

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	REGIONAL/Regional
▪ TC Name:	France-LAC partnership: Local housing strategies, a pathway to sustainable, climate-friendly and inclusive cities.
▪ TC Number:	RG-T3011
▪ Team Leader/Members:	Blanco Blanco, Andres Guillermo (CSD/HUD) Team Leader; Tribouillard, Clementine Claire Dominique (CSD/HUD) Alternate Team Leader; Avila, Francy Dianela; Hobbs, Jason Anthony; Volpe, Federica; Rojas, Francisca Maria Magdalena; Silva Casseb, Marcia Maria; Lopez-Lamia, Alejandro J; Gonzalez Herrera, Beatriz Maria; Lee, Hyuna; Larrain De Andraca, Isidora Silvia; Benton, Sarah Ruth; Guzman Osorio, Jessica; y Celeste Marzo, Cristina (LEG/SGO).
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	01 Jun 2018
▪ Beneficiary:	LAC - Mexico - Brazil- Argentina
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	\$451,000.00
▪ Local counterpart funding:	\$0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	Housing & Urban Development
▪ Unit of Disbursement Responsibility:	Climate Change & Sustainable Development Sector (CSD)
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality; Productivity and innovation; Institutional capacity and rule of law; Climate change; Environmental sustainability

II. Objective and Justification

- 2.1 The objective of this Technical Cooperation (TC) is to define strategies and innovative solutions to promote housing supply in central urban areas to foster climate-friendly and inclusive cities. The focus is on supporting local authorities to implement local housing policies integrated with other local policies such as transport and land use, and to design affordable housing projects in densification and regeneration areas. By studying and learning from the French model, we want to propose instruments to encourage repopulation of urban centers and foster socially and functionally mixed areas with a view of building compact cities, taking advantage of the existing infrastructure and housing stock while controlling urban sprawl. It also aims to accompany four LAC cities in creating an operational model that fosters affordable housing in city-center regeneration projects. Several countries have already demonstrated interest and approached the IDB to request support. Target cities for the TC are São Paulo and Manaus, Brazil, Mexico City, Mexico and Buenos Aires, Argentina. They have been selected because of potential for implementation of pilot projects, demonstrated political will, interest for the French experience and based on a set of criteria of the area of intervention such as low density but with potential for densification (i.e. already existing infrastructure of networks, of basic services); existing real estate availability in the densification area, vacant housing; identified target population, etc. Even though their economies are among the strongest in the LAC region, Brazil, Argentina and Mexico still have serious housing problems and

present a favorable context to explore and implement concrete innovative solutions that may have strong impact on urban pattern and fight against climate change and could be replicated in the region.

- 2.2 Almost three quarters of global GHG emissions are emitted on urban areas. Urban form and urban spatial organization can have a wide variety of implications for a city's GHG emissions. Spatial distribution of economic activities in urban areas determines transportation and housing needs, which are key on energy consumption and GHG emissions (Glaeser & Kahn, 2010). The high concentrations of people and economic activities in urban areas can lead to 'economies' of scale, proximity and agglomeration that can have a positive impact on energy use and associated emissions; whilst the proximity of homes, services and businesses can encourage walking, cycling and the use of mass transport in place of private motor vehicles (Satterthwaite 1999). Some researchers suggest that each doubling of average neighborhood density is associated with a decrease in per-household vehicle use of 20-40%, and so a decline in emissions (Gottodiener and Budd 2005). In this context, local authorities can play a major role fostering the production of affordable and adequate housing within the existing consolidated urban fabric, ensuring accessibility and addressing both climate change and social inclusion. Urbanization in the LAC region happened very rapid and predominantly unplanned resulting in significant urban sprawl with major environmental, social and economic consequences. Simultaneously, LAC cities have suffered a steady depopulation in their central and historic areas. For example, in Mexico City, the population in the center halved over 6 decades and the housing vacancy rate reached 10%, while during the last 30 years urban land in Mexico has expanded six-fold and urban population just doubled. Coupled with this, the incapacity of LAC cities to respond effectively to the growing needs for dwellings, urbanized land, and services translated into persistent urban informality, inadequate housing conditions, fragmented areas and degradation of the habitat. LAC cities recognize the need to reverse this tendency to achieve a more sustainable and low-carbon development, but questions remain how to effectively achieve this goal. There are interesting examples of international best practices of repopulation and densification of city centers. France combines comprehensive national housing and urban renewal policies with integrated local policies, strong planning instruments and operational actors at local level. Even if not at the same pace and scale, French cities have faced similar challenges to LAC cities such as urban sprawl, city center decline, social fragmentation and the need to produce affordable housing. In this context, some cities such as Paris, Bordeaux, Lyon, Lille have significant and innovative experiences to share on city-center revitalization, urban regeneration and housing production within the urban fabric, combining integrated planning, local housing policies, urbanization and land instruments, urban developers and housing institutions as well as public-private urbanization schemes. These cities have also integrated their local housing policy as a key component of their climate change strategy. Looking at the experience of France, and understanding the instruments, strategies, institutions, this TC aims at supporting LAC cities in building an operational model to rehabilitate and repopulate city centers, improve the existing real estate stock and promote housing supply with the involvement of the private sector.

III. Description of Activities and Outputs

- 3.1 **Component I: Diagnosis of LAC cases.** Analysis of the environment and challenges of the cases of the 4 LAC cities highlighting current urban dynamics, opportunities, deficits to carry out a program of urban regeneration and densification based on affordable housing. For each case, at least three areas for affordable housing will be identified and studied in detail. The diagnosis will also incorporate existing valuable experiences of the target LAC cities in terms of urban center regeneration and challenges they may have faced.

- 3.2 **Component II: Review of French best practices.** Compilation of successful experiences of French local housing policies and projects, rehabilitation of underused building stock and affordable housing supply in city-center revitalization strategies potentially relevant for LAC cities will be made to identify key actors, institutions, legislative and institutional frameworks, planning and operational instruments, public-private governance schemes as well as funding, financing and management models for housing production
- 3.3 **Component III: Pilot Project Design.** This component consists in the prototypes design and implementation plan of housing pilot projects in central urban areas.
- 3.4 **Component IV: Knowledge dissemination.** This component will cover the operational and administrative expenses for the financing of a knowledge dissemination workshop in order to share this innovative experience with other LAC cities and have a broader impact on fostering more sustainable urban development in LAC.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Diagnosis of LAC cases	\$100,000.00	\$ 0.00	\$100,000.00
Review of French best practices	\$75,000.00	\$ 0.00	\$75,000.00
Pilot Project Design	\$235,000.00	\$ 0.00	\$235,000.00
Knowledge dissemination	\$41,000.00	\$ 0.00	\$41,000.00

V. Executing Agency and Execution Structure

- 5.1 The Bank through the Housing and Urban Development Division (HUD) will be responsible for executing this TC. Given the focus on sharing experiences from France, the TC will mobilize actors from the French ecosystem, mainly from cities and their satellites combined with private expertise. The TC program will also rely on the Agence Française de Développement (AFD) and IDB partnership. It will indeed contribute to the joint cities and climate change agenda that AFD and IDB are implementing by supporting local policies with strong impact on climate change (cf. vertical integration of NDCs and local implementation of the Paris Agreement). Moreover, in the case of Manaus, the TC will accompany a joint AFD-IDB loan operation in preparation supporting the rehabilitation and densification of Manaus' city center. HUD has substantial experience in providing technical assistance to cities and technical knowledge, particularly in the areas of housing, urban planning, and sustainability. The TC program is indeed considering mobilizing actors from the French ecosystem, mainly from cities and their satellites combined with private expertise.

VI. Project Risks and Issues

- 6.1 LAC countries and France have different context, social and economic dynamics, culture, and institutional system. The risks arising from the challenges to adapt French experiences to LAC countries will be addressed through an interactive and consultative process during the different steps of the program and particularly in the Pilot Project Design. LAC cities have also been selected based on their political will, technical capacities and expressed interest for cooperation with France. These criteria of selection will help surpass obstacles in the implementation of the TC.

VII. Environmental and Social Classification

- 7.1 The ESG classification for this operation is "undefined".