**Rehabilitation Program for People in Prostitution**

**includes a Solution to Housing**

**Impact Overview:** There is currently no rehabilitation program for people in prostitution that includes a housing solution. We are working with others to establish a solution that rests on two critical pillars; holistic personalized approach to rehabilitation together with the provision of single inhabitant housing. The חל"צ would be established as a pilot to provide the housing component of the rehabilitation. In order to provide housing, the model needs capital from the private sector. Our goal is to establish a חל"ץ that can raise private funding in order to acquire apartments and provide rental of the units to people in prostitution at an affordable rate. This will enable the model to be scaled on a national level if successful to be able to provide housing to homeless, women in danger and so on.

**Key Model Factors:**

1. The חל"ץ will raise loans from philanthropic investors returned as a bullet at the end of 10 years with fixed interest of 1-4%.
2. The חל"ץ will acquire the apartments
3. In order to succeed the program must provide housing (via the חל"ץ ) side-by-side with a full rehabilitation social service (via the Ministry of Welfare together with the Schusterman Foundation). The model can only succeed with both of these elements.
4. The sole purpose of this חל"ץ is to ensure there is the supply of appropriate affordable housing.
5. The חל"ץ will rent the apartments for up to 10 years at a fixed rent to people in prostitution. The rent payment will be paid either by the end participant or via NGO’s serving the beneficiary or the municipality.
6. The חל"ץ will receive income from the participants, grants from the municipality, subsidies and assistance from the government (Ministry of welfare and Ministry of Housing)
7. The חל"ץ will not distribute profits, it will repay the loan at the end of a 10-year period and interest that is fixed up front.
8. The interest to the philanthropic investor will be a combination of fixed annual interest and deferred interest for a period of 10 years.
9. The חל"ץ will outsource the sourcing, acquisition and management of the apartments to a private professional real estate company.

**Request to Kesselman to Clarify status of the חל"ץ with regards to:**

* הסיכוי לקבל מעמד לפי סעיף 61 לחוק מיסוי מקרקעין לצורך מס רכישה ומס שבח
* אם אפשר לקבל פטור ממע"מ – ברכישה וגם בשכר דירה

**Overall Goal:** To create a pilot of a model that can show the state and the private market that we can solve the problem of lack of social housing in this way and therefore to enable raising additional capital for this purpose in the future.