Housing Issues – Experience of Tbilisi

Tbilisi City Hall

Department of Economic Development

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Massive resettlement of people
Key Events and Dates

- Khrushchov's mass housing

- Privatization

- Current situation: Lack of Housing policy, Dilapidated housing
Housing Policy and its Execution

**State Level:**
- ✓ Ministry of Economy and Sustainable Development of Georgia, Spatial Planning and Construction Policy Department
- ✓ Ministry of Labour, Health and Social Affairs of Georgia
- ✓ Ministry of Internally Displaced Persons From The Occupied Territories, Accommodation and Refugees of Georgia

**Local Municipal Level**
- ✓ Tbilisi City Municipal Assembly
- ✓ Tbilisi City Hall
- ✓ Tbilisi's municipal District units
- ✓ Municipal Department of Healthcare and Social Services
- ✓ Municipal Department of Urban Development
- ✓ Municipal Department of Economic Development
- ✓ NNLS – Tbilisi's Municipal Shelter
Tbilisi’s Profile

- Area (Sq.km): 504.2
- Population: 1’158’700 (31% of country population)
- Density (Person/Sq.km): 2’300
- Household: 339’304
- Average size of household: 3.46
- Household income per month (USD): 546 (per day 18.2)
- Tbilisi’s GVA (mln. USD): 6’118.67
- GVA Per capita (at current price USD): 5’427.7
- Unemployment rate: 22.0%
- Share of population under 40 and 60 percent of the median consumption (relative poverty): 3.2% < 11.1%
- Gini Coefficient: 0.40
- Annually Inflation: 1.7%

- Number of Helpless Families Receiving Subsistence Allowance:
  - Registered – 58’599
  - Beneficiaries -30’451 (52%)
- households provided with:
  - Electricity – 100%
  - Gas – 98.4%
  - Water – 100%
  - Wastewater Collection 87.6%
  - Waste Collection – 100%
  - Internet user – 29.1%
  - Cell phones: - 133%

- Population living in slums: 1.17%
- Homeless per 100’000 population: 30
- Households without registered: 3.15%
Dwelling - Census 2014 year

Percent of dwellings (individual houses and separate apartments) by type of dwelling facilities:

- Hot water supply system: 73%
- Bath or shower: 85%
- Sewage: 96%
- Toilet (flushable): 92%
- Water supply: 96%
- Individual means of heating: 83%
- Heating system: 18%
- Piped gas: 95%
- Electricity: 98%

Share of private households by type of ownership of dwelling, %:

- Property of one or more household members: 83%
- Property of housing-construction condominium: 5%
- State property: 9%
- Rented: 1%
- Rented in exchange of interest-free loan (with dwelling used as collateral): 1%
- Other types of ownership: 1%

Distribution of Average Monthly Expenditures per Household by Tbilisi 2016 year (USD):

- On food, beverages, tobacco: 31%
- On clothes and footwear: 6%
- On household goods: 17%
- On healthcare: 15%
- On fuel and electricity: 14%
- On transport: 13%
- On education: 11%
- Other consumption expenditure: 10%
Tbilisi’s Land Use Master Plan

- **Need for updating the Land Use Master Plan:** Inappropriate tendencies in the urban growth and development of Tbilisi.

- **LUMP’s Concept:**
  - Compact
  - Well connected
  - Green City
Housing Challenges

• Absence of housing policy in state level and slightly presented in local level
• Lack of housing inventory
• Damaged, dilapidated and ageing housing
• Homeless, socially vulnerable, IDPs, cooperative housing’s affected, mortgage’s effected
• Natural Disasters and dangers
• Affordable housing
• Overcrowded housing
• Squoting (illegally occupied)
• Sign of intensive chaotic constructions, construction in dangerous areas, unfinished buildings
• Weak mechanism for housing provision
• Lack of statistics and monitoring
• Financial recourses
Dilapidated housing

Tbilisi’s Municipal Programs and Rules
Dilapidated housing

- **Program name:** Compensation of the dilapidated houses
- **Program objective:** Provide living space
- **Program Beneficiaries:**
  - Owners of dilapidated houses
  - Residents of unhabitable houses
  - Homeless citizens due to the social-economic conditions
- **Program main mechanism:** Provision of rent or part the rent to create healthy living conditions
- **Program funding:** Budget’s Special Sub-Program and Municipal Reserve Fund
Dilapidated housing

- **Program Implementing Authority:** 10 Municipal district units of Tbilisi
  - ✓ Consulting Advisory Body – Board
  - ✓ The Head of the Board is Deputy head of District
- **The amount of compensation and the rule of issuance:**
  - ✓ Compensation is issued no more than the end of the current budget year
  - ✓ The list of beneficiaries will be reviewed before the new year, thus it is reapproved annually
  - ✓ When the compensation is up to 120 USD (300 GEO Lari) it is under the decision of the district unit and for more than 120 USD, the decision is made by Tbilisi government
  - ✓ Families are not allowed to split for getting more money
  - ✓ Compensation is transferred to the account of lender (beneficiaries as exceptions)
Special rule for the compensation provision

- Socially vulnerable families, who are not registered in the database
- Families in severe socioeconomic or living conditions
- Affected by natural disaster
  - Earthquake
  - Flooding
  - Landslide
  - Fire
  - Other
- Within the framework of the program, there were many exceptions, that were considered as program's shortcomings, and subsequently these exceptions were defined in the protocol as special conditions
Dilapidated housing

Alternative approach

Varketili III
Varketili III
Action Plan

1. Provides land area for free with intensive development
2. Provides living area for free
3. Provides flats
4. Provides lands

Considering community interests
Homeless registration and shelter/housing provision

Tbilisi’s municipal Programs and rules
Homeless housing

• **Program name:** Procedure for Homeless Registration and providing Shelter and Housing in the Municipality of Tbilisi

• **Program objective:** Provide shelter / living space

• **Beneficiaries:**
  - Are registered in Tbilisi before 27 November, 2015
  - Property and possession rights and dwelling are not available
  - Other real estate and revenues are not enough for sufficient housing and subsistence minimum
  - Or subsistence income does not exceed the sum of the amount of rent "compensation of the damaged houses“ and the subsistence minimum
  - They do not have 3 or more crossings of Country border. Except for objective reasons.
Selection of beneficiaries (social housing)

• Evaluation of beneficiaries with points
  ✓ living conditions
  ✓ Other factual circumstances
  ✓ Persons with disabilities
  ✓ Veterans
  ✓ Who lost the breadwinners
  ✓ Single-Parental Status
  ✓ Large family
  ✓ Honorable citizens, Tbilisi custodians and other award-winners

• The more criterion they meet the greater is the chance of getting housing.
• In case of refusal the offer will not be considered by the beneficiary for the next 2 years.
Mechanism

• **NNLS - “Tbilisi's Municipal Shelter”**
  ✓ Lilo’s homeless shelter
  ✓ Social housing
• Target accommodation room for one person is 6 sq/m
• In a room of the shelter lives 10 persons (separately men and women wing)
• Project staff (except for administrative):
  ✓ Social Worker
  ✓ Psychologist
  ✓ Headman
  ✓ Medical service (in the shelter)
  ✓ 2 meals per day (in the shelter)
• The cost of storage of the object and staff is covered by the local budget
Executive bodies

• The Commission will issue a recommendation to the registered persons:
  ✓ Providing shelter (Lilo's shelter)
  ✓ Providing Accommodation (at this stage, Orkhevi, Didi Digomi and Varketili housing)

• The Healthcare and Social Service Department shall decide on homeless registration.

• The head of the Department shall decide on the shelter.

• The Government of Tbilisi shall decide on housing.

• Homeless registration does not generate the obligation for the municipality to satisfy any particular period of time, and provision will be held in accordance with the existing resources.
Registered homeless applicants since 2015

- 3115 (63%)
- 925 (19%)
- 916 (18%)

Options:
- YES
- NO
- Precise
Registration of homeless persons and providing shelter/housing

Lilo’s Municipal Shelter
About Shelter

• Since December 2015, newly constructed homeless shelter in Lilo settlement
• The shelter can accommodate 240 beneficiaries simultaneously
• Getting the shelter is through self-help or police
• In total there were 205 unique cases in 2017 year.
Registration for Homeless persons and providing shelter/housing

Social Housing
Social Housing

• **Program name:** At the initial stage - social housing in the comfortable environment; At the next stage - social housing

• **Project Objective:** Providing decent housing, additional social services and the establishment of a social worker institute.

• **Financial support:** At the initial stage - Swiss Agency for Development and Cooperation, on the basis of a Memorandum of Understanding. At the next stage - Tbilisi Municipality City Hall. Within the framework of the program, 3-4 storey cottages intended for accommodation of 156 families in Tbilisi were built in 3 locations and the owner is Tbilisi City Hall.

• **Beneficiaries:** The first beneficiaries were 60% of IDPs and 40% of the locals.

• **Project Implementers and Partners:**
  ✓ Embassy of Switzerland
  ✓ Swiss Cooperation and Development Agency
  ✓ Tbilisi City Hall
  ✓ United Nations Development Program (UNDP)
  ✓ Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees of Georgia
  ✓ Ministry of Labor, Health and Social Affairs of Georgia
  ✓ Association of Social Workers
  ✓ NGOs
  ✓ Public Defender of Georgia
Social Housing

• **The renewal of the contract on housing takes place annually** and the family is being observed during this time, with the psychologist and social worker who are working with them to improve the situation.

• **The beneficiary pays utility bills** (at the initial stage it was funded by municipality)

• After the provision of the housing, **the beneficiaries do not change their social status** and as a result they still use state social packages

• **Social workers** work on establishing good living conditions, preparing families for independent living and establishing friendly relations with the neighbors, advocating with various agencies
7 families illegally occupied the building in Didi Dighomi.
Government’s obligation on housing cooperatives
Obligations for housing cooperatives

• From the 1980s, the state encouraged housing construction through private initiative / cooperatives, where money was paid by the community and the state guaranteed people, that the houses would be finished. This information is well documented.

• The cooperative was bankrupted and the state accepted the funds as a debt.

• The state obliged Tbilisi City Hall to pay this debt.

• 1'700 families out of 3'200 applied for remuneration. Some families were living by rent, some had a little living space and so on.
**Action plan**

1. **City**
   - Provides land area for free with intensive development
   - Increased Construction Scale

2. **Investor/ Developer**
   - Provides living area for free
   - Provides flats
   - Debt will be covered

3. **Household**

Considering community interests

- Increased Construction Scale
- The land will be issued by Tbilisi City Hall upon the competition to those investors/developers, which will accommodate more families.
Homeowners’ Association

Municipal Program
About the Program

- Program is implemented by Municipal District Units
- 100% is ensured by City Hall
- 10% is ensured by Homeowners’ Association and they are responsible for spending
- Getting 0% loans for 4 years
- Procurement is provided by tendering

- Repair of roofs
- Repair of elevators
- Repair of water and sewerage system
- Capital construction up to 4-th floor
- Internal infrastructure of common use (stairs, balconies, gates, entrances, doors, arches, floors)
- Design works
- Implementation of informational and educational activities
Summary

Existing mechanisms

✓ Municipal Shelter
✓ Social housing
✓ Provision of Rent
✓ PPP projects
✓ Co-funding for restore
✓ Transfer of property for symbolic price

Activities to be implemented

✓ Development of the housing Policy
✓ Description and Evaluation of Housing
✓ Fund rising
✓ Maintenance of existing housing
✓ Natural Disasters' impact mitigation
THANK YOU!

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