



Republic of the Philippines
Office of the President
Housing and Urban Development Coordinating Council
HOUSING AND LAND USE REGULATORY BOARD

HLURB MEMORANDUM CIRCULAR NO. 19
Series of 2013 (DECEMBER 09, 2013)

TO : ALL CONCERNED

FROM : THE COMMISSIONER AND CHIEF EXECUTIVE OFFICER

SUBJECT : **GUIDELINES FOR THE UTILIZATION OF UNCONSTRUCTED HOUSING COMPONENTS OF SOCIALIZED HOUSING PROJECTS**

Section 1. Objective. These guidelines aim to provide a uniform procedure for the utilization of unconstructed housing components of existing socialized housing projects as compliance with Section 18 of Republic Act No. 7279.

Section 2. Scope. These guidelines shall apply in the following cases:

- 2.1 Utilization of the unconstructed housing components of socialized housing projects after the issuance of their license to sell (LS) through joint-venture with developers of main subdivision projects; and
- 2.2 Utilization of unconstructed housing components of socialized housing projects which were developed as advance compliance for future main subdivision projects of the same developers.

Utilization of the unconstructed housing components of socialized housing projects upon application for registration and licensing as compliance either for main subdivision projects of the same developers or for main subdivision projects of other developers through joint-venture are covered by Memorandum Circulars Nos. 01 and 02, s. of 2013 (January 02, 2013).

Section 3. Requirements and Limitations. The following shall be observed in the utilization of the unconstructed housing components of existing socialized housing projects:

- 3.1 Utilization under 2.1 hereof shall be subject to the requirement of accreditation of developers of socialized housing project as provided under Section 5 of Board Resolution No. 890, s. of 2012, as further implemented by Memorandum Circulars Nos. 06 and 07A, s. of 2013;
- 3.2 Subject to the requirements for approval of alteration of development plan by the local government units and amendment of the LS by the Housing and Land Use Regulatory Board (HLURB), new housing components may be constructed on originally lots-only socialized housing projects and utilized as compliance for main subdivision project/s of the same developers or for main subdivision projects of other developers through joint venture;
- 3.3 Such utilization is within the original period of completion of the project or of the housing development as approved and indicated in the LS of the socialized housing project; and
- 3.4 The construction and development of the housing components utilized as compliance shall be completed within the original period of completion of the project or of the housing development, or as may be fixed by the HLURB;

Section 4. Basis and Computation of the Compliance. Compliance of the main subdivision project under these guidelines shall be based and computed as follows:

- 4.1 Under 2.1 hereof, the amount or cost of the compliance of the main subdivision project shall be equivalent to the contribution or participation of the developer of the main subdivision project in the joint-venture for the construction of the housing components; or
- 4.2 Under 2.2 hereof, the total floor area or production cost of the housing components, the total area or cost of the unutilized lots corresponding to the housing components, and the total area or cost of land development necessary for the construction of the housing components shall be included in the computation of the total project area or project cost of the compliance.

Section 5. Declaration of Unutilized Socialized Housing Units and Projects. Developers of socialized housing projects are required to submit on or before March 31, 2014 a written declaration to the Regional Field Office (RFO) where the project/s are registered of the unconstructed housing components that may be utilized as compliance with Section 18 of Republic Act No. 7279 in accordance with these guidelines. Otherwise, all undeclared unconstructed housing components may no longer be utilized in any of the cases provided under Section 2 hereof.

Section 6. Procedure for Utilization. Upon utilization, the original copy of the LS of the socialized housing project shall be surrendered to the RFO where the same is registered for the annotations of the specific housing components utilized as compliance. In case of utilization through joint venture, a copy of the notarized agreement shall likewise be submitted. Thereafter, upon application for Certificate of Registration / License to Sell (CR/LS) of the main subdivision project, a copy of the annotated LS of the socialized housing project shall be submitted as proof of compliance with Section 18 of Republic Act No. 7279. If the main subdivision project is to be registered in and licensed by a different RFO, a certified true copy of the annotated LS shall be submitted thereto as proof of compliance.

Section 7. Annotations on the License to Sell of the Socialized Housing Project. The RFO where the socialized housing project is registered shall cause the annotation of the following on its LS:

- 7.1 The name and location of the main subdivision project;
- 7.2 Either the total subdivision area or the total subdivision project cost of the main subdivision project, whichever is applicable;
- 7.3 The particular block numbers and lot numbers of the socialized housing project corresponding to the housing components to be constructed and either the total area or total cost of such blocks and lots or units of the socialized housing project, whichever is applicable;
- 7.4 The remaining number of unconstructed housing components, if any, available for subsequent utilization and the corresponding remaining area or cost; and
- 7.5 The exact date of annotation.

Section 8. Annotations on the License to Sell of the Main Subdivision Project. Upon submission of all of the required documents for registration and licensing of the main subdivision project including the copy or certified true copy of the annotated license to sell of the socialized housing project, the RFO shall prepare the CR/LS of the main subdivision project and cause the annotation of the following on its LS:

- 8.1 The name and location of the socialized housing project;
- 8.2 The LS number of the socialized housing project and date of its issuance;
- 8.3 The particular block numbers and lot numbers corresponding to the housing components utilized as compliance of the socialized housing project being allotted as compliance, and either The total area or total cost thereof as computed in accordance with Section 2.5 hereof; and
- 8.4 The exact date of annotation.

If the RFO finds everything complete and in order, it shall approve and release the CR/LS of the main subdivision project.

Section 9. Monitoring. The development and completion of both the main subdivision project and the housing components utilized as compliance shall be subject to the regular monitoring activity of the RFO where each project is registered.

Section 10. Suspension or Revocation of License to Sell. The LS of the main subdivision project shall be suspended or revoked and a CDO shall be issued against its developer in case the LS of the compliance project is suspended or revoked by reason of non-completion of the housing components within the period fixed by HLURB or any violation of the applicable rules and regulations of the HLURB committed in the course of the development.

Any order of suspension or revocation issued against the compliance project shall be reported, within five (5) working days from the issuance of the said order, by the RFO where the compliance project is registered to the RFO where the main subdivision project is registered in order that appropriate sanctions may be imposed on the main subdivision project.

Section 11. Sanctions. The imposition of fines and other administrative sanctions shall be in accordance with the schedule and guidelines promulgated by HLURB.



Section 12. Effect of Non-Completion. The application for the issuance of CR/LS of a developer for a new main subdivision project anywhere in the Philippines shall not be accepted or shall be denied if the development of the housing components utilized as compliance has not been completed within the period fixed by HLURB.

Section 13. Applicability of Other Guidelines. The provisions of Memorandum Circulars Nos. 01 and 02, series of 2013 (January 02, 2013) shall be applicable in the utilization of the unconstructed housing components of socialized housing projects insofar as not inconsistent with these guidelines.

Section 14. Separability Clause. The provisions of these guidelines 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 15. Effectivity Clause. These guidelines shall take effect immediately.

For strict compliance and implementation.



ANTONIO M. BERNARDO
Commissioner and Chief Executive Officer