

Unofficial Machine Translated Document

Agreement between the government (Social Democrats), Danish People's Party, Socialist People's Party, Unity Party and Christian Democrats

on:

The mixed cities fund

- More affordable housing and a way out of homelessness

of 26 November 2021

Introduction

It has become too difficult for people on ordinary incomes to settle in the big cities, and as a result, cities are becoming more segregated. The parties to the agreement have agreed to launch a number of new initiatives to promote the construction of social housing to counteract the trend towards urban segregation.

The parties to the agreement have also agreed on a fundamental change in the efforts to combat homelessness. People affected by homelessness must be given the best conditions to get their lives back on track.

The agreement must support that the general construction activity is accompanied by well-thought-out architectural solutions, just as an elderly-friendly design of urban spaces must be prioritised.

More affordable and sustainable housing

The mixed cities fund

The parties have agreed to establish *the Mixed Cities Fund*, which will receive a total of DKK 10 billion in the period 2022-2035 from the New Build Fund. With this agreement, DKK 5 billion will be allocated in the period 2022-2031, cf. Appendix 1. The remaining DKK 5 billion will be allocated by the same agreement group.

The fund aims to contribute to the creation of mixed cities through the promotion of affordable social housing by funding a range of new housing initiatives.

In order to support the municipalities' efforts to make ambitious plans for the establishment of more social housing and ensure that the initiatives achieve the greatest possible effect, the Minister of the Interior and Housing will enter into cooperation agreements with the largest municipalities on the establishment of more social housing, which can be achieved by using the allocated pools. The pools are allocated on the basis of specific applications and objective criteria.

Sustainable social housing

The 2021 agreement on a national strategy for sustainable construction is the next big step towards making construction more climate-friendly and energy-efficient through a gradual phasing-in of a number of new requirements for new construction, including requirements for maximum CO₂ emissions. These requirements will also include the construction of the new social housing in this agreement.

New social housing will, like other buildings, be subject to the new climate requirements, which is why the social housing built with support from the initiatives in this agreement will be even greener than before for the benefit of the climate and the residents of the social housing sector.

The parties agree that the green agenda must be further promoted in the social housing sector, and therefore DKK 100 million will be allocated in 2022-2026 in the Mixed Cities Fund to support the development of more sustainable solutions in social housing. The funds will support sustainable solutions and development in a broad sense. This could be through the development and testing of new sustainable building materials and through demonstration projects and analyses to promote green initiatives in both new construction and renovation of social housing. A pilot project that investigates

the recycling of materials in a major refurbishment of social housing could be supported by the pool.

An evaluation of the pool is carried out.

New land purchase loan scheme to support new social housing

In some areas, land prices are currently so high that it precludes the construction of new social housing. Although municipalities can set requirements for new social housing in local planning, this does not ensure the establishment of social housing on a sufficient scale to create mixed urban areas.

The parties have therefore agreed to allocate DKK 1.8 billion until 2031 in the Fund for Mixed Cities for a new land purchase loan scheme to support social housing organisations' purchase of building plots in areas with land prices that are above the social housing organisations' ability to pay.

The scheme covers all municipalities and areas with high land prices and must be applicable in both adopted local plans and future local plans. In future local plans, it is a condition for using the scheme that the municipality must have exhausted its options for setting requirements for social housing in local planning. According to the current rules, up to 25 per cent can be required today. It is also a condition that the land purchase loan is granted with municipal co-financing within a total financial framework of DKK 700 million, which means that land purchase loans totalling DKK 2.5 billion can be granted until 2031.

The parties note that the scheme will make it possible to provide more than 25 per cent social housing in an area if there is a local desire for this.

Conversion of commercial and residential rental properties into social housing

The social housing sector should have better opportunities to buy and convert existing commercial properties - such as hotels, hostels, office buildings and public buildings - and residential rental properties into social housing. This is a good way to ensure that new social housing can be established in central and attractive locations. Therefore, the parties have agreed to set aside:

- DKK 675 million in the period 2022-2031 in the Mixed Cities Fund for a subsidy for the conversion of existing and suitable commercial properties into new social housing. The subsidy will cover the cost of remodelling beyond what the maximum amount for public housing allows.
- DKK 870 million in the period 2022-2031 in the Mixed Cities Fund to support the purchase of existing and suitable residential rental properties for social housing. The support is given as a 50-year interest and instalment-free loan to cover up to 20 percent of the property value.

Densification with new social housing

There is great potential for establishing new social housing in existing social housing estates. This is happening to a limited extent today and the parties have therefore agreed to increase the financial incentive to densify in the social housing sector by allocating DKK 422 million in the period 2022-2031 in the Fund for Mixed Cities for a densification contribution.

The contribution amounts to up to DKK 150,000 per new home provided by densification and is used to finance improvements (such as new kitchens, balconies, etc.) in the existing public housing section at the residents' request.

When densifying with new social housing in a residential area, the housing is subject to the rules for letting etc. that otherwise apply to the area in question. The funds cannot be used to densify with social housing in areas with a skewed resident composition.

More student housing and dormitories

The housing market in the largest cities is generally under pressure and can therefore be difficult to access for young people and students with a low ability to pay. It is crucial for a good student life that it is possible to find good and affordable housing while studying. Student housing can be built as both private student housing and public youth housing.

The parties note that the Minister of the Interior and Housing, as part of the conclusion of the upcoming co-operation agreements with the municipalities, will:

- Seek an agreement with the City of Copenhagen to accelerate the establishment of 4,000 new student housing units.
- Explore the possibilities for a faster establishment of an additional 2,000 student housing units in other student cities.
- Emphasise that student housing should be built as affordable housing that students and young people in training (apprentices etc.) can afford.

The parties thus note that the Minister of the Interior and Housing will take the initiative to speed up the establishment of a total of 6,000 new student housing units in student cities in need. The student housing can be built using the support schemes in this agreement - e.g. the DKK 1.8 billion for land purchase loans, DKK 675 million for the conversion of commercial properties, DKK 870 million for the purchase of residential rental properties and DKK 422 million for densification in existing social housing estates.

The student housing should be seen in the context of the 2,250 particularly affordable social housing units targeted for social housing that will be provided under this agreement, which can also be used for young homeless people. That's just over 8,000 homes in total.

It is important that student housing goes to students and young people in education. Therefore, the parties agree that private landlords should be able to terminate tenants who are no longer active students.

Faster construction of social housing

It is a challenge for the mixed city that social housing is not being built at the same rate as private housing in certain areas. This is a particular challenge in the City of Copenhagen.

The parties therefore agree that, in order to strengthen the execution of social housing in the City of Copenhagen, a task force will be established to ensure faster construction of already decided social housing and the social housing that follows from this agreement. Among other things, the task force will clarify the case processing of social housing and investigate whether the delegated developer model can be promoted so that private and social housing can be built together to a greater extent. The task force will be established by agreement between the government and the City of Copenhagen and will consist of representatives from the state, the City of Copenhagen, the social housing sector and the private

property industry.

It is crucial that the task force has real influence on the realisation of the social projects, which is why it can be considered that the responsibility for the delayed social projects is taken out of the relevant administrations and placed in a special cross-cutting unit in the City of Copenhagen to create renewed focus and momentum.

The parties also agree that the legislation must support the construction of social housing at the same rate as private housing. This is best achieved by introducing sequential planning in the Planning Act, which requires the agreement of the Planning Act Conciliation Committee. If this cannot be agreed, the parties agree to introduce a scheme that allows municipalities to use "conditional" building permits.

Social housing in Christiania

The parties emphasise that Christiania must also be a mixed neighbourhood. The parties therefore agree that the government commits to a supplementary agreement on the future development of Christiania with a goal of a public housing organisation establishing a minimum of 15,000 m² public housing in the area, which is rented out according to the applicable rules for public housing, including with municipal allocation rights. Christiania must also be maintained as an open recreational area.

The government will explore the possibilities of building more than 15,000 m² of social housing at Christiania.

More social housing on small islands and larger islands

The *2020 Green Housing Agreement* allocated funds for social housing on the small islands and the four island municipalities. The funds have been fully utilised. However, there is still a need for social housing on both the small islands and the larger islands.

The parties have therefore agreed to allocate a pool totalling DKK 10 million in 2022-2023 for the establishment of social housing in the island municipalities and Bornholm Regional Municipality, and a pool totalling DKK 10 million in 2022-2023 for the establishment of social housing on the small Danish islands. The pools are financed by the Foundation for Mixed Cities and the subsidy is used to reduce the acquisition cost of new social housing and amounts to DKK 400,000 per home, corresponding to the establishment of a total of 50 new social housing units. The pool for the small islands is distributed after application with a minimum deadline of six months.

A way out of homelessness

Over the past 10 years, the number of homeless people has increased, and at the last count in 2019, almost 6,500 people were affected by homelessness in Denmark. The parties agree that efforts to combat homelessness must be reorganised so that it pays to invest in the right solutions for the individual homeless person. The goal is to significantly reduce the number of homeless people and end long-term homelessness, to which the initiatives in this agreement are a significant contribution.

More affordable homes for rent

A basic prerequisite for getting a place to live is being able to pay the rent. The number of very affordable social housing units has been decreasing for a number of years, making it increasingly difficult to find housing for those groups in society with the lowest ability to pay. The parties agree that more housing for people with the lowest ability to pay is a fundamental prerequisite for lifting people out of homelessness. Therefore, the parties agree to allocate:

- DKK 150 million in the period 2022-23 in the Mixed Cities Fund for a rent subsidy to temporarily reduce rents to DKK 3,500 per month in 1,800 existing social housing units with full municipal allocation rights.
- DKK 900 million in the period 2022-2027 in the Fund for Mixed Cities for a one-off grant that will permanently reduce rents to DKK 3,500 per month. for up to 2,250 new social housing units with a maximum size of 55 metres² . The homes are subject to full municipal allocation rights.

It should be noted that the relevant rules regarding allocation and social support in the Public Housing Act and the Social Services Act cover people with legal residence in Denmark. The municipalities have access to the Immigration Information Portal, and if there is any doubt as to whether a person has legal residence in connection with e.g. municipal allocation of housing, the municipalities should contact the immigration authorities. An annual evaluation of developments in this area is carried out. In this connection, an assessment is made of whether there is a need to tighten up the procedures in the area.

The fact that you are legally resident in another EU country does not give you the right to settle in Denmark. Foreigners covered by EU rules have an immediate right of entry and residence for up to 3 months. Residence beyond 3 months is conditional on the person concerned being economically active or self-supporting.

The parties note that it is crucial that new neighbourhoods are not established with a one-sided and vulnerable housing mix. Therefore, the new affordable family homes must be integrated into projects where they make up a maximum of 20 per cent of the homes in the section.

The parties agree that the funds for both subsidy schemes should be distributed to the municipalities where there is the greatest need for allocation of socially vulnerable people and where the lack of affordable housing is greatest.

Municipalities that receive funding for affordable housing must draw up a plan to combat homelessness, including entering into rental agreements with the social housing sector. This will ensure that the funds have the greatest possible impact.

The parties note that, in continuation of the *Agreement on municipal finances for 2022* between the Government and Local Government Denmark, the Government will seek to enter into a bipartite agreement with Local Government Denmark on better utilisation of the existing housing stock. Among other things, the agreement must include that the allocated funds result in more affordable housing for the target group, and that KL undertakes to provide significantly more affordable social housing for citizens in need through increased use of municipal allocation. The strategic allocation agreements between social housing organisations and municipalities are a crucial tool that can ensure socially sustainable allocation for the homeless.

There are approximately 500,000 social family homes that municipalities have the right to allocate today. Around 40,000 of these have a rent of less than DKK 3,500 per month. In 2020, the municipalities allocated just under 12 per cent of the vacant social housing with a rent of less than DKK 3,500 per month. The parties note that there is therefore a great potential for using the municipal referral system to a greater extent.

If an ambitious bipartisan agreement cannot be reached with KL, the government will discuss alternative measures with the parties to the agreement.

The parties agree that the Ministry of the Interior and Housing will initiate a study of practices for the use of housing social municipal allocation of vulnerable citizens in order to identify best practices to support municipalities to use their housing stock more optimally, including for homeless people.

The parties note that people in shelters who have been exposed to violence and need security must be assessed as having an urgent housing need, and it may be necessary to move geographically away from their home municipality to start a new life. Therefore, people who need housing after a stay at a crisis centre should, after a specific assessment, be prioritised in the municipal housing allocation process, regardless of whether it is the person's home municipality or not.

Reorganisation of homelessness services

As a reorganisation of efforts to reduce the number of homeless people in Denmark, the capacity of the country's shelters must be continuously adapted to meet the need and include services that meet the needs of the target group. The parties agree to initiate an analysis in 2022 that examines the development in the shelter sector. The analysis will examine the development in length of stay, places, types of services, type of ownership (including the extent of services that make a profit) as well as costs and capacity in the area. The analysis must also look at whether the necessary geographical spread of services is present and whether the total number and types include services with the professional competences that correspond to the needs of the target group. The analysis must also shed light on which needs in the target group should be met by other types of initiatives, such as residential facilities for temporary or long-term stays. The analysis will provide professional recommendations for the future organisation of the area, where the self-meeting principle will continue to apply, and form the basis for the introduction of a new model for capacity management. This will be discussed when the analysis is available and with a view to introducing increased capacity management in connection with the general reorganisation of homelessness efforts.

The parties note that the Agreement on strengthening social supervision and strengthening the financial supervision of social services of April 2021, concluded between the government (S), Venstre, SF, Radikale Venstre, Conservatives, Enhedslisten and Alternativet, states that in future, services will be required to report the payment of dividends, transfers to an owner fund and transfers between public services.

The parties to the agreement on strengthening social supervision will continuously monitor developments in the overall supply picture, including the ownership of private social services, the distribution between commercial and non-commercial private services, developments in the services' use of any profits, the extent of dividend payments and developments in any accumulation of assets in the services. In particular, the parties to the agreement will monitor whether there is a concentration of ownership of the commercial offers and to what extent the ownership of the offers is transferred to private equity funds and foreign owners and the companies' cash flows. The ongoing follow-up will form the basis for the parties to the agreement to discuss whether there is a need to take further initiatives to ensure that public welfare funds first and foremost benefit vulnerable children, young people, adults and people with disabilities.

In connection with a model for increased capacity management, the parties emphasise that it is important to ensure that the best professional services are prioritised.

The parties agree to introduce a new provision in the Social Services Act on housing support for

homeless people with special social problems when they are allocated housing with a view to maintaining their housing.

In order to increase the incentive to provide social support under the new housing support provision and to support the municipalities in providing sufficiently comprehensive and intensive support according to the specialised support methods from the Housing First approach, the parties agree that reimbursement must be linked to the provision for citizens who are referred to housing support after a stay in a section 110 offer, cf. the proposal for reorganisation of reimbursement in the area.

The parties are pleased to note that an agreement has been reached to establish a national partnership on homelessness, which will report annually in 2022, 2023, 2024 and 2025 to the political group behind the partnership - the parties behind the agreement on the reserve for measures in the social, health and labour market area. As a feedback mechanism, the partnership will ensure that the reorganisation is followed and that any challenges can be discussed and resolved by the partnership. On this basis, the parties will also monitor whether the development in the supply of affordable housing for vulnerable groups is progressing as expected and that there are the types of housing, services and forms of support that are necessary to bring people out of homelessness. The parties will also have a special focus on the development of veterans staying in shelters.

The parties agree that the reorganisation of homelessness efforts is significant and that it is therefore important to follow up on how the area develops in the years ahead - in addition to the ongoing reporting from the partnership. In 2025 and 2026, the parties will therefore follow up on the following indicative targets: The proportion of homeless citizens who are offered a Housing First approach (referred to the new housing support section of the Social Services Act), the number of repeat visitors to the shelters and the length of stay at the shelters. The parties also agree that special attention should be paid to developments in large cities and to the development of the relationship between homeless people and affordable housing in large cities.

Today, municipalities are reimbursed 50 per cent of the costs of people staying in hostels. Together with the lack of suitable housing for the target group, this is believed to be a contributing factor to the fact that the number of users, length of stay and costs of shelters have increased over a number of years. Studies show that 8-9 out of 10 citizens get out of homelessness by using Housing First, and it has been documented that in the long run it will be cheaper for the municipality to help the citizen in their own home with the right housing support rather than staying in hostels.

The parties have therefore agreed to change the existing reimbursement scheme for hostels so that in the future, only 50 per cent reimbursement will be given for citizens' stays in hostels for 90 days per current year. After 90 days, the reimbursement will be reduced to 0 per cent. The change will be phased in so that in 2023, 2024 and 2025, reimbursement will be given for 120 days per current year, while from 2026 onwards it will be given for 90 days per current year. The parties will follow up on whether the conditions for the change in the reimbursement scheme are present and, based on this, discuss in mid-2025 whether there is a need to extend the phasing-in of the reimbursement scheme. In continuation of the discussions in 2025, the parties will also look at the relationship between temporary and long-term residential facilities for the target group (sections 107 and 108 of the Service Act). Secondly, the parties agree to introduce a special reimbursement scheme for citizens who are discharged from shelters (section 110). With the reimbursement scheme, the municipality's expenses for housing support under a new housing support section of the Service Act will be reimbursed at 50 per cent for up to 2 years after discharge, and the reimbursement may include temporary stays at section 107 services for up to 6 months. In continuation of this, the parties agree that there must be a

clarification of the target group and purpose of a stay at a shelter, including clarification of the collaboration between shelters and municipalities on citizens who receive a stay.

The parties want to emphasise that the principle of self-help remains unchanged after the reorganisation of efforts to combat homelessness. There will also be no waiting period: Citizens who fall back into homelessness can re-enter a shelter, even if they have been offered housing and housing support. The parties emphasise that the reimbursement period does not affect the citizen's rights. It is neither the case that the municipality *must* discharge the citizens within the 90 days, nor that the shelter does not receive full payment for the citizen's stay after 90 days.

The reorganisation also applies to men who are victims of violence who are enrolled in men's crisis centres under section 110 of the Danish Social Services Act, but the parties emphasise that this does not change the fact that men who are victims of violence can continue to use the self-referral principle and receive necessary help and support. Similarly, men who are victims of violence at a men's shelter under section 110 of the Service Act will be covered by the same rights as other citizens in section 110 programmes, including that the action plan and a signed rental contract serve as a prerequisite for the municipality to discharge the citizen to their own home with support or another suitable housing option. In this context, the parties note that as part of the agreement on the implementation of the reserve for measures in the social, health and labour market area 2021-2024, funds were allocated for Lev Uden Vold to carry out a study in 2021 of men on section 110 offers who have been exposed to violence in close relationships.

The purpose of the study is to strengthen the knowledge base about men exposed to violence in intimate relationships who stay at section 110 services, with a view to discussing the equality of efforts for men and women affected by violence. In continuation of the study, Lev Uden Vold will in 2023 and 2024 as a pilot scheme offer psychological help to men exposed to violence in intimate relationships at men's crisis centres and other § 110 services and to children who accompany the father during their stay.

In connection with the change to the reimbursement scheme in the shelter area, the parties agree that municipalities must be able to discharge a citizen on the condition that a number of conditions are met for the right to discharge to take effect:

- There is an action plan for the citizen.
- There is a referral to your own home or a referral to a residential facility.
- There is a referral for help and support in your own home.

The right to discharge should be seen in the context of the introduction of a right to an action plan for citizens staying in hostels. At the same time, citizens' legal certainty is increased by the fact that complaints about a decision on support when the municipality discharges a citizen from a section 110 programme will be processed in a "fast track" in the Board of Appeal.

It is crucial that the preparation of the citizen's action plan is initiated quickly and that the action plan is coordinated with the citizen's stay plan at the shelter within the existing rules on the exchange of sensitive personal information between authorities and services. A rapid initiation of the action plan must also contribute to a quick clarification of which municipality is responsible for the citizen's care/payment obligations. The parties are aware that inter-municipal disputes about the municipality of action/payment have an impact on how quickly help is initiated for the citizen. The parties will therefore monitor the development in the clarification of the municipality of action/payment for citizens experiencing homelessness. In this context, the parties note that the agreement on the

implementation of the reserve for measures in the social, health and labour market area establishes a Task Force on homelessness consisting of the National Social Appeals Board and the National Board of Social Services, which, among other things, will contribute to increased quality in the municipalities' case processing.

The parties note that shelters have historically been of great importance to the homeless area, and many homeless people have a safe and good relationship with the staff. As part of the preparation of the action plan, the citizen's possible wish that the shelter can act as a provider of all or part of the housing support for the citizen, or that the shelter can otherwise support the citizen in the transition to their own home, can be included. The agreement requires that municipalities, based on the citizen's action plan and based on a specific assessment as part of the decision on housing support, must justify if the citizen's wishes are not met. However, this does not mean that the municipalities' assessment of quality can be overridden. In connection with the follow-up, the parties will focus on whether the requirement has had an impact on the use of services where the municipalities' assessment of the right quality has been overridden. In addition, the hostels can continue to provide aftercare for the individual citizen if the citizen needs it. In connection with the agreement on the implementation of the reserve for social, health and labour market measures 2022-2025, a pool has been set aside to support the future role of civil society organisations in the Housing First initiative, including as providers of housing support, just as the major providers in the shelter sector are part of the national partnership in the homeless area.

The action plan should form the basis for dialogue between the municipality and the citizen and thus contribute to the citizen being thoroughly informed about the housing and support solution when the citizen chooses to sign a rental contract. The action plan and a signed tenancy agreement thus serve as a prerequisite for the municipality to discharge the citizen to their own home with support or another suitable housing solution.

When the citizen moves out into their own home, the current rules allow the municipality to provide assistance for reasonably justified individual expenses to a citizen according to section 81 of the Assets Act if the citizen cannot pay the expenses themselves. In practice, the possibility of financial support for individual services is rarely used for citizens experiencing homelessness. The parties agree that in connection with the reorganisation of efforts to combat homelessness, new and improved guidance on the existing rules will be issued, so that more homeless people will receive help with start-up costs when they get a home, so that the accommodation can become a home. This guidance can, among other things, be included in the overall guidance of the municipalities in the area through the Task Force on homelessness. The parties will follow up on developments in the practice of assistance for individual benefits under the Active Benefits Act for homeless citizens in the transition to their own home.

The parties wish to emphasise that this agreement marks the implementation of the Housing First approach in a Danish context, where accessible affordable housing combined with adequate social housing support in own homes are the cornerstones. The increased amount of affordable housing should not be sustained by mainly converting former hostels into small homes.

The parties note with satisfaction that as part of the agreement on the implementation of the reserve for measures in the social, health and labour market area 2022-2025, a total of DKK 141.3 million will be allocated in the years 2022-2025 to support the overall restructuring of efforts to combat homelessness based on the Housing First approach.

The total framework will be utilised for the following actions:

- Establishment of a Task Force on homelessness to strengthen the municipalities' case management and efforts in the homeless area and contribute to a strengthened

implementation of Housing First

- An analysis of services, capacity and target groups in the shelter sector

- Establishment of a national partnership of stakeholders to monitor and discuss the development of the number of homeless people and the efforts in the area
- Pool for civil society's work to support the path to and transition into housing for people experiencing homelessness
- Continuation of trials with citizen-controlled budgets for socially vulnerable citizens
- Pool for care places for people experiencing homelessness after hospitalisation
- Intensive case management for homeless youth and youth at risk of homelessness
- Strengthened legal advice for homeless organisations nationwide
- Supporting communities for formerly homeless people in the transition to independent living
- Temporary support for capacity adjustment at night cafés
- Expansion of activities at Gadens Stemmer.

Flexible housing solutions

In order to support the Housing First-based homelessness programme, it is crucial that municipalities have flexible housing solutions available that make it possible to secure affordable housing and the right social support. Therefore, the parties agree to expand the existing scheme for transitional housing. The following changes are made:

- Better opportunities for municipalities to use social housing for young people in the target group and housing for the elderly in case of rental difficulties, taking into account the social balance of the individual housing section, as transitional housing.
- Extend the possibility to subsidise up to 5 years (compared to 2 years today).
- The target group is expanded to include all citizens with special social problems who are homeless or who the municipality considers to be at risk of becoming homeless. This could be, for example, a person staying in a shelter, a couch sleeper, a street sleeper, etc.

Balance in the geographical distribution of grant pools

The parties agree that there must be a balance in the distribution of new social housing in the agreement and the parties note that the number of existing social housing is distributed with more than half in Western Denmark, while the number of homeless is slightly higher in Eastern Denmark.

Against this background, the parties agree that subsidies for:

- Conversion of commercial property into social housing (DKK 675 million),
- especially affordable social housing (DKK 900 million) and
- Rent subsidy (DKK 150 million)

distributed in a balanced way across the country. The parties note that these are application pools, and that the Danish Agency for Housing and Planning in the allocation of funds must aim to achieve a distribution of the pool funds so that funds for the conversion of commercial properties are distributed on the basis of the number of social housing in the regions, while the particularly cheap social housing and the rent subsidy are distributed on the basis of the number of homeless people by region in the latest homeless census. The distribution is shown in Appendix 2.

The parties will take stock at the beginning of 2024 on the geographical distribution of grant funds in 2022

and 2023.

Better cities

More senior housing

We are living longer and longer, which means that our elderly are becoming an increasingly large part of society. This is a trend that will continue in the coming years. The parties recognise that there is a need for more social housing for the elderly and senior cohousing communities to meet this trend, which the initiatives in the agreement will help to support. The municipalities are obliged by law to ensure that, where necessary, social housing for the elderly is provided that can be rented to elderly people and people with disabilities who have a special need for such housing.

The parties agree that a senior housing pool of DKK 50 million will be set aside in 2022-2026 in the White Cities Fund. The pool will target demonstration projects where existing social housing and social housing areas are converted to make them more suitable for seniors.

The parties will monitor the establishment of senior housing as a result of the initiatives in the agreement.

Age-friendly cities

In addition to living longer, loneliness among the elderly in Denmark is on the rise, and this can eventually manifest itself in health problems. Accessibility and activities in urban spaces can be crucial to whether our elderly get out and about, socialise and experience community. This places new demands on urban spaces. Urban design can have a major impact on the quality of life of older people.

The parties agree to allocate DKK 30 million in 2023-2025 in the 2022 Finance Act to target elderly-friendly design of urban spaces.

Better accessibility for people with disabilities

New social housing will generally be built as accessible housing according to the Building Regulations, which benefits both the elderly and people with disabilities.

The *2020 Green Housing Agreement* allocated DKK 4.8 billion to promote accessibility in the social housing sector in connection with subsidised renovations, which was estimated to increase the number of accessible social housing units by 7,900. The housing agreement also established a working group to investigate how to maximise accessibility for the funds in the renovation scheme. One of the working group's key conclusions is that accessible housing should be considered more broadly and more needs-based. Funds for accessibility can thus be used in a more targeted way through differentiated solutions to accommodate different types of disabilities (e.g. mobility disabilities, visual and hearing disabilities, mental disabilities, etc.)

The parties agree that DKK 5 million will be set aside in 2022-2023 in the Mixed Cities Fund to create new categories for accessible housing based on the working group's report. The funds will be allocated to maximise accessibility for the renovation funds and ensure a better data basis for accessibility in social housing.

Better utilisation of social housing for elderly and young people

The parties note that, under current rules, subsidies can be granted to public housing organisations to convert their public family and youth housing into public housing for the elderly. The conversion costs are financed according to the rules for new construction of social housing.

There is a growing problem with letting difficulties in social housing for the elderly and care homes in remote areas. Therefore, in 2018, a guideline on how to solve rental problems in social housing for the elderly was developed. Despite this, it has not yet been possible to reverse the trend.

The parties therefore agree that the Ministry of the Interior and Housing will conduct an analysis in 2022 to investigate whether the tools for addressing rental difficulties in social housing for the elderly are sufficiently utilised. In this connection, the practices of municipalities, social housing organisations and the Danish National Building Fund in relation to distressed social housing for the elderly will be mapped and analysed.

The parties also note that better utilisation of the housing stock can help older people, young people and families to live in the right environment. For example, an older person selling a large villa and moving into an accessible, public housing can start a relocation chain that benefits families with children. The parties therefore agree that in 2022, the Ministry of the Interior and Housing will prepare a study of how the total housing stock across housing types and forms of ownership is utilised today, and how relocation chains can contribute to better utilisation of the housing stock, including across generations. In addition, proposals for how these relocation chains can be initiated to increase mobility in the housing market will be developed.

Finally, the parties agree that in 2022, the Ministry of the Interior and Housing will conduct a study of the extent to which social housing is "inherited" by family members or other persons sharing a household with the tenant, etc.

The parties note that, within the current rules on flexible letting of social housing, it will be possible to give preference to a group where there is a specific and documented need to attract the group in question to the local labour market, for example to ensure the functioning of central social functions. The preferential right is given with consideration for equal treatment of all employees. The possibilities will be clarified in connection with the preparation of the upcoming rental guide. For example, it will be possible for a municipality to give preference to certain professional groups if there is a shortage in the local labour market.

National architecture policy

It is important that the physical framework for living life supports viable mixed cities throughout the country with room for communities, well-being and security for everyone. The parties agree that the high level of social housing activity should be accompanied by well-thought-out architectural solutions that focus on living, quality and climate, among other things. Housing and urban spaces must be able to embrace new family patterns and living arrangements.

The parties agree that an expert group will be established with the purpose of developing a national architectural policy and, in this context, generate debate on the role and function of architecture in our society. The expert group will focus on public housing for the future, including major renovations,

sustainable architecture in a holistic perspective, including organising an architectural competition on the future of architecture.

dormitories and alternative housing, and active city centres and revitalised villages. The parties agree to allocate DKK 19.5 million in 2022-2024 in the 2022 Finance Act for this purpose. The parties to the agreement will be presented with terms of reference for the work on a national architecture policy.

Feasibility study for the remodelling of the National Museum

The National Museum has an important function as a communicator of Danish history to all Danes and to visiting tourists. The National Museum is working to realise a fundamental renovation of the main building in the centre of Copenhagen to create modern exhibition facilities. The remodelling can create an attraction that conveys the entire story of our common Danish history to all parts of society. In addition, the aim can be to get more artefacts from the museum's large collection out into the country and back to the places in Denmark where they were originally found and belong.

The parties agree to allocate DKK 11.8 million in 2021-2023 in the 2022 Finance Act for a feasibility study of a comprehensive remodelling and renewal of the National Museum of Denmark. The results of the feasibility study will be presented to the parties to the agreement. A decision will then be made on whether the project should be initiated.

Promoting cohousing communities and alternative living options

Today, there is a great demand for new ways of building and living with community at the centre. Community centres come in many different forms and their versatility and diversity contribute to creating more mixed cities. As well as encouraging more mixed housing types and resident composition in an area, these housing projects can also help create greater architectural diversity, sustainable construction and more community and resident involvement. Despite the high demand, one of the main barriers to establishing more cohousing communities is that there is limited knowledge about how to establish them.

The parties have therefore agreed to allocate DKK 5 million in the Mixed Cities Fund in 2022-25 to a unit in the Danish Agency for Housing and Planning to promote building and cohousing communities and alternative forms of housing, including tiny houses, through guidance on legislation and general information that supports municipalities, organisations and communities in developing community-oriented housing solutions. In its work, the unit must involve relevant actors with knowledge and experience in the field, including social housing organisations.

The counselling unit must, among other things:

- Analyse the development of sales prices for construction and cohousing communities.
- Contribute to a strengthened data base.
- Advise key stakeholders, including promoters, housing organisations and municipalities on legislation and financing, among other things.
- Develop guidance specifically for building communities.
- Advise municipalities on their options for sale without tender and tender with fixed price, as well as for providing a guarantee in connection with the establishment of a building community as a cooperative housing association.

New form of co-operative housing

Co-operative housing was originally intended as a low-cost alternative to owner-occupied housing, but more and more housing associations are choosing to use valuations, resulting in rising prices for co-operative housing and therefore fewer affordable housing units.

The parties agree that work will be initiated to investigate the possibilities of establishing a special form of cooperative housing where the acquisition price is retained as the basis for the valuation. The work will be completed by the end of 2022.

Other initiatives

Reorganisation of the operations support system

Unlike the renovation subsidy, the operating subsidy system under the National Building Fund is subject to limited political and financial control. The scope of the operating subsidy has grown over the past 10-12 years and today constitutes the largest disbursement stream of the National Building Fund. At the same time, the operating subsidy system is complex and non-transparent.

With the *Green Housing Agreement 2020*, the operating support system under the National Building Fund has been adjusted in significant points, but an analysis from the Ministry of the Interior and Housing shows that further initiatives are needed to achieve a more simple, transparent and efficient operating support system.

Therefore, the parties agree that the operational support system will be changed in two phases, see Appendix 3, which ensures a thorough change of the system:

- Phase 1: The legislative framework for the operating subsidy is clarified and the operating subsidy is subject to financial framework management similar to the renovation subsidy. Phase 1 will be implemented in 2022 with the involvement of Landsbyggefonden, and will be presented to the parties before a bill is presented in 2022.
- Phase 2: An analysis will be initiated to establish a concrete model for a new, simple and more transparent operating support system, including a new rent model. The analysis will be carried out in 2022 with the involvement of Landsbyggefonden, and will be presented to the parties for approval before a bill is presented in 2023.

The parties note that the changes to the operating subsidy system will apply to the future implementation of operating subsidies in connection with renovations supported by Landsbyggefonden. The financial framework management will not change the already allocated operating subsidy and will therefore not lead to rent increases for current tenants who have been awarded operating subsidies. The change to the system must support the National Building Fund's sustainable finances and must therefore not cause the total amount of operating subsidy to increase beyond the current high level.

Follow up on the agreement

The parties agree that the Ministry of the Interior and Housing will prepare an annual status report on the implementation of the allocated funds in the Mixed Cities Fund, including a statement of how many social housing units have been built using the support schemes.

The parties agree that by the end of 2022 at the latest, an evaluation of the agreement will be carried out, including with the involvement of relevant stakeholders, which will subsequently be presented to the parties in order to decide on any adjustments to the content of the agreement.

The parties will meet in good time before the first DKK 5 billion is released to discuss the release of the remaining DKK 5 billion in the Mixed Cities Fund.

With regard to the establishment and implementation of the Mixed Cities Fund, the agreement has the character of a settlement that runs until 2035. Other parts of the agreement have the character of a voting agreement.

Appendix 1. Financial overview

Initiatives funded by the Mixed Cities Fund

Of the total financial framework of DKK 10 billion for the period 2022-2035, which is allocated to the Mixed Cities Fund, this agreement will realise DKK 5 billion in the period 2022-2031, cf. table 1.

The parties will decide on the use of the remaining DKK 5 billion at a later date.

Table 1	
Overview of initiatives funded by the Mixed Cities Fund for the period 2022-2031.	
DKK million (current prices)	2022-2031
Land purchase loan	1.778
Conversion of residential rental properties into social housing	870
Conversion of commercial properties into social housing	675
One-off subsidy for affordable social housing	900
Densification with new social housing	422
Temporary rent subsidy for existing social housing	150
Sustainable social housing	100
More social housing on small islands and larger islands	20
Senior housing	50
New categories for accessible housing	5
Guide to building and cohousing communities	5
Analyses etc.	2
Pool management, system customisation e t c .	23
Collected	5.000

Note: The profile for 2022-2031 follows the payments from the New Build Fund.

The application pools are administered by the Danish Agency for Housing and Planning. DKK 2 million will be allocated annually in 2022-2031 for the implementation of the agreement, including pool administration and follow-up on the agreement, which is financed by the Mixed Cities Fund. In addition, DKK 3 million will be allocated in 2022 from the fund for changes to the case management system BOSSINF and a total of DKK 2 million to the Ministry of the Interior and Housing for the preparation of the analyses initiated by the agreement.

It should be noted that the land purchase loan scheme includes municipal co-financing of DKK 700 million, which is a capital investment that is not covered by the municipal spending limits.

In order to maximise the effect of the allocated funds, it is possible to transfer between the application pools. If there are unspent funds within a given number of years in a support scheme, they can be reprioritised to other support schemes with greater demand. The parties will be involved in reprioritisations within the assumed sub-frames for the initiatives.

DKK 5 billion will be allocated up to 2031 for the proposed initiatives. The implementation of the remaining DKK 5 billion up to 2035 will be agreed later. The implementation profile can be adjusted at a later date, taking into account the economic situation.

Initiatives funded on the budget

The agreement allocates a total of DKK 11.2 million in 2022, DKK 31.4 million in 2023, DKK 22.5 million in 2024 and DKK 17.5 million in 2025. The proposal is financed within the framework of the reserve for rural, urban and health, which appears in the government's finance bill for 2022.

Table 2

Overview of initiatives funded in the 2022 Finance Act.

DKK million (2022 prices)	2022	2023	2024	2025
Age-friendly cities	0,0	10,0	10,0	10,0
Feasibility study for the remodelling of the National Museum*	8,4	2,2	0,0	0,0
National architecture policy	2,8	11,7	5,0	0,0
Requirements for action plans, justification and fast track in the National Social Appeals Board	-	7,5	7,5	7,5

* Additional expenses of DKK 1.2 million in 2021 are financed by the general reserves in the 2021 Finance Act

Appendix 2. Balanced geographical distribution of grant funds

The grant funds allocated with this agreement must be distributed in a balanced way across the country.

Subsidies for the conversion of commercial properties into social housing are distributed by region based on the distribution of social housing, see Table 1 and Figure 1.

Table 1				Figure 1	
Number of social housing units and DKK 675 million pool divided by region				The line of sight for the allocation of a total of DKK 675 million by region	
	Social housing	In per cent.	Pool distribution DKK million.		
The capital city	220.854	35	238		
Zealand	81.873	13	88		
Southern Denmark	130.402	21	140		
Central Jutland	133.431	21	144		
North Jutland	60.333	10	65		
The whole country	626.893	100	675		

Source: Own calculations based on the number of social housing units (2021 - boligstat.dk)

Subsidies for affordable housing and rent subsidies are distributed by region based on the distribution of the number of homeless people in the most recent homeless census, see Table 2 and Figure 2.

Table 2				Figure 2	
Number of homeless people and a pool of DKK 1,050 million				The line of sight for the allocation of a total of DKK 1,050 million distributed by region	
	Homeless people	In per cent.	Pool distribution DKK million.		
The capital city	2.666	41	435		
Zealand	895	14	146		
Southern Denmark	1.032	16	168		
Central Jutland	1.464	23	239		
North Jutland	374	6	61		
The whole country	6.431	100	1.050		

Source: Own calculations based on the number of homeless people by municipality of origin (Homelessness Census 2019)

Appendix 3. Reorganisation of the operational support system

The operating support system under Landsbyggefonden will be reorganised in two phases, including:

- Phase 1: The legislative framework for the operating subsidy is clarified and the operating subsidy is subject to financial framework management similar to the renovation subsidy. Phase 1 will be implemented in 2022 with the involvement of Landsbyggefonden and will be presented to the parties before a bill is presented in 2022.
- Phase 2: An analysis will be initiated to establish a concrete model for a new, simple and more transparent operating support system, including a new rent model. The analysis will be carried out in 2022 with the involvement of Landsbyggefonden and presented to the parties for approval before a bill is presented in 2023.

Phase 1

The authorisation basis for operating aid is clarified in the legislation, including on what basis and in what situations operating aid can be granted. The clarification will contribute to greater transparency and less room for discretion and ensure that operating aid is granted on a clearly described basis. The amendment will not change the allocation practice in Landsbyggefonden, but will clarify the basis for the allocation.

Alongside the clarification of the appropriation basis, the operating subsidy - like the renovation scheme - must be subject to financial framework management, among other things to support sustainable development in the National Building Fund's finances. The financial framework management will not change the already allocated operating subsidy and will therefore not lead to rent increases for current tenants who have been awarded operating subsidies. The framework management will ensure that the operating subsidy does not grow further, and the cap will be set as a fixed percentage per billion DKK spent from the renovation framework. The cap will thereby be dynamic after the renovation framework.

Phase 2

The operational support system cannot be made simple and transparent by patching the current scheme, a new operational support model will be developed based on the following framework:

- Key players (municipalities, housing organisations, residents, etc.) must have the best possible prerequisites for understanding the operating subsidy system and the calculation of subsidies. Therefore, the entire system must be simplified and the current rent model replaced by a new one.
- Operating aid must be granted on a clear and transparent basis, based on eligibility criteria.
- Operational support should be targeted to departments with the greatest need.
- The model must not give rise to an increase in the total amount of operating aid.
- The financial scope of the operating subsidy must be transparent and sustainable for Landsbyggefonden's overall economy, which is why the operating subsidy is subject to framework management and constitutes a fixed percentage per billion DKK of the renovation framework.
- The starting point for the determination is the already decided renovation framework from the *Green Housing Agreement 2020* (DKK 2.2 billion annually) and that the National Building

Fund's total net assets must be positive in 2038.

The modelling work must, among other things, highlight the rent consequences associated with the model set up. The model must also include a phasing-in phase to ensure time for transition.

The analysis will be carried out in 2022 by the Ministry of the Interior and Housing and the Ministry of Finance in collaboration with Landsbyggefonden and with the involvement of external consultants. The parties will be presented with the finalised analysis so that a new model can be determined and enter into force in 2023.