

Key Trends & Challenges -- and an Emerging Paradigm Shift -- in the Provision of Humanitarian Shelter in Urban Areas

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An aerial photograph of a city, likely Los Angeles, with a large, snow-capped mountain (Mount San Antonio) in the background. The city is densely packed with buildings and roads, visible in the lower half of the image. The sky is clear and blue.

**Humanitarian Assistance
Doesn't Exist in a Vacuum,
but in...**

SETTLEMENTS

(the Places Where People Live, from Transit Centers to Mega-Cities)

Settlements Provide CONTEXT...
The TRENDS Affecting Settlements
Are Many, but One is Key

The Future is Urban, and
the Future is NOW!

*Global population will increase from
6.9 billion to 8.4 billion, '10-'30;
equiv. of 92% located in the cities of
developing countries, increasing pop.
from 2.6 to 4 billion in those cities
alone!*

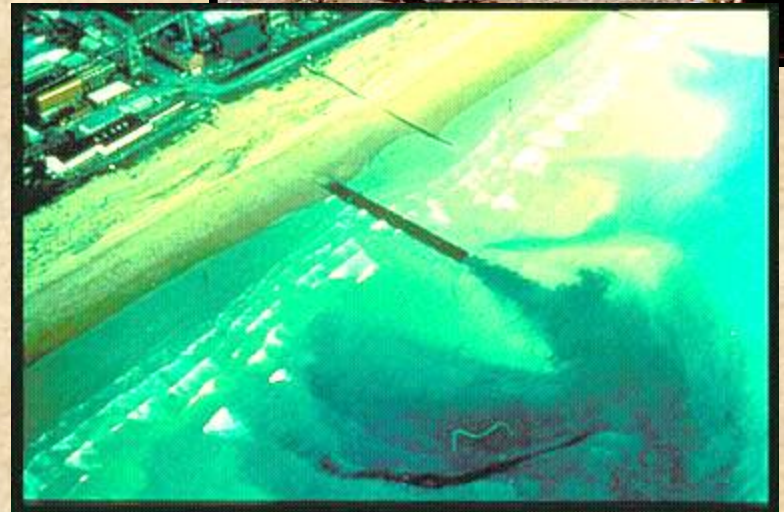
BY NOW, YOU'VE SEEN slumdog millionaire

- Conditions depicted are experienced by nearly 1 of every 6 human beings
- By 2030, nearly 1 of every 4!!!



SETTLEMENTS

also at Center of Climate Change and Environmental Degradation Debates

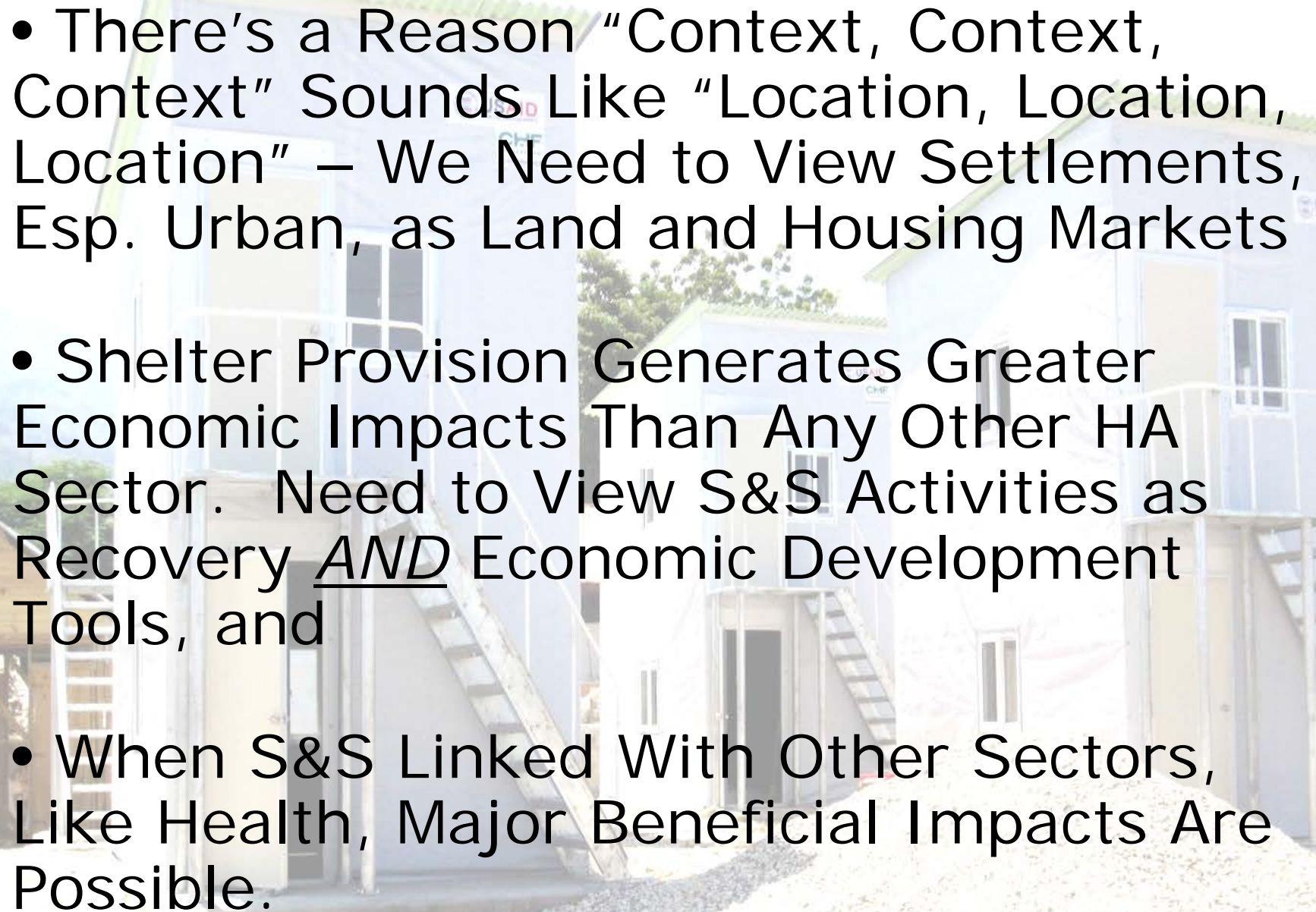


**Internal Displacement now 40.8 million people; highest ever recorded.
To 13.0 mill at start of 2015:**

- 19.2 mill added due to disasters; 53k/day
- 8.6 mill added due to conflict; 24k/day
- Past 8 years, 203.4 mill; 70k/day
- By Comparison, 15.1 mill Refugees
- Majority of Refugees, and Growing Share of IDPs, Now in Urban Settlements
- AND...Climate change-related disasters will put 1.3 billion people at risk by 2050
- AND... Development-induced Displaced est. at 15 mill/yr since approx. 2005

A photograph of a narrow, unpaved street in a slum. In the foreground, three people are walking: a man in a blue and yellow shirt, a woman in a white shirt and patterned skirt, and a child in a white shirt. The street is littered with debris, including broken wood and plastic. In the background, there are makeshift buildings and a large pile of rubble. A sign on the right side of the street reads "Kredi Popile" and "Mize PA Center". A logo for "BUH" is visible in the top right corner.

***In Sum, Settlements are
Expanding Rapidly,
and Increasing
-- and Exacerbating --
Vulnerability to Multiple Risks***

- 
- There's a Reason "Context, Context, Context" Sounds Like "Location, Location, Location" – We Need to View Settlements, Esp. Urban, as Land and Housing Markets
 - Shelter Provision Generates Greater Economic Impacts Than Any Other HA Sector. Need to View S&S Activities as Recovery AND Economic Development Tools, and
 - When S&S Linked With Other Sectors, Like Health, Major Beneficial Impacts Are Possible.

Recognize The Centrality of Settlements

- Spatial framework provided by focus on Settlements provides the “catch-all” context for integrated, multi-sector action *(compels inter-cluster action, or a hedge against cluster dysfunction, maybe a framework for DA?)*
- This Approach, based on Socio-Economically defined space, changes the focus from households and shelter to neighborhoods and larger communities
- This change in Unit of Analysis and Action particularly useful in urban areas



Just as You Frame a House, ... "Frame the Future"

HA actors can help "frame" follow-on recovery; this includes integrated, multi-sector settlements planning, as most official plans are aspirational, perhaps even inspirational, but not operational



Urgent Need, Then, To...

- **Promote Integrated, Multi-Sector Activities** by Adopting Different Mechanisms (e.g., Sphere Project Urban Guidelines, settlements planning, land sharing, land readjustment, new mapping technologies, etc.)
- **Support Post-Event “Roadmaps to Recovery”** Through TA & Capacity Building Efforts
- **Support Pre-Event Planning Efforts to Configure AND Reconfigure Risk-Prone Settlements**

HIGH DENSITY HOUSING (HDH) PROGRAM

'A Community -Driven Shelter Solution'

Ma. Ana R. Oliveros
President, SHFC



**Social Housing
Finance Corporation**

7th Global Housing Finance Conference
Washington, DC
May 2016

PHILIPPINES

- Island country in Southeast Asia situated in the western Pacific Ocean

3 Major Island Groups



Local Government Units

80 **Provinces**

143 **Cities**

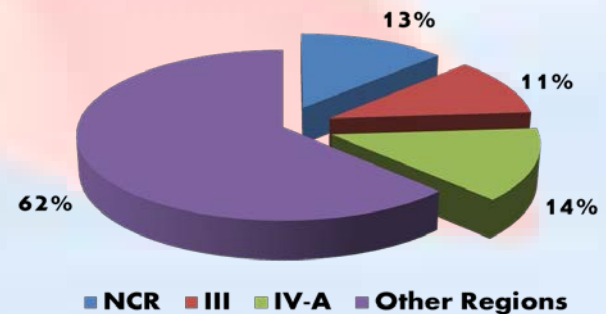
1,491 **Municipalities**

42,028 **Barangays**

Population *

92,337,852

(Annual Growth Rate of 1.9%)



*2010 Census

About SHFC

Vision

Mission



- A government owned and controlled corporation created in **2004** and operationalized in **2006**
- **Mandate:** Develop and implement social housing programs for the low-income families in the informal and formal sector
- Source of funds: government subsidy

By 2022, SHFC shall have provided 530,000 organized homeless and low-income families with **Flexible, Affordable, Innovative, and Responsive (FAIR)** shelter solutions to their housing needs.

We empower and uplift the living conditions of underprivileged communities by:

- providing **FAIR shelter solutions;**
- building strong partnerships with the national and local government, as well as civil society organizations and the private sector, for the attainment of affordable housing; and
- supporting the underprivileged communities' housing initiatives.

Typhoon "DNDY" (Ketsana)

September 2009

- ❖ Affected areas are Regions I, II, III, IV-A, IV-B, V, VI, IX, XII, ARMM, CAR and NCR
- ❖ **Heavy rains** which caused widespread flooding in almost all parts of Metro Manila
 - *Flood water levels reached 20 feet (6.1 m)*



Affected Population	993,227 families/ <u>4,901,234 persons</u> <i>(7% of the total population* of the affected regions)</i>
Casualties	Death – 464; Injured – 529; Missing - 37
Damaged Houses	185,004 houses
Cost of Damages	Php11,000,000,000.00

Government's Response

Metro Manila Flood Control Plan

- A **PhP350B flood control program** for Metro Manila
- Involves the establishment of structural measures for the river basins and waterways and improvement of urban drainage system

Resettlement

- **PhP 50B ISF Housing Funds**
 - ✓ Aims to clear major Metro Manila waterways of ISFs and transfer them to decent and safer near-city and in-city resettlements
 - ✓ **HDHP** - SHFC's participation in the government's ₱50B ISF Housing Program for ISFs in danger areas and along waterways in Metro Manila



Program Features



Borrower	Homeowners Association (HOA); Housing Cooperatives
Phases	Phase 1 – Land Acquisition; Phase 2 - Site Development and Building Construction; Refinancing (LGU)
Loan Ceiling	PhP450,000 (USD 9,667)
Interest & Term	4.5%; 30 years
Repayment Scheme	Graduated for the first 10 years and fixed amount starting on the 11 th up to 30 th (<i>PhP 1,319.99/USD28.26 1st year monthly amortization</i>); Rent-to-Own
Mortgage	Real Estate; Chattel Mortgage
Tenure	Ownership; Usufruct
Support Programs	Partnership Building; Capacity Building; Subsidy Fund (10% of the Project Cost)

Program Accomplishments

Board Approval (As Of May 2016)

	Projects	ISFs	Amount (In Millions)
Phase 1	27	19,114	PhP1,838.49 (USD39.49)
Phase 2*	18	14,308	PhP5,284.61 (USD113.52)
Refinancing	9	467	PhP200.90 (USD4.32)
TOTAL	36	19,581	Php7,324.00 (USD157.34)

Occupied	498 units
Completed	2,697 units
On-going	3,283 units
2016 Target completion	7,354 units



Lessons



- ❑ **Housing** is not just the structure. It is a process of **empowering communities**
- ❑ Housing is **access to jobs and livelihood opportunities**
 - Promote on-site development, near-site or in-city relocations
 - Minimal social displacement
- ❑ **People are the solutions.** They are not the problem.
 - Partnership Building
 - Capacity Building
- ❑ Repayment is not just a **function of affordability but the willingness/decision to pay**

Challenges Next Steps



❑ **Estate Management (Post occupancy concerns)**

- Maintenance of the housing structure, common areas, and facilities; Management of facilities; Financial management; Financial resource mobilization; Access to basic services; Safety and security; Environmental protection

❑ **SCALE UP**

- Increased Funding; Increased Capacities of the Partner; More partners in the private sector and the academe; Increased Absorptive Capacity of SHFC

❑ **EXTEND SUBSIDY**

- Capital Subsidy; Cross Subsidy

❑ **INSTITUTIONALIZE REFORMS**

- HDH beyond the PhP50B ISF Housing Program; City-wide Development Approach

Thank you.

Housing Finance IN EMERGING MARKETS

■ Housing 2030

Durable Housing Solutions
for Displaced Households

Rental Support Cash Grants in Haiti

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Durable Housing Solutions for Displaced Households

Rental Support Cash Grants in Haiti

Managing Housing Recovery

For those who came to see Mr. Clement Belizaire speak about on the experience of Haiti during this session, I am obviously not him! However, having spent two years in the Interim Haiti Recovery Commission following the 2010 Haiti earthquake, it is an honor to share the experience of Haiti with post-disaster housing solutions on behalf of Mr. Belizaire.

The organization that Mr. Belizaire works for -- the Housing and Public Buildings Construction Unit under the Prime Minister's Office in Haiti (known by its French initials, UCLBP) -- is one of the success stories of Haiti's recovery and reconstruction experience.

Everyone is used to hearing that the post-earthquake reconstruction process in Haiti was a disaster in itself, but this is not entirely the case, and the work of UCLBP is proof. Several interesting and useful lessons emerged from Haiti recovery, and I am going to share one of them with you – the use of rental subsidies or Rental Support Cash Grants.

These grants made it possible for tens of thousands of displaced low-income households to leave displacement camps and re-enter the rental housing market starting in early 2011, a year after the earthquake.

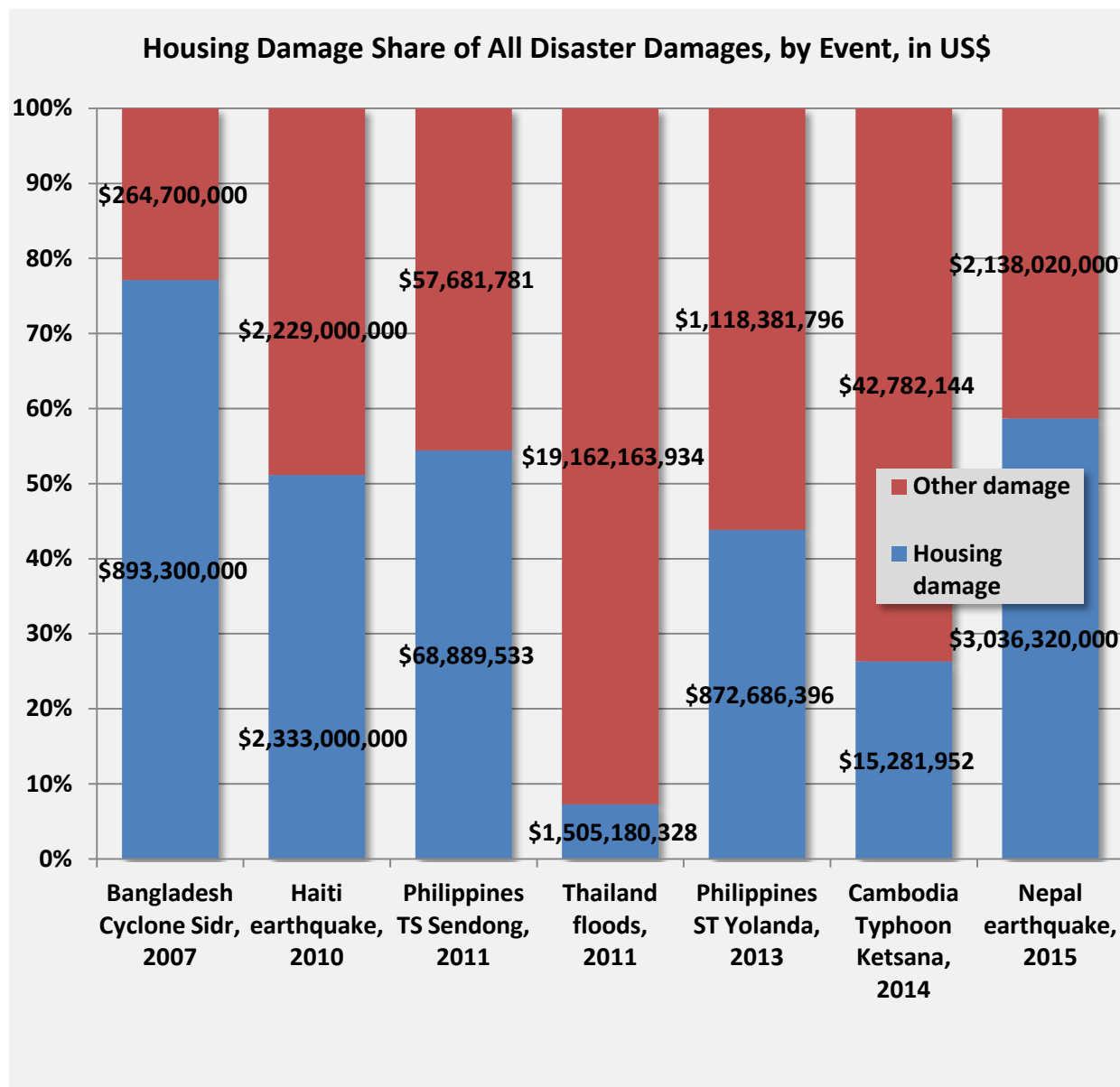
Why Housing Recovery Matters for Housing Policy and Finance

While this presentation is about post-disaster housing, I want to introduce my remarks by showing you how housing recovery, housing finance, and housing policy cannot really be separated and by urging you as housing finance experts to understand these interrelationships and synergies.

Working in this field over the past several years, I have found that those of us with significant housing sector experience are in the minority. In many organizations including the World Bank, designing post-disaster housing projects is a responsibility that often falls to experts in the field of disaster risk management. This is due to the fact that housing is generally not only the sector where reconstruction is the most urgent but where damage is highest after major disasters, as shown in the following graph.

Durable Housing Solutions for Displaced Households

Rental Support Cash Grants in Haiti



Durable Housing Solutions for Displaced Households

Rental Support Cash Grants in Haiti

What this slide shows is not only the relative importance of housing in the overall damage caused by these recent disasters (the percentage for these events range from 7% to 77%, and average over 50%), but the huge amounts of funding that are being spent on housing repair and reconstruction following some of these events. [Note these are damage estimates, and not what was actually spent on reconstruction, a figure that may even exceed these amounts.]

The Impact of Housing Recovery on the Housing Sector

Housing is a private good, but enormous amounts of public funds often get spent on it after disasters. Frequently, the funding raised by governments and NGOs for post-disaster housing reconstruction subsidies following a single disaster exceeds what has been spent on housing in the country for the preceding decade or more.

Having just returned from Nepal, I can use it as an good example. The Nepal Reconstruction Authority is attempting to raise more than US\$3 billion just for housing, and when both rural and urban damage is considered, I can confidently say that that is not going to be enough. When in the past did Nepal ever spent US\$3 billion of public funds on housing?

At the same time, decisions that are made about housing recovery with respect to planning, design, services, and urban and rural development can have long-term consequences for the housing sector.

Given the impact of these decisions, and the magnitude of these expenditures, perhaps you can see why I am urging those involved in housing policy and housing finance to take note of what is being done with housing following disasters.

Durable Housing Solutions for Displaced Households

Rental Support Cash Grants in Haiti

Before I discuss Haiti, let me propose what a sustainable or durable housing solution for displaced households should look like.

I would like to propose that it should have the following characteristics:

1. Relates to its context – policy, social and physical

This can be a challenge in post-disaster recovery field, when the context itself is disrupted, but it's a critical sustainability objective to pursue.

2. Provides a solution similar to what people had before, only hopefully safer

That is, similar or the same with respect to location, affordability, closeness to social networks, and livelihoods. And how much safer ? that is a policy question that must always be carefully defined.

3. Provides a solution people can incrementally improve upon

Most people, especially low income households, build their housing over time as resources are available. Or, they start off in a low-cost rental and move to better neighborhoods or larger quarters as their resources allow.

4. It is a solution that can be scaled up

After large-scale disasters, there can be 100,000 to 300,000 displaced households in need of various forms of assistance (repairs, reconstruction, relocation, rental). The benefits of scalability are obvious.

5. Lastly, it displays the feature that is the secret of scalability: **People drive it.**

As our World Bank colleague in Indonesia George Soraya has famously said: "After a disaster, it is more effective to have 100,000 households each trying to rebuild one house, that to have 100 experts trying to rebuild 100,000 houses." Or better in the case of Haiti, to have 40,000 households each trying to find one apartment....

So let me move on to the case of Haiti.

Durable Housing Solutions for Displaced Households

Rental Support Cash Grants in Haiti

Drafting Haiti's Housing Policy

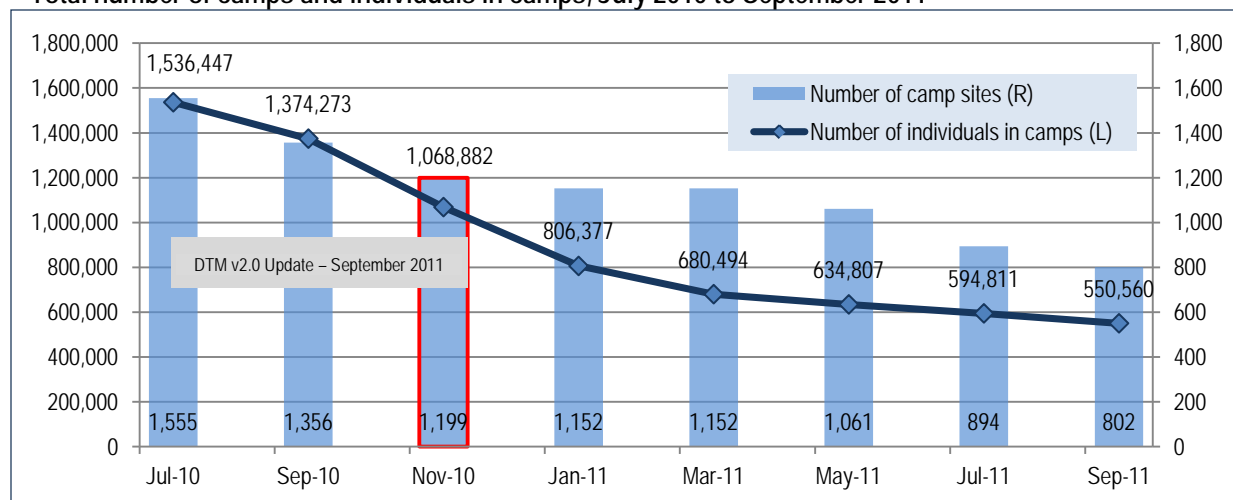
Immediately after UCLBP was first created in late 2011, its management team set to work to draft the first ever housing and urban development policy for Haiti, with support from the World Bank and UN-Habitat. I had the privilege of participating in this process.

Developing a housing policy was one of the first acts of UCLBP because the Haitians realized exactly what Chuck Setchell has just been saying – housing recovery happens in a context -- a policy context, a social context, and a physical context, and should be properly related to these contexts. Without a housing policy, Haiti's housing recovery was devolving into a series of small projects with no overriding policy direction. In particular, the situation of renters was not being addressed.

Confronting the Displacement Challenge

The graphic below shows the scale of the displacement in Haiti and how it evolved over time. At the time good data started to be collected, in July 2010, there were 1.5 million displaced individuals, most in Metropolitan Port-au-Prince. By September 2011, there were 550 thousand in IDP camps, a reduction of almost two-thirds, but the composition of the remaining population had changed.

Total number of camps and individuals in camps, July 2010 to September 2011

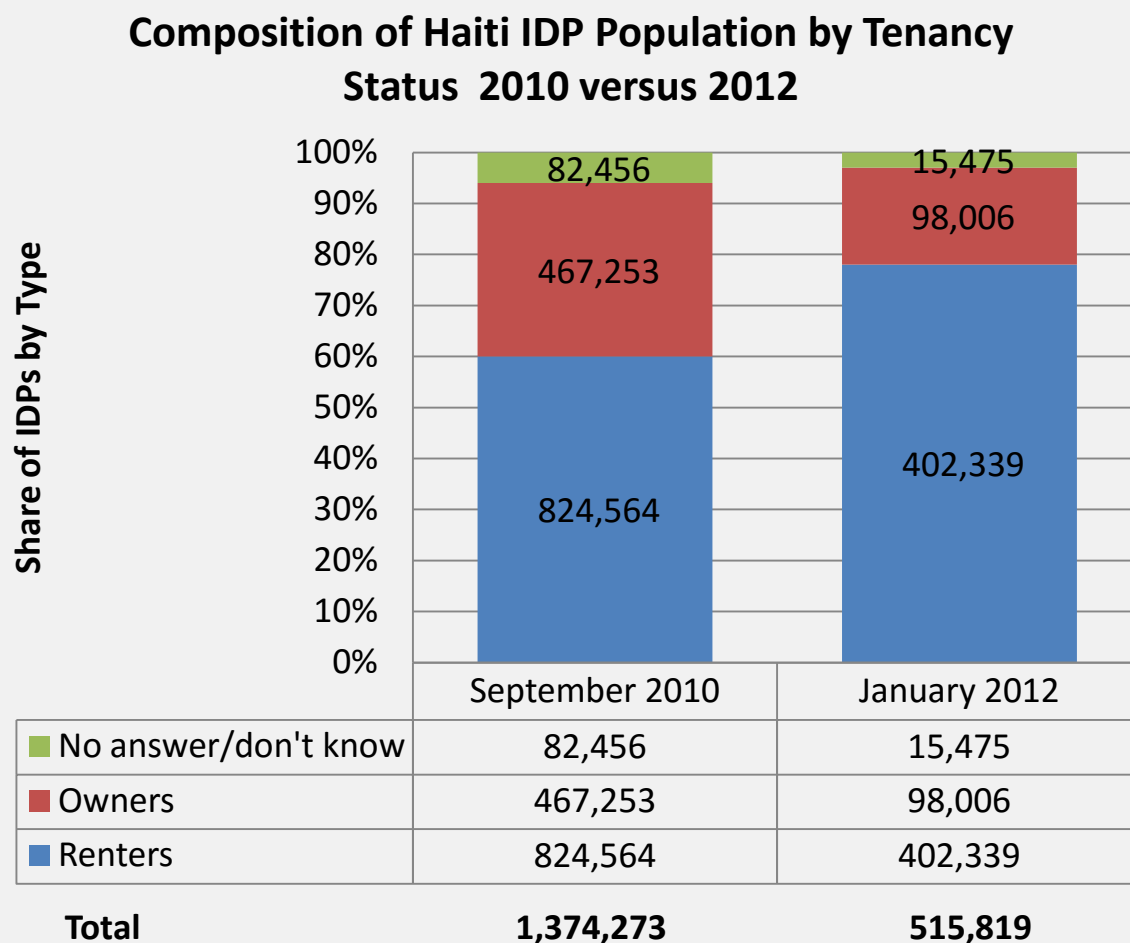


Durable Housing Solutions for Displaced Households

Rental Support Cash Grants in Haiti

In particular, the population was increasingly composed of renters, as shown in the graph below. Between September 2010, when the IDP population was nearly 1.4 million and January 2012, when it had dropped to 516 thousand, the percentage of renters in the IDP population increased from 60% to nearly 80%.

It became increasingly obvious that the rehousing solutions that had been offered to the camp population to date -- mostly grants for repairs and temporary shelters that required land -- were not addressing the displacement of most of this population.



Durable Housing Solutions for Displaced Households

Rental Support Cash Grants in Haiti

Rental Support Cash Grants

Rental subsidies were an appropriate response to the fact that renters made up the majority of the displaced households in the camps.

- The Haitian statistics agency reported in 2010 that 53 percent of all Port-au-Prince metropolitan area residents were renters. This figure rose to 65 percent if those who rented land for an “owned” house were included.
- Renters became displaced after the earthquake for only a few reasons:
 - Damage or destruction of their housing
 - Inability to find a new apartment
 - Inability to pay rent
- The need for a strategy for low-income renters was not focused on at the beginning either by the GOH or the international community.
- In August 2011, the International Organization for Migration (IOM) reported that 57 percent of IDPs reported lacking the financial means to leave, including to pay the first year’s rent, which was estimated at just over \$500.

Policy Concerns with Rental Subsidies

Landlords and property owners willing to become landlords were obviously key players in any effort to rehouse renters, yet initially there was reluctance to provide support to these groups.

- Helping landlords with no proof of ownership was a hurdle for some agencies.
- Fear of rent escalation and displacement of existing tenants were concerns.

Durable Housing Solutions for Displaced Households

Rental Support Cash Grants in Haiti

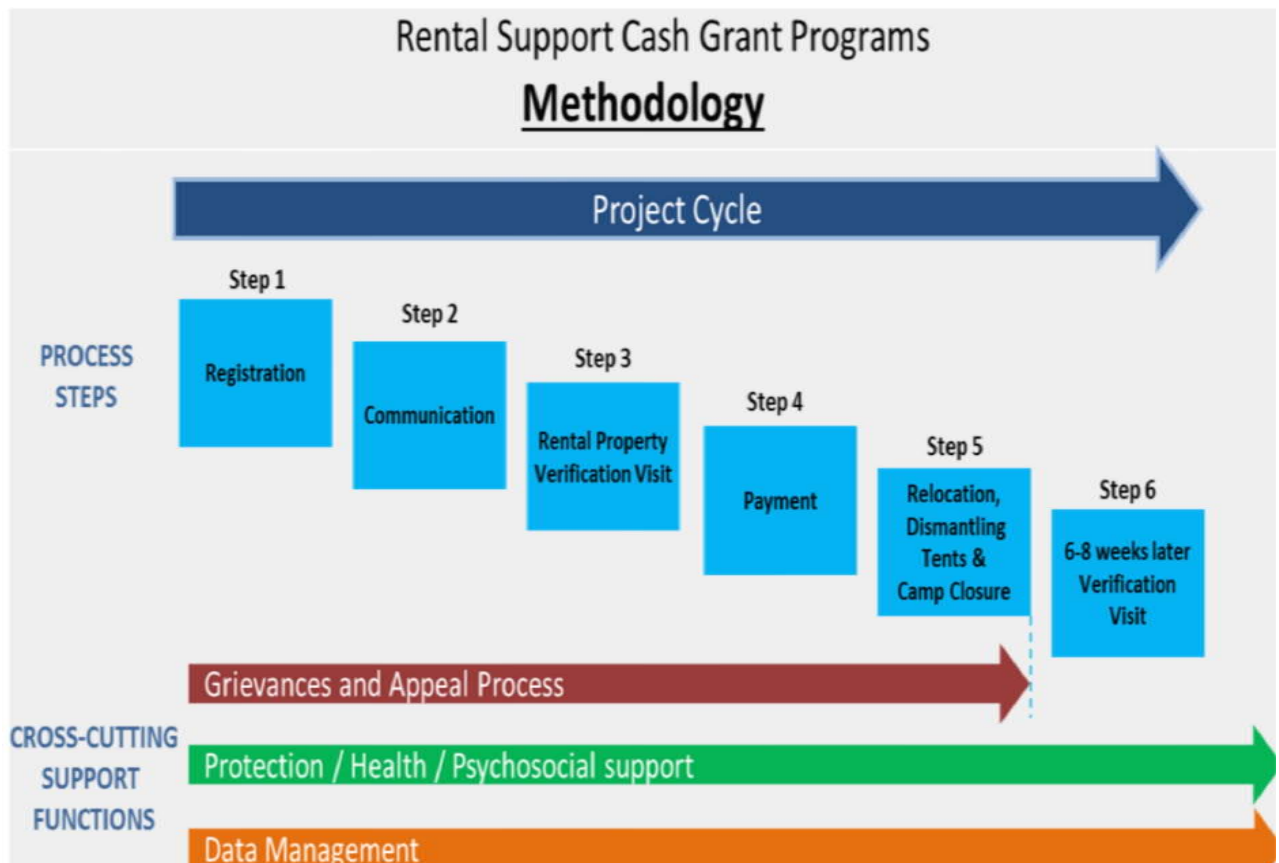
Program Design

RSCGs provided \$500 for one year's rent and other incentives such as moving expenses and an extra cash transfer 6-8 weeks after the move, to encourage continued occupancy of the rental unit. A support team was involved in each step and grievance and appeal mechanisms were created.

Tenants negotiated their own rents with landlords, and if the rent was lower than the subsidy, the tenant was allowed to "keep the change."

They were piloted by the IFRC in October 2010 and by other organizations in 2011. The US Government funded a highly visible project to close the camps in public squares such as Place Boyer and Place St. Pierre in late 2011, which offered proof of the concept at a large scale.

The steps in the RSCG Program are shown below.



Durable Housing Solutions for Displaced Households

Rental Support Cash Grants in Haiti

Pilot projects demonstrated that there were safe rental units available in the housing market, and a later study showed that the availability of rental funds in turn increased the supply of rentals.

In an evaluation conducted by several participating agencies including the World Bank in early 2013, 77 percent of the landlords reported that about two-thirds of the rent that they received from grantees had been invested in their property to meet program requirements and that they planned to invest a similar amount in additional rental space in the coming year.

In the first 18 months after the earthquake, fewer than 2,000 subsidies were made available.

By the end of 2011, 6,000 households had moved from camps into safe housing thanks to RSCGs.

As of March 2016, 82,000 subsidies had helped 276,000 IDP leave camps, which was well over half of those who did not leave spontaneously.

TABLE 5: Households, Individuals and Sites Status (open or closed) from July 2010 to March 2016

Status of Sites	# of camps	# of households	# of individuals
Open Sites	36	17,119	62,590
Evictions	176	14,444	60,570
Rental Grants	542	81,967	276,519
Spontaneous Returns	801	251,444	1,143,108
Total	1,555	364,974	1,542,787

SOURCE: International Organization for Migration, Displacement Tracking Matrix, March 2016.

The World Bank alone financed 14,021 of the rental subsidies, using part of an existing grant originally designed for housing reconstruction.

Durable Housing Solutions for Displaced Households

Rental Support Cash Grants in Haiti

Program Weaknesses

The RSCG was not a perfect program and it had its detractors. Some of the reasons were:

- The program was complex for both implementers and beneficiaries
- It had high overhead costs (registration, inspections, follow up visits, etc.). Evaluators found that the program would have a higher social return if overhead costs were reduced so that more households could receive subsidies .
- Nearly 75 percent of families receiving rent subsidies did not remain in the same accommodation beyond one year, so there were many moves, perhaps because the rents were too high without the subsidy.
- Rental subsidies alone are not sufficient. Neighborhoods still needed infrastructure rehabilitation and safety improvements, which did not always take place in parallel with the return of the renters.
- As designed, the program required the involvement of a large number of agencies, including UCLBP, Mayors, community groups, and numerous government agencies.

Durable Housing Solutions for Displaced Households

Rental Support Cash Grants in Haiti

So lastly, let me quickly compare the Haiti Rental Support Cash Grants to the criteria I originally proposed for a sustainable housing solution for displaced populations.

While rental subsidies may not be what one thinks of when considering post-disaster housing recovery, it was a solution that worked well for Haiti and measures up to the proposed criteria very well.

1. Relates to its context – policy, social and physical

Renters returned to familiar neighborhoods as renters, with social support, and accompanied by other neighborhood improvements

2. Provides a housing solution similar to what people had before but safer

Rental units were inspected to ensure they met safety criteria. Many returned to their previous neighborhoods.

3. Provides a housing solution can be incrementally improved upon

One-year leases allowed people to move to more suitable lodging based on their needs and preferences.

4. Form of support that can be sustained and scaled up

For the Haitian government, this was a relatively low-cost solution. The technology to repeat it in the future is now in place.

5. People drive it

The program encouraged landlords to produce new rental units and it revived the rental market. Tenants were empowered to find their own housing and negotiate the rents with landlords.

Hopefully, this presentation has helped to provide some insights on the interesting challenges that providing sustainable post-disaster housing presents, and has shown why these unique situations in fact have important implications for broader housing policy and finance.

Thank you very much.