ORDINANCE NO. 2021-205

AN ORDINANCE ENSURING STRICT COMPLIANCE BY DEVELOPERS OF RESIDENTIAL SUBDIVISION AND CONDOMINIUM PROJECTS LOCATED WITHIN THE CITY OF MUNTINLUPA TO SECTION 18 OF REPUBLIC ACT NO. 7279, OTHERWISE KNOWN AS THE “BALANCED HOUSING REQUIREMENT”, AS AMENDED BY REPUBLIC ACT NO. 10884, MANDATING PRIORITIZATION OF THE UNDERPRIVILEGED AND HOMELESS CONSTITUENTS OF THE CITY OF MUNTINLUPA IN THE SELECTION OF THE BENEFICIARIES AND FOR OTHER PURPOSES

Hon. Coun. Mark Lester M. Baes
Hon. Coun. Atty. Raul R. Corro
Hon. Coun. Alexson V. Diaz
Hon. Coun. Paty Katy C. Boncayao
Hon. Coun. Louisito A. Arciaga
Hon. Coun. Allan Rey A. Camilon
Hon. Coun. Ting Niefes
Hon. Coun. Stephanie G. Teves
Hon. Coun. Iree Rhia A. Tadefa
Hon. Coun. Engr. Marissa C. Rongavilla
Hon. Coun. Francis Ian T. Bagatsing
Hon. Coun. Engr. Arlene D. Hilapo
Hon. Coun. Cornelio M. Martinez
Hon. Coun. Walter A. Arcilla

WHEREAS, Section 458 (a) of Republic Act 7160, otherwise known as the Local Government Code of 1991, provides that “the Sangguniang Panglungsod, as the legislative body of the city, shall enact ordinances, approve resolutions and appropriate funds for the general welfare of the city and its inhabitants...xx.”

WHEREAS, Section 2 of Republic Act 7279, also known as the “Urban Development and Housing Act (UDHA) of 1992”, outlines that, “It shall be the policy of the state to undertake, in cooperation with the private sector, a comprehensive and continuing Urban Development and Housing Program which shall uplift the conditions of the underprivileged and homeless citizens in urban areas and in resettlement areas by making available to the, decent housing at affordable cost, basic services and employment opportunities.”;

WHEREAS, Section 18 (a) (b) (c) (d) of Republic Act No. 7279, otherwise known as the “Urban Development and Housing Act of 1992”, provides 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 cost, at the option of the developer, within the same city or municipality, whenever feasible and in accordance with the standards set by the Housing and Land Use Regulatory Board (HLURB) and other existing laws”;

Sponsored by:
Page 2

Ordinance No. 2021-205

WHEREAS, the issuance of Republic Act No. 10884 series of 2016, otherwise known as the “Balanced Housing Development Program Amendments”, certain provisions of Republic Act No. 7279 have been amended specifically on the Balanced Housing Development wherein developers of proposed subdivision and condominium 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 and at least five percent (5%) of condominium area or project cost, at the option of the developer, in accordance with the standards as provided by law;

WHEREAS, Section 9 of Republic Act No. 7279, states that the local government units shall be charged with the implementation of this Act in their respective localities, in coordination with the Housing and Urban Development Coordinating Council (HUDCC), the national housing agencies, the Presidential Commission for the Urban Poor (PCUP), the private sector and other non-government organization;

WHEREAS, pursuant to Section 21 of the aforementioned Act which states that Socialized housing or resettlement areas shall be provided by the local government unit or National Housing Authority in cooperation with private developers and concerned agencies...xx”, the City Government of Muntinlupa has actively worked with the national government and the private sector to address the housing needs of its constituents through various housing initiatives such as Community Mortgage Programs, Off-city and In-City Relocations, Interim Financing or Direct Purchase and Infrastructure Upgrading;

WHEREAS, it is the policy of the City Government of Muntinlupa to adopt a continuing housing and resettlement program and, as such, it is its duty to ensure that the implementation of Section 18 of RA 7278, as amended by RA 10886, in the City shall, first and foremost, benefit its underprivileged and homeless constituents;

NOW, THEREFORE, BE IT ORDAINED, AS IT IS HEREBY ORDAINED, by the 9th Sangguniang Panglungsod of Muntinlupa, in Session assembled, THAT:

ARTICLE I

TITLE, SCOPE AND DEFINITION OF TERMS

SECTION 1. Title. This Ordinance shall be known as the “Balanced Housing Compliance Ordinance” of the City of Muntinlupa.

SECTION 2. Scope of Application. This Ordinance shall apply to all new residential subdivision and new residential condominium projects, with applications for approval or development permit filed with the Local Government of Muntinlupa or HLURB upon the effectivity of R.A. 10884.

This Ordinance 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 of Muntinlupa or HLURB upon the effectivity of RA 10884.
Proposed subdivision projects or residential condominium projects to be sold within the prevailing price ceiling for socialized housing, as may be jointly determined by the Housing and Urban Development Coordinating Council (HUDCC) and the National Economic and Development Authority (NEDA) shall be exempted from the coverage of this Ordinance.

SECTION 3. Definition of Terms. For purposes of this Ordinance, the terms or words used herein shall, unless the context indicates otherwise, mean or be understood as follows:

3.1 "Asset-Backed Securities" refers to 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 any of the housing agencies.

3.2 "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, otherwise known as the "Urban Development and Housing Act of 1992", as amended by Republic Act No. 10884. The balanced housing development may also be complied with through the other manners as may be provided under the law and rules and guidelines issued by the Housing and Land Use Regulatory Board (HLURB).

3.3 "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 tenure of security on the property and the land they occupy.

3.4 "Compliance" refers to the modes and manners provided in 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 requirement.

3.5 "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.

3.6 "Comprehensive Land Use Plan (CLUP)" refers to the planning document prepared by the Local Government Units (LGUs) to rationalize the allocation and proper use of land resources. It projects public and private land uses in accordance with the future spatial organization of economic and social activities pursuant to the Local Government Code (LGC) of 1991.
3.7 "Condominium Area" refers to gross land area for development of a condominium project plus the total gross floor area of the condominium building.

3.8 "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. However, in 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.

3.9 "Condominium Project Cost" refers to the total cost of: (i) raw land, based on the zonal value of the time of application for condominium development permit, (ii) land development and (iii) building construction, less the cost of aggregate floor area of the commercial units and the proportionate share thereof in the pertinent common areas. However, in 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.

3.10 "Developer" refers to the person, natural or juridical, who develops or improves the residential subdivision projects 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 the developer.

3.11 "Housing Agencies" or "Shelter 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 the Home Development Mutual Fund (HDMF).

3.12 "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.

3.13 "Land Development" refers to land clearing and grubbing, road construction, installation of power and water distribution system, construction of drainage and sewage system, and other developments contained in the approved plans and/or in the brochure and advertisement.
3.14 "Local Shelter Plan" refers to the comprehensive plan prepared by the LGU that outline the main shelter strategies to address the various housing needs/concerns of the City which includes an analysis and comparison of available resources and needs of the city as well as strategies to address the problems of existing informal communities and prevention and control of professional squatters and squatting syndicates.

3.15 "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.

3.16 "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, joint venture with the local government, the other government housing agencies, or the private sector or participation.

3.17 "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.

3.18 "New Settlement" refers to communities or development 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 Section 21 and 22 of UDHA.

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

3.20 "Socialized Housing" refers to housing programs and projects covering houses and lots or home lots 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.

3.21 "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.
3.22 "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. 975 or the Subdivision and Condominium Buyer's Protective Decree.

3.23 "Solidary Liable" 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.

3.24 "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.

3.25 "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.

3.26 "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.

3.27 "Building Adequate Livable, Affordable and Inclusive Filipino Communities (BALAI)" refers to the housing program of the Housing and Urban Development Coordinating Council (HUDCC).

ARTICLE II
MODES OF COMPLIANCE

SECTION 4. Modes of Compliance. Compliance projects that shall be developed under this Ordinance shall comply with the standards and requirements of the HLURB and other applicable laws and regulations. The compliance project shall be subject to the minimum design standards promulgated pursuant to Batas Pambansa Blg. 220 (BP 220), HLURB rules and regulations, and other related laws.

4.1 Preferred Manner of Compliance. (i) Developers of proposed residential subdivision projects to be implemented within the City of Muntinlupa shall be required to develop an area for socialized housing within the City of Muntinlupa equivalent to at least fifteen percent (15%) of the total subdivision area or total subdivision project cost, at the option of the developer; and (ii) Developers of proposed residential condominium projects to be implemented within the City of Muntinlupa shall be required to develop an area for socialized housing within the City of Muntinlupa equivalent to at least five percent (5%) of the 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 the HLURB and other existing laws.

4.2 Other Manners of Compliance. The developers may also choose any of the following manners of compliance, subject to the pertinent implementing rules and regulations, guidelines, requirements, and procedures that may be promulgated by HLURB and concerned national agencies:

4.2.1. Development of socialized housing in a new settlement;

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

4.2.2.1. The local government of Muntinlupa for the development of socialized housing program or socialized housing project;

4.2.2.2. Any of the housing agencies for the development of socialized housing programs or socialized housing projects under the Building Adequate Livable Affordable and Inclusive (BALAI) Filipino Communities program of the HUDCC;

4.2.2.3. Another private socialized housing developer for:

4.2.3.3.1. The development of socialized housing program or socialized housing project by its subsidiary of the main developer. Provided, that the mother company owns at least fifty-one (51%) percent of the subsidiary.

4.2.3.3.2. The development of socialized housing program or socialized housing project by an accredited socialized housing developer

Provided that, if the developer of the compliance project as provided under 4.2.2.3 hereof shall fail to complete the development of the project, the developer of the main project shall be solidarity liable with the private developer to the extent of compliance to the balanced housing development, regardless of the provision in the joint venture agreement.

4.2.2.4. A Non-Government Organization (NGO) engaged in the provision of socialized housing for the development of socialized housing program or socialized housing project.

Provided that, if the developer of the compliance project as provided under 4.2.4 hereof shall fail to complete the development of the project, the developer of the main project shall be solidarity liable with the NGO to the extent of compliance to the balanced housing development, regardless of the provision in the joint venture agreement.
4.2.3 Participation in a new project under the community mortgage program thru land development in a CMP project; The developer may choose any of the following:

4.2.3.1 Providing a parcel of land for a CMP project;

4.2.3.2 Land development or housing or building construction in a CMP project;

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

The developer of the main project shall be allowed to participate in or contribute only to a CMP project with a Homeowner’s Association (HOA) that is currently in good standing with both the HLURB and Socialized Housing Finance Corporation (SHFC) subject to the rules, policies and guidelines of the SHFC relative to CMP.

4.2.4 Participation based on a percentage of the amount of investment required to undertake a new settlement for socialized housing project applicable as follows:

4.2.4.1 Thru a third party for the implementation of land development, installation of water utility, or power utility; or

4.2.4.2 Construction, thru a third party, of non-salable and non-recoverable housing projects on land owned by the government or donated private land such as housing for AFP personnel, public housing, rehabilitation of calamity-stricken communities, housing for street children, indigent elderly and people with disability or other types of projects.

4.2.5 Purchase or subscription of "Asset-Backed Securities" issued or conveyed by any of the housing agencies for the purpose of raising funds for the development of new socialized housing projects, subject to the maximum amount to be set by the HUDCC and National Economic and Development Authority (NEDA).

SECTION 5. Location of Compliance Projects. Pursuant to this Ordinance, the location of the compliance project shall be within the City of Muntinlupa, if feasible.
Page 9
Ordinance No. 2021-205

The Local Housing Board (LHB) of the City of Muntinlupa shall prepare a list of properties within the City of Muntinlupa that are feasible for socialized housing. If there is no property feasible for the compliance project within the City of Muntinlupa, the same shall be certified by the City Zoning Administration Office and, as such, the owner/developer may be given the option to implement their compliance project in adjacent or nearby cities or municipalities.

SECTION 6. Beneficiaries of Compliance Projects. Regardless of the mode of compliance to be utilized, priority and preferential treatment shall be given to the underprivileged and homeless constituents of the City of Muntinlupa, as may be determined by the Urban Poor Affairs Office (UPAO) of the City of Muntinlupa, in the selection of the beneficiaries and/or buyers of compliance projects implemented under this Ordinance.

The UPAO shall maintain an updated record of all potential socialized housing beneficiaries in every Barangay and upon receipt of the application for development permit, furnish the developer a list of beneficiaries that can be accommodated in the socialized housing compliance of the main subdivision or condominium housing project.

SECTION 7. Computation of Cost of Compliance Project.

7.1 Recoverable Cost. Considering that the cost incurred by the developer under: (a) 4.2.1, (b) 4.2.2 and (c) 4.2.5 of this Ordinance is recoverable upon the payment of the socialized housing units or upon the maturity of the issued bonds as the case may be, the total cost of the socialized housing project shall be equivalent to Five percent (5%) of the project cost of the main condominium project and Fifteen percent (15%) of the project cost of the main subdivision project.

7.2 Non-Recoverable Cost. Considering that the cost incurred by the developer under: (a) 4.2.3 and, (b) 4.2.4 of this Ordinance is non-recoverable, the computation of the required value of participation, for purposes of compliance, shall be in the amount equivalent to at least twenty-five (25%) percent of the total project cost of the socialized housing project in order to be credited the entire socialized housing project or program.

SECTION 8. 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.
ARTICLE IV
APPLICATION FOR ISSUANCE OF
PRELIMINARY APPROVAL AND
LOCATIONAL CLEARANCE (PALC)
AND DEVELOPMENT PERMIT

SECTION 9. Minimum Design Standards. The compliance project shall be
subject to the minimum design standards promulgated pursuant to Batas Pambansa Blg.
220, Presidential Decree No. 1216 (Open Spaces), Presidential Decree No. 1096
(National Building Code of the Philippines) and Presidential Decree No. 1185 (Fire Code
of the Philippines), HLURB rules and regulation and other applicable local ordinances.

SECTION 10. Application. Upon receipt of an application for the issuance of a
Preliminary Approval and Locational Clearance (PALC) and development permit approval
of a subdivision or condominium project, the City Zoning Administration Office, must
immediately ascertain whether the proposed project is covered or not by this Ordinance
and shall stamp in the application the words "COVERED" or "NOT COVERED";
accordingly.

SECTION 11. Additional Documentary Requirements for Covered Projects.
In addition to the existing documentary requirements by the City Zoning Administration
Office, owners or developers of the subdivision or condominium projects shall also submit
the following:

11.1 Letter indicating the mode of compliance to be undertaken by the
owner or developer of the subdivision or condominium project pursuant to Section
4 of this Ordinance;

11.2 An Affidavit of Undertaking executed by the owner or developer of
the subdivision/condominium project stating under oath that he/she will comply
with the mode of compliance as mentioned in 11.1 of this Section; that it will not
start the project without complying with the requirements herein mentioned; and
that it will abide by the provisions stated in this Ordinance.

11.3 Submission of two (2) separate plans, one for the main subdivision
or condominium projects and another for the balanced housing requirement, if
applicable.

No owner or developer of the main subdivision or condominium projects shall
commence with the implementation of their main development project/s unless the
aforementioned documentary requirements are complied with. Any violation thereof shall
mean an automatic disapproval of application.

SECTION 12. Issuance of Development Permit. No development permit shall
be issued unless all the above-mentioned documentary requirements in Section 11 and
12 of this Ordinance are complied with. Upon the issuance of such permit, the owner or
developer shall commence with the construction of the compliant project to be undertaken
pursuant to Section 4 of this Ordinance.
SECTION 13. Annotation of Compliance. Pursuant to the implementing rules and regulations approved and adopted by the HLURB, the modes of compliance, as stated in Section 4 of this Ordinance, shall be annotated within six (6) months from the issuance of the License to Sell (LTS) on the Original Certificate of Title (OCT), Transfer Certificates of Title (TCTs) and Condominium Certificates of Title (CCTs) of the project and specifying thereof the actual lot numbers, block numbers, unit numbers of the units allocated for sale under the socialized housing price ceiling.

The developer shall submit a certification from the Register of Deeds (RD) attesting compliance to this aforementioned annotation to the City Government of Muntinlupa. Failure to comply with the annotation requirements mentioned above within six (6) months shall cause the automatic suspension of the Development Permit issued by the City Government of Muntinlupa to the developer.

SECTION 14. The City Zoning Administration Office as member of the Local Housing Board (LHB) of the City of Muntinlupa shall have the following functions:

14.1 Analyze, examine and study applications for subdivision or building permits;

14.2 Conduct an actual on-site inspection of the socialized housing site designated by the developer as reflected in his application in compliance with Sections 6 and 11 of this Ordinance;

14.3 Validate whether the site to be developed by the developer is in consonance with the site selection criteria as provided by RA 7279 and consistent with the approved Comprehensive Land Use Plan (CLUP) and the Local Shelter Plan (LSP) of the City of Muntinlupa;

14.4 Provide a report to the Local Housing Board of the result of the application for the required permits, in relation to the housing project applications;

14.5 Adopt and recommend other measures for the effective implementation of this Ordinance.

ARTICLE VI
PENALTY, REPEALING, SEPARABILITY AND EFFECTIVITY CLAUSES

SECTION 17. Penalty. Violation of any provision of this Ordinance shall cause the cancellation or revocation of any permit/s or clearance/s issued by the City Government of Muntinlupa including but not limited to Development Permits, Zoning Clearance, Business Permit, and Building Permit.
SECTION. 18. **Separability Clause.** – If, for any reason, any section or provision of this Ordinance or any part thereof, or the application of such section, provision or portion is declared invalid or unconstitutional, the remainder thereof shall not be affected by such declaration.

SECTION 19. **Repealing Clause.** – All ordinances, resolutions and executive orders issued by the City Mayor or parts thereof inconsistent with the provisions of this Ordinance are hereby repealed or modified accordingly.

SECTION. 20. **Effectivity.** – This Code shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

ENACTED, by 9th Sangguniang Panlungsod this 1st day of February, 2021 on its 36th Regular Session.

CONCURRED:

DISTRICT 1:

COUN. ATTY. RAUL R. CORRO  
Member

COUN. PATTY KATY C. BONGAYAO  
Member

COUN. ALLAN REY A. CAMILON  
Member

(ABSENT)  
COUN. STEPHANIE G. TEVES  
Member

COUN. ALEXSON V. DIAZ  
Member

COUN. LOUISITO A. ARCIAGA  
Member

COUN. TING NIEFES  
Member

COUN. IVEE RHIA A. FADEFA  
Member

DISTRICT 2:

COUN. ENGR. MARISSA C. RONGAVILLA  
Member

COUN. FRANCIS IAN T. BAGATSING  
Member

COUN. MARK LESTER M. BAES  
Member

COUN. MA. DHERSREE G. AREVALO  
Member
Page 13
Ordinance No. 2021-205

COUN. ENGR. MAMERTO T. SEVILLA, JR.
Member

(ABSENT)
COUN. ENGR. ARLENE D. HILAPO
Member

COUN. WALTER A. ARCILLA
President
Sectoral Representative
Association of Barangay Chairman

COUN. CORNELIO M. MARTINEZ
Member

COUN. KENICHI D. TAKAGI, JR.
President
Sectoral Representative
Federation of Sangguniang Kabataan

I HEREBY CERTIFY, as to the correctness of the foregoing Ordinance.

CECILIA O. LAZARTE
Secretary to the Sanggunian

ATTESTED:

ARTEMIO A. SIMUNDAC
City Vice-Mayor/Presiding Officer

APPROVED:

ATTY. JAIME R. FRESNEDIL
City Mayor

Date: 09 FEB 2021

Norie/9th SP