

# NEW HOUSING POLICY OF THE SUBIC BAY METROPOLITAN AUTHORITY

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## RATIONALE

The Subic Bay Metropolitan Authority is faced with the task of allocating housing units to the numerous housing applicants. Each application requires careful scrutiny to determine who most urgently needs housing and whether such application is aligned with the SBMA's vision, policies and goals.

This new housing policy is adopted to address current and future demand on, and prudent and economically beneficial allocation of SBMA housing units.

## CHAPTER I AVAILMENT OF HOUSING UNITS BY THE GENERAL PUBLIC

### General Policy

**Whereas**, SBMA recognizes the need to create a housing policy by which units may be allocated fairly and equitably to all applicants under commercial terms and conditions, and consistent with the best interest of SBMA.

**Whereas**, as a guiding principle SBMA aims to prioritize entities who will be primary occupants of the units and whose presence will add the most value to the Subic Bay Freeport Zone.

**Whereas**, for clarity, the intent and provisions of this Policy shall be deemed as expressly written into all housing contracts and documents that will be executed during the effectivity of this Policy.

**Now, for and in consideration** of the foregoing premises, the SBMA hereby puts into effect this new policy for the Availment of Housing Units by the general public.

### Coverage

The following addresses the prudent and economically beneficial allocation of housing units as well as the leasing of vacant lots in the residential housing areas by providing rules and regulations that define and regulate the following:

1. Who may qualify
2. Number of Units that may be leased
3. Method of Allocation/Priority System
4. Conditions and Restrictions

### **Section A. Long-Term and Short term Lease of Housing Units**

#### **a. Who May Qualify for the Housing Privilege**

1. Investors – Investors are holders of valid CRTE's with a current commercial or industrial lease in good standing. They shall be given priority since SBMA exists to promote investments that will in turn generate new employment.
2. Individuals/Entities – Filipino citizens, resident aliens, retirees, non-stock/non-profit organizations and government agencies and instrumentalities who shall be the primary and actual occupant may apply for a long term lease.

#### **b. Number of Houses that May be Availed**

The number of units that may be leased to qualified entities and individuals shall be determined on a case-to-case basis taking into consideration the availability of units and the overall value of such qualified entity or individual to the Subic Bay Freeport Zone.

#### **c. Method of Allocation/Priority System**

In order to optimize a very limited supply, the following selection process will be implemented to prioritize primary users:

1. All housing applications shall be evaluated according to the following criteria:
  - a. Financial Benefit to SBMA.
  - b. Purpose of Use.
  - c. Overall value to the Subic Bay Freeport Zone of having the proponent as a lessee.
2. The Board Housing Committee shall deliberate on the merits of each proposal and shall submit its recommendations to the SBMA Board of Directors.
3. Applications favorably recommended by the Board Housing Committee but not immediately serviced shall be waitlisted. Those in the waitlist

prior in time shall be given priority over subsequent waitlisted proponents.

**d. Conditions and Restrictions**

1. New lessees, upon signing of their lease contracts, shall be required to post a security deposit equivalent to ten (10%) percent of their contract price, and pay thirty (30%) percent thereof as down payment, with the balance payable within the first quarter of their lease term, or on other terms as the SBMA Board may require but in no case shall the payment of the balance exceed three (3) years.
2. Short-term lessees who wish to lease their present housing units based on the approved rental rate for 25 years may apply for extension, provided they shall have no outstanding obligations with SBMA for rentals, utilities and garbage.
3. Short-Term lessees availing of 25-year leases shall, upon signing of their extended lease contracts, be required to post a security deposit equivalent to ten (10%) percent of their 25-year contract price and shall pay the thirty (30%) percent of the contract price as down payment, with the balance payable within the first quarter of their lease term, or on other terms as the SBMA Board may require but in no case shall the payment of the balance exceed three (3) years.
4. Housing units shall be leased on an "as is, where is" basis. Improvements to be made/committed by the lessee shall not be deducted from the rental rates.
5. Existing leaseholders of 25-year leases may extend the term of their lease for another 25 years provided, upon the approval of the SBMA Board of Directors, they shall pay in lump sum the fair lease value of their unit computed as follows:

Value for 25-year lease extension = present value of published rate at the time of request for extension using a fixed discount rate of 5%

The lease value for the additional 25-year lease extension shall be based on the published rates multiplied by the following fixed discount factors:

RENEWAL YEAR	FIXED DISCOUNT FACTOR AT 5%
25	1.0000
24	0.9524
23	0.9070
22	0.8638
21	0.8227
20	0.7835
19	0.7462
18	0.7107
17	0.6768
16	0.6446
15	0.6139
14	0.5847
13	0.5568
12	0.5303
11	0.5051
10	0.4810
9	0.4581
8	0.4363
7	0.4155
6	0.3957
5	0.3769
4	0.3589
3	0.3418
2	0.3256
1	0.3101
0	0.2953

Provided, that these lessees shall also have no outstanding obligations relative to their lease (i.e. power, water, garbage, etc.) for at least one (1) year prior to the extension.

6. For short-term leases, no subleasing, transfer or assignment shall be allowed.
7. For long-term leases, subleasing, assignment or transfer of lease is not allowed within the first three (3) years of the lease or of the lease extension. No sublease / assignment / transfer may be allowed unless the account is fully settled. In both assignment and sublease, it is a condition precedent for the effectivity of the assignment or sublease that SBMA is entitled to receive its

percentage share from the gross price or the SBMA Floor Price as determined from the Policy on Valuation for Assignment of Leasehold Rights and Sublease Agreement, whichever is higher.

## **CHAPTER II AVAILMENT OF HOUSING PRIVILEGE BY SBMA OFFICERS & EMPLOYEES**

### **General Policy**

**Whereas**, the Subic Bay Metropolitan Authority considers the availing of housing or of residential lease on a long-term basis by qualified officers and employees of the SBMA as a privilege and benefit, not a right, which shall be granted strictly in accordance with this policy, applicable laws and government regulations;

**Whereas**, because of the scarcity of government resources, and in order to prevent misuse and abuse of these scarce resources, those granted housing shall not acquire any vested, proprietary or priority claims and shall not enjoy pecuniary gain from the privilege, such grant of housing being positional in nature. The granting of this benefit shall also be subject to the availability of housing units.

**Whereas**, the housing privilege shall be unilaterally withdrawn by the granting authority, subject to the observance of due process, for the failure of the grantees to abide by the rules set forth under this policy and the provisions of lease agreements, violations of SBMA policies and regulations, and/or violations of laws of the Republic of the Philippines, provided that the grantees are accorded due process and they are given adequate opportunity to freely explain their side.

**Whereas**, for clarity, the intent and provisions of this Policy shall be expressly written into all housing contracts and documents that will be executed during the effectivity of this Policy.

### **COVERAGE**

This policy shall cover the grant of housing privilege to qualified officers and employees of SBMA on a positional basis.

## Section A. Housing Privilege

### a. Who May Qualify for the Housing Privilege

1. SBMA Chairman & Head of Agency
2. SBMA Administrator & Chief Executive Officer
3. SBMA Directors
4. All Senior Deputy Administrators and Deputy Administrators
5. All Managers and/or Department Heads
6. All Officers with Salary Grade 23 and above
7. Confidential positions attached to the Chairman and Administrator, which shall be co-terminous with their respective superiors' terms.

### b. Availment of the Privilege

1. The Chairman & Head of Agency, and the Administrator & Chief Executive Officer, may avail of two (2) adjacent housing units, free-of-charge, during the term of their appointment/employment, provided that these units are conjoined or will be converted into one (1) single unit. The availment of this privilege shall be in furtherance of and pursuant to the provisions in Chapter IV below.
2. All other SBMA officers and directors defined under Sec. A(a) may avail of one (1) housing unit, free-of-charge, during the period of their employment or official relations with SBMA.

### c. Method of Allocation/Prioritization Criteria

The award of housing units to qualified officers and employees is based on a prioritization system taking into consideration the following criteria:

	Percentage
1. No. of years in Service	35%
2. Position/SG Rating	55%

	Value Added
SG-23	35
SG-24	40
SG-25	60
SG-26	80
SG-28	85
SG-29	90
SG-30	100
Director	99
Chairman	100

3. Period of Initial Request to Grant of Privilege		
	(No. of months)	10%

In no case shall SBMA Officers and Employees Housing exceed 15% of the total supply of SBMA Housing Units. Where not enough housing units are available, the waitlist will be prioritized in accordance with the percentage scores of the waitlisted proponents in the prioritization criteria.

**d. Conditions and Restrictions**

1. Since the housing unit to be awarded shall be positional, cost of repair or renovation thereof shall be borne by SBMA.
2. The grantee of the housing unit shall shoulder all expenses related to the maintenance and improvement of the unit such as water, cable television, garbage fees and telephone lines. Power/electricity consumption up to Php5,000.00 per month or such power consumption ceiling as may be subsequently fixed by SBMA shall be free of charge. Costs incurred by the grantee for electricity/power in excess of the consumption ceiling shall be for his/her account.
3. The housing privilege shall commence upon the execution of an occupancy agreement or the issuance of an authority to use and shall be effective for the duration of continuous employment. The Authority to Use (ATU) shall be issued in the name of the Plantilla Position or office designation of the grantee.
4. New hires of SG-23 and above shall only be granted housing privilege if they are taking over a vacated position/housing unit of an employee previously billeted in a housing unit or if they are taking over the positional housing unit used by their predecessor in office. Management shall, however, have the prerogative to offer housing privilege to attract specialized talent deemed not available locally, or to confidential positions attached to the Chairman, the Administrator and the SDA's subject to the approval of the Board of Directors.
5. The occupancy agreement or authority to use a housing unit by officers appointed to a fixed term, including the Chairman, Administrator and Members of the Board of Directors, shall be renewed in the event of their reappointment to another term or for the duration of the period that they are acting in a hold-over capacity.

6. Officers and employees of the SBMA who concurrently occupy dual or multiple executive positions shall be entitled to one (1) housing unit, even if their separate positions make them qualify to avail of additional housing privileges.
7. Spouses, even though they hold positions that qualify them to avail individually of housing privileges, shall be allowed only one housing unit.
8. Former SBMA officials, employees, and consultants who have previously been granted long-term lease privilege shall not avail anew of their positional housing privilege and/or long-term lease option/privilege when they are re-hired, even though the positions to which they are newly hired or newly appointed qualify them for the privilege/option. However, lease payment may be temporarily suspended/deferred during the effectivity of their new term of office or service with SBMA.
9. Officers or employees who are granted housing privilege shall personally and physically occupy the units assigned to them and shall not sub-lease, rent, assign or transfer the unit nor its premises in favor of any third party.
10. The housing privilege shall, with prior observance of due process, be withdrawn or cancelled on the violation of any provision of this housing policy without prejudice to the filing of appropriate civil, criminal and/or administrative charges in accordance with regulation or law.
11. On the termination or cancellation of the occupancy agreement or authority to use, or upon cessation of official relations with SBMA, the officer or employee shall immediately vacate the assigned housing unit and its premises not later than thirty (30) days from receipt of a notice to vacate.

**Section B. Long Term Lease Option of SBMA  
Directors, Officers and Employees**

**a. Who May Qualify**

1. SBMA Chairman & Head of Agency
2. SBMA Administrator & Chief Executive Officer
3. SBMA Directors
4. All Senior Deputy Administrators and Deputy Administrators



5. All Managers and/or Department Heads
6. All Other SBMA Employees and Staff

**b. Number of Units that May be Availed**

All qualified SBMA officers and employees, who have been in continuous employ or service with the SBMA for at least six (6) years in the case of employees with SG-27 and below and for at least three (3) years in the case of employees with SG-28 and above including officers and directors, shall be entitled to lease one (1) housing unit on a long-term basis on reduced rates, provided that a housing unit is available. The rate reduction shall be determined based on the performance of the officer or employee during the latter's service with SBMA but in no case shall the reduced rate be less than 70% of the appraised value of a housing unit, as follows:

Performance Rating	Reduced Rate
Outstanding	70% of appraised value
Highly Satisfactory	75% of appraised value
Very Satisfactory	80% of appraised value
Satisfactory	85% of appraised value
Mediocre	90% of appraised value

**c. Method of Allocation/Prioritization Criteria**

The award of a long-term lease to qualified SBMA Directors, Officers and Employees is based on a prioritization system taking into consideration the following criteria:

	Percentage
1. Number of years in Service	60%
2. Position/SG Rating	30%

	Value
SG-3 to 10	60
SG-11 to 15	65
SG-16 to 20	70
SG-21 to 23	75
SG-24 to 26	80
SG-28 to 29	90
SG-30	100
Director	99
Chairman	100

3. Period of Initial Request to Grant of Option  
(No. of months) 10%

**d. Conditions and Restriction**

1. All qualified officers and employees who have been in continuous employ and/or appointment with SBMA for at least six (6) years in the case of employees with SG-27 and below and for at least three (3) years in the case of employees with SG-28 and above including officers and directors, may be eligible for Long-Term Lease and shall be eligible to lease one (1) housing unit on an as is-where is basis.
2. In no case shall the employee be allowed to lease the unit awarded to him/her under the Authority to Use Agreement as the latter is strictly positional in nature.
3. The term of the Residential Lease shall be for a period equivalent to twice the years of continuous service of the employee and may be renewed for the same period on the payment of additional rent equivalent to 12% of the prescribed rate of the original lease.
4. Base rent may be amortized in equal monthly installments for a period equivalent to twice the years of continuous service of the employee.
5. A Security Deposit equivalent to one (1) month rent shall be required.
6. Failure to pay the amortization for a cumulative period of six (6) months shall be ground for the cancellation of the lease agreement.
7. Lease rental shall be based on US Dollar but may be payable in Philippine Peso pegged at its equivalent to the US Dollar exchange rate, as determined through the BSP daily guiding rate, prevailing at the time of the execution of the lease agreement.
8. No subleasing or assignment of lease may be allowed within the first three (3) years of the lease. No sublease/assignment/transfer may be allowed unless the account is current or is fully settled, as the case may be.
9. Lease contracts shall be executed, signed and notarized by and between SBMA and the lessee within thirty (30) days after approval by the SBMA Board of Directors. The lease contract shall be

effective at the date of signing, with rent payments becoming due within the first five days of the succeeding month of the date of the signing.

10. Spouses who are qualified officers and employees of the SBMA may apply for long-term lease on one (1) housing unit only.

### **CHAPTER III**

#### **HOUSING PRIVILEGE OF NON-ORGANIC OFFICES/PERSONNEL**

##### **a. Who May Qualify**

1. Government Departments and Agencies who are rendering services to SBMA may, subject to availability, avail of a housing unit or units provided that the same is covered by a Memorandum of Agreement (MOA) duly approved by the SBMA Board of Directors and signed by their respective authorized representatives. In no case shall the housing privilege exceed one (1) unit per agency.
2. Institutions, Non-Governmental Organizations, non-stock non-profit corporations, private offices or individuals who are rendering services to SBMA or who are rendering relief, charitable, altruistic or non-commercial services for the Subic Special Economic Zone may, subject to availability, avail of a housing unit provided that the same is covered by a Memorandum of Agreement (MOA) duly approved by the SBMA Board of Directors (BOD) and signed by their respective authorized representatives. In no case shall the housing privilege exceed one (1) unit per entity.
3. Consultants rendering at least 40 hours per week of service to SBMA may, upon recommendation of the Board Housing Committee, be awarded a housing privilege co-terminus with the former's consultancy agreement with SBMA.
4. Housing units may be allocated for a SBMA department whose presence is critical in the housing areas served, provided that they are used for official purposes and shall be treated as an extension of their offices, and not as the private residence of its officers or employees. In the effort to upgrade SBMA's service delivery, and budget permitting, the Housing Units may be outfitted according to the requirements of their functions.

**b. Conditions and Restrictions**

1. Availment of the housing units shall be made subject to availability and on an "as is, where is" basis.
2. Housing units awarded to these offices and/or individuals shall not be made available for commercial lease by the grantees.
3. Utilities shall be for the account of the grantee unless the grantee is given a power or utility subsidy as may be deemed necessary by the SBMA Board of Directors.

**CHAPTER IV  
OFFICIAL RESIDENCES**

1. The housing units designated for the individual use of the SBMA Chairman and SBMA Administrator shall be considered as their official residences and extensions of their respective offices during the terms of their appointment and, as such, appropriate provisions for utilities, security and maintenance shall be allowed and charged to the account of SBMA.
2. These housing units shall be passed on to their respective successors on the termination or cancellation of their occupancy agreement or authority to use, or upon the cessation of their official relations with SBMA.
3. Housing units designated as official residences shall not be made available for short-term or long-term lease.

**CHAPTER V  
ADDITIONAL OR NEW HOUSING DEVELOPMENT**

1. SBMA shall undertake a comprehensive planning process to identify sites for new residential villages with the end in view of constructing new houses, quarters, or dormitories and designate these to be availed of by qualified SBMA officials and employees under the provisions of this housing policy.
2. Housing developers shall no longer be allowed to enter into lease agreements and/or lease and development agreements over existing housing units but may lease parcels of land in newly identified residential villages for the purpose of developing new housing.

3. SBMA shall establish a self-liquidating Housing Development Project for employees SG-22 and below, except those that have already availed of housing benefit in an area within the Subic Bay Freeport Zone.

## **CHAPTER VI COURTESY ACCOMMODATIONS (SBMA GUESTHOUSE)**

SBMA Housing Units can be used to generate goodwill among external organizations/entities. Inviting persons of influence and target locators can be used as a proactive public relations effort and an opportunity to sell/market the Subic Bay Freeport.

### **a. Who May Be Billeted**

1. Government Officials
2. Diplomatic Corps
3. Investors SBMA is actively pursuing
4. VIP's
5. Guests of Chairman/Administrator and the Board of Directors

### **b. Conditions and Restrictions**

1. A maximum of five (5) housing units, renovated to a high standard of interior and exterior aesthetics and housekeeping service shall be available for courtesy accommodations for a maximum of seven (7) days only.
2. A systematized reservation process shall be implemented with proper procedures/forms.
3. Accommodations shall be by reservations only.

## **CHAPTER VII TRANSITORY PROVISIONS**

1. Lease contracts previously granted to officers, employees and consultants under previous housing policies shall be respected. All provisions of this Policy shall not be applied retroactively unless specifically provided.
2. Authorities to Use, Occupancy Agreements and Memoranda of Agreement existing at the time of the effectivity of this policy shall be respected until the termination, expiration, lapse or cessation of such Authority to Use, Occupancy Agreement or Memorandum of Agreement. Renewals or extensions, if any, of said agreements shall be governed by this policy.

3. The officially filed application for housing privilege of officers and employees which have not yet been granted shall be determined by the terms and conditions of this policy.