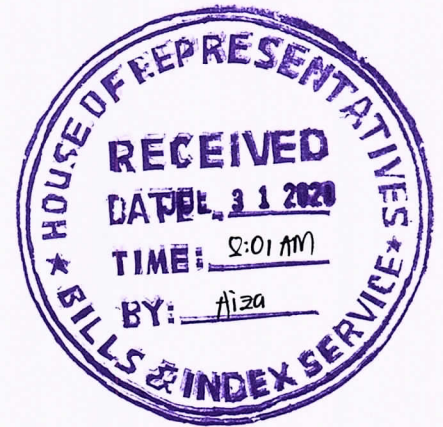


Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
Second Regular Session

House Bill No. 7215



INTRODUCED BY
REP. ALFRED VARGAS

AN ACT
ESTABLISHING THE RENTAL HOUSING SUBSIDY PROGRAM AND
PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Well-designed housing programs create tremendous potential for employment creation, spurring investments in newly-created communities and of course, providing decent housing which every household dream of having. These programs can also help relocate families who will be affected by government projects.

This bill seeks to establish a Rental Housing Subsidy Program, which shall serve as a housing and social protection program by enabling Informal Settler Families (ISFs) to access the formal housing market. It

This bill seeks to further add fuel to that potential by providing Informal Settler Families (ISFs) the option to either avail of housing rental subsidy or a straight-out housing equity subsidy. It will be available not just for Metro Manila ISFS affected by infrastructure projects, but wherever there are delays in the provision of adequate resettlement sites as described in the Urban Development and Housing Act of 1992, as amended, for:

- families being resettled from project rights of way
- families being evicted as a result of court-ordered demolitions
- resettlement from danger zones or in the aftermath of natural calamities
- resettlement in the course of re-blocking or road clearing for slum upgrading.

The landmark passage of Republic Act 11201 creating the Department of Human Settlements and Urban Development (DHSUD) and its Implementing Rules and Regulations (IRR) include the formulation of public housing programs that should have the flexibility to provide assistance based on the needs and capacities of the recipients. The role of local government units, the Department of Social Welfare and Development, the Presidential Commission for the Urban Poor, and other agencies in putting together the information necessary for targeted and efficient housing intervention is critical. Let us help the newly-created Department of Human Settlements hit the ground running.

In view of the foregoing, the immediate passage of this bill is urgently sought.



ALFRED VARGAS

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**AN ACT
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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 “Rental Housing Subsidy Program Act.”

SECTION 2. Declaration of Policy. – It is hereby declared the policy of the State to:

- (a) Promote a just, equitable, and inclusive urban development through programs providing adequate social services, broader housing options, livelihood and employment, and an improved quality of life for the Filipino people, especially the underprivileged;
- (b) Provide an innovative housing program providing affordable, livable, and decent housing, as well as access to basic social services, especially for the underprivileged;
- (c) Protect the urban poor from the impacts of immediate dislocation due to eviction and demolition arising from government projects and their lack of tenure; and
- (d) Provide for options for interim housing for dislocated families due to natural and man-made disasters.

SECTION 3. Definition of Terms. For the purposes of this Act, the following terms or words and phrases shall be understood to mean as follows:

- (a) Danger Area** - refers to areas which, when occupied for residential purposes, actually pose a danger to the life and safety and property of either the concerned residents or of the general community. The danger is due to an unavoidable source of probable harm to human life or well-being.
- (b) Demolition** - refers to the dismantling by the local government units (LGUs), or any legally authorized agency of government, of all structures within the premises subject for clearing.
- (c) Dislocation** – refers to the state of being displaced from one place to another due to causes such as but not limited to eviction and demolition;
- (d) Eviction** – refers to the removal of persons and their belongings from a subject building/structure or area, or both, in accordance with law.
- (e) Informal Settler Families (ISFs)** – refers to individuals or households living under any of the following conditions:
 - 1. Where the individual or household is living in a lot or dwelling unit without the consent of the legal owner of such lot or dwelling unit;
 - 2. Where the individual or household is living in a danger area as determined by the Department of Human Settlements and Urban Development (DHSUD);
 - 3. Where the individual or household is living in an area reserved or used for the government infrastructure projects;
 - 4. Where the individual or household is living in an area which is classified as a protected or forest area, except indigenous peoples;
 - 5. Where the individual or household is living in an area declared as a priority development area under Proclamation No. 1967, series of 1980, as applicable;
 - 6. Where the individual or household is living on public lands, structures, or facilities not intended for human habitation;
 - 7. Any other places, after being displaced due to natural or man-made hazards

- (f) Rental Housing Subsidy** – refers to the financial assistance provided by the government to rent accommodation in the private rental market, the amount of which shall not exceed the rates as regulated under Republic Act No. 9653, otherwise known as the “Rent Control Act”

SECTION 4. Rental Housing Subsidy Program. – A Rental Housing Subsidy Program, hereinafter referred to as the “Program,” shall be established as a housing and social protection program with the end view of enabling ISFs to lead decent lives and giving them access to the formal housing market. It shall be made an option to address the temporary ISFs who may avail of the program are those affected by government infrastructure programs which could include, but are not limited to:

- (a) families being resettled from project rights of way;
- (b) families being evicted as a result of court-ordered demolitions;
- (c) resettlement from danger zones or in the aftermath of natural calamities; and
- (d) resettlement in the course of re-blocking or road clearing for slum upgrading

Eligible beneficiaries shall receive a rental subsidy, the amount of which shall be determined by the DHSUD taking into consideration, among others the prevailing rental rates in the concerned locality and the economic standing and potential of the family. The subsidy shall be a percentage of the total amount of rentals as determined by the rental or lease contract between the eligible beneficiary and the lessor, provided that for those eligible beneficiaries below the poverty threshold as determined by the Philippine Statistics Authority, the subsidy shall be at least 50% of the total amount of rentals.

Notwithstanding any provisions to the contrary, at any time but not more than once every two (2) years, subsidies given under the program shall be reviewed or revised to conform to prevailing economic conditions.

Rental subsidy shall be granted to eligible beneficiaries for a maximum of five (5) years or upon their availment or acquisition of permanent housing, whichever comes first. The amount of assistance shall be based on a set of criteria which shall include:

- (a) per capita income of the family
- (b) family size
- (c) location of the house vis-à-vis place of work

Eligible ISFs may however opt for an outright conversion of the aggregate three-year rental subsidy into a housing equity contribution for those seeking to take out a PAG-IBIG fund loan.

SECTION 5. *Program Eligibility.* – Eligible ISFs shall be evaluated by the City or Municipal Social Worker who shall recommend the monthly rental subsidy range to be determined by the DHSUD. To be an eligible beneficiary under this Act, an individual or household must:

- (a) Live under any of the conditions under Section 3, paragraph (e), of this Act;
- (b) Have a source of livelihood or have at least one (1) member of the household gainfully employed; and
- (c) Vacate the informal settlement area in which they are presently living and transfer or relocate to a safer area.

SECTION 6. *Conditions for Continued Entitlement or Eligibility.* – All eligible beneficiaries shall comply with the following conditions for continued availment of the benefits under this Act:

- (a) The beneficiaries shall not move or relocate back to the area in which they were originally living in unless such move or relocation has been permitted by the proper government authorities taking into consideration the purpose of the program; and
- (b) The beneficiaries shall pay that portion of the rentals not subsidized under the program to the lessor.

Beneficiaries who maintain good payment standings shall be prioritized as beneficiaries in government housing programs.

SECTION 7. *Form of Payment.* – The rental subsidy shall be distributed by the DSHUD in such form as may be identified by the DHSUD to be most beneficial and appropriate for the beneficiaries.

SECTION 8. *Roles of Government Agencies.* – The program shall involve the national government agencies and instrumentalities with the following roles:

- (a) The DHSUD shall:
 - 1. Coordinate with housing agencies to formulate program targets and integrate these to the national housing policy;
 - 2. Promulgate appropriate housing policies among the attached corporations of the DHSUD in line with the implementation of this program;

3. Enlist beneficiaries and their lessors for the program;
4. Set up monitoring and evaluation system, tools, exit strategy, and methodologies on compliance with conditions, implementation, output, and impact assessments together with its attached agencies, the Department of Social Welfare and Development (DSWD), the Presidential Commission on the Urban Poor (PCUP), and the local government units; and
5. Recommend to Congress measures for the proper and responsive implementation of this Act.

(b) The National Housing Authority (NHA) shall:

1. Certify the eligibility of the beneficiaries under the program;
2. Coordinate with infrastructure program implementing agencies, including but not limited to the Department of Public Works and Highways (DPWH) and the Department of Transportation (DOTr) for the identification of areas housing persons who need immediate resettlement;
3. Update the alphalist and socio-economic profiles of beneficiaries to be resettled as part of the National Resettlement Program; and
4. Design and conduct appropriate monitoring and evaluation of the implementations of this program, which shall include a grievance and redress system.

(c) The Home Development Mutual Fund (HDMF) shall enroll the beneficiaries to the HDMF system so as to facilitate their entry into the formal housing market.

(d) The DSWD shall design the social preparation activities and form and conduct workshops and training programs to ensure that beneficiaries are aware of the benefits under the Program, including parameters and conditions for eligibility.

(e) The PCUP shall:

1. Assist the DSWD in the design of social preparation activities, workshops, and training programs for beneficiaries; and
2. Conduct social preparation activities with the local government units.

(f) The Technical Education and Skills Development Authority (TESDA) shall provide skills training to beneficiaries.

(g) The local government units shall:

1. Maintain a publicly accessible register of lessors in their respective areas of jurisdiction;
2. Assist the NHA in conducting census and tagging of ISFs in need of immediate resettlement;
3. Assist the DSWF and PCUP in conducting social preparation activities;
4. Contain the vacated areas of ISFs to help achieve the objectives of this program;
5. Assist the DSWD in monitoring and evaluating the implementation of this program; and
6. Conduct field valuation of beneficiaries and their respective lessors with DSWD in the rental housing units.

SECTION 9. *Additional Positions and Personnel for the DHSUD.* – For purposes of this Act, the DHSUD shall, in accordance with pertinent civil service rules, create positions and enlist additional personnel to ensure the proper and appropriate implementation of the program under this Act.

SECTION 10. *Appropriations.* – The amount necessary for the effective implementation of this Act shall be charged against the current appropriations for the DHSUD. Thereafter, such amount as may be necessary for its continued implementation shall be included in the annual General Appropriations Act.

SECTION 11. *Implementing Rules and Regulations.* – To fully implement the provisions of this Act, the Department of Human Settlements and Urban Development, the National Housing Authority, in close coordination with the Department of Social Welfare and Development, the Presidential Commission for the Urban Poor, and Local Government Units represented by the Union of Local Authorities of the Philippines (ULAP) shall issue rules, regulations, guidelines necessary to carry out the intent and purpose of this Act.

SECTION 12. *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.

SECTION 13. *Repealing Clause.* – All law, executive order, proclamations, rules, regulations and other issuances or part thereof which are inconsistent

with the provisions of this Act are hereby repealed, amend or modified accordingly.

SECTION 14. *Effectivity.* – This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,