



# SOCIAL AND AFFORDABLE HOUSING IN IASI

Lucaci Catalina

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# LOCAL ACTION PLAN

Based on projections of housing production, population growth and household income, the ULSG concludes that to maintain a constant proportion of affordable/social housing over the next years, a new affordable homes will need to be produced.

Determine which are the goals and the policies regarding affordable housing

## ***Retain the existing supply of affordable/social housing***

- › This housing can be demolished or removed to make way for newer
- › development, it can decay due to lack of maintenance, or it can become unaffordable due
- › to other factors, such as increases in utility costs. A number of strategies are needed to
- › insure the existing stock of affordable housing is retained.

## **Maintain and expand the housing rehabilitation program.**

## ***Ensure an adequate land supply for affordable housing***

## ***Develop and support public and private programs***

- › Determine Type of Fund, Administration of Fund.
- › Establish Budget and Uses of the Fund
- › A pressing problem affecting the creation of affordable housing is the diminishing supply of vacant land suitable for housing development.

# LOCAL ACTION PLAN

In Iasi city affordable house involves not exceed more than 25% of their income/ family Municipality intends to realize in the next years 500 units affordable and social housing The City takes into consideration such concepts as lifecycle costing, value engineering and energy efficiency, sustainable building standards. In the end, these standards protect the long-term investment and provide a real asset to the community.

1. Finance the development of housing
2. Leverage resources
  - facilitate community partnerships with market housing providers
  - seek out contributions and donations from other partners, other resources
  - consider the inclusion of affordable housing as part of appropriate land dispositions
  - continue to request appropriate, on-going funding for the development of affordable housing

# LAP

## Points for action

Improving the planning process to ensure it encompasses the full range of issues

Develop closer working relationships with local institutions to raise awareness of the process of providing affordable housing

Ensure that affordable/social housing is integral to community plans

Make use of existing sites such as empty or under-used buildings to develop affordable housing

Bring more empty properties back into use

# LOCAL ACTION PLAN

## Action points

The specific action points raised

1. Identify reasons for empty properties and create a register
2. Make use of existing sites such as empty or under used buildings to develop affordable/social housing
3. Make planning more supportive by consistency of decision-making
4. Affordable housing must be an essential part of a community plan and integrated into the city's aspirations
5. Reduce building costs and increase energy efficiency, planners should be more willing to accept lower cost buildings
6. Provide education on planning for young people

**There are a number of barriers and tensions, including:**

- 1. Cost of developing versus affordability**
- 2. Shortage of funding**

# LOCAL ACTION PLAN

Review of public land holdings

**We will carry out a review of public land holdings to see what land might be available to contribute to these kinds of projects.**

## **Information on land availability**

While there is significant land zoned for housing in our major urban areas there is little information regarding timeframes in which it is likely to be available for development. The Municipality through its responsible departments will further investigate to provide policy-makers with more detailed information.

## **Tackling regulatory costs**

We are also going to tackle some of the regulatory costs that have added to the cost of building a house. While these are not the largest drivers of house prices, we are committed to ensure that housing is produced as efficiently and cost-effectively as possible without compromising on quality.

We will start by looking at how to simplify the design and building consenting process for affordable/social housing. They have to be modest-sized with designs that can be built using simple construction methods.

## **Affordable housing: Enabling Territorial Authorities**

We have to progress the legislation before Government which gives local municipality the power to require affordable/social housing as part of a development.

# AFFORDABLE HOUSING IN IASI

## SOCIAL HOUSING

- They belong to the public property of Iasi Municipality
- They are only for rent
- Target groups are people with a net monthly salary of 300 Euros
- monthly rent rate must not exceed more than 10% of their income/ family
- 220 request of social housing in 2009



## AFFORDABLE HOUSING

- They belong to the private property of Iasi Municipality (that means they can be sold)
- Target groups are people with a Net monthly salary bigger than months' average salary
- must not exceed more than 25% of their income/ family
- Around 2500 requests for affordable housing

# Impact of the Economic Crisis

- › Government allocation of 220 million for social housing.
- › funds allocated from the budget for construction of housing programs - not just social - will double, including funds for subsidizing the interest on mortgage loans
- › Problems on payment regarding mortgage loans
- › Prices on Local housing market decreased in the first half of this year with up to 40% from the end of last year, the largest drop being registered on old segment, 23%, while prices on new segment decreased by 17 %.
- › increase in raw material prices and the difficulty in obtaining bank financing,

# Accessible programs for housing

- › The Government strategy for housing construction is aimed at a better quality of life by ensuring the access of Romanian citizens to a decent dwelling, by developing programs of building social housing or programs of a social nature, in order to help the categories of people with modest income, especially young people, thus achieving stability for young specialists.

It also addresses the need to provide housing for tenants evicted from nationalized houses.



# Programs of the Ministry of Regional Development and Housing

- › Program for the construction of rental housing units for young people – carried out by the National Housing Agency.
- › Program for Mortgage-financed housing
- › Program for the construction of social housing in accordance with Law no. 114/1996
- › Program for the construction of social housing and housing for tenants evicted from nationalized houses
- › Program for finalizing the construction of blocks of flats started from state funds before 1989, in accordance with the provisions of Government Ordinance no. 19/1994
- › Program for retrofitting blocks of flats built in localities from disfavored areas
- › National Program supporting the construction of private housing in accordance with Government Emergency Ordinance no. 51/2006
- › Program on the provision of state premiums in accordance with Law no. 541/2002 on collective saving and lending for housing
- › Program of building emergency housing run by the National Investment Commission.



# HOUSING REHABILITATION

## Thermal Rehabilitation Program

not all the blocks are "qualified" for this program, only those built between 1950 and 1990. They are especially concerned because they were made of slabs of concrete, a procedure considered a high factor of safety in earthquakes, with a factor of extremely low thermal insulation.

### FINANCE

national budget 50%,

Local councils 30%,

Owners 20% from the whole contribution

mayors and local councils may decide to follow some social surveys, and because of requests from residents, if some families are really unable to bear the costs, local authorities decide to provide and the remaining 20% in certain cases

**47 blocks rehabilitated**



## Energy efficiency – Green House Program

The replacement or supplement conventional heating systems with systems that use solar energy, geothermal and wind energy or other systems that lead to improving air quality, water and soil

The cost of a heating system based on renewables can begin to 3-4000 Euros.

Administration Environment Fund financially supports 90% of the costs of such a system, but not more than EUR 7000.

Iasi City Hall included in this program homes for elderly, the clinical hospital, shelter night for people who don't have a place to live (**around 10 buildings**)

# Social Housing for Roma

- › Roma in Iasi will benefit as soon as possible of housing built with government funds.
- › Iasi Municipality had an obligation to identify land that can be built such houses. Then follow the same rules as housing for youth financed by National Agency for Housing.
- › funds are allocated for implementation of general purpose, utilities. It was identified a 2000 square meters area where these buildings will be realized
- › private management of public property evidence there are around 200 families in waiting lists for social housing or affordable housing.



# Present situation regarding social and affordable housing in IASI

They were built until now 188 social housing and this year another 224.

- › 96 apartments were finalized for housing tenants to be evicted or removed from buildings restored
- › another 128 will be finalized intended to be as social housing and affordable ones.

As a future project it will start construction of over **500 social housing, affordable housing** in an area where already have been build up a numerous social housing

Until now in Iasi they were delivered ~2000 affordable housing to people



## RENTAL HOUSING UNITS FOR YOUNG PEOPLE - Rental Housing Units For Young Doctors

- › A social sub-program was implemented under the Program related to the rental housing units for young people.
- › The sub-program comes to the aid of young doctors and young specialists whose income does not enable them to purchase a house or rent a privately-owned one.
- › Apartments are of 40mp and 80mp, and the rent is around 1 Euro/sm. That means for a 40sm unit the rent values 40 euros per month, and for an apartment of 80 square meters is 75 Euros per month.

## „PROGRAMULUI MUNICIPAL PRIVIND SPRIJINIREA TINERILOR PENTRU CONSTRUIREA UNEI LOCUINTE PROPRIETATE PERSONALA”

PROGRAM FOR MUNICIPAL Hall will  
provide land and utilities, technical  
design, following young people to  
assure construction costs

› 740 requests



# THANK YOU!