

[PRESIDENTIAL DECREE NO. 1396, June 02, 1978]

CREATING THE DEPARTMENT OF HUMAN SETTLEMENTS AND THE HUMAN SETTLEMENTS DEVELOPMENT CORPORATION, APPROPRIATING FUNDS THEREFOR, AND ACCORDINGLY AMENDING CERTAIN PRESIDENTIAL DECREES

WHEREAS, man and his community require the fulfillment of the following basic needs and requirements such as water, power, food, clothing, shelter, medical services, education, sports and recreation, economic base (livelihood), mobility and ecological balance embodied in a humanistic ideology for the realization of a New Society;

WHEREAS, it is the national policy to attain the fruits of social and economic development in our communities within the integrative framework of human settlements;

WHEREAS, it is imperative that our development activities promote and enhance a wholesome relationship between human beings and their civic and physical environment;

WHEREAS, while the government has already addressed the problems of rural poverty and stagnation by adopting and implementing a massive countryside development program, a proper development perspective requires equal concern for the management of urban development;

WHEREAS, it is necessary to organize the government's policies and programs along these new areas of concern by establishing an appropriate department and delineating its relationships with the various agencies involved with its functions;

WHEREAS, it is also national policy to promote innovative land development and community development controls as a technology for building communities and estates in new areas, or renewing communities in depressed or blighted areas; and

WHEREAS, the physical planning, development and management of new communities and estates, or of old communities and blighted areas can best be accomplished through the creation and operation of an adequate corporate arm for the new Department.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree the following as part of the law of the land:

SECTION 1. Declaration of Policy.—It is hereby declared to be the policy of the government to foster the growth and renewal of our communities, both rural and urban, in an integrative manner that promotes optimum land use, adequate shelter, environmental protection, utilization of appropriate technology and rational interdependence amongst self-reliant communities, all these towards the fullest development of man as a civic person and as a human being, involving in this process the coordinated contribution of the public and private sectors.

SEC. 2. *Creation of the Department of Human Settlements.*—In order to carry out the above stated policy, there is hereby established the Department of Human Settlements, hereinafter referred to as the Department.

The Department shall be headed by a Secretary. For purposes of coordination, the Secretary shall serve ex-officio as Chairman of each of the governing boards of the corporation, commissions, and authorities which are placed under the supervision of the Department.

The Secretary shall be assisted by one Undersecretary, unless otherwise determined by the President.

SEC. 3. *Establishment of the National Capital Region.*—In view of the critical importance of the Metropolitan Manila Region in human settlements development, it is hereby declared and established as the National Capital Region of the Republic of the Philippines, and its administration as such is hereby vested in the Secretary of Human Settlements. The pertinent provisions of Presidential Decree No. 824, creating the Metropolitan Manila Commission, are hereby accordingly amended.

SEC. 4. *Powers and Functions of the Department.*—The Department shall have the following powers and functions which it shall undertake by itself or through the corporations, commissions and authorities which are placed under its supervision.

- a. Promulgate national standards and guidelines for human settlements which shall govern land use plans and zoning ordinances of local governments, civil works and infrastructure programs and projects of the National Government, and subdivisions or estate development projects of both the public and private sectors;
- b. Promulgate national standards and guidelines for environmental management relative to air quality, water quality, land use and waste management which shall govern development programs and projects and other activities in settled communities, urban or rural, as well as in those areas immediately contiguous thereto and develop an environmental impact assessment system for the operationalization of said standards and guidelines;
- c. In coordination with appropriate agencies, effect a single regulatory system relative to subdivision, zoning (including architectural design), building, fire and related regulations;
- d. Prepare and submit to the Board of the National Economic and Development Authority a national multi-year Human Settlements Plan which shall translate the Philippine Development Plan into spatial and temporal terms, based on the locational distribution of national resource endowments (including energy), population, climate, and production capacity;
- e. Formulate plans and programs and implement, either on its own initiative and operational responsibility or through the agencies or corporations placed under its supervision, projects for:
 - i. Urban renewal and development, including but not limited to the construction and management of social and economic housing
 - ii. Estate or New Town development within sites designated by the Office of the President as Bagong Lipunan sites
 - iii. Land assembly and real property management
 - iv. Development and installation on a community scale of waste management systems and of appropriate technologies.

- f. Promulgate appropriate rules and regulations which shall have regulatory force for the enforcement of its standards and guidelines;
- g. Enter into contracts, either domestic or foreign, under such terms and conditions as it may deem necessary and reasonable;
- h. 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 as are provided in existing laws and regulations; and to convey such assets, grants or property; invest and reinvest the same under this provision and deal with and expand its assets and income in such manner as will best promote its public welfare objectives;
- i. Develop and maintain in conjunction with cooperating agencies a responsive and effective information system through the establishment of a data bank to support the department at various levels in the planning, monitoring, execution, coordination and control of its various activities, programs and/or projects;
- j. Determine, fix and collect reasonable amounts to be charged as filing fees, inspection fees and other administrative or service fees necessary for the effective implementation of all the laws, Presidential Decrees and other legal issuances enforced by the Department;
- k. Supervise all corporations placed under the Department;
 - l. Call on any department, bureau, office, agency or instrumentality of the government and private entities and organizations for cooperation and assistance in the performance of its functions;
- m. Adopt rules and regulations for the transaction of its business; and
- n. Perform such other activities which are necessary for the effective performance of the abovementioned functions and objectives.

SEC. 5. *Creation of the Human Settlements Development Corporation.*—In order to provide an adequate corporate arm for the Department, especially in the discharge of its functions relative to urban renewal, New Town and estate development in Bagong Lipunan sites and real property management, there is hereby created the Human Settlements Development Corporation. The Corporation shall be subject to the supervision of the Department.

SEC. 6. *Purposes of the Corporation.*—The purposes of the Corporation shall be as follows:

- a. The development of new communities that are economically viable and environmentally sound, through innovative urban land mechanisms and self-financing arrangements;
- b. The renewal of urban communities or parts thereof, through housing and other urban improvement projects.

The abovementioned development and/or renewal activities of the Corporation shall be undertaken or implemented generally, but not exclusively, on land parcels or tracts which have designated as Bagong Lipunan sites by the Office of the President.

SEC. 7. *Powers and Functions of the Corporation.*—The Corporation shall have the following powers and functions:

- a. Prepare and implement development and/or renewal project plans for Bagong Lipunan site. The Corporation shall have as its initial project the Lungsod

Silangan Townsite consisting of 20,313 hectares in the Municipalities of Antipolo, San Mateo and Montalban, Province of Rizal and the parcel of land consisting of 160,410 hectares embraced and covered by Proclamation Nos. 1636 and 1637 with boundaries delineated in Proclamation No. 1637 which are hereby declared as Bagong Lipunan sites;

- b. Administer, operate and/or manage estates or New Town projects on Bagong Lipunan sites either exclusively through subsidiary corporations or in association with other government (including local governments) or private entities;
- c. Provide or operate utilities services in Bagong Lipunan project sites, in accordance with law;
- d. Acquire, purchase, clear, alter, construct, enlarge, occupy, mortgage, manage and dispose by lease or sale or otherwise deal in lands and building of every kind and character, whether belonging to or to be acquired by the Corporation; exercise the right of pre-emption, either by agreement or by expropriation; and in general, engage in real property management;
- e. Engage in the transfer of property rights of land within designated Bagong Lipunan project sites, when deemed necessary, such that the land is exchanged for one of similar value; *Provided*, that no land acquired by the Corporation through eminent domain as provided for in Section 13 of this Decree shall be sold or the title thereof disposed;
- f. Construct, or cause to be constructed, acquire, own, lease, operate and maintain infrastructure facilities, housing units, factory buildings, utilities and services necessary or useful in the development of pilot communities;
- g. Fix, assess and collect charges and fees, including rentals for the lease, use or occupancy of lands, buildings, structures, and all the facilities owned and administered by the Corporation; to fix and collect fees and charges for the issuance of permits, licenses and the rendering of services not enumerated herein, the provisions of law to the contrary notwithstanding. *Provided*, that an equitable formula for sharing the proceeds thereof with the local governments or other government agencies concerned shall be developed and shall be in effect upon approval by the President;
- h. Recommend to the President the transfer to the Corporation of all foreclosed properties held by government agencies located within Bagong Lipunan and prototype project areas;
- i. When essential to the proper administration of its corporate affairs or when necessary for the proper transaction of its business or for carrying out the purposes of this decree, to issue bonds or contract loans, credits or indebtedness, domestic or foreign, the payment of which shall be guaranteed by the government through the President of the Philippines or his duly authorized representative; and
- j. Prescribe its by-laws; adopt, alter and use a corporate seal which shall be judicially noticed; make contracts, lease, own or otherwise dispose of personal and real property; sue and be sued, and otherwise do and perform any and all acts and things that may be necessary or proper to carry out the purposes of this Decree.

SEC. 8. Governing Body of the Corporation.—The Corporation shall be governed by a Board of Directors, composed of seven (7) members, as follows:

1. Secretary of the Department of Human Settlements as Chairman
2. Chairman of the Development Bank of the Philippines