



Republika e Kosovës
Republika Kosovo-Republic of Kosovo
Kuvendi - Skupština - Assembly

Law No. 03/L-164

ON HOUSING FINANCING SPECIFIC PROGRAMS

Assembly of Republic of Kosovo,

Based on Article 65, point (1) of the Constitution of the Republic of Kosovo,

Adopts:

LAW ON HOUSING FINANCING SPECIFIC PROGRAMS

CHAPTER I
GENERAL PROVISIONS

Article 1
Aim

The aim of this law is to create possibilities for a sustainable housing for the families or individuals that are not in such economically state to endure the offers of free market of dwelling and determination on providing and using ways of financial means for the development of housing specific programs.

Article 2
Definitions

1. Terms used in this law have the following meaning:

1.1. **Specific housing programs** - suitable and affordable housing for families and individuals economically not capable to afford the free market prices of houses and require the state assistance.

1.2. **Dwelling** - one or more spaces designated and suitable for housing together with additional spaces which comprises an entirety and with an independent entrance.

1.3. **Capability of payment** - the entirety of financial means that one family can dedicate to the payment of rents, in proportion to familiar incomes.

1.4. **Rent contract** - a rent contract concluded among two parties, Institutions and benefiting housing financing programs where the level of rent is controlled by the responsible Institution, according to the provisions of this Law.

1.5. **Housing standard** - the coefficient indicating the minimal living surface that an individual should have in a house. This coefficient is indicated with m² per person.

1.6. **Non profitable organizations** - non-profitable organizations operating in construction field and management of renting houses.

1.7. **Housing bonus** – a document defining a subsidy amount, parting by the Budget of Republic of Kosovo for partly covering the rent payment.

1.8. **Municipal Competent Body** - the directorate, sector or office that covers the housing field within the municipality.

1.9. **Ministry** – Ministry of Environment and Spatial Planning.

CHAPTER II

DWELLING PROGRAMS AND CATEGORIES OF THE FAMILIES THAT CAN BENEFIT

Article 3

Specific Housing Programs

1. The providing of housing shall be done through financing specific Programs for renting housing, which includes:

1.1. dwellings constructed by municipalities, the government or donors, given with rent contracts;

1.2. existing dwellings in the ownership of natural or legal persons, which may be rented for families benefiting housing bonus;

1.3. other dwellings on the ownership of municipality that may be adopted for utilization based on specific housing programs.

Article 4

Categories of families which can benefit from the specific housing programs

1. Categories of families that can benefit from the specific housing programs include families which:

1.1. do not own apartment or house in own property;

1.2 are homeless as a result of house destruction during the last conflict in Kosovo;

1.3. possess a housing surface not conform housing standards defined for social and economical category;

2. The administration of requests for the specific housing programs is conducted by competent municipal bodies.

3. Housing standards under, sub-paragraph 1.3. paragraph 1 of this Article shall be determined by Administrative Instruction.

Article 5

Criteria for determining the priority range

1. Criteria for determining the priority order for providing housing for persons under paragraph 1, Article 4 of this law, are the following:

1.1. housing status;

1.2. highness of incomes;

1.3. health state;

1.4. disabled person ;

1.5. family structure.

2. Criteria under paragraph 1 of this Article, shall be determined in details with Administrative Instruction.

CHAPTER III

DWELLINGS OWNED BY MUNICIPALITY WHICH ARE GIVEN FOR RENT

Article 6

Definition of income limits

1. The minimal and maximal family income of those benefiting from the program of rental dwellings, as per family structure, is defined by the formula:

$$K \text{ min} = \frac{Vb \times 0.04}{12 \times 0.25} \times 0.5$$

$$K \text{ max} = \frac{Vb \times 0.04}{12 \times 0.25}$$

Where:

1.1. K min – minimal limit of incomes;

1.2. K. max – maximal limit of incomes;

1.3. Vb- the value of constructed dwelling which is accounted according to the usable surface of social dwelling and etalon value of construction;

$$Vb = S \times Ve$$

1.4. 0.25- possibility level of the family that covers the monthly rent payment that must not exceed twenty five (25%) of the family income;

1.5. 0,5- maximal level of rent subvention.

Article 7

Manner of housing utilization

1. For using housing shall be provided the written contract for rent between municipal authorities and the beneficiary family.

2. The content of the contract for housing, responsibilities of the parties by this contract and other issues regarding the using of rental dwellings shall be regulated with Administrative Instruction of the responsible Ministry for housing field.

Article 8
Management and Maintenance of Dwellings

1. Rented dwellings from specific housing programs are managed by competent municipal bodies.
2. Maintenance of rented dwellings from specific housing programs is conducted through contracting the licensed legal entities from Ministry of Environment and Spatial Planning

Article 9
The definition of the rent

1. The municipal assembly each year approves the value of the yearly rent for the rent dwellings which is determined according to the formula:

$$Q_{jm} = \frac{V_b \times 0.04}{12} \text{ ku :}$$

Q_{jm}-non profitable monthly rent

2. The rent collected from dwellings shall be used to cover the costs of administration, maintenance, amortization and regular and investing repair of the housing dwelling.
3. The tenant is obliged to pay all other expenses regarding the casual use of the dwelling.
4. The value of yearly rent should not exceed four percent (4%) of the construction cost of the dwelling by the state for the new construction, or four percent (4%) of the dwelling value purchased in the market.
5. When dwellings of specific programs are financed from other sources defined in subparagraph 1.3 Article 15 and point 1.3 Article 19 of this law the rental value expressed in Euro/m², shall be defined from each specific case in cooperation between the subjects that do the financing and municipality where the project is implemented and approved with decision of Municipal's Assembly.

Article 10
Subsidy of rent

1. Families with no financial affordability to accomplish the rent payment, the state subsidizes up to fifty percent (50%) of the rent value to be paid by the family. The subsidy is given only upon verification of the economical situation of the family, according to Article 12 of this Law.

2. The Rent subsidy for each family shall be financed by the Municipality income and approved by the Municipal Assembly. Municipalities unable to create enough income might be financed by the Budget of Republic of Kosovo.

Article 11
Priorities for Selection of the Beneficiaries

1. Priorities for selection of beneficiaries for the subsidy of rent have:

- 1.1. families with many children;
- 1.2. families that have in structure disabled person;
- 1.3. families where Householder is a housekeeper -woman ;
- 1.4. divorced husband or wife that is on takes care for the children ;
- 1.5. children with the status of orphan.

Article 12
Verification of economical situation of the family

1. The benefit by housing program is based on the verification of economical situation of the family.
2. Verification of the economical situation of the family is made by the municipal competent body.
3. Procedures for benefit by housing program shall be determined with Administrative Instruction of the Ministry covering the housing field.
4. The municipal competent body notifies the family for the results of verification in economic circumstances. After verification of the situation and evaluation procedure of the beneficiary families a decision is issued in terms of thirty (30) calendar days.

Article 13
Abruption of rental contract

1. Competent municipal body, abruptly the rental contract in cases when:
 - 1.1. tenant has made false declaration of incomes;

1.2. a tenant has benefited another dwelling and has not notified competent municipal body;

1.3. the tenant gives dwelling for rent to the third person.

2. After abruption of the contract, the tenant shall be invited to voluntarily release the dwelling, on the contrary the competent authority shall request the violent removal from the dwelling

Article 14

The right to appeal

1. Against the decision of Municipal body, unsatisfied applicant may submit an appeal in writing to the Ministry of Environment and Spatial Planning.

2. The Ministry shall review the complain and notifies in writing the submitter of the appeal for the taken decision, not later than thirty (30) days after receiving the appeal.

3. The applicant unsatisfied with the decision of the Ministry, according to paragraph 2 of this Article, shall have the right to make legal action of administrative context in the Supreme Court of Kosovo no latter than thirty (30) days after receiving this Decision.

CHAPTER IV

HOUSING BONUS

Article 15

Applicability of the housing bonus

1. The competent municipal authorities on the basis of the decision by the Municipal Assembly, can give housing bonus for using dwellings in the market to the family fulfilling the defined conditions in Articles 4 and 5 of this Law if:

1.1. the construction of dwelling is more expensive;

1.2. there are no funds available for new investments.

1.3. the dwelling is provided by financing from non-profitable organizations.

Article 16
Administration of the housing bonus

1. The housing bonus shall be approved by the Municipal Assembly, depending on the yearly budget shared for rent subsidy, allocated for the subsidy of the rents according to Article 10 of this Law.
2. The content of the housing bonus is determined by Administrative Instruction of the Ministry.

Article 17
Determination of the housing bonus value

1. The value of the housing bonus can not be more than fifty (50 %) of the minimal rent of dwellings in the free market, for the municipality where this bonus is given. The maximum value of the bonus is defined yearly, based on the previous year's data and is approved by decision of municipal assembly. The payment value that the family pays for the difference between the market rent and the bonus shall not be more than thirty (30%) of the family's incomes. The calculation of the housing bonus is defined with the following formula:

$$C=Q-A \times 0,3 \text{ where } C \leq Q_m \times 0,5$$

C- bonus value;

Q- actual rent paid by the family;

A- incomes of family;

0,3- possibility of the rent payment by the family which will not overpass thirty (30 %) of monthly income;

Q_m - minimal rent value of dwellings in the free market;

0,5- maximum value of subsidy which can not be more than fifty (50%)

$$C_{\max} = Q_m / 2$$

where:

C_{max} – maximal value of bonus

Article 18
Validity of the housing bonus

1. The family benefiting the housing bonus must conclude a rent contract within three (3) months from the date of issuing the bonus.
2. The Municipal Assembly reviews the right of benefiting to housing bonus for each year.

CHAPTER V

FINANCING OF SPECIFIC HOUSING PROGRAMS

Article 19

Housing programs financing sources

1. The housing programs can be financed by:
 - 1.1. the Budget of Republic of Kosovo through the Ministry of Environment and Spatial Planning;
 - 1.2. the Municipal income dedicated for housing;
 - 1.3. contributions from different donors.

Article 20

Municipal housing programs

1. The municipal competent bodies shall draft three (3) years housing programs for residents under their jurisdiction, based on the housing needs analysis, in accordance with the provisions of this Law approved by the pertinent Municipal Assembly. These programs include:
 - 1.1. manner and shape, financing needs allocated by the Budget of Republic of Kosovo, within one (1) financial year, and funds from other sources;
 - 1.2. housing needs, in accordance with provisions of this Law, by defining family groups, based on their incomes and situation;
 - 1.3. number and category of families benefiting from rental dwellings;
 - 1.4. providing infrastructure land for building of dwellings, number and type of dwellings to be constructed, families benefiting and the way of cooperation with the private sector.

Article 21

Planning Criteria of the Budget for Housing Programs

1. Based on the three (3) years Municipality programs planning of budget for specific Housing Programs is made where it is foreseen the financing of new constructions for housing, subsidy of the rent and bonuses of housing for different municipalities of Kosovo.
2. The budget plan for specific housing programs the following factors are taken into consideration:

- 2.1. population concentration in the municipal level;
- 2.2. families with housing needs requests;
- 2.3. category of poor families;
- 2.4. priorities of the economical development of the municipality.

CHAPTER VI INSTITUTIONAL ORGANISATION

Article 22 Implementation

1. The responsible Authorities for Implementation of the housing programs, taking into consideration request of citizens for housing as financial capacities of Budget of Republic of Kosovo allocated for housing, shall announce publicly programs and procedure for their implementation.
2. The Ministry, in accordance with requirements in 1 paragraph of this Article, will regulate with Administrative Instruction the procedure for announcing the housing programs, the documents the family is required to submit for benefiting from these programs and the term for submitting the application, and their management.

Article 23 Central Housing Board

1. With this Law is established the Central Housing Board.
2. The Central Housing Board is consulting body within Ministry of Environment and Spatial Planning which is elected by decision of Government of Kosovo.
3. The Central Housing Board gives suggestion for:
 - 3.1. main orientations of developments in the housing sector, according to objectives defined by the policies of Government and Laws in force.
 - 3.2. overall three (3) year programs of housing, prepared by the Ministry, and makes their eventual review.
 - 3.3. drafting the new provisions of the Law and undertaking other ongoing.

4. The Central Housing Board is composed of five (5) members, who shall have a right to be compensated as daily pay for each meeting.

5. The Central Housing Board reports once a year, to the Government of Kosovo.

Article 24 **Responsibilities of the Ministry**

1. For implementation of this law the Ministry shall:

1.1. draft the three (3) years strategy for housing based on three (3) years programs of municipalities;

1.2. plan the budget in order to support the realization of annual housing programs;

1.3. establish the data base on central level, based on data given by municipalities, where are included:

1.3.1. housing demands and sort of housing programs;

1.3.2. funds of rent housing ;

1.3.3. physical state of rent dwelling;

1.3.4. number of families in the rent dwelling;

1.3.5. required land surface to be provided with infrastructure for dwelling construction;

1.3.6. surface of lands equipped with infrastructure for dwelling construction.

1.3.7. determining average annual cost of construction, based on the programs of this law, which shall be approved every year by Government decision.

Article 25 **Responsibilities of Municipalities**

1. For the Implementation of this Law Municipality shall:

1.1. identify the housing needs for population under their territorial jurisdiction programs, according to this Law;

1.2. draft three (3) year programs and projects for housing based on the financial sources;

- 1.3. provide construction sites and develop infrastructure land for implementation of housing programs;
- 1.4. present requests for financing new investments and subsidies to the Ministry till March;
- 1.5. create and administrate the data base for beneficiary families by housing programs;
- 1.6. provide construction;
- 1.7. administration and maintenance of the rental dwellings through competent municipal body;
- 1.8. annual reporting to the Ministry shall be done till 31 March of the following year for ongoing of housing programs;
- 1.9. performing other responsibilities foreseen by this Law.

Article 26 Capacity building

The Municipal Assembly defines the consistence, organization and function for implementation of this Law in Municipalities, according to the capacity of financing and human resources and in accordance with Law on Local Self-Government No.03/L-040.

Article 27 Supervision

Supervision of implementation of provision of this law and sub-legal acts approved pursuant to this law and shall be conducted by responsible authority for dwelling issues within the Ministry of Environment and Spatial Planning.

Article 28 Inspection

1. Inspecting supervision on implementation of the Law and sub-legal acts approved pursuant to this law and shall be conducted by Municipal Inspectorate through authorized urban inspectors.
2. Inspectors from paragraph 1 of this Article, while performing inspections shall verify regular utilization of dwellings in accordance with this law and sub-legal acts respectively defined norms for dwelling facilities.

Article 29
Punitive Provisions

1. For the meaning of this law, when violations do not constitute a criminal act, those are administrative offences and are charged with fine.

1.1. for violation of paragraph 1.1. of Article 13 of this law, the tenant is compelled to leave the rented dwelling and to return the benefited sum from specific housing programs;

1.2. for violation of paragraph 1.2. of Article 13 of this law, the tenant is fined with sum in amount from two hundred (200) to four hundred (400) Euro;

1.3. for violation of paragraph 1.3. of Article 13 of this law, the tenant is fined with sum in amount from four hundred (400) to six hundred (600) Euro.

2. Falsification of the housing bonus shall be punished according to the Penal Code in force.

3. The denunciation of these sanctions shall be carried out by competent municipal body.

4. Against decision of competent municipal body may be raised an appeal within thirty (30) days to the MESP, through municipal bodies.

5. Against decision from paragraph 4 of this Article, the unsatisfied party may initiate administrative contest to the Competent Court.

CHAPTER VII
TRANSITIONAL AND FINAL PROVISIONS

Article 30

1. Dwelling build before March 1999 for sheltering refugees from international humanitarian organizations shall become property of Municipalities where those dwellings are placed. The families settled in these dwellings shall be selected according to the criteria of this law.

2. Dwellings build by state institutions after 1999 with public funds shall be treated according to the provisions of this law.

3. The Ministry in terms of six (6) months, after the Law come in force, issues Administrative Instruction for implementation of this Law.

Article 31
Abrogation Provisions

This law abrogates any sub-legal act that is in contradiction to the provisions of this Law.

Article 32
Entry into force

This law shall enter into force after fifteen (15) days after publication in the Official Gazette of Republic of Kosovo.

Law No. 03/L-164
25 February 2010

President of the Assembly of the Republic of Kosovo

Jakup KRASNIQI