

IDP housing needs assessment: types, opportunities, solutions

REPORT ON THE RESULTS OF A RESEARCH IN ODESA
OBLAST



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Introduction

*According to the Government of Ukraine, since the beginning of the conflict in Eastern Ukraine (in 2014) and the temporary occupation of Crimea, about 1.3 million internally displaced persons have been registered in Ukraine. **Of these, 46,053 internally displaced persons (IDPs) reside in Odesa oblast.** Results of sociological and monitoring studies demonstrate that about 38% of IDPs do not plan to return after the end of the conflict and the annexation.*

Residents of Donetsk and Luhansk oblasts, as well as the Autonomous Republic of Crimea, who were forced to leave their homes and settled places and, as a result, found themselves in difficult life circumstances, belong to vulnerable groups and need special treatment from the state. Today, in this regard, Ukraine provides internally displaced persons with social assistance (monthly targeted assistance to cover living expenses, including rent and utilities), provides social and temporary housing, as well as a state program of affordable housing, where 50% of the cost is paid by the state and 50% by IDPs.

Nevertheless, housing remains the most pressing issue for internally displaced persons. According to NGO "The Tenth of April", the minor government steps aimed at solving the problem of ensuring the right to housing have not resulted in systemic changes. Legislative decisions on housing for IDPs adopted only at the end of 2018 led to the development of regional and local housing programs, but the question of their funding remains open. Social and temporary housing is almost impossible to use due to lack of effective administrative procedures and appropriate funds. In 2018, 18% of all legal consultations provided by "The Tenth of April" to IDPs concerned access to housing. In the first half of 2019, this figure amounted to 15% of the total number of consultations.

In addition, as of today, there is no representative information on IDPs' housing needs (scale, types of housing, reasons, solutions). The relevance of this study is enhanced by the fact that regional and local housing programs need to be improved.

The creation of a coalition to address the housing issues of IDPs in the South of Ukraine in February 2019 is intended to intensify the process of eliminating the issue with lack of housing for internally displaced persons, the effectiveness of which depends on objective information on the scale and features of the problem.

Thus, the results of the study can be used as a basis for the strategy of the coalition to address the housing issues of IDPs in southern regions of Ukraine (Coalition of IDPs in Southern Regions of Ukraine), and can be used during elaboration of the state, regional and local programs on IDP protection in Odesa oblast or other regions of Ukraine.

Research methodology

The purpose of the study is to assess the housing needs of IDPs in Odesa oblast, as well as their opportunities for self-sufficiency in housing; capacities of state and local authorities in addressing IDP housing issue; identification of relevant solutions.

The research methods include the method of social surveys (online and face-to-face personal interview), as well as semi-formalized interviews.

Sample is calculated with a confidence level of 95%, a margin of error of 5%. As the participation of respondents living in different households (not members of one family) is essential for the representativeness of the survey, the general population reflects the number of IDP families with 31,211 families living in Odesa oblast¹.

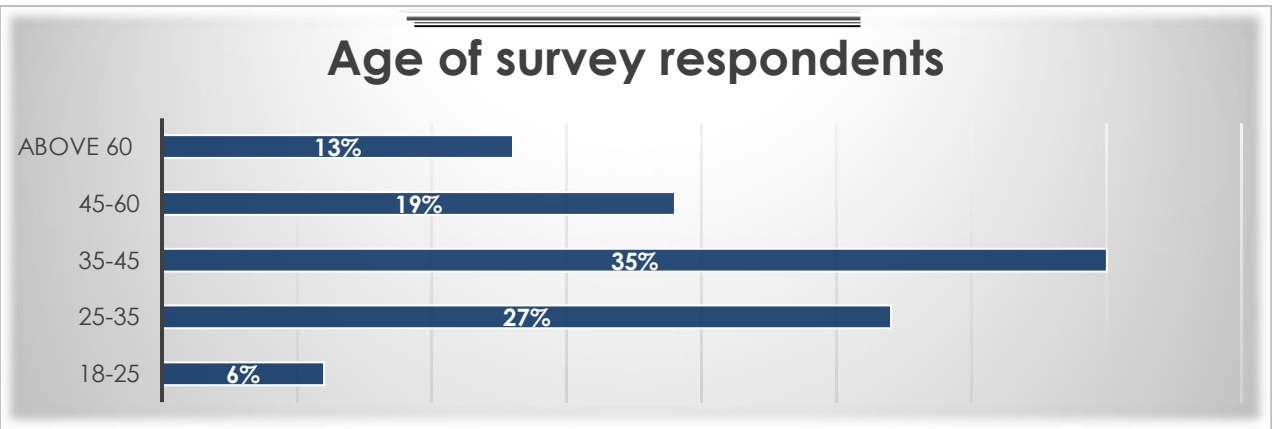
401 respondents in total were interviewed. Interviews were also conducted with the director of Odessa Regional State Fund for Support of Youth Housing Construction; Deputy Director of the Department of Labor and Social Policy of Odessa City Council; the Director of the Department of Municipal Economy of Odessa City Council; the Director of the Department of Social and Family Policy of Odesa Regional State Administration.

236 (59%) of respondents are displaced from Donetsk oblast

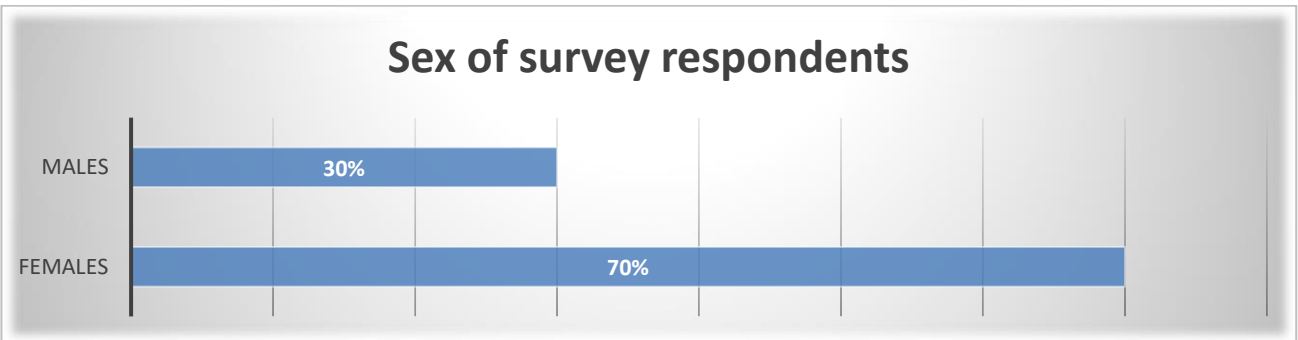
143 (36%) of respondents are displaced from Luhansk oblast

19 (5%) of respondents are displaced from the Autonomous Republic of Crimea

Age of survey respondents:

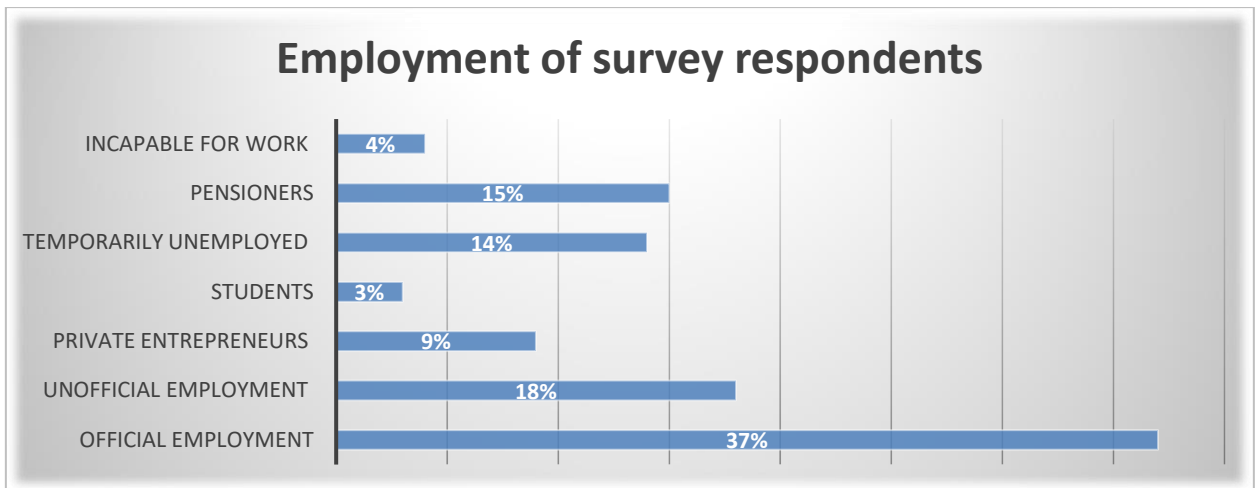


Sex of survey respondents:

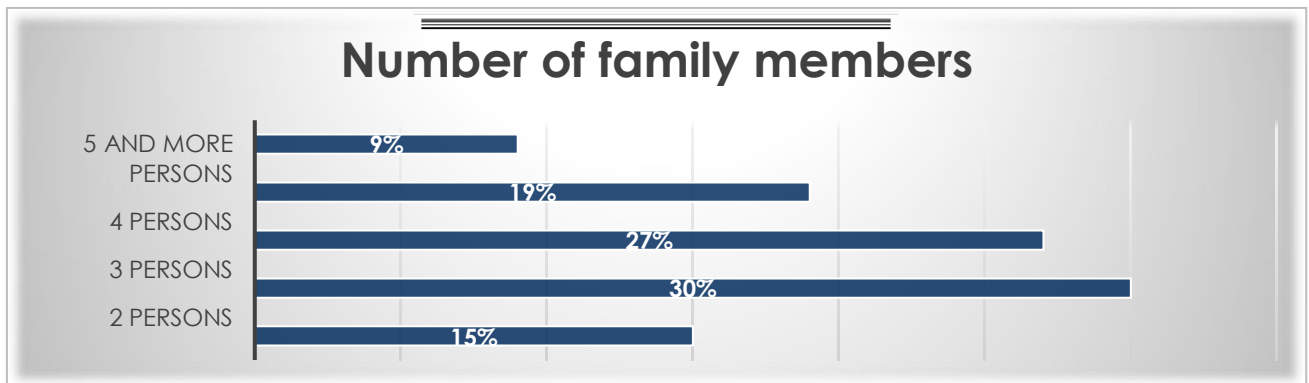


¹ According to the Ministry of Social Policy as of 25 February 2019

Employment of survey respondents:



Number of family members:



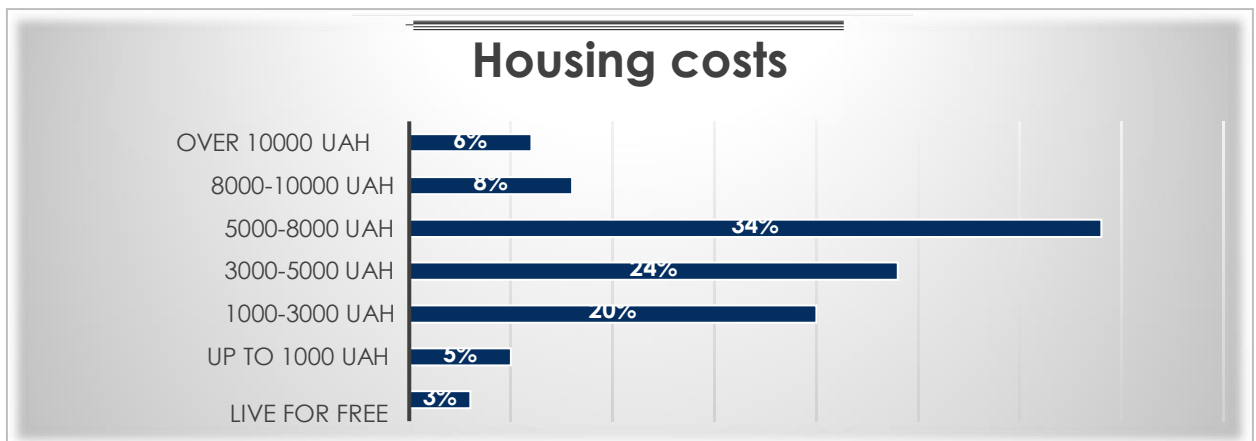
Opportunities for internally displaced persons to provide themselves with housing

77% of IDPs surveyed in Odesa oblast reside in rented apartments/houses, about 10% stay in collective centers, 9% - with relatives/acquaintances and only 3% of respondents have purchased their own housing.

57% of IDPs do not plan to return home after the end of the occupation, and 85% do not plan to do so in the nearest 12 months.

79.5% of respondents have no prospects for obtaining housing in government-controlled areas (GCA) on their own. This is also explained by the fact that the total income of 23% of the

families amounts to UAH 1000-5000, 31% - to UAH 5000-10000 and 22% - to UAH 10000-15000. The average cost of rent varies from UAH 5000 to 8000.



Thus, an average family consisting of 3 members with an average income of UAH 10,000, which pays a monthly rent of UAH 6,000, is not able to accumulate enough funds to purchase housing on market terms.

Housing needs of IDPs

33% of respondents identified a lease purchase as the most acceptable solution for the housing issue. Another 29% of IDPs expressed their readiness to buy housing on credit, but on preferential terms.

Given the different incomes of IDP families, 28% of them need to benefit from an opportunity to live in state/communal housing, with the right to further privatization.

12% of IDPs expressed their readiness to start building private houses in case of land allocation, and 9% are ready to move into abandoned houses located near towns (with access to medical, educational services, convenient infrastructure, etc.).

12% of IDPs need social housing.

Apart from Affordable Housing Program, the state has provided IDPs with an opportunity to receive social and temporary housing. Meanwhile, only 10% and 13% of respondents are aware of their right to receive such social and temporary housing respectively. According to the lawyers of "The Tenth of April", the reason for the low awareness of IDPs about social and temporary housing is lack of professionalism of local authorities' officials, who often cannot explain the difference between these programs:

When receiving responses from local authorities to written requests to be put on a waiting list for social housing or providing information on the of documents required to do so, we see that officials confuse the legal acts on temporary and social housing. That means, they do not distinguish two completely different procedures, so how can they inform IDPs?²

4% of respondents applied for temporary housing, and none of them were able to exercise this right. As for receiving social housing, 3% provided the necessary documents, 2% of which received it.

² Comment by the lawyer of the NGO "Tenth of April"

66% of respondents are not aware of any possibility of obtaining housing with the support of the authorities, what is the main obstacle to access state-provided opportunities. Another 40% said they do not believe in success of obtaining housing, so they do not refer for assistance.

The thesis is confirmed by the lawyers of "The Tenth of April", referring to the daily practice of consulting IDPs.

Every day, when we explain IDPs the possibilities of housing solutions, we hear in response that they do not want to apply for social or temporary housing because they do not believe in success.³

Available opportunities

During the interviews, respondents commented that the current provision of housing for internally displaced persons is extremely unsatisfactory.

A lot of IDPs rent apartments and pay for utilities to live in our city. Of course, we would like these people to be provided with housing, the government programs to be elaborated, housing for lease purchase and social/temporary housing to be built, but, unfortunately, it is not happening.⁴

Currently, in Odesa oblast, social housing is offered only in the municipal institution "Odesa Regional Rehabilitation Center for the Disabled and Disabled Children "Strategy of Life", which is located in the village of Borshchi, Odesa oblast, but a small number of IDPs decide to benefit from this state's offer due to the territorial remoteness of the institution (about 212 km from Odesa), unsatisfactory living conditions, inconvenient transport system and remoteness of medical, educational and other state institutions.

As for social housing, there is only the "Strategy of life" in Odesa oblast, which is located in the village of Borshchi. About 13-15 IDPs reside there now.⁵

In addition, the Regulations on this institution defines its purpose is to ensure the implementation of socio-economic, medical, physical, psychological, pedagogical, professional and other measures of rehabilitation nature, aimed at preventing the progression of pathological processes, eliminating or compensating for limitations in the daily life, restoration of health and work skills of persons with disabilities and children with disabilities, correction of mental processes, their education, vocational rehabilitation, their employment regardless of the category and causes of disability, as well as the implementation of socio-economic measures in accordance with Ukrainian legislation in force on socially vulnerable groups and internally displaced persons.⁶

Thus, the "Strategy of Life" is a rehabilitation center, not a social housing facility.

The use of the institution for other purposes was also mentioned among the results of the monitoring visit of the Representative of the Commissioner for Human Rights of the

³ Comment by the lawyer of the NGO "Tenth of April"

⁴ Excerpt from an interview with the Deputy Director of the Department of Labor and Social Policy of Odesa City Council

⁵ Excerpt from an interview with the Director of the Department of Social and Family Policy of Odesa Regional State Administration

⁶ Regulations on the municipal institution "Odesa Regional Rehabilitation Center for the Disabled and Disabled Children "Strategy of Life" approved by the decision of Odesa Regional Council of June 17, 2016 №183-VII

Verkhovna Rada (the Ombudsperson) of Ukraine in the southern regions taken in April 2019 jointly with NGO "The Tenth of April":

...the institution is not used for its intended purpose. It was transferred by the decision of Odesa Regional State Administration for accommodation and rehabilitation of IDPs. However, neither rehabilitation work nor specialized medical care is provided. There are no employment opportunities in nearby settlements. Residents of the institution are unable to find jobs, as a result, the rehabilitation program for IDPs of Odesa Regional Council and Odesa Regional State Administration is not being implemented.⁷

As for the implementation of the Law of Ukraine №2546-VIII of 18.09.2018, introducing the possibility of obtaining social housing for internally displaced persons who do not have other housing in GCA or whose housing is destroyed or damaged so it is unfit for living, as a result of the anti-terrorist operation and the implementation of measures to ensure national security and defense, repression and deterrence of the armed aggression of the Russian Federation in Donetsk and Luhansk oblasts, the following should be noted. First, the value of the indirect cost of renting housing in Odesa has not yet been determined, and second, there is no clear list of documents to be submitted by IDPs to register for social housing, which has to be defined by the local authorities. As of today, local authorities are simply refusing to register IDPs for social housing.

The Resolution of the Cabinet of Ministers of Ukraine "on certain issues of providing citizens with affordable housing" of October 10, 2018 №819 introduces the possibility of providing internally displaced persons with affordable housing. This means that the amount of state support for the purchase of housing is 50% of its value. An internally displaced person receives state support for affordable housing in the place of his/her registration as an IDP what is confirmed by IDP certificate.

As of September 2019, Odesa Regional Department of State Fund for Support of Youth Housing Construction received 700 applications from IDPs to participate in Affordable Housing Program, and about 14 families received housing. Given the percentage of persons for whom this program is the most acceptable housing solution, the number of applications looks small. The Director of Odesa Regional Department of State Fund for Support of Youth Housing Construction commented on this as follows:

Many people do not believe in the effectiveness of state programs. The first question put by internally displaced persons is - How much money is allocated for the current year? In Odesa - it is five million four hundred and sixty thousand hryvnias - almost nothing! Second question - How many apartments have people received over the past period? – The number is very small. It is only fourteen apartments, so people do not want to waste their efforts, fill out forms and apply.

... twenty or thirty people apply for the program per month, but when they hear about our waiting list and how it is progressing, people do not submit the documents. At first, there were

⁷ Publication on the official website of the Commissioner for Human Rights of the Verkhovna Rada of Ukraine: <http://www.ombudsman.gov.ua/ua/all-news/pr/4419-re-odeskij-oblasnij-tsentr-reabilitatsiii-zmishanogo-tipu-dlya-invalidiv/>

a lot of applications for Affordable Housing Program, but now people no longer believe in success.⁸

State Fund for Support of Youth Housing Construction may also provide internally displaced persons with preferential long-term credits for housing purchase (reconstruction) at its own expense (at the expense of the Fund's share capital funds). The program provides a preferential loan at 17% National Bank of Ukraine (NBU) rate, subject to 10% down payment. IDPs are given priority participation in this program. According to the Director of Odesa Regional Department of State Fund for Support of Youth Housing Construction, no one has applied for this program:

Currently no one is interested in such an interest rate and no one has expressed a desire to participate in Share Capital Program. People's incomes do not allow them to pay such interests.⁹

Another opportunity for IDPs to solve their housing problems is the City Targeted Housing Program for certain categories of citizens living in the city of Odesa for 2018-2020¹⁰, where the total amount of funding is **UAH 31,824.0 thousand**.

According to Odesa City Council, as of January 1, 2018, **16,365 families**¹¹ and single persons have been registered in a housing waiting list of district administrations of Odesa City Council, but there were no internally displaced persons among them.

The program introduces conditions for the possibility of obtaining preferential long-term loans for housing construction, namely:

- an interest rate for the use of preferential long-term loans in the national Ukrainian currency is 5 (five) percent per annum of the loan amount (4-6 times lower than in commercial banks);
- an interest rate for the use of preferential long-term loans does not change during the term of the loan agreement;
- an inflation index is not accrued on the amount of loan liabilities;
- there is a benefit for the payment of interest for families with a minor child (minor children). In addition, the borrower who has two children is compensated 15 percent of the balance of the loan at the expense of the budget; the borrower who has three or more children - 30 percent of the balance of the loan.¹²

The amount of planned funding of the program for **2019** was **UAH 10 million 608 thousand**, but **only UAH 6.3 million** was approved by the decision of Odesa City Council. In reality, the city authorities have allocated **UAH 2.4 million for 2019**.¹³

⁸ Excerpt from an interview with the Director of Odesa Regional Department of State Fund for Support of Youth Housing Construction

⁹ Excerpt from an interview with the Director of Odesa Regional Department of State Fund for Support of Youth Housing Construction

¹⁰ Official site of the city of Odesa: <https://omr.gov.ua/ru/acts/council/110798/>

¹¹ Information specified in the Decision of Odesa City Council № 3609-VII of 19.09.2018

¹² Information specified in the Decision of Odesa City Council № 3609-VII of 19.09.2018

¹³ Excerpt from an interview with the Director of Odesa Regional Department of State Fund for Support of Youth Housing Construction

On September 17, 2019, the IDP family of three was granted the first loan for the purchase of a 65.67 m² apartment. In total, about 100 people are registered in the program, where 70% are internally displaced persons.

Thus, in 2019, a positive example of solving the housing problems of IDPs with the help of a city council has appeared, and now there is a waiting list to get a loan.

Apart from internally displaced persons, the above program is targeted at supporting young families and single young persons; families with multiple children; persons affected by the Chernobyl accident; employees of the public sector and communal enterprises of Odesa City Council; educational, scientific, medical workers and their family members; participants of hostilities with place of residence registration in Odesa.

In parallel to the city program, since 2019 there is a Comprehensive Regional Program for Housing in Odesa region for 2019-2022¹⁴, initiated and developed by the Department for Capital Construction of Odesa Regional State Administration, jointly with Odesa Regional Department of State Fund for Support of Youth Housing Construction. The total amount required for funding of the program is determined as **UAH 83 million 390 thousand** and **UAH 19 million 780 thousand** for 2019.

In reality, **UAH 2 million** has been allocated this year.¹⁵ In total, about 65 people are registered in the program (as of September 2019), about 35% of applicants are IDPs. 2 families received funding for the purchase of housing under the regional program (different from IDPs).

This program also introduces loan opportunities, where internally displaced persons are entitled to receive a loan if they do not own residential real estate different from that located in the settlements on the territory where the state authorities temporarily do not exercise their powers in full and the list of settlements located on the line of contact, approved by the Resolution of the Cabinet of Ministers of Ukraine of November 7, 2014 #1085.¹⁶

The amount of a loan for construction and purchase of housing is determined by Odesa Regional Department of State Fund for Support of Youth Housing Construction, basing on the standard living space, the cost of construction (purchase) of housing at prices in force when concluding the loan agreement and insurance costs (in case of a construction loan), not considering the down payment. In this case, the estimated cost of 1 m² of housing (or property rights in case the housing is under construction) is defined according to an expert assessment, which is valid for thirty days from the date of an expert report. In case of exceeding standard living space, the borrower pays by his/her own costs the cost of construction (purchase) of excess housing living space, as well as additional insurance costs (in case of a construction loan) in the time and manner prescribed by the loan agreement.

The amount of a loan provided to the borrower for the construction or purchase of a private house in rural areas may be increased by up to 30 percent of the amount calculated in accordance with standard living space.¹⁷

¹⁴ <http://oblrada.odessa.gov.ua/wp-content/uploads/959-VII.pdf>

¹⁵ Excerpt from an interview with the Director of Odesa Regional Department of State Fund for Support of Youth Housing Construction

¹⁶ Information specified in the Regulations on the procedure for granting preferential long-term loans to provide housing for certain categories of citizens living in Odesa oblast

¹⁷ Information specified in the Regulations on the procedure for granting preferential long-term loans to provide housing for certain categories of citizens living in Odesa oblast

According to the respondents, the main obstacle in solving the housing problem of IDPs is the inadequate level of funding from both state and local budgets (for example, the receipt of funds according to allocation of 2019 state budget funds under the classification code #2751190 “state support for the construction (purchase) of affordable housing” amounted to **UAH 800,000.00**¹⁸). In addition, there are no effective mechanisms to address this problem, which would take into account the needs and opportunities of internally displaced persons and engage public authorities and local governments.

Insufficient funding remains the key problem in the provision of housing to IDPs. Even for existing, not fully successful programs, it is extremely low. There is also no single mechanism for solving the housing issues feasible for both the IDPs and the authorities.

Conclusions and recommendations

Thus, the biggest obstacle faced by IDPs towards the way to full-scale integration into host communities is the lack of their own housing in GCA. Considering the ratio of income and rental expenses, most IDP families are deprived of the opportunity to purchase apartments/houses on market terms, so they require state support in this matter. Available opportunities (social, temporary housing, Affordable Housing Program, Share Capital Program, city and regional crediting programs) currently turned out to be ineffective due to insufficient funding, weak mechanism and financial inability of IDPs to participate. At the same time, during the survey, IDPs stated that they were unaware of available housing opportunities, so the low level of awareness may be an obstacle to enjoy housing rights.

Importantly, Affordable Housing Program is the most acceptable solution to the housing problem for 37% of IDPs living in Odesa oblast. The opportunity to benefit from preferential loan, inter alia, for making a contribution under Affordable Housing Program will also significantly expand the opportunities for IDPs to solve this problem. 33% of IDPs expressed an intention to purchase housing on lease.

Recommendations:

To Cabinet of Ministers of Ukraine (Ministry for Regional Development and Construction):

1. Increase the amount of actual funding for Affordable Housing Program, as well as the city and regional housing programs to the required amounts.
2. Create a working group to elaborate a leasing program for IDPs and improve the mechanisms for implementing the existing programs.
3. Provide IDPs with a preferential loan allowing to make a contribution under Affordable Housing Program.

To Odesa regional state administration and local governments:

1. Add to the Development Strategy of Odesa oblast a point on the elaboration of programs aimed at the integration of IDPs, in particular in the context of solving the housing problem.

¹⁸ Information from the official website of Odesa Regional Department of State Fund for Support of Youth Housing Construction

2. Popularize positive examples of housing solutions for IDPs achieved with the help of state and local governments (to raise the level of trust among IDPs).
3. Strengthen the component of informing IDPs about existing housing programs and the possibility of acquiring a land plot.
4. Increase the number social and temporary housing objects in Odesa oblast.
5. Perform an inventory of houses that are abandoned and are “the intestate person's estate”¹⁹ to consider further possibility of their occupation by vulnerable categories of persons, including IDPs.
6. Provide additional professional training for certain officials on housing issues for IDPs.

¹⁹ The intestate person's estate is the property of the testator who did not leave heirs either by will or by law. As a general rule, such property becomes the property of the state or the relevant territorial community