

***PUBLIC HOUSING POLICIES
OF SELECTED COUNTRIES***

GENERAL HOUSING ISSUES

U.S.A	<ul style="list-style-type: none">n Housing affordability
BRAZIL	<ul style="list-style-type: none">n Urban slum upgradingn Land regularizationn Relocation
MEXICO	<ul style="list-style-type: none">n Regularization of informal settlers
CANADA	<ul style="list-style-type: none">n Homelessness of low income families and senior citizens
INDIA	<ul style="list-style-type: none">n High per-unit subsidy ratesn Increase administrative simplicity
RUSSIA	<ul style="list-style-type: none">n Shifting from state-provision to private market
VIETNAM	<ul style="list-style-type: none">n Affordability
CHINA	<ul style="list-style-type: none">n Urban housing shortagesn Resettlement of over 10 million people in the past 40 years because of the massive capital infrastructure investment program

UNIQUE FEATURES

U.S.A.	<ul style="list-style-type: none"> n Housing assistance from the federal government for lower income households: <ul style="list-style-type: none"> ∅ Tenant based: Share of a household: 30% of its income for rent and utilities. The rest of the rent is subsidized by the program. ∅ Project based: 20% of the cost of construction and rehabilitation of housing for low-income families is subsidized by the program. ∅ Public Housing: owned and operated by the government (some by private companies)
BRAZIL	<ul style="list-style-type: none"> n FAVELAS: slum areas/dwellers; indigenous tribes/ethnic groups
MEXICO	<ul style="list-style-type: none"> n Ejido system: the government promotes the use of communal land
CANADA	<ul style="list-style-type: none"> n Devolution of public housing programs to the provinces, consists of long-term contractual commitments to share operating costs with the provinces; adoption of the rent-geared-to-income approach
INDIA	<ul style="list-style-type: none"> n Discrimination in housing faced by the Muslim population. n DHARAVI, Mumbai: Asia's largest slum but generates business of \$1bn a year
RUSSIA	<ul style="list-style-type: none"> n Soviet law bans beggars and vagrants n The homeless are imprisoned and/or expelled from cities
VIETNAM	<ul style="list-style-type: none"> n Encourages people to build their own houses. Public rental housing for low-income people. n State companies demolish slum areas and build low-cost public buildings.
CHINA	<ul style="list-style-type: none"> n The state owns all land. Individuals can possess a land-use right, which corresponds to the civil law concept of usufruct.

PROGRAMS IN ESTATE MANAGEMENT, PUBLIC HOUSING & RELOCATION

U.S.A	<ul style="list-style-type: none">n Certificate and Voucher Program: Section 8 of the US Housing and Community Development Act of 1974
BRAZIL	<ul style="list-style-type: none">n Popular Housing Foundation: the first governmental institution to promote social housing. Only 19,000 units were constructed between 1946-1964.n Housing Financial System & National Housing Bank (first effective initiative in promoting national housing policies, existed until 1986). Created to subsidize medium to high income households, but incapable of reaching the low-income population.n Collective mutual-help housingn Creation of zones of special interest and land regularization programs.n Programa de Arrendamento Residencial (PAR): Residential Lease Program (2004)

PROGRAMS IN ESTATE MANAGEMENT, PUBLIC HOUSING & RELOCATION

MEXICO	<ul style="list-style-type: none">n Four part program<ul style="list-style-type: none">∅ Group savings∅ Local production and job∅ Mixed technologies∅ Technical assistancen Mutual Assistance Plan (MAP): a rotating saving and credit association. The benefits are in the form of construction materials, labor, or down payments on land. No cash payments are made to awardees.
CANADA	<ul style="list-style-type: none">n Social Housing: rent-geared-to-income approach.<ul style="list-style-type: none">∅ Co-operative housing∅ Non-profit housing: owned by private non-profit groups∅ Public housing: owned and managed by the provincial government.∅ Rent supplements: subsidies paid by the provincial government to private landlords who accept low-income tenants.

PROGRAMS IN ESTATE MANAGEMENT, PUBLIC HOUSING & RELOCATION

INDIA	<ul style="list-style-type: none">n Valmiki Ambedkar Awas Yo Jana (VAMBAY): shelter for the urban poorn Indira Awas Yo Jan (IAY): construction of houses for the rural poorn National Slum Development Program (NSDP): provides funds for the physical and community infrastructure as well as shelter upgrading <p>These schemes failed to instill the spirit of self help in the poor people, but it has come to inherit all the ills of target-oriented programs, together with leakages, and has been of little help to the rural poor.</p>
RUSSIA	<ul style="list-style-type: none">n Sanitary Norm System: 9 sq.m./personn Communal Apartmentn Khrushchevki: five-storey apartment built in a hurry w/ minimum expensen Housing allowance program: a social safety net for low income familiesn Home Owners Association (HOA): established for management and maintenance of the privatized multi-apartment buildings

PROGRAMS IN ESTATE MANAGEMENT, PUBLIC HOUSING & RELOCATION

VIETNAM

- § Urban Project Development
- § Socio-Spatial Segregation: High-income people move from the inner city to new areas, and low-income people enter these vacated units.
- § Development for Low-income Groups: companies that build houses to sell to low income people get land use fee reduction and exemptions from taxes.
- § Housing Development Fund: targeted for state employees, resettled low-income households, workers from industrial zones, low-income citizens
- § Nhieu Loc-Thi Nghe canals clearance project (NL-TN): the biggest on-going relocation program in Ho Chi Minh City (started in 1994). It has relocated more than 13,000 households. Less than 40% are legitimated to buy flats in the public housing.
- § No government program to support slum communities. They are under threat of eviction planning; target cleanup by the year 2020.

PROGRAMS IN ESTATE MANAGEMENT, PUBLIC HOUSING & RELOCATION

CHINA

Public Housing

- n State and state-owned enterprises used to monopolize financing, production and allocation of housing.
- n The state withdrew from the direct provision of housing and allow private developers to build residential projects in 1990
- n For public housing, rent charges should not be more than 5% of household income.

Resettlement Policies

- n Minimizing project-related settlement costs
- n Paying adequate compensation
- n Social preparatory work to ensure that resettlers are accepted in their new communities
- n Ensuring that standards of living of resettlers do not fall below their original level
- n Protecting host communities from losses

These regulations are abandoned during demands of the government for self-sacrifice such as in the Great Leap Forward and Cultural Revolution of 1958 and 1967. During such periods, rural resettlers and their hosts are expected to rely primarily on their own labor and savings.

SOURCES OF FUNDS

U.S.A	§ Federal funds distributed to states and regions
BRAZIL	§ Private funds supplied by the upper classes/ Government Funds / NGOs
MEXICO	<p>§ FONHAPO (National Fund of Popular Housing): national fund for low-income housing</p> <p>§ SOFOLES: Intermediary financial institution for the informal sector funded by the Federal Mortgage Society</p> <p>§ Cooperative Housing Foundation: NGO that extends direct payments for materials, labor, or specific house or site improvements.</p> <p>§ Materials banks: on-site production of certain types of materials and bulk purchases made directly from manufacturers and distributors</p>
CANADA	§ Federal, provinces and private sector funds
INDIA	§ Government subsidy / Federal / State Grant / World Bank
RUSSIA	§ Federal and Regional Government Funds, Cooperatives, Collective fund formed by shareholders
VIETNAM	§ Government
CHINA	§ Government / World Bank/ Private sector

TARGET BENEFICIARIES AND PAYMENT SCHEME

U.S.A	<ul style="list-style-type: none"> § Low-income families § Elderly § People with disabilities
BRAZIL	<ul style="list-style-type: none"> § Low income population § Programa de Arrendamento Residencial (PAR): Residential Lease Program (2004): An occupant of a leased residential unit pays 245 Reis (US\$ 85.30) monthly plus administration fee. At the end of 15 years, the lessee receives the deed to the residence.
MEXICO	<ul style="list-style-type: none"> § Irregular settlers (e. g. in ejido lands) § Working class who cannot afford the formal mortgage and financing system § Payment schemes: By means of labor / Contribution to common fund
CANADA	<ul style="list-style-type: none"> § Low-income families and senior citizens § Monthly rentals based on the rent-g geared-to-income approach (renters pay 30% of their income).
INDIA	<ul style="list-style-type: none"> § Urban poor
RUSSIA	<ul style="list-style-type: none"> § Low-income families § 70% credit part and re-payment time is 25 yrs. § 3-5% share of the apartment's price has to be paid to become a shareholder § 30-50% payment entitles one to obtain the apartment
VIETNAM	<ul style="list-style-type: none"> § State employees/ High-income employees / People in slums § 10% discount for cash purchase § Installment Payment Program: 50% downpayment, the rest payable for 9 years
CHINA	<ul style="list-style-type: none"> § Relocatees, low-income families § In the 1990s, the government introduced the Housing Provident Fund to finance housing purchases.

STAKEHOLDERS / LINKAGES

U.S.A	§ US Department of Housing and Urban Development / FHA / Fannie Mae and Freddie Mac / Public Housing Agencies
BRAZIL	§ World Bank / NGOs / UniHabitat
MEXICO	§ Policies are linked to UN and international finance agencies
CANADA	§ Federal, Provincial and Municipal governments, non-profit organizations, cooperatives
INDIA	§ Panchayati Raj Institution: provides a system of self-governance at the village level § Gram Sabhas: a body consisting of persons registered in the electoral rolls of a village
RUSSIA	§ United Nations Economic Commission for Europe's Committee on Human Settlements
VIETNAM	§ State and private developers
CHINA	§ Housing estates are managed by work units of the Municipal Government § Implementation of resettlement programs are shared between the proponent and the local governments

SUMMING-UP OBSERVATIONS

- n There's more recognition and respect for private market mechanisms, rather than distortionary interventions
- n There's an explicit policy to formalize, regularize, and align informal/slum communities with formal or semi-formal structures
- n Enforcement, administration, and implementation are less problematic in Western and Communist-led countries
- n The degree of devolution of public or assisted housing is higher in these selected countries
- n Especially in South America, technical and materials support and subsidy are encouraged

SUMMING-UP OBSERVATIONS

- n There's more stress on defined minorities and underprivileged sectors
- n There's openness in acknowledging failures and special vested interests
- n Impliedly, urbanization is an unstoppable process. The proliferation of high-rises and sub-urban development are themselves inevitable
- n The challenge of urbanization is one of managing it, rather than reversing it. It is a historical regularity that urban centers experience blight, sprawl and demand for renewal
- n Notably, even the management of public housing is to the extent possible, privatized, supervised by the local governments

SUMMING-UP OBSERVATIONS

- n NGO's, non-profit institutions, cooperatives, and the like play a larger role in these countries, and are tapped as or are successful in obtaining financial support
- n Data and information accuracy is essential to ensure success of subsidy programs and prevent abuse. For a floating system like North America or a capped payment system such as in and Hong Kong, the knowledge of actual incomes of beneficiaries is vital
- n Uneven development has caused the concentration of opportunities in urban and coastal areas. These has given rise to urban slums which in term increase demand for government action

SUMMING-UP OBSERVATIONS

- n Society is faced with several dilemmas: market mechanism vs. state provision, re-settlement or regularization, funding sustainability, affordability, appropriate form or degree, self help as a means to cope
- n There is economic sense in informal housing (squatting): there's little or no equity requirement, occupancy is immediate, transition and consolidation is at their own pace, the financial arrangements are flexible, and the small exposure and substandard housing is easy to let go, in the event of transfer (forced or not). It's like having a long business incubation period.

SUMMING-UP OBSERVATIONS

- n Cooperativism, pooling of savings, community – based approaches are more common elsewhere
- n Success of public housing depends on several factors, chief of which are:
 - n administrative efficiency
 - n availability of funding
 - n reliable data base
 - n existence of support institutions
 - n enforcement capability
 - n community leadership and skilled management
 - n culture and legal framework

END OF PRESENTATION