



# **Peer Review on “Housing exclusion: the role of legislation?”**

**Peer Country Comments Paper - Bulgaria**

**Prague (Czech Republic), 8-9 October 2020**

DG Employment, Social Affairs and Inclusion

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## 1 Introduction

This paper has been prepared for the Peer Review on "**Addressing housing exclusion without appropriate legislative support**" in Czechia in March 2020. It provides a comparative assessment of the policy example of the host country and the situation **in Bulgaria**. For information on the host country policy example, please refer to the Host Country Discussion Paper.

## 2 Situation in the peer country

The legal framework of the housing sector in Bulgaria is an extremely heterogeneous and complex system of laws and regulations. **The National Housing Strategy**<sup>1</sup> adopted by the Council of Ministers in 2005 guides housing policy in Bulgaria. The next draft National Housing Strategy with a time horizon until 2030 was drafted prepared by the Ministry of Regional Development and Public Works and is currently in the process of public consultation. The strategy is a framework document for the development of the housing sector, which contains a package of public housing policy objectives, the means to achieve them and the respective responsibilities of stakeholders, including citizens, the state, municipalities, the private and non-governmental sectors. In the process of developing the next National Housing Strategy, the priorities of the National Strategy for Regional Development 2012-2022, the Energy Strategy of the Republic of Bulgaria by 2020, the Updated National Strategy for Demographic Development of the Population in the Republic of Bulgaria for the period 2012-2030, the National Strategy for Poverty and Social Inclusion by 2020, the National Strategy of the Republic of Bulgaria for Roma Integration 2012-2020 and the National Programme for Improvement of Roma Housing conditions in the Republic of Bulgaria 2005-2015 were taken into account.

The additional provisions of the **Bulgarian Spatial Development Act**<sup>2</sup>, define *social housing* as a housing meant for persons with identified housing needs, the construction of which is financed or implemented with the support of the state or of the municipality. According to this law, it is within the powers of the Minister of Regional Development and Public Works to issue a decree on the rules and regulations for the determination of territories and development zones; the decision for the construction of social housing is within the remit of the municipalities. Social housing, regardless of the type, is primarily municipal housing and subject to the **Municipal Property Act**<sup>3</sup>. By the virtue of an explicit legal delegation of art. 45a of the Municipal Property Act, the definition of the housing need and the procedure for accommodation in social housing are established by the respective Municipal Council.

As the financial and economic crisis put more people out of a job and made more people dependent on social protection, the risks of homelessness have recently risen. The profile of the homeless population has been changing and now includes more young people and children, migrants, Roma and other disadvantaged minorities; women and families are also increasingly at-risk of homelessness. There are multidimensional reasons for homelessness and housing exclusion but at its core the reasons are the lack or insufficient financial resources to ensure access to the housing market. The territorial inequalities and the differences in the economic development of the regions in Bulgaria with the resulting migration from the small settlements to the capital and the bigger towns play a significant role. Another serious challenge in the field of policies to combat this negative phenomenon is the lack of comprehensive data which would allow for monitoring homelessness.

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<sup>1</sup> <https://www.mrrb.bg/en/housing-policy/housing-strategy/>

<sup>2</sup> <https://cpcp.mrrb.government.bg/cms/assets/Laws/SPATIAL%20DEVELOPMENT%20ACT.pdf>

<sup>3</sup> <https://www.mrrb.bg/en/municipal-property-act/>

### 3 Assessment of the policy measure

In the Czech Republic and in Bulgaria, the municipalities are the only providers of social housing, which is the result of the abdication of the state from housing policy after the changes linked to the economic and political transformation as of 1989. The financial and administrative inability of municipalities to manage their social budget leads to constant reduction. The lack of regulation in the housing sphere in both countries impacts directly on the identified serious challenges associated with a high proportion of people living in inadequate and precarious housing conditions.

As in the Czech Republic, the municipalities are fully responsible for the provision of social housing as a service, thereby fulfilling their obligation to provide shelter and normal living conditions for vulnerable people, minorities and other disadvantaged groups who cannot afford their own home or housing for rent at market prices and who - in practice - have no other alternative as there are no other housing provision for them. **Sofia Municipality, the biggest municipality** in the country provides various social services to support persons in a situation of homelessness including young people. Currently there are three temporary shelters in Sofia Municipality with a total capacity of 510 places, which are usually occupied. One of them is a social service, the so-called *Centre for Temporary Accommodation (Център за временно настаняване, ЦТА)*. In 2009, Sofia Municipality launched a campaign to provide temporary shelter for people experiencing homelessness during the winter nights. In 2011 and 2012, the Sofia Municipal Council **established and financed** a *Centre for Crisis Accommodation (Център за кризисно настаняване на бездомни лица)* during the winter months in order to accommodate a large number of people in need of accommodation. Due to the growing demand for such services and the continuous migration of people from the country to the capital city as well as the influx of refugees in recent months, Sofia Municipal Council approved the establishment of another *Centre for Crisis Accommodation* for homeless people, which will be funded entirely from the local budget of Sofia Municipality. Both emergency shelters have a capacity to accommodate 170 people in total. They are designed to provide people experiencing homelessness not only with shelter, but also offer a variety of services including psychological services to foster well-being and inclusion in society.

**At central government level the Agency for Social Assistance (ASA)** has particular functions and commitments for providing different forms of support for vulnerable groups. Within the scope of the ASA, two types of support are defined: **housing benefits to pay the rent of a municipal dwelling** and a specific set of social services which can be offered to deprived people according to the particular situation. Pursuant to Art. 14 of the Implementation regulations on the Social Assistance Act<sup>4</sup>, for orphans up to the age of 25 who completed training in a social educational and vocational centre, elderly people over 70 years and living alone, and single parents, monthly targeted financial support is provided for rental payment of municipal dwellings, provided that the rental contract is in the beneficiary's name and their income for the previous month not more than 250% of the differentiated minimum income. As of 31.12.2019, 189 people have been supported on these grounds (122 elderly people over 70 and living alone and 67 single parents). According to the provisions of Art. 77 of the Persons with Disabilities Act<sup>5</sup>, people with recognised disability status are entitled to receive targeted financial benefits for the rent of a municipal dwelling if they are living alone, if they are single parents caring for a child with disabilities and the rental agreement is concluded in their name, or if they are placed under full guardianship and the rental agreement is concluded with their legal guardian. The targeted benefit amounts to the sum of the statutory rent specified pursuant to the Municipal Property Act and is transferred by the Social Assistance Directorates following an expenditure supporting document presented by

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<sup>4</sup> <https://www.lex.bg/bg/laws/ldoc/2137191914>

<sup>5</sup> <https://www.lex.bg/bg/laws/ldoc/2137189213>

the respective municipality. As of 31. 12. 2019, 1232 persons with disabilities have been supported on these grounds.

The policy in force with regard to persons experiencing homelessness **is a cross-sectoral priority implemented by all involved institutions, since the problems of those who are left with no shelter are of a cross-cutting nature.** On the one hand, there is the aim of providing appropriate living conditions, the key role in this respect being played by municipalities responsible for the implementation of the housing. On the other hand, efforts are directed towards providing appropriate forms of services, including social, health and employment services aiming at supporting persons in a situation of homeless at a particular moment of their lives and to encourage their social inclusion. The use of social services is a matter of personal choice and is performed on the basis of the person's stated needs, provided that their health condition and their needs correspond to the specific social services which are available. Pursuant to the provisions of the Implementation regulations on the Social Assistance Act, a *Centre for Temporary Accommodation* (CTA) already mentioned above is a form of social service provided to persons experiencing homelessness for **more than three months within the calendar year, with the possibility for this period to be extended to six months**, if necessary. The CTA provides a place for living, assistance for taking part in qualification and re-qualification courses, as well as in other training courses, and/or for finding a job, as well as for the social inclusion of users. The main activities of CTAs aim at limiting the social isolation of such persons. The activities are directed towards creating conditions for housing and labour market inclusion. In the territory of the country, there are 13 functioning TACs with a total capacity for 607 people. **The shelter is another form of social service** provided for a period of **no more than three months** within the calendar year, during a specific part of the day (from 05:00 PM on the current day to 10:00 AM on the next day), to homeless persons and families, when it is a matter of urgency to satisfy their basic needs related to the provision of shelter, food, hygiene and social counselling. In the territory of the country, in the towns of Ruse and Plovdiv, there are two functioning shelters for homeless persons, with a total capacity for 85 people. Some of the persons experiencing homelessness **are referred to a Crisis Centre** - a complex of social services for children and/or persons who have been victims of violence, trafficking, or another form of exploitation, the services being provided for a period of up to 6 months and directed towards provision of individual support, satisfaction of daily needs and legal counselling. Most of the cases concern persons who have found themselves in a sudden precarious situation, people with disabilities and families with small children. Both types of social services are directed towards providing assistance in a particular life situation, they are of a temporary nature and are not intended to permanently solve housing issues. Depending on the person's needs, and according to the particular situation, the persons may also use institutional care or residential type services where 24-hour care is provided to meet the daily, social and therapeutic needs, as well as the leisure activities and personal contacts for the users. The ASA is also **the Managing Authority for the Operational Programme for Food and / or Basic Material Assistance**, funded by the Fund for European Assistance to the Most Deprived (FEAD) for the period 2014-2020. The Programme supports the distribution of food in the form of individual food packages or a hot lunch, in order to reduce the social exclusion of the poorest. The target groups include mobile citizens and persons experiencing homelessness.

**Since 2010, the ASA maintains a database of persons experiencing homelessness. Only the number of people who have applied for assistance in the Social Assistance Directorates is available. However the actual number is likely to be higher.** Every six months, the Regional Directorates for Social Assistance provide the number of registered persons experiencing homelessness throughout the country to the Central Administration of the ASA. 1 307 persons were registered as being homeless in 2016, 1 724 in 2017, 1 884 in 2018 and 1650 in 2019.



## 4 Assessment of success factors and transferability

In order to implement an active and systematic housing policy, it is necessary to clearly define the responsibilities at the central and local levels. At a central level, a body/structure is required to administer a comprehensive housing subsidy system and implement national housing policies in practice. At the local level, capacity is needed for the establishment and implementation of municipal housing programmes. This does not relieve the State from responsibilities regarding social housing and the renovation of the existing municipal housing stock, in order to meet the commitments made in line with the Urban Agenda for the EU<sup>6</sup> and the Agenda 2030 for sustainable development<sup>7</sup>.

The social inclusion objectives of housing policy can be easily achieved when they are coordinated across social policy and by supporting not only the poorest and most vulnerable groups of society, but also young people, whose personal and professional development, economic activity and employability are largely dependent on their living conditions. The municipal social housing policy should be implemented by **mobilizing cross-sectoral partnerships and public-private partnership** for the purpose of providing financing for construction, repair / restoration, management and maintenance of the infrastructure and services to be delivered.

For the effective management of residential stocks, it is necessary to strengthen the relations with the tenants and the trust in society. Setting up an effectively functioning housing system requires that the relations between the parties involved - the state, municipalities and citizens - be regulated, so that responsibilities and mechanisms for planning, implementation and monitoring of activities are clearly defined. Housing policy can encourage public-private cooperation and innovative approaches in the implementation of local development strategies. Complex investments from the private and public sector will ensure also greater attractiveness and better business conditions.

## 5 Questions

- Who can access social housing?
- Apart from the EU funds, how is social housing is financed in Czechia?
- Who provides social housing services?
- How is social housing defined in Czech legislation?

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<sup>6</sup> <https://ec.europa.eu/futurium/en/urban-agenda>

<sup>7</sup> [https://ec.europa.eu/info/strategy/international-strategies/sustainable-development-goals/eu-approach-sustainable-development-0\\_en](https://ec.europa.eu/info/strategy/international-strategies/sustainable-development-goals/eu-approach-sustainable-development-0_en)

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## **Annex 1 Summary table**

The main points covered by the paper are summarised below.

### **Situation in the peer country**

- The legal framework of the housing sector in Bulgaria is an extremely diverse and complex system of laws and regulations.
- The framework document regulating housing policy in Bulgaria is the National Housing Strategy adopted by the Council of Ministers in 2005.
- The Ministry of Regional Development and Public Works is responsible for housing policy at national level. Municipalities own and manage the public rental stock, which is diminishing progressively.
- The Spatial Planning Act defines social housing as a housing assigned for persons of ascertained housing needs; the construction is financed /implemented with the help of the State or the municipality.

### **Assessment of the policy measure**

- The state has withdrawn from funding housing provision, which is now a responsibility of municipalities which suffer from a chronic shortage of funds.
- Municipalities have very limited possibilities to maintain their existing stock, and there has been no investment in the construction of new public housing.
- In Bulgaria, the Agency for social assistance (ASA) has specific functions and responsibilities in providing various forms of support to persons experiencing homelessness and other vulnerable groups.

### **Assessment of success factors and transferability**

- Central and local government responsibilities for housing policy need to be clearly defined.
- At central level, a body/institution is required to administer a comprehensive housing subsidy system and to implement the national housing policy.
- At local level, administrative and financial capacity is needed to create and implement municipal housing programmes.
- Social housing and support should be implemented through the mobilization of cross-sectoral partnerships as well as specific forms of public-private partnership.

### **Questions**

- Who can access social housing?
- Apart from the EU funds, how is social housing is financed in Czechia?
- Who provides social housing services?
- How is social housing defined in Czech legislation?

