

[REPUBLIC ACT NO. 11201, February 14, 2019]

AN ACT CREATING THE DEPARTMENT OF HUMAN SETTLEMENTS AND URBAN DEVELOPMENT, DEFINING ITS MANDATE, POWERS AND FUNCTIONS, AND APPROPRIATING FUNDS THEREFOR

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

CHAPTER I

TITLE AND DECLARATION OF POLICY

SECTION 1. *Short Title.* - This Act shall be known as the "Department of Human Settlements and Urban Development Act".

SEC. 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.

CHAPTER II

DEFINITION OF TERMS

SEC. 3. *Definition of Terms.* — As used in this Act, the following terms are defined as follows:

(a) *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 said 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;

(b) *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 according to the inherent qualities of the land itself and supportive economic, demographic, socio-cultural and environmental objectives;

(c) *Housing* refers to 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. Housing is likewise a physical structure as well as a social structure, functioning at different spatial scales from homes, neighborhoods, communities, municipalities, cities, provinces, and regions. It is also 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;

(d) *Human Settlements* comprise of (a) physical components of shelter and infrastructure; and (b) services to which the physical elements provide support, such as community services which include education, health, culture, welfare, recreation and nutrition

(e) *Informal Settler Families (ISFs)* refer 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;

(f) *People's plan* refers to the plan formulated by the beneficiary-association, which shall contain a site development plan that conforms to the CLUP of the local government unit 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;

(g) *Public housing* is housing that is owned and/or managed by the government for the purpose of providing housing to underserved families;

(h) *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; and

(i) *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.

CHAPTER III

DEPARTMENT OF HUMAN SETTLEMENTS AND URBAN DEVELOPMENT

SEC. 4. *Creation and Mandate of the Department of Human Settlements and Urban Development.* - There is hereby created the Department of Human Settlements and Urban Development, hereinafter referred to as the Department, through the consolidation of the Housing and Urban Development Coordinating Council

(HUDCC) and the Housing and Land Use Regulatory Board (HLURB). The Department shall act as the primary national government entity responsible for the management of housing, human settlement and urban development. It shall 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. It shall develop and adopt a national strategy to immediately address the provision of adequate and affordable housing to all Filipinos, and shall ensure the alignment of the policies, programs, and projects of all its attached agencies to facilitate the achievement of this objective.

SEC. 5. *Powers and Functions.* - The Department shall exercise the following powers and functions:

I. Policy Development, Coordination, Monitoring and Evaluation

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

(b) Formulate housing finance and production policies, recommend and facilitate the development of mechanisms that promote the establishment of a self-sustaining housing finance and housing delivery systems in coordination with the relevant agencies;

(c) Formulate housing policies and programs, such as public housing, in coordination with the attached agencies, for the homeless and underprivileged families;

(d) Conduct continuing and comprehensive studies and research necessary for housing and urban development;

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

(f) In the exercise of its oversight functions, develop and establish a sector performance monitoring and assessment mechanism to accurately and independently report on the performance of national government agencies and LGUs involved in the housing and urban development.

II. Environmental, Land Use and Urban Planning and Development

(a) Develop and maintain a shelter and urban development management, standards and monitoring information system which shall include, but not be limited to, the following data sets: inventory of idle lands, CLUPs, inventory of housing stocks, and list of beneficiaries: *Provided*, That notwithstanding this provision, all existing CLUPs duly approved and being implemented by the LGUs shall remain in full force and effect for the duration of the period as stated therein: *Provided, further*, That upon enactment of this Act, LGUs may improve, amend and enhance their existing CLUPs in accordance with the standards set by the Department;

(b) Provide technical assistance to provinces, cities and municipalities in building their capability to undertake housing and urban development and management, such as, but not limited to: creating a Local Housing Board (LHB) or similar entity; formulating CLUPs and local shelter plans (LSPs); and strengthening local government compliance with housing and urban development laws, standards and guidelines;

(c) Assist the LGUs in the utilization of the socialized housing tax, as provided in Section 43 of Republic Act No. 7279, and other sources of funds for housing which shall be exclusively used for new settlement

projects, and other housing, urban development and renewal projects;

(d) Own and administer government-owned 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;

(e) Formulate and prescribe land use planning and zoning standards and regulations for the guidance of cities and municipalities in the formulation of their respective CLUPs; and

(f) Develop and implement a comprehensive plan for the establishment of government centers in the country.

III. Housing and Real Estate Development Regulation

(a) Develop mechanisms and implement programs, in coordination with attached agencies and concerned agencies, 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 civil society organizations, nongovernment organizations, private groups and communities;

(b) Manage and oversee 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;

(c) Implement a single regulatory System that shall govern all activities relative to the planning, production, marketing, and management of housing and urban development projects; and

(d) Take over unfinished, incomplete or abandoned licensed real estate development projects under Presidential Decree No. 957, in coordination with the appropriate government agencies and instrumentalities, under such guidelines as may be formulated. Further, the Department shall be in charge of regulating the use of road and street systems of projects taken over under this provisions.

IV. Homeowners Association and Community Development

(a) Register, regulate and supervise the homeowners associations (HOAs) in subdivision projects and government housing projects;

(b) Provide technical assistance to encourage housing cooperatives and civil society organizations to serve as the implementing agencies of their housing and urban development programs;

(c) Promote and encourage partnerships between the government and private sectors for the provision of decent housing, suitable living environment, and expanded economic opportunities specially for the homeless and underprivileged citizens; and

(d) Effect and oversee a single regulatory system that shall govern all activities relative to the planning, development, production, marketing, and management of housing and urban development projects, without encroaching on the jurisdiction of other agencies.

V. General Powers

(a) Enter into contracts, joint venture agreements or understanding, public-private partnerships, and memoranda of agreement or understanding, either domestic or foreign, under such terms and conditions as the Department may deem proper and reasonable subject to existing laws;

- (b) Receive, take and hold by bequest, device, gift, purchase or lease, either absolutely or in trust for any of its purposes from foreign and domestic sources, any asset, grant or property, real or personal, subject to such limitations provided under existing laws and regulations;
- (c) 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;
- (d) Determine, fix and collect reasonable amounts to be charged as fees and charges necessary for the effective implementation of all laws, rules and regulations enforced by the Department and impose reasonable fines and penalties for violation thereof: *Provided, however,* That all income generated from fees, fines, charges, and other collections shall be deposited with the National Treasury as income of the general fund;
- (e) Recommend new legislation and amendments to existing laws as may be necessary for the attainment of government's objectives in housing;
- (f) Promote, accredit and regulate the use of indigenous materials and technologies in the housing construction;
- (g) Implement prototype projects in housing and urban development undertakings, with the right to exercise the power of eminent domain, when necessary;
- (h) Open roads of subdivisions to the public when the general welfare requires it upon consultation with stakeholders; and
- (i) Perform such other related functions as may be mandated by law.

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

SEC. 7. *The Secretary.* - The Secretary shall have the following functions:

- (a) Advise the President of the Philippines on matters related to housing, human settlements, and rural and urban development;
- (b) Establish policies and standards for the efficient and effective operations of the Department in accordance with programs of the government;
- (c) Promulgate rules, regulations and other issuances necessary in carrying out the Department's mandate, objectives, policies, plans, programs and projects;
- (d) Exercise control and supervision, including disciplinary powers over officers and employees of the Department in accordance with law including their investigation and the designation of a committee or officer to conduct such investigation;
- (e) Exercise control and supervision, including disciplinary powers over officers and employees of the attached agencies in accordance with law, including their investigation and the designation of a committee or officer to conduct such investigation;
- (f) 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;