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In search of social equity in entrepreneurialism: The case of Israel's municipal regeneration agencies

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Abstract

This article examines the roles of municipalities in Israel's national, state-led urban regeneration program, contributing to the scholarship on the varied agendas of municipal entrepreneurialism. The Israeli urban regeneration program promotes the densification of private residential properties by incentivizing property deals between homeowners and developers. It has been criticized for attracting predatory practices and spurring conflicts between state, market, and community stakeholders. New intermediary bodies—Municipal Regeneration Agencies—were established as an effective policy response to both criticisms. We rely on 36 interviews and extensive document analysis to examine the roles and agendas of Municipal Regeneration Agencies, vis-à-vis the equity concerns associated with state-led urban regeneration. Municipal Regeneration Agencies support homeowners, increase regulation over private deal-making, and in two cases, direct entrepreneurial development of urban regeneration projects. We argue that these roles represent a model of equitable entrepreneurialism that attempts to reconcile the neoliberal logic of urban regeneration with a municipal commitment to social equity. This model allows municipalities to reassert their position in Israel's centralized housing and planning policy but faces limitations due to municipalities' varying capacities and continued reliance on market relations.

Keywords

Entrepreneurialism, Israel, local government, social equity, urban regeneration

Introduction

State-led urban regeneration (UR) programs, which rely on private investment and development, have emerged as central policy mechanisms shaping cities in recent decades (Carmon, 1999; Lehrer and Laidley, 2008; Tasan-Kok, 2010). As a result, governments worldwide have promoted large-scale redevelopment plans to attract capital, residents, and businesses to devalorized urban areas (Couch et al., 2011; Verhage, 2005). Yet while policymakers often present this mechanism as a net benefit for the residents of regenerated areas, critics have shown that profit considerations often trump the social equity goals of UR (Davidson, 2008; Lees et al., 2016).

The role of municipal governments in state-led UR has been of particular scholarly interest since it presents a test case for what Harvey (1989) defined as the shift "from managerialism to entrepreneurialism." As public

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funding for development and housing diminished in the neoliberal era, municipalities have increasingly adopted market-like planning and management strategies to achieve growth (Hall and Hubbard, 1996; Peck, 2014). UR programs that rely on private capital and complex multi-actor arrangements have been central to entrepreneurial transitions (Doucet, 2013). Nonetheless, municipalities in recent years have sought ways to maintain their public accountability and discretion over spatial development, even within entrepreneurial strategies (Atkinson et al., 2019; Lauermann, 2018; Phelps and Miao, 2020; Tasan-Kok et al., 2019; Van Loon et al., 2019). These renewed efforts highlight the need to explore how municipalities navigate "the contradictions which emerge when entrepreneurial practices are repurposed" to advance non-market agendas (Lauermann, 2018:220).

Israel's state-led UR program presents a unique setting to examine these dilemmas. The program has been operative since 1999 and tackles the country's aging housing stock, limited land supply, and acute housing shortage by permitting the demolition of rundown buildings and allowing their redevelopment in significantly higher densities (Alster and Avni, 2021; Margalit and Kemp, 2019). Redevelopment relies on a market mechanism that stems from Israel's predominantly privately owned housing stock: government incentives are provided to developers and homeowners who choose to engage in redevelopment (Geva and Rosen, 2018). However, the program initially failed to produce significant development volumes, leading to the introduction, since 2015, of several reforms designed to increase implementation (Rosen and Avni, 2019). The national roll-out of Municipal Regeneration Agencies (MRAs) has been a central part of these reforms. These local entrepreneurial bodies intend to boost development by intermediating homeowners, developers, and the central government.

This article examines the formation and entrepreneurial functions of MRAs, presenting the following questions: Which agendas do municipalities promote through their MRAs? What roles do they fulfill within a national-scale, state-led UR program? And how do municipal roles and agendas relate to market, community, and central government agendas? We explore these questions through a qualitative analysis of 8 MRAs (of a total of 28) that have an explicitly entrepreneurial approach to UR. Data sources include 36 semi-structured interviews with municipal and central government officials, homeowners and developers, and multiple secondary sources.

We argue that MRAs attempt to reconcile the neoliberal-entrepreneurial logic of UR with a municipal commitment to social equity. They do so by claiming an "honest brokers" role, which was missing at the local governance scale, providing increased regulation over private deal-making, support for homeowners, and in the two largest cities of Jerusalem and Tel-Aviv-Yafo also direct entrepreneurial development of UR projects. These roles represent an experiment in equitable entrepreneurialism, which utilizes municipal capacities and innovations, and targets equity issues that arise locally. At the same time, the MRA's added layers of regulation are based on private market practices and justified as a solution to a market failure that would support private entrepreneurship.

The findings contribute to the scholarship on state-led UR and to broader discussions on the agendas at play within municipal entrepreneurial strategies. Our empirical analysis sheds light on municipalities' attempts to reassert themselves in an entrepreneurial and neoliberal policy setting. In addition, we suggest that social equity goals can converge with—and affirm—entrepreneurial logics. In the context of Israel's centralized neoliberalism (Hananel and Nachmany, 2021), the municipal capacities needed to facilitate redevelopment cannot be neatly sorted into "managerial" or "entrepreneurial."

The article begins with a theoretical discussion of municipal entrepreneurialism and its varying agendas in the context of UR. Then, a brief methodological overview is provided. The fourth section provides an overview of Israel's UR policy and its relation to the country's housing and planning policies. The fifth section discusses the findings regarding motivations of municipal involvement in UR, the roles of MRAs, and their relationship to market and state agendas. Finally, the concluding section offers a critical discussion of entrepreneurial governance's ability to remedy the social equity impacts of state-led UR.

Agendas of municipal entrepreneurialism in UR

Municipal governance in recent decades has been transformed by the growing importance of real estate development in urban economies, especially housing (Aalbers, 2020). Contemporary UR programs, which rely on public–private partnerships to promote social and physical change, embody this transformation and the challenge it presents to municipalities (August and Walks, 2017). Specifically, the need to accommodate capital invested in development often requires municipalities to compromise their responsibilities toward low-income residents, who may be marginalized or displaced (Lees et al., 2016). Municipalities, therefore, must adapt their organizational structures and governance processes to successfully navigate the high-risk and complex multi-actor regeneration arenas (Tasan-Kok, 2010) while remaining effective in pursuing other policy goals.

David Harvey's (1989) conceptualization of a shift "from managerialism to entrepreneurialism" refers to the transformation from urban policies aimed at economic redistribution to policies that prioritize economic growth and a "good business environment"; from centralized modes of governance to a decentralized system in which cities compete for investment; and from comprehensive planning designed to achieve municipal objectives to piecemeal project-led planning that often exacerbates uneven spatial development (see also Hall and Hubbard, 1996; Peck, 2014; Sager, 2011). Entrepreneurial shifts are triggered by market pressures and intentional, state-led policy transitions (Wu et al., 2021). For example, municipalities may be required to act entrepreneurially to compete for government funds under state-led reforms, as in the UK Localism Act or Israel's planning reforms (Eshel and Hananel, 2018; Penny, 2017). In addition, facing housing crises, governments pressure municipalities to present innovative planning and development approaches that "address national policy priorities for the increased delivery of housing units and infrastructure" (Ferm and Raco, 2020: 221).

Entrepreneurial municipal governance leads to distinct patterns of development. In UR, it results in a propensity for large projects that can attract large volumes of investment (Swyngedouw et al., 2002); a geographical preference for development in "up and coming" locations (Brill, 2020; Mösgen et al., 2019); and overdevelopment of upscale properties that create large profit margins (Margalit and Alfasi, 2016; Rosen, 2017; Zaban, 2020). The policy justification for such policies is the ability to capture value created by development (Catney and Henneberry, 2019; Noring, 2019). However, the imbalance in capacities between municipalities and market actors is evident: municipalities often "have a shallow knowledge of land markets" (Savini and Aalbers, 2016: 883) and therefore suffer from a deficit of specific expertise compared with market actors (Alfasi and Ganan, 2015). Moreover, development is shaped by viability assessments and other calculative measures, in which developers have an inherent advantage that allows them to manipulate their obligations to local governments (Ferm and Raco, 2020; Hyde, 2018). The result, therefore, tends to be a limited control over the spatial pattern of development and its redistributive benefits (Rosen and Walks, 2015).

Entrepreneurial shifts are supported by organizational restructuring, namely, the formation of public-private regeneration agencies or "special purpose vehicles" dedicated to (re)development (Beswick and Penny, 2018; Noring, 2019; Savini and Aalbers, 2016). Alternatively, existing municipal bodies, such as public housing agencies, can be restructured to fulfill development-oriented functions (Jacobs and Manzi, 2020). The restructuring can add new development-oriented capacities outside the core municipal functions, such as project management, finance, construction, and branding. Yet as Beswick and Penny (2018) argue, municipal projects governed at arms-length are less transparent to the public and may incur more risk with less accountability.

Perhaps due to the widespread adoption of entrepreneurial practices, Harvey's model (1989) has often been misread as a "teleological homily" (Peck, 2014: 396), which portrays an inevitable transition between two dichotomous modes of governance. Recent scholarship on entrepreneurialism has instead been more attentive to the varied uses of entrepreneurial practices (Atkinson et al., 2019; Doucet, 2013; Phelps and Miao, 2020), highlighting "municipal strategies that operate in parallel with, rather than as derivations of, urban growth politics" (Lauermann, 2018:

212). As Phelps and Miao (2020) suggest, there is a spectrum of practices between managerial and entrepreneurial governance, and entrepreneurial innovation advances economic growth alongside other municipal responsibilities. For urban policymakers, promoting agendas "beyond growth" is a challenging, ambivalent, and sometimes tokenistic feat, given the dominance of market-led logic in contemporary urban governance (Jacobs and Manzi, 2020). The scholarship on varieties of entrepreneurialism reveals several meaningful ways municipal stakeholders can address this challenge.

First, municipalities provide greater certainty to developers by setting coherent spatial and financial regulations (Raco et al., 2019). Municipalities also alter market mechanisms, such as contractual agreements, to create alternative paths of accountability and control to those relinquished in entrepreneurial relations (Tasan-Kok et al., 2019). In addition, municipalities leverage their material assets such as public land (Van Loon et al., 2019) and intangible assets such as professional capacities (Razin et al., 2020). Political, economic, and professional capacities affect municipalities' experiments with non-market entrepreneurial practices. It seems that financially stronger municipalities, or municipalities in countries that have not experienced prolonged neoliberal restructuring, are better positioned to pursue redistributive politics (Atkinson et al., 2019; Phelps and Miao, 2020).

Second, deliberative and participatory practices may be introduced into UR planning processes to increase public accountability. As Savini (2011) suggests, participatory measures are effective only when municipalities invest in structures and procedures that provide access to decision-making arenas. Achieving accountability through civic participation requires a balance of consensual practices to enroll residents into the entrepreneurial effort and coercive measures to minimize resistance (Ormerod and MacLeod, 2019; Penny, 2017).

Policy context: Israeli UR as "centralized neoliberalism"

Israel's main UR program, Raze and Rebuild, was adopted in 1999 to increase and modernize the housing supply while addressing the country's limited land supply. The program's structure distinguishes between two simultaneous but mostly separate processes in the planning and the property realms. In the planning realm, UR is based on local rezoning plans, which allow the demolition of existing low-density housing (i.e. with a small units-per-area ratio) and their redevelopment as high-density buildings. This process at least triples the original number of housing units, thereby changing the neighborhood's composition. In the property realm, property owners are required to reach a "regeneration deal" with a developer of their choice, who redevelops the site based on the approved plans (see Geva and Rosen, 2018). The deals set the conditions for the transferral of property rights to the developer while guaranteeing that homeowners receive new housing units at no cost, along with full coverage of related fees. The result is often framed as a "win–win situation": the government increases housing supply, residents receive better accommodation, and developers profit (Geva and Rosen, 2022).

The program's design reflects Israel's contemporary planning and housing policy, which Hananel and Nachmany (2021) define as "centralized neoliberalism" due to the combination of market mechanisms and centralized governance. Since the 1990s, Israeli governments have advanced various neoliberalization reforms to remove barriers to development and increase supply. These include attempts to devolve and deregulate the country's hierarchical and centralized planning system (Alfasi and Migdalovich, 2020; Charney, 2017), public land privatization (Hananel, 2013); and developer-led programs for affordable housing and UR (Friedman and Rosen, 2020; Margalit and Mualam, 2020). Yet, these reforms often weaken the involvement of local governments, planners, and civil society, while allowing the central government to retain its control through new or reinforced top-down governance mechanisms (Feitelson, 2018; Mualam, 2018). Centralization was evident in response to the ongoing affordability crisis, which was addressed through national-level planning and budgeting mechanisms (Alster and Avni, 2021; Friedman and Rosen, 2020).

Similar processes have played out in UR. Neoliberalism is evident first in the incentive structure that minimizes government expenditure by relying on non-budgetary tools: building rights and tax exemptions. Second, the added rights are calculated on a project-by-project basis to guarantee financial viability, thereby minimizing municipal planners' discretion. Third, incentives for homeowners, not only developers, encourage urban communities to perceive their homes through an entrepreneurial perspective (Geva and Rosen, 2022). Thus, UR also promotes the commodification of housing, that is, the perception of housing as an asset rather than as a dwelling (Madden and Marcuse, 2016).

The centralized aspects of UR are evident both in its governance structure and in its relation to national agendas. First, UR's policy goals represent a national-strategic shift from population dispersal to smart growth (Feitelson, 2018; Orenstein and Hamburg, 2009). A social equity argument often accompanies this goal, as the program offers low-income homeowners a chance to upgrade from the cheaply built, mid-20th century housing blocks common in Israel (Alster and Avni, 2021; Kainer Persov and Carmon, 2015). After affordability issues drove the 2011 protests, UR was rebranded as a central pillar of the national housing supply strategy, albeit without altering its viability-led mechanism (Hananel and Nachmany, 2021; Mualam and Max, 2021). Second, despite the project-led nature of the program, the designation and approval of sites remain centralized. Most UR plans are approved in district planning committees that are controlled by central government agencies and trump municipal planning discretion. In addition, the national planning committee VATMAL, originally instated to fast-track plans stuck in the district-level backlog, was also given jurisdiction over large UR plans, thereby concentrating more power at the national level (Mualam, 2018). Third, the centralized governance of UR is also used to extend the program's reach into low-demand peripheral areas, supposedly in the name of redistributive justice (Alster and Avni, 2021; Margalit and Mualam, 2020).

Despite the ample incentives and strong government push, the centralized-neoliberal model failed to produce significant development. Only 3 out of more than 180 approved projects broke ground until 2010 (State Comptroller of Israel, 2011). State Comptroller reports on the program (2011, 2016) cited two notable reasons for this failure: (1) evidence from neighborhoods slated for regeneration suggested that private entrepreneurs were using predatory contracts and manipulating owners into unfair Regeneration Deals that may lead to marginalization and displacement (Geva and Rosen, 2016; Lavee et al., 2018); and (2) despite the promise of a cost-free process, returning residents faced high maintenance costs that could lead to displacement (Rosen and Avni, 2019).

The inadequate regulation over property deals was featured in the public discourse primarily as a social equity issue, yet the State Comptroller of Israel (2016) also identified it as an implementation obstacle. Predatory actors often blocked the activities of traditional, bona fide developers who had better chances of going through with development (Geva and Rosen, 2018). However, until 2015 there had been no attempt to regulate Regeneration Deals or mediate developer-resident relations at the local governance level. Efforts to reform the UR program became substantial in 2016, with legal amendments that provided the basis for Regeneration Deal regulation and reorganized UR governance around a new National Urban Regeneration Authority. As discussed below, the National Authority was tasked, inter alia, with supporting municipalities engaging in UR and leading the formation of MRAs.

Method

This paper examines the roles and agendas of MRAs using a qualitative methodology. Out of 28 MRAs currently operating in Israel, we examined 8 case studies (Table 1). These municipalities were selected based on two criteria: (1) location within the high-demand metropolitan areas that have experienced development and speculative pressures, and (2) a defined UR policy either for the whole municipal jurisdiction or for large areas, for example, neighborhoods or boroughs. Six MRAs belong to municipalities in the Tel Aviv metro area (the economic hub of the country), and two—Jerusalem and Haifa—are large central cities with their own metropolitan areas. The cities vary in size, socioeconomic ranking, planning policies, and their MRA's design and functions.

Data collection comprised two main sources: (1) 45 documents published between 2009 and 2020, including rezoning and strategic plans,

Table 1. Selected municipalities.

Municipality	Population (2018)	Built housing units (2018)	Existing units in approved UR sites (2020)	Planned units in approved UR sites (2020)	Units under construction (2020)	Planned UR units as a percentage of total units
Jerusalem	919,438	228,948	3722	12,662	277	5.5%
Tel Aviv-Yafo	451,522	209,272	2139	5697	1811	2.8%
Haifa	283,640	120,719	2334	7044	1455	5.8%
Ramat Gan	159,160	65,212	1505	5202	771	8.0%
Bat Yam	128,774	54,235	3123	10936	335	20.2%
Lod	75,726	23,012	2455	13,522	–	58.8%
Kiryat Ono	39,985	13,160	1670	4592	1599	34.9%
Or Yehuda	36,864	10,621	156	712	–	6.7%

Sources: Central Bureau of Statistics, 2020 National Urban Regeneration Authority, 2020.
UR: urban regeneration.

MRA publications, and government policy directives, which provided data on official policies, practices, and institutional structures, and (2) 36 semi-structured interviews, conducted between 2014 and 2020 with MRA employees and managers, municipal planners, state officials, and private sector actors (see Appendix 1 for details and coding). The 6-year period allowed us to study the shifts in key actors' positions and municipal UR practices. Analysis began with identifying patterns and themes in the approach of central government and municipal agencies to official policies, market dealings, and resident relations. Then, we compared the structure and functions of MRAs and identified variations in the core MRA functions: spatial planning, accommodating development, and addressing community needs.

For methodological purposes, our analysis focuses on Raze and Rebuild, one of two housing redevelopment programs that follow a shared market-led logic (for a discussion of the concurrent scheme, "Tama 38," see Margalit and Mualam, 2020; Shamai and Hananel, 2021). However, some of the discussed policies and practices relate to both mechanisms.

Findings: municipal agendas and roles in UR

MRAs were rolled out nationally starting in 2017, with the intent to serve as local "honest brokers" between market and civic actors and remove obstacles to development. The design of the national model, discussed in this section, is based on bottom-up initiatives led by a handful of entrepreneurial municipalities and includes three main roles: support for homeowners, deal regulation, and project management. Each role is founded on an entrepreneurial logic of promoting private development while aiming to reconcile this logic with a social equity agenda. We first outline the origin of the MRA model, exploring the entrepreneurial motivations of several municipalities, then discuss prominent MRA roles.

Municipal entrepreneurial motivations

Under the centralized-neoliberal design of UR, municipalities had little incentive for participation. Although municipalities were involved in designating UR sites, redevelopment plans were approved by the district planning committees (i.e. centrally governed). Municipal control over planning was further reduced after the "developer-led" UR path was introduced in 2002, allowing developers to suggest and redevelop sites based on their own viability assessments (Interviews 13 and 35). Furthermore, municipalities faced financial burdens from the new and densely populated developments. Under the Israeli tax system, municipal revenues are chiefly based on non-residential properties, whereas residential property taxation does not cover the cost of public service provision (Interview 34).[1]

Nonetheless, regeneration gained momentum in places where municipal and national UR agendas converged. First, municipalities that suffered from a limited land supply, aging communities, or a negative public image found that UR provided a rare opportunity to attract new homebuyers. In the larger cities of Tel Aviv-Yafo, Jerusalem and Haifa, UR was directed to specific neighborhoods that fit these criteria. At the same time, in smaller municipalities such as Kiryat Ono and Or Yehuda, redevelopment was sought in large portions of the city. Thus, UR became a central pillar of local planning strategies (Interview 33). Some municipalities also used the rezoning involved in UR to promote mixed-use development, including public services and commercial space that would contribute to the municipality's revenue (Interview 32).

A second motivation was rooted in equity concerns over UR. In neighborhoods designated for rezoning, property owners were under increased pressure to sign "regeneration deals" and often failed to organize among themselves. As a result, private sector actors began promoting predatory contracts that relinquished all control over the project to intermediaries, who then sold off the contracts to developers (Rosen and Avni, 2019). At the same time, municipal staff were barred from intervening in property dimensions of UR due to legal concerns. As one city planner described, "We were to assume that [residents] are 'all grown up' and can hire an attorney that will represent them" (Interview 1).

Municipal community workers, not planners, initially flagged equity issues arising from predatory practices and addressed them through their entrepreneurial efforts, especially in large cities such as Haifa and Tel Aviv-Yafo (Geva and Rosen, 2016). As community workers were not confined to the same restrictions as planners, they were able to voice a more explicit call for interventions and began advocating for organizing residents while also acting as bottom-up policy entrepreneurs, pushing for greater municipal involvement (Lavee et al., 2018; Interviews 2, 3, and 11). Municipal planners also realized that regeneration deals required a more proactive mode of intervention that can offset the limited capacities of most property owners (Interviews 32 and 34). Thus, faced with the uneven playing field of regeneration deals, municipalities began fulfilling a role of "responsible adults," as one respondent called it (Interview 23).

Municipal entrepreneurial aspirations were supported through varying levels of institutional capacity. Some municipalities, such as Haifa and Bat Yam, created dedicated UR departments within their planning system (Interviews 1, 2, 25, and 34). Larger cities addressed UR more extensively by building on existing agencies: Tel Aviv-Yafo established its proto-MRA body within a municipal corporation dedicated to housing renovation. The Jerusalem MRA sprung out of the city's housing innovation lab and later affiliated with a municipal corporation devoted to public infrastructure development (Interviews 3, 4, and 35).

Compared with the core municipal organization, corporations have greater flexibility in entrepreneurial actions and are commonly used in Israel to manage the development and management of municipal infrastructure (Jakar et al., 2018; Razin et al., 2020). Therefore, their institutional setting was suitable for municipal intervention in property relations. However, while many municipalities eventually formed MRAs under a municipal corporation (13 nationally and 5 in our sample), only Tel Aviv and Jerusalem used this configuration to promote UR projects, as discussed below directly.

The early municipal interventions in UR marked a withdrawal from the official hands-off approach that characterized the national program. Whether motivated by growth considerations, equity concerns, or both, the municipal intervention also shifted power and responsibility between central and local governments. Shortly after Jerusalem established the first official MRA in 2015, the central government passed the National UR Authority law, setting the groundwork for a national MRA roll-out. Jerusalem's MRA was chosen as the blueprint for the new MRAs (Interviews 18 and 31). Thus, the central government also acknowledged that municipal intervention may aid in achieving the national policy goals.

MRA roles

In 2017, the National Authority for UR began funding MRAs, setting three basic requirements to municipalities: to hire a minimum of three staff members (manager, planner, and community relations officer), publish a local UR policy within a limited timeframe, and set quantitative objectives of annual added residential units, by which the MRA success would be assessed. Otherwise, municipalities were given a relatively free hand to determine local priorities and policies. The head of the national MRA program defined this model as "a flexible structure that can fill gaps in the municipality and coordinate between departments, [and] a *one-stop-shop* for developers and residents" (Interview 31). This logic encapsulates some known traits of neoliberal governance—a devolved system with measurable and growth-oriented objectives (Sager, 2011)—while merging them with community-oriented functions that address equity concerns.

The MRA functions can be divided into three categories: *support* for homeowners navigating the UR market; *regulation* of the property realm of UR, that is, regeneration deals; and *project management* of new developments—an explicitly entrepreneurial role adopted by two high-capacity municipalities—Jerusalem and Tel Aviv-Jaffa. We now turn to a detailed discussion of the roles and the agendas underpinning them.

Supporting homeowners. The most common role of MRAs is the support they provide to homeowners in the UR process. MRAs provide guidance materials, training courses, and neighborhood meetings to provide reliable information about the UR market and legal framework and build the homeowners' capacity to engage in UR deals. As explained by one MRA manager, MRAs often advertise these services through distinct branding that differentiates them from private sector intermediaries (Interview 28). Some have also opened branded storefronts in neighborhoods marked for redevelopment, using inviting names such as *The Home for UR* and *The Foyer*.

Another supportive role undertaken by different MRAs, to varying levels of involvement, is the organization of elected homeowner leaderships in regeneration projects. The challenge of reaching an agreement among owners on UR project details has repeatedly been identified as an obstacle to implementation. One MRA manager explained that "Some owners live in their properties, some don't even know what their property looks like. Each group has its interests and reaching an agreement can be difficult" (Interview 29). This role is also framed as an equity issue, based on the assumption that disorganized homeowners are more prone to exploitation by predatory actors (Interview 22). Accordingly, some MRAs also offer homeowners a list of vetted attorneys to choose from.

The rationale of supportive actions is twofold. First, it sets a local standard for UR processes and foregrounds the accountability of municipalities within them. This is in line with the framing of MRAs as the "responsible adult" that provides reliable information in an accessible language (Interview 23). Furthermore, the bottom-up community-building practices used in supportive roles borrow heavily from municipal community social workers' toolkit. By doing so, MRAs distinguish themselves both from the original hands-off UR policy and from the profit interests of developers. MRA employees highlighted this aspect through statements such as "We're go-getters [. . .] we don't work office hours" (Interview 24), and "[we have] a big heart and a social outlook" (Interview 22).

However, homeowner support also intends to reduce resistance and increase participation. In the eyes of the central government, MRAs were there to support homeowners in making informed market decisions—to act as "an objective actor that can determine if the [offered regeneration] deal is reliable" (Interview 31). Thus, beyond protecting against predatory developers or uninformed regeneration deals, MRAs proactively encourage nascent entrepreneurial tendencies among owners, providing them with the skills and a roadmap to initiate plans.

Municipal officials mostly welcomed the community-based tools that contributed to their repositioning as key actors in the national policy and their increased accountability to residents. This was indeed a softer approach to the entrepreneurial logic of UR, as reflected in the statement of one MRA manager: "even though we are pro-development, we don't simply pursue more housing units. We're very concerned that in 'the day after,' the city would sustain the densification" (Interview 21). However, this supportive role is inseparable from enrolling residents into the regeneration deal and to the entrepreneurial logic of UR.

Regulation of regeneration deals. MRAs have introduced new regulatory mechanisms into the planning and property dimensions of the UR process. While increasing municipal control, these regulatory functions are also intended to increase redevelopment rates by providing greater certainty and establishing a transparent set of requirements for all stakeholders. The regulatory roles of MRAs introduce new capacities within the municipal organization, primarily relating to one of the most contested aspects of UR—the regeneration deals.

Most municipalities defined the MRA as a first stop for any developer or homeowner who wishes to initiate a project. Traditionally, developers would only contact the city planning department in the confines of the statutory planning process, with UR projects receiving the same treatment as new-built projects. The new regulations require developers and owners to contact the MRA first and produce a set of assessment reports for the proposed project. In addition to the regular planning assessment procedures and financial viability assessments, MRAs require a social impact assessment. It involves a survey of the site's current resident composition and identification of potential vulnerabilities (Interviews 26, 28, and 36). MRAs maintain a pool of approved consultants to fulfill these tasks or conduct assessments in-house.

Additional oversight of regeneration deals varies between MRAs, spanning from loose requirements such as reporting and documenting all meetings and conferences with residents to more strict arrangements. For example, some MRAs restrict all contractual actions until residents form an elected leadership (Interviews 27 and 28). As one MRA manager claimed, these roles intend to "return the power to the residents [and] create certainty in the deal-making process, so it's not the developer that leads the process" (Interview 22).

While regulation targeted social equity issues, it was also framed as a tool to fix UR market failures. First, true to their honest broker ethos, MRAs suggested that the added regulation can increase certainty and reduce risks for developers. One MRA manager argued that developers were initially enraged by the added regulation, but once they realized that the MRA is "a catalyst [to development], the cooperation became meaningful" (Interview 21). Second, developers' ability to adhere to the added regulation was mentioned as a factor discerning between serious and predatory actors (Interview 13).

Project management. Most MRAs are engaged mainly in supportive and regulatory roles. However, the two largest cities in Israel—Jerusalem and Tel Aviv-Jaffa—also pursued an explicitly entrepreneurial path as for-hire UR management firms. In this route, rather than act as mere regulators, the MRAs actively promote projects on behalf of homeowner groups (Interviews 19, 21, and 23). First, the MRA organizes residents, submits a rezoning plan, and helps owners choose an attorney. Then, the MRA conducts a tender in which developers bid for the right to implement the fully formed project. This process allows owners to prioritize and choose between several development proposals. MRA oversight continues throughout the implementation phase and is paid for by developers upon completion. Currently, eight projects are advanced through this path in Tel Aviv and four in Jerusalem.

This entrepreneurial capacity is an exact emulation of the "resident-led intermediary" services that have emerged in the private sector in response to the obstacles of UR (see Geva and Rosen, 2018). Through this action, MRAs signal that a transparent competition between developers is considered best practice, while deals in which owners are less involved are considered unfavorable (Interviews 12, 21, and 23). This position deepens municipal control over UR but does so from a unique entrepreneurial perspective. It requires the MRA to walk a tightrope between their roles as honest brokers and a strictly profit-led model. To sustain this balance, MRAs offer their services at no cost to residents and state that the commission charged from developers will be used only to cover costs. One MRA manager explained that "if I take a share of the cut like the lawyer, the organizer, then I lose my relevance. I need to differentiate myself, emphasize my redeeming values" (Interview 23).

The lack of project management functions outside Tel Aviv-Yafo and Jerusalem is notable. The

Table 2. Summary of MRA roles and agendas.

MRA role	Social equity agenda	Entrepreneurial agenda
Supporting homeowners: information, training, organizing, legal counsel	Increase homeowners' capacity to organize and negotiate UR deals	Promote entrepreneurial tendencies and reduce objections to UR
Regulation of property deals: oversight of developer–homeowner negotiations, additional requirements, e.g. social impact assessments	Mitigate predatory practices, identify social vulnerabilities	Create certainty for developers in the municipal regulatory framework
UR project management: promotion of rezoning plans and a developer bidding process on behalf of homeowners (Jerusalem and Tel Aviv-Yafo)	Increase benefits and minimize risks for homeowners	Assert the MRA as a proactive entrepreneurial agency, adopting some developer roles in the UR process

MRA: Municipal Regeneration Agency; UR: urban regeneration.

MRAs of these two cities are the only ones that stemmed from a municipal initiative that preceded the national roll-out (in Tel Aviv, the MRA remains independently funded). In addition, the two municipalities are distinctly entrepreneurial (see Charney and Rosen, 2014; Margalit and Alfasi, 2016). However, the entrepreneurial roles also reflect the trustworthiness of MRAs in the eyes of homeowners. In comparison, the city of Haifa's attempts at a similar path have not succeeded (Interview 25). This unique MRA role reflects how social equity functions are also tied to municipalities' varying entrepreneurial capacities.

Conclusion

This article explored the roles of Municipal Regeneration Agencies in Israel's state-led UR program. The program epitomizes the current state of entrepreneurial governance and its challenges to social equity. It employs a project-led market mechanism, which considerably limits cities' control over development patterns and planning criteria (Raco et al., 2019; Tasan-Kok, 2010). In addition, it involves large-scale housing demolitions in low-income communities and increases the risk of marginalization and displacement (Lees et al., 2016). In this context, MRAs' approach to equitable entrepreneurialism exemplifies the varied motivations underlying municipal entrepreneurialism (Jacobs and Manzi, 2020; Lauermann, 2018; Phelps and Miao, 2020).

We argued that municipalities were motivated to intervene in UR deals by growth-oriented entrepreneurial aspirations and by calls from homeowners to address the inequities of the unregulated UR market. Moreover, MRAs assumed an honest broker position to reconcile these two motivations. This was done through three roles (see Table 2 for a summary): first, supportive roles, adopted from community social work practices that build homeowner capacities while reducing objections to UR implementation. Second, municipal regulation over the property dimensions of UR that is justified as a source of certainty for market stakeholders. Finally, project management functions take this convergence further and position the MRA as a socially minded market intermediary that competes with private stakeholders. The latter role is found only in the two largest cities MRAs, exhibiting a more established entrepreneurial approach to urban development.

Our findings suggest that the MRA's "equitable entrepreneurialism" model has assisted in institutionalizing a social equity perspective in the Israeli planning system, which regularly underplays social considerations (Friedman and Rosen, 2021; Margalit and Mualam, 2020). It did so by formally acknowledging the social implications of redevelopment, setting best-practice standards of community engagement in market processes, and creating protections for vulnerable homeowners. However, this involvement remains highly dependent on market relations and municipal capabilities. MRAs approached predatory practices as a market failure that should be fixed through better information and improved competition (see also Geva and Rosen, 2018). They sought social equity primarily through optimizing homeowners' position in the Regeneration Deal while largely overlooking the implications of UR for non-property-owning residents (Geva and Rosen, 2022; Margalit and Kemp, 2019). This corroborates

Alster and Avni's (2021: 9) argument that Israeli UR is shaped around homeowner class interests. Municipal interventions in non-market housing, for example, could offer a more substantial and long-lasting contribution to social equity.

A second implication concerns municipalities' limited ability to restructure and rescale Israel's centralized neoliberalism. The municipalities examined in this research increased their discretion by mobilizing the entrepreneurial capacities of municipal community workers, planners, and municipal corporations. While these actions eventually shaped the national UR agenda, the resultant national roll-out of MRAs remains largely dependent on central government funding and authority. There is, therefore, a risk that lower-capacity municipalities, for example, with weaker planning or community departments, will have limited influence over local UR processes. Furthermore, MRAs' ability to represent local agendas could be challenged; for example, central government efforts to promote UR in low-demand areas might reduce homeowners' ability to object to regeneration. Notably, legislative reforms that have passed since this study was completed have reduced the minimum homeowner consent rates from 80 percent to 66 percent of all owners in a given project. It remains to be seen whether such changes will erode the MRA's discretion over time.

The findings from Israel could be of note to municipalities dealing with state-sanctioned entrepreneurial efforts elsewhere (Jacobs and Manzi, 2020; Penny, 2017; Wu et al., 2021). Since state-led UR is an important arena in which state–city relations are renegotiated, municipalities can assert their control over local development to balance the pressures of national growth agendas. Further research into the varied agendas and geographical scales of entrepreneurial shifts (Lauermann, 2018; Phelps and Miao, 2020), should explore whether municipal mobilization of social equity affirms or challenges the market logics it supposedly counterbalances.

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Note

1. This discrepancy is even more pronounced under the Tama 38 regeneration mechanism, which requires municipalities to forgo development levies and offers no developer obligations (see Margalit and Mualam, 2020).

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Appendix 1. List of interviews.

Serial no.	Date of Interview	Title	Municipality/affiliation
1	07/2014	Planner 1	Haifa
2	07/2014	Social Worker 1	Haifa
3	04/2015	Social Worker 2	Jerusalem
4	06/2015	Planner 2	Jerusalem
5	06/2016	Planner 3	Tel Aviv-Yafo
6	07/2016	Homeowner 1	Tel Aviv-Yafo
7	08/2016	Homeowner Attorney 1	Private practice
8	08/2016	Homeowner 2	Tel Aviv-Yafo
9	11/2016	Developer 1	Private practice
10	11/2016	Planner 4	Private practice
11	11/2016	Senior executive, dept. of community social work	Ministry of Welfare and Social Affairs
12	12/2016	Homeowner Attorney 2	Private practice
13	12/2016	Developer 2	Private practice
14	02/2017	Developer 3	Private practice
15	06/2017	Homeowner Attorney 3	Private practice
16	11/2017	Homeowner Attorney 4	Private practice
17	12/2017	Developer 4	Private practice
18	01/2019	Former Head of Raze and Rebuild program	Ministry of Construction and Housing
19	01/2019	MRA community relations official 1	Jerusalem
20	02/2019	MRA Manager 1	Or Yehuda
21	03/2019	MRA Manager 2	Jerusalem
22	03/2019	MRA Manager 3	Ramat Gan
23	03/2019	MRA Manager 4	Tel Aviv-Yafo
24	03/2019	MRA community relations official 2	Tel Aviv-Yafo
25	04/2019	MRA Manager 5	Haifa
26	04/2019	MRA community relations official 3	Haifa
27	05/2019	Social Worker 5	Or Yehuda
28	05/2019	MRA Manager 6	Lod
29	06/2019	MRA Manager 7	Kiryat Ono
30	06/2019	MRA community relations official 4	Kiryat Ono
31	06/2019	Head of MRA program	National Urban Regeneration Authority
32	03/2020	Chief Planner	Kiryat Ono
33	05/2020	Former Deputy Chief Planner	Bat Yam
34	05/2020	MRA Manager 8	Bat Yam
35	05/2020	Planner 5	Tel Aviv-Yafo
36	05/2020	Community Relations officer	National Urban Regeneration Authority

MRA: Municipal Regeneration Agency.