

Chapter 2.

A Spectrum of Policies for Housing Rehab and Community Regeneration in the “Innerburbs”

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The original idea behind the creation of this research network in 2007 was to begin to think about what we called a third generation of housing policies – drawing upon the metaphor of 3G phone network development that prevailed at that time. By 2014, of course, we find ourselves in a 4G world, and extending the metaphor to periods of housing policy in Latin America one can translate this into three or four generations of housing policy (Ward, 2005; 2012). The first generation was the Alliance of Progress types of multifamily “social” housing projects and programs – often of the 1960s and 1970s, often tied to selective squatter settlement eviction and rehousing. Even when supplemented by major worker housing funds such as the BNH in Brazil and INFONAVIT in Mexico, this formal housing production had only a limited impact upon rising demand associated with rapid urbanization, and usually targeted better-off formal sector workers. Alternative, low-income, informal, self-built settlements expanded rapidly from the 1960s onwards, and while largely ignored by governments (which took a laissez-faire approach to such areas), the work of researchers and practitioners such as Charles Abrams and John Turner began to focus attention on the ways in which policy makers might intervene in order to support self-build and informal housing production (see for example Turner, 1976), although such policies were not without their critics (Burgess, 1982; Ward, 2012).

The 1976 first UNHABITAT conference in Vancouver was a turning point in persuading many countries to embrace a second generation of housing policies that supported self-help and which included activities such as title regularization and infrastructure upgrading in existing settlements, along with new “greenfield” housing sponsorship through sites-and-services and core unit developments comprising a slab floor with one room “wet core” of a toilet and wash basin. As the 1980s progressed, direct state intervention in housing promotion was rolled back, and a third generation, which while not much different in terms of housing actions, was set within the new urban management paradigms of decentralization, more effective urban governance and planning, and fiscal sustainability (Jones and Ward, 1994; Ward, 2005). Roughly

coinciding with the second UNHABITAT Conference in Istanbul, Turkey in 1996, sub-national governments increasingly began to seek out public-private partnerships that would promote more sustainable policies of community development and housing upgrading. Sometimes these were supported by multilateral organizations such as the IDB and the *Favela Bairro* Program (Brazil).

In Latin America, and elsewhere, these urban upgrading policies remain in vogue within the new context of more effective land use controls, improved municipal and state planning, and good governance. Advocates such as Hernando de Soto (2000) and others have taken up the clarion call for effective cadastres and title regularization as pre-requisites for improved housing and land market performance and asset management among the poor. However, once again in the case of de Soto's theories, such views are not without their critics (Gilbert, 2003; Ward et al. 2004).

In Latin America from around 2000, in parallel to the upgrading projects, one sees a return to state support for large-scale private formal housing production for better-off working classes and lower-middle classes, usually located in large estates in the hinterlands of major metropolitan areas. Such exurban housing expansion contrasts sharply with most European and US policies, which are seeking to engage in new "smart" growth by back-to-the-city movements that embrace densification and regeneration of their inner cities and the older (first) suburbs.

It is against this backdrop that we situate the research project outlined in the previous chapter, in which we advocate for a **fourth generation of housing policy**. While we fully understand the continuing need for housing policy to give priority to the more recently established settlements that have minimal infrastructure, we also wish to highlight the urgent housing policy needs in the older consolidated areas that now often find themselves located in the intermediate ring of the city – the first suburbs or "innerburbs" as we call them. Here we argue that the focus should be upon the now heavily dilapidated and intensively used housing stock, targeting the needs of the (now) elderly pioneer consolidators and their adult children, most of whom have grown up in these consolidated working class neighborhoods. As we amply demonstrate in the case study chapters that follow, many of these neighborhoods have outdated and crumbling infrastructure that was invariably installed more than two decades ago; population densities that are now high;

many dwellings (often around half) that comprise two or three stories, some with multiple family occupancy; and neighborhoods that display a gamut of social pathologies such as insecurity, crime, overcrowding, youth gangs, delinquency, and drug production and use.

Even though these latter social policy challenges are usually on the radar screens of municipal and city officials, their primary or exclusive concerns are with insecurity and hot-button problem zones. They are less alert (or oblivious) to many of the physical and infrastructural breakdowns and needs for rehab and in situ regeneration. In part this is because research and housing studies have largely failed to offer orientation and guidance about the social and household organization of these neighborhoods, and about the extent of housing deterioration and dwelling rehab needs that confront home owners and their families. This is where we hope that the Latin American Housing Network research findings will make an important contribution.

By drawing upon the findings of the LAHN comparative research project, as well as an international review of best practices of housing rehab and neighborhood regeneration programs, this chapter will offer an overview of the principal policy lines that will need to be developed for implementation in consolidated low-income settlements, and that we expect to form part of the third UNHABITAT conference scheduled for 2016. The chapter draws upon the final report prepared by graduate students at the University of Texas at Austin.¹ The primary purpose of the overview is to lay out some of the principal policy lines that might bear detailed consideration in each of the city studies that follow. Having a single overview chapter will allow authors to identify and prioritize those actions that are most relevant to their particular cases.

As will be observed in the case study chapters, consolidated self-help housing in the innerburbs takes many forms and differs by: location, lot size, densities, number of levels (floors), housing

¹ A Spring Semester 2011 class, offered by Dr. Ward, “Housing Practices and Housing Policies in Latin America” included: Yu Chen, Matt Clifton, Paul Kasun, Laura Muraida, Kristine Stiphany, Jorge Derpic, Lauren Oertel, Kelly Usher, Erika Grajeda, Carlos Olmedo, Shelby Tracey, Jared Berenter, Jacinto Cuvi Escobar, Noah Durst, and Robert Gerami. A final report was presented by the aforementioned students at a capstone conference workshop of the Latin American Housing Network meeting held at the University of Texas at Austin, May 5-7, 2011. Students came from various programs: Sociology, Latin American Studies, Public Affairs, Community and Regional Planning and Architecture. A PDF of the final report is available on the LAHN website www.lahn.utexas.org, Workshop & Regional Meetings - Austin 2011.

quality, opportunities for renting, actual property values and so on. These differences may be observed in the survey databases that are available on the LAHN website, or may be quickly reviewed there in an EXCEL “Master Matrix” where the reader can pan across the cities and compare the survey findings for different variables.² In particular we would highlight the differences that exist between two types of neighborhoods: the *loteos populares*, *barrios*, or *loteamientos*, that are larger in scale, with more regular layout and relatively large lot sizes of 150 square meters (or more) and the *villas* or *favelas* which tend to have small and less regular lots (50-80 square meters) that range along alleyways and narrow streets.

In the Master Matrix we separate these neighborhood forms since the challenges and opportunities for housing rehab will vary significantly between these two different types of consolidated settlement. If sites are small, and lots have irregular shapes and difficult access (see for example the *villas* of Buenos Aires), then tenure regularization and titling will be especially difficult, and recasting the physical structure of the dwelling is likely to be more difficult than in cases where lots are much larger and where there is more space and clear access from the street. However, in these latter cases, too, there are significant rehab challenges, especially for homes that are on two or more floors. If these lots are shared with separate kin related households (as they often are), a major issue is how to reconfigure the house to give private access to the upper floors or to the rear sections of the lot. In such cases, retrofitting a staircase will often change the use of the patio or entrance and, if poorly designed, create “dead” (unusable) spaces or encroach into the public space of the sidewalk (Photos 2.1-2.2). Most of these settlements developed informally and no one (neither householders nor planners) anticipated that by the 21st century many of these householders would own a private vehicle. Thus many are obliged to park on the street or on the sidewalk, while others park in what used to be a patio, or convert a front room into a garage. The point here is that the physical challenges are different both *within* and *between* settlements, and will also vary markedly with each of the different socio-economic and cultural contexts of each city.

² Available at: <http://www.lahn.utexas.org/data.html> under “Comparative City Matrix of Principal Study Variables”



Photo 2.1. (left) Subdivided house in Atenas, Bogotá. Note large white doors to downstairs and rear apartments and steps up to separate floor with “dead” space below stairs.

Photo 2.2. (right) Two adjoining lots subdivided among several family members with private access from the front patio and stairs in Atenas, Bogotá.

While the LAHN research project was primarily interested in the physical dimensions of housing rehab needs that accommodate the changing nature of household composition across the life course, we quickly came to recognize that policymaking would require holistic and creative thinking across several interrelated dimensions. In LAHN conferences, reports and publicly available materials on these interrelated policy dimensions we outline specific policy practices (best and not); provide detailed case reviews from the US, Europe and Latin America, and discuss the actors involved in implementing such changes in the innerburbs.³ Those detailed studies and references will not be discussed or systematically cited here, but we would urge the interested reader to consult the original report sources. Based upon that body of work we argue

³ Final report available on the LAHN website www.lahn.utexas.org, Workshop & Regional Meetings - Austin 2011

here that in addition to the physical dimensions of housing rehab, policymaking in the innerburbs of Latin America must also include a regulatory (juridical) dimension, a fiscal dimension and social mobilization dimension.

Specifically, the **juridical dimension** should address title regularization, home ownership transfers, housing standards, and regulations to ensure a move toward full legality for incremental, self-built, or informal housing. In order to foster home and community improvements that are sustainable, a key dimension will be to ensure that **fiscal and financing** supports are put in place in order to facilitate public and private investment that will help to fund a new round of self-building, engaging both the existing expertise of many consolidator families themselves, as well as promoting local contracting with small builders and artisans. Finally the **social mobilization** of innerburb communities is crucial in order to achieve buy-in from householders and residents. The paradox of successful self-help and upgrading is that community solidarity and collaboration declines once the community is established and as services and regularization come on line. Twenty years on, there is a need to galvanize neighbors and residents into undertaking rehab of their homes and to participate in local housing and community regeneration. However, the enemy of being without basic services or of facing antagonistic local authorities threatening removal is long gone, so other means of encouraging community participation are required. Although we focus here upon the physical arena, this chapter will highlight the need for a holistic and intersectional approach that engages the other three dimensions as well.



Photo 2.3. (left) Side access to rear dwellings in Isidro Fabela, Mexico City. Photo 2.4. (right) Stairs from sidewalk to room rental above Valle Santa Lucia, Monterrey. Note the conversion of room to a garage with sliding door and how stairs and door impede the window.

**POLICY APPROACHES FOR THE PHYSICAL REHAB OF THE INNERBURBS:
TARGETING THE DWELLING, THE STREET AND THE NEIGHBORHOOD LEVELS**

As we argue in the chapters that follow, the physical fabric of innerburb communities is in need of rehabilitation and upgrading not only at the level of individual homes and lots, but also at the street and neighborhood scale. The aging, incrementally-built housing stock of the innerburbs badly needs rehabilitation and renovation, as do the schools, parks, public spaces, access routes and infrastructure systems that serve the populations living in this housing stock.

Rehabilitation at the micro, or household level, is not an insular undertaking. Entire neighborhoods are in need of rehabilitation so that their residents can continue to live in their

homes for decades (and generations) to come. Upgrading in Latin American innerburbs requires acknowledging new needs and new demographics both at the individual lot level and at street and neighborhood levels as well. Thus we lay out policy actions at three scales: the micro level of the individual lot or dwelling, the meso level of the interface between the street and the home, and the macro level of the community at large.

First we point out unique characteristics of the innerburbs at each of these levels (micro, meso and macro) and identify some of the key problems that warrant policy solutions. In the following chapters many of these problems and policies are discussed in further detail, benefiting from the contextual descriptions of the various case study settlements presented for each study city. Here we provide a broader – though necessarily more circumscribed – view of the findings discussed there.

At **the micro level**, special care must be taken to adapt policies to fit the unique “compound” and multi-generational structure of many innerburb households. The interior of the dwelling unit is perhaps the most complex area of micro-level rehabilitation. It is likely that the number of inhabitants of the house will have changed over time. It is also possible that residency in the unit is fluid and somewhat unpredictable, and the following chapters provide us with in-depth analyses of what this residency looks like across several different contexts.

Rehabilitation of the physical dwellings must be adapted to suit these various contexts. The same is true for individual dwelling units. Just as each family is different, so is the manner in which they utilize their living space. Rehabilitation on the micro level must take into consideration a number of factors. There must be a reasonable intersection in policy between more generalized recommendations that can be feasibly implemented on a large scale and flexible schematics that can be adopted to suit individual needs and circumstances.

In addition to the physical geography of a home’s location, the man-made alterations to the lot will constrain the possibilities for rehabilitation. The extent to which the lot is covered by a building footprint varies. In some cases, dwellings occupy the entire width of the lot, with their side walls flush against the neighboring buildings. There may not be any space between the front

wall and the sidewalk. There could be a large portion of open space in the back of the lot, or the building could occupy the lot entirely. It is not uncommon for a single lot to be divided into two or more sub-lots, each with its own independent structure. Moreover subdivisions may be horizontal, or vertical. In cities like Lima, the owner of a lot can vertically divide the parcel and sell “*los aires,*” or the floors above any existing construction (see Chapter 8).

The exterior areas of the dwellings should also be noted in any rehabilitation feasibility assessment. These areas are often important in household activities and should not be dismissed as incidental spaces or spaces that need to be eliminated. Patios and *azoteas* (roof space) are used for a range of activities including play areas for children, raising pets, planting small kitchen gardens, and drying laundry. Depending on location and accessibility to the outside, patios may also be used as parking spaces for the family car. In a lot that has been subdivided, these outdoor spaces serve as a type of communal area for the residents.

Rehabilitation on the micro-level scale is full of opportunities, in particular the incorporation of “green” technologies, which can provide both environmental and economic benefits to communities and households. I outline the role of sustainability in retrofitting innerburb environments in the next section after a brief discussion of meso- and macro-level physical improvement needs.

The meso level is the interface between the public and private life of the innerburbs, between the individual homes and the streets and walkways that transverse these communities. The meso level includes sidewalks, garbage bins, retail carts, walkways beneath overpasses, stairs, corridors and spaces between buildings in public housing blocks.

The activity of the meso space is important to the social fabric of the innerburbs, but with space at a premium accessibility is a common problem for innerburb dwellings. The complexities of lot subdivision, both vertical and horizontal, coupled with the existence of multiple buildings on the same lot often results in restricted or obstructed access for residents. If there is access to a public right-of-way on more than one side of the lot, it is possible for more than one point of access to be constructed.

The goal of meso level rehab is to improve the security, accessibility, and microclimate of innerburb communities. Two types of policy opportunities present themselves: opportunities to reduce and prevent physical harm and deterioration, and opportunities to create healthful and productive community environments. The first category of policies should emphasize the reduction and prevention of potential environmental harms and physical-structural dangers or deterioration, including maintenance of facilities (such as corridors and stairs in public housing blocks), reduction of pollution and cleansing of rubbish. The second class of policies should be aimed at turning neglected or unproductive spaces into useful spaces, including increasing accessibility (such as installing facilities for disabled persons in local business), improving the local environment (such as installing benches and landscaping on sidewalks), allowing community buildings such as schools to be more flexible and available for multiple uses, and converting abandoned public land to more productive recreational or urban agricultural land.

Finally at **the macro level**, a principal aim of physical rehab policies should be the aging utility infrastructure, which in Latin American innerburbs may consist of piecemeal network extensions, informal household connections, and unreliable utility systems. The health and safety of residents can either be enhanced or threatened by the quality of these connections. Electricity is the most easily accessed utility due to the nature of its system of delivery. It is extremely common for residents to improvise their own electrical hookups. These connections are often initially precarious and may deteriorate over time as a household develops more electrical demands. Water and sewer hookups require more effort and expertise to install, and may suffer the effects of time and/or poor maintenance. The original hookups may have been adequate for the original dwelling, but as dwellings are extended (sometimes multiple times) they may become inadequate over time. The added stressors of additional toilets, sinks, and drainage needs may also overload the system. Retrofits of water and sewer interfaces are likely necessary.

An issue at the intersection of macro and meso policies is that of general neighborhood accessibility, as accessibility means that residents can more easily integrate themselves into the larger city. The safety of residents is also an issue of accessibility as fire, police, and emergency services need unencumbered access to all dwellings.

Innerburb housing has demonstrated a valuable ability to remain flexible over time. The flexibility of lots and structures is a key advantage of the self-help approach to housing. Therefore, rehabilitation must work in ways that preserve physical and spatial flexibility while allowing for individual home and lot upgrades and adaptations. These adaptations will ideally be undertaken in ways that do not encroach upon the meso level space around the home and be supported by macro level improvements to community spaces and public services.

Below, largely in bullet format, I summarize some of the challenges outlined above and point to priority policy interventions for housing and community rehab of the physical space at the micro, meso and macro level of the innerburbs. (See Appendix 2:1 for detailed tables of policy lines and actions across macro, meso and micro levels.)

Physical Rehab and Regeneration at the “Micro” Level of the Dwelling and Lot

Physical rehab at the micro, or dwelling and lot, level is the nub of our interest as we seek to identify future housing policy directions that may arise from an analysis of self-build housing and demographic processes, household organization and mobility, and the physical deterioration of these innerburb consolidated settlements. This chapter does not describe these policies in detail, but instead seeks to itemize the dimensions we have identified as important considerations for sustainable housing rehab.

- 1) Policies to redesign the dwelling unit to meet new household structures (sharing and 2nd/3rd generation needs)
 - Upsizing (additional households)
 - Downsizing (as parents die, kids move out) and recasting for rent
 - Recasting space for stakeholders including adult children who inherit shares without need or desire to live in parental home
 - Privacy and access needs for individual households
 - Phasing in dwelling makeovers while continuing to live in situ
 - Conversion of patio and or front room to garage, workshop, etc.
- 2) Policies for physical rehab and housing renovation
 - Retrofitting of basic services (rewiring, water)

- Upgrading of bathrooms
 - Assistance with repairs and renovations (roofs especially)
 - Addressing design faults or problems (flooding, dampness, stress cracks, etc.)
 - Hazard reduction and dangers (second floor safety railings, safe stairways, etc.)
 - Application of low-cost green and other sustainable technologies (passive water heating, energy efficient doors and windows, water conservations practices, recycling, use of patio, etc.) (see Sullivan and Ward 2012)
- 3) Policies to support the creation of additional space
- Concrete roof and wall reinforcement to allow second floor
 - Staircase design for retrofitting
 - Mezzanine (*tapanco*) construction to create additional sleeping and storage space
 - Remodeling for creative use of patio and roof (*azotea*)
- 4) Policies to rehab spaces in the dwelling for economic or rental usage
- Renting, workshops, storage space

Physical Rehab and Regeneration at the “Meso” Level of Streets and Home Frontages

The meso level is all too often ignored in planning and neighborhood discussions and yet it comprises an important space at the intersection of the dwelling and the neighborhood and includes the front of house, street, sidewalks, and small-scale commercial activities (fixed and itinerant). Rights over the use of these non-private spaces are often confused and ambiguous. Sidewalks become impassable as a result, and pedestrian traffic including mothers with young children and pushchairs are forced into the street. Policymaking here should focus upon community and local participation to establish local regulations such as single-side parking, reduced obstructions, partial street closures, etc. Meso space is encroached and passage along sidewalks is impeded by any number of the following, which local policies might address:

- Cars parked in front of people’s homes on the sidewalk
- Extension of garage space into the sidewalk
- Staircase construction to the second floor from the sidewalk
- Sidewalks used as storage or for dumping of building materials
- Economic activities (stalls) and daytime extensions of workshop activities out into the street (carpentry, welding, car repairs, etc.)

Principal actors: NGOs, neighborhood and street associations, local governments and policing

Physical Rehab and Regeneration at the “Macro” (Community) Level

The primary aim at the community level is to work with city and local municipal/borough authorities in order to revitalize the physical and social infrastructure of older low-income consolidated innerburb settlements through:

- Rehab of public spaces and facilities (schools, playgrounds, plazas, markets, etc.)
- Rehab of infrastructure and services (street paving, power lines, sewage, storm-water drainage, street lighting, sidewalks, etc.)
- Policies to improve security and local policing
- Policies to incentivize local resident participation and interventions
- Policies to embrace sustainable community development options (recycling stations, solar panel signage, rainwater and graywater capture on public buildings [or spot irrigation of plants and gardens], etc.). These should serve as demonstration projects for dwelling level activities.

Principal actors are: local government, NGOs, community organizations, church organizations, etc.

SUSTAINABLE HOUSING APPLICATIONS FOR LOW-INCOME SELF-BUILT HOUSING

At first sight, the idea of extensive applications of energy efficient and other sustainable housing innovations in rehabilitating low-income self-help areas might appear to be an oxymoron given that solar panel arrays and other energy efficient thinking are usually only associated with public buildings, and with middle- and upper-income residential areas. Yet, one of the most sustainable ways to build green is through the re-use of existing building stock. If policymakers in less developed countries are seriously interested in developing green and more energy efficient housing, then expanding the principles of sustainability to urban self-help settlements in which 40-60 percent of the population resides becomes an imperative. Countries such as Brazil and

Mexico are already making strides in this direction (Sullivan and Ward, 2012). Moreover, sustainability is being embraced as part of the American Reinvestment and Recovery Act and the weatherization programs applied to low-income residences in the USA. In December 2009 in a policy roll out at a Home Depot store, President Obama argued that “insulation is sexy”, advocating more energy efficient and sustainable house building practices for low-income groups as well as the better-off (Sullivan and Ward, 2012).

In that paper on housing sustainability Sullivan and Ward (2012) explore the applications and savings that may be derived from a wide range of sustainable applications in self-help dwelling construction and improvement including weatherization, passive water heating, water and wastewater usage, solid waste disposal, and micro-environmental adjustments around the dwelling (gardens, shade, home orientation, etc.). The goal of that research is to analyze current initiatives in the USA with a view toward exploring how these might be extended to less developed countries. A key point in that study is that many interventions are relatively inexpensive and can be readily accommodated within self-help practices, whether these are in newly formed settlements in the periphery, or in the rehab and DIY (do-it-yourself) upgrades of older consolidated neighborhoods.

THE FISCAL, JURIDICAL AND SOCIAL MOBILIZATION DIMENSIONS OF SETTLEMENT REHAB

The above section discusses the need to upgrade the physical fabric of innerburb communities, but it is important that this is done in a way that is financially feasible for low-income populations and juridically practical within site-specific regulatory environments. At the same time these policies should limit population displacement, maintain socio-economic and cultural diversity, engage citizens and residents in planning participation and local decision making, and contribute to a style of living that is more sustainable (Fainstein, 2010).

To do so, the physical rehab of the innerburbs cannot be considered in a vacuum. Upgrading in these communities will require consideration of: 1) **physical policies** for housing rehab and community regeneration *in addition to* 2) **fiscal and financial instruments** to fund such

changes; 3) **juridical and regulatory policies** to facilitate such programs; and 3) engagement and organization to produce effective **community mobilization** efforts.

Each of these arenas merits consideration in its own right, and we hope the findings from each of the case study cities will help to flesh out the importance of such policy interventions and their applicability to particular settlement types. While these different arenas need to be examined in greater detail independently, in this section I will briefly consider how the financial, juridical and organizational realms must intersect in policymaking for the rehabilitation of the innerburbs in Latin America. I then summarize and provide bullet points for further thinking in these areas.

Sustainable fiscal policymaking

First, fiscal sustainability is crucial in the innerburbs in order to encourage continuity and carry-over in urban rehab policies. A host of financing mechanisms from micro-financing to public-private partnerships will need to be considered if low-income residents are expected to make needed repairs to dwellings, lots and household infrastructure. In the section above I argued for a more holistic consideration micro-level efforts alongside meso- and macro-level projects that work to enhance and renovate the surrounding environment. These projects require the support of various levels of government, from local to regional/provincial and national governments.

They also require financial instruments to ensure they are feasible for residents of the innerburbs. A host of financing mechanisms including micro-financing, public-private partnerships and funding sources from multiple levels - local, non-profit, and international - will need to be considered. Efforts to incentivize the private sector can open up important sources of financial flows that can complement public sector investment. Here, the political recognition of the worth of providing financial support to progressive self-help or self-built housing is crucial.

Problems of financing physical rehabilitation can, of course, be addressed outright by government and private sector supports for rehab, but also by micro-financing and financial assistance to promote clean titles so that residents can secure their own loans and financing for home improvement. If this is to happen, residents must have clear “unclouded” titles, or financial support to access such titles. They must also be able to leverage their investment in their homes

through property sales or buy-outs by inheritor stakeholders. As we show in the following case studies, residents have often amassed significant equity in their homes, but this equity is frozen in place by lack of market turnover. This equity is crucial in implementing the types of physical upgrades outlined above.

Financing support is also needed to promote macro and meso level innerburb renovation such as, investment in schools, markets, public spaces, and infrastructure. With local government budgets stretched thin this may require private sector collaboration and investment. Tax increment financing in the United States and enterprise/accelerated development zones in the United Kingdom are some examples of efforts that have been implemented to incentivize the private sector in similar processes of rehabilitation.

Establishing development zones or enterprise zones has encouraged land acquisition and basic services in these settlements in the past and may be used to encourage housing rehab now. In the Tierra Nueva colonia in Ciudad Juárez, Mexico (Ward, 1999), this mechanism allowed residents to purchase lots and obtain construction credits at low interest. While this is a model for construction from the ground up, it does provide an example whereby rehab can first take place.

The graduate student researchers engaged in this policy review investigated mechanisms for financing housing rehab, and these are summarized below and are enumerated in the appendices of this chapter. Two valuable lessons emerged from their review of applicable model financing strategies. First, the implementation of many of these tools requires an institutional environment that is both flexible and stable enough to sustain market transactions, organizational forms and tax incentive structures defined by policymakers. Second, none of these instruments should be used or considered in isolation. Effective financing likely requires a combination of tools that is sensitive to the specific geographic context. For example, the formation of an urban enterprise zone may be more effective if prospective business owners in the area are at the same time given greater access to credit through some microlending. Similarly, enterprise zones often require new infrastructure, in which case municipal bonds may be an appropriate financing strategy.

Juridical or regulatory sustainability

One of the main challenges of rehabilitating innerburb communities relates to planning regulations and construction codes. Latin America – unlike the United States or Europe – is considered an open and rather unregulated environment from a planning perspective. Yet there is some concern over the extent to which informal settlements need to be regulated and “brought up to code.” A pragmatic and flexible regulatory framework for Latin America should include progressive compliance or a temporary adjustment period of housing standards and subdivision codes. This necessitates a supportive legal and regulatory framework for self-help upgrading while taking into account local conditions and needs. The question for policymakers is whether informal housing should enjoy the same level of regulatory norms and codes or whether it is more realistic for government to accept, at least on a temporary basis, the existence of dual standards. The former may impose high requirements and inhibit self-help and even outlaw critically needed improvements. The latter provides a time period for residents to consolidate their homes and leverage services unencumbered by code considerations (see also Ward, 1999).

When thinking about rehabilitation and self-help housing in Latin America, mandating certain minimum codes is still appropriate to ensure public safety. An effective strategy would identify a balance between minimum standards to protect public safety and restrictive standards that limit rehab and even threaten the existence of unauthorized settlements. The “hard” codes and minimum standards enforced by municipalities in the United States would restrict dwelling upgrading and require a level of local government involvement rarely seen in Latin American countries. Flexible, locally defined codes geared toward progressive compliance are more appropriate for the Latin American environment.

In another area of juridical intervention, regulatory policies that promote clean titles are crucial for individual mobility and for expediting property transfers, whether through the market, or through inheritance and succession. A long term perspective and holistic approach to the regulatory environment will allow policy makers to deal with the return to informality that households in the innerburbs are experiencing as new forms of irregularity arise out of the need to accommodate multiple generations on the same property or to subdivide the property for rental income.

Whether the home is acquired through purchase or through inheritance, the law and related formal systems play an important role in enabling homeowners to obtain and transfer secure, alienable title to their homes. Still, in Latin America many lower-income households inherit homes outside formal systems and, as a result, face significant barriers to obtaining (and transferring) clear title to their homes. The informal market is often a better alternative for low-income populations. Thus there is a need for estate planning in the innerburbs; providing low-income populations with legal and financial resources to undergo a formal succession process through will-making or intestate succession by streamlining the succession procedure.

In many cases, there is also a need to reform state succession and property laws to make the succession process more flexible, attractive, and efficient. Unresolved property issues may ultimately contribute to community deterioration and property disinvestment by failing to address issues of clouded title and unresolved succession problems. As such, a holistic regulatory environment needs to focus on enhancing homeowners' ability to secure full title to their homes and accrue housing wealth. While broad-scale title clearing efforts may prove difficult in Latin America, municipalities and local government agencies can facilitate such initiatives through tax breaks (as in Mexico City) and by providing low-income populations much needed legal assistance. The regulatory environment can also halt the fragmentation of property by promoting will-making (as in Mexico).

Community mobilization strategies

A key aspect to making housing rehabilitation and urban renewal policies work in Latin America is considering how to successfully involve community organizations and residents in the process so policies remain effective and sustainable. Fortunately, social networks and relationships in the innerburbs are relatively stable. Work by Bryan Roberts and myself (in this volume and elsewhere) shows that there is social continuity between neighborhoods studied in the 1970s and re-visited 20-30 years later (see also Moser 2009; Perlman 2010). These local networks may bridge the gap between top down, normative policy perspectives and on-the-ground experiences that shape everyday life in informal communities.

At the community level, policy mechanisms to encourage urban renovation and rehabilitation should focus on utilizing existing neighborhood associations. In areas where those associations are weak or do not yet exist, there are several ways that the state can encourage mobilization by providing a framework for organization and allowing the community to take part in policy planning and implementation. In cases where negotiation with the state or municipality is possible, local neighborhood organizations can play a major role, but sometimes only as a response to policies defined by higher levels. Alternatively, in cases where policy is defined from below, the community can play a major role in the definition of policies and will have a higher degree of autonomy and self-sufficiency, which further galvanizes community efficacy.

In the past in Latin America, NGOs and grassroots movements have provided many communities with the means to assert their rights, and fight for better housing policies. Residents of low-income communities in Latin America can be greatly assisted in their quest for improved housing if these outlets are utilized for rehab policies as well.

Although there is only a limited precedent to draw from, policies that focus on women's roles appear to be effective in the creation of renovation and rehabilitation programs. Women are an important part of many NGOs and grassroots movements, which allows them to obtain greater social equality within the community. Women are also often the targeted recipients of aid or funding that governments or organizations give to low-income families. Many low-income support programs give money to the female heads of household, which is usually meant to ensure that some of the money goes towards the children of the family (Programa Mejoramiento de Barrios, 2011). Women in some communities have thus already established relationships with NGOs and non-profit groups and working within these established relationships and reciprocal obligation networks will benefit rehab efforts as well.

Community organizations, NGOs, grassroots movements, and other nonprofit groups all play a major role in the social-organizational component of housing rehab. These groups can also provide links between communities and funding opportunities. The state is also an important actor as well, as it determines what funding and project opportunities are available to social

groups for housing purposes. It can thus foster social mobilization, improve social mobility, and build bridges to on-the-ground actors.

Below I summarize, in bullet format, the above policy approaches that are required in the following arenas: **Financial/Fiscal, Juridical/Regulatory, and Social Mobilization/Participation**. A wider array of policy approaches and best practices are described in the accompanying tables, which are designed to be read alongside the abbreviated bullet points identified below. Because of their size, these tables are placed in appendices. While not exhaustive, they are the result of a systematical trawl of the European and North and South American literatures on housing and urban rehab that was undertaken as part of the 2011 graduate class mentioned at the beginning of this chapter.

Financing Policies for Neighborhood Regeneration and Housing Rehab

(Details are included at Appendix 2.2, parts A through C)

In order for physical problems to be addressed, suitable financing and fiscal measures must be developed to facilitate and incentivize rehab.

- 1) Loans, credits, grants and incentives for rehab and housing renovation (possibly tied to “green” initiatives)
 - Government and private sector supports for rehab
 - Micro credits
 - Financial assistance to promote clean titles among stakeholders in order to leverage loans and financing
- 2) Policies to make the market work more smoothly
 - Financing mechanisms (mortgages, etc.) to facilitate property sales, buy-outs by inheritor stakeholders, government support for private sector lending
- 3) Policies to facilitate municipal investment in community regeneration
 - Development zones; tax credits; investment in schools, markets, public spaces, renewal of infrastructure, private sector collaboration and investment

- Policies to improve security
- Policies to incentive local resident activities and meso level interventions

Legal and Regulatory Policies to Facilitate Rehab

(Details are included in Appendix 2.3)

Alongside financial and fiscal policy incentives it will be necessary to think about creative legal and regulatory structures that are sensitive to the economic conditions of low-income populations and that facilitate security and ease of stakeholder compliance while minimizing rule-bending, red tape or legal inflexibility. Minimum rather than maximum standards should be set and wherever possible opportunities established for convergence and progressive compliance to planning and legal norms.

- 1) Policies to promote clean titling and new title arrangements in order to ensure security and access to loans
 - Reviewing clouded titles due to intestacy (surviving spouse, children, etc.)
 - New forms of shared or collective property titles
 - Promotion of wills and reduction of legal costs
 - NGO dispute resolution mechanisms (see Ward et al. 2010)

- 2) Policies to enhance investment while improving planning and regulation compliance at the community level (macro and meso levels)
 - Development zones
 - Social interest development zones (ZEIS)
 - Programs fostering community participation and self-regulation tied to regeneration and maintenance

- 3) Policies to enhance compliance with codes and safety standards at the micro (dwelling) level
 - Progressive compliance or temporary waivers, i.e. sticks and carrots to ensure compliance over time

Policies to Promote Social Mobilization and Community Engagement

(Details in Appendix 2.4, parts A through C)

Out of necessity low-income, self-help settlements traditionally show high levels of social mobilization, community collaboration and activism during the early stages of their development. Such active mobilization attenuates as settlements are recognized and integrated into the city. Thus it is necessary to develop opportunities and policies to revitalize stakeholder participation around community regeneration initiatives at the macro level, establish street and neighbor agreements and collaborations at the meso level, and ensure buy-in from individual homeowners to redesign and make sustainable housing improvements at the micro level.

- 1) Revitalizing community collaboration and mobilization around social development and physical rehab
 - Addressing neighborhood insecurity concerns, anti-drug and anti-gang mobilizations
 - Working with women's organizations and technical assistance; working through NGOs and existing organizations
 - Focusing on sustainable housing and community development
- 2) Planning initiatives and incentives for sustainable rehab and community regeneration
 - Funds and technical assistance, working through NGOs and existing organizations
 - Prioritization by the residents themselves through town meetings and collaborative improvements
 - Policies to provide incentives for local resident activities and meso-level interventions
- 3) Loans, credits, grants and incentives for rehab and housing renovation (maybe tied to "green" initiatives)
 - Loans to female-headed household, CCTs (conditional cash transfers) for rehab
 - Micro credits
 - Financial assistance to promote clean titles among stakeholders in order to leverage loans and financing.

As noted above, the following appendices offer a more detailed breakdown of specific policies, actions and practices (best or not) that formed part of a 90-page policy review that may be accessed at the LAHN website www.lahn.utexas.org (under Network Regional Meetings and Events - Austin 2011). Additionally, the website contains as an addendum to the report notes that were generated by participants through final break-out sessions and that examine the pros and cons of several of the principal policy lines.
