Participation, Self-management and the Production of Social Housing in São Paulo during the period 1989-1992

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UN HABITAT
FOR A BETTER URBAN FUTURE

LOCATION:

where is it?

Roraima
Amapá
Amazonas
Pará
Maranhão
Ceará
Rio Grande do Norte
Piauí
Paraíba
Pernambuco
Alagoas
Sergipe
Acre
Rondônia
Tocantins
Bahia
Mato Grosso
Goiás
Distrito Federal
Mato Grosso do Sul
Minas Gerais
Espírito Santo
São Paulo
Rio de Janeiro
Paraná
City of São Paulo
Santa Catarina
Rio Grande do Sul
Regiões
Norte
Nordeste
Centro-Oeste
Sudeste
Sul

National Context: the 1980's

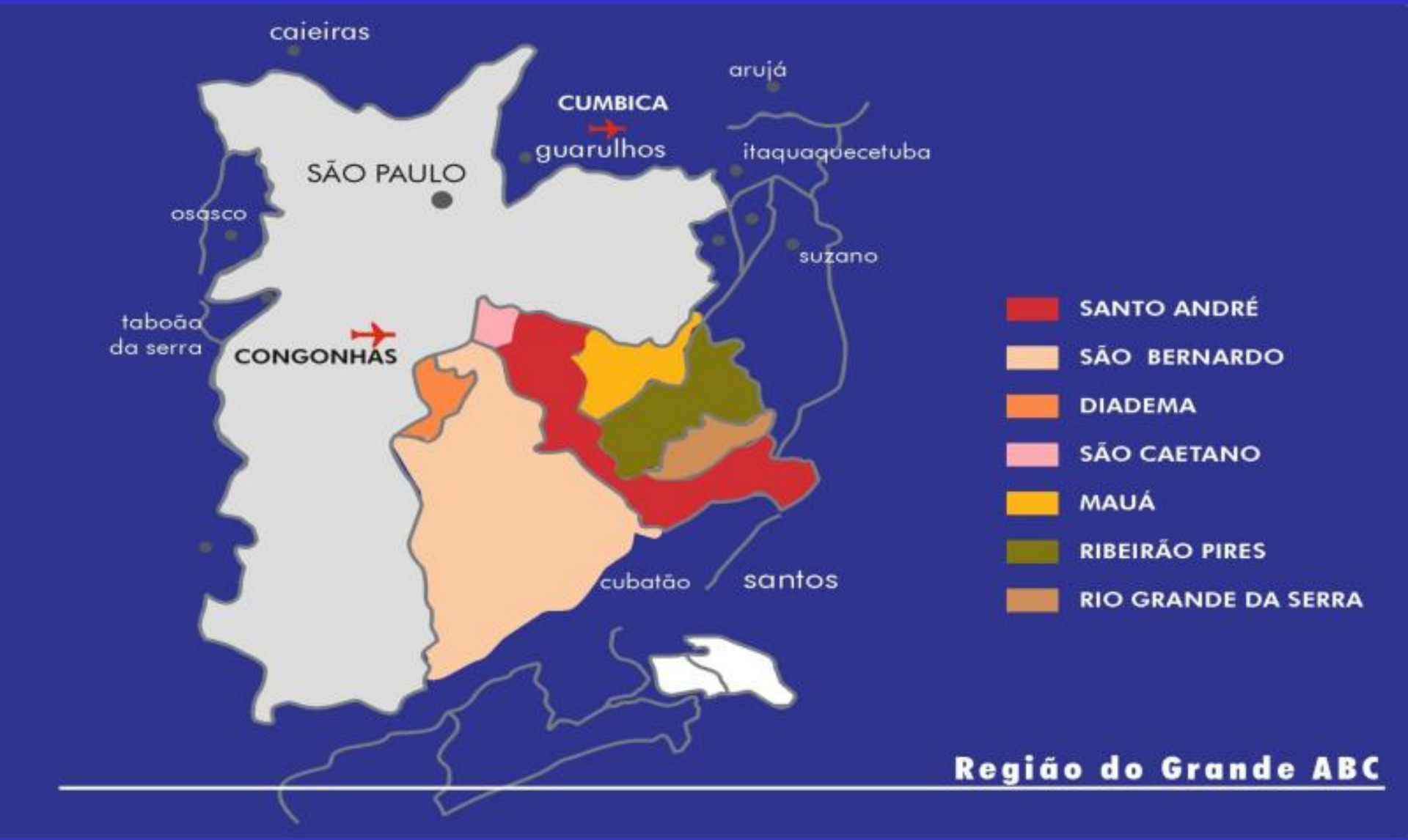
SOME FACTS

1. Economic crisis
2. Housing Deficit of 8-14 million units
3. Intense Rural-Urban Migration
4. Real estate speculation
5. Pressure on salaries and decrease in real income of labour force
6. Increase in Unemployment
7. Scarcity of rented housing
8. Waves of collective invasion o vacant land in major cities
9. Social Urban Movements

SOME ACTIONS

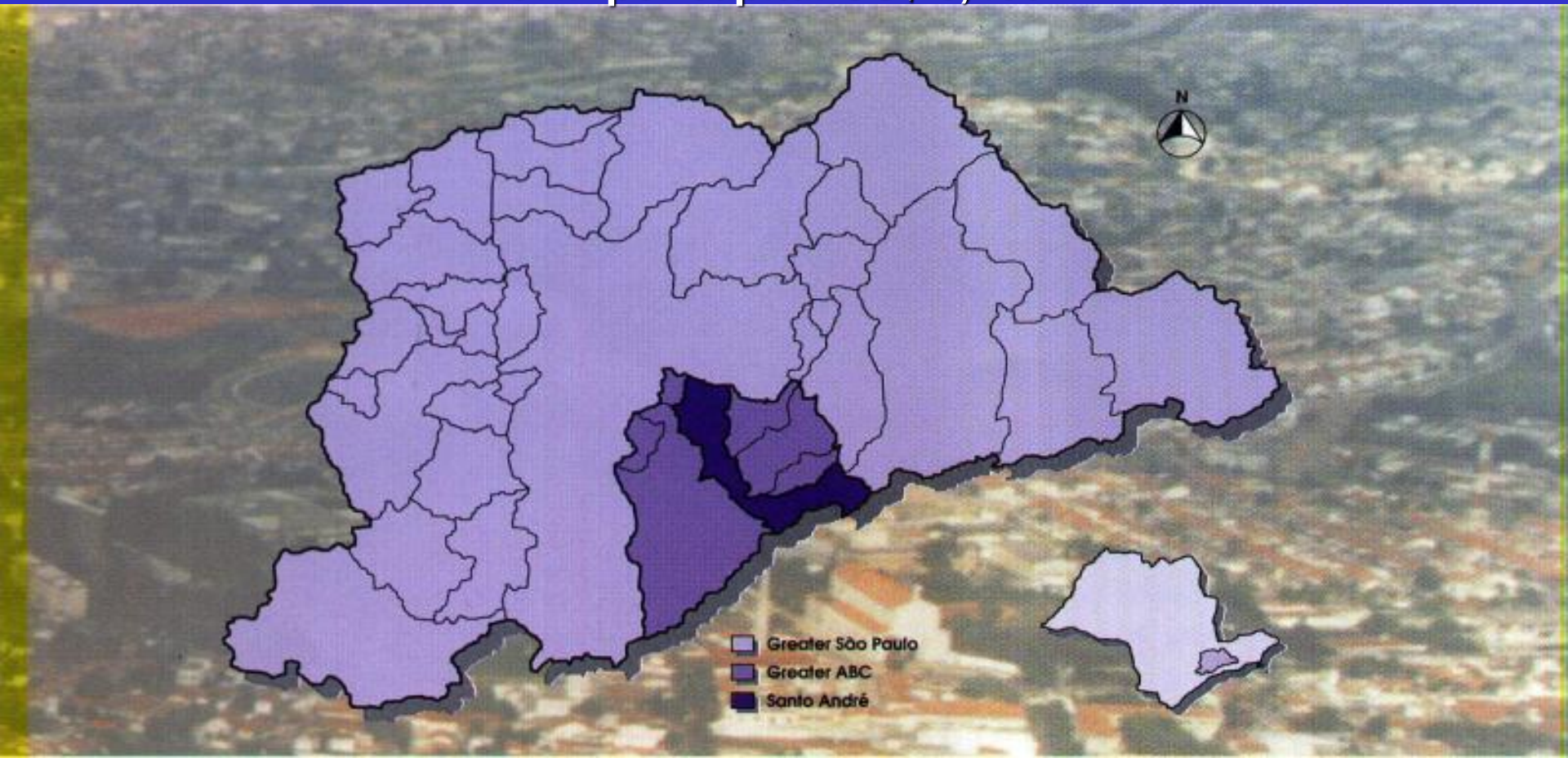
1. Programme João de Barro
2. Closure of the National Housing Bank-BNH in 1986
3. Crack-down of the national housing policy - CEF
4. Mutual-aid action - Mutirão das 1000 casas em 1 dia: Íris Resende in Goiânia
5. Advocacy works of the Church through the CEBs-Comunidades Eclesiais de Base
6. Elections of 1982 - progressive forces of PT, groups of PMDB

Geographical Location

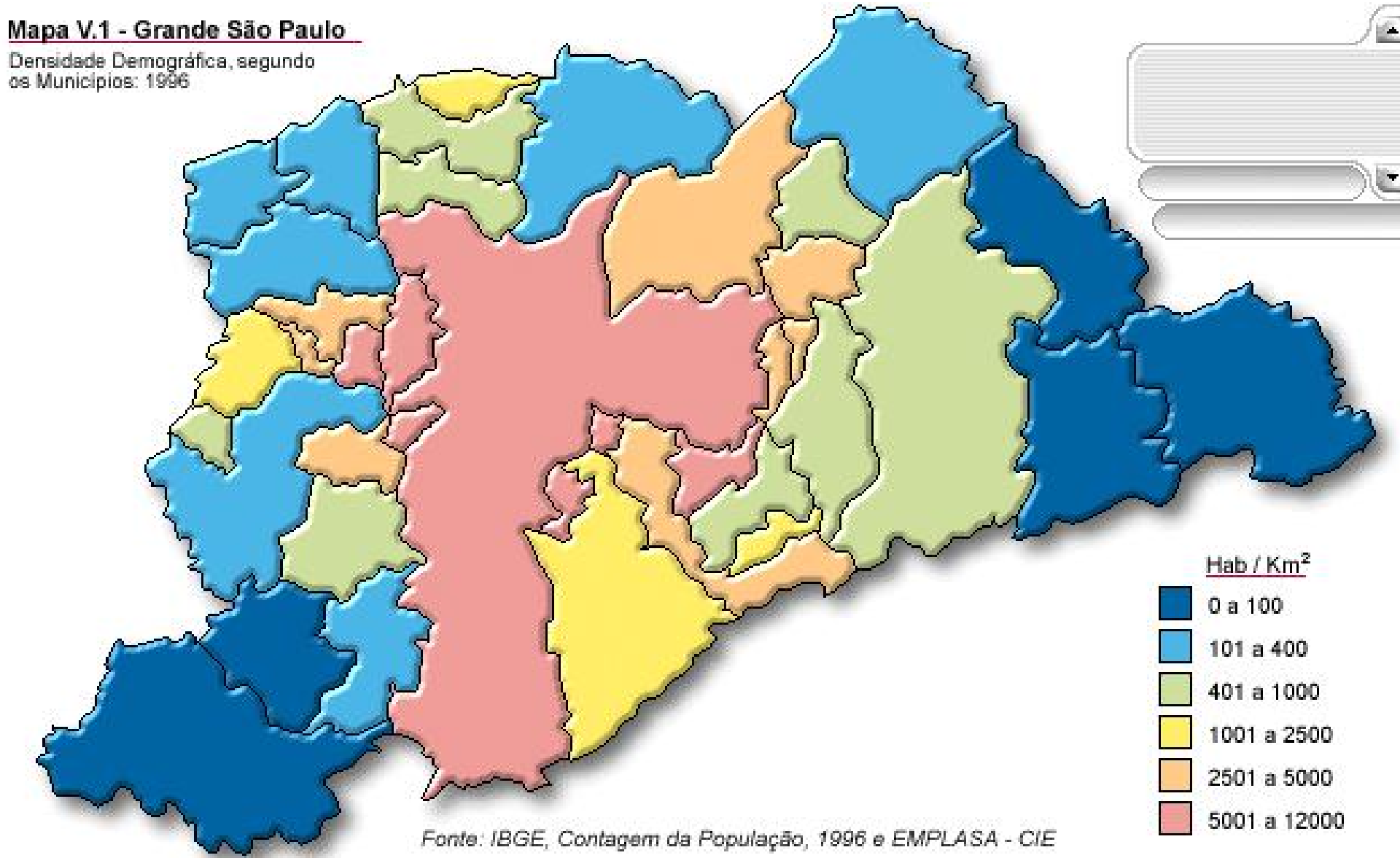


Greater São Paulo Region in 1999

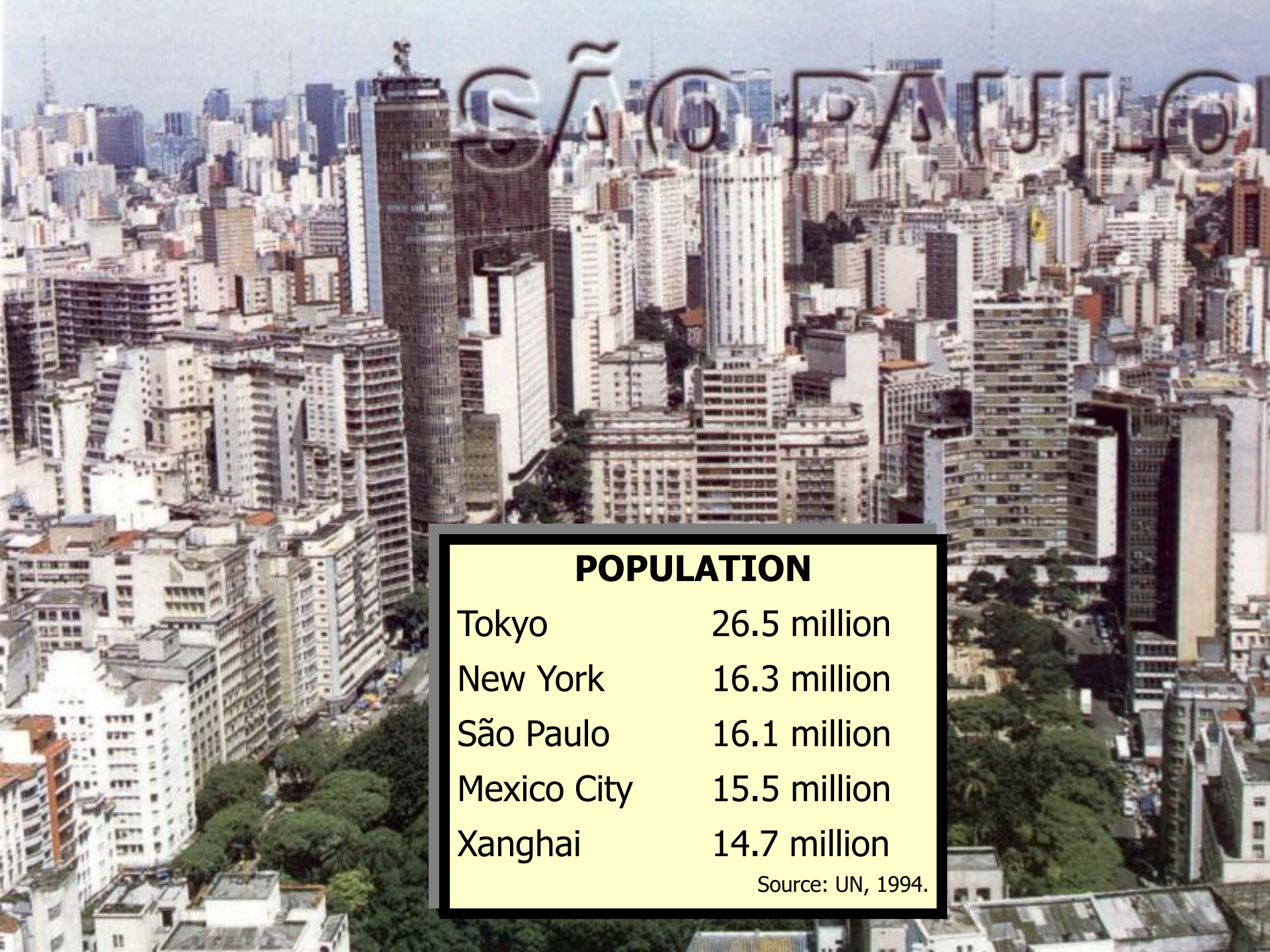
- Area of GSP: 8,100 km^2
- 39 municipalities (38 + 1)
- Population: 17 million inhabitants (before census 2000)
- Density: > 2,000 inhab/km^2
- GNP: US$140 billion
- GNP per capita: US$ 8,400



URBAN DENSITY in GSP



São Paulo



POPULATION

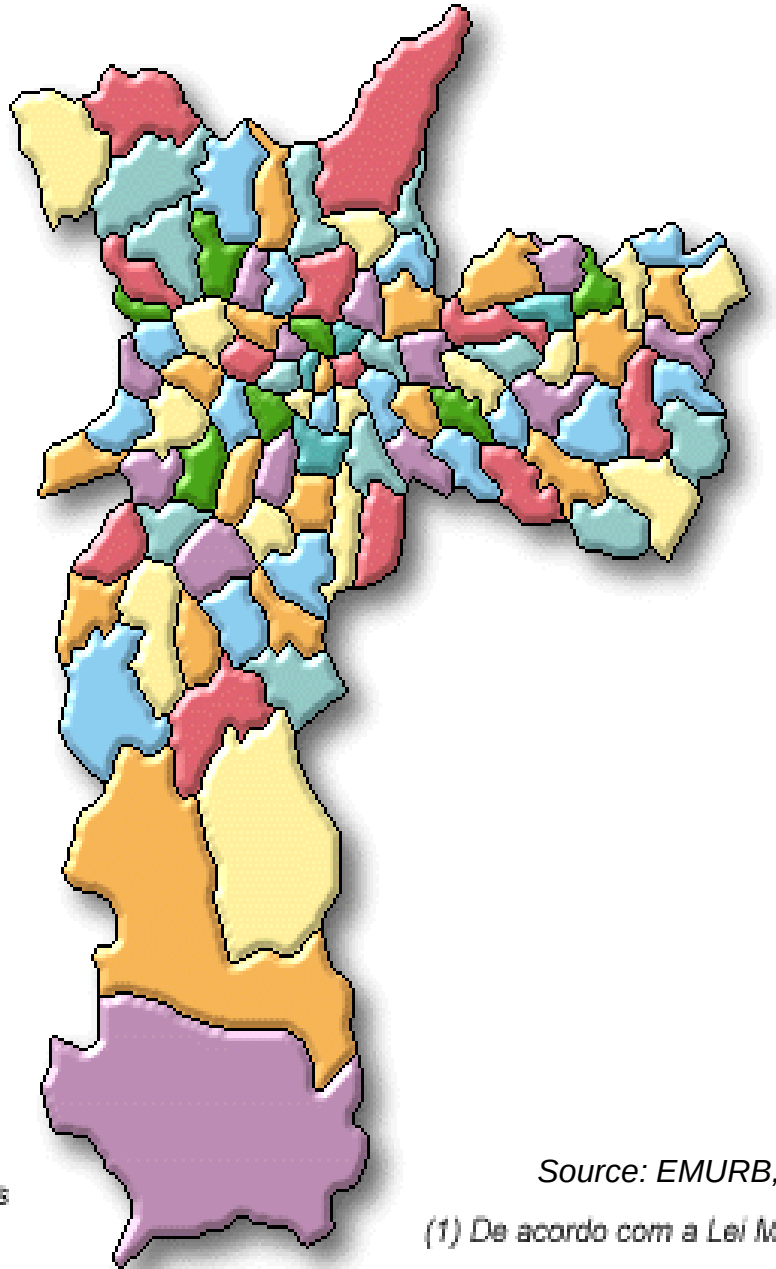
Tokyo	26.5 million
New York	16.3 million
São Paulo	16.1 million
Mexico City	15.5 million
Xanghai	14.7 million

Source: UN, 1994.

THE CONTEXT

Mapa I.3 Município de São Paulo

Divisão Distrital: 1997 (1)



Fonte: Prefeitura do Município de São Paulo - Secretária das Administrações Regionais e EMPLASA - DIF/CIE

Source: EMURB, Nadia Somek

(1) De acordo com a Lei Municipal nº 11.220, de 20.05.1992

SÃO PAULO

THE CONDITIONS

Essential Conditions

1. Social and Political thinking: PT, PMDB groups, CEBs/Church, Labour Unions
2. Legitimised and Organised Movements for Housing: associations federations, tenants,etc.
3. Existence of technical assistance and professionals open to dialogue with residents
4. Knowledge about the pioneering Uruguayan experience and Vila Nova Cachoeirinha and São Bernardo
5. Lack of organisational structure and personnel in the municipal housing agency - HABI
6. A municipal fund with legal basis and programme flexible for adaptation - FUNAPS.
7. Municipal Government with authonomy and political will, a housing policy and an executing agency

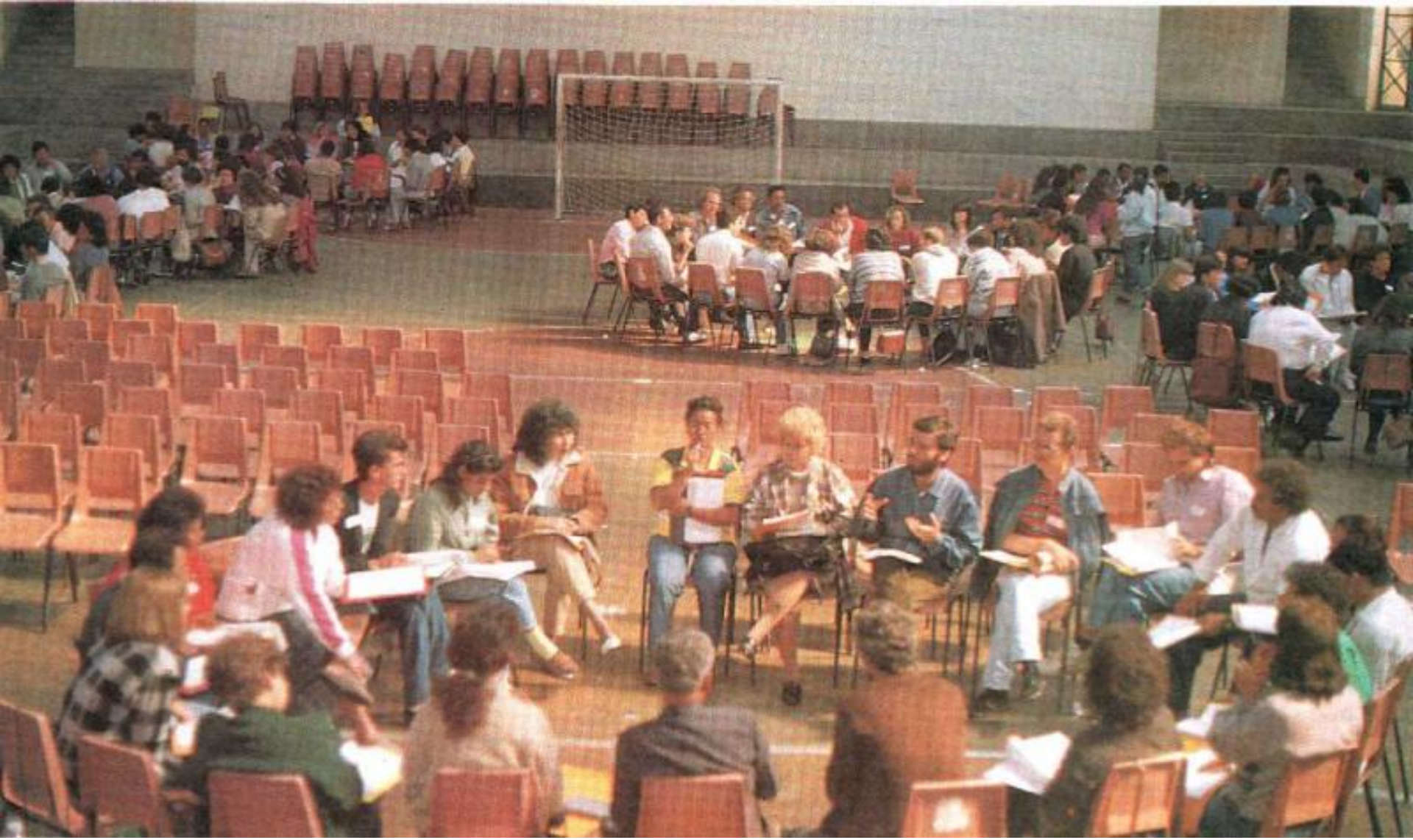
The FACILITATING CONTEXT IN 1989

ELECTED MAYOR politicaly commited to resolve social problems. Rise of new political party with a socialist view.

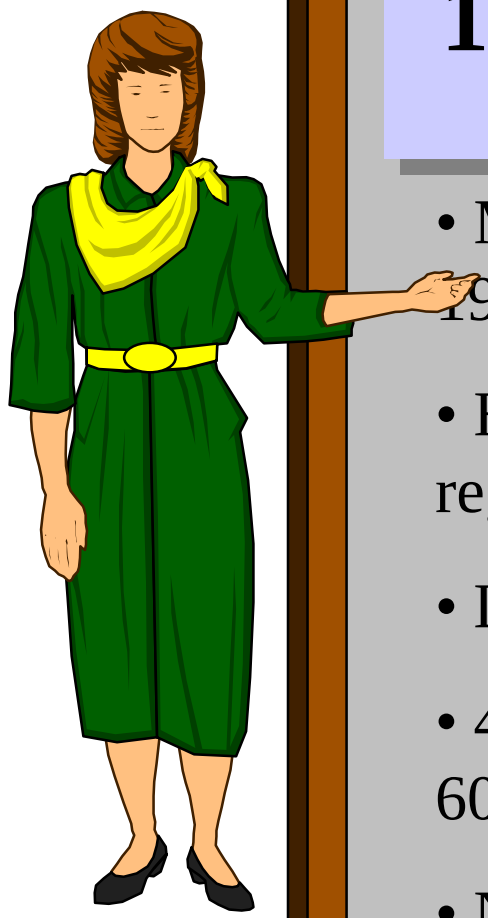
Popular Movements well organised in neighbourhood associations; political engagement of professionals, pressure groups, all struggling for an urban reform at the local , state and national levels. CALL for Urban Rights!!!

NEW CONSTITUTIONS (1988) formulated by a National Constitution Assembly elected for this purpose.

1. Clear definitions, roles and responsibilities of various levels of Government.
2. Autonomy and strengthening of municipalities.
3. More decentralisation.
4. Obligation to formulate municipal constitution (leis orgânicas locais).
5. Obligation to formulate urban plans (master plans) for cities above 20.000 inhab in a participatory manner.
6. Social use of the city.
7. Social function of the city;
8. Social function of land / property;
9. Re-distributive character
10. Strong popular participation;
11. Urban Reform!!!



THE PROBLEMS



1. PROBLEMS OF THE MUNICIPALITY OF SÃO PAULO in 1989

- Mushrooming Informal Settlements (1973=1% e 1994=18% of population);
- High price of LAND derived from strict land use regulation;
- Land SPECULATION;
- 4.144 million m² of vacant land from which 600,000 m² is served with infrastructure.
- Nearly 50 % of this vacant land can house a population of 7.5 million inhabitants.

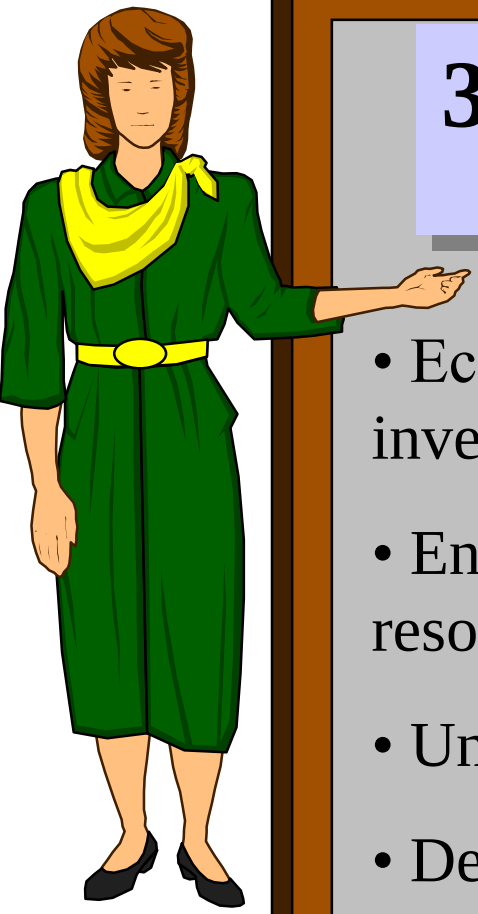
2. PROBLEMS OF THE MUNICIPALITY OF SÃO PAULO in 1989

• Peripheral land development via clandestine settlements (illegal subdivisions) - access denied to infrastructure & regularization.

• Concentration of investments of the private sector in the most valuable areas of the city (Southwest- Morumbi,Jardins, Ibirapuera = high income areas).

• Overload of infrastructure(saturation) derived from this concentration of investments & consequent occupation.

• Only 30% of the city is in fact according to the existing land use regulation



3. PROBLEMS OF THE MUNICIPALITY OF SÃO PAULO in 1989

- Economic crisis of the 80's that caused a reduction of investments in services &infrastructures.
- Environmental degradation & threat to water resources of the city.
- Unbalanced distribution of wealth.
- Deindustrialization & enterprise restructuring.
- Structural economic adjustment of the city' s economy

4. PROBLEMS OF THE MUNICIPALITY OF SÃO PAULO in 1989

• Between period 1973-1989, squatter settlements (favelas) grow more than 1000 % - reaching nearly 1 Million residents in more than 1600 settlements;

• Nearly 800.000 lown income tenant families who are unable to pay rent nor to enter into the market of peripheral settlements;

•820.000 families occupying nearly 88.000 properties turned into tenements, average of 10-12 families per property with total of 40 persons and average of 4 persons per room.

What are the principles and guidelines behind the FUNACOM programme?

Guidelines and Principles of Municipal Housing Policy

1. Link Housing Policy and Urban Policy

2. Occupy vacant land pockets, avoiding urban sprawl and neutralise need for commuting.

3. Diversity in programmes and projects

4. Link social work and development of projects and public works

5. Right to citizenship via broad-based participation in defining priorities and executing public policies.

6. Public-community partnership to stimulate self-sustained and self-managed production processes

7. Right to live with dignity in inner city

8. Right for good architecture - improve quality of housing and settlement layout projects

9. Right to urban land via land tenure regularisation and expropriation if needed.

10. Making compatible the resolution of housing needs with preservation of environment and cultural values.

11. Social criteria in financing to search economic return but without hindering access by low income families;

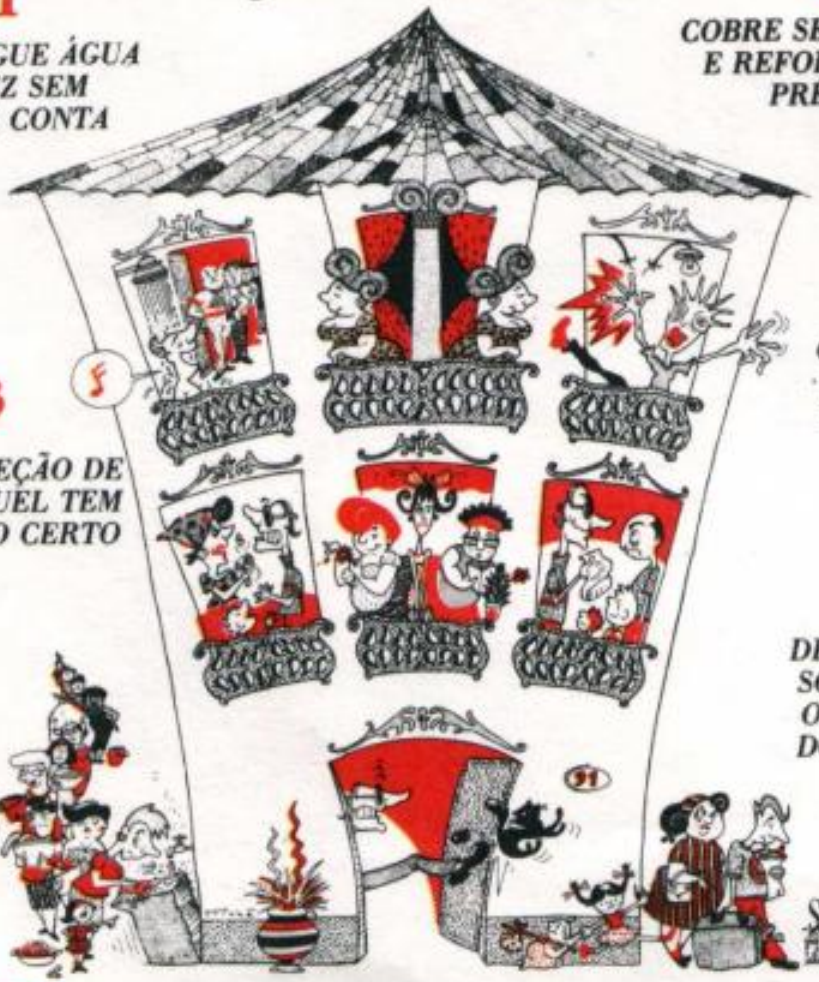
MORADOR DE CORTIÇO
também tem seus DIREITOS

Existe uma lei e várias associações para fazer valer os direitos dos moradores de cortiços.

Organize-se e viva melhor

1
NÃO PAGUE ÁGUA E LUZ SEM VER A CONTA

2
COBRE SEGURANÇA E REFORMAS DO PRÉDIO



3
CORREÇÃO DE ALUGUEL TEM PRAZO CERTO

4
O CONTRATO É SUA SEGURANÇA

5
ALUGUEL, SÓ COM RECIBO

6
DESPEJO SÓ COM ORDEM DO JUIZ

PARA GARANTIR SEUS DIREITOS PROCURE UMA DAS ENTIDADES DE ASSISTÊNCIA JURÍDICA CONVENIADAS COM A PREFEITURA DE SÃO PAULO.

An instrument for housing production popular organization participation

MUNICIPAL HOUSING FUND SAO PAULO FUNAPS

Urban policy structured through the master plan

Resources from municipal Budget to finance:

Land acquisition

Building Materials

Community FUNAPS = FUNACOM is born!

1989

Restructuring to serve the organized communities

Acquisition of : land

Building Materials
Infrastructure
Land regularization
Housing finance

Juridically Not independent

Financially Independent

Administratively Independent Own accountant

Own programming approved by the municipality

Municipality (nominated by mayor)
Community (elected by Res.Asso.)
100 fam. representing minimum of 10 organizations
Municipal Chamber

BOARD

Controls the use of $
Checks destination of $
Approves projects
Formulates guidelines
Establishes limits & proposes changes

PRINCIPLES OF FUNACOM

1. Obligation to contract a technical assistance team to design the project, coordinate construction and juridical and social matters.

2. The “mutual-aid & self-governed” model is meant to decrease human effort and time of construction while increasing quality and ownership of the process.

3. The participation of the population in all phases of the project cycle (planning & design, planning for execution, execution, management and maintenance) builds ownership but also a critical consciousness amongst individuals.

4. This involvement helps to include other dimensions of the housing question: density, vertical building, quality of human settlements, conditions and limitations of the municipality: awareness of public sector limitations and potential roles of citizens.

Which are the innovative aspects of FUNACOM ?

SELF-MANAGEMENT

"Government shares power.

The municipalily gives away the decision power because there is a technical assistance team to the population, the government channels the funds but also channels responsibility"

(N.Bonduki,1991).

PARTICIPATION

"Strengthens citizen participation in the housing question, stimulating self-management in housing entreprises financed by the municipal government, multiplying the operational capacity of the government and decreasing the housing costs. The participation is in all stages: planning, preparation, execution, consolidation.

Partnership between the government and organised civil society generating a system of **NON-STATE PUBLIC MANAGEMENT**!

Each family must dedicate a minimum of 16 hours of work per week.

What are the Main Objectives of the FUNACOM ?

1. Strengthen participation of organised communities in and around the housing question.
2. Stimulate self-management in initiatives financed by the Municipal Government through FUNAPS
3. Multiply the operational capacity of municipal housing agency and decrease housing costs
4. Assure the direct and collective participation of the population in all phases of the project cycle: project design, planning for implementation, execution (construction), management and maintenance.
5. Stimulate critical thinking and political consciousness of social movements and popular organisation.

How is the programme financed?

SOURCES OF THE FUNAPS HOUSING FUND

4% of the Municipal Budget

1% goes to FUNACOM

1. 40% originated from Interlinked Operation
2. 30 %from ICMS -circulation of goods &services
3. 20%from ISS- tax over services in general
4. 5%from IPTU - Urban land &Building property tax
5. 5% from IVV - fuel sales,ITB - transference of property tax, plus 46 other items.
6. ***US$ 167 million was mobilized***
7. ***US$ 68 million only from urban operations***

- 1991: Cr$8 billion or 25% of the budget of Munic Housing Agency-HABI
- Funds allocated during first phase of FUNACOM: US$ 80 million (2/3 allocated until 1992).
- With all the expenditures considered: US$ 150 milhões

The origin of the funds of FUNACOM ?

- 1. Municipal Budget allocation
- 2. Interlinked Urban Operations: counterpart contribution of private sector in exchange of concessions or changes in the “right to build”-TDR
- 3. Housing lottery (State Government)
- 4. Return from financing

Conditions for Getting Finance !

1.

Contract or agreement with a technical assistance entity registered / recognised by HABI.

2.

Physical and Financial plan of the construction programme + architectural project.

3.

List with the complete data of all families participating in the project: minimum: 20 maximum: 200.

- Parcelled disbursement
- Monthly accounting report
- Measurement and evaluation by HABI
- TA is responsible.

4.

Statute of the association & mechanisms of participation.

5.

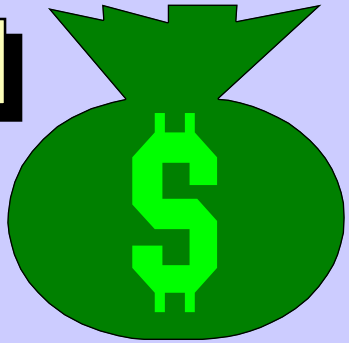
Settlement/urban plan and infrastructure project for the housing estate..

Sources of Funding and FINANCE?

INVOLVING THE PRIVATE SECTOR

Urban Development Strategies in São Paulo under the PT Administration (1989-1992)

THE URBAN OPERATIONS INSTRUMENTS



CONSORTIUM **1**

ZEIS > 1 ha

Owner receives a number of plots after development. Equal to the value of Land prior to development (infrastructure & roads); the rest is taken by the Municipality

SOCIAL INTEREST

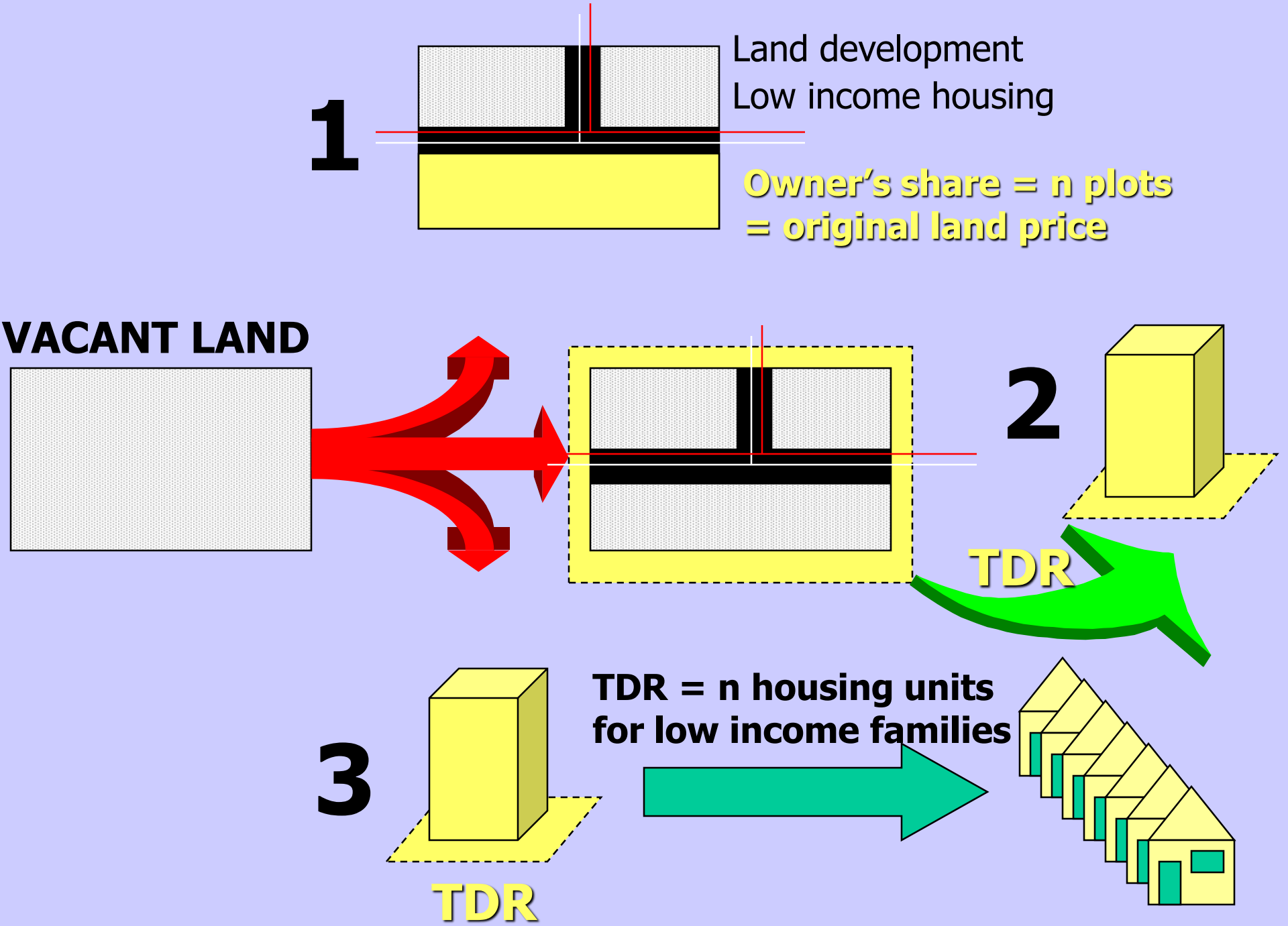
Private sector receives in exchange a site/ plot where higher construction ratio can be applied.
Obligation to involve the poor families,

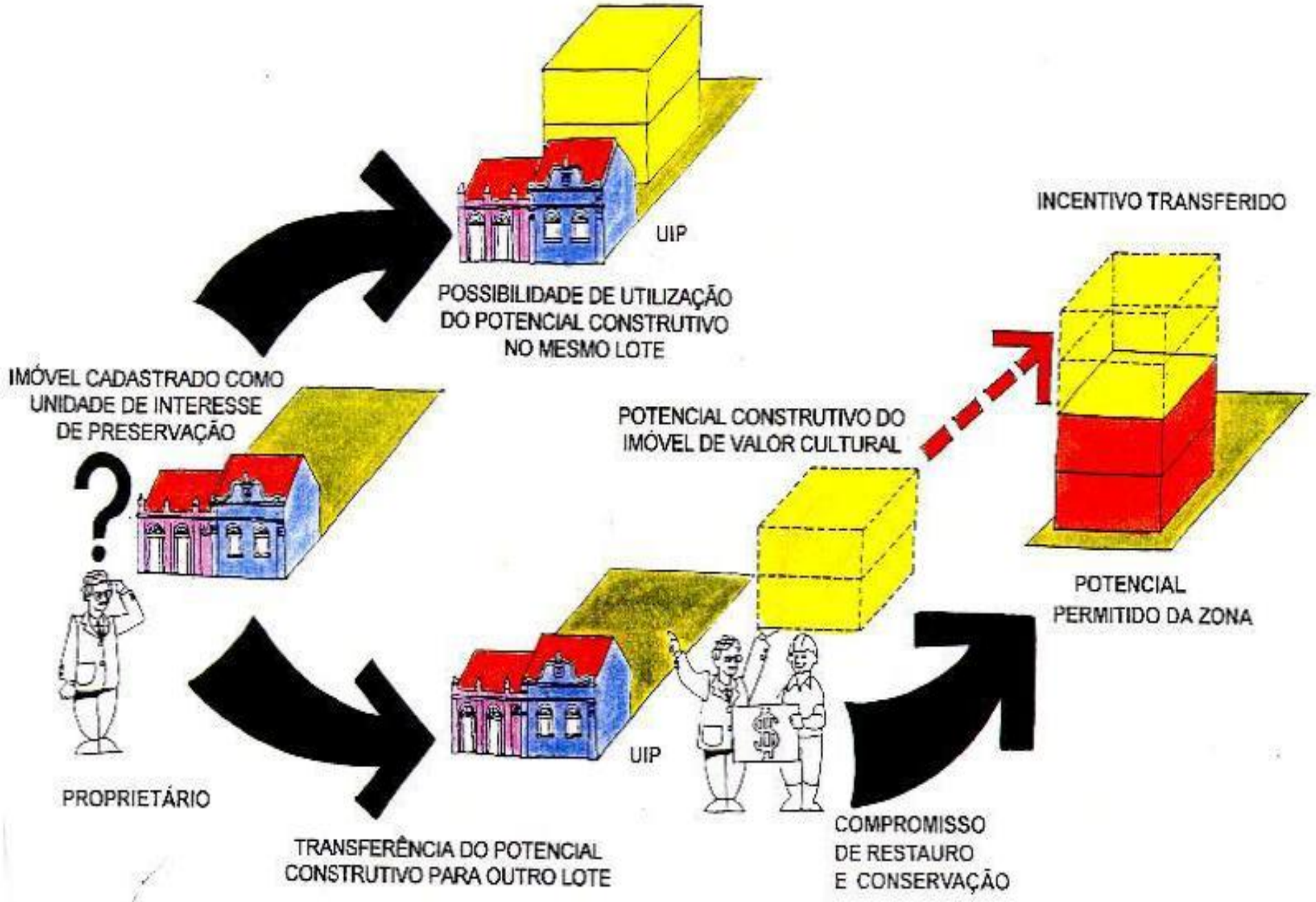
2

INTERLINKED **3**

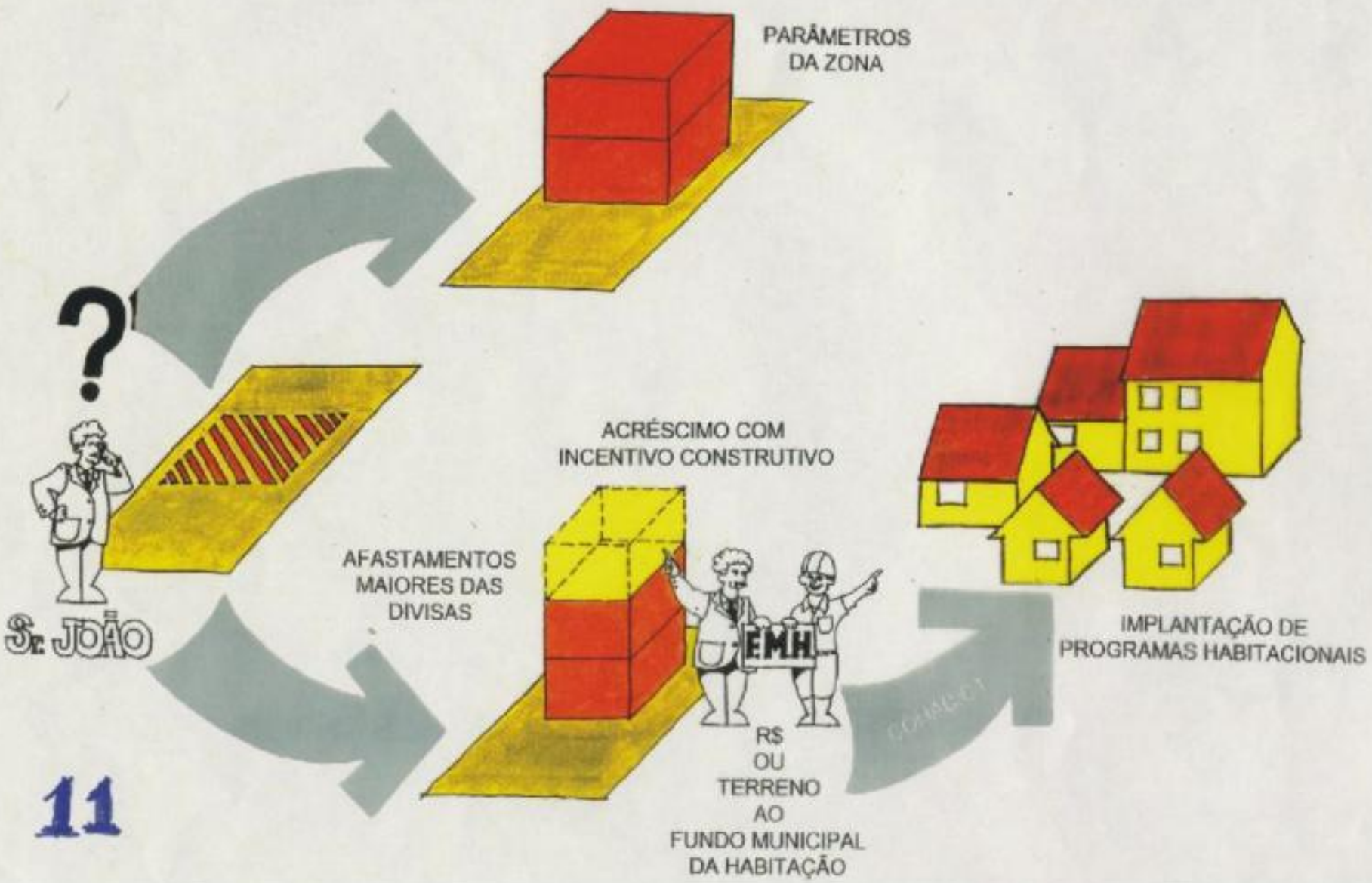
Private sector transfers a number of housing units to slum dwellers in exchange of modifications in the LAND use and the occupation of certain areas - TDR

Revenues in 3 months = 1 year budget of FUNAPS-Housing Fund


1
Land development
Low income housing
Owner's share = n plots
= original land price
VACANT LAND
2
TDR
3
TDR = n housing units
for low income families
TDR


UIP
POSSIBILIDADE DE UTILIZAÇÃO
DO POTENCIAL CONSTRUTIVO
NO MESMO LOTE
INCENTIVO TRANSFERIDO
IMÓVEL CADASTRADO COMO
UNIDADE DE INTERESSE
DE PRESERVAÇÃO
POTENCIAL CONSTRUTIVO DO
IMÓVEL DE VALOR CULTURAL
POTENCIAL
PERMITIDO DA ZONA
UIP
PROPRIETÁRIO
TRANSFERÊNCIA DO POTENCIAL
CONSTRUTIVO PARA OUTRO LOTE
COMPROMISSO
DE RESTAURO
E CONSERVAÇÃO

SOLO CRIADO


PARÂMETROS
DA ZONA
?
Sr. JOÃO
ACRÉSCIMO COM
INCENTIVO CONSTRUTIVO
AFASTAMENTOS
MAIORES DAS
DIVISAS
EMH
R$
OU
TERRENO
AO
FUNDO MUNICIPAL
DA HABITAÇÃO
IMPLANTAÇÃO DE
PROGRAMAS HABITACIONAIS

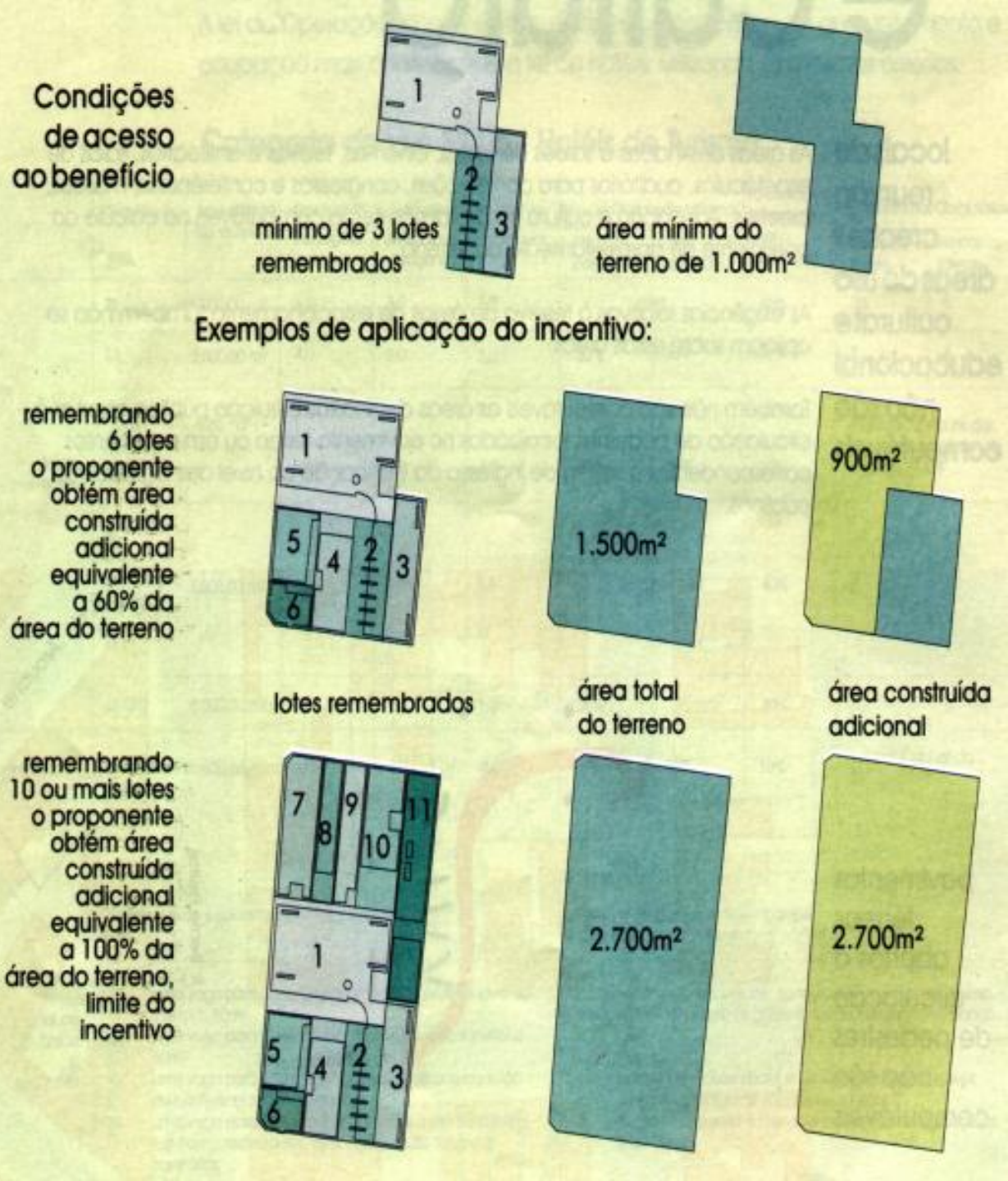
Conditions to Benefit from Incentives leading to Increase in Development Rights and Densification in the Core Area of Downtown Sao Paulo

Minimum:

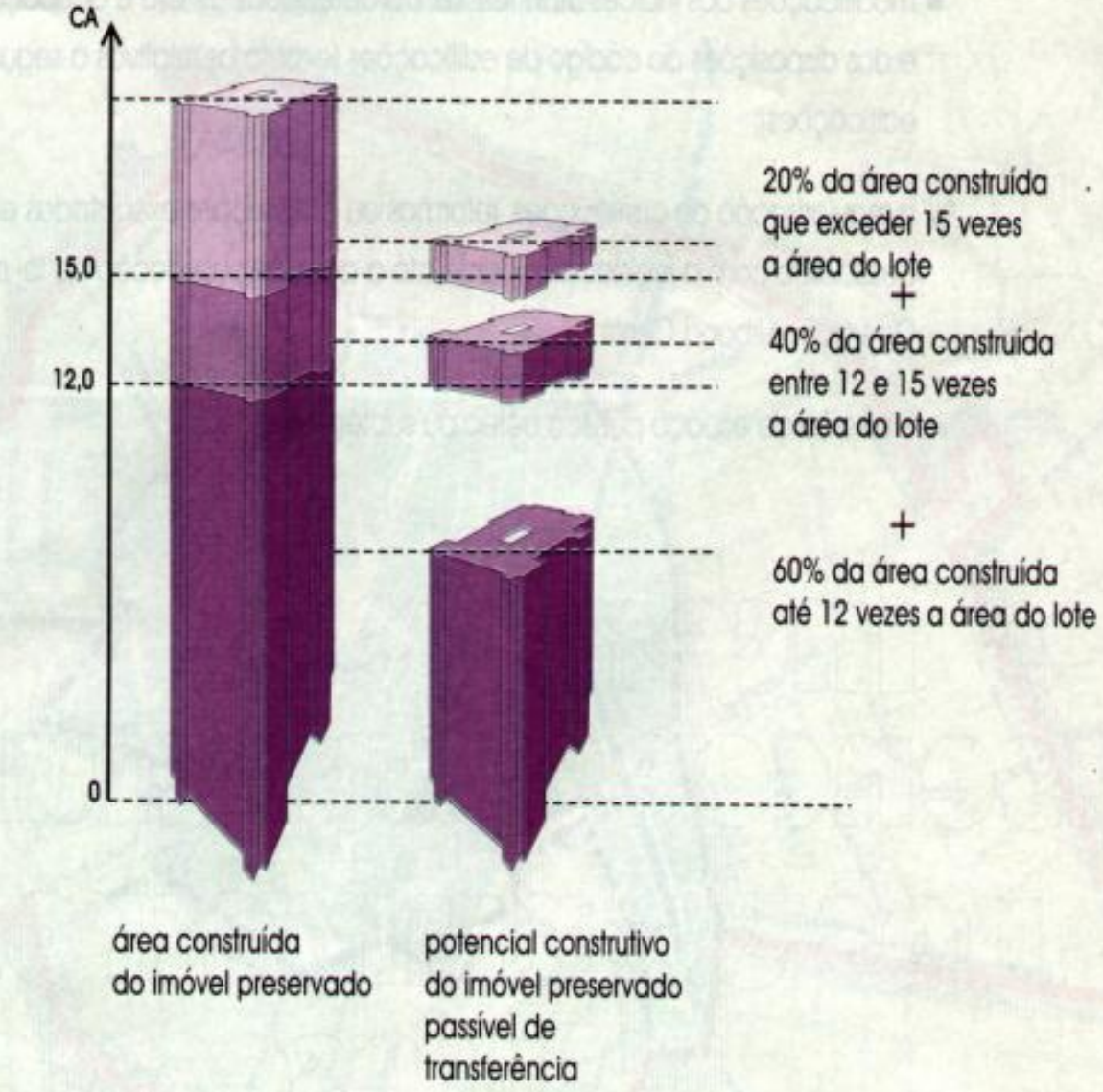
3 plots and 1000 m2

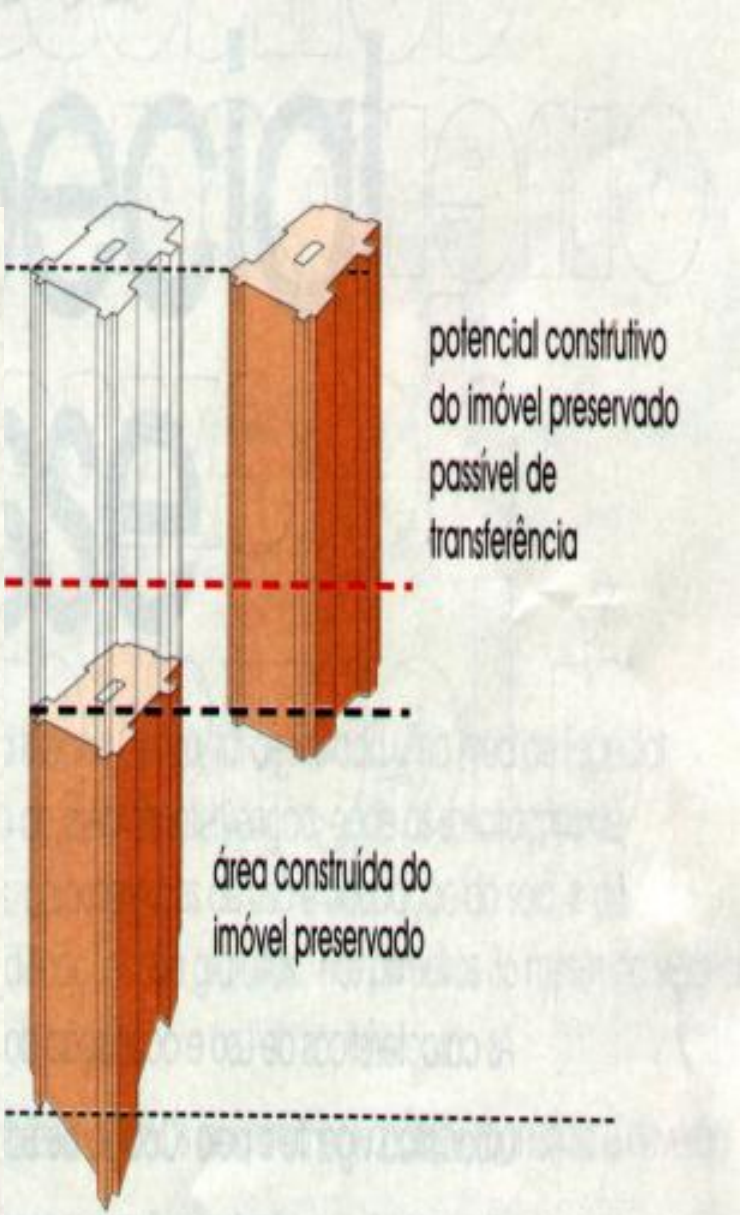
Merging plots:

6 plots = gain 60% of area



Procedures in the Calculation of the Transfer of Development Rights in Downtow Sao Paulo





utivo passível de transferência para imóveis cujo
nto efetivo - CA - seja superior a 7,5

TOTAL NUMBER OF INTER-LINKED OPERATIONS

Sep 1988 – Dec 1992

Approved with MoU with FUNAPS	47
Approved but without MoU with FUNAPS	14
Urbanistic Plan approved; financial contribution under analsys	37
Urbanistic Plan under analysis by Working Group	72
Rejected	36
Withdrawn	22
Total Number of Operations Filled at Municipality	228

109 were under process of analysis of the urbanistic aspects or financial contribution

47 proposals = USD 31 million = 3,881 social housing units

14 proposals = USD 28 million = 3,046 social housing units

61 operations = USD 59 million = 1/3 of the Municipality's expenditure in 1989-1992

Source: Sempla-Municipal Secretariat of Planning, PMSP; Bonduki, 2000.

How do I become eligible as beneficiary of the programme ?

Which are eligibility criteria for the FUNACOM ?

- Families with income between 1 and 5 minimum salaries (US$500.00)
- Holding land for construction
- Juridical entity
- Meet documentation for request for financing
- Included in priorities defined by Regional HABI

Items for Financing:

- Setting construction site/tools: up to 4%
- Technical assistance/project/monitoring: up to 4%
- Specialised labour: up to 10%
- Building Materials: minimum of 82%

Limits for the Financing:

- US$ 7.000 per unit and US$ 110.00 / m².
- 900 VRFs/unit and 15 VRFs/m² (in counterposition to 28 VRFs/ m² in case it would be executed by contractors).
- Monthly installments: value cannot exceed 25% of household income and not be lower than 10% of the minimum salary.

How LAND is assembled?

How to purchase land with FUNACOM ?

1	2	3	4
EXPROPRIATION promoted by HABI based on priorities established in region channels of participation	**PURCHASE** with resources from participants / community-residents' associations	**OBTAIN** areas owned by COHAB and CDHU	**DONATION** of areas owned or purchased by the church

RESULTS: the municipal government finances from 25% to 75% of the total finance.

Participation of the women is significant: in construction site, in the building process and in the finishing works.

Participation triggered capacity building and better position in labour market!

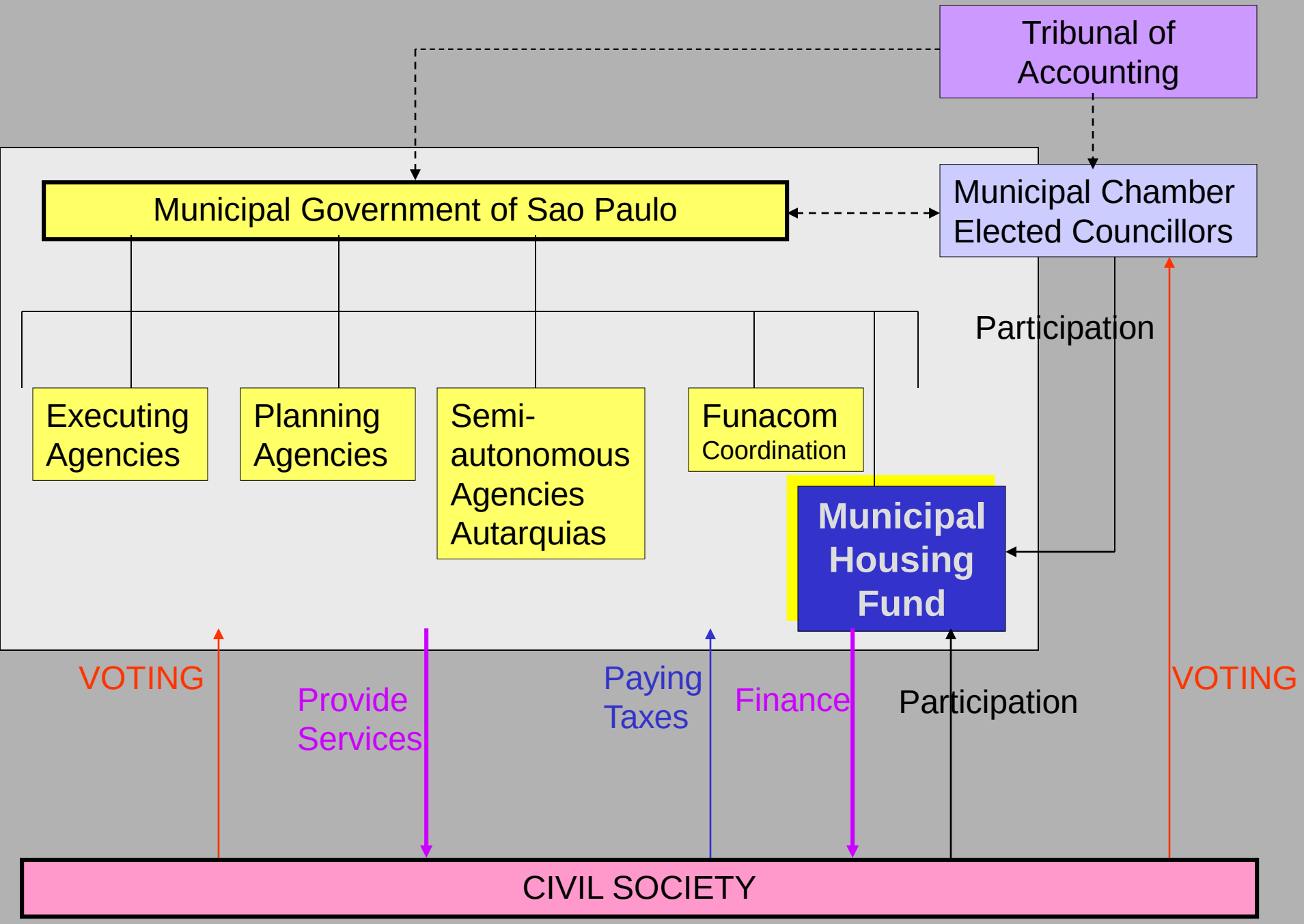
What is the Institutional Position of the FUNACOM Programme?

What is the institutional basis of FUNACOM ?

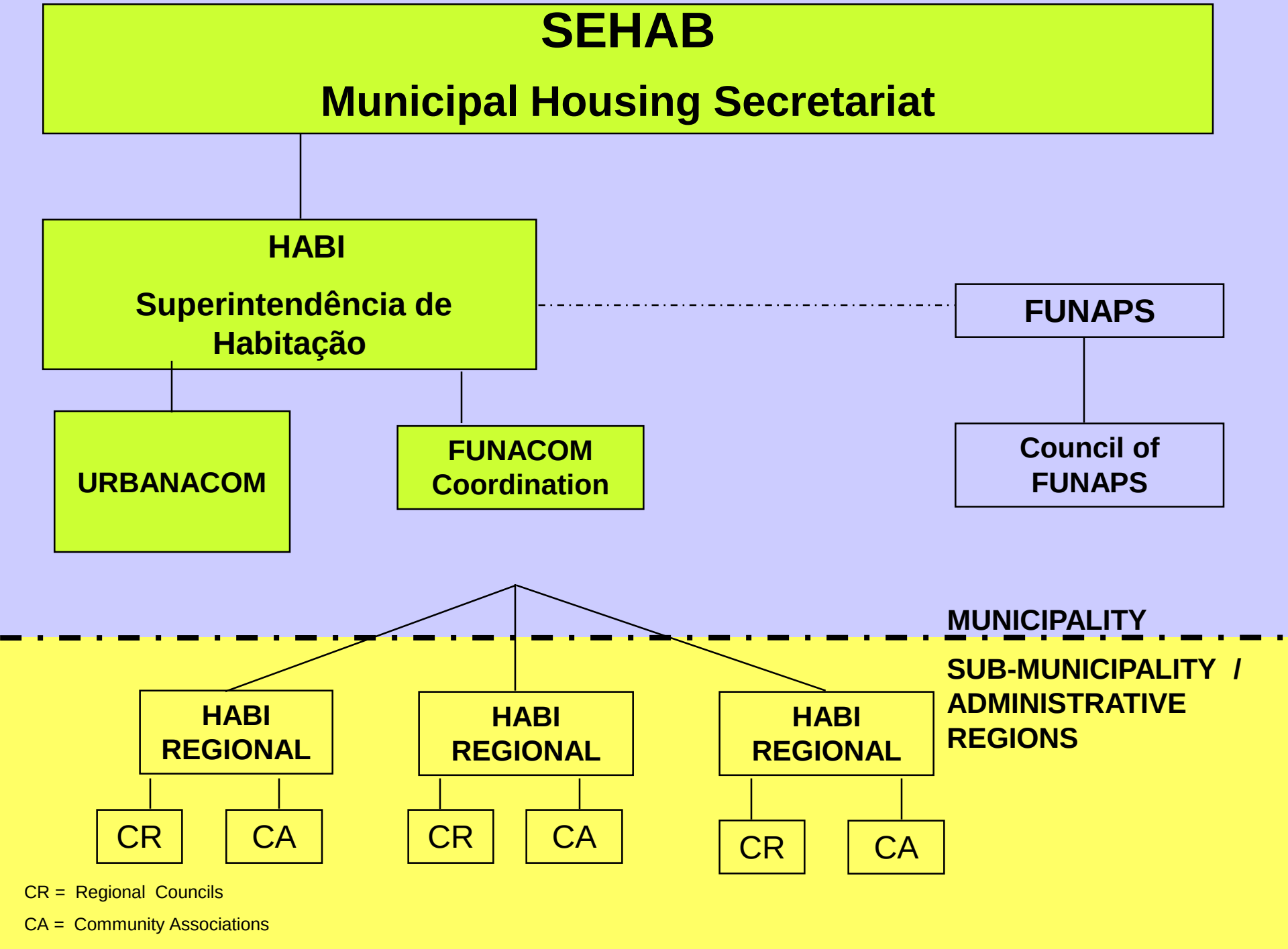
- Legal feature of FUNAPS: authorisation to establish agreements with public and private entities to accomplish its objective (erradicate poor housing).
- A municipal executing agency inside the government - HABI
- A municipal fund semi-independent with funds and financial resources guaranteed.
- Decentralised form of monitoring, management and programme control - HABI Regional.
- Institutionalised regional forum and channels of participation legimitised by population and government.

The Main Actors Involved

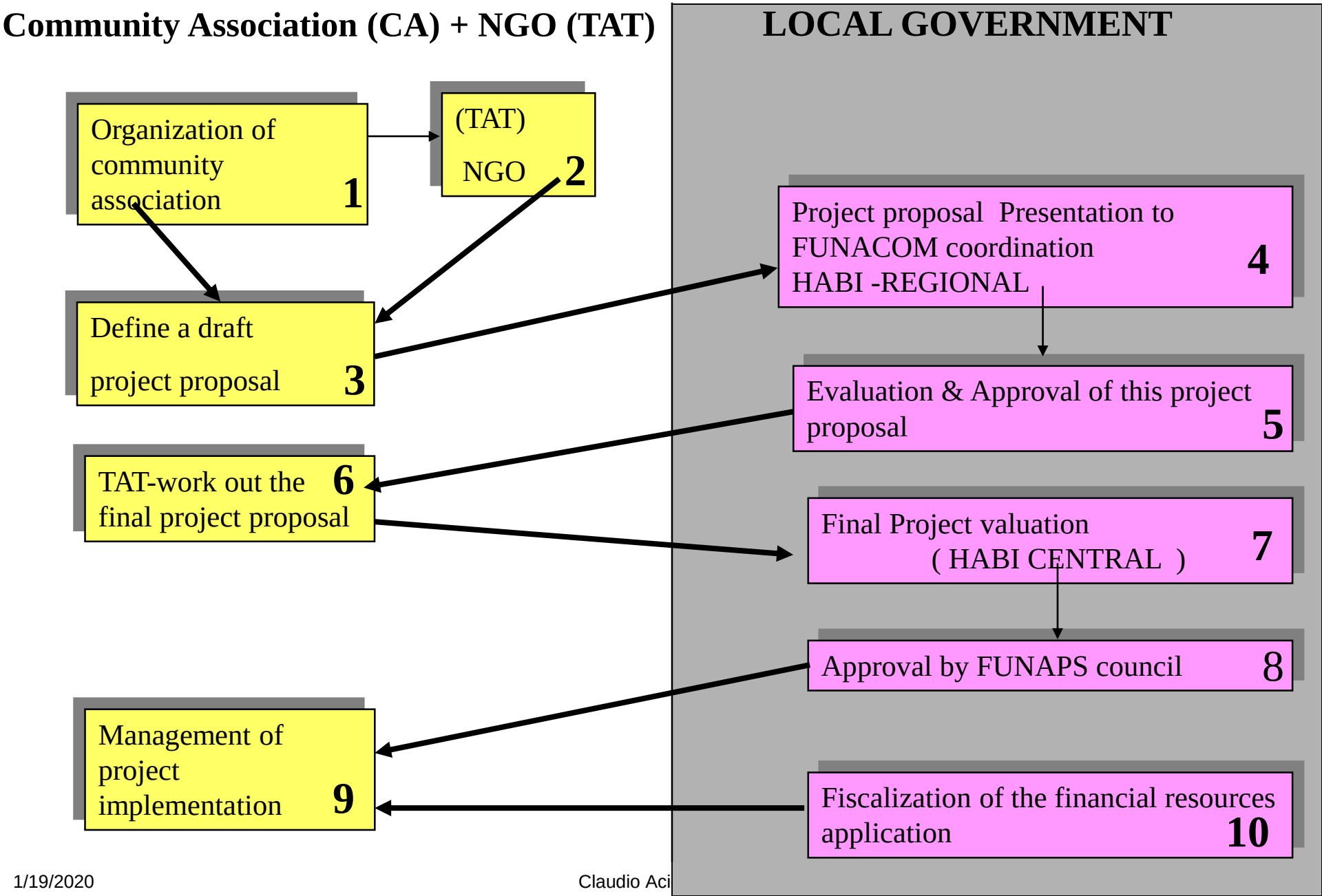
•HABI Central	Responsible for Housing Policy Formulation and Implementation
•HABI Regional	Decentralised mandate and authority for policy implementation
•Funacom Regional Council	Decentralised authority and mandate in evaluation and appraisal of project initiatives
•AC-Community Association	Legal entity and representative of residents/beneficiaries
•TAT-Technical Assistance Team	Legally established professional entity
•FUNACOM coordination	General coordination of the FUNACOM programme
•FUNAPS Council	Higher decision making for approval and fund allocation


Tribunal of Accounting
Municipal Government of Sao Paulo
Municipal Chamber Elected Councillors
Participation
Executing Agencies
Planning Agencies
Semi-autonomous Agencies Autarquias
Funacom Coordination
Municipal Housing Fund
VOTING
Provide Services
Paying Taxes
Finance
Participation
VOTING
CIVIL SOCIETY

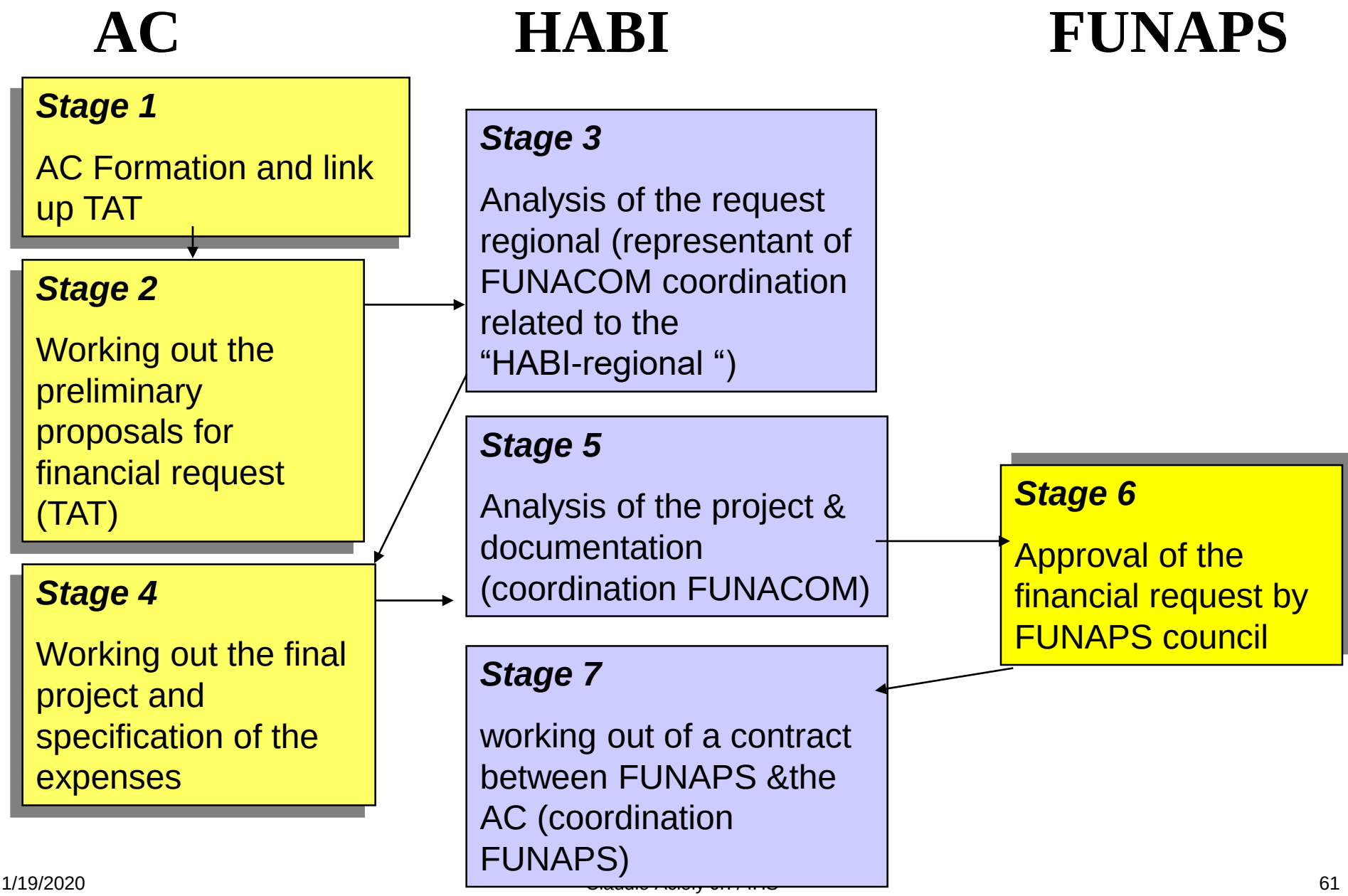
What is the Institutional Operation of the FUNACOM Programme?


SEHAB
Municipal Housing Secretariat
HABI
Superintendência de Habitação
FUNAPS
URBANACOM
FUNACOM Coordination
Council of FUNAPS
MUNICIPALITY
SUB-MUNICIPALITY / ADMINISTRATIVE REGIONS
HABI REGIONAL
HABI REGIONAL
HABI REGIONAL
CR
CA
CR
CA
CR
CA
CR = Regional Councils
CA = Community Associations

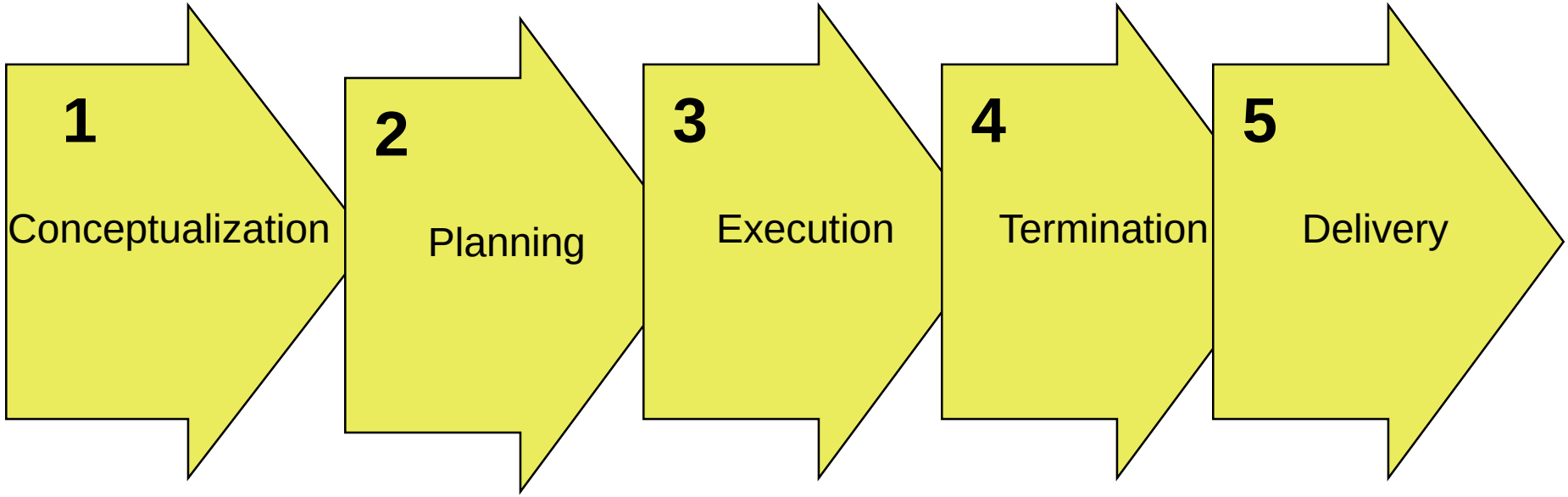
PROCESS OF FUNACOM APPROVAL



The procedural steps in the approval process of FUNACOM projects



THE LIFE CYCLE OF A PROJECT



Conceptualization	Planning	Execution	Termination	Delivery
Conceive	Design	Coordinate	Evaluation	Evaluation
Purpose	Base Plan	Control	Basic Review	Basic Review
Feasibility	Detail	Milestones	Phasing out	Phasing out
Goals	Allocation	Monitor	Support	Support
Targets	Evaluation	Performance	Control	Control

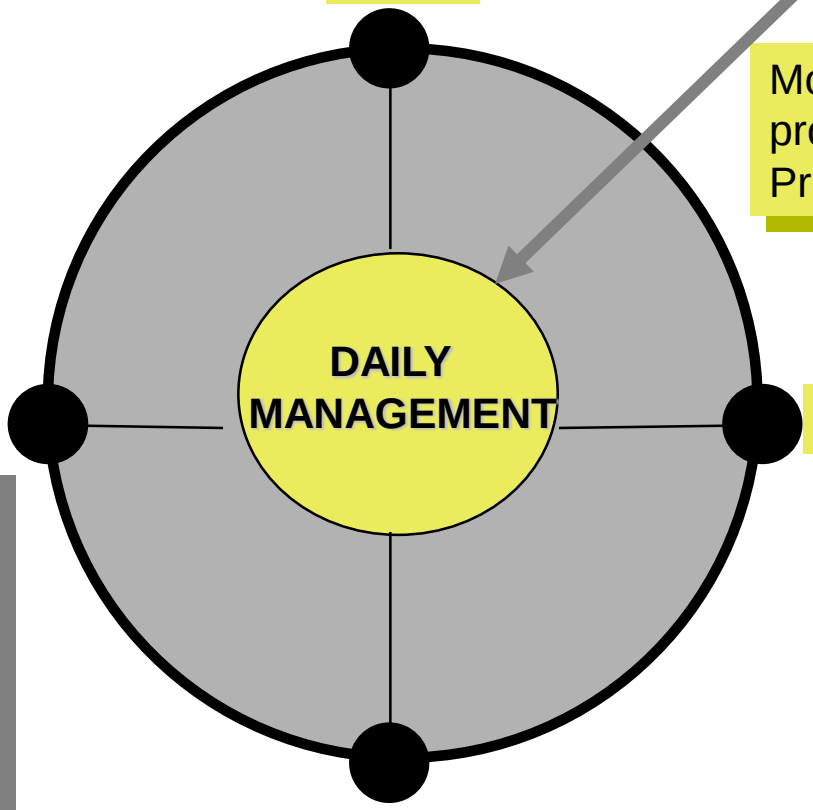
Hermetic and Continuous Circle of Project Control

TIME
CAPITAL
QUALITY
INFORMATION
ORGANIZATION

Objective of the Project

PLAN

Monitoring the progress of the Project



ADJUSTMENT

IMPLEMENTATION

MEASUREMENT

On a daily basis:

- **replan and revise**
- **react**
- **strategic review**
- **reformulate tactics**
- **proceedings**

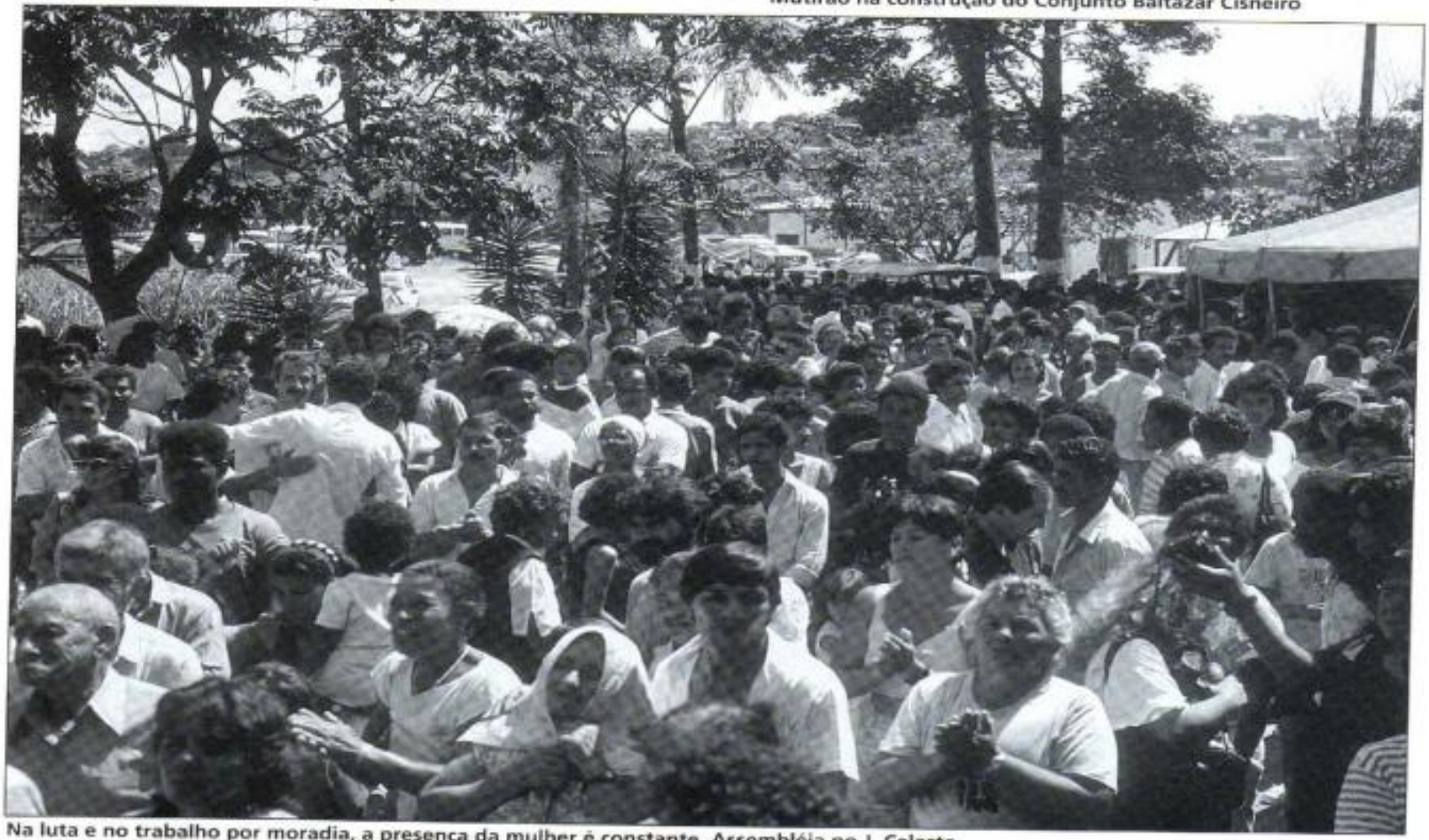
RESULTS ACCOMPLISHED IN SAO PAULO THE PERIOD 1989-1992

*Squatter upgrading	47.000 families
*Tenement Housing Improvement (Corticos):	481 families
*Sites & Services	17.700 families
*Self -Help & Self -Management:	10.600 families
TOTAL (with Municipal/Local Funds)	75.781 families
*Conventional Housing Programmes /Federal Funds:	25.000 families
*Families involved in regular discussion about settlement programmes :	250.000 families
Total households attended by FUNAPS:	97.000 famílias

All municipal housing programmes: **450.000 families** (income< US$ 500.00)

Cozinha Comunitária no Conjunto Apuanã

Mutirão na construção do Conjunto Baltazar Cisneiro



Na luta e no trabalho por moradia, a presença da mulher é constante. Assembléia no J. Celeste

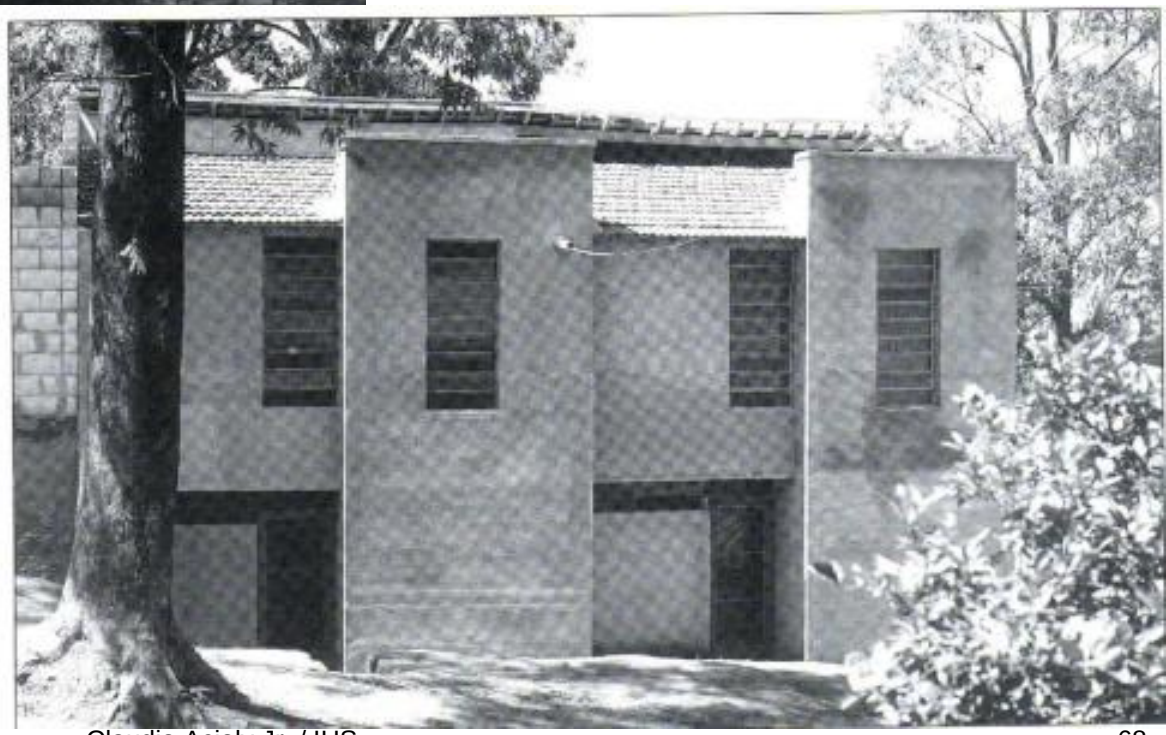
More Quantitative Results from FUNACOM

Sao Paulo 1989-1992

- Partnership with 108 construction community associations
- Partnership with 24 technical assistance entities (non-governmental organisations)
- 60.000 people directly benefitting from FUNACOM
- 11.000 housing units in 84 different projects
- 19 informal settlement upgrading projects
- 4 projects of rehabilitation of tenenment housing

Conjunto Amoipa

Self-help built and self-managed housing complex



Conjunto São Francisco, Setor V

Self-help built and self-managed housing complex

More Quantitative Results from FUNACOM:

- 5.000.000 m2 of land expropriated, enough for 30.000 housing units;
- Projects for 15.000 units in final process of approval
- Total of 200 initiatives in project and in implementation attending nearly 55.000 households
- Reducing housing production costs in 50%
- Generating a set of community activities: courses, literacy, day-care centers, cultural actions, recreation.
- Grand total: 97.000 families or 485.000 people.

More Quantitative Results from FUNACOM:

- Housing units constructed through self-help & self-managed processes did cost US$6.000,00 - between US$110,00 e US$130,00 per m² - or 40% of the construction of a popular house built conventionally.
- Houses of 60 m2 did cost US$ 6.000,00 in the housing estates of São Francisco I e IV, Campanha Gaúcha, Valo Velho e Quero um Teto.

Inauguração do Conjunto SAF II, construído em mutirão

7. SUPORT TO THE SELF-MANAGEMENT HOUSING

ESTADUAL (3%)

What do we learn from FUNACOM for the future!

1. Participation with empowerment - transfering power from State to civil society - consolidates the principle of self-management: sense of belonging and ownership.

2. Democratisation of decision-making giving autonomy and self-reliance to individual citizens.

3. Elimination of social inequality guaranteeing access to urban services and urban commodities.

4. Efficiency and efficacy in the implementation of public policy resulted from the form of construction management

5. Consolidating citizenship via legitimate channels of participation / decentralised = new leaderships.

6. Democratisation of the city allowing access to vacant urban land pockets.

7. Optimal application of resources and generation of internal budgetary resources.

8. Inspired popular initiative in draft law proposing the creation of national fund for popular housing mobilising resources from FGTS and Federal Government Budget.

Limitations & Restrictions of the Programme

1. Lack of tradition in programmes and projects self-managed;

2. Obsolete legislation and inefficient to regulate programmes of “non-state public management”.

3. Absence of leaderships capable to undertake all tasks demanded by the programme.

4. Absence of mechanisms and instruments to boost self-management.

5. Autoritarian behaviour still present within community leadership hindering transfer of decision making power.

6. Although in isolated cases, there was “wrongdoing” with resources/materials revealing weak points of the programme.

7. Problems to fit the projects into the legislation in place regulating the land use and occupation.

8. Difficulties in commercialising housing units;

9. Not enough attention given to economic and financial analysis / cost-benefit.

10. …….

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