

## Policy Options and Practical Measures to Expedite Implementation on Human Settlements

*Based on the broad range of experiences and best practices that emerged from CSD-12, the policy options and practical measures highlighted below can advance progress toward internationally agreed objectives related to providing improved housing and associated services to the urban and rural poor. Although these options may find widespread applicability, not all of them are necessarily relevant to every circumstance.*

### **Theme:**

#### **Providing improved housing and associated services to the urban and rural poor**

- Improve knowledge and technical skills of administrators and legislators responsible for medium and long-term city development.  
*Case Study\*: Mayors' Asia-Pacific Environmental Summit (MAPES)*  
<http://www.adb.org/Documents/Events/2003/MAPES/default.asp>
- Improve municipal capacity to manage and conduct the business of local government in a responsible, transparent and accountably manner.

#### **To attract people into the formal economy through home ownership:**

- Strengthen property rights, particularly for women to promote urban development and revitalization.
- Through legal and regulatory reform, create the housing market conditions to facilitate widespread homeownership in society.  
*Case Study\*: U.S. Federal Housing Administration*  
<http://www.hud.gov/offices/hsg/fhahistory.cfm>  
*Case Study\*: Reducing Regulatory Barriers for Affordable Housing*  
[www.regbarriers.org](http://www.regbarriers.org)
- Forge national-local government partnerships for affordable housing.  
*Case Study\*: HOME Investment Partnerships Program, U.S. Department of Housing and Urban Development*  
<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm>  
*Case Study\*: Reaching underserved farm worker population in Oceanside, California*

#### **To mobilize financial resources:**

- Stimulate and enable private sector engagement in low-income markets.  
*Case Study\*: 1977 Community Reinvestment Act*  
*Case Study\*: USAID's housing guarantee program*
- Recognize the poor as potential customers by opening up access to credit and developing innovative financial options.

\* - See page 2 for case studies

**APPENDIX: CASE STUDIES FOR HUMAN SETTLEMENTS POLICY OPTIONS**

**Mayors' Asia-Pacific Environmental Summit (MAPES)** The Mayors' Asia-Pacific Environmental Summit (MAPES) is a knowledge forum where city mayors and managers from across Asia and the Pacific share experiences, identify achievable goals, and commit to achieving these goals. Started in 1999, MAPES meets every year on different subjects. For example, the MAPES 2003 tackled three of the most crucial issues in the urban setting: air quality, water supply and sanitation and solid waste. Addressing these key environmental challenges will help pave the way to achieving sustainable development. The MAPES meetings are also co-sponsored by the Asian Development Bank.

<http://www.adb.org/Documents/Events/2003/MAPES/default.asp>

**Federal Housing Administration:** In the United States, the Federal Housing Administration (FHA) was created in 1934 to provide government insurance for mortgage loans issued by private banks to private citizens. Since its inception, FHA has insured almost 32 million single family loans. The modern American housing finance system evolved largely from this program and today relies largely on private mortgage insurance. Today, over 99% of the total housing stock of the U.S. is privately owned, with 69% owner-occupied. FHA is part of the U.S. Department of Housing and Urban Development. See

<http://www.hud.gov/offices/hsg/fhahistory.cfm>

**Reducing Regulatory Barriers for Affordable Housing** The U.S. Department of Housing and Urban Development (HUD) is working with state and local governments to identify unnecessary regulations which impede the delivery of affordable housing. Based on the "American Homeownership and Economic Opportunity Act of 2000", the Regulatory Barriers Clearinghouse is established to collect, process, assemble and disseminate information on the barriers faced in the creation and maintenance of affordable housing. HUD's Office of Policy Development and Research (PD&R) supports the Department's efforts to help create cohesive, economically viable and healthy communities. The Clearinghouse is hosted by HUD USER (<http://www.huduser.org/rbc/>), the primary source for U.S. Federal Government reports and information on housing policy and programs, building technology, economic development, urban planning, and other housing-related topics.

**HOME Investment Partnerships Program, U.S. Department of Housing and Urban Development** In January 2005, the Department of Housing and Urban Development (HUD) recognized 20 state and local governments around the country with the first national HOME Awards for outstanding work in providing affordable housing to low-income and underserved people. Each year, HUD's HOME Program (formal name: HOME Investment Partnerships Program) allocates approximately \$2 billion to more than 600 state and local participating jurisdictions to increase the stock of affordable housing. Each award-winning project demonstrates how the flexibility provided by the HOME program can be used by state and local governments for housing low-income families and a model for stimulating innovative housing solutions to local socio-economic challenges. See <http://www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm>

**Oceanside, California: Affordable Housing for Underserved Farm Worker Population.** Finding decent and affordable housing for farm workers has been difficult, particularly in areas with high housing prices. Many farm workers and their families are forced to live in encampments with no sanitation facilities, and limited access to food, health care, education, and other services. In an attempt to address the need for housing for this and other very-low income populations, the City of Oceanside began working with Community HousingWorks, a nonprofit developer. The city had used HOME funds to acquire the land and had to sell the property to Community Housing Works for \$1. Construction began in March 2001 and the Old Grove apartments opened, fully leased, in September 2004. These apartments include different-size units for affordable rents. Some units are reserved for farm worker households, and some for households in which one adult is diagnosed with HIV/AIDS. The project includes a childcare center, a computer resource room and is located near public transportation. Partnership agencies: California Housing and Community Development Department, County of San Diego, Bank of America, California Equity Fund, California Housing Finance Agency, Local Initiatives Support Corporation (LISC), Federal Home Loan Bank of San Francisco, Federal HOME Funds. Contact: Margery Pierce, City Government, Oceanside, CA

**The Community Reinvestment Act** In 1977, Congress enacted the Community Reinvestment Act, (12 U.S.C. 2901)(CRA) to encourage private banks to work with community organizations. The legislation was designed to promote the availability of credit and other banking services to low-income communities. Regulations stipulated that all banking practices must be consistent with safe and sound banking operations. These depository institutions maintain a community involvement record

**USAID Housing Guarantee Programs** Significant gains in stimulating and enabling the participation of the private sector (developers and financial institutions) in low income housing markets was made in Latin America during the 1980s and early 1990s under USAID's housing guaranty program. This included redefining the role of public versus private sector with increasing participation of the private sector in the production and financing of housing, especially for the low income market. Efforts, for example, by the governments of Chile, Bolivia, Costa Rica, Honduras, Guatemala, and Panama helped stimulate greater private sector participation in housing.