

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

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 5146



Introduced by
REPRESENTATIVE FRANZ S. PUMAREN

EXPLANATORY NOTE

Section 9, Article XII of the 1987 Constitution underscores that the State is mandated to “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 resettlement areas.”

Despite rigorous efforts of the State to push forward programs aiming to provide affordable housing for informal settler families (ISFs), according to the data released by Habitat for Humanity, over 4 million Filipino families are still living in unsustainable conditions with a lack of safety and access to clean water and safe sanitation.¹ An ever-expanding demand for urbanization cripples government efforts to mitigate housing problems within the Metro alone. The introduction of a socialized housing program is perturbed by a plethora of factors such as limited availability of land to be designated as resettlement areas, the hesitance of ISFs to transfer residence to declared resettlement areas due to economic and livelihood constraints, environmental factors, and issues with access to basic utilities and services, to name a few.

Concurrently, a 2020 study by the Center for Research and Communication Foundation, Inc. estimates that there is a need to build more than 15 million housing units by the end of 2022 to fill the growing housing needs in the country.² Of this, 39% or more than 5.9 million housing

¹ “Housing Needs in the Philippines.” *Habitat for Humanity*. <https://www.habitat.org/where-we-build/philippines>.

² Padojinog, W.C.B. and Erica Myra P. Yap. “Clearing the Housing Backlog: An Updated Supply and Demand Study on Unserved Owner-Driven Construction Segment in the Philippines. *Center for Research and Communication Foundation, Inc. for Habitat for Humanity Terwilliger Center for Innovation in Shelter*. September 2020. <https://www.habitat.org/sites/default/files/documents/Clearing-the-Housing-Backlog.pdf>.

units belong to the Unserved Market or those individuals who cannot afford housing due to limited information and/or purchasing power.

It is for the aforementioned reasons that this bill seeks the creation of a rental housing subsidy program in the form of direct financial aid to ISFs who are living in indecent, inhuman, and unsafe shelters. The program is intended to allow beneficiaries to immediately and temporarily relocate into safe and suitable rental housing spaces and assist them to ease into ownership of their permanent housing units away from the impact of dislocation due to natural environmental hazards and arising government infrastructure projects.

Given the foregoing, the passage of this measure is earnestly sought.



FRANZ S. PUMAREN
3rd District, Quezon City

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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 Act of 2022.”

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 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.* – For purposes of this Act, these terms are defined as follows:

- 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*” refers 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.
- c. “*Lessee*” shall refer to the person renting a residential unit.
- d. “*Owner/Lessor*” shall include the owner, administrator, or agent of the residential unit owner.
- e. “*Rent*” shall mean the amount paid for the use of occupancy of a residential unit, whether payment is made on a monthly or other basis.
- f. “*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 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.

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 the said family will amount to the prevailing minimum wage in the region; and
- c. Vacate the informal settlement area where 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 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 DHSUD shall distribute the rental subsidy in such form that it may be most beneficial and appropriate for the beneficiaries.

SECTION 8. *Roles 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 into the national housing policy;
 - ii. Promulgate appropriate housing policies amount 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 a 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 projects 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 lessons 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 areas 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 validating 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 training 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 for 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 its date of effectivity.

SECTION 12. *Mandatory Review on the Implementation of this Act.* – The DHSUD shall submit to 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 provision or part of this Act is declared invalid or unconstitutional, other provisions not affected thereby shall continue to be in full force and effect.

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

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

Approved,