

## ACHIEVEMENTS AND CHALLENGES ON INCLUSIONARY HOUSING AND LAND VALUE CAPTURES INSTRUMENTS IN BRAZIL TO PRODUCE SOCIALLY MIXED NEIGHBOURHOODS

Paula Freire Santoro

Professor at Faculdade de Arquitetura e Urbanismo da Universidade de São Paulo - FAUUSP

[paulasantoro@usp.br](mailto:paulasantoro@usp.br)

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### Abstract

Since the 1980s in Brazil there is a recognition of irregular settlements struggle for their urban integration in a way that transformed public action on these spaces, creating a new way to intervene in order to qualify the urban settlements and environment and city and housing rights, guaranteeing settlements tenure. In this context, emerged the instrument of Special Social Housing Zones (SSHZ), designed initially focused on the recognition of the struggle of the residents of informal settlements and their integration in the city in the 1980s.

In 1990s, another strategy was chosen using the same instrument over subused of empty areas: to overcome social territorial exclusion models through urban regulation. The hypothesis was that to intervene in urban regulations can produce the opposite effect zoning historically promoted: exclusion, segregation, gentrification.

This paper shows some Brazilian experiences that tried to combine SSHZ with land value capture in Master Plans to combine resources captured in Urban Operation (public + private partnership), to spent in social housing projects to promote inclusion and avoid segregation. E circle: not always the resources are enough to support the housing deficit in the area, the exclusion happens inside the urban project by defining big areas as the perimeter to receive resources, and often, we can find more public budget funding housing and transport interventions that should be the aim of land value capture.

Highlights that the slum upgrading is not used on these strong market contexts, and points to the hypothesis that it can be also a part of a strategy to overlook the gentrification process that can happen, considering the characteristics of the relocation process.

But yes, Brazil is using land value capture traditional instruments to be combined with slum upgrading, although, it is more often used the more expensive option: public budget to fund slum upgrading, outside the market driven context of urban operations.

## **ACHIEVEMENTS AND CHALLENGES ON INCLUSIONARY HOUSING AND LAND VALUE CAPTURES INSTRUMENTS IN BRAZIL TO PRODUCE SOCIALLY MIXED NEIGHBOURHOODS**

### **1. Slum isn't (more) a problem**

Since the 1980s in Brazil there is a recognition of irregular settlements struggle for their urban integration in a way that transformed public action on these spaces, creating a new way to intervene in order to qualify the urban settlements and environment and city and housing rights, guaranteeing settlements tenure. Slum upgrading projects that respect their spatial and social organization, ensuring security of tenure to occupiers, became the keynote of urban interventions in the 1990s, mainly at metropolitan region. These, people living in slums exceeds half of the total population in cities like Recife, and although Rio de Janeiro and São Paulo presented smaller percentage, the population living in the house irregularly exceeded one million.

Changed the vision of the slum as "problem", which is expressed through a social construction which considered: (i) critics about the distance between formal projects and settlements urban realities; (ii) vision against industrial and massive house projects, usually at peripheral areas; (iii) understanding that people can produce their own housing projects, more diverse and less univocal housing projects use to be; (iv) adding value to self-construction project as a contribution to local economy; (v) observation of housing policies results and its effects like people who can't pay urban services return to slums; (vi) dwellers resistance wanted to stay, don't want to be removed, wanted to keeping social nets and practices (Valladares, 2005).

It was in this context that the instrument of Special Social Housing Zones (SSHZ) was designed initially focused on the recognition of the struggle of the residents of informal settlements and their integration in the city in the 1980s.

After that, another strategy was chosen: to overcome social territorial exclusion models through urban regulation. The hypothesis was that to intervene in urban regulations can produce the opposite effect! The approval of City Statute (Federal law n. 10.257/01) and its requirement that municipalities need to do their master plans until 2006 was seen as opportunity to disseminate and implement the Special Social Housing Zones instrument.

The use of this instrument in Brazil has initiated before City Statute Law approval, in cities like Recife, Pernambuco State, and Belo Horizonte, Minas Gerais State, in the late 1970s, initially as a tool to facilitate urbanization and regularization of areas already occupied irregular and with low income population.

It was after its inclusion in City Statute Law, that Special Social Housing Zones started to be included in cities master plans and zoning laws, becoming one of the main instruments of land policy adopted by municipalities that are designed to help the implementation of social housing programs and projects (Rolnik & Santoro, 2013; Cymbalista, 2005; Bentes & Trindade, 2008; Reali and Alli, 2010).

## 2. Squatted and empty Special Social Housing Zones

### 2.1. Concept

Special Social Housing Zones (SSHZ) means inclusion, in urban plans and zoning, of social housing zones that aims prioritize affordable housing projects production. In Brazil, there are two typologies that are more often used by municipalities:

- i. Squatted Special Social Housing Zones aim to do slum upgrading in urban popular informal settlements, with the objective of recognize informal settlements and integrate them to the city.
- ii. Empty Special Social Housing Zones aim to reserve urban land that is considered unused or sub-used land in urbanized and infrastructured regions with the objective of increase infrastructured land offer to produce new social housing projects.

The idea beyond urban land reserve in areas with good urbanization was also to amplify affordable land to families that can't afford market prices, under market rules.

The areas that they should be designed were conceived to produce the opposite of the zoning effect, that is to concentrate high income families together and push low income families to cheaper places, usually peripheral ones where the land is affordable, or even, where they don't can not be urbanized or even that can be environmentally preserved, promoting irregular settlements.

As a zoning, the empty SSHZ aims to overcome the best and better use dictatorship imposed by the market that looks for higher profitabilities, through proposing social housing use in well located and central areas. At the same time, reverses the role of zoning as a land reserve of urban conditions for elites widely discussed in the literature (Villaça 1998, 2011; Rolnik, 1997), ensuring that the place for the poor is in the city is in an area already urbanized, well infrastructured and with equipment, and not outside it. Would thus avoid urban segregation. Therefore its defended that its demarcation on the map should be strictly directed to promote socially mixed neighbors.

It is a key instrument to build a housing policy since it aims to produce affordable housing in advance (*ex-ante*), through an urban policy in order to avoid the high extent of urbanization costs (*urban sprawl*) and processes regularization and urbanization retrospectively (*ex-post*), usually traumatic and time consuming.

According to Municipal Indicators Survey (MUNIC) conducted by Brazilian Institute of Geography and Statistics (IBGE) in 2009, 1,489 cities across the country have specific legislation on Social Housing or Social Interest Zones, which corresponds just under one third of Brazilian municipalities, but also, the most widely used instruments among others available by City Statute Law. These results give support the hypothesis that there was a great spread of Special Social Housing Zones by municipalities, although the instrument has been used much longer to recognize the existence of informal settlements and facilitate its consolidation as Squatted SSHZ that Empty SSHZ that changes the land market expanding land offer for the production of HIS.

### 2.2. Main achievements experienced by Brazilian municipalities

The main achievements with municipalities uses of the instrument Rolnik & Santoro (2013) founded in a compilation of cases and in literature on the subject were grouped in five spots:

**(i) to increase land offer to produce social housing.** Diadema municipality was the experience more documented and evaluated. Started in 1982, with the election of an opposition government supported by a coalition of workers and popular movements, that begins an slum urbanization process. Its Master Plan creates Empty SSHZ on former industrial sites that were going into disuse, increasing from 3% to 6.5% of the municipality total area for legal production of new social housing developments.

This effort to urbanize the slums and provide the basic infrastructure, was effort that resulted in 20 years of continuous investments that reached in 2010: 219 former slums areas of which 152 fully urbanized, reducing the number slum dwellers from 30% to 3% of the total population and providing 90% of paved and water and sewer served, tripling the 30% identified in 1982 (Filippi Jr., 2011).

**(ii) to recognize housing rights and avoid evictions.** Special Social Housing Zones have been widely used as a tool for recognition of ownership, guaranteeing the right to housing, avoiding forced evictions, often violent. Some municipalities have recorded Squatted SSHZ next Empty ones trying to articulate housing needs with opportunities (under or sub-used land), making possible to enable, in many cases, families resettlement of population in risk areas in the same region, due to urbanization works in the settlements.

Salvador, at Bahia State, is a municipality that tried to articulate slum upgrading with new housing projects near by or inside the informal settlements in peripheral areas. Salvador also brings this articulation in Pelourinho, its historical center, in a experience that although is under construction, is trying to mix heritage with housing policies, and promote social inclusion.

Another emblematic case is Jardim Edith Special Social Housing Area, in São Paulo municipality, São Paulo State, which will be detailed later on in this text. In this example, being an area of ZEIS make possible that the squatters obtained in court the necessity of municipal government produce new social housing in the area to receive the former residents. The case is groundbreaking because the court used the fact that the area be a SSHZ to argue and decide about the permanence of this population.

**(iii) to offer and put land on market, through strong mediation, negotiation orchestrated by public government, that had to do an active management of local housing policy.**

This is a condition to the instrument work. The most successful experiences of implementing the instrument demonstrate that the mere provision of SSHZ in municipalities zoning is not able to induce a social interest residential use. Cases like Diadema, Taboão da Serra and São Paulo, all in São Paulo State, show that the existence of subsidized housing resources through programs to fund the production, as well as a pro-activity on the part of local managers is essential to enable its implementation.

The achievements mapped showed that SSHZ that had active participation of public government as a mediator: have implemented more projects or have negotiated more land, avoiding land speculation (ex. Diadema have more than 70% of land negotiated); had better project qualities, architectural and urban quality; used a more diverse option of housing projects funds (subsidized or not) municipal, state or federal.

**(iv) trying to get scale production, with the combination of instrument use with a huge Federal Housing Program.**

São Paulo's case is illustrative of the effect of the combination of SSHZ with a subsidy policy for new social housing (subsidy to demand) and the heating of the housing market. This is a complex case, best developed in Rolnik & Santoro (2013), from which it's possible to highlight some points.

Their analysis sought to differentiate what social housing was being produced in Special Zones of Social Interest BEFORE (2002-2009) and AFTER the Federal Program called My House, My Life (2009-2012), which gave grant to people who demand social housing in Sao Paulo. In summary:

(a) before the Program, most of new social housing developments in SSHZ were made by public government (69%) (Caldas, 2009), which is reversed in the second period studied. According to the Real State Union, SECOVI, before subsidies, "the bill didn't close" and needed other gains in profitability associated with the inclusion of a mix of uses in SSHZ (which was possible at certain percentages, according São Paulo zoning 2004), including commercial uses or housing supply for higher income families.

(b) after My House My Life Federal Program there was a real estate market heating, including social housing production in SSHZ, the production of new social housing units increased from 45,000 units were produced between 2003 and 2007 to 68,000 units between 2005 and 2010.

(c) as a result, from the total of 1 million square meters of ZEIS, 51% were occupied and received new projects, 23.8% of these homes were produced by the government, other 22.1% by the private sector. Also there was a distortion of the instrument: 22.2% of the production were not social interest housings and 31.9 % were public and social equipments.

(v) the instrument as more of the same. Happened to find examples of bad uses of the instrument like using it to permit less infrastructure exigencies or to allow small plots or unit areas, etc.

### **3. Possibilities of Special Social Housing Zone (SSHZ) as inclusionary housing instrument or combined with land value capture instruments**

Debating with international urban literature, Special Social Housing Zones is a housing instrument in strictu sensu although it could be used combined with land value capture instruments that exists in Brazil.

#### **3.1. ZEIS is not an inclusionary housing instrument in *strictu sensu***

Special Social Housing Zones is not an inclusionary housing instrument in strictu sensu, if we look to literature this concept is associated with capturing resources from market. Inclusionary housing is a means of using the planning system to create affordable housing and social inclusion by capturing resources created through the marketplace (Calavita & Mallach, 2010, p.1).

Inclusionary housing is a program, regulation, or law that requires or provides incentives for developers to incorporate affordable or social housing as part of market-driven developments, either by incorporating the affordable housing into the same development, building it elsewhere, or contributing money or land for the production of social or affordable housing in lieu of construction (Calavita & Mallach, 2010).

Special Social Housing Zones is not necessarily produced by land value capture instruments, moreover it is rarely produced with these resources, although it could be! This paper intends to present the experience of existing slums in areas that could use land value capture instruments, recognizing that Brazil have lots of land value capture instruments that could be used to produce social housing projects of slum upgrading.

The experiences described, focused in São Paulo municipality, will show that sometimes the housing policies used resources that come from funds that received money from land value capture instruments.

### 3.2. Brazilian land value capture instruments

Brazil has laws and experiences of implement land value capture instruments and this idea is growing popular in a context of fiscal decentralization policies; growth of urban planning and management; the strength of neoliberal agenda centered in privatization associated with the idea of efficiency, that helped to reduce ideological resistance to value capture. Smolka (2013) approaches to Latin America also points the influence of multilateral agencies in stressing their arms to cost recovery of public investments as good practices and other pragmatic considerations, like the macroeconomic stabilization of some countries, clearly addressing to Brazil's case, where price value increments and also inflation mixed, bringing trouble to differentiate one of another.

But is the motivation of having resources extra municipal budget, increasing directly covered by regular taxes and revenues, that makes governments realize the gains in terms of implementing land value capture instruments. Like Smolka points: value capture often pragmatic substitute for the poor performance record of property tax collections and other instruments (Smolka, 2013, p.12). We can add to what Smolka brings to Latin America there is a concept of redistribution involved when you look to City Statute principles 20, IX until XI).

The most usual Brazilian instruments are fiscal ones, like taxes – the most used is Property Tax, Betterment Contributions, and extractions and other negotiations for changes for building rights or for transfer and development rights, with two more often founded in Brazilian municipalities: Charges for Additional Building Rights (*Outorga Onerosa do Direito de Construir – OODC* in Brazil), also translated as Selling Building Rights Permits, and Urban Operations, also known after City Statute Law as Jointed Urban Operations.

Nevertheless they exist and are used, the critics reinforce the idea that it is possible to capture more resources of plenty of them by overcoming: the weak design and implementation, that may demolish the instrument; ideological resistances, more than logical ones, that are based on the idea that land value capture is insignificant or can't be justified if you consider administrative costs; the conception that is convinced by the need of local legislation and understanding national legislation can be sufficient to allow some jurisdictions to use this potentially powerful funding mechanism to implement a variety of tools adapted to their local needs; and others (Furtado & Smolka, 2004; Smolka, 2013).

### 3.3. Charges for Additional Building Rights

City Statute, Brazilian Federal Law 10.257/01 brought principles that allowed municipalities to value capture, like the idea of a property has to fulfill its social function determining the separation of building rights from land ownership rights, concept that are the basis to the instrument Charges for Additional Building Rights.

Charges for Additional Building Rights is an urban regulatory instrument that allows a owner of some property to buy building rights from the government to construct more than basic construction limits until maximum. Basic and maximum coefficients have to be established oriented by infrastructure support and determined at the municipality master plan. The money obtained goes to a Special Fund,

usually called as Urban Development Fund, that must have social and participatory processes to decide where the resources will be invested.

City Statute determines that the resources can be used to: slum upgrading and regularization, social housing programs and policies; land bank; urban sprawl regulation; urban equipments; leisure areas; environmental conservation policies; and historical, cultural and landscape protected areas. As we see, it is possible to use these resources to promote social housing projects and policies. In a few Brazilian experiences used Urban Development Fund to produce social housing, and more rarely to slum upgrading. It is often used to produce new houses that usually reproduce patterns of social exclusion and ghettos of poverty in peripheral areas. One example is Curitiba, Paraná State, that produced almost 41 thousands of social housings (houses, plots, land tenure/slum upgrading) in 5 years (between 1991-1996), all in periphery areas (Briceño, 2004).

São Paulo city had a Urban Development Fund that raised almost 1 billion of reais (R\$ 1.087.674,00) in five years (between 2007 and 2012), almost 220 million a year (São Paulo City Hall, 2013). Only 28% of the total (R\$ 304.889,00) were used to urban regularization of informal settlements in these five years. 8 areas used to regularization and 2 used to slum upgrading, always at peripheral areas, where there is a concentration of informal settlements.

### 3.4. Urban Operations

Urban Operations can be designed at municipalities master plans to promote structural changes of large urban areas through land-based incentives offered from public-private partnership (Castro, 2006; Montandon & de Souza, 2007). The idea was to have a specific instrument to urban transformations, as renewal projects, large areas with land uses transformation (de-industrialization), and others.

Before City Statute some municipalities have experienced instruments that originated the actual conception. The former formulas started in 1985 in São Paulo, and were reviewed after its approval, in 2001.

The Federal Law determine also that a Jointed Urban Operation (also can be translated as Consortial Urban Operation) needs a urban plan definition, it defines with interventions will be done to transform structurally the area and the infrastructures and urban improvements that will be founded with land value recover.

Selling building rights permits to get resources to fund the investments established in the Urban Operation law. Resources are located apart from Public Budget, has a special account and Fund which resources have to fund interventions.

Brazilian law don't previewed the use of land readjustment, but some experiences like Faria Lima Urban Operation stimulate joining parcels.

The main differences from Jointed Urban Operations to pure selling building rights concern: value is produced and captured at the same area, in re-valuating processes; and Urban Operations can use Building Rights Certificate (CEPACs), a kind of bonds. These bonds are purchased by competing developers through public electronic auctions regulated by the *Comissão de Valores Mobiliários* (CVM, the Brazilian equivalent of the U.S. Securities and Exchange Commission).

A critical view based on what were experienced in São Paulo pointed that land value is produced and captured at the same area in re-valuating processes; the Urban Operations had no urban plan, only a list of interventions, mainly mobility and transport ones; there is no relation between the costs and the benefits achieved with selling of building rights; and, no Urban Operation had a period of time to finish, some started on 1991 and some interventions were done, some don't.

#### 4. CASES of slums in Urban Operations

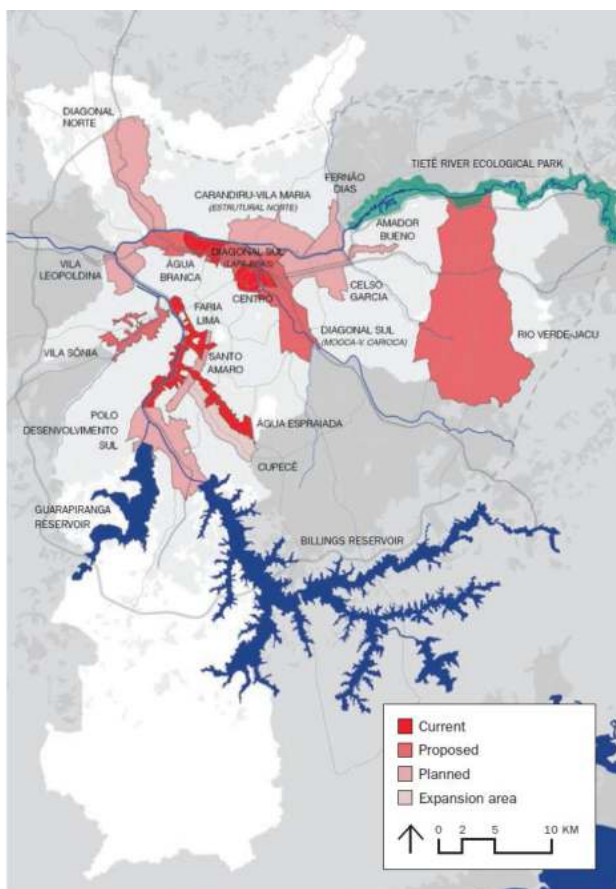
As seen, Brazil has and uses land value capture instruments. But there s no dir land value capture and social housing investments. If we focus in São Paulo s case, however, is possible to see that there are lots of informal settlements in Urban Operations areas, but the investments on social housing project doesn t reach barely 10%: Faria Lima reached 8%, Águas Espraiadas 7% e Água Branca didn t spent a peny (see table above). And these investments h happened very recently.

Table 1. Social housing in Joint Urban Operations Sao Paulo

Joint Urban Operation	Number of houses (built or under building)	Planned houses	Financial resources involved			
			Social rental assistance	Expropriation	Executed	Planned
Faria Lima	807	1167	R\$ 7.410.329	R\$ 7.810.807	R\$ 181.000.313	R\$ 163.000.000
Água Espraiada	534	4000		R\$ 155.454.195	R\$ 124.294.012	
<b>TOTAL</b>	<b>1341</b>	<b>5167</b>	<b>R\$ 7.410.329</b>	<b>R\$ 163.265.002</b>	<b>R\$ 305.294.325</b>	<b>R\$ 163.000.000</b>
<b>Overall total expenditure</b>					<b>R\$ 475.969.657</b>	

Source: São Paulo City Hall, 2013.

Figure 1. São Paulo Urban Operations 2013.



Source: Municipal Secretary for Urban Development, São Paulo, 2013.

Although the focus of São Paulo's Urban Operations were to make structural transformations through interventions in transport and mobility, almost all the Urban Operations that existed in São Paulo had slums into their perimeter.

Some authors inclusive believed that the best formulation of an Urban Operation should involve urban problems, in a way that the resources obtained with selling of building rights could be used in interventions that had a social impact, more than the traditional economic land.

The major part of Urban Operations recognized the existence of slums and previewed some sort of resolutions like relocation at the same urban perimeter, construction of new social housing units, but just a few of them previewed slum upgrading.

The **Faria Lima Urban Operation** (1995) was one of the first to preview slum upgrading. This is considered on their specific goals and guidelines: the need to build social housing considering the squatters families, admitting the need of their relocation. It also previewe that would be expected to spent 10 % of total investments in slum upgrading. On occasion, were identified the slums within the perimeter: Coliseum Street Slum, Real Park Slum, Panorama Slum and one at the corner of Av. Luis Carlos Berrini and the extension of Av. Águas Espraiadas, which later will be part of another operation, Jardim Edite Slum, that will be treated as a special case in this paper (Law 11.732 of March 14th, 1995 and its attachments).

The operation was partially reformed in 2004 (Law no. 13.769/2004) and in 2011 (Law no. 15.519 of December 29th, 2011).

According to Castro (2006, p. 110), in March 2004, EMURB and COHAB, both Municipal Urbanization Company and Housing Company, planned the removal of Coliseum Slum and a partial removal of Real Parque slum, to the construction of 480 new social housing on land expropriated from the Jockey Club at an estimated cost of about 14 million. The author also mentioned that Jardim Panorama Slum had no provision of public investment.

However, although this decision may have been issued in 2004, the Coliseum Slum remains in the area until now, enduring various threats of removal and offers to buy their properties. The Real Parque Slum in the last administration of Mayor Gilberto Kassab (2009-2012) was partially removed and received the construction of new 1.135 units with funds from Urban Operation.

The **Urban Operation Água Branca** (Law n . 11,774 of May 1th8, 1995), again, although essentially foresaw road interventions, also recognized in its initial objectives the need to intervene in areas occupied by slums, foreseeing the "financing and construction of housing social interest to the settlement of slum population residing in the region" (objective), through financial returns from Selling Building Rights or Betterment Contributions that would be invested in FUNAPS - Fund for Assistance to people living in substandard housing, a public fund that produced social houses by the public administration between 1979 and 1993 (Gomide & Tanaka 1997 *appud* Castro, 2006) .

Its revision in 2006 included the specific objective "to build in appropriate places, located within the perimeter of the Urban Operation, housing for the low income population residing in the area of Urban Operation , in precarious conditions" and sets a maximum of 630 housing units for new social houses to receive the residents (Law 11.744/95).

Until today nothing has been invested to social housing under this Urban Operation.

Recent discussions about this Urban Operation revision advanced towards recognizing that exist precarious slums in the nearest region of the Urban Operation. The law approved predicted that these would integrate this expanded perimeter, which would not generate resources by selling of building rights but could use the proceeds from the sale of building potential for social housing in these areas, involving up to at least 22% of the funds raised.

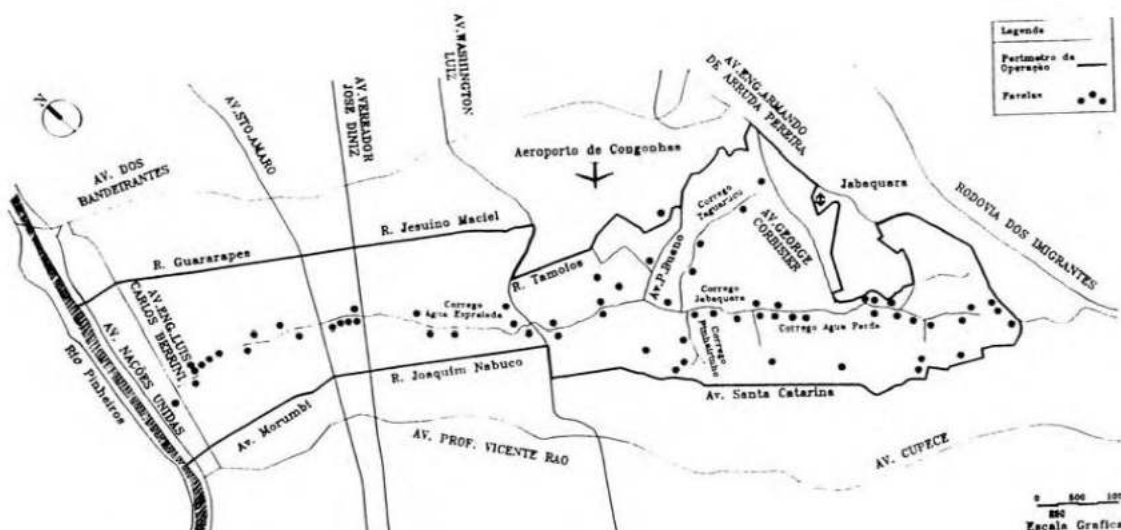
The new Urban Operation Água Branca, approved in 2013, also forecast the segregation of this percentage of resources under a separate account, seeking to prevent that the resources for social housing were not left aside, to be used later, not the last of a priority list, as it used to happen in the experiences studied. However, there are fears that the segregation of these resources will mean a delay in housing production, since the operation will have to be raised considerably until it reaches the value of a work in its entirety to be started. This proposal differs from other proposals that appeared in the public debate that suggested establishing housing as a top priority list, and commitment that 100% of the initial resources would be used to this theme, which can be spent quicklier than at the segregated fund.

The case of **Urban Operation Águas Espraiadas** is relevant case to note the existence of slums and the solutions proposed for them, because, since its inception has been identified the existence of a substantial slum population in the Urban Operation perimeter.

Many years before the approval of this Urban Operation, in 1984, the Railroad Department (Departamento Estadual de Rodagem DER) had planned to open a mini ring of roadways and to do that had started to expropriate some properties around Água Espraiada River. As the project didn't started up, the legal situation of the properties were fragile and until now some expropriations are on course, didn't ended yet, creating an instability.

The first study to do an Urban Operation considered to open one avenue on the border of Água Espraiada River identified 6.481 families in slums in 1987 (first perimeter was smaller than actual).

The Urban Operation Environmental Impact Study, that started in 1987 and have been formalized in 1991, the existence of 6.500 families in informal settlements that had to have a housing solution. The study estimated that 23% of the money obtained by selling rights to built was going to be used to produce housing solution to these 6.500 families, but also part of the money obtained with housing finantiation.



Map with slums areas identified along Água Espraiada River in 1991. Font: Castro, 2006.

In 1994, the São Paulo's Major Paulo Maluf (1993-1996) started to open Águas Espraiadas avenue, making a river canal and a considerable part of the slum had been evicted. Fix (2007) summarized the housing solution adopted as: approximately 15% of the families were evicted and relocated in new social housing in Jaguaré, 10 km from original place; 5% were to East Zone, 30 km from original place; and the majority received money to come back to their original city (São Paulo metropolis had a strong inter-state migration in 1970s) (Fix, 2007).

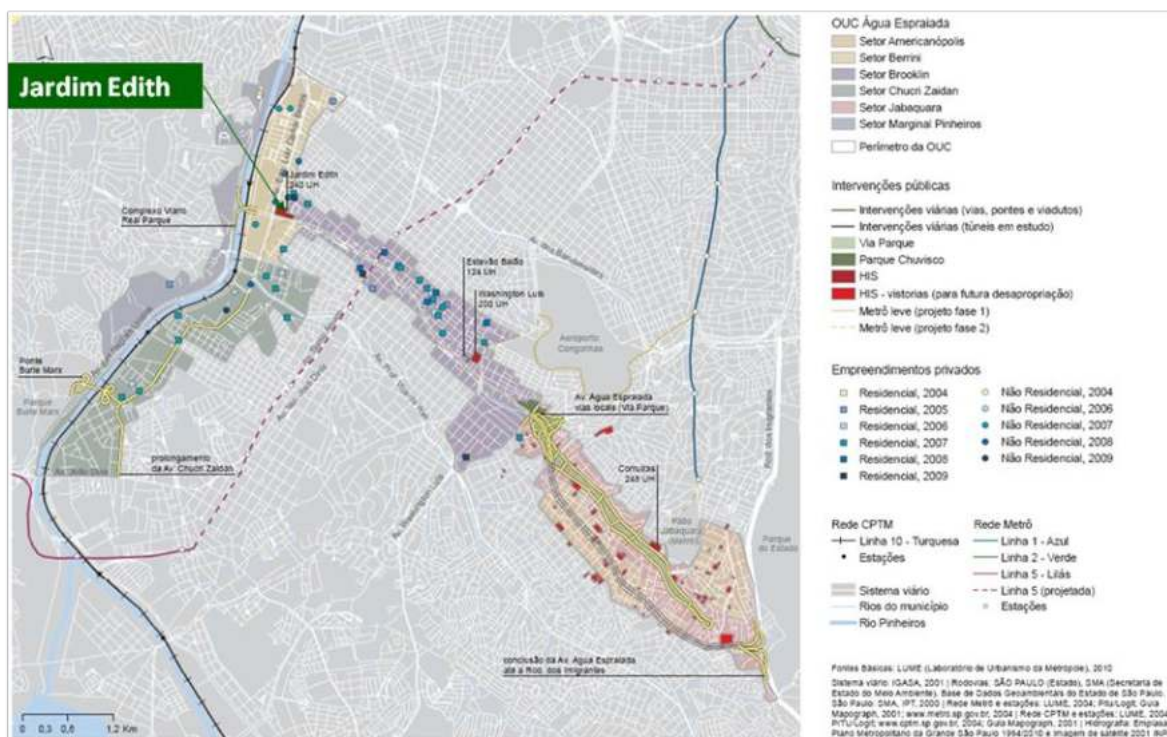
None of these solutions used resources from Urban Operation Fund, because it wasn't approved as law, so social housing solution, however precarious and just a few, were financed by the Municipal Budget.

It was only in 2001, that the Urban Operation law revision (Lei 13.260/01), stimulated by the City Statute approval (Federal Law 10.257/01), included 24 perimeters of Special Social Housing Zones recognizing informal settlements and permitted that the resources obtained with the selling of building rights could fund the construction of social housing projects as betterments, slum upgrading or new social housing projects, given definitive relocation for the families that were affected by the interventions inside the Urban Operation perimeter. This revision included also the creation of a Group that monitorate this Urban Operation.

Years later, in 2011, were included in the Urban Operating new projects as a new avenue Roberto Marinho Avenue, a Linear Park over a Tunnel and this demanded a partial amendment of the law (Law 15.416/11).

These projects Environmental Study, in 2009, pointed out that, for these works (avenue, tunnel plus park) would be expropriated 8,194 properties, 1,104 of these formal and 7,090 informal former squatters of 14 slums: Alba (700 properties), Americanópolis (50), Babilônia (650), Beira Rio (540), Fonte São Bento (250), Guian Corruíras (600), Henrique Mindlin (750), Imigrantes I (236), Muzambinho (300), Rocinha Paulistana (814), Taquaritiba (1.000), Vietnã (1.200). Most informal properties that should be expropriated were located in the linear park, 6,040 real estate project. Some of these slums are demarcated as Special Social Housing Zones, and will not receive housing under the argument that it is possible to predict social housing allocation to green areas and social facilities (Law 13.885/40, art. 139, § 1, II).

Actually, this Urban Operation already has begun to work in social housing projects on four areas Jardim Edite (252HIS + área institucional), Corruíras (241 HIS), Washington Luis (200 HIS), Rua Estevão Baião (124 HIS) totaling 817 housing units (Urban Operation Group, 22nd Sept. 2011). Moreover, according to the same Group presentation, 47 areas were enacted for expropriation order deployment of HIS, which would total 115,000 m<sup>2</sup> and potential care housing units 6,500 in Jabaquara and Americanópolis Sectors. It is seen that this option transfers the resident population of the most valued areas of Urban Operation to less desirable areas, even within this huge Urban Operation without realizing fully meet the affected population, excluding the population that has already been removed when the opening Águas Espraiadas Avenue.



Jardim Edite at Urban Operation Map. In red, social housing perimeters. Fonte: Maleronka, 2010, p.136, based on EMURB and Urban Operation Group until 2009.

Although there were the recognition of these slum areas in terms of law, designing SSHZ in municipal zoning and in Urban Operations, eviction was a very common process.

Jardim Edite is one example of that, it was one of the 24 perimeters included as Special Social Housing Zones in `guas Espraiadas Urban Operation Law. It s a special and very case because it was included as SSHZ as a recognition of housing rights, but it didn t avoid evictions. Eviction happened in a huge and intense conflict, that need to articulate a strong social net and mobilization against it that ended in court, with the decision that the families that were evicted had to be relocated at the same place.

Jardim Edite location in on the corner of Águas Espraiadas Avenue and Luís Carlos Berrini Avenue, a business and office region and one of the most evaluable areas of São Paulo. The promise of implementing a most rentable use in Jardim Edite land pressured for the eviction of the slum families. And it was the fact it was as Special Social Housing Zone that imposed this use for the area. The judicialization involved a Civil Process against Public Government ordering to promote a Social Housing Project at the same place where there was a slum, arguing it was a Special Social Housing Zone. Between 2010 and 2013 the project were conceived and built to 800 families.

The project was made by one of the best architectural offices of São Paulo, with a very interesting mixed used program.

The families that can pay for the fund housing program are moving to the new apartments, what pointed some questions about the housing solution: Why the option was for a new project, and not to urbanize? How difficult will be to manteing poors in the inner city and evaluated areas like this one?

The same Urban Operation had two different social projects **Estevão Baião** and **Corruínas** that didn t needed evictions, were done previously and will receive relocated popula

projects at the area. The Social Housing were produced by the municipality government using financial resources of the Urban Operation.

A third experience, at the same Urban Operation, happened with the slums **Comando** and **Buraco Quente**. Although they were inside the Urban Operation, there were no housing project planned to urbanize, upgrade or produce new units to these slums. They were evicted for the construction of Monorail that been done for the 2014 World Cup. The majority of families received for the tenure land and for the benefits constructed, but some of them could opt by staying at the same area after the social housing construction. These new housing were going to be payed by the State Housing Company, with State budget, without using Urban Operations Fund, because this transport intervention was not planned by the Urban Operation Law when it was conceived.

In a summary, three different ways of intervening in slums could be found in these three studied Urban Operations Faria Lima, Águas Espraiadas and Água Branca: (i) evictions and relocation at the same place, as a result of a strong conflict and negotiation that finished on court recognizing the area as SSHZ (Jardim Edite case); (ii) construction of new housings near the slums, with future relocation, without conflict; (iii) evictions with expulsion for other areas, or waiting for new houses payed with other budget, not with Urban Operation Fund.

## 5. Final remarks

These three examples of slum intervention happened in a context of a value capture instrument Urban Operation of a strong and active land market.

By these descriptions it s possible to consider that not always informal settlements, like recognized as permanent, and had its rights considered, and listed as one intervention that should be financed by resources obtained by Urban Operations, used on Special Social Housing Zones.

Also is very usefull (although it was little discussed in this paper) that people assume the pressure for better uses, better achievements as a goal, guaranteeing bigger private rentability, logic over public interests/needs, what usually promote evictions.

The re-valuation processes that happen in Urban Operation increases land prices, trying difficulties or turn unfeasible the social programs implementation, such as social housing programs. Or the land is very expansive and, even if much is spent for housing production, are just a few units being produced (the money goes to pay land), distancing themselves from the care of the housing deficit. Or the people who s relocated doesn t have conditions to stay in the area, after the taxes, paying mortgages, and starts to happen a gentrification process. To avoid that, some authors defend the social rent and public property as a goal to be achieved.

The use of land value captures instruments in a strong land market in São Paulo is one example of how do NOT guarantee the production of socially mixed income neighbourhoods. On the opposite, the market rental logic imposed promote evictions and usually concentrate higher family incomes at the housing projects, in a gentrification process promoted by the market logic.

This paper tried to show that, Brazil have instruments to do land value capture; have money/resources obtained by these capture in Urban Operation, but not always we spent these to social housing projects, not always the money is enough to support the housing deficit in the area, and often, we can find public budget funding housing and transport interventions that should be the aim of land value capture.

Highlights that the slum upgrading is not used on these strong market contexts, and points to the hypothesis that it can be also a part of a strategy to overlook the gentrification process that can happen, considering the characteristics of the relocation process.

But yes, Brazil could use land value capture traditional instruments to be combined with slum upgrading, although, it is more often used the more expensive option: public budget to fund slum upgrading.

Some cases showed tried to sign that it is central to a housing policy to do anticipating demand, avoiding high pos-urbanization costs, including social ones! The Corruíras case is a example that no conflict in the relocation process, because families weren

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