, as provided for under RA 9679.

The Board shall issue its rules and procedure, including the participation of relevant stakeholders in the development of policies and programs requiring the approval of the Board. The Department shall provide the requisite technical and administrative secretariat support services to the Chairman and members of the Board such as the preparation of

meeting materials, reportorial requirements, and various issuances, documentation of meeting proceedings, and safekeeping of the records.

RULE VI TRANSITORY PROVISIONS

SECTION 41. *Implementing Authority.* — The HUDCC Chairperson shall undertake the implementation of the provisions of the Act and implement the necessary organizational changes within the transition period or until a Department Secretary has been appointed and has assumed office.

SECTION 42. *Effectivity of Existing Policies, and Rules and Regulations.* — All existing policies, and rules and regulations of the HUDCC and the HLURB shall continue to remain in full force and effect unless subsequently revoked, modified or amended by the Department or the Commission, as the case may be.

All applications for permits, licenses and other issuances pending upon the effectivity of the Act and filed during the transition period shall continue to be acted upon by the incumbents until transition shall have been completed.

All cases and appeals pending with the HLURB shall continue to be acted upon by the HLURB Arbiters and the Board of Commissioners, respectively, until transition shall have been completed and the Commission's operations are in place. Thereafter, the Regional Adjudicators and the Commission shall correspondingly assume jurisdiction over those cases and appeals. All decisions of the Commission shall thenceforth be appealable to the Court of Appeals under Rule 43 of the Rules of Court.

SECTION 43. *Transfer of Functions, Assets and Obligations.* — All transfer of functions, assets, funds, personnel, equipment, properties, transactions, and personnel in the affected national government agencies and the formulation and implementation of the internal organic structures, staffing patterns, operations systems, and revised budgets of the Department and the Commission, shall be completed within six (6) months from the effectivity of the Act, during which existing personnel shall continue to assume their posts in holdover capacities until new appointments are issued.

Accordingly, the following dispositive actions shall be implemented within six (6) months from the effectivity of the Act:

- 43.1 Land and other real property of the HUDCC and HLURB shall be transferred to the Department and the Commission, respectively;
- 43.2 The allocation of existing equipment, funds, and other assets of the HUDCC and HLURB shall be subject to the distribution of personnel to the Department and the Commission;
- 43.3 The records and pertinent transactions of the HUDCC and HLURB shall be distributed to the Department and the Commission, according to their respective mandates; and

43.4 The Department and the Commission shall cause the creation of additional positions and augment their budget appropriations, as may be necessary, with the approval of the DBM.

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

SECTION 44. *Absorption or Separation from Service of Employees of the Consolidated Agencies.* — The existing employees of HUDCC and HLURB shall enjoy security of tenure and shall be absorbed by the Department or the Commission, in accordance with their staffing patterns and the selection process as prescribed under RA 6656, otherwise known as the “Government Reorganization Law”.

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

SECTION 45. *Transition Period.* — The transition period shall commence upon the effectivity of this Rules and shall end on 31 December 2019. Thereafter, the Act shall be in full force and effect.

SECTION 46. *Amendment of the Implementing Rules and Regulations.* — This Rules may be amended by the Department and the Commission, in consultation with HDMF, NHA, NHMFC, and SHFC, and other concerned agencies and affected stakeholders, with the concurrence of DBM and Civil Service Commission (CSC).

SECTION 47. *Appropriations.* — The amount necessary for the initial implementation of the provisions of the Act shall be charged against the current year's appropriations of the HUDCC and HLURB. Thereafter, such sums as may be necessary for the continued implementation of the Act shall be included in the annual General Appropriations Act. The Department shall include in its proposed budget the necessary amount to enable it to achieve its mandate of providing adequate and affordable housing to all Filipinos.

RULE VII MISCELLANEOUS PROVISIONS

SECTION 48. *Mandatory Review of the Implementation of the Act.* — The Department, in consultation with the pertinent government agencies and private entities, shall conduct a review of the implementation of the Act at the end of the third (3rd) year from the date of its effectivity and submit a report to Congress.

SECTION 49. *Separability Clause.* — If, for any reason, any portion or provision of this Rules shall be held inconsistent with or contrary to, or to have gone beyond the provisions of the Act, the remaining provisions not affected thereby shall continue to be valid and remain in full force and effect.

SECTION 50. *Repealed Laws and Issuances.* — Pursuant to Section 34 of the Act, EO 90, series of 1986, and EO 648, series of 1981, and all other laws and issuances inconsistent with the Act are deemed repealed.

All executive orders, proclamations, board resolutions, administrative circulars and orders, rules, regulations, and other issuances or any of their provisions which are inconsistent with the Act and the provisions of this Rules are repealed, amended or modified accordingly.

SECTION 51. *Effectivity.* — This Rules shall take effect fifteen (15) days after its publication in the Official Gazette or two (2) newspapers of general circulation.

Approved, this 19th day of July 2019.

LLOYD CHRISTOPHER A. LAO
HLURB Chief Executive Officer
and Commissioner

SEC. EDUARDO D. DEL ROSARIO
HUDCC Chairperson

USEC. JANET B. ABUEL
Officer-In-Charge, DBM

ALICIA DELA ROSA-BALA
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In coordination with:

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