

## **Social housing in urban rehabilitation projects in São Paulo, Brazil: a comparative study of the Nova Luz Project and the “Casa Paulista” public-private partnership**

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In cities all over the world, it is well known that the rehabilitation of degraded urban areas can – and often does - trigger the displacement of socially vulnerable groups from the area under intervention, either actively, through forced evictions that follow both public and private works, either passively, as a consequence of the rise in property prices due to the implementation of the urban renewal process.

Gentrification, or the replacement of the poorer original residents by wealthier social groups, is often perceived by the real estate market, and most of the times also by the city’s Administration, as an index of the urban rehabilitation’s “success”.

Nevertheless, as SMITH (1996) points out, “gentrification, displacement and segregation point toward a significantly restructured urban geography”. Gentrification aggravates spatial segregation and social inequalities in the city as a whole, putting economic interests above social and environmental demands. Therefore, gentrification represents a violation of the “right to the city”, here understood as a third generation collective human right, dedicated to render cities environmentally balanced, economically prosperous and socially inclusive for all its residents and users.

As a concept originally developed by LEFEBVRE (1967), the right to the city is, as HARVEY (2012: 253) points out, a collective right to “reinvent the city” that “depends upon the exercise of a collective power over the processes of urbanization”. It thus

becomes, according to SOJA (2010:237), “virtually synonymous with seeking spatial justice”.

To avoid or at least minimize the occurrence of gentrification processes associated with urban renewal and therefore seek spatial justice in the city, it is imperative to include in the technical and legal framework of urban rehabilitation projects some strategic actions dedicated to prevent the displacement of vulnerable populations and to ensure genuine social diversity in the area under intervention.

In Brazil, due to urban policy guidelines legally set by the national Statute of the City - amongst them, the principle of the equitable distribution of the benefits and the burdens of the urbanization process - the adoption of such strategic actions in urban rehabilitation projects is mandatory.

Also, the Brazilian Statute of the City has expressly included the right to the city amongst the urban policy guidelines as a “right to sustainable cities”, which unites, under the same “umbrella”, so to speak, the rights to urban soil, to housing, to sanitation, to urban infrastructure, to transportation and public services, to work and to leisure, for the present and the future generations.

Due to these legal guidelines, urban renewal projects in Brazil must encompass the provision of adequate social housing to the poor, either in the project’s area or in its surroundings, preferably in portions of urban territory demarcated by the city’s Master Plan or Zoning Laws as Special Areas of Social Interest - ZEIS. The main purpose of the ZEIS is to safeguard portions of urbanized soil - fairly located and served by basic infrastructure and services – and earmark it to social housing. Financial resources for social housing are to be obtained preferably through value-capture: part of the rise in the property’s value produced by the rehabilitation, captured through the selling of development rights, must finance most of the intervention, including the construction of social housing.

Based on these legal markings, social housing provisions may appear either as a supporting element or as the core of the urban rehabilitation project. From our point of view, this is not a random option but rather a decisive strategic choice: not only it has important important repercussions on the project’s technical and legal modeling but it also can determine its final outcomes.

In this context, this paper's main goal is to analyze the possibilities, alternatives and consequences of the strategic positioning of social housing provisions in urban rehabilitation projects as a means of preventing gentrification, through the comparative study of two public-private partnership projects related to the urban rehabilitation of São Paulo's city center: the ill-fated Nova Luz Project - where social housing provisions figured only as a supporting element - and the recently launched "Casa Paulista" Public Private Partnership - geared primarily to the construction of social housing units. This comparative study will be conducted through the critical review of law provisions in the matter, relevant literature and media reports published on both projects.

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