



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH (18th) CONGRESS
First Regular Session

HOUSE BILL NO. 157

Introduced by REP. JOSE CHRISTOPHER Y. BELMONTE

EXPLANATORY NOTE

House Bill No. 8184 entitled “*An Act Establishing a Rental Subsidy Program for Informal Settler Families (ISF) and Appropriating Funds Therefor*” was originally filed by this Representation in the Third Regular Session of the 17th Congress.

This bill was filed cognizant of Section 9, Article XII (Social Justice and Human Rights) of the 1987 Constitution, where 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 resettlements areas.”

However, despite the expressed constitutional mandate of the State for adequate and affordable housing, current Philippine laws and programs that aim to move and resettle informal settler families (ISFs) have become insufficient given the growing demands of urbanization. Past and existing resettlement programs have been unsustainable, with the production of housing units below market prices or at subsidized mortgage rates for the poor. Accordingly, the heavy reliance on underpriced loans and guaranty products has led to significant financial losses, with government housing agencies regularly becoming insolvent.


A census of ISFs living in waterways in Metro Manila, conducted in 2014¹ revealed that despite an offer of homeownership, 32% preferred to stay in their current residence, even along the waterways or danger areas. The same census showed that 50% of ISFs in Metro

¹ University of the Philippines Planning and Development Research Foundation Inc. (UP PLANADES) dataset. Component 1: Socio-Economic Profiling and Community Organizing of ISFs in Danger Areas. Submitted by The University of the Philippines Planning and Development Research Foundation Inc. (UP PLANADES) to the Department of Interior and Local Government and the Australian Embassy for the Australian Aid Technical Assistance to the Department of the Interior and Local Government (DILG) on Government of the Philippines Program for Securing Safety of Informal Settler Families in Metro Manila. 2014

Manila are not homeowners but, sharers or renters. Thus, a paradigm shift is necessary to solve the problem of resettlement.

A rental subsidy is practicable and pragmatic. By granting ISF financial assistance, they can immediately leave dangerous areas or infrastructure project sites and merge with the mainstream populace within a city. This, can even spur the local economy and urban planning. Moreover, local governments can maximize its role of housing provision and social protection for the vulnerable ISFs in their respective jurisdiction through public and private rental housing. This bill aims to lay out a clear-cut policy on the delineation and extent of a subsidy that will affect an equitable rental assistance for ISFs.

The immediate passage of this timely measure is most earnestly sought.

A handwritten signature in black ink, appearing to read "K. Belmonte", is positioned to the right of the concluding sentence. The signature is fluid and cursive, with a long, sweeping tail on the final letter.



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AN ACT
ESTABLISHING A RENTAL SUBSIDY PROGRAM
FOR INFORMAL SETTLER FAMILIES (ISFS)
AND APPROPRIATING FUNDS THEREFOR

Be it enacted by the Senate and the House of Representatives of the Republic of the Philippines in Congress assembled:

1 SECTION 1. *Title.* – This Act shall be known as the “*Rental Subsidy Program for ISFs*
2 *Act.*”

3 SEC 2. *Declaration of Policy.* – It is hereby declared the policy of the State to:

4 (a) 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;

7 (b) Provide an innovative housing program providing affordable, livable, and decent
8 housing, as well as access to basic social services, especially for the underprivileged;

9 (c) Protect the urban poor from the impacts of immediate dislocation due to eviction and
10 demolition arising from government projects and their lack of tenure.

11 SEC. 3. *Definition of Terms.* – For purposes of this Act, the following terms or words and
12 phrases shall mean or be understood as follows:

13 (a) *Informal Settler Families (ISFs)* refers to individuals or households living under any of
14 the following conditions:

15 (i) A lot/dwelling unit without consent of the property owner;

- (ii) Danger areas;
- (iii) Areas for government infrastructure projects;
- (iv) Protected/forest areas (except for indigenous peoples);
- (v) Areas for Priority Development as declared under Proclamation No. 1967, Series of 1980, if applicable; and
- (vi) Other government/public lands or facilities not intended for human habitation.

(b) *Rental Subsidy* refers to a financial assistance provided by the government to low-income ISFs to rent accommodation in the private rental market. The rental subsidy is not a full subsidy. The amount of which should not exceed the rates regulated under Republic Act No. 9653, otherwise known as Rent Control Act of 2009 and is determined by the difference between the average amount renter ISFs are paying every month and the average low-cost rental housing amount in the area from previous census and surveys conducted by the government.

SEC. 4. *Rental Housing Subsidy Program*. – A Rental Housing Subsidy Program for ISFs, herein referred to as the Program, shall hereby be established as a housing and social protection program, with the end in view of enabling ISFs to lead decent lives and giving them access to the formal housing market. Eligible ISFs shall receive a flat-rate rental subsidy, the amount of which to be jointly determined by the Department of Human Settlements and Urban Development (DHSUD) and the National Economic and Development Authority (NEDA); Provided, that at any time, but not more often than once every two (2) years, such subsidy may be reviewed or revised to conform to prevailing economic conditions. Rental subsidy shall be granted to qualified beneficiaries for a maximum of five (5) years or upon their availment of permanent housing, whichever comes first.

SEC. 5. *Program Eligibility*. – Eligible ISFs shall be those who are:

- (a) Living in danger areas as defined by the DHSUD;
- (b) Staying in areas identified for government infrastructure projects with firm funding commitments, such as those of the Department of Public Works and Highways (DPWH), Department of Transportation (DOTr), and Local Government Units (LGUs), validated against the alphalist of the National Housing Authority (NHA), Local Government Units (LGUs) and Socialized Housing Finance Corporation (SHFC), and actual validation by national government implementing agencies such as, but not limited to DPWH, DOTr, and the Metro Manila Development Authority (MMDA);
- (c) Having at least one employed household member or any source of livelihood;

- (d) Willing to vacate the informal settlement area, transfer to a safer area, and sign a maximum 5-year contract with the government.

SEC. 6. *Conditions for Entitlement.* – All eligible ISF beneficiaries shall comply with the following conditions as a requirement for continued program eligibility:

- (a) The ISF shall not move back to the danger area, government infrastructure area, or private land; and,
- (b) The ISF shall pay the counterpart rental to the lessor.

The ISF beneficiary who shall maintain a good payment standing, shall be prioritized as a beneficiary in future government housing programs.

SEC. 7. *Form of Payment.* – The rental subsidy shall be distributed by the DHSUD on a monthly basis to the lessors of the ISFs through a dedicated bank account in a government bank.

SEC. 8. *Roles of Government Agencies.* – The rental subsidy program shall involve national government agencies and instrumentalities with their specific roles outlined below:

(a) 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) Disburse the rental subsidy to the lessors of the ISFs through a dedicated bank account in a government bank;
- (iv) Enlist ISF beneficiaries and their respective lessors for the Program;
- (v) Set up monitoring and evaluation system, tools, exit strategy, and methodologies on compliance of conditions, implementation, output and impact assessments together with its attached agencies, DSWD, Presidential Commission on the Urban Poor (PCUP), and LGUs; and,
- (vi) Recommend to the Congress measures and policies for the responsive delivery of the commitments under this Act.

(b) NHA shall:

- (i) Certify the eligibility of the ISF to qualify as beneficiary for this program;
- (ii) Coordinate with infrastructure program implementing agencies such as DPWH and DOTr for the identification of areas for immediate resettlement;
- (iii) Update the alphalist and come up with a Socio-Economic Profile of ISFs to be resettled as part of the National Resettlement Program.

(iv) Disburse the rental subsidy to the lessors of the ISFs through a dedicated bank account in a government bank;

(v) Enlist ISF beneficiaries and their respective lessors for the Program; and,

(vi) Design and conduct monitoring and evaluation, which includes a Grievance and Redress System and exit strategy of this Program.

(c) Home Development Mutual Fund (HDMF) shall:

(i) Enroll the ISFs to the HDMF (PAGIBIG) to facilitate beneficiaries' entry to the formal housing market.

(d) DSWD shall:

(i) Design the social preparation phase, formation workshops and training programs to ensure that a qualified ISF beneficiary and the LGU are aware of the eligibility and conditions pertinent to this Program; and,

(ii) Conduct social preparation activities with PCUP and LGUs.

(e) PCUP shall:

(i) Assist DSWD in the design of the social preparation activities, workshops and training programs for ISFs; and,

(ii) Conduct social preparation activities with the LGUs and DSWD.

(f) Technical Education and Skills Development Authority (TESDA) shall:

(i) Provide skills training to ISF beneficiaries.

(g) LGUs shall:

(i) Register the lessors in their respective areas of jurisdiction through the barangays;

(ii) Assist the NHA in conducting census and tagging of ISFs affected for 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 evaluation of this Program; and,

(vi) Conduct field validation of ISFs and their respective lessors with DSWD in the rental housing units.

SEC. 9. *Additional Positions and Personnel for the NHA.* – For purposes of this Act, the NHA, shall upon its discretion, create positions and enlist additional personnel to carry out this mandate.

1 SEC. 10. *Appropriations.* – The amount necessary for the effective implementation of
2 this Act shall be charged against the current appropriations for the DHSUD. Hereafter, such
3 amount as may be necessary for its continued implementation shall be included in the annual
4 General Appropriations Act.

5 SEC. 11. *Implementing Rules and Regulations.* – To fully implement the provisions of
6 this Act, the DHSUD, the NHA, in close coordination with the DSWD, PCUP, and LGUs,
7 herein represented by the Union of Local Authorities of the Philippines (ULAP), within six (6)
8 months, shall issue rules, regulations, guidelines necessary to carry out the intent and purpose
9 of this Act.

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

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

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

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

21 *Approved,*