

## **BOARD RESOLUTION NO. R-563, S. 1994 &#8211; AN AMENDMENT TO THE RULES AND REGULATIONS TO GOVERN SECTION 18 OF REPUBLIC ACT 7279, SPECIFICALLY SECTIONS 3E, 4 AND 6C**

*HLRB ADMINISTRATIVE ORDER NO. 02, February 10, 1995*

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- A certified true copy of the original subject Board Resolution which was adopted on 19 December 1994, is appended as Annex A of this Administrative Order.

- The amended rules and regulations in the subject Resolution which was published in Today of 08 February 1995 and 15 February 1995 become effective immediately.

Please be guided accordingly.

Adopted: 10 February 1995

**(SGD.) ERNESTO C. MENDIOLA**

Annex A

Board Resolution No. R-563

Series of 1994

An Amendment to the Rules and Regulations to Govern Sec. 18 of Republic Act 7279 Specifically Sections 3e, 4 and 6c

WHEREAS, as embodied in RA 7279, it is the policy of the State, in partnership with the private sector, to undertake a continuing national program to provide decent and affordable housing to the underprivileged and the homeless;

WHEREAS, in pursuit of the said policy, Section 18, of RA 7279 specifies that:

"..... developers of proposed 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, at the option of the developer, within the same city or municipality, whenever feasible, and in accordance with the standard set by the Housing and Land Use Regulatory Board and other existing laws. The balanced housing....."

WHEREAS, a number of developers have found it unviable to develop the twenty percent socialized housing requirement in the same city or municipality as the main project, and, therefore, have requested for a more liberal interpretation of where they should locate their socialized project;

WHEREAS, the phrase, "within the same city or municipality, whenever feasible", has not been explicitly defined either in the law or the Implementing Rules and Regulations (IRR), although the IRR allows the location of the required 20% socialized housing in any adjacent city or municipality or in the case of a metropolitan area in any of the provinces contiguous to it;

WHEREAS, the shelter program is one that covers the entire nation and that a more liberal interpretation of the abovementioned phrase will encourage greater private sector participation and, therefore, hasten the production of shelter for the underprivileged and the homeless;

WHEREAS, there is similarly a need to rectify and harmonize conflicting sections of the said Implementing Rules and Regulations;

WHEREAS, be it resolved as it is hereby resolved that Sections 3(e), 4 and 6(c) of the Implementing Rules and Regulations to govern Section 13 of RA 7279 be revised to read as follows:

Sec. 3(e) - Developers (in metropolitan areas), may undertake a large socialized housing project in advance in order to build up a credit balance against which future main subdivision projects can draw their 20% requirements, PROVIDED THAT AT THE TIME THE MAIN PROJECT IS TO BE DEVELOPED OUTSIDE OF THE CITY OR MUNICIPALITY WHERE THE LARGE SOCIALIZED HOUSING PROJECT IS LOCATED, A SOCIALIZED HOUSING PROJECT IS DEEMED NOT FEASIBLE OR VIABLE IN THAT SAME CITY OR MUNICIPALITY.

Section 4. Project Location and Zoning Compliance - Location of projects for socialized housing shall be within the zones designated in the land use plan or in the zoning map.

In the absence of a land use plan/zoning ordinance, the concerned local government unit in coordination with the Board shall grant locational clearance for socialized housing project in accordance with existing rules and regulations.

Where a contiguous area equivalent to the required twenty percent (20%) is not available, development of separate sites within the same city or municipality, whenever feasible, may be allowed provided that the aggregate total sums up to at least twenty percent (20%) of the main subdivision project's total area.

(The socialized housing project may be allowed in any adjacent city or municipality provided the developer shall comply with BP 220 requirements.)

(In Metropolitan areas, location of socialized housing projects may be allowed within the provinces contiguous to the physical configuration of the metropolitan area.)

LOCATING THE TWENTY PERCENT (20%) SOCIALIZED HOUSING PROJECT IN THE SAME CITY OR MUNICIPALITY AS THE MAIN PROJECT SHALL BE DEEMED NOT FEASIBLE IF THE DEVELOPER CAN PROVE THAT ONE OF THE FOLLOWING FACTORS CAN NOT BE MET, AND, THEREFORE, MAY BE LOCATED IN ANY CITY OR MUNICIPALITY WITHIN THE SAME REGION OR IN ANY CITY OR MUNICIPALITY WITHIN THE REGIONS ADJACENT TO IT:

1. AVAILABILITY OF SUITABLE SITES THAT MEET THE CRITERIA SET IN "THE GUIDELINES FOR THE IDENTIFICATION OF LANDS AND SITES FOR SOCIALIZED HOUSING TO IMPLEMENT SECTIONS 7 AND 8 OF RA 7279".
2. TARGET BENEFICIARIES OF THE PROGRAM WHO MEET THE FINANCIAL QUALIFICATION STANDARDS SET BY THE APPROPRIATE GOVERNMENT AGENCY ARE PRESENT.
3. THE FINAL SOCIALIZED HOUSING PRODUCT (HOUSE AND LOT OR NOT ONLY) CAN BE VIABLY SOLD AT THE COST THAT DOES NOT EXCEED THE MAXIMUM PRICE SET UNDER RA 7279.

SEC. 6(c) - In the foregoing application, the Board shall require that the main subdivision project and socialized housing project shall bear the name of the same project developer in the case the developer directly undertakes the same. The socialized housing project may bear the name of the subsidiary or another developer

to whom the main subdivision project developer passes on the development of the socialized housing project provided that A JOINT VENTURE AGREEMENT IS SUBMITTED AND THAT the liability remains with the main subdivision project developer.

Provided, further, that at the time of the application for development of the socialized housing project IS MADE (a joint venture agreement with subsidiary or another developer shall be submitted stating that the said socialized housing project) THE DEVELOPER SHALL DECLARE THAT THE SOCIALIZED HOUSING PROJECT shall be credited to a future housing project. The Board shall issue a certificate of credit for the main subdivision project upon completion of the equivalent socialized housing project.

Approved this 19th day of December 1994, Diliman, Quezon City.

(SGD.) DIONISIO C. DELA CERNA

Chairman, HUDCC

Ex-Officio Chairman, HLRB

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