



Small introduction of Social Housing in France

National Context

The ruling of the 28th June 1945, the FNAH (National Fund for the Improvement of Housing) at the law of 1948 were created to resolve problems with the maintenance of buildings. The 1950s and 1960s were periods of modernisation and restructuring. The framework law of 7th August 1957 established 'low-cost housing' (HLM) with the aim of 'recapturing the town centres'. Urban renovation began with the introduction of the decree of the 31st December 1958, the Malroux Law (4th August 1962) and the 7th Plan (1975-1980) which put greater emphasis on quality buildings. New concepts of the period included HLMs housing working classes and not a specific group. Between 1982-1983, the decentralisation laws came into effect and was followed on July 13th 1991 by the Orientation Act for Cities (LOV- La loi d'orientation pour la ville) stated that 'local authorities should offer living and housing conditions that encourage social cohesion and avoid problems of segregation'. In 1998, the government recently voted a law in July which combated social exclusion for example by better defining the needs of those who are worst off and stipulating specific objectives. The Urban Solidarity and Renewal Act (La loi SRU (Solidarité et Renouveau Urbain) which was introduced on the 13th December 2000 provided that the large municipalities reserve at least 20% of the housing stock for social housing. In 2003, the demolition of 200,000 dwellings is predicted, paving the way for 200,000 new ones. In addition to this, the renovation of 200,000 dwellings is forecasted. Finally, the issue of decentralisation revolves around the transfer of responsibility in economic terms to the regions and the transfer of social responsibility to the departments.

Access criteria

The State has a predominant role in terms of registration rules, the allocation process and both their implementation. Local housing programmes aim to plan and coordinate the construction or renovation of housing. As in other Member States, France has three types of access criteria. Firstly, the requirement to register takes into account factors such as housing conditions, family circumstances and income. Departmental allocation rules stipulate the rules by which the local authorities must abide by. In France, there is no points system by which applicants are graded in order of priority. Nor is there a waiting list. However, there is a quota system where the competent local authorities are allocated a percentage of the housing stock according to their access criteria. The state has a limit of 30%, the local authorities have 20% and companies contributing to the financing of social housing a variable percentage depending on the level of participation. Finally there is a need to verify the needs of those home seekers (the size of housing required etc) so that homes can be allocated to them in an optimum manner.

Financing social housing

Personal aid consists of two types; the housing allowance (AL) in turn consists of a family allowance (ALF) and a social allowance (ALS), and secondly 'Personal Housing Benefit' (APL) which can finance all types of housing. These forms of aid are determined by the resources of the applicants and are calculated in accordance with an 'effort tax' (determined by the relationship between the applicants' resources and housing resources). These forms of aid are funded by the Family Loans Fund, the National Fund for Housing Aid and the state Budget. The HLM organisations may request a loan from the Deposit and Consignment Office (CDC (Caisse des Dépôts et Consignations)), however this request is subject to the approval of the 'préfet' or prefect of the region. The funding of these loans comes from a savings account called 'le livret A'. If agreed by the 'préfet', these companies can benefit from a 32-year loan with a reduced interest rate. Furthermore public housing aid is also available. These include the PLA (Assisted Rental Loan) which applies to social rental housing which is managed by HLM organisations. Towards the end of 1999, the PLUS replaced the PLA, and permitted social housing actors to acquire the same buildings at a reduced 5.5% of VAT. In order to facilitate access to housing for those households on average or low incomes, a 0% complimentary loan is available from the capital market. The government invests an amount equivalent to the normal amount of interest together with an Association called SFGGAS (La Société de Gestion du Fonds de Garantie pour L'Accession Sociale). The Assisted Social Rental Loan (le PLS (Prêt locatif social) is a subsidised loan open to social housing actors, the HLMs, and private companies or individuals. The Housing Rehabilitation Loan (PALULOS (Prêt destiné à la réhabilitation des logements)) is open to those wishing to renovate their social rental housing. The State paid 20% towards the costs capped at 85,000 francs until January 1st 1998. Together with the reduced VAT of 5.5%, beneficiaries of the scheme can benefit from a grant of 10%. The PAH is another loan for those on lower incomes and landlords wishing to upgrade their housing. Moreover the Interprofessional Housing Committee collects and allocates contributions from companies*. All private companies with more than 10 employees are legally required to invest 0.45% of their total wage on their rental or owner occupied housing.

France Organisations involved in social housing

The State defines the instruments and objectives of social housing organisations. The 'Préfet' of the Region allocates public loans to the departments but the Departmental Prefect distributes them specifically. The Regions and the Departments may invest additional funds for upgrading, renovation or modernisation. The HLMs and 'Mixed economy companies' (Sociétés d'économie mixte) can also benefit from such financing. They have similar competences to those of the HLM organisations. Local authorities and the actors in the private sector are required to possess a minimum amount of capital from the SEMs. The HLMs are composed of the 'HLM public offices (OPHLM (Offices public HLMs)) and the Public Planning and Construction Offices (OPAC (Offices Publics d'Aménagement et de Construction)*, who are primarily in charge of constructing and managing social housing and promoting urban development. They are formed by the departments or the communes, and are industrial and commercial in nature. The HLM Limited Companies are capital companies and are subject to commercial law. They are the results of initiatives of private companies, financial institutions, the Chamber of

Commerce and Industry (C.C.I) and the Office for Family Loans. The HLMs cooperative limited companies are subject to cooperative laws. Since 1983, they have been able to undertake the construction of social housing. Property credit companies (SACIs- Les Sociétés anonymes de crédit immobilier) attempt to promote home ownership by offering reduced interest loans. Since 1991, a bank network encompassing 21 regional financial affiliates. The Central Office of Property Credit (La Caisse centrale du Crédit immobilier en France is the network's central bank. *The OPHLMS and OPAC are affiliated to the local authorities who in turn are responsible for their creation and are responsible for managing their finances and their tasks.

Regulating the social housing sector

HLM organisations are the responsibility for the Minister for Housing. They are monitored so that their activities conform to their social objectives. The Interministerial social housing mission (MILOS (Mission Interministérielle du Logement Social)) is placed under the joint control of the Minister for housing and the Minister of Finance. A general inspection each 4 or 5 months assesses the situation of the states finances. The MILOS may issue recommendations, which if are not taken account of by organisations, may result in the MILOS issuing proposals for sanctions.

Right to Housing

The Law of 6th July 1989 defines the right to housing. It is included in the constitution and its implementation is detailed in the law no.90-449 of the 31 May 1990 or as it is better known, The Besson Act. This act was introduced 'to guarantee the right to housing which constitutes a need in order to establish solidarity for the whole of the nation'. It obliges the préfet, the President of General Council and Local authorities, charitable organisations and social actors to devise and implement a departmental action plan. On adoption of this plan, it is co-financed by the state and the department.

Statistics

Population (1/01/2011):
65 million inhabitants
16, 8% aged above 65

Housing:
512 homes per 1000 (2005)
Percentage vacant: 6.4% (2009)
Annual construction: 310,000
Characteristics of housing:
Rented (1999): 38%
Owner-occupied (1999): 55
% of social rental dwellings as a % of total dwelling stock: (2000):16%
% of social rental dwellings as a % of total rental dwelling stock (2000): 41 %
Dépense moyenne de logement (2001): 24.3%
Index de loyer des habitats sociaux (2001):166