



**BOARD RESOLUTION NO. 890**  
**Series of 2012**

**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 (Framework for Rational Development) 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. Scope of Application.** These rules and regulations ("Rules") shall cover all new residential subdivision projects and expansion or alteration of existing subdivision projects resulting to an increase in the total area or total project cost of the original subdivision project.

Proposed subdivision housing projects to be sold at the prevailing price ceiling for socialized housing, as may be fixed by the Housing and Urban Development Coordinating Council (HUDCC), 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. "Areas for Priority Development (APD)" refers to those areas declared as such under Proclamation No. 1967 (244 sites), Proclamation No. 2284 (1 site), Proclamation No. 1810 (19 sites), and those proclaimed (20 sites) by the National Housing Authority (NHA) and by other existing statutes and pertinent executive issuances.

2.2. "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 the Social Housing Finance Corporation, to be repaid from the proceeds of the outstanding mortgage loans of CMP beneficiaries.

2.3. "Community Mortgage Program (CMP)" refers to a financing window or scheme that is funded by the Government through the Social Housing Finance Corporation (SHFC) and 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.

2.4. "Compliance Project" refers to the socialized housing project, multi-level, medium-rise housing project, or condominium project sold at the prevailing price ceiling for socialized housing, or other developments utilized to comply with the balanced housing development required under Section 18 of Republic Act No. 7279 (R.A. No. 7279).

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

2.6. "Joint Venture (JV)" refers to the commitment or agreement between a developer of a main subdivision project and its subsidiary, another HLURB-accredited developer, a local government unit, or a housing agency, for which purpose they combine their funds, land resource, facilities and services, to comply with the balanced housing development required under Section 18 of RA 7279.

2.7. "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.

2.8. "Main Subdivision Project" refers to the proposed subdivision project which shall be the basis for computing the twenty percent (20%) balanced housing development required under Section 18 of RA 7279.

2.9. "New Settlement" refers to socialized housing projects or similar housing developments for underprivileged and homeless citizens, which may or may not be provided with access to basic facilities and services as provided in Sections 21 and 22 of UDHA.

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

2.11. "Rehabilitation" refers to the repair and restoration of existing socialized housing units or projects which are already considered as non-performing assets of government housing agencies, in accordance with the standards and the prevailing price ceiling for socialized housing.

2.12. "Resettlement Areas" refers to areas identified by the appropriate national agency or by a local government unit with respect to areas within its jurisdiction which shall be used for the relocation of underprivileged homeless citizens.

2.13. "Slum Improvement and Resettlement Program (SIRP)" and "Zonal Improvement Program (ZIP)" refer to the programs of NHA of upgrading and improving blighted areas pursuant to existing statutes and pertinent executive issuances.

2.14. "Socialized Housing" refers to housing programs and projects covering houses and lots or homelots only undertaken by the Government or by 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.

2.15. "Socialized Housing Project" refers to residential subdivision projects, and multi-level and medium rise housing projects, and condominium projects sold at the prevailing price ceiling for socialized housing undertaken by the Government or the private sector for the underprivileged and homeless citizens which shall comply with the standards under BP 220 and the prevailing price ceiling for socialized housing.

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

2.17. "Subdivision Project" refers to a tract or a parcel of land registered under the Land Registration Act (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 in installment terms.

2.18. "Takeover Development" refers to the action or measure undertaken by HLURB to cause the development and completion of the subdivision or condominium project at the expense of the owner or developer, jointly and severally, in cases where the owner or developer has refused or failed to develop or complete the development of the project as provided in Presidential Decree No. 957.

2.19. "Total Subdivision Area" refers to: (i) gross land area for development of subdivision projects without housing component; or (ii) gross land area for development plus the aggregate floor area of all housing units of subdivision projects with housing components.

2.20. "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. Balanced Housing Development Compliance.** Developers of proposed residential subdivision projects shall be required to develop an area for socialized housing equivalent to at least twenty percent (20%) of the total subdivision area or total subdivision project cost. The socialized housing shall be developed within the same city or municipality, whenever feasible; otherwise, it shall be allowed elsewhere in the Philippines. 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, subject to the pertinent guidelines, requirements, and procedures that may be promulgated by HLURB, provided that compliance under this section shall be equivalent to at least twenty percent (20%) of the total subdivision project cost:

4.1 Development of new settlement through -

4.1.1 Joint venture project of the developer with its subsidiary or with other HLURB-accredited developers for the production of new socialized housing; Provided, that, the developer of the main subdivision project shall be solidarily liable with the developer of the socialized housing project for the complete development of the

latter, irrespective of the provisions of their joint venture agreement;

4.1.2 Contribution of the developer in new socialized housing projects of HLURB-accredited non-government organizations; Provided, that, the developer of the main subdivision project shall remain liable for the complete development of the socialized housing project irrespective of the provisions of their memorandum of agreement; or

4.1.3 The provision of educational facilities, health facilities, productivity/livelihood centers, and other basic amenities and facilities as provided in Sections 21 and 22 of RA 7279 in socialized housing projects.

4.2 Slum upgrading or renewal of areas for priority development either through zonal improvement programs or slum improvement and resettlement programs of NHA.

4.3 Joint-venture projects with either the local government units or any of the housing agencies through the:

4.3.1 Development of socialized housing or resettlement project or takeover by HLURB of the development of socialized housing projects;

4.3.2 Purchase of socialized housing bonds approved by HLURB;

4.3.3 Rehabilitation of Non-Performing Socialized Housing Assets; or

4.3.4 Provision of educational facilities, health facilities, productivity/livelihood centers, and other basic amenities and facilities as provided in Sections 21 and 22 of RA 7279 in socialized housing projects.

Provided, that, the developer of the main subdivision project shall remain liable for the complete development of the compliance project, irrespective of the provisions of the joint venture agreement.

4.4 Participation in the community mortgage program by:

4.4.1 Providing a parcel of land to a CMP project;

4.4.2 Providing or developing a right-of-way (ROW) or access to roads or public transportation lines; or providing or upgrading of amenities, facilities, or other forms of development in an existing CMP; or

4.4.3 Subscribing or purchasing asset-backed securities as originated or conveyed by SHFC.

**SECTION 5. Accreditation of Developers and Non-Government Organizations.**

Subsidiaries of developers of main subdivision projects, other developers, and non-government organizations with which the developer of the main subdivision project will enter into a joint venture agreement or memorandum of agreement under 4.1.1 and 4.1.2 above shall apply for accreditation in accordance with the guidelines issued by HLURB.

**SECTION 6. Non-Combination of Compliance.** The developer of main subdivision project shall not be allowed to use a combination of project area and project cost as basis for computation of a single compliance.

**SECTION 7. Authority to Issue Guidelines and Circulars.** The Chief Executive Officer of HLURB is hereby authorized to issue guidelines and memorandum circulars implementing or interpreting this Rules, provided that the provisions of such guidelines and memorandum circulars shall not be inconsistent with or go beyond the provisions of this Rules.

**SECTION 8. Penalty Clause.** Any violation of the provisions of this Rules shall be penalized in accordance with the provisions of Executive Order No. 648.

The License to Sell of the main subdivision project may be suspended, cancelled, or revoked, if the required compliance project has not been completely developed after the one year period or the period indicated in the work program of the compliance project as approved by the HLURB.

The application for the issuance of Certificate of Registration and License to Sell of a developer for a new main subdivision project shall not be accepted if any of the compliance projects of the developer to any of its main subdivision projects has not been completed within the period allowed by HLURB.

**SECTION 9. Transitory Provision.** Main subdivision projects which have been issued development permit by a local government unit with compliance allowed and acceptable under HLURB existing rules shall not be covered by this Rules.

**SECTION 10. Repealing Clause.** All board resolutions, rules and regulations, memoranda, circulars, guidelines and similar official issuances mandating rules or implementing, explaining, and interpreting Section 18 of RA 7279 inconsistent herewith are hereby repealed.

This Resolution supersedes all resolutions, rules, regulations, and guidelines pertaining to manner or mode of compliance to Section 18 of RA 7279.

**SECTION 11. 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 12. Effectivity Clause.** This Rules shall take effect fifteen (15) days after its publication in the Official Gazette or in any national newspaper of general circulation.

**APPROVED**, this 12 day of October 2012, Pasay City.


  
**JEJOMAR C. BINAY**


Vice-President of the Philippines & HUDCC Chairman

  
**JOSE VICENTE C. SALAZAR**  
Undersecretary, DOJ

  
**AUSTERE A. PANADERO**  
Undersecretary, DILG

  
**JAIME A. PACANAN**  
Undersecretary, DPWH

  
**ANTONIO M. BERNARDO**  
Chief Executive Officer and Commissioner

  
**RIA CORAZON A. GOLEZ-CABRERA**  
Commissioner

  
**LUIS A. PAREDES**  
Commissioner

*EF*

**EMMANUEL F. ESGUERRA**  
Deputy Director-General, NEDA

*Linda L. Malenab-Hornilla*

**LINDA L. MALENAB-HORNILLA, MNSA**  
Commissioner

*Attested by:*

*[Signature]*  
**CHARITO B. LANSANG**  
Board Secretary