



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH (17th) CONGRESS
Third Regular Session

HOUSE BILL NO. 8184



Introduced by Representative Jose Christopher Y. Belmonte

EXPLANATORY NOTE

Current Philippine laws and programs that aim to move and resettle informal settler families (ISFs) have become insufficient given the growing demands of urbanization. Past and existing resettlement programs have been unsustainable, with the production of housing units below market prices or at subsidized mortgage rates for the poor. Accordingly, the heavy reliance on underpriced loans and guaranty products has led to significant financial losses, with government housing agencies regularly becoming insolvent.

Housing choice for ISFs is determined by factors other than tenure, including location, access to livelihood and support services, cost, and size/dwelling characteristics. A census of ISFs living in waterways in Metro Manila, conducted in 2014¹ revealed that despite an offer of homeownership, 32% preferred to stay in their current residence, even along the waterways or danger areas. The same census showed that 50% of ISFs in Metro Manila are not homeowners but, sharers or renters. Thus, a paradigm shift is necessary to solve the problem.

A rental subsidy is practicable and pragmatic. By granting ISF financial assistance, they can immediately leave dangerous areas or infrastructure project sites

¹ University of the Philippines Planning and Development Research Foundation Inc. (UP PLANADES) dataset. Component 1: Socio-Economic Profiling and Community Organizing of ISFs in Danger Areas. Submitted by The University of the Philippines Planning and Development Research Foundation Inc. (UP PLANADES) to the Department of Interior and Local Government and the Australian Embassy for the Australian Aid Technical Assistance to the Department of the Interior and Local Government (DILG) on Government of the Philippines Program for Securing Safety of Informal Settler Families in Metro Manila. 2014

and merge with the mainstream populace within a city. This, can even spur the local economy and urban planning. Moreover, local governments can maximize its role of housing provision and social protection for the vulnerable ISFs in their respective jurisdiction through public and private rental housing. Public-private partnerships are also key to generating in-city housing supply. The government only needs to lay out a clear-cut policy on the delineation and extent of the subsidy to affect an equitable rental assistance.

The immediate passage of this timely measure is most earnestly sought.

A handwritten signature in blue ink, appearing to read "Jcy Belmonte". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.



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1 **AN ACT**
2 **ESTABLISHING A RENTAL SUBSIDY PROGRAM**
3 **FOR INFORMAL SETTLER FAMILIES (ISF)**
4 **AND APPROPRIATING FUNDS THEREFOR**
5

6 *Be it enacted by the Senate and the House of Representatives of the Republic of the*
7 *Philippines in Congress assembled:*
8

9 Section 1. **Title.** – This Act shall be known as the “*Rental Subsidy Program for ISF*
10 *Act.*”
11

12 Sec 2. **Declaration of Policy.** – It is hereby declared the policy of the State to:

- 13 a) Promote a just, equitable, and inclusive urban development through
14 programs providing adequate social services, broader housing options,
15 livelihood and employment, and an improved quality of life for the Filipino
16 people;
17 b) Provide an innovative housing program providing affordable, livable, and
18 decent housing, as well as access to basic social services, especially for the
19 underprivileged;

- 1 c) Protect the urban poor from the impacts of immediate dislocation due to
2 eviction and demolition arising from government projects and their lack of
3 tenure.

4
5 **Sec. 3. Definition of Terms.** – For purposes of this Act, the following terms or words
6 and phrases shall mean or be understood as follows:

- 7 a) *Informal Settler Families* refers to individuals or households living under any of
8 the following conditions:

- 9 (i) A lot/dwelling unit without consent of the property owner;
10 (ii) Danger areas;
11 (iii) Areas for government infrastructure projects;
12 (iv) Protected/forest areas (except for indigenous peoples);
13 (v) Areas for Priority Development as declared under Proclamation No.
14 1967, Series of 1980, if applicable; and
15 (vi) Other government/public lands or facilities not intended for human
16 habitation.

- 17 b) *Rental Subsidy* refers to a financial assistance provided by the government to
18 low-income informal settler families to rent accommodations in the private
19 rental market. The rental subsidy is not a full subsidy. The amount of which
20 should not exceed the rates regulated under the Rent Control Act of 2009 and
21 is determined by the difference between the average amount renter ISFs are
22 paying every month and the average low-cost rental housing amount in the
23 area from previous census and surveys conducted by the government.

24
25 **Sec. 4. Rental Housing Subsidy Program.** – A Rental Housing Subsidy Program for
26 Informal Settler Families (ISF), herein referred to as the Program, shall hereby be
27 established as a housing and social protection program, with the end in view of
28 enabling ISFs to lead decent lives and giving them access to the formal housing
29 market. Eligible ISFs shall receive a flat-rate rental subsidy, the amount of which to
30 be jointly determined by the Housing and Urban Development Coordinating
31 Council (HUDCC) and the National Economic and Development Authority (NEDA);

1 Provided, that at any time, but not more often than once every two (2) years, such
2 subsidy may be reviewed or revised to conform to prevailing economic conditions.
3 Rental subsidy shall be granted to qualified beneficiaries for a maximum of five (5)
4 years or upon their availment of permanent housing, whichever comes first.

5
6 **Sec. 5. Program Eligibility.** – Eligible ISFs shall be those who are:

- 7 a) Living in danger areas as defined by the HUDCC;
- 8 b) Staying in areas identified for government infrastructure projects with
9 firm funding commitments, such as those of the Department of Public
10 Works and Highways (DPWH), Department of Transportation (DOTr),
11 and Local Government Units (LGUs), based on the alphalist of the
12 National Housing Authority (NHA), LGUs and Socialized Housing
13 Finance Corporation (SHFC), and actual validation by national
14 government implementing agencies such as, but not limited to DPWH,
15 DOTr, and the Metro Manila Development Authority (MMDA);
- 16 c) Having at least one employed household member or any source of
17 livelihood;
- 18 d) Willing to vacate the informal settlement area, transfer to a safer area,
19 and sign a maximum 5-year contract with the government.

20
21 **Sec. 6. Conditions for Entitlement.** – All eligible ISF beneficiaries shall comply with
22 the following conditions as a requirement for continued program eligibility:

- 23
24 a) The ISF shall not move back to the danger area, government
25 infrastructure area, or private land;
- 26 b) The ISF shall pay the counterpart rental to the lessor.

27
28 The ISF beneficiary who shall maintain a good payment standing, shall be
29 prioritized as a beneficiary in future government housing programs.

1 **Sec. 8. Form of Payment.** - The rental subsidy shall be distributed by the Department
2 of Social Welfare and Development (DSWD) on a monthly basis to the lessors of the
3 ISFs through a dedicated bank account in a government bank.

4
5 **Sec. 9. Roles of Government Agencies.** - The rental subsidy program shall involve
6 national government agencies and instrumentalities with their specific roles outlined
7 below:

8 1. HUDCC shall:

- 9 a. Coordinate with housing agencies to formulate Program targets
10 and integrate these to national housing policy;
11 b. Promulgate appropriate housing policies among its Council
12 member agencies in line with the implementation of this Program,
13 along with housing agencies and NEDA;
14 c. Set up monitoring and evaluation system, tools, exit strategy, and
15 methodologies on compliance of conditions, implementation,
16 output and impact assessments together with housing agencies,
17 DSWD, Presidential Commission on the Urban Poor (PCUP), and
18 LGUs; and,
19 d. Recommend to the Congress measures and policies for the
20 responsive delivery of the commitments under this Act.

21
22 2. NHA shall:

- 23 a. Certify the eligibility of the ISF to qualify as beneficiary for this
24 program;
25 b. Coordinate with infrastructure program implementing agencies
26 such as DPWH and DOTr for the identification of areas for
27 immediate resettlement;
28 c. Update the alphalist and come up with a Socio-Economic Profile of
29 ISFs to be resettled as part of the National Resettlement Program.
30 d. Disburse the rental subsidy to the lessors of the ISFs through a
31 dedicated bank account in a government bank;

- e. Enlist ISF beneficiaries and their respective lessors for the Program;
and,
- f. Design and conduct monitoring and evaluation, which includes a
Grievance and Redress System and exit strategy of this Program.

3. Home Development Mutual Fund (HDMF) shall:

- a. Enroll the ISFs to the HDMF (PAGIBIG) to facilitate beneficiaries'
entry to the formal housing market.

4. DSWD shall:

- a. Design the social preparation phase, formation workshops and
training programs to ensure that a qualified ISF beneficiary and the
LGU are aware of the eligibility and conditions pertinent to this
Program; and,
- b. Conduct social preparation activities with PCUP and LGUs.

5. PCUP shall:

- a. Assist DSWD in the design of the social preparation activities,
workshops and training programs for ISFs; and,
- b. Conduct social preparation activities with the LGUs and DSWD.

6. Technical Education and Skills Development Authority (TESDA) shall:

- a. Provide skills training to ISF beneficiaries.

7. LGUs shall:

- a. Register the lessors in their respective areas of jurisdiction through
the barangays;
- b. Assist the NHA in conducting census and tagging of ISFs affected
for immediate resettlement;
- c. Assist the DSWD and PCUP in conducting social preparation
activities;

- d. Contain the vacated areas of ISFs to help achieve the objectives of this Program;
- e. Assist the DSWD in monitoring and evaluation of this Program; and,
- f. Conduct field validation of ISFs and their respective lessors with DSWD in the rental housing units.

Sec. 10. **Additional Positions and Personnel for the NHA.** - For purposes of this Act, the NHA, shall upon its discretion, create positions and enlist additional personnel to carry out this mandate.

Sec. 11. **Appropriations.** - The amount necessary for the effective implementation of this Act shall be charged against the current appropriations for the NHA. Hereafter, such amount as may be necessary for its continued implementation shall be included in the annual General Appropriations Act.

Sec. 12. **Implementing Rules and Regulations.** - To fully implement the provisions of this Act, the NHA, HUDCC, in close coordination with the DSWD, PCUP, and LGUs, herein represented by the Union of Local Authorities of the Philippines (ULAP), within six (6) months, shall issue rules, regulations, guidelines necessary to carry out the intent and purpose of this Act.

Sec. 14. **Mandatory Review on the Implementation of this Act.** - The NHA shall submit to Congress a report on the implementation of this Program at the end of the second year from the date of the effectivity of this Act and every two years thereafter.

Sec. 15. **Separability Clause.** - If any portion or provision of this Act shall be held unconstitutional or invalid, the remaining provisions not affected thereby shall continue to be in full force and effect.

1 Sec. 16. **Repealing Clause.** - All laws, executive orders, proclamations, rules,
2 regulations and other issuances or parts thereof which are inconsistent with the
3 provisions of this Act are hereby repealed, amended or modified accordingly.

4

5 Sec. 16. **Effectivity** - This Act shall take effect fifteen (15) days following its
6 publication in the Official Gazette or in at least two (2) newspapers of general
7 circulation.

8 *Approved,*