New Approaches to Urban Renewal in Tehran: Experience of Khazaneh Facilitation Office

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Abstract: The Iranian government has placed new emphasis on urban renewal through participatory approaches in recent years. The main target areas are called deteriorated urban fabrics, characterized by micro-lots, impenetrability, and lack of sustainability. In Tehran, renovation of deteriorate urban fabrics has been initiated through dedicated neighborhood facilitation offices. This paper analyzes the activities and achievements of the Khazaneh Facilitation Office (KFO) in Tehran based on information obtained from office records and first-hand experiences of the initiative’s manager and facilitators. Findings indicate that contradictions between the city’s detailed plan and deteriorated fabric designations as well as unresolved tenure/title issues can act as major obstacles to renewal. Yet, carrying out enabling initiatives, upgrading the built environment, and providing residents with renovation-related legal, social, and financial services can prove successful in gaining the community’s trust and jump-starting renovation activities. Due to low prices of land in Khazaneh in the initial period of KFO’s activities, the offered incentive package had not been automatically attractive to investors/builders for entering renovation partnerships with home-owners. Additional strategies were thus required, including advocacy and knowledge dissemination, encouraging investors/builders to pool resources, and developing large-scale commercial side-projects to activate renewal. The actual number of renovations directly managed by KFO remained low due to shortages of trusted investors as well as bank loans. Yet, as a result of a subsequent rise in land prices as well as side services provided by KFO, Khazaneh is now experiencing significant renewal activities.

Keywords: urban renewal, deteriorate fabric, community participation, neighborhood facilitation office, Khazaneh, Tehran.

Introduction

Urban renewal and inner-city redevelopment activities in Iran have gained new impetus in recent years. The main targets are areas considered declining in physical terms—with economic and social implications. Declining areas, referred to as deteriorated or stressed urban fabrics (baft-e farsudeh-ye shahri) in Iran, have been officially (SCAUP, 2006) characterized as exhibiting micro-lots (less that 200 square meters for more than 50 percent of the lots), impenetrability (less than 6 meter wide alleys in 50 percent of cases), and lack of sustainability (lack of structural integrity in more than 50 percent of buildings). Depending on the existence of one or more of these conditions, the area is considered relatively deteriorated, highly deteriorated, or extremely deteriorated.

Urban renewal and inner-city redevelopment initiatives have a long history both in advanced and developing countries. They have been a main target of criticism (Jacobs, 1961; Anderson, 1964) as well as a prime subject for the analysis of political economic forces restructuring cities (Fainstein, 1986). Ensuring local participation has been advocated as one way to overcome some of their pitfalls, especially relocation and gentrification (e.g., Carmon and Hill, 1988; Gibson and Langstaff, 1982; Wilson, 1963; Couch, 1990). The literature on citizen participation in the urban development process often invokes Arnstein’s (1969) ladder model of participation, with non-participation (manipulation and therapy) at the bottom, tokenism (informing, consultation, or placation) in the middle, and participation (partnership, delegated power, and citizen control) at the top of the ladder.

Earlier urban redevelopment schemes in Iran, such as the Navvab Redevelopment Project in Tehran, have also been criticized for their wide range of negative consequences and for lacking any type of local participation (E’temad, et al, 2013; see also Andalib, 2010). Taking into account these experiences and being cognizant of
prevalent international practices, the Iranian government since 2004 has called for a “participatory approach” to renovating deteriorated urban fabrics and has created a model that is being followed across Iranian cities. Its ultimate aims are to replace buildings designated as deteriorated, upgrade the built environment, enhance neighborhood services, and reduce vulnerability. In-situ reconstruction of homes is to take place by owners in partnership with private sector actors and to be facilitated by local agents leveraging the resources of the urban management, the bank mortgage system, local cooperatives, and charity organizations. Being by far the largest city and the capital of Iran, Tehran has its own renovation organization as part of its municipality/mayoral administration, namely, Tehran City Renovation Organization (TCRO). A main initiative undertaken by TCRO to facilitate participatory renewal activities is the creation of neighborhood facilitation offices (daftar-e tashhilgari) as embedded local agents. These offices work directly with neighborhood residents, private sector actors, and other stakeholders to facilitate the renovation of deteriorated fabrics.

This paper analyzes the experience of Khazaneh Facilitation Office (KFO) in Tehran. It describes how renovation of the deteriorated fabrics in this neighborhood has gone forward and how successful the facilitation office has been in addressing its challenges. The second author of this paper was directly involved in the renovation project in Khazaneh, as manager of the company contracted to run the facilitation office. The paper has been written based on her experience, records kept at KFO, and information gathered through interviews conducted with the staff of the facilitation office. We first explain the framework for renovation of deteriorated fabrics in Iran and Tehran, before describing the Khazaneh neighborhood and the aim of its renovation project. We then discuss the renovation activities and their achievements.

National Framework for Renovating Deteriorated Fabrics in Iran

The main government agency responsible for renovating deteriorated urban fabrics in Iran is the Urban Development and Revitalization Organization (UDRO), under the Ministry of Roads and Urban Development. UDRO (2013) has envisaged two types of initiative—software (non-physical) and hardware (physical) activities—for renovating deteriorated fabrics in Iran. Software activities include cultural advocacy (e.g., information dissemination), capacity-building (e.g., training), creating institutions and means, and documentation. Hardware activities comprise the set of physical projects undertaken by the public sector that in turn facilitate the activities of owners and residents, developers, investors and other players in the process of renovating deteriorated fabrics. Since the adoption of Iran’s Fourth Five-Year Development Plan (Office of President, 2004), support packages have been included in annual budget laws for renovation of deteriorated urban zones. Furthermore, with the passage of the Law on Reorganization and Support of Housing Production and Supply (ICA, 2008), an incentive package for renovating physically-deteriorated zones, as detailed below, has become available:

- Discounts of 50-100 percent on renovation and high-density construction taxes;
- Provision of inexpensive facilities and subsidies toward renovation and purchase of housing units in physically-deteriorated zones (with the government subsidizing at least 6 percent of interest rate);
- Provision of inexpensive facilities and subsidies for the repair of buildings of architectural/cultural/historical value;
- Addressing cost of temporary relocation during reconstruction or retrofitting of buildings in physically-deteriorated zones.

As of June 2012, 72,800 hectares of deteriorated fabrics with a total population of 8.5 million persons across 471 cities were identified by UDRO. Between 2005 and 2012, 5,885 hectares of the deteriorated urban fabrics were renovated, using the following core package of incentives: provision of loans up to the amount of 150 million rials for each housing unit without any collateral; giving a 50 percent discount on housing construction taxes; provision of loans for temporary resettlements; and permit for the construction of an additional floor when lots are amalgamated. While most target cities are working closely with UDRO in their efforts to upgrade their deteriorated fabrics, the municipality/mayoral administration in Tehran as well as in Esfahan has established specialized agencies for this purpose. As mentioned, the renovation agency in Tehran is called TCRO.

Renovation of Deteriorated Fabrics in Tehran

As indicated in Table 1, based on the 2006 Census, around 3,268 hectares of deteriorated fabrics exist in Tehran. This constitutes 5 percent of the area, 15 percent of the population, and 11 percent of the housing units of the city. About 96 percent of deteriorated fabrics in Tehran are in the center and south of the city (Regions 7 through 20) and 4 percent is dispersed in the rest of the urban area (TCRO, 2010).
Facing the above situation, TCRO has been at the forefront of renewal activities in Iran, taking into account a wide range of issues. Local capacity-building and enabling approaches have become important areas of focus and TCRO is increasingly avoiding direct intervention and is delegating significant authority to local actors. Major efforts are being made to benefit from private-sector funding and financial resources of residents in deteriorated fabrics. This is in line with the emphasis placed on enhancing the role of owners and residents in addressing their needs and on soliciting the participation of a wide range of stakeholders in the process of urban renewal.

TCRO’s initial experiences in renovating deteriorated fabrics using a new approach may be traced back to the Khubbakht project initiated in 2004 in the vicinity of a major highway construction site (TCRO, 2011:13-15). The initiative was renamed Emam Ali Project (after the highway) in 2005/6 and aimed to reconstruct deteriorated fabrics with minimal relocation. The facilitation office of Khubbakht was created with this aim and has acted as the main model for renovating deteriorated fabrics across the city. The reasons for establishing the office were: centralized management, possibility of direct and close interaction with residents, avoiding top-down approaches, transferring responsibilities to the citizens and the private sector, and speeding up the renovation activities. Another five neighborhoods were subsequently targeted for renovation through the activities of facilitation offices—Ne’matabad (Tehran’s Municipal Region 1), Khaniabad (Region 12), Robat Karim (Region 11), and Emamzadeh Abdollah (Region 9).

There are now 58 facilitation offices across Regions 7 to 20 of Tehran’s 22 regions (TCRO, 2013). Every three facilitation offices are supervised by a TCRO-designated officer. The renovation activities carried out through the facilitation offices are supposed to address the following issues: poverty and lack of financial ability to retrofit or rebuild homes; deficient urban services, scarcity of green spaces, and problematic street networks; high density despite small lots and low-rise construction; low levels of social indicators; existence of tenure/title problems; and/or economic decline and low return on investment in construction. The facilitation offices follow a three-pronged approach to urban renewal, comprising advocacy to secure trust and solicitation participation in the renovation scheme, enabling (improving human resources and enhancing human capital), and institution-building toward sustainable participation. Withholding direct intervention, they are to secure the participation of key players and institutionalize renovation by providing information and training, instilling a desire in the residents for renovating their homes, and inducing a sense of community to retain residents in their current communities. This means that the activities must match the cultural, social, and economic conditions of each community. Finally, facilitation offices are supposed to provide social, urban planning, economic, and legal services and act as links between the official urban renewal authorities and community residents (TCRO, 2011:9-11,57).

The steps taken by the facilitation offices must include (TCRO, 2011:60-69):

- Creating the office and finding effective partners (for example CBOs);
- Building trust and creating the grounds for participation through, among other things, dissemination of accurate information;
- Assessing influencing socioeconomic and physical factors and the capacity at the local level for renovation;
- Conducting deeds assessment and prioritizing community needs;
- Institution-building, including the enhancement human resources and creation of working groups and neighborhood renovation committees;
- Identifying residents who want to renovate their homes through various modalities;
- Monitoring and evaluating the initiatives, including assessment of satisfaction.

The general aims of renewal, facilitated through the neighborhood offices, are: decreasing vulnerability to risk of earthquakes and other natural hazards; providing urban services, including open and green spaces; creating

### Table 1: Deteriorated Fabrics and Areas Lacking Sustainability in Tehran

<table>
<thead>
<tr>
<th>Area (ha)</th>
<th>Population</th>
<th>Number of units</th>
<th>Area (ha)</th>
<th>Population</th>
<th>Number of units</th>
<th>Area (ha)</th>
<th>Population</th>
<th>Number of units</th>
</tr>
</thead>
<tbody>
<tr>
<td>62,100</td>
<td>7,797,520</td>
<td>2,345,000</td>
<td>3,268</td>
<td>1,152,173</td>
<td>261,786</td>
<td>14,792</td>
<td>2,873,811</td>
<td>614,179</td>
</tr>
<tr>
<td>% of the city</td>
<td>5</td>
<td>15</td>
<td>11</td>
<td>24</td>
<td>37</td>
<td>27</td>
<td></td>
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new capacity for urban development based on overarching plans for Tehran; and addressing part of the additional need for housing in the city. TCRO (and as well as UDRO at the national level) has emphasized amalgamation of lots in its urban renewal initiatives, arguing that: i) it will reduce construction costs per unit; ii) it will allow for better construction standards; iii) and it will reduce the need for shared spaces (that is, a better allocation of space). Furthermore, a large percentage of lots in Tehran and other cities are small (occupying less than 200 square meters), their serviceability being a major challenge even if they are rebuilt. To encourage amalgamation, an extra floor is allowed. In this way, the new building can better accommodate shared spaces such as parking and elevators. Amalgamation is further encouraged since reconstruction often means ceding a few square meters of land for the purpose of street widening (TCRO, 2010:4-6).

Characteristics of Project Area

The area now called Khazaneh developed out of Tehran’s peripheral agricultural land around brick workshops seven decades ago. Khazaneh grew quickly with the rapid expansion of Tehran in the 1950s and 1960s. A number of manufacturing plants sprang up in and around Khazaneh and the railway passed through the area. Houses were built next to the industrial area and transport corridor by mostly poor migrant workers. Khazaneh was then slowly incorporated into the city. After the 1960s, with the increase in the country’s oil income and as a result of agricultural land reforms, the area received an increasing number of poor migrants. Khazaneh became a poor neighborhood of Tehran, exhibiting among other things shanty areas and irregular and poorly constructed houses (Naqsh-e Sarzamin Co., 2010a).

The original Comprehensive Plan of Tehran, prepared in 1968, envisaged the city’s expansion along an east-west axis. It called for the establishment of a green barrier in the southern parts of Khazaneh while preserving the area’s industrial land-use in the north and northwest. The green belt never materialized, nor did the planned east-west avenue and four neighborhood centers in Khazaneh. Bayat (1997) believes that neighborhoods such as Khazaneh, formed before the Revolution, acted to separate the poor population from the main parts of the city. Indeed, what is today Tehran’s South Terminal next to Khazaneh was at one point a garbage dump. However, the construction of the Be’sat Highway (Farahabad), Be’sat Park, and the South Terminal itself go back to the pre-revolutionary period. At the time of the Revolution, the neighborhood had more or less taken its current general shape and it had several mosques and other religious centers. Yet, it also had shanty areas (in particular, Gowd-e Hoseyn Nafti) and squatter settlements (such as what are now called Shahid Parvaran and Shahid Parastui). Indeed, many homes in Khazaneh are of informal origins, having gained full ownership titles in the last 30 years. Furthermore, many residents of Khazaneh were laborers and could only afford housing built on lots of smaller than 150 square meters (Naqsh-e Sarzamin Co., 2010a).

After the Revolution, Khazaneh was incorporated into Region 16 of Tehran. Some resident of Khazaneh played important roles in the revolutionary events of the late 1970s and many volunteered for the war front in the 1980s. However, the people of Khazaneh experienced coercive interventions after the early days of the revolution, including the forcible removal of street peddlers and destruction of the shanty area (gowd=depression or hole in the ground). By the end of the Iran-Iraq War, when Tehran was in complete decline, some of the workshops in Khazaneh also closed down. Yet, the main shanty area (Gowd-e Hoseyn Nafti) was turned into a park named Park-e Yadvareh-ye Shohada after the martyrs. Khazaneh remains a relatively closed urban area, having low levels of interaction with other parts of the city. Although the municipality has established a major cultural center in the area, since it has not carried out any other community-oriented cultural development measures, the facilities are underused and may become unsecure in the absence of security measures. Be’sat Park and Abrisham Park are also large defenceless open spaces. Furthermore, Khazaneh exhibits high rates of social problems, including crime, and low levels of social indicators as compared to the rest of the city. Prices of land are also much lower in the neighborhood in comparison with city-wide averages (although they are still significant and rising). The area is well severed by streets in the east-west direction, but not in the north-south direction. Many alleys in the neighborhood are extremely narrow and lack pedestrian walkways. Pedestrian walkways of the main streets are also quite narrow but support commercial activities. Khazaneh now has a metro stop. It is seldom crowded during working hours (between 9 AM and 6 PM), which indicates low volumes of traffic and by extension low levels of economic activity. In the most recent Comprehensive Plan of Tehran, a large part of the neighborhood has been marked for the creation of an international commerce center, which is unlikely to materialize (Naqsh-e Sarzamin Co., 2010a; Naqsh-e Sarzamin Co., 2010b).
The target project area actually includes not only Khazaneh proper but also North Aliabad, East Naziabad, Abbasi, and part of Shahrak-e Be’sat. These different sub-areas all have their own relatively separate urban identities and socio-cultural characteristics. They mostly, although not exactly, cover Sub-region 3 of Tehran’s Region 16 (see Figure 1). The area’s boundaries include Be’sat Park in the north, Abrisham Boulevard in the South, Abrisham Park and Be’sat Power Station in the east, and Shahid Rajayi in the west. The population of the area was 67,940 persons (18,677 households) according to the 2006 Census. The total area is 251 hectares. The deteriorated fabrics in this neighborhood comprise 46 hectares or 18 percent of the whole (Ibid.).

Other than the recent Comprehensive Plan proposing major north-south and east-west urban arteries for the area, physical and subject-oriented plans as well as a set of perspective plans (tarh-e manzar) have been prepared for the neighborhood. The former do not exactly fit under the recent Comprehensive Plan mentioned above, while the latter are architectural exercise in drawing, lacking any socioeconomic aspect. Furthermore, based on the Comprehensive Plan, a detailed plan has been prepared for Tehran (of which more later for the case of Khazaneh).

**KFO’s Experience**

*Structure and duties of KFO*

Naqsh-e Sarzamin Company was selected by TCRO in mid-2010 to establish and run KFO. It took the company about 2 months to organize the neighbourhood office with a staff of six (3 full-time specialists, 2 part-time specialists, 1 secretary, and 1 office help). During the first year of operations, the managing director of Naqsh-e Sarzamin supervised the facilitation office herself. KFO’s duties were listed in its terms of reference (ToR). The ToR evolved through KFO’s annual contracts, but was quite open to interpretation, at least initially. Table 2 is based on the KFO’s mature ToR. KFO divided its services into the following four categories. Technical and architectural services included making necessary revisions to land-use plans, providing advisory services on architectural plans, building codes, best construction practices, and upgrading of utilities. Legal advice was to be provided on contracts for reconstruction, tenure/titles, loan agreements, and repayment.
methods. Cultural and social initiatives included advocacy and training on renovation, safeguards to protect vulnerable groups, enhance economic and social wellbeing of the residents, and preserve the integrity of the community during renovation activities, and delivery of other social services based on community priorities (such as skills training or dealing with substance abuse). Finally, financial and economic services included advice on financial benefits of renovation (for example when small adjacent lots would be amalgamated) as well as on other initiatives that would enhance the employment/economic base of the community. To achieve these, KFO prepared a Local Development Framework based on socioeconomically sustainable development principles connecting three spheres: i) the activities of the municipality; ii) the local community; and iii) the urban plans.

Table 2: Breakdown of KFO’s Duties Based on Its ToR

<table>
<thead>
<tr>
<th>No.</th>
<th>Initiative</th>
<th>Percentage of workload</th>
<th>Activity</th>
</tr>
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</table>
| 1   | People-oriented renovation with a lot amalgamation model | 35% | Information dissemination among residents  
Convening sessions for lot amalgamation  
Organizing educational workshops for renovation and lot amalgamation  
MoUs among owners  
Receiving order for the preparation of construction plan  
Receiving permit |
| 2   | Upgrading neighborhood environs | 15% | Preparing proposal and plan  
Follow-up with responsible institution  
Training residents  
Securing participation of residents in the plan  
Execution of plan |
| 3   | Improving construction practices | 15% | Organizing relevant workshops for residents  
Organizing relevant workshops for investors/builders  
Convincing investors/builders to use the quality guarantee insurance  
Preparing architectural plan and its execution  
Preparing façade plan and its execution |
| 4   | Carrying out projects that encourage further neighborhood development | 20% | Preparing proposal and plan  
MoUs with owners  
Coordination with municipality  
Contract with investor/builder  
Receiving order for map/plan  
Receiving permit |
| 5   | Utilizing and improving existing local capacity and creating new capacity in local institutions | 15% | Follow-up for the purpose of educational and enabling programs  
Implementing educational and enabling programs  
Establishing neighborhood cooperative  
Establishing neighborhood development fund  
Creating workgroup and association  
Convening workgroup and association meetings on a regular basis  
Establishing regular and appropriate contacts with the municipality  
Establishing regular and appropriate contacts with existing local institutions |

*Initiating activities in the neighborhood*

After opening, the office established regular contact with the mayoral administration in the sub-region, community assistance committee of the city council (showrayart), and other important urban institutions. Indeed, a major area of focus for the facilitation office continued to be institution-building and coordination among various urban service providers. KFO conducted a desk review of all available documents and maps at the outset as well as a quick participatory survey aiming to address informational gaps and indentifying issues faced by the communities. A database was thus created on every housing and commercial unit. Information gathered through this exercise also included informal names, social functions, oral histories, rites and rituals,
and identity symbols of various parts of the neighborhood. The database was updated in subsequent periods—for example, in July 2013, through an additional survey of 300 households on demographic, social, and physical issues.

The next step taken by the facilitation office was an information dissemination campaign on the neighborhood renovation strategy and on the lots that would be eligible for the incentive package provided by the TCRO and exemptions offered by the municipality. The basic incentives offered to owners of designated lots included exemptions from construction taxes, a bank loan, and permit to construct an additional floor if two or more lots were amalgamated to form a larger lot of at least 150 square meters. While information was also provided through radio and television and public agencies, much of the advocacy was performed by the facilitation office on the streets of the neighborhood. For example, KFO printed 3,200 information brochures for all households in the designated deteriorated fabrics. The brochures contained information on the neighbourhood and its history, activities of the facilitation office and its contract with TCRO, the facilitators and their duties, and the technical-architectural, legal, socio-cultural, and financial services offered through the facilitation office. The brochures were handed out to residents using the services of shahryaran-e javan (or Young City-helpers, a youth association promoted by the municipality).

Problems with the detailed plan and tenure/title issues

As the initial aim was to facilitate the renovation of deteriorated fabrics alley by alley, subsequent to the above activities, the first community session was held for the Allahyari/Mohammadi Lane which was believed to exhibit a worst case of deterioration, decay, and service deficiency. The community assistance committee of the city council and the sub-regional municipality/mayoral administration participated in the meeting. Yet, this first session took a different turn. Instead of discussing how to proceed with the renovation objectives, the residents of the Allahyari/Mohammadi Lanes started to complain about their dire situation, in particular the problems with the sewage which was threatening their residences in significant ways. They noted that if the problem with the sewage were not addressed, renovation and reconstruction would be of no benefit to them. The residents eventually signed a petition which was taken by KFO to the Water and Sewage Bureau. With the new pressure exerted by the residents, the Water and Sewage Bureau took some stopgap measures to address the problem, but did not reconstruct the sewage system. In fact it was found out that the Allahyari/Mohammadi Lanes were supposed to be converted to an avenue based on the approved detailed urban plan. That is, the lanes’ designation as deteriorated fabric was in contradiction with the detailed plan approved for the area. The situation clearly called for a participatory resettlement program. However, the municipality did not have the resources to carry out such a program. The story of Allahyari/Mohammadi Lanes started in the April 2011 and continued through the October 2012 when the facilitation office was ordered by TCRO to leave the issue unresolved.

The detailed plan was supposed to be the basis of work for all deteriorated fabrics across the city. Yet, KFO was also given the task of addressing its incompatibilities with renovation goals. In practice, other than the difficulties of the kind mentioned in the case of Allahyari/Mohammadi Lanes, the detailed plan created a number of problems for many residents who would otherwise be willing to rebuild their homes. For example, in several cases across Khazaneh, land-use boundaries designated by the detailed plan were not compatible with existing lot boundaries. In other instances, contradictory land uses were designated next to each other. Furthermore, proposed land-uses were not necessarily compatible with possibilities on the ground, making their realization unlikely. For example, Parvaran Lane with around 400 micro-lots was designated as a green space zone. However, it was impossible to purchase the lots from the 400 households and carry out a resettlement program. In this case, KFO was successful in changing the zone designation to residential. All in all, 9 zones were changed through the activities of the facilitation office and eventually endorsed by the relevant commission. However, once a zone was re-designated, it needed a new detailed plan for which neither TCRO nor the municipality would readily take responsibility.

Addressing tenure/title problems was also a major endeavor. A detailed GIS map was created by KFO indicating all lots/homes that had tenure/title problems. Around 250 dossiers were prepared for them. Most tenure/title issues were caused through subdividing lots without permit (which had resulted in micro-lots) as well as squatting in a few cases. There were also a number of disputed lots (due to multiple claims or deceased owners). As the municipality was legally mandated to solve tenure/title problems, KFO helped individual households to upload their documents onto the electronic system created for this purpose. Since tenure/title dossiers needed property maps, the facilitation office arranged for a company to prepare them for individual households at reduced prices. For this, the office hired a part-time lawyer whose costs were covered by TCRO. However, after some initial success, TCRO decided to take over this operation, which considerably slowed down the activities.
Enabling and Participation

KFO aimed for renovation and upgrading through a community-based, enabling approach that would leverage existing and/or enhanced institutional arrangements and eventually lead to community participation. In practice, this goal was time-consuming and extremely difficult. One problem with participation, according to the staff of KFO, was that its extent was not clearly defined by TCRO. As a result, no specific plan could be drawn for participation. Furthermore, according to the facilitators and the manager of the office, community social development activities required a real plan, whereas in practice these were facilitated on an ad-hoc basis.

One of the activities of the office was to facilitate the formation of community workgroups. One such group was volunteer facilitators. It did attract a number of enthusiastic youths in the beginning, but did not prove sustainable in the absence any support from TCRO that would keep them connected to neighborhood renovation activities. A smaller group (with 11 members from across Khazaneh), formed around the theme of “participatory neighborhood photography,” remained active. Furthermore, KFO organized four self-help groups for women in the neighborhood focused on group savings, skills training, and entrepreneurial activities. More importantly, the facilitation office strived to improve certain services of the neighborhood to match their city-wide levels. KFO mobilized residents to contact urban service providers and request service improvements. While some residents might have unwarranted demands from the urban management, putting them in contact with the municipality would help them prioritize their demands to receive feasible services. A major endeavor was to facilitate upgrading of the neighborhood’s public built environment. As KFO did not have any funds of its own for this purpose, it mobilized residents to prioritize upgrading needs and to interact with the municipality to address them. Figure 2 shows, among other things, the three such schemes carried out by KFO through community mobilization. While the planned upgrading in Jamshid Seyyed was fully carried out, those in Nahr-e Firuzbadi and Bokharayi Axis remain to be completed. Furthermore, as a result of KFO’s activities, almost all alleys in Khazaneh were repaved, and the Water and Sewage Bureau also started paying much more attention to improving the neighborhood’s infrastructure.

None of the above activities could be categorized as community participation. Yet, they were effective in gaining the community’s trust and improving services. Furthermore, the social, legal, and financial services offered by KFO as a one-stop shop created the missing link between municipal renovation goals and those of the community. KFO’s activities would eventually create the grounds for community participation. However, after 2011, TCRO became more interested in actual renovation and less enthusiastic about KFO’s enabling approaches that could potentially lead to community participation.

Actual renovation

The main tool envisaged for the renovation of deteriorated fabrics in Khazaneh (and elsewhere in the city) was a package of incentives offered through KFO. It comprised high-density construction (typically four-story apartments replacing one-to-two-story homes); granting construction permit free of charge for residential units and with discounts for commercial units; provision of bank loans without the usual savings requirement; and granting permit for the construction of an additional floor if adjacent lots were amalgamated before new construction. The last item was to be granted not only to lots officially marked as deteriorated fabric but also to others located in the neighborhood. Additionally, in cases when a cul-de-sac existed between two or more lots, its land would be provided for free if the lots were joined. Since no land was to be purchased by the facilitation office, the main tool was to enhance the knowledge of residents and persuade them to take action in renovating their homes and upgrading their neighborhood. Yet, land prices were found to be relatively low in Khazaneh in the initial period of KFO’s activities. This caused problems for renovation, which was supposed to be carried out through partnerships between owners and private builders. Considering the high prices of construction materials, investment by private builders to carry out construction on low-priced lands was not automatically attractive.

One way to make the redevelopment of the neighborhood more attractive to investors was through neighborhood development activation projects. Three types of projects were considered, including commercial complexes, car parks, and private sports complexes. The main incentive package used was increased density permits. Yet, there was no legal guarantee. A total of seven projects were targeted by KFO. As of August 2013, none of these projects materialized. In one instance, a 6,000 square meter lot considered for major redevelopment fell prey to the city’s hunger for open space to construct a 24 meter wide avenue.
Figure 2: Renovation and Upgrading Activities in Khazaneh
KFO organized a series of enabling workshops focused on renovation and lot amalgamation as well as on other topics of interest to residents (such as on residents’ rights or on how to live in a shared apartment building). Since the main issue was to realize less hazard-prone buildings, the facilitation office concentrated on improving construction practices through educating the owners and by training builders. A set of workshops were offered to investors/builders on construction practices, including use of new construction materials, and on resident-builder contracts. Based on a cost-benefit analysis carried out by the office, it was found that renovation would be profitable on lots of 600 square meters or larger in Khazaneh. The calculation was based on the assumption that no new density would be purchased from the municipality. This was an aim of the office, since additional floors would decrease the quality of life in the neighborhood. Small builders available in the neighborhood had to pool their resources together to be able to handle projects on 600 square meter lots. Initially, only around 10 trusted investors/builders, all relatively small, were attracted to the renovation scheme promoted by KFO. TCRO had also organized a Builder’s Club to provide access to a larger number of potential builders/investors. The facilitation office was able to locate a large pool of investor/builder outside the neighborhood, who possessed the know-how and, technology, and financial resources. Yet, TCRO decided to bring its own designated company into the neighborhood. This company had a great deal of backing, including that from charity organizations. It therefore offered contract terms to owners which were substantially better than what the competitive market could offer. It would put the market in jeopardy for other investors. However, in practice TCRO’s designated builder was not able to take on more than a few projects.

Of the 3,200 lots designated as deteriorated in Khazaneh, TCRO apparently expected one tenth to be renovated through KFO’s activities on an average annual basis. For example in the first year 398 lots were targeted. In practice, considering the above-discussed difficulties, only a dozen renovation contracts were actually realized through the first year. Although the number of renovation contracts managed directly by KFO subsequently increased, it never reached the targets set by TCRO. However, the social, legal, and financial services offered through KFO were actually accessed by a large number of residents in Khazaneh inside and outside designated deteriorated zones. Furthermore, land prices started to increase in Khazaneh toward the end of 2011 both as a city-wide phenomenon and due to the activation of renovation initiatives in the neighborhood. City-wide land price increases actually made land in Khazaneh more affordable while the activation of renovation initiatives in the neighborhood promised higher property prices in the future. As this article was written (in August 2013), rising land prices complemented with the indirect effects of KFO’s activities were giving rise to a large number of renovation initiatives across the neighborhood. While relevant data were not available, the scale of renovation activities would likely match those envisaged by TCRO in the medium-term.

Conclusions

Deteriorated urban fabrics, characterized by micro land divisions, impenetrability, and lack of sustainability, are the main target areas of government’s recent emphasis on urban renewal. In Tehran, renovation of deteriorated urban fabrics has been initiated through specialized neighborhood facilitation offices. This paper has probed the activities of Khazaneh Facilitation Office in Tehran, which started in mid-2010, and its achievements as of August 2013. KFO began its work by creating a database on various aspects of the neighborhood and its building stock while also establishing strong relationships with various public-sector stakeholders. This was followed by an information dissemination campaign reaching all residents of Khazaneh’s designated deteriorated fabrics on the services and the offered renovation incentive package. The services would include technical and architectural assistance, legal advice, facilitation of cultural, social, and economic initiatives, and financial advice.

KFO’s efforts to address contradictions between the approved detailed plan and deteriorated fabric designations had mixed results. In the case of Allahyari/Mohammadi Lanes, KFO was not able to realize the needed resettlement. Yet, the Parvaran Lane as well as 8 other zones was re-designated based on the reality on the ground. The office also rendered a great deal of service to residents with tenure/title problems. Furthermore, it carried out a number of community social development activities (although mostly on an ad-hoc basis), including creation of self-help groups for women and community workgroups. KFO was also successful, through community mobilization, in having the municipality upgrade three areas of the neighborhood, one of which was complete as of August 2013. While KFO hoped that enabling activities would eventually lead to participatory renewal, TCRO became increasingly interested in quick renovation results after 2011. Renovation was to be achieved through a package of incentives, including high-density construction permits, construction tax exemptions, bank loans, and additional construction density permits for amalgamated lots. As land prices were initially found to be relatively low in Khazaneh, additional initiatives were carried out by KFO, including advocacy and knowledge dissemination, encouraging investors/builders to pool resources, and attempting to
develop large-scale commercial side-projects to motivate further renovation activities. Although the numbers of renovation contracts directly managed by KFO increased gradually, they never reached the targets set by TCRO. Instead, increasing land prices both as a city-wide phenomenon and due to KFO’s activities have given rise to a large number of renovation initiatives across the neighborhood, carried out by residents on their own.

KFO succeeded in carrying out enabling and community-development initiatives alongside the provision of renovation-related social, financial, and legal advice. These were hoped to eventually lead to some level of community participation in renewal activities. Yet, realizing community participation requires much more efforts that will bear fruit in the medium- to long-term. Participatory approaches are therefore not compatible with expectations of quick renovations results, but are necessary if the goal is to keep most residents in their community and check gentrification and relocation. While the activities of KFO have most likely given some impetus to large-scale renovation activities that are now taking place in Khazaneh, the role of increasing land prices should not be underemphasized. The reality is that in most places across Tehran once high-density construction is allowed it takes place more or less without public sector assistance. If we reduce the goal of renewal activities to the creation of new buildings, then we can achieve a great deal by just manipulating the price of land in connection with construction-density permits. However, if we expect renovation initiatives to target communities and take the wellbeing of their members seriously, then we must proceed with social and economic development projects, enabling activities, and creating the grounds for eventual community participation in the urban planning process, including renewal and redevelopment.

References