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Urban-Rural Municipality of Ziębice  
Draft Strategy for the Development of the  
Housing Sector through 2015

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## Urban-Rural Municipality of Ziębice

### Draft Strategy

### for the Development of the Housing Sector through 2015

#### PREFACE

Following an assessment visit to Ziębice in late March 1997, PADCO and RTI consultants returned to the city to make a presentation of findings to the Ziębice Management Board on 22 April. The Financial Analysis presented by RTI showed that the gmina is in a sound financial condition, paving the way for a prudent increase in capital investment, certainly through the year 2000. As indicated by the assessment team, part of this investment ought to flow to the housing sector, guided by a housing strategy to be developed and adopted by the gmina.

During the assessment numerous housing management issues were discussed with gmina counterparts, focused in the following areas:

- Assessment of Ziębice's existing housing situation, potential for further growth and development, including revitalization of pilot areas;
- Identification and prioritization of housing policy goals and the subsequent development and of a housing strategy including programs for its implementation;
- Analysis and recommendations to improve the management of the city/commune-owned housing management entity (*Zakład Usług Komunalnych*).

Detailed information on these issues can be found in the Assessment Report -- "An Analysis of the Existing Housing Situation in the Gmina/Commune of Ziębice." Based on discussion with the Management Board of Ziębice, the first priority of the gmina is clearly the development of housing strategy.

The purpose of this Report is to provide policy guidance and a draft strategy in the housing sector, which in turn will be incorporated in the development plan being formulated by the gmina.

To the extent possible the authors have followed a scope of work which called for:

- identification of stakeholders to discuss strategic issues in the housing sector (e.g. constraints to investment in rehabilitation, revitalization and new construction);
- establishment of a hierarchy of goals and objectives to address the cross-sectional needs and opportunities of the local population, including the small settlements comprising the commune;
- identification of roles and procedures for the gmina to function as an enabler and facilitator in conjunction with private and non-government participants;
- articulate goals for improved quality of life of residents which can be addressed through housing policy, and;
- assist counterparts to identify policies and financial incentives to achieve these goals and to fulfil local housing mandates under the Local Government Act.

This report was prepared in cooperation with local government officials and the staff of the Town Hall and municipal enterprises. Notably, a task force was established by the Mayor R. Nowak, composed of selected members of the Town Board and Council. The group, divided into smaller teams, worked with the PADCO team and prepared a considerable amount of necessary numerical data and useful information material.

The authors would like to thank their counterparts in Ziebice for their active support and cooperation, at a time when normally busy schedules were additionally burdened by the crisis brought by flooding. Without the generous assistance and input of officials, staff and other residents the preparation of this draft would have been impossible.

Any errors or mis-interpretation contained in the report is the responsibility of the authors. Statements of fact or opinion made in this Report are those of the authors, and do not represent the formal views of Gmina Ziebice or of USAID.

**1. Introduction:**  
**Assessment of social and economic development issues**

To develop a housing strategy requires knowledge and understanding of local problems and the municipality's capacity for further development. Housing is not placed in the vacuum and opportunities for its developmental are very closely related to the development capacity of the municipality as a whole. These issues create an environment determining the directions and the pace of the development of the local housing sector and may either bolster this development, or to encumber it, if too many goals are to be achieved with too little funding.

The "diagnostic" stage which precedes the preparation of plans and strategies aims to collect the most up-to-date information which is relevant and available, allowing a comprehensive analysis of the status quo, and leading to identification of possible directions of change. Only after such a base of knowledge has been created, will it be possible to determine strategic goals and objectives. Thus, the proper selection of such goals and objectives depends on the accuracy and completeness of the diagnosis.

Thus the team which developed the strategy started by assessing, in general terms, the capacity of the Town and its rural environment for social and economic development.

Fortunately, several analyses and reports on selected aspects of local economy and the Ziebiec community have been made recently. The most important of them included an assessment of the local economy and small manufacturing businesses, technical infrastructure (with special attention given to the municipal waste disposal system), and a financial analysis of the Municipality of Ziębiec. In addition, an assessment of "Housing Conditions in the Urban-Rural Municipality of Ziębiec in mid-nineties" (J. Czarniecki, A. Gałazka, M. Majchrzak, for USAID/PADCO) was available. With these resources already available, the task of preparing the housing policy/strategy papers for the gmina was limited to two key components:

- Urban-Rural Municipality of Ziębiec: Strategy for the Development of the Housing Sector through 2015 (this report)
- "General Concept for the Ziębiec Old Town Rehabilitation"

Collection of basic data was thus focused mainly on the natural environment, social and economic indicators, technical and social infrastructure, and physical planning. The collected material made it possible to define the condition of the municipality with relative accuracy and to identify the most important problems pertaining to its development. The collected data and its relevance as well as conclusions stemming thereout were discussed during a three-day field-visit to Ziębiec (July 23-25, 1997) by PADCO consultants, M. Majchrzak and A. Gałazka, and during a workshop for city officials which was held in Polanica with the participation of PADCO consultants J. Czarniecki and M. Majchrzak.

Discussion of issues at the workshop was dominated by two main themes. First, issues of special interest to municipal authorities, and therefore often raised by them, such as:

- municipal management, with special reference to the housing sector;
- a preliminary definition of the strategic directions for the municipality's social and economic development as a basis for developing a detailed housing strategy, and establishing the extent to which current decisions are compatible with these directions;
- further work on the strategy aimed at the development and transformation of the housing sector, recognizing social and economic conditions determining the development of the Municipality.

Second, issues raised by the team of consultants who wanted to supplement and verify the collected data in order to create a fairly consistent and complete picture of social and economic life in the Municipality. This discussion, serving as a starting point for further work on local housing strategy, focused on:

- analyzing social and economic processes that took place in the early nineties, both in Ziębice and in the nearby rural area,
- creating an information base for further stages of work on a housing strategy and an overall municipal development strategy.

The overall intent was to create a primary database which would include constantly updated and credible statistical data and other information, mainly on housing, in its broad sense, but also on problems facing the Town and the Municipality as a whole and relating to such basic categories as social issues, economy, infrastructure and finance. Foundations for such a database have already been created and the collected data is available to its contributors and stakeholders, i.e. the Town Board, heads of relevant departments of the Town Hall and municipal entities (Director A. Pelc of ZUK (Communal Services Enterprise) greatly contributed to the creation of this database).

To the extent possible the team compiled and organized statistical information according to two patterns:

- historical - i.e. for 1991-1996 (depending on the access to this information), and;
- territorial - i.e. by presenting the examined phenomena in the Municipality of Ziębice, as compared to other municipalities of comparable size, to the entire province of Wałbrzych and the whole country.

This approach makes it possible to analyze the examined phenomena and processes in terms of progress or regression. At the same time, the analysis refers to the territorial context and thus the dynamics and structure of the phenomena can be compared on the regional and national basis.

The collected information covering the housing sector and basic social and economic processes in the Municipality of Ziębice is quite rich, and, generally speaking, it can be used for the

analysis of the status quo, and consequently for the analysis of the capacity for further development. However, despite a relatively large amount of data, there are significant gaps, and it must be stated very clearly that the data are dispersed and lack integrity due to different classification and aggregation methods. This results in major discrepancies in data collected from various sources. One of the reasons is that so far, the Municipality has not had a comprehensive and consistent information system. Frankly speaking, the consultants were unable to resolve all of the discrepancies during their work in Ziębice and Polanica.

The quality of data has direct implications for the effective and efficient management of the Municipality by the local authority. Lack of data and poor quality data impede regular monitoring and analyzing of changes occurring in the Town and the surrounding rural area and makes it difficult to promptly identify local weaknesses and strengths, as well as threats and opportunities for development.

The present report should be treated as a further step in the process of developing the local housing strategy which in turn will become part of the development strategy for the Municipality. However, this material should be thoroughly evaluated, verified and amended as needed by the members of the task force, and equally by the councillors and key Town Hall officers. This is important not only to verify the reasonableness of underlying data, but as a means for decision-makers to become more familiar with the general issues connected with municipal and economic development. Clearly the situation with respect to information is typical of smaller and not very affluent towns and urban-rural municipalities which cannot afford to make comprehensive analyses of all the aspects of municipal operations. Nonetheless, they must come to terms with the problems which are either most difficult or most important to them.

In other words, even if all necessary individual analyses had been made in Ziębice, and even if they had been performed by highly qualified external experts, the results of their work should be subject to a thorough evaluation and verification by the councillors and Town Hall officers. It is only through such a course of action that one can expect that the strategy developed together is realistic and appropriate, and, which is even more important, that it can be regarded by the municipality as their own, and therefore will have prospects for implementation.

## **2. General Conditions for the Development of the Housing Sector in the Municipality of Ziębice**

### **2.1 Preliminary Remarks**

Following the diagnosis and analysis of the status quo, the next step in the work on the strategy for the development of the housing sector in Ziębice was to identify the capacity and conditions for development. Generally speaking, the capacity for development of the housing sector in any municipality depends on two groups of conditions:

- external to the housing sector which is the main subject of our interest, and;
- internal, and therefore inherent in the local housing sector.

The purpose of the analysis of local development opportunities and determinants is to identify which phenomena and processes have positive or negative impact on the development of the housing sector, and the capacity of the sector for future development.

SWOT analysis makes it possible to differentiate phenomena and factors - internal or external to the examined phenomena, and having positive or negative impact on their present and possible future development. Four groups of factors, phenomena and processes result from crossing these two criteria:

- (a) external positive (opportunities)
- (b) external negative (threats)
- (c) internal positive (strengths)
- (d) internal negative (weaknesses)

The opportunities can speed up the development of the housing sector, while threats are barriers that can hamper that process or prevent an effective use of the development opportunities both in the sector's environment and in the sector itself.

The purpose of the SWOT analysis is to identify the above-mentioned four groups of factors, circumstances, phenomena and processes. A comparison of the opportunities and threats within the housing environment with its strengths and weaknesses makes it possible to define the opportunities for development, and serves as the basis for determining strategic goals and options of the development process.

### **2.2. Classification of the External and Internal Conditions for Development**

The Municipality -- like any other social and economic body -- operates in a given environment, and its development largely depends on the development of that environment. The environment in turn is composed of elements that are external to the municipality but have impact on its current functioning, and will also shape its future development. Municipal development is also influenced by internal conditions resulting from its level of advancement, available resources or lack of such resources, the strength and quality of mechanisms and processes taking place in the

local community.

### **A. External Conditions**

The external environment exerts a constant positive or negative influence, offers opportunities and poses threats to its functioning and development. It may be characterized by:

- real indicators (e.g. general level of economic development, structure of the economy, level of inflation, demographic structure of population, skills of the labor force, natural environment), and;
- formal indicators (legal system, national or provincial strategy and development policy, sectoral policies which can create and modify the course of social and economic processes at the local level), which are subject to state administration and can be used as vehicles by state administration to exert its influence on municipalities.

The municipality can strongly influence this environment through feedback mechanisms. The structure of the municipality's functions and its development dynamics depend to a large extent on the nature, intensity and variety of its relations with that environment. The more differentiated and integrated the structure is, the greater is the municipality's capacity to adapt to environmental changes. This is why a comprehensive and multi-factor analysis of the environment enables early identification of threats and opportunities. Hence, municipalities which constantly monitor changes in their environment are not caught by surprise when new problems arise. Signals are relatively quickly identified in such municipalities. Based on this, rational plans for the future are made, which may lead to creating or modifying local development strategies. Municipalities like these are better protected against all kinds of upheavals and crises.

The municipal environment can be also be characterized as:

- global (the so called macro-environment), and;
- local (the province, neighboring municipalities).

Global environment can be defined as a set of factors which influence the operation of a municipality including economic, social, legal and political aspects specific for every country. A significant feature of the global environment is that it very strongly influences the conditions for the municipality's functioning and development, while the municipality itself is too small and too weak to be able to change these conditions. In other words, municipalities, especially smaller ones like Ziębice can at best collect signals from the environment and identify them as its opportunities or threats, without being able to change this environment. However, this does not mean that the influence of the global environment is the same in all municipalities in the region, not to mention the whole country. The same external conditions can have different influence on the functioning and the development of individual municipalities, depending on their nature, character, demographic structure, level of the economic development, and the structure and technological advancement of local industry.

Local environment of the Municipality of Ziębice consists first of all of the closest, neighboring municipalities in the provinces of Wałbrzych and Opole, the Municipality of Strzelin in the Wrocław province, the regional and national environment. The closest environment can take the form of parallel environment (i.e. the area consisting of several municipalities of similar potential<sup>1</sup>, none of which is clearly dominant) or of the functional-and-spatial environment (where the area under analysis is clearly influenced by another municipality or it is a dominant entity itself).

In case of the regional and national environment, the division of tasks and competencies between the municipality and the state administration at the provincial and central level is important. In the focus there should also be changes in the national spatial management policy, regional policy, industrial development, environmental protection and management, and the fiscal policy of the state in relation to municipalities.

## **B. Internal Conditions**

Internal conditions for development result from the resources, phenomena, mechanisms and processes taking place in the municipality. They determine local strengths and weaknesses and the municipality's ability to identify and analyze these factors is a form of specific self-assessment in which the following elements are reviewed:

- human resources (population and age structure, economic groups, level of unemployment, health condition, public security),
- physical resources (the condition of buildings, the area and use of land, technical and social infrastructure),
- financial resources (the amount and structure of budgetary revenues and expenditures, incomes and expenditures of residents),
- natural resources (the advantages, resources and the condition of the natural environment),
- the conditions and opportunities for the development of local economy,
- efficient municipal management.

### **2.3. General External Conditions for the Development of the Municipality of Ziębice**

#### **OPPORTUNITIES**

- (a) Macro-Environment
- Steady decrease of inflation.
  - Steady decrease of unemployment and increase of the purchasing power of local residents.
  - Opening-up of the economy, inflow of foreign capital, an opportunity to use

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<sup>1</sup>In general, we are facing such a situation in the environment of Ziębice, which presents an opportunity for prosperous development.

- western sources to fund capital projects (i.e. from assistance organizations),
- Realistic prospects to join the E.U. and NATO.
- Ongoing changes in the life style and consumer preferences.

(b) Local Environment

- Good farming conditions: soil and climate, advanced methods of farming, etc.
- Close location to the border with the Czech Republic, and relatively close (and with good transport links) to the dynamically developing city of Wrocław.
- Proximity to many towns and municipalities which suffered from flood of July 1997 (this creates good opportunities for the expansion of construction services).
- Short distance from several localities attractive for tourists (which enhances the value of Ziębice and Henryków and makes their promotion easier).
- Relatively inexpensive labor.

## THREATS

(a) Macro-Environment

- Lack of appropriate regional policy (especially in relation to provinces suffering from economic depression - for example the province of Wałbrzych).
- Lack of effective policies towards individual sectors (especially such as health service, education, development of industry and farming).
- Too small share of municipalities in central revenues and limited prospects for improvement in the nearest future.
- Too many tasks assigned by the state to local governments, without securing appropriate financial resources.
- Exceptionally high interest on loans (almost two times higher than inflation) and little chance to bring this situation back to normal.
- Deterioration of public security, aggravation of social ills, organized crime, scandals in business circles.
- Poor organization of the state (revealed by the flood last summer).
- Low level of funding from the central budget for social infrastructure (especially for education, health service and welfare assistance, culture, fine arts and recreation) which, despite heavy outlays from municipal budgets, leads to the deterioration of the quality of these services.

(b) Local Environment

- No easy access to expressways (the Municipality of Ziębice is located between Opole and Wałbrzych).
- Low birth rate, negative migration, advanced ageing of the population (typical of a major part of the neighboring area).
- Very high level of deterioration of housing stock and fixed assets.
- Low rank (27th) of the province of Wałbrzych on a list ranking provinces by their attractiveness for capital investment.

## **2.4. Demographic Conditions**

### **STRENGTHS (of the Municipality)**

- Stable size and structure of local population.
- Relatively good age structure of the population (relatively high share of groups in the “pre-productive” age, and low share of those in the “post-productive” age, as for a region with a long-lasting poor demographic development).
- No advanced ageing of the population in the rural area (so far).
- Compensation of the negative migration trend (although declining) by the positive birth rate in the rural part of the municipality (commune).
- High level of education (as a result of a relatively extensive school base) when compared to other municipalities of comparable size.
- Relatively high level of professional skills among both non-farming population (a result of a large number of industrial plants operating in this area for a long time) and farming population (the effect of links with well developed food processing industry, and the development of production requiring advanced farming technologies).

### **WEAKNESSES (of the Municipality)**

- Unfavorable changes in the population’s age structure (although progressing slowly).
- Comparatively higher share of the population in the post-productive age as a result of a slower economic development than in most of the neighboring municipalities.
- Decreasing birth rate, increasing death rate - in general, the Municipality has a negative growth rate (but a small positive birth rate in the rural areas).
- Significant and practically constant outflow of population from rural areas, recently also from the town.
- A high level of unemployment since the beginning of the nineties (large percentage of the unemployed without the right to the unemployment benefit, and those unemployed for over 12 months, consequently, a large group of population relies on welfare).
- Very negative consequences of long-lasting and intensive unemployment both on those affected and the environment (the danger of passive attitudes, social ills, and demoralization).

### **OPPORTUNITIES**

- Proximity of some dynamically developing areas - mainly Wrocław - where unemployment rate is low (job opportunities there could help alleviate consequences of local unemployment).
- The emerging long-term demand for labor due to the implementation of a program for the flooded areas.
- Decline in the number of school-age children decreases the demand for education services and offers an opportunity for a thorough restructuring of the education system which will result in higher level of teaching, changes in the profile of education and in new professional skills of the local population.

## **THREATS**

- The proximity of labor markets and their possible growing attractiveness may cause the most active groups of population to seek employment elsewhere, thus leading to out migration and ageing of the population.
- Negative economic trends coupled with the prolonged high unemployment may cause an increase in social ills and demoralization of relatively large group of young people seeking their first job.
- Long period of unemployment of relatively large groups of people, concentrated in specific areas, may result in the social approval of a negative life styles marked by apathy, conflicts, illegal livelihoods, acceptance of the role of regular clients of welfare institutions.
- Large social groups are unable to adapt themselves to the new situation caused by Poland's prospect of joining the E.U. and NATO - the necessity to meet the requirements of competition in a broad sense , i.e. at the intellectual, cultural, professional and manufacturing level; this, in particular, applies to the Western border regions, but may also prove valid for regions close to the border with the Czech Republic.

### **2.5. Development of Natural Environment and Spatial Management**

#### **STRENGTHS (of the Municipality)**

- The existing reserve of undeveloped and partly serviced municipal land (including that within the Old Town).
- High historic value of the Ziębice Old Town and the abbey in Henryków increased by the proximity of other very interesting historic towns and areas attractive for tourists.
- High quality of urban planning in Ziębice (its valuable and historic Old Town lies close to an attractive neighborhood of very pretty and well maintained private houses from the turn of the century, with a very nice panorama and surrounded by green areas).
- Excess or unused space in existing residential buildings of Ziębice; possible roof-top additions, converting attics into apartments or adapting some cellars for commercial use.
- vast water resources in the town and in a large part of the rural area of the Municipality of Ziębice (with a minimum danger of flood).

#### **WEAKNESSES (of the Municipality)**

- Very old and degraded buildings (though they are also attractive for historic value and tourism potential).
- Improper spatial management of the Old Town (too few commercial units and public premises in relation to the total cubic capacity; some of them are not utilized properly or effectively).
- Negligent division of old land parcels into lots allowing shanty sheds or extensions to the houses going beyond original parcel boundaries, which creates chaos and is not conducive to the proper maintenance of the real estate.
- Insufficient outlays on sports and recreation facilities, and green areas.
- Unsatisfactory level of municipal and industrial waste disposal and utilization, causing

environmental pollution.

- Air pollution in Ziębice (especially in the Old Town) by numerous home stoves, small boiler-houses and local industry aggravated by the poor quality of coal.

## **OPPORTUNITIES**

- The location of the Municipality within the radius of influence exerted by large urban centers with strong economies i.e. Wrocław, Opole, Upper Silesia, the Legnica-Głogów mining region.
- Close proximity to the areas destroyed by the flood of July 1997 (the opportunity enhanced by the fact that the municipal spatial policy includes preferences for the development of repair and construction businesses).
- Close location to areas and places attractive for tourism and recreation.
- Good prospects for developing the existing stock through in filling new construction, or larger complexes of buildings offering possibilities to increase the space of commercial units and public buildings.

## **THREATS**

- The Municipality of Ziębice may soon become dominated by its relatively rapidly developing neighboring towns of: Zabkowice Śląskie, Nysa and Paczków, which can limit the location-related attractiveness of Ziębice and reduce its development potential.
- Peripheral location of the municipality, limiting to some extent transportation opportunities for passenger and cargo traffic as there are no convenient connections with the national and international transportation network.
- Deferred investment in capital repair, upgrading and rehabilitation of a considerable number of buildings in Ziębice, Henryków or some other places which can result in an irreversible destruction of a large part of those valuable buildings and the depreciation of the Municipality's standing in the region. It may even cause the collapse of the local housing sector and massive emigration of residents to towns and municipalities with better prospects for development.

### **2.6. Development of Local Economy**

#### **STRENGTHS (of the Municipality)**

- Well developed farming and food industry. The Municipality has some manufacturing reserve.
- The existence of a classic "engine of development" - the Urzędowski company.
- Relatively well-developed "business environment": a hotel, catering services, banks, and good climate for business development, as compared to other cities of comparable size,
- A reserve of labor force and land that could be used by companies and large reserves of fixed assets from liquidated state enterprises.

## **WEAKNESSES (of the Municipality)**

- High rate of unemployment (despite some decrease) affecting moral attitudes of the local community.
- Low level of capital outlays, continued for many years, not only as compared to the national average, but also to towns of similar sizes and character.
- High level of deterioration of local real estate assets and low productivity of a significant part of the manufacturing and service sectors in Ziębice; relatively small progress in the restructuring processes.
- Low level of foreign capital engaged in the local economy.

## **OPPORTUNITIES**

- Gradual decrease of unemployment and growth in personal incomes, resulting in higher individual consumption (i.e. an increased demand for goods and services, higher tax revenue, potential for more intensive capital investment, etc.).
- Strong example of a spectacular, dynamic growth of the "Urzędowski" Window Frame Manufacturing Plant can stimulate the development of other businesses in the private sector.
- High potential to develop repair and construction services industry, because of the proximity of towns and municipalities affected by the flood of July 1997.
- Relatively low labor costs caused by significant reserves of workforce.

## **THREATS**

- Much slower increase of labor costs in the Czech Republic than in Poland (if this trend does not change, the Municipality of Ziębice may become an importer of the Czech labor force in a few years - until recently the situation was opposite).
- Outdated structure of some sectors of industry and slow progress in restructuring may seriously threaten the economic base of local development.
- Relatively low productivity and labor culture in some sectors of local economy and the deficit of well-skilled labor force in most sectors.
- Poor advancement of skill-upgrading and retraining programs for the unemployed; inadequate structure of high-school education in Ziębice which fails to equip young people with the knowledge and skills required by the modern economic environment.
- Necessity to lower tariffs (especially as a result of the agreement on association with the E.U. and the Vysehrad Group) can become a threat to some sectors of local industry and agriculture.
- During the first half of the nineties, the number of shops and markets grew rapidly in Ziębice, which was typical of the whole country. At present their number exceeds the local demand for such outlets and one should anticipate the growing concentration of trade services and the decrease in the number of workforce employed in this sector in Ziębice.

## **2.7. Development of Social Infrastructure**

### **STRENGTHS (of the Municipality)**

- Relatively high (as for an urban-rural municipality of this size) level of education and professional experience of teachers in the largest local schools.
- Very large number of old buildings of great historic value can help the development of culture and arts.
- A Museum and a local newspaper both very active in their operations.

### **WEAKNESSES (of the Municipality)**

- Relatively low involvement of teachers in undertaking initiatives going beyond the basic curriculum (authors' curricula, innovative programs, promotion of sports, etc.).
- Advanced level of wear and tear of most of the educational, health, welfare and cultural facilities due to insufficient resources for their repairs and proper maintenance.
- Large disparities between the town and rural areas of the Ziębice Municipality in terms of equipment for schools and health care centers (although action has been taken to equalize them).
- Relatively poor understanding by residents of the need to concentrate educational facilities (especially in those villages where schools are being closed down),
- Lack of teachers and physicians representing specializations in high demand.
- Lack of an artistic milieu, weak cultural and opinion-making groups.
- Too many students accepted to the vocational school complex and learning professions for which there is little demand on the job market.
- Passivity of local libraries, cultural centers and organizations due to, among other things, the liquidation of such centers in the early nineties.
- Lack of a modern concert- and-sports hall (a band-stand and a hall in Primary School No 4 are not sufficient).
- Passivity of sports organizations, the lack of efficient managers, coaches and trainers despite great interest of children and young people in sports.

### **OPPORTUNITIES**

- If residents of small villages understand the need for limiting the number of schools in favor of the higher quality of teaching there will be a chance for raising the level of education and keeping it at similar level in all primary schools.
- There is a chance to convert the premises of the closed schools into social, commercial or residential facilities.
- Recognized need for better education and higher professional skills opens the process for recommended conversion of vocational schools complex in Ziębice into a general high school (secondary modern school) and a post-secondary school, especially if the school has a dormitory.
- There is great interest in sports and recreation in the Municipality of Ziębice, which in conjunction with the gradual improvement of the local economy and the existence of potential sponsors gives a chance of building an attractive recreational and sports center

in Ziębice.

## **THREATS**

- If there is no support and understanding on part of the local population for restructuring of the primary schools' network, the present system of education will be continued in the future with the harm to the level of education (the loss of opportunities for children) and against any economic rationale.
- The lack of prompt changes in the educational profile of the vocational schools complex in Ziębice can result in disturbances on the local job market such as the growing number of the unemployed, on the one hand and, the lack of needed specialists, on the other, hand.
- Policy of the state towards a gradual increase of population's share in the cost of education, health service, welfare assistance or culture is not beneficial for municipalities like Ziębice (because of low personal incomes and enormous capital needs in this field); with small progress in developing the social infrastructure base and providing it with adequate equipment, it will become a significant factor stimulating migration.

## **2.8. Development of Technical Infrastructure**

### **STRENGTHS (of the Municipality)**

- Well organized process of communal waste management in Ziębice by ZUK; a satisfactory level of cleanliness and esthetics in the town.
- Proper organization of solid waste collection and a rational system of fees for its disposal and storage.
- Relatively large number of households connected to the water supply system both in the town and in rural areas of the Municipality.
- A properly organized water supply and sewer network.
- Fairly good condition of the sewerage system in Ziębice; a modern sewage treatment plant has been operating in Ziębice since 1996.
- Satisfactory level of maintenance of the most important municipal green areas; well preserved old trees in the area of Wałowa Street, the cemetery, the complex of vocational schools and the residential district of single-family houses.

### **WEAKNESSES (of the Municipality)**

- Old and degraded water supply network; losses of water in the network caused mainly by the worn out system appliances; poor physical-and-chemical condition of water.
- Poor condition of the sewerage network in the rural part of the Municipality; lack of division of the sewerage system into sanitary and storm systems (in the town of Ziębice and in the rural area).
- On the average, old age and high level of breakdowns of electric power lines and systems with very many medium voltage overhead lines (also in the town of Ziębice).
- Large number of illegal landfills in the rural area.

- Poor condition of electric wiring in the housing stock (as everywhere in Poland, wherever old stock prevails).
- Poor availability of telecommunications services; poor condition of telephone lines.
- Poor management of local heat distribution; a large number of small, inefficient local boiler-houses and home stoves which pollute the air and destroy facades of buildings.
- Unsatisfactory condition of the road network; no ring road in Ziębice.
- Part of the road network and some old buildings in Ziębice are not adjusted to the mechanical waste disposal and cleaning of the town.
- Poor lighting on some of the public roads; practically no lighting (mainly due to vandalism) in some suburban and local streets and roads (both in Ziębice and in nearby villages).

## **OPPORTUNITIES**

- Collection of municipal waste has recently been organized also in the rural part of the municipality. It is developing well and one can assume that the problem of illegal landfills will become less acute in two or three years' time.
- The planned construction of a new landfill at Lipie and the modernization of the sewage treatment plant in Henryków will improve the condition of the environment.
- The planned projects concerning the water supply system (water treatment plant in Ziębice and the construction of a water supply network in the rural areas) should position the Municipality of Ziębice among the municipalities where water supply services are at the highest level in Poland.
- Planned major road investment i.e. the construction of a ring road and repairs of roads should significantly improve their condition.
- It is also possible to improve the street lighting, among other things, by including investment in lighting with new capital projects and capital repairs of roads.

## **THREATS**

- High operating costs of the Energy Utility in Ziębice caused by the fact that its services cover also rural areas; the lack of sufficient resources for the reconstruction and extension of the network; new regulations concerning the energy sector and resulting from the energy law.
- Delay in the construction of landfills and a breakdown of the program of municipal waste collection in the rural areas will result in the degradation of natural environment.
- Insufficient financial resources for the planned infrastructure projects, due to e.g. unforeseen budgetary problems or less favorable terms for borrowing, may cause that the Municipality of Ziębice will fall behind its closest neighbors and the major part of the country as far as the standard of its technical infrastructure is concerned.

### **3. Analysis of Housing Development Opportunities in Ziębice**

#### **3.1. Preliminary Remarks**

Chapter 2 of this paper presents general conditions determining the development of the housing sector in the Municipality of Ziębice, with a particular focus on:

- general external conditions
- demographic conditions
- the natural environment and physical planning
- the local economy
- condition of social infrastructure
- condition of technical infrastructure.

It should be explained that developing a housing strategy does not require such a detailed analysis of all the fields of social and economic life of the municipality. Teams who develop housing strategies often confine themselves to gathering only very general opinions and information concerning the assessment of the status quo and the potential for further development of the local economy, in order to use it as a basis for determining a set of positive factors (opportunities), as well as the negative ones (threats) - in other words, external conditions for the development of the local housing sector.

Such an approach is undoubtedly easier to follow, but involves a higher risk of making errors. It can be applied in case of such municipalities where a comprehensive study on local development has already been conducted or where a local development strategy has been made with general reference to the housing sector and the problem needs to be studied more extensively now. However, if working on a housing development strategy without access to a thoroughly prepared input material, then we must simply collect the necessary data.

Thus we chose to present a more in-depth picture of the conditions determining the development of the housing sector in Ziębice (exactly the same as should be prepared while developing an overall development strategy for the municipality).

However incomplete our knowledge of Ziębice may be, we believe it is sufficient to allow a presentation of a preliminary list of conditions which determine the development of the Municipality. On the one hand, it will give us a better sense of correctness in formulating and modifying the mission and strategic goals for the development of the housing sector, as well as in offering detailed suggestions concerning further stages of the work on housing strategy (including the development of specific scenarios for the local housing sector, different alternatives for the implementation of the planned housing projects or restructuring of the sector). On the other hand, this will certainly facilitate the preparation of an overall development strategy for the Municipality.

### **3.2. Opportunities for the Development of Local Housing Sector**

#### **STRENGTHS (of the housing sector, in general)**

- A good average standard of units in buildings equipped with basic amenities i.e. connected to water supply, sewerage and natural gas networks; cooperative units are fully equipped with the above, while the municipal stock is below the national average.
- The standard of amenities in units in the rural part of the Municipality is slightly above the national average (a large number of houses hooked-up to the water supply system and with bathrooms); untypical units in private houses do not divert from standard fittings and systems of municipal and enterprise houses in the rural areas, as it happens in other parts of the country.
- large average unit size in the rural area.
- the level of satisfaction of housing needs and the one-household-per-one-unit rate are usually higher than the national average level, both in Ziębice and in the rural areas. This, however, does not result from an intensive construction of new housing but from demographic stagnation.
- High professional qualifications of the Board of the Town and the Municipality, and of local government organizations responsible for housing.
- A reserve of attractively located land (partly serviced) for single-family and multi-family construction.
- high historic value of the beautiful urban complex of the Ziębice Old Town.

#### **WEAKNESSES (of the housing sector, in general)**

- Very few new housing projects conducted throughout the entire post-war period (resulting from poor development of the town and the municipality).
- A clearly negative age structure of the housing stock in the town, where almost 3 times more units are located in old, pre-war buildings, than the national average, while the rate in the rural areas is even higher.
- Inappropriate ownership structure in the housing stock, with far too many municipal units, and too few cooperative and private ones, especially too few single-family houses in the town and too many enterprise and municipal units in the rural areas.
- Very few privatized units from municipal and enterprise housing stock.
- Far too many units in very neglected and degraded buildings of all types of ownership.
- Difficult economic condition of the local community is not conducive to setting rents sufficiently high to cover maintenance costs, nor does it help to stimulate the development of the housing sector.

#### **OPPORTUNITIES**

- In our opinion, the greatest opportunity for the development of the housing sector in Ziębice is the existence of a group of people in the municipality, who are aware of the existing threats. They understand that immediate steps are needed in order to accumulate resources for new housing projects, repairs and upgrading of the existing stock, and for the revitalization of the very attractive Old Town District. Its potential value can

stimulate the development of local groups supporting the town's reconstruction and development projects.

- Visible improvement of the economic condition of Poland over the last few years, which makes it possible to assume that the same process, even though slightly delayed, will also occur in Ziębice. The initiation of the stock reconstruction, upgrading and revitalization program may become the fly-wheel of the local development while the involvement in the reconstruction of the flooded areas should offer additional business and job opportunities, and bolster local development.
- Rational privatization process of part of the municipal and enterprise stock (especially in smaller buildings) can help improve the condition of the stock over a longer period of time.
- The latest amendment to the regulations on the contractual savings system provides opportunity for involving some poorer owners in repairs and upgrading of their buildings (this also concerns owners of privatized units in communal and enterprise-owned housing stock). Owners of privatized units can deduct up to 30% of their taxable income (formerly only 19%) if they deposit the money in the special accounts at contractual savings and lending banks. However, the effects will be visible no sooner than in 3-4 years.
- It is also possible to obtain relatively high, low-interest loans for repairs and the upgrading of old buildings (especially the municipal ones) from the NHF - however, this would require that a Social Housing Association (a TBS) be established in Ziębice (or the present ZUK be transformed into a TBS).

## **THREATS**

- The lack of awareness, not only among residents of the Municipality but also among some of the local authorities, that the condition of the local housing sector is extremely poor, as rent delinquencies in all types of stock (with the exception of cooperative housing) have already reached an amount several-fold higher than the financial capacity of the Municipality and its residents.
- The slow pace of reforms concerning ways of financing of new private housing projects in the last few years coupled with dramatic cuts in the housing-related tax relief and the strained local budget may hamper the process of normalization in the housing sector ,
- Low private financial involvement in the creation of housing in Ziębice, reflected also in the small number of privatized units and limited scale of new housing projects during the post-war period. This situation seems to result from a false conviction of the local community that everyone is simply entitled to housing, and that it is mainly the state and the municipality that have to satisfy those needs,
- An extensive sale of municipal property could be a potential threat to the very functioning of the housing sector in Ziębice as the sale of a larger number of units is feasible only if preceded by a dramatic decrease of their prices. This, however, could deregulate the local housing market, as people with very modest incomes would become the unit owners, but frequently they would be unable to afford to cover their share in the cost of the repairs of the buildings where their units are located.
- If local authorities fail to initiate an extensive revitalization process of the Ziębice Old Town soon, the degradation of the district will continue and it will be ever more difficult

to find partners among individuals, enterprises and other institutions willing to take part in this undertaking. Consequently, the town will lose or at least significantly lower the value of one of the most valuable assets which could contribute to its development.

### **3.3. Opportunities for the Development of Municipal Housing**

#### **STRENGTHS (of the municipal housing sector)**

- An established, strong position of the municipal housing in the overall local housing stock, especially in the urban part of the Municipality.
- A strong position of ZUK on the local market.
- No private tenement houses in the managed stock; private tenement houses are usually most neglected and their ownership status is unclear.
- Large size of the stock as compared to towns of similar size.
- Large average usable area of units (over 50 sq. m.).
- Attractive location of commercial units and reasonable rent levels which results in significant rental revenues, despite relatively small share of these units in the entire stock.
- Low cost of maintenance of the municipal housing stock and, by Polish standards, their impressive structure (55% - the operating cost while the cost of the technical maintenance -- even up to 45% ). However, in face of existing needs, the amounts allocated for technical maintenance should be even higher.
- Low operating cost (60% of the national average) and its exceptionally positive structure, i.e. clearly the lowest costs of those items which are directly supervised by the manager,
- Within the operating cost, an exceptionally low cost of maintaining cleanliness (which results from the fact that some of the buildings are not cleaned by ZUK) and low administrative and overhead costs.
- Very good - as compared to the average - proportion of the cost of technical maintenance of the stock (1/3rd of what is allocated for capital repairs), although this proportion in Ziębice should be even higher.
- An intensive use of workforce in public works program; improvement of rent collection through a program carried out by contracted staff.
- Very high professional skills of the management, and experienced staff.

#### **WEAKNESSES (of the municipal housing sector)**

- Very old and degraded stock, an exceptionally high share of buildings of category II,
- A low level of municipal systems and equipment in the municipal units (i.e. water-closets, bathrooms, central heating and a total lack of centrally supplied hot water): lower than the national and local averages.
- A relatively small proportion of commercial units in the total area of the stock.
- Relatively few privatized units (9%), but a large number of joint-ownership buildings due to the so called "dispersed" privatization; a large proportion of poorer owners of privatized units.
- Low standard of services, resulting not so much from the lack of supervision or poor quality of services rendered by contractors, but from the fact that too little money is allocated for this purpose.

- Insufficient level of rents for dwelling units or of down payments for privatized units which causes that revenues generated by dwelling units are too small; however, there is some gradual improvement as rent increases regularly exceed inflation.
- Very high cost of central heating, generated by obsolete, individual local boiler-houses reporting operating deficit, as heat producers are obliged to charge "official" prices for their services irrespective of their own costs of providing the service.

## **OPPORTUNITIES**

- Continued economic growth in Poland, combined with the decreasing inflation and unemployment.
- A 3-year government program under which significant amounts of money will be spent for public and emergency works in areas affected by high unemployment.
- An extended application of the law on unit rental and housing allowances to cover a larger group of people with this form of assistance and thus to improve the efficiency of rent collection.
- Availability, since September 18, 1997, of inexpensive funding from the NHF for the repair and upgrading of the municipal stock (this requires the establishment of a TBS).
- The establishment of a TBS or the implementation of a municipal replacement housing project offers an opportunity for relocating some of the tenants from ground-floor units in buildings located in attractive shopping areas and to convert those units into commercial ones.
- A potential creative use of cheap labor and the natural need to catch up with other, stronger urban or municipal centers.
- Room for significant and economically indispensable increases of rents and fees for municipal units.
- Modification of the existing rental system coupled with protective measures for some tenants can help improve the efficiency of the stock management while making it rely more on own (internal) sources of funding, and to a lesser extent on municipal subsidies, - the use of modern heating technologies that could considerably lower the cost of heat generation.
- Exceptionally efficient management of the housing stock by the Ziębice ZUK, however, theoretically there is still room for improvement through the development and application of efficiency indicators and a system of monitoring the enterprise's performance.

## **THREATS**

- Obstacles to economic development resulting from the peripheral location of Ziębice (although its close proximity to the state border and large, quickly developing urban centers is an offsetting factor).
- Unstable central government policy as regards municipal housing.
- Lengthy, slow pace of local development if continued in the future may cause the collapse of moral values and attitudes and lead to the increase of social ills.
- Resignation from efforts aimed at the improvement of the management efficiency and at the introduction of a more flexible rental system can lead to the collapse of the housing sector in Ziębice (without a very efficient system of self-financing of the municipal

housing stock management, capable to generate large internal resources for urgent repairs, it will be impossible to carry out the renovation and revitalization programs in Ziębice while relying on external funding only).

#### **4. Development of the Housing Sector in Ziębice through 2015: Mission and Strategic Goals**

##### **4.1. Methodology**

The fourth stage of work on housing strategy consisted of defining the mission and the strategic goals for the development of the local housing sector. The following elements made the basis for this draft version (to be corrected and amended) of the mission and strategic goals:

- (a) Diagnosis of the status quo, namely:
  - an evaluation of earlier reports and fragmentary analyses prepared by external experts and representatives of the municipality, and covering selected areas of operation of the Municipality of Ziębice (made jointly by the task force in charge of the housing strategy and development, appointed by the Mayor, Mr. R. Nowak and the PADCO consultants),
  - analyses concerning the housing sector and prepared by the PADCO consultants,
  - general assessment of trends of the transformation process and its dynamics in those areas of social and economic life, which were not subject to detailed analyses (made jointly by the Ziębice task force and the PADCO experts).
- (b) Evaluation of general conditions determining the development of the local housing sector. treated very broadly, as an analysis of the municipality's potential for development, indicating the following:
  - key opportunities for and threats to the development inherent in the external environment,
  - internal factors, i.e. the municipality's strengths and weaknesses, both in general and in relation to individual areas of its social and economic life (from the perspective of housing these are however - in most cases - external conditions, which can hamper or stimulate local growth, i.e. to hamper or to stimulate the development of the housing sector as well).
- (c) Analysis of the potential for the development of the local housing sector, based on data collected for external factors determining the development of this sector (resulting from the general conditions that govern local development) and its internal strengths and weaknesses. The analysis presents both opportunities and problems which need to be solved in order to ensure sustainable and lasting development of the Municipality of Ziębice (including its housing sector ) in the next 20 years.

While formulating the mission and the strategic goals for the development of the local housing sector in the Municipality of Ziębice, we tried to take into account mainly those issues which, if

not successfully resolved, can become a crucial barrier to the development of housing (and the municipality in general), or can even entirely halt this process. Restricting the list of goals to only these items would mean minimalistic approach and therefore our catalogue includes also higher needs. Hence the proposed mission and strategic goals for the development of the local housing sector were developed in such a way as to meet the following tasks:

- to eliminate present backlogs, restrictions and developmental barriers that hinder the development of the local housing sector;
- to preserve the existing housing stock (and especially their most valuable elements, such as the Old Town),
- to create conditions to satisfy various housing needs and improve population's living conditions in the broad sense.

All this is done in order to prevent the present haphazard and short-sighted decisions from hampering, or entirely halting the future development of the municipality (including the housing sector which is a function of this development). The development strategy is a modern tool which can be successfully used in the managerial process. It must be pro-active and oriented at creating the municipality's future, rather than solving current problems. A short-term approach to strategy development and municipal management may be more convenient to local authorities in the short run, as it involves smaller risk of errors. However it would break down in the long run, especially in the case of a municipality with degraded housing stock, such as Ziębice.

The process perceived in this way, although targeted exclusively at housing, should begin with determining a likely profile of future general economic development for the community. Only then it is possible to choose between conflicting objectives while maintaining the balance between goals and resources for their implementation on the one hand, and opportunities and threats to the development process, on the other.

While formulating the mission, strategic goals for the development of the local housing sector in the Municipality of Ziębice and specific tasks for their implementation, the consultants assumed that the following objectives will have to be met:

- to preserve the existing housing stock (and the natural, historic and cultural values, etc.);
- to constantly improve housing conditions in the municipality (as a key factor for general improvement of residents' standard of living);
- to transfer, slowly but gradually ever greater responsibility for satisfaction of housing needs from public entities, like the state and the municipality to residents;
- to reduce the disparity of housing conditions by providing some assistance to economically weaker groups;
- to rationalize the use of the existing and potential housing stock (both managed and

owned by the municipality);

- to improve the efficiency and effectiveness of the municipal stock management and to undertake similar actions towards other managers and owners of buildings and units;
- to create a favorable climate for investment by increasing the value of selected locations designated for development, and promoting local investment opportunities;
- to optimize the use of limited financial resources that can be allocated to the housing sector;
- to attract funding from residents, banks, enterprises and institutions for housing projects, and especially for the accomplishment of capital projects provided for in the strategy;
- to stimulate the development of the municipality (especially its economy);
- to raise the status and importance of the municipality in its immediate environment, in the region and throughout the country.

The development of the municipality as a self-governing organization responsible for diverse public functions must be planned and executed in a professional way. The success of municipal development and a proper satisfaction of its residents' needs strongly depend on an efficient management, perceived as a specific knowledge and skills in using, processing and developing available human, financial, economic, spatial and natural resources. However, such a use of resources aimed at achieving the intended results, within the framework of the existing legal and systems restrictions, requires strategic planning, which allows the satisfaction of current needs of the municipality and its residents together with a long-term concept of development.

Moreover, no one can relieve local government from its responsibility for proper decisions, related both to the current functioning of the municipality and its future development. As a result of the transformation processes, under way since 1990, municipalities have become the fundamental organizational form of the local social and economic life. According to the provisions of the law, they enjoy a specified scope of empowerment and are able to decide about their own development, including management of public assets, and to choose the means of satisfying the needs of their local communities. One can say that along with the departure from central planning, municipalities were actually forced to become more independent and responsible for their day-to-day operation and development. As the foundations of the former, inefficient central planning system ceased to exist, municipalities had to assume the responsibility for strategic planning.

Planning of long-term development, including the housing sector, and day-to-day management of a municipality involves various decisions and requires a comprehensive approach. This is reflected in the fact that decisions concerning daily operations of the municipality must ensue from strategic and medium-term arrangements while these cannot be regarded as a simple function of current decisions.

Such an approach to planning and management involves a clear definition of the mission and strategic goals for the development of housing in the Municipality of Ziębice to the year 2015. The goals can be divided into three groups:

- (a) strategic goals stated as long-term objectives for the development of the housing sector (depending on the capacities of the municipality in terms of its social and economic development, of its immediate environment, and Poland as a whole) and at the ways of accomplishing them;
- (b) medium-term goals (for the period of 4-5 years), oriented at accomplishing the adopted strategic goals, which can be fairly specifically defined and accomplished during more or less one term of the local government,
- (c) operating goals (typically annual goals), aimed at accomplishing specific tasks (projects) stemming from strategic and medium-term decisions.

#### **4.2. Mission and Strategic Goals for the Development of the Housing Sector in Ziębice through 2015**

The mission of the housing sector development program must be always linked to the overall mission of the municipality. Therefore, when we started our work on the definition of the strategy for the housing sector, we faced a major problem - the Municipality had no mission statement. Out of necessity we had to suggest our own, draft version of the mission statements for the Municipality and only then to derive from it the mission statement for the housing development program. The mission statement for the Municipality is just a draft and requires an in-depth discussion in the local government forum.

The preliminary version of the mission statement for local development expresses, in a concise form, a declaration of the local authorities concerning directions of future development of the municipality. It presents a very general outline of the future image of Ziębice and the surrounding rural area, and quotes values and opinions that underlie specific actions. A Mission Statement for local development should clearly specify what needs to be achieved and how long can it take. Such plans should not be based only on wonderful visions and wishful thinking but on a realistic assessment of the available resources, the potential for development, and on the conditions and opportunities inherent in the environment.

Generally speaking, we have already our own firm opinion about the municipality's potential for development but we do not want to express our views about local preferences concerning development. For this reason, our draft version of the mission statement for the Ziębice development program is of a very general nature.

**DRAFT  
MISSION STATEMENT  
MUNICIPALITY OF ZIEBICE**

TO CONDUCT A PROCESS OF COMPREHENSIVE, SUSTAINABLE AND LASTING DEVELOPMENT OF ZIEBICE AND ITS SURROUNDING RURAL AREA AT A PACE NO SLOWER THAN THE AGGREGATE PACE OF DEVELOPMENT IN ALL THE NEIGHBORING MUNICIPALITIES.

TO USE ALL THE AVAILABLE RESOURCES AND POTENTIAL TO FURTHER THE GROWTH OF MUNICIPAL WEALTH AND TO IMPROVE LIVING CONDITIONS, SECURITY AND PROSPERITY FOR RESIDENTS, CREATING CONDITIONS CONDUCIVE TO THE DEVELOPMENT OF ENTREPRENEURSHIP, A MODERN AND DIVERSIFIED LOCAL ECONOMY AND SERVICES.

TO PROTECT AND INCREASE MUNICIPAL ASSETS INCLUDING HISTORIC, CULTURAL AND ENVIRONMENTAL RESOURCES.

TO DEVELOP AND IMPROVE THE OPERATION OF THE HOUSING SECTOR AND TECHNICAL INFRASTRUCTURE AND TO HELP TRANSFORM THE TOWN OF ZIEBICE AND THE RURAL PART OF THE MUNICIPALITY INTO AN ATTRACTIVE AREA PREPARED TO FACE THE CHALLENGES OF THE 21ST CENTURY.

Based on this we formulated a mission statement for the housing sector development program in the Municipality of Ziębice to the year 2015:

**DRAFT  
MISSION STATEMENT  
FOR THE HOUSING SECTOR OF ZIEBICE**

TO ACHIEVE COMPREHENSIVE, SUSTAINABLE AND LASTING DEVELOPMENT OF HOUSING SECTOR IN ZIĘBICE AND THE SURROUNDING RURAL AREA, AT A MUCH FASTER PACE THAN DURING THE ENTIRE POST-WAR PERIOD, USING SIGNIFICANTLY MORE RESOURCES THAN PREVIOUSLY, ACQUIRED FROM ALL POSSIBLE SOURCES, NAMELY THE BUDGET OF THE STATE, THE MUNICIPALITY, THE INTERESTED ENTERPRISES AND INSTITUTIONS, AND CITIZENS.

TO HALT DANGEROUS DETERIORATION OF THE EXISTING HOUSING STOCK, IMPROVING ITS STANDARD, REVITALIZING THE OLD TOWN OF ZIĘBICE IN A COMPREHENSIVE MANNER, CREATING CONDITIONS TO ACCELERATE THE DEVELOPMENT OF HOUSING.

TO FOCUS RESOURCES ON REPAIRS AND UPGRADING OF THE STOCK THROUGH DIFFERENTIATED SYSTEM OF INCENTIVES AND SUPPORT FOR THESE PROCESSES, AND CARRIED OUT ACCORDING TO THE PRINCIPLE THAT THE MUNICIPALITY WILL PROVIDE GREATER ASSISTANCE TO WEAKER GROUPS OF RESIDENTS.

TO HELP ESTABLISH AND STIMULATE INSTITUTIONS, MECHANISMS AND TOOLS DESIGNED TO IMPROVE THE FUNCTIONING OF THE HOUSING SECTOR AND TO INTENSIFY ITS DEVELOPMENT AND RELATED INFRASTRUCTURE IN LINE WITH THE STANDARDS OF THE UPCOMING 21ST CENTURY.

Strategic goals and objectives ensuing from the mission statement of the housing sector development program are in fact more practical elements of the strategy. Goals and objectives complement each other and should be pursued concurrently. In this paper they are treated as equally important, hence their order of priority, even though carefully thought out, is not very significant and serves purely organizational purpose. Their arrangement into priorities should be subject of an in-depth discussion in the local government forum.

<b>STRATEGIC GOALS FOR THE DEVELOPMENT OF THE HOUSING SECTOR IN ZIĘBICE THROUGH 2015</b>	
Goals (long-term)	Objectives (medium-term)
1. To improve the standard of the stock and revitalize the Old Town of Ziębice	1.1. To halt the degradation of the stock and improve its standard (outside the Old Town Area)
	1.2. To revitalize the Old Town of Ziębice in a comprehensive manner (as an element of improving housing conditions, but also preserving historic and cultural heritage, and raising the Town's attractiveness and status)
2. To increase the number of new buildings/units; to create conditions for the development of housing	2.1. To stimulate the development of housing for the most affluent groups of population (without any significant municipal financing)
	2.2. To stimulate the development of housing for households with high and moderately high incomes (with differentiated municipal assistance aimed at broadening the group of residents who could afford relatively good housing)
	2.3. To provide housing to poorer groups of population (which requires major assistance of the municipality or the provision of housing practically for free.)
3. To establish and stimulate institutions, mechanisms and tools to serve the development of the housing sector	3.1. To establish a TBS in the Municipality of Ziębice
	3.2. To improve the efficiency of ZUK's operation
	3.3. Land servicing, support for AWIM, housing cooperatives and other investors who can contribute to the development of the housing sector

#### 4.2 Implementation Tasks

A set of necessary implementation tasks was assigned to each medium-term objective presented under 4.3.. Each of the defined tasks includes a set of problems pertaining to the local housing sector which have to be solved by 2015, although this set should not be regarded as the final one considering the length of the period covered by the housing development strategy.

The implementation tasks are presented in the tables below, in the following arrangement:

- the title (name) of the task,
- justification of the task,
- importance of the task,
- urgency of the tasks completion.

Each table includes the name of the goal, the number and name of a specific objective it refers to and a list of implementation tasks necessary to achieve the objective. Obviously, the content of the tables is no more than a suggestion for discussion and possible modifications and amendments. We did not fill in the last two columns, as the level of importance and urgency of each particular task should be determined by the Councillors, Board Members, the Task Force in Charge of the Housing Development Strategy and Town Hall officers appointed by the Board (the scores within the range of: 1 - the least important or least urgent task, to 10 - the most important or most urgent task to be accomplished). The scoring will be helpful in our further work on the development strategy for the housing sector in the Municipality of Ziębice, and in particular in:

- determining a list of priorities as regards specific objectives and implementation tasks,
- defining housing development scenarios (as compared to economic development scenarios and alternative strategies for the development of the municipality till the year 2015),
- developing a medium-term program of the development of the housing sector in the Municipality of Ziębice for the years 1998-2002.

Table 1.1

Strategic Goal: To improve the standard of the stock and to revitalize the Old Town in Ziębice

Specific Objective: To halt the degradation of the stock and to improve its standard (outside Ziębice Old Town Area)

No.	Implementation tasks	Justification of the task	Level of importance.	Level of urgency
1.	Develop a program to help initiate and support new forms of public-private partnership with a view to accomplishing specific capital projects aimed at rehabilitation of selected housing complexes (or groups of buildings)	In Ziębice and in the neighboring villages there are many pre-war buildings of low value, which should be covered by the rehabilitation program, although for other reasons and to a different extent than it is the case in the Old Town. This would be aimed mainly at improving the functionality, safety, the technical condition and equipment in buildings (the problem concerns the municipal, enterprise and private stock).		
2.	Develop and implement a program to build missing infrastructure	In the Municipality of Ziębice, units are relatively well equipped, especially with the so called basic appliances; however, in some districts of the town and in the neighboring villages there are still areas where such basic services are missing.		
3.	Develop and implement a program to improve the efficiency of repair-and- modernization work carried out by ZUK	Compared to the national average, the local ZUK has slightly larger resources for technical maintenance of the stock, but these outlays are still clearly insufficient to meet the needs. Funds allocated for capital repairs and upgrading should be constantly increased.		
4.	The development and implementation of the principles guiding the establishment and operation of a renovation guarantee fund for homeowners' associations (in the municipal stock)	Since 1995, owners of the purchased units must participate in the cost of maintaining their buildings (including the repairs). The repair needs are huge, and the economic capacity of the owners is limited. The renovation guarantee fund, by engaging limited budgetary resources, makes it possible to leverage 10 times higher resources from residents.		
5.	The development of the principles of assistance and stimulation of the repair and modernization work in the private sector	These needs exist also in the private sector. The municipality can stimulate this effort, using for example the renovation guarantee fund, or a municipal revolving fund.		

Table 1.2

Strategic Goal: To improve the standard of the stock and to revitalize the Old Town in Ziębice,

Specific Objective: To revitalize the Old Town in Ziębice in a comprehensive manner (as a step towards improving housing conditions, and preserving the historic and cultural heritage with a view to raising the status of the town and its attractiveness)

No.	Implementation tasks	Justification of the task	Level of importance	Level of urgency
1.	To establish an agency or foundation to steer the process of the revitalization of the Old Town, and to establish an operator's bureau (or a company), the task of which will be to carry out the revitalization process and to manage the stock.	The revitalization is a costly process, difficult from the technical and social perspective. This is why it has to be carried out by an active unit, but controlled by the municipality (theoretically, this can be a foundation, a company or the operator's bureau).		
2.	To develop a program aimed at involving residents (and their resources) in the revitalization process - a model of a public-private partnership.	The revitalization program is a huge project that can be implemented only through a combined organizational and financial effort involving the Municipal Office, enterprises, institutions, and residents.		
3.	To create an information system about conducted activities, a social-and-educational unit and establish forms of support for this kind of work.	For many residents who live in the area covered by the revitalization effort, especially the elderly people and those who will have to leave that area following the revitalization process, this can be an extremely difficult experience. The establishment of the suggested unit and equipping it with necessary funding could facilitate the relocation process.		
4.	To prepare designs for adaptation and construction of temporary and replacement units for residents of buildings covered by the revitalization program.	Households who will not return to the Old Town, following the completion of the revitalization process, should receive replacement units (municipal, TBS, cooperative ones). For others, temporary units will be necessary.		
5.	To develop a plan for new uses of land after demolition and designs for extensions, roof-top additions, new functions and new ways of using the existing buildings, etc.	The revitalization effort will make sense, provided it will help marshal spatial arrangement of the transformed area and create potential for its economic development in the changed environment		

Table 1.2

Strategic Goal: To improve the standard of the stock and to revitalize the Old Town in Ziębice,

Specific Objective: To revitalize the Old Town in Ziębice in a comprehensive manner (as a step towards improving housing conditions, and preserving the historic and cultural heritage with a view to raising the status of the town and its attractiveness)

No.	Implementation tasks	Justification of the task	Level of importance	Level of urgency
6.	To develop a detailed program and principles of cooperation (coordination of the effort) in the area covered by the revitalization effort, and in the immediate neighborhood - to be done by a local TBS and ZUK.	The latest amendments to the regulations, concerning the possible uses of the NHF funding make the TBS exceptionally attractive for towns like Ziębice. TBSs will now have access to low-interest loans that can be used for the reconstruction and upgrading of housing stock.		
7.	To develop a detailed program and principles of coordination of activities in the area covered by the revitalization effort - to be done by civil housing partnerships and individual private developers.	Involvement of residents' resources (either in the form of private capital or through housing partnerships) in the revitalization process is an absolute necessity. These entities, however, have their clearly defined objectives which are often not fully compatible with public interest, therefore coordination of their effort is necessary, albeit difficult.		

Table 2.1

Strategic Goal: To increase the number of new residential units - to create conditions for the development of the housing sector

Specific Objective: To stimulate the development of housing for the most affluent households (basically, without significant financial participation of the municipal budget and providing for very limited, special assistance under the Old Town revitalization effort)

No.	Implementation tasks	Justification of the task	Level of importance	Level of urgency
1.	To enable the construction of individual in-fill buildings and small complexes of multi-family buildings by individuals or civil code partnerships.	In order to attract funding from this group of residents, it is necessary to allocate very attractive locations for their projects (e.g. in the Old Town), as only there such investors will be willing to build houses.		
2.	To support individuals and companies that undertake the construction of high-standard, rental units on commercial basis.	These projects may be very attractive as they offer the possibility of deducting housing expenditures from taxable income but also require good locations for their successful implementation.		
3.	Land servicing, the sale of construction plots and creating an organizational framework for investors undertaking the construction of attractive single-family or intense, low-rise multi-family housing.	The cost of land servicing and project organization will be recovered (and may even bring additional dividend), provided that the location and future users are properly selected.		
4.	To support the development of individual and cooperative housing, and projects carried out by private developers with funds of future residents.	The municipality should support all groups of investors, and not only those subordinated or linked to the local government. However, one should make efforts to lower the price of the units built by those investors (the best way is to use loans and rely on banks' supervision).		

Table 2.2

Strategic Goal: To increase the number of new residential units (to create conditions for the development of the housing sector),

Specific Objective: To stimulate the development of housing for households with high and relatively high incomes, to support initiatives to extend the group of those who can afford high-standard housing - projects requiring active assistance of the municipality)

No.	Implementation tasks	Justification of the task	Level of importance	Level of urgency
1.	Various forms of assistance including land development and assistance in the repayment of loans by households who want to build single-family houses (moderate costs, intensive development).	This is an offer for households with incomes higher than average, for whom TBS units are not sufficiently attractive. It is worthwhile to provide organizational, logistical and limited financial support to them (for example, in the form of subsidies to land development or interest payments on loans, or as grants to lower the amount of the principal of the contracted loans) in order to secure the involvement of their own funds in the construction of housing units. Good location is of key importance and families who vacate municipal units should receive preferential treatment.		
2.	Various forms of assistance including the development of additional infrastructure and assistance in the repayment of loans for private persons who build in-fill houses or small multi-family complexes of high standard.			
3.	To support the development of housing of a relatively high standard and in attractive locations (the program can be combined with the revitalization of the Old Town).	The housing offer for some households with incomes within the limits provided by the law (but showing an upward trend) who choose to live in rental units should include apartments larger than average TBS ones (50-60 sq. m. of the usable area), in very good locations. Families vacating municipal units should receive preferential treatment.		
4.	To support the development of TBS housing of a relatively lower standard (in practical terms, this involves mainly smaller area of units), in a relatively good location.	TBS buildings should always meet specific requirements concerning their standard. However, buildings with smaller units (of 35-45 sq. m. of the usable area) should be built in good but slightly worse locations than those described under point 3.		

Table 2.3

Strategic Goal: To increase the number of new residential units (to create conditions for the development of the housing sector)

Specific Objective: To provide housing for poorer groups of population in the Municipality of Ziębice (projects requiring major financial support of local government from the municipal budget or, in practical terms, allocation of free housing)

No.	Implementation tasks	Justification of the task	Level of importance	Level of urgency
1.	To conduct municipal projects (i.e. 100% of costs covered from municipal funding), preferably roof-top additions or reconstruction of attics in the existing buildings.	Projects of this kind are by 30-40% cheaper than the construction of new buildings; therefore, it is worthwhile to implement only this type of municipal projects (but to a limited extent; there are already far too many municipal units in Ziębice); it is better to spend the resources on TBS projects, and to allocate municipal units vacated by families moving into TBS units to poorer households.		
2.	To take over unfinished buildings in order to complete their construction (for example enterprise or cooperative buildings); to adapt workers' hostels, office space, etc. for residential uses.	It does not pay to start new municipal projects right now, but instead, it is better to take over projects for completion (this is usually cheaper). Units in such buildings can also serve as replacement or temporary housing.		
3.	To convert former industrial facilities, huts and other facilities of value lower than those discussed under 2 into residential units.	Lower quality facilities can be converted into social units or units for the evicted.		
4.	To develop special forms of housing or to adapt the existing buildings for special housing units (a concept involving a network of assistance centers and facilities for special-need groups).	These forms of housing are becoming increasingly needed. They provide shelter to the homeless and make it possible to reduce the number of prospective homeless. This group continues to grow as more and more people have difficulties in adapting themselves to the requirements of contemporary life and high cost to housing.		

Table 3.1				
Strategic Goal: To establish and to stimulate institutions, mechanisms and tools conducive to the development of the housing sector.				
Specific Objective: To establish a Social Housing Association (TBS) in the Municipality of Ziębice.				
No.	Implementation tasks	Justification of the task	Level of importance	Level of urgency
1.	To define the role and a program for a TBS as an organization set up to provide high standard units with moderate rents, to households with average or slightly higher incomes.	The construction of rental units under the TBS formula has become especially attractive (even more so, as the decision has been made to raise the amount of the NHF loans up to 70%, to forgive the repayment of 10% of the cost of the construction and to lower the interest rate by 1/2 of the refinancing rate). This opportunity should be promptly used as the NHF funding can run out.		
2.	To define the role and program for a TBS as an organization which can improve the efficiency of housing stock management in the municipal and enterprise sector (also as regards privatized units.)	The TBS formula for housing projects (including construction and upgrading) is exceptionally attractive at present. However, TBS will be able to accomplish its mission well, and be a credible partner to the bank, provided that it is equipped not only with land and financial resources to be used for the construction, but also with dwelling units and commercial units that it can manage. There are two options here: a) it can receive some of the stock managed by ZUK and in this way the TBS will become a competitor of the ZUK and, possibly, other housing managers; b) ZUK will be transformed into a TBS.		
3.	To define the role of the TBS in the revitalization of Old Town and its vicinity directly covered by the program.	The decision to enable the use of the NHF funding also for the stock revitalization and upgrading program is clearly extending the TBS's scope of activity in this field; in fact, it is an exceptional opportunity to obtain funding in order to improve housing conditions in Ziębice and to save beautiful and unique buildings of the Old Town.		

Table 3.2

Strategic Goal: To establish and to stimulate institutions, mechanisms and tools conducive to the development of the housing sector.

Specific Objective: To improve the efficiency of ZUK's operation.

No.	Implementation tasks	Justification of the task	Level of importance	Level of urgency
1.	To develop and to accomplish a program aimed at improving the efficiency of ZUK's operation (especially, to modify the formal procedures and principles of performance appraisal, to determine the mission and goals of ZUK, and to develop a set of efficiency indicators and a system of monitoring its operation).	The Ziębice ZUK is an extremely efficient enterprise (by Polish standards) which does not mean that this efficiency cannot (or should not) be improved. According to our assessment, some improvement could be reached through better job descriptions for individual groups of workers; the improvement of efficiency can be achieved by closely tying salaries to work performance. A very effective tool in the process of the management of the stock is to properly define the mission, goals and the directions of the development, and based on this to define a set of indicators of efficiency, timely completion and the quality of the accomplished work. This makes it possible to quickly identify and counteract any perils to the company's operation.		
2.	To develop and to accomplish a program aimed at turning municipal housing stock management organization to a financially sustainable entity through modifying rental system, establishing the procedures to determine and collect late payments, creating a fund to stimulate the collection of rent arrears).	A properly structured rental system is the basic tool of the local housing policy. Such a system, supported by an effective rent collection and a program aimed at increasing revenue from leased commercial units can enhance the management of the stock, and at the same time reduce the demand for municipal subsidies. In order to ease the social impact of the system, it would be recommended to apply protective action, such as for example creating a fund to stimulate rent collections. Another option which is used by Ziębice ZUK of Ziębice) is to pay for liabilities or arrears with own labor.		

Table 3.2

Strategic Goal: To establish and to stimulate institutions, mechanisms and tools conducive to the development of the housing sector.

Specific Objective: To improve the efficiency of ZUK's operation.

No.	Implementation tasks	Justification of the task	Level of importance	Level of urgency
3.	To develop and implement a program aimed at converting ground-floor units in buildings located in attractive shopping areas into commercial premises also through collaboration with an agency in charge of the revitalization of the Old Town - in case the program is not carried out by ZUK.	There are many units in Ziębice which are unattractive as apartments while they could generate high revenues as commercial units. Revenues could then be used to finance the repairs or new projects in the municipal housing sector.		
4.	To develop and implement a program aimed at making roof-top additions in municipal buildings and converting attics and other facilities and premises, especially those taken over from various institutions and enterprises, for housing.	At present, when new housing built by TBS is clearly more attractive, typical municipal housing projects should be limited to the minimum. On the other hand, the best possible use should be made of cheaper projects i.e. conversion of industrial space or roof-top additions for residential uses (even more so, as this can contribute to the improvement of the urban tissue of Ziębice, Henryków and other localities).		
5.	To develop and gradually implement a long-term program of repairs and upgrading of the municipal stock (including the principles of cooperation with owners of privatized units).	The entire municipal stock (not only buildings in the Old Town) is subject to degradation. Vast resources will be needed for repairs and upgrading. One has to look for money also in the wallets of residents, especially the owners of privatized units. Establishing a repair fund to stimulate repairs projects by owners of privatized units bought from the Municipality can prove very helpful in providing funds for this purpose.		

Table 3.3

Strategic Goal: To establish and to stimulate institutions, mechanisms and tools conducive to the development of the housing sector.

Specific Objective: To service land, to support the AWIM, a housing cooperative and other investors who can enhance the development of the housing sector.

No.	Implementation tasks	Justification of the task	Level of importance	Level of urgency
1.	To establish a task force, composed of councillors and Town Hall officers responsible for encouraging and offering support to AWIM, housing cooperatives and other developers, who can contribute to the development of new housing projects, repairs and upgrading of the existing stock.	The task force led, by the Mayor or his Deputy, should first of all identify the existing needs and the potential in this field, and to develop tools to support this group of investors. These activities should, on the one hand, speed up the development of the local housing sector and to intensify the repair and upgrading effort conducted by homeowners, while on the other hand, reinforce the repair and construction sector in the municipality. The sector faces good prospects for development, as there is great demand for such services in the neighboring areas destroyed by flood last July.		
2.	To establish a task force responsible for the land development project whose responsibility would be to supervise, monitor and control the efficiency of the purchase of land in the Municipality of Ziębice, its servicing and resale, or, possibly, its transfer to developers free of charge.	Its task would be first of all to stimulate and structure the local real estate market, to provide access to land for housing projects to groups of people with high and average incomes, but also to facilitate acquisition of specified categories of land (small, very cheap or free of charge lots, in slightly less attractive locations) by population with low incomes, who want to build simple and cheap housing on their own.		