



# Urban Renewal in Arab Towns in Israel

## Executive Summary

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# This study was conducted as a collaborative partnership between several organizations:

**Sikkuy** is an organization of Arabs and Jews working jointly since 1991 to promote equality and partnership between Arab and Jewish society in Israel. Together with Arab local councils and the leadership of Arab society, Sikkuy pursues that goal by promoting changes in policy at government ministries and public agencies, in the media and among the broader public. This advocacy is directed at advancing equality both material and intangible, and building a shared life and shared spaces for Palestinian Arab citizens and Jewish citizens living in Israel.

**The Israel Affordable Housing Center** has been a part of the Tel Aviv University Faculty of Law since 2014. The IAHC was established to develop new tools in the field of housing and advance policies to bring affordable housing within the reach of middle- and low-income households. The Center conducts applied academic research on affordable housing and urban renewal along with projects aimed at inculcating real change on the ground. It formulates proposed legislation and develops new policy tools. The IAHC utilizes a multidisciplinary approach and is staffed by professionals with expertise in law, planning, and economics.

**The Arab Center for Alternative Planning** is a nonprofit, nongovernmental organization in Israel. Its central goal is to represent the real interests and needs of the Palestinian Arab population in Israel with regard to planning, land, housing, growth and development. It aims to advance equality in the allocation of land resources and planning and development resources; to empower the Arab population to defend its basic rights in the service of justice and equality in various fields; and to engage the Arab public in planning processes and Arab-Jewish cooperation for economic, social and human development for all citizens of the country.

**Graphic design:** Liran Raviv Granit

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**Cover: A street in the heart of Older Town in Jisr a-Zarqa. Photo: Sami Jorban.**

# Summary of the research

As a result of many decades of discriminatory allocation of resources, the historical core of Arab localities and the older neighborhoods that grew up around them present many physical challenges both for residents and for renewal. Basic residential infrastructure, for example, functions very poorly. Parks and green spaces are rare; public institutions and facilities are scarce; housing is inadequate and insufficient. There are only a few, if any, reinforced safe rooms or public bomb shelters. Public transportation is absent or severely inadequate.

The aim of this study is to ease the way for regeneration of these older areas of Arab communities. In that context, we will present tools and recommendations with great potential for moving forward with the desired renewal. Their adoption should enable the government to provide a fair and appropriate response to most of the challenges typically posed by these spaces. The process as a whole would assist Arab local authorities to improve planning and development for older neighborhoods in particular and Arab localities in general.

In recent years, urban renewal in Israel has become synonymous with the Razing and Rebuilding policy and National Master Plan 38. Meanwhile, the reality on the ground shows that these tools are not feasible for communities in the periphery in general nor for Arab localities in particular. Moreover, analysis of the typical characteristics of the older town centers in Arab localities reveals that it would be difficult with such tools to address the unique needs of these areas. Hence this study recommends an alternative toolkit to regenerate the older neighborhoods of Arab localities.

## The research process

The study began with an analysis of the unique physical challenges and barriers to planning typically posed by the older neighborhoods. Next, we carefully examined the standard approach to urban renewal in today's Israel and learned that the goals as generally defined are not a good match for the special needs of these Arab localities. To address the disparities, we redefined the goals to make them more relevant and realistic. Achieving these reformulated goals will make it possible to **improve the quality of life of all residents of the older neighborhoods in these Arab localities** by directly addressing the many challenges characteristics of such

spaces. Alongside this meta-goal, we defined six secondary goals, focusing on:



**Public spaces:** Creating high-quality public spaces serving all the residents of these neighborhoods: women, children, men, the elderly, young people, and so forth.



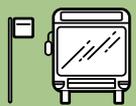
**Physical infrastructure:** Improving and further developing the existing physical infrastructure.



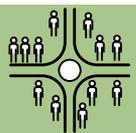
**Public services:** Ensuring the provision of public services within the neighborhoods: day care, education, health, etc.



**Housing:** Providing affordable and appropriate housing for local residents and creating supplementary solutions to encourage local people to return to the older areas.



**Public transportation:** Improving public and/or alternative transportation for which there is a demand in the existing neighborhoods.



**Connectivity:** Creating connections between the older areas and the newer neighborhoods, including by strengthening the historic old village centers.

Next, we looked at what barriers might be liable to hamper the progress of urban renewal processes in pursuit of these six goals. We considered which aspects need to be taken into account in the course of developing alternative tools for regeneration of the older areas of Arab localities. Our analysis was based on questionnaires sent to relevant professionals and ordinary residents, on in-depth interviews with professionals and on a literature survey. Numerous barriers to the renewal of these areas emerged.

We then turned our attention to creating and developing urban renewal tools designed especially for these older neighborhoods. We first studied seventeen different existing urban renewal tools used in Israel and elsewhere. After careful screening, we selected four tools

for further development. They were chosen based on their relevance for actualizing the goals define above and their feasibility from a regulatory, budgetary, and sociocultural standpoint, among other considerations.

## Tools for renewal of older spaces in Arab localities

### Lease by the local authority of a private space for public benefit

This tool allows the owner of private land in the older neighborhood to lease land, whether built on or not, to the local council for a predetermined period of time (5 - 25 years) pursuant to a contract. As part of the lease agreement, the local council is granted the right to use the land for a variety of purposes. These might include developing public open spaces, creating public parking, or building a public institution – in exchange for payment to the landowner, underwriting the cost of construction or developing the land. When the lease expires, the property reverts to its owner.

#### Key recommendations for developing this tool

1. Economic recommendations: Allocating flexible, readily available funding to the local authority to encourage the use of this tool. Budgets must be as flexible as possible, to facilitate coping with potential obstacles. The budgets should include:
  - Funding for leasing agreements and financial remuneration for the landowner.
  - Funding for planning and implementation.
  - Funding for a mediator, an attorney and an appraiser for the landowner.
2. Process-related recommendations: Defining clear, uniform work processes to enable local authorities to promote the use of this tool among various stakeholders (landowners, the Local Planning Committee, etc.).
3. Regulatory recommendations: Implementing several legislative changes to support use of this tool:
  - Land use: Creating a protocol to enable local / regional planning authorities to approve permits for zoning variances for public purposes, with the local council as the applicant under a leasing arrangement made in agreement with landowners. This mechanism

will take effect in areas defined by the planning committees as areas for urban renewal in Arab localities.

- Delineation of an array of benefits that local councils can use to “trade” with property owners, apart from monetary compensation and/or construction and development work. Examples: regularizing land registration, lower budgeting for public areas on other land owned by the lessee, etc.

## **Swapping privately owned land (built / not built) in an older neighborhood for ILA land in a newer neighborhood**

This tool allows for the exchange of a privately owned plot of land, built up or not, in an older neighborhood for Israel Lands Authority (ILA) land in a new neighborhood. Swapping privately owned land with ILA land enables planning and development for a variety of public purposes in the older neighborhood. Meanwhile, the swap option creates an attractive alternative for the private landowner, who will receive land in a new, modern neighborhood.

### **Key recommendations for developing this tool**

1. Economic recommendations: Allocating funds to local authorities / to the ILA to foster use of this tool. The local council budget must be as flexible as possible, so as to encourage and facilitate solutions to possible obstacles. The allocation should include:
  - Monetary compensation to the landowner, insofar as the appraiser’s opinion requires monetary compensation for disparities in the values of the lands exchanged.
  - Funding for planning processes.
  - Funding for work by a mediator, an attorney and an appraiser for the landowner.
  - As needed, creation of economic solutions for the transition period.
2. Process-related recommendations: Defining clear, uniform work processes to enable local authorities to promote the use of this tool among various stakeholders (landowners, the Local Planning Committee, etc.).
3. Regulatory recommendations: Implementing several legislative changes to support use of this tool:

- Delineation of an array of benefits that the ILA or the local council can use to “trade” with property owners – apart from the land transfer itself, monetary compensation and/or construction and development.
- Granting of a tax waiver on the land transfer.

## Renewal of residential buildings

This tool creates a planning, regulatory and budgetary framework for the rehabilitation of residential buildings, alongside development and enhancement of public spaces. This tool should be employed by designating residential areas in the older neighborhoods as areas slated for urban renewal in the framework of a comprehensive master plan and/or in the framework of urban renewal master plans (on the district level).

The point of departure for developing this tool is that residential rehabilitation in the older neighborhoods is happening today in a spontaneous, organic manner. This includes the demolition of old residences and construction of new ones to replace them; additions built on existing buildings whether by adding floors or extending the building to adjacent land, plus renovation of building facades and interiors. These processes are occurring now without the involvement of any public authority, without any policy direction, without overall planning and without regard to infrastructure or public needs. Thus, this tool seeks to create a more comprehensive planning framework for residential renovation. Home renovation will occur in any case; the idea is to plan for broader public benefit and create a supportive regulatory framework offering incentives for residential renewal in the older neighborhoods.

### Key recommendations for developing this tool

#### 1. Statutory recommendations

- Designating areas intended for urban renewal in the core area and in older neighborhoods, in an urban renewal plan (whether in a comprehensive master plan or an urban renewal master plan).
- Setting forth the instructions, the main guidelines, and the terms for actualizing the building rights granted in the plan, emphasizing terms addressing public needs.
- Encouraging demolition and construction of single residences in the areas designated for urban renewal and/or the construction of additional floors for existing buildings.

2. Economic recommendations: Creating incentives to encourage the use of this tool for households interested in utilizing it and for local councils.

#### A. Benefits for households

- Assistance with land-related regularization: Providing professional guidance and/or funding for registration and ownership of land and help in resolving conflicts over multiple ownership shares.
- Tax benefits: Providing tax benefits matching those now in force under the evacuation-and-reconstruction approach and creating the possibility of an exemption from the property improvement tax. This requires an amendment to land-related tax law.
- Government-guaranteed mortgages: Providing government-guaranteed mortgages to cover construction costs.

#### B. Benefits for local councils

- Funding for comprehensive planning: Formally defining this tool as an “urban renewal initiative” under the Urban Renewal Authority Law. This step would allow the government’s Urban Renewal Authority to promote use of the tool and to fund planning processes. Pursuing this approach would require a formal government decision as per the Urban Renewal Authority Law.
- Allocating “supplementary land” belonging to the Israel Lands Authority for public needs: Regeneration of older neighborhoods and an increase in density require the creation of suitable public infrastructure in these areas, where the infrastructure is already very inadequate in any case. To that end, where there is ILA-managed land in an older neighborhood, a pathway should be created allowing allocation and development of ILA land for public needs. This step, in practice, would create a second track parallel to the existing one for allocating supplementary residential land. The purpose of the allocation in Arab localities, however, will be to foster social and community support for residential renewal and see that public needs are met in a way supportive of this process. Implementing this recommended approach demands an amendment to the Urban Renewal Law to allow for allocating the supplementary land to the local council rather than to landowners. It likewise requires a specific decision by the ILA, setting forth criteria for the allocation of the land.

## Temporary use of private open space for green spaces or for parking

This tool enables development of private, unbuilt-up land for a limited period of time, for two main purposes: for open public space and for parking. Utilizing the tool is done via a green spaces order or a parking order, as per the Local Councils Law (Nationwide Use of Vacant Lots), 1987. The law authorizes the local authority to issue an order that a vacant lot be used temporarily as green open space for the public or as a parking lot. Any development is done by the local authority. The order is in effect for up to five years and may be renewed for another five years at any time. Although impermanent, the tool has the advantage of being available without necessitating actual use of the land.

### Key recommendations for encouraging use of this tool

Economic recommendations: Resources should be allocated for planning and development and for ongoing maintenance, mainly with regard to spaces used for public parks.

## Broad systemic recommendations

Alongside the development and utilization of the tools described, we also offer several broader recommendations that should enable and encourage urban renewal in Arab localities.

### Allocating resources to promote urban renewal processes

- Establishing a dedicated urban renewal fund in Arab localities: We recommend creating a dedicated budget designated especially for urban renewal in Arab localities. This funding will be allocated to Arab local authorities and managed by them together with the relevant national government authorities. The budget would include funding for both planning and implementation. In order that the local authorities succeed in utilizing all the funding so budgeted, some of it should be designated for removing any planning impediments.
- The use of ILA land for the regeneration of older neighborhoods: We recommend promoting a policy that encourages and facilitates the use of public land managed by the Israel Lands Authority in older areas. This would aid in the development of public buildings, public infrastructure and open public spaces. To that end, the first stage

should be mapping all the available ILA land in the older areas. The next stage is to determine specific criteria for its allocation by the ILA for the benefit of renewing and developing the older neighborhoods. Whatever mechanism is established should be accessible, simple, and easy to operate.

### **Supplementary mechanisms**

- Establishing a government loan mechanism to help residents interested in advancing urban renewal: We recommend establishing a government-run loan mechanism designated for landowners interested in advancing urban renewal on their property. This mechanism would grant loans under convenient terms to eligible residents.
- Abbreviating the land registration process: We recommend establishing a new system that simplifies and telescopes the land registration process. The new system would promote urban renewal processes on land where the registration process is incomplete, while offering a significant benefit to landowners who have not fully implemented the existing registration process.
- Establishing an urban renewal body/committee in Arab localities: We recommend establishing a special entity within the local council, funded by the government's Urban Renewal Authority, to address urban renewal. The main task of this special entity would be to advance urban renewal processes in the town/village in which it is located.

### **Expanding the jurisdictional boundaries of Arab localities**

- Action on two levels simultaneously: We recommend working to advance urban renewal processes in the older neighborhoods of Arab localities alongside action to expand the jurisdictional boundaries of these localities. Such a holistic, integrative approach would promote renewal of the older spaces in tandem with an expansion of each locality's overall physical land area. The jurisdictional expansion would allow for solutions that cannot be achieved solely within the existing bounds of the older neighborhoods. Most of them, for example, do not currently have the space to develop large commercial and employment areas, add space for municipal institutions serving the public, create large public parks, and so forth. We recommend allocating land areas for these uses in proximate parts of new neighborhoods added via the expansion of jurisdictional boundaries.

## **Dedicated workforce**

- Every District Planning and Building Commission should have a defined professional player to provide expert consulting and guidance to local authorities interested in pursuing urban renewal in their town: We recommend a defined role for a planner in the Planning Administration or the Ministry of Construction and Housing or the ILA, in each relevant geographical district. This planner would work with the region's local authorities to move forward on urban renewal.
- A position for a professional with special expertise in urban renewal in Arab localities should be added at the government's Urban Renewal Authority: We recommend naming a consultant who would take a leading role in developing tools adapted for successful urban renewal in these towns. The consultant would work in tandem with the other players in government to encourage progress. This person should come from Arab society and be highly competent in planning processes for Arab localities.

## **Creating a cross-sector professional conversation on urban renewal in Arab localities**

- Building a permanent cross-sectorial forum dealing with advancing urban renewal in Arab localities: We recommend creating a roundtable to include a diverse range of stakeholders to talk about urban renewal in Arab localities. The roundtable should include representatives of the national government, particularly the government's Urban Renewal Authority, the Planning Administration, the Ministry of Construction and Housing, the Israel Lands Authority, the Ministry of Justice, the Budgets Division at the Ministry of Finance, and planners from the District Planning Bureaus countrywide; mayors and engineers from the local authorities; and civil society organizations, among others.
- Ensuring fair representation for the Arab population in developing urban renewal processes: We recommend that the development of the tools described above, and of any other urban renewal process being pursued for Arab localities, be a partnership process. Whether focused on thinking and deliberating, policy making, or implementation, these efforts demand the participation of, and partnership with, Arab society: its political leadership, representative agencies, and relevant professionals and professional organizations.
- Fair representation for the Arab population in government ministries: We recommend enlarging the representation of the Arab population at the Planning Administration, the

ILA, the Ministry of Construction and Housing, and the government's Urban Renewal Authority. Greater representation will strengthen the professional discourse and enable more effective pursuit of urban renewal processes optimally adapted for the unique characteristics of Arab localities.



**Jisr a-Zarqa. Photo: Sami Jorban.**