



From the Top Down: The Governance of Urban Development in Mexico

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Institute on Municipal
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Presentation Outline

- **Background & Context**
- **Research Focus**
- **Discussion of Preliminary Findings**
- **Research Implications & Conclusions**
- **Next Steps**

Structural Reforms in the 80s & 90s

Housing finance policy

- Promote private production & **mortgage expansion**

Land reform

- Privatization & **development** of low-cost rural or *peri-urban* land

De jure but not *de facto* decentralization

- Stripping of local urban development regulatory capacities

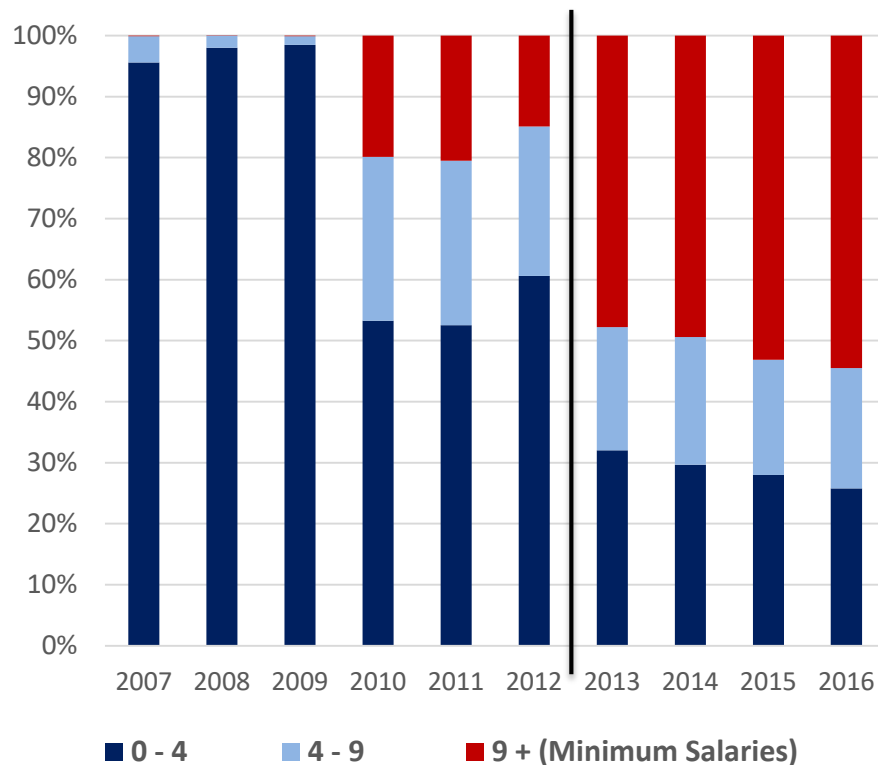
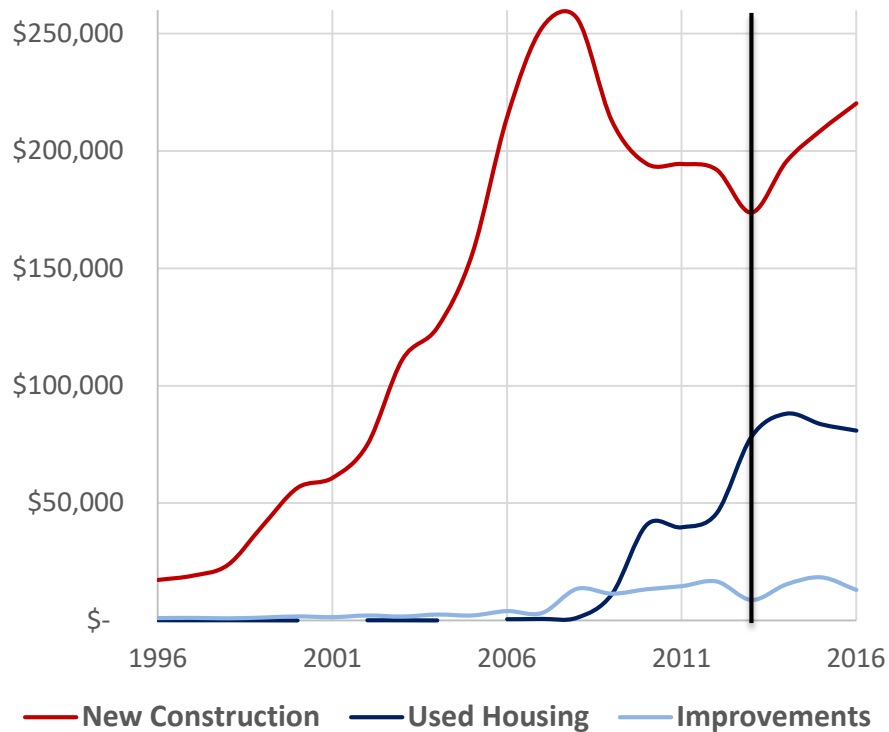
Suburbia Mexicana: Fragmented Cities



Source: Alejandro Cartagena

Mexico's Housing Engine

Housing Finance in Mexico (in Millions of MxP/left & per Income Sector/right)



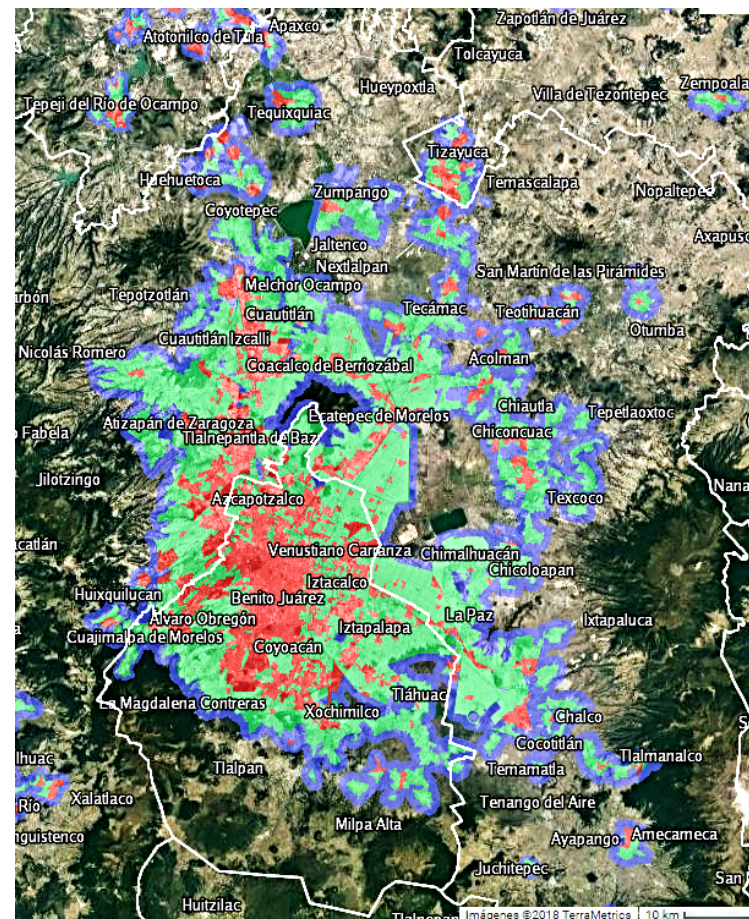
Source: SNIIV

2013 Federal Densification Policies

Urban Growth Boundaries

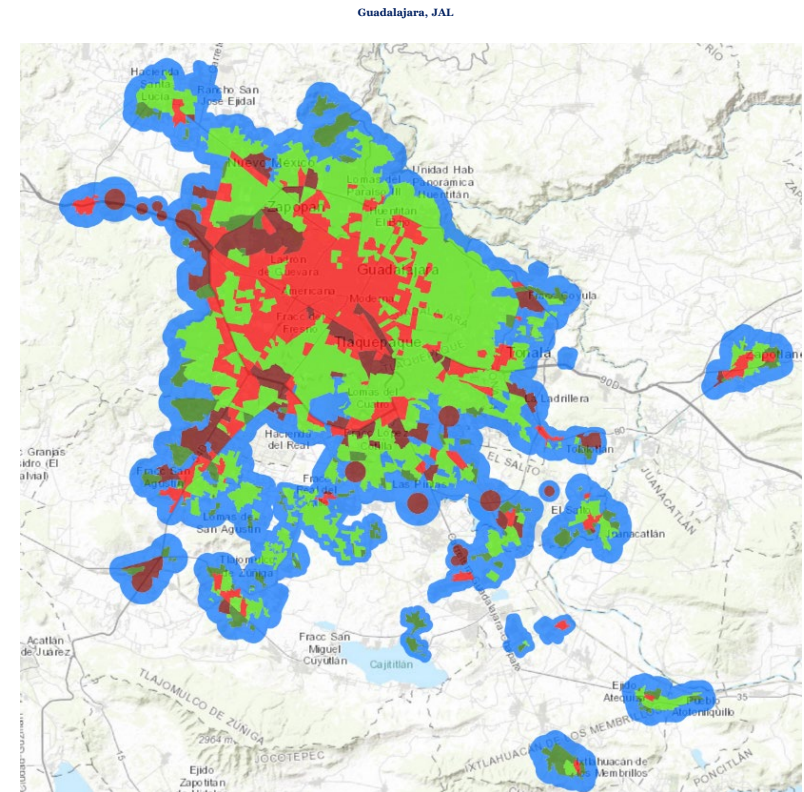
drawn in **394 cities** or towns with 15,000+ inhabitants (including 74 metro areas)

- **UGB1 > 1:1 employees/residents ratio**
concentrates **employment**
- **UGB2 > 75% service provision**
- **UGB3: containing buffer**
 - **900 mts:** > 1 million inhabitants
 - **800 mts:** 500k - 1 million
 - **700 mts:** 100k - 500k
 - **600 mts:** 50k - 100k
 - **500mts:** < 50k



Research Focus

- Role, opinion and experience of **local governments & other stakeholders** in the drawing and implementation of UGBs
 - Effectiveness
 - Suitability
- Focus on 14 largest **metropolitan regions**, with more than 1 million inhabitants



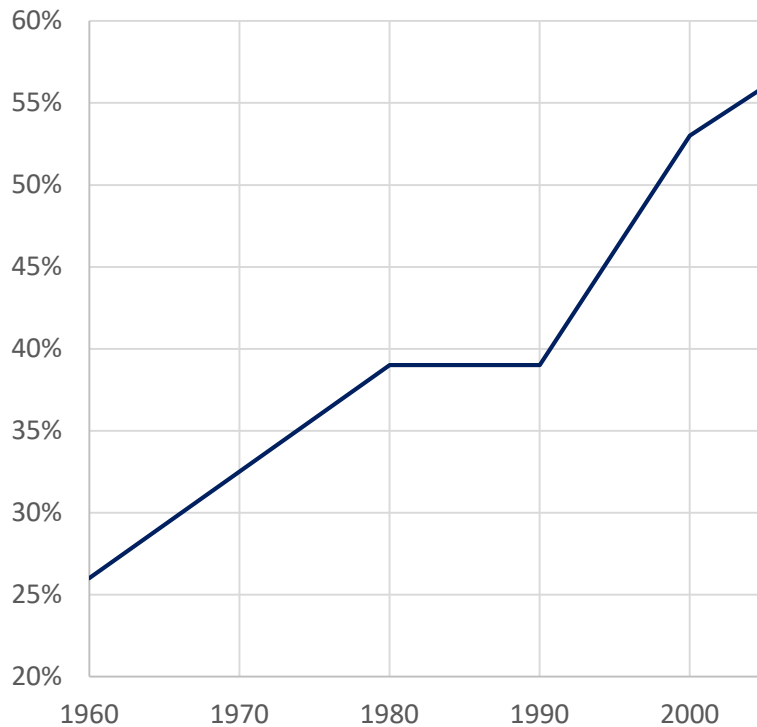
Mexican Metropolitan Regions



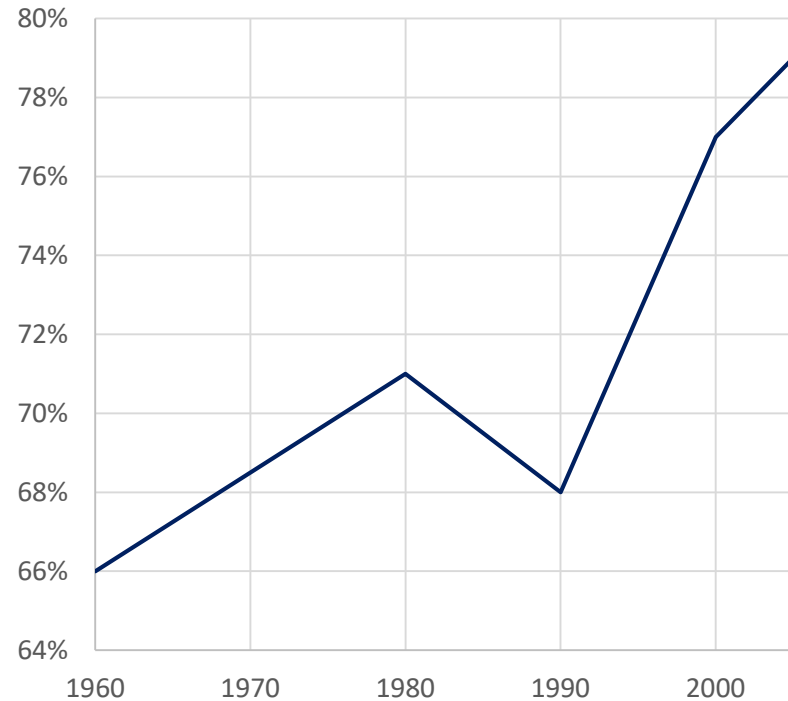
Source: Trejo 2013

Metropolitan Growth in Mexico

Metropolitan/National Population

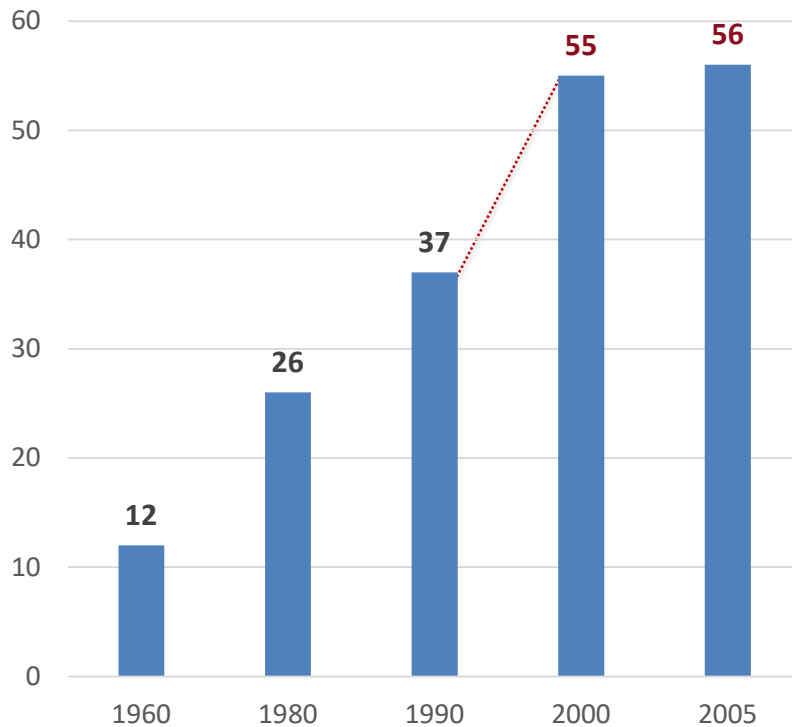


Metropolitan/Urban Population

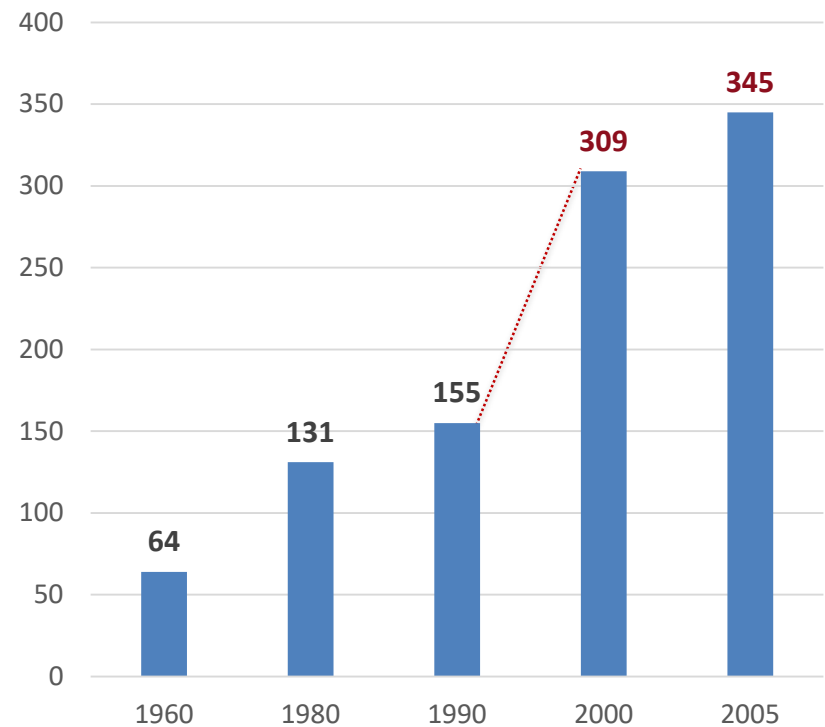


Metropolitan Growth in Mexico

Number of Metropolitan Regions



Number of Metropolitan Municipalities



Densification Efforts in Mexico City (2000-2012)

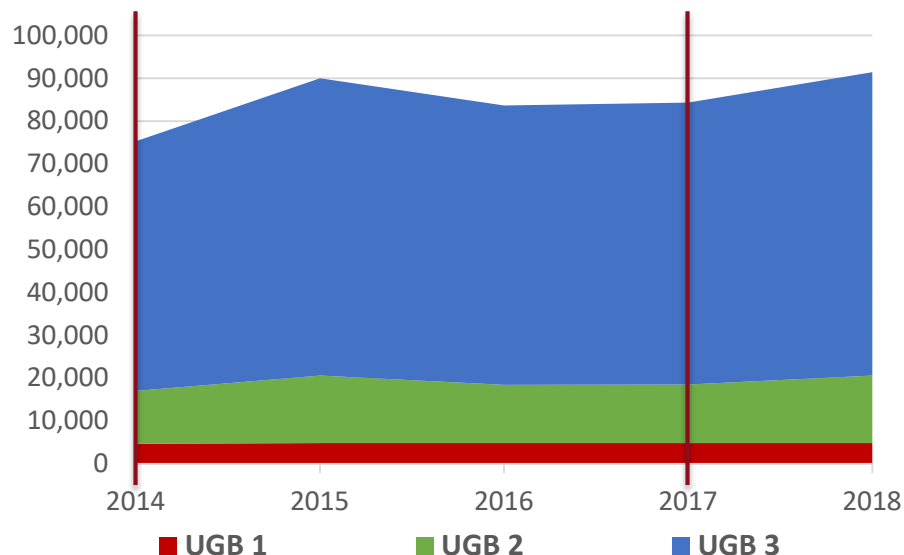
- **Civic involvement** and support to **affordable housing BUT**
- Lack of regional **coordination**
- Urban core **land price increases**/no speculation controls
- Poor development oversight and affordability controls



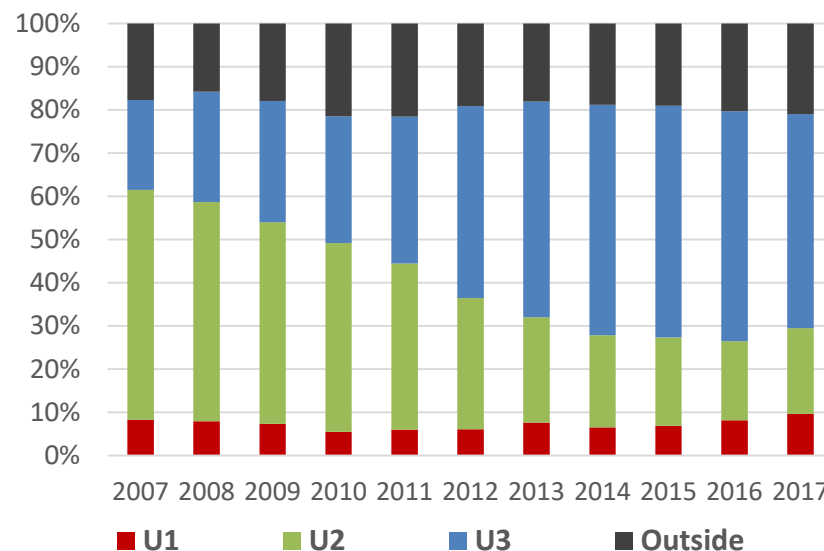
Source: INVI 2012

Visible & Hidden Challenges

Territorial Reserves in Mexico (hectares)



Housing Built by Growth Boundary in Mexico

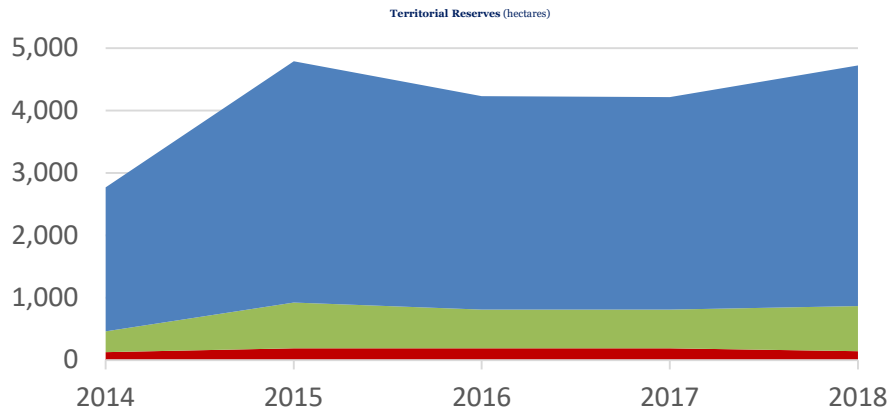


Housing Built in 2018

UGB1	UGB2	UGB3	Outside
33,018	57,164	121,752	30,532
13.6%	23.6%	50.2%	12.6%

Source: SNIIV

1. Guadalajara, JAL (center)



Population (2015): 4,887,383

8+2 Municipalities (2010-15)

Density (hab/ha): 123 (3,561 km²)

Multi-family Construction

(2013-18): 46.1 %

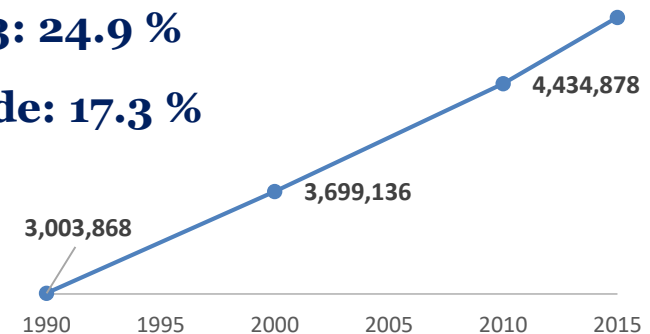
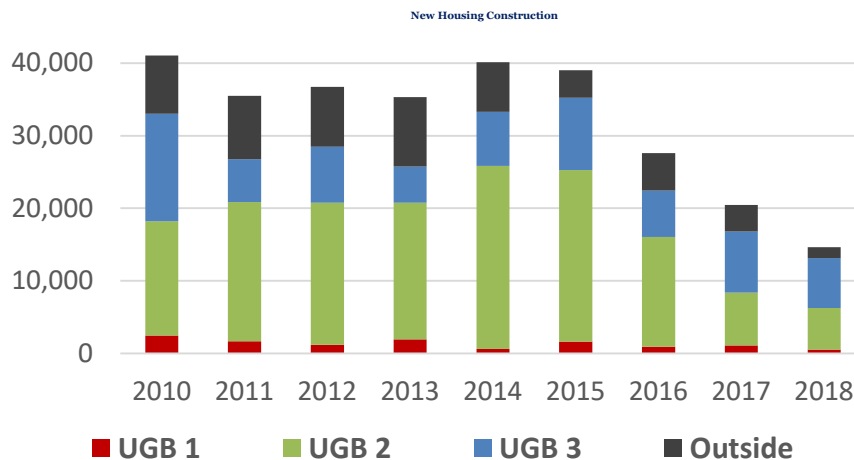
Housing Built (2013-18):

UGB 1: 3.8 %

UGB 2: 54.1 %

UGB 3: 24.9 %

Outside: 17.3 %



2. Monterrey, NL (north)

Population (2015): 4,689,601

13+5 Municipalities (2010-15)

Density (hab/ha): 108 (7,658 km²)

Multi-family Construction

(2013-18): 4.6 %

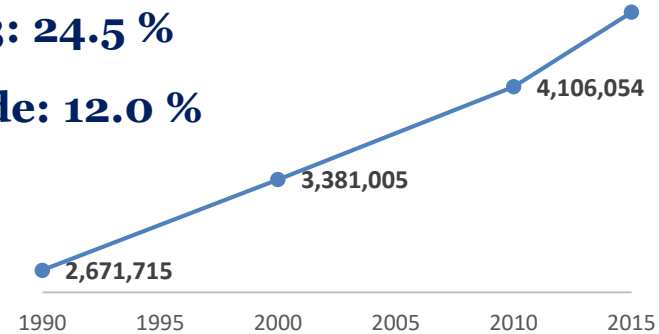
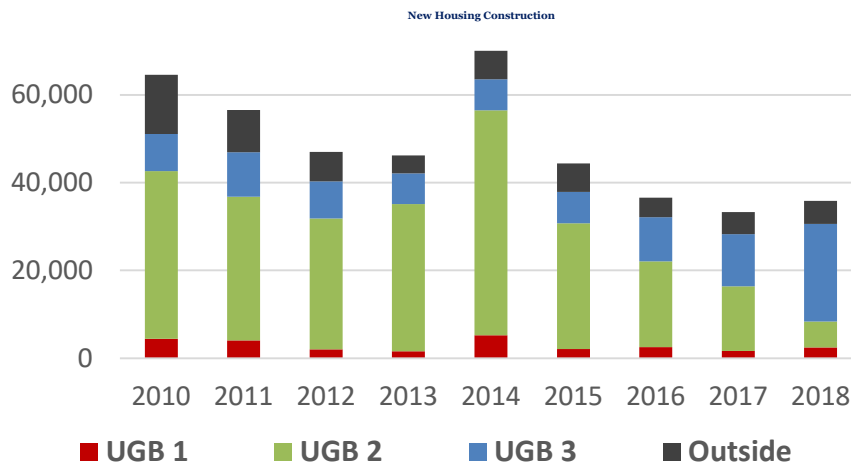
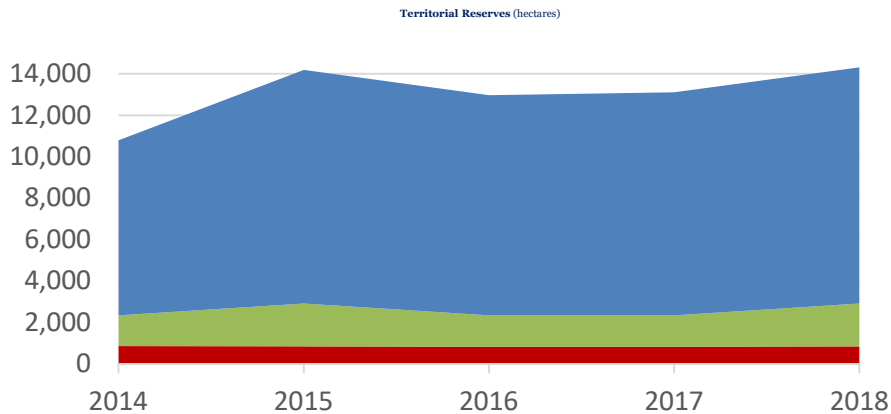
Housing Built (2013-18):

UGB 1: 5.8 %

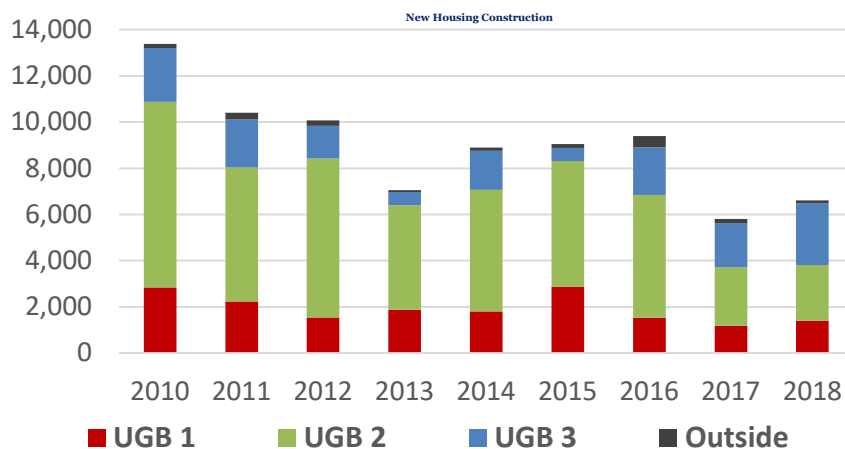
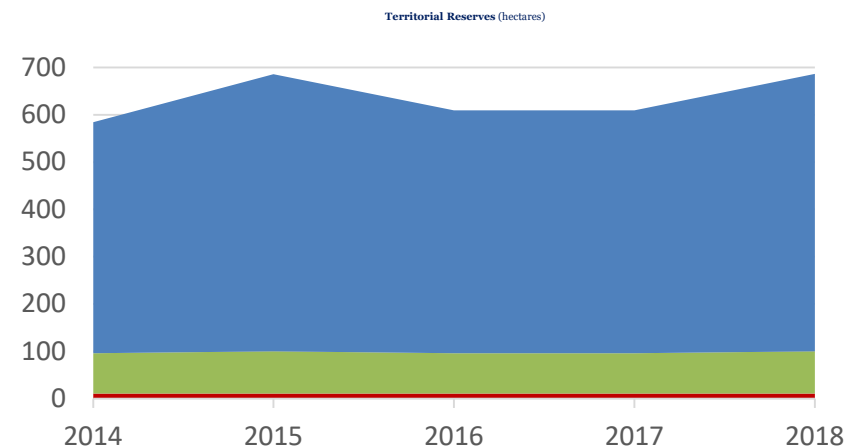
UGB 2: 57.6 %

UGB 3: 24.5 %

Outside: 12.0 %



3. Puebla, PUE (center)



Population (2015): 2,941,988

39+0 Municipalities (2010-15)

Density (hab/ha): 76 (2,392 km²)

Multi-family Construction

(2013-18): 59.4 %

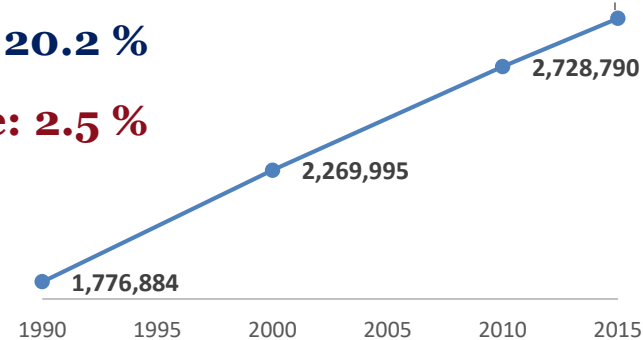
Housing Built (2013-18):

UGB 1: 22.7 %

UGB 2: 54.5 %

UGB 3: 20.2 %

Outside: 2.5 %



5. Tijuana, BC (border)

Population (2015): 1,840,710

3+0 Municipalities (2010-15)

Density (hab/ha): 85 (4,423 km²)

Multi-family Construction

(2013-18): 45.2 %

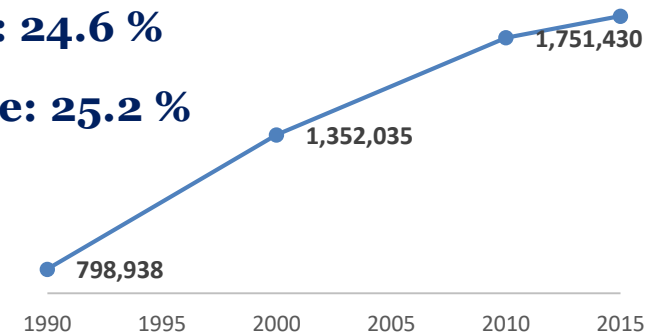
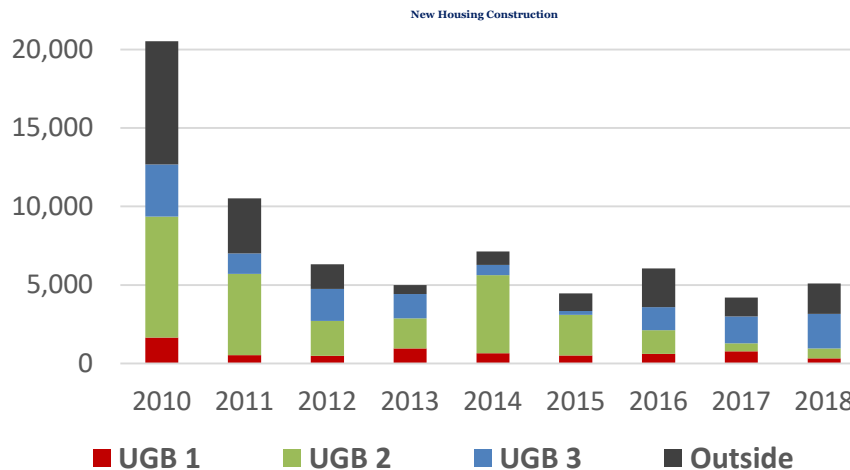
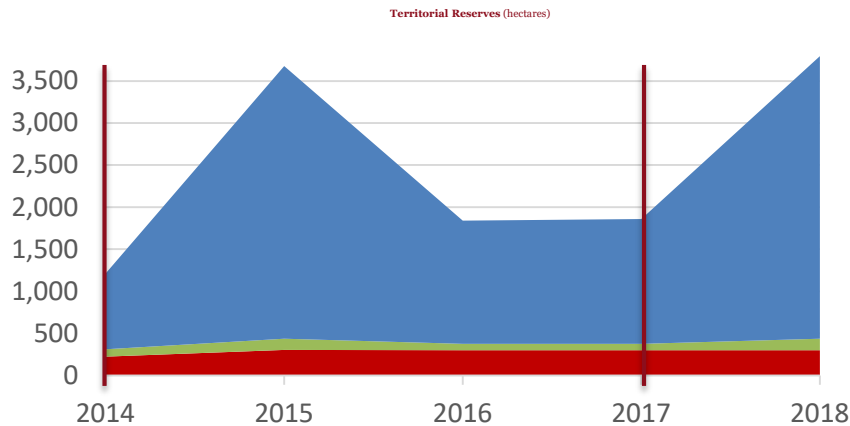
Housing Built (2013-18):

UGB 1: 11.9 %

UGB 2: 38.0 %

UGB 3: 24.6 %

Outside: 25.2 %



7. Juárez, CHI (border)

Population (2015): 1,391,180

1+0 Municipality (2010-15)

Density (hab/ha): 68 (3,547 km²)

Multi-family Construction

(2013-18): 0 %

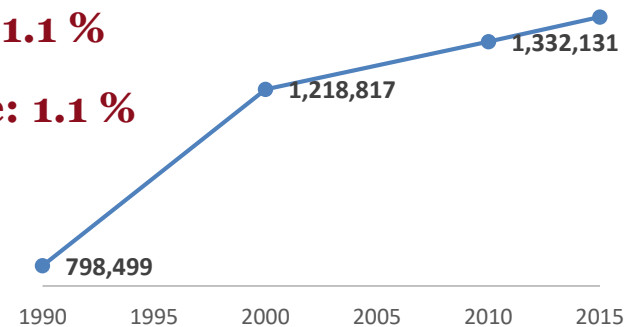
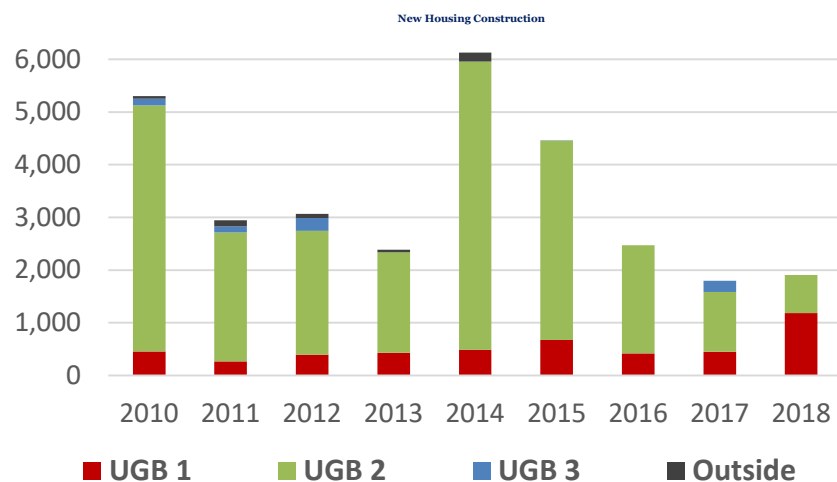
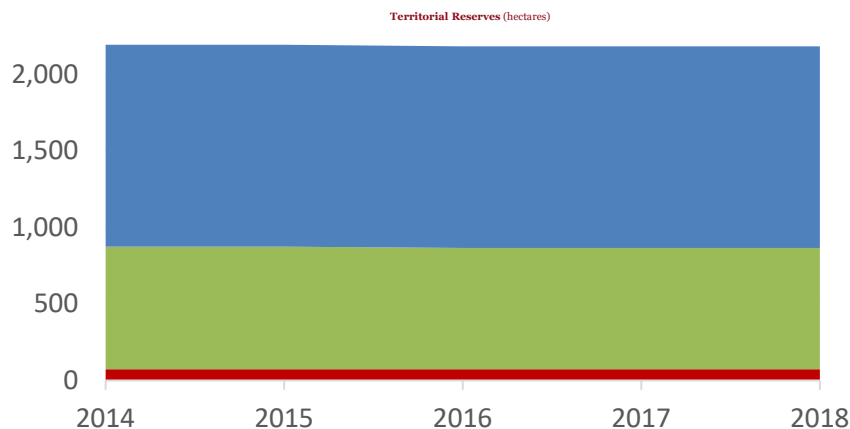
Housing Built (2013-18):

UGB 1: 19.0 %

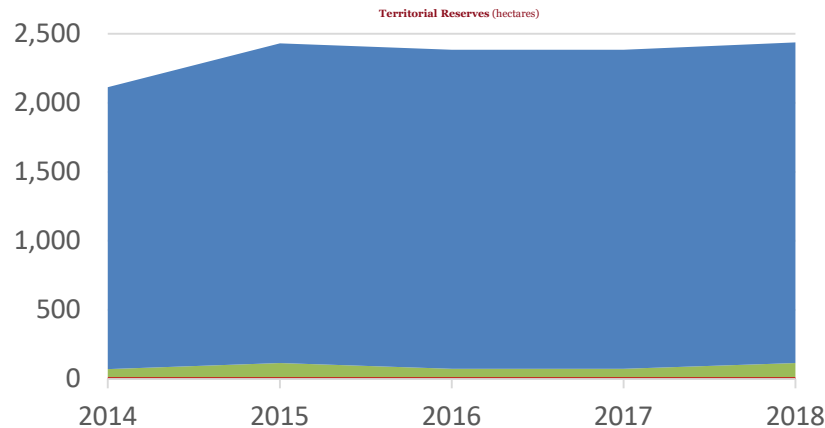
UGB 2: 78.7 %

UGB 3: 1.1 %

Outside: 1.1 %



10. San Luis Potosí, SLP (center)



Population (2015): 1,159,807

3+0 Municipalities (2010-15)

Density (hab/ha): 106 (2,402 km²)

Multi-family Construction

(2013-18): 7.8%

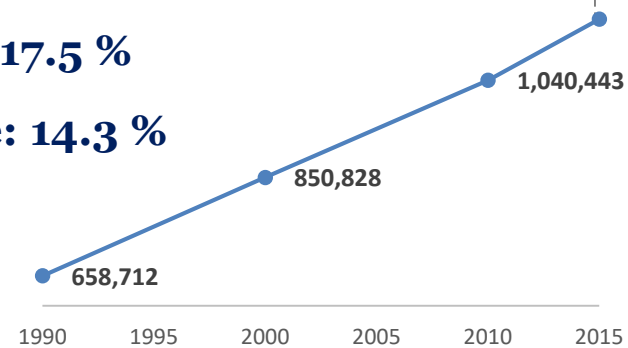
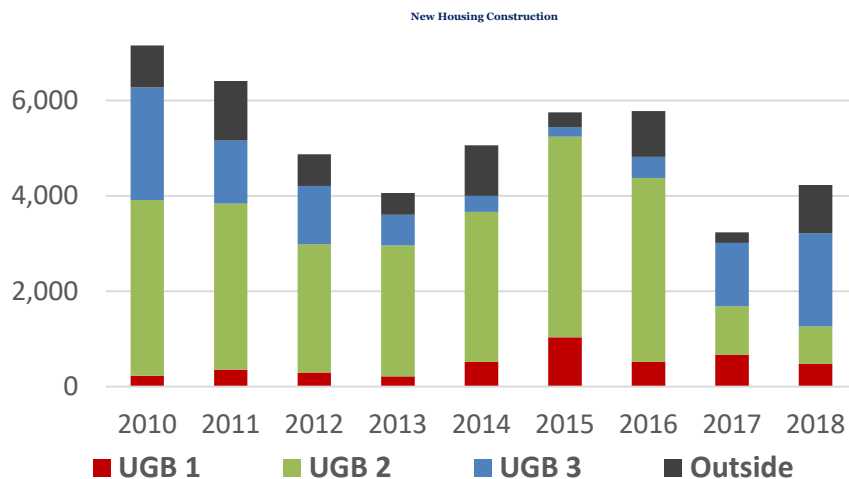
Housing Built (2013-18):

UGB 1: 12.2 %

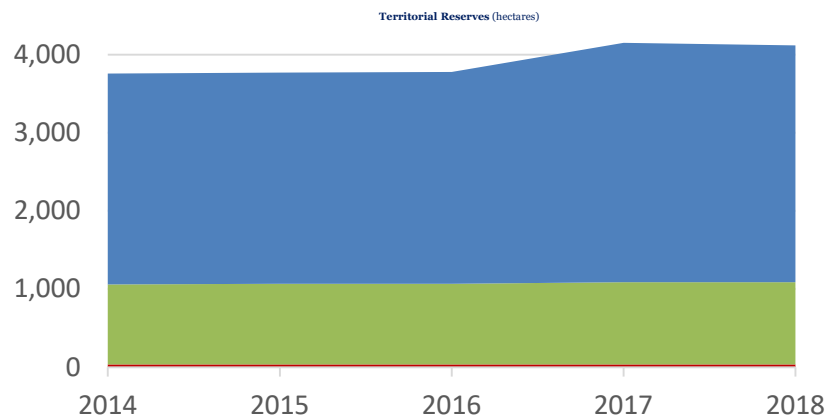
UGB 2: 56.0 %

UGB 3: 17.5 %

Outside: 14.3 %



11. Mérida, YUC (south)



Population (2015): 1,143,041

5+6 Municipalities (2010-15)

Density (hab/ha): 56 (3,044 km²)

Multi-family Construction

(2013-18): 8.1%

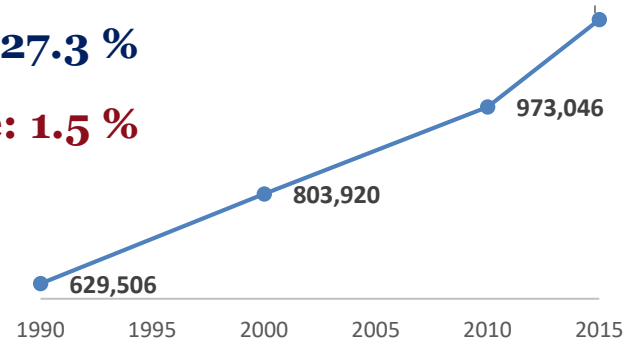
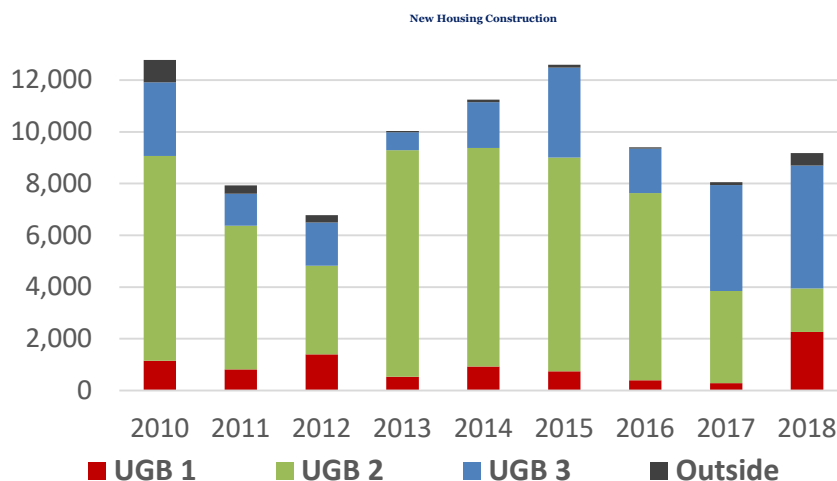
Housing Built (2013-18):

UGB 1: 8.5 %

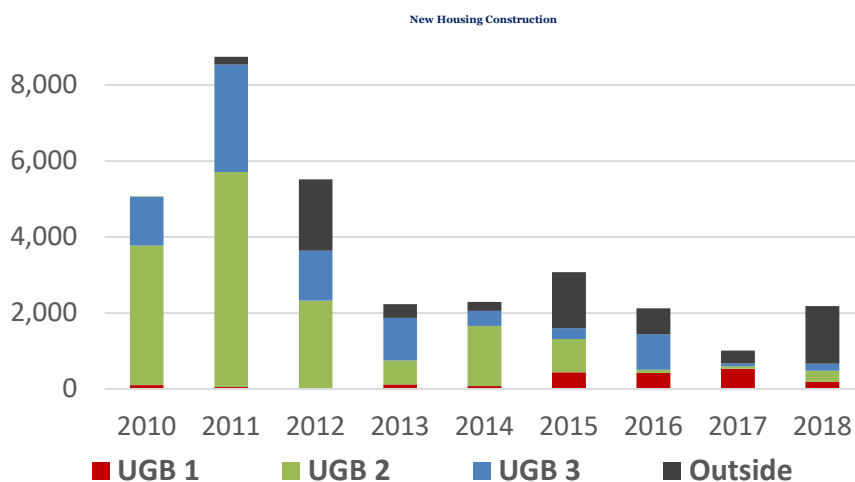
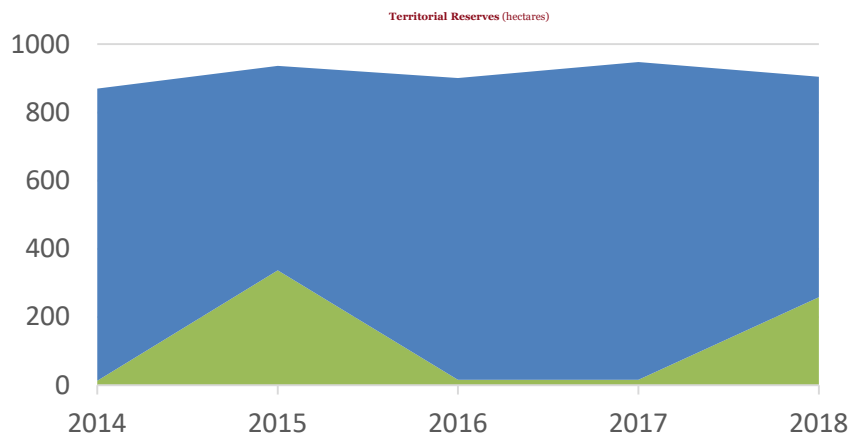
UGB 2: 62.7 %

UGB 3: 27.3 %

Outside: 1.5 %



13. Cuernavaca, MOR (central)



Population (2015): 1,006,000

8+0 Municipality (2010-15)

Density (hab/ha): 71 (1,190 km²)

Multi-family Construction

(2013-18): 30%

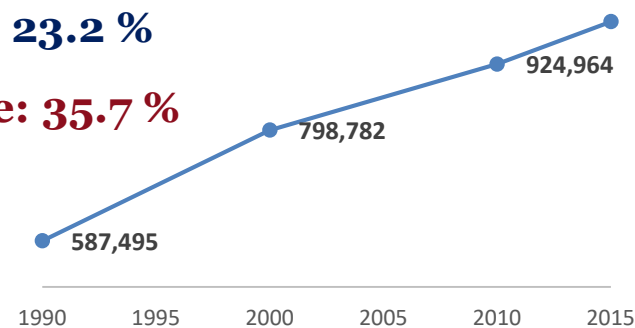
Housing Built (2013-18):

UGB 1: 13.8 %

UGB 2: 27.3 %

UGB 3: 23.2 %

Outside: 35.7 %



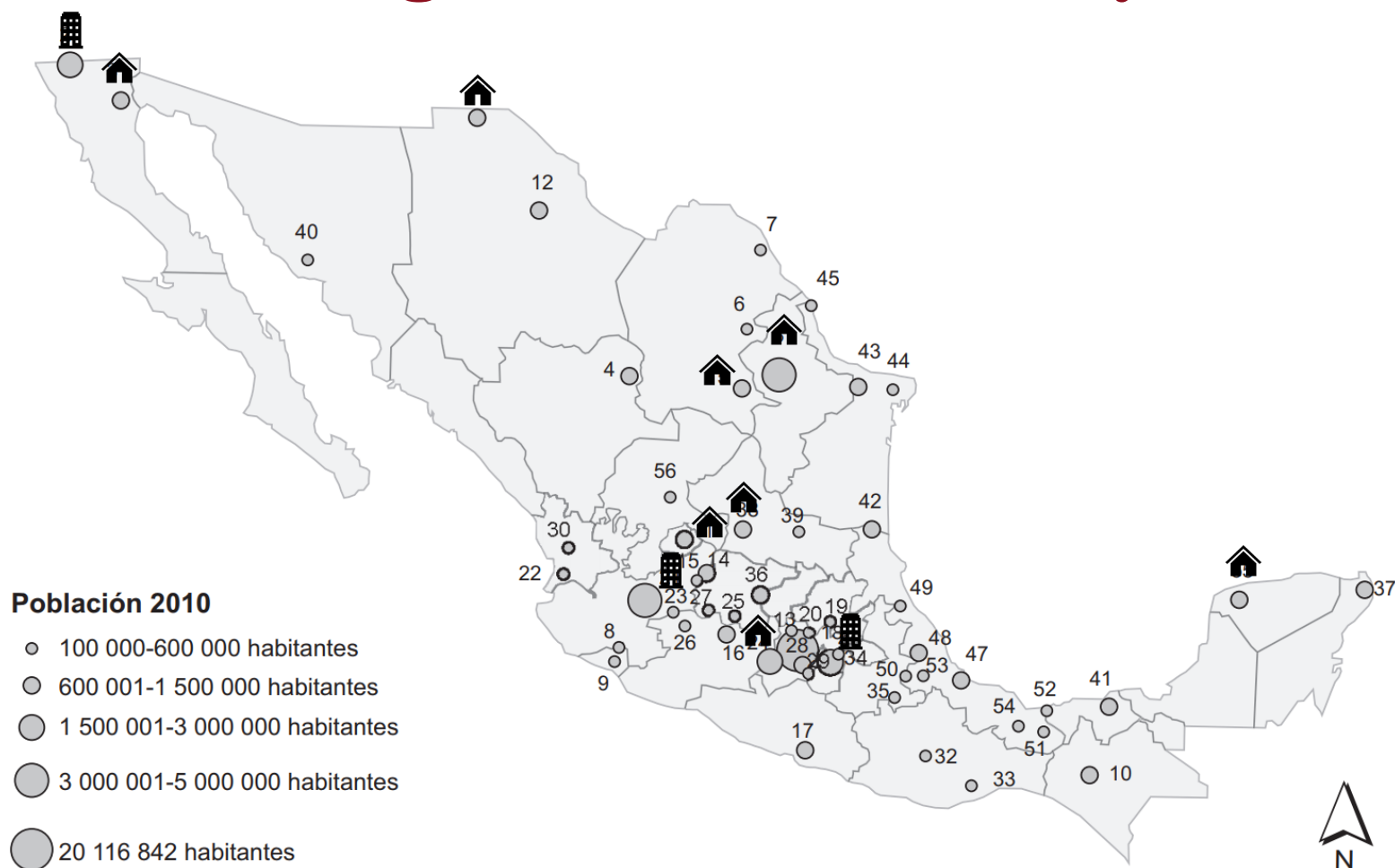
UGB Negotiations (% ↑)

No Negotiations	Moderate Negotiations	Intense Negotiations	Limited UGB1 Land
7 Juárez (border) 8 Torreón (north)	2 Monterrey (north) 3 Puebla (center) 9 Querétaro (center) 10 San Luis (center) 11 Mérida (south) 14 Mexicali (border)	1 Guadalajara (center) 4 Toluca (center) 5 Tijuana (border) 6 León (center) 13 Cuernavaca (center)	10 San Luis 11 Mérida 13 Cuernavaca

Development per Boundary (%)

UGB 1		UGB 2		UGB 3		Outside	
Querétaro	2.8	Toluca	21.6	Juárez	1.1	Juárez	1.1
Guadalajara	3.8	Cuernavaca	27.3	Torreón	13.1	Mérida	1.5
Monterrey	5.8	Tijuana	38.0	San Luis	17.5	Aguascalientes	2.3
...
Mexicali	16.2	Aguascalientes	63.4	Aguascalientes	28.1	Querétaro	25.4
Juárez	19.0	Torreón	74.6	Querétaro	31.5	Toluca	35.6
Puebla	22.7	Juárez	78.7	Toluca	34.9	Cuernavaca	35.7
AVG = 10.5		AVG = 53.2		AVG = 23.1		AVG = 13.2	

Single vs. Multi-Family



The Semi-structured Survey

- Sent to 42 public and private institutions
- Responses: *20 from 11 metros*
 - **6 Local Planning Offices**
 - **9 Urban Development Ministries** (state/regional level)
 - **5 Housing Development and Construction Chambers** (private sector)
- Questions/topics:
 - Sprawl
 - Sustainability
 - Affordable housing
 - Urban planning
 - Institutional coordination
 - Power and influence

Recurring Themes

- **Lack of state and local consultation**
 - Quantitative rather than qualitative approach
- **Land price increases**
 - Lack of developable land in central and adequate locations
- **Power-dynamics** and issues of **access** to land
 - Federal-level and private **negotiations/leverage of private sector**
- **Better coordination** between government-levels (BUT **top-down**)
- Improved but limited **local government capacity** and strategies
 - Fiscal, regulatory and land use mechanisms (e.g. value capture)
- Lack of support to **other strategies** such as rehabilitation and multi-family housing

Effectiveness & Beneficiaries

Containing Urban Sprawl	5.3/10
Promoting Sustainable Development	4.9
Promoting Affordable Housing	4.1
Guiding Urban Planning	5.4
Improving Government Coordination	4.9
Opinion about Re-drawing of UGBs	5.2
Most Influential Stakeholders	Developers (54%) & Federal Govt (29%)
Beneficiaries	Developers (53%) & Cities (24%)

Overarching Considerations

Strengths	Weaknesses
<ul style="list-style-type: none"> • Establishes a vision for compact and sustainable development • Tool/resource/guide to prevent sprawl • Promotes coordination between government-levels, albeit top-down • Has incentivized some/few local governments to better guide urban growth • Containing/overseeing urban expansion • Subsidies directed to producing middle-income housing 	<ul style="list-style-type: none"> • Discretionary changes • No linkages with local plans and lack of local participation and involvement • No acknowledgement specific needs and/or environmental risks (e.g. flooding) – one-size-fits-all measure • Lack of land use (e.g. mixed use) and fiscal controls gives way to speculation/land price increases • Non-binding/compulsory • No inclusion of mobility and transportation considerations • Hard to promote affordable housing at the urban core • Subsidies absorbed by developers...

Next Steps

- Increase number of surveys (participation from all 14 metros and more from the private sector)
- 3-Case study analysis:
 - **Guadalajara (center)**
 - **Monterrey (north)**
 - **Tijuana (border)**

A white silhouette of a city skyline is positioned at the top of the slide against a dark blue background. A red curved line starts from the right side of the skyline and extends towards the top right corner of the slide.

Thank you.

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