

Integrating the Poor

Urban Upgrading and Land Tenure Regularisation in the City of São Paulo

The Cities Alliance, in the context of its activities as a learning alliance, thought it useful to record the process and outcome of its collaboration with the City of São Paulo from 2001 to 2004. In this period, the São Paulo Municipal Administration took important steps towards scaling up slum upgrading and land tenure regularisation, as part of a socially inclusive and pro-poor housing and urban development policy.

As a result of this work, the Geneva-based Centre on Housing Rights and Evictions (COHRE) gave its 2004 Housing Rights Protector Award, presented annually to a government or other institution demonstrating an exceptional commitment to the protection and fulfilment of housing rights, to the Municipality of São Paulo, for its innovative *Bairro Legal* Programme, an initiative providing security of tenure and improved living conditions for informal settlement residents.

The context, conceptual basis and outcomes of the Cities Alliance technical assistance to São Paulo's *Bairro Legal* Programme, as well as the achievements and challenges still to be overcome by the city's housing and urban development policy, are described in this volume, which is being published simultaneously in Portuguese and English.

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ANAMACO	National Association of Construction Material Retailers
APROV	Building Approval Department
BNH	National Housing Bank
CAIEPS	Integrated Analyses Committee for Building and Land Subdivision
CAIXA	Federal Savings and Loan Bank
CASE	Sectoral Cadastre Department
CDHU	State Housing and Urban Development Company
CDRU	Concession for the Real Rights of Use
CMH	Municipal Housing Council
COHAB	Metropolitan Housing Company (Municipality of São Paulo)
CREA – SP	Federal Engineering, Architecture and Agronomic Council
DSI	Decree of Social Interest
EMURB	Municipal Urban Development Company
FGTS	Workers Severance Fund
FMH	Municipal Housing Fund of São Paulo
FUNAPS	Municipal Fund for Attending Residents of Substandard Housing
FUNDURB	Urban Development Fund
GRAPROHAB	Housing Project Approval Group
HABI	Social Housing Superintendence of São Paulo Municipal Housing and Urban Development Department
IBGE	Brazilian Institute of Statistics and Geography
ICMS	State Sales Tax
IDB	Inter-American Development Bank
IPEA	Institute of Applied Economic Research
LABHAB FAUUSP	Housing and Human Settlement Laboratory of the University of São Paulo’s Architecture and City Planning School
LRF	Fiscal Responsibility Law
MP	Provisional Measure
NGO	Non-governmental organisation
OAB/ SP	Brazilian Bar Association – São Paulo Chapter
PARSOLO	Land Subdivision and Urban Investment Department
PDE	Municipal Strategic Development Plan
PDR	Regional Strategic Development Plan
PÓLIS	Institute of Studies, Formation and Consultation in Social Policy
PPB	Brazilian Progressive Party
PROVER	Favela Verticalisation Programme
PT	Workers Party
RESOLO	Department for Land Subdivision Regularisation
RMSP	São Paulo Metropolitan Region
SEHAB	São Paulo Municipal Housing and Urban Development Department
SEMPLA	São Paulo Municipal Planning Department
SFH	Housing Finance System
TA	Technical Assistance
ZEIS	Zones of Special Social Interest

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Throughout the developing world, poor human settlements in urban areas face a common difficulty: the failure of public policy and, very often, the absence of the state, characterised by a lack of social facilities and services, including public security programmes. Responses on how to address such issues vary from country to country and even city to city, determined by a range of variables including political will, governments' administrative structure, the legal framework, and the level of community involvement. In many developing cities, the need for a comprehensive urban development policy is pressing, particularly one that focuses on low-income groups and addresses urban poverty in a multidisciplinary and participatory context. A better understanding of the city of São Paulo's experience in the development of such policy may contribute to the dissemination of similar initiatives worldwide.

In 2001, the Housing and Urban Development Department (SEHAB) of the then newly-elected São Paulo Municipal Administration launched the *Bairro Legal* ("Nice Neighbourhood") Programme with the aim of turning slum areas into neighbourhoods, through a combination of physical upgrading, land tenure regularisation and social inclusion¹.

The Cities Alliance provided technical and financial support for the design and consolidation of the *Bairro Legal* Programme in the context of a comprehensive policy involving land tenure regularisation and the systematic integration of precarious settlements into the city. In this document, we examine relevant policies and actions developed by the São Paulo Municipal Administration through the programme and point to the challenges yet to be overcome.

One line of action to be highlighted refers to land tenure security for families living in precarious settlements, which involved a threefold approach. The first is establishing a negotiation process to avoid eviction of families living in illegal settlements. The conflict mediation strategy adopted by the current Administration successfully prevented the eviction of approximately 13,000 such families. Secondly, recent legislation paved the way for the land tenure regularisation of some 160 slums occupying public land, to the benefit of some 45,000 families. And thirdly, this same legislation includes the regularisation of the illegal land subdivisions in existence prior to April 2000.

Cities Alliance assistance to the *Bairro Legal* Programme was also designed to produce integrated local development plans in three districts of the city populated largely by low-income people who face physical, social and economic exclusion. Through the *Bairro Legal* Technical Assistance Project, which was financed by the Cities Alliance and executed in partnership with the World Bank, SEHAB developed a methodology to prepare local development strategies, known as Housing and Urban Action Plans. The effort included development of the plans plus methodology and institutional capacity for their implementation.

In order to support its land regularisation and housing production programmes, SEHAB has undergone a modernisation process, adopting a new organisational model in an attempt to offer more efficient and transparent services. SEHAB's modernisation process, ranging from new information technology systems to technical capacity building, was one of the pillars of the housing policy developed by the current Administration.

The first chapter of this book describes the current Administration's visionary commitment to establish a new urban development model for the city. It begins with a brief overview of the city's current pattern of development, characterised by "peripheral growth", a phenomenon wherein the greater a district's distance from the city centre, the higher its levels of poverty and social exclusion. The chapter also covers housing policies implemented in the 1990s, prior to the current Administration, which, due to their fragmentation and lack of continuity, failed to reverse the city's pattern of peripheral growth. This chapter also describes SEHAB's organisation, instruments, funding sources and main policies, discussing the organisation's restructuring in the context of its support for these policies.

The second chapter describes the *Bairro Legal* Programme's experience with implementation of measures to prevent eviction and guarantee the security of land tenure to low-income families living in illegally occupied land settlements. In order to clarify the challenges faced in this respect, we present a brief overview of housing and land ownership patterns in the city of São Paulo.

The third chapter discusses the *Bairro Legal* Technical Assistance Project, implemented with the technical and financial support of the Cities Alliance. This chapter aims to explain the comprehensive and multidisciplinary approach adopted by the *Bairro Legal* Programme, which encompasses several aspects of urban upgrading, land tenure regularisation and social inclusion. Furthermore, this section examines the programme's inter-institutional nature, as it engages several municipal departments, state and federal agencies, stakeholders in the private sector, and civil society in the debate over the upgrading and regularising of precarious settlements. This approach replaces the traditionally fragmented treatment given to urban upgrading programmes, not only in São Paulo but also in several urban centres of the developing world.

The fourth and final chapter of this document addresses the challenges to be overcome by the *Bairro Legal* Programme and SEHAB in order to expand urbanisation and land tenure regularisation interventions in informal settlements to a citywide scale. In spite of the challenges it still faces, the experience gained by the *Bairro Legal* Programme is already significant enough to warrant its dissemination to Brazilian and international institutions and practitioners involved with slum upgrading and land tenure regularisation who are tackling the physical, social and cultural isolation faced by a significant portion of city dwellers in developing countries.

¹ The Cities Without Slums action plan, developed by the Cities Alliance and launched by Nelson Mandela in 1999, aims to improve the living conditions of at least 100 million slum dwellers by 2020 (Millennium Development Goals, Target 11). Strongly endorsed by Kofi Annan and incorporated in the United Nations Millennium Declaration, adopted by 150 Heads of State in September 2000, progress towards the MDG Target 11 will be monitored through two indicators: (i) the proportion of people with access to improved sanitation; and (ii) the proportion of people with access to secure tenure.