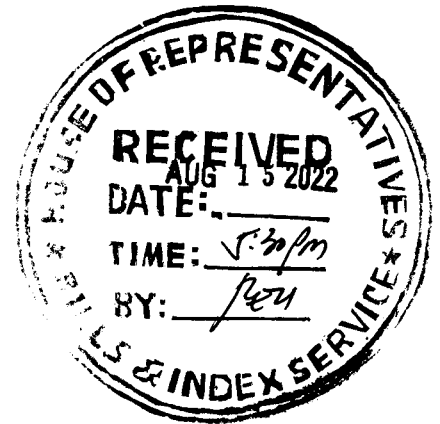


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 3636



Introduced by the Honorable ANIELA BIANCA D. TOLENTINO

EXPLANATORY NOTE

Article XIII, Section 9 of the Constitution, states that: "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." The proposed law herein seeks to address the need to assist poor Filipinos who are informal settlers.

The proposed law will be a complement to the housing programs of the government as it will mandate a system of subsidy for the rental payments of informal settlers. The rental subsidy proposed herein will also complement the efforts of the government with regard to rationalizing land use. As the government implements housing programs and land use policies, informal settlers will not be left hanging because the State shall provide rental subsidy.

At the most rudimentary, the home can be described as shelter and dwelling. However, home means more than a roof over our heads. It should be highlighted that home is our abode, refuge, and sanctuary. Homes are vital for health, safety, dignity, and privacy. This representation believes that the right to a decent home is indispensable to uplifting the dignity of our countrymen. As such, it is proper for the State to come up with a law that will assist informal settlers in their quest to have a decent home. Providing a rental subsidy to informal settlers will give informal settlers a great fighting chance to improve their lives.

For the Filipino people, passage of the proposed law is earnestly being prayed.

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HOUSE BILL NO. 3636

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**AN ACT ESTABLISHING A RENTAL SUBSIDY PROGRAM
FOR INFORMAL SETTLER FAMILIES, APPROPRIATING 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 that makes available affordable, livable, and decent housing, as well as access to basic social services, especially for the underprivileged;
- (c) Protect the urban poor from the impact of immediate dislocation due to eviction and demolition arising from government projects and disasters; and
- (d) Provide interim housing for dislocated families due to natural and man-made disasters and calamities.

Section 3. *Definition of Terms.* – As used in this Act:

- (a) "*Dislocation*" refers to the state of being displaced from one place to another due to causes such as eviction and demolition.
- (b) "*Informal Settler Beneficiaries* or ISB" refer to individuals or households living in their own house or renting a dwelling unit:

- i. Without consent of the lot owner;
- ii. In danger areas as defined under Republic Act No. 7279, otherwise known as the "Urban Development and Housing Act of 1992";
- iii. In government-owned land to be used for government infrastructure projects;
- iv. In protected forest areas except for indigenous peoples;
- v. In areas of priority development as declared under Proclamation No. 1967, Series of 1980, if applicable; or
- vi. In other government public lands or facilities not intended for human habitation.
- vii. "*Lessee*" shall refer to the person renting a residential unit.
- viii. "*Owner/Lessor*" shall include the owner, administrator, or agent of the owner of the residential unit.
- ix. "*Rent*" shall mean the amount paid for the use or occupancy of a residential unit whether payment is made on a monthly or other basis.
- x. "*Rental Housing Subsidy*" refers to partial financial assistance provided by the government to eligible program beneficiaries to rent accommodation in the private rental market. The amount shall not exceed the rates as regulated under Republic Act No. 9653, otherwise known as the "Rent Control Act of 2009".

Section 4. Rental Housing Subsidy Program. - There is hereby established the Rental Housing Subsidy Program, hereinafter referred to as the "Program," to provide social protection and support to ISBs in accessing the formal housing market. It shall be made an option to address the temporary relocation of displaced families due to natural and man-made disasters.

Eligible ISBs shall receive a flat rental subsidy rate of Three thousand five hundred pesos (PhP3,500.00) for those living in Metro Manila, and a rental subsidy rate to be jointly determined by the Department of Human Settlements and Urban Development (DHSUD) and the National Economic and Development Authority (NEDA) for those living in all other regions, taking into consideration the prevailing minimum wage and rental rates per region, but not to exceed Three thousand five hundred pesos (PhP3,500.00): *Provided*, That the rental subsidy shall not exceed the actual rent: *Provided, further*, That at any time, but not more than once every two (2) years, such subsidy may be reviewed or revised jointly by the DHSUD and NEDA to conform with prevailing economic conditions.

Rental subsidy shall be granted to eligible beneficiaries until the date of completion of the permanent housing project intended for them or upon their actual transfer to the permanent housing project, whichever comes first: *Provided*, That, in case of delay in the completion of the permanent housing project, the rental subsidy shall be extended; *Provided, further*, That the agency implementing the permanent housing project shall bear the cost of the extended rental subsidy.

The DHSUD and NEDA are jointly authorized to implement a pilot rental housing subsidy program in select cities or regions. The duration of such pilot program shall not exceed three (3) years from effectivity of this Act.

Section 5. *Eligibility.* – To be an eligible beneficiary under this Act, an individual or household must:

- (a) Live under any of the conditions under Sec. 3, paragraph b, of this Act;
- (b) Have a source of livelihood or have at least one (1) member of the household gainfully employed: *Provided*, That the daily cumulative income of said family will amount to the prevailing minimum wage in the region; and
- (c) Vacate the informal settlement area in which they are presently living and transfer or relocate to a safer, decent, and formal settlement and sign a maximum five (5)-year contract with the government.

Section 6. *Conditions for Continued Entitlement or Eligibility.* – All eligible beneficiaries shall comply with the following conditions to continuously avail of the benefits under this Act:

- (a) The beneficiaries shall not move or relocate back to the area in which they were originally living 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 to the lessor that portion of the rental fee not covered by the subsidy.

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

Section 7. *Form of Payment.* – The rental subsidy shall be distributed by the DHSUD in such form it may determine to be most beneficial and appropriate for the beneficiaries.

Section 8. *Role of Government Agencies.* – The various national government agencies and instrumentalities involved in the Program shall perform specific responsibilities.

- (a) The DHSUD shall:
 - i. Coordinate with housing agencies to formulate Program targets and integrate these to the national housing policy;
 - ii. Promulgate appropriate housing policies among the attached corporations of DHSUD and other concerned implementing agencies as necessary in line with the implementation of this Program;
 - iii. Maintain a national database of validated ISBs, their socio-economic profile, and their respective lessors as well as the link

- to publicly accessible registry of lessors, and the location and basic description of the rental housing unit;
- iv. Enlist beneficiaries and their lessors for the Program;
 - v. Disburse the rental subsidy to the lessors of the ISBs through a dedicated bank account in a government bank;
 - vi. Formulate guidelines on the minimum design of a safe, decent, and adequate rental housing unit that considers public health goals;
 - vii. Set up a monitoring and evaluation system, tools, grievance and redress system, 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 for the Urban Poor (PCUP), the Technical Education and Skills Development Authority (TESDA), and the Local Government Units (LGUs); and
 - viii. Recommend to Congress measures for the proper and responsive implementation of this Act.

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

- i. Coordinate with infrastructure program implementing agencies, including the Department of Public Works and Highways (DPWH), and the Department of Transportation (DOTr), regarding the identification of areas suitable for housing projects and the persons who need immediate resettlement;
- ii. Conduct census and tagging of affected ISBs for immediate resettlement;
- iii. Certify and submit to DHSUD the list of eligible ISBs living in government-owned land to be used for government infrastructure project and in areas for priority development as declared under Proclamation No. 1967, s. 1980, if applicable, in coordination with DOTr, DPWH, and LGUs; and
- iv. Provide a national database of resettlement housing units ready for occupancy by intended ISBs of the program.

(c) The LGUs shall:

- i. Assist the NHA in conducting census and tagging of ISBs in need of immediate resettlement;
- ii. Assist the DSWD and PCUP in conducting social preparation activities;
- iii. Contain the vacated areas of ISBs to help achieve the objectives of this Program;
- iv. Assist the DSWD in conducting field validation of beneficiaries and their respective lessors for the rental housing units.
- v. Conduct an inventory of rental housing units that are compliant with the minimum design and standard facilities set by the

- DHSUD in consultation with other concerned agencies;
- vi. Assist in monitoring and evaluation of the program, especially the continued occupancy of rental housing units by ISBs;
- vii. Maintain a database of ISBs as defined in this Act and registered lessors in their area of jurisdiction that can be linked to DHSUD's national database and shared with other concerned government implementing agencies of the Program; and
- viii. Maintain a publicly accessible registry of rental housing units with basic description, which are compliant with minimum design and standard facilities in their respective area of jurisdiction.

(d) The DSWD shall:

- i. Validate the list of eligible ISBs provided by DHSUD against the "Listahan" or the National Household Targeting System for Poverty Reduction (NHTS-PR);
- ii. With the assistance of LGUs, conduct field validation of ISBs and their respective lessors for the rental housing units;
- iii. Submit the list of validated ISBs to DHSUD for funding;
- iv. Jointly undertake with the PCUP and the Department of the Interior and Local Government (DILG) the design of the social preparation; and
- v. Jointly undertake with the PCUP and LGUs the conduct of the social preparation.

(e) The PCUP shall:

- i. Jointly undertake with the DSWD and the DILG the design of the social preparation; and
- ii. Jointly undertake with the DSWD and LGUS the conduct of social preparation.

(f) The TESDA shall provide skills training to at least one (1) household member of the beneficiaries. It shall ensure that skills trainings provided to beneficiaries are in line with the environment of the relocation site.

(g) The Home Development Mutual Fund (HDMF) shall enroll in its system at least one (1) household member of the applicant-beneficiaries of the Program to facilitate their entry into the formal housing market.

Provided, that a national program steering committee, and regional, provincial, city, and municipal technical working groups (TWGs) composed of the DHSUD, NHA, LGUs, DSWD, TESDA, PCUP, and HDMF shall be constituted to define the line of coordination and to ensure seamless program coordination.

Provided, further, That DHSUD shall closely collaborate with the NHA, DSWD, DILG and Department of Budget and Management (DBM) in the development of a program design and funding mechanism.

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, subject to the evaluation and approval by the DBM.

Section 10. *Appropriations.* – The amount necessary for the effective implementation of this Act shall be charged against the current appropriations of DHSUD. Hereafter, such amount as may be necessary for its continued implementation shall be included in the annual General Appropriations Act: *Provided,* That funding support for agencies implementing the Program shall be included in the necessary appropriations for this Act.

Section 11. *Implementing Rules and Regulations.* – The DHSUD, in coordination with relevant government agencies, shall issue rules, regulations, and guidelines necessary to carry out the intent and purposes of this Act within six (6) months from date of effectivity.

Section 12. *Mandatory Review on the Implementation of this Act.* – The DHSUD shall submit to the Congress a report on the implementation of this Program at the end of the second year from the date of effectivity of this Act and every two (2) years thereafter.

Section 13. *Separability Clause.* – If any portion or provision of this Act is held unconstitutional or invalid, the remaining provisions not affected thereby shall continue to be in full force and effect.

Section 14. *Repealing Clause.* – All laws, executive orders, proclamations, rules and regulations, and other issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

Section 15. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,