

**Global Sustainable Urban Development Indicators:  
State of the Art and its Potential Congruence with Livability Partnership**  
Office for International and Philanthropic Innovation (IPI)

**Overview:**

HUD Secretary Donovan led the U.S. Delegation to UNHabitat's World Urban Forum V (WUF) in Rio de Janeiro in March 2010. This global convening examined ways in which accelerating urbanization is increasing demands on housing, infrastructure, and services. It propelled HUD to undertake a collaborative approach for measuring sustainable development in urban communities worldwide. During the past year, IPI has led an effort to:

- Scan indicators which evaluate successful sustainable urban development and revitalization strategies (to gather and organize existing information on the attributes of good indicators and on efforts to measure and monitor urban sustainability),
- Map these metrics in the context of global best practices, and
- Explore potential common language and universal benchmarks around sustainability.

To complete the scan, HUD partnered with Dr. Genie Birch at the University of Pennsylvania Institute for Urban Research (PennIUR). To support the indicator scan, representatives from the American Planning Association (APA) were recruited to assemble preliminary list of existing indicator systems and Penn IUR conducted a literature review and analysis of the systems, building a database of indicators to be considered for adoption.

Through a series of consultative meetings over 2010-2011, the following guiding principles were agreed upon: the **purposes** of the project (*"to develop indicators that demonstrate the progress that American cities are making toward sustainable urban development and inform supportive policy, planning and investment"*); a **definition** of sustainable urban development (*"sustainable communities are those that flourish because they are governed in a responsible and responsive manner and build a mutually supportive, dynamic balance between social wellbeing, economic opportunity, and environmental quality" within a larger global framework of sustainable development"*); and a **conceptual frame**, which incorporates the Partnership for Sustainable Community's Livability Principles to guide the work.

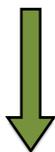
To date, researchers at the PennIUR are completing the indicator crafting and selection of North American indicators, while establishing a protocol to test the indicators in pilot cities in the coming year. Research design is illustrated below:

**Research Design**

Problem Statement



Preliminary Literature Review, Research Questions, and



Focused Literature Review



Methods/Testing Hypothesis



Findings

How can we develop indicators that demonstrate the progress that American cities are making toward sustainable urban development and inform supportive policy, planning and investment?

**Preliminary Literature Review**

- Current literature on sustainable urban development, including definitions, policies, methods of evaluation, and pros and cons of indicator usage.
- Objectives and background of the HUD-DOT-EPA Partnership for Sustainable Communities.

**Research Questions:**

Since the U.S. federal government is operationalizing sustainable development policy through the Partnership and has not yet developed an evaluation process:

- Is it possible to craft an evaluation method targeted to current US sustainable development policy that would be useful to a range of stakeholders from federal state and local decision-makers and to the public at large?
- If so, would it be easily employed by cities and regions? Would it be useful to the federal government, especially the Partnership in policy-making and program development/implementation?

**Hypothesis:**

If a set of core sustainability indicators framed by a specific and operationalized sustainable development paradigm is crafted primarily from existing sustainable development indicator systems, then it can be easily employed by US cities and regions and will support the development and refinement of national sustainable development policy.

Review of

- Technical studies on sustainable development;
- Literature on indicators, including definitions, composition of indicator systems, and methods of evaluation.
- Technical documents examining the HUD-DOT-EPA Partnership for Sustainable Communities.

+ Formulate a conceptual framework for sustainable urban development.

+ Develop and organize a database of existing indicators.

Employ literature, focus groups, and expert consultation to develop criteria for selecting among indicators.

Select Indicators.

Develop a User Manual that explains each indicator, its purpose, and necessary data.

Pilot/test selected indicators in small, randomized sample of municipalities.

Survey/Interview participants to assess ease of application and usefulness.

Revise and retest as needed.

Final review of outcomes.

**(+ completed) Currently In Progress**

Assessment of hypothesis

Final set of core indicators of sustainable urban development and associated user and technical manuals

**Cities in Transition: The International View**  
Office of International and Philanthropic Innovation (IPI)

The Office for International and Philanthropic Innovation (IPI) has begun a series of examinations and relationships in and with our domestic and international partners focused on the “cities in transition” and revitalization efforts in the U.S. and abroad. One primary angle of this work rests with the Joint Declaration/MOU signed with the German government to engage our like agencies in research and issues of joint interest that might include deeper analysis of energy retrofits, passive houses, affordable housing, rural-urban connections, sustainable building and the economic sector and public-private partnerships to a name a few of the identified topics related to revitalization, growth and sustainability factors as a whole. While research is a primary focus for some topics, the menu of activities with Germany and other countries of interest includes the following:

- Research – applied/guiding policy work
- Visitations/delegations
- Conferences
- Staff exchanges
- Peer-to-peer networks

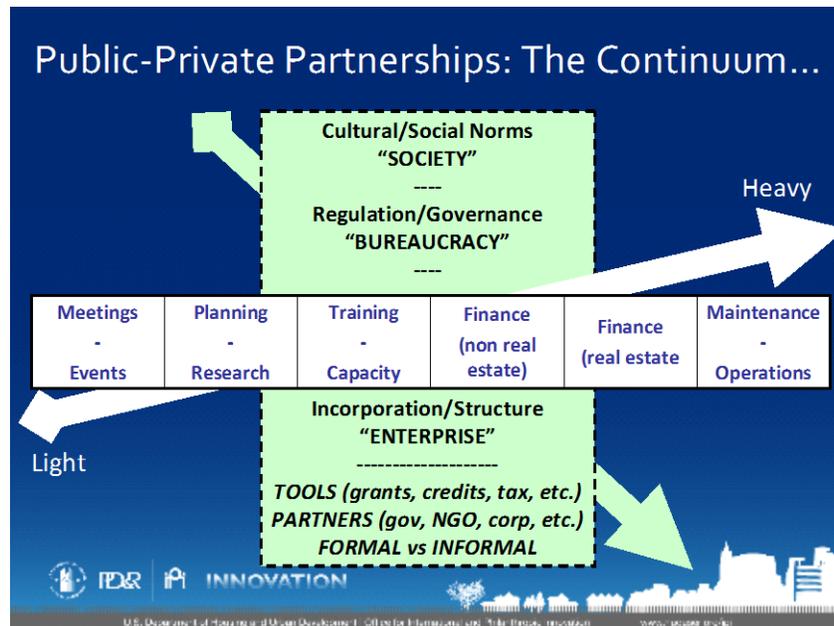
IPI is also attempting to leverage research and engagement activities with organizations like the German Marshall Fund and has been included in study tours to Germany and England related to these same topics. At present the range of research for IPI with our partners includes:

<b>Research</b>
Short-term case studies or “briefs” for exchange and discussion purpose (unilateral uptake, bilateral topic)
Long-term joint research on topic of interest (may include visitation or in-country exchange/work) HUD HQ and sister agencies
Long-term joint research on topic of interest (may include visitation or in-country exchange/work) HUD HQ, regional office, NGO, other institution(s)

Research projects and topics may determine which other identified joint activities move forward. At present energy retrofits, affordable/rental housing and public-private partnerships, particularly as they can be examined in “sister cities” or through specific development projects are most active.

**Example: The Role and Structure of Public-Private Partnerships**

IPI has begun researching the role and structural make-up of the often-touted public-private partnership (PPP) in its various forms. This examination is particularly focused as it is applied to efforts in the U.S. with “cities in transition” due to various “internal and external” shocks, as well as to a variety of international scenarios where PPPs have been highlighted as key to some type of transformation or has been scene as groundbreaking/innovative in places like Leipzig, Bilbao, Manchester, Sao Paulo, etc.



This examination is meant to look at the questions of what really defines a PPP, who the convening and ongoing partners are, what the goal or ultimate project(s) is along the continuum of possible PPPs and what the cultural, legal/regulatory and organizational structures determine in these PPPs.

Analysis would include TOOLS, PARTNERS and RELATIONSHIP FORMALITY as part of the make-up and comparison. This research may provide replicable models, transference strategies

and a framework with which to approach U.S. cities, but also see exporting of ideas from the U.S. abroad, as well as hybrid models for creating such partnerships.

In October 2011 IPI/PDR staff will be engaged in the specific analysis of at least two European cities in their use of PPPs as part of this research in cooperation with the German Marshall Fund. Targeted cities include Bilbao, Spain and Manchester, England, with a potential site is Germany also under consideration. Using the framework sketched out above with a further overlay of transparency and community outreach as it pertains to the engagement for the creation of the PPPs remains important as we consider how to assist U.S. cities and be mindful of creating livable and equitable cities.

**Sustainable and Inclusive Housing Initiative**  
Office of International and Philanthropic Innovation (IPI)

The Sustainable and Inclusive Housing Initiative is a unique collaboration between the U.S. Department of State, the U.S. Department of Housing and Urban Development (HUD), Ashoka Changemakers, the American Planning Association and the Brazilian Ministry of Cities, with funding from the Rockefeller Foundation. The collaboration has its roots in the World Urban Forum in March of 2010 and supports the Energy and Climate Partnership of the Americas (ECPA). Online platforms, multilateral partnerships and the Western Hemispheric stage, as well as the global audience and participation, have created a dynamic and creative atmosphere for engaging stakeholders and highlighting models and best practices. The Office for International and Philanthropic Innovation has led this Initiative through the initial phase as we began to research best practices, models and innovations. The three phases of the initiative and research are summarized below:

**Phase I** of the Initiative is the Ashoka Changemakers Sustainable Urban Housing Competition ([www.changemakers.com/sustainableurbanhousing](http://www.changemakers.com/sustainableurbanhousing)), which ran through February 11, 2011 gathering global nominations. Three overall winners were announced in April 2011 and were celebrated as part of a larger ceremony at the National Building Museum and HUD headquarters in Washington, D.C. This Competition is the **“idea”** and initial research phase of the Initiative. An “anatomy of the competition” is being constructed now to examine and analyze the innovations (whether they were winners or not) for replication and transference, both North-South and South-South.

**Phase II** of the Initiative, leveraging a variety of funds, is planned to be the **“pilot”** and deeper research/evaluation phase, still highlighting sustainable urban housing under the ECPA umbrella. It is proposed that as Phase I (Ashoka Competition) closes out the partners join with potential other new partners to deliver a series of “testing” grants for pilot sites in Western Hemisphere countries, highlighting products, policies and processes lifted up during Phase I. These sites and projects will run through at least June of 2012, but initial results will be displayed and discussed during the April 2012 Summit of the Americas and related meetings, hosted by President Obama. As part of Phase II and the ongoing follow up to Phase I, the primary partners will also develop a comprehensive online and off-line network of community practitioners and forum for displaying best practices and models on a global scale to a global audience within the ECPA framework and umbrella. Evaluation research will also be collected along the way for the innovations and pilots to continue to inform our domestic markets and lead into Phase III.

**Phase III** (Large Scale Sustainable Urban Housing Competition and Research) is planned as **“scaling up”** phase for this initiative with Phase II activities acting as a springboard and helping to leverage ideas, research and projects for a Phase III of the Initiative through the a larger prize competition and build out (scale up) of ideas and pilot projects that may have been highlighted in Phase I and/or II. Phase III will require new and present partners to take the effort to a significantly deeper and broader scope for domestic and international sustainable urban development impact. This phase requires a longer, overlapping research period, sustained funding and a longer time span to get to the intended results (see accompanying three phase timeline). The network of community practitioners and the best practices platform are intended to be institutionalized and long-standing, beginning with a planned “soft launch” at the Clinton Global Initiative with all of the partners in September of 2011 and expanding the network of interest and support throughout the life of the competition and beyond.

Each phase of this initiative should result in research products, models and networks that are designed to be analyzed and displayed in a transparent and “field-friendly” manner on a global scale with real innovations and answers being provided. Efforts to create resilient communities within domestic and international constructs require us to look near and far for answers. To highlight this effort, the three winners declared for the first phase are:

	Zero Waste, Sustainable Architecture, Renewable Energy: unlimited source of renewable materials for sustainable housing	Brazil, Sao Paulo
	Green Development Zone	United States, New York, Erie County
	Developing real estate for squatters and tenants of the City of Buenos Aires	Argentina, Distrito Federal

**Government Interventions in Housing Finance Markets: An International Overview**  
Office of International and Philanthropic Innovation (IPI)

This research project analyzes lessons learned from foreign governments' approaches to their housing finance markets by describing the types of government intervention in housing finance markets, and providing a comparison between European and Canadian policy models and the policy models in the U.S.

The hypothesis proposes that there is a causal relationship between the level of government intervention in the housing finance market and the level of home ownership in a country. The purpose of the research is to better understand what options for government intervention exist beyond the traditional U.S. model, and, how other types of intervention can help support homeownership.

To date, the research has examined case studies from Europe and Canada -focusing primarily on countries that have similar or higher rates of ownership than does the United States- and looking at the varying levels and types of government intervention.

The nature of government involvement in these countries differs from the nature of U.S. government involvement in housing markets. What's more, European countries by and large had housing booms and busts similar to the U.S., but managed to avoid the large amounts of default that characterized the U.S. housing crisis. Thus these cases may be instructive for shaping future U.S. housing policy in order to support homeownership.

The current paper examines countries exhibiting substantial levels of government involvement, and countries exhibiting limited level of government involvement. For example, the UK has a high level of homeownership, but a low level of government involvement. Italy also has a high level of homeownership and a low level of government involvement, albeit higher than the UK. The paper also examines the case of Canada, which has a high level of homeownership, and an even higher level of government involvement. In each country the cases analyze stimulus mechanisms for new purchases, coping strategies for borrowers, funding measures, guarantees, tax policies, legal regulations, subsidies, and securitization mechanisms. All of these are understood within the broader institutional framework of each country's housing finance and finance systems.

These cases allow us to draw several broad conclusions on the state of housing finance and homeownership policies in the U.S. compared to our global neighbors. Best practices which are evident from this paper include heavy regulation of credit information systems, tight conditions on government backstopped insurance against default, and rigorous underwriting standards. The paper also finds support on a case by case basis for alternative funding mechanisms to MBS, rethinking the tax deductibility of mortgage interest, and an increased reliance on macroeconomic and other policies to complement efforts in the housing market to avoid foreclosure.

The next stage of research will explore the following considerations:

- Case studies from other relevant European or developing world countries;
- Recommendations that target more specific policy focus (beyond a broad overview); and
- Operationalizing the research question with quantitative data such as an index, to complement the case studies.