



SOCIAL HOUSING FINANCE CORPORATION

Enhancing People's Lives and Empowering Communities through FAIR Shelter Solutions

Corporate Circular HDH No. 16 - 010

Series of 2016

SUBJECT: REVISIONS ON HIGH-DENSITY HOUSING (HDHP) PROGRAM GUIDELINES ON: 1) COST CEILINGS FOR THE CONSTRUCTION OF DIFFERENT BUILDING TYPES, 2) USUFRUCT ARRANGEMENT 3) SERVICE FEES FOR THE LAND ACQUISITION AND PROJECT DEVELOPMENT PHASE (PHASE I) AND 4) REALTY TAX

Social Housing Finance Corporation (SHFC), through the High Density Housing Program, seeks to ensure delivery and management of safe, affordable and decent permanent housing solutions for informal settler families (ISFs) living in danger areas and waterways in Metro Manila.

In order to improve the implementation of the HDHP Program, the following provisions of existing HDH Circulars are hereby revised, as approved by the SHFC Board.

I. Revised Cost Ceilings for the Construction (Phase II) of Different Types of Buildings

Pursuant to Board Resolution No. 513, Series of 2016, the cost ceilings for 1-storey, 2-storey, 3-storey, 4-storey and 5-storey HDH residential buildings (with provisions for lofts) with site development are respectively set as follows:

<i>BUILDING TYPOLOGY</i>	<i>COST CEILING W/ SITE DEVELOPMENT</i>
Row House	Php 300,000.00
2-storey	Php 350,000.00
3-storey	Php 375,000.00
4-storey	Php 400,000.00
5-storey	Php 600,000.00

In the case of a 5-storey building: a) the maximum HDH loan shall remain at Php 450,000.00 and b) an **upfront capital subsidy** shall be provided, equivalent to the gap between the HDH loan ceiling of Php 450,000.00 and the project cost, the latter not to exceed the Php 600,000.00 ceiling indicated in the table above.

These ceilings are subject to review and revision depending on changes in the macro-environment such as changes in the prices of materials.

This revises pertinent provisions of HDH Corporate Circular 14-002 on the *Implementing Rules and Regulations for Building Construction and Site Development Loans for HDH Program*.

II. Revisions on the Usufruct Arrangement

Pursuant to Board Resolution No. 514, Series of 2016, the community association may enjoy the usufruct arrangement on land for at least **five years**, provided that, when they purchase the land after 5 years, the following conditions must be satisfied: (1) capacity to pay, and (2) collection efficiency rate of at least 90%, to be determined by SHFC.

In order to improve their capacity to pay and obtain the required CER, SHFC and its partners shall intervene through capacity building activities such as financial literacy, savings mobilization and livelihood development. SHFC shall regularly assess compliance with the two criteria.

Finally, the usufruct arrangement shall be availed by community associations with *Small Projects*, those with less than 200 member-beneficiaries (MBs) or those with loans of less than Php 90 Million.

This revises pertinent provisions of HDH Corporate Circular 14-005 on the *Acquisition of Property by SHFC and Usufruct under the High Density Program*.

III. Revised Service Fees for Phase I of HDHP

Pursuant to Board Resolution No. 513, Series of 2016, the service fees to be given to CSO Partners shall be Php 1,500.00 per ISF, for the Land Acquisition and Project Development Phase. This supersedes 3.1 (a) of HDH Corporate Circular 15-007.

However, the existing service fees for the Construction Phase and Post Take-out Phase, as provided under 3.1 (b) and (c) of the same circular, remain the same.

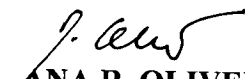
IV. Real Property Tax

Upon release of the eighty percent (80%) payment for the land, SHFC shall start shouldering the payment for the real property tax due on the land until completion of the construction of the buildings/units and occupancy by MBs or within two years from the time of initial release of payment to landowner. Upon occupancy by MBs or after two years from initial release of payment to landowner, the obligation to pay for the said real property tax shall shift to the CA.

This revises pertinent provisions of HDH Corporate Circular 15-007 on the *Implementing Rules and Regulations on Subsidy for High Density Housing Projects*.

V. Effectivity

These revisions shall be effective immediately upon its publication by posting on the SHFC website.


MA. ANA R. OLIVEROS
President

Date Approved: June 23, 2016