

# Providing Affordable and Adequate Housing Options for the Poor

## Housing Policy Matters!

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**United Nations Human Settlements Programme**

Programme des Nations Unies pour les établissements humains - Programa de las Naciones Unidas para los Asentamientos Humanos



# Session 7

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

# Context of Sao Paulo: the 80's

1

## PIONEER 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

2

## PIONEER EXPERIENCES

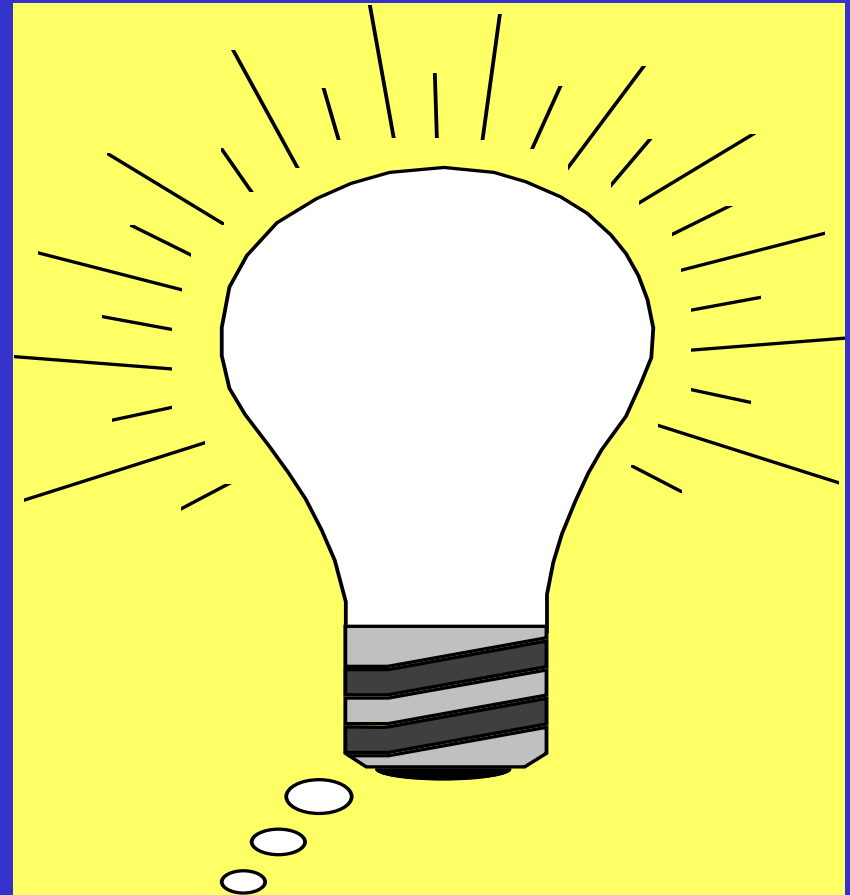
- The Community Association of São Bernardo (establishment of the fund to support the labor strike of the metalurgic workers)
- 50 families acquire/buy land parcel with support by the church
- Project development with autonomous technical assistance provided directly to the community association and financed by the Brazilian state.

# Context of Sao Paulo: the 80's

## 3

### 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

Social and Political thinking: PT, PMDB groups, CEBs/Church, Labour Unions

**1**

Lack of organisational structure and personnel in the municipal housing agency - HABI

**5**

Legitimised and Organised Movements for Housing: associations federations, tenants, etc.

**2**

A municipal fund with legal basis and programme flexible for adaptation - FUNAPS.

**6**

Existence of technical assistance and professionals open to dialogue with residents

**3**

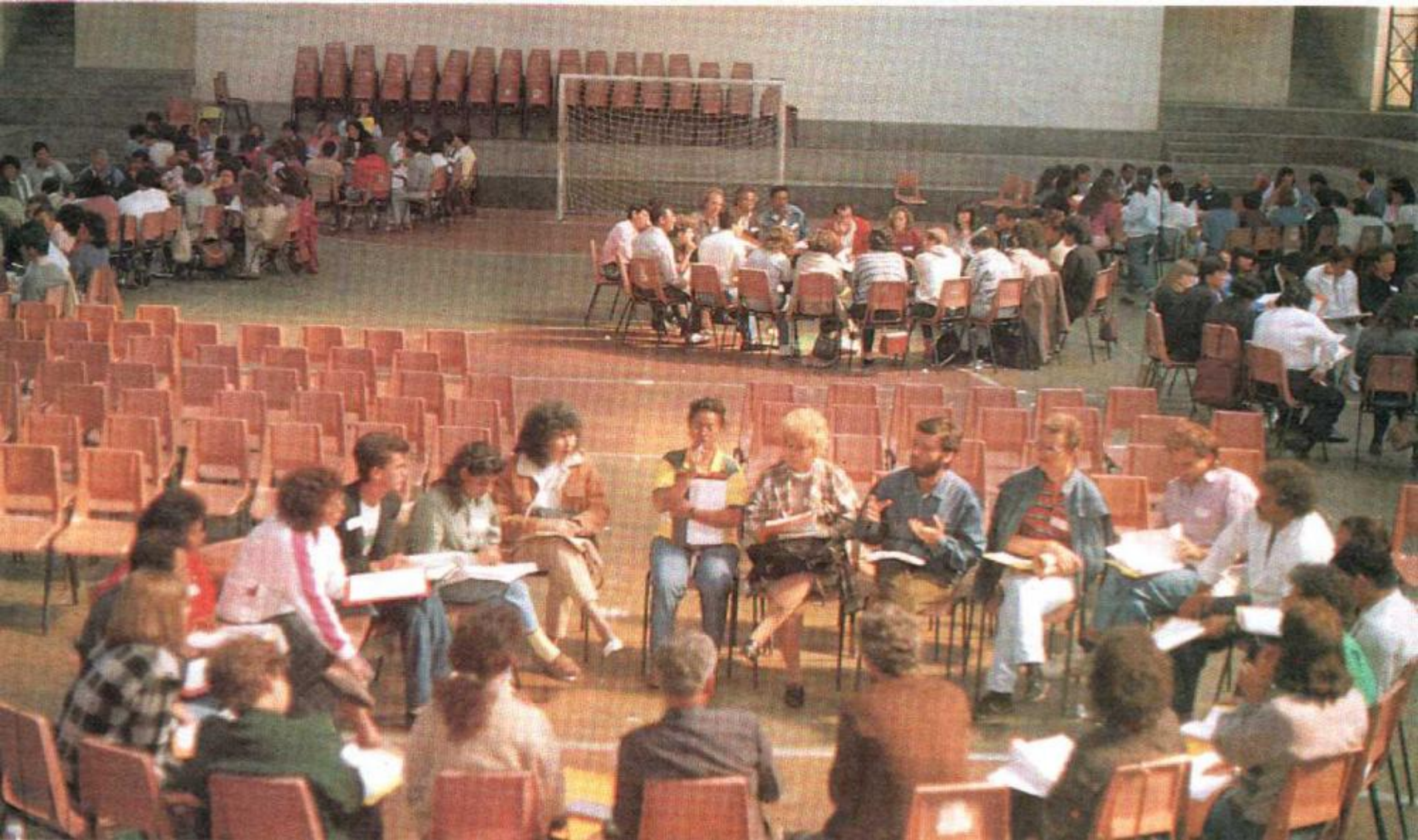
Municipal Government with autonomy and political will, a housing policy and an executing agency

**7**

Knowledge about the pioneering Uruguayan experience and Vila Nova Cachoeirinha and São Bernardo

**4**





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 Council

BOARD

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

# 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”

(N.Bonduki,1991).

## 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% goes to FUNACOM

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

Funds allocated during first phase of FUNACOM: US\$ 80 millions (2/3 allocated until 1992).

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

**4.**

Statute of the association & mechanisms of participation.

**2.**

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

1. Disbursement in installments

2. Monthly accounting report

3. Measurement and evaluation by HABI

4. TA is responsible.

**3.**

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

**5.**

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

**How do I become  
eligible as beneficiary of  
the programme ?**



# Which are the eligibility criteria for the FUNACOM ?

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 / m<sup>2</sup>.
- 900 VRFs/unit and 15 VRFs/m<sup>2</sup> (in counterposition to 28 VRFs/ m<sup>2</sup> 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**

## **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 (eradicate 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 legitimated by population and government.**

# The Main Actors Involved

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

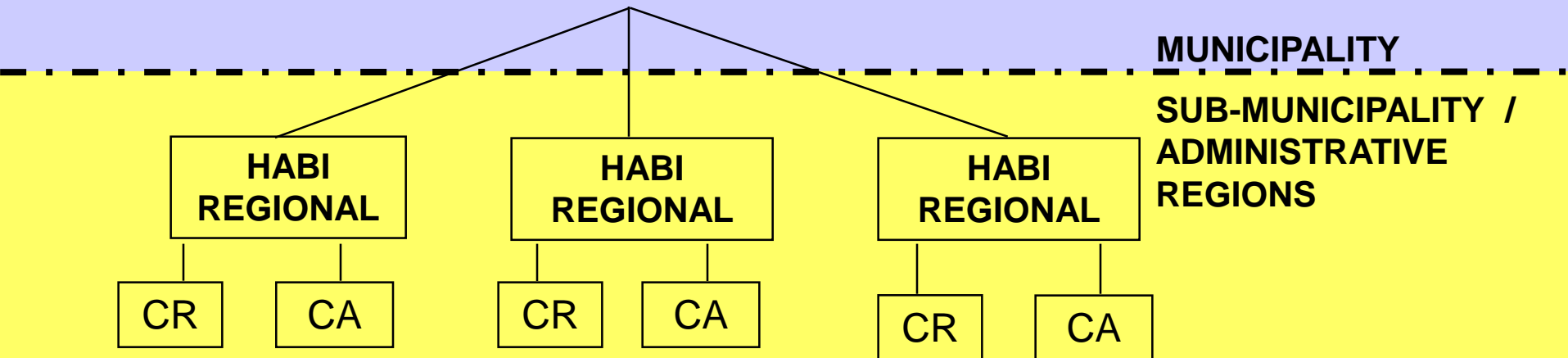
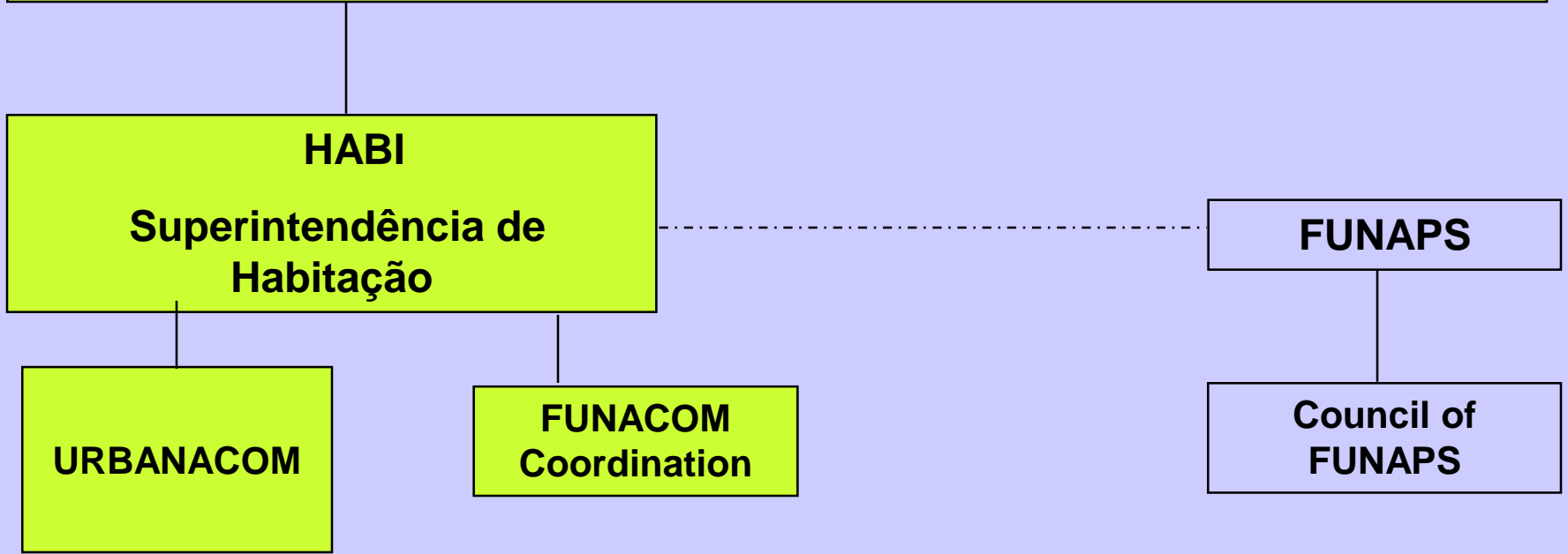


# What is the Institutional Operation of the FUNACOM Programme?



# SEHAB

## Municipal Housing Secretariat



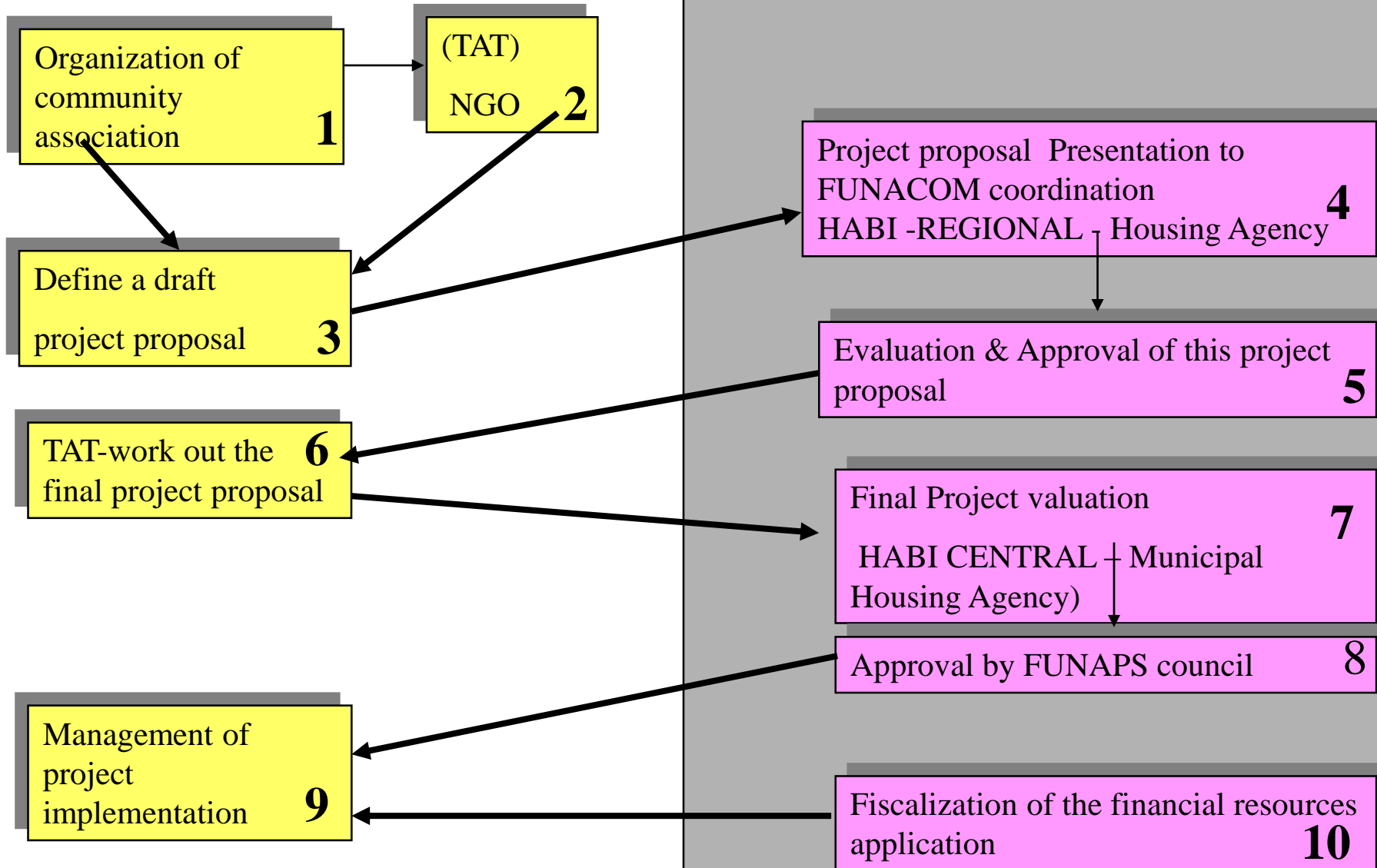
CR = Regional Councils

CA = Community Associations

# PROCESS OF FUNACOM APPROVAL

## Community Association (CA) + NGO (TAT)

## 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)

### **Stage 7**

working out of a contract between FUNAPS & the AC (coordination FUNAPS)

## FUNAPS

### **Stage 6**

Approval of the financial request by FUNAPS council

# 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

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

7. Right to live with dignity in inner city

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

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

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.

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 )	<u>75.781 families</u>
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*Conventional Housing Programmes /Federal Funds:	25.000 families
*Families involved in regular discussion about settlement programmes :	250.000 families

Total households attended by FUNAPS:	<u>97.000 famílias</u>
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All municipal housing programmes: **450.000 families** (income< US\$ 500.00)





Cozinha Comunitária no Conjunto Apuanã



Mutirão na construção do Conjunto Baltazar Cisneiro



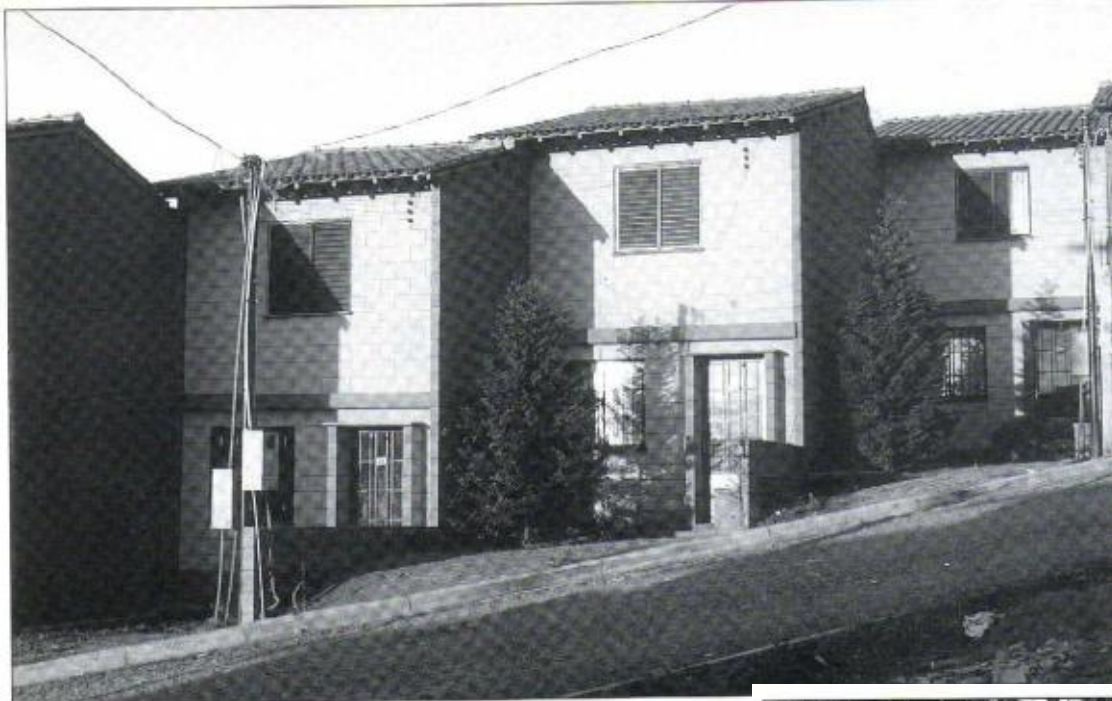
Na luta e no trabalho por moradia, a presença da mulher é constante. Assembléia no J. Celeste

# **More Quantitative Results from FUNACOM**

## **Sao Paulo 1989-1992**

- 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**

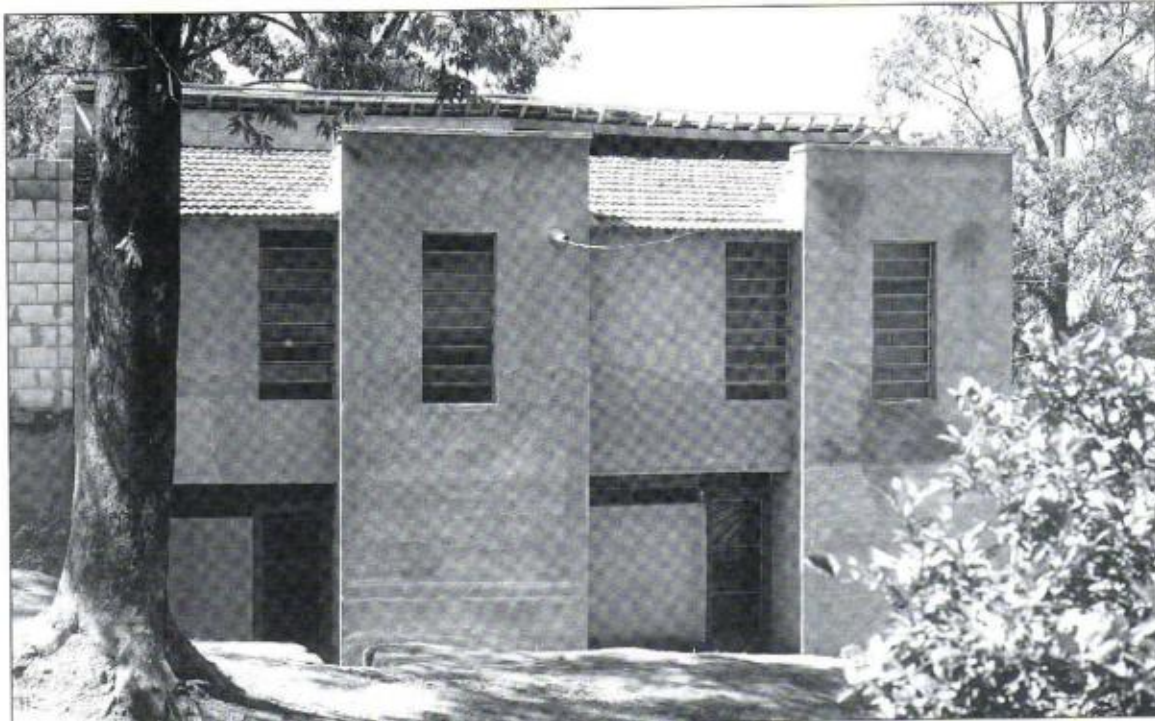




Conjunto Amoipa

Self-help built and self-managed housing complex

Conjunto São Francisco, Setor V  
Self-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 m<sup>2</sup> - or 40% of the construction of a popular house built conventionally.**
- b. Houses of 60 m<sup>2</sup> 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







































RESOLUÇÃO Nº 11.100/2001 - ANEXO GESTÃO (3%)







Sonia Inga



Quero um Teto



Iducandário



Valo Velho



Campanha Gaúcha



maí



Água Branca



Amolpe





# 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.

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

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

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

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

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

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

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. Authoritarian 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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