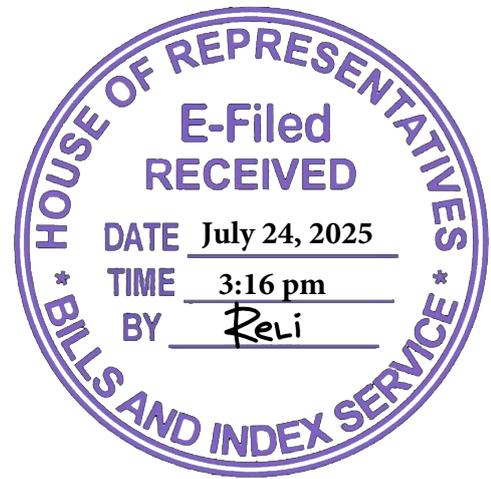


Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

House Bill No. **2272**



INTRODUCED BY REPRESENTATIVE PM VARGAS

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

EXPLANATORY NOTE

Article XIII, Section 9 of the Constitution provides that:

“The State shall, by law, and for the common good, undertake in cooperation with the private sector, a continuing program or 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”.

Further, Section 10 states that “...No resettlement or urban or rural dwellers shall be undertaken without adequate consultation with them and the communities where they are to be relocated”.

As a part of the State’s promise to promote decent housing programs for the marginalized, this measure proposes 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.

This bill seeks to further add fuel to that potential by providing ISFs the option to either avail of a 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

Well-designed housing programs create tremendous potential for employment creation, spurring investments in newly created communities and more importantly, providing decent housing to the underprivileged sector.

This version of the proposed measure was deliberated during both the 18th and 19th Congress, successfully passed on third reading in each, and was duly transmitted to the Senate.

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



REP. PM VARGAS
Fifth District, Quezon City

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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 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”
- (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 housing rental 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. 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 Department of Human Settlements and Urban Development (DHSUD) and the National Economic 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 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 or relocate to a safer area.

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 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 to the lessor that portion of the rental fee not covered by the 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 in such form it may determine to be most beneficial and appropriate for the beneficiaries.

- a) To have similar participation rights accorded to NGOs in the Local

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 to national housing policy;
 - ii. Promulgate appropriate housing policies among the attached corporations of DHSUD in line with the implementation of this Program;
 - iii. Enlist beneficiaries and their lessors for the Program;
 - iv. Set up monitoring and evaluation system, tools, exit strategy and methodologies on compliance with conditions, implementation, output,
 - v. 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; implementation of this Act.
- b) The National Housing Authority (NHA) shall:
 - i. Certify the eligibility of the applicants of the Program;
 - ii. Coordinate with infrastructure program implementing agencies, including the Department of Public Works and Highways and the

Department of Transportation, the identification of areas suitable for housing projects and the persons who need immediate resettlement;

- iii. Update the master list of beneficiaries to be resettled as part of the National Resettlement Program which shall include their socio-economic profiles; and
 - iv. 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 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:
- i. Assist the DSWD in the design of social preparation activities, workshops, and training programs for beneficiaries;
 - ii. 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:
- i. Maintain a publicly accessible register of lessors in their respective areas of jurisdiction;
 - ii. Assist the NBA in conducting census and tagging of ISFs in need of immediate resettlement;
 - iii. Assist the DSWD and PCUP in conducting social preparation activities;
 - iv. Contain the vacated areas of ISFs to help achieve the objectives of this Program;
 - v. Assist the DSWD in monitoring and evaluating the implementation of this Program; and
 - vi. Conduct field valuation of beneficiaries and their respective lessors with DSWD in the rental housing units.

SECTION 9. Appropriations. — The amount necessary for the effective implementation of this Act shall be charged against the current appropriations for the DHSUD. Hereafter, such amount as may be necessary for its continued implementation shall be included in the annual General Appropriations Act.

SECTION 10. 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 the date of effectivity.

SECTION 11. 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 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. Efficiency - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,