

Republic of the Philippines  
Congress of the Philippines

Metro Manila

Sixteenth Congress

Third Regular Session

Begun and held in Metro Manila, on Monday, the twenty-seventh day of July, two thousand fifteen.



[ REPUBLIC ACT NO. **10884** ]

AN ACT STRENGTHENING THE BALANCED HOUSING DEVELOPMENT PROGRAM, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7279, AS AMENDED, OTHERWISE KNOWN AS THE URBAN DEVELOPMENT AND HOUSING ACT OF 1992

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

SECTION 1. *Short Title.* – This Act shall be known as the “Balanced Housing Development Program Amendments”.

SEC. 2. *Amendatory Provisions.* – The following provisions of Republic Act No. 7279, entitled “An Act to Provide for a Comprehensive and Continuing Urban Development and Housing Program, Establish the Mechanism for its Implementation, and for other Purposes”, are hereby amended:

(a) Section 3 of Republic Act No. 7279 is hereby amended by redefining paragraph (r) to read as follows:

“(r) ‘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 this Act.”

(b) Section 18 of Republic Act No. 7279 is hereby amended to read as follows:

“SEC. 18. *Balanced Housing Development.* – The Program shall include a system to be specified in the Framework plan whereby owners and/or 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: *Provided,* That proposed socialized subdivision projects and proposed socialized condominium projects shall be exempt from this requirement. For this purpose, the Housing and Urban Development Coordinating Council and the National Economic and Development Authority shall jointly determine and set separate socialized housing price ceilings for socialized subdivision and socialized condominium projects which shall be mandatorily reviewed or revised every two (2) years. The balanced housing development as herein required may also be complied with by the owners and/or developers concerned in any of the following manner:

“(a) Development of socialized housing in a new settlement;

“(b) Joint-venture projects for socialized housing with either the local government units or any of the housing agencies or with another private developer, or with a nongovernmental organization engaged in the provision of socialized housing and duly accredited by the Housing and Land Use Regulatory Board, but if the developer has failed to complete the development of the project, the owner and/or developer of the main subdivision or condominium project shall be solidarily liable only to the extent of compliance to the balanced housing requirement regardless of the provisions of their joint venture agreement; or

“(c) Participation in a new project under the community mortgage program.

“The Housing and Land Use Regulatory Board is hereby mandated to submit to Congress an annual report on the compliance hereof by the owners and/or developers of subdivision and condominium projects.

“Any person violating any provision of this section shall be imposed a fine of not less than five hundred thousand pesos (P500,000.00), for the first offense; suspension of license to do business for a period of three (3) to six (6) months and a fine of not less than five hundred thousand pesos (P500,000.00), for the second offense; and cancellation of license to do business for the third offense.”

(c) Section 20 of Republic Act No. 7279 is hereby amended to read as follows:

“SEC. 20. *Incentives for Private Sector Participating in Socialized Housing.* – To encourage greater private sector participation in socialized housing and further reduce the cost of housing units for the benefit of the underprivileged and homeless, the following incentives shall be extended to the private sector:

“(a) Reduction and simplification of qualification and accreditation requirements for participating private developers;

“(b) Creation of one-stop offices in the different regions of the country for the processing, approval and issuance of clearances, permits and licenses: *Provided*, That clearances, permits and licenses shall be issued within ninety (90) days from the date of submission of all requirements by the participating private developers;

“(c) Simplification of financing procedures; and

“(d) Exemption from the payment of the following:

“(1) Project-related income taxes;

“(2) Capital gains tax on raw lands used for the project;

“(3) Value-added tax for the project contractor concerned;

“(4) Transfer tax for both raw completed projects; and

“(5) Donor’s tax for lands certified by the local government units to have been donated for socialized housing purposes.

“*Provided*, That a socialized housing certification issued by the Housing and Land Use Regulatory Board shall be sufficient for the purpose of availment of tax exemption: *Provided, further*, That upon application for exemption, a lien on the title of the land shall be annotated by the Register of Deeds: *Provided, furthermore*, That the socialized housing development plan has already been approved by the appropriate government agencies concerned: *Provided, finally*, That all the savings realized by virtue of this provision shall accrue in favor of the beneficiaries subject to the implementing guidelines to be issued by the Housing and Urban Development Coordinating Council.”



“X X X.”

SEC. 3. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the Housing and Land Use Regulatory Board shall promulgate a new set of implementing rules and regulations for the amended Sections 3, 18 and 20 of Republic Act No. 7279, consistent with the parameters and standards set forth in said sections. Nongovernment organizations and people’s organizations involved in housing rights and urban poor advocacy, as well as the private sector, shall be consulted in the process of drafting these implementing rules and regulations.

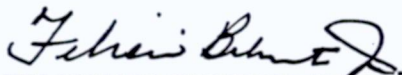
SEC. 4. *Reporting to Congress.* – The Chief Executive Officer of the Housing and Land Use Regulatory Board shall submit an evaluation report to Congress every two (2) years after the effectivity of this Act.

SEC. 5. *Separability Clause.* – If any provision or part hereof is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

SEC. 6. *Repealing Clause.* – Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to, or inconsistent with, the provisions of this Act is hereby repealed, modified or amended accordingly.

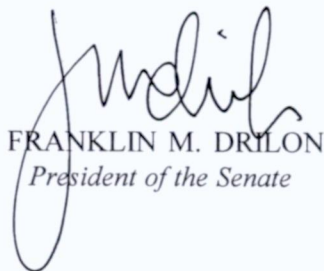
SEC. 7. *Effectivity.* – This Act shall take effect fifteen (15) days after the completion of its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,



FELICIANO BELMONTE JR.


*Speaker of the House  
of Representatives*




FRANKLIN M. DRILON

*President of the Senate*

This Act which is a consolidation of Senate Bill No. 2947 and House Bill No. 4116 was finally passed by the Senate and the House of Representatives on February 3, 2016 and May 23, 2016, respectively.

  
MARILYN B. BARUA-YAP  
*Secretary General*  
*House of Representatives*

  
OSCAR G. YABES  
*Secretary of the Senate*

Approved:

BENIGNO S. AQUINO III  
*President of the Philippines*

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Lapsed into law on JUL 17 2016  
Without the signature of the President  
In accordance with Article VI, Section  
27 (1) of the Constitution.