

Asuncion  
Green City  
of the Americas  
Pathways to Sustainability

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BEST PRACTICES AND LESSONS LEARNED ON THE

# PATHWAYS TO SUSTAINABILITY

# LAND-VALUE CAPTURE MECHANISM

## TRAFFIC IMPACT STUDIES

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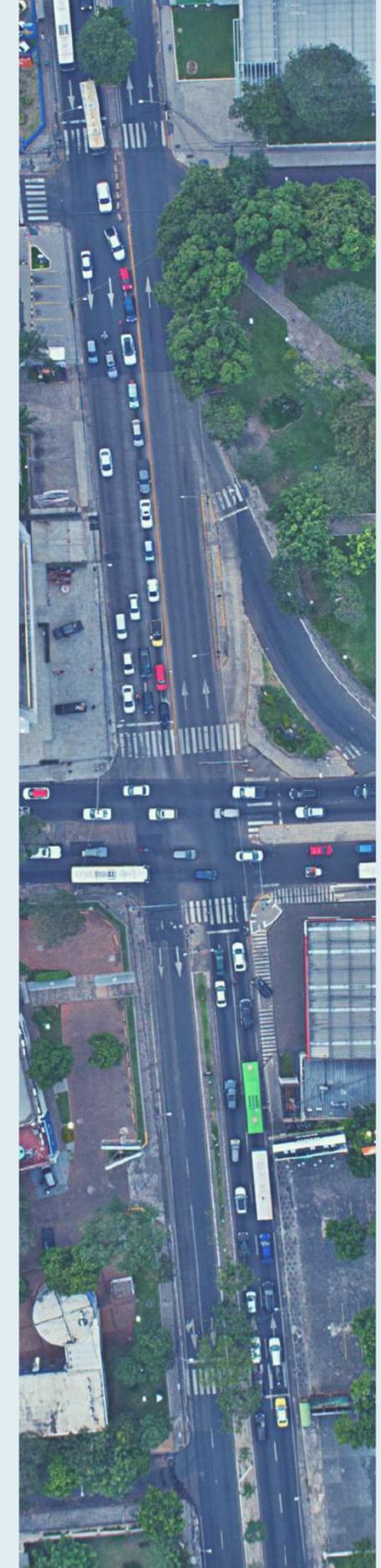
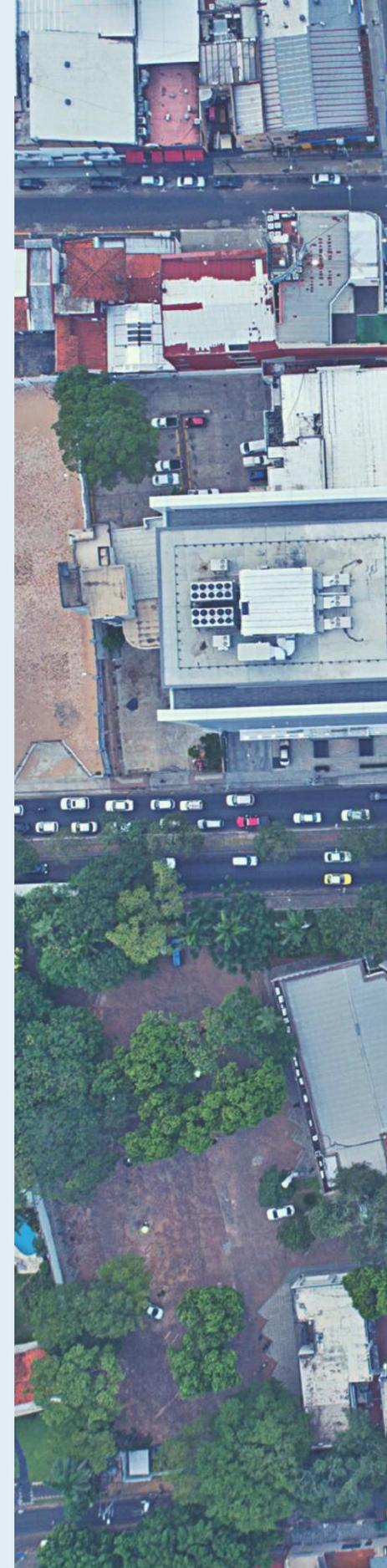
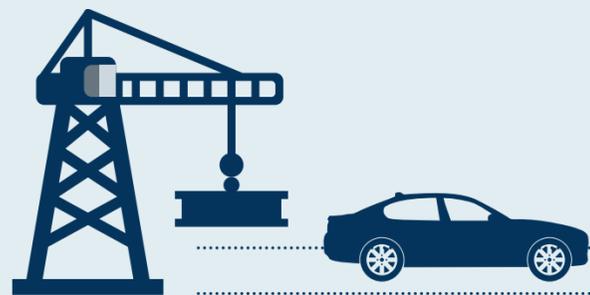
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# SELECTING A SUITABLE MECHANISM

## ENGAGING STAKEHOLDERS

Within the "Asunción Sustentable" project, we sought to design a land-value capture mechanism for cities within Asunción's Metropolitan Area (AMA) to be able to increase their income and invest in sustainable infrastructure.

Key stakeholders contributed to the process: **municipalities, ministries, real estate developers and civil society organizations.**





## MITIGATE IMPACT ON TRAFFIC

After a careful analysis of the legal framework, as well as the economic, social and cultural factors, stakeholders validated a land-value capture mechanism: **Traffic Impact Studies.**

This tool aims to measure the impact which an urban project or intervention will have on the road system and traffic. Through this mechanism, municipalities will be able to fully evaluate the project and require that real estate developers include and invest in the works and infrastructure needed to mitigate the expected impact of the new project.



# ANALYZING DATA

An analysis of two main aspects proved traffic impact studies were a suitable mechanism:

## **DYNAMIC OF REAL ESTATE INVESTMENTS**

Large investments in public infrastructure and in real estate developments in the AMA were taken as a reference to generate projections on potential land-value capture possibilities provided by traffic impact studies.

## **URBAN MOBILITY AND CONNECTIVITY**

The AMA's road network provides broad coverage, connecting commercial areas with residential sectors. Improvements to infrastructure and metropolitan connectivity can be achieved through this tool.



"This mechanism, based on increasing land value, would provide municipal administrations with their own resources, and a high potential to increase investment levels in urban infrastructure and reduce the deficits our cities suffer today."

**PAOLA IRALA**

MUNICIPALITY OF ASUNCIÓN



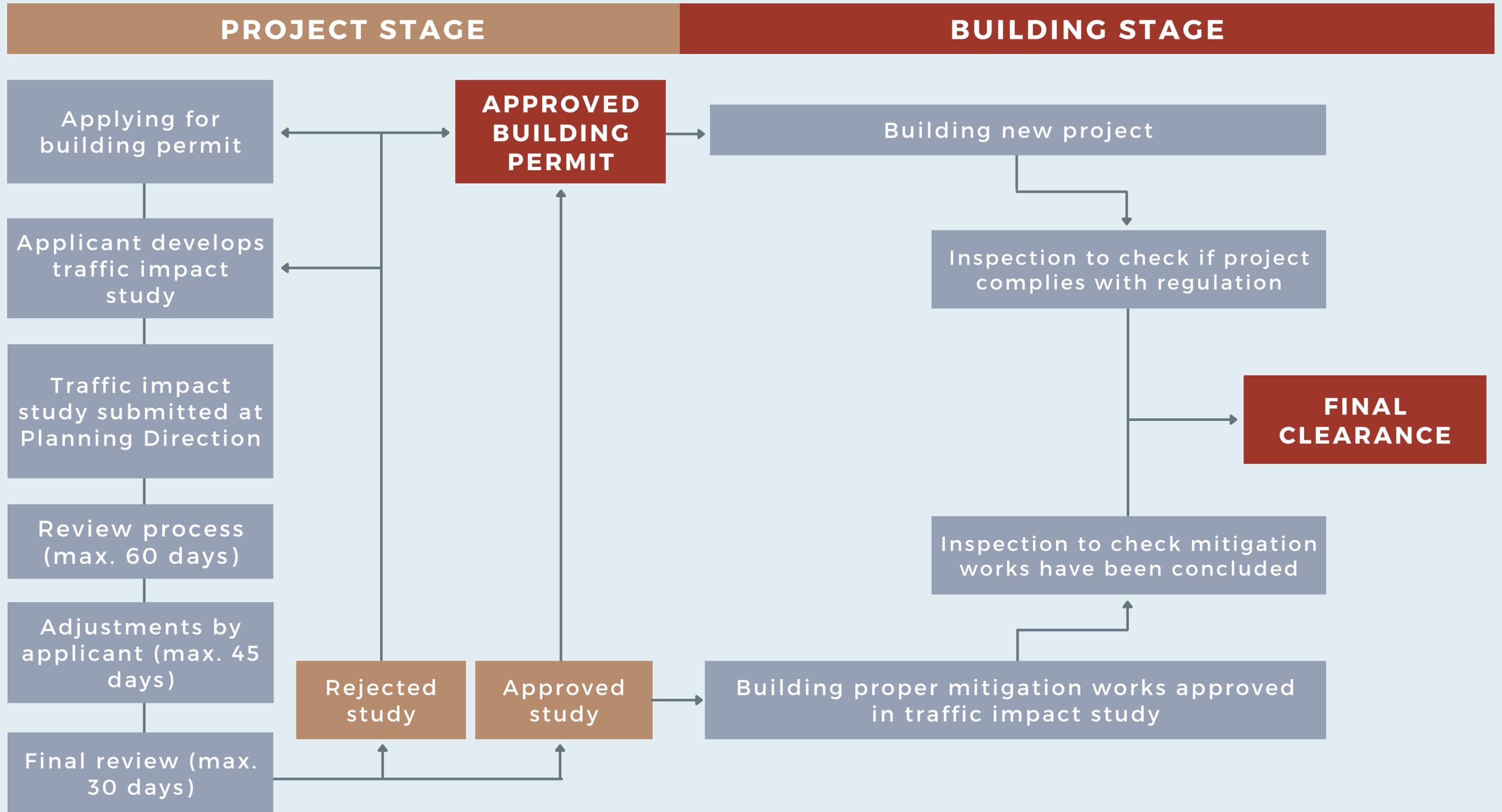
# HOW IT WORKS

Developers interested in building real estate or infrastructure projects, must submit proper documentation to obtain a building permit. The traffic impact study must be included to be reviewed and adjusted if necessary before the permit is given..

If the study is rejected, the permit is denied. However, if the traffic impact study is approved, the building permit can be issued, and the mitigation measures or works contemplated in it must be built accordingly. This process requires periodical inspection, for the project to receive its final clearance by the authorities.



# APPROVING A NEW PROJECT (PUBLIC OR PRIVATE)



Land-value capture through traffic impact studies could be a transformative opportunity for Asunción. It would strengthen the municipalities' financial autonomy and contribute to improve urban habitability and the provision of urban infrastructure and services.

**XIMENA AMARILLA**

VICE MINISTRY OF URBANISM AND HABITAT



# MOVING FORWARD

## MUNICIPAL ORDINANCES

A municipal ordinance has been drafted, looking towards the implementation of traffic impact studies as a measure for land-value capture.

This draft has been handed over to the municipalities of Asunción's metropolitan area, aiming at its implementation throughout the AMA.



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AKÁRAPU'Á KATUIRÁ  
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