

Housing, Slums and Informal Settlements (Discussion Paper)

Problem Statements

- Construction projects initiated by Ministry of Housing to address the deficit of the housing sector are not affordable for low-to medium income households. Those who could afford prefer to buy directly from private developers.
- Households that are in most need find relief in self-built homes. Although they are often substandard in quality and generally located in informal communities they address the needs of close to 70 percent of the state's population.
- Institutional capacities of the Lagos State Urban Renewal Agency (LASURA), responsible for close to 70 percent of the state's populations' housing needs, are inefficient because of weak governance structures, inadequate capacities to understand the dynamics of slum communities and low budgetary allocation.
- Access to land to enable community housing construction is constrained by some of the provisions of the Land Use Act of 1978 and other bureaucratic bottlenecks in the state's land administration.
- With rapid urbanization rates, the lack of a substantive housing policy and citizen led financial options, institutional capacities to cope with these issues are strained and inefficient.

Actions to improve the housing and living conditions in Slums and Informal Settlements

1. Upgrade LASURA into a Ministry of City Regeneration and Renewal with state-wide responsibility and direct reporting line to the Governor to emphasise that the upgrading of living conditions of the lowest and low income citizens is a political priority and therefore funds, human resources and technical capacities have to be made available.
2. The mandate of the new Ministry (formerly LASURA) will focus solely on issues relating to slum and informal settlements, eradication of forced evictions and involuntary displacement of vulnerable residents, sustainable compensation and resettlement framework. In cooperation with the Ministry of Housing, the Ministry of Physical Planning, the Ministry of Environment and NGOs already addressing various aspects of life in the identified slums and informal settlements, the new Ministry will submit a five-year strategic plan to assess the processes and benchmark its performance. Same will be repeated on a subsequent ten-year basis.
3. Leadership value chain of the new Ministry (formerly LASURA) will be allocated to core professionals with international experience in urban regeneration, renewal and regenerations and who therefore understand the dynamics involved.
4. Leadership and staff of the new Ministry (formerly LASURA) will not only be drawn from town planners, engineers, architects but also from anthropologists, social workers, health workers etc. They will co-design, co-conduct and co-monitor reach out programs into the communities to first understand their thinking and their needs before discussing upgrading projects with them.

5. The new Ministry (formerly LASURA) will use an incremental in situ upgrading approach in line with a holistic upgrading plan that is developed and agreed upon by the community, NGO partners, development partners and the government.
6. Funds for the running of the ministry (staff salaries, running costs, research projects) will be allocated from the annual budget reflecting the fact that the Ministry is working in a political priority area.
7. The new Ministry (formerly LASURA) will source for funds for implementation projects from International Development Partners and intensify cooperation with local NGOs who are already working and funding local intervention projects

Actions to increase Land accessibility for the Poor

- Residential land left undeveloped should accrue a tax, relative to the value of the land, every two years to avoid land speculation. Generated income through such a tax should be directly allocated to the new Ministry (formerly LASURA).
- The new Ministry (formerly LASURA) will identify a pilot area to introduce mixed housing through land percentage sharing and co-ownership of 60 percent for community and 40 percent for the government. Government grants the security of tenure while the community signs a commitment to upgrade their area in a 6 years' time-frame
- Such mixed housing scheme could be extended to new estate developments: 20 percent of an estate land greater than 1,500m² or 20 percent of 10 units should be earmarked for affordable housing, through cooperative societies, with a healthy social mix which allows cross-subsidization
- The formal land titles will increase well above the current 10 percent once new Ministry (formerly LASURA) will be responsible for facilitating the process of land titling and building permitting for informal settlements, with the relevant agencies, that are identified for upgrading, so that it could help residents navigate (streamlined) documentation procedures.

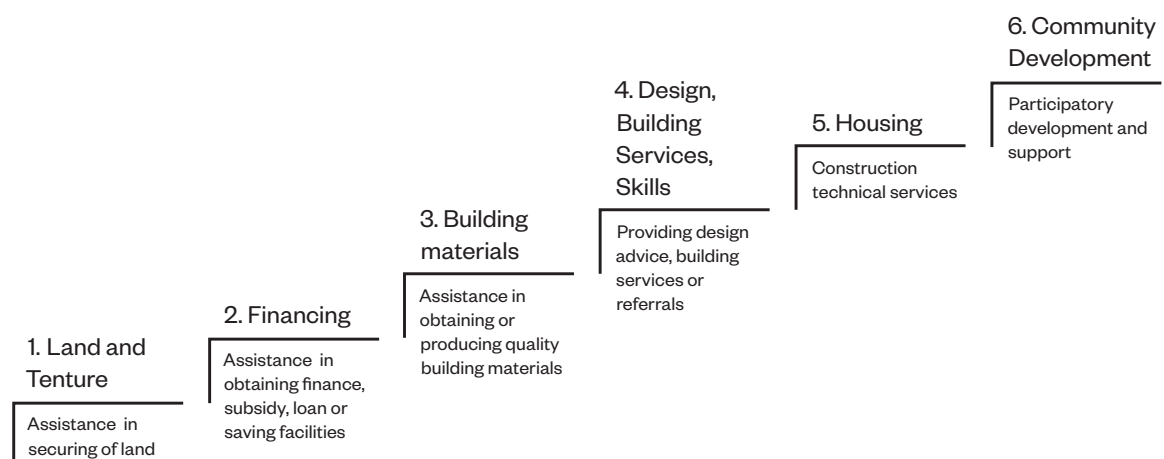


Figure 1: Key Steps by the new Ministry towards Incremental Social Housing

Actions to increase access to Finance

- Ministry of Housing will have a special focus on providing access to finance for lowest and low income groups through the Lagos Housing Investment Fund (currently undergoing stakeholder review process with the MoH). The fund will draw resources from private and public sources but will offer a minimum interest rate compared to other mortgage rates available in Nigeria
- Ministry of Housing through Lagos State Development and Property Corporation will dedicate available government housing units to its enforcement and service staff like LASTMA, Neighbourhood Corps, LAWMA, LASPARK, LASEPA and KAI among others who ensure that rules and regulations in everyday life are enforced. Such access to affordable government housing would increase their loyalty and dedication and would help to reduce corrupt practices, especially if they forfeit privileged access to such housing after committing criminal/corrupt acts. Less corrupt officers will increase acceptability of enforcement by citizens.

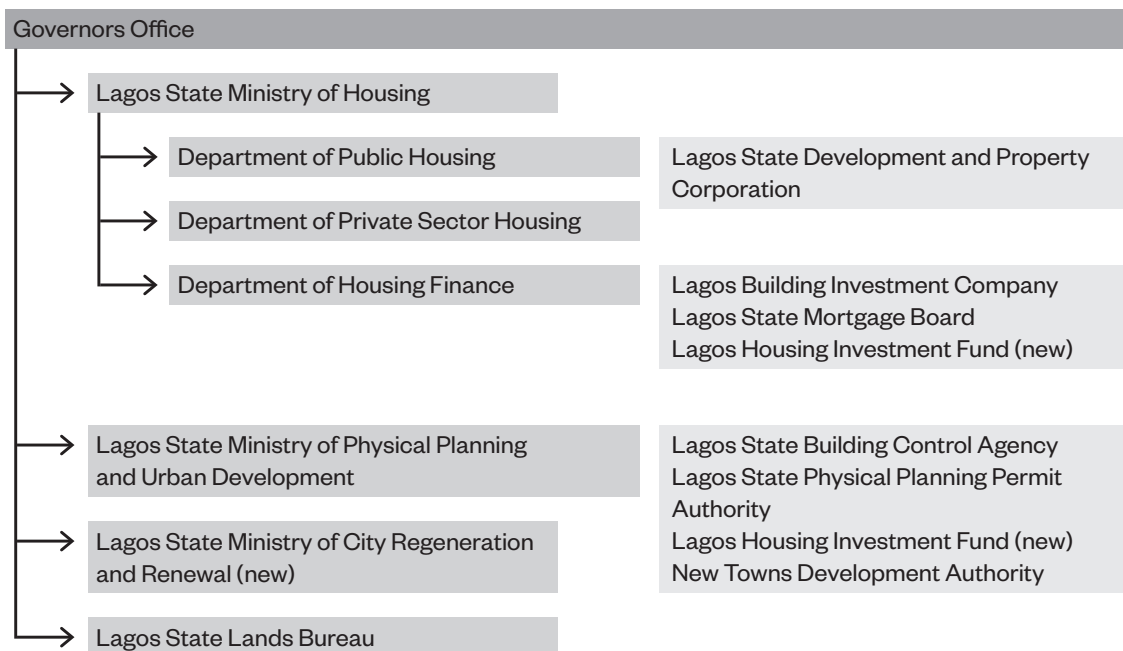


Figure 2: Hierarchy of Ministries

Note: Ministry of Housing is retained as a stand-alone institution in Option 2 to avoid lack of performance as experienced at the Federal level when Housing was merged with Power and Works under the same Ministry.

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