NEEDS AND TRENDS IN THE FINANCING, BUILDING AND MANAGEMENT OF SOCIAL HOUSING

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ABSTRACT
The building and management of social housing is an important activity in the EU Member States and societies are interested in dedicating time and financial resources to this activity. When we compare the wide and rich definition of social housing in EU Member States, the management imposed for this objective of building and maintaining social housing to the one stipulated in the Romanian Housing Law it becomes obvious that we need to adapt the existing public funding increase trends to the level of the central and local government and stimulate them to build and manage social housing under the extended scope of its definition.

Keywords: social housing, social impacts, financing, management

INTRODUCTION
In some countries social housing means a type of housing that ensures a minimum level of comfort for the people using it and is built with funds provided by the state or drawn by it for this purpose. Such social housing is intended for groups of low income individuals and is generally represented by flats situated in high apartment buildings at the periphery of cities with significant malfunctions in the supply of utilities and public services or with limitations when it comes to public transportation and job opportunities. From its very definition, social housing appears like a building of doubtful qualities and its inhabitants seem to be deprived of the benefits of urban life and socially, communicationally and economically segregated. The more time lapses over the elements of the building, the deeper this image gets; this image also contributes to the occurrence and maintenance of serious social tensions and segregation, to a decreased security level and to the decay of the neighbourhood.

MATERIALS AND METHODS
To study the status quo of social housing in Romania in all its aspects one needs to tackle the various elements of contents of its definition – generically speaking – from the viewpoint of European regulations since the EU Member States understand this issue differently. We refer to the fact that the latter take into account the stakeholders taking part in the building of the social housing projects (beneficiaries, sponsors, organisers, constructors etc.) which are different from one Member State to the next when it comes to the economic, historic and financial peculiarities and to the responsibility for their development, strategy and management (as shown in Fig. 1). It is to be noted that a series of criteria common to all EU Member States must be taken into consideration for the comprehensive definition of the concept of social housing, i.e. [1]:

a) the allocation and access criterion (definition of target groups and of the allocation procedures plus the set of sub-criteria and secondary criteria established by the government and enforceable by the local authorities based on a set of local priorities and minimum check-ups);

b) the accessibility criterion (such as low prices or low rents for low income groups);
c) security of tenants/owners (long term rental contracts and security for the owners from the social sector area).

Such criteria apply to all social housing which can also be identified in other forms of property such as:
- social housing that may be rented (managed by the local or central authorities) which may also include the ones intended for vulnerable groups such as boarding schools, university campuses, homes for the elderly and so on;
- private housing resulted from the privatisation of the public housing from countries in transition (whose owners cannot invest in the maintenance of the buildings);
- private housing built with the substantial help of the authorities (housing for average income groups).

All these categories are covered by the definition provided by CEDODHAS (European Federation of Social, Cooperative and Public Housing) in 1998: social housing is “housing where the access is controlled by the existence of allocation rules favouring households that have difficulties in finding accommodation in the market“. This definition being very general, it leaves out the aspects of tenure and refers to target groups only in general terms. This may lead to inconsistencies in the way it is interpreted in different countries [1].

In Romania, social housing is defined in the Housing Law no. 114/1996 which defines it as “the residence rented for a subsidised rent to individuals or families whose economic situation does not allow them access to a residence of their own or to rent a residence in the usual market terms” [2].

The beneficiaries of such housing are representatives of groups of people who have lost their homes either because of restitutions or because of being poor and not being able to pay the costs for
certain operations related to the dwelling (mortgage, fictitious sales papers) and, last but not least, people who are part of a nomadic population settled at the outskirts of cities, in insufficiently managed areas.

If we add to these groups those whose “stay” is limited, such as students, non-resident pupils, old people without any support, socially assisted people with disabilities whose families support them insufficiently and who are a significant proportion of the no-income population we get a general image of the necessary number of social dwellings. The sheer acknowledgement of the status quo is not enough; it entails a series of responsibilities to develop a coherent policy adapted to the stakeholders, the financial sources and the local regulations on the use of the built areas.

There are similarities in the way in which the issue of social housing is approached from all its sides concerning the stakeholders in most of the European countries. In order to find a solution, first of all with much less waste of human energy is needed; the first prerequisite is the involvement of the most important stakeholders, i.e. the funding providers from the public and private sector under the coordination of the local public administration whose capacity to unite everybody involved allows them to cover the social housing needs.

For instance, in Berlin a series of apartment buildings is being transformed into a small village for Roma families. Rather than scatter them discreetly in a series of small projects, they are being housed in one large complex in the suburb of Neukoelln. The idea is to provide homes for people who have been excluded and discriminated, proving they can be integrated into society. The main financing source came from catholic charity which decided to take over the apartment block because it was in an unsatisfactory state [3].

The efficiency of such projects increases with the economic strength of a country which also brings a clearer and better definition of stakeholder responsibilities and a more efficient management.

Thus, the social housing issue becomes an ordinary activity of the local administration especially since the number of requests is low enough due to the living standards of the majority of the population which are high enough to cover the need for a house and eliminate the need of social support.

In Romania the economic and social transition stages pushed housing prices to unreachable levels for those with low incomes whose number increases as years pass by. Thus, the houses owned by the local councils for rental purposes are fewer in numbers and they become insufficient compared to the growing demand [4].

The most recent data from December 2009 show that in Romania there were 193,378 registered state-owned dwellings, i.e. 2.36% of the total number of dwellings [5]. This low percentage is due on the one hand to the selling by the state to its tenants of the rented dwellings occupied until 1990 and on the other hand to the shy involvement of the state in the building of housing after 1990. If until 1989 state participation to the financing, building and distribution of social housing exceeded 90%, after 1990 its contribution dropped to less than 10%.

The state-owned dwellings are not necessarily seen as social housing (in the sense of the above mentioned law), because they include dwellings owned by the state before the law promulgation, from the following categories:

- dwellings from the state-owned pool of dwellings which were not sold during the privatisation period begun in the `90s; many of them have better functional parameters than social dwellings and may be sold;
- nationalised dwellings occupied by the tenants but not returned to the former owners; here, the former are likely to become potential applicants for social housing.
Thus it becomes obvious that the public sector needs to continue building, distributing and managing social housing depending on the financial sources available from the local and national budget.

The use and maintenance of social housing is largely influenced and determined by their inhabitants who may contribute to the proper maintenance of the buildings and increase their quality or, on the contrary, to their decay. Here, a decisive role is played by the level of education. A lack of adaptability to collective housing in apartment buildings and a low education level have led to the decay of the social housing apartment blocks and to the evacuation of the owners. Most of the times they were not given another residence and they had to live illegally in disadvantaged areas and insalubrious conditions [6].

RESULTS AND DISCUSSIONS

The procedure needed to get a social housing space must be complied with by anyone and this procedure means following certain steps. The individual who wishes to apply for social housing applies to the City/Town Hall of the city/town where s/he has his/her permanent residence. Based on the hierarchy of priorities, according to the fundamental criteria of the law, the Local Council may approve, through a Decision, the granting of a housing with the characteristics of a social housing, within the limits of the available resources; thus, the right provided by law becomes effective once it is determined that there is an available residence or maybe there are funds to subsidize the rent, for instance.

The fact that the private sector does not take part in the financing of social housing has a negative impact on their number and it also violates the right of the poor to get a house. This situation is a consequence of the economy of our country, where the private sector could not develop stable economic activities which would allow it to participate to the financing, building and distribution/renting of social housing below the market price.

The low participation of the private sector has its sporadic manifestations in real-estate donations. The attempts to give credits to the groups of people with average income were successful but they were limited due to the status of the national economy which cut the budgets so that the issue of social housing was postponed for the future. The weak stability of the economy does not encourage the private sector to finance the building of “professional” housing in order to reduce the need for social housing. Usually they prefer to rent from the existing dwellings at the market price or to shy away from the responsibility of providing their employees with a place to live.

Neither did the NGO sector nor the private funds which participated to this process get to that level of development allowing them to make social housing investments; therefore for the following categories of dwellings the only funds available remain the state managed public funds (as shown in Table I):

- dwellings built through the National Housing Agency for young people whose income level is lower than the one needed to purchase a house or to rent as per the market terms;
- social dwellings destined to tenants evicted from the dwellings returned to their former owners as per Law 51/2006 (the Law approving the Government Emergency Ordinance no. 68/2009 regarding the activity development measures in the field of housing construction through national programs) or 84/2008 (the Law approving the Government Emergency Ordinance no. 74/2007 which ensures the social housing fund for evicted or soon-to-be evicted tenants from the houses returned to their former owners ) as amended;
- dwellings built through the National Investments Company (CNI-SA) to accommodate individuals evicted from the dwellings which need to be strengthened through the Program for the Reduction of the Seismic Risk in the case of Multi-storey Residential Buildings.
Table 1. Program of state-owned dwellings built between 2001 and 2010 [7]

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of program</th>
<th>Year 2001</th>
<th>Year 2002</th>
<th>Year 2003</th>
<th>Year 2004</th>
<th>Year 2005</th>
<th>Year 2009</th>
<th>Year 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Housing for young people for renting purposes</td>
<td>106</td>
<td>2,096</td>
<td>4,937</td>
<td>4,272</td>
<td>3,435</td>
<td>3222</td>
<td>7500</td>
</tr>
<tr>
<td>2.</td>
<td>Social housing as per the Housing Law no. 114/1996</td>
<td>441</td>
<td>139</td>
<td>247</td>
<td>94</td>
<td>190</td>
<td>1,225</td>
<td>250</td>
</tr>
<tr>
<td>3.</td>
<td>Social housing for tenants evicted from the nationalised houses</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,259</td>
<td>507</td>
</tr>
</tbody>
</table>

Such programs did not help the poor but did manage to cut the total number of applications for social housing, thus facilitating the exertion of their right to a residence; however, applicants have also become the prisoners of political logos without any security in their perspective to get a social dwelling.

If we put these programs together with the ones needed to build and maintain the temporary dwellings (boarding schools, campuses, homes for the elderly) which are managed by state structures but which also waste public funds, we see a dilution of the responsibility to create social housing which leads us to conclude that the Housing Law needs to be recast and enriched with new provisions. They should refer in particular to the balancing out of the building and rehabilitation process for social housing with the level of public funds available through a coherent urban development policy which should have a certain prioritisation in relation to its social envelope.

CONCLUSIONS

There are clear differences between the definition of social housing in the EU countries and its definition in Romania; therefore we suggest that the Romanian legislation should also take over the new trends:

1. Enlargement and diversification of the social housing concept so as to cover notions related to all forms of housing subsidizing.
2. Provision of economic facilities for stakeholders (public, private, NGO, inhabitants, other stakeholders) in order to create a pool of social housing which is quality-wise and quantity-wise adequate for low income individuals.
3. Increased preoccupation to avoid the social and spatial segregation of communities, to avoid the formation of disadvantaged areas and for this purpose:
   - housing designed for low income individuals should be built everywhere in the city in order to favour social mixing; large scale operations leading to concentrations of such dwellings in one place should be avoided;
   - the value of the state aid should be different, depending on the income (sometimes it should subsidize the entire amount) and not on the degree of comfort in the dwellings;
   - considerable efforts should be made to offset the small surface of apartments from the areas with large social housing projects built in the previous years with an increased comfort provided by a careful landscaping (green areas, pedestrian areas, parks, playgrounds etc.)
   - the current and future needs of social housing in terms of size must also take into account the structural changes in Romania related to the ageing of the population and the evolution of the marriage and divorce phenomena which lead to an increase in the number of households with just one member and of single parent families.
4. The need for a better economic efficiency of social housing investments achievable through the adoption of constructive solutions in line with the concept of sustainable development and through the use of the newest projects/technologies/materials which can insure low operation prices and low energy consumption.

5. The adoption of an efficient social housing management, considering the number of homeless people and of those with seasonal social housing based on a computer application.

6. The inclusion of boarding schools, elderly homes and campuses buildings in the definition of social housing; all of these are living spaces with a strong social component and dedicated to disadvantaged groups who do not have enough money to rent.

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