

Policy note on Affordable Housing Initiative

Launched as part of the Renovation Wave Strategy of the European Commission in October 2020, the Affordable Housing Initiative (AHI) will pilot 100 lighthouse renovation districts focusing on creating quality, liveable, affordable homes for people.

It will mobilise cross-sectoral sectoral project partnerships linking them to local actors, including from the social economy, to promote efficient, circular and modular processes, social engagement models to empower residents, inclusive and accessible developments and cultural innovation.

What we know so far?

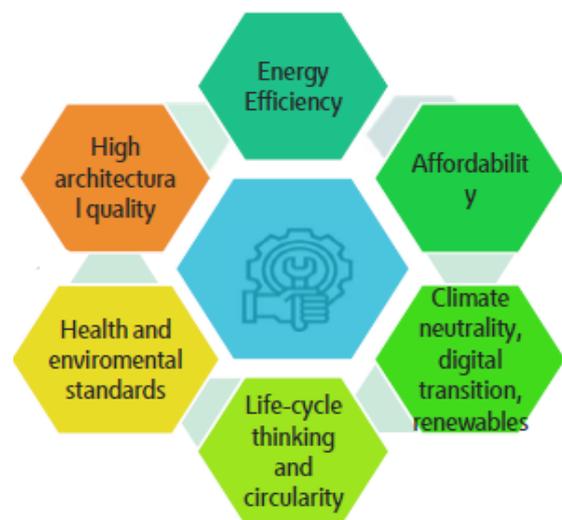
The design and development of initiative is led by The European Commission Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW) – Directorate for Industrial Policy and Innovation.

Key objective

Pilot the renovation of 100 lighthouse social and affordable housing districts.

Following an integrated approach, the renovation of social and affordable housing shall:

- Combine technologies, such as digital, smart energy efficient solutions, circular and modular renovation toolkits, and eco-design, use of renewables as energy sources, etc.
- Use and develop human-centred business models, promote social innovation and frameworks to empower residents (coinvesting, resident owned services).
- Ensure that renovated units remain affordable.
- Follow a district-level approach: economies of scale, transform entire neighbourhoods and create new business opportunities.



Expected outcomes

Support the recovery of the construction ecosystem:

- Demonstrate replication potential towards other districts and develop a network amongst social housing providers.
- Act as a catalyst for relevant EU projects and policy and channel skills towards local projects and stakeholders (e.g. active aging, smart cities, energy communities, skills etc.)
- Deliver blueprints for local industrial cooperation between construction SMEs, social housing companies and public authorities and push their innovation capacity and adapted skills (e.g. through clusters and innovation partnerships).
- Support the creation of qualitative (social) housing districts that are energy efficient.

Available funding

The European Commission suggest that the main sources of funding would come from:

- Resilience and Recovery Facility (RRF) to support district renovations as part of the Member States' National Recovery Plans.
- Modernisation Fund (MF) available for the 10 lower income Member States to support energy efficiency investments in buildings and district heating pipelines.
- Technical Support Instrument (TSI) to support administrative capacity.
- REACT-EU, ERDF and ESF until 2023.

Next steps and Implementation

1. The creation of an EU-level partnership (Call to be launched Q2 2021)

Why?

- to guarantee that local renovation projects targeting social and affordable housing have access to necessary technical capacity and funding.
- to activate industry and research to push for innovative solutions targeting social housing.

Who?

- Construction sector (renewable energy, creative industries, electronics) - SME's, industrial clusters.
- Social housing sector reaching out to social housing providers and local social services, associations, housing cooperatives, social economy and civil society.
- Cultural associations, artists, architects, designers, engineers, in the link with the New European Bauhaus.
- Public Authorities: Local, regional, cities, public private partnerships.
- Financial institutions and investors.
- Inhabitants: tenants, owners, vulnerable groups.

2. Support and advice for creation of project pipelines

The aim is to improve the capacity of social housing associations, housing cooperatives and organisations improving affordability by participation of owners and residents in renovation and housing projects. The support will be provided for the following:

- Access to funding: EU, local funding, private investments, and philanthropy.
- Technical capacity: project design, standards, financial setup.
- Regulatory aspect: Public procurement, state aid and services directive.

3. Support for innovation and experimentation

Focus on social innovation, technical innovation and digital innovation:

- Broad and inclusive engagement models for inhabitants through cooperative structures and one stop shops, project focusing on intergenerational living, inclusion of social services and access to training, education and employment possibilities, co-working, incubation and fab lab spaces.
- Renovation is not just about energy efficiency: liveability, access to green spaces and biodiversity, have an eye for aesthetics and engage inhabitants and empower owners go the extra mile
- Make existing (digital) technologies in housing and construction available, affordable and adapted towards needs in social housing.
- Interlinkages with the New European Bauhaus: cultural, aesthetic and creative aspects in renovation of social housing and integrated in a wider urban development approach.