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Guide to Good Practice in Core Area Development

SUMMARY TECHNICAL REPORT

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1. Questions and Issues Addressed by the Research

1.1 Economic pressures are giving rise to large-scale commercial developments in central areas of cities in developing countries, displacing established central communities and their low-income households. . People living in such households and communities gain their livelihood largely from work in central service employment that is an essential element of the urban economy. The exodus of residents to the outlying areas of the city leads to an increase in commuting to the centre. Travel times and costs increase for low-income residents, intensifying their relative poverty, and increased travel impacts on the environment through increasing energy use and air pollution.

1.2 These large-scale commercial developments are also displacing traditional small-scale business and service enterprises, the consequence of which is the dispersal and reduction of traditional labourintensive livelihood opportunities in city centres. Affordable space in individual and family owned older properties with economic adaptability through sub-letting are being taken over and demolished in redevelopment plans. Rarely is provision made for their central re-accommodation, which is often key to their economic survival for both easy access by their customers and the symbiotic service function many perform to larger centrally located businesses, their customers and their employees.

1.3 The research looked at the ways in which sustainable low-income housing and small business accommodation could be integrated with new commercial developments in a range of contexts. Modelling tools and planning guidelines for design, management and finance to help facilitate this type of integrated and balanced development in commercial core areas of rapidly growing cities in the developing world were developed as an output of the research.

1.4 A key question was what approach to development would best enable low-income communities to resist commercial pressures for their relocation and to remain close to the source of their livelihoods within the commercial centres of these cities?

1.5 Our working hypothesis was that higher density, mixed use redevelopment incorporating an element of cross-subsidy from commercial development would allow for the re-housing of a substantial proportion of the existing low-income population on site. This would mean basic space standards, but with a much higher level of local services and with access to commercial workspace.

1.6 The research is based on a concept of a three-way (public-private-community) partnership approach to urban development, which is becoming a key element of current policy thinking on urban governance and local development. It involves capturing increasing land values from development for the benefit of low-income households and communities.

1.7 A variety of mechanisms for doing this were explored, including the documentation of existing examples of good practice. In general, these depend in some form or another on public intervention, through policy or project

facilitation. This includes the use of formal mechanisms such as planning gain or incentive-based planning codes for example, where the costs of providing for low-income land uses is offset by increased floor space indices. Such mechanisms provide a 'level playing field' in which individual developers can make an acceptable level of profit whilst providing social benefit in the form of low-income accommodation.

1.8 Alternatively, local authorities can act as intermediaries between land owner/developers and resident communities in brokering land sharing arrangements, providing some degree of guarantee in situations of high risk and allowing 'locked-up' land values to be realised for the benefit of both parties.

1.9 Where communities are weak and disunited in the face of commercial development pressures, the opportunities for achieving social benefit through redevelopment are easily lost. To realise such opportunities, communities need to act collectively. Formal land pooling systems, managed by local authorities and widely practised in East Asia, are one way of achieving collective gain.

1.10 While the main focus was on the central re-accommodation issue, during the research other concerns relating to the livelihoods pursued by the communities involved, and how these communities could organise themselves to take an active role in managing the development process, came to the fore.

2. Outline of the Methodology

2.1 There are two aspects to the methodology we employed.

- a) In the preliminary phase of the research, examples of existing practice were reviewed: mainly drawing on the research literature but also carrying out some primary research into examples that are geographically and culturally related to our field studies.
- b) The major part of the research focused on a series of city-based field studies. These involved data collection through household surveys, stakeholder analysis and workshop-based discussions or structured interviews, and theoretical urban design, planning and management explorations of appropriate sites in a number of locations. Photography and video were also employed. Primary locations were in Delhi (India) Jakarta (Indonesia), and Recife (Brazil). Secondary studies took place in Cairo and Aswan (Egypt), and in Howrah (India).

2.2 Outputs from these two areas of research fed into the preparations of the planning guidelines and other tools that were developed during the course of the research, notably a prototype computer modelling tool.

Box 1: Principles of the Mixed Use, Participatory Approach to Core Area Development

Sustainable local development

- appropriate long-term, low-income housing and workspace (affordable, needs-orientated and related to core area location)
- maintaining social capital and promoting community economic development
- management frameworks to encourage perpetuity of low-income occupation in core areas
- maintaining an economic and social balance and acceptance between lower value and higher value activities

Balancing commercial development with social benefit

- enabling land markets to work and understanding their potential, movements and capabilities
- capturing value (development gain) from the commercial development to ensure low-income inclusion as an integrated part of core area redevelopment
- balancing capital investment to ensure stakeholder commitment: commercial, public subsidy and investment by the community
- community investment through access to appropriate and flexible financial banking and/or mutual aid within the community (e.g. self-build efforts)
- acknowledging the 'hidden' costs of the process such as re-location and disruption to social capital
- acknowledging the rights and contribution that existing core area communities make to the sustainable economic success of redevelopment
- facing up to and finding a way to meet the often strong economic and social arguments put forward by commercial developers that mixed use lowers high values and creates social conflict

Community organisation

- strengthen community organisation to enable effective negotiation
- indigenous leadership to drive the process – community can lead as 'developer' or act as a strong development partner to other interests
- support to community from outside organisations and capacity building programmes

- co-operatives and/or development trusts to ensure long-term community interests and rights

Participatory and partnership-based approach

- achieve 'political' and stakeholder commitment to the process
- open and co-operative stakeholder dialogue established early
- municipal and/or NGO support to inform and facilitate negotiation and partnership
- align community aspirations and expected outcomes
- ensuring the process contributes to broader social aims: social integration, institutional development and economic viability

Appropriate controls and mechanisms

- municipal flexibility to address statutory constraints and overcome conflicts within existing regulations: operate outside 'normal' processes or review existing controls; innovation encouraged
- developing appropriate regulatory mechanisms: conditions and incentives (or relieving development constraints) and creating a 'level playing field' of development rules, or programmes that facilitate partnership approaches
- establishing a flexible planning framework, to operate at the wider city scale and within core commercial areas and responding to specific sites with briefs/guidelines based on local community interests as well as commercial success
- certainty through binding agreement and legal enforcement by statutory authority, setting out details of any negotiated and agreed development plan

Higher densities and reconstruction

- increasing residential densities to release land for commercial purposes which will in turn subsidise the residential development
- reconstruction (either part or whole) of the residential element is usually a necessity to increase the residential density
- balancing residential and commercial densities may enable only partial re-housing of existing communities; displaced residents to be compensated and/or relocated

3. Field Studies Site Selection

3.1 While the cities selected for field studies were not envisaged as a representative sample, the studies were intended to be illustrative of the potential range of cultural and development contexts. The cities included megacities in India (Delhi, Howrah – part of the Calcutta Metropolitan Area), Indonesia (Jakarta and Bandung) and Egypt (Cairo), a smaller city in Egypt (Aswan) and a medium size metropolis in Brazil (Recife).

3.2 Each of the cities had very different institutional frameworks and development contexts (see City Study reports for Delhi, Jakarta and Recife and working papers on Cairo, Aswan and Howrah – Case Study Annex). However, common themes, experiences and problems were evident in each of the locations.

3.3 In the primary studies, large sites were identified in the commercial core or city fringe areas subject to commercial pressures for change of use and/or intensive development and/or with the potential for a mixed use cross subsidy approach. In each city, local researchers surveyed a number of sites before the field study locations were finalised.

3.4 In all cases, the sites housed large (5000+) communities of low-income city residents in informal, but well-established neighbourhoods. Typically, sites were located in areas with the following characteristics:

- commercial core CBD
- city fringe around CBD
- major new or existing commercial sub-centres
- nodal points such as large transport interchanges

3.5 *Size*

Sites were selected of a minimum size to allow for consideration of a full range of building and street types, access and layout arrangements, a minimum of four city blocks or approximately 4 hectares. In practice, much larger sites were selected, although in some cases (e.g. Karet Tengsin in Jakarta) the field study exercise focused on part of the site.

3.6 *Land use*

Unauthorised settlers or low-income residents with limited security of tenure occupied the sites selected. For the most part, they were clearly subject to commercial pressure for redevelopment and/or (as in the case of Delhi, Motia Khan and Peera Garhi) to pressures from public development authorities for redevelopment according to an official master plan. In some instances the latent commercial value of the site was hardly evident because of the common perception of the site as fixed in its present, low-value use. This was particularly the case where residents had been granted some form, if limited, of security of tenure and where some upgrading had occurred, and where planning restrictions

limited the future potential for market-based land redevelopment (e.g. Santa Teresinha, Recife).

3.7 *Other contexts*

In principle, the approach advocated in the research can be applied to vacant sites or where current use is other than low-income housing as long as the site is under-valued in terms of its development potential (e.g. old railway or dock-land sites, disused factories or warehouses). If there is no low-income housing on the site, it is important to identify existing low-income communities who are intended to be re-located and who can inform the briefing process. The approach is also concerned with conserving existing mixes of uses and small business services which are vital to the functioning of core areas but which tend to be driven out by commercial property development and accompanying price increases.

4. Detailed Approach: City Studies Surveys

4.1 *Context study*

In each city study, the political and cultural, physical planning and social and economic development context of the city was investigated. This included existing policies on core area redevelopment and low-income housing and community development, examples of existing good practice in core area development, and local planning frameworks and legislation.

4.2 *Stakeholder involvement and analysis*

While time and resources limited the scope for participatory community involvement in the studies, local stakeholders and their interests and attitudes were identified. As these are theoretical studies, researchers were briefed to avoid raising false hopes in situations that were often desperate. However, where possible, we worked closely with an existing low-income community who live on or near to the sites to establish their needs and aspirations. Each study involved the co-operation of local researchers, NGOs, community representatives, developers and city representatives. They participated in local workshops to collect feedback and explore the economic, social, institutional, policy and political implications of the proposed options.

4.3 *Video interviews and reports*

Extensive use was made of video to record the site development context and interviews with key members of the communities concerned and other stakeholders, including developers and local officials. The video material is available as interview transcripts and reports, which represents an important resource for training and capacity building.

4.4 *Physical survey*

A visual and photographic survey of each site and its local context (broadly defined as an area within easy walking distance of the site, a 300m radius or administrative or statistical unit of 50-100 ha) was undertaken. The findings were mapped on to a series of plans at appropriate scales and presentation sheets. The physical survey reported on patterns of activity and movement (land use, pedestrian and vehicular flows), built form (predominant building types and characteristics, density, street form), infrastructure (utilities, vehicular access, public transport connections) and the physical environment (noise, air quality, microclimate, landscape).

4.5 *Household socio-economic and attitude survey*

Through a limited sample household interview survey the aim was to quantify the number of existing households (and persons) and businesses already on the site that can or cannot be re-accommodated in any given scheme option being examined. This gave a sound basis from which an assessment could be made whether there can be an increase in the accommodation available to house low-income households and create small business opportunities. As a part of the survey, the interviewees were given an opportunity to express their views on whether they would like to stay on site or be relocated elsewhere in or out of the city and how this would affect their livelihoods.

4.6 Basic population/social data required for carrying out research into this level of redevelopment options needed to be quantitative and general, e.g. the number and size of households.

4.7 *Livelihoods*

The household surveys established the relative importance of the location in relation to the employment opportunities for those households and the extent of business (i.e. income earning) activity on the site.

4.8 Where possible, quality population/social data to fulfil the needs of this initial research stage was obtained from existing municipal, NGO or other sources. Lacking this, a reliable frame from which a sample could be drawn to get this basic data from a field household interview survey was constructed. The house or household numbering or registration system used was tested against identifiable locations on the ground. As the resources (both time and money) of the research were limited, a geographical field survey (i.e. a basic rough mapping guide to locate premises of all occupants) was not possible except where the existing layout of occupied quarters was relatively orderly and simple.

4.9 In the worst-case scenario, best guess estimates (with assessment of their likely reliability) were made concerning the population/social data for this research stage from structured interviews with officials, local community leaders, NGOs and personal observation.

4.10 *Land management and development context survey*

Surveys were undertaken to establish the predominant pattern of tenure, principal landowners, and any relevant national or municipal statutory land or tenure protection to particular groups. Data was collected on land value, rental values and yields and structured interviews with local real estate agents and development companies established market trends and directions of profitable property investment.

4.11 A study of various commercial/shopping areas was also conducted. This included looking at the scale of shopping area, the building types, the building usage (mixed or single use), the neighbourhood it serves and the nature of the locality (street sections and photographs).

4.12 *Regulatory constraints*

A review of local planning documents and discussions with municipal officials established the relevant development and building control regulations. These included land use restrictions, floor area: site ratios, density controls, parking standards, utilities, servicing and access requirements, daylight, overlooking/privacy requirements, fire regulations which affect general layout and the degree of their enforcement. Further surveys were undertaken to establish relevant space standards and prevailing local building types.

5. Detailed Approach: City Studies Site Redevelopment Options

5.1 *Feasibility studies*

Informed by, and in parallel with, this fieldwork, we looked at a range of feasibility options for the City Study sites and carried out a financial and social appraisal. Through an urban design approach, we explored the space that can be accommodated on the site in terms of commercial and low-income development, with different combinations of uses and tenures in different spatial configurations and at different densities. The output of these studies provided a development brief for each site presenting the feasibility options for different design and management arrangements. The briefs for the sites in the study cities were used to inform the guidelines that are the final output of the study.

5.2 *Stakeholder needs analysis*

Leading on from identifying the stakeholders and the socio-economic and attitude survey, the needs and priorities of local stakeholders were summarised. For low-income communities, priorities included not only housing but also business, employment, existing community structures and community/social facilities.

5.3 *Establishing the scenarios for the different options*

Using different combinations of established priorities, scenarios were generated that were sufficiently wide ranging to illustrate the range of possible options for the site. These included, among others:

- Options which explored various forms of land sharing, cross subsidisation and planning gain

- Maximum re-housing of low-income residents within existing planning constraints
- Maximum re-housing of low-income residents ignoring existing planning constraints
- Maximum commercial return within existing planning constraints
- Maximum commercial return ignoring existing planning constraints
- Maximum new build
- The aim was to contrast a small sample of extreme or limiting scenarios with those that meet the criteria of balanced and integrated development.

5.4 *Site proposals*

Broad urban design proposals were produced for each of the scenarios. Using standard building types, these established the site layout and building configurations in sufficient detail to be able to calculate floor areas and establish basic environmental conditions and set backs. Building facades and architectural detail were not specified.

5.5 *Financial options appraisals*

Using a standard development appraisal method, cost-benefit studies were carried out for each of the options. This was done through a set of linked spreadsheets (the Financial Appraisal model) that adapted the standard methodology to the particular requirements of integrated core area development.

5.6 *Site management/tenure options appraisal*

An analysis of urban and land management/tenure options were explored. Realistic rental/tenure arrangements for very low-income residents over the short and long term are key to the effectiveness of the proposed approach and need to be built into the financial site appraisal. The legal and institutional framework for site development needs to be considered and related to the options for community development.

5.7 *Community development options*

Successful and sustainable implementation of the approach set out in the research depends on the integration of existing community structures into the proposed site development. This was an important factor in appraising site development and management options.

6. City Study Workshops

6.1 Site development options were presented at local workshops in which representatives of the stakeholders participated. The workshops were held over a period of two or three days to test responses to the development brief and to disseminate findings. Workshops involved representatives of government, local government and the development industry, community representatives,

representatives from academic institutions and other public and non-government development agencies.

6.2 The advantages and disadvantages, constraints and opportunities of each option were tested against the views and acceptability of the immediate stakeholders and municipal and other administrations. Outcomes of the various workshops are detailed in the city study reports.

6.3 These views provide the basis for working up a much more detailed scheme with full community participation. This would be a second urban design stage that could be implemented, but which lies outside the brief for the current research project and will need much more detailed and considered community based data at that stage.

7. Variations in the City Study Approach and Research Team Composition

7.1 There was some variation in the way that the city studies were approached in the different locations. Generally, the field studies in Delhi (where the methodology set out above was piloted) and Jakarta were carried out by small teams (from two to eight researchers) following the pattern of activities detailed above, including the full range of surveys and workshops.

7.2 In Recife, the research team followed the same programme but students, under the team's supervision as part of an urban planning exercise, carried out much of the research. Household and other survey data collected by students was processed, partly by the students themselves and, in the case of statistical data, by the research team. On the basis of information collected, students worked individually and in teams on preparing redevelopment proposals for the Santa Teresinha informal settlement site.

7.3 At a three-day workshop in February 1999 in Recife, researchers, stakeholders and students came together, with access to all the data previously gathered and on the basis of their familiarity with the site, to explore the options for site redevelopment. Working in teams representing the different stakeholder interests, the participants prepared new management and design options for the site. Using the most successful and workable aspects of these different options, and building on simulated negotiations between the different stakeholder interests represented, the workshop arrived at a series of final redevelopment options for the site. The methodology employed in this workshop, helped build local awareness of and expertise in the use of the integrated development approach. It also formed the basis of the London joint workshop that is described in section 9 below.

7.4 Other city studies involved more limited field research and desk studies. In Cairo, initial surveys failed to identify suitable field study sites. Land ownership and tenure arrangements were complex and most potential central area redevelopment sites were small. While the planning principles advocated by the research had an application in this context, a quite different approach to that

adopted in the other city field studies would have been required. It would have to be one associated with conservation, tourism and revitalising the run-down historic areas of the city. The findings of the Cairo study are detailed in Annex 9. Further exploration of the integrated approach in the Egyptian urban context was carried out in the mainly desk-based study by Ahmed Eiweida of the Tabya area of Aswan City (Annex 9).

7.5 GHK Research and Development carried out a desk-based focus study of two informal settlements in Howrah, the twin city of Calcutta. Drawing largely on their own practical experience of the area, this study explored the opportunities for and constraints on the application of the integrated approach to redevelopment of the ARP Busti (settlement) and PM Busti . The particular concern of the study was with the way in which approaches to the redevelopment of core areas can take account of informal power relationships while protecting the interests of the urban poor, and the process for achieving this. Although the legal provisions in West Bengal are different from those in Delhi, the possibilities outlined in this note should throw light on the possibilities for the sites in Delhi and the way in which they might be approached (see Annex 9).

8. Outputs of the Study: Guide to Good Practice

8.1 The primary practical outputs of the research are a set of urban design and development tools - methods, principles, examples of good practice - which will enable low-income communities to live close to the source of their livelihood within the commercial centres of these cities.

8.2 These tools, grouped together within a 'Guide to Good Practice', are targeted at a range of potential users. The primary users include:

- Low-income communities themselves who need practical guidance in negotiating their futures with landowners, developers, employers and city institutions
- NGOs, consultants and technical aid organisations involved in aiding low-income urban communities on the ground
- Developers, financial institutions and landowners who are most likely to be the initiators of development and prime beneficiaries, in commercial terms, and who need to negotiate with existing low-income communities and urban authorities in developing core area sites in cities
- Planning authorities, public development agencies and other urban management bodies who need guidelines in facilitating partnerships between stakeholders in core area developments
- Policy-makers in donor organisations, governments and city institutions involved in framing policies enabling the implementation of balanced, sustainable and integrated development in core areas of cities.

8.3 The Guide to Good Practice is aimed, in the first instance, at reducing the conflicting and enhancing the common interests of the prime stakeholders in the urban development process. At another level, the Guide is intended to be of use to policy-makers in donor organisations, governments and city institutions in framing policies which they can support in order to realise balanced, sustainable and integrated mixed-use development in core areas of cities.

8.4 The primary dissemination medium for the Guide is intended to be the Internet. Guidance sheets will be made available in a form that can be printed off as required.

8.5 All original planned outputs of the project have been achieved and a large number of other outputs have been added covering a wide range of issues thrown up by the research and broadening the potential dissemination of the research findings. The research period was extended to accommodate the additional workshop in London (see following section 9). This allowed for the research to benefit from parallel research being conducted by the Max Lock Centre on research knowledge transfer (KaR research project 7171).

9. London-based Demonstration Workshop

9.1 The modelling and associated tools were demonstrated and tested at a workshop on Design for Development on 11-12th September 2000 at the University of Westminster, London. It was attended by researchers from each of the City Study teams, who received prior training in some of the techniques developed in the course of the research, and other invited participants, including DFID officials.

9.2 Other outputs of the research, including reports, working papers, presentation boards and videos were presented at the workshop.

9.3 The workshop examined the role of urban development briefs and flexible urban development guidelines as an alternative to more traditional regulatory frameworks, dependent on rigid master plans and zoning approaches. Participants worked in teams, using the techniques and tools presented in the form of a computer model, to explore site development in inner city and, in association with Geoff Payne Associates, peri-urban areas.

9.4 The basic components of the computer model are standard building types that can be quickly assembled in different configurations of built form and land use, visualised in three dimensions, and appraised in terms of financial returns, resource requirements and planning performance criteria (e.g. number of residents re-housed and density of occupation). The model needs further development to deal with the plot-based approach to the development of peri-urban sites, and to address issues of infrastructure cost and layout.

10. Policy Implications

10.1 The case studies covered a range of political, institutional and development contexts, suggesting a range of policy options open to governments and local governments, depending on local conditions.

10.2 In Delhi, all land and development rights are, in principle, publicly owned and vested in the Delhi Development Authority (DDA), a Government of India body. Cross subsidisation of low-income housing takes place on a city-wide basis, with the DDA using development of the more valuable, central sites to subsidise low-income provision in cheaper, peripheral locations. All development is prescribed by the Delhi Master Plan, which zones land use for the whole city. The objective in the Delhi case study was to demonstrate, not only that this policy fails to take account of the largely hidden but significant social and financial costs of relocating core area communities, but also that cross-subsidisation at the local level can be made to work. Given public ownership of land, it is a relatively simple matter to institute an integrated, mixed-use approach. The main hurdle is bureaucracy and institutional inertia. In the case of Delhi, despite initial interest, further work remains to be done in convincing the DDA that a mixed-use approach, implemented through changes to planning guidelines and/or the use of local, site development briefs can be economically implemented.

10.3 In Jakarta, the development context was particularly crucial. The research took place in the wake of the East Asian financial crisis of 1997 and the subsequent collapse of what had been a booming property market. In this context, the property development company with an interest in the study site was no longer in a position to continue with its gradual plot-by-plot site assembly and large-scale commercial 'clean sweep' redevelopment. In the current situation the local authority has a potentially important role to play in facilitating site redevelopment with re-housing of the established low-income community in the medium term by encouraging land pooling and collective action by the community. Thus the developer is enabled to gain access more quickly and securely to those parcels of land critical for the commercial element of the mixed use and cross subsidised development proposal advocated as a result of the research. This suggested a need for a long-term planning strategy for site redevelopment, allowing for phased redevelopment, as market conditions become more favourable, but with strong community involvement in the management of the process. In Jakarta, local government (an arm of central government) had already instituted planning gain rules requiring provision of a fixed proportion of low-income housing in new developments but in the boom time was meeting resistance from the development industry. The tools developed in the research would enable local authorities to take a more flexible approach to planning gain, allowing for the changed market conditions and beneficial to particular local circumstances

10.4 In Recife, a strong popular movement by the residents of informal settlements in the late seventies, combined with political decentralisation and growing local democracy in the eighties resulted in the institution of a system for

granting security of tenure. As in Delhi, such rights of occupancy have the tendency to 'lock-in' land values and make it difficult for land markets to work effectively in such areas. Moreover, even with upgrading, such settlements tend to remain sites of social exclusion and continue to be stigmatised and perceived as outside the 'formal' city.¹ The inclusion of *favelas* within the formal planning system as ZEIS (special social and economic zones) only serves to reinforce this situation. Although the residents of Santa Teresinha had been granted leasehold rights to their plots, they felt a lack of ownership while ZEIS-specific zoning regulations prevent them from realising the potential increases in the value of their land through partnership with the neighbouring shopping centre. This suggests that, as in Jakarta, the planning approach to informal settlements needs to be more subtle and strategic. Alongside security of tenure, more emphasis needs to be given to allowing land markets to work and to the long-term development of livelihood opportunities, community development and building on existing social capital.

10.5 The number of statutory, policy and governance constraints listed in Box 2 illustrates the relative importance of the role of local or central government in addressing any conflicting frameworks and attitudes and facilitating the process. This can be a particular problem where all land is held by the state, and the state undertakes to grant development rights (e.g. Jakarta case study). Addressing the conflicts within existing policy may necessitate the mixed use development process taking place either outside of existing frameworks and policies (as a 'pilot' or demonstration project), or within the existing framework, as part of a co-ordinated and adapted suite of policies and strategies. There is a key role for government agencies or NGOs in driving or facilitating the process initially. An important aspect of the process is to ensure that the benefits of action reach all, including the poor and the disadvantaged. It may be essential for an NGO (or government agency where appropriate) to be involved in the appraisal phases of the approach, drawing on their existing knowledge base and skills, and ensuring that the process is established on an objective basis. The role of the intermediary is also important to facilitate stakeholder involvement. This may or may not be the same organisation, but in this role it should act as an 'honest broker', engaging individually with the different stakeholders and ensuring that they enter into the process with a good awareness of the different options appropriate to the situation.

10.6 The role and power of the local community within the process will depend upon several factors. Apart from the existing strength and cohesion of the community itself, support from outside organisations (local and central government and NGOs) can contribute significantly, enabling the community to participate effectively in the process, or to initiate the process. If the community

¹ The Favela do Bairro programme in Rio de Janeiro is instructive in this respect, with more emphasis given to the strategic provision of infrastructure linking favelas to the main public realm of the city.

can reinforce their position by forming a legal entity, this will further influence their power to initiate, drive or participate effectively in the process.

Box 2: Constraining Factors in the Mixed Use, Partnership Approach to Core Area Development

The process and outcomes are constrained if:

Ownership and tenure issues

- The area and/or site is in multiple ownership (i.e. collective action needs to be promoted, organised and sustained in support of common, community interest). Where residents have rights of tenure, the community may be more fragmented and willing to act more on the basis of individual rather than collective interests.
- Where the occupants of the site have few/no rights of occupancy – particularly at the outset. However, clearing or re-locating illegal settlers can have political costs (as can ignoring them) which strengthens the position of illegal settlers. This position is cemented over time, particular where settlers invest in their housing and gain de-facto rights of occupancy. The inhabitants of such settlements may still feel some threat from their official illegal status and be more ready to unite and act as a community in defence of their common interests.

Physical issues

- The area has suffered generalised and fragmented decline resulting in small pockets of commercially redundant land (e.g. in a traditional/historic city core area); sites have to be sufficiently large to allow contiguous development of high and low-value uses. Assembling (or linking) a number of small sites - contiguous or co-located in an area, but under separate ownership – is a difficult and time-consuming process, but may possibly be utilised in parallel with Transferable Development Rights.
- The site is difficult to access or is unserviceable.

Stakeholder issues

- Inter-stakeholder communication and co-operation is weak.
- The attitudes and levels of co-operation of the stakeholders (especially the landlord) are not positive.
- The development process for a specific site is at a late stage before a participatory approach is introduced.

- There is no binding agreement within the process, which reduces the levels of certainty for the stakeholders.
- If the strength of community leadership or outside support (by outside agencies) is weak.

Viability issues

- There is inadequate commercial development pressure upon the site/s; e.g. an area is in a state of commercial decline and the process is potentially not viable – or only when property markets improve at an uncertain point in the future.
- The low-income community has a lack of ability to pay even a minimum for housing.
- Accessibility to appropriate sources of development finance is poor.
- The existing residential density within the site is very high, necessitating only partial re-housing on-site of the existing population (to release land for more commercial uses), resulting in an increase in ‘hidden’ costs (of compensation to displaced residents, and to the loss of socio-economic capital through splintering an established community).

Local Government issues

- Poor inter-agency co-ordination.
- There are inappropriate municipal controls or mechanisms that affect the viability of the scheme in the short term (e.g. planning and zoning controls that impact upon building heights, density and cost; planning blight resulting from municipal moratoriums, e.g. development within historic quarters).
- There are inappropriate municipal controls that affect the viability of the scheme in the long term (e.g. rigid planning policy in the form of mono-use zoning constrains the development of mixed income and mixed use neighbourhoods that are economically sustainable over time).
- There are inappropriate municipal financial mechanisms (e.g. statutory requirements to achieve maximum financial returns on publicly-owned sites).
- There are inappropriate municipal property/tenure mechanisms (e.g. tenure regularisation mechanisms that result in increasing inequality and exploitation of the lowest income groups, e.g. where the poor are renting rooms from the less poor, or from ‘illegal’ landlords).
- Rigid attitudes within local government can be a major constraint to the process; in particular the presumption that core area sites should be cleared of housing and that mixed use depresses high values and encourages social strife.

- Local government emphasis on physical improvement and revenue increase at the expense of accommodating existing communities and recognising the economic value of existing communities.
- Local government does not have adequate resources or political will to enforce developer compliance.
- Local government is not geared up to deal effectively with the development of privately owned land.
- There are not adequate mechanisms (i.e. spatial development policies) at metropolitan regional scale to contain urban sprawl effectively since the absence of development control in peri-urban areas facilitates easy dispersal of low-income core area residents.
- There are inadequate controls to ensure that the principle and proportion of new low-income provision (residential and business) remains available to the low-income groups in perpetuity, and is not subject to the forces of gentrification as land values adjacent rise.

11. Conclusions and Recommendations

11.1 In the different city studies, the central question addressed was what approach to development would enable low-income communities to resist commercial pressures for their relocation and to continue to live close to the source of their livelihoods within the commercial centres of these cities.

11.2 In each of the major studies, higher density, mixed-use redevelopment incorporating an element of cross-subsidy from commercial development would allow for the re-housing of a substantial proportion of the existing low-income population on site at basic space standards, but with a much higher level of local services and with access to commercial workspace. Surveys showed that typically around 50% of residents would prefer to be re-housed on site, while the remainder preferred to be relocated elsewhere in the area or at better space standards in more peripheral locations. The development options allowed for this level of re-accommodation at a higher density, whilst providing for a realistic level of commercial floor space to finance the development.

11.3 The sites that we investigated support our basic contention that low-income communities are threatened by commercial development in core areas that is unsustainable from a city wide point of view. In the particular case of Delhi, where the research focused on two large squatter settlements, rigid planning policy is working against the interests of the poor and the development of the sort of mixed income and mixed use neighbourhoods that occur naturally in the less regulated areas of the city. The current policy ensures the break-up of existing communities and relocation of poor households to peripheral housing estates far from the centres of employment.

11.4 In Jakarta, the institutional constraints found in Delhi are largely absent and the authorities have already been pursuing integrated policies. The

integrated, mixed-use, mixed-income approach advocated in the research was, in the main, enthusiastically received. However, there were particular development issues to be addressed and associated with the recent collapse in property values and the need to develop planning guidelines for site redevelopment that can be implemented over time and in parallel with changes in the property development cycle. A further issue was the long period of residence and relative security of tenure of many of the inhabitants. This made it easier for the major land developer to buy up the land it needed on a gradual plot-by-plot basis in order to develop the whole area comprehensively. This severely weakened the community's ability to act collectively in its common interest.

11.5 In Recife, where as many as 50% of the inhabitants live in informal settlements similar constraints occur, although with a different outcome. Recently enacted laws have given rights of tenure, albeit of a limited kind, to squatters after many years of struggle against political and commercial pressures. As previously noted, associated planning regulations fix regularised low-income settlements in their present low-value use and stop secondary land markets from working. The perception of the fixed nature of the *favelas* is reinforced by the residents' long-term attachment to their existing properties but ultimate insecurity about their situation. Despite the upgrading, however, Santa Teresinha was characterised by social exclusion and problems associated with poverty, so that redevelopment options with a strong livelihoods focus, in this case associated with further development of the nearby shopping centre, were attractive to the local community.

11.6 Each of the city studies thus offered an opportunity to explore a quite different facet of the problems of core area development and a basis for a successful outcome.

11.7 A range of issues arose during the course of the research. They raise questions that should be addressed in further research. These include:

- The degree to which governments and local authorities were capable of adopting the degree of flexibility necessary for the integrated development approach advocated by the research. The findings of new KaR research projects on regulatory guidelines (ITDG: Regulatory Guidelines for Urban Up-grading, and GPA/ ITDG Regulatory Guidelines for Affordable Shelter & Urban Upgrading: Creating Common Ground) will be important in this respect.
- The related question as to what further needs to be done to encourage local authorities to adapt the particular mechanisms advocated in the good practice guidelines and case study examples such as formal land sharing and/or site assembly arrangements, and the use of incentive zoning or planning gain arrangements.
- The degree to which the approach would be constrained by any existing legal frameworks and systems of formal and informal tenure.

- Concern expressed by many respondents during the course of the research regarding unintended ‘gentrification’ impacts of the redevelopment approach. These ranged from concerns that physical improvements would ‘price-out’ low-income residents to concerns that low-income residents would use the opportunity to realise quick capital gains and simply transfer to ‘free’ accommodation in other or new informal settlements.
- Concerns that low-income communities are too weak or fragmented to engage in negotiations with non-accommodating public authorities or commercially powerful landowners or developers that would successfully ensure that their needs and priorities are addressed.
- Concerns of developers or landowners that mixed-income and mixed-use development would not prove sufficiently attractive to the market and therefore could not be profitable.
- Concerns about how the basic finance for investing in development that is seen by the world at large as unfamiliar and ‘risky’ can be obtained. In this respect, the DFID KaR research being undertaken by Homeless International ‘Bridging the Finance Gap’ is highly relevant. This looks at providing the financial support for community-led slum upgrading including communities undertaking the role of developers themselves as in the first community led slum rehabilitation project under the Slum Rehabilitation Authority in Mumbai. HI is also pursuing the possibility of establishing an international risk management fund.

11.8 The good practice guidelines developed in the research suggest a range of land management mechanisms and routes whereby stakeholders could arrive at a ‘win-win’ integrated solution, whereby the interests of low-income communities can be reconciled with those of the planning authorities and private developers. The major constraints, as noted, are largely to do with perception and process, with local government having a key role to play in facilitating the approach. It is suggested in the research that a more developed ‘action planning’ approach with an outside organisation (NGO, technical support organisation) playing the role of ‘honest broker’ would help to overcome some of these constraints and help give support to communities in organising themselves to take an active role in managing the development process and negotiating for their best interests.

11.9 A detailed examination of the livelihoods pursued by households in the field study settlements in Delhi and Jakarta revealed the critical importance of location for most people living in the neighbourhoods (Annex 10). In the Motia Khan community in central Delhi, for example, most people were too poor even to afford public transport and relied on being within easy walking distance of livelihood opportunities. The community relied on access to the tourist trade, to nearby middle class neighbourhoods for domestic employment and to the wholesale markets of Old Delhi for sources of supply and markets for home produced goods. Valuable social capital, in the form of networks of business

contacts built up over time, was threatened with loss through planned relocation of the community. Residents of core area settlements in other city study locations were equally reliant on easy access to the central area economy, to which they were an important source of informal labour and services. In Jakarta, the provision of informal open space to support small-scale local economic activities is a crucial component in maintaining livelihoods. These 'pockets' of activity (frequently overlooked in 'planned' settlements) support 'life' on the street as does the practice of designing walk-up flats with the ground floor space left open for local commercial and informal activities to take place.

11.10 The enhanced dissemination of the research findings has made it possible for the research to go further towards achieving its ultimate purpose and goal than was envisaged at the outset. However, in order to address the purpose of the research more fully, further work needs to be done on implementing the approach and in building interest and capacity in adopting it on a wider scale.

11.11 These follow-up studies would allow for further development of the planning methodology used in the research (survey, analysis, design, assessment and implementation) and its adaptation to the rapid planning appraisal and action-planning context suitable for practical field use. It would also allow for further development of the guidelines and exploration of different formats for their application in practice in different contexts. For example, the computer model and other tools could be used to develop new planning standards for general application in core areas (or for use in particular, appropriate types of core area site).

11.12 The wider scale adoption of the approach requires the development of a local capacity-building package comprising a toolkit of partnership-based, neighbourhood development methodologies and associated user guides including web and interactive CD-ROM based guidelines and neighbourhood development modelling tools. These would be used in training workshops, building on the methodology developed at the 1999 Recife and 2000 Westminster workshops, and in the work of Geoff Payne Associates. This would involve training local research partners and municipal agencies in the capacity-building techniques, so that the approach may be disseminated locally.

11.13 It is also recommended that further development of the tools developed in this research (in particular the computer modelling tools) be undertaken to ensure their wider availability and appropriateness. For example, their application to the peri-urban context, where the integrated, mixed-use, partnership approach has equal validity (see, for example, Urban Projects Manual, edited by Forbes Davidson and Geoffrey Payne, 1999).

11.14 Finally it is recommended that follow-up investigation into practical participatory planning in case study cities is undertaken, which would explore the practical implementation of the approach in appropriate core area locations. High-level discussions with the Indonesian government suggest a serious interest in implementing some of the ideas that have come out of the study. The Max Lock researcher in India is also exploring a follow-up to the Delhi City Study with the municipal authorities. Considerable stakeholder interest in the approach

was also expressed in Recife where research partners are continuing to explore avenues for implementation. Some ideas of how the groundwork that has been done in the city studies can be carried forward into practice in those particular locations are outlined in Annex 5: *The next steps – from field study research and outputs to actual development.*