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EIGHTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session

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Senate
Office of the Secretary

19 DEC 10 P5 55

SENATE

Senate Bill No. 1227

RECEIVED BY:

INTRODUCED BY SENATOR CHRISTOPHER LAWRENCE "BONG" T. GO

**AN ACT
ESTABLISHING THE RENTAL HOUSING SUBSIDY PROGRAM AND PROVIDING FUNDS
THEREFOR AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

As provided under RA 7279 or the Urban Development and Housing Act, 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 underprivileged and homeless citizens in urban centers and resettlement areas.

Data from the National Statistical Coordination Board showed that 1 out of 4 or 25.2% of the population in the country was classified as poor in 2012. A huge portion of which are ISFs, numbered at 250,000 to 600,000 in Metro Manila alone, according to the World Bank.

However, poverty is not the sole cause of the rising number of ISFs in the country. In fact, we may consider natural disasters and calamities as some of the highest contributors to this problem.

Being an archipelago, the Philippines is hit by frequent seismic activities and around 20 typhoons a year, destroying lives, livelihood and homes. In 2013, the country was struck by one of the most devastating typhoons in history, supertyphoon Yolanda, which left behind more than 4.4 million or 1,143,332 families homeless.

In 2019, the Commission on Audit flagged the National Housing Authority (NHA) for completing only 117,167 of the 203,471 intended housing for the victims of the said typhoon. These homeless families are either living in shelters, temporary homes, or worse, in the streets. However, this kind situations may have been improved if not prevented.

Despite circumstances in social housing over the past years, it is not too late for the State to fulfill its mandate of providing sustainable and habitable shelter for its people.

This Act not only seeks to provide homes for the displaced families, but also to help them sustain their livelihoods by offering them various options during the interim process of construction and relocation.

It also seeks to protect the urban poor from the impact of immediate dislocation due to eviction and demolition arising from government projects.

SENATOR CHRISTOPHER LAWRENCE "BONG" T. GO

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**AN ACT
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THEREFOR AND FOR OTHER PURPOSES**

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

1 Section 1. *Short Title.* – This Act shall be known as the “Rental Housing
2 Subsidy Program Act of 2019.”

3

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

5

6 a. Promote a just, equitable, and inclusive urban development through
7 programs providing adequate social services, broader housing options,
8 livelihood and employment, and an improved quality of life for the Filipino
9 people, especially the underprivileged;

10

11 b. Provide an innovative housing program providing affordable, livable, and
12 decent housing, as well as access to basic social services, especially for the
13 underprivileged;

14

15 c. Protect the urban poor from the impact of immediate dislocation due to
16 eviction and demolition arising from government projects; and

17

18 d. Provide for options for interim housing for dislocated families due to natural
19 and man-made disasters.

20

1 Sec. 3. *Definition of Terms.* – For purposes of this Act, the following terms or
2 words and phrases shall be understood to mean as follows:

3

4 a. *Dislocation* – refers to the state of being displaced from one place to another
5 due to causes such as but not limited to eviction and demolition;

6

7 b. *Informal Settler Beneficiary (ISB)* – refers to individuals or households living
8 under any of the following conditions:

- 9
- 10 1. Where the individual or household is living in a lot or dwelling unit
11 without the consent of the legal owner of such lot or dwelling unit;
- 12
- 13 2. Where the individual or household is living in a danger area as
14 determined by the Department of Human Settlements and Urban
15 Development (DHSUD);
- 16
- 17 3. Where the individual or household is living in an area reserved or used
18 for government infrastructure projects;
- 19
- 20 4. Where the individual or household is living in an area which is
21 classified as a protected or forest area, except indigenous peoples;
- 22
- 23 5. Where the individual or household is living in an area declared as a
24 priority development area under Proclamation No. 1967, series of
25 1980, as applicable; or
- 26
- 27 6. Where the individual or household is living on public lands, structures,
28 or facilities not intended for human habitation.

29

30

31 c. *Rental Housing Subsidy* – refers to the financial assistance provided by the
32 government to rent accommodation in the private rental market, the amount

1 which shall not exceed the rates as regulated under Republic Act No. 9653,
2 otherwise known as the “Rent Control Act.”

3
4 *Sec. 4. Rental Housing Subsidy Program.* – A Rental Housing Subsidy
5 Program, hereinafter referred to as the “Program,” shall be established as a housing
6 and social protection program with the end view of enabling ISBs to lead decent
7 lives and supporting them in accessing the formal housing market. It shall be made
8 an option to address the temporary relocation of displaced families due to natural
9 and man-made disasters.

10
11 Eligible beneficiaries shall receive a rental subsidy, the amount of which shall
12 be determined by the DHSUD taking into consideration, among others, the prevailing
13 rental rates in the concerned locality and the economic standing and potential of the
14 family. The subsidy shall be a percentage of the total amount of rentals as
15 determined by the rental or lease contract between the eligible beneficiary and the
16 lessor, provided that for those eligible beneficiaries below the poverty threshold as
17 determined by the Philippine Statistics Authority, the subsidy shall be at least 50%
18 of the total amount of rentals.

19
20 Notwithstanding any provisions to the contrary, at any time but not more than
21 once every two (2) years, subsidies given under the program shall be reviewed or
22 revised to conform to prevailing economic conditions.

23
24 Rental subsidy shall be granted to eligible beneficiaries for a maximum of five
25 (5) years or upon their availment or acquisition of permanent housing, whichever
26 comes first.

27
28 *Sec. 5. Eligibility.* To be an eligible beneficiary under this Act, an individual or
29 household must:

- 30
31 a. Live under any of the conditions under Sec. 3, paragraph b, of this Act;

- 1 b. Have a source of livelihood or have at least one (1) member of the
2 household gainfully employed; and
3
4 c. Vacate the informal settlement area in which they are presently living and
5 transfer or relocate to a safer area.

6
7 *Sec. 6. Conditions for Continued Entitlement or Eligibility.* – All eligible
8 beneficiaries shall comply with the following conditions for continued availment of
9 the benefits under this Act:

- 10
11 a. The beneficiaries shall not move or relocate back to the area in which they
12 were originally living in unless such move or relocation has been permitted
13 by the proper government authorities taking into consideration the purpose of
14 the program; and
15
16 b. The beneficiaries shall pay that portion of the rentals not subsidized under
17 the program to the lessor.

18
19 Beneficiaries who maintain good payment standings shall be prioritized as
20 beneficiaries in government housing programs.

21
22 *Sec. 7. Form of Payment.* – The rental subsidy shall be distributed by the
23 DSHUD in such form as may be identified by the DHSUD to be most beneficial and
24 appropriate for the beneficiaries.

25
26 *Sec. 8. Roles of Government Agencies.* – The program shall involve the
27 national government agencies and instrumentalities with the following roles:

- 28
29 a. The DHSUD shall:
30
31 1. Coordinate with housing agencies to formulate program targets and
32 integrate these to the national housing policy;

- 1 2. Promulgate appropriate housing policies among the attached
2 corporations of the DHSUD in line with the implementation of this
3 program;
- 4 5. Enlist beneficiaries and their lessors for the program;
- 6 6. Set up monitoring and evaluation system, tools, exit strategy, and
7 methodologies on compliance with conditions, implementation, output,
8 and impact assessments together with its attached agencies, the
9 Department of Social Welfare and Development (DSWD), the
10 Presidential Commission on the Urban Poor (PCUP), and the local
11 government units; and
- 12 13
- 13 14 5. Recommend to Congress measures for the proper and responsive
14 15 implementation of this Act.

16 17 b. The National Housing Authority (NHA) shall:

- 18
- 19 1. Certify the eligibility of the beneficiaries under the program;
- 20
- 21 2. Coordinate with infrastructure program implementing agencies,
22 including but not limited to the Department of Public Works and
23 Highways (DPWH) and the Department of Transportation (DOTr) for the
24 identification of areas housing persons who are in need of immediate
25 resettlement;
- 26
- 27 3. Update the alphalist and socio-economic profiles of beneficiaries to be
28 resettled as part of the National Resettlement Program; and
- 29
- 30 4. Design and conduct appropriate monitoring and evaluation of the
31 implementation of this program, which shall include a grievance and
32 redress system.

1 c. The Home Development Mutual Fund (HDMF) shall enroll the beneficiaries to
2 the HDMF system so as to facilitate their entry into the formal housing
3 market.

4

5 d. The DSWD shall:

6

7 1. Design the social preparation activities and form and conduct
8 workshops and training programs to ensure that beneficiaries are
9 aware of the benefits under the program, including the parameters
10 and conditions for eligibility.

11

12 e. The PCUP shall:

13

14 1. Assist the DSWD in the design of social preparation activities,
15 workshops, and training programs for beneficiaries;

16

17 2. Conduct social preparation activities with the local government units.

18

19 f. The Technical Education and Skills Development Authority (TESDA) shall
20 provide skills training to beneficiaries.

21

22 g. The local government units shall:

23

24 1. Maintain a publicly accessible register of lessors in their respective
25 areas of jurisdiction;

26

27 2. Assist the NHA in conducting census and tagging of ISBs in need of
28 immediate resettlement;

29

30 3. Assist the DSWD and PCUP in conducting social preparation activities;

31

32 4. Contain the vacated areas of ISBs to help achieve the objectives of
33 this program;

1 5. Assist the DSWD in monitoring and evaluating the implementation of
2 this program; and

3 6. Conduct field valuation of beneficiaries and their respective lessors
4 with DSWD in the rental housing units.

5
6 *Sec. 9. Additional Positions and Personnel for the DHSUD.* – For purposes of
7 this Act, the DHSUD shall, in accordance with pertinent civil service rules, create
8 positions and enlist additional personnel to ensure the proper and appropriate
9 implementation of the program under this Act.

10
11 *Sec. 10. Appropriations.* – The amount necessary for the effective
12 implementation of this Act shall be charged against the current appropriations for
13 the DHSUD. Thereafter, such amounts as necessary for its continued
14 implementation shall be included in the General Appropriations Act.

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

20
21 *Sec. 12. Mandatory Review on the Implementation of this Act.* – The DHSUD
22 shall submit to the Congress a report on the implementation of this program at the
23 end of the second (2nd) year from date of effectivity and every two (2) years
24 thereafter.

25
26 *Sec. 13. Separability Clause.* – If any portion or provision of this Act is held
27 unconstitutional or invalid, the remaining provisions not affected thereby shall
28 continue to be in full force and effect.

29
30 *Sec. 14. Repealing Clause.* – All laws, executive orders, proclamations, rules,
31 regulations, and other issuances or parts thereof inconsistent with the provisions of
32 this Act are hereby repealed, amended, or modified accordingly.

1

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

Approved,