

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. **1989**



Introduced by **HON. MIGUEL LUIS R. VILLAFUERTE, HON. VINCENZO RENATO LUIGI R. VILLAFUERTE, HON. TSUYOSHI ANTHONY G. HORIBATA, AND HON. TERRY L. RIDON**

EXPLANATORY NOTE

The Department of Human Settlements and Urban Development (DHSUD) reported that 6.7 million housing units remained unmet in 2022.¹ With this baseline, the United Nations-Habitat estimated that by 2040, the projected housing needs of the country can reach up to 22 million housing units.² With approximately 3.7 million informal settler families (ISFs) in the country, half a million of which are from Metro Manila, the intersectional concerns with sanitation, water, waste management, electricity, and health have become aggravated by the huge dilemma of a lack of adequate and affordable housing.

Moreover, the public expenditures on the housing sector reached P161.4 billion in 2021, but then had a steep decline in 2022, with P19.9 billion. In 2023, there is a slight increase with a P41.8 billion budget, but it decreased again to a P24.4 billion budget in 2024.³ Considering this trend, the government must take proactive measures to increase the housing budget allocation and expedite the implementation of public housing projects, while assisting ISFs in their daily needs, contributing to their families' comfort, health, safety, and overall well-being while waiting for a formal housing unit turnover.

Section 9, Article XIII of the 1987 Constitution provides that "The State shall, by law, and for the common good, undertake, in cooperation with the private sector, a continuing program of urban land reform and housing which will make available at affordable cost, decent housing and basic services to under-privileged and homeless citizens in urban centers and resettlement areas." In line with this constitutional mandate, this proposed measure seeks to:

- Establish a Rental Housing Subsidy Program, where eligible informal settler families may receive a maximum of P3,500 monthly subsidy for rent while waiting for the completion of a housing project intended for them. The said amount shall be reviewed biennially by the DHSUD and the National Economic and Development Authority.
- Lay down the conditions of the subsidy and identify the role of the DHSUD, the National Housing Authority, the Home Development Mutual Fund, the Department of Social Welfare and Development, the Presidential Commission for the Urban Poor, the

¹ House of Representatives of the Philippines. Committees on Population and Demography & Housing and Urban Development. (2024, October). *Facts in figures: The Philippine housing and household statistics*. Congressional Policy and Budget Research Department. <https://cpbrd.congress.gov.ph/wp-content/uploads/2024/10/FF2024-45-The-Phil-Housing-and-Household-Stat.pdf>

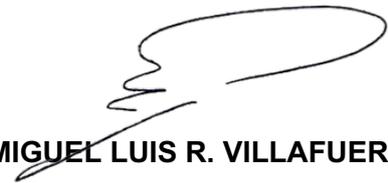
² United Nations Human Settlements Programme (UN-Habitat). (2023, June). *UN-Habitat Philippines country report 2023*. https://unhabitat.org/sites/default/files/2023/06/5._un-habitat_philippines_country_report_2023_final_compressed.pdf

³ House of Representatives of the Philippines. Committees on Population and Demography & Housing and Urban Development. (2024, October). *Facts in figures: The Philippine housing and household statistics*. Congressional Policy and Budget Research Department. <https://cpbrd.congress.gov.ph/wp-content/uploads/2024/10/FF2024-45-The-Phil-Housing-and-Household-Stat.pdf>

Technical Education and Skills Development Authority, and local government units in the implementation of the program.

This proposed measure was approved on third and final reading by the House of Representatives in the 19th Congress, showing the collective support of the legislators for the said measure.

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



HON. MIGUEL LUIS R. VILLAFUERTE



HON. VINCENZO RENATO LUIGI R. VILLAFUERTE



HON. TSUYOSHI ANTHONY G. HORIBATA



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**AN ACT ESTABLISHING A RENTAL HOUSING SUBSIDY PROGRAM FOR INFORMAL
SETTLER FAMILIES AND APPROPRIATING FUNDS THEREFOR**

*Be it enacted by the Senate and 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
- (d) Provide interim housing for dislocated families due to natural and man-made disasters.

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 families* refer to households living on a lot, whether private or public, without the consent of the property owner; or those without legal claim over the property they are occupying; or those living in danger areas such as esteros, railroad tracks, garbage dumps, riverbanks, shorelines, and waterways, as defined in Section 3(e) of Republic Act No. 11201, otherwise known as the “Department of Human Settlements and Urban Development Act”; and

- (c) *Rental housing subsidy* refers to the financial assistance provided by the government to pay for the temporary use or occupancy of a residential unit in the public and private rental housing market.

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 informal settler families (ISFs) in accessing the formal housing market under the Department of Human Settlements and Urban Development (DHSUD). It shall be made an option to address the temporary relocation of displaced families due to natural and man-made disasters.

Eligible ISFs 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 determined by the 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 often than once every two (2) years, such subsidy may be reviewed or revised by the DHSUD and NEDA to conform with the 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 a 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 eligible for rental subsidy under this Act, a beneficiary must:

- (a) Be an ISF as defined under Section 3(b) hereof; and
- (b) Vacate the informal settlement area presently being occupied and transfer to a safer and government-authorized area.

SECTION 6. *Conditions for Continued Entitlement or Eligibility.* – All eligible rental subsidy 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.
Rental subsidy 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 DHSUD in such form it may determine to 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:

- (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 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 for 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 applicants of the Program;
 - (2) Coordinate with government agencies, including the Department of Public Works and Highways and the Department of Transportation, on the identification of areas suitable for housing projects and the persons who need immediate resettlement;
 - (3) Update the masterlist of beneficiaries to be resettled as part of the National Resettlement Program, which shall include their socio-economic profiles; and
 - (4) Design and conduct appropriate monitoring and evaluation of the implementation of this Program, which shall include a grievance and redress system.
- (c) The Home Development Mutual Fund shall enroll in its system at least one household member of the applicant-beneficiaries of the Program to facilitate their entry into the formal housing market.
- (d) The DSWD shall design the social preparation activities and conduct workshops and training programs to ensure that beneficiaries are aware of the benefits under the Program, including the 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 shall provide skills training to at least one household member of the 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 DSWD 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, with the DSWD, field valuation of beneficiaries and their respective lessors in the rental housing units.

SECTION 9. *Appropriations.* – The amount necessary for the implementation of this Act shall be included in the annual General Appropriations Act.

SECTION 10. *Implementing Rules and Regulations.* – The DHSUD shall, in coordination with relevant government agencies, issue rules, regulations, and guidelines necessary to carry out the intent and purposes of this Act within six (6) months from the date of effectivity.

SECTION 11. *Mandatory Review on the Implementation of this Act.* – The DHSUD shall submit to both Houses of 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 12. *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 13. *Repealing Clause.* – All laws, executive orders, proclamations, rules, regulations, and other issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SECTION 14. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,