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Building Operational Capacity for a Decentralized Government in Romania

SOCIAL HOUSING DECENTRALIZATION STRATEGY

Pilot city: Ploiesti

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List of acronyms

CC	County Council
CUPAR	Central Unit for Public Administration Reform
FALR	Federation of Local Authorities in Romania
GDMPF	General Directorate in Ministry of Public Finance
LGU	Local Government Unit
MTCT	Ministry of Transportation, Construction and Tourism
NHA	National Housing Agency
MAI	Ministry of Administration and Interior
MIG	Minimum Income Guaranteed
MPF	Ministry of Public Finance
NGO	Non-Governmental Organization
PI	Performance Indicator
PIT	Personal Income Tax
TIBC	Territorial Inspection in Building Construction

Chapter 1: Existing decentralization /deconcentration, features and trends

1.1. The context of decentralization/deconcentration in Romania

1.1.1. General overview

Establishing a democratic and efficient public administration system is the foundation of a modern and democratic state. Romania is building this concept that became a top priority of the Romanian Government as well. The goal is to achieve European standards and values of transparency, predictability, accountability, adaptability and efficiency.

Improvement of the public management and good public services will be the one of the main results of a continuous decentralization/deconcentration process. In this respect a coherent allocation for responsibilities, financial resources and for the legal aspects offered is needed.

The decentralization /deconcentration process is based on the following principles¹:

- **Regarding the responsibilities transfer:**
 - application of subsidiary as a means for transparent, accountable and efficient public service delivery;
 - consistent allocation of rights and responsibilities
 - clear definition of minimal service outputs and standards
 - creation of clear and stable regulations that encourage local strategies and cherish innovative solutions
 - creation of incentives for innovative solutions;
 - consideration of the citizen as “the consumer” of public services
- **Regarding the system for financing the decentralized services:**
 - *revenue allocation* should be adequate to decentralized responsibilities;
 - a financing mechanism should be in place that can secure the funding for the minimal service standards established by the central government;
 - *transparency of the allocations* should be secured by *objective criteria and clear normative rules* including task proportionate, revenue localizing and equalizing elements
 - budgeting regulations should create *transparent budget systems* and procedures and facilitate local financial management
 - the simplification of the horizontal equalization procedures;
 - the predictability and the stability of the allocation system that will allow planning at local level;
 - efficient legal control system of the use of the funds at the local level;
 - local autonomy regarding the financial management accompanied by heavy budget constraints.
- **Regarding the decision competencies transfer**
 - Coordination by clear and *stable rules and incentives* should be established, instead of the currently prevalent direct control mechanisms and discretionary decisions;
 - decisional autonomy secured by own resources and responsibilities;

¹

- *Central government control* on the management of local functions should be *restricted* to national regulation, legal supervision (only a posteriori legal review and challenging of local decisions) and review of monitoring results for possible policy amendments
- the transparency of the decision-making process based on the citizens access to the public information and their participation to the decision-making process.

1.1.2. Objectives

The continuation of the decentralization / deconcentration process will ensure **the improvement of the public services management and their quality improvement**². In this regard, a more coherent allocation of the responsibilities, financial resources and rights related to the offered services, has to be established.

1.1.3. Priorities

As adequate responses to the identified weaknesses of the Romanian Public Administration system, in the domain of decentralization and deconcentration of public services, the following priorities³ can be identified:

- Clarification of competencies of different levels and units of the public administration
- Strengthening of financial autonomy
- Improvement of the consistency of the system of decentralized and deconcentrated service delivery
- Redefinition of the competencies of the Government representatives in territory
- Creation of instruments, capacity and procedures for implementation

1.1.4. Immediate actions

During the decentralization/deconcentration of the public services, the following actions⁴ are compulsory for the process:

- Setting up the necessary mechanisms for the coordination of the implementation of the strategy;
- Setting up the necessary mechanisms for the communication of the strategy with the civil society and with other beneficiaries of the decentralization process;
- Setting up of working groups on crucial reform issues;
- The adoption of a law regarding the decentralization, which will ensure the coherence of the decentralization framework;
- Setting up an indicator system for the measurement of the performances of decentralization process performance;
- Specific sector working groups has to elaborate the sector strategies;
- National and local level implementing bodies should have well defined responsibilities and clear relationships;
- Sector strategies should be coordinated and harmonized;
- A standard system for the measurement should be set up for the decentralized services performances;
- Increase of own revenue of local governments;

²

³

⁴

- Introduction of calculation based allocation of operational subsidies;
- Rule-based procedures for investment grants;
- Increase of the predictable system of intergovernmental allocations;
- Improvement of the horizontal equalization system;
- Improvement of local budgeting and reporting system;
- Definition of the Government representatives in territory attributions regarding the deconcentrated services through a specific law (in the Romanian legal system referred as organic law);
- Training programs established;
- Designing procedures and norms to support the implementation of the Strategy;
- Strengthening the local public authorities capacity in managing and providing the new decentralized services;
- Preparing the human resources with the view of supporting the requests of the decentralization process.

1.1.5. Performance indicators for the decentralization process

The proposed performance indicators⁵ for the decentralization process of the public services are:

- Fully enacted primary and secondary legislation for decentralization/ deconcentration;
- Increase in locally raised revenue;
- Number of local administrations reformed;
- Number and value of local government modernization grants awarded;
- Number of drafted sectional strategies elaborated in the foreseen fields;
- Number of agreements on the decentralized services at the local level;
- Number of stakeholders' suggestions that has been included into the Law;
- Newly drafted Law of decentralization based on sectional strategies and public debated;
- Drafted amended and modified Law concerning the local public administration.

1.2. The stage of the decentralization/deconcentration of the project services

1.2.1. Institutional and legal aspects

By the institutional point of view, the central and local public administrative structures have the following main duties:

Institution	Role
Government	Issues of Policies, Strategies, laws and regulations
Ministry of Administration and Interior	General coordinator of the administrative reform, responsible for the process of decentralization
Ministry of Transportation, Construction and Tourism	Issues of the National Housing Strategy Approves the technical and economical documents for NHA investment projects Approves technical regulations for buildings Promotes new legislation and changes in the existing one in the field of social housing
Ministry of Public Finance	Elaboration and implementation of the strategy and of the

⁵

	government program in the public finance field having an important role in the management of the economic policies
Economic and Social Council	Inter ministerial consultative body
National Housing Agency	Mobilizing and managing funds that will be used for building rental housing for young people
Territorial units of the NHA	Supervising for NHA the housing construction and funding at the local level
Federation of Local Authorities in Romania	Ensure the centralized consultation of the local government level for the new legislation regarding local responsibilities Ensure the lobby in front of the national authorities
Prefectures	The prefect is the leader of the deconcentrated public services in each county
General Directorates of the Ministry of Public Finance	Endorses the local budget and is paying according to payment orders issued locally
Territorial Inspectorate for Building Compliance	Checks the compliance with building and safety regulations
County Councils	Coordination of the social assistance funds Coordination of the rehabilitation and structure reinforcement funds for the existing housing stock(potential new social housing)
Local Councils	Main responsible for providing, financing and managing social housing
Mayor	Signs the renting contracts Analyses the possibilities of financing social houses building and proposes to the local council budget endorsement Constitutes the commission for social houses allocation
Public Department for urban development and investment	Proposes plans and coordinates social housing construction, rehabilitation and strengthening of the structure.
Public Office for Social Assistance	Receives and checks the applications for social housing (according to Housing Act) and elaborates the allocation list Elaborates social surveys Proposes the allocation criteria for social housing Administrates the funds destined to rent subsidies
Public service in charge with the administration of municipal assets and finance	Management of the housing stock Maintenance and repairs of the housing stock Checks the applications of young people for housing (according to Government Decision) and elaborates the allocation list

1.2.2. The consistency of the decentralized/deconcentrated services with the national decentralization strategy (objectives and priorities)

As a part of the national strategy project, the policies⁶ for the national housing strategy establish the following objectives:

⁶

GENERAL OBJECTIVES

LOCAL IMPLEMENTATION

Building of new residential areas:

- houses for tenants (social houses, dwellings for young people)
- houses for owners

Building of:

- new rental housing construction designed for low income households and other disadvantages groups;
- rental-housing construction designed for young people

Rehabilitation, consolidation and renewal of existent dwellings stock:

- consolidation of multilevel residential buildings
- thermal rehabilitation of multilevel residential buildings

- there were made technical examinations for consolidation of multilevel residential buildings
- thermal rehabilitation begun with a inventory of the multilevel residential buildings

Improvement of legislation, settlements and institutional framework

Approval of local decrees for:

- new areas destined to dwellings building
- decrease of local taxes for rehabilitation works

1.2.3. The existing performance indicators used for the services delivery

Nowadays, in Romania there is no performance indicators stated in Romanian regulations. The only existing data are reflecting the reality.

In order to be able to move further, we considered as valid and used the following decentralization indicators.

The indicators proposed address the range of the local government housing responsibilities and are grouped under the following heading. It is important to assess performance indicator of the decentralized service delivery in balance sets of all aspects of the service. To enable future comparability with national best value indicators. A framework based on five principles has been adopted.

These principles are:

- **Strategic Objective:** Why the decentralized service exists and what it seeks to achieve;
- **Cost / efficiency:** The resources committed to a service and the efficiency with which they are turned into outputs;
- **Service delivery outcome:** How well is the service being operated / managed in order to achieve the strategic objectives;
- **Quality:** the quality of the services delivered, explicitly reflecting end users experience and satisfaction of the service

- **Equitable access:** ease and fairness (equality of access to service)

Chapter 2: Analysis of social housing service

2.1. General aspects of the service

2.1.1. Definition and scope of the service

Social housing means: setting up a social housing stock at local level in order to provide a decent dwelling for

- *young people and young families,*
- *young people from welfare institutions being 18 years old,*
- *senior citizens,*
- *people with disabilities,*
- *veterans and war widows,*
- *people related to the Revolution in '89 (Law 42/1990),*
- *persons persecuted by the former regime (Decree 118/1990) and*
- *other categories.*

which do not afford to have their own dwelling or to rent one in terms of the current market.

The social dwelling means, currently, a subsidized rent dwelling, being public property of the city or of the public institutions, for some persons or families whose economical situation do not allow to have their own dwelling.

Social housing public service has competencies in:

- drawing and managing funds for building new social housing,
- rehabilitating the existing buildings in order to turn them into social housing,
- distribution of the social housing to the beneficiaries and
- managing the social housing fund.

Drawing and managing funds involve the following actions:

- identification of lands for building social housing and also those constructions which might be rehabilitated,
- to provide the financial sources for the new or the existing buildings,
- to organize auctions for buildings designing,
- to draw up designing contracts,
- to approve the documentations completed,
- to organize auctions for the execution of constructions works,
- drawing up the execution contracts, works supervision and acceptance.

Social housing distribution supposes:

- to receive the applications and to analyse the dossiers submitted,
- to set up the list of priorities in order to be approved by the Local Council,
- dwellings repartition on the basis of the priority list,
- to conclude the lease contracts.

The management of social housing fund pursues:

- to collect the rents according to the contracts signed,

- to verify if the clauses referring to the maintenance of the social dwelling distributed are respected according to the lease contracts,
- to take attitude against antisocial behaviour and to prevent it,
- to organize auctions in order to select the companies for maintenance and repairs of the existing social house units (in case of mandating some responsibilities in this respect).

2.1.2. Target customers of the service

The categories of people, benefiting of social housing, specified by the Law 114/1996, are:

- Young people under 35 years old
- People with disabilities
- Low income people
- Young people (after 18 old age) which are coming from the institutionalized structures of the states
- homeless people,
- veterans,
- war widows

Additional to this categories there is people related to the Revolution in '89, by Law 42/1990 and also those persons persecuted by the former regime, by Decree 118/1990.

In the frame of each category specified above, the priorities list takes into consideration also the living conditions, number of children, health status (disability's degree, age), criteria which, according to housing law are approved by the Local Council.

2.1.3. Main aspects concerning the service delivery in Romania

Housing quality is a complex concept which includes legal, economic, social and technical issues.

From the legal point of view, in Romania, 96% of housing represent private property and 4 % public property. This fact indicates the small number of dwellings which could be distributed as social housing.

The economic compound influencing the number of applicants for social housing units is represented by the growth of dwellings' price related to citizens' incomes.

From social point of view, the big number of those being out of job in the last years, leaded to unemployment rate increase, respective growing the number of those soliciting a dwelling.

From technical point of view, according to data from *annex 1 – quality of the built fund*, degradation in time of the buildings together with the earthquakes effects, leads to their destruction, therefore increasing the number of social housing applicants.

2.1.4. Main aspects concerning the service delivery in the pilot city

In the pilot city are noticed the same issues as those presented at national level. These are detailed in *annex 2 – Ploiesti – situation of social housing units*.

During the last years, taking into account only the information offered by different internal reports of Ploiesti City Hall, could be observed a growth in progress of the applications

for distribution of social dwelling coming from the homeless lodgers, after being evicted from the nationalized houses or from those claimed by the former owners.

The City Hall's assessment for the following years foreseen that over 50% of the applications for social housing will be made by those coming from the above mentioned category.

From social housing service's organizational point of view, this had a quite fluctuating evolution, first of all in the frame of the own body of the city hall, therefore in 2003 this service becoming external department, as public service subordinated to Local Council.

2.2. Institutional analysis of the service

2.2.1. Legal framework

The Romanian legislation contains more laws stipulating and promulgating the social housing (*annex 3* is specifying the most relevant laws in the field).

A general characterization of the entire complex of normative provisions regulating the social housing service would be:

- There is an abundance of normative provisions stipulating the general financial issues without sending the financing and the subsidizing of this service at local level.

- In the same measure, technical provisions are referring more to the minimal requirements for a dwelling, without specifying clear requirements for social dwellings and their adaptation to the specific needs and requests of the "social lodgers". There are also some specific provisions for specific Programs (dwellings for youth from National Housing Agency - ANL), missing normative provisions at the same level for other categories of customers.

- From the social point of view, the Romanian legislation is suffering because of so many "provisional voids", as we underlined above, the specific needs and requirements, both concerning the categories already presented legally as the social categories not having a statute yet, not being integrated and correlated with the existing social legislation.

In this context, we might say that the most important legislative "drawbacks" are referring to the following domains:

- The existing provisions are not promulgating in an **integrated** manner the issues concerning the social housing service (legal , social , technical and financial);
- No **participatory / consultancy mechanism** in place for users of social housing service or for the community concerning the issues of the social housing service.

2.2.2. Stakeholder analysis

The main direct and indirect stakeholders of the social housing service are structures on four main stages:

- At national level
 - *MAI, MTCT, MPF, ANL* – taking decisions concerning the repartition of sums from the state budget for the social housing
- At county level
 - *ANL – county department* – validates and pursues projects' development in the frame of the Program for young people dwellings

- *Prefectures, County Councils* – transfer the sums of money allocated from budget for the activities developed in the frame of social housing service; centralize the relevant data coming from all the localities in the county as from the ministries' due services in the territory
- *ITSC, DGMFP* – MTCT and MFP due services in the territory
- *Utilities' holders* – taking final decisions and financing the execution of the works for technical – municipal networks necessary to provide utilities for social housing (these are both local public services subordinated to local council, branches of national public services, as privat operators)
 - At city's level
- *Local Councils, City Halls* – are settling the local policy concerning the social housing service and provide the finances and the way of organization
- *Specialized Departments of City Halls* – have mandatory competencies (technical, financial or administrative) concerning the social dwellings established by the Local Council or by the Mayor

For carrying out this services also might be involved, both from decisional point of view as in order to provide knowledge or information:

- *Landowners*
- *Independent sponsors in the welfare field*
- *Real estate companies*
- *Banks*
- *Utility providers*
- *Construction companies*

In the frame of concluding some contracts of association or public-private partnerships, may be carried out both social dwellings as assisting activities for the customers of the service (especially for exceptional or emergency cases – see Ploiesti City).

In *annex 5* are specified the connections between the stakeholders mentioned above.

2.2.3. Decision process in the service delivery

The decision process in social housing service delivery is manifested both at central and local level.

- **Central authorities** are making decisions for:
 - settling the national policies and programs
 - elaborating the technical provisions which shall be respected when the social housing units are built
 - regulation of rent levels providing a general formula according to the lodger's income
- **Local authorities** are making decisions for:
 - implementation of national policies and programs
 - allocation of the lands being in the local public property for building social dwellings
 - settling the criteria for repartition of social dwellings
 - the necessary of repairs fund in order to maintain the existing housing stock

Annex 5 – Connections between the main decision makers, presents the main elements concerning the process of decision making in providing the service.

2.2.4. Communication with customers

At the moment there is no institutionalized communication in this respect. Communication is fragmented due to existing service delivery structure.

Communication refers mainly to the content of personal file and the list or priorities. There are no counseling activities, integrated activities for social protection (related to employment/jobs, health or social inclusion) or “one stop shop”.

Communication is a common weakness for Romanian institutions, so far social activities or services have the same weakness.

2.3 Financial analysis

The most finances for social housing service, by its nature being a public service, are coming from public funds at national and local level. In the same measure, we are talking about the funds allocated for the operational expenses of the service (human resources as material and maintenance expenses) as well as for the investments made in social housing service. Clearly there appear the sums allocated for social subsidies meant for the assisted persons, who mainly are also the beneficiaries of this service.

In the following tables and sub-chapters are synthesized data about types of funds used for the main costs categories specific to social housing service.

The sources of financing and funds destination are presented in *annex 5 – financial transfers*.

2.3.1. Source of funding for operating the service

Costs for:	Source of funding:
Rent subsidies	Local revenues
Social dwellings allocation	Local revenues
Social dwellings monitoring	Local revenues
Reporting the stage of program	Local revenues

2.3.2. Source of funding for service’s maintenance

Costs for:	Source of funding:
Maintenance of dwellings stock	Local revenues
Current repairs	Local revenues
Rehabilitation	Project: local revenues Works: Central Government transfers
Structural reinforcement of buildings	Central government transfers

2.3.3. Source of funding for the new investments

Costs for:	Source of funding:
Land purchasing/identification	Local revenues (borrowing is allowed)

Designing and execution of building works	Local revenues Central Government transfers Local and central budget co-financing Borrowing Sponsorships
Roads	Local revenues (borrowing is allowed)
Telephony	Network: Romtelecom company's own sources Connection: user charges, including the modifications
Electricity	Electricity supplying companies Connection: local revenues Connection - User charges (cross subsidies within user group)
Gas network	Gas supplying companies Connection: Local revenues Connection - User charges – by rent
Water supply and sewerage network	Distribution: Water supply companies Connection: Water supply companies
Heating system network	If centralized: network and connection made by the responsible heating company

2.3.4. Source of funding for human resources

The funding of human resources having responsibilities in the frame of social housing service is made from the local budget.

If this service is constituting as public service subordinated to the Local Council, the finances for human resources are foreseen by its budget, approved by the Local Council, at the chapter of expenses for the staff.

In case it is organized totally or partially as department in the frame of the city hall's own body, the finances for human resources responsible for this service are foreseen in the local budget approved, at chapter containing the expenses for the staff.

The quantum of these financial resources is in accordance with the salaries of the public servants, as of the contractual staff from the public institutions.

2.4. Technical analysis (concerning the social housing units)

There are technical specifications in the law that cover the requirements for social houses, detailed in *annex 4 – technical specifications according to Social Housing Law*).

There are also normative provisions and standards of designing according to the specifications foreseen for people with disabilities (see *annex 4 – technical specifications according to Social Housing Law*).

General remarks for this issue are:

- there are *no* special technical standards for social housing ,
- this are mostly *quantitative* provisions, but no *qualitative* ones.

2.5. Human resources analysis

2.5.1. Existing human resources to operate and to maintain the service

At the moment, referring to Ploiesti Local Council, there is not only one department, which focuses on all the activities of the social housing service. There are many departments involved, having very clear responsibilities:

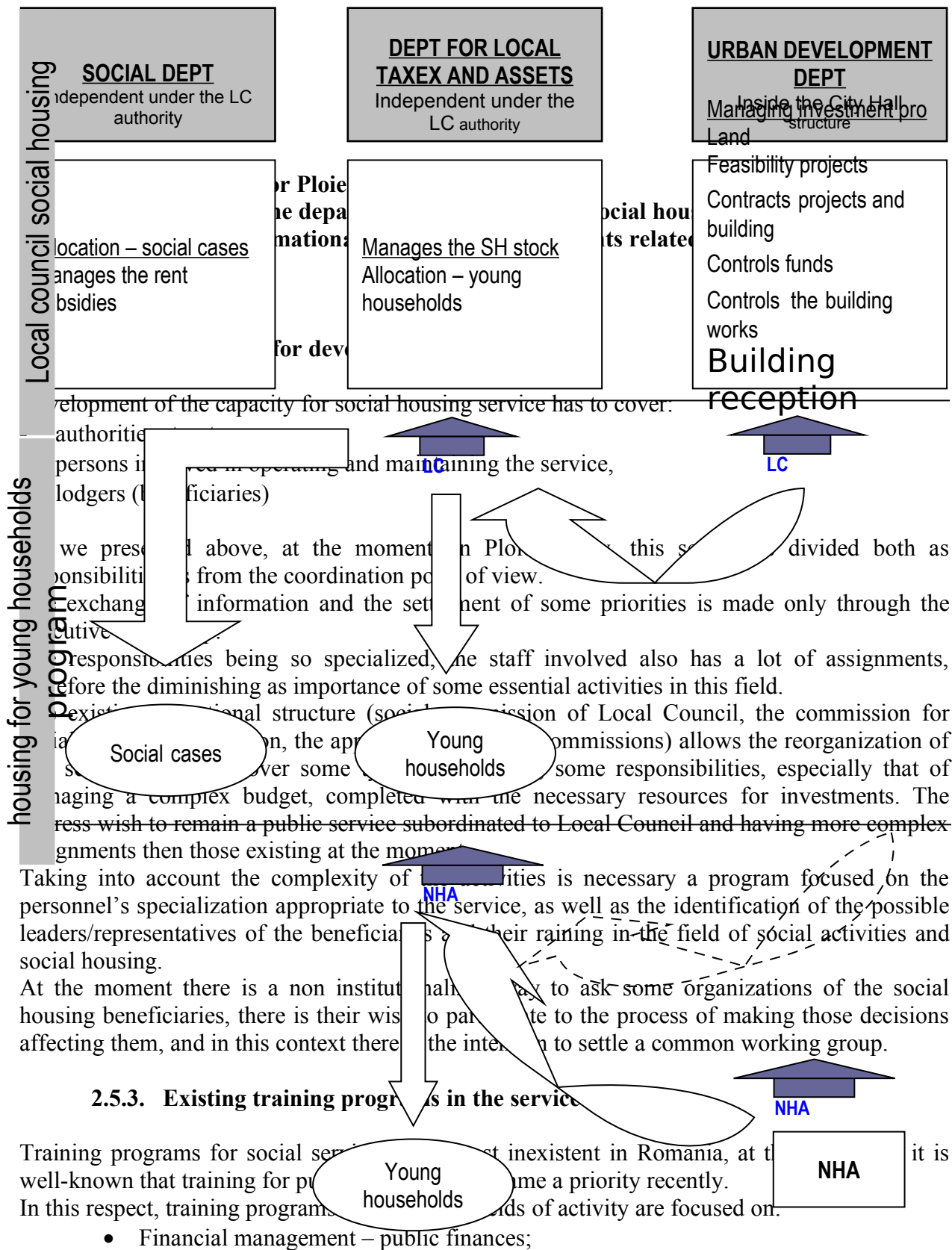
- **Community Social Services Administration** – *Social Housing Service* subordinated to Ploiesti Local Council (details in *Annex 9: Organization chart of the Community Social Services Administration*)
 - 4 persons

- **Public Service of Local Finances and Patrimony Administration (SPFLAP)** subordinated to Ploiesti Local Council (details in *Annex 10: Organization chart of SPFLAP*)
 - 4 persons

- **Ploiesti City Hall** – *General Department of Town Planning* (details in *annex 8: organizational chart of Ploiesti City Hall*)
 - 4 persons

Below are presented the connections between the three departments specified – there are relevant the following:

- informational flow between departments
- specific assignments related to social housing service
- types of social dwellings resulted from the own activity



- Assets management – public ownership;
- Housing – NHA program, rehabilitation for existing housing units, national strategy for housing;
- Unemployment ;
- Minority social integration;
- Management for public subsidies – special programs.

Programs mentioned above are issued mainly by the specific field ministries or NIA, these are not addressing to local public administration either as program or as structure. Sometimes, the international bodies, through their own programs offer expertise and know-how in social housing service.

Chapter 3: Problems and issues

At the moment, in Romania, the process of decentralization, both of public services, as public administration, represents not only a desideratum, but a priority.

Many current issues of local administration are the result of a huge amount of normative provisions, sometimes redundant, hard to use in a normal process of local governance.

The current legislative provisions led many times the local authorities to find out technical, economical, financial and especially specific administrative solutions for which they used the process of mandating competencies without having any resources or, sometimes, with insufficient resources.

We will specify below the most relevant issues connected both to the decentralization process of public administration and to the social housing service.

1. Problems and issues due to the decentralization process

3.1.1. Strong points and opportunities

Strong points

- Strengthening of financial autonomy by finding out some additional resources to the local budgets;
- Continuous improvement of the decentralized and deconcentrated service delivery;
- Setting of instruments, capacity and procedures for implementation.

Opportunities

- Clarification of competencies at different levels and units of the public administration,
- Strengthening of financial autonomy.

3.1.2. Weak points and threats

Weak points

- Human resources at local level having a low training;
- Improper definition of public service in the existing legislation, many times being defined as institution and not as activity.

Threats

- Human resources with a low training at all governance levels (lack of specific professional skills, transfer of specialists from the local authority departments to the private sector where there are bigger salaries);

- The real danger to transform decentralization/deconcentration process in a panacea – not all the services or activities in public affairs have the meaning of decentralization;

3.2. **Problems and issues due to the service delivery (social housing)**

3.2.1. **Strong points and opportunities**

Strong points

- Existence of some good practices in this field, regarding at least one or two target groups (NHA program);
- Existence of best practices in the area – some LG created local entities responsible with social service, including social housing.

Opportunities

- The state attempted to support the poor population by introducing various types of social support as delivering a proper “social housing” service according to the needs of different categories of beneficiaries;
- Going on with the decentralization process – providing at local level of new instruments and financial resources.

3.2.2. **Weak points and threats**

Weak points

- Quality and quantity deficits of housing stock (age of dwellings, number of rooms, number of bathrooms, number of persons per room, and basic equipment available in dwellings such as main electricity connections, central heating, gas supply, water supply, and sewerage connection);
- Insufficient number of social dwellings;
- No clear definition for social housing service;
- No clear technical specifications for social housing;
- No communication between the institutions involved and the beneficiaries of the service;
- No specific training programs in the field;
- No specific integrated legislation concerning the social housing from the legal, social, technical and financial point of view;
- No specific consultancy mechanism institutionalized for service’s beneficiaries;
- No specific social database in the local government structure, or intention to integrate information which belongs to different institutions involved into social housing service.

Threats

- Continuous change of the population demographic structure (ageing of the population and the change in social patterns);
- Incapacity of the relevant institutions for the organization and delivery of social housing service to send data or to set up a common database referring to data concerning social information or those data involved into the social housing service.

3.3 **Main problems and perceived causes**

During the audit achieved in the previous pages have been identified five important categories of issues connected to the this service delivery, which we are presenting below.

3.3.1 Decision making problems

- Bureaucratic and length procedures in the planning/building process;
- Investment process is slowed down by a complicated and non systematized legal frame;
- Legal provisions concerning the social housing are not issued/adopted/modified in an integrated manner (from the legal, social, technical and economical point of view);
- Lack of a clear definition of the social housing service lead to a state of ambiguity in settling and assuming the decision levels.

3.2. Managerial problems

- Lack of proper communication between the institutions involved and service's beneficiaries;
- Inexistence of a consultancy mechanism for a wider gamma of potential service's beneficiaries;
- Data basis for the existing buildings and the available lands are incomplete or do not exist;
- Lack of some integrated programs of financing for the local activities referring to the social housing service;
- Rigid procedures of social housing allocation (long time to wait on the priorities lists, allocation just once a year) and inadequate to the specific and needs of each category of beneficiaries.

3.3. Financial problems

- Lack in the Fiscal Code of the legislation concerning the public finances or fiscality of some fiscal facilities for social investments or for social housing units;
- Big interests in case of credits for investors or for constructions companies which are building social housing units;
- Insufficient financial resources;
- Impossibility to identify the private funds meant for building social housing units;
- Lack of finances for social housing service by international programs.

3.3.4. Technical problems

- The most part of the lands identified for building social housing units have no utilities;
- Existence of some restricted areas on the land for building dwellings which leads to bigger designing costs or to supplementary costs in order to eliminate the causes of restriction;
- Lack of a classification for social housing units according to the needs of beneficiaries (differing on categories of age, health status, etc.)

3.3.5. Human resources problems

- Lack of training courses for the staff working in the social housing service at local administration level;
- Poor level of mutual interest and of a rewarding system for the employees involved into the social housing service.

3.4. Specific problems to be addressed

The immediate issues defined in this sub-chapter represent priorities on short term necessary to be taken into consideration and to be solved.

3.4.1. List of problems

- Low support for new rental housing units designed for low income households and other disadvantages groups of households;
- No consensus between definition and scope of service and the responsibilities already foreseen in the normative provisions referring to social dwellings;
- Database concerning the existing constructions and the available lands is incomplete and needs both human and financial resources to be completed, as well as the availability of those who are in the possession of specific information;
- Low financial resources for building a number of social housing units according to the requirements;
 - Lack of technical specifications for social housing units being adequate and in accordance to the beneficiaries' needs;
 - Lack of training courses for the personnel working in the frame of social housing service existing at local level;
 - Low level of the mutual interest and of the rewarding system for the employees involved in the social housing service.

3.4.2. List of organizations responsible to act

In the table below are specified the organizers responsible in the field together with the activities from the domain of responsibility, responding to the issues identified related to social housing service.

Table 6

ISSUE	ORGANIZATION	ACTIVITY
Low subsidy allowed by government	Government	Propose provisions concerning the subsidies level
No consensus concerning the definition, service's scope and responsibilities or the set of indicators	Government	Propose the legislation concerning the definition and the activity of social housing service
Incomplete database for the existing buildings and the available lands	Local authorities	Elaborate General Town Planning and works of municipal real estate cadastre; Carry out of GIS at local level; Identification of lands meant for constructions; Identification of buildings which might be consolidated or rehabilitated
Lack of financial resources for building a bigger number of social housing units	Government, International organizations, NHA, local authorities	Approve the funds allowing for building social housing units
Lack of a classification for the social housing units according to the beneficiaries necessities	Government	Propose legislation referring to the classification of social housing units
Lack of communication	Government	Set up the communication

	Prefecture Local authorities	frame of the policies and programs Inform the beneficiaries about the decisions adopted at local level
Lack of training courses for the personnel working in the frame of the social housing service	INA	Organize training courses for public administration
Low level of mutual interest as of a rewarding system for the employees involved in the social housing service	Government Local authorities	Propose the legislation concerning the salaries Issue decisions concerning the benefits allowed to employees

Chapter 4: Strategy formulation

4.1. Objectives of the strategy

4.1.1. Overall objective

Improving the process of achieving and distributing social housing units as a public service performed by the local government

4.1.2. Immediate objectives

Immediate objectives are:

- To define clearly the scope and clarify the responsibilities of the decentralized service about the implementation and monitoring of local social housing policies according to the principles of the national policies;
- To provide an efficient and effective answer of the local administration to satisfying the necessity of social housing. The application of public services management for social housing units;
- Achievement of an efficient management of the social housing public service.

4.1.3. Intended beneficiaries

Intended beneficiaries are:

- Low income people or people without any income who do not have the possibility to buy or rent a house on the free market;
- People with disabilities needing social assistance;
- People socially assisted.

Taking into consideration the issues identified in the previous chapters, the social housing service's beneficiaries are classified as it follows:

From the health status point of view:

- Persons with health problems (disabled people, veterans, war widows, etc.)

- Persons with no health problems

From the age point of view

- Young people (being under 35 years old, young people coming from the institutionalized state structures)

- Others

From income and social profile point of view

- People with low income, but higher than minimum income guaranteed
- Persons socially assisted (beneficiaries of the minimum income guaranteed)
- people without occupation (unemployed people, housewives, young people coming from institutionalized structures)
- persons with criminal record or antisocial antecedents.

4.1.4. Expected results related to the announced objectives

Expected results, related to the defined objectives, are:

– from regulations point of view

- Adoption of indicators set in order to measure the performance of the social housing service at local level (Ploiesti Local Council)
- New legal provisions concerning the facilitation of the investments process;
- New legal provisions concerning the social housing service by integrated approach of the legal, social, technical and economical issues;
- Establishing three levels of social housing units (basis, standard, improved) to satisfy different categories of beneficiaries

– from technical point of view

- New sites for social housing units
- Urban flexible regulations adopted by Local Council
- Viability of available lands
- Special rehabilitation programs for SH

– from financial point of view

- Increase the funding from private and public funds
- Identification of some international funding sources
- Financial allowances for infrastructure achieving
- Setting up of the emergency fund to provide the emergency social housing units

– from management point of view

- Settling of social housing service at local level with its competencies, complete assignments and resources clearly defined (human, financial, etc...)
- Competent local staff in place
- Data base for social housing for effective demand and supply monitoring to be updated monthly, quarterly or yearly
- Increase the percentage of the social housing in the total public housing stock

- Upscale dissemination of mutual information between partners having interest in the social housing sector
- One info kiosk on social housing issues
- Solving emergency social cases for short period (temporary available dwellings)
- Programs for professional training for the staff employed in the frame of the social housing service (SHS)
- New flexible criteria for allocating the SH with the possibility to be quarterly updated
- Lease contracts with new provisions for protecting the SH and for respecting the rules of a civilized behaviour inside the SH units.

Chapter 5: Strategy implementation

5.1. Institutional and financial aspects

5.1.1. Organizations involved

Organizations involved are:

- Central Government – by CUPAR and GMAP
- Local authorities – Prahova County Council
 - Ploiesti Local Council
 - Ploiesti City Hall
- Utilities companies
- NHA – county department
- civil society - tenants associations
 - NGOs identified on the occasion of consulting them during the strategy elaboration

5.1.2. Shared responsibilities and necessary resources

Organization	Responsibility	Necessary resources
Government (MAI, MTCT, MF)	<ul style="list-style-type: none"> - legislative proposals concerning the facilitation of investments process - legislative proposals concerning the integrated approach of SHS - legislative proposals concerning definition and classification of SHS 	Central budget

	<ul style="list-style-type: none"> - legislative proposals for allocating a part of the incomes coming from the fees on real estates transactions at local budget - legislative proposals concerning the increase of the subsidy's level 	
Local authorities	<ul style="list-style-type: none"> - adoption of strategy - drawing of finances from private funds - identification of some international financial sources - constituting of an emergency fund - increase of budgetary allocations for lands' viability - identification of new sites for building SH - building of a bigger number of SH - identification of buildings which might be consolidated or rehabilitated - constant updating of data base for SH - organization of a info-kiosk on SH issues - identification of temporary available SH for emergency social cases - elaboration of some flexible 	<p>Local budget Private funds International funds</p>

	criteria for allocating SH – Issuing of a system of rewarding and mutual interest of the employees involved in SHS – Identification of some educational procedures for beneficiaries	
Utilities companies	- funds allocation for making viable the lands meant for SH	Own budgets
NHA	- diversification of internal programs	Central budget
INA	- organization of training courses in SHS field for the personnel at Local authorities level	Central budget
Civil society and other direct and indirect beneficiaries	– organizing of presentation activities for the programs meant for SH – organizing of seminars for training the beneficiaries	Own sources, sponsorships

5.2 Performance indicators

5.2.1. Approach and use of indicators

The Monitoring Plan of Performance (MPP) represents one of the most important aspects of the reforming process, here being included also the decentralization policies of the different public services. These are based on two main streamlines:

- providing the support to the local authorities for management of strategy implementation and
- the continuous improvement of the action plan according to new changes in the social and economic environment.

Increase of SH quality (and quantity) meant for citizens is one of local authorities' most important goals. Therefore the introduction of some new performance indicators and of a data system represents new instruments for a modern management of public services.

The proposal of the team who elaborated the present strategy is to create a data base at Prahova County Council's level, to comprise the following:

- fundamental data:
- total number of citizens in the city
- demographical structure (distribution on classes of age, civil status, training level and medium salary)
- total number of dwellings being private property
- total number of housing units
- total number of applications for SH
- number of dwellings being public property, which might be rehabilitated and used for the objectives of SH policy.
- structural data:
- total number of applicants for a SH unit
- number of applicants whose dossier has been approved and are on the lists for a SH unit
- number of new built units to be dwelled a year
- construction sqm cost for SH unit
- maintenance cost for a SH unit on sqm.

Localization of this data base at Prahova County Council level is due first of all to the fact that data of the ministries due services or the decentralized ones at county level are coordinated and are currently working with Prahova County Council.

A second reason would be the integrated informatics system of PCC, compatible with that of Ploiesti City Hall, and already having certain connections in territory.

A complete data base, correctly made, shall facilitate the use of the monitoring and evaluation system of SHS, for the beginning being important to load the appropriate data for Ploiesti City, then for the other localities, after testing and validating the system.

5.2.2 Benchmarking

Starting from the idea that on medium or long term shall be settled a complex monitoring and evaluating system, for the beginning it is important to achieve the comparison between data collected on years in Ploiesti City, in order to settle if data and indicators are correctly established.

By this monitoring and evaluating system we shall identify:

- on the first stage, SHS evolution in Ploiesti City in its actual form of organization and after modifying AASSC statute
- then, after data loading for other localities, could be measured and assessed:
 - which organizations are executing very well the operational process and also have procedural practices adaptable to the policy of SHS
 - which system is the most compatible to us in order to be able to compare
 - which are the performances of our service in comparison to other compatible institutions, what processes could we improve and which are the tendencies or the instruments in domain of our SH policy.

Activities of the monitoring and evaluating system allow us to identify and focus on the most important factors in order to improve the performance.

The system of performance indicators we are proposing for the beginning in monitoring and evaluation process for the SHS contains the following performance indicators:

1. Number of years passing from the date when the applicant is put on the list and until the moment when a SH dwelling is distributed to him.
2. Medium time for building a new dwelling
3. Percentage of the new made SH by transforming non residential buildings
4. Sums yearly allocated in the municipal budget for the building of new SH units
5. Number of houses affected by earthquake related to 100 existing SH units
6. Percentage of SH connected to all public services of utilities (water, gas, electricity, heating, sewerage)
7. Number of new SH units as percentage from the total number of the new built dwellings
8. Report between effective number of tenants and applicants number waiting on a list to obtain a SH dwelling
9. Rent on the housing unit as medium income percentage on household/family
10. Medium income of SH tenants reported to municipal medium income
11. Number of indicators applied in the maintenance process (heating rehabilitation, repairs cycle, access for tenants with disabilities, protection against noise, air ventilation, etc.)
12. Report between number of existing beneficiaries and number of potential beneficiaries due to strategy application
13. Number of persons in the field who attended training courses
14. Report between the existing sums and the sums drawn
15. Number of SH units built from sums drawn

5.3 Consultation

The consultation and participation to decision making process shall be organized differently according to each group of interests represented.

During the strategy elaboration have been used the seminars organized on subjects clearly defined for consultation both the relevant public institutions in development of SHS activities as the representative groups at SH beneficiaries' level.

This method had some results and seems to be applied furtherly. In the context of strategy implementation, consultation of the stakeholders involved has an essential role in adapting the strategy and in taking over of the feed-back information.

5.3.1 Identify the participants

The participants to the consultation process shall be clearly:

- Local authorities (City Hall, County Council) and deconcentrated services at local level, by relevant services or departments in order to implement the strategy
- Beneficiaries of SHS, by NGO's already identified or by each category leader
- Representatives of the ministries and agencies which are in charge with the elaboration and implementation at the national level of social housing policies

5.3.2 Identify the content of the message

For each stages shall be used the most adequate form of promoting the document, according to the target group.

Especially for SHS beneficiaries shall be elaborated a set of questionnaires on each specific issue of the target group (i.e. technical and comfort requirements for the SH unit, providing utilities services and their due payment, new allocation criteria for SH, the way of constituting the SH distribution commission, settling of the most convenient and efficient methods of

communication with the clients, etc.). The answers and the results are part of these inquiries being the object of a report and a public debate previous to the moment of adopting the strategy.

5.3.3 Identify the distribution channels

The strategy promotion it is intended to be done through organization of several seminars, workshops and conferences with the participation of local authorities representatives, main beneficiaries of this public service, representatives of civil society, representatives of the ministries and agencies which are in charge with the elaboration and implementation at the national level of social housing policies.

Equally shall be insert the present document as the version adopted by Ploiesti Local Council on Ploiesti City Hall's website, as on Prahova County Council's and Prahova Prefecture's, on Tourism, Transportation and Constructions Ministry's, on Internal Affairs and Administration Ministry's and local administrations associations' at national level (AMR, FALR).

For the whole promotion of the process will be responsible the monitoring group from the Prahova County, under the coordination of the CUPAR representatives.

After the objectives of this strategy were discussed and agreed by the main stakeholders, it will be submitted for approval to the local council, in this way ensuring its legitimacy.

Chapter 6: Action Plan

6.1 Action plan per identified objectives

General objective	Improve social housing system as a service performed by local government				
objective no.1.1	Clearly define the scope and clarify the responsibilities of the decentralized service by implementing and monitoring the local policies according to the principles of the national policies.				
Activity	Results	Indicator for evaluation	Risk involved	Organizations involved	Deadline
<u>Activity 1:</u> Elaborating a national strategy for social housing	National strategy for social housing Definition of social housing Set of indicators for evaluating the services performances	Report between the number of the existing beneficiaries and the number of the potential beneficiaries as result of strategy application	None	MTCT, MAI	December 2005
<u>Activity 2:</u> Create the legal and institutional framework at national and local level to deal exclusively and in an integrated manner with the social housing issues.	Entity dedicated to social housing at local level with clear responsibilities	Number of years from the date when the applicant is put on the list until the moment when a SH unit is distributed to him.	All responsibilities and resources are not focused in one effective entity.	Local Council	2006
<u>Activity 3:</u> Training the local human resources for reviewing, development and implementation of SH policies according to national policy.	Competent local staff in place.	Number of people trained that are involved in social housing service.	Loosing the people trained to better jobs.	The local social housing entity INA	2006

SOCIAL HOUSING DECENTRALIZATION STRATEGY
Pilot city : Ploiesti – 5th version

General objective	Improvement of social housing system as a service performed by local government				
objective no. 2	Providing an efficient and effective solution at local administration level for satisfying SH demand				
secondary objective no. 2.1	Identifying some special funds for more construction projects, by providing a minimum infrastructure				
Activity	Results	Indicator for evaluation	Risk involved	Organizations involved	Deadline
<u>Activity 1:</u> Adoption of the legislation to allow that a part of the surtax on real estate transactions to go to the social housing budget.	Funding increase for social housing service	Report between existing sums and those drawn Number of SH units built by drawn sums	Central legislation takes a long time to be approved and become functional	Local Government (social housing entity) Lobbying body MF Local tax department	2006
<u>Activity 2:</u> Public private partnership in SH field.	Funding increase for social housing activities made by the private sector	Report between existing sums and those drawn Number of SH units built by drawn sums	Lack of interest / trust from the private sector No precedents Finding incentives for the private sector	Local government Private organizations	2005
<u>Activity 3:</u> Identify other international sources of financing	Setting some funds allocated by international organizations for SH activities	Report between existing sums and those drawn Number of SH units built by drawn sums	Difficulty in finding international sources in the social housing field Lack of local capacity for international applications.	Local government Ministry of European Integration International donors	2005

SOCIAL HOUSING DECENTRALIZATION STRATEGY
Pilot city : Ploiesti – 5th version

General objective	Improvement of social housing system as a service performed by Local Council				
objective no. 2.	Providing an efficient and effective solution at local administration level for satisfying SH demand				
secondary objective no. 2.2	To facilitate access to housing for specific categories of families and individuals and establish their own hierarchy of needs				
Activity	Results	Indicator for evaluation	Risk involved	Organizations involved	Deadline
<u>Activity 1:</u> Provide access to information	Organizing a info-centre having a work relationship with all the relevant entities from the SH area at county level	Report between applications number and the number of the application solved.	Incomplete data or lack of wish to cooperate of some departments concerning the info exchange Initial and functioning costs are high.	County Council Local social housing entity. Relevant suppliers of the local Council Utility providers.	2006

SOCIAL HOUSING DECENTRALIZATION STRATEGY

Pilot city : Ploiesti – 5th version

General objective	Improvement of social housing system as a service performed by Local Council				
objective no. 2	Providing an efficient and effective solution at local administration level for satisfying SH demand				
secondary objective no. 2.3.	Allocate by the Local Council of the land being on its possession for social housing				
Activity	Results	Indicator for evaluation	Risk involved	Organizations involved	Deadline
<u>Activity 1:</u> To identify all available local government lands	New sites for building SH	Number of SH units built on those lands	No location available	Urban department Welfare department Juridical department	2005
<u>Activity 2:</u> To decide on the allocation of the lands meant for SH building (town planning rules)	Urban regulations adopted by Local Council	%surface land for SH/total available land for housing	Rejection of decision	Local Council	2005
<u>Activity 3:</u> To create the infrastructure for SH	Fund allocation for infrastructure to be set up New utilities on site	Viable land surface as % of identified surface		Local Council City Hall Utilities provider companies	2005

SOCIAL HOUSING DECENTRALIZATION STRATEGY

Pilot city : Ploiesti – 5th version

General objective	Improvement of social housing system as a service performed by Local Council				
objective no. 2	Providing an efficient and effective solution at local administration level for satisfying SH demand				
secondary objective no. 2.4	To increase the number of SH by building, rehabilitation and consolidation				
Activity	Results	Indicator for evaluation	Risk involved	Organizations involved	Deadline
<u>Activity 1:</u> Building of new SH	New SH	Number of new SH as % of the total number of new built SH	No one	Local Council NHA	2007
<u>Activity 2:</u> Consolidation and rehabilitation of some building which have not been inhabited and their transformation in SH	New SH	Number of new SH achieved by transformation of the buildings which have not been inhabited before	No building to rehabilitate or consolidate	Local Council	2007
<u>Activity 3:</u> Opening of a budgetary line in order to build housing to be used in extreme cases (calamities, etc.)	Funds for emergency situations	% allocations for emergency SH in the total amount of expenses foreseen for housing	Lack of incomes Lack of expenses Lack of legal competencies in promoting new laws	Local Council Government	2006

SOCIAL HOUSING DECENTRALIZATION STRATEGY

Pilot city : Ploiesti – 5th version

General objective	Improvement of social housing system as a service performed by Local Council				
objective no. 3	Providing an efficient management of SHS				
secondary objective no. 3.1.	Implementation of specific programs to support the community and the local activities management				
Activity	Results	Indicator for evaluation	Risk involved	Organizations involved	Deadline
<u>Activity 1:</u> Improvement of coordination and communication between all the factors involved	Complete data base	Period of time for completing the data base	No information on different forms No interest for information exchange	Local Council	2005
<u>Activity 2:</u> Increase people's interest for SH, due legislation in the family's field, pensioners, veterans, homeless people, as well as new or modernized projects.	Settling different approaches concerning each type of customer	Number of seminaries, working tables, etc.	Lack of interest on the issue Lack of a response No participant interested	Local Council City Hall Beneficiaries representatives	2005

SOCIAL HOUSING DECENTRALIZATION STRATEGY
Pilot city : Ploiesti – 5th version

General objective	Improvement of social housing system as a service performed by Local Council				
objective no. 3	Carrying out an efficient management of public SHS				
Secondary objective no. 3.2	National, local and communication policies, as well as actions to be foreseen by the local community				
Activity	Results	Indicator for evaluation	Risk involved	Organizations involved	Deadline
<u>Activity 1:</u> Using all communication channels for sending and disseminating the policies, strategies and objectives concerning local SHS	Special programs of communication on SH issues Experiences dissemination	Number of special communication programs for SH theme	No experience Mass media's lack of interest High expenses for using media channels	Mass media channels City Hall SH Local Agency Other actors	Permanent
<u>Activity 2:</u> Rising public awareness for the need of social housing on three levels	Provisions elaboration to find out, build and maintain the three types of social housing	Number of cases solved on types of SH	Division on three levels is not understood Strategy is not promoted	Mass media channels City Hall SH Local Agency Other actors	Permanent

Annexes

Annex 1: Quality of housing stock (age of dwellings, number of rooms, number of bathrooms, number of persons per room, and basic equipment available in dwellings such as mains electricity connection, central heating, gas supply, water supply, and sewerage connection).

According with the *Census of population and dwellings* (National Statistic Institute, 2002), the existing Romanian housing stock may be characterized by a favorable structure from the age of the buildings point of view. 66.9% of the dwellings are located in buildings constructed after 1960, only 15.4% of the dwellings dating from the period before the end of the Second World War.

Taking into consideration the number of rooms, almost three quarters of the dwellings consists of 2 and 3 rooms, the average number of rooms per dwelling being 2.6. 70% of the dwellings have an area of 16-47 m², the number of persons per room being 1.03, compared with 1.19 registered in 1992. Approximately half of dwellings are endowed with all dependencies (kitchen, bathroom, water closet), their number being 10 times higher in urban areas than in rural ones.

As regards the basic equipment available in dwellings, the electricity connection tends to be generalized all around the country (from the 236 thousands dwellings without electricity connection, 85.5% are located in rural areas). More than a half of dwellings (53%) are endowed with water supply and sewerage installation, their number being 7 times higher in urban areas than in rural ones. Almost three-quarters of dwellings use gas for cooking (from public network or gas cylinder). Only 0.5% of dwellings were endowed with air conditioning installation.

A relative higher rate of comfort is registered in the urban areas, endowed with installations due to the existing adequate infrastructure: 98.2% of dwellings are connected to the water public network, 93.8% of them to the sewerage network and 80.3% of dwellings are connected to the warm water supply network.

Annex 2: Ploiesti social housing situation

Municipal housing comprises a total of 87.987 dwellings, of which 96% are privately owned and 4% are public owned. Housing estate is developed over 2,967,605 m². Cadastral surveys indicated that the quality of dwelling is:

- Very good (15%);
- Good (25%);
- Mediocre (50%);
- Bad (10%).

Ploiesti social housing stock is composed of 994 units. A number of 196 social houses are under construction, being 70% built.

At the Ploiesti town level, a town with a big inhabitant's density and a relative high level of unemployment there are 1588 houses demands, having the following structure:

- 746 social houses for people being younger than 35 years
- 842 social houses.

Although the demand of houses is very high, the access for poor population to a house is paralyzed by the lack of social houses stock. The social houses stock is composed of new buildings and existing ones. In terms of necessities, the social housing program is modest most likely due to the limitations of the available funds. The rehabilitation program of the existing buildings is nearly missing.

Several existing social houses are placed near to the crowded roads or industrial areas with a high pollution degree.

Absence of minimal public amenities necessary for densely populated residential districts: playgrounds, parking lots, and zones for sports and leisure.

Having in view the actual stage in social housing at the county and municipal level, the following negative aspects could be underlined:

- Using improper materials for constructions;
- Poor quality dwelling with not only apartment buildings but also individual houses;
- Numerous apartments have low quality of habitation (2, 3 or 4 rooms);
- Almost one third of municipal dwellings do not have bathtubs or connection to the sewerage;
- The ratio of dwelling area per person is below standards;
- Noise pollution and vibrations affect residential districts located near the railroads;
- Absence of minimal public facilities according to the specific standards for densely populated residential districts: playgrounds, parking lots, and zones for sports and leisure;
- No specific housing department in the local government structure⁷

⁷ See annex _ -Ploiesti Local Council s Department charts related with Social Housing service

Ploiesti Demographic Trends

The total population of Ploiesti in the present is about 236.836 persons.

Demographic data indicates the following:

- 1827 babies born alive (23.6% per county total),
- 2262 deaths (22.9% per county total),
- 33 deaths of infants under one year old (17.7% per county total),
- 1554 licensed marriages (32.1%)
- 401 divorces (42.2% per county total).

The data reveal a decrease in the number of babies born alive, marriages and divorces, and an increase of mortality.

The structure of population function of age group is:

- 0-14 years old: 14%
- 15-19 years old: 7%
- 20-39 years old: 30%
- 40-59 years old: 26%
- over 60 years old: 23%

The official number of unemployed is 6554, representing 23.2% of the county total unemployed workforce; 3872 are women, representing 58.2% of the total number of municipal unemployed.

Ploiesti Social and Demographic Trends

- Negative values for the population growth;
- Negative values for the rate of natural growth;
- Decreasing rate of migratory growth;
- Increasing death rate;
- Population aging;
- Decreasing share of the active and occupied workforce from the total population.

Ploiesti employment situation

Since 1990, the number of employment opportunities in Ploiesti has constantly gone down, and this downward trend will continue in the near future. Industry—once the most important field of activity and with the highest rate of occupied workforce—has severely reduced its employment as a result of privatization, restructuring, and technological upgrading. As a matter of fact, this phenomenon is widespread all across the country.

It is difficult to forecast the evolution of employment in the municipality. However, some improvement is noticeable with several businesses. Also, rising unemployment with the industry has been balanced by new work opportunities in construction and the service sector.

As of 2003, the total average number of employees in Ploiesti was 96,927, and the official number of the unemployed was 6,189 (3,192 women and 2,997 men). The structure of occupied workforce function of economic branch was:

- Primary sector (agriculture and mining) 3.8%
- Secondary sector (good processing and construction) 50.2%

- Tertiary sector (transport, trade, tourism, education, culture, health) 46.0%

Ploiesti social welfare

Welfare policies are very important for the local administration, which is set to provide better social protection for the community members. Among social categories that need welfare are people with disabilities, low or no-income senior citizens, and families with many children and low income.

The Center for Professional Training of Prahova Agency for Training and Employment carries out programs for training and re-employment of dislocated workforce in the municipality.

People with disabilities

The number of disabled people registered with the municipality is 3605, of which

- 758 with disabilities of 1st degree,
- 2532 with disabilities of 2nd degree,
- and 315 with 3-rd degree disabilities

Senior citizens

The local authorities have adopted measures to improve living standards for the senior citizens, as follows:

- Free public transportation for retirees over 70 years old;
- Provision of a number of free and partially subsidized transportation passes for senior citizens with social pensions;
- Reduction by half of real and housing estate taxes for low-income retirees;
- Set up of a retail center with discount prices for senior citizens.

Minors

Minors with social problems (i.e. orphans institutionalized and abandoned children, homeless, youth from abusive domestic environments, children with disabilities) receive social assistance, such as:

- Provision of fixed and mobile assets, protection by tutor or curator, monitoring of school attendance and results, and provision of employment opportunities for institutionalized children when becoming majors;
- Provision of free meals for orphans;
- Provision of shelters for the young homeless such as “Saint Christine” day and night care center, which was established by Ploiesti City Hall in co-operation with “Concordia” Humanitarian Association;
- Set up of institutionalized social care: Alexandra and Austria homes, the Centers no.1 and no.2 (the latter is specially designated for children with mild disabilities);
- Construction of the “Children’s Land – Concordia,” a complex center for social welfare and professional training of abandoned children. The complex consists of four dwellings with 24 beds each, an administrative center (meeting hall, laundry room, warehouse, and kitchen), an amphitheater, recreational center, football, basketball and handball fields, vegetable garden, thermal power plant, and storage rooms for food and other supplies. Total investment in the complex amounts to 1,891,000 EURO.

Ploiesti Non-governmental Organizations

In 1999, 84 NGO-s were registered with the municipality, as indicated in the Civil Society National Catalogue published by the Foundation for Civil Society Development.

Most local NGO-s carries out programs on social welfare:

- “Estuar” is an organization specializing in mental health issues. It advocates for the reintegration and better representation of people with mental disabilities in the community;
- The “Association for supporting youth with physical disabilities”, Prahova branch, helps these youth reintegrate in the community life;
- “Prahova Association for Disabled People”;
- “Romanian Association for Human Solidarity” provides social service to senior citizens and socially isolated people.

From the above situation we can conclude there is a small social houses stock comparing with the people needs and a part of it is not complying with the European standards.

Annex 3: Legislative framework of the decentralization and social housing as a public service

Legislative framework of the decentralization

- **Law no.188/1999** regarding the Public Servants Statute;
- **Law no.115/1999** regarding the ministerial responsibility;
- **Law no.10/2001** regarding the juridical regime of real estate abusively appropriated during the period 6 March 1945-22 December 1989;
- **The Law no.501/2002** for approving the Government Emergency Ordinance no.94/2000 as to the retrocession of real estate goods that had belonged to religious cults from Romania;
- **The Law no.500/13.08.2002** regarding the public finances;
- **The Law. No. 52/2003** regarding the decisional transparence in public administration;
- **The Law. No.161/2003** regarding certain measures in order to ensure the transparency in exerting public dignities, public functions and within the business environment, to prevent and sanction the corruption.
- **The G.E.O. no.70/2001 for modifying and completing the Law for land registry and real estate publicity, which points at creating a unique national office for land registry that should be responsible for correctly and concretely applying the Law for land registry and real estate publicity;**
- **The G.D. no.1006/2001 concerning the Strategy for accelerating the public administration reform;**
- **The G.D. no.1007/2001 concerning the Strategy for public administration informatization.**
- **Law no. 215/2001 of the local public administration** that regulates the general framework of the local autonomy, defines the tasks and competencies of the local authorities and strengthens the responsibility for local representatives in the relation with the citizen;
- **Law no. 326/28.06.2001 of the communal husbandry public services** that establishes the unitary juridical framework on the creation, organization, monitoring and control of the communal husbandry public services in counties, cities and communes;
- **Law no. 350/06.07.2001 on the territorial arrangement and urbanism** that defines the territorial arrangement as a global, functional, prospective and democratic activity;
- **Law no. 1/2000 for the reconstitution of the propriety right on the agriculture and forest lands requested according to the land law;**
- **Law no. 545/2001 that amends art 36 of the land law no 18/1991;**
- **Law no 544/10.12.2001 (OM no. 663/23.10.2001) on the free access to the information of public interest**, that sets one of the fundamental principles of the relationships between the persons and public authorities;
- **Law no. 223/2002 on the regulation of the juridical regime of some administrative acts;**
- **Law no. 291/2002 that approves GD no 24/2002 regarding the money collection through electronic means of the local taxes;**

• **Law no. 3/2003** that approves **GD no 71/2002** on the organization and function of the public services on the public and private domain administration that is for local interest. The modifications contained in the new Constitution regulate a series of aspects concerning the public administration:

- The public administration from territorial administrative units it's based on the principles of decentralization, local autonomy and public services deconcentration;
- The city council is the public administration authority for coordination of local and communes' activities in order to develop the council public services.

Legislative framework on social housing

- **Law 114/1996 - *Housing Law***, republished, with its later amendments and the Methodological Norms for its application (2000), with its later amendments
- **Law 350/2001 on *Territorial and Urban Planning***
- **Law 7/1996 on *Cadastre and real estate advertising***, with its later amendments
- **Law 152/1998 on the setting up of the *National Housing Agency***, with its later amendments and the Methodological Norms for its application (2001), with its later amendments
- **Law 10/1995 on *construction quality***, with its later amendments
- **Government Ordinance 20/1994 on *decreasing the seismic risk of the existing building stock***
- **Law 325/2002 for the approval of the Government Ordinance 29/2000 on *thermal rehabilitation of the existing housing stock and the promotion of energy conservation***
- **Government Ordinance 19/1994 regarding the *investment stimulation for achieving public works and housing construction***, with its later amendments
- **Law 190/1999 - *Law on Mortgage Loan***, with its later amendments
- **Law 330/2003 for the approval of the Expeditious Ordinance 200/2002 regarding the *mortgage loans companies***
- **Law 254/2003 for the approval of Expeditious Ordinance 149/2002 regarding measures for the *completion of the housing buildings* started before 01.01.1990 and not finished before 01.07.2002**
- **Law 15/2003 regarding the *state support for young people for constructing a private owned housing building***
- **Law 646/2002 regarding the *state support for young people in the rural areas***, and the Methodological Norms for its application (2003)
- **Government Decision 829/2002 for the approval of the *Anti Poverty and Social Inclusion Promotion National Plan***
- **Law 380/2001 for the approval of the Government Ordinance 28/2000 regarding *measures to accelerate the transfer and use of sovereign loans guaranteed by the state* under the Government Decision 687/1997^{8[1]}**

⁸_[1] Government Decision 687/1997 regarding the raising and guarantee by the government of loans to carry out Government projects concerning the road pavement, water supply network, social housing, improvement and development of the superstructure in rural areas, with its later amendments

- **Law 243/2001** for the approval of the Expeditious Ordinance 148/1999 on the *legal settlement of the lands intended for housing construction through the National Housing Agency*
- **Law 241/2001** for approval of the Expeditious Ordinance 40/1999 regarding the *tenants' protection and rents for housing*
- **Law 352/2002** on the *thermal rehabilitation of the buildings and stimulating saving of energy*
- **Government Ordinance 174/2002** on the *establishment of special measures for thermal rehabilitation of buildings*
- **Government Decision 1070/2003** on the *approval of the norms regarding Government Ordinance 174/2002*
- **Law 500/2002** on the *public finances*

Annex 4: Technical specifications in the law that cover requires for social houses

Minimum exigencies for houses:

A. Minimum requirements

- Free individual access to residential space, without disturbing the possession and the exclusive use of the space owned by another person or family;
- Space for resting;
- Space for food cooking;
- Sanitary rooms;
- Access to electric power and drinking water, supervised evacuation (running-out) of sewage and waste.

B. Minimum surfaces

Persons/ family	Rooms/ dwelling	Sitting room	Bed- rooms	Place for eating	Kitchen	Bath- rooms	Spaces for storage	Used area	Built surface
nr.	nr.	m ²	m ²	m ²	m ²	m ²	m ²	m ²	m ²
1	1	18,00	-	2,50	5,00	4,50	2,00	37,00	58,00
2	2	18,00	12,00	3,00	5,00	4,50	2,00	52,00	81,00
3	3	18,00	22,00	3,00	5,50	6,50	2,50	66,00	102,00
4	3	19,00	24,00	3,50	5,50	6,50	3,50	74,00	115,00
5	4	20,00	24,00	3,50	6,00	7,50	4,00	87,00	135,00
6	4	21,00	36,00	4,50	6,00	7,50	4,50	93,00	144,00
7	5	22,00	46,00	5,00	6,50	9,00	5,00	107,0	166,00
8	5	22,00	48,00	6,00	6,50	9,00	5,50	110,0	171,00

Note:

- The surface of sitting rooms from one room dwelling includes the space for sleeping
- Place for eating may be included in the kitchen or in the sitting room
- Free minimum height of living rooms will be 2,55 m, except attics, and niches, which have to be assured with a minimum capacity of 15 m³ per person
- Residential surface is the unfolded surface of living rooms. It includes bedrooms and sitting room surface

C. Sanitary rooms

Number of rooms/dwelling	1	2	3	4	5
Bathroom	1	1	1	1	2
Shower	-	-	-	1	-
WC	-	-	1	-	-

D. Minimum endowment of sanitary rooms

		Bathroom	Shower	WC
Bath		1	-	-
WC pot		1	1	1
Washstand	big	1	-	-
	small	-	1	1
Shower vat		-	1	1
Shelf	big	1	-	-
	small	-	1	1
Mirror	big	1	-	-
	small	-	1	1
Towel-stand		1	1	1
Soap-stand		1	1	1
Toilet paper-stand		1	1	1
Peg		1	1	-
Evacuation hole in the floor		1	1	-

Note:

- The bathroom will be endowed with the space for washing machine
- Sanitary rooms will be ventilated directly or through a ventilation tube

E. Minimum endowment of the kitchen

Number of rooms/dwelling	1-2	3	4	5
Washstand with vat and dripping-stand	1	1	1	1

Note:

- The kitchen will be endowed with: ventilation tube, space for refrigerator and for the working table

F. Minimum endowment with lighting system

	Bedroom	Sitting Room	Kitchen	Bathroom	Shower	WC
Space for lamp	1	1	-	-	-	-
Bracket	-	-	1	1	1	1
Switch 1	1	1	-	-	-	-
Switch 2	-	-	1	1	1	1
Plug	2	3	1	-	-	-
Plug with a protection contact	-	-	1	1	-	-

Note:

- Each storage and passing space will be endowed with switches and brackets
- The plug with a protection contact for the bathroom should be set up outside the room
- Every dwelling should be endowed with electric bell installation
- The buildings with more dwellings will be endowed with installations and plugs for the collective aerial and for the telephone
- For the rural dwellings the minimum endowment of the sanitary rooms and the kitchen could be set up during building existence in correlation with the dwelling connection to the public utility networks or to the own system of water provision and supervised evacuation of the sewage

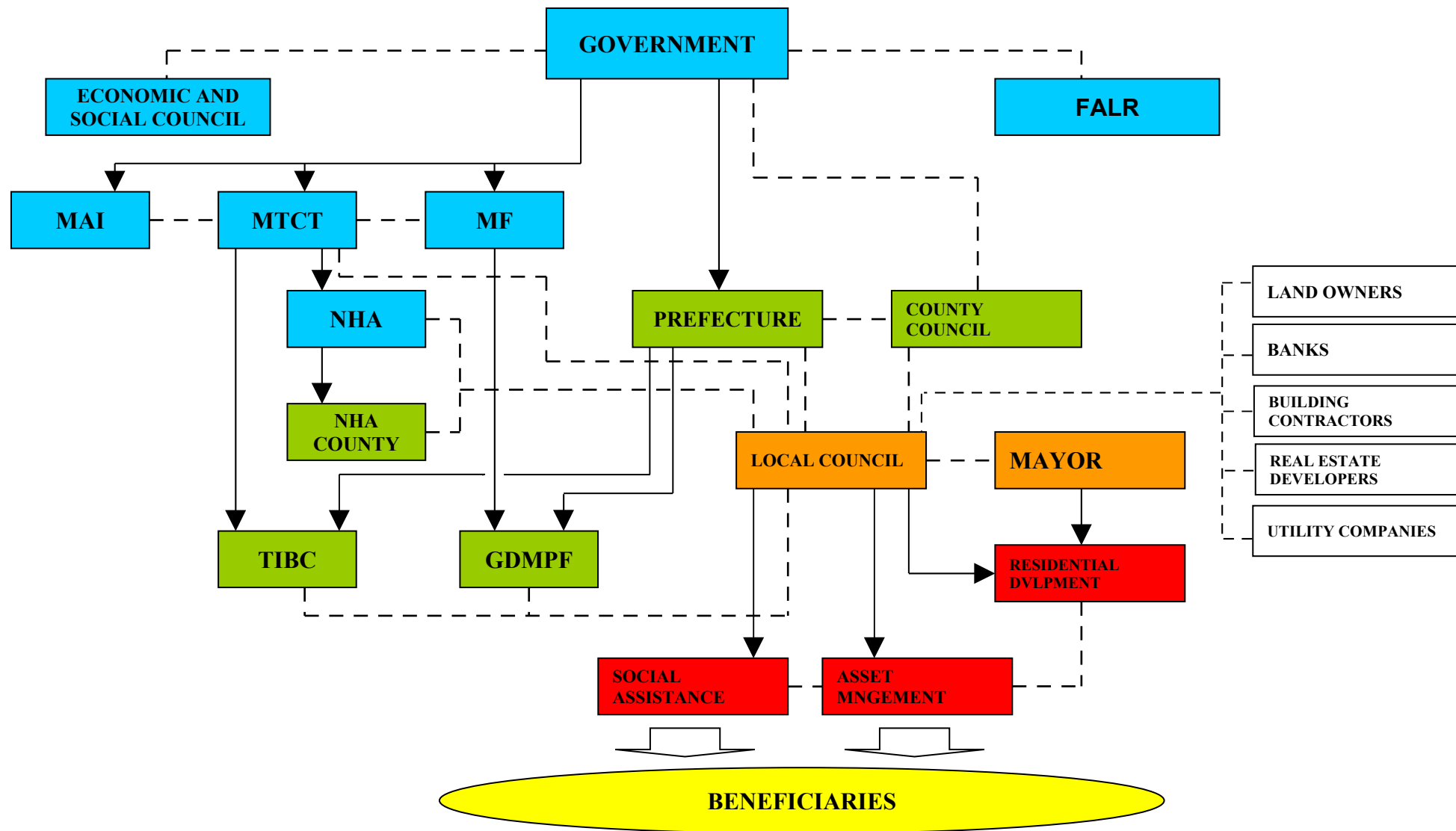
G. Common used space and installations for buildings with more dwellings

- Installations for fire prevention and extinction and also elevator according to the existing regulations
- Space for bicycles, carriages and laundry drying
- Space for waste gathering, storage and evacuation
- Space for solid and liquid combustibles storage, in the cases when it is not possible to ensure central heating and/or the gas for the kitchen
- Access platform for the persons immobilized in the wheel-chair

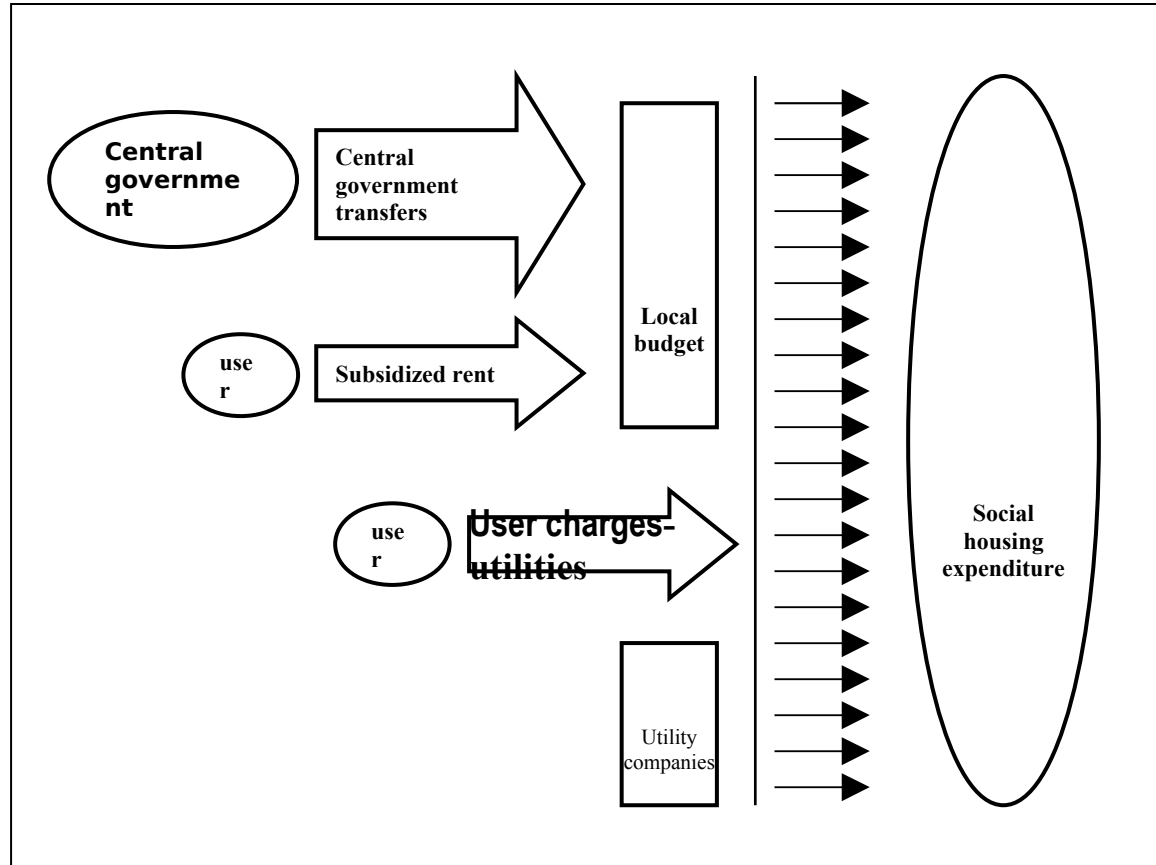
For people with disabilities there are architectural standards and urban design guidelines.

SOCIAL HOUSING DECENTRALIZATION STRATEGY
Pilot city : Ploiesti – 5th version

Annex 5: Links among main stakeholders



Annex 6: Financing transfers



Annex 7: Allocation criteria for social housing in Ploiesti

A. Restrictive criteria:

1. The applicant has to be of age but less than 35 years at the date of repartition.
Approval acts: copy of birth certificate and/or identity card.
2. The applicant and his family members haven't to own a dwelling or be the beneficiary of a rental contract for a house built for young people.
Approval acts: notary declaration about holding a house.
3. Repartition of dwellings will be done in the limit of available fund (existent free dwellings and the ones which will be finish by the investments program).
4. The applicant's job has to be in Ploiesti.
Approval acts: certificate from the work place and a copy of the employment documents.

B. Hierarchical criteria:

CRT	Criteria	POINTS
1.	PRESENT LIVING SITUATION	
	1.1. As a tenant:	
	a. the applicant has the residence and the work place in the same locality	
	- dwelling from the public housing stock (the applicant and his family have a rental contract with public services)	10
	- dwelling from the private housing stock	15
	b. the applicant has the residence in the other locality than the work place.....	5
	1.2. Tolerated (admitted) in the space:	
	a. the applicant has the residence and the work place in the same locality.....	10
	b. the applicant has the residence in the other locality than the work place.....	5
	1.3. Dwelling area:	
	- more than 18m ² /family member	0
	- more than 15m ² and less than 18m ² /family member	1
	- more than 12m ² and less than 12m ² /family member	2
	- more than 8m ² and less than 12m ² /family member	3
	- less than 8m ² /family member	10
2.	CIVIL STATUS	
	2.1.	
	a. married.....	10
	b. unmarried with children (single parent family).....	10
	c. unmarried.....	2
	2.2. Number of persons to keep on:	
	number of under age children	
	- 1 child.....	1
	- 2 children.....	3
	- 3 children.....	5
	- 4 children.....	7
	- more than 4 children.....	10
	b. other persons (doesn't matter the number).....	2
3.	HEALTH STATEMENT	

SOCIAL HOUSING DECENTRALIZATION STRATEGY

Pilot city : Ploiesti – 5th version

	a. healthy.....	0
	b. unhealthy – the applicant or the other family member disease require a nursing person or a supplementary room (medical certificate).....	10
4.	APPLICATION AGE	
	a. less than 1 year.....	1
	b. 1-2 years.....	2
	c. 2-3 years.....	3
	d. 3-4 years.....	4
	e. more than 4 years.....	4...
	obs. – for more than 4 years every year counts a point	
5.	MONTHLY AVERAGE INCOME/FAMILY MEMBER	
	a. less than minimum income on the national economy	5
	b. more than minimum income and less than average income on the national economy.....	4
	c. more than the average income on the national economy	3
6.	STUDIES	
	a. without studies	0
	b. graduate from general school and professional school by 1-3 years (certificate or diploma).....	2
	c. graduate from high school (diploma).....	5
	d. graduate from college	10
	e. graduate from university or upper	15
7.	WORKPLACE	
	a. public institution of national or local interest	15
	b. companies of national or local interest	10
	c. private companies	10
	d. others	2
8.	OTHER SITUATION	
	Young from the social protection institutions who have already 18 years and persons who have adopted children from the social protection institutions.	5

Annex 8: Institutional

Annex 9: Institutional

Annex 10: Institutional chart

Glossary

The **Decentralization** is a process of transferring administrative and financial authority/responsibility from the central to the local public administration level. This process is represented in the re-regulation of intergovernmental relations, local financial management, decision-making, legal responsibilities (adopting regulations, local decisions) and in the re-regulation of the management of public services.

The **deconcentration** is the process of delegating of administrative and financial authority/responsibility, within the same structure, from the central level to local level.

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