



**BOARD RESOLUTION NO. 876**  
**Series of 2011**

**REVISED IMPLEMENTING RULES AND REGULATIONS  
TO GOVERN SECTION 18 OF REPUBLIC ACT NO. 7279  
OTHERWISE KNOWN AS THE URBAN DEVELOPMENT  
AND HOUSING ACT OF 1992**

Pursuant to Article III Section 6 and Article V, Section 18. Balanced Housing Development of Republic Act No. 7279, otherwise known as the Urban Development and Housing Act of 1992 (UDHA), the following Rules and Regulations are hereby promulgated by the Housing and Land Use Regulatory Board (HLURB).

**SECTION 1. Definition of Terms.** – For the purpose of these rules and regulations (“Rules,” for brevity), the terms or words used herein shall, unless the context indicates otherwise, mean or be understood as follows:

- (a) Areas for Priority Development refers to those areas declared as such under existing statutes and pertinent executive issuances;
- (b) Developer means the person, natural or juridical, who develops or improves the subdivision project or condominium project for and in behalf of the owner thereof.
- (c) Joint venture refers to the commitment or agreement by two [2] or more persons, natural or juridical, to carry out a specific or single business enterprise for their mutual benefit, for which purpose they combine their funds, land resource, facilities and services;
- (d) Main Subdivision Project refers to the proposed residential subdivision which shall be the basis for computing the 20% requirement for socialized housing.
- (e) New Settlement means development of socialized housing projects or similar housing developments for underprivileged and homeless citizens, including the construction of educational facilities in the new settlement or participation in such construction.
- (f) Project Area means the total land area of the subdivision project.
- (g) Project Cost refers to cost of the land based on the gross selling price or zonal value or assessed value at the time of acquisition, whichever is highest, including the estimated costs of land development and construction of the housing component.

(h) Resettlement areas refer to areas identified by the appropriate national agency or the local government unit in the areas within its jurisdiction, which shall be used for the relocation of the underprivileged and homeless citizens;

(i) Socialized Housing refers to housing programs and projects covering houses and lots or home lots undertaken by the Government or the private sector for the underprivileged and homeless citizens, including sites and services development, long-term financing, liberalized terms on interest payments, and such other benefits in accordance with the provisions of Republic Act No. 7279.

(j) Subdivision Project means a tract or parcel of land registered under Act No. 496 which is partitioned primarily for residential purposes into individual lots with or without improvements thereon, and offered to the public for sale, in cash or on installment terms. It shall include all residential, commercial, industrial and recreational areas, as well as open spaces and other community and public areas in the project.

(k) Slum Improvement and Resettlement Program refers to the program of the National Housing Authority (NHA) of upgrading and improving blighted squatter areas outside of Metro Manila pursuant to existing statutes and pertinent executive issuances;

(l) Zonal Improvement Program refers to the program of the NHA of upgrading and improving blighted squatter areas within the cities and municipalities of Metro Manila pursuant to existing statutes and pertinent executive issuances.

**SECTION 2. Scope of Application.** – This Rules shall apply to applications for the construction of subdivision projects and/or any proposed expansion of existing subdivision projects filed after the date of the effectivity hereof.

Proposed main subdivision projects falling under the category of socialized housing as herein defined shall be considered as having fully complied with the requirements of Section 18 and are thus exempted from compliance with the balanced housing requirement.

**SECTION 3. Manners of Compliance.** – For purposes of complying with Section 18 of RA 7279, the developers may choose from either of the following options:

(a) Develop for socialized housing an area equal to twenty percent (20%) of the total area of the main subdivision project. Such socialized housing shall be located within the same city or municipality as the main subdivision project, whenever feasible, and in accordance with the standards set by HLURB and other existing laws. Otherwise, such socialized housing shall be allowed elsewhere in the Philippines.

A compliance project shall be completed within one (1) year from the date of issuance of its License to Sell or within such other period of time as may be fixed by HLURB.

(b) Allocate and invest an amount equal to twenty percent (20%) of the main subdivision total project cost, which shall include the cost of the land and its development as well as the cost of housing structures therein, in any of the following means, subject to the pertinent guidelines, requirements and procedures that may be promulgated by HLURB:

- (1) Development of new settlements through –
  - i. The purchase of Socialized Housing Unit of Participation (SHUP) from the National Housing Authority;
  - ii. The construction of socialized housing projects, socialized condominiums, including but not limited to the construction of educational and health facilities or similar housing developments, within such projects or developments, for the underprivileged and homeless undertaken by non-government organizations accredited by HLURB;
  - iii. Joint venture or investment with other developers or a private enterprise specializing in the construction of socialized housing, socialized condominiums or similar housing developments.

(2) Slum Upgrading or Renewal of Areas for Priority Development either through Zonal Improvement Programs or Slum Improvement and Resettlement Programs, including the purchase of SHUP from the NHA.

(3) Joint-Venture Project/s of the developer with a local government unit or any of the housing agencies to develop a socialized housing project.

(4) Participation in the Community Mortgage Program (CMP) by the developer.

Any allocation and/or investment in an amount less than the required twenty percent (20%) of the total project cost of the main subdivision shall not be considered as compliance.

Socialized housing projects developed after the effectivity of this Rules shall be allowed as compliance for future main subdivision projects.

**SECTION 4. Authority to Issue Circulars.** – Whenever necessary, the Executive Committee of HLURB may issue memorandum circulars implementing or interpreting these rules and regulations.


**SECTION 5. Penalty Clause.** – Any violation of the provisions of this Rules shall be penalized in accordance with Section 45 of RA 7279 and E.O. 648, as amended.


**SECTION 6. Repealing Clause.** – All memoranda, circulars, guidelines and similar official documents mandating rules implementing Section 18 of Republic Act No. 7279 inconsistent herewith are hereby repealed.

**SECTION 7. Separability Clause.** – The provisions of this Rules are hereby declared separable, and in the event that any provision herein is declared null and void, the validity of all other provisions shall not be affected thereby.

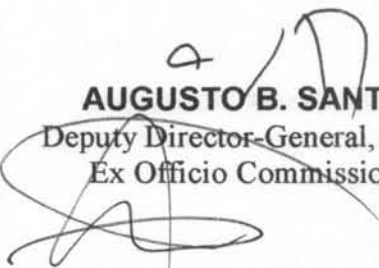
**SECTION 8. Effectivity.** – This Rules shall take effect immediately after its publication in any national newspaper of general circulation.

**APPROVED**, this 24th day of June, 2011, Quezon City.

  
**HON. JEJOMAR C. BINAY**  
Vice-President of the Philippines  
and Chairman, HUDCC

  
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Attested By:

  
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