

**[HLURB ADMINISTRATIVE ORDER NO. 02, S.
2018, March 23, 2018]**

**RESOLUTION NO. R-965, S. 2017, REVISED IMPLEMENTING
RULES AND REGULATIONS TO GOVERN SECTIONS 3, 18 AND 20
OF REPUBLIC ACT NO. 7279, OTHERWISE KNOWN AS THE
URBAN DEVELOPMENT AND HOUSING ACT OF 1992, AS
AMENDED BY REPUBLIC ACT NO. 10884, OTHERWISE KNOWN AS
"BALANCED HOUSING DEVELOPMENT PROGRAM AMENDMENTS"**

Adopted: 12 January 2018

Date Filed: 23 March 2018

Attached herewith is HLURB Board Resolution No. R-965, Series of 2017, Revised Implementing Rules and Regulations to Govern Sections 3, 18 and 20 of Republic Act No. 7279, Otherwise Known as the Urban Development and Housing Act of 1992, as Amended by Republic Act No. 10884, Otherwise Known as "Balanced Housing Development Program Amendments", approved by the Board on 07 December 2017.

The said Board Resolution was published in The Philippine Star, today, 12 January 2018, and in accordance with the pertinent provisions of law, will take effect fifteen (15) days from its date of publication, on 27 January 2018.

Please be guided accordingly.

(SGD) LLOYD CHRISTOPHER A. LAO
Chief Executive Officer and Commissioner

Attachment:

**BOARD RESOLUTION NO. 965
Series of 2017**

Pursuant to Section 3 of Republic Act No. 10884 (RA 10884), otherwise known as the "Balanced Housing Development Program Amendments", the following rules and regulations have been approved and adopted by the Housing and Land Use Regulatory Board (HLURB):

**REVISED IMPLEMENTING RULES AND REGULATIONS TO GOVERN
SECTIONS 3,
18 AND 20 OF REPUBLIC ACT NO. 7279, OTHERWISE KNOWN AS THE
URBAN DEVELOPMENT AND HOUSING ACT OF 1992, AS AMENDED BY
REPUBLIC ACT NO. 10884, OTHERWISE KNOWN AS "BALANCED HOUSING
DEVELOPMENT PROGRAM AMENDMENTS"**

Section 1. Scope and Coverage of Rules and Regulations. – These Rules and Regulations (“Rules”) shall cover all new residential subdivision and new residential condominium projects, with applications for approval or development permit filed with the local government unit or HLURB upon the effectivity of RA 10884.

This Rules shall likewise cover all existing residential subdivision and existing residential condominium projects with applications for expansion or alteration resulting to an increase in the total project area or total project cost of the original residential subdivision or residential condominium projects filed with the local government unit or HLURB upon the effectivity of RA 10884.

Proposed residential subdivision or residential condominium projects to be sold at the prevailing price ceiling for socialized housing, as may be jointly determined by the Housing and Urban Development Coordinating Council (HUDCC) and National Economic and Development Authority (NEDA), shall be exempt from the coverage of this Rules.

Section 2. Definition of Terms. – For purposes of this Rules, the terms or words used herein shall, unless the context indicates otherwise, mean or be understood as follows:

2.1 “Asset-Backed Securities” refers to the certificates that may be issued by a special purpose entity in accordance with Republic Act No. 9267 or the “Securitization Act of 2004”, as originated or sold by any of the Housing Agencies.

2.2 “Balanced Housing Development” refers to the requirement that owners or developers of residential subdivision and condominium projects shall develop an area for socialized housing equivalent to at least fifteen percent (15%) of the total subdivision project area or total subdivision project cost or five percent (5%) of condominium area or condominium project cost, as prescribed by Section 18 of Republic Act No. 7279 (RA 7279), otherwise known as the “Urban Development and Housing Act of 1992, as amended by RA 10884. The balanced housing development may also be complied with through the other manners as may be provided under the law and the rules and guidelines issued by the HLURB.

2.3 “Building Adequate, Livable, Affordable and Inclusive Filipino Communities (BALAI)” refers to the housing program of the Housing and Urban Development Coordinating Council.

2.4 “Community Mortgage Program” (CMP) refers to a financing window or scheme, funded by the Government through the Social Housing Finance Corporation (SHFC), that provides long-term loans to a legally-organized association consisting of the residents of a blighted and depressed community, enabling the association and its qualified members to acquire ownership or tenurial security on the property and the land they occupy.

2.5 “Compliance” refers to the modes and manners provided by Section 18 of RA

7279, as amended by RA 10884, the implementing rules and regulations, and guidelines of the HLURB by which the developer of the main project can fulfill and satisfy the balanced housing development.

2.6 "Compliance Project" refers to entire or a portion of the socialized housing program or socialized housing project utilized to comply with the balanced housing development under Section 18 of RA 7279, as amended by RA 10884.

2.7 "Condominium Area" refers to gross land area for development of a condominium project plus the total gross floor area of the condominium building.

2.8 "Condominium Project" refers to the entire parcel of real property divided or to be divided for residential purposes into condominium units, including all structures thereon.

In the case of a mixed-use condominium project, condominium area refers to gross land area for development of a condominium project plus the aggregate floor area of the condominium building less the aggregate floor area of the commercial units and the proportionate share thereof in the pertinent common areas.

2.9 "Condominium Project Cost" refers to the total cost of: (i) raw land, based on the zonal value at the time of application for condominium development permit, (ii) land development, and (iii) building construction.

In the case of a mixed-use condominium project, condominium project cost refers to the total cost of: (i) raw land, based on the zonal value at the time of application for condominium development permit, (ii) land development, and (iii) building construction, less the cost of the aggregate floor area of the commercial units and the proportionate share thereof in the pertinent common areas.

2.10 "Developer" refers to the person, natural or juridical, who develops or improves the residential subdivision project or residential condominium project for and in behalf of the owner thereof. The land owner who develops a subdivision project directly shall be considered as a developer.

2.11 "Housing Agencies" or "Shelter Agencies" refers to the Housing and Urban Development Coordinating Council (HUDCC), National Housing Authority (NHA), National Home Mortgage Finance Corporation (NHMFC), Social Housing Finance Corporation (SHFC), Housing and Land Use Regulatory Board (HLURB), Home Guaranty Corporation (HGC), and Home Development Mutual Fund (HDMF).

2.12 "Joint Venture" (JV) refers to the commitment or agreement between the developer of the main project and the local government unit, any of the housing agencies, or another HLURB-accredited developer or non-government organization, for which purpose the parties thereto combine their funds, land resources, facilities and

services to comply with the balanced housing development of UDHA.

2.13 "Land Development" refers to land clearing and grubbing, road construction, installation of power and water distribution system, construction of drainage and sewerage system, and other developments contained in the approved plans and/or in the brochure and advertisement.

2.14 "Main Project" refers to the proposed residential subdivision or proposed residential condominium project required to comply with Section 18 of RA 7279, as amended by RA 10884, and which shall be the basis for computing the balanced housing development.

2.15 "Manner of Compliance" refers to the means through which the requirement of the Balanced Housing Development Program will be accomplished by the developer, either through self-development, joint venture with the local government, the other government housing agencies, or the private sector or participation.

2.16 "Mode of Compliance" refers to the option given to the developer regarding the percentage of the main project, either project cost or project area, which will be the basis for computing the area or cost of the compliance project.

2.17 "New settlement" refers to communities or developments where the compliance project may be located and which are provided with or with access to basic facilities and services, and livelihood component as provided in Sections 21 and 22 of UDHA.

2.18 "Non-Performing Socialized Housing Assets" refers to socialized housing units or projects owned by the government housing agencies or LGU's needing rehabilitation and restoration before they can be made available for sale at the prevailing price ceiling for socialized housing.

2.19 "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, as amended by RA 10884.

2.20 "Socialized Housing Program" refers to on-site, urban renewal and resettlement or relocation housing undertaken by the Government or the private sector which make available various alternative schemes or secure tenure policies for the disposition of lands to the beneficiaries of the program.

2.21 "Socialized Housing Project" refers to residential subdivision projects and residential condominium projects, undertaken by the Government or the private sector, that are sold at the prevailing price ceiling for socialized housing and which shall

comply with the standards under Batas Pambansa Blg. 220 and the applicable provisions and implementing rules and regulations of Presidential Decree No. 957.

2.22 "Solidary Liability" refers to the obligation of the developer of the main project to comply with the socialized housing standards and to completely develop the required compliance project if, for any reason, the private developer of the compliance project shall fail to do so.

2.23 "Subdivision Project" refers to a tract or a parcel of land registered under the Land Registration Act (Act No. 496) which is partitioned for residential purposes into individual lots with or without improvements thereon, and offered to the public for sale, in cash or in installment terms.

2.24 "Total Subdivision Area" refers to gross land area for development of subdivision projects without housing component; or on gross land area for development plus the aggregate floor area of all housing units of subdivision projects with housing components.

2.25 "Total Subdivision Project Cost" refers to the total cost of: (i) raw land, based on the zonal value at the time of application for subdivision development permit, (ii) land development, and (iii) housing component construction.

Section 3. Preferred Manner of Compliance. – Developers of proposed residential subdivision projects shall be required to develop an area for socialized housing equivalent to at least fifteen percent (15%) of the total subdivision area or total subdivision project cost, at the option of the developer. Developers of proposed residential condominium projects shall be required to develop an area for socialized housing equivalent to at least five percent (5%) of condominium area or project cost, at the option of the developer.

In all cases, the compliance project shall be developed in accordance with the standards set by HLURB and other existing laws.

Section 4. Other Manners of Compliance. – The developers may also choose any of the following manners of compliance, subject to the pertinent guidelines, requirements, and procedures that may be promulgated by HLURB:

4.1 Development of socialized housing in a new settlement;

4.2 Joint-venture projects for socialized housing with any of the following:

4.2.1 The local government units for:

4.2.1.1 The development of socialized housing program or socialized housing project;

4.2.2 Any of the housing agencies for: