Providing Affordable and Adequate Housing Options for the Poor

Housing Policy Matters!

Claudio Acioly Jr.
claudio.acioly@un.org

United Nations Human Settlements Programme
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Session 7

Self-help and Mutual-Aid Housing
Self-management housing production
Municipal Housing Policy
Financing Community-based housing programs
1

PIioneer EXPERIENCES

• 1982: 400 families living in tenement housing demand land to build in regime of self-help self-management

• Eng. Guilherme Coelho try to replicate Uruguayan cooperative housing experience (Cooperativas de Vivenda por Acuda Mutua)

• Vila Nova Cachoeirinha: house model and endorsement of COHAB (financing)

• Death of Guilherme; role of women in taking up the dream; Cooption of experience by COHAB/BNH – national replication

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PIioneer EXPERIENCES

• The Community Association of São Bernardo (establishment of the fund to support the labor strike of the metalurgic workers)

• 50 families acquire/buy land parcel with support by the church

• Project development with autonomous technical assistance provided directly to the community association and financed by the Brazilian state.
PIONEER EXPERIENCES

• Housing Movement of the South Zone (Vila Remo)

• Development of an alternative housing programme

• Scholars and University professors associated with the Laboratório de Habitação da Faculdade de Belas Artes provide technical assistance to movements and community associations

• Direct involvement of professionals, professors and students involved in processes of technical assistance to social urban movements

Demonstrative effects! Learning and teaching a new lesson?
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 autonomy and political will, a housing policy and an executing agency
MUNICIPAL HOUSING FUND SAO PAULO
FUNAPS

An instrument for housing production
popular organization participation

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.Aso.)
100 fam. representing minimum of
10 organizations
Municipal Council

BOARD

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

Urban policy structured through the master plan
Which are the innovative aspects of FUNACOM?

**SELF-MANAGEMENT**

“Government shares power.

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


**PARTICIPATION**

“Strengthens citizen participation in the housing question, stimulating self-management in housing enterprises 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.
How is the programme financed?
WHAT ARE THE SOURCES OF THE FUNAPS HOUSING FUND

4% of the Municipal Budget

1. 40% originated from Interlinked Urban Operation
2. 30% from ICMS – VAT – 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 – tax on transference/sale of property, plus 46 other items.

US$ 167 million was mobilized
US$ 68 million only from urban operations

1991: Cr$8 billion or 25% of the budget of HABI


With all the expenditures considered: US$ 150 millions
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/Municipal Housing Agency as non-state actor, non-profit organization.

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.

4. Statute of the association & mechanisms of participation.

5. Disbursement in installments

2. Monthly accounting report

3. Measurement and evaluation by HABI

4. TA is responsible.

5. Settlement/urban plan and infrastructure project for the housing estate project.
How do I become eligible as beneficiary of the programme?
1. Families with income between 1 and 5 minimum salaries (US$500.00)
2. Holding land for construction
3. Juridical entity
4. Meet documentation for request for financing
5. Included in priorities defined by Regional HABI/Housing Department

**Items for Financing:**
1. Setting construction site/tools: up to 4%
2. Technical assistance/project/monitoring: up to 4%
3. Specialised labour: up to 10%
4. 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.

Which are the eligibility criteria for the FUNACOM?
How LAND is assembled?
How to purchase land with FUNACOM?

1. EXPROPRIATION
   promoted by HABI/Municipal Housing Agency based on priorities established in region channels of participation

2. PURCHASE
   with resources from participants/community-residents’ associations

3. OBTAIN
   areas owned by COHAB and CDHU – State & Municipality Housing Companies

4. 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?

1. Legal feature of FUNAPS: authorisation to establish agreements with public and private entities to accomplish its objective (erradicate poor housing).

2. A municipal executing agency inside the government - HABI

3. A municipal fund semi-independent with funds and financial resources guaranteed.

4. Decentralised form of monitoring, management and programme control - HABI Regional.

5. Institutionalised regional forum and channels of participation legitimised by population and government.
## The Main Actors Involved

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<th>Number</th>
<th>Description</th>
<th>Role</th>
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<tr>
<td>1.</td>
<td>HABI Central / Housing Agency</td>
<td>Responsible for Housing Policy Formulation and Implementation</td>
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<td>2.</td>
<td>HABI Regional / Housing Agency</td>
<td>Decentralised mandate and authority for policy implementation</td>
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<td>3.</td>
<td>FUNACOM Regional Council</td>
<td>Decentralised authority and mandate in evaluation and appraisal of project initiatives</td>
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<td>4.</td>
<td>AC-Community Association</td>
<td>Legal entity and representative of residents/beneficiaries</td>
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<td>5.</td>
<td>TAT-Technical Assistance Team</td>
<td>Legally established professional entity</td>
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<td>6.</td>
<td>FUNACOM coordination</td>
<td>General coordination of the FUNACOM programme</td>
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<td>7.</td>
<td>FUNAPS Council</td>
<td>Higher decision making for approval and fund allocation</td>
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Municipal Government of Sao Paulo

Execute Agencies
Planning Agencies
Semi-autonomous Agencies Autarquias
Funacom Coordination

Tribunal of Accounting
Municipal Chamber Elected Councillors

Participation

VOTING
Provide Services
Paying Taxes
Finance

CIVIL SOCIETY
What is the Institutional Operation of the FUNACOM Programme?
Community Association (CA) + NGO (TAT)

1. Organization of community association
2. Define a draft project proposal
3. TAT - work out the final project proposal
4. Project proposal presentation to FUNACOM coordination
   HABI - REGIONAL Housing Agency
5. Evaluation & Approval of this project proposal
6. Final Project valuation
   HABI CENTRAL Municipal Housing Agency
7. Approval by FUNAPS council
8. Fiscalization of the financial resources application
9. Management of project implementation
10. LOCAL GOVERNMENT
The procedural steps in the approval process of FUNACOM projects

**AC**

**Stage 1**
AC Formation and link up TAT

**Stage 2**
Working out the preliminary proposals for financial request (TAT)

**Stage 4**
Working out the final project and specification of the expenses

**HABI (Municipal Housing Agency)**

**Stage 3**
Analysis of the request regional (representant of FUNACOM coordination related to the “HABI-regional “)

**Stage 5**
Analysis of the project & documentation (coordination FUNACOM)

**FUNAPS**

**Stage 6**
Approval of the financial request by FUNAPS council

**Stage 7**
working out of a contract between FUNAPS &the AC (coordination FUNAPS)
## 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; |
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)
Na luta e no trabalho por moradia, a presença da mulher é constante. Assembleia no J. Celeste
More Quantitative Results from FUNACOM
Sao Paulo 1989-1992

a) Partnership with 108 construction community associations

b) Partnership with 24 technical assistance entities (non-governmental organisations)

c) 60,000 people directly benefitting from FUNACOM

d) 11,000 housing units in 84 different projects

e) 19 informal settlement upgrading projects

f) 4 projects of rehabilitation of tenement housing
Conjunto Amoipa
Self-help built and self-managed housing complex

Conjunto São Francisco, Setor \nSelf-help built and self-managed housing complex
More Quantitative Results from FUNACOM:

a. 5.000.000 m² of land expropriated, enough for 30.000 housing units;

b. Projects for 15.000 units in final process of approval

c. Total of 200 initiatives in project and in implementation attending nearly 55.000 households

d. Reducing housing production costs in 50%

e. Generating a set of community activities: courses, literacy, day-care centers, cultural actions, recreation.

f. Grand total: 97.000 families or 485.000 people.
More Quantitative Results from FUNACOM:

a. 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.

b. 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. SUPPORT TO THE SELF-MANAGEMENT HOUSING
SOLUÇÃO HABITACIONAL: AUTOGESTÃO (3%)
SELF-MANAGEMENT WITH STATE SUPPORT: AN ALTERNATIVE FOR ACCESS TO DIGNIFIED HOUSING
What do we learn from FUNACOM for the future!

1. Participation with empowerment - transferring 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. ……..
References:


