

Towards a more integrated approach of social housing problems in European cities

Iván Tosics

Metropolitan Research Institute, Budapest



“Use of the European Structural and Investment Funds for support of social housing in the Czech Republic”

11-12 November, 2013

The Minority Monastery, Malá Štupartská 6, Prague

URBAN CHALLENGES ARE LINKED

- The main challenges of the upcoming decades:
 - demographic (ageing)
 - economic (growing global competition),
 - environmental (less renewable energy sources, more carbon produced)
 - socio-spatial (migration with growing inclusion problems, growing inequalities within society)
- All these challenges have to be handled AT ONCE
- The „best” mono-sectoral solutions create huge externalities (negative outcomes) regarding the other challenges





INTEGRATED ANSWERS ARE NEEDED IN FUNCTIONAL URBAN AREAS

- Instead of mono-sectoral („best” for the given sector) interventions integrated answers are needed
- The smart, sustainable and inclusive aspects of growth have to be linked to each other
- It is the cities (the level of functional urban areas) where the different aspects can best be linked to each other

CRISIS MAKES INTEGRATION NOT EASIER

Novelties of the present situation:

- for a number of years there will be no economic growth
 - and even later the present form of economic growth will be questioned as sacrificing the scarce environmental resources and increasing socio-spatial inequalities
- the capacities of the public sector will be – for long time – much more limited than so far
- the tolerance level of the people (regarding inequalities and democracy deficits) is sharply decreasing





http://www.google.hu/imgres?imgurl=http://www.ruhrnachrichten.de/storage/scl/mdhl/fotostrecken/lokales/rn/dortmund/lokales/mitte/2011/02-2011/plovdiv1/2297054_m0w756h504q75v3295_zzdo-Plovdiv_und_Stolipinovo_Roma_Dortmund_Delegation_Foto_Bandermann_113.jpg&imgrefurl=http://www.ruhrnachrichten.de/bilder/fotostrecken/detail/cme103626,2297068&h=501&w=756&sz=91&tbnid=V5DM4OXQ8AePpM:&tbnh=90&tbnw=136&prev=/search%3Fq%3Dstolipinovo%26tm%3Disch%26tbo%3Du&zoom=1&q=stolipinovo&docid=



BREAKING NEWS

ENGLAND RIOTS

ACPO president Sir Hugh Orde defends police tactics

BBC NEWS 09:09 RIOTS STARTED ON SATURDAY • THE HEAD O

TYPES OF INTEGRATION POLICIES

- between **policy areas** (horizontal, in terms of policy management), coordinating the policy fields
- between **neighbouring municipalities** (territorial, in terms of geography), allowing for cooperation in functional urban areas
- between **different levels of government** (vertical, in terms of government), allowing for multi-level governance

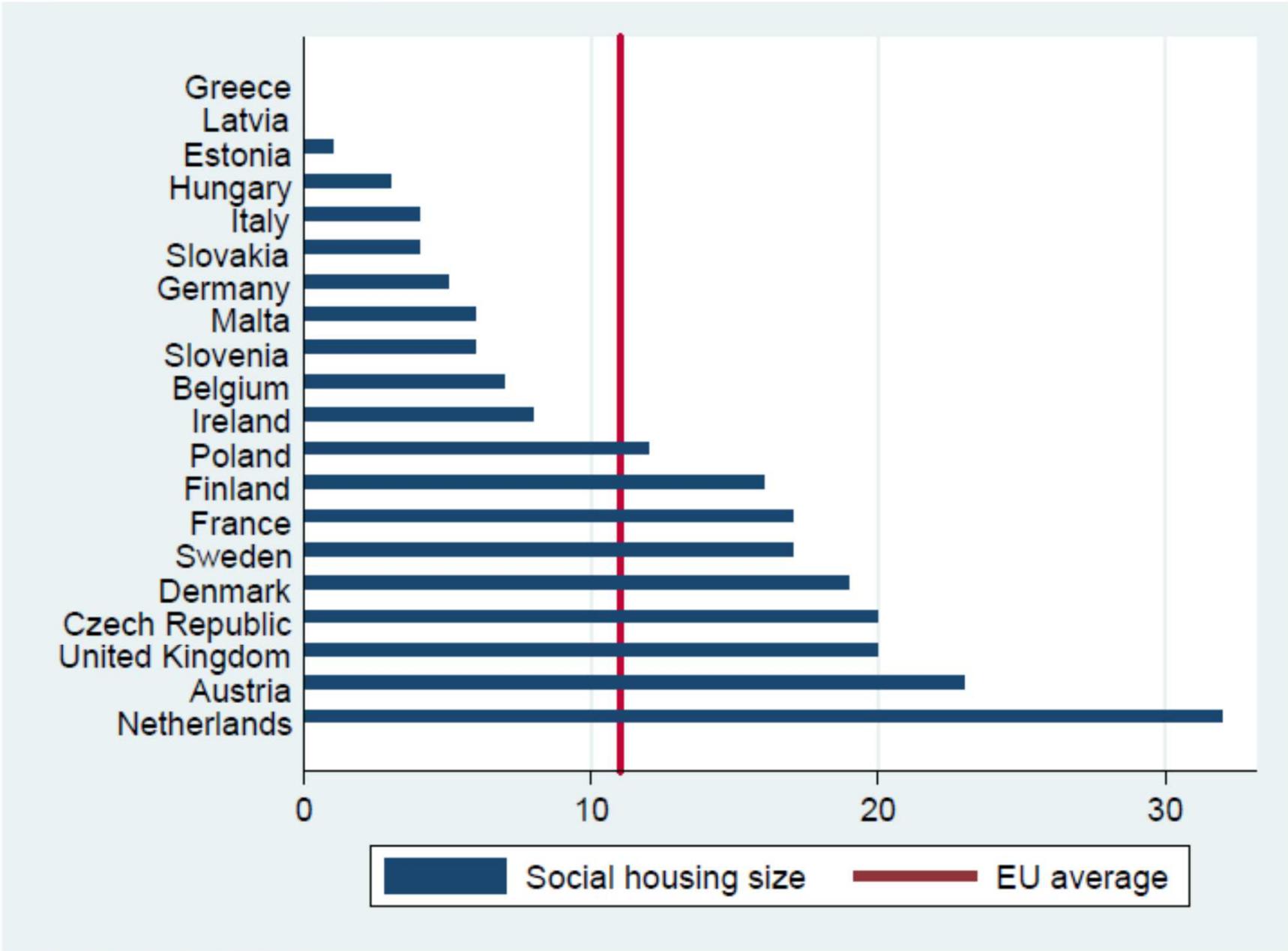
THE STRUCTURE OF THE PRESENTATION

- **Social housing in the EU – present problems**
- The use of ERDF for housing projects – results of a survey of ten countries
- Insights from social regeneration projects – trade-offs between different aspects
- The EU regulatory context 2014-2020 – the Structural Funds framework
- Conclusions

The EP about Social Housing

- There is **no common definition** of social housing at the EU level.
- In general, four dimensions characterise (and differentiate) social housing models and policies: the **tenure**, **provider** of the service, **beneficiaries** and **funding** arrangements.
- The European social housing model can be classified as **universalistic** (affordable price housing for the whole population), **targeted generalist** (allocated according to the income level) or **targeted residual** (vulnerability indicators).

Figure 1: Social housing share



Source: CECODHAS 2012

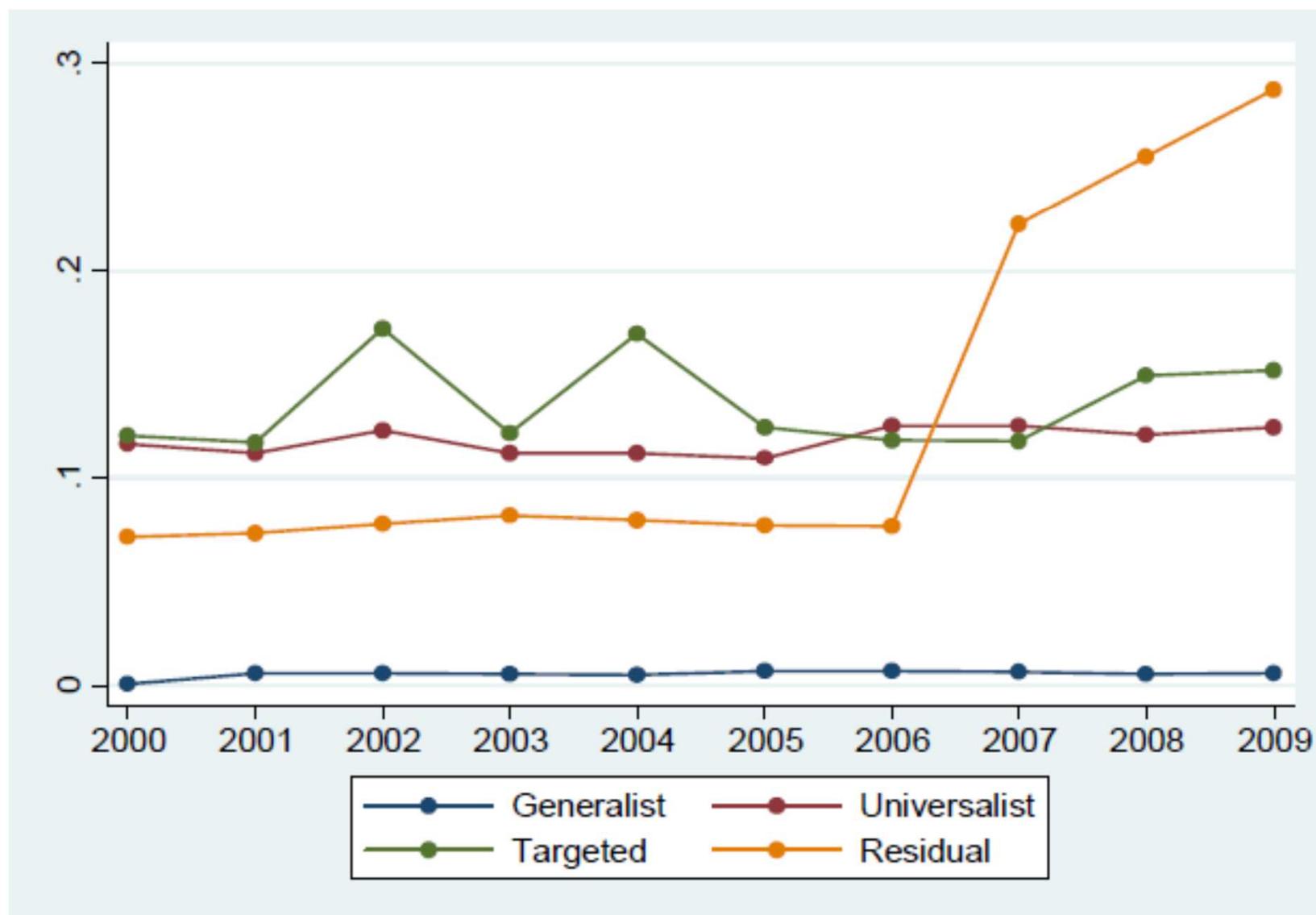
Table 1: Social housing models

		SIZE				
		<i>Large (>19%)</i>	<i>Medium (11-19%)</i>	<i>Small (5-10%)</i>	<i>Very small (0-5%)</i>	
ALLOCATION CRITERIA	<u><i>Universalistic</i></u>	The Netherlands, Denmark, Sweden				
	<u><i>Targeted</i></u>	<i>Generalist</i>	Austria	Czech Republic, France, Finland, Poland	Belgium, Germany, Italy	Slovenia, Luxemburg, Greece
		<i>Residual</i>	UK	France	Belgium, Estonia, Germany, Ireland, Malta	Bulgaria, Cyprus, Hungary, Latvia, Lithuania, Spain, Portugal

Source: CECODHAS (2007), CECODHAS (2012).

- The economic crisis created an **exogenous demand shock for the social housing market** with all European countries experiencing a significant **increase in poverty rates and housing exclusion**.
- In the EU there is a **debate concerning social housing** as a Service of General Economic Interest: it is crucial to satisfy housing needs to stimulate social while it is necessary to allow a satisfactory level of competition within the sector.
- To provide a single definition of Social Housing at the EU level would be rather problematic. Each country could contribute **with its own welfare experience and tradition** towards a framework definition of social housing
- This definition should be much broader than currently adopted within the legislation on competition, allowing **to preserve the universalist models of social housing and minimising the risk of social exclusion**.

Figure 4: Social housing expenditure as % of GDP by social housing welfare model



Source: Eurostat.

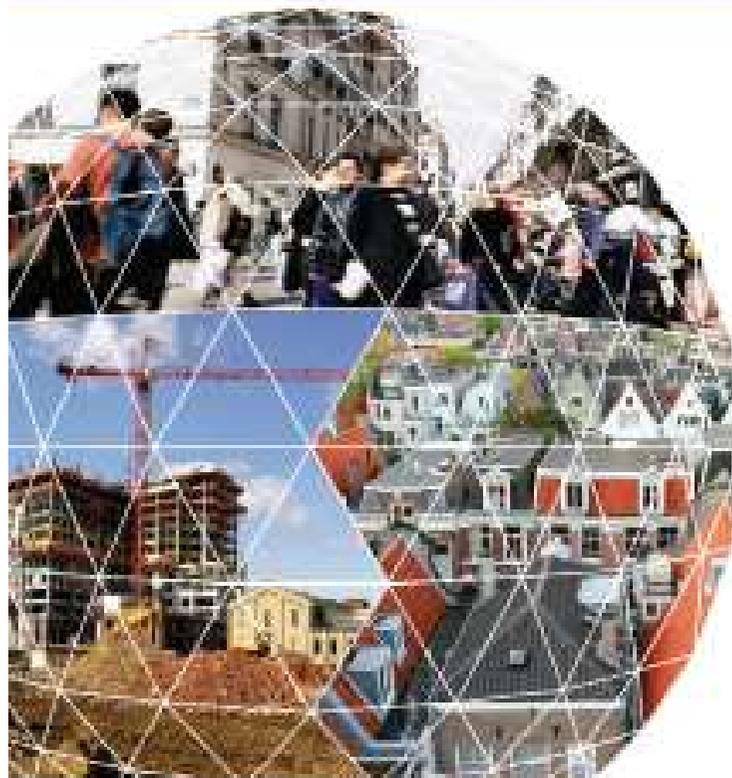
THE STRUCTURE OF THE PRESENTATION

- Social housing in the EU – present problems
- **The use of ERDF for housing projects – results of a survey of ten countries**
- Insights from social regeneration projects – trade-offs between different aspects
- The EU regulatory context 2014-2020 – the Structural Funds framework
- Conclusions



Housing investments supported by the European Regional Development Fund 2007-2013

Housing in sustainable urban regeneration



Promoting social integration in deprived urban neighborhoods through housing interventions by ERDF

- **DG Regio** study on the initiative of the **European Parliament**. January 2012 - January 2013.
- Consortium: **ECORYS** – **MRI** (Metropolitan Research Institute) – **LSE** (London School of Economics)
- Focused on **cohesion policy contribution to sustainable urban regeneration through ERDF investments** in housing 2007-13, following the various regulatory modifications
- Based on a **literature review** and **ten case studies** (UK, Estonia, Latvia, Lithuania, France, Italy, Czech Republic, Hungary, Poland and Germany)
- Main output: a Synthesis Report and published case studies which will be widely disseminated

2006

Regulation EC 1080/2006:

Renovation of existing housing (EU12)

- Integrated urban development
- Multi-family housing and social housing
 - Renovation only



2009

Regulation EC 397/2009:

Energy efficiency and renewable energy sources (EU27)

- Economic crisis response
- Enhance energy efficiency or install renewable energies
 - Supporting social cohesion
 - Social housing and owner occupier



2010

Regulation EC 437/2010:

Housing for marginalised communities (EU27)

- Integrated approach
- Tackle housing exclusion and segregation
 - Housing construction and purchase
 - Social housing

Country (Source: Cecodhas, 2011)	Housing infrastructure (original 1080/2006 EC)	4% measure for energy efficiency in housing (modified in 2009)	Country	Housing infrastructure	4% measure for energy efficiency in housing
Austria			Italy		111,207,424
Belgium		3,000,000	Lithuania	206,002,279	
Bulgaria	32,325,734		Luxembourg		
Cyprus			Latvia	29,968,597	
Czech Republic	*** (0,5%)		Malta	850,000	
Germany			Netherlands		9,000,000
Denmark			Poland	243,138,869	
Estonia	7,923,127		Portugal		6,163,117
Spain			Romania	111,780,653	
Finland			Sweden		
France		250,000,000 (4%)	Slovenia		
Greece		241,000,000	Slovakia	76,000,000	
Hungary	123,740,457		United Kingdom		170,000,000
Ireland					

Context



- Uptake of ERDF for housing has been relatively low.

Country	Percentage of national ERDF resources used for housing (approx)
UK	1%
Germany	0%
France	4%
Hungary	0.3%
Czech Republic	0.5%
Lithuania	3%
Poland	1.2%

- Partly explained by:
 - **Initial capping of ERDF spend on housing** - originally 4% for newer Member States and 2% for older Member States
 - Reasonably **short time to implement** the modifications in legislation - it takes time for regulations to filter down into policy/ practice
 - ERDF programmes/ plans were often well advanced when the legislation came into force which allowed ERDF spend on housing
 - Some countries decided **not to spend ERDF on housing** (e.g. Germany – they continue funding housing with domestic resources).

Introducing the Case Studies

UK: Renewables and Energy Efficiency in Community Housing (REECH, Merseyside)

France: Rehabilitation of social housing, Quartier La Foret, Cambrai

Italy: Energetic Requalification of Social Housing, Turin

Estonia: Integration in social housing and orphanages, Tallinn

Latvia: Improved energy efficiency in blocks of flats (whole country)

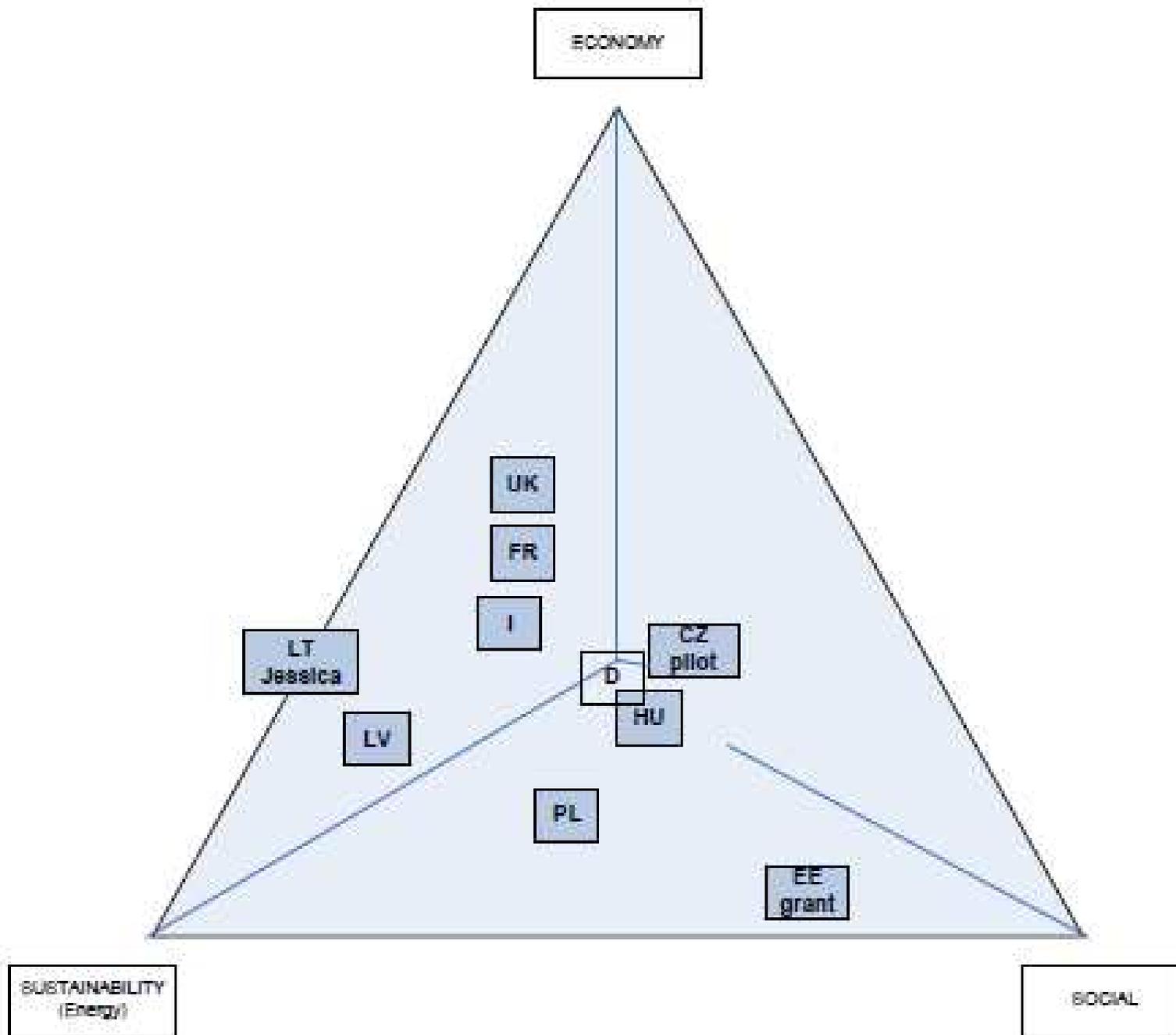
Lithuania: Renovation of multi family apartment blocks (Jessica, whole of the country)

Czech Republic: Development of deprived residential City Zones in Most

Hungary: Socially sensitive rehabilitation of Ady estate, Budapest

Poland: Renovation of housing in Sieradz

*****Germany:** Integrated Area Regeneration, Chemnitz



Example of horizontal approach: Latvia

- 50% non-repayable grant for the energy efficient renovation of **multi-family residential buildings** (financial framework 115 million Euro: by now more than 100 buildings completed)
- **Privately owned multi-family buildings** are eligible (at least 51% of the owners must agree)
- **No special social targeting** (however the grant is 60% in cases of at least 10% of low income residents, but nearly all multi-family buildings are eligible in general)



Example of spatially targeted approach: Hungary

- National system: **integrated calls for complex interventions in socially deteriorated urban areas**: housing estates and traditionally built areas
- Ady target area: **deteriorated housing estate** (eligible based on social indicators)
- **ERDF** types of interventions: partial renovation of 7 buildings, renovation of public spaces, establishment of a community centre, „facelifting” of the shop-windows,



ESF types of interventions (financed from ERDF):

- trainings and employment
- community development (in the community centre)

Example of marginalized communities: Czech Republic



Two ways of distribution in CR:

- **Mainstream:** for low status housing estates (housing and public space renewal)
- **Pilot projects:** 6 projects of complex rehabilitation for most marginalized communities

In pilot projects:

- **ESF** interventions are **compulsory**
- **High level of subsidy** would be essential (however it was 40% for social housing in CR)
- Technical assistance for planning (**Agency for Social Inclusion**)

Roma estate in MOST – 2 estates:

- Chanov: 4 buildings refurbished out of 11 (social housing)
- Stovky: condominiums – difficulties in matching funds (banks!)
- Social infrastructure facilities
- Housing reward ladder programme, social services
- Involvement of Roma in implementation
- No inclusion of the communities in planning



Are ERDF housing projects contributing to integrated sustainable regeneration in deprived areas?

- Projects generally **focussed on physical improvement** to housing (particularly around energy efficiency) - less evidence of projects **actively stimulating** wider sustainable urban regeneration linked to social and economic issues.
 - they have not actively sought to **maximise** economic and social benefits (ie implement supply chain, skills development or local employment initiatives)
 - there has been a lack of **measurement or evaluation of wider social and economic impacts**
 - most of the managers of ERDF projects are **housing practitioners** (who needed support with issues such as community development, reaching marginalised communities etc).

Are ERDF housing investments contributing to integrated sustainable regeneration in deprived areas?

- Projects generally focussed on improving **individual blocks of flats** or discrete areas of housing, rather than being part of a holistic integrated area-based development programme for entire neighbourhoods.
- Thus benefits from ERDF investment have been more direct for **individuals** (ie those living in improved housing) rather than **entire neighbourhoods**.

Are ERDF housing investments contributing to integrated sustainable regeneration in deprived areas?

- Projects often **target whole territories** with no targeting on deprived/marginalised groups
- owners benefiting from ERDF projects often **self select** or **‘opted in’**-less evidence of distributing funds according to need
- owners associations often need to be established before accessing ERDF support. This can exclude most deprived living in the worst blocks who can be more transient, less cohesive and **less structured/ organised**
- owners may have to contribute large levels of their **own resources** to finance improvements excluding those on the very lowest incomes from benefitting
- loan-based projects can make it difficult for more deprived communities on lower incomes to access support (focussed on their **inability to finance a loan**)

Lessons at EU level



Possible types of ERDF intervention should be defined:

1. General **energy efficiency** programmes, with weak social targeting (but explicitly excluding high income areas), with **substantial mandatory stakeholder contributions**
2. Strongly socially targeted **integrated improvement of deprived multi-family housing** areas including energy efficiency and job-creating measures, with **mandatory stakeholder contributions**
3. **Complex integrated improvement** of the most marginalized residential areas/housing conditions with extremely strong social targeting, **little or no stakeholder contributions**. Housing and job related measures within the area or through measures outside of it.

Lessons at National level

- **Short timescales** don't allow for integration, particularly in the case of complex projects (the most socially targeted and integrated ones) where sufficient time is needed for participative planning (through detailed consultation with stakeholder groups), step-by-step implementation and careful monitoring.
- **Mentoring and support** by higher levels of governance should replace heavy handed bureaucracy. Current approaches deter, instead of encourage, integration and creative local solutions. Cities should have **access to technical assistance** in developing and implementing complex and integrated projects to foster social inclusion.
- **ESF and ERDF integration** should be pushed forward by national/regional level requirements including integrating calls for projects and their assessment by MAs.



Lessons at Local level

- Cities (and the regional administration) may regard **multiple partners** as problems rather as solutions. Sufficient time and flexible administrative frameworks are needed to build effective partnerships. Big role for ETC programmes (e.g. URBACT).
- **Resident engagement and empowerment** delivers multiple benefits in identifying and delivering good local solutions and in managing expectations.
- The importance of **communication and marketing** cannot be overestimated in implementing a successful rehabilitation project targeted on excluded neighbourhoods. Information, explanation, and participation should involve also residents in the **wider neighbourhood and the city as a whole**.

THE STRUCTURE OF THE PRESENTATION

- Social housing in the EU – present problems
- The use of ERDF for housing projects – results of a survey of ten countries
- **Insights from social regeneration projects – trade-offs between different aspects**
- The EU regulatory context 2014-2020 – the Structural Funds framework
- Conclusions

Socially sensitive urban regeneration programme in Budapest: Magdolna quarter

- Strategic plan of district VIII for fifteen years (2005-2020)
- Phases of interventions in Magdolna:
 - Phase I (2005-2008): jointly funded by the Budapest and the District 8th Municipalities, 2.7 million eur
 - Phase II (2008-2011): ERDF funding (ROP), 7.2 million eur
 - Phase III – (2013-onwards) ERDF, 13 m eur total investment
- Integrated programmes: both physical and soft projects (housing is compulsory element)



Main pillars of the Magdolna programme

The aim of the programme is not to turn Magdolna into a rich area, but terminate deep poverty.

- **Urban renewal:** special programme for the tenants
 - To involve them into the renewal
- Programme for **creating communities**
 - Create a community house
- **Public space** program
 - Improve the central square (Greenkeys, Interreg IIIB)
- **Educational** program, **public safety** program
 - De-segregate the school (from 98% to 'normal' share of Roma kids)

1. Management structure of social urban renewal

Mayors offices are too bureaucratic and thematically focused (silos)

- RÉV8, as publicly owned interdisciplinary company, has been established outside the office to develop long-term integrated solutions

However, RÉV8 has gradually lost decision-making power over the years, politicians intervened into more and more decisions

Conclusion: politicians should keep only strategic decisions while devolving management to dedicated interdisciplinary institutions

2. Public participation

- First phase: 2 mill eur, working with 4 publicly owned buildings, making the cellar areas clean (own work of residents taken into account in the new rent level).
- Second phase: 7,4 mill eur, renovation of 16 publicly owned buildings, support to 7 condominiums.
- Third phase: 13 mill eur, 28 programmes, only one (public space renewal) will be implemented with the people together – in all others the municipality found it too risky to accept real involvement of people

The more EU money, the less opportunity for participatory planning (under present Hungarian SF rules aiming for short-term, 2 year long projects),

Conclusion: the **financing of integrated regeneration should be long-term (covering the whole planning period)**

Budapest - Józsefváros
Magdolna Quarter Program

Program 2nd phase



The projects have been supported by the European Union

3. The level of improvements

- Second phase: in one of the buildings all flats got WC and shower, rent increased 2-3 times and utility payments even more. Tenants **did not want to move back**.
- The higher is the quality of renovation, the less is the chance to keep the original residents, as the national social safety net has been cut drastically

Conclusion: for the success of social renewal the **national social benefit system** has to follow the increase of the housing costs of original residents. Coordination of local EU projects and national welfare policies is needed.

Drift through urban space and time

Position of communities in fragmented urban space.

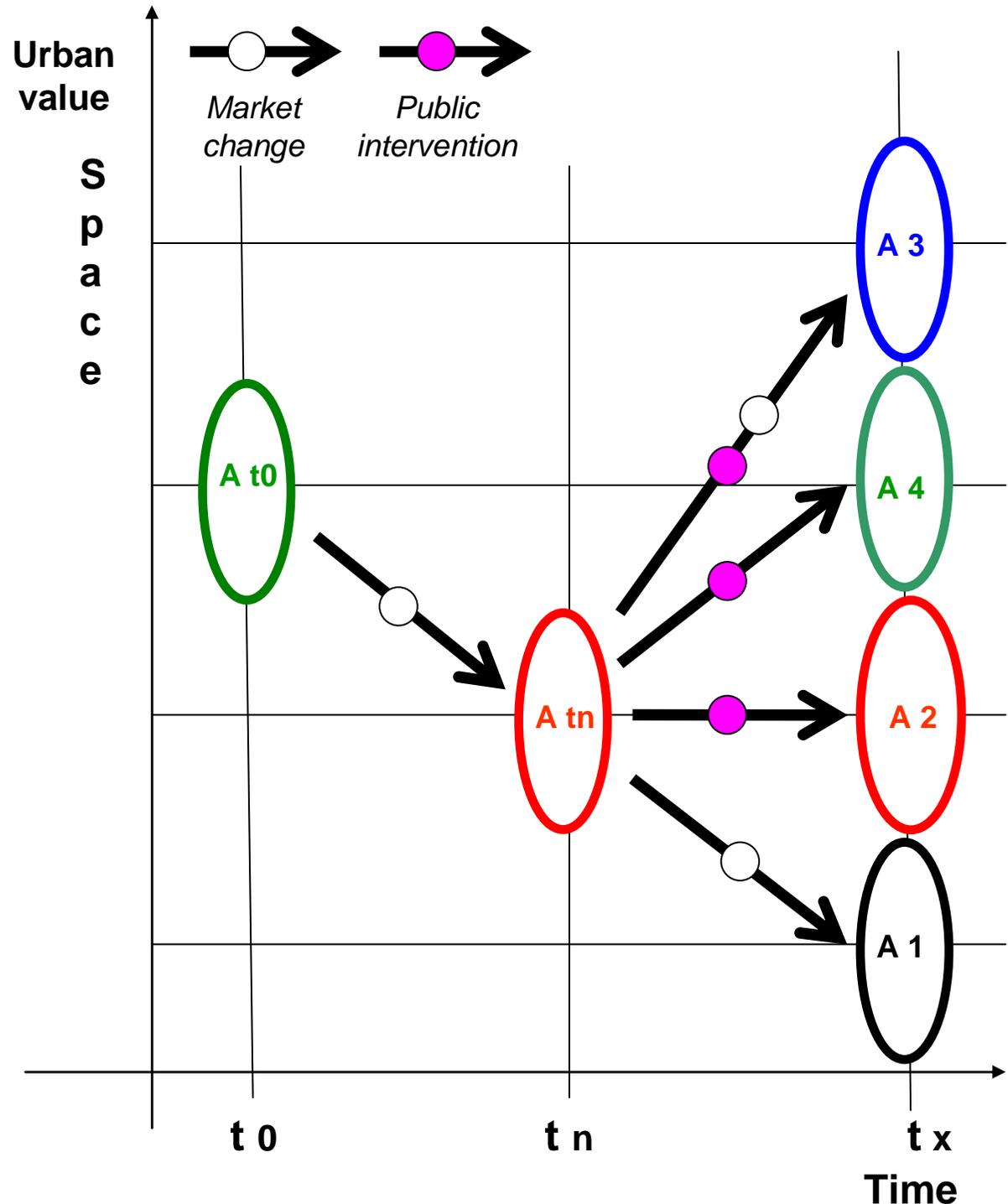
Which strategies?

A1 decline

A2 steady state

A3 gentrification

A4 coherence
best practice



Integrating horizontal and area based policies: URBACT research

Comparative research in 4 European cities (**Berlin, Malmö, Lyon / Vaulx-en-Velin and Naples**) about **socio-spatial segregation and city-strategies against it**

Similar segregation patterns may have **different reasons and factors**

Similar manifestations of segregation in EU cities may be very **different in their dynamism and impacts**

Segregation has **different dimensions**: economic, social, cultural, residential , mobility, religious, ethnic, visual ...

Against Divided Cities in Europe (www.urbact.eu)

Horizontal & Area-based policies

Horizontal policies:

- Not linked to any specific spatial level
- Focus on improving situation of PEOPLE (low income, special needs) through city-wide education, public health, social housing policies

Area-based policies:

- Focus on a specific geographical unit (e.g. neighbourhood)
- Aim to improve situation of people living in the specific areas.

Area-based policies

Assumption: by focusing on PLACES with specific problems, the situation of the PEOPLE in these areas will improve.

- **‘Soft’ measures:** Fostering skills, social capital and building capacity of people in specific areas (e.g. work integration and training programmes, local festivals, etc.)
- **‘Hard’ measures:** Physical restructuring or upgrading programmes in specific areas (e.g. demolition, new infrastructure, regeneration of housing, etc.)

Integrating horizontal and area based policies: conclusions

Cities **need to know** the processes that lead to the creation of deprived neighbourhoods and the roles that they play within the city as a whole

- a **careful blend of area-based neighbourhood policies and city-wide** (or larger scale) **people-based policies** is needed
- examples of demolition and enforcing social mix show **controversial results** and questionable outcomes
- segregated areas should be managed for as long as possible through policies **to increase the opportunities and the quality of life of residents**; high-quality and accessible services – affordable housing, education, childcare, health, public transport – help areas to become less segregated and able to fulfil their role as places of integration

THE STRUCTURE OF THE PRESENTATION

- Social housing in the EU – present problems
- The use of ERDF for housing projects – results of a survey of ten countries
- Insights from social regeneration projects – trade-offs between different aspects
- **The EU regulatory context 2014-2020 – the Structural Funds framework**
- Conclusions

EUROPEAN COHESION POLICY 2014-2020

Integrated urban development is the key to achieve the EU2020 targets. New EU tools:

- **CLLD**: people-based integrated interventions in smaller municipalities and on neighbourhood level in larger cities (10-150 th population)
- **ITI**: place-based integrated approach in larger cities, potentially on metropolitan level
- **Horizon2020**: „spatially blind” innovative economic actions in large urban areas

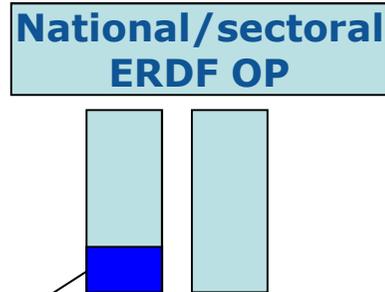
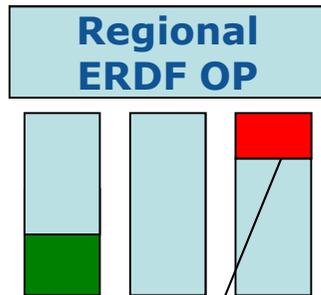
A paradigm shift: from the “terroire guichet” to the “territoire projet.”



- › From “**territoire guichet**” – administrative boundaries – deficits or gaps - management body redistributes grants
- › To “**territoire projet**” – what is our project for the future? – who (which allies) do we need to achieve it? – what is the appropriate (functional) area over which to achieve it?

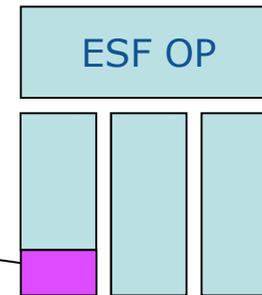
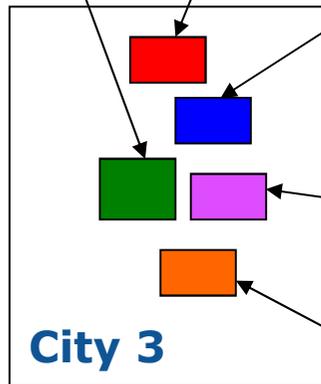
Integrated sustainable urban development

Example: Member State A

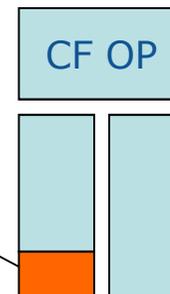


Total allocation for ITI at least 5% of Member State's ERDF, delegated to cities

ITI



+ additional ESF and CF, if appropriate



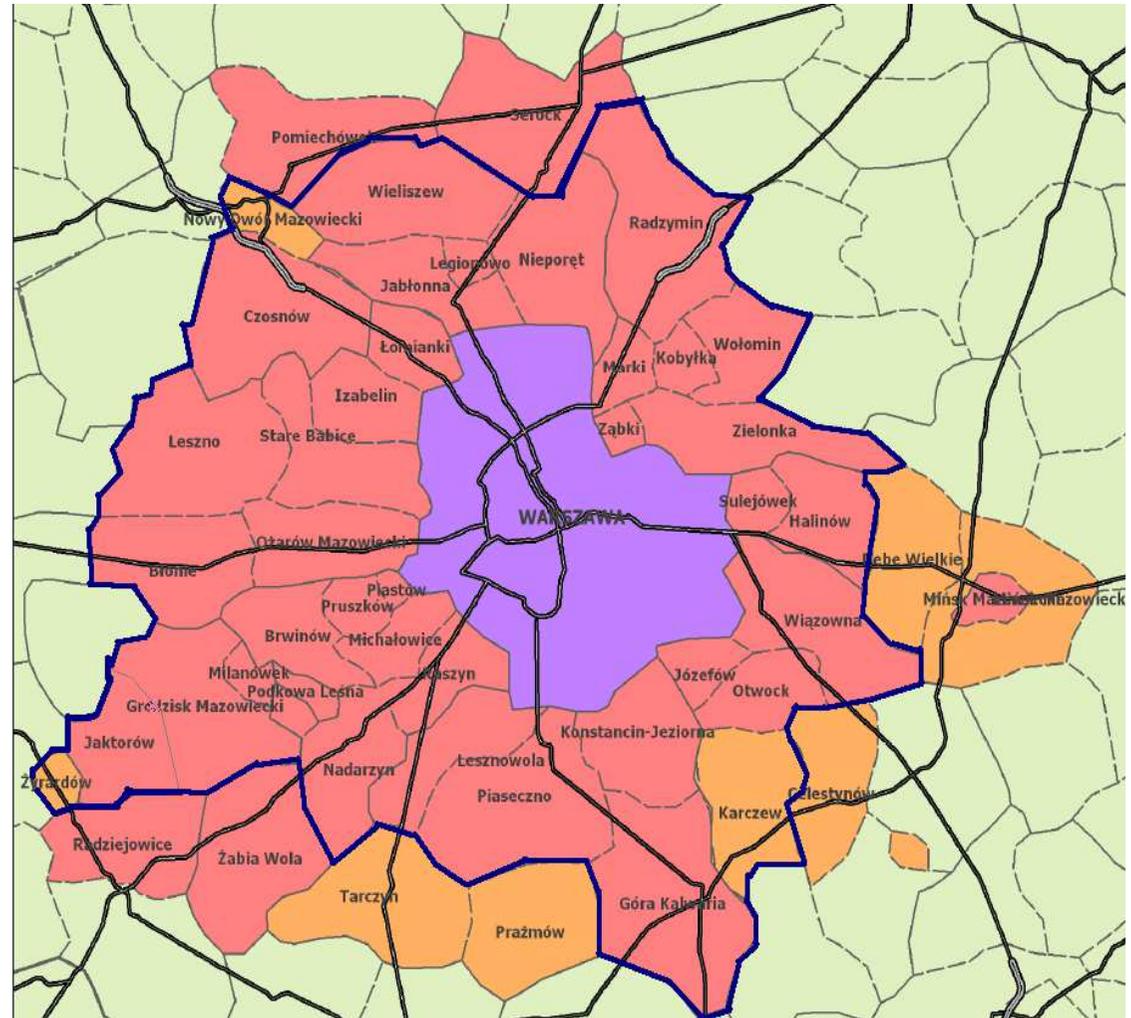
- City 1
- City 2
- City 3
- ⋮
- City 25
- City ...

POLAND: GOOD EXAMPLE TO PLAN ITI

- The Government requires ITI associations to be formed between the **16 regional capitals** and the municipalities belonging to their **functional urban areas**
- The Government **provided lists of settlements** – at least half of the settlements should become part
- The municipalities within the FUA, which **do not join** the ITI, will have a more difficult access to EU funds in fields, where the ITI will have projects
- The association creates a **Board** (to be headed by the mayor of the core city) which has to **prepare integrated strategy**
- The „carrot” EU funds in the form of an ITI seems to be efficient in the **Warsaw Functional Area** (Franz Thun)

ITI – Teritorial definition of the Warsaw Functional Area

- surface: 2.932 sqkm.
(8% of the surface of the region)
- population:
2.656.917 inhabitants
(50,3% of the population of the region)
- 40 communes – including
Warsaw (within 11 counties)
- 38 communes prepare a joint
ITI with the lead of Warsaw



DIFFERENT NATIONAL REACTIONS ON ITI

- Mostly oriented towards **large cities** (except for England)
- France and Poland: explicit requirement **to include the FUA level**
- **Delegation to metropolitan associations** in Poland, to the LEPs in England, no delegation in Germany
- **Thematically broad** in England and Poland, narrow (deprived areas) in France and Germany
- **Legal form:** ITI or urban axis

THE STRUCTURE OF THE PRESENTATION

- Social housing in the EU – present problems
- The use of ERDF for housing projects – results of a survey of ten countries
- Insights from social regeneration projects – trade-offs between different aspects
- The EU regulatory context 2014-2020 – the Structural Funds framework
- **Conclusions**

1. Integrated development of urban areas

Integrated development of urban areas should be achieved. However, **deprived areas are usually handled separately** and integration is achieved maximum on project, not city level. There are **trade-offs** between

- **energy and social** aspects (renovation of buildings leading to non-affordable rents, excluding poor residents)
- **efficiency and participation** (financial urgency to spend money does not allow for integrated policies in participative way)
- **short-term and long-term** (demolition is usually not a sustainable solution for the problems of the poor)

2. To achieve better use of ERDF housing money

Three types of ERDF intervention should be defined:

- General **energy efficiency** programmes, with weak social targeting (but explicitly excluding high income areas), with **substantial mandatory stakeholder contributions**
- Strongly socially targeted **integrated improvement of deprived multi-family housing** areas including energy efficiency and job-creating measures, with **mandatory stakeholder contributions**
- **Complex integrated improvement** of the most marginalized residential areas/housing conditions with extremely strong social targeting, **little or no stakeholder contributions**.

In my opinion a **balance** of these types of project is needed at **national level**. Carefully designed **conditionality criteria** should set a minimum level for the more complex projects which should be **linked to the ITI-s** (strategic plans) in the case of larger cities.

3. The need for strong national framework

- EU supported social housing programme should be **linked to the FUA level integrated planning** (supported by ITI), to ensure integrated approach. Metropolitan cooperation **needs national frameworks and initiatives** to come alive.
- Cities are not able to solve the problems of deprived areas alone. **National horizontal policies** are needed (welfare, education, social housing) to assure the framework.
- **Visegrád countries** could become good cases in the development and use of integrated approach.



Thank you for
your attention!



tosics@mri.hu