Providing Affordable and Adequate Housing Options for the Poor

Housing Policy Matters!

Claudio Acioly Jr.
claudio.acioly@un.org

UN-HABITAT
FOR A BETTER URBAN FUTURE

United Nations Human Settlements Programme
Programme des Nations Unies pour les établissements humains - Programa de las Naciones Unidas para los Asentamientos Humanos
Agenda 2030 Explained

• [https://www.youtube.com/watch?v=pgNLonYOc9s](https://www.youtube.com/watch?v=pgNLonYOc9s)
The Agenda 2030: A global commitment expressed in the Sustainable Development Goals – SDG’s
Connecting the New Urban Agenda and the SDGs: (re)thinking UN-Habitat’s role
People
- End poverty and hunger in all forms and ensure dignity and equality

Planet
- Protect our planet’s natural resources and climate for future generations

Prosperity
- Ensure prosperous and fulfilling lives in harmony with nature

Peace
- Foster peaceful, just and inclusive societies

Partnership
- Implement the agenda through a solid global partnership

Sustainable Development
Goal 11

Make cities and human settlements inclusive, safe, resilient and sustainable

- The 2030 Agenda gives prominent role to urbanization and cities with the inclusion of a stand-alone goal for cities and human settlements: Goal 11

- It recognizes that cities connects other goals together

- It strengthens the formulation of integrated policies that enhance the transformative power of urbanization
Goal 11

Make cities and human settlements inclusive, safe, resilient and sustainable

10 Targets

11.1 Housing and Slums
11.2 Sustainable Transport
11.3 Participatory Planning
11.4 Cultural Heritage
11.5 Disaster Reduction
11.6 Air Quality and Waste Management
11.7 Public spaces
11.a Rural-urban and regional planning
11.b Mitigation of Climate Change, Resilience
11.c LDCs support – buildings
### Goal 11 - Indicators

**Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable**

<table>
<thead>
<tr>
<th>Targets</th>
<th>Indicator</th>
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</thead>
<tbody>
<tr>
<td><strong>11.1</strong></td>
<td>By 2030, ensure access for all to adequate, safe and affordable <strong>housing</strong> and basic services and upgrade <strong>slums</strong></td>
</tr>
<tr>
<td><strong>11.2</strong></td>
<td>By 2030, provide access to safe, affordable, accessible and sustainable <strong>transport systems</strong> for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.</td>
</tr>
</tbody>
</table>
| **11.3**         | By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable **human settlement planning** and management in all countries. | Ratio of **land consumption** rate to population growth rate  
Percentage of cities with a direct **participation structure of civil society** in urban planning and management which operate regularly and democratically |
**Localizing the SDG 11**

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<th>TARGETS SDG11</th>
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Synchronizing the SDG11 Targets at the city policy and city development strategies.
Interconnected Goals and Targets

- Urban Dimensions of the SDG’s
- Other Agendas
- NUA
- SDG11
- Other Agendas
SDG 11

Fuente: World Resources Institute, Kitty van der Heijden
Figure 3: Global Interaction Assessment Between all SDG Goals and Targets (count)

5. Gender Equality
8. Decent work
17. Partnerships
1. No poverty
4. Education
3. Good Health
2. Zero hunger
16. Peace
6. Clean Water
12. Responsible consumption
9. Industry Innovation
7. Clean energy
15. Life on land
13. Climate Action
14. Life on water

SDG 11 Cities

Global Interaction between SDG’s and their targets

(UNDG-MAPS, 2017)
Figure 4: Linkages between SDG 11 and SDGs in Kazakhstan

Adapted from: (ICSU-ISSC, 2015), (UNDP, 2018)
7a. Localizing the New Urban Agenda – NUA

Habitat III, Quito, October 2016.
Localizing the New Urban Agenda

**AFINUA:** Action Framework for the Implementation of the New Urban Agenda

1) National urban policies
2) Urban legal frameworks
3) Integrated urban and territorial planning and design
4) Financing urbanization
5) Local implementation
6) Provision of basic services
7) Supply of land for housing and city expansion
8) Supply of adequate and affordable housing
9) Urban mobility and transportation
10) Solid waste management

Synchronizing the NUA Commitments and Priorities with the city policy and city development strategies.
7b.
The nexus SDG11 – NUA at the city level.

Synchronizing policies, strategies and demand-driven actions that help cities to embark into a sustainable and planned urbanization path.
Elements of NUA

Formulation and Implementation of City Development Strategies
SDG11.1

By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
Agenda 2030
SDG11.1
By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

NUA
New Urban Agenda

Strategic Objective
Urban Policy
Executing Tool

Housing
Claudio Acioly Jr

22/11/2018
New Urban Agenda

- https://www.youtube.com/watch?v=pgNLonYOc9s
The Housing at the Centre:

Repositioning housing within urban policies and connecting it to urban planning, land markets and land allocation, investments, mobility and public transport and the regulatory frameworks.
1. Housing Policies that support the full and progressive realization of the right to adequate housing # 31
2. Housing Policies that supply adequate housing well located and connected to the urban core # 32
3. Diversity of housing options # 33
4. Security of tenure for all # 34
5. Financing housing and supporting the social production of housing, # 46
6. Systems to register and secure land property # 104;
7. Progressive realization of the right to adequate housing thru participatory, coherent housing and land policies # 105
8. Housing Policies that are based on social inclusion, economic efficiency and environmental protection # 106
9. Policies to widen access to diversified housing options # 107
10. Integrated Housing Policies linked to other sectors to eliminate housing scarcity # 108
11. Slum Upgrading policies and Neighborhood Improvement Policies to prevent the multiplication of slums # 109
12. Norms and regulations to foment supply and demand # 111
13. Housing Programmes delivering housing well-located and accessible to low income people

HOUSING is an instrument for the realization of the SDG as well as the NUA
SDG11.1
By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

Housing at the Center of the NUA

- Programs, Policies, Projects fomenting the production of new housing in scale and diversity of solutions
- Financing investments in basic infrastructure, supply of serviced land and various forms of subsidy to the demand side of the market
- Citywide and Nationwide Programs of Slum Upgrading and Regularization of Informal Settlements

Scale  Diversity  Nacional/local  Capacity

Health, Social Development, Access to Basic Services, Welbeing
<table>
<thead>
<tr>
<th>THEME</th>
<th>NUA Paragrfs</th>
<th>PROPOSITIONS OF THE NUA</th>
<th>TARGETS OF THE SDG</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOUSING</td>
<td>31, 32, 33, 46, 77, 97, 104, 105, 106, 107, 108, 109, 111,</td>
<td>Adopt housing policies that supports the full and progressive realization of the right adequate housing, offering multiple housing options and solutions at scale that are well connected to the city systems, provided with infrastructure and well located vis-à-vis urban services and jobs, generating social-mix, spatial and social inclusion, and preventing the multiplication of slums while reducing at the same time the number of people living in precarious conditions. Promote the design and implementation of national and local programs to upgrade, rehabilitate, and regularize informal settlements and slums that are fit for urbanization.</td>
<td>ODS 11.1: By 2030, ensure access for all to adequate, safe &amp; affordable housing and basic services and upgrade slums</td>
</tr>
</tbody>
</table>
Impact of housing on cities

A. How housing is designed and regulated, ultimately defines the urban form of the city

B. Housing regulations greatly influence the spatial patterns, quality of and types of housing permitted in a city

C. The competitiveness of the city is affected by housing affordability

D. Access to housing finance determines the type and quality of housing people can afford, and where housing is ultimately located
Investments in Housing have direct impact on Urban Form

On average, Housing occupies 55% of land coverage in Cities

Rapid Urbanization

Beijing

8a. Housing at the Center of the Urban Policy: Revelations from practice.
6 POINTS: what does it mean in practice ‘housing at the center’?

1. Sufficient quantity of social housing produced annually to meet the demand
2. Unlock land supply: serviced land available at scale
3. A rental housing sector that provides alternatives for those unable or unwilling to become homeowners.
4. Affordability: sufficient quantity of housing at an affordable price and financial services accessible
5. Diversified housing options in price, location, standard and size within the urban structures of cities
6. Overcrowding does not exist and informality is gradually diminishing and cities getting onto a path of planned and sustainable urbanization.
Tata Housing, Mumbai
Making ownership reachable for the poor

- Developer recognizing market potential at the bottom of the pyramid
- Radically changing business model
- Instead of buying land, partnering with landowners on a revenue share basis
- Mix with commercial real estate that is typically sold at triple the cost
Four approaches can narrow the housing-affordability gap by 20 to 50 percent.

Affordability gap = the difference between the cost of an acceptable standard housing unit (which varies by location) and what households can afford for housing using no more than 30 percent of income.¹

Conclusion 4

Land Supply at Scale

Housing at the Center

Urban Planning

Financing Infrastructure and Housing
Propositions for the New Urban Agenda:

Housing at the Centre
The 4 Critical Factors indentified at global trends:
1. Urban population growth
2. Increasing inequality
3. Low density and fragmented urban expansion
4. Informal & unplanned urbanisation

**POLICY IMPLICATIONS**

**NEW URBAN AGENDA:**
1. Prepare cities to anticipate growth with adequate planning
2. Create capacities to plan and manage urbanisation
3. Safeguard the public goods: land, space, services, infrastructure
4. Adequate legislation and regulations
5. Create sustainable housing solutions at scale
6. Planning and Management instruments to enable accessibility to serviced land and adequate housing
7. Innovative tools to support sustainable urban densities
8. Etc.
Movie

- New Urban Agenda on the White Board
HOUSING AT THE CENTRE
of the New Urban Agenda
UN-Habitat’s 3-Pronged Approach (3PA)
Fundamentals of Urbanization

Planning and Design for Housing

Housing at the Centre

Housing Finance

Regulation for Housing
The 3PA approach of UN-HABITAT
3PA – Design
3PA – Rules & regulations

FINANCIAL PLAN

RULES & REGULATIONS

DESIGN
3PA: Housing & Regulation

• Policy makers cannot ignore the different modalities of housing tenure and construction that could allow for the most poor to access adequate housing in the long-term.
• Regulating and allowing for housing cooperatives as well as co-financing the construction of housing should be regulated in a simple way, taking into account the most poor.
• People have to be protected against forced evictions and the arbitrary destruction and demolition of one’s home.
• Land tenure has to be made flexible enough to allow legal forms of customary, communal, co-owned tenure, as well as to provide the adequate space for rental and mid-term leasing modalities.
Three-Pronged Approach
3PA: Finance & Housing

- **Integrate fiscal planning and budgeting** into the housing policy and strategy process

- **Optimize** public financing and **resource allocation** to housing programmes

- Strategically **collaborate with private and civil society** actors to deliver housing goals and objectives

- Engage in the **development of innovative and inclusive housing finance mechanisms** to promote affordable housing
### Three main policy themes for improving access to home financing for buyers of affordable housing

<table>
<thead>
<tr>
<th>Themes</th>
<th>Tactics</th>
<th>Relevant for countries with Emerging primary markets</th>
<th>Relevant for countries with Strong primary markets</th>
<th>Select country examples</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reduce loan origination costs</strong></td>
<td>Improve assessment methods to qualify borrowers</td>
<td>●</td>
<td>●</td>
<td>▪ India, South Africa</td>
</tr>
<tr>
<td></td>
<td>Introduce standardized property valuation methods</td>
<td>●</td>
<td>●</td>
<td>▪ Poland, Romania, South Africa</td>
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<tr>
<td></td>
<td>Initiate mortgage-guarantee schemes</td>
<td>●</td>
<td>●</td>
<td>▪ United States, India</td>
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<tr>
<td><strong>Reduce cost of funding mortgages</strong></td>
<td>Establish liquidity facilities</td>
<td>●</td>
<td>●</td>
<td>▪ Colombia, Malaysia, Jordan</td>
</tr>
<tr>
<td></td>
<td>Expand capital market funding (with covered mortgage bonds or mortgage-backed securities)</td>
<td>●</td>
<td>●</td>
<td>▪ Denmark, Germany, Spain</td>
</tr>
<tr>
<td></td>
<td>Increase use of core deposits</td>
<td>●</td>
<td>●</td>
<td>▪ United Kingdom</td>
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<tr>
<td><strong>Leverage collective savings to reduce rates</strong></td>
<td>Launch housing provident fund</td>
<td>●</td>
<td></td>
<td>▪ Singapore, Mexico</td>
</tr>
<tr>
<td></td>
<td>Offer contractual savings schemes</td>
<td>●</td>
<td>●</td>
<td>▪ France, Germany, Kenya</td>
</tr>
</tbody>
</table>

1 In the primary mortgage market, lenders originate loans directly with borrowers.

SOURCE: McKinsey Global Institute analysis

Housing at the Center - Singapore

Urban Planning and Design

Land Supply for Urbanization

National Housing Fund CPF

Housing at the Center of Urban Policy

Source: E. Steekelenburg, 2007
Housing at the Center in Curitiba (1990’s)

Urban Planning and Design

Tool to onerous transfer of development rights

Housing at the Center of Urban Policies

Innecity Rehabilitation and Mobility Plan with Densification
Housing at the Center – São Paulo (1990)

Onerous Transfer of Development Rights

Programme for the reuse of vacant buildings in the innercity

Legal Instrument for Urban Operations and Sales of Development Rights

Housing at the center of Urban Policies
Housing at the Center – Cuba (2018)

Urban Planning and Design

Alignments of the Party and the Revolution for national development

Tools for Financing and Credit for Housing

Housing at the Center of Urban Policy
Housing at the Center – The Netherlands

- National Spatial Planning Framework
- National Housing Fund & National Guarantee Fund for Social Housing
- The 1901 Housing Act & Housing Associations

Housing at the Center of Urban Policy
THE END

Thank you.