



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

BOARD RESOLUTION NO. 916
Series of 2014

**APPROVING THE PROPOSED 2014 HOA SPECIAL PROJECT
CHARGEABLE AGAINST THE HLURB SERVICE INCOME
(SPECIAL FUND 151)**

WHEREAS, Republic Act No. 9904 or the Magna Carta for Homeowners and Homeowners Association empowered the Board in protecting the interests of homeowners associations by vesting in it certain powers, authorities and responsibilities;

WHEREAS, since the effectivity of the law, the number of homeowners associations continues to increase and is projected to rise from 17,000 in 2013 to 48,000 in 2014;

WHEREAS, the General Appropriations Act (GAA) of 2014 has appropriated a budget for the hiring of job order employees and the conduct of the HOA registration and monitoring;

WHEREAS, R.A. No. 9904 has mandated the Board to perform other functions which are unfunded under the GAA of 2014, such as the policy development, capacity building and the federation and confederation formation;

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the 2014 HOA Special Project (attached as Annex "A") submitted pursuant to Republic Act No. 9904, be, as it is hereby, **APPROVED**, chargeable against the HLURB service income (Special Fund 151).

APPROVED, 24 February 2014, Pasay City


JEJOMAR C. BINAY

Vice-President of the Philippines & HUDCC Chairman


AUSTERE A. PANADERO

Undersecretary, DILG


ANTONIO M. BERNARDO

Commissioner and Chief Executive Officer

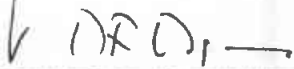
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HLURB Board Resolution No. 913, S. of 2014

Approving the Proposed 2014 HOA Special Project Chargeable Against the HLURB Service Income (Special Fund 18)



JAIME A. PACANAN
Undersecretary, DPWH



EMMANUEL F. ESGUERRA
Deputy Director-General, NEDA



JOSE F. JUSTINIANO
Undersecretary, DOI



RIA CORAZON A. SOLEZ-CABRERA
Commissioner

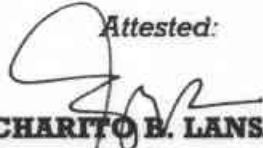


LUIS ALVAREZ PAREDES
Commissioner



LINDA L. MALENAB-HORNILLA, MNSA
Commissioner

Attested:



CHARITO B. LANSANG
Board Secretary

**HOUSING AND LAND USE REGULATORY BOARD
HOMEOWNERS ASSOCIATION (HOA) SPECIAL PROJECT**

I. LEGAL BASES

In 1981, the mandate of the National Housing Authority (NHA) to regulate residential subdivision and condominium projects under Presidential Decree No. 957, was transferred to the then Human Settlements Regulatory Commission (HSRC, now HLURB or the Housing and Land Use Regulatory Board) by Executive Order No. 648 which reorganized the HSRC and strengthened it as the regulatory arm of the Ministry of Human Settlements through "effective land use and development control" and by vesting on it quasi-judicial functions.

Pursuant to the policy of the State "to afford its inhabitants the requirements of decent human settlement and to provide them with ample opportunities for improving their quality of life," Presidential Decree No. 957 sought to protect the interest of installment buyers of lots/units within subdivision and condominium projects through a homeowners association, organization of which is to be initiated by the developer.

The Home Guaranty Act of 2000 (RA 8763) later transferred to HLURB the functions of the Home Insurance and Guaranty Corporation (renamed by the Act as Home Guaranty Corporation) related to homeowners association under Section 26 of said law.

Then in 2010, Republic Act No. 9904 or the "MAGNA CARTA FOR HOMEOWNERS' ASSOCIATIONS" further empowered the HLURB in protecting the interest of homeowners associations by reiterating and consolidating the authorities and powers vested on it by RA 8763, PD 902-A, BP Blg 68 and EO 535, s.1979 as stated in Section 20 of the Magna Carta.

II. HLURB Mandates under the Magna Carta for Homeowners and Homeowners Associations –

1. Primary Mandates

1.1. Registration

- 1.1.1. Formulate and implement registration procedures (Section 4) and issue certificates of registration (Section 20 [c])
- HOAs in residential subdivisions and condominiums (Section 3 [a])
 - Associations in housing programs and other urban estates (Section 3 [j])

- Federations, confederations and umbrella organizations (Section 20 [f])
- 1.1.2. Adopt Standard Nomenclatures for Books of Account, Articles of Incorporation and By-Laws (Section 20 [g])
- 1.1.3. Adopt Standard Fees and Charges (Section 20 [h])

1.2. Monitoring

- 1.2.1. Advocacy
 - Provide support services (Section 2)
 - Strengthen private-public partnership in nation-building (Section 19)
 - Conduct regular orientation (Section 20 [a])
- 1.2.2. Draft Code of Conduct and Ethical Standards for Board Members (Section 20 [b])
- 1.2.3. General Monitoring powers and power to deputize (Section 20 [f] & [i])

1.3. Adjudication

- 1.3.1. Non-litigious Adjudication (Section 4, 3rd paragraph)
- 1.3.2. Litigious Adjudication
 - Remove Directors/Trustees (Section 13 and Section 20 [e])
 - Dissolve Board of Directors/Trustees (Section 14 and Section 20 [e])
 - Resolve intra- and inter-association disputes (Section 20 [d])

III. Accomplishment for FY 2012 and 2013

PERFORMANCE INDICATORS	2012	2013	Total
I. HOA INVENTORY			
A. Registered HOAs	16,074	956	17,030
B. HOA (Reportorial Requirements Evaluated	4,337	3,828	8,165
C. HOA Undergoing Evaluation on Reportorial Requirements.		6,891	6,891
II. REGULAR FUNCTIONS			
A. Certificate of Registration Issued	609	756	1,365
B. Amended Articles of Incorp.Approved	46	100	146
C. Amended By-Laws Approved	96	198	294
D. HOAs Monitored/ Supervised	3,050	4,076	7,126
1. Field Monitoring	295	1,141	1,436

2. Non-Field Monitoring	3,033	10,393	13,426
E. Pre-registration Orientation Conducted	1,214	544	1,758
F. Post Registration Orientation Conducted	1,836	2,020	3,856
G. Clustered Orientation on RA 9904 & IRR	9	345	354
1. No. of HOAs Attended	2,802	5,379	8,181
2. No. of HOA Officer/s Members Oriented	4,082	14,392	18,474
H. No. of Mediation/ Conciliation Conducted	337	639	976
I. No. of Elections Conducted/ Monitored	63	123	186

IV. HOA Budget for 2014

As will be shown below, there are mandates under RA No. 9904 which are not funded under the General Appropriations Act of 2014.

1. General Appropriations Act of 2014

In Thousand Pesos

Object of Expenditures	Central Office (CO)	Regional Field Offices (RFOs)	Total CO & RFOs
Travel Exp. -- Local	0	1,466	1,466
Training	0	1,685	1,685
Office Supplies	0	1,475	1,475
Electricity	0	1,485	1,485
Mobile	0	1,414	1,414
Landline	0	400	400
Labor & Wages	0	16,020	16,020
Total	0	23,945	23,945

2. Regular Functions being undertaken using the budget under the 2014 GAA:

2.1. Registration

- 2.1.1. Evaluate applications for registration as homeowners associations, federations, confederations and similar umbrella organizations.
- 2.1.2. Issues certificates of registration for articles of incorporation/association and by-laws.
- 2.1.3. Conduct regular orientation to officers of HOAs on the laws, rules and regulations pertaining to HOAs.
- 2.1.4. Ensure the submission of books of accounts and the regular updating thereof.

- 2.1.5. Education for HOAs on laws, rules and regulations, systems and procedures, relevant laws affecting the physical development of the community and its environment.
- 2.1.6. Review of policies/guidelines on HOA registration and supervision.
- 2.1.7. Inventory of HOAs and evaluation of basic documentation and reportorial requirements.

2.2. Non-Field Monitoring

- 2.2.1. Review and evaluate HOA documents to ensure compliance with laws, rules and regulations and issue notices for the correction thereof for those which have been determined to be non-compliant therewith.
- 2.2.2. Ensure the updating of Books of Accounts and the submission of reportorial requirements and impose sanctions for violations thereof.
- 2.2.3. Ensure the submission of election reports after the conduct of elections.
- 2.2.4. Immediate and correct replies to walk-in, phoned-in and written queries.
- 2.2.5. Review of reports to identify inputs for policy review/update.

2.3. Field Monitoring

- 2.3.1. Conduct field investigations for complaints, verifications of data submitted and on the status of HOAs, federations, confederations and similar umbrella organizations registered or which are required to be registered with the HLURB.
- 2.3.2. Supervise or observe elections.
- 2.3.3. Issue notices of deficiencies, show cause orders, penalty orders upon discovery of any violations of law, rules and regulations to ensure compliance therewith.

2.4. Grievance Adjustment

- 2.4.1. Conduct proceedings for the speedy and inexpensive resolution of litigations involving intra- and inter-association disputes and controversies.
- 2.4.2. Encourage homeowners and members of HOAs to resolve their differences amicably to avoid unnecessary, vexatious and expensive litigations.

V. Proposed Programs and Projects under the HOA Special Project

1. Personnel Development

1.1. Personnel Augmentation

1.1.1. **Legal Basis:** RA No. 9904, Section 21

“For purposes of this Act, the HLURB shall, upon its discretion, create positions and enlist additional personnel to carry out its mandate.”

1.1.2. **Justification:** The budget for job order employees under the 2014 General Appropriations Act can only accommodate the pay of 80 job order employees.

1.1.3. **Specific Activities:**

- Hiring of additional 48 job order employees for four (4) month contracts
- Extension of contracts of 48 job order employees for five (5) months.

1.1.4. **Projected Workload for 2014**

REGIONAL OFFICES	EXISTING HOAs			PROJECTED NO. OF HOAs FOR 2014					TOTAL
	2012	2013	Subtotal	New	SEC	UPO	Coop	Subtotal	
NLRFO	445	25	470	26	828	19	2	875	1,345
NTRFO	1,633	85	1718	89	3,026	68	-	3,183	4,901
ENCRFO	6,941	193	7134	198	12,567	280	10	13,055	20,189
STRFO	2,688	158	2846	167	5,014	112	2	5,295	8,141
BRFO	397	31	428	33	754	17	2	806	1,234
WVRFO	658	36	694	38	1,223	26	-	1,287	1,981
CVRFO	1,381	79	1460	84	2,572	58	-	2,714	4,174
NMRFO	671	284	955	404	1,682	38	3	2,127	3,082
SMRFO	1,260	65	1325	68	2,334	52	1	2,455	3,780
TOTAL	16,074	956	17,030	1,627	30,000	670	20	31,797	48,827

SEC – Securities and Exchange Commission

UPO – Urban Poor Organizations (Community-Based)

Coop – Housing Cooperatives

- The average percentage increase of newly registered HOAs for 2013 was 10% which is also the expected percentage increase in HOAs for 2014.
- The percentage share of each RFO out of the total number of HOAs in 2013 was used to allocate each RFO's share of the prospective SEC-registered HOAs.
- The urban poor groups and housing cooperatives, as well as their distribution among the regions, are based on the report of the PCUPO appearing in its website.

1.1.5. **Proposed Additional Contractual Employees**

REGIONAL FIELD OFFICES	PERSONNEL					LOAD		
	Reg.	J.O.	Current	Add.	Propose	HOA	Current	Propose
NLRFO	3	7	10	4	14	1,345	135	96
NTRFO	1	11	12	2	14	4,901	408	350
ENCRFO	10	30	40	7	47	20,189	505	430
STRFO	2	15	17	12	29	8,141	479	281
BRFO	1	6	7	4	11	1,234	176	112
WVRFO	2	5	7	4	11	1,981	283	180
CVRFO	4	12	16	2	18	4,174	261	232
NMRFO	5	6	11	4	15	3,082	280	205
SMRFO	4	8	12	9	21	3,780	315	180
TOTAL	32	100	132	48	180	48,827	316	230

1.2. Competency Training

1.2.1. Rationale

- Update on the legal principles and trends on RA No. 9904 and its IRR.
- Knowledge of the other mandates as these relate to the exercise of their duties and functions.
- Assist in monitoring of real estate projects, applications and implementations of local zoning ordinances.
- Awareness of the extent and limitations of their authority vis-à-vis NGAs and LGUs.

1.3. Speakers Bureau Training

- 1.3.1. **Objective:** To capacitate HOA personnel in the principles and policies on climate change, disaster risk reduction and environmental protection.

2. Policy Development

2.1. Legal Basis: Pertinent provisions of RA No. 9904 –

- 2.1.1. Section 28 – Formulation of Implementing Rules and Regulations.
- 2.1.2. Section 4 – Registration process and disputes resolution.
- 2.1.3. Section 13 in relation to Section 20 [e]) – Formulation of the procedure for the removal of directors.
- 2.1.4. Section 14 in relation to Section 20 [e]) – Formulation of the procedure for the dissolution of the Board of Directors.

2.2. Specific Activities:

2.2.1. Revision of IRR-RA No. 9904 and the 2011 Revised Rules of Procedure.

Justifications:

- The IRR applied certain corporate law principles which are inappropos to the HOA's socio-political nature.
- Deficiencies and errors in the initial formulation are manifested in its implementation.
- Piecemeal revisions oftentimes cause more problems than solutions to perceived mistakes because the IRR must always be interpreted in its entirety rather than compartmentalized into convenient boxes which may contradict or muddle the other provisions.
- The IRR should clarify the law's technical substance as its remedial aspect should be in the Revised Rules of Procedure, thereby likewise requiring its revision.

2.2.2. Formulation of HOA Manual

Objectives:

- To contain all information necessary to enable personnel and others to understand the laws, rules and regulations.
- Standardization of procedures
- Standardization of instructions
- Simplification of processes and procedures

3. Capacity Building

3.1. Leadership and Community Organizing

3.1.1. Objectives

- Regular instructions on the laws, rules and regulations, and duties and obligations and powers of officers and HOAs. (RA No. 9904, Section 20 [a])
- Consultations with officers (RA No. 9904, Section 20, subsecs. [b], [c], [e], [g] and [h])

- Instructions on core values of leadership, community development and organization in the performance of their duties and functions. (RA No. 9904, Sections 10 and 12)

3.2. Mediation Training

3.2.1. Objectives

- Strengthen the grievance mechanism as an alternative disputes resolution (RA No. 9904, Section 15 [n]).
- Promote peace and amity within the HOA (RA 9904, Section 10 [b]).
- Promote peace and tranquility in the community (RA No. 9904, Section 20 [a]).
- Lessen HLURB workload in the settlement of disputes (RA No. 9904, Section 20 [d]).

3.3. Disaster Resiliency Seminar

3.3.1. Objectives

- To promote awareness of climate change occurrences, its causes and impact on individuals, the HOA and the community at large.
- To promote understanding of the implications of climate change and the need for a community response thereto, including the mitigation and adaptation to minimize damages and losses to lives, limbs and properties, and the disruption of community life.
- To promote preparedness for calamities and immediate response to these calamities in the community.
- To promote the sense of community and shared responsibility for the protection of the environment and the conservation of natural resources.
- In general, to respond to the call of the President for disaster preparedness, and understanding the effects of climate change to the grassroots.

4. HOA Empowerment

4.1. Objectives:

- 4.1.1.** Formation of federations/confederation for mutual aid, protection and the promotion of common interests and aspirations (Constitution, Art. II, Sec. 23 and Art. XIII, Sec. 15) for effective participation in all levels of socio-politico-economic decision making (Constitution, Art. XIII, Section 16).

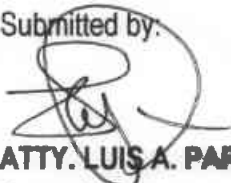
- 4.1.2. Conduit for consultations and the dissemination of information/policies through the education and environment committees to be formed.
- 4.1.3. Create the second level grievance machinery for intra-association disputes and the first level for inter-association disputes.
- 4.1.4. To organize HOAs into a cohesive and unified force for nation-building and promotion of the welfare of its members and the community at large.

4.2. Activities:

- 4.2.1. Federation Formation
- 4.2.2. Confederation Formation
- 4.2.3. National Conference

The proposed budget and schedule of budgetary releases for the above unfunded mandates are attached.

Submitted by:



ATTY. LUIS A. PAREDES

Supervising Commissioner for HOA

Approved by:



ATTY. ANTONIO M. BERNARDO

Chief Executive Officer and Commissioner

**CHRONOLOGICAL SUMMARY OF BUDGET
AND BUDGETARY RELEASES**

ACTIVITY DATES	RELEASE DATES	ACTIVITIES	BUDGET
April 1 - July 31	March (3rd week)	Personnel Development. Effectivity dates of service contracts.	4,965,840.00
April 1 - 30	March (3rd week)	Policy Development. Consultations for revision of IRR-RA 9904 and 2011 Rev. Rules of Procedure	356,400.00
<i>March Releases Subtotal</i>			5,322,240.00
May 5 - 9	April (1st week)	Policy Development. Writeshop on Final Drafts of IRR-RA 9904 and Rules of Procedure	554,400.00
May 15.	April (2nd week)	Policy Development. Publication and printing of IRR-RA 9904 and Rev. Rules of Procedure	946,440.00
May 17.	April (2nd week)	Capacity-Building. Leadership and Community Development Seminar.	1,904,364.00
May 17 -18	April (2nd week)	Capacity Building. Grievance Committee and Mediation Strategies Training	2,247,498.00
May 19 – 21	April (3rd week)	Personnel Development. Training of personnel from the Luzon Regional Field Offices on HLURB mandates	1,459,965.00
May 21 – 23	April (3rd week)	Personnel Development. Training of personnel from the Visayas and Mindanao Regional Field Offices on HLURB mandates	818,222.00
May 24.		Capacity-Building. Leadership and Community Development Seminar.	
May 24 - 25		Capacity Building. Grievance Committee and Mediation Strategies Training	
May 26 – 30	April (3 rd Week)	Personnel Development. Training of 50 personnel as Regional Speakers Bureau for HOAs on climate change and environmental protection	1,742,400.00
May 31.		Capacity-Building. Leadership and Community Development Seminar.	

May 31 - June 1		Capacity Building. Grievance Committee and Mediation Strategies Training	
<i>April Releases Subtotal</i>			9,673,289.00
June 2 - 30	May (1st week)	Policy Development. Consultations on the formulation of the HOA Manual	360,000.00
June 6 - 8	May (1st week)	Capacity-Building. Seminar on climate change and disaster risk reduction to HOAs.	7,250,309.00
June 7.		Capacity-Building. Leadership and Community Development Seminar.	
June 7 - 8		Capacity Building. Grievance Committee and Mediation Strategies Training	
June 13 -15		Capacity-Building. Seminar on climate change and disaster risk reduction to HOAs.	
June 14.	May (2nd week)	Capacity-Building. Leadership and Community Development Seminar.	1,904,384.00
June 14 - 15	May (2nd week)	Capacity Building. Grievance Committee and Mediation Strategies Training	2,247,498.00
June 20 - 22		Capacity-Building. Seminar on climate change and disaster risk reduction to HOAs.	
June 21.		Capacity-Building. Leadership and Community Development Seminar.	
June 21 - 22		Capacity Building. Grievance Committee and Mediation Strategies Training	
June 27 - 29		Capacity-Building. Seminar on climate change and disaster risk reduction to HOAs.	
June 28.		Capacity-Building. Leadership and Community Development Seminar.	
June 28 - 29		Capacity Building. Grievance Committee and Mediation Strategies Training	

<i>May Releases Subtotal</i>			11,762,191.00
July 4 - 6	June (1st week)	Capacity-Building. Seminar on climate change and disaster risk reduction to HOAs.	7,250,809.00
July 5.		Capacity-Building. Leadership and Community Development Seminar.	
July 5 - 6		Capacity Building. Grievance Committee and Mediation Strategies Training	
July 7 - 10	June (1st week)	Policy Development. Writeshop on Final Draft of HOA Manual	554,400.00
July 11 - 13		Capacity-Building. Seminar on climate change and disaster risk reduction to HOAs.	
July 12.	June (2nd week)	Capacity-Building. Leadership and Community Development Seminar.	1,904,364.00
July 12 - 13	June (2nd week)	Capacity Building. Grievance Committee and Mediation Strategies Training	2,247,498.00
July 13.	June (2nd week)	HOA Empowerment. Federation Formation	5,046,289.00
July 15.	June (2nd week)	Policy Development. Submission of HOA Manual final draft for printing	495,000.00
July 19.		Capacity-Building. Leadership and Community Development Seminar.	
July 19 - 20		Capacity Building. Grievance Committee and Mediation Strategies Training	
July 26.		Capacity-Building. Leadership and Community Development Seminar.	
July 26 - 27		Capacity Building. Grievance Committee and Mediation Strategies Training	
July 27.		HOA Empowerment. Federation Formation	
July 27 - 28		Capacity-Building. Seminar on climate change and disaster risk reduction to HOAs.	
<i>June Releases Subtotal</i>			17,498,360.00

August 1 – December 31	July (1st Week)	Personnel Development. Effectivity dates of renewed service contracts.	6,207,300.00
August 1 -3		Capacity-Building. Seminar on climate change and disaster risk reduction to HOAs.	
August 2.		Capacity-Building. Leadership and Community Development Seminar.	
August 2 -3		Capacity Building. Grievance Committee and Mediation Strategies Training	
August 8 - 10	July (1st week)	Capacity-Building. Seminar on climate change and disaster risk reduction to HOAs.	7,324,050.00
August 10.		HOA Empowerment. Federation Formation	
August 15 - 17		Capacity-Building. Seminar on climate change and disaster risk reduction to HOAs.	
August 16.	July (2nd week)	HOA Empowerment. Federation Formation	5,046,289.00
August 29 - 31		Capacity-Building. Seminar on climate change and disaster risk reduction to HOAs.	
August 30.	July (last week)	HOA Empowerment. Federation Formation	4,995,826.00
July Releases Subtotal			23,573,465.00
September 5 - 7		Capacity-Building. Seminar on climate change and disaster risk reduction to HOAs.	
September 6.		HOA Empowerment. Federation Formation	
September 20.	August (2nd week)	HOA Empowerment. Federation Formation	5,046,289.00
September 27.		HOA Empowerment. Federation Formation	
August Releases Subtotal			5,046,289.00
October 4.	September (1st week)	HOA Empowerment. Confederation Formation.	1,836,202.00
October 11.		HOA Empowerment. Confederation Formation.	
October 18.	September (2nd week)	HOA Empowerment. Confederation Formation.	1,836,202.00
October 25.		HOA Empowerment. Confederation Formation.	

November 11.	September (3rd week)	HOA Empowerment. National conference of HOA Federations	9,710,415.00
<i>September Releases Subtotal</i>			13,382,819.00
April		Buffer Fund	941,347.00
TOTAL RELEASES			87,200,000.00