

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

20th CONGRESS
First Regular Session



HOUSE BILL NO. 3737

Introduced by **REP. JUAN CARLOS "ARJO" C. ATAYDE**

AN ACT
ESTABLISHING A RENTAL SUBSIDY PROGRAM FOR INFORMAL SETTLER
FAMILIES, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER
PURPOSES

EXPLANATORY NOTE

According to the PSA in its Census of Population conducted in 2015, approximately 15.2% of the 22.42 million total occupied housing units are under rental arrangements. In fact, the National Capital Region has the highest number of renters among all regions. According to the *Annual Poverty Indicators Survey* of 2014, it was reported that there are 705,428 families renting their homes in NCR. That constitutes around 37% of the total families renting in the Philippines.

According to a discussion paper¹ of the Philippine Institute for Development Studies, one of the main problems of Filipinos is the lack of affordable and decent rental housing in the market. Despite the passage of rent control measures in the past, these were proven to be inappropriate and ineffective solutions in addressing the issue. The said study recommends the provision of housing allowance or rental subsidy instead. Rental subsidy will directly address the problem of affordability thus providing poor households better options in choosing a better environment. Likewise, the grant of subsidies will encourage investments in the housing rental sector.

As we begin to recover from the impact of Covid-19, the State is mandated to mitigate its effects particularly in the economy. In relation thereto, it is relevant to

¹ Ballesteros et al, *Rent Control in the Philippines: An Update* (2016), Philippine Institute for Development Studies.

mention the statement of the Washington-based Center on Budget and Policy Priorities, *"pandemic relief must include comprehensive housing assistance for people experiencing the most severe hardship."*

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



REP. JUAN CARLOS "ARJO" ATAYDE

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

20th CONGRESS
First Regular Session

HOUSE BILL NO. 3737

Introduced by **REP. JUAN CARLOS "ARJO" C. ATAYDE**

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 House of Representatives of the Philippines in Congress assembled:

1 SECTION 1. *Short Title.* - This Act shall be known as the "*Rental Housing Subsidy*
2 *Act*".

3 SEC. 2. *Declaration of Policy.* - It is hereby declared the policy of the State to
4 promote a just, equitable, and inclusive urban development through programs
5 providing adequate social services, broader housing options, livelihood and
6 employment, and an improved quality of life for the Filipino people, especially the
7 underprivileged. Likewise, the State shall provide an innovative housing program
8 that makes available affordable, livable, and decent housing, as well as access to basic
9 social services, lo especially for the underprivileged.

10 SEC. 3. *Definition of Terms.* - As used in this Act:

- 11 a. *Dislocation* refers to the state of being displaced from one place to another due
12 to causes such as eviction and demolition.

1 b. *Informal Settler Beneficiaries or ISB* refer to individuals or households living in
2 their own house or renting a dwelling unit:

3 i. Without consent of the lot owner;

4 ii. In danger areas as defined under Republic Act No. 7279, otherwise
5 known as the "Urban Development and Housing Act of 1992";

6 iii. In government-owned land to be used for government infrastructure
7 projects;

8 iv. In protected forest areas except for indigenous peoples;

9 v. In areas of priority development as declared under Proclamation No.
10 1967, Series of 1980, if applicable; or

11 vi. In other government public lands or facilities not intended for human
12 habitation.

13 c. *Lessee* shall refer to the person renting a residential unit.

14 d. *Owner/Lessor* shall include the owner, administrator, or agent of the owner of
15 the residential unit.

16 e. *Rent* shall mean the amount paid for the use or occupancy of a residential unit
17 whether payment is made on a monthly or other basis.

18 f. *Rental Housing Subsidy* refers to partial financial assistance provided by the
19 government to eligible program beneficiaries to rent accommodation in the
20 private rental market. The amount shall not exceed the rates as regulated under
21 Republic Act No. 9653, otherwise known as the "*Rent Control Act of 2009*".

22 SEC. 4. *Rental Housing Subsidy Program*. - There is hereby established the Rental
23 Housing Subsidy Program, hereinafter referred to as the "Program," to provide social
24 protection and support to ISBs in accessing the formal housing market. It shall be

1 made an option to address the temporary relocation of displaced families due to
2 natural and man-made disasters.

3 Eligible ISBs shall receive a flat rental subsidy rate of Three thousand five
4 hundred pesos (Php 3,500) for those living in Metro Manila, and a rental subsidy rate
5 to be jointly determined by the Department of Human Settlements and Urban
6 Development (DHSUD) and the National Economic and Development Authority
7 (NEDA) for those living in all other regions, taking into consideration the prevailing
8 minimum wage and rental rates per region, but not to exceed Three thousand five
9 hundred pesos (Php 3,500): Provided, That the rental subsidy shall not exceed the
10 actual rent: Provided, further, That at any time, but not more than once every two (2)
11 years, such subsidy may be reviewed or revised jointly by the DHSUD and NEDA to
12 conform with prevailing economic conditions. Rental subsidy shall be granted to
13 eligible beneficiaries until the date of completion of the permanent housing project
14 intended for them or upon their actual transfer to the permanent housing project,
15 whichever comes first: Provided, That, in case of delay in the completion of the
16 permanent housing project, the rental subsidy shall be extended: Provide further, That
17 the agency implementing the permanent housing projects shall bear the cost of the
18 extended rental subsidy.

19 SEC. 5. *Eligibility.* - To be an eligible beneficiary under this Act, an individual
20 or household must:

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

1 SEC. 6. *Conditions for Continued Entitlement or Eligibility.* - All eligible
2 beneficiaries shall comply with the following conditions to continuously avail of the
3 benefits under this Act:

4 a. The beneficiaries shall not move or relocate back to the area in which they were
5 originally living unless such move or relocation has been permitted by the
6 proper government authorities, taking into consideration the purpose of the
7 Program; and

8 b. The beneficiaries shall pay to the lessor that portion of the rental fee not covered
9 by the subsidy.

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

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

15 SEC. 8. *Roles of Government Agencies.* - The various national government
16 agencies and instrumentalities involved in the Program shall perform specific
17 responsibilities.

18 1. The DHSUD shall:

19 a. Coordinate with housing agencies to formulate Program targets and
20 integrate these to the national housing policy;

21 b. Promulgate appropriate housing policies among the attached
22 corporations of DHSUD and other concerned implementing agencies as
23 necessary in line with the implementation of this Program;

24 c. Maintain a national database of validated ISBs, their socio-economic
25 profile, and their respective lessors as well as the link to publicly

1 accessible registry of lessors, and the location and basic description of
2 the rental housing unit;

3 d. Enlist beneficiaries and their lessors for the Program;

4 e. Disburse the rental subsidy to the lessors of the ISBs through a dedicated
5 bank account in a government bank;

6 f. Formulate guidelines on the minimum design of a safe, decent, and
7 adequate rental housing unit that considers public health goals;

8 g. Set up a monitoring and evaluation system, tools, grievance and redress
9 system, exit strategy, and methodologies on compliance with
10 conditions, implementation, output, and impact assessments together
11 with its attached agencies, the Department of Social Welfare and
12 Development (DSWD), the Presidential Commission for the Urban Poor
13 (PCUP), the Technical Education and Skills Development Authority
14 (TESDA), and the Local Government Units (LGUs); and

15 h. Recommend to Congress measures for the proper and responsive
16 implementation of this Act.

17 2. The National Housing Authority (NHA) shall:

18 a. Coordinate with infrastructure program implementing agencies,
19 including the Department of Public Works and Highways (DPWH), and
20 the Department of Transportation (DOTr), regarding the identification
21 of areas suitable for housing projects and the persons who need
22 immediate resettlement;

23 b. Conduct census and tagging of affected ISBs for immediate resettlement;

24 c. Certify and submit to DHSUD the list of eligible ISBs living in
25 government-owned land to be used for government infrastructure
26 projects and in areas for priority development as declared under

1 Proclamation No. 1967, s. 1980, if applicable, in coordination with DOTr,
2 DPWH, and LGUs; and

- 3 d. Provide a national database of resettlement housing units ready for
4 occupancy by intended ISBs of the program.

5 3. The LGUs shall:

- 6 a. Assist the NHA in conducting census and tagging of ISBs in need of
7 immediate resettlement;

- 8 b. Assist the DSWD and PCUP in conducting social preparation activities;

- 9 c. Contain the vacated areas of ISBs to help achieve the objectives of this
10 Program;

- 11 d. Assist the DSWD in conducting field validation of beneficiaries and their
12 respective lessors for the rental housing units.

- 13 e. Conduct an inventory of rental housing units that are compliant with
14 the minimum design and standard facilities set by the DHSUD in
15 consultation with other concerned agencies;

- 16 f. Assist in monitoring and evaluation of the program, especially the
17 continued occupancy of rental housing units by ISBs;

- 18 g. Maintain a database of ISBs as defined in this Act and registered lessors
19 in their area of jurisdiction that can be linked to DHSUD's national
20 database and shared with other concerned government implementing
21 agencies of the Program; and

- 22 h. Maintain a publicly accessible registry of rental housing units with basic
23 description, which are compliant with minimum design and standard
24 facilities in their respective area of jurisdiction.

25 4. The DSWD shall:

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

5. The PCUP shall:

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

6. 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.

7. 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.

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

4 SEC. 9. *Additional Positions and Personnel for the DHSUD.* - For purposes of this
5 Act, the DHSUD shall, in accordance with pertinent civil service rules, create positions
6 and enlist additional personnel to ensure the proper and appropriate implementation
7 of the Program under this Act, subject to the evaluation and approval by the DBM.

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

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

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

22 SEC. 13. *Separability Clause.* - Any portion or provision of this Act that is
23 declared unconstitutional shall not have the effect of nullifying other portions or
24 provisions hereof as long as such remaining portions can still subsist and be given
25 effect in their entirety.

26 SEC. 14. *Repealing Clause.* - All laws, ordinances, rules, regulations, other
27 issuances or parts thereof, which are inconsistent with this Act, are hereby repealed
28 or modified accordingly.

1 SEC. 15. *Effectivity.* - This Act shall take effect after fifteen (15) days following
2 its publication in the official Gazette or in a newspaper of general circulation.

3 *Approved,*