

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



'22 JUL -7 P4:14

SENATE
S. No. 170

RECEIVED BY: _____

Introduced by SENATOR FRANCIS "TOL" N. TOLENTINO

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

EXPLANATORY NOTE

The concept of a home presents many metaphors. Home is our sanctuary, refuge, or abode. At its most basic, home is a shelter and dwelling. Home means more than a roof over our heads. Homes are vital for health, safety, dignity, and privacy. The COVID-19 pandemic has shown us that our home is our first line of defense against the virus when we are enjoined to stay at home to slow transmissions and protect our health care systems. Conformably, the right to housing is indispensable to the full enjoyment of other human rights. We have several obligations including those contained in the International Covenant on Economic, Social and Cultural Rights.

According to the Philippines Statistics Authority (PSA), the Philippines is highly urbanizing at the rate of 51.2%, which means that more than half of the country's over 100 million population reside in urban areas, specifically here in Metro Manila. Cities as engines of growth experience an influx of population mainly due to the presence of job opportunities. This resulted in unplanned settlements or informal

settlements which are located along the rivers—Pasig River, San Juan River, and several major esteros here in Metro Manila.

In 2012, the World Bank assessed that the number of informal settlers in the Philippines has increased from 4.1% of the total urban population in 2003 to 5.4% in 2012, when 2.2 million live in informal settlements. Of which, 1.3 million were in Metro Manila alone. According to government data, there are a total of 3.7 million informal settler families in the country.

Unfortunately, the government has not been able to address these problems. Our socialized housing development programs are hampered by the slow process of land acquisition, limited affordable land, and problems in resettlement site development, among others. More importantly, the COVID-19 pandemic has worsened the situation of Filipinos living in congested centers, particularly in Metro Manila and other big cities, and has brought not only health problems but also adverse economic effects which resulted to poor quality of life. Notwithstanding the 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.

Thus, this proposed measure not only seeks to provide homes for displaced families but also helps 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 several projects, be it government or private. Acquiring decent housing should not be an arduous and long process for the poor. Housing should be accessible to all Filipinos regardless of income.

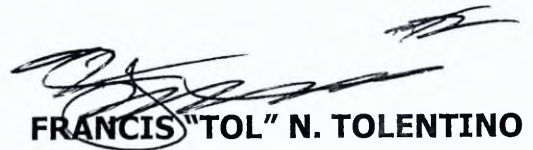
This bill is in pursuant of the Constitutional mandates for the State to promote a just and dynamic social order that will free the people from poverty through policies that provide adequate social services, a rising standard of living, and an improved quality of life for all;¹ and to promote social justice in all phases of national development.² More specifically, it implements Article XIII, Section 9 of the

¹ 1987 Constitution, Article II, Section 9.

² 1987 Constitution, Article II, Section 10.

Constitution, which provides: "The State shall, by law, and for the common good, 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."

The immediate passage of this bill is earnestly sought.



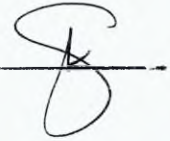
FRANCIS "TOL" N. TOLENTINO

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1 **AN ACT**

2 **ESTABLISHING A RENTAL SUBSIDY PROGRAM FOR INFORMAL SETTLER**
3 **FAMILIES, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER**
4 **PURPOSES**

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

5 **Section 1. Short Title.** – This Act shall be known as the "Rental Housing
6 Subsidy Program Act."

7 **Section 2. Declaration of Policy.** – It is hereby declared the policy of the
8 State to:

9 (a) Promote a just, equitable, and inclusive urban development through
10 programs providing adequate social services, broader housing options,
11 livelihood and employment, and an improved quality of life for the
12 Filipino people, especially the underprivileged;

13 (b) Provide an innovative housing program that makes available
14 affordable, livable, and decent housing, as well as access to basic
15 social services, especially for the underprivileged;

1 (c) Protect the urban poor from the impact of immediate dislocation due to
2 eviction and demolition arising from government projects and
3 disasters; and

4 (d) Provide interim housing for dislocated families due to natural and man-
5 made disasters and calamities.

6 **Section 3. Definition of Terms.** – As used in this Act:

7 (a) "*Dislocation*" refers to the state of being displaced from one place to
8 another due to causes such as eviction and demolition.

9 (b) "*Informal Settler Beneficiaries* or ISB" refer to individuals or households
10 living in their own house or renting a dwelling unit:

11 i. Without consent of the lot owner;

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

15 iii. In government-owned land to be used for government
16 infrastructure projects;

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

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

20 vi. In other government public lands or facilities not intended for
21 human habitation.

22 (c) "*Lessee*" shall refer to the person renting a residential unit.

23 (d) "*Owner/Lessor*" shall include the owner, administrator, or agent of the
24 owner of the residential unit.

25 (e) "*Rent*" shall mean the amount paid for the use or occupancy of a

1 residential unit whether payment is made on a monthly or other basis.

2 (f) "Rental Housing Subsidy" refers to partial financial assistance provided
3 by the government to eligible program beneficiaries to rent
4 accommodation in the private rental market. The amount shall not
5 exceed the rates as regulated under Republic Act No. 9653, otherwise
6 known as the "Rent Control Act of 2009".

7 **Section 4. Rental Housing Subsidy Program.** - There is hereby
8 established the Rental Housing Subsidy Program, hereinafter referred to as the
9 "Program," to provide social protection and support to ISBs in accessing the formal
10 housing market. It shall be made an option to address the temporary relocation of
11 displaced families due to natural and man-made disasters.

12 Eligible ISBs shall receive a flat rental subsidy rate of Three thousand five
13 hundred pesos (PhP3,500.00) for those living in Metro Manila, and a rental subsidy
14 rate to be jointly determined by the Department of Human Settlements and Urban
15 Development (DHSUD) and the National Economic and Development Authority
16 (NEDA) for those living in all other regions, taking into consideration the prevailing
17 minimum wage and rental rates per region, but not to exceed Three thousand five
18 hundred pesos (PhP3,500.00): *Provided*, That the rental subsidy shall not exceed the
19 actual rent: *Provided, further*, That at any time, but not more than once every two
20 (2) years, such subsidy may be reviewed or revised jointly by the DHSUD and NEDA
21 to conform with prevailing economic conditions.

22 Rental subsidy shall be granted to eligible beneficiaries until the date of
23 completion of the permanent housing project intended for them or upon their actual
24 transfer to the permanent housing project, whichever comes first: *Provided*, That, in
25 case of delay in the completion of the permanent housing project, the rental subsidy
26 shall be extended; *Provided, further*, That the agency implementing the permanent
27 housing project shall bear the cost of the extended rental subsidy.

28 The DHSUD and NEDA are jointly authorized to implement a pilot rental
29 housing subsidy program in select cities or regions. The duration of such pilot

1 program shall not exceed three (3) years from effectivity of this Act.

2 **Section 5. Eligibility.** – To be an eligible beneficiary under this Act, an
3 individual or household must:

4 (a) Live under any of the conditions under Sec. 3, paragraph b, of this Act;

5 (b) Have a source of livelihood or have at least one (1) member of the
6 household gainfully employed: *Provided*, That the daily cumulative
7 income of said family will amount to the prevailing minimum wage in
8 the region; and

9 (c) Vacate the informal settlement area in which they are presently living
10 and transfer or relocate to a safer, decent, and formal settlement and
11 sign a maximum five (5)-year contract with the government.

12 **Section 6. Conditions for Continued Entitlement or Eligibility.** – All
13 eligible beneficiaries shall comply with the following conditions to continuously avail
14 of the benefits under this Act:

15 (a) The beneficiaries shall not move or relocate back to the area in which
16 they were originally living unless such move or relocation has been
17 permitted by the proper government authorities, taking into
18 consideration the purpose of the Program; and

19 (b) The beneficiaries shall pay to the lessor that portion of the rental fee
20 not covered by the subsidy.

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

23 **Section 7. Form of Payment.** – The rental subsidy shall be distributed by
24 the DHSUD in such form it may determine to be most beneficial and appropriate for
25 the beneficiaries.

26 **Section 8. Role of Government Agencies.** – The various national

1 government agencies and instrumentalities involved in the Program shall perform
2 specific responsibilities.

3 (a) The DHSUD shall:

4 i. Coordinate with housing agencies to formulate Program targets
5 and integrate these to the national housing policy;

6 ii. Promulgate appropriate housing policies among the attached
7 corporations of DHSUD and other concerned implementing
8 agencies as necessary in line with the implementation of this
9 Program;

10 iii. Maintain a national database of validated ISBs, their socio-
11 economic profile, and their respective lessors as well as the link
12 to publicly accessible registry of lessors, and the location and
13 basic description of the rental housing unit;

14 iv. Enlist beneficiaries and their lessors for the Program;

15 v. Disburse the rental subsidy to the lessors of the ISBs through a
16 dedicated bank account in a government bank;

17 vi. Formulate guidelines on the minimum design of a safe, decent,
18 and adequate rental housing unit that considers public health
19 goals;

20 vii. Set up a monitoring and evaluation system, tools, grievance and
21 redress system, exit strategy, and methodologies on compliance
22 with conditions, implementation, output, and impact
23 assessments together with its attached agencies, the
24 Department of Social Welfare and Development (DSWD), the
25 Presidential Commission for the Urban Poor (PCUP), the
26 Technical Education and Skills Development Authority (TESDA),
27 and the Local Government Units (LGUs); and

1 viii. Recommend to Congress measures for the proper and
2 responsive implementation of this Act.

3 (b) The National Housing Authority (NHA) shall:

4 i. Coordinate with infrastructure program implementing agencies,
5 including the Department of Public Works and Highways
6 (DPWH), and the Department of Transportation (DOTr),
7 regarding the identification of areas suitable for housing projects
8 and the persons who need immediate resettlement;

9 ii. Conduct census and tagging of affected ISBs for immediate
10 resettlement;

11 iii. Certify and submit to DHSUD the list of eligible ISBs living in
12 government-owned land to be used for government
13 infrastructure project and in areas for priority development as
14 declared under Proclamation No. 1967, s. 1980, if applicable, in
15 coordination with DOTr, DPWH, and LGUs; and

16 iv. Provide a national database of resettlement housing units ready
17 for occupancy by intended ISBs of the program.

18 (c) The LGUs shall:

19 i. Assist the NHA in conducting census and tagging of ISBs in need
20 of immediate resettlement;

21 ii. Assist the DSWD and PCUP in conducting social preparation
22 activities;

23 iii. Contain the vacated areas of ISBs to help achieve the objectives
24 of this Program;

25 iv. Assist the DSWD in conducting field validation of beneficiaries
26 and their respective lessors for the rental housing units.

- 1 v. Conduct an inventory of rental housing units that are compliant
2 with the minimum design and standard facilities set by the
3 DHSUD in consultation with other concerned agencies;
- 4 vi. Assist in monitoring and evaluation of the program, especially
5 the continued occupancy of rental housing units by ISBs;
- 6 vii. Maintain a database of ISBs as defined in this Act and registered
7 lessors in their area of jurisdiction that can be linked to DHSUD's
8 national database and shared with other concerned government
9 implementing agencies of the Program; and
- 10 viii. Maintain a publicly accessible registry of rental housing units
11 with basic description, which are compliant with minimum
12 design and standard facilities in their respective area of
13 jurisdiction.

14 (d) The DSWD shall:

- 15 i. Validate the list of eligible ISBs provided by DHSUD against the
16 "Listahan" or the National Household Targeting System for
17 Poverty Reduction (NHTS-PR);
- 18 ii. With the assistance of LGUs, conduct field validation of ISBs and
19 their respective lessors for the rental housing units;
- 20 iii. Submit the list of validated ISBs to DHSUD for funding;
- 21 iv. Jointly undertake with the PCUP and the Department of the
22 Interior and Local Government (DILG) the design of the social
23 preparation; and
- 24 v. Jointly undertake with the PCUP and LGUs the conduct of the
25 social preparation.

26 (e) The PCUP shall:

1 i. Jointly undertake with the DSWD and the DILG the design of the
2 social preparation; and

3 ii. Jointly undertake with the DSWD and LGUS the conduct of
4 social preparation.

5 (f) The TESDA shall provide skills training to at least one (1) household
6 member of the beneficiaries. It shall ensure that skills trainings
7 provided to beneficiaries are in line with the environment of the
8 relocation site.

9 (g) The Home Development Mutual Fund (HDMF) shall enroll in its system
10 at least one (1) household member of the applicant-beneficiaries of the
11 Program to facilitate their entry into the formal housing market.

12 *Provided,* that a national program steering committee, and regional,
13 provincial, city, and municipal technical working groups (TWGs) composed of the
14 DHSUD, NHA, LGUs, DSWD, TESDA, PCUP, and HDMF shall be constituted to define
15 the line of coordination and to ensure seamless program coordination.

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

19 **Section 9. Additional Positions and Personnel for the DHSUD.** – For
20 purposes of this Act, the DHSUD shall, in accordance with pertinent civil service
21 rules, create positions and enlist additional personnel to ensure the proper and
22 appropriate implementation of the Program under this Act, subject to the evaluation
23 and approval by the DBM.

24 **Section 10. Appropriations.** – The amount necessary for the effective
25 implementation of this Act shall be charged against the current appropriations of
26 DHSUD. Hereafter, such amount as may be necessary for its continued
27 implementation shall be included in the annual General Appropriations Act: *Provided,*
28 That funding support for agencies implementing the Program shall be included in the

1 necessary appropriations for this Act.

2 **Section 11. *Implementing Rules and Regulations.*** – The DHSUD, in
3 coordination with relevant government agencies, shall issue rules, regulations, and
4 guidelines necessary to carry out the intent and purposes of this Act within six (6)
5 months from date of effectivity.

6 **Section 12. *Mandatory Review on the Implementation of this Act.*** –
7 The DHSUD shall submit to the Congress a report on the implementation of this
8 Program at the end of the second year from the date of effectivity of this Act and
9 every two (2) years thereafter.

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

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

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

Approved,