



**BUILDING FOR TODAY AND THE FUTURE
THE ROLE OF LOCAL GOVERNMENT
IN ADVANCING A JUST TRANSITION
IN THE BUILT ENVIRONMENT**

CITY TOOLKIT



EXECUTIVE SUMMARY

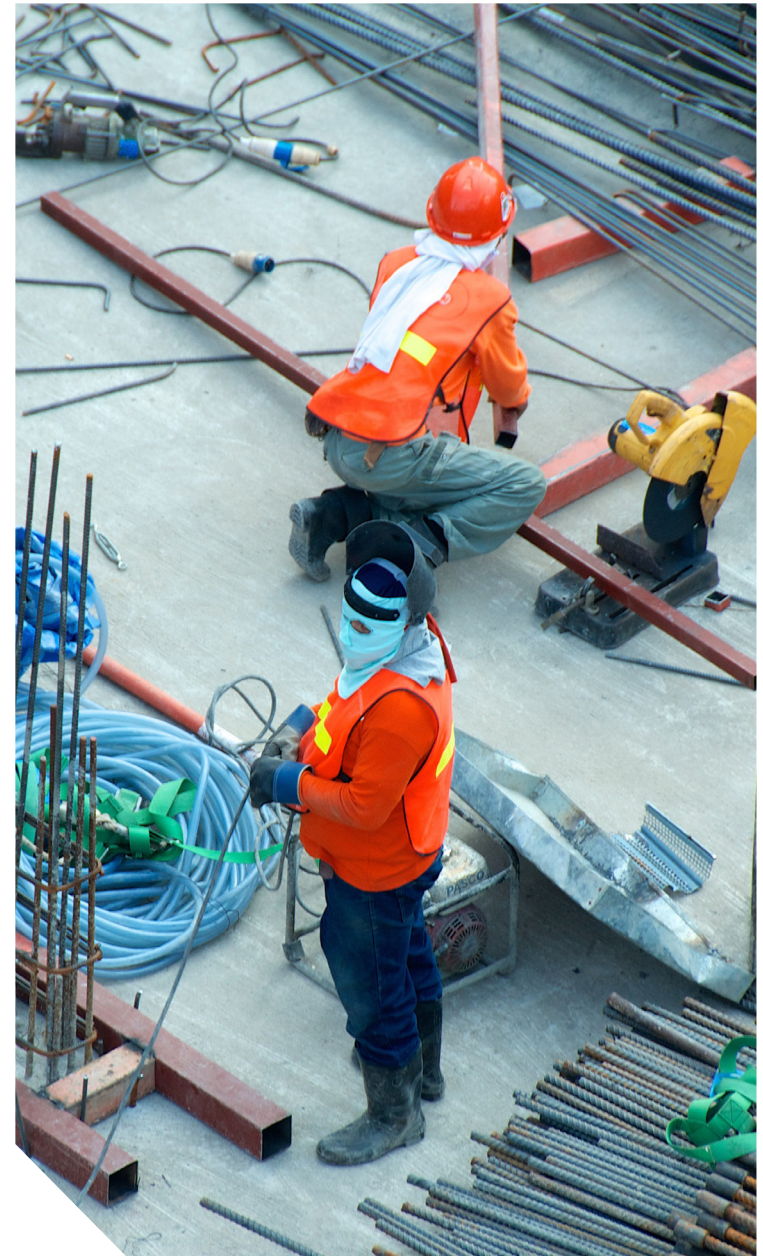
All around the world, local governments are developing policies to **decarbonise the built environment** - from incentives for building retrofits to regulations mandating heat pumps - to achieve their net zero goals.

As these policies are rolled out, **social impacts vary considerably**: some initiatives are helping those most in need, while others are exacerbating inequality, facing pushback from communities who feel left behind.

Local governments are uniquely positioned to ensure these policies tackle inequality as well as reduce carbon emissions, bringing everyone on board and thereby accelerating the green transition.

This paper outlines **six key tools** which local governments can leverage to achieve these goals. For each tool, it provides policy recommendations and practical examples from around the world.

While each context will require tailored solutions, co-developed with local communities, this toolkit can inspire and guide local government elected officials and technical staff on their journey to a **sustainable and inclusive future**.





INTRODUCTION AND CONTEXT

Local governments worldwide are taking decisive action to address the urgent challenges of climate change in the built environment, which accounts for 37% of energy-related carbon emissions globally.

From improving the energy efficiency of buildings to nature-based solutions, secondary materials supply chains and multi-use infrastructure, cities, towns and counties are striving to create a sustainable future.

This policy briefing provides guidance and practical examples to help local governments ensure this transition is grounded in human rights and is just: reducing inequality, minimising harm and expanding opportunities for all workers and city residents.

This approach is crucial to ensure communities are not left behind, build public support and accelerate the green transition.

This briefing's recommendations and examples therefore focus on the social dimensions of climate action and circular economy in the built environment, while being cognisant of the integrated nature of cities, and possible implications for other areas.

The goal of thriving, liveable, resilient and circular cities that benefit all residents while preserving the precious human and material capital at their core, will require an interconnected social, economic and ecological transformation based on the harmonious integration of just transition principles (which underpin the "Building for Today and the Future" project) and circular economy practices. This means ensuring:

Meaningful Participation: Empowering individuals through social dialogue and creating spaces for people to collaborate and actively participate in shaping decisions that profoundly impact their lives and future.

Non-Discrimination and Reduced Socio-Spatial Inequalities: Ensuring that climate action in the built environment prioritises fairness and inclusivity, thus bridging gaps between different communities of gender, race and ethnicity, and socio-economic backgrounds.

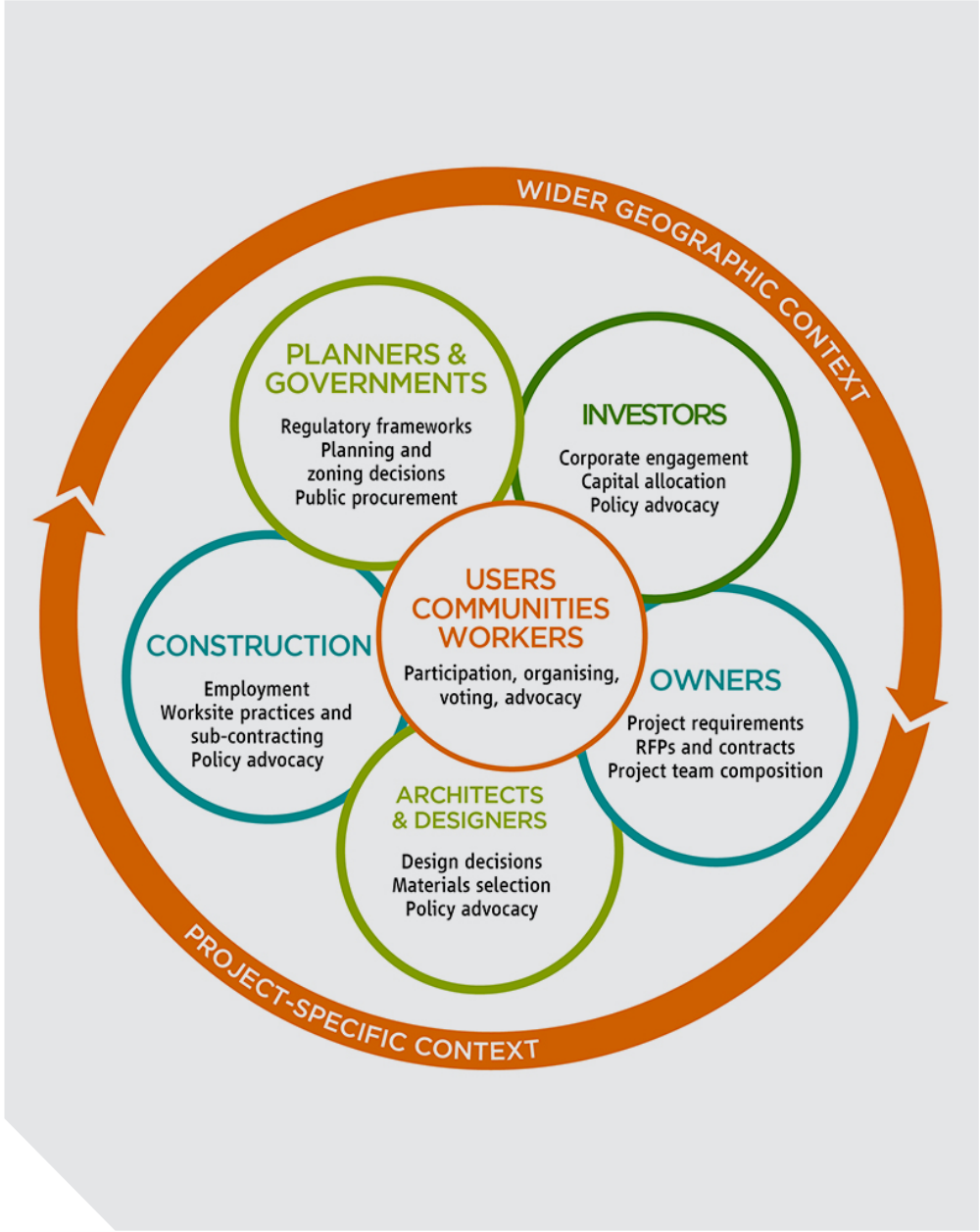
Right to Adequate Housing: As per the June 2023 resolution of the UN Habitat Assembly, recognising adequate housing as a fundamental human right and striving to provide all city residents with access to secure and affordable housing.

Construction Workers' Rights: Safeguarding the rights of construction workers both on-site and within supply chains, promoting fair working conditions and empowering labour rights, and enabling them to be upskilled and reskilled for the new challenges the building sector has to face.

Improved Physical and Mental Health Outcomes: Emphasising the importance of climate interventions that positively impact the health and well-being of urban dwellers, fostering a healthier urban environment.

While Just Transitions are context-specific, they also hold international linkages. Guided by prominent frameworks such as human rights law and standards, the UN Guiding Principles on Business and Human Rights (which delineate the responsibilities of governments and private sector actors), and the Sustainable Development Goals, local governments can ensure a globally informed approach to building sustainable and inclusive cities.

WHO SHAPES THE TRANSITION



The built environment ecosystem is complex.

The “Dignity by Design” Framework developed by IHRB maps out the roles, responsibilities, and leverage points of different actors (governments, investors, tenants, workers, architects, designers, and others), highlighting that a multi-stakeholder approach is essential to advance a just transition in the built environment.

Crucially, it serves as a blue-print to align decision-making with internationally-recognised human rights standards and the Sustainable Development Goals.

At the forefront of shaping and advancing inclusive climate action in the built environment, local governments play a central role through their visioning, planning, convening, and procurement efforts.

Their proximity to the everyday needs of residents empowers them to create impactful solutions, while actively engaging with sub-national governments, national governments, and the private sector to uphold human rights and foster an enabling environment for just transitions.

This policy briefing is primarily aimed at the political leadership and technical staff of these local governments.

LOCAL GOVERNMENT TOOLS

Local governments have extensive and often untapped tools to ensure that climate action in the built environment plays out in a way that is just.

Informed by ICLEI's global work and IHRB's [Building for Today and the Future](#) project, which is shining a light on the social outcomes of built environment decarbonisation actions in eight cities around the world, this section lists these tools, alongside practical policy recommendations and case studies.

Inspired by the [Seven Powers of Cities](#) framework, the tools have been grouped into six overarching categories, presented in each of the sections below.





LEGISLATION & REGULATIONS

Building codes should include **both affordability and circularity requirements**, ensuring an ongoing pipeline of affordable housing, and that all new or improved homes, regardless of price point, adhere to energy efficiency, sustainability and health and safety standards, fulfilling the right to adequate housing.

Introduce **minimum energy performance standards** for all rental properties, or introduce penalties such as rental caps for properties which do not comply.

CASE STUDY

In the [Flanders region in Belgium](#), landlords cannot increase rents on properties without an EPC certificate or with ratings E/F. Properties with scores of D/E can only increase rents by 50% of inflation.

Increase **tenant protections** so that they can benefit from renovations and other energy efficiency improvements, rather than these becoming a reason for rent hikes and “renovictions”.

Measures could include minimum standards for rental housing that ensure liveability and environmental sustainability, reducing the list of acceptable reasons for eviction, or introducing rental caps.

CASE STUDY

New Jersey, New York, Los Angeles, Seattle and Austin in the United States all introduced [eviction moratoria](#) in the context of the covid-19 pandemic.

Since then, several states have increased tenant protection through caps on rental increases and bills requiring landlords to pay the moving costs for tenants who cannot afford rent.

Develop and/or enhance **regulatory safeguards and enforcement** to protect **construction workers' rights**, such as safety training requirements, and ensure that these are adhered to in the context of climate action.

Ensure that building developments benefit local workers and communities, by mandating a **local hiring preference** requiring construction companies to hire a certain percentage of local residents, promoting economic development within the community.

Mandate **community benefit agreements** that outline the benefits construction projects will provide to the local community such as affordable housing provisions.

CASE STUDY

[Cincinnati](#) and [Los Angeles](#) are two US-base cities with detailed plans to expand access to jobs in green construction and related industries.



LEGISLATION & REGULATIONS

Leverage **business licensing and permitting** to attract businesses and social enterprises that commit to respecting human rights and align with the principles of a just transition.

Include provisions that mandate hiring a percentage of local residents, providing fair wages and benefits, or contributing to community development projects.

CASE STUDY

Seattle's [Equitable Development Initiative](#) offers funding to organisations that focus on anti-displacement efforts in neighbourhoods at heightened risk for displacement, particularly supporting marginalised communities.

Implement **regulatory frameworks that incentivise circular practices** in construction, demolition, and building material sourcing.

CASE STUDY

[London](#), United Kingdom, has developed its 'Circular Economy statement requirements' which means that the building owner has to provide justification for demolition and consider options to retain and refurbish as part of the planning conditions.

Use **land value capture mechanisms** to ensure that profits made by building developers due to zoning and public investments benefit the public.

CASE STUDY

In São Paulo, Brazil, building developers need to [pay fees](#) if developments meet certain criteria, such as building height or density. The fees are used to invest in public goods and services.

Offer **incentives to reward developers who exceed building code requirements**, such as minor exemptions from the building code (e.g. a building which exceeds the % affordable housing requirement and minimum energy efficiency rating is allowed to have an extra storey).

Support and enable **new ownership models**, such as community land trusts to reduce building speculation in the real estate sector.

SPATIAL PLANNING



Develop land use and spatial plans based on **circularity and equity**, upholding the rights to non-discrimination and spatial equality.

This can include adapting zoning to support mixed-use development, emphasising the need to re-use existing buildings and incorporating social safeguards against gentrification and displacement.

This approach revitalises communities, preserves cultural heritage, and minimises the environmental footprint of new developments.

CASE STUDY

The Czech city of Brno plans, designs and builds RE:Špitálka, a “Smart District” focused on circularity, with 15% of the live and work units kept in council ownership with regulated rent.

Integrate land use and transport planning to ensure that **existing and planned buildings** have close **access** to workplaces and schools, healthcare facilities and stores for **daily needs**.

CASE STUDY 1

In London, United Kingdom, the permitted housing density is linked to public transport accessibility. If a developer wants to build at a higher density, they are expected to improve the public transport network.

CASE STUDY 2

Los Angeles, United States, is implementing the Transit Oriented Communities (TOC) incentive programme to incentivise the construction of affordable units in housing projects located near transit hubs. The municipal code was amended in order to establish the programme.

Historic Preservation Ordinances can include provisions to prevent the displacement of residents in low-income communities, through the **adaptive reuse of historic buildings for community purposes**.

This repurposing averts needs for construction and demolition, in line with circular development principles.

CASE STUDY

Edinburgh’s (Scotland) Conservation Area Regeneration Scheme (CARS) programme offered grants to support heritage-focused community projects with building repairs, training in traditional building skills and community engagement activities with local heritage.

SPATIAL PLANNING



Offer **non-financial incentives** to building developers to reward the provision of affordable and sustainable housing, such as expedited permitting and regulatory approvals, or technical and expert assistance.

Mapping out abandoned and unoccupied land across the city, which can then be used to provide housing or amenities for marginalised groups.

CASE STUDY

The City of Brussels, Belgium, created a [centralised mapping of vacant buildings](#) in a web-based GIS database to inform decision-making.





DIRECT SPENDING & FISCAL MEASURES

Invest in **housing programmes** that offer adequate, affordable and environmentally sustainable housing and homeownership.

CASE STUDY

The [Cator Manor Green Street Retrofit project](#) in Durban, South Africa is an example of how social housing can be sustainable, affordable and decent.

This case study showcases how the quality of life of a community was improved through retrofitting energy and water efficient solutions.

Acquire land or properties in order to directly provide affordable, energy-efficient housing. By keeping these properties in public ownership, the return on investment is retained in the public domain.

CASE STUDY 1

In England, several local authorities such as [Newham \(London\)](#) and [Leeds](#) are investing in property acquisition programmes, to ensure positive social outcomes from the refurbishment or redevelopment.

CASE STUDY 2

Since 1979, the [City of Eugene](#) (United States) has acquired over 91 acres of land where it has built over 900 units of affordable housing for low income households. The programme is ongoing, with further acquisitions taking place.

CASE STUDY 3

Paris, France has introduced a [Right of First Refusal](#): a multifamily building can only be sold on the open market after it has been offered to the city at market rate, for it to become affordable, public housing.



DIRECT SPENDING & FISCAL MEASURES

Upgrade substandard housing, ensuring adequate and safe housing conditions, clean water supply, sanitation, secure land tenure and sustainable built environments

CASE STUDY 1

In its [redesign of a social housing complex](#), Milan, Italy, is applying nature-based solutions to include green roofs and walls with the support of [CLEVER Cities](#).

Orchards and vegetable gardens also feature in the redesign, which is aimed at increasing livability and social cohesion through residential urban gardening.

CASE STUDY 2

The [re-urbanization of the Sapé favela](#) in São Paulo, Brazil, worked with residents who were living in informal and unsafe conditions near the river bed to construct affordable housing tailored to their needs.

Implement **rights-based or equity-based frameworks** which consider the heterogeneous economic, social, and environmental impacts of projects and policies on different communities. This can help local governments make informed decisions on how to allocate financial resources equitably, and which projects to prioritise.

CASE STUDY 1

Oakland, United States, developed the [Oakland Equity Indicators](#) to measure and track inequities in housing affordability, displacement, housing quality and the provision of utilities, informing policies to reduce disparities experienced by different marginalised groups.

CASE STUDY 2

Philadelphia, United States, is prioritising under-served areas when investing into community parks, recreation centres and libraries through the [Rebuild initiative](#).

Provide **financial incentives for building retrofits** and other residential building decarbonisation measures.

Retrofitting allowances should be provided as part of social subsidies to ensure that low-income residents can access funding for retrofitting and should include safeguards to ensure that the costs are not passed on to tenants through increased rents.

CASE STUDY

The German cities of Dortmund, Ludwigsburg and Heidelberg, offer citizens retrofitting subsidies and are working to make balcony solar modules more accessible to low-income households through the [INCLU:DE](#) project.



DIRECT SPENDING & FISCAL MEASURES

Implement **fiscal measures to tackle housing financialisation** (the treatment of housing as an investment or commodity, rather than a human right), thereby reducing housing speculation and improving affordability.

CASE STUDY 1

Vancouver, Canada, introduced an [Empty Homes Tax](#) of 3 percent to discourage property owners from leaving residential properties vacant.

CASE STUDY 2

Paris, France [hiked its tax on second homes](#) from 20% to 60% to free up housing for those in need.

CASE STUDY 3

In Amsterdam, Netherlands, properties purchased below a certain value [cannot be rented](#) for the first four years.

Provide **financial incentives**, such as investments, grants or tax breaks to solidarity and social enterprises adopting **circular and sustainable construction methods**.

This supports the transition to a circular economy, incentivising innovation and job creation in sustainable industries.

Use **innovative funding models** (public funds allocation, subsidies, support programs) to deliver energy-efficient homes for marginalised communities.

CASE STUDY

The Île-de-France region in France established a third-party financing company, [Île-de-France Energies](#), for condominium energy renovation.



PROCUREMENT



Where not covered by national or State-level frameworks, establish **procurement criteria and clauses** which prioritise circular, sustainable and socially just products and services.

CASE STUDY 1

The Victorian Government in Australia is promoting circular construction practices through the [Recycled First Policy](#), which increases the use of recycled materials in government infrastructure projects. Around 1.3 million tonnes of materials have been recycled in the first two years of the measure.

CASE STUDY 2

Belfast City council [has introduced social value scoring](#) (10-15%) for all tenders over £30,000, with minimum scoring thresholds for any successful bidder.

CASE STUDY 3

Stockholm, Sweden developed a [procurement methodology](#) whereby compliance with environmental and human rights criteria is considered equivalent to a 30% reduction in the tender price.

Publicly determined **human resources management policies in the construction sector**, in line with national employment law, should prioritise diversity and inclusion in the hiring and retention processes and promote equal opportunities and fair wages to all genders, upholding worker's rights.

Include **training clauses in tenders to upskill and reskill the construction workforce**.

When the winning contractor is awarded a contract, these clauses ensure that they commit to training their staff during the project in a specific set of skills. As a result, contractors have to dedicate time, budget, and means to train their employees, possibly directly on-site.

CASE STUDY

Such training clauses have been trialled as part of the [BUS League project](#) in four European countries (Bulgaria, Ireland, France, and Spain).



PROPRIETARY POWERS

Surplus or **vacant public land or buildings** can be made **available for community land trusts and social housing development**, and required to meet the highest circularity standards.

When market properties are built on public land, **ensure land ownership is retained** in the public domain.

CASE STUDY

Amsterdam, Netherlands has a ground lease system which has enabled the city to retain ownership of 80% of the land within its boundaries.

Make **essential utilities** (electricity, heating and water) **accessible and affordable** for all residents, providing the services required by the human right to adequate housing. Assistance can come in the form of reduced rates, discounted bills, energy efficiency retro-fitting programs.

CASE STUDY

In Curitiba, Brazil, the municipal government has, with support from the ICLEI-Google EIE Action Fund, installed photovoltaic panels in a vulnerable community, providing benefits to 220 low-income families.

Make transportation infrastructure and services **low carbon and accessible for all**.

CASE STUDY

Luxembourg, including Luxembourg City, has made all public transport free of charge for its residents and visitors alike.



CAPACITY BUILDING & ADVOCACY

Establish **city-level monitoring systems** to **track affordability and access** to low-carbon developments for different socio-economic groups, especially low-income households, to increase city administration awareness and enable policy response.

Integrate human rights, **circular economy and just transition concepts** into **primary and advanced educational curricula** for architecture, engineering, and urban planning students, particularly in marginalised neighbourhoods with communities under-represented in these industries.

CASE STUDY

Developed under the URBACT programme, Riga City Municipality has an [Integrated Action Plan](#) for the transition to a circular economy specifically in the construction sector. One of the actions is to incorporate within the next two years an introduction to a circular economy course in higher education and master's programmes.

Invest in upskilling and reskilling the whole value chain, e.g. through circular economy training programs for architects, engineers, and construction professionals of different skill levels and of different socio-economic backgrounds to promote circular design principles.

This equips professionals with the knowledge and skills needed to implement circular solutions, driving industry-wide change and respecting worker's rights.

CASE STUDY

The City of Brussels decided in 2019 to reduce its unemployment rate by employing workers in niche activity areas, such as high-quality renovation works and circular construction.

[Brussels' Be Circular](#) initiative provides skills development programmes that include various circular construction training modules.

Facilitate knowledge-sharing of failures, successes and emerging best practices for socially just building projects. This can include research collaborations between the city administration, academia and industry, or peer exchanges with other cities, towns and regions.

CASE STUDY 1

In October 2020, Brussels launched a new programme to train and guide Brussels companies towards circular construction called [Build Circular.Brussels](#).

CASE STUDY 2

The [Urban Transitions Alliance](#) connects 16 cities across 3 continents to share transition achievements and jointly identify current challenges. Similarly, eleven cities have come together under the [Malmö Commitment](#), working on equity policies within the sustainability sphere.

Inspire and **influence national policy** to ensure broader uptake of just transition approaches in the built environment.



WAYS TO IMPLEMENT THE TOOLS

The above toolbox offers some suggestions for solutions that can be implemented by local governments across various jurisdictions. Proven strategies, best practices, and tailored guidance are essential in supporting **evidence-based local decision-making**.

The prioritisation of tools is further informed by the ease of implementation, and the cost and time needed to implement them.

While the toolbox aims to be relevant for different local contexts globally, it is clear that not each tool will be applicable everywhere, particularly in countries with lower levels of devolution.

Conversely, there may well be some tools not covered here but which are available to local governments in certain regions.

Importantly, to ensure that the measures and approaches put forward are applicable in, and responsive to, different local contexts, it is important to **engage relevant stakeholders** at the city level and also at neighbourhood levels, and take their concerns and rights into account in urban planning and actions that benefit all parts of the city (e.g. City of Cincinnati, [Climate Safe Neighbourhoods](#) co-creation project).

Respecting the **human right to meaningful participation** is essential for just and robust policy development, and to ensure the public support needed for successful implementation.

Rather than implementing different tools in isolation, local governments are best positioned to develop and communicate a clear vision, roadmap and strategies that chart the path forward for different sectors and stakeholder groups.

Local governments must embrace **interdisciplinary collaboration and mission-oriented thinking**, engaging various stakeholders to foster inclusivity, and ensuring that the voices of marginalised communities are prioritised.

Building strong partnerships with private enterprises and civil society organisations can mobilise resources and expertise, enabling a collective effort towards a just transition.

With the right tools at their disposal, officials can implement effective policies that optimise resources and maximise impact, driving a just transition in the built environment and fostering a sustainable and inclusive future for their cities.

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