

National Action Plan against Substandard Housing

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1. General information

1.1. Housing stock

In 2007 the housing stock of Latvia is 58.7 million square metres; 65% of all the housing stock was located in cities.

In Latvia, in comparison with the other EU countries, housing is of a lower grade; dwelling houses are comparatively old and of low quality, particularly from the point of view of chargeable heat. 31% of all houses were constructed before 1940. 57% of all dwellings were built in the period from 1958 to 1992, when ferroconcrete constructions in building were used.

1.2. Structure of ownership

The transition period in the early 1990s also included changes in the ownership structure of the housing stock in Latvia. Denationalization of house ownership and privatization of municipality-owned dwelling houses in 2007 resulted in 87% of the housing stock being private property, 9% municipality-owned, 2% state-owned and 2% owned by cooperative companies.

2. National policy and Acton Plan against social exclusion

2.1. Political approach:

The key policy documents to combat with social exclusion and poverty are:

2.1.1. The Concept Paper on Housing Policy (adopted on 1996) which as the main task of national housing policy defines the advancement of access to good-quality housing for all residents at a reasonable cost.

2.1.2. Joint Memorandum on Social Inclusion of Latvia (adopted on 2003) which set provision of adequate housing and mark main priorities and actions to achieve specific aims:

The first priority is to pay specific attention to support measures (e.g. development of the social housing fund etc.) to assist people who are unable to obtain housing from the housing market,

especially such vulnerable groups as families with children, orphans coming of age, ex-prisoners, etc.

A second group of measures should be to support those groups of residents who do not have enough income to pay for the housing in which the family lives and for public utilities, e.g. families with children and elderly people living alone in the cities, etc.

Thirdly, special support measures should be provided for people with disabilities (adjustment of housing to their needs etc.).

Fourthly, special measures are important to support people (e.g. victims of violence, victims of trafficking, ex-prisoners, homeless, etc.) to overcome short-term difficulties, providing them with temporary housing opportunities and rehabilitation while the crisis situation hindering their social inclusion is overcome.¹

2.1.3. National plan on "health – environment" (adopted on 1998) based on priorities raised in Environmental Health Action Plan for Europe. The emphasis here is on the risk to health involved in inhabiting unhygienic, low indoor environment (air quality, dampness e.tc.)

2.1.4. The Concept Paper on Development of the Credit System for Housing Construction, Reconstruction and Modernization provides for the introduction of a mortgage loan system with the objective of promoting the renovation of houses in cities, small towns and rural areas.

As it is also mentioned in Peer Review (discussion paper) in considerable European number of countries substandard housing has no definition – the same is in Latvia, but there are criteria defined to approved housing as fit for living (see box1).

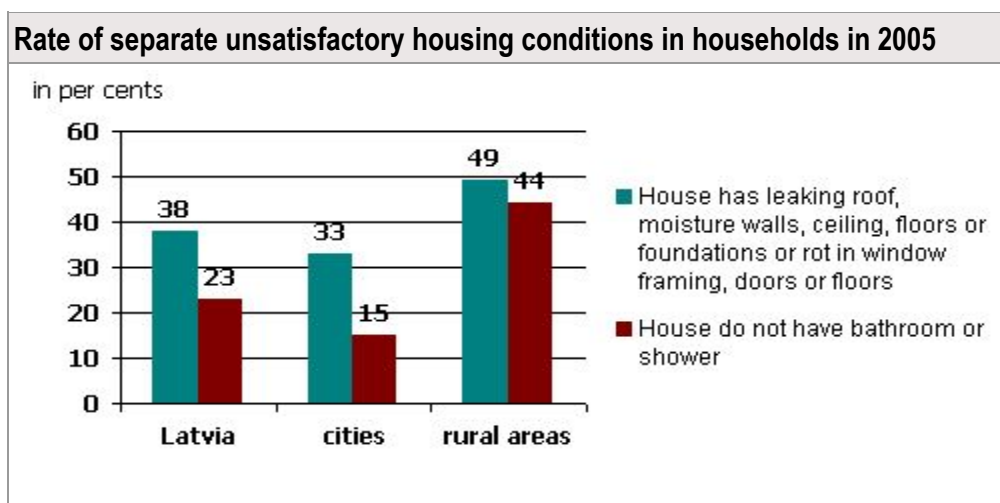
Box1 Definitions

Inadequate housing conditions - In existing legislation in Latvia is not classification „living in inadequate housing conditions” however a Law On Residential Tenancy determine that a residential space fit for living shall be a light-able, heatable room suitable for long-term human shelter and placement of household items and shall comply with the construction and hygiene requirements specified by the Cabinet Regulations.

Low-income person - A person shall be recognized as a low-income person if his or her income and material conditions do not exceed the level specified by the relevant local government council, which may not be less than the level of income and material conditions of a needy person, which the Cabinet has specified on the basis of the Law On Social Services and Social Assistance.

¹ JOINT MEMORANDUM ON SOCIAL INCLUSION OF LATVIA (The Memorandum outlines the principal challenges in relation to tackling poverty and social exclusion, presents the major policy measures taken by Latvia in the light of the agreement to start translating the EU's common objectives into national policies and identifies the key policy issues for future monitoring and policy review.)

However by public opinion (shown in statistical report) inadequate housing conditions are represented in table:



In conclusion it can be said that like in France also in Latvia currently the combat against social exclusion (also providing persons with adequate housing) is being led on the basis of specific political, legal and financial tools, the realization of which is continuing at the local level.

2.2. Administrative structure

There are two levels of administration dealing with housing related issues:
 Central government – represented by ministry of Economics and State agency “Housing agency”;
 Local government – provided by territorial local governments – city, county and parish local governments (municipality).²

2.3. Legal provisions

The legal documents used as important instruments in the fight against exclusion and quality of housing are:

- “Law on the Renting of Living Space”,
- “Law on Assistance in Solving Apartment-related Problems”
- “Law on Social Apartments and Social Dwelling houses”.
- “Law on Social Utilities and Social Assistance”

² A territorial local government is a local administration which, through bodies of representatives elected by citizens – city or county council (parish council) – and authorities and institutions established by them, ensures the performance of the functions prescribed by law, as well as the performance of tasks assigned by Cabinet according to the procedures specified by law, and local government voluntary initiatives, observing the interests of the State and of the residents of the relevant administrative territory.

A number of Governmental regulations – most important of them:

- „Procedures by which the State Earmarked Subsidies are to be Granted to Local Governments for Solving Apartment Matters”
- Procedures by which Local Governments Select Tenders and Enter into Agreements Regarding the Lease of Residential Houses or Residential Premises
- Procedures by which a Loan Guarantee is Granted for the Renovation or Reconstruction of an Apartment Building.

Under this legislation, social assistance is delegated entirely to the municipalities. Ministry of Economics is responsible for development of housing policy (incl. conceptions, support programmes, action plans) and supervision of it implementation.

As it was mention in 1.part of report - 9% of total housing stock belongs to municipalities.

2.4. Financial provisions

Only starting from 2005 financial resources for housing related issues are set in State budget.

With State support was provided:

- municipality - for the construction of social residential houses, tenement houses; for the conversion (reconstruction) into residential houses of buildings owned by a municipality or the completion of newly erected apartment houses (the construction work of which has been suspended), or for the renovation of non-rented residential houses (subvention is 30% from expenditures);
- apartment owners – for Renovation or Reconstruction of an Apartment Building (loan guarantee is 50% form expenditures, or state provided subsidies 20% of expenditures);
- families with children - for the acquisition or construction of living quarters (housing) (loan guarantee is 20% from costs amount);
- In period 2007 – 2013 financing also from Structural funds for renovation, energy efficiency and modernization of social houses (including such activities as refurbishment of main structural parts of the building, roof, facade, inside and outside corridors, technical installations of building (water supply and sewage network, electrical installations, fire safety installations, ventilation and garbage systems,)) etc. be available with total allowance 10 mil. EUR.

3. Weaknesses and the main barriers of housing sector identified by different municipalities:

Financial

- Municipalities do not have enough investments for insulation measures to reduce energy consumption;
- Profit from social house management payments is too small for to implement any energy saving measures;
- Municipalities already have many project for improvement of infrastructure and developing the territory, that in the end there are no financial resources which could be allocated for social housing;

Legislative

- State support for development of social housing sector is too small.

Technical

- Heating systems are morally and physically old and do not fill technical and economical requirements;
- Houses have not effective insulation – big losses through walls, windows, balcony doors etc.;

4. Experience with the fight against exclusion

Implementation of the support mechanisms and regulations

- Procedures by which the State Earmarked Subsidies are to be Granted to Local Governments for Solving Apartment Matters will allow to solve issues connected with housing provision for socially vulnerable groups with low incomes, including the tenants of denationalized houses – especially families with children and single old people;
- The state support Programme “On Promotion of Renovation of Apartment Houses” is being adopted to renovate the houses (for renovation and heat insulation of apartment houses) to partially subsidize and promote apartment house renovation measures in the regions of Latvia, to ensure activities for effective use of energy and to lower the costs of utilities. This Programme will ensure an equally high quality of housing in all regions and will allow households to save on utility payments.;
- Law on the Renting of Living Space and Law on Assistance in Solving Apartment-related Problems are stipulated in the legislation to protect the groups endangered by risk of social exclusion against the loss of housing. From 2002 the law in force does not allow the eviction of families with children for debts connected with rent and public utilities without providing them with other accommodation. From October 2003 local authorities have rights in the order defined in their binding regulations to register tenants of denationalized houses to get the support in accommodation issues;
- Monitoring system for reviewing the data about social assistance and demand of it in municipalities;
- Under development is one more very significant legislative act – Law on maintenance of property.

Above mentioned instruments and support programs are linked directly to implement priorities named in point 2.1.2 of this report.

5. Questions for discussion:

- Experiences with existing supporting programs for retrofitting of social housing and schemes of effective maintenance process in such kind of buildings;
- Mixture of tenants in social houses – positive or bad influence on process to combat with social exclusion;
- Legal actions to envisaging the expropriation of homes – a tool for better maintenance and housing quality?