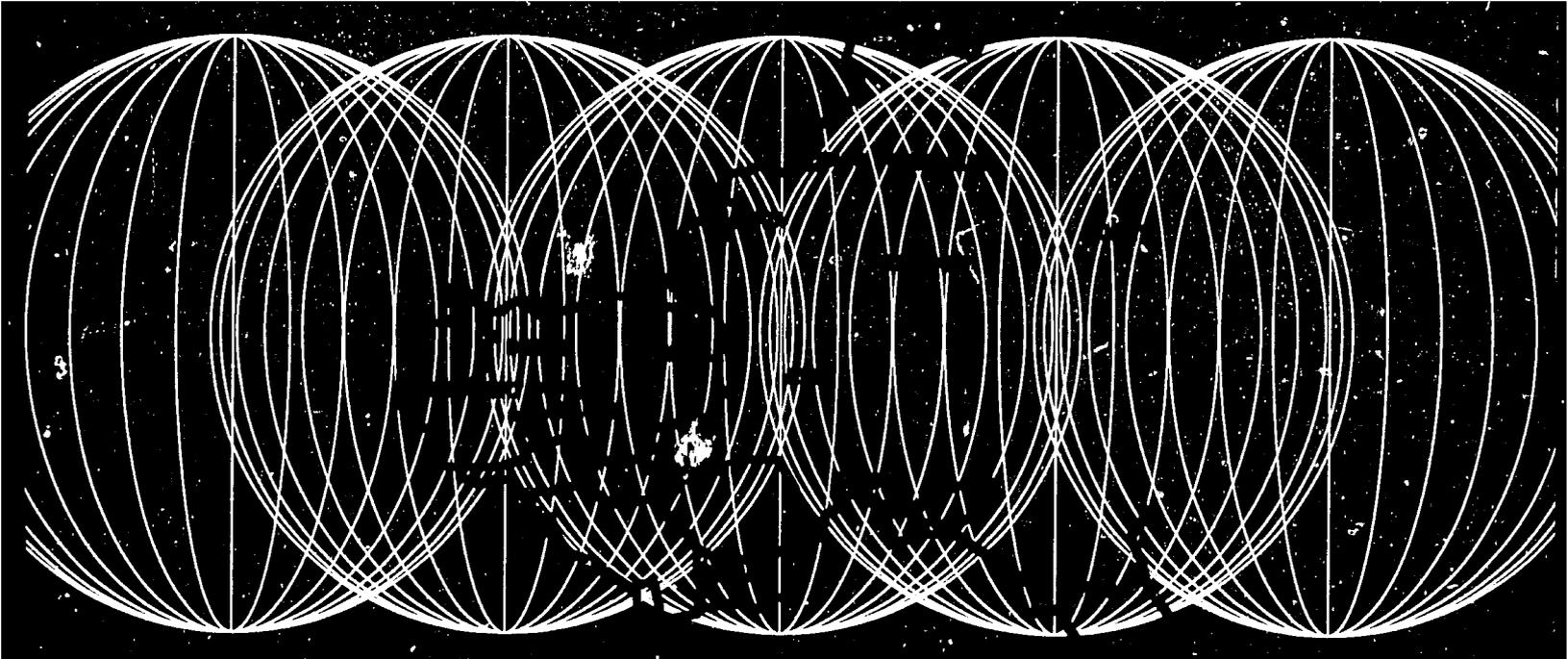


PD-ABL-674 93686

**FROM PLANNING TO MARKETS  
HOUSING IN EASTERN EUROPE**



**THE URBAN INSTITUTE**  
**Prepared for the Office of Housing and Urban Programs (USAID)**

**HOUSING SECTOR REFORM PROJECT  
RUSSIAN FEDERATION/CITY OF MOSCOW**

**WORKPLAN  
APRIL 1995 — NOVEMBER 1996**

Prepared by

Raymond J. Struyk  
Jeffrey P. Telgarsky

with

James Cook, David Murrell, Clare Romanik  
and Robin Warsaw

The Urban Institute  
2100 M Street, NW  
Washington, DC 20037

UI Project 06306-009  
February 1995

Prepared for

Housing Sector Reform Project, Russian Federation/City of Moscow  
Project 110-0008

U.S. Agency for International Development, ENI/EEUD/UDH  
Contract No. CCS-0008-C-00-2055-00

## TABLE OF CONTENTS

<b>PROGRAM STRATEGY SUMMARY</b> .....	5
<b>1992-1995 PROGRAM ACCOMPLISHMENTS</b> .....	9
<b>1995/1996 WORKPLAN</b> .....	17
<b>I. Russian Federation</b> .....	17
I.A. Assistance in Developing the Legal Framework for Housing ...	17
I.B. Solidifying Reform in Russia's Regions	
I.C. Housing Finance .....	20
I.D. Housing Allowances .....	25
I.E. Land Allocation .....	35
I.F. Development of Condominium Associations .....	43
I.G. Housing Codes .....	46
<b>II. City of Moscow</b> .....	49
II.A. Privatization of Housing Maintenance Project .....	49
II.B. Development of Privatization of Property Management Pilot Project .....	53
II.C. Development of Condominium Associations .....	57
<b>III. Program Institutionalization and Phase Out</b> .....	59
<b>IV. Sector Monitoring and Evaluation</b> .....	62
<b>V. Summary of Personnel Resources</b> .....	67
<b>VI. Workplan Milestones</b> .....	67
<b>ANNEXES</b>	
<b>A. Project Reports and Related Papers</b>	
<b>B. Project Seminars, Presentations, and Conferences</b>	
<b>C. Project Study Tours and Other Sponsored Trips Abroad</b>	

- 1'

**HOUSING SECTOR REFORM PROJECT  
RUSSIAN FEDERATION/CITY OF MOSCOW**

**WORKPLAN  
APRIL 1995 — NOVEMBER 1996**

This document presents the work program for shelter sector reform in the Russian Federation and the City of Moscow from April 1995 until the end of the project in November 1996. It builds on a number of inputs:

- Memoranda of Understanding between USAID on the one hand and the City of Moscow and the Russian Federation on the other, which were renewed and revised for an additional two year period in spring 1994;
- Work accomplished from March 1992 through December 1994;
- Strategy Statements for the two programs developed in June 1992 and subsequently revised; and,
- Results of a "strategy review" with USAID program staff in Washington in November 1994.

In order to provide sufficient time for review of this document prior to the end of the present work plan (March 1995), this statement was prepared at the end of December 1994. (This document does not record events after January 1, 1995.) Hence, the ultimate conclusion of program activities in the present program period cannot be stated with certainty. The early preparation of this document and the long period covered by it also heightens another problem—preparing concrete plans when so much of the work depends on policy actions that will be taken by the governments of the Russian Federation, the City of Moscow, and other subjects of the Federation and municipalities. At this moment, this workplan is forecasting nearly two years into the future. Clearly, some plans are only vaguely formulated; others can only be stated in contingency terms, depending on the actions taken by the governments. This situation underlines the need for considerable flexibility in moving forward with modest revisions to be expected in the program during the program period.

Consistent with the program strategy outlined below, the program is structured to maintain a strong emphasis on the transformation of the state rental sector to market principles by undertaking actions that encourage privatization, moving prices to market levels, and reducing sector subsidies. At the same time, the relative emphasis on promotion of new housing construction is increased through an expansion of the work program into construction period finance and urban land allocation and land use.

Compared with the program for the current period (April 1994-March 1995), the scope of the activity has been expanded and provisions have been added to complete the program. The general thrust of the plan principally is threefold:

- (1) To accelerate the expansion of proven reforms to cities outside Moscow. In particular, it is the goal of the program to establish the privatization of maintenance, initiation of condominiums, and initiation of mortgage lending in about 15 cities each by the end of the plan period.
- (2) To expand the program in four directions:
  - (a) To develop a training course with the Association of Mortgage Banks (AMB) on construction period finance and delivery of limited technical assistance to selected banks;
  - (b) To work with Tver and Nizhni Novgorod to introduce western style land use regulatory systems (assuming that the land auction pilot projects in these cities are successfully concluded);
  - (c) To work with the city of Moscow and Russian Federation offices on the implementation of the country's new housing inspection system, including the development of a realistic code and corresponding implementation procedures; and
  - (d) To create a major technical assistance program with the City of St. Petersburg.
- (3) To continue to develop vehicles for institutionalizing reforms, principally through the establishment of self-financing training programs. In addition, the HSRP team will explore the creation of a "center for housing reform" which would be formed from the Russian professional staff now working for the Urban Institute.

The planned program has been formulated to avoid duplication with the technical assistance likely to be included under the USAID/World Bank housing investment loan. The program is also designed to cooperate with the World Bank team formulating the enterprise housing divestiture project.

The City of Moscow-Russian Federation HSRP enjoys a strong record of success. The program met or exceeded all of its first and second year goals and

USAID leadership has praised the program in less formal reviews.<sup>1</sup> The program is now being evaluated by the Government Accounting Office, but results are not yet available.

Possibly equally as revealing is the large number of requests the HSRP team has received to work intensively with additional banks and cities in the Russian Federation. In total the HSRP team is now working with seven cities to initiate private maintenance of municipal housing and to form initial condominium associations, with nine banks in five cities to begin mortgage lending, and a comprehensive program with the Oblast of Nizhni Novgorod. Another indicator is the demand for the manuals and other documents the program has developed on privatizing maintenance, housing allowances, and mortgage finance. The HSRP has distributed more than 100,000 copies, and so far know of two private firms that are reproducing and selling these documents on a commercial basis.

This paper is organized into three sections. The first section provides an outline of the program strategy being used to organize and to shape the details of the workplan. The second section provides a brief catalogue of program accomplishments since the start of the program in September 1992. The third section of the paper is the workplan proper. It is organized into five parts. The first two cover the specific work programs with the client governments, with the program for the Russian Federation presented first, followed by the program for the City of Moscow. Three of the activities—assistance on implementing housing allowances, the initiative on housing finance, and housing codes—are common to both programs. They are discussed in greatest detail under the program for the Russian Federation. (Activities with Nizhni Novgorod Oblast and other governments are noted under the appropriate topical headings within the Russian Federation program.) The third part presents plans for monitoring and evaluation. Two concluding brief parts summarize the personnel resources required and the program's projected milestones.

---

<sup>1</sup> For example, Peter Kimm, the Director of the USAID Office of Housing and Urban Programs gave the program high marks at a review of all the housing technical assistance programs operating in the Newly Independent States (NIS) at meetings held in Moscow, November 4-6, 1993.



5

## **PROGRAM STRATEGY STATEMENT**

This section summarizes the salient housing problems faced by the Russian Federation and the City of Moscow, identifies the objective and goals of the technical assistance to be provided under the HSRP, and outlines the priority areas for technical assistance and the methods by which that technical assistance is to be delivered. This set of problems, goals, and methods has been used to organize and shape the technical assistance activities outlined in the workplan.

### ***Housing Sector Problems***

#### **Housing Development**

- Outdated and unrealistic Master Plans biased against low-density housing govern residential development while the permit process is geared to development by state construction enterprises.
- Land ownership is confused and land transfer (ownership and leasehold) is problematic because of inadequate valuation and registration systems.
- Inefficient construction practices and poor quality construction.
- Environmental pollution in urban areas places some existing areas of residential settlement at risk and imposes limits on future residential development.

#### **Housing Finance**

- A barely adequate national legal framework for mortgage lending was put in place in 1994; further legislation is needed. Banking regulation and supervision is weak.
- Fixed rate mortgage instruments are poorly suited to economic conditions and have the effect of greatly reducing effective housing demand.
- Infrastructure development is slowed by continued reliance on financing from local budgets, rather than using long-term debt to be paid off by user fees.
- Construction period financing is in short supply, owing to economic conditions and inability of bankers to assess the risk of such lending.

**Existing Housing Stock**

- Maintenance of residential buildings is inefficient and underfunded leading to high rates of depreciation and widespread tenant dissatisfaction.
- Privatization proceeds apace but the lack effective condominium organizations may severely hinder maintenance and rehabilitation.

**Real Estate Market**

- Little information is available on housing prices and transactions between buyers and sellers are typically very inefficient.

**Goals of the Technical Assistance Program**

At the broadest level, the program objective is to help shift the residential sector from a command basis (as existed in the Soviet era) to one operating on market principles, i.e., one in which decisions about production, financing, and allocation are made the basis of freely determined prices. In particular, this objective is achieved by reaching these detailed goals:

- Allocation of the housing stock by the price mechanism;
- Consumer sovereignty in the choice of units and unit quality;
- Promotion of private ownership of housing;
- Competitive maintenance, rehabilitation, and construction;
- Targeting of subsidies to low-income households, with equity among similarly situated households; and
- Making housing affordable to families with a wide range of incomes in a way consistent with sound macroeconomic policy.

**Program Priorities**

Three initial priority areas for technical assistance were identified by the USAID strategy development process. It is believed that this assistance would have a significant impact on the rate at which the shelter sector shifts to operating on market principles:

- (1) Reform of the rental sector, through improved housing maintenance, setting rents at levels which cover the full cost of providing rental housing, and institution of a means-tested social safety net to protect low-income households from these rent increases.
- (2) Stimulating mortgage lending by addressing legal constraints to lending and designing loan instruments suited to current economic conditions.
- (3) Reform of the legal framework of the shelter sector, including condominium ownership forms, land and property registration system, and valuation of land and residential properties.

In addition to these particular areas of technical assistance, the USAID program includes dissemination, training, and monitoring components that support each of these program priorities. The main types of activities undertaken include:

- *Demonstration projects.* Use of pilot projects is seen as the most productive method of gaining a detailed understanding of the problems faced in the shelter sector and developing solutions that address those problems. Pilot projects in the USAID program include private housing management and mortgage lending.
- *Dissemination of successful models.* Once successful pilot projects have been undertaken, with significant problems identified and solutions developed, replication of these models in other locations will be supported by providing limited technical assistance. Advisors from the core HSRP team in Moscow, supported by Russian consultants, will work to transfer the experience and solutions from the pilot projects to other participating cities and organizations in Russia's regions.
- *In-country distribution of program reports.* Realizing that the program's capacity to reach even a limited number of cities is restricted, the USAID program is distributing Russian-language versions of project reports that provide analysis of sector issues or practical solutions (such as model documents) to sector problems. The reports are distributed in a popular, low-cost format through Russian counterpart institutions.
- *In-country conferences and seminars.* Beyond traditional large-scale conferences where project results and analyses are presented, the USAID program is also taking advantage of short-term consultant visits to give small-scale seminars and workshops. Most short-term consultants give half- or one-day presentations relating to their consultancy to relevant sector professionals, spreading the ideas being discussed to a broader audience beyond the USAID program's official Russian counterparts.

- *U.S. study tours.* Study tours to the U.S. have been effective in demonstrating how the market principles being discussed are put into practice. Study tours looking at housing management, condominium associations, loan underwriting, loan servicing, and housing allowances have been completed and have been positively reviewed by both the Russian participants and technical assistance providers. Study tours will be used as opportunities present themselves for "making real" the concepts being discussed in the technical assistance program.
- *Sector monitoring and evaluation.* Monitoring and evaluation include: keeping track of general developments in the sector (such as housing production, privatization, government policy); developing and maintaining specific indicators of project activities (using original data collection and evaluation); and maintaining a log of legal developments and their impact on the sector.

As the program heads into its final period of activity, increasing attention must be devoted to institutionalization of the program, i.e., creating Russian institutions and programs that will continue to promote housing sector reform in the absence of leadership by a USAID-supported contractor and, perhaps, any direct USAID assistance.

### PROGRAM INDICATORS AND 1992-1994 PROGRAM ACCOMPLISHMENTS

The following charts compare the results of program with the concrete targets set for it in September 1992. After this there are some further notes on accomplishments in areas not defined in the 1992 indicator program.

#### Reform of the Rental Sector— Privatization of Housing Maintenance

Goals	Results
<p><b>1992/1993</b></p> <ul style="list-style-type: none"><li>— Over 2,000 flats in Moscow's Western Administrative District under private maintenance</li><li>— Core training curriculum for "owners" developed in Russian and Available for training trainers</li><li>— Model documents for contracts, Request for Proposals, monitoring instruments, etc., complete and available</li><li>— Major, national conference to disseminate results of pilot project held</li></ul> <p><b>1993/1994</b></p> <ul style="list-style-type: none"><li>— No goals defined.</li></ul> <p><b>Life of Project</b></p> <ul style="list-style-type: none"><li>— 40 percent of Moscow housing stock under private management</li></ul>	<p>Objective surpassed. 7,000 units are being maintained by private firms; two conferences highlighting the management demonstration were held (May 1992 and October 1993).</p> <p>Over 60,000 units under private maintenance; two Russian firms trained to provide training to "owners."</p> <p>Work initiated with first condominium associations in Moscow, Ryazan, Tver, Jaroslavl, and Nizhni Novgorod, including hiring private maintenance/management firms.</p> <p>Expansion of maintenance demonstration begun in Nizhni Novgorod, Ryazan and Tver.</p>

**Reform of the Rental Sector—  
Rent Reform and Housing Allowances**

Goals	Results
<p><b>1992/1993</b></p> <ul style="list-style-type: none"> <li>— Presidential Decree or law passed by Supreme Soviet (and similar action by the City of Moscow) mandating real increases in tenant payments for maintenance and communal services and implementation of a housing allowance program.</li> <li>— Depending on when legislative action occurs, some progress on preparing for implementation.</li> </ul>	<p>Objective surpassed. The Law on Fundamentals of Housing Policy mandates increases in rent payments to cover full operating costs over a five-year period; housing allowances are mandated for all units under social contract. Issuance of necessary regulations is expected in September and implementation to begin in January 1994. The City of Moscow has, with team assistance, made major strides in preparing for housing allowances.</p>
<p><b>1993/1994</b></p> <ul style="list-style-type: none"> <li>— Implementation of the program.</li> </ul>	<p>Objective achieved on national scale. Necessary regulations were issued in September 1993 and national implementation began January 1994. City of Moscow initiated rent increases and its allowance program in August 1994.</p> <p>Gostroi adopted the procedures manual developed for Moscow as the official national guidelines and distributed it to all jurisdictions.</p>
<p><b>Life of Project</b></p> <ul style="list-style-type: none"> <li>— At a minimum rents at or approaching full operating costs; at a maximum covering full costs, including allowance for depreciation and capital costs.</li> <li>— Housing allowance system fully functional.</li> <li>— Some households are relocating within the social housing stock, shifting their housing vouchers when they move.</li> </ul>	

**Development of Condominiums**

Goals	Results
<p><b>1992/1993</b></p> <ul style="list-style-type: none"> <li>— Enactment of a general purpose common ownership law in at least some jurisdictions, including the City of Moscow; development of model condominium documentation in the City of Moscow.</li> <li>— Establishment of an office concerned with condominium affairs in Moscow</li> </ul> <p><b>1993/1994</b></p> <ul style="list-style-type: none"> <li>— Dissemination of condominium legal infrastructure to other jurisdictions</li> </ul> <p><b>Life of Project</b></p> <ul style="list-style-type: none"> <li>— Not specified.</li> </ul>	<p>Objective achieved. The Law on Fundamentals of Housing Policy provides the essential legal basis for condominiums; the City of Moscow created the first condominium ordinance in April 1993; a city office has been created.</p> <p>Objective achieved. By Presidential Decree in December 1993 a national condominium regulation was created. Cities such as Jaroslavl and Ryazan have registered there first few condominiums and put in place the essential regulations to give them full control over the management of the property.</p> <p>Moscow has registered condominiums since early 1994 and created the necessary regulation to transfer full property management to the associations.</p>

**Mortgage Lending**

<b>Goals</b>	<b>Results</b>
<p><b>1992/1993</b></p> <ul style="list-style-type: none"> <li>— Formal establishment of mortgage subsidiary by Mosbuisnessbank (MBB), as a concrete step in preparing for lending.</li> </ul> <p><b>1993/1994</b></p> <ul style="list-style-type: none"> <li>— Initiation of financially responsible mortgage lending, economic conditions permitting.</li> </ul> <p><b>Life of Project</b></p> <ul style="list-style-type: none"> <li>— Mortgage lending equivalent to 30-50 percent of the volume of other countries with similar levels of development (GDP per capita) and financial system development.</li> </ul>	<p>Objective surpassed. MBB elected not to create a subsidiary for sound financial reasons; the bank is moving energetically to initiate mortgage lending in 1994, based on major TA to the bank. Several other banks have been assisted and a successful seminar series held. An Association of Mortgage Banks has been established and possible formal cooperation between the HSRP and the Association being negotiated.</p> <p>Objective achieved. MBB initiated mortgage lending—using a dual rate mortgage and loan servicing software developed by the project—to staff members in May 1994; broader lending is expected by the year's end.</p> <p>Several other banks are likely to begin lending by the end of the year using the same product.</p> <p>Cooperation with the Association of Mortgage Banks established. Two training courses offered in February and one in June. A full program is now under development, with four more courses to be taught in 1994.</p>

**Development of Legal Infrastructure**

Goals	Results
<p><b>1992/1993</b></p> <ul style="list-style-type: none"> <li>— Property rights—enactment of clear legal guidelines for property rights, including fee ownership of land and structures for housing and commercial uses.</li> <li>— Mortgage law—enactment of administrative regulations for implementation of the Law on Collateral.</li> <li>— Housing finance— discussion/ explanation of legal structure for government role in the national system of housing finance</li> </ul>	<p>Major clarification of property rights was achieved in the amendment of Article 11 of the constitution and the Law on Fundamentals of Housing Policy. However, some ambiguities remain.</p> <p>Regulations were not issued. The Law on Mortgage, which would very substantially refine the provisions of the Law on Collateral, has not been passed by the Supreme Soviet; and the absence of its provisions make enforcement of existing foreclosure procedures questionable.</p> <p>Signing of relevant Presidential Decree expected soon.</p>
<p><b>1993/1994</b></p> <ul style="list-style-type: none"> <li>— Mortgage law—introduction of standardized mortgage loan agreements on a demonstration basis</li> <li>— Housing finance—enactment of general laws in housing finance</li> </ul>	<p>A series of Presidential Decrees has further strengthened property rights, particularly in the residential area. But the Land Code has still not been passed by the Duma.</p> <p>Several Presidential Decrees have been issued which establish the basic structure of the housing finance system, replace home purchase interest rate subsidies with downpayment subsidies, and clarifies the type of housing lending banks can do. Another Decree is in preparation which would clarify banks rights to foreclose on defaulted residential mortgage loans. The Duma has not passed the Law on Mortgage.</p>
<p><b>Life of Project</b></p> <ul style="list-style-type: none"> <li>— Mortgage law—widespread dissemination and use of standardized loan documentation</li> <li>— Housing finance—commencement of public initiatives in housing finance, such as mortgage insurance, second sales of mortgages</li> </ul>	

## **Land and Property Registration**

### **Goals**

- The creation of a private land market which shifts land ownership from public to private.
- Establishment of necessary legal and regulatory structures to achieve the above, including the Russian Federation Land Code, standards for land auction and tender, leasing, speculation covenants, conveyance of title to end users and required legal documentation.

### **Results**

In summer 1993 a major document was prepared which reviewed the legal situation for urban land, surveyed current land transfer and allocation procedures in Moscow and St. Petersburg, and outlined an action program in the areas of urban land allocation and land use. In January 1994 a conference on land use, title registration and land allocation was held in Moscow. In addition on December 11, 1993 the Council of Ministers promulgated federal regulations on auctions and competitions for land allocation, but repealed them on December 24.

In the fall of 1994, competitive land allocation projects were initiated in Nizhni Novgorod and Tver, with initial auctions planned for March 1995. The program will expand to Novgorod by the early 1995.

## **Reform in Russia's Regions**

### **Goals**

- Solidify reforms in housing sector in regions beyond Moscow, including raising rents, housing allowances, condominium associations, and introduction of competitive private maintenance firms.

### **Results**

In 1993 three national conferences on housing sector reform were held; five two-day seminars were held in cities in Western Russia in collaboration with Peace Corps volunteers to stimulate local officials and bankers to pursue reforms; two one-day housing finance seminars were held in Ekaterinburg and Novosibirsk at the request of USAID resident advisors and; after close work with HSRP, the Institute for Housing Economy worked with a dozen oblasts and municipalities.

In 1994, HSRP expanded work on condominiums and privatization of maintenance to six cities outside of Moscow and work with banks to begin mortgage lending in four cities outside Moscow.

### **Sector Monitoring and Evaluation**

#### **Goal**

- Monitor developments in the housing sector and the Russian Federation.

#### **Results**

Reports of housing indicators data for 1989-1991, 1992, and 1993 (following the USAID/World Bank/Habitat format) were completed. A survey was conducted to evaluate the impact on the quality of maintenance services of the shift to private, competitively selected, maintenance firms from the old REUs. An evaluation of early experience of the housing allowance program is underway, with field work in Vladimir and Gorodetz completed. Numerous monitoring reports were completed, including: a description of the reforms in the housing sector made in the Russian Federation; an analysis of who has privatized units in Moscow and why, based on data from the Moscow rental sector monitoring survey; and, semi-annual reports summarizing the changes in laws and regulations in the housing sector.



## **1995/1996 WORKPLAN**

### **I. RUSSIAN FEDERATION**

#### **I.A. Assistance in Developing the Legal Framework for Housing**

##### **Objectives**

The program on development of the legal framework for housing serves all of the basic goals encompassed by moving to a market-oriented housing system:

- Allocation of the housing stock by the price mechanism;
- Consumer sovereignty in the choice of units and unit quality;
- Promotion of private ownership of housing;
- Competitive maintenance, rehabilitation and construction;
- Targeting of remaining subsidies to the truly needy, with equity among similarly situated households; and
- Making housing affordable to families with a wide range of incomes in a way consistent with sound macroeconomic policy.

The legal structure needed to achieve these goals encompasses basic laws on housing and related topics, "codexes" to further elaborate the basic laws, and regulations to implement them. This process is at various stages for different topics, including housing reform, property rights, mortgages, housing finance, land recordation, condominiums, urban planning, rights of landlords and tenants, and bank regulation. In many instances, both the Russian Federation and other levels of government, including the City of Moscow, are drafting legislation on the same topic.

##### **Highlights of the Past Year**

Policy developments, and hence the HSRP team's work, in the past year moved along three paths. In December 1992, the Congress of Peoples Deputies and the Supreme Soviet passed, respectively, key amendments to the constitution that dramatically reduced the state's role in the sector and the Law on Fundamentals of Housing Policy in the Russian Federation, the basic sector reform law. As a consequence, in calendar year 1993 the Russian government was preoccupied with drafting the regulations needed to implement these sweeping changes and building

a coalition within government to secure the issuance of the regulations by the Council of Ministers. The major visible results were: the issuance in September 1993 of the regulation implementing a phased increase in rents on state units to cover operating costs fully and the simultaneous implementation of housing allowances to protect the poor from spending an extreme share of income on rent; a Presidential Decree which established the structure of the housing finance system; and a second decree that instituted national regulations for the creation of condominiums. Additionally, the Council of Ministers issued an order shifting federation support for home purchase by households on waiting lists for improved housing from subsidized interest rates to income-conditioned downpayment subsidies.

In 1994-1995 the pace of legal reform slowed down as the issues became more contentious and a greater share of required legal action require passage of laws by the State Duma (rather than Presidential Decrees or Government Regulations). A great deal of time and energy was spent on preparing the implementing codex for the Law on Fundamentals of Housing Policy, the Law on Mortgage, the Law on Condominiums (which will succeed the legal basis established by the Presidential Decree), the Land Code, the codex for the Law on Fundamentals of Urban Planning (or an alternative zoning law) and Real Estate Titling Law. None of these laws has yet been seriously considered by the Duma and in most cases the Government and Duma are preparing very different draft laws.<sup>2</sup>

The main work of the HSRP team with the City of Moscow was on preparation of the final law implementing the rent increase and housing allowance program and on a draft law which would completely change the procedures for getting on the housing waiting list and replace the system of social (*naim*) contract with housing allowances and/or social housing leases whose provisions would be much weaker than the *naim* contract.

### **Activities During This Workplan Period**

Legal and policy advice will continue in the next period. The HSRP team will continue to assist with the development of germane laws in the areas listed above.

Stephen Butler, the HSRP Legal Advisor, will work about one-half time for the program, with his time divided between general legal issues and specific land issues (see Section I.E below). His work will be supplemented by other senior lawyers. Also, for the first six months of the work period primarily a junior lawyer who will be based in Moscow to give the program more continuous involvement in policy issues. This lawyer will work under the joint supervision of Butler and the HSRP team leader.

---

<sup>2</sup> More information on legal developments in the land area are provided in Section I.E.

*Institutionalization and phase-out.* Institutionalizing the type of policy advice being provided by the HSRP depends on the whether the team of Russian policy experts now working for the Urban Institute remains together. The possibilities in this direction, and the role that USAID may play, are discussed in Section III.

No phase out plan is proposed for this work. CCN consultants Nadezhda Kosareva and Alexander Puzanov are already doing a great deal of the direct policy development and negotiations, relying substantially on drafting done by Butler.

### **Program Indicators**

In 1994 USAID developed a new series of indicators to monitor the achievements of the HSRP. For each section in this workplan these indicators will appear in this section or, if USAID-defined indicators are not defined, the HSRP will provide supplementary indicators.

*USAID Indicator:* Establishment of policy and legislation necessary to establish a market-based housing sector.

#### *Targets:*

- (1) Enactment of legislation clearly establishing private property rights, including fee-simple ownership of land/structures and for housing and commercial users by the end of 1996.
- (2) Enactment of a law on condominiums by the end of 1995.
- (3) Enactment of enabling housing finance legislation, including a law on mortgage by the end of 1997.
- (4) Establishment of a policy or law at the national level mandating real increases in tenant payments for maintenance and communal services by the end of 1995.

### **Products**

- Memoranda to Russian Federation and Moscow drafting attorneys, commenting on laws under development or consideration. Laws expected to be under preparation include the codexes implementing the Law on the Fundamentals of Housing Policy, the urban planning law, local laws on condominiums, and the Law on Mortgage.

- Periodic reports describing legal developments on which the Legal Advisor is working and summarizing his recommendations for "next steps." These will be prepared at the conclusion of his field visits.
- Summary reports upon passage of selected laws and regulations, outlining changes resulting from advice provided by the program.
- Semi-annual (August and February) "status of laws" report, listing and abstracting laws passed by the Russian Federation and the City of Moscow, laws in draft, and laws proposed by the government but not yet enacted.

### **Resources Summary**

In addition to the time of Stephen Butler (6.0 person-months) and the junior legal advisor (6.0 person-months completing a one-year assignment), the following resources are expected to be needed for this activity during the period.

U.S. Short-Term Legal Consultants (TBN)	3.0 person-months
CCN Consultants	30.0 person-months

### **USAID Decision Points**

- None.

### **1.B. Solidifying Reform in Russia's Regions**

The HSRP team's work over the past twelve months with the governments of the City of Moscow, the Russian Federation, regions and cities focused three types of assistance:

- Widespread distribution throughout the regions of detailed technical assistance materials developed the prior year;
- Creation of additional materials where needed; and
- Providing direct technical assistance both in Moscow and in several regions in these priority areas of housing sector reform:
  - Raising rents on municipal housing and introducing housing allowances;
  - Development of condominium associations;

- Introduction of competitive private maintenance firms into the management of municipal housing; and
- Background work essential for the initiation of mortgage lending.

The team is working to realize the enormous potential for expansion to Russia's regions as well as to respond to the excess demand for assistance. The HSRP team's U.S. Resident Advisors and CCN consultants will: (a) spend significant portions of their time in the regions responding to requests for expert follow-up as local governments and banks begin implementing the ideas the USAID program is promoting; and (b) work with Russian training academies to develop training programs eventually conducted by Russian housing reform experts not only in Moscow but in other centrally located cities.

In short, the initiatives are two-fold: (a) to assist interested regions in developing housing reforms and promote their techniques and success so other regions may follow suit; and (b) to institutionalize housing reform training programs to be offered by Russian professionals independent of HSRP or other USAID sponsored sources.

This section provides an overview of the regional program. Details of the substantive work programs are provided in Sections I.C, I.D, and I.F.

### **Objectives**

The program of technical assistance to the regions will serve all of the basic goals of the overall technical cooperation program:

- Allocation of the housing stock by the price mechanism;
- Consumer sovereignty in the choice of units and unit quality;
- Promotion of private ownership of housing;
- Competitive maintenance, rehabilitation and construction;
- Targeting of remaining subsidies to the truly needy, with equity among similarly situated households; and
- Making housing affordable to families with a wide range of incomes in a way consistent with sound macroeconomic policy.

### **Highlights of the Past Year**

The HSRP team undertook a number of actions this year to deliver technical assistance to the regions and institutionalize training:

- A national conference on Housing Reforms and Condominiums was co-sponsored by UI and the Institute of Housing Economy. The HSRP team made about half of the presentations at this conference, which was attended by about 250 persons representing 47 regions.
- The HSRP team and the International Academy of Entrepreneurship presented a four day training course on Condominiums attended by 75 local government administration representatives from many regions. Potential instructors for the course were in attendance to observe.
- Numerous seminars on Housing Finance as well as basic courses in mortgage lending were presented by the HSRP team in Moscow, Irkutsk, Sochi, St. Petersburg, Pskov, Ulan Ude, reaching a cumulative audience of over 1200 persons. In some cases these programs were co-sponsored with banking associations, the Institute of Housing Economy, or local government administrations and departments.
- HSRP team members presented training courses in Moscow and numerous cities on administering housing allowances, condominiums and privatization of maintenance programs. Team members have also made presentations on these topics at numerous other conferences sponsored by various organizations.<sup>3</sup>

### **Activities During This Workplan Period**

*Regional advisor program.* The plan calls for the current U.S. Resident Advisors to continue to develop regional programs in mortgage financing, condominiums, and privatization of maintenance, and to continue to service the regions in implementation and problem solving of the housing allowance program. In addition, a new program of working with regional banks on construction period finance will be launched and the HSRP team will work with the World Bank on the issue of enterprise divestiture of housing.

The base of operations will continue to be the project office in Moscow with the advisors and CCN consultants traveling to regions frequently to provide technical assistance.

---

See Annex B for details.

During this workplan period the Advisors' specific duties include:

- Work with local counterparts to organize seminars and conferences in the regions. Typically, the presentations will be by an advisor and Russian consultants, but the program may also take advantage of consultants on short term assignments in Russia.
- Plan, prepare and conduct two national housing reform conferences which may be co-sponsored with Russian institutes.
- Plan, prepare and conduct ten training courses on condominiums in conjunction with the International Academy of Entrepreneurship
- Review, update and add as necessary printed materials on all programs for widespread distribution, to respond to requests for such materials, and for handouts to compliment HSRP presentations.
- Provide technical assistance to local administrations and banks in areas in which the USAID program is currently working, as well as in new cities.
- Identify local institutes that can be trained to assist other localities in their regions and/or conduct national training seminars

*St. Petersburg initiative.* USAID determined in the fall of 1994 that there was sufficient interest in reform in St. Petersburg that the HSRP should be extended to include this important city. The HSRP team was instructed to develop a major program of technical assistance with the City.

Ann Mavity of USAID/Moscow, Ray Struyk (HSRP Project Director) and Nadezhda Kosareva met with numerous officials, including Deputy Mayor Vladimir A. Yakolev, in mid-December with the objective of establishing a concrete workplan with the city in housing sector reform. An earlier visit by Mavity and George Deikun (USAID/Moscow) laid the groundwork for this visit. Based on these discussions, the HSRP team will begin working with the City on the following topics:

- Privatization of housing maintenance.
- Housing allowances procedures. The City has raised rents only slightly thus far but has implemented allowances. It appears that help is needed on projecting the impacts of raising rents further and in verifying incomes.
- Mortgage and construction finance. Work is already under way with the St. Petersburg Mortgage Bank and Promstroi Bank (St. Petersburg) will be added to the group of client banks for both types of lending.

- Design and implementation of a downpayment subsidy scheme for those on the waiting list.
- Formation of condominiums. The HSRP team is prepared to work in this area and have agreed to review the City's draft regulation and model charter which were provided to us, but the extent of the work will depend on whether the Russian Privatization Center goes forward with its proposal to work with the City in the same area.

In addition to the above, the Construction Committee also requested assistance in increasing the efficiency with which City residential construction projects are implemented and financed.

In the months ahead, USAID will work with the City to prepare a formal agreement for housing sector work. In the meantime, the HSRP team will begin activities in the areas listed above. David Murrell (Resident Advisor for housing maintenance privatization) and his team will be responsible for this program. Developing local capacity in St. Petersburg as quickly as possible to deliver most of the services (under general guidance from the HSRP Moscow team) will be an integral part of the work program. The Leontief Center has been selected as our local partner for this work.

*Institutionalization and phase-out.* These topics are covered under the individual programs and in Section III.

### **Resources Summary**

The following non-core<sup>4</sup> staff resources would be programmed for the St. Petersburg work:

CCN Consultants/Subcontractor	30.0 person-months
-------------------------------	--------------------

### **USAID Decision Points**

None.

---

<sup>4</sup> Core staff resources include Moscow-based U.S. and Russian staff and regularly-engaged U.S.-based staff.

## **I.C. Housing Finance**

### **Objectives**

The goals of the program of technical cooperation in this area include:

- Allocation of the housing stock by the price mechanism;
- Promotion of private ownership of housing;
- Targeting remaining subsidies to the truly needy, with equity among similarly situated households; and
- Making housing affordable to families with a wide range of incomes in a way consistent with sound macroeconomic policy.

An important tool for achieving these goals is making mortgage financing widely available, so that housing for middle and upper-income families can be self-financing and priced according to the market. Mortgages should be offered on a commercial basis, under acceptable credit and other risks, and should not be subsidized by the government unless the subsidies are in the form of up-front downpayment subsidies. Interest rates should be determined by financial markets through competition among lending institutions.

While high inflation and interest rates continue to be a deterrent to normal lending operations, the HSRP has encouraged Russian banks to make the required preparations now to enter this field of operations. When both economic and legal conditions improve to the point of profitable lending, these banks will be in a strategic position to enter the market with full-scale operations. In the meantime, the required training and technical support is being offered for limited lending activity whereby institutions can carry between two to three percent of their assets in mortgage loans.

### **Highlights of the Past Year**

The developments of the twelve month period beginning in March 1994 can be summarized as follows:

- *Introduction of mortgage loans to Russia.* In May 1994, Mosbusinessbank (MBB) closed its first mortgage loan to an employee of the bank using the Deferred Adjustable Instrument For Russia (DAIR). This was the culmination of technical assistance to the third largest bank in Russia, which was agreed upon by USAID and the bank in November 1992. During this period, the bank received training and assistance in essentially all

areas of mortgage lending. By March 1995, the bank estimates that it will have originated over 100 mortgage loans.

- *Expansion of the program to ten banks.* The program of technical assistance was expanded to ten participating banks including Mosbusinessbank (Moscow), Joint Stock Mortgage Bank (Moscow), Menatep Bank (Moscow), St. Petersburg Hypothecobank (St. Petersburg), Creditprombank (Moscow), Moscow United Bank/Balichug Bank (Moscow), East Siberian Commercial Bank (Irkutsk), Pskovakobank (Pskov), Nizhni Novgorod Kredit Bank (Nizhni Novgorod), and Nizhni Novgorod Interregional Land Bank (Nizhni Novgorod). The client banks received assistance on the development of a business plan, loan documentation, loan origination, underwriting, training, development of a suitable mortgage instrument capable of sharply reducing lending risks under Russia's economic conditions, and servicing (including the installation of the necessary loan servicing software). On-going assistance was provided to banks once they became fully-operational and began lending activities.
- *Association of Mortgage Banks (AMB).* Since the AMB's founding in August 1993, the HSRP has been working closely with the Association as a viable source of training activity for the banking community. Collaboration on the distribution of manuals on mortgage lending, along with timely information on industry developments, is a vital function of the organization. A quarterly training program was established to offer training in underwriting, mortgage pricing, risk management, and the fundamentals of mortgage lending. Course offerings were expanded to include Construction Finance and Mortgage Pricing. Participation in the Association increased to 23 member banks and finance-related institutions.
- *Regional housing finance seminars.* A total of eight one-day to one-week seminars were held as part of the regional housing finance seminar series. The seminars—held in Moscow (two seminars), St. Petersburg (two seminars), Sochi, Pskov, Irkutsk, and Ulan Ude—introduced the concept of mortgage lending to various regions in Russia along with practical experience from participating institutions. The seminars introduced, in many cases for the first time, the basics of mortgage finance and techniques for implementation in the Russian economic and legal environment.

### **Activities During This Workplan Period**

The work plan for housing finance during this period includes extensive expansion of the existing program, with a major emphasis on making mortgage loans available to the general public.

These activities include:

- (1) *On-going assistance.* Naturally, banks will move from a category of intensive training and assistance to a comfortable level of mortgage lending activity. This stage will mark a new level of on-going assistance and consultation. The Resident Advisor, along with CCN consultants, will continue to monitor and evaluate bank activity and offer assistance as needed. This assistance will prove critical as banks, who lack the necessary experience in this activity, begin to encounter the daily problems typical for a mortgage lending operation.
- (2) *Close work with 10-15 other banks.* As banks fall into the category of on-going assistance, staff resources will be mobilized to expand the program to other banks interested in starting mortgage lending operations. At least three to five major banks will be targeted in Moscow for assistance with the remaining efforts targeted for St. Petersburg and various other regions of the Russian Federation.
- (3) *Seminars and training.* The regional housing finance seminar series, hosted by regional governments, will continue to be used as a vehicle for introducing the concept of mortgage finance to area banks and related institutions. The HSRP team will work closely with institutions interested in organizing mortgage operations in the near future.
- (4) *Home improvement/rehabilitation loans.* Over the period, the HSRP team will work to develop loan programs for home improvement and rehabilitation of multi-family buildings and condominiums. The HSRP team will work with one or two banks with whom it has particularly strong relations. Once tested, the programs will be spread through the preparation of a manual for this type of lending and the offering of a course by the Association of Mortgage Banks to interested banks.
- (5) *Expansion of housing finance training with the AMB.* The housing finance training program, initiated last year, will be expanded to meet the growing demand for training and information on this emerging market. Training courses will be expanded to include additional training in Construction Finance, Home Improvement Loans, Bridge Loans, the Secondary Market, and Marketing and Consumer Information. The Association will serve as the housing finance training facility for the Russian Federation and other countries in the region.

The proposed program outlines a training program that would build upon earlier work to assist with the implementation of affordable and financially-viable mortgage lending by Russian banks.

The main ingredients of this plan would consist of:

- Expansion of the training activity, started in early 1994, with a greater focus on utilizing Russian presenters. U.S. experts will be used to introduce new concepts, with Russian experts trained to make future presentations. Training topics will be expanded to the areas of Construction Finance, Marketing and Consumer Education, Home Improvement Loans, Bridge Loans, and the Secondary Market. The basics of mortgage finance and risk management will continue to form the core of the training program.
  - Expansion of consumer education materials into various topics including home improvement loans, bridge loans, how to purchase a home, and mortgage instruments.
  - Development of the AMB as a lobbying force to work in the interests of its members on issues facing the emerging mortgage lending market, including passage of the Law on Mortgage.
- (6) *Technical assistance to banks for underwriting construction finance.* The HSRP will work with selected banks in cities participating in the World Bank housing loan and up to five other cities in underwriting the first few loans of this type brought to the bank. (This work will be complemented by other advisors, under contract to PADCO, working with developers to prepare their loan applications.) It is expected that staff from all these banks will participate in the construction period finance course being offered by the AMB; a special offering of the course has been scheduled for these banks in April 1995.
- (7) *Development of the legal and regulatory structure for housing finance.* The core team will continue its close work with the Ministry of Finance, Gosstroi, and the State Duma in preparing the necessary regulations and other legal acts for the creation and expansion of the housing finance system, including the final passage of the Law on Mortgage.

One area requiring special attention will be the status of the Agency for Mortgage Lending, the quasi-governmental body that has primary responsibility for implicit regulation of mortgage lending and sole responsibility for servicing as a liquidity facility—through the purchase of mortgages or mortgage-backed securities—for mortgage lenders. The slow movement of government action in this area has encouraged oblasts to consider creation of their own regional agencies to implement these tasks. If these agencies develop, additional assistance may be required from the Office of Thrift Supervision (OTS), the Federal Housing

Finance Board (FHFB), or Fannie Mae (FNMA). However, the primary goal remains the establishment of a central agency to carry out this function.

*Institutionalization.* The Association of Mortgage Banks will be used as the primary vehicle for institutionalization of the existing housing finance program. A phase-in program will effectively train and mobilize the Russian staff at the AMB to become experts in mortgage finance. Revenue from course offerings, publications, and related work will be used to make the association a self-supporting, viable organization. U.S. experts may be brought in, from time to time, to introduce new lending concepts or industry developments.

*Phase-out plan.* As the project period comes to a conclusion, training activity will become a more integral part of the services offered by the AMB. The HSRP team's involvement in the regional housing finance seminars will gradually be phased out and the AMB will take over the seminars as a sub-function of its training and education services. Related publications and materials will shift to the auspices of the association under this plan. In terms of direct technical assistance to banks, no new banks will be added to the program after the spring of 1996, thereby providing sufficient time to assist all banks in the portfolio to begin lending operations if they have sufficient interest.

### **Program Indicators**

*USAID Indicator:* Market-based credit for housing construction and purchase available at positive interest rates

#### *Targets:*

- (1) Market-rate mortgages are accessible to the public through 15 Russian banks by 1997.
- (2) Establishment of a financially sustainable mortgage training program by 1997.

### **Products**

- Initiation of mortgage lending by 10-15 additional banks, facilitated by installation of loan servicing software and advice from the Resident Advisor and the core team.
- Continuation of the training programs by the AMB, with a phase-out program for the HSRP and complete autonomy for the Association.

- Expansion of the training programs offered by the AMB to include course work in construction finance, the secondary market, and related topics.
- Acceleration and expansion of training for the staff at AMB.
- Enhancement of services offered by AMB to its membership to include the publication of manuals, newsletters, and consumer information.
- Educational information to the banking community of the necessary regulations and operating instructions for the Agency for Mortgage Lending in the areas of regulation and mortgage purchase.

### **Resource Summary**

The following non-core<sup>5</sup> staff resources are expected to be needed:

#### *Development of new products and training program*

Short-Term Consultants (FNMA)	11.0 person-months
Construction Finance Advisor (TBN)	7.0 person-months

#### *Policy and institutional development*

*(mainly the Agency for Mortgage Lending or Regional Agencies)*

Short-Term Consultants (OTS/FHFB/FNMA)	6.0 person-months
--	-------------------

CCN Consultants	86.0 person-months
-----------------	--------------------

Efforts with the AMB will rely primarily upon the existing subcontract with Fannie Mae (FNMA) and other financial institutions as needed.

### **USAID Decision Points**

- Assist, if necessary, with recruitment of staff from OTS, FHFB, and other institutions.

### **Related Activities**

The HSRP team is working on the initial implementation of a program in Nizhni Novgorod sponsored by the Russian Federation and based upon the existing USAID military certificate program, under which retired military officers coming from the Baltics or elsewhere in Eastern Europe will receive a certificate that they can use to

---

<sup>5</sup> Core staff resources include Moscow-based U.S. and Russian staff and regularly-engaged U.S.-based staff.

purchase a dwelling unit. Banks will be involved in the program to disperse the funds, examine the offer made by the developer to determine if it is realistic, and make "top up" mortgage loans. The HSRP will be providing these banks with training and technical assistance to enable them to fully execute the program.

### **I.D. Housing Allowances**

#### **Objectives**

The program of technical assistance on housing allowances will serve all of the basic goals of the overall technical cooperation program:

- Allocation of the housing stock by the price mechanism;
- Consumer sovereignty in the choice of units and unit quality;
- Promotion of private ownership of housing;
- Competitive maintenance, rehabilitation and construction;
- Targeting of remaining subsidies to the truly needy, with equity among similarly situated households; and
- Making housing affordable to families with a wide range of incomes in a way consistent with sound macroeconomic policy.

The ultimate objective of this work is to integrate the state housing sector with the private market in a system in which rents are determined competitively, households have maximum flexibility in their choice of location and housing quality, and a major portion of the housing stock is privately owned. Subsidies paid only to low-income families will make it possible to reduce government support for existing rental housing by raising rents from their current extremely low levels. The quality of the existing housing stock will be improved in the short term by using part of the increased revenue from raising rents for maintenance of the state stock, and, in the longer term, by basing income received by providers of rental housing on the quality of housing delivered to both subsidized and unsubsidized tenants.

The overall shortage of housing will be ameliorated because raising rents creates a strong incentive for tenants with extra housing to shift to smaller units; in this way, over time, a significant part of the waiting list may be served without having to build more housing. Allowances will also encourage private landlords to rent their housing on the open market by indicating that the government is moving away from rent controls on state units and by simulating housing demand. (Rents on privately

owned units are not controlled.) Finally, to encourage housing privatization explicitly, the Russian Federation has decided to make those who have privatized their units eligible for housing allowance payments.

### **Highlights of the Past Year**

Phased-rent increases and the implementation of housing allowances became a reality in 1994. Specific developments associated with implementing housing allowances have been:

- Nearly all jurisdictions tried to hit the target of increasing rents to cover 20 percent of operating costs in 1994.
- There are no known cases of public resistance to the rent increases.
- As far as is known, most localities have now implemented the program.
- Most jurisdictions are setting the share of income that households must spend on rent before receiving a subsidy at 10 percent of income. There are some variants, however. Some examples: Nizhni Novgorod Oblast has a graduated scale beginning at 2.5 percent of income for the poorest households which increases to 10 percent at moderate income levels; Moscow is subtracting a minimum wage for each household member in determining program income.
- Participation rates (as a percent of all households) are low—typically 5-10 percent—as expected, given the still low rent levels and the relatively large household contribution rate.
- Most monthly subsidy amounts are very modest—a few thousand rubles.
- The combination of low participation rates and low subsidy payment amounts means that most increased rental revenues—over 90 percent—are available to the local budget; as far as is known, these funds are universally being devoted to funding housing maintenance and repair.
- Few administrative difficulties have been reported. Most jurisdictions are using very simple income verifications procedures—arguably the right approach given the small amounts of money involved. Nevertheless, these procedures used are being rigorously applied in the offices visited.

- Many jurisdictions have computerized or are computerizing their program administration system.
- A variety of different agencies are being used to administer the program, although the most common appears to be for the local department of housing and communal services to be responsible, sometimes setting up new offices and sometimes adding the task to the work of existing offices.

The HSRP team was active during the year with program implementation. Major tasks included:

- Intense work with the City of Moscow on the final design issues and on the organization of the implementation of the program.
- Close cooperation with the Oblast of Nizhni Novgorod, which was likely the first oblast in the country in which all districts implemented the program.
- Modification of the procedures manual prepared by the HSRP team for Moscow and its adoption by Minstroi as the official national guidance for the program.
- Consultation with about 25 cities on their implementation of the program.
- An initial evaluation of program operations through survey work in Gorodetz (Nizhni Novgorod Oblast) and the municipality of Vladimir, two fast-starting jurisdictions.

#### **Activities During This Workplan Period**

The allowance program is off to a smooth start but it is absolutely imperative that the program be intensively monitored and problems dealt with as they emerge, lest local support for rent increases be undermined. To this end, the HSRP team will undertake the tasks outlined below as well as addressing problems as they emerge. With another major rent increase scheduled by many jurisdictions in early 1995 and again in 1996, the program will be subjected to a new level of stress. Under these conditions improving procedures as necessary will be essential.

*Develop procedures for program monitoring.* The following specific tasks are planned:

- (1) Develop quality control procedures to ensure that those administering the program are applying eligibility and income verification rules correctly; checks should also be made to insure that participants are not having difficulties actually receiving their benefits.

- (2) Develop and execute procedures to determine if those who are eligible to receive the subsidies know about the program and have applied; and if they have not, determine why not.
- (3) Develop report formats for program managers to help them monitor the implementation of the program in their cities.

*Program refinements.* There are further implementation steps that will be required in the next two years:

- (1) The team will work to promulgate the program the HSRP has developed to project the consequences for city revenues and tenants (both participants and non participants) of rent increases or changes in housing allowance program parameters. Most cities do not have this capability and this has led in some cases to hesitancy to raise rents and in others rents are being raised but with undesirable side effects.
- (2) In 1994 rents were raised on an across-the-board basis, i.e., little allowance was made for differences among units in terms of quality and location. Cities should act in 1995 or 1996 to refine their rent increase procedures to permit differentiation based on market signals. The team will try to work with Moscow or Nizhni Novgorod to do a pilot implementation of these procedures in 1995.

*Program evaluation and monitoring.* Unfortunately, Minstroi plans little in the way of monitoring developments in this area, despite efforts by HSRP to convince Ministry staff of the necessity of doing so. Consequently, HSRP has plans for substantial monitoring as outlined in Section IV.

*Institutionalization.* The main task for institutionalization is preserving the expertise developed in the Russian HSRP staff so that these individuals can be a continuing resource after the conclusion of the HSRP. Plans for doing this are outlined in Section III.

### **Program Indicators**

*USAID Indicator.* Housing allowances targeted to support the most needy households

*Target:*

- (1) Rents for municipal housing at least 80 percent of full operating costs (nationwide average) by the end of 1998.

- (2) Enactment of housing allowance program in the Russian Federation achieved in 1993.

### **Products**

- Reports on analysis of rent increases and housing allowance implementation.
- Memoranda on specific aspects of administration.
- Manual on quality control procedures for program administrators.
- Procedures manual on adjusting rents on the basis of market data.

### **Resources Summary**

The following resources are expected to be needed during the period, beyond those of the core staff:

Housing Allowance Specialist (Quadel)	5.0 person-months
CCN Consultants	18.0 person-months

### **USAID Decision Points**

- None.

### ***I.E. Land Allocation***

The technical assistance program in land allocation and land use regulation proceeded in 1994 with ongoing work on the land reform issues of national legislation and as an adjunct to the pending World Bank/USAID housing construction loan to five selected cities (the "housing construction loan").

### **Objectives**

The program of technical assistance to the federal government and to the local governments participating in the housing construction loan serves several of the broad objectives of the overall shelter sector reform program, including:

- Allocation of the housing stock by the price mechanism;
- Consumer sovereignty in the choice of units and unit quality;

- Promotion of private ownership of housing;
- Making housing affordable to families with a wide range of incomes in a way consistent with sound macroeconomic policy.

In addition, this component of the shelter sector reform program serves several important sub-objectives vital to transition of the housing sector, including:

- Eroding the monopoly enjoyed by Soviet era municipal construction companies by making land available to a wider range of builder/developers, including smaller, start-up private sector builder/developers;
- Creating transparent rules for the allocation of land to the private sector and for issuance of land use approvals and permits;
- Attempting to reduce the transaction costs of land acquisition, building and site design and permit approvals;
- Helping to establish market price points for municipal land in the participating cities.

### **Highlights of the Past Year**

In 1994 a sound foundation was established for the land allocation and land use regulation program, with significant activity on national legislation and the commencement of field work for the land auction pilot projects.

With respect to national legislation, the HSRP team developed the model laws and commentary outlined below. These were widely circulated within the government and legislature; much of this work became and continues to be a prominent contribution to the debates on national legislation:

- Comments on the land and real estate aspects of the recently enacted Civil Code;
- Comments were provided on the various drafts of the Land Code, in particular the draft prepared by the Committee on Land Reform and Development ("Roskomzem");
- A model local government ordinance on the privatization of land was provided to various federal agencies and the cities participating in the housing construction loan program;

- A draft of a national law on functional zoning of urban territories at the request of GKI;
- Review and analysis of the proposed Moscow law on creation of a secondary market in land, which is presently the major Moscow initiative on land relations at the request of the Moscow Land Committee;
- Comments and suggestions for the Housing Committee of the Moscow Duma on a program for privatization of the land appurtenant to condominium buildings.

The program assisted in the organization of a significant national conference on land use issues in Moscow in January. That conference was attended by over one hundred officials from the federal government and recipients of the housing construction loan, who participated in three days of seminars and workshops on land allocation, land use regulation, and title registration. A subsequent seminar was organized and held in Nizhny Novgorod in May at which over fifty officials of the federal government and the cities participated in two days of seminars on the procedures and issues of land privatization, with emphasis on competitive techniques such as auctions and requests for proposal.

The land auction pilot project was begun in the cities of Tver and Nizhny Novgorod. The project is intended to assist the cities in bringing one or more small pieces of land to auction prior to funding the housing construction loan, which is conditioned on competitive allocation of land through auction or request for proposal. Initial missions to the cities by the consulting team were made in September and October, at which time official working groups were created, work programs and schedules were agreed upon with the city administrations and work began on selection of appropriate sites. A second visit by the consulting team occurred in December, during which the work of the first mission was expanded and refined. The remaining work and objectives of the land auction pilots are described below.

While the 1994/1995 workplan proposed work in title registration, over the course of the year it became clear that issues of title registration were being adequately addressed by several other programs, including a corresponding USAID program and a substantial World Bank program in land reform ("LARIS"). The title registration component of the land program has therefore been deleted in this workplan. (In fact, at the request of the World Bank and other USAID programs, the Legal Advisor provided extensive consultation on issues of title registration to officials of Roskomzem, the State Property Committee, and cities participating in the housing construction loan. A draft national law of title registration, which has served as the basis for much of the presently ongoing work in the government and the legislature, was produced.)

### **Activities During This Workplan Period**

The land program has been refined and its activities refocused in light of the activities of the complementary programs of other contractors and consultants. The work on title registration and real property taxation proposed in the 1994/1995 workplan has been deleted in deference to the more advanced efforts of other programs in those areas, and the program will focus its efforts on three major tasks:

- (1) Continuing to work with national and local policy makers on legislation and local ordinances;
- (2) Completion of the land auction pilot projects in the cities participating in the housing construction loan; and
- (3) Commencement of work in reform of land use regulation in those cities.

*Legislation.* With the recent enactment of the civil code much will depend on the long expected land code, which has become a controversial document. (In enacting the Civil Code a last minute proviso was agreed to which stipulates that the provisions of the civil code dealing with land rights will not take effect until the land code is enacted.) The initiative on the land code is now dominated by somewhat less reform-minded elements of the Government and State Duma, and a concerted effort will be made to provide timely commentary on the law as it develops.

It has become apparent to the privatization forces in the Government that the issues of land use are critical to liberalization of the marketplace; that ownership is a hollow concept without some flexible rights to use the owned property. This new focus is evident in the privatization program which took effect on July 1, 1994, which in its Basic Statute devotes extensive attention to real estate rights. Work will continue on the law of functional zoning or urban territories, which will take the form of refining and representing the model produced during 1994 and by providing ongoing commentary on alternative drafts produced in the Government. The objective of this effort, as discussed further below, is to produce a law which provides to land owners, lessees, and users more certain, flexible, and cost efficient procedures for obtaining use permits, and introduction of the concept of "use as of right" through a system of functional zoning.

It is anticipated that during 1995 a federal government regulation on general rules and administrative procedures for land auction and other competitive disposition procedures will be prepared. Opportunities to participate in the development of that legislation will be pursued. Work on local regulations for land auctions and tenders will be pursued also in the cities participating in the housing construction loan, as has begun in the cities of Tver and Nizhny Novgorod.

*Land privatization pilot program.* The work in Tver and Nizhny Novgorod will be completed and the city of Novgorod will be invited to participate in the program.

The final objective of the demonstration program is to bring at least one small piece of land to public auction in each participating city, preferably before commencement of auctions of the sites to be developed under the housing construction loan program. The remaining tasks that will be pursued in this workplan period in each city are:

- Identify one or more urban land parcels for development;
- Work on preparation of necessary normative documents, including regulations, to the extent necessary;
- Work on developing offering documents and prospectuses for auction or competitive tender;
- Work on developing starting prices;
- Work on site development guidelines;
- Work on producing necessary city permits and approvals;
- Conducting informational meetings with city and Oblast officials, the press, interested private developers and interested banks;
- Conducting the auction or tender proceeding;
- Development of legal documentation for conveyance of the land;
- Selection of successful bidders;
- Contract negotiations and disposal of the land.

A main focus of the land auction pilots is to create with the cities acceptable forms of property titles that can be used to convey titles from the cities through developers to the ultimate owners of the housing produced. Along these lines, the work will entail development of appropriate conveyancing documents such as construction leases and land disposition agreements that will commit the cities to conveying land ownership to the housing owners, if not the developers.

Where possible, the land auction team is including local banks and developers in the activities leading up to the auction, assuring that they are apprised of the opportunities for development and mortgage lending that the auctions present, and

that their practical understanding of the present constraints are factored into the design of the programs. Interested lenders will be asked to review and comment on proposed design and the program and legal documents.

It is expected that the first auction will take place in the early spring of 1995. Upon completion of the demonstration auctions, less intensive work with the cities will continue to adjust the auction procedures on the basis of lessons learned and to adapt to the needs of the housing construction loan program. (The housing construction loan program presents a more complex set of issues than the simply designed land auction pilots—including extensive municipal involvement in infrastructure development.)

*Land use regulation.* Work on issues of land use regulation will commence in interested cities in the first half of 1995. Assistance will be offered initially to the cities in which the land auction demonstration are likely to move forward—Tver and Nizhny Novgorod.

Until now, Russian land use and building regulation was based upon detailed federal norms developed by a number of federal planning and architectural institutes and implemented by the local architect's office. Today Russia is undergoing rapid change in land use techniques, including devolution of much greater authority to local planning and land use agencies, a new emphasis on the role of the private sector in preparing land development plans, and a new emphasis on the rights of private property in the planning process.

At present there are strong efforts being made to devise a system of functional zoning of territories which would significantly modify the ad hoc, special permit approach of the past, and to devise a Russian system of functional zoning which would permit some flexibility in land use as a basic right of land ownership.

Russian municipalities participating in the housing construction loan program are willing to look at the costs and inefficiencies of their present planning and permit processes and to develop more streamlined and market oriented approaches. The work would be carried out through the joint efforts of foreign and Russian consultants. One or more of the national architecture and planning institutes formerly funded by the Minstroi system which have expressed interest in land use reform will be selected. Staff of the institute would be retained to work with the target cities on municipal code issues. For example, in St. Petersburg there is the All Russian Institute of Urbanistics, a Minstroi planning institute that has prepared the planning documentation for a great number of Russian cities, including the cities of Tver and Novgorod. The staff of the Institute have demonstrated interest in and knowledge of necessary reforms in the planning and land use sector and in fact have been involved in a similar exercise under contract with the City of St. Petersburg. The Institute was approached about joining the effort in this area and expressed serious interest.

The program would consist of training the Russian consultants through meetings and seminars with foreign consultants, developing a work program with the cities, and implementing the program through field work in the cities conducted primarily by Russian consultants. The program will consist of :

- Close reviews of the existing municipal codes on land use and building permits, with analysis of the codes in terms of transaction costs;
- Recommendations for revisions of technical standards and administrative procedures designed to achieve savings in construction costs and processing time;
- Adoption of revised local land use codes.

The program may be initiated through a seminar limited in scope to local planning and land use issues.

*Institutionalization.* The land auction pilot program has obtained the assistance of Polis-3, a private, Moscow-based planning consulting firm, to work on the land auction programs in the cities. During the process of preparing the auctions, Polis-3 will be in constant contact with the program's U.S. consultants on land use, disposition, and evaluation, with the objective of developing the firm's own expertise in these areas.

In each participating city, the objective under the land privatization program is to create a trained municipal staff capable of conducting future land auction and tender proceedings.

In the land use regulation program it is hoped that both private consulting firms (such as Polis-3) and one or more of the former Minstroi planning and architectural institutes will take part in the work. A major part of this program will be a review of the work of one or more of these institutes followed by intensive training of the institute(s) in market oriented land use techniques through small scale seminars, discussions, and review and development of learning materials.

The results of the land auction and zoning programs will be presented at a conference—possibly co-sponsored with the Union of Russian Cities or the Russian Guild of Realtors—to interest other cities in implementing similar reforms. Practical manuals will be developed to further promote the spread of these market-oriented approaches.

*Phase-out plan.* The elements of the program dealing with enactment of federal and local laws and regulations is on-going and will continue over the course of the entire project. It is not possible to predict with great accuracy when the necessary

laws will be prepared or enacted, and it is likely that there will be a continuing iterative process with legislation over the next five years as the flaws of existing laws are perceived in practice and require adjustment, and as the relationships among the laws come into better focus.

With respect to the pilot program in land auctions, the project will essentially be completed when the initial auctions take place. In anticipation of adjustments to the program based on lessons learned and on the more extensive needs of the housing construction loan program, a reduced level of consultation will be continued with the cities until the first land auction under the housing construction loan program.

Phase out of the land use regulation assistance will occur as the necessary normative documentation is developed at the local level and as the participating Russian institutes demonstrate independent competence in market-oriented planning and land use techniques.

### **Program Indicators**

*USAID Indicator:* Successful completion of pilot market-oriented land allocation procedures.

*Target:*

- (1) Successful allocation of land through a tender process in two cities by the end of 1995.

### **Products**

- Model national and local laws governing land auction and tenders.
- Review and appraisal of the land use and building permit regulations in the participating cities.
- Completion of a draft national law on functional zoning.
- Preparation of model local planning, zoning and building permit ordinance.
- Seminar on land use regulations, including training material.
- Model documents for land auctions and RFPs.

## **Resources Summary**

The following non-core staff resources are expected to be needed:

### *Land Auctions*

Legal Advisor (Butler)	1.0 person-month
Short-Term U.S. Consultants	5.0 person-months
CCN Consultants	11.0 person-months

### *Land Use Regulation*

Legal Advisor (Butler)	3.0 person-months
Short-Term U.S. Consultants	4.0 person-months
CCN Consultants	12.0 person-months

## **I.F. Development of Condominium Associations**

### **Objectives**

The program of technical assistance to the five cities participating in the World Bank loan and expansion of the program to encompass a total of twenty cities by the end of the plan period will serve several of the basic goals of the HSRP:

- Consumer sovereignty in the choice of units and unit quality;
- Promotion of private ownership of housing; and
- Competitive housing maintenance, rehabilitation and construction.

Local attention to issues of common ownership, management and maintenance of housing is crucial for the World Bank lending program and for housing sector reform. Many of the projects that will be submitted for Bank funding will include multi-family buildings. Creation of new multi-family housing will be counter-productive if it remains subject to the present system of public management and limited owner control. Some cities believe it is too early to address these issues, and that progress will only be made as subsidies are phased out (planned for 1998). However, the success of the USAID private maintenance demonstration in Moscow shows that this is not the case. In addition, increased public awareness of the legislative authority, opportunities and benefits afforded to owners who register their buildings as condominium associations, has resulted from wide distribution of HSRP materials, well-attended conferences and training courses, and the experience in Ryazan.

**Activities During this Workplan Period<sup>6</sup>**

The following activities will be carried out in the coming workplan period by the technical assistance program for the development of condominium associations:

- *Formation and operation of housing associations.* The HSRP team will continue to promote the formation and operation of housing associations by working "hands on" with cities. The team will work closely with the identified World Bank cities and 15-20 new cities to give presentations on the benefits of condominium concepts, to prepare normative documents, and to assist with the formation of the first condominium associations in each city.
- *Study tours.* Two U.S. study tours for key officials in selected cities will be carried out to show how U.S. condominiums work. These tours have been critical in the past for "making real" the concepts that are first presented to city officials at the start of the technical assistance program.
- *Monitoring of currently active regional condominium programs.* By monitoring progress in these cities, problems that may benefit from outside assistance will be identified early and solutions offered by the HSRP team.
- *Modification of training courses.* New courses and course materials beyond those already developed will be prepared. These more intensive and specific training materials are needed to meet changing needs as awareness and program implementation grow and cities and associations require more sophisticated training.
- *Institutionalization.* Instruction of the basic course first offered in December 1994 will be gradually shifted to staff of International Academy of Entrepreneurship and/or other qualified academies.
- *Replication of the Moscow private housing maintenance pilot program.* CCN consultants will be trained to provide support for both condominium development and the privatization of maintenance. The privatization training will be offered as a complementary program in each of the cities where the condominium program is being introduced.

---

<sup>6</sup> Highlights for the past year are covered in Section I.B. on the overall regional program.

### **Program Indicators**

*USAID Indicator:* Increased percentage of private ownership.

*Target:*

- (1) Formation of condominium associations in 20 cities by the end of 1995 and 100 cities by the end of 1997. Twenty-five percent of the privatized housing stock in each city in condominiums by 1998.

### **Products**

- Training seminars/workshops on benefits of common ownership and private maintenance using training materials developed in the Moscow privatization of maintenance pilot program.
- A complete package of condominium related documents to include model charters, normative documents from Ryazan, Jaroslavl, and Nizhni Novgorod, the condominium manual, "Questions and Answers on Condominiums," step-by-step procedures for cities to establish a condominium program, and copies of applicable legislation.
- Articles and graphic art in national and regional publications to promote the programs.
- Training seminars/workshops on the legal framework, legislative foundations for, and practical operation of homeowner associations.

### **Resources Summary**

The following resources are expected to be needed during the period, beyond those of the core staff:

CCN Consultants	105.0 person-months
-----------------	---------------------

### **USAID Decision Points**

- None.

## **I.G. Housing Codes**

### **Objectives**

The program of technical assistance in the area of housing codes supports the following overall goals of the HSRP:

- Consumer sovereignty in the choice of units and unit quality;
- Promotion of private ownership of housing; and
- Competitive maintenance, rehabilitation and construction;

An effective housing code system will play an important role in encouraging competition and competency among maintenance firms and providing safe, adequate housing for Russian residents. Compliance with housing codes will serve as a standard by which residents can compare the quality of housing units and the services provided by maintenance firms. Ownership of units will become more attractive as they are better maintained.

With more private ownership and more private management, it will be increasingly important to have clearly stated housing standards. The Russian housing stock has seriously deteriorated over the years because of poor incentives to maintenance companies, underfunding, and lack of compliance with housing codes (which were generally not enforced). In the new system compliance must become the rule; and to satisfy residents who will be paying higher rents, improvement must be evident from the start. At the same time, codes must be realistic (i.e., compliance must be within the financial capacity of building owners). To achieve this, the HSRP team will work with the Moscow and Russian Federation governments to develop a modular code which will focus on the most critical standards at the beginning with stricter and more complete standards following.

### **Highlights of the Past Year**

Activities and developments of the past year beginning in March 1994 include the following:

- In June, two American consultants delivered a two-day seminar in Moscow which summarized the U.S. experience with housing codes and code enforcement. The consultants also met with officials and staff of the Moscow City Government and were able to observe actual inspections in a sampling of the Moscow housing stock.

- In July, several Russian Federation and City of Moscow officials participated in a Housing Code and Inspection Study Tour in the U.S. The participants observed first-hand how three separate local and state governments perform and administer housing code inspections and enforcement procedures.
- In October, the HSRP team delivered to the Moscow Office of Building Inspection a report outlining an approach on how codes could be structured and implemented in Russia.
- In February 1995, the Senior Housing Code and Architectural Advisors are scheduled to travel to Moscow to work with Russian officials in developing the first stage model code. This working group will use as its point of departure the City of Moscow's draft code which the HSRP team has reviewed and provided comments.

In the past year, the major legislative development was the issuance in September 1994 by the Council of Ministers of the Russian Federation of an order which mandates a national housing inspection system for all regions. The HSRP, the Russian Chief Inspector for Housing Codes and the Moscow Director of Municipal Inspections have devised a tentative strategy that designates the City of Moscow—which has the only existing housing inspection agency in the country—as a testing ground for the national program. Other municipalities and regions will subsequently adopt codes based on the Moscow experience.

In response to Minister Basin's written request, the HSRP submitted, in November 1994, a proposal to USAID to continue and expand technical assistance and training related to housing codes and inspection practices.

### **Activities During This Workplan Period**

*Developing the housing code.* Years of deterioration of the Russian housing stock make compliance with a complete housing code impossible in the short-term. Therefore, the strategy calls for the code to be developed on a modular basis so that enforcement will be possible from the start. The first stage of development will only concern building use codes, maintenance standards, and the basic minimum requirements for protecting public health and safety. Assistance with enabling legislation will be provided as required at the national and city levels. In two years, the first code will be followed by an interim standard that will strengthen the code. Only in stage three, assumed to be at least five years hence, will a complete code come into force. For each stage, Russian officials will conduct public information campaigns to educate the public and provide fair warning to owners about the forthcoming codes.

*National conference on codes and enforcement.* This conference, which is tentatively scheduled to be held in Moscow in the fall of 1995, will present the experience of both the U.S. and Moscow governments in developing and implementing a housing code. New perspectives that arise during the conference can be incorporated into stage three of the code.

*Working group trips.* A core working group of Russian officials and HSRP advisors will be responsible for developing the model code. Over the course of the project the Russian members will travel to the United States approximately five times. Their time in the U.S. will be spent working with the HSRP housing code advisors and observing inspection systems of several local and state governments.

*Institutionalization.* The Cities of Moscow and Nizhni Novgorod have expressed interest in becoming models of housing code systems which other regions can emulate. For each stage of the code American consultants will train officials from these cities in implementing the new code and provide them with procedures manuals and training materials. Using these materials, the Moscow Housing Inspection Agency will establish a *national training center* to train inspection staff from around the country. HSRP staff will work with Minstroi and the City of Moscow to promulgate the "model codes" to all subjects of the Federation.

*Phase-out plan.* The Housing Codes Program will be executed by consultants in the U.S. who will travel to Russia on approximately three occasions. There will be no resident advisor but the HSRP is likely to add full-time CCN consultant for this program. Members of the joint Russian Federation-City of Moscow-HSRP working group will visit the U.S. to work on the code and procedural documentation and to observe the U.S. code system operation. Although Moscow and other Russian cities will be adopting higher stages of housing codes over the coming five years, work by the HSRP will end in 1996. The stage two and stage three codes will be delivered in May and December of 1995, and training materials for implementing the stage three code will be delivered in January 1996. The last component of the program will be the fifth working group visit to the U.S., tentatively scheduled for July 1996.

### **Program Indicators**

*USAID Indicator:* Improving the quality of maintenance, residential safety and the overall living environment through adoption and implementation of a realistic housing code

#### *Targets:*

- (1) Stage one code adopted and implemented in Moscow in 1995 and in two other Subjects of the Russian Federation by summer 1996.

- (2) Through the national training center established in Moscow, train professional inspectors and inspection function supervisors from twenty cities in performing and administering housing code inspections and enforcement procedures by the end of 1996.

### **Products**

- The Housing Code in draft and final form (which will be delivered and implemented in three stages).
- National Conference on Codes and Enforcement.
- Working group visits to the U.S. on Housing Codes and Inspections.
- Training materials to be used by CCN professional staff for implementation of the housing code.

### **Resources Summary**

The following short-term U.S. resources (provided through HSRP subcontractor Quadel Consulting) are required:

Senior Housing Codes Advisor (Watts)	2.0 person-months
Legal Consultant (TBN)	0.5 person-months
Architectural Advisor (TBN)	0.5 person-months
Program Coordinator (Rizor)	2.0 person-months
Housing Codes Advisors (Gleason/Connolly)	2.0 person-months
CCN Consultants	18.0 person-months

## **II. CITY OF MOSCOW**

### **II.A. Privatization of Housing Maintenance Pilot Project**

#### **Objectives**

The basic goal furthered by the HSRP is competitive maintenance, rehabilitation, and construction of the housing stock. The introduction of competition into the management of the state rental stock and the fostering of the growth of a private market capacity in housing maintenance may also contribute to other objectives by reducing the cost and increasing the quality of maintaining multifamily housing. These efficiency gains will assist in:

- Targeting of remaining subsidies to the truly needy; and
- Making housing affordable to families with a broad range of incomes.

Furthermore, competition among housing maintenance organizations may lead to enhanced consumer sovereignty in the choice of units and unit quality, as homeowners associations assume responsibility for management and maintenance.

The objectives of this work are to demonstrate the feasibility of utilizing private management firms to provide high quality maintenance services to the City of Moscow's municipal housing stock, and then to expand private maintenance to such an extent that it is irrevocably part of the state housing system. Until August 1994 dwelling rents (maintenance fees) had been frozen at 16.5 kopecks per square meter per month since 1928. Low rents coupled with high inflation have put extreme pressure on the maintenance delivery system. Rents pay for only 0.5 percent of the current maintenance costs. In order to justify the rent increases that are essential for adequate maintenance, the city must also demonstrate that some concrete action is being taken to improve maintenance quality.

### **Highlights of the Past Year**

During the past year, the program to introduce competitive, private maintenance services grew well beyond the initial pilot efforts:

- In February 1994, the program developed beyond the initial contracts in the Western Administrative District when a contract was signed in the Northwest Administrative District for 3,295 newly-constructed units, following a rigorous competitive process.
- In August 1994, the same Administrative District expressed sufficient satisfaction with the private contractor to expand the original contract by another 4,500 units.
- Based on the positive progress of the first half of the year, Aleksandr Matrosov, Chairman of the Department of Engineering and Communal Services, issued an order for Moscow formalizing the minimum terms of the contract, based on the HSRP's recommendations, and establishing competitive bidding as the required procedure for all future contracts and limiting to one year any maintenance contract not competitively bid.
- To further the city's aim to have 250,000 units in the inventory of privately maintained buildings by the end of the year, Deputy Mayor Nikolai Maslov invited the press and representatives of the 10 prefectures to his press center for the purpose of bringing public attention to the benefits of

competitive contracting and to underscore Mayor Luzhkov's October 1993 order to broaden participation.

- In August and September 1994, the Deputy Director of the Department of Engineering Services Ivan Bitsukov and his staff met with the Prefects individually to report the progress of the expanding program and to encourage their accelerated participation. These visits resulted in commitments from six additional Prefects totalling 99,422 new units.
- Resident Advisor David Murrell organized a half-day conference for private contractors where they heard from officials and experts regarding a variety of issues important to operating a private maintenance business in Moscow: obtaining licenses, city inspections, city funding, and the formation of an association of private contractors.
- At year's end, over 100,000 apartments had been put under private contracts and an additional 150,000 were in the process of receiving training, scheduled for training, or committed to the process.

#### **Activities During This Workplan Period**

The goals for 1995 are to:

- Fulfill the ambitious targets set for the program;
- Develop a phase-out plan and hand over the program in full to the city by mid-year;
- Help introduce private maintenance into several condominiums; and
- Shift training responsibilities for privatization of maintenance to the staff of a national academy and other trainers.

We are optimistic that the goal of having a total of over 250,000 units under private maintenance will be fully reached by mid-year 1995, assuming city officials' performance is consistent with their capabilities. The capacity has been realized and it is only a matter of completing the training as scheduled. This will be accomplished by the current training institute and two additional training organizations which became proficient at the end of 1994.

*Institutionalization.* Transferring the program to the city is the heart of institutionalization. During the summer of 1994, the Department of Engineering Services was still not able to make a firm commitment to accept full responsibility for the functioning of the program. The decision was delayed owing to their realization

that operating the program under a very tight municipal budget will require additional staff and resources. However, as of mid-December 1994, they offered renewed assurances that these issues will be resolved and they repeated their desire to accept full operational responsibility for the program.

Concrete planning for the hand-over began in December with the Department of Engineering and Communal Services. While the Department's role is clearly important, the Prefects of Moscow's ten Administrative Districts for also play a key role in further program expansion. These officials control the management of the municipal housing in their districts—about 250,000 units in each district. To heighten their understanding of the gains potentially available from the introduction of private maintenance and management, the HSRP is organizing a study tour for them to Washington and New York in February 1995. Mayor Luzhkov has agreed to their participation and First Deputy Minister Nikolski is likely to lead the delegation.

### **Indicators**

*USAID Indicator:* Increased percent of private maintenance of the remaining municipal housing

*Target:*

- (1) Percentage of Moscow housing stock under private maintenance will increase from 1 percent in 1993 to 20 percent in 1997.

### **Products**

- Operational Handbook on Privatization of Maintenance.
- Successful transfer of the Basic Management Course and to the other training institutes.

### **Resources Summary**

No resources beyond the Resident Advisor and the core staff are envisioned at this time. Planned use of CCN professional staff is about 8.0 person-months.

### **USAID Decision Points**

- None.

## **Related Activities**

The HSRP team has been laying the groundwork for developing an association of private maintenance contractors during 1994 and will continue this activity into 1995. The association will serve as a support group for this new industry, potentially partnering with like U.S. associations in a mentoring relationship.

## ***II.B. Development of Privatization of Property Management Pilot Project***

### **Objectives**

The basic goal furthered by this project is competitive property management of the municipally owned housing stock, as a natural follow-up to the program on privatization of housing maintenance. The introduction of competition into the management of the housing stock will break the monopoly now enjoyed by the municipal management system (Board of Unified Customer, or, DEZ) and reinforce gains made by privatization of housing maintenance.

A primary motivation for this project is the poor management job performed by the DEZ, which is a re-organized governmental entity at the level of each Moscow Sub-District, and in whom the authority to manage is delegated by the Moscow Committee on Property, the actual owner. The DEZ lacks an overall compelling property interest and prefers mere paper reports to visiting the sites and inspecting the actual quality of the private contractors. The introduction of competitive maintenance contracts is viewed by them, in general, as a nuisance and offers them no reward or reinforcement.

Giving responsibility for management quality and maintenance oversight to an authority closer to the level of the prefects should result in closer monitoring of performance, given the appropriate structure of contract administration. This structure must be worked out with local authorities, but could take the form of an Office of Contract Administration or a local authoritative oversight board, similar to the U.S. experience. Both structures are familiar to the Russian experience.

Results of analysis conducted for Moscow unequivocally show that private Russian firms are capable of delivering good maintenance services when selected on a competitive basis, given a clear contract, and subjected to reasonable oversight by a competent and interested owner. This project intends to create a competitive market for the current "owner" by designating a new owner and forcing the DEZ to compete to retain management control.

The results in Moscow and Novosibirsk show that private maintenance and management firms are readily created in response to demand. The supply of such

firms appears to be highly elastic. There is reason to believe that firm availability will facilitate privatization of housing management functions.

To be effective, private management firms should assume all functions of basic property management on a long-term contractual basis. The term of these contracts should be for five to seven years to provide a stable period of adjustment, continuity, gained experience. Functions which should be included in the contract include all those which would give a management firm the authority and responsibility to successfully manage large properties: tenant selection and assignment, eviction, rent collection, administration and inspection of work performed by contractors and sub-contractors (such as routine maintenance and repairs, rubbish removal, elevators, etc.), security, banking, and authority or influence over current and long-range capital repairs.

In order to make a significant impact on the Moscow housing market, and to take advantage of experience gained in privatized maintenance, future management contracts should be on a fairly large scale—covering one or two DEZ's. This amounts to the equivalent of a very large U.S. housing authority, 50,000-100,000 housing units.

Contracting long-term and on a large scale at the level of the municipal sub-district creates several advantages: (a) incorporates the authority of the Sub-Prefect, the administrative deputy of Prefects; (b) concentrates authority and reduces administrative confusion over a broader area; (c) provides a vehicle for objective enforcement of regulations, guidelines, and contracts; and, (d) puts the authority for hiring and firing of personnel, purchasing of materials and equipment, and budget expenditures on a *results-oriented* basis.

This will further the following program objectives:

- Consumer sovereignty in the choice of units and unit quality;
- Competitive management, maintenance, rehabilitation, and construction.
- Targeting of remaining subsidies to the truly needy; and
- Making housing affordable to families with a broad range of incomes.

### **Highlights of the Past Year**

This is a new activity for the 1995/1996 workplan.

### **Activities During This Workplan Period**

The goals for 1995 are to:

- Develop the legal basis and corresponding normative documents for the creation of large housing aggregations;
- Develop a statement of work and competitive procedures for the selection of two management firms for long-term contracts;
- Develop and offer a training program in asset management and offer it to firms bidding on the housing;
- Assist in the first one or two competitions and intensely monitor early performance.

The goals for 1996 are to:

- Expand the program to include selection of two additional management firms for long-term contracts;
- Develop procedures and criteria for the city to monitor management firm performance.
- Develop a phase-out plan and hand over the program in full to the city by summer 1996;
- Give the pilot institutional permanence through creation of a Russian enterprise capable of carrying on the work of privatization after the exit of the HSRP team.

### **Indicators**

*HSRP Indicator:* Exploitation of the progress made in introducing private firms to maintain the municipal housing stock by bringing the overall housing asset under private management.

*Target:*

- (1) One hundred thousand units under private management by the summer of 1996.

**Products**

- Concept paper developed in consultation with the Department of Engineering Services.
- Short-term intensive course for bidders on the subject of asset management.
- Model form for long-term contractual relationship.
- Model forms for operational control and monitoring.
- Two or three competitions successfully completed, with 100,000 units under private management.

**Resources Summary**

The following U.S. resources may be needed during the period, beyond those of the core staff:

Property Management Consultant (Quadel)	8.0 person-months
Short-Term Legal Consultant	1.0 person-month

CCN professional staff will be utilized from the core staff, transferring their skills from the maintenance pilot to the property management pilot:

CCN Consultants	18.0 person-months
-----------------	--------------------

**USAID Decision Points**

- None.

**Related Activities**

The HSRP team will be working on creating an association of housing managers in 1995 for this new industry, potentially partnering the association with like U.S. organizations in a mentoring relationship.

## **II.C. Development of Condominium Associations**

### **Objectives**

The establishment of the condominium form of homeownership and organization of multifamily buildings serves the following goals of the overall program of technical cooperation:

- Consumer sovereignty in the choice of units and unit quality;
- Promotion of private ownership of housing; and
- Competitive housing maintenance, rehabilitation, and construction.

Public policy in Western countries has long supported homeownership, and privatization of the state rental stock to individual residents was adopted as a major policy thrust of the Yeltsin Government in early 1991 because of:

- The greater control homeowners have over the quality of their housing; and
- The opportunity to build an asset that homeownership provides to citizens in a market economy.

Both of these advantages will only be achieved if homeowners actually have decision-making authority over the management, maintenance, and capital improvements to their housing units. When ownership is in multi-family buildings, the legal basis of this decision-making must be established and homeowners organizations must be established to make the decisions.

### **Highlights of the Past Year**

The Government of Moscow, with substantial assistance from the HSRP team, moved aggressively to introduce condominiums in 1993. City laws were passed, an office for condominiums was established within the Department of Municipal Housing to implement the regulations, a mandatory training course for board members was provided, and implementing regulations were issued by the city to detail the requirements for registration of associations. However, the requirements made the process complicated and expensive, thus nearly halting the initially progressive program in Moscow. Only in November of 1994 did the first condominium actually complete all registration requirements and take over ownership responsibility for the building.

### **Activities During This Workplan Period**

While Moscow was the leader a year ago in developing a city condominium program, they have regulated themselves into a position where new associations face an uphill "battle" with the bureaucracy in trying to take responsibility for their housing.

The demand for the HSRP's technical assistance is high in the regions outside of Moscow, and these cities created regulations which serve better to pave the way for successful condominium association registrations than those in Moscow. Therefore, the HSRP team sees only a limited role in the city of Moscow's condominium program for this workplan period:

- The HSRP team will maintain an informed stance regarding the progress of the condominium program in Moscow and any new regulatory developments.
- Invite both government housing department heads and other persons related to condominium formation to all HSRP-sponsored training events and conferences.
- As time permits provide technical assistance as requested by the City or individual associations on all related matters.
- Work with at least six associations to find private maintenance or management firms for the association to hire for their building.

In light of the low level of activity no institutionalization and phase out plan are included.

### **Resources Summary**

No resources required beyond core staff members.

### **USAID Decision Points**

- None.

### **III. PROGRAM INSTITUTIONALIZATION AND PHASE OUT**

The strategy for institutionalization of housing reform has three distinct elements. First, the HSRP is working to implement concrete reform programs in selected areas—mortgage finance, construction finance, condominiums, privatization of maintenance—in a sufficient number of cities that these reforms have real momentum and become commonplace, in much the same way that the national program of rent increases and housing allowances is universal. Accomplishing this objective is the primary task of the regional and housing finance teams, as described in the preceding sections.

Second, the HSRP team is working to institutionalize training courses in many elements of reform with institutions that are genuinely interested in teaching them.

Third, over the next months, the HSRP team will explore the creation of a "Center for Housing Reform" to carry on the analytic and policy work now carried out by the HSRP. This section concentrates on the latter two elements in the institutionalization strategy.

#### **Training**

The table on the next page summarizes the training courses being transferred to Russian institutions. In each case the HSRP team is or will train the trainers to teach the courses and monitoring their performance, at first intensively and then more episodically. The courses are being offered on a self-financing basis so that there is a clear incentive for the training institution to continue the courses and to add related courses.

#### **"Center for Housing Reform"**

The HSRP team—now numbering about twenty U.S. and CCN professionals—constitutes the "think tank" on Russian housing reform. As described above, this expertise spans policy development, implementation of demonstration projects, and evaluation and research. Perhaps the signal accomplishment of the HSRP has been the mentoring of Russian professionals in all of these areas. A central question is whether a way can be found to continue the operation of this valuable resource created by the program.

Two broad options are apparent. One is for the Russian professional staff to create a new institution to carry on this work—perhaps a Russian "Urban Institute." The alternative is for the team to join an existing institution as a group, forming a "Center for Housing Reform" within the institute. HSRP's experience indicates candidate institutions for the second option are principally those formed since the start of *perestroika* which have a more entrepreneurial and reformist philosophy than

**Summary of Training Courses Being Developed  
and Offered with HSRP Assistance**

Reform Area	Offering Institution and Comments
Housing finance	<p>The Association of Mortgage Banks in 1994 offered three different courses in 1994 (basic introduction, loan underwriting and servicing, and loan instruments and risk management) and a total of five courses. Six different courses are planned for 1995, including construction period finance. Two AMB trainers are being trained.</p> <p>Additional courses will be developed in 1995-1996 on home improvement loans and loans to condominiums for rehabilitation.</p>
Condominium formation	<p>A basic course was offered for first time by the Academy of International Entrepreneurism (AIE) in December 1994. Two AIE trainers are being trained and the course will be offered periodically in 1995. The HSRP team will consider the desirability of offering additional specialty courses.</p>
Privatization of housing maintenance	<p>A training course for public officials who have the role of "owner" (i.e., overseeing the work of the maintenance companies):</p> <p><i>Moscow:</i> Moslift and Institute for Housing Economy offer the course on regular basis. Training facility of Municipal Office of Housing Inspection also wants to be trained and offer the course.</p> <p><i>Other cities:</i> The course will be offered by AIE which has hotel associated with the training facility.</p>
Housing management	<p>A course on asset management will be developed as part of program start up; AIE is a candidate training institute.</p>

most pre-existing institutions. Candidate institutions might include the Leontief Center (St. Petersburg), the Russian Privatization Center, and the Institute of Transition to the Market (founded by Igor Gaidar).

Two broad options are apparent. One is for the Russian professional staff to create a new institution to carry on this work—perhaps a Russian "Urban Institute." The alternative is for the team to join an existing institution as a group, forming a "Center for Housing Reform" within the institute. HSRP's experience indicates candidate institutions for the second option are principally those formed since the start of *perestroika* which have a more entrepreneurial and reformist philosophy than most pre-existing institutions. Candidate institutions might include the Leontief Center (St. Petersburg), the Russian Privatization Center, and the Institute of Transition to the Market (founded by Igor Gaidar).

If the Russian professional staff follows either of these options, the HSRP would (with USAID approval) enter into a subcontract with the institute in the fall of 1995 in order for the Russian team to gain experience in this new, more independent environment during the final year of the project. During this year they would seek new clients, both Russian and international. The latter would include the World Bank, the European Community, and other donors. Prominently among the former is Minstroi. A question to be addressed is how to phase in charges for the services provided by the institute—Should new clients of the HSRP be charged some (perhaps not full) fees? How should existing clients be treated?

Even with a one-year start up period with a large contract with the HSRP, it seems likely that survival of the new policy group would depend on some assured funding for an additional two- or three-year period. Indeed, the willingness of the Russian professional staff to establish the new entity may be contingent on the prospect of continuing support. USAID should seriously consider providing such support to the group, with the amount of support declining steadily over a three-year period. The first year amount might be the equivalent to 75 percent of the HSRP's subcontract with the group in the final year of the project; in subsequent years the amount would decline by 25 percentage points each year.

These variants structuring this assistance present themselves. One is simply to provide a grant which is released in predetermined tranches as long as the Center continues to be active in housing reform and USAID is satisfied that the funds provided are spent for this purpose. The second alternative is to structure the support through the Urban Institute or other entity which would be responsible for providing mentoring to the group—help with defining their work agenda, developing business plans, techniques for tracking and controlling costs (including establishment of verified overhead rates), creating dissemination strategies, and so on. The mentoring institute would work with the group each year to develop a workplan against which the group's efforts could be measured. The mentoring institute would report to USAID and make a recommendation concerning the release of the next tranche of funds. The funds could be channeled through the mentoring institute or be disbursed directly by USAID. The third option is to use any funds remaining in the contract at the end of the "main phase" of the program to provide initial support for the Center, with the Urban Institute providing the kind of low-level assistance just described.

All of the above may be premature—the obvious first step is for the team of Russian professionals now working for the HSRP to express their clear interest in pursuing the "institutionalization option." Early discussions have been positive but far from definitive. USAID's response to the ideas sketched above will be a critical factor. USAID and the HSRP should aim to reach closure on this topic by late spring 1995. For budgeting purposes, it has been assumed that the HSRP will subcontract beginning October 1995 with the institute to which the Russian staff has migrated.

Based on our current knowledge of the structure, motivation, and professionalism of existing Russian institutes, the better option appears to be for the Russian staff to create their own institute. To do this will require significant assistance from the Urban Institute, but such efforts will be justified if a strong, policy-oriented institute results.

#### **IV. SECTOR MONITORING AND EVALUATION**

##### **Objectives**

Monitoring developments in the housing sector in Moscow and the Russian Federation and evaluating the outcomes of program activities serve all of the basic goals of the technical cooperation program:

- Allocation of the housing stock by the price mechanism;
- Consumer sovereignty in the choice of units and unit quality;
- Promotion of private ownership of housing;
- Competitive housing maintenance, rehabilitation and construction;
- Targeting of remaining subsidies to the truly needy, with equity among similarly situated households; and
- Making housing affordable to families with a wide range of incomes in a way consistent with sound macroeconomic policy by helping to determine whether these goals are, indeed, being served by the program activities and whether the overall housing sector is moving towards achieving those goals.

##### **Highlights of the Past Year**

Three related, but distinct, tasks fall under the general rubric of monitoring.

- (1) Keeping track of general developments in the sector, such as the volume of housing produced, the extent of privatization, the volume of mortgage credit, price developments, government subsidy policy and the like.
- (2) Developing and maintaining more specific indicators for the various components of the projects described above. These activities may include original data collection and evaluation.

- (3) Maintaining a log of legal developments and what they mean for the evolution of the sector to operating on market principles.

Major products of the past year have been:

- Gathering of housing indicators data for Moscow for 1993 (following the USAID/World Bank/Habitat format), which extends the data series for those gathered for 1989-1991; and, in the context of the data collection effort for the six cities included in the World Bank/USAID sector loan, preparation of tables giving comparative data for seven cities.
- Completion of a major report in May 1994 describing the reforms in the housing sector made to date in the Russian Federation.
- Completion of analyses and reports based on data from the Moscow rental sector monitoring survey and data from the six "World Bank" cities on the determinants of housing privatization, the distribution of housing quality at the beginning of reform, and household mobility.
- Completion of the evaluation of the impact on the quality of maintenance services of the shift to private, competitively selected, maintenance firms from the old REUs. Three additional household samples have been collected in preparation for additional analysis: a third wave of data for tenants in the first 2,000 unit placed under contract; and baseline and "after" surveys for tenants in the second group of 5,000 units placed under contract.
- Initiation of an assessment of the housing allowance program in Vladimir and Gorodetz—two fast starting local governments.
- Organization and sponsorship of a national conference to "showcase" the results of the surveys conducted in seven cities as part of the preparation for the World Bank project; results were published as a special issue of *Voposi Ekonomiki*.
- Completion of a report for USAID under which the HSRP's progress was measured against annual goals established in September 1992.
- Preparation of two semi-annual reports summarizing the changes in laws and regulations in the housing sector.

### **Activities During This Workplan Period**

- (1) *Monitoring Sector Developments*
  - (a) *Housing indicators.* Using the data on the expanded set of indicators provided by the contractor at the Institute for Economic Forecasting, the core staff will do the final assembly of the indicators for 1994 and 1995.
  - (b) *Additional studies.* Similar to the study of the suburban housing market in St. Petersburg undertaken early in 1992, the project proposes to sponsor an occasional research project by Russian researchers to answer important questions about current market operations. The team has been discussing an examination of the ratio of house prices to incomes in a number of Russian cities with staff from the Institute for Economic Forecasting. This and other small studies may be funded during the course of the two years. The budget includes four studies at \$15,000 each.
  - (c) *Monitoring reports.* As in the past the team will produce reports on developments in the sector. Papers reviewing the developments of the past year will be prepared in early 1995 and 1996. Other topical papers will be prepared on such topics as developments in the housing allowance program, condominiums, and housing finance.
  - (d) *Conference participation.* The team has and will continue to receive invitations to participate in conferences at which developments in the countries of Eastern Europe and the NIS are discussed. Conference organizers are anxious to have contributions on developments in Russia. Other conferences could of the type providing more instruction for Russian participants on key topics.

The European Network for Housing Research will hold its large annual meetings in September 1995 and 1996, and the HSRP will very likely be invited to participate. It would be also useful for a few other Russians to be invited by USAID to participate. The workplan budgets for attendance by six persons (two American and four Russian) at these conferences and three persons at each of two other conferences over the period.

(2) *More Detailed Indicators for Priority Areas*

- (a) *Monitoring the rental sector.* The HSRP began a survey in December 1992 of 2,000 Moscow dwelling units that were state rentals in January 1992 in order to be able to track the actual changes in housing conditions, rent payments, and occupancy and homeownership patterns during the transition period. The second survey round was conducted in December 1993 and a panel of 250 cooperative units was added to the sample. The third round survey was conducted in December 1994. Analytic reports will be prepared using the data by May 1995 and the data will, as in the past, be used continuously to inform policy development. A fourth survey wave is planned for December 1995 to permit continued monitoring.
- (b) *Housing allowance evaluation.* In 1994, the HSRP gathered data in three cities—Vladimir, Gorodetz, and Moscow—to obtain an "instant" snap shot of program implementation. An assessment using these data is now being prepared. The primary objective was to determine if those who are supposed to be protected through the housing allowance program are receiving benefits and if the program has been structured and administered in such a way that the payments received by participants are appropriate. To address this question a general survey of the population was conducted (in Moscow it was the rental monitoring survey). In addition, a random sample of program participants was surveyed to learn about their treatment under the program. Depending on the results of the survey and the adjustments made to the program, other waves of these surveys may be conducted during 1995 and 1996.

In addition to the monitoring just outlined, the HSRP team will establish a panel of 5 to 10 cities from which quarterly data on housing allowance operations will be obtained. Such data include administrative cost, revenues net of allowance payments received by the city, the share of income participating households pay for rent, and fees for maintenance and communal services.

- (c) *Monitoring condominium associations.* Russia is just launching its first condominium associations. It is important to have some basic information on these associations, so that they can be accurately characterized and the progress in forming associations can be monitored. A data base for the cities in which the HSRP

is working will be developed. For each association<sup>7</sup> various essential data will be obtained including information on expenses, subsidies from the city, and membership.<sup>8</sup>

- (d) *Evaluation of St. Petersburg housing maintenance.* In Moscow the hard-hitting results of an evaluation of the improvement in maintenance services achieved by shifting to private firms was instrumental in gaining the support of Mayor Luzhkov for the program. The same type of before-and-after evaluation will be repeated in St. Petersburg to help create support for the program.

(3) *Monitoring Legal Developments*

The resident legal advisor will develop and maintain this log. As suggested in Section I.A, every six months a "status of laws" report will be produced and will list and briefly abstract all laws passed by the Russian Federation and the City of Moscow, laws in draft, and laws proposed by the government but not yet enacted. Reports are prepared in September and March.

(4) *Institutionalization*

It is clearly important for some of the tasks being executed by the HSRP to continue after the conclusion of the project. Other activities, such as conference attendance, are more discretionary.

During the six month period beginning in the fall of 1995, the HSRP team will discuss with Minstroi the possibility of the Ministry supporting the continuation of the monitoring activities for the housing indicators and for assessing developments in condominiums and housing allowances. It will be critical for the HSRP to work with the Ministry to have an orderly hand over during 1996 of the methodology and procedures to the firm(s) that the ministry selects for these tasks. Discussions will also be held with the World Bank Project Implementation Unit for the housing construction loan and the housing divestiture loan (assuming they go forward) about providing some support for these surveys and related analyses.

---

<sup>7</sup> If the number of associations becomes large, we will shift to a sampling procedure.

<sup>8</sup> Other data to be collected will include when the association was formed, the number of units in the building, the number privatized, the number of owners who belong to the association, whether a reserve fund was established, whether a management or maintenance firm was hired and similar information.

## **Products**

- Highlights of succeeding waves of housing indicators for Moscow and a comparative report on indicators for seven cities.
- Analysis of data from the third and fourth wave longitudinal survey of the Moscow housing stock.
- Results of the evaluations of the implementation of housing allowances.
- Results of the evaluation of the impact on maintenance quality of the introduction of private firms to carry out building maintenance.
- Semi-annual "status of laws" report (also listed under I.A. above).
- Annual reports to USAID on project achievements compared with goals defined in September 1992 and AID-defined indicators.
- Three to six sector monitoring reports.

## **Resources Summary**

Resources beyond those of the Moscow core staff expected to be needed for this work are:

Research Associate—data analysis and report preparation	18.0 person-months
CCN Professional Staff (Consultants)	18.0 person-months

## **V. SUMMARY OF PERSONNEL RESOURCES**

The chart on the next page shows the anticipated level of personnel resources needed over the plan period.

**Level of Effort Summary**

Task	Person-months
<b>1. Long-Term Advisors</b>	
Project Director (Struyk)	15.0
Maintenance Privatization Advisor (Murrell/TBN)	5.0
Legal Advisor (Butler)	10.0
Legal Advisor (Platkin)	6.0
Regional Housing Assistance Advisor (Warsaw/TBN)	18.0
Regional Housing Finance Advisor (Cook)	18.0
Research Associate (Romanik/TBN)	18.0
<b>2. Short-Term Advisors</b>	
I.A. Legal Framework	3.0
I.C. Housing Finance	25.0
I.D. Housing Allowances	5.0
I.E. Urban Land Allocation and Land Use	12.0
I.G. Housing Codes	7.0
II.A. Privatization of Housing Maintenance	0.0
II.B. Introduction of Housing Management	9.0
II.C. Condominium Associations	0.0
IV. Monitoring and Evaluation	18.0
<b>3. CCN Consultants</b>	
I.A. Legal Framework	30.0
I.C. Housing Finance	86.0
I.D. Housing Allowances	18.0
I.E. Urban Land Allocation and Land Use	23.0
I.G. Housing Codes	105.0
II.A. Privatization of Housing Maintenance	18.0
II.B. Introduction of Housing Management	8.0
II.C. Condominium Associations	18.0
IV. Monitoring and Evaluation	18.0

**VI. WORKPLAN MILESTONES****1995**

- April      Second offering of the construction finance training course by the AMB, targeted to banks participating in the construction finance component of the World Bank housing sector loan
- Initiation of work program on home improvement loans with a single bank
- Handbook on Privatization of Maintenance for Russian administrators

**1995**

- May**            Initiation of mortgage lending by an additional three banks. Expansion of technical assistance to two new banks.
- Marketing and Consumer Education course offered by the AMB.
- Secondary Market Course offered by the AMB
- Basic Housing Finance Course offered by the AMB
- June**            Initiation of mortgage lending by two additional banks. Expansion of technical assistance to two new banks
- Successful land tender completed in one city
- National conference on housing reform
- July**            Expansion of technical assistance to an additional bank.
- Successful land tender completed in second city
- Delivery of training materials for use by National Housing Codes Training Center for the first module of the housing code
- Cumulatively, condominiums associations created in six cities with which the Regional Team is working
- September**    Origination and Servicing Course offered by the AMB.
- Initiation of the development of the condominium rehab loan program with one bank.
- Construction Finance Course offered by the AMB.
- National Conference on Housing Codes and Enforcement in Moscow
- National condominium course taught exclusively by training staff at the Academy for International Entrepreneurship for the first time
- October**        Mortgage Finance & Risk Management Course offered by the AMB.
- Basic Housing Finance Course offered by the AMB

**1995**

- October      Expansion of technical assistance to two additional banks  
First competition for Moscow housing management held  
Initial offering of Housing Codes Training Course
- November    First offering of home improvement loan training course by AMB
- December    Training-study tour in U.S. on housing codes and inspection

**1996**

- January      Initiation of mortgage lending by at least three additional banks.  
Expansion of technical assistance to two banks
- February     Initiation of mortgage lending by one additional bank.  
First offering of the condominium rehabilitation loan course.  
Preparation of formal phase out plan for the overall program
- March        Expansion of technical assistance to two additional banks
- April         Initiation of mortgage lending by one additional bank
- May          Initiation of mortgage lending by two banks  
Second competition for Moscow housing management held
- September   Completion of phase-out plan

**ANNEX A**  
**PROJECT REPORTS AND RELATED PAPERS**

**USAID HOUSING SECTOR REFORM PROJECT  
RUSSIAN FEDERATION/CITY OF MOSCOW**

**PROJECT REPORTS AND RELATED PAPERS**

Date	Report Title	Author	Russian Text
<i>Housing Markets, Programs and Finance</i>			
01/95	The Russian Dacha Phenomenon	Struyk, Angelici	Yes
01/95	An Early Assessment of Russia's Housing Allowance Program	Struyk, Puzanov	
12/94	A Note on Residential Mobility in Urban Russia	Struyk, Romanik	
10/94	A Comparison of the Condition of Russia's Municipal and Departmental Housing Stock	Struyk, Romanik	
10/94	Russia's Early Experience with Private Housing Maintenance and Management	Struyk	
10/94	An Analysis of the Main Directions in Russian Federation Policy on Housing Facilities Controlled by Enterprises	Kosareva	
10/94	An Evaluation of the Dwelling Purchase Certificate Pilot Program for Retired Military Officers	Struyk, Romanik	Yes
09/94	Summary of Laws Relating to Housing and Urban Development in the Russian Federation	Butler, O'Leary	
08/94	Housing Privatization in Urban Russia	Struyk, Dantell	Yes
07/94	Exploring Russian Urban Housing Markets: The World Bank-USAID Surveys in Seven Cities	Struyk	Yes
06/94	Condominium Operations and Management Training Manual	Rabenhorst	Yes
05/94	Transition in the Russian Housing Sector: 1991-1994	Struyk, Kosareva	Yes
04/94	Bank Administrative Procedures and Guidelines: Military Certificate Program	Mawhinney, Ravicz	
04/94	Procedures for Implementing the Russian Military Housing Certificate Program	Quadel Consulting	
04/94	Private Contractor Training Materials for Privatization of Maintenance and Management of Municipal Housing	Olson	Yes
04/94	Private Maintenance for Moscow's Municipal Housing: Does It Work?	Angelici, Struyk, Tikhomirova	Yes
03/94	Summary of Laws Relating to Housing and Urban Development in the Russian Federation	Butler, O'Leary	

Date	Report Title	Author	Russian Text
03/94	Analysis of Database Status of the Moscow Department of Municipal Housing	Gerson	
02/94	Property Management Training Modules on: Landlord Resident Relations, Rent Collection, Apartment Turnover Preparation	Rizor	
02/94	Housing Demand in Moscow	Daniel	Yes
01/94	Presentation to the Six City Seminar on Title Registration, Land Use Regulation and Land Allocation	Butler, Einsweiler, Eckert, Kalinina, Kayden, Robinson	Yes
01/94	Delivering Technical Assistance in Eastern Europe and Russia: Lessons from the Field	Struyk	
01/94	Model RFP and Contract for Privatization of Housing Management	Olson	Yes
01/94	Housing Allowances Administration Procedures Manual	Puzanov, Rizor	Yes
12/93	Action Program for Housing Finance in the Oblast of Nizhni Novgorod	Kosareva, Struyk	Yes
12/93	The Legal Basis for Land Allocation in the Russian Federation, and Appendices	Butler, O'Leary	Yes
10/93	Concept for the Creation and Initial Activities of the Center for Financial Training ....	Dennis	
10/93	Summary of Laws Relating to Housing and Urban Development in the Russian Federation	Butler, O'Leary	
08/93	Housing Indicators for Moscow and the Russian Federation, 1992	Pchelintsev, Belkina, Ronkin, Tcherbakova	
08/93	Initial Evaluation of Private Maintenance for Moscow's Municipal Housing Stock	Angelici, Struyk	Yes
08/93	Tracking Change in Moscow's Housing Sector	Daniell, Struyk	
07/93	Facilitator's Guide to Management Training Courses	Olson	Yes
06/93	Promotion of U.S.-Russian Joint Ventures in Residential Construction and Building Materials	Butler, Angelici, Belkina	
05/93	The Russian Housing Market in Transition	Struyk, Kosareva	

Date	Report Title	Author	Russian Text
04/93	Privatization of Management and Maintenance of Municipally-Owned Housing: Moscow Pilot Program (Description and Documents)	Olson	Yes
03/93	Housing Indicators Moscow and the Russian Federation, 1989—1991	Pchelintsev, Belkina, Ronkin, Tcherbakova	
03/93	A Structure for Housing Finance in the Russian Federation (Revised and Expanded)	Struyk, Kosareva	Yes
03/93	Guidelines for Designing Programs for Raising Rents and Implementing Housing Allowances in Russian Republics and Municipalities	Daniell, Pusanov, Struyk	Yes
03/93	Housing Privatization in Moscow: Who Privatizes and Why?	Daniell, Pusanov, Struyk	Yes
03/93	Dwelling Conditions and the Quality of Maintenance in Moscow's State Rental Sector	Daniell, Pusanov, Struyk	Yes
02/93	Shelter Sector Reform Project Russian Federation/City of Moscow: Principles of Management Training Materials	Olson	Yes
02/93	Summary of Laws Relating to Housing and Urban Development in the Russian Federation	Butler	
02/93	Housing Reforms in Russia—First Steps and Future Potential	Kosareva	
01/93	Housing Finance in Russia: Developments in 1992	Struyk, Kosareva	Yes
01/93	A Note on Housing Affordability in Moscow	Pusanov	Only
01/93	The Transformation of Russia's Housing Sector: Comparisons with Eastern Europe	Baross, Struyk	Yes
12/92	Options for Subsidizing Home Purchase	Daniell	Yes
11/92	The Privatization of Management and Maintenance Demonstration Program (conference presentation)	Olson	Yes
11/92	Condominium Law	Butler	Yes
<i>The Mortgage Handbook Series</i>			
08/94	Function and Organization of a Legal Department for Mortgage Lending in Russia (Pepper, Hamilton and Scheetz)	Smuckler	Yes
07/94	Users Manual for Mortgage Servicing Software	Kopeikin, Strebezh	Only

74

Date	Report Title	Author	Russian Text
02/94	Program Summary: Housing Finance Servicing Software for Russia	Newman	Yes
01/94	Mortgage Loan Underwriting Problems	Rosenberg	Yes
10/93	Mortgage Servicing Manual Developed for Russia	Subramanian	Yes
07/93	Mortgage Pricing in Russia: A Methodological Introduction	Lea, Ravicz	
04/93	Residential Mortgage Loan Manual for Russia	Rosenberg	Yes
03/93	Product Description for the Deferred Adjustable Instrument for Russia	Ravicz, Struyk	Yes
03/93	The Legal Basis for Residential Mortgage Lending in the Russian Federation	Butler	Yes
<i>Project Administration</i>			
01/94	Shelter Sector Reform Program, Russian Federation/ City of Moscow: Workplan April 1994 — March 1995	Struyk, Telgarsky	
09/93	Results for Year One of the Housing Sector Reform Project for Moscow and the Russian Federation	Struyk	
01/93	Shelter Sector Reform Program, Russian Federation/ City of Moscow: Workplan March 1993 - March 1994	Struyk, Telgarsky	
01/93	Shelter Sector Reform Project Russian Federation/City of Moscow: Work Plan Mosbusinessbank, Technical Assistance	Ravicz, Struyk	
10/92	Shelter Sector Assistance Program Workplan for Moscow and the Russian Federation: September 1992 - February 1993	Struyk	
10/92	Revised USAID Technical Assistance Strategy for the City of Moscow in the Shelter Sector	Hanson, Khadduri, Olson, Struyk	
<i>Eastern Europe Papers Translated into Russian</i>			
03/93	Housing Privatization: What Should We Advocate Now	Kingsley, Telgarsky	Yes
11/92	The Bulgarian Indexed Capped-Credit: A New Mortgage Instrument for Inflationary Economies	Ravicz	Yes
04/92	Progress in Privatization: Transforming Eastern Europe's Social Housing	Kingsley, Struyk	Yes

Date	Report Title	Author	Russian Text
08/91	Alternative Mortgage Instruments in High-Inflation Economies	Telgarsky, Mark	Yes
07/91	The Puzzle of Housing Privatization in Eastern Europe	Struyk, Telgarsky	Yes
05/91	Housing Reform in Hungary: Five Concept Papers	Anthology	Yes
01/91	Private Management for Eastern Europe's State Rental Housing	Struyk, Mark, Telgarsky	Yes

**ANNEX B**  
**SEMINARS, PRESENTATIONS, AND CONFERENCES**

**USAID HOUSING SECTOR REFORM PROJECT  
RUSSIAN FEDERATION/CITY OF MOSCOW**

**PROJECT SEMINARS, PRESENTATIONS AND CONFERENCES**

Dates	Location	Event/ Organizer	Program Sponsored Speakers	Number of Participants	Topic
<b>1992</b>					
November 18-20	Moscow	Seminar/UI	M. Ravicz	8	Mortgage Instruments
November 22-25	Moscow	Seminar/UI	R. Pratt	8	Introduction to Mortgage Lending
November- December	Moscow	Training/UI 18 sessions	A. Olson	15	Training for "owners" in privatization of housing management
<b>1993</b>					
February 2	Moscow	Seminar/UI	S. Butler	45	Residential Mortgage Lending in Russia: Structuring the Legal Framework
April 1	Moscow	Seminar/UI	M. Rosenberg	50	Loan Origination and Underwriting
May 8	Moscow	Seminar/UI for Armenia, Kazakhstan and Kirgistan	A. Puzanov R. Struyk	11	Housing Allowances/ Private Housing Maintenance
May 17	Moscow	Seminar/UI	M. Lea	45	Mortgage Pricing for Russian Banks
May 19-20	Moscow suburb	Conference/ UI and Institute of Housing Economy (IHE) 2 days	UI staff	220	Implementing Housing Reform

Dates	Location	Event/ Organizer	Program Sponsored Speakers	Number of Participants	Topic
July 23	Moscow	Seminar/UI	R. Struyk	40	Long Term Mortgage Loan Risks
July- August	Moscow	Training/UI and IHE 18 sessions	IHE staff	20	Training for "owners" in management privatization program
September 16-17	Moscow	Conference/ Institute on Privatization and Management	R. Struyk S. Butler	25	Introduction to Mortgage Lending Legal Foundation for Mortgage Lending
September 21-23	Ryazan	Presentation/ Mayor's Office Conference	S. Butler A. Suchkov	70	Condominia/ Introduction to Mortgage Banking
September 29	Moscow	Seminar/UI	K. Odenheim	40	Real Estate Appraisal
September 30	Samara	Seminar/UI	UI	10	Mortgage Banking
October 6	Moscow	Seminar/UI	M. Ravicz	45	Mortgage Instrument for Russia
October 12-13	Moscow suburb	Conference/ UI and IHE 2 days	UI	225	Housing Reform in the Russian Federation
October 18-22	Moscow	Training/UI 5 days	R. Subramaniam	14	Mortgage Loan Servicing
October 20-21	Volgograd	Seminar/ Peace Corps 2 days	UI	50	Housing Allowances and Housing Finance

Dates	Location	Event/ Organizer	Program Sponsored Speakers	Number of Participants	Topic
October 27-29	Nizhny Novgorod	Seminar/ Peace Corps 2 days	UI	55	Housing Allowances and Housing Finance
October 28	Moscow	Presentation/ Guild of Realtors Conference	N. Kosareva A. Suchkov	175	Introduction to Mortgage Finance 3 presentations
October- November	Moscow (Mitino)	Training/UI 12 Sessions	IHE Staff	13	Training for "owners" in privatization of housing management
November 18-19	Novosibirsk	Seminar/ Association of Mortgage Banks (AMB)	R. Struyk A. Suchkov N. Kosareva	100	Mortgage Finance 3 presentations
November 20	Ekaterinburg	Seminar/ M. Brown and USAID	R. Struyk A. Suchkov N. Kosareva	35	Mortgage Finance 3 presentations
November- January	Moscow (Orekhovo- Borisovo)	Training/UI 12 sessions	IHE staff	19	Training for "owners" in privatization of housing management
December 16-17	Togliatti	Seminar/ Peace Corps 2 days	R. Struyk A. Suchkov N. Kosareva A. Puzanov	35	Housing Allowances & Housing Finance
<b>1994</b>					
January 14	Nizhny Novgorod	Seminar/ National Academy of Architecture	R. Struyk A. Suchkov N. Kosareva	35	Mortgage Finance 3 presentations
January 27-29	Moscow	Seminar/ World Bank, USAID 3 days	S. Butler	110	Land Allocation, Use and Registration

Dates	Location	Event/ Organizer	Program Sponsored Speakers	Number of Participants	Topic
February 10-11	Moscow	Conference/ Gosstroy, City of Moscow 2 days	A. Puzanov N. Kosareva M. Shapiro	200	Housing Allowances, Condominia 3 presentations
February 14-25	Moscow suburb	Training Course/AMB 2 weeks	M. Robertson A. Suchkov M. Ravicz T. Healy N. Kosareva R. Struyk	35	Initial offering of the basic training course on mortgage finance
March 7	Rostov-on- Don	Seminar/ Peace Corps 1 day	A. Puzanov	35	Housing Allowances
March 16	Nizhni Novgorod	Seminar/ Oblast Government	C. Rabenhorst	75	Basics of Condominia
March 31	Moscow	Seminar/ Gosstroy	N. Kosareva M. Shapiro	30	Finance the Housing Sector/ Maintenance Privatization
April 11-12	Irkutsk	Seminar/ Realty firm "Vincent" and East Siberian Commercial Bank 2 days	R. Struyk N. Kosareva A. Suchkov A. Kopelkin	120	Introduction to Mortgage Finance 4 presentations
April 28	Moscow	Conference Union of Russian Cities	R. Struyk	15	Developments in Housing Finance
April-May	Moscow (Timiryazev- sky)	Training/UI 12 sessions	Moslft staff	15	Training for "owners" in privatization of housing management

Dates	Location	Event/ Organizer	Program Sponsored Speakers	Number of Participants	Topic
May 23-25	Nizhny Novgorod	Training/UI 6 sessions	M. Tikhomirova	25	Training for "owners" in privatization of housing management
May-June	Moscow (South-West)	Training/UI 12 sessions	Moslift staff	15	Training for "owners" in privatization of housing management
May 16-18	Nizhny Novgorod	Workshop/UI	S. Butler M. Brown O. Kaganova	55	Market- oriented methods of land allocation
May 25	Moscow	Conference/ Housing Initiative	R. Struyk	110	Developments in Housing Finance
June 4-5	Moscow	Seminar/UI	V. Watts W. Connolly	50	Development and Implementati on of Housing Codes
June 6-10	Sochi	Training course/AMB 1 week	M. Grady L. Hodges A. Suchkov N. Kosareva R. Struyk	25	Basic course on mortgage lending
June 12-13	St. Petersburg	Seminar/ Leontief Center	R. Struyk N. Kosareva A. Puzanov	75	Evaluation of the Private Maintenance Program Developments in Mortgage Lending Reform in the Rental Sector

Dates	Location	Event/ Organizer	Program Sponsored Speakers	Number of Participants	Topic
June 14-16	Moscow	Seminar/ Institute of Economic Forecasting (IEF)	R. Struyk N. Kosareva	75	Evaluation of the Private Maintenance Program Developments in Mortgage Lending
June 20-25	St. Petersburg	Seminar/ IHE	A. Suchkov M. Shapiro	200	Introduction to Mortgage Finance Private Maintenance for Municipal Housing
June 29	Pskov	Seminar/ Oblast Government	R. Struyk N. Kosareva A. Suchkov L. Klepikova	40	Mortgage Finance
June	Vladimir	Seminar/ City Government	A. Puzanov	25	Housing Allowances
June	Ryazan	Seminar/ City Govern.	A. Puzanov M. Tikhomirova	25	Housing Allowances and Private Maintenance
July 20-21	Karkiv Ukraine	Seminar/ PADCO	M. Shapiro	50	Maintenance Privatization as it Operates in Moscow
September 9	Vladimir	Seminar/ City Government	M. Tikhomirova	5	Introduction: Maintenance Privatization
September 10	Obninsk	Seminar/ Institute of Municipal Management	A. Puzanov	110	Administering Housing Allowances

42

Dates	Location	Event/ Organizer	Program Sponsored Speakers	Number of Participants	Topic
September 13	Moscow	Seminar/ Association of Commercial Banks ("Rossiya")	R. Struyk	46	Managing Risk in Mortgage Banking (All participants were bank Presidents)
September 14	Moscow	Seminar/ Association of Students and Young Professionals in Economics	A. Suchkov R. Struyk	50	DAIR Mortgage Instruments Introduction to Mortgage Finance
September 22	Narofominsk	Seminar/ District Government	A. Puzanov	45	Housing Allowances
September 23	Moscow	Seminar/ Ministry for Social Protection	A. Puzanov	15	Housing Allowances
September 23	Moscow	Seminar/UI and Ukraine Communal Services Department	A. Puzanov	20	Housing Allowances
September 30	Yaroslavl	Seminar/City Government	M. Tikhomirova	5	Introduction: Maintenance Privatization
October 3-7	St. Petersburg	Training Course/AMB	UI and Fannie Mae staff	65	"Basic Course" in Mortgage Finance
October 6	Moscow	Seminar/UI and City Government	D. Murrell M. Shapiro	100	Review of Current Conditions in Moscow for Private Maintenance Contracting

Dates	Location	Event/ Organizer	Program Sponsored Speakers	Number of Participants	Topic
October 10-14	St. Petersburg	Training Course/AMB	UI and Fannie Mae staff	55	Loan Servicing and Underwriting
October 23-25	Suzdal	Conference/ UI and IHE	R. Warsaw C. Rabenhorst N. Kosareva A. Puzanov	265	Creating Condominia/ Early Experience with Housing Allowances

21

**ANNEX C**

**STUDY TOURS AND OTHER SPONSORED TRIPS ABROAD**

**USAID HOUSING SECTOR REFORM PROJECT  
RUSSIAN FEDERATION/CITY OF MOSCOW**

**PROJECT STUDY TOURS  
AND OTHER SPONSORED TRIPS ABROAD**

Date	Name of Activity (Organizer)	Attendees
July, 1992	Study tour to Washington on housing allowances program administration (Urban Institute)	Krivov, A. S., <i>Deputy Minister, Gosstroy</i> Satotov, E. F., <i>Director, Center for Information Technologies</i> Derendyaev, S. B., <i>Chairman, RF Supreme Soviet Housing Committee</i> Kuznetsova, L. V., <i>Deputy Chief, Department for Communal Services</i> Shamuzafarov, A. Sh., <i>Head, Housing Policy Department, Gosstroy</i> Maslov, N. V., <i>Deputy Chairman, Municipal Housing Department</i>
December 7-14, 1992	Condominiums (Urban Institute)	Filchenko, V. P., <i>Deputy Director, Center for Housing Reform Assistance</i> Kuzovchokova, Elena A., <i>Chief, Municipal Housing Department</i> Somichev, Nikolay I., <i>Chairman, Commission on Municipal Economy, Mossouiet</i>
January 26-February 3, 1993	Housing Management Owners Study Tour (Urban Institute)	Povarov, Rudolf S., <i>Deputy Prefect</i> Klichov, Mamed-Idich, <i>Chief, Department of Communal Services</i> Vakarev, Alexander I., <i>Chief, DEZ</i>
January 31-February 30, 1993	University of Maryland course on housing in market economies	Ivanov, S. V., <i>Chief Banking Structures, Division, Sberbank</i> Samoshchenko, V. A., <i>Chief, Social Programs Financing Division, Ministry of Economy</i>
February 25-March 5, 1993	Housing finance seminar (University of Utah)	Bukato, Vildor I., <i>President, Mosbusinessbank</i> Sokolovskaya, Galina A., <i>Director, Center of Mortgage Lending (CML), Mosbusinessbank</i>
March 28-April 8, 1993	Promotion of Russian-USA joint ventures (Urban Institute)	Basin, E. F., <i>Chairman, Gosstroy</i> Krivov, A. S., <i>Deputy Minister, Gosstroy</i>
March 26-April 6, 1993	Housing sector policy formulation and intergovernmental relations (Urban Institute)	Shamuzafarov, A. Sh., <i>Head, Housing Policy Department, Gosstroy</i> Maslov, N. V., <i>Deputy Chairman, Municipal Housing Department</i>

Date	Name of Activity (Organizer)	Attendees
April 28-May 18, 1993	Fels Center, University of Pennsylvania, course on Mortgage Lending	Aristov, I. V., <i>Chief, Housing Reform Dept., Gosstroy</i> Blochin Yu., <i>Senior Specialist, Economic Policy Department City of Moscow</i>
May 22-June 4, 1993	Loan Underwriting and Servicing Study Tour (Urban Institute/Abt Assoc.)	Sokolovskaya, Galina A., <i>Director, CML, MBB</i> Klimentiev, Oleg, <i>Chief Economist, CML</i>

Date	Name of Activity (Organizer)	Attendees
August 16- September 3, 1993	Fels Center, University of Pennsylvania, course on Mortgage Lending	<p>Andrei Lazarevsky, Deputy Department Head, Ministry of Finance</p> <p>Michail Gavrilin, Head of the Credit Bank, Sberbank of Russia</p> <p>Igor Bochkarev, Director, Povolzhsky Financial and Building Company (Samara)</p> <p>Michail Klimov, Head, Moscow's Economics Department</p> <p>Yevgeny Spinn, Chairman, Mossoulet Commission dealing with housing finance</p> <p>Arkady Ivanov, President, Joint Stock Mortgage Bank</p> <p>Alexander Kurenkov, Head, Mortgage Department, Peresvet Bank (formerly Expobank)</p> <p>David Khodzhaev, Deputy Head, Department for Housing Policy Development, Gosstroy</p> <p>Chekmareva Elena, Deputy Chief of Finance, Markets and Institutions Division, Central Bank of Russia</p> <p>Kazakova Elena, President, Invesstrakh Branch (Yaroslavl), Director-Designate of Joint Stock Mortgage Bank</p> <p>Andrey Chetirkin, Executive Director, St. Petersburg Hypotecobank</p> <p>Pastukhova Natalia, Senior Specialist, Lending Department, Sberbank of Russia</p> <p>Lokhonov Vyacheslav M., Deputy Chief, Investment Programs of Housing Reform, Ministry of Economy</p> <p>Manuylova Tatyana N, Chief, Department for State Debts and State Loans, Ministry of Finance</p> <p>Kostyrko Valery V., Deputy Chief, Department for Housing and Industrial Construction, Ministry of Finance</p> <p>Florentieva Maria V., Senior Economist, Division of Securities; Inkombank</p> <p>Androsov Alexander M., Deputy Chief, Investments Department, "Menatep" International Finance Group</p> <p>Shalyagina Natalia, Senior Legal Adviser, "Mosprivatizatsia"</p>
October 30- November 5, 1993	Loan Servicing Study Tour (Urban Institute/Abt. Assoc.)	<p>Sokolovskaya Galina A., Director, CML MBB</p> <p>Klimentiev Oleg, Chief Economist, CML MBB</p> <p>Tvorogov Ilya, Economist, CML MBB</p> <p>Polyakov Oleg, Chief Economist, CML MBB</p> <p>Suchkov Andrey, Economist, UI (Moscow)</p>

Date	Name of Activity (Organizer)	Attendees
December 2-8, 1993	Housing Allowances (QUADEL Corp.)	<p>Puzanov Alexander, <i>Consultant, UI (Moscow)</i>            Goltseva Olga L., <i>Deputy Chief, Department of            Construction and Housing and Communal            Economy</i>            Rubtsov Nikolay V., <i>Head, Department of Improving            Methods of Housing Maintenance and Repair,            Committee for Communal Economy</i>            Bychkovsky Igor, <i>Director, Institute of Communal            Economy</i>            Medvedeva, <i>Department for Communal services</i>            Romakina Raisa A., <i>Deputy Director, Information-            Calculation Center, Department for Engineering            Support</i></p>
February 22- March 5, 1994	Pratt Construction	<p>Krupskaya Inassa A., <i>Head of Division, Mortgage            Standard Bank</i>            Khimushin-Kashaev Igor F., <i>Vice-President, Mortgage            Joint-Stock Bank</i>            Orlov Vladimir E., <i>President, Association of Mortgage            Banks</i>            Gorbonosova Anna V., <i>Deputy Head, Investments            Division, Bank "Menatep"</i>            Gorelik Ludmila A., <i>Chief Economist, CML, MBB</i>            Braverman Valery A., <i>Head, Division of Long-Term            Lending, MBB</i>            Romanov Yuri P., <i>Head, Housing Construction Finance            Division, Ministry of Finance</i>            Kliaho Elena D., <i>Chief Economist, Sberbank</i>            Frolov Vitaly A., <i>Deputy Governor, Nizhny Novgorod            Oblast</i>            Grudimin Mikhail Yu., <i>Manager, Creative Association            "STEK", Irkutsk</i></p>
April 27-May 18, 1994	Fels Center Housing Finance Course	<p>Klopikova, Yelena, <i>Consultant, UI (Moscow)</i>            Kosareva Nadezhda, <i>Consultant, UI (Moscow)</i>            Suchkov Andrey, <i>Consultant, UI (Moscow)</i></p>

Date	Name of Activity (Organizer)	Attendees
July 12-July 20, 1994	Housing Codes Study Tour (Quadel Corp.)	<p>Tikhomirova Mariya, <i>Consultant, UI (Moscow)</i>          Lesnikov Alexander, <i>Chief Urban Department,          Apparatus of Government, RF</i>          Lopatkin Nikolay, <i>First Deputy Chief, Housing and          Communal Services Department, Gosstroy</i>          Strazhnikov Alexander, <i>Director, Moscow Housing          Inspection</i>          Kondratenko Valeriy, <i>Chief, Law Department, Moscow          Housing Inspection</i>          Vankova Marina, <i>Director, Housing Inspection of          Eastern District, Moscow</i>          Krasinskaya Ludmila, <i>Director, Housing Inspection of          Northern District, Moscow</i></p>
July 26- August 3, 1994	Mortgage Law Study Tour (Urban Inst./Abt)	<p>Zadonskiy Georgiy I., <i>Deputy of the State Duma of the          RF-Federal Assembly</i>          Martemyanov Valentin S., <i>Deputy of the State Duma of          the RF Federal Assembly</i>          Paydiev Leonid Ye., <i>Head of the Division, Ministry for          Economy, RF</i>          Pavlov Pavel N., <i>Adviser of the State and Legal          Department of the RF President</i>          Novikov Vladimir I., <i>Section Head, Department for          Ownership and Entrepreneurial Activities, RF</i>          Boyko Vadim A., <i>Deputy, State Duma of the RF Federal          Assembly</i>          Bulavinov Vadim Ye., <i>Deputy, State Duma of the RF          Federal Assembly</i>          Kiselyov Sergey V., <i>Department Head, Department for          Technical Inventory, RF</i>          Lapshina Ludmila V., <i>Consultant, UI (Moscow)</i></p>

Date	Name of Activity (Organizer)	Attendees
September 12-30, 1994	Housing Construction and Building Products Training (AED)	Agibalov Nikolay N., <i>Chairman, Limited Liability            Association Company, Ryazan</i> Barsch Ludmila A., <i>Head of Design, GIPRO NII, Moscow</i> Belkina Tatyana D., <i>Consultant, UI (Moscow)</i> Dragushin Aleksey A., <i>Deputy Director, Joint-Stock            Company "Champion", Moscow</i> Kasheutov Mihail I., <i>Deputy Head of Administration,            City Administration, Tver</i> Novokreachenov Valerly S., <i>Deputy Chairman, Municipal            Housing Department, Nizhni Novgorod Oblast            Administration</i> Frolov Sergey Ya., <i>Chairman, Novgorod, Joint-Stock            Company "Volhov", Novgorod</i> Horushevskiy Genoh V., <i>Director-General, Union of            Entrepreneurs of the Industrial and Construction            Complex of Russia, Moscow</i> Tsarev Vladimir M., <i>Vice President, "Nizhegorodstrol"            Company, Nizhni Novgorod</i> Scherbakov Vladimir A., <i>Director, Construction            Company "Vinsent", Irkutsk</i> Uyzov Alexander I., <i>Director-General, Joint-Stock            Company, "Pskovobstrol", Pskov</i>

Date	Name of Activity (Organizer)	Attendees
September 30- October 14, 1994	Training for Trainers Course (AED)	<p>Adzhimamudova Nina N., <i>Director, Municipal Housing Inspection Training Center, Moscow</i></p> <p>Ampilogov Vladimir N., <i>Deputy Mayor, Ryazan</i></p> <p>Benilova Elena N., <i>First Deputy Head for Administration, Training Center for Housing Problems, Ivanteeva</i></p> <p>Buzyrev Vyacheslav V., <i>Department Head, Engineering and Economic Academy, St. Petersburg</i></p> <p>Vitenberg Tatiana A., <i>Director, Loan Department, Bank Association "Russia", Moscow</i></p> <p>Gavrilin Mikhail A., <i>Director, Loan Department, Bank Association "Russia", Moscow</i></p> <p>Ganpova Zaituna L., <i>Chief Expert in Real Estate, Joint Venture "Argo", Ulyanovsk</i></p> <p>Getmanuk Tatiana M., <i>Department Head, Business Academy, Moscow</i></p> <p>Dmitriev Mikhail N., <i>Deputy Director, Construction Academy, Nizhni Novgorod</i></p> <p>Dorofeeva Tatiana M., <i>Director, Sberbank Academy, Harbovsk</i></p> <p>Domashenko Mikhail V., <i>Director, Methodology Center, Vostochno-Sibirskiy Commercial Bank, Irkutsk</i></p> <p>Klevskiy Vladimir G., <i>Deputy Director, Staff Training Center, Bank Association "Russia", Moscow</i></p> <p>Koplus Sergey A., <i>Vice President, Russian Appraisers Association, Moscow</i></p> <p>Laschenko Svetlana D., <i>Deputy Director, Business and Bank College, Moscow</i></p> <p>Liplavka Vaentin A., <i>Leontef Center, St. Petersburg</i></p> <p>Lesova Irina B., <i>Intern, Banking Institute, St. Petersburg</i></p> <p>Lykov Alexander A., <i>Executive Manager, Municipal Management Institute, Obninsk</i></p> <p>Orlovskiy Arnold A., <i>Director of Training, Ministry of Construction, Moscow</i></p> <p>Osipov Valeriy V., <i>Department Head, Municipal Housing Institute, Moscow</i></p> <p>Parshenok Viacheslav A., <i>Deputy Director, Construction College, Saratov</i></p> <p>Serdiukov Igor A., <i>Department Chairman, Union of Russian Cities, Moscow</i></p> <p>Streznicov Vadim I., <i>Department Head, Municipal Housing Inspection, Moscow</i></p> <p>Sokova Elena I., <i>Department Head, Municipal Housing Inspection, Moscow</i></p> <p>Suchkova Anna A., <i>Senior Professor, Institute of Countries of Asia and Africa, Moscow</i></p>

Date	Name of Activity (Organizer)	Attendees
October 2- October 30, 1994	Mortgage Banking Training Course (Abt. UI, Fannie Mae)	<p>Androsov Alexander M., <i>Department Head, Bank "Menatep", Moscow</i></p> <p>Bobylev Valerriy V., <i>Senior Expert, Land Bank of Novgorod, Nizhnt Novgorod</i></p> <p>Denga Tatiana N., <i>Department Head, Joint Stock Bank "Kreditprombank", Moscow</i></p> <p>Ershova Tatiana A., <i>Department Head, Joint-Stock Bank "Mortgage Standartbank", Moscow</i></p> <p>Zhdanov Vladimir I., <i>Director, MZHK 1, Samara</i></p> <p>Zalotin Maxsim V., <i>Senior Expert, Municipal Bank of Novosibirsk, Novosibirsk</i></p> <p>Invanov Arkady P., <i>President, Joint Stock Mortgage Bank, Moscow</i></p> <p>Kabakov Evgeniy V., <i>Director, Department of Investment and Economic Relations, Bank "Pskovakobank", Pskov</i></p> <p>Klepikova Elena G., <i>Consultant, UI (Moscow)</i></p> <p>Klimenko Vladimir A., <i>Land Bank of Nizhnt Novgorod, Moscow</i></p> <p>Kling Roman A., <i>Senior Expert, Municipal Bank, Novosibirsk</i></p> <p>Kopeikin Alexander B., <i>Consultant, UI (Moscow)</i></p> <p>Korobeynikov Igor O., <i>Department Head, Securities for Mortgage Transactions, Nizhnt Novgorod</i></p> <p>Savchenko Evgeniy V., <i>Chairman, Joint Stock Bank "KPD", Ufa</i></p> <p>Krohina Natalia V., <i>Department Head, Joint Stock Bank "Logovaz", Moscow</i></p> <p>Kurilov Sergey V., <i>Director, East-Siberian Commercial Bank, Irkutsk</i></p> <p>Lebedev Vladimir V., <i>Vice President, "Novobank", Novgorod</i></p> <p>Gynin Valeriy I., <i>Managing Director, Association of Industrial-Construction Banks, Moscow</i></p> <p>Litvinov Grigoriy F., <i>President, Mortgage Bank of St. Petersburg, St. Petersburg</i></p> <p>Orlov Vladimir E., <i>President, Association of Mortgage Banks, Moscow</i></p> <p>Pikulskiy Gennariy V., <i>Deputy Chairman, Commercial Bank "Tumen", Tumen</i></p> <p>Pobyvanets Vladimir A., <i>Department Head, Association of Industrial-Construction Banks, Moscow</i></p> <p>Rogozhina Natalia N., <i>Senior Expert, Joint-Stock Mortgage Bank, Moscow</i></p> <p>Lysenko Andrey G., <i>Loan Department, "Novobank", Novgorod</i></p> <p>Shitov Nikolay V., <i>Department Head, Bank "Menatep",</i></p>

41

Date	Name of Activity (Organizer)	Attendees
September 26- October 11, 1994	Property Management and Maintenance (Quadel Consulting)	<p>Bakunina Lubov D., <i>Property Manager, Pollprom, Inc.</i>          Borisov Alexander M., <i>Director, Nestor Enterprises</i>          Volkov Gennady A., <i>First Deputy Head of Administration, Zavolzhskiy Region</i>          Dolginov Evgeniy M., <i>General Director, Stroidach Kompleks</i>          Gavrushina Lyudmila F., <i>Head, Board of Unified Customer (DEZ), Municipal District of Mitino</i>          Gokadze Lyudmila V., <i>Repair-Maintenance Organization No. 7, Btrulyovo East Administrative District</i>          Ilyin Vladimir A., <i>First Deputy Head of Administration, Proletarskiy Region</i>          Ionov Victor N., <i>First Deputy Head of Administration, City of Tver</i>          Kozlov Pavel L., <i>Deputy Prefect, Northwest Prefecture, Moscow</i>          Krasikov Mikhail A., <i>Btrulyovo East Administrative District, Moscow</i>          Kupriyanova Lubov S., <i>Btrulyovo East Administrative District, Moscow</i>          Ostrovskaya Lidya G., <i>Chief, Repair-Maintenance Organization No. 21, Moscow</i>          Ovsyenikov Alexander I., <i>Chief, Board of Communal Services, Moscow</i>          Pavlova Raissa, <i>Senior Specialist, Northern Prefecture, Moscow</i>          Pinegina Margarita B., <i>Consultant, UI (Moscow)</i>          Romanov Mikhail, <i>Deputy Head, Municipal Inspection, Moscow</i>          Savina Tatiana B., <i>Chief of Section, Department of Municipal Housing Inspection, Moscow</i></p>

12

Date	Name of Activity (Organizer)	Attendees
November 7- December 3, 1994	Property Management and Maintenance (Quadel Consulting)	<p>Bannikov Ivan N., <i>President, "Santekhnica-Komplex", Moscow</i></p> <p>Bolonin Alexander A., <i>Deputy Head of Administration, Sormovskiy Region, Nizhni Novgorod</i></p> <p>Vladyko Sergey, <i>Head, Municipal Enterprise "Gorzhlupravitele" Nizhegorodskaya Region, Dzerdzhinsk</i></p> <p>Dikin Mikhail V., <i>First Deputy Head of Administration, Nizhegorodskiy Region, Nizhni Novgorod</i></p> <p>Kolokoinikova Uyllay V., <i>Senior Specialist, Department of Municipal Housing Inspection, Moscow</i></p> <p>Kudinov Vladimir N., <i>Head of Section, Department of Engineering and Communal Services, Moscow</i></p> <p>Martynova Galina V., <i>Senior Specialist, Department of Housing Construction, Nizhegorodskaya Region, Nizhni Novgorod</i></p> <p>Mints Irina G., <i>Deputy Director, Institute for Housing Economy, Moscow</i></p> <p>Nemov Nicolai S., <i>Director, Department of High-Rise Buildings, Moscow</i></p> <p>Obelchenko Igor O., <i>Director, Licensing Center, Moscow</i></p> <p>Oveshnikov Mikhail M., <i>Senior Specialist, Information Center of Public Policy, Moscow</i></p> <p>Osipova Ludmila I., <i>Head of Section, Department for Housing Economy, Moscow</i></p> <p>Ostafyeva Nadezhda A., <i>Senior Specialist, Department of Municipal Housing, Ryazan</i></p> <p>Pavlov Sergei, <i>Department Head, City Administration, Nizhni Novgorod</i></p> <p>Raybov Ivan., <i>First Deputy Head of Administration, Priorskiy Region, Nizhni Novgorod</i></p> <p>Samarin Oleg B., <i>Prefect, Municipal District "Timiryazavskiy", Moscow</i></p> <p>Sidorov Valentin P., <i>Housing Consulting Department, Vladimir</i></p> <p>Timirev Anatolii I., <i>Department Head, Administration of Nizhegorodskaya Region, Nizhni Novgorod</i></p> <p>Khodzhaev David G., <i>Department Head, Ministry of Construction, Moscow</i></p> <p>Shapira Marina D., <i>Consultant, UI (Moscow)</i></p>

Date	Name of Activity (Organizer)	Attendees
November 7- December 3, 1994	Mortgage Bankers (Abt. UI, Fannie Mae)	<p>Alokseev Dmitrii M., <i>Technical Director, Joint-Stock Company Ltd. "Vostsibstroinvest", Irkutsk</i></p> <p>Burmistrova-Zueva Irlia N., <i>Deputy Head of Section, Joint-Stock Company "Logovaz", Moscow</i></p> <p>Vishnev Andrey I., <i>Vice President, Commercial Bank, Moscow</i></p> <p>Vyazokin Anatolli A., <i>Joint-Stock Company "Argo", Ulyanovsk</i></p> <p>Zhukov Evgenii L., <i>Lawyer-Consultant, Affiliate of Joint Stock Mortgage Bank, Yaroslavl</i></p> <p>Korobeynikova Margarita v., <i>Senior Expert, Joint Stock Insurance Company, Moscow</i></p> <p>Lipitce Vladimir A., <i>Head of Section, "Hypotecobank", St. Petersburg</i></p> <p>Litvinov Mikhail M., <i>Vice President, "Slavyanobank", Moscow</i></p> <p>Malfat Arkadil V., <i>Lawyer, Stock Exchange, Ekaterinburg</i></p> <p>Miheev Valerii I., <i>Department Head, Commercial Bank "Balchug", Moscow</i></p> <p>Motovilov Ivan I., <i>Deputy Chairman, "Sokolbank", Cherepovets</i></p> <p>Mustafin Nail V., <i>General Director, Joint Stock Company "Sindkat", Kazan</i></p> <p>Muhina Valentina I., <i>Deputy Chairman, Joint Stock Municipal Bank, "Petr Pervyi", Voronezh</i></p> <p>Ozerov Alexander G., <i>Consultant, Association of Mortgage Banks, Moscow</i></p> <p>Starostin Valerii M., <i>General Director, Joint Stock Company "Real Estate", Cheboksary</i></p> <p>Tkachenko Andrei Yu., <i>Consultant, UI (Moscow)</i></p> <p>Tarasova Elena V., <i>Head, Legal Department, Joint Stock Company "Krasnye Vorota", Moscow Depart.</i></p> <p>Finagin Vladimir V., <i>Chairman, Commercial Bank "Altazhiltinvest", Barnaul</i></p> <p>Fomicheva Antonina a., <i>Department Head, "Pskovakobank", Pskov</i></p> <p>Khabibulin Ulfat A., <i>Economist, Joint Stock Bank "KMD", Ufa</i></p> <p>Chernyak Alexander V., <i>Department Head, Bank "Menatep", Moscow</i></p> <p>Gulenko Viktor F., <i>Deputy Head, City Administration, Pskov</i></p> <p>Chehov Alexander P., <i>Head, Legal Department, Kubankti Mortgage Bank, Krasnodar</i></p>