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Make the Ancient City of Yangzhou a Better Home

—Steps and Goals of Ancient City Protection and Residential Environment Improvement



Yangzhou Municipal People's Government

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Nomination Form

Nomination: Organization

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Action Area for Development of Human Settlement: Steps and Goals of Ancient City Protection and Residential Environment Improvement

Achievements in Human Settlement:With Yangzhou Municipal Government steering and the active social participation, a total of US\$ 770 million has been invested. 3,050 units of household in the ancient city area has been renovated, 33,000 units of affordable housing, low-price housing and low-rent housing newly built, and the housing problems for 148,000 residents categorized into 6 types of disadvantaged group solved, which enabled them to enjoy adequate housing. Yangzhou Municipal Government also has invested US\$ 2 billion for the construction of projects such as road upgrading, river treatment, sewage and garbage treatment, drinking water supply, and etc., which have upgraded the overall environment and function of the city. Yangzhou has become the residents' beautiful home.

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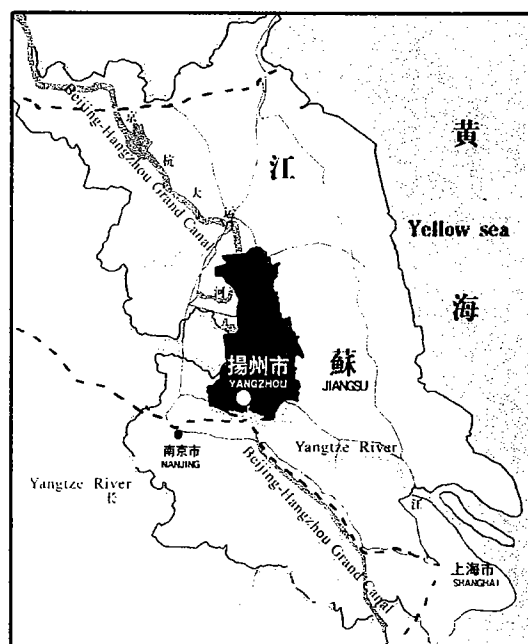
PROJECT TITLE:

Make the Ancient City of Yangzhou a Better Home

——Steps and Goals of Ancient City Protection and Residential Environment
Improvement

1. Background

Yangzhou is located at the confluence of the Yangtze River and the Beijing-Hangzhou Grand Canal in central Jiangsu Province, the People's Republic of China. With a history of approximately 2,500 years, the city is among the first 24 famous cities of historic and cultural importance proclaimed by the State Council. The urban area, for example, enjoys over 500 clusters of historic buildings and 148 sites of cultural heritage, 10 of which are under protection of state level. Folk arts and crafts in Yangzhou such as lacquer ware, block printing, paper cutting, ballad singing, storytelling, jade ware and Yangzhou opera are on the first list of China's intangible cultural heritage. By the end of 2005, the city had covered an area of 960 square kilometers, with a population of 1.28 million. The urban area had covered 71.4 square kilometers and the population reached 0.79 million.



However, the 1980s witnessed a tide of migration into the urban area due to the development of economy and the acceleration of urbanization. Hundreds of thousands of newcomers moved to the city, which resulted in an increasing populace dwelling in slums and even in the historic buildings under protection. Shanty towns emerged on the outskirts of the city or even within the urban area. More often than not, these small and shabby houses weren't equipped with sufficient supporting facilities to supply drinking water, lighten streets and lanes, drain water and maintain sanitation. According to a survey conducted at the end of 2000, 98% of the residents were dissatisfied with their residential conditions and called for urgent improvement.

2. Description of the project

Goals and Measures:

In 2001, under the guidance of “the Habitat Agenda” and “the United Nations Millennium Declaration”, Yangzhou Municipal Government proposed the goal of “adequate shelter for all” in line with the preservation of the ancient city, and getting residents involved in the sharing of the city’s development achievements. The city implemented the project of residential condition improvement for its disadvantaged groups. The following measures have been adopted:

(1) Leading Group In 2001, Yangzhou Municipal Government established the Housing Improvement Leading Group, headed by the city’s mayor, and with the participation of relative government departments as well as the communities and resident representatives. It is in charge of formulating the goals and giving instructions to the implementation of the project.

(2) Policy Making Since 2001, Yangzhou Municipal Government has extensively listened to the opinions of experts and residents, and has successively formulated 15 policies concerning the renovation of old and dangerous houses in the ancient city area, and the construction of houses affordable to poor families.

In 2003, for example, *Temporary Managing Measures for Housing Sold at a Fixed Price Directly to Poverty-Stricken Families in Yangzhou’s Urban Area* was formulated, which contributed a lot to the settlement of housing problems confronting those families whose monthly income per capita was below US\$ 37.5 and whose inhabiting space per capita was below 8 square meters.

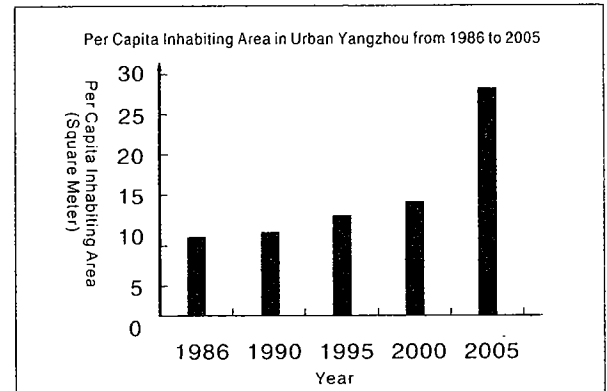
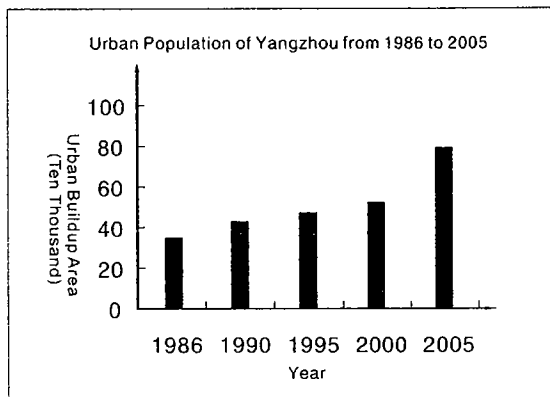
(3) Project Implementation Since 2001, a total of US\$ 770 million has been invested in groups in the construction of 8 communities of government-subsidized affordable housing, 3 communities of low-price housing, 2 communities of low-rent housing, 5 communities for the resettlement of urban villagers, and one community for migrant workers. Among the total investment, the Yangzhou Municipal Government invested US\$ 350 million through cooperation with real estate development companies in various ways including allocating land or providing land at a low price, reducing or exempting stipulated fees collected by governmental sectors for infrastructure construction, as well as direct cash input.

(4) Supporting Facilities Since 2001, Yangzhou Municipal Government has invested US\$ 2 billion for the construction of projects such as road upgrading, river treatment, forestation, sewage and garbage treatment, drinking water supply, etc. All these have enhanced the environment and function of the city, and have guaranteed the supply of water, electricity and gas for the disadvantaged groups. For example, the expansion of the No.4 Water Works in 2002 has brought about a 100,000-ton increase in daily water supply, providing all urban residents access to clean water.

Achievements Made:

Over the past five years, with the government steering and the active social participation, Yangzhou has successfully renovated 3,050 units of household in the ancient city area,

newly built 33,000 units of affordable housing, low-price housing and low-rent housing, and has solved the housing problems for 148,000 residents categorized into 6 types of disadvantaged group, namely, 1) residents living in old and dangerous houses in the ancient city area, 2) residents living in shanty town areas along the Ancient Canal, 3) poor families, 4) lowest-income families, 5) urban villagers and 6) low-income migrant workers. Now they enjoy proper and cozy houses, which have laid a good foundation for their successful career. Yangzhou has become the residents' beautiful home.



2.1 The residents living in the old and dangerous houses in the ancient city area

This type of resident can be further divided into three sub-types. From 2001, Yangzhou Municipal Government began to solve their housing problems in three different approaches:

(1) The residents whose old and dangerous houses are on the ancient city protection list For example, most houses in the Dongquanmen Block in the ancient city area have a history of 100 years. This block is a demonstration of the styles and flavors of the ancient city of Yangzhou. Old and shabby as they are, these houses have to be well preserved instead of demolished. From 2001, Yangzhou Municipal Government began the renovation project in the principal of "preserving the exterior style and renovating the interior facilities". The government publicized the policies to the residents; 30% of the renovation expense is subsidized by the government and the other 70% is borne by the residents themselves. A total input of US\$ 23 million jointly by the government and residents for renovating houses has enabled 3050 units of household in the ancient city area to improve their residential condition over the five years.

(2) 538 families living in the buildings under cultural protection The government persuaded these residents to move to new places, and provided two alternatives: resettlement shelter, or housing subsidies. After the residents moved out, the government renovated these buildings under cultural protection, to restore their original appearance and make them open to public.

(3) The residents living in houses built without authorization In light of preserving the traditional style of the ancient city, the government made clear that these houses should be demolished. 2,000 families of this kind have received subsidies from the government so

that they can then buy affordable houses.

2.2 The residents living in the shanty town areas

Yangzhou Municipal Government formulated *Approach to the Construction and Management of Affordable Housing in Yangzhou*, aiming at the overall demolition and renovation of shanty town areas. 18,000 units of affordable housing have been constructed, which has benefited 73,000 residents. On both sides of the Ancient Canal which runs through Yangzhou city, 2,500 households used to live here. As one of the largest shanty town areas in Yangzhou, this area used to be submerged in the rainy season. A heavy rainstorm in 1998 nearly flooded every house here. Before 2001, when rainy season came, this problem could only be solved through temporary transfer of the residents due to financial reasons. In 2001, the government raised US\$ 80 million through financial fund, government bond and the support from residents' employers, for the demolition and renovation project of shanty towns on both sides of the Ancient Canal. These residents have been arranged to houses of the same size as their previous ones in the affordable housing communities. Now on both sides of the Ancient Canal a public green belt has been constructed, which has become an ideal venue for residents' recreation.

2.3 The poor families whose inhabiting space per capita is below 8 square meters and whose monthly income per capita is below US\$ 37.5 (1/5 of the city's per capita monthly income)

In 2002, Yangzhou Municipal Government formulated *Temporary Managing Measures for Housing Sold at a Fixed Price Directly to Poverty-Stricken Families in Yangzhou's Urban Area*. As a result of this, the government, by allocating the land and providing the supporting infrastructure, constructed the Huangjinyuan Residential Community, composed of a total of 1,980 units and a total floor area of 120,000 square meters. The government also granted a subsidy of US\$ 62.5 per square meter, which enabled the poor families specified in the *Measures* to afford their houses at a price less than US\$ 100 per square meter (1/4 of the commercial housing price). This has benefited 1,900 poor families.

2.4 The lowest-income families who have to make a living by receiving subsistence allowances and can by no means afford houses

In 2003, Yangzhou Municipal Government formulated *Approach to the Guarantee and Management of Low-rent Housing for the Lowest-income Families in Yangzhou*. As a result of this, 306 units of housing, with a total floor area of 18,000 square meters, were built fully funded by the government. The target beneficiaries only needed to pay a rent of 1 US dollar every month. For those lowest-income families who rented housing elsewhere, the government set up a rent subsidy system, in which the government offered a fixed subsidy, and which has satisfied the basic housing requirement of 987 households. The *Approach* has benefited a total of 5,000 residents.

2.5 Villagers who live in the "urban villages"

In 2003, Yangzhou Municipal Government formulated *Advice on the Implementation of*

Renovation of Urban Villages in Yangzhou, aiming at the overall renovation of urban villages. By allocating the land, reducing or exempting fees, and controlling the price of housing, the government has constructed a residential community composed of 7,902 units and with a total floor area of 840,000 square meters. The villagers were arranged to houses of the same size as their previous ones. As regards these villagers, the government has also provided them with endowment insurance and medical insurance, and designated labor authorities to provide employment training and aid to them. This has benefited a total of 24,000 residents.

2.6 Low-income migrant workers

Yangzhou Municipal Government has constructed 1,600 units of housing for these migrant workers, with a total floor area of 86,000 square meters. In order to resolve their problems concerning medical care, children's education, etc., the government constructed community hospitals and Tongxin Elementary School for migrant workers' children, thus enabling them to enjoy equal access to urban civilization. This has benefited 11,000 residents.

3. Main partners

In the effort to improve the housing conditions for its residents, Yangzhou Municipal Government has given high priority to public participation, international cooperation and domestic assistance so as to obtain maximum financial and technological support.

3.1 Public participation

Urban residents, being the direct beneficiary of the housing condition improvement, showed their utmost support by taking part in the process of old and dangerous house renovation, shanty town resident resettlement and urban village reconstruction on their own initiative. For example, during the renovation of the shanty town area along the Ancient Canal, The mass public actively discussed on the renovation plans which were made public in media by government, and offered their advice and suggestions. During the relocation and resettlement, communities actively helped the relocated residents find temporary houses to live in, and organized volunteers to help them move to new houses. The employers of the relocated took the initiative to shoulder their social responsibilities and supported them with subsidies so that they could buy government-subsidized affordable houses. Thus, joint efforts were made by the government, residents, and their employers to promote the implementation of the project.

3.2 International cooperation

In the renovation of the Shuangdong Block located in the ancient city area, the plan was developed by Yangzhou Municipal Government in cooperation with the UN-HABITAT, the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ or German Agency for Technical Co-operation), and the Cities Alliances.

The Australian and German governments extended a total of US\$ 15 million loans to the expansion project of the water works and the construction of the sewage treatment plant.

“Eco-city Planning and Management”, a project of Yangzhou Municipal Government, also received financial and technological support from the German government.

3.3 Support from the state authorities and financial institutions

The National Development and Reform Commission issued US\$ 60 million in bond to shore up capital for the renovation of shanty town along the Ancient Canal and treatment of the urban water environment. The China Development Bank provided US\$ 150 million loans for the house renovation, construction and overhaul of infrastructure in the city. Other authorities in China such as Ministry of Construction, Ministry of Culture, State Environment Protection Administration and State Administration of Cultural Heritage also gave frequent guidance regarding the ecological environment construction and the improvement of the residential environment in the city.

3.4 Professional advice

Doctor Liu Thai Ker, former chief planner of Urban Redevelopment Authority of Singapore and former CEO of Planning Authority of Singapore, and Prof. Ruan Yisan, renowned expert in the protection of ancient cities in China, were retained as consultants for the development of residential environment in Yangzhou. From May 5 to May 7, 2004 when visiting the urban area of Yangzhou, Dr. Liu Thai Ker believed that “Yangzhou has good natural environment and beautiful city outlook which becomes its own characteristics”. He proposed that “Yangzhou should pay special attention to the preservation of the ancient city area and the ecological environment, and push forward the interaction between preservation of the ancient city area and the improvement of residential conditions”.

4. Impact

According to *Blue Book on City Competitive Power: the 4th Report on Chinese Cities' Competitive Power* issued by China Academy of Social Sciences on March 20th, 2006, the competitive power of Yangzhou ranks the 9th in terms of social environment and the 20th in terms of business environment among all 661 cities across the nation. The blue book also shows that the overall competitive power of Yangzhou ranks the 43rd, the city's first appearance ever on the list of top 50.

Thanks to the accomplishments of the Project, perfectly preserved styles and flavors of the ancient city and the quality residential environment of Yangzhou are luring an increasing number of tourists and migrants from across China and throughout the world. Revenues out of local tourism industry have registered an annual growth rate of 20%. Besides, the number of migrants flocking into the city has been on the rise year after year. A good case in point is that among the 14,000 commercial houses sold from 2001 to 2005, 25% have been purchased by migrants.

A survey conducted by the state environment and sanitation inspection team in November 2005 shows that local residents are most satisfied with the Yangzhou Municipal Government's endeavor and the achievements made in the improvement of local environment. According to the survey, the degree of public satisfaction reaches 98.44%.

5. Sustainability

Yangzhou Municipal Government has formed a series of new policies, plans, and mechanism for improving the housing condition, and has raised the public awareness, which not only contributed to the initial success, but also ensured the sustainability of the Project.

5.1 Policies

Since 2001, Yangzhou Municipal Government has enacted a series of new policies including renovation of old and dangerous houses in the ancient city area, building demolition in shanty town areas, reconstruction of urban villages, and solution of housing problems for poor families. These policies are going to continuously formulate and guide government's actions in improving residential condition for various disadvantaged groups in the future.

For example, in June 2006, the Municipal Government revised one of the policies made in 2003 entitled *Temporary Managing Measures for Housing Sold at a Fixed Price Directly to Poverty-Stricken Families in Yangzhou's Urban Area*, considering Yangzhou's economic and social development and the very needs of urban residents to improve their living standard. The new version of the policy has covered more beneficiaries, including families whose monthly income per capita is below US\$ 75 and inhabiting space per capita is below 12 square meters.

5.2 Plans

In 2001, Yangzhou Municipal Government has drawn up the plan to renovate the old and dangerous houses in the ancient city area, and has set up the goal of renovating 320,000 square meters by the end of 2008(40,000 square meters per year). The plan has been included in the *11th Five-Year Plan (year 2006-2010) of Yangzhou's National Economic and Social Development*.

5.3 Mechanism

In order to make use of the market potential while maintaining the government's guiding position, the holding company founded by the Municipal Government in 2003 named Yangzhou Famous City Construction Company Ltd. has become the main body to implement projects of preserving the ancient city and improving residential condition. Following the government's guidelines, the company is responsible for project funding, external cooperation, and organization of project construction. For example, in November 2005, the company signed a contract with Shanghai Zendai Group, a private-owned enterprise specializing in real estate development, to join in rebuilding the Jiaochang Block in the ancient city area. The Company is currently conducting an overall renovation of the old and dangerous houses

within this block, with funds and technology introduced from the market.

5.4 Awareness raising

Since 2001, the improvement of residential condition and living environment has benefited Yangzhou's residents a lot. The residents have fully realized and understood the value of these construction activities. People have become more and more proud to live here in Yangzhou, and more and more responsible to be involved in the program of improving residential condition and preserving the ancient city. An ever-increasing number of residents take the initiative to participate in and support these activities.

6. Transferability and upscaling

Yangzhou's practice in improving residential condition has generated broad impact both home and abroad, and has been recognized by relative state authorities and Jiangsu Provincial Government as a replicable best practice and has been encouraged to be replicated elsewhere.

6.1 Solution of housing problems for poor families

In May 2004, President Hu Jintao highly commended Yangzhou Municipal Government's close attention to housing problems of the disadvantaged groups, and especially, the solution of housing problems for poor families. The Ministry of Construction has promoted replication of the practice elsewhere.

6.2 Treatment of water environment

The Ministry of Construction has paid close attention to the measures adopted by Yangzhou Municipal Government to improve water environment in residential areas. In May 2005, Ministry of Construction held the First International Seminar on Urban Waterscape Construction and Water Environment Treatment in Yangzhou, and promoted replication of Yangzhou's practice. In June 2006, Ministry of Construction recommended Yangzhou Municipal Government to participate in the 3rd World Urban Forum in Vancouver, Canada, which was organized by the UN-HABITAT, representing Chinese cities' efforts in improving residential environment.

6.3 Improvement of residential environment

Jiangsu Provincial Government has fully affirmed the achievements of Yangzhou Municipal Government. In November 2005, Jiangsu Provincial Government held Provincial Conference on Urban and Rural Construction. It was agreed at the conference that Yangzhou's endeavor in improving residents' living environment and preserving the city's unique history and culture, with its own characteristics and working mechanism, was a best practice of blending ancient culture and modern civilization. Representatives from eleven cities in Jiangsu Province including Nanjing and Changzhou successively came to study the practice in Yangzhou and drew Yangzhou's experience as reference for their city construction.

6.4 Solution of housing problems for residents in the ancient city area and disad-

vantaged groups among the city's new migrants

Jiangsu Provincial Department of Construction gave high evaluation to Yangzhou Municipal Government's practice of solving the housing problems for residents in the ancient city area and disadvantaged groups among the city's new migrants, and promoted replication at the Jiangsu Provincial Housing Conference in August 2005.

7. Innovation

Yangzhou Municipal Government has implemented its own innovations in terms of ideology, policies, operating procedure, input mechanism, etc., in the practice of improving residents' residential condition.

7.1 Ideology

On one hand, the government properly handled the contradiction between preservation of the ancient city area and improvement of residential condition. It gave up the way of mass-rebuilding, and adopted the strictest preservation in the areas which demonstrated the styles and flavors of the ancient city. On the other hand, the government provided systematic solution to housing problems for various types of disadvantaged groups. It not only tried hard to improve the residential condition of the disadvantaged groups among residents in the ancient city area, but also paid close attention to the disadvantaged groups among the city's new migrants, which enabled them to enjoy equal access to the achievements of urban economic and social developments, and made the city magnet of hope for everyone.

7.2 Policies

Yangzhou Municipal Government enacted corresponding policies for various types of resident, giving them subsidies of different levels, to achieve the goal of "adequate shelter for all". The government initiated the way of building low-price housing in China in 2003. Yangzhou is also the first Chinese city of historical and cultural importance to implement the practice of government-resident co-funding the renovation of the old and dangerous houses under cultural protection in the ancient city area.

7.3 Transparency

In order to enforce transparency and accountability, Yangzhou Municipal Government invited residents to participate in the overall procedure of renovating residential condition. The government held several symposiums to solicit residents' opinions, discussed with every single family on the renovation or resettlement plan and subsidy standard. In addition, the government announced the list of families applying for low-price houses and low-rent houses in their communities or through other channels, so as to solicit public opinions and receive social supervision to make sure that households not of the specified situation should not be listed.

7.4 Financial sources

(1) **Governmental financial input** Since 2001, Yangzhou Municipal Government has

continuously accelerated its economic development to increase the total amount of financial revenue, so as to enhance the investing ability of the government in the improvement of residential conditions and preservation of the ancient city area. In the past five years, the financial revenue enjoyed an annual increase of 25%, and the governmental financial input in the improvement of residential conditions and preservation of the ancient city area had an increase of 30%, with a total input of US\$ 357 million. **(2) National bonds and loans from financial institutions** In the past five years from 2001 till 2005, US\$ 210 million were gained from national bonds and loans from financial institutions. **(3) Social capitals** By incorporating Affordable Housing Construction Company and Company for Ancient City Protection and Residential Condition Improvement, Yangzhou Municipal Government expanded financing channels, which enabled the government to attract various social capitals to the improvement of urban residential environment with a limited governmental financial input. In the past five years, US\$ 226 million social capitals were attracted.

Since 2001, the government has kept promoting economic development and urban construction, to expand tax sources, and in the meantime, has increased the ability of investment and financing in housing and infrastructure construction by restructuring public expenditure. The urban environment and residential condition have been improved by a large scale. The image and attraction of the city have been enhanced efficiently. More investments have been drawn and more people have come to settle down in Yangzhou. Thus, a positive cycle has been formed.

Yangzhou Municipal Government has formed a positive cycle between economic development and residential condition improvement.

8. Recognition

The project of residential environment improvement has been well received by the society at large and has made news in various news media. The media that have covered stories on the tremendous changes in local residential environment include China Xinhua News Agency, CCTV, the People's Daily, China Construction as well as news media based in the South Korea and Singapore. Since 2002, Yangzhou has been awarded numerous honors, such as "State Hygienic City", "State Model City of Environmental Protection", "State Garden City", and "China Human Settlements Award". Yangzhou is also designated by central authorities as "National Ecological Demonstration Zone".