

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SEVENTEENTH CONGRESS
Second Regular Session

House Bill No. 6700



Introduced by Representative Ron P. Salo

EXPLANATORY NOTE

This year, Marawi City was unfortunately sieged by a group of terrorists waging war against our government. The war which lasted for five months resulted in the destruction of business establishments and the homes of the residents.

It is the duty of the State to ensure that the citizens of the war-torn city will once again be able to call this City their home. It is also the duty of the State to ensure that the residents will be able to, not only rebuild their homes, but to also rebuild their lives.

This proposed Marawi City Building of Better Homes and Businesses Act is meant to directly address the housing and business crises in the wake of the destruction of homes and businesses in Marawi City.

There is precedent for the spending of government funds to rebuild private buildings destroyed during armed conflict. This happened in Zamboanga City where P2.566 billion in funds were released to the National Housing Authority for shelter construction and other rehabilitation efforts for the Internally Displaced Persons (IDPs) affected by the Zamboanga siege in September 2013.

In Zamboanga City, P49.83 million was allocated for Home Materials Assistance (HOMA) for 1,661 families who chose to build their homes on their own P800 million was given to the Department of Public Works and Highways (DPWH) for the construction and repair of road networks, drainage systems, and other infrastructure projects.

The "Build Back Better Zamboanga" program covered 7,248 homes and some of the housing designs the two agencies approved "include two storey buildings with eight (8) units per building to generate 1,160 units; 1,180 one-storey duplex loftable units at PhP 175,000 per unit, and 3,241 houses on stilts," according to the NHA.

What we propose through this bill is that the residential and commercial buildings to be built will be at virtually no cost to the residents of Marawi City. The government shall appropriate a funding of Ten Billion Pesos (P 10,000,000,000.00) for the initial implementation of this Act. Thereafter, Congress shall determine the necessity of providing for supplemental funding. This law shall also implement a moratorium on the collection of interests, other than the principal amount.

The Development Bank of the Philippines and the Al-Amanah Islamic Investment Bank of the Philippines shall formulate loans and grants in order to implement the reconstruction program. The DBP shall be in charge of formulating and implementing a loan and grants program to finance the building of residences, commercial buildings, integrated communities, and business centers in Marawi City. While the Al-Amanah Islamic Investment Bank of the Philippines is mandated to formulate and implement a Marawi City Housing Concessional Loans and Grants Program, which verified Marawi City residents shall avail of to finance the building and/or repair of their homes and small businesses.

Hence, immediate passage of this bill is earnestly sought.


RON P. SALO
KABAYAN Partylist

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AN ACT

MANDATING THE DEVELOPMENT BANK OF THE PHILIPPINES AND
AL-AMANAH ISLAMIC INVESTMENT BANK OF THE PHILIPPINES TO
UNDERTAKE THE REBUILDING AND REPAIR OF THE RESIDENCES AND
COMMERCIAL BUILDINGS OF MARAWI CITY DAMAGED DURING THE BATTLE
OF MARAWI, PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES

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

SECTION 1. Short Title. – This Act shall be known as the “*Marawi City Rebuilding Act*”.

SEC. 2. Declaration of Policy. – It is declared national policy provided in the 1987 Constitution that:

- 1) The State shall promote social justice in all phases of national development.
(Article II, Section 10)
- 2) The State shall, by law, and for the common good, undertake, in cooperation with the public sector, a continuing program of urban land reform and housing which will make available at affordable cost decent housing and basic services to underprivileged and homeless citizens in urban centers and resettlements areas. It shall also promote adequate employment opportunities to such citizens. In the implementation of such

program the State shall respect the rights of small property owners. (Article XIII, Section 9)

SEC. 3. Mandate to the Development Bank of the Philippines. – To ensure the effective, efficient, transparent, and judicious implementation of this Act, the Development Bank of the Philippines is hereby mandated to:

- 1) The DBP is mandated to formulate and implement a loan and grants program to finance the building of residences, commercial buildings, integrated communities, and business centers in Marawi City;
- 2) Create and operationalize a Committee on the Rebuilding of Marawi, provided that such committee shall include local elected and non-elected leaders representing the communities of Marawi;
- 3) The bank shall, in cooperation with the district engineer, determine the amount to be loaned based on the proposed project of the borrower. Provided, in no case shall the amount exceed Three Million Pesos (P 3,000,000.00) for each borrower;
- 4) There shall be no collection of interest, other than the principal;
- 5) Report to Congress every June 1st and December 1st of the calendar year to provide detailed updates throughout the entire duration of the program;
- 6) The bank shall be entitled to collect a 2% management fee from the appropriated amount.

The DBP has ten (10) years to complete the main phase of its Marawi City rebuilding mandates in this Act.

SEC. 4. Mandate to the Al-Amanah Islamic Investment Bank of the Philippines. – To ensure the effective, efficient, transparent, and judicious implementation of this Act, the Al-Amanah Islamic Investment Bank Philippines is hereby mandated to:

- 1) The Al-Amanah Islamic Investment Bank of the Philippines is hereby mandated to formulate and implement a Marawi City Housing Concessional Loans and Grants Program, which verified Marawi City residents shall avail of to finance the building and/or repair of their homes and small businesses;
- 2) The bank shall, in cooperation with the district engineer, determine the amount to be loaned based on the proposed project of the borrower. Provided that, in no case shall the amount exceed Two Million Pesos (P 2,000,000.00) for each borrower;

- 3) There shall be no collection of interest other than the principal;
- 4) The Al-Amanah Islamic Investment Bank of the Philippines shall report to Congress every June 1st and December 1st of the calendar year to provide detailed updates on the program;
- 5) The bank shall be entitled to collect a 2% management fee from the appropriated amount.

SEC. 5. Joint Mandate to the Development Bank of the Philippines and the Al-Amanah Islamic Investment Bank of the Philippines. – The Development Bank of the Philippines and the Al-Amanah Islamic Investment Bank of the Philippines shall form a Joint Coordinating Committee, to be led by their respective presidents, to ensure coordinating planning, design, and implementation of their Marawi City programs. The Committee shall ensure that the full amount appropriated for this purpose shall be used for its intended purpose of lending to the qualified borrowers. The Committee shall meet at least once a month to monitor the progress of implementation of this Act.

SEC. 6. Qualified Borrowers. – Verified residents of Marawi City and those with bona fide business establishments registered in Marawi City shall be qualified under this Act.

SEC. 7. Borrower's Choice of Project Contractors. – The borrowers shall have the liberty to select the contractors to construct their projects. If no private firm is contracted, the DPWH shall be tasked to construct the project of the borrower.

SEC. 8. Collected Principal Amounts. – Any amount collected from the borrowers shall again be used for lending to other qualified borrowers until Marawi City is finally rebuilt. After fifteen (15) years, all collections by the banks shall form part of their capital.

SEC. 9. Appropriations. – The amount of Ten Billion Pesos (P10,000,000,000.00) is hereby appropriated to initially implement this Act. Of this amount, Six Billion Pesos (P6,000,000,000.00) is for the Development Bank of the Philippines, while Four Billion Pesos (P4,000,000,000) is for the Al-Amanah Islamic Investment Bank of the Philippines.

Congress shall determine the necessity for additional appropriations based on the report submitted by the Development Bank of the Philippines and the Al-Amanah Islamic Investment Bank of the Philippines, and shall include it in the General Appropriations Act of the succeeding Fiscal Year.

SEC. 10. Implementing Rules and Regulations. – The Secretary of Department of Budget and Management, the Secretary of Department of Finance, the Secretary of Public Works and Highways, the Secretary of the Department of Interior and Local Government, the chief executive and the local council of Marawi City, the Governor of the Banko Sentral ng Pilipinas, the President of the the Development Bank of the Philippines, the President of the Al-Amanah Islamic Investment Bank of the Philippines shall formulate the Implementing Rules and Regulations of this Act immediately after its promulgation.

SEC. 11. Separability Clause. – If any provision or part of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected shall continue to be in full force and effect.

SEC. 12. Repealing Clause. – All laws, executive orders, and administrative orders or parts thereof inconsistent with any provision of this Act are hereby repealed or amended accordingly.

SEC. 13. Effectivity Clause. – This Act shall take effect fifteen (15) days after its publication in the online version of the *Official Gazette* or in two (2) newspapers of general circulation or with established internet website presence.

Approved.