

Setting up an association of municipal housing –bankability & sustainability

Experience of Housing Europe

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Municipalities to form an Alliance



- A **'cities network'** that provide public rental housing would make **easier and faster the design and implementation of municipal housing policy**.
- **A place to discuss and harmonize the eligibility criteria**
- Can function as a **point of reference** when it comes to consultation with the Central level.
- Key to involve **grassroots organisations** that have extensive knowledge on the ground (**save the municipality time and money in long-term**).
- **A place to** explore, develop and test how projects might work in practice.
- **Creating sub-channels** for exchanging experiences and build capacity.

Beneficiary: Ministry of Labour and Social Affairs
Department of Social Services, Social Work & Social Housing

Aim: help setting up and developing the system of SH and to provide adequate methodical support to the municipalities and other SH providers

- strengthen the competences of Ministries, municipalities, NGOs, employment offices, academia

Total budget: €3 759 945, 0310 (77,56 % covered by ESF under OP Employment), 22,44 % by State budget.



Evropská unie
Evropský sociální fond
Operační program Zaměstnanost



Informational support to help setting up and developing the SH system and to provide adequate methodical support to 14 municipalities and 2 of Prague's city districts:

a) international cooperation

b) research & analysis

c) education and methodologies

d) A Liaison centre is to be established.

e) Municipalities to carry out pilots of social housing models.





- **Field research and 4 analysis necessary for implementing the system of SH**

- 1) analysis of **residential segregation** in 10 selected municipalities
- 2) research of **neighbour relations** in localities where SH is being implemented
- 3) comparative **analysis of foreign practices** with focus on equal access to SH
- 4) long-term field research of **housing conditions** with focus on SH

- **Adequate education**

- seminars & lectures to social workers from municipalities and employment offices' workers dealing with clients in SH
- regional workshops for representatives of municipalities
- practical guidelines, case studies (eg: how to interlink social work and housing policies with other instruments of social policy)





- **Setting up a Liasion Center that provides**

- Gathers relevant knowledge and share it
- Municipalities, other key players (NGOs, academia, etc) and general public
- Methodical leadership in the pilot testing

- **A complex set of communication activities**

- to raise public awarness about SH (press releases, newsletters, web pages, conferences, seminars, brochures, etc.)

- ✓ **Political will:** the project was identified as a priority of the Minister (Social Housing Concept 2015-2025)
- ✓ **Ownership:** Ministry level, Liaison Centre, municipalities
- ✓ **Transnational nature:** learning from other countries, then designing its own model (Pilots)
- ✓ **Long-term vision:** Establishment of a LC available beyond the implementation period
- ✓ **Multi-level governance:** LC to exchange not only with municipalities but also with NGOs and other key players that feed back.
- ✓ **Transparency:** LC share information with the general public and keep them up to date with latest development.



KOVA -Finland

- a national umbrella association for non-profit rental housing companies and foundations
- Mission: to gather all the Finnish non-profit rental housing companies and foundations together.
- Goal: to create permanent conditions for production of reasonable priced rental housing in Finland.
- Members: municipally owned rental housing companies and foundations, and other non-profit rental housing companies and foundations.
 - 21 members: own, maintain, and build reasonable priced and state subsidized rental houses all over Finland.
 - Covers 40% of the state-subsidized stock: its members own about 160 000 rental apartments

Factors to take into account in Hungary

Bankability & sustainability 1/2

- **Transfer of autonomy:** requires **trust** among the members. Similar/diverging interests? Clarify focus of joint lobby. A homogeneous group helps to improve the alignment within and for an association.
- **Coverage ratio:** Is it a large enough share of municipal housing corporations? The larger the coverage ratio, the stronger the position of the association & the effectiveness of the advocacy.
- **Clear Number of dwellings:** no problem as long as there are sufficient common interests
- **Decision-making structure:** What mandate does the association have from its members, and how is this established? More important than the contribution itself... If there is no **trust**, that is a reason to terminate a membership.

Factors to take into account in Hungary

Bankability & sustainability 2/2

- **Membership fees:** in the beginning the funding via contributions must be guaranteed for multiple years. Otherwise, it will be hard to find qualified personnel to build up a strong association
- **Equity:** not need much because there are no significant obligations
- **Mutual financial guarantee scheme:** key for becoming viable for loans
- **Financial reserve:** can absorb fluctuations in membership so that financial continuity is assured. However, given the limited long-term obligations incurred upfront, this is not immediately necessary as long as there is sufficient confidence in collaboration

Potential international donors



- Agence Francaise de développement: engaged to finance the public sector and NGOs
- ERSTE Bank, Social Finance Department
- The Swedish Reform and Cooperation Programme 2021-2027
- The Swiss Cooperation Programme 2022-2025
- KfW, the public investment bank of Germany

Thank you

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