686 Phil. 76

FIRST DIVISION

[G.R. No. 175039, April 18, 2012]

ADDITION HILLS MANDALUYONG CIVIC & SOCIAL ORGANIZATION, INC., PETITIONER, VS. MEGAWORLD PROPERTIES & HOLDINGS, INC., WILFREDO I. IMPERIAL, IN HIS CAPACITY AS DIRECTOR, NCR, AND HOUSING AND LAND USE REGULATORY BOARD, DEPARTMENT OF NATURAL RESOURCES, RESPONDENTS.

D E C I S I O N

LEONARDO-DE CASTRO, J.:

This is a petition for review on *certiorari* under Rule 45 of the 1997 Rules of Civil Procedure of the Decision[1] dated May 16, 2006 as well as the Resolution[2] dated October 5, 2006 of the Court of Appeals in CA-G.R. CV No. 63439, entitled *"ADDITION HILLS MANDALUYONG CIVIC & SOCIAL ORGANIZATION INC. vs. MEGAWORLD PROPERTIES & HOLDINGS, INC., WILFREDO I. IMPERIAL in his capacity as Director, NCR, and HOUSING AND LAND USE REGULATORY BOARD, DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES."* In effect, the appellate court's issuances reversed and set aside the Decision[3] dated September 10, 1998 rendered by the Regional Trial Court (RTC) of Pasig City, Branch 158 in Civil Case No. 65171.

The facts of this case, as narrated in the assailed May 16, 2006 Decision of the Court of Appeals, are as follows:

> [Private respondent] MEGAWORLD was the registered owner of a parcel of land located along Lee Street, Barangay Addition Hills, Mandaluyong City with an area of 6,148 square meters, more or less, covered by Transfer Certificate of Title (TCT) No. 12768, issued by the Register of Deeds for Mandaluyong City.
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> Sometime in 1994, [private respondent] MEGAWORLD conceptualized the construction of a residential condominium complex on the said parcel of land called the ***Wack-Wack Heights Condominium*** consisting of a cluster of six (6) four-storey buildings and one (1) seventeen (17) storey tower.
>
> [Private respondent] MEGAWORLD thereafter secured the necessary clearances, licenses and permits for the condominium project, including: (1) a CLV, issued on October 25, 1994, and a Development Permit, issued on November 11, 1994, both by the [public respondent] HLURB; (2) an ECC, issued on March 15, 1995, by the Department of Environment and Natural Resources (DENR); (3) a Building Permit, issued on February 3,

1995, by the Office of the Building Official of Mandaluyong City; and (4) a Barangay Clearance dated September 29, 1994, from the office of the Barangay Chairman of Addition Hills.

Thereafter, construction of the condominium project began, but on June 30, 1995, the plaintiff-appellee AHMCSO filed a complaint before the Regional Trial Court of Pasig City, Branch 158, docketed as Civil Case No. 65171, for yo (sic) annul the Building Permit, CLV, ECC and Development Permit granted to MEGAWORLD; to prohibit the issuance to MEGAWORLD of Certificate of Registration and License to Sell Condominium Units; and to permanently enjoin local and national building officials from issuing licenses and permits to MEGAWORLD.

On July 20, 1995, [private respondent] MEGAWORLD filed a Motion to Dismiss the case for lack of cause of action and that jurisdiction over the case was with the [public respondent] HLURB and not with the regular courts.

On July 24, 1994, the RTC denied the motion to dismiss filed by [private respondent] MEGAWORLD.

On August 3, 1995, [private respondent] MEGAWORLD filed its Answer.

On November 15, 1995, pre-trial was commenced.

Thereafter, trial on the merits ensued.[4]

The trial court rendered a Decision dated September 10, 1998 in favor of petitioner, the dispositive portion of which reads:

WHEREFORE, in view of the foregoing, the Certificate of Locational Viability, the Development Permit and the Certificate of Registration and License to Sell Condominium Units, all issued by defendant Wilfredo I. Imperial, National Capital Region Director of the Housing and Land Use Regulatory Boad (HLURB-NCR) are all declared void and of no effect. The same goes for the Building Permit issued by defendant Francisco Mapalo of Mandaluyong City. In turn, defendant Megaworld Properties and Holdings Inc. is directed to rectify its Wack Wack Heights Project for it to conform to the requirements of an R-2 zone of Mandaluyong City and of the Metro Manila Zoning Ordinance 81-01.

Costs against these defendants.[5]

Private respondent appealed to the Court of Appeals which issued the assailed May 16, 2006 Decision which reversed and set aside the aforementioned trial court ruling, the dispositive portion of which reads:

WHEREFORE, premises considered, the September 10, 1998 Decision of the Regional Trial Court of Pasig City, Branch 158, rendered in Civil Case

No. 65171 is hereby REVERSED and SET ASIDE and a new one entered DISMISSING the complaint.[6]

As can be expected, petitioner moved for reconsideration; however, the Court of Appeals denied the motion in its assailed October 5, 2006 Resolution.

Hence, the petitioner filed the instant petition and submitted the following issues for consideration:

WHETHER OR NOT THE COURT OF APPEALS ERRED WHEN IT FOUND THAT PETITIONER FAILED TO EXHAUST ADMINISTRATIVE REMEDIES BEFORE SEEKING JUDICIAL INTERVENTION FROM THE COURTS.

WHETHER OR NOT THE COURT OF APPEALS ERRED WHEN IT FOUND THAT THE CASE FILED BEFORE AND DECIDED BY THE REGIONAL TRIAL COURT OF PASIG, BRANCH 158, DOES NOT FALL UNDER ANY ONE OF THE EXCEPTIONS TO THE RULE ON EXHAUSTION OF ADMINISTRATIVE REMEDIES.

WHETHER OR NOT THE COURT OF APPEALS (The Court) ERRED WHEN IT FOUND THAT PETITIONER FAILED TO EXHAUST ADMINISTRATIVE REMEDIES BEFORE SEEKING JUDICIAL INTERVENTION FROM THE COURTS.

WHETHER OR NOT THE COURT OF APPEALS (The Court) ERRED WHEN IT CONCLUDED THAT THE HLURB HAD JURISDICTION OVER ACTIONS TO ANNUL CERTIFICATES OF LOCATIONAL VIABILITY AND DEVELOPMENT PERMITS.[7]

On the other hand, private respondent put forth the following issues in its Memorandum[8]:

I

WHETHER OR NOT THE PETITION FOR REVIEW IS FATALLY DEFECTIVE FOR BEING IMPROPERLY VERIFIED.

II

WHETHER OR NOT THE COURT OF APPEALS CORRECTLY ANNULLED AND SET ASIDE THE TRIAL COURT'S DECISION AND DISMISSED THE COMPLAINT FOR PETITIONER'S FAILURE TO EXHAUST ADMINISTRATIVE REMEDIES.

III

WHETHER OR NOT THE DECISION OF THE TRIAL COURT IS CONTRARY TO LAW AND THE FACTS.

A. WHETHER OR NOT THE TRIAL COURT ERRED IN HOLDING THAT THE CLV WAS IMPROPERLY AND IRREGULARLY ISSUED.

1. WHETHER OR NOT THE TRIAL COURT ERRED IN HOLDING THAT HLURB HAS NO POWER TO GRANT AN EXCEPTION OR VARIANCE TO REQUIREMENTS OF METRO MANILA COMMISSION ORDINANCE NO. 81-01.

2. WHETHER OR NOT THE TRIAL COURT ERRED IN HOLDING THAT THE PROJECT DID NOT MEET THE REQUIREMENTS OF SECTION 3(B), ARTICLE VII OF METRO MANILA COMMISSION ORDINANCE NO. 81-01 TO QUALIFY FOR AN EXCEPTION OR DEVIATION.

B. WHETHER OR NOT THE TRIAL COURT ERRED IN HOLDING THAT THE DEVELOPMENT PERMIT WAS IMPROPERLY AND IRREGULARLY ISSUED.

C. WHETHER OR NOT THE TRIAL COURT ERRED IN HOLDING THAT THE PROJECT DEPRIVES THE ADJACENT PROPERTIES OF AIR.[9]

We find the petition to be without merit.

At the outset, the parties in their various pleadings discuss issues, although ostensibly legal, actually require the Court to make findings of fact. It is long settled, by law and jurisprudence, that the Court is not a trier of facts.[10] Therefore, the only relevant issue to be resolved in this case is whether or not the remedy sought by the petitioner in the trial court is in violation of the legal principle of the exhaustion of administrative remedies.

We have consistently declared that the doctrine of exhaustion of administrative remedies is a cornerstone of our judicial system. The thrust of the rule is that courts must allow administrative agencies to carry out their functions and discharge their responsibilities within the specialized areas of their respective competence. The rationale for this doctrine is obvious. It entails lesser expenses and provides for the speedier resolution of controversies. Comity and convenience also impel courts of justice to shy away from a dispute until the system of administrative redress has been completed.[11]

In the case of *Republic v. Lacap*,[12] we expounded on the doctrine of exhaustion of administrative remedies and the related doctrine of primary jurisdiction in this wise:

> The general rule is that before a party may seek the intervention of the court, he should first avail of all the means afforded him by administrative processes. The issues which administrative agencies are authorized to decide should not be summarily taken from them and submitted to a court without first giving such administrative agency the opportunity to dispose of the same after due deliberation.