FACING LARGE SCALE IN SÃO PAULO

Fernando de Mello Franco with the collaboration of Marcela Ferreira
How to scale up
# 1

formulating housing policies
MUNICIPAL HOUSING PLAN
Diagnostics; Programs and strategies for social housing

SPECIAL ZONES OF SOCIAL INTEREST (ZEIS)
Areas designated to the provision of affordable housing, particularly for families whose income is lower than 3 minimum wages. The Master Plan has doubled ZEIS areas

LAND REGULARIZATION
Expanding tools and instruments for land regularization of informal settlements

SOLIDARITY SHARE
Every development larger than 20,000 m² must donate 10% of its built area to social housing or the equivalent for purchasing land

SOURCES OF FUNDING
30% FUNDURB (min.) PURCHASING WELL-LOCATED LAND TO IMPLEMENT SOCIAL HOUSING + SUBSIDIZING HOUSING PROGRAMS
25% OUC or AIU (min.) PURCHASING LAND TO IMPLEMENT SOCIAL HOUSING WITHIN THE INTERVENTION AREA
# 2

providing land access
SÃO PAULO CITY

12M inhabitants

2,2M property owners

Source: Estadão Dados
SÃO PAULO CITY

12M inhabitants

1% of property owners own 45% property share

Source: Estadão Dados
SPECIAL ZONES OF SOCIAL INTEREST

ZEIS
Portions of the territory dedicated, predominantly, to provide decent housing for low income population through the provision of new Social Interest Housing (HIS) and Social Market Housing (HMP), as well as urban improvements, environmental recovery and land regularization.

40% HIS (0 to 6 minimum wages)
40% HMP (6 to 10 minimum wages)
20% other uses

minimum wage = US$3,270 per year
SPECIAL ZONES OF SOCIAL INTEREST

ZEIS 1
143 km\(^2\)
(regularization)

ZEIS 2,3,4,5
29 km\(^2\)
(production)
SÃO PAULO METROPOLIS

21M inhabitants

624,000 housing deficit

Source: Fundação João Pinheiro, 2015
SÃO PAULO METROPOLIS

21M inhabitants

624,000 housing deficit

527,000 vacant dwellings

Source: Fundação João Pinheiro, 2015
SOCIAL FUNCTION OF PROPERTY
Compulsory Parcelling, Use and Construction (PEUC)

Unbuilt Lots
Underutilized Properties
Unutilized Properties

Owners should:
- In 1 year: Present a Project
- In 2 years: Begin Construction
- In 5 years: Finish Construction

Provide Use
If owners don’t comply with deadlines, the City will be able to charge a Progressive Urban Property Tax over time.

**SOCIAL FUNCTION OF PROPERTY**

Progressive Urban Property Tax Over Time

1st YEAR

PAYMENT: Tax + 2%*

2nd YEAR

PAYMENT: Tax + 4%*

3rd YEAR

PAYMENT: Tax + 8%*

4th YEAR

PAYMENT: Tax + 15%

5th YEAR

PAYMENT: Tax + 15%

* E.G.

MAX. LIMIT: 15%
SOCIAL FUNCTION OF PROPERTY

Compulsory Parcelling, Use and Construction (PEUC)

1260 notified properties = 2,57 million of land

TOTAL LAND AND BUILT AREA OF NOTIFIED PROPERTIES

SMDU/PMSP, 2016
# 3 financing
municipal financing mechanism
MUNICIPAL SOURCES OF FUNDING

Land Value Capture Tools

ONEROUS GRANT OF BUILDING RIGHTS (OODC)

US$51 M / year
average 2004-2015
from additional building rights throughout the city

CERTIFICATE FOR ADDITIONAL BUILDING POTENTIAL (CEPAC)

US$110M / year
average 2004-2015
from additional building rights in Urban Operation Consortiums

Note: 1 USD = 3.4 BRL
federal financing mechanism
FROM 2015 TO 2017
5 MILLION HOUSING UNITS
Source: MCidades
HOW MUCH DOES THE LACK OF URBANITY COST?
state financing mechanism
CASAPaulistaHOUSINGPPP

3,683 housing units in phase 1
USD 412M investment public-private partnership
20 years of maintenance
HOW TO MEASURE DESIGN COST AND BENEFITS?
# 4
implementing a social rent program
BRAZIL

207M inhabitants

17,6% live in rented properties
8,7% live in borrowed properties

Source: PNAD IBGE
Rent easily and safely, without guarantor, without income proof, with payment warranty.
Endereço
R. Edmundo Abreu, 211 - Fazenda Caguaçu, São Paulo - SP, 08265-110, Brasil

Sem complemento

<table>
<thead>
<tr>
<th>Área m²</th>
<th>Garagens</th>
<th>Quartos</th>
<th>Banheiros</th>
<th>Animais</th>
<th>Quintal</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>×</td>
<td>×</td>
</tr>
</tbody>
</table>

Incluindo condomínio e IPTU, se houver

R$ 300

Quero conhecer

Compartilhe
### Endereço
R. Manoel Bacelar, 353 - Jardim Helian - São Paulo - SP - 08265-120

### Casa 1

<table>
<thead>
<tr>
<th>Área m²</th>
<th>Garagens</th>
<th>Quartos</th>
<th>Banheiros</th>
<th>Animais</th>
<th>Quintal</th>
</tr>
</thead>
<tbody>
<tr>
<td>41</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>✗</td>
<td>✗</td>
</tr>
</tbody>
</table>
**Endereço**
R. Manoel Bacelar, 353 - Jardim Helian - São Paulo - SP - 08265-120

**Casa 1**

<table>
<thead>
<tr>
<th>Área m²</th>
<th>Garagens</th>
<th>Quartos</th>
<th>Banheiros</th>
<th>Animais</th>
<th>Quintal</th>
</tr>
</thead>
<tbody>
<tr>
<td>41</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

**Preço:** R$ 770

*Inclui condomínio e IPTU se houver*
# 5
renovating existing dwellings
1/3 OF THE POPULATION
LIVES IN SUBNORMAL CONDITIONS
A MUDANÇA VEM DE DENTRO

Mais que uma reforma, o Programa Vivenda oferece acesso a uma vida melhor.
The Express Renovation is the end of insalubrities in your home. A low complexity renovation that aims to remove the mold and moisture out of your residence in approximately 5 days. You can set your payment in up to 12 installments on credit card or bank billet. In addition, we also offer high quality materials, skilled labor, work management and a one-year warranty.