

FIRST DIVISION

[G.R. No. 205618, September 16, 2019]

ELFLEDA, ALBERT, NAPOLEON, EDEN, SEVERIANO, CELIA AND LEO, ALL SURNAMED MARCELO, REPRESENTED BY SPOUSES SEVERINO ** [DECEASED] AND CELIA C. MARCELO, PETITIONERS, VS. SAMAHANG MAGSASAKA NG BARANGAY SAN MARIANO, REPRESENTED BY GODOFREDO ERMITA, RESPONDENT.

DECISION

REYES, J. JR., J.:

Through this Petition for Review^[1] under Rule 45 of the Rules of Court, petitioners challenge the Court of Appeals (CA) Decision^[2] dated June 28, 2012 and Resolution^[3] dated February 4, 2013. The assailed CA Decision and Resolution reversed the ruling of the Office of the President (OP), and instead, reinstated the order of the Department of Agrarian Reform (DAR) Secretary which denied petitioners' application for exemption of their landholdings from the coverage of Republic Act (R.A.) No. 6657 or the Comprehensive Agrarian Reform Law (CARL).

Facts

Subject of the instant controversy are the following parcels of land located at Barangay San Mariano, Municipality of San Antonio, Nueva Ecija, and registered under the names of Elfleda, Albert, Napoleon, Eden, Severiano, Celia, and Leo, all surnamed Marcelo, (herein represented by their parents, spouses Severiano and Celia Marcelo, and collectively referred to as petitioners):

TCT No.	Lot No.	Area (Ha)	Date of Registration
NT-47472	3346	0.1675	August 2, 1963
NT-47472	3340	8.9955	August 2, 1963
NT-47473	1222	11.9882	August 2, 1963
NT-47473	3345	1.3080	August 2, 1963
NT-47473	3344	0.0495	August 2, 1963
NT-216355	1-I	92.1943	March 14, 1991
TOTAL 114.7030			

On March 14, 1989, petitioners voluntarily offered to sell these properties to the government for redistribution pursuant to the Comprehensive Agrarian Reform Program (CARP).^[4] Notices of Coverage under the Compulsory Acquisition scheme were nonetheless sent to petitioners on August 28, 1991, and on September 6, 1991.^[5]

On July 3, 1997, petitioners formally withdrew and cancelled their Voluntary Offer to Sell (VOS).^[6] They manifested that they opted to continue the development of the landholdings.^[7] This was followed on March 15, 2000, by another Notice of Coverage sent by the Municipal Agrarian Reform Office (MARO) of the Municipality of San Antonio.^[8] Eighty-one farmer beneficiaries were identified by the DAR. The Landbank of the Philippines thereafter, issued a separate Memoranda of Valuation on the 47.2904 hectares which is a portion of the 92.1934 hectares of land covered by TCT No. NT-216355 and on the 13.344 hectares of land covered by TCT No. 47473. Collective Certificate of Land Ownership Awards (CLOAs) were then issued to the farmer-beneficiaries.^[9]

Subsequently, petitioners filed an action for the cancellation of the CLOAs before the DAR Adjudication Board (DARAB), Region III, raising the ground, among others, that the properties were classified and approved as residential in 1977, and are therefore, exempt from CARP coverage.^[10]

The DARAB, Region III, found that the properties are residential in nature as evidenced by the 2004 tax declaration receipts and the certificate of registration and license to sell issued by the National Housing Authority (NHA) in 1977. It further found that the CLOAs issued to the beneficiaries were fatally infirm as they were not signed by the DAR Secretary.^[11]

Thus, the DARAB, Region III, ordered the cancellation of the CLOAs and disposed as follows:

WHEREFORE, premises considered, judgment is hereby rendered as follows:

1. Ordering the RECALL and CANCELLATION of Certificate of Land Ownership Award (CLOA[s]) Nos. 006261 (TCT-CLOA-CA2116), 00626177 (TCT-CLOA-CA-2117), and 00626396 (TCT-CLOA-CA-22213) issued in the name of private respondents being NULL and VOID.
2. Ordering, the Register of Deeds for the Province of Nueva Ecija to cause the Cancellation of Certificate of Land Ownership Award (CLOA[s]) issued in favor of the private respondents and declaring the same of no legal force and effect.
3. Directing the Department of Agrarian Reform to protect the rights of the legitimate title holders and the rest of the unaffected areas must remain undisturbed.
4. Enjoining Private Respondents to cease and [desist] from entering and conducting any activity inside the subject property specifically Celia Village located at San Mariano, San Antonio, Nueva Ecija.
5. No pronouncement as to cost.

SO ORDERED.^[12]

The farmer-beneficiaries then appealed to the DARAB. The records do not disclose the result of this appeal.

While this appeal was pending, petitioners filed on April 8, 2005, a Petition for Non-coverage of Landholding before the Office of the Regional Director of DAR, Region III (DAR Regional Office).^[13]

Petitioners alleged that the properties are not agricultural lands as defined under R.A. No. 6657, but residential lands. They alleged that on April 28, 1977, the NHA approved the conversion of the landholdings as Celia Subdivision and that a certificate of registration and license to sell were issued. In support, petitioners submitted a Certification of confirmation and recognition of the validity of the conversion dated June 17, 2005, issued by the Housing and Land Use Regulatory Board (HLURB).^[14]

Finding that petitioners' cause of action is to exempt the landholdings from the coverage of the CARL, the DAR Regional Office issued an Order^[15] dated November 17, 2005, directing petitioners to file their application for exemption before the DAR Secretary, disposing thus:

WHEREFORE, premises considered, an Order is hereby issued DIRECTING the protestants Elfleda Marcelo, et al., as represented by Sps. Severiano Marcelo and Celia Marcelo, to file their Application for Exemption pursuant to Administrative Order No. 4, Series of 2003, pertaining to landholdings embraced by TCT Nos. NT 216355 [and] 47473, with an area of 92.1943 and 13.3447 hectares, more or less, respectively, situated in Brgy. San Mariano, San Antonio, Nueva Ecija.

SO ORDERED.^[16]

Consequently, on April 11, 2006, petitioners filed a Sworn Application for Exemption Clearance^[17] before the DAR Center for Land Use Policy Planning and Implementation (CLUPPI) Office. In support of their application, petitioners submitted the following documents:

- (a) Order^[18] dated November 17, 2005, issued by the DAR Regional Office directing petitioners to file their Application for exemption;
- (b) Certification^[19] dated September 12, 2005, issued by the HLURB confirming that there exists a valid certificate of registration and license to sell issued by the NHA covering the landholdings;
- (c) Certification^[20] dated March 22, 2006, issued by the HLURB

stating that the landholdings are within the urban residence and reclassified as residential properties prior to June 15, 1988;

- (d) Certification^[21] dated April 10, 2006, issued by the Office of the Municipal Planning and Development Coordinator (MPDC) stating that the landholdings are Within the urban residence pursuant to *Sangguniang Bayan* Resolution No. 2006-004;
- (e) Certificate of Registration^[22] of Celia Subdivision and License to Sell^[23] issued by the NHA;
- (f) Resolution No. 2006-004^[24] dated March 15, 2006, issued by the *Sangguniang Bayan* of San Antonio, Nueva Ecija ratifying the landholdings as urban and residential under the Comprehensive Land Use Plan and Zoning Ordinance;
- (g) Certification^[25] dated April 18, 2006, issued by the Department of Agriculture (DA) certifying that the landholdings are not suitable for agricultural production;
- (h) Certification^[26] dated September 21, 2005, issued by the National Irrigation Administration (NIA) stating that the landholdings are already partially developed and not included in its programmed area;
- (i) Certifications dated January 9, 1998^[27] and November 27, 2005 issued by the DAR Municipal Agrarian Reform Office (MARO) stating that the landholdings were untenanted;
- (j) Certification^[28] dated April 6, 2006, issued by the DAR Provincial Agrarian Reform Office (PARO) stating that the landholdings have no farmworkers or actual tillers;
- (k) Affidavit of Undertaking^[29] executed on April 4, 2006, by petitioners in support of their application for exemption; and
- (l) Various pictures^[30] and location map of the landholdings showing the development undertaken therein.

An opposition to the application for exemption was filed by herein respondents *Samahang Magsasaka ng Barangay* San Mariano. They argued that the landholdings were never reclassified as residential as there was no zoning ordinance approved by the HLURB prior to June 15, 1988, containing such reclassification.

Respondents also averred that petitioners committed grave misrepresentation when they submitted the certificate of registration and license to sell issued by the NHA as purportedly covering the subject properties. In refutation, respondents submitted an HLURB Certification^[31] dated August 15, 2006, certifying that the certificate of registration and license to sell issued by the NHA in 1977, covered only a total area

of 66,375 square meters which is a consolidation subdivision of 3 parcels of lot, namely: (a) Lot No. 1225 covered by TCT-29809 with an area of 5,036 square meters; (b) Lot No. 1226 covered by TCT No. NT-43300 with an area of 1,693 square meters; and (c) Lot No. 1227 covered by TCT No. NT-15456 with an area of 59,646 square meters.

In rebuttal, petitioners submitted new evidence in the form of an Affidavit^[32] executed by a retired MPDC to the effect that the properties are within the residential area.

The Order of the DAR Secretary

Because of the HLURB Certification dated August 15, 2006, the CLUPPI Committee recommended the denial of the application for exemption. Approving the CLUPPI Committee's recommendation, the DAR Secretary denied petitioners' application for exemption in his Order dated March 21, 2007, and disposed as follows:

WHEREFORE, premises considered the application for Exemption Clearance pursuant to DAR Administrative Order No. 4, Series of 2003, involving six (6) parcels of land with an aggregate area of 114.7030 hectares, located in Barangay San Mariano, San Antonio Nueva Ecija is hereby **DENIED**. The Municipal and the Provincial Agrarian Reform Officers are hereby directed to continue with the documentation of the said landholdings pursuant to pertinent and applicable agrarian laws, and thereafter to cause the immediate distribution of the same to the qualified Beneficiaries.

SO ORDERED.^[33]

Petitioners moved for reconsideration on the grounds that the HLURB's Certification dated August 15, 2006, pertained to other landholdings likewise registered in the names of petitioners, and that the respondents had no personality to oppose. Thus, in rebuttal, petitioners submitted an HLURB Certification dated March 29, 2007, stating that the lands described in its Certification dated August 15, 2006, are different from the lands sought to be exempted from CARP coverage. It is also therein stated that the subject landholdings are within the urban residence and were reclassified as residential by the NHA prior to June 15, 1988, as ratified and approved by the *Sangguniang Bayan* of San Antonio, Nueva Ecija in its Resolution No. 2006-004.

Respondents opposed the motion for reconsideration and submitted another HLURB Certification dated April 25, 2007, stating that the town plan and zoning ordinance of San Antonio, Nueva Ecija was not yet approved by the HLURB, and reiterating that the certificate of registration and license to sell covered only an area of 66,375 square meters. The HLURB Certification dated April 25, 2007, further nullified inconsistent HLURB issuances previously issued, specifically the HLURB Certification dated September 12, 2005, (to the effect that there exists a valid NHA-issued certificate of registration and license to sell covering the properties) and HLURB Certification dated March 29, 2007 (stating that the lands were reclassified as residential by the NHA prior to June 15, 1988, as ratified under *Sangguniang Bayan*