



**BOARD RESOLUTION NO. 946  
Series of 2017**

Pursuant to Section 3 of Republic Act No. 10884 (RA 10884), otherwise known as the "Balanced Housing Development Program Amendments", the following rules and regulations have been approved and adopted by the Housing and Land Use Regulatory Board (HLURB):

**REVISED IMPLEMENTING RULES AND REGULATIONS TO GOVERN  
SECTIONS 3, 18 AND 20 OF REPUBLIC ACT NO. 7279, OTHERWISE  
KNOWN AS THE URBAN DEVELOPMENT AND HOUSING ACT OF 1992,  
AS AMENDED BY REPUBLIC ACT NO. 10884, OTHERWISE KNOWN AS  
"BALANCED HOUSING DEVELOPMENT PROGRAM AMENDMENTS"**

Section 1. *Scope and Coverage of Rules and Regulations.* – These Rules and Regulations ("Rules") shall cover all new residential subdivision and new residential condominium projects, with applications for approval or development permit filed with the local government unit or HLURB upon the effectivity of RA10884.

This Rules shall likewise cover all existing residential subdivision and existing residential condominium projects with applications for expansion or alteration resulting to an increase in the total project area or total project cost of the original residential subdivision or residential condominium projects filed with the local government unit or HLURB upon the effectivity of RA10884.

Proposed residential subdivision or residential condominium projects to be sold at the prevailing price ceiling for socialized housing, as may be jointly determined by the Housing and Urban Development Coordinating Council (HUDCC) and National Economic and Development Authority (NEDA), 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. "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 any of the housing agencies.

2.2. "Balanced Housing Development" refers to the requirement that owners or developers of residential subdivision and condominium

projects shall develop an area for socialized housing equivalent to at least fifteen percent (15%) of the total subdivision project area or total subdivision project cost or five percent (5%) of condominium area or condominium project cost, as prescribed by Section 18 of Republic Act No. 7279 (RA 7279), otherwise known as the "Urban Development and Housing Act of 1992, as amended by RA 10884. The balanced housing development may also be complied with through the other manners as may be provided under the law and the rules and guidelines issued by the HLURB.

2.3. "Community Mortgage Program" (CMP) refers to a financing window or scheme, funded by the Government through the Social Housing Finance Corporation (SHFC), 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" refers to the modes and manners provided by Section 18 of RA 7279, as amended by RA 10884, the implementing rules and regulations, and guidelines of the HLURB by which the developer of the main project can fulfill and satisfy the balanced housing development.

2.5. "Compliance Project" refers to entire or a portion of the socialized housing program or socialized housing project utilized to comply with the balanced housing development under Section 18 of RA 7279, as amended by RA 10884.

It also refers to the services development such as but not limited to educational facilities, health facilities, productivity/livelihood centers and other basic amenities and facilities mentioned in Sections 21 and 22 of UDHA to be provided by the developer which will benefit a socialized housing program or a socialized housing project.

2.6. "Condominium Project" refers to the entire parcel of real property divided or to be divided for residential purposes into condominium units, including all structures thereon.

2.7. "Condominium Area" refers to gross land area for development of a condominium project plus the total gross floor area of the condominium building.

In the case of a mixed-use condominium project, condominium area refers to gross land area for development of a condominium project plus the aggregate floor area of the condominium building less the

aggregate floor area of the commercial units and the proportionate share thereof in the pertinent common areas.

2.8. "Condominium Project Cost" refers to the total cost of: (i) raw land, based on the zonal value at the time of application for condominium development permit, (ii) land development, and (iii) building construction.

In the case of a mixed-use condominium project, condominium project cost refers to the total cost of: (i) raw land, based on the zonal value at the time of application for condominium development permit, (ii) land development, and (iii) building construction, less the cost of the aggregate floor area of the commercial units and the proportionate share thereof in the pertinent common areas.

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

2.10. "Housing Agencies" refers to the Housing and Urban Development Coordinating Council (HUDCC), National Housing Authority (NHA), National Home Mortgage Finance Corporation (NHMFC), Social Housing Finance Corporation (SHFC), Housing and Land Use Regulatory Board (HLURB), Home Guaranty Corporation (HGC), and Home Development Mutual Fund (HDMF).

2.11. "Joint Venture" (JV) refers to the commitment or agreement between the developer of the main project and the local government unit, any of the housing agencies, or another HLURB-accredited developer or non-government organization, for which purpose the parties thereto combine their funds, land resources, facilities and services to comply with the balanced housing development of UDHA.

2.12. "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.

2.13. "Main Project" refers to the proposed residential subdivision or proposed residential condominium project required to comply with Section 18 of RA 7279, as amended by RA 10884, and which shall be the basis for computing the balanced housing development.

2.14. "Mode of Compliance" refers to the option given to the developer regarding the percentage of the main project, either project cost or project area, which will be the basis for computing the area or cost of the compliance project.

2.15. "Manner of Compliance" refers to the means through which the requirement of the Balanced Housing Development Program will be accomplished by the developer, either through self-development or through joint venture with the local government, the government housing agencies, or the private sector.

2.16. "New settlement" refers to communities or developments where the compliance project may be located and which are provided with or with access to basic facilities and services, and livelihood component as provided in Sections 21 and 22 of UDHA.

2.17. "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.

2.18. "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.

2.19. "Socialized Housing" refers to housing programs and projects covering houses and lots or homelots only, or residential condominium units, undertaken by the Government or 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, as amended by RA 10884.

2.20. "Socialized Housing Program" refers to on-site, urban renewal and resettlement or relocation housing undertaken by the Government or the private sector which make available various alternative schemes or secure tenure policies for the disposition of lands to the beneficiaries of the program.

2.21. "Socialized Housing Project" refers to residential subdivision projects and residential condominium projects, undertaken by the Government or the private sector, that are sold at the prevailing price ceiling for socialized housing and which shall comply with the standards under Batas Pambansa Blg. 220 and the applicable provisions and implementing rules and regulations of Presidential Decree No. 957.

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

2.23. "Subdivision Project" refers to a tract or a parcel of land registered under the Land Registration Act (Act No. 496) which is partitioned for residential purposes into individual lots with or without improvements thereon, and offered to the public for sale, in cash or in installment terms.

2.24. "Total Subdivision Area" refers to gross land area for development of subdivision projects without housing component; or on gross land area for development plus the aggregate floor area of all housing units of subdivision projects with housing components.

2.25. "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. Preferred Manner of Compliance.* – Developers of proposed residential subdivision projects shall be required to develop an area for socialized housing equivalent to at least fifteen percent (15 %) of the total subdivision area or total subdivision project cost, at the option of the developer. Developers of proposed residential condominium projects shall be required to develop an area for socialized housing equivalent to at least five percent (5 %) of condominium area or project cost, at the option of the developer.

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 of compliance, subject to the pertinent guidelines, requirements, and procedures that may be promulgated by HLURB:

4.1. Development of socialized housing in a new settlement.

4.2. Joint-venture projects for socialized housing with any of the following:

4.2.1 The local government units for:

4.2.1.1. The development of socialized housing program or socialized housing project; or

4.2.1.2. The development of basic services that will benefit a socialized housing program or socialized housing

project of the local government unit, such as the provision of educational or health facilities and other basic amenities and facilities mentioned in Section 21 and productivity or livelihood centers mentioned in Section 22 of UDHA.

4.2.2. Any of the housing agencies for:

4.2.2.1. The development of socialized housing program or socialized housing project;

4.2.2.2. The rehabilitation of non-performing socialized housing assets of any of the housing agencies;

4.2.2.3. The development of basic services that will benefit a socialized housing program or socialized housing project of any of the housing agencies, such as the provision of educational or health facilities and other basic amenities and facilities mentioned in Section 21 and productivity or livelihood centers mentioned in Section 22 of UDHA; or

4.2.2.4. The purchase or subscription of socialized housing bonds or socialized asset-backed securities issued or conveyed by any of the housing agencies;

4.2.3 Another private developer for:

4.2.3.1. The development of socialized housing program or socialized housing project; or

4.2.3.2. The development of basic services that will benefit a socialized housing program or socialized housing project such as the provision of educational or health facilities and other basic amenities and facilities mentioned in Section 21 and productivity or livelihood centers mentioned in Section 22 of UDHA.

Provided, that if the developer of the compliance project as provided under 4.2.3 hereof shall fail to complete the development of the project, the developer of the main project shall be solidarily liable with the private developer to the extent of compliance to the balanced housing development, regardless of the provision in the joint venture agreement.

4.2.4 A non-government organization (NGO) engaged in the provision of socialized housing for:

4.2.4.1. The development of socialized housing program or socialized housing project; or

4.2.4.2. The development of basic services that will benefit a socialized housing program or socialized housing project of an NGO such as the provision of educational or health facilities and other basic amenities and facilities mentioned in Section 21 and productivity or livelihood centers mentioned in Section 22 of UDHA.

4.3. Participation in a new project under the community mortgage program, such as but not limited to the following:

4.3.1. Provision of a parcel of land to a CMP project;

4.3.2. Land development or housing or building construction in a CMP project;

4.3.3. Provision or development of right-of-way or access to roads or public transportation lines, or provision or upgrading of amenities, facilities or other forms of development in a CMP project.

In all cases, the compliance projects that may be developed under Section 4 hereof shall comply with the standards and requirements of the HLURB and other applicable laws and regulations.

**Section 5. *Location of compliance project.*** – The compliance project shall be located in the same municipality or city where the main project is located, if feasible.

**Section 6. *Non-Combination of Compliance.*** – The developer of the main 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. *Registration of the Compliance Project.*** – Any socialized housing program with houses and lots or homelots only, or units thereof not to be sold to the general public and thus not covered by Presidential Decree No. 957 and Batas Pambansa Blg. 220, or services development intended to be utilized as compliance to the balanced housing development, shall first be registered with the HLURB before the same can be used as a compliance project. Such compliance projects shall be subject to HLURB rules and guidelines, as may be issued pursuant hereto.

**Section 8. *Accreditation of Developers and Non-Government Organizations.***  
– All developers and non-government organizations with which the developer of the main project will enter into a joint venture agreement under 4.2.3 and 4.2.4 above shall apply for accreditation in accordance with the guidelines issued by the HLURB.

Section 9. *Incentives for Private Sectors Participating in Socialized Housing.*  
– The HLURB shall coordinate with the appropriate government agencies for the purpose of:

9.1. Creation of one stop offices in the different regions of the country for the processing, approval and issuance of clearances, permits and licenses;

9.2. Simplification of financing procedures; and

9.3. Exemption from the payment of the following:

9.3.1 Project-related income taxes;

9.3.2 Capital gains tax on raw lands used for the project;

9.3.3 Value-added tax for the project contractor concerned;

9.3.4 Transfer tax for both raw completed projects; and

9.3.5 Donor's tax for lands certified by the local government units to have been donated for socialized housing purposes.

Section 10. *Socialized Housing Certification.* – For the purpose of availment by the developer of the incentives under RA 7279 as amended by RA 10884, the HLURB shall issue a certification that a socialized housing program or socialized housing project has been registered and/or licensed by HLURB.

Section 11. *Incentivized Compliance.* – The HLURB, in consultation and coordination with the HUDCC, shall provide additional incentives by way of prioritized and simplified procedure in the availment and utilization of the manners of compliance that will benefit the homeless and underprivileged as the targeted socialized housing beneficiaries.

Section 12. *Strict and Faithful Compliance.* – The HLURB shall ensure strict and faithful compliance by the developers with the balanced housing development through:

12.1. Proper and sufficient documentary submission;

12.2. Publication of the notices of filing of registration statement and posting of billboard notices at the sites of both the main and compliance projects;



12.3. Detailed annotation on the certificate of registration or license to sell of both the main and compliance projects of the name and location of the projects, their respective project area or cost, including the specific blocks and lots, or units of the compliance project, and the remaining blocks and lots, or units still available for compliance, in order to avoid insufficient, duplication or re-utilization of compliance;

12.4. Conduct of ocular inspection and regular monitoring of the compliance projects in accordance with its rules and regulations; and

12.5. Imposition of fines and sanctions in case of any violation or non-compliance with the balanced housing development.

Section 13. *Authority to Issue Guidelines and Circulars.* – Subject to prior authority or approval by the Executive Committee, the Chief Executive Officer of the 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 14. *Penalty Clause.* – Any violation of the provisions of this Rules shall be penalized in accordance with the provisions of Executive Order No. 648, RA 7279 and RA 10884.

The license to sell of the main project may be suspended, cancelled, or revoked, if the required compliance project has not been developed or has not been completely developed in accordance with the approved work program and within the period approved by HLURB.

If any of the compliance projects of the developer, under Sections 3 and 4.2.3, to any of its main projects has not been completed within the period allowed by HLURB at the time any application for a new main project is filed, such an application shall not be accepted until and unless such compliance project/s is completed.

Section 15. *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, as amended by RA 10884 that are inconsistent herewith are hereby repealed.

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

Section 16. *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 17. *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 03rd day of May 2017, Quezon City, Philippines.

**LEONCIO B. EVASCO, JR.**  
Chairman of the Board, HLURB

  
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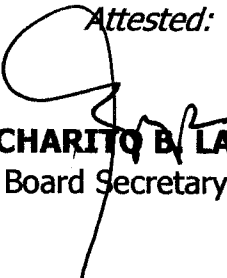
  
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*Attested:*  
  
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Board Secretary