



Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City



**NINETEENTH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 4173**

---

**INTRODUCED BY REP. HARRIS CHRISTOPHER M. ONGCHUAN**

---

#### **EXPLANATORY NOTE**

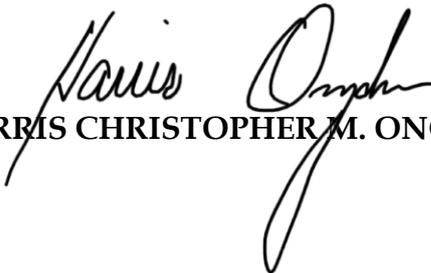
As of 2015, the Philippine Statistics Authority Housing Tables data showed that there are 67,447 rent-free households without consent from owners. 18,801 or more than a quarter of these households are situated in Metro Manila.

This unusually high number of informal settler families (ISFs) are caused by the lack of job security and access to basic needs. With the continuing rise in prices of basic goods and a lack of employment opportunities, these ISFs are usually stuck in the situation that they are in and cannot afford to go anywhere else.

The bill proposes a way for the government to partially subsidize the rental of ISFs that meet the requirements and are willing to leave the settlement. It requires at least one member of the family to be employed or have a source of livelihood, and the partial subsidy will last for 5 years or upon availment of permanent housing. This legislation will allow them to have access to affordable, livable and decent housing to increase their quality of life.

This bill was filed in the 18th Congress by Representatives Belmonte, Castelo, and Nieto. It was approved by the House and was transmitted to the Senate.

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

  
**HARRIS CHRISTOPHER M. ONGCHUAN**



Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

NINETEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 4173

---

Introduced by Representative  
**HARRIS CHRISTOPHER M. ONGCHUAN**

---

**AN ACT**  
**ESTABLISHING A RENTAL SUBSIDY PROGRAM FOR INFORMAL SETTLER**  
**FAMILIES (ISFS) 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 Subsidy Program for ISFs Act.”

**SECTION 2.** 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;
- (b) Provide an innovative housing program providing affordable, livable, and decent housing, as well as access to basic social services, especially for the underprivileged;
- (c) Protect the urban poor from the impacts of immediate dislocation due to eviction and demolition arising from government projects and their lack of tenure.

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

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

(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.

**SECTION 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.

**SECTION 5.** E-Government Programs. - 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.

**SECTION 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.

**SECTION 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.

**SECTION 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.

**SECTION 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.

**SECTION 10.** 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 11.** Implementing Rules and Regulations. — To fully implement the provisions of this Act, the DHSUD, the NHA, in close coordination with the DSWD, PCUP, and LGUs, herein represented by the Union of Local Authorities of the Philippines (ULAP), within six (6) months, shall issue rules, regulations, guidelines necessary to carry out the intent and purpose of this Act.

**SECTION 12.** 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 the effectivity of this Act and every two years thereafter.

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

**SECTION 14.** 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 15.** Effectivity. – This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

*Approved.*