Studio Report: Porto Maravilha: planning for inclusive communities in Rio de Janeiro's Port Area

Clara Irazabal, Columbia University
Alejandro De Castro-Mazarro
Claudia P Huerta
Rosemary R Bolich
Millay Kogan, et al.

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PORTO MARAVILHA:
PLANNING FOR INCLUSIVE COMMUNITIES
IN RIO DE JANEIRO’S PORT AREA

COLUMBIA UNIVERSITY GSAPP
URBAN PLANNING STUDIO 2012
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The Porto Maravilha Studio represents the work of seven Masters in Urban Planning students from Columbia University Graduate School of Architecture, Planning and Preservation with the guidance of their instructors. In Spring 2012, the studio worked in collaboration with the Municipal Secretary of Housing of Rio de Janeiro (Secretaria Municipal de Habitação, or SMH) to analyze opportunities for incorporating affordable and inclusionary housing in the urban redevelopment plans of Rio de Janeiro’s historic port area. Rio will host a number of mega-events in the next five years, including the 2014 FIFA World Cup and 2016 Summer Olympics Games, and is currently undergoing large-scale urban development projects in preparation for these events. Despite its economic growth, the city faces a growing housing deficit that has been driven by rapidly increasing housing costs and population growth, among other factors. This presents many challenges to the SMH’s goal of ensuring access to housing as a basic social right. In supplementing the SMH’s mission, the Porto Maravilha studio seeks to deliver SMH with planning strategies to develop both affordable and inclusionary housing through the Porto Maravilha Project, a large urban redevelopment of the port area catalyzed by the upcoming Olympics and other mega-events.

To better understand Rio’s current housing deficit, the studio conducted research on the history of affordable housing in Brazil and in Rio, the evolution of Brazilian urban and housing policy, as well as case studies of incorporation and affordable housing programs around the world. This research was supplemented by a two-week site visit, during which the studio gained a greater understanding of spatial, political, environmental and cultural forces that exist in the port area, and, more broadly, the city of Rio de Janeiro. In Rio, the studio met, interviewed and collaborated with government officials, policy makers, academics, planners, community leaders, students and residents—each of whom provided great insights on both the challenges and possible solutions to the creation of affordable and inclusionary housing within the port.

Through the research and site visit, the studio identified several barriers that prevent the development of affordable and inclusionary housing in Rio de Janeiro. They include classism and social-spatial inequality; inadequate media coverage of these inequities; lack of functional coordination between municipal agencies; and the
EXECUTIVE SUMMARY

insufficient community involvement and unenforced planning laws and regulations. These challenges are not insurmountable; rather, the foundation of progressive legislation and housing programs in Brazil and Rio itself, coupled by its rapid economic growth, makes this a prime opportunity to address the city’s housing needs.

By strategically analyzing the existing legislative and housing tools, barriers our client faces, and case studies of successful affordable and inclusionary housing programs in greater Brazil, Latin America and around the world, the studio developed a three-part proposal for the creation of affordable and inclusionary housing in the port area:

- **Enhance community integration into the planning process:** quantitatively and qualitatively improve community participation in the planning process through engagement of residents, transparency of plans, and enforcement of laws.

- **Enact a legal advocacy campaign to support affordable and inclusionary housing:** launch legal campaigns within government (both municipal and federal) as well as through a grassroots movement to advocate for legislative reform in funding and inclusion of affordable housing units. Strive to mandate a minimum of 30% of CEPAC funds to be allocated to social housing, and a minimum of 30% of units to be inclusionary and affordable in new developments of certain size.

- **Reform and innovate land use and housing policies and programs:** acquire vacant and underutilized land parcels, promote community land trusts, reform existing housing programs, develop a community-led housing rehabilitation process, and introduce new land and housing tenure models in order to create and maintain affordable, inclusionary units.

Rio has a significant opportunity to utilize the investment and international spotlight from its upcoming mega-events to showcase itself not only as a global destination, but also as a global model for equitable and sustainable urban development. This studio seeks to formulate creative solutions to build an inclusive, affordable, attractive and culturally vibrant port area that can benefit all current and future residents alike.
In recent years, Brazil has become one of the most influential and economically vibrant countries in the world. However, although great strides have been made, the country is still faced with dire social issues; among them poverty, inequality, and socio-spatial segregation. In a nation that is over 80% urban, these challenges are most prevalent in Brazil’s cities. Brazil’s ambitions as a global power and the harsh realities of its social problems will play out in the city of Rio de Janeiro, which is poised to host the 2014 FIFA World Cup, 2016 Summer Olympic Games, and many other mega-events in the next five years.

As billions of dollars pour into the city and the world turns its attention towards Rio, the city is facing a great challenge in determining its future identity and legacy. Will Rio become a sustainable metropolis where people of different incomes and backgrounds live side by side in vibrant and safe neighborhoods; or will it become an increasingly polarized city in which glass and steel luxury buildings occupy the coast and the poor and working classes are forced further into the periphery and isolated from the resources of the city?

The Porto Maravilha studio seeks to answer these questions. The studio’s mission is to assist the Municipal Secretary of Housing (SMH) in reconciling the competing visions of Rio as a global, tourist destination, and that of Rio as an inclusive and equitable city for all current and future residents in Rio’s historic port area. The three neighborhoods contained within the port embody both the physical and cultural birthplace of the city, yet have increasingly fallen to neglect and abandonment. This site is one of the main focal points where the city seeks to renew Rio’s status as a global destination through Porto Maravilha, an urban development
11 mega-project. The promise of this project is to bring international recognition and new investment through infrastructure upgrades, skyscrapers, targeted historical preservation, and cultural institutions. Yet, at what costs would this transformation be realized? And who will bear these costs?

This studio seeks to assess and formulate planning strategies for a more inclusive and equitable Porto Maravilha project that allows for inclusionary and affordable housing in the revitalization of Rio’s central district. This report outlines housing proposals that rely on both the resources and expertise of the SMH and existing municipal and federal housing laws and programs, in addition to incorporating and emphasizing the input of current community members into the planning process. Furthermore, the proposals focus on reform and innovation of affordable housing development in Rio de Janeiro based on best principles of successful urban redevelopment and affordable and inclusionary housing from greater Brazil, Latin America, and countries around the world. The Porto Maravilha studio believes that, if implemented, these proposals can result in a world-class port area that is attractive, vibrant, and inclusive of all of Rio’s diverse residents. Rio holds the distinct opportunity to make the port into a premier global model for truly sustainable and equitable urban redevelopment, and thus should utilize this great opportunity to exemplify the progressive values that define Brazil.

SITE

The studio site is Rio de Janeiro’s port area, which is comprised of three neighborhoods on the northern edge of Central Rio: Saúde, Gamboa, and Santo Cristo. Rich in culture and history, the port area is morphologically diverse. There are historic tenement districts, hillside favelas, railroad yards, office buildings, and warehouses in industrial sites all in varying states of repair. It is in this district where the first slaves came to Rio de Janeiro at Pedra do Sal, the historic landmark recognized as the place where samba was invented. Today, many cariocas—residents of Rio de Janeiro—still frequent this area to dance twice a week. Additionally, a great part of the preparations for the world-famous Rio Carnival celebrations takes place in the adjacent Samba City facilities.
Despite its cultural and historic vibrancy, the port area has experienced a dramatic decrease in population and investment over the last 40 years. The port’s population is currently estimated at 22,000 but, due to the Porto Maravilha project, it is projected to grow to over 100,000 residents in the next ten years—a five-fold increase. The area covers 1,235 square acres, which is the equivalent of one and one half times the size of Central Park in New York. Around 4,000 residents live in the port area’s favelas, which house 18% of the population yet take up only 2% of the land.

The site contains a great variation in street layouts, built forms, land uses, and topography. Separating the port area from the waterfront is the raised Perimetral freeway, which connects the central district to the South Zone. The port sits directly across the major transportation artery of Avenue Presidente Vargas and encompasses Rio’s central transportation hubs: the central train station, the main inter-city bus terminal, and the cruise ship dock. Old warehouses and office buildings, remnants of this once vibrant port district, lie adjacent to the freeway and at the eastern edge of Avenue Francisco Bicalho. There are also remnants of old train infrastructure, which either still serves the central train station or has been converted into parking spaces or buildings. The central part of the area is characterized by steep hills and is mostly residential, while the northern section holds mostly older, high-rise office buildings. Abandoned buildings pepper almost every block as mere hollow shells and are occupied by squatters. Yet, there is tremendous potential in this area due to its historic and cultural importance as well as its strategic location bordering the Centro, Rio’s central business district.

**CHALLENGE**

The studio’s challenge is to suggest ways in which affordable and inclusionary housing can be incorporated into the redevelopment of the port area in order to alleviate the growing housing deficit in Rio de Janeiro and build inclusive mixed-income communities. Inclusionary, affordable housing must serve three goals:

1. Build units available at low cost relative to local incomes and prices
2. Maintain the affordability of the unit for future households
3. Create mixed income, robust communities that allow for more livable, vibrant cities

It is the third goal that defines the inclusionary element: allocating affordable units in the same spatial area as market-priced housing to income-eligible households at prices below market-rate, thus creating mixed-income communities. The purpose of inclusionary, affordable housing is to produce mixed communities and increase the housing stock for families and individuals who are unable to afford market-rate units, thereby correcting market failures of high unaffordable rents and building more robust, equitable and sustainable cities. The social and economic diversity created by mixed-income communities builds more social unity, increasing well-being for the greater public and economic and spurring job growth due to the diversity in workforce and service employee’s ability to find housing close to their place of employment.

**INTRODUCTION**

This task is especially pressing because housing affordability in the city is decreasing at a rapid rate. Currently, Rio has the second highest cost of living in The Americas and the city’s cost of housing has been increasing dramatically over the past few years, particularly since its win of the 2016 Olympic bid. The cost of living increased over 16% in 2011, which has had adverse affects on all residents, but particularly on the lowest-income residents.

Furthermore, as housing prices rise, the housing deficit is exacerbated by the increasing number of households that are unable to afford a home.

**CLIENT**

The studio’s client is the Municipal Secretary of Housing of Rio de Janeiro (Secretaria Municipal de Habitação, SMH). The mission of the SMH is to “ensure access to legal housing and urban infrastructure to low-income residents as a basic social right, focusing on social inclusion and respect for the environment through an integrated process of urban planning that includes the..."
INTRODUCTION

participation of society.” SMH is one of 25 municipal agencies that form Rio’s municipal government, which is overseen by Mayor Eduardo da Costa Paes and 50-member city legislature. These departments are divided into four general areas: social, economic, management, and urban development. The latter contains the SMH. The role of SMH is to urbanize and upgrade infrastructure in informal settlements and construct housing for families making under R$42,308 (0–10 minimum wages), while giving priority to families making under R$12,714 a year (0–3 minimum wages). The current head of SMH is Jorge Ricardo Bittar. A 20-person council divided between government officials, citizens, and housing advocates manages decisions on the budget, priorities, and operations of the agency. One of the key challenges the SMH faces is that of constructing enough housing units to meet the deficit. This deficit includes new needed units and current inadequate housing, and it is growing due to both population growth as well as displacement caused by risk prevention, disasters (such as landslides), the mega-events, and other mega-projects.

The following organization chart highlights the client’s role with respect to other municipal agencies in Rio de Janeiro.

While city departments collaborate with each other and purportedly have the same amount of power and influence, the SMH’s goals often compete with those of other departments, especially those that focus more directly on economic development.

This political tension is complicated by the fact that our client does not, as of now, play an instrumental role in the Porto Maravilha project, which is managed by a separate, public-private partnership Urban Operation company called CBURP (Companhia de Desenvolvimento Urbano da Região do Porto do Rio de Janeiro).

GOAL

The client asked the studio to formulate creative strategies for providing affordable housing in...
Rio’s port area. Building upon this request, the studio used its research and analysis of housing policy, challenges, and opportunities in Rio de Janeiro and affordable housing case studies from around the world to propose creative housing reform and innovation for the production of a culturally vibrant, inclusive and affordable port area. We envision the Porto Maravilha project as the premier global example that capitalizes on mega-events and mega-projects as catalytic instruments for the production of a more just and sustainable city.
HISTORY OF INFORMAL SETTLEMENTS

Urban development in Rio de Janeiro has taken on two very different, yet iconic forms. The informal city is marked by hillside favelas while the formal city is typified by concrete towers — morro e asfalto, in Carioca jargon. Since the late 1800s, when migrants first started coming to the city in large numbers, these two typologies have had an adversarial relationship. City leaders initiated massive urban regeneration projects on the formal city, which in many cases fed the growth of the informal city while paradoxically displacing many of its residents. However, over the last twenty years, new approaches to urban redevelopment have been undertaken in Rio de Janeiro to integrate these two separate urban fabrics. It is yet to be seen whether the impulse for new urban renewal mega-projects, such as the Porto Maravilha project, will mimic previous projects and lead to further social stratification and spatial segregation, or live up to its potential to integrate the city.

Brazil had a long history of slavery, which has had a profound impact on the social dynamic of the country and the physical structure of its cities. The Portuguese claimed Brazil in 1500, and 50 years later, the first slaves arrived from Africa. Over its 300-year history, roughly three million slaves were brought to Brazil, representing 35% of all people traded in the Atlantic slave trade. Today, Brazil has the largest population of African descendants of any country outside of Africa, with over 50% of the population having African roots. When slavery was abolished in 1880, famine and conflict sparked a large migration from rural areas to the cities. Rio, which had become the colonial capital in the 1700s, was a major destination for migrants during this period. Many of these newcomers crammed into cortiços, long and narrow tenement buildings often with shared bathrooms. The squalid housing conditions were blamed for the poor public health conditions in the city.

Outbreaks of disease were very common around the turn of the 19th century, and their prevalence earned Rio the nickname “city of death.”

Seeking to correct the city’s tarnished reputation and create a grand capital, a series of large civic improvement projects were undertaken in the early 1900s. Led by Mayor Pereira Passos, streets were widened, hills were leveled and part of the Guanabara Bay was filled in to create additional flat land. Inspired by the work of Baron Haussmann in Paris, these improvements were meant to remake Rio into an international city. However, these projects took a significant toll, catalyzing a housing crisis that persists to this day. Thousands of cortiços and other forms of low-income housing were demolished, giving rise to informal settlements — favelas or lotesamentos.

From the beginning, favelas have had a tenuous relationship with the city’s elite, as they were both ignored and despised. In 1937, Decree 6000 was passed banning favelas, including their construction or improvements of existing structures, and calling for their eradication. This code also banned favelas from being included in official maps of the city. This law remained in place until the 1970s. The 1930s also marked a new round of urban interventions in the central district. French planner Alfred Agache was hired to create what was essentially the city’s first master plan. Although not all of Agache’s plan was carried out, it did inspire the mass demolition of areas within the central district, as large boulevards, including Avenida Presidente Vargas at the southern border of the port area, were constructed. The displacement and disruption caused by these improvements hastened the exodus of wealth out of the central district to the new districts of the Southern Zone.

MORRO DA PROVIDÊNCIA

BEFORE

AVENIDA PRESIDENTE VARGAS

AFTER

CORTIÇOS

DECREE 6000 BANS FAVELAS AND CALLS FOR THEIR ERADICATION

NEW CONSTITUTION AFFIRMS RIGHT TO HOUSING FOR ALL BRAZILIANS

CITY STATUTE MADE INTO LAW

PERIMETRAL FREEWAY

CONTEXT
in 1960. Rio was also surpassed by São Paulo in population and economic power. The movement of the capital particularly impacted the central area of the city as thousands of jobs left the district for the interior of the country. Yet again, urban interventions were seen as a way to revitalize and bring new prominence to the city. Similar to cities in North America, the city undertook a massive investment in new auto infrastructure. This included new tunnels to the Southern Zone as well as the Perimetral elevated freeway, which runs along the waterfront of the port and central districts. These investments are blamed for the degradation of Rio’s once-prized public space as the central city was cut off from the waterfront and traffic and pollution-spewing roads were inserted into the urban environment.

The rise to power of the military dictatorship in the 1960s had profound implications on the way planning was undertaken in Brazil. Under its policies, planning was concentrated at the federal level and the bifurcation of the housing market between the informal and formal city was reinforced. For the first time, cities had to create master plans, which then had to be approved by the federal government in order to receive funding. Furthermore, the National Housing Bank (BNH), charged with the formulation and implementation of national development, created a housing finance policy that served to cut low-income people from the formal market. Middle class housing, often high-rise apartments, represented two-thirds of the housing financed during the dictatorship period. Low-income housing tended to be built on the periphery of the city. In the case of Rio, low-income housing construction coincided with the destruction of favelas in the central areas and the movement of their populations to the urban fringe.

The collapse of the military dictatorship in 1986 signaled a reorientation to local control over planning and a new focus on urbanization and integration rather than eradication of informal settlements. An urban reform movement played a large role in inserting language into the new constitution of 1988, its 2000 amendment, and the Statute of Cities that followed in 2001 calling for the government to affirm the social function of property, the right to housing, and the democratization of urban policy decision making. Control over urban development, such as transportation, sanitation, and housing, was overseen at the federal level, yet devolved to different agencies at the municipal level.

The Favela Bairro program marked the new approach to the urbanization and integration of informal settlements in Rio de Janeiro. Begun in 1995, and funded through the Inter-American Development Bank, this program sought to integrate these communities into the rest of the city through infrastructure upgrades and the provision of services and public space. This program used a multi-institutional, grassroots approach connecting community organizations, churches and NGOs with architects, planners, and government agencies to create and realize projects. The program, originally criticized for its emphasis on physical interventions, gradually encompassed a more integral approach to favela upgrading.

The election of Luiz Inácio (Lula) da Silva as president in 2002 marked a further progression of the urban integration of informal settlements. Under his leadership, the Ministry of Cities was established to carry out the progressive goals of the constitution. Since then, new programs have been undertaken by the Municipal Secretary of Housing in Rio de Janeiro to urbanize favelas. Rio de Janeiro has a long history of urban interventions aimed at raising the status and prominence of the city. The Porto Maravilha mega-project, as well as upcoming mega-events such as the 2014 FIFA World Cup and 2016 Summer Olympic Games, are the most recent examples of this trend. These large investments in the formal city are contrasted with the relative scant attention to the informal city, where about 20% of the city’s population lives. It is yet to be seen if these recent mega-initiatives will result in improvements of the city as a whole or whether they will join the list of other segregationist renewal schemes that have taken place in the city over the last 100 years.

CURRENT HOUSING DEFICIT

As a consequence of the tension between the formal and informal city, as well as the aforementioned ‘slum eradication’ and urban renewal schemes,
Brazil, and Rio de Janeiro specifically, face a growing housing deficit, increasing income disparity and spatial polarization, as well as large number of resettlements resulting from the city's risk prevention and disaster management programs, as well as its favored urban redevelopment mode.

**DEFINITIONS**

Obtaining accurate data was difficult due to the complexities in surveying informal areas and the many conflicting data reports currently published. This report uses the estimates of the João Pinheiro Foundation (FJP), which is based on data from the Brazilian Institute of Geography and Statistics (IBGE) as well as information from The World Bank and the United Nations Human Settlements Programme (UN-HABITAT). The FJP’s housing deficit estimations refer to both the need for the actual construction of new housing (deficit by increasing stock), and also to existing housing in inadequate conditions in respect to lack of infrastructure, inappropriate density, land tenure problems, and/or lack of sanitation (deficit for stock replacement).

The FJP provides four categories in describing the housing deficit:

- **SUBSTANDARD HOUSING**: informal private households, usually lacking infrastructure, lacking sanitation, and/or presenting land tenure challenges.
- **COHABITATION**: households that also house secondary members or groups.
- **EXCESSIVE BURDEN ON RENT**: families earning up to three times the minimum wage, who spend more than 30% of their income on rent.
- **EXCESSIVE DENSITY**: households with more than three people per bedroom.

Comparatively, The World Bank’s definition of the housing deficit refers to houses that fit the following categories:

- **PRECARIOUS HOUSING**: units with walls built of non-permanent materials.
- **COHABITATION**: more than one household in the same housing unit.
- **EXCESSIVE HOUSING BURDEN**: a rent-to-income ratio exceeding 30 percent.
- **OVERCROWDING IN RENTAL UNITS**: more than 3 persons per room.

The two definitions of housing deficit are very similar, making them the standard used in this report to define the deficit.

UN-HABITAT outlines the characteristics of **INADEQUATE HOUSING** as:

- Houses of precarious materials or raw appearance.
- Houses built without legal permit on land owned by someone else or whose legal status is unknown.
- Houses built in areas deprived of official street names and numbering and lacking infrastructure and services.

In addition, UN-HABITAT lists four types of inadequate housing found in Brazil – **favelas**, **loteamentos**, **invasões** and **cortiços**.

- **FAVELAS**: self-built residential areas usually on invaded public and private land and with substandard infrastructure.
- **LOTEAMENTOS**: illegal subdivisions of land
- **INVASÕES**:
- **CORTIÇOS**:
not in compliance with planning rules or infrastructure standards. They are considered irregular if submitted for regularization to the planning authorities and clandestine if they have not.

- **INVASÕES:** irregular occupation of public or private land still in the process of consolidation. They are frequently located on riverbanks, swamps, hills or on residual public areas, such as under viaducts and along roads.

- **CORTIÇOS:** social housing formed by one or more buildings located on a single plot, or shared rooms in a single building. Usually the rooms are rented or sublet without formal contracts. The dwellers share bathrooms, kitchen, and sometimes even electrical appliances. Houses lack proper ventilation and lighting, they are frequently overcrowded, and one room may house many people while accommodating multiple uses. Services are deficient, and they are mainly located in the city center. These are similar to the tenements of New York City at the turn of the 19th century.

**DATA**

The figures below show the housing deficit at the national, state, and city level. In some instances, conflicting data were collected, which is reported to show the range of possibilities.

**National, State, and Local Housing Deficit in Housing Units**

<table>
<thead>
<tr>
<th>Region</th>
<th>Total</th>
<th>World Bank</th>
<th>World Bank</th>
<th>FJP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil National</td>
<td>7.9 M</td>
<td>6.6 M Urban</td>
<td>678,908</td>
<td>221,975</td>
</tr>
<tr>
<td>Rio de Janeiro</td>
<td>478,901</td>
<td>378,797</td>
<td>212,975</td>
<td></td>
</tr>
<tr>
<td>Rio de Janeiro</td>
<td>378,797</td>
<td></td>
<td></td>
<td>221,975</td>
</tr>
</tbody>
</table>

- **NATIONAL LEVEL:** in the country of Brazil, there was a housing deficit of 7.9 million housing units in 2006. 6.6 million households of this deficit are urban.\(^\text{21}\)
- **STATE LEVEL:** in the state of Rio de Janeiro, the deficit was 478,901 housing units in 2007.\(^\text{22}\)
- **LOCAL LEVEL:** in the municipality of Rio, there was a housing deficit of 378,797 units in 2007, which is 79% of the state deficit (World Bank). However, according to the latest assessment of the FJP, the housing deficit in Rio de Janeiro City in 2007 was 221,975 households.\(^\text{23}\)

**Rio de Janeiro City Deficit (2007)**

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>221,975</td>
</tr>
<tr>
<td>PRECARIOUS HOUSING</td>
<td>12,685</td>
</tr>
<tr>
<td>COHABITATION FAMILIES</td>
<td>69,763</td>
</tr>
<tr>
<td>EXCESSIVE BURDEN ON RENT</td>
<td>121,769</td>
</tr>
<tr>
<td>INCREASED DENSITY</td>
<td>17,758</td>
</tr>
</tbody>
</table>

While these numbers come from three reliable sources, conflicting reports lead us to believe that these figures may be underestimated. Nonetheless, the gaps they account for represent large challenges. According to The World Bank, approximately 48,000 new housing units are needed annually in Rio de Janeiro to accommodate the increase in population alone. In addition to this number, nearly 38,000 housing units will be needed annually to resolve the existing housing deficit over the next 10-year period. This indicates that 86,000 housing units are needed every year, for 10 years, resulting in a total of 860,000 units needed. Unfortunately, Rio de Janeiro's formal market, which supplies around 30,000 units each year, only fulfills 65% of the existing annual housing demand and it does so mostly for middle and high-income groups.\(^\text{24}\)

**INCOME DISPARITIES**

There is a large disparity among those affected by this housing deficit in regards to income groups. In Brazil, the minimum wage is used as the measure for comparing income levels. Currently, the minimum wage is BR$ 545 (Approx. USD$ 318.80), paid 13 times a year.\(^\text{25}\)

The chart below categorizes the housing deficit by income groups in Rio de Janeiro's metropolitan...
region, showing that 92% of the housing deficit is borne by families earning from 0-3 minimum wages. However, only 48% of the homes built by the formal market are offered for less than BRL 300,000 (Approx. USD$ 76,043), meaning that social or informal housing are the only options for many Rio residents.

The characteristics of the housing deficit and income disparities are reflected at the neighborhood level in the port area of Rio de Janeiro, as many favela residents in the port are low-income. The average earnings in the port's favelas are between 1.8-2.5 times the minimum wage. In these favelas, between 58-75% of heads of households earn an income of less than 2 times the minimum wage. Only 1.5-1.9% of people responsible for households make an income greater than 10 times the minimum wage.

RESETTLEMENTS

While the upcoming mega-events bring opportunity to potentially alleviate some of these housing problems, the preparations are currently being protested for evicting and displacing low-income residents. These resettlements run the risk of becoming similar to evictions made in cities that hosted the World Cup and Olympics in past years, whose processes have been criticized for their lack of transparency and participation, inadequate compensation, and detrimental relocation of affected individuals. Nationwide, about 170,000 people are facing threats to their housing or already have been removed in the twelve cities that will host World Cup matches in Brazil. Jorge Bittar, the head of the Secretary of Housing in Rio, said approximately 15,000 families have been resettled in Rio in the past three years. However, he indicated the majority of those were families displaced by landslides or floods as well as families who moved out of the area due to environmental risks. Additionally, Bittar increased his estimate of future port resident relocations from 300 to 800 families in April of 2011. The International Olympic Committee stated that no families will leave their homes without a signed agreement, however, local community residents have made conflicting reports.

While some evictions may be necessary, the current level of community involvement in these decisions as well as their subjects’ economic compensation and place relocation are questionable. Many community members worry that the number of household evictions will only continue to grow, and local activist groups and coalitions have been forming to speak against displacement. For example, Port area residents have formed the group Forum Comunitario do Porto, creating a public platform to mobilize and resist detrimental aspects of the Porto Maraviilha Project and potential violations against their housing and urban rights.

LEGAL TOOLS

The pressing social issues in Brazil, especially as they relate to housing and urban development, have spurred robust social movements to address them. These movements have resulted in inclusion of progressive legal concepts and instruments into the Constitution and the City Statute, particularly with respect to the right to housing and the right to the city. These laws and instruments, at least on paper, make Brazil one of the most socially progressive countries in the world. However, as economic growth becomes increasingly important and is frequently conceived in competition with equity goals, many of these laws and tools have either been ignored or have not been implemented to their full extent.

These legal tools have developed in response to a number of critical factors, most prominently rapid, chaotic, and inequitable urbanization given large migration from rural areas into urban areas.
urban centers, such as Rio de Janeiro and São Paulo from the 1930s-1970s. This urbanization did not provide entrance into the formal housing market to low-income people, which led to the pervasive problem of individuals occupying environmentally fragile land such as riverbanks, and steep and unstable hillsides, as well as the need for state-subsidized housing outside the legal private market. As of 2010, approximately 70% of Brazil’s population, including part of its growing middle class, required housing subsidization, as compared to only 30% in Canada. These federal legal reforms include the signing of important international treaties and agreements into Brazilian Constitution, the creation of a new Constitution in 1988, the promulgation of the City Statute in 2001 and the formation of newly appointed councils and government bodies to assure that the goals of its newly enacted legal reforms are indeed realized.

International Treaties

Brazil is signatory to a number of important international treaties that concern the right to housing, including:

- The Universal Declaration of Human Rights, which establishes that every individual has a right to an adequate living standard that ensures well-being and health
- The International Agreement on Economic, Social and Cultural Rights, which sets forth the fundamental right of everyone to live in adequate housing and to be protected from unlawful eviction
- The International Convention on Children’s Rights
- The International Convention on the Elimination of All Forms of Racial Discrimination
- The International Convention on the Elimination of All Forms of Discrimination Against Women

As a result of these treaties, Brazil has incorporated all of these elements into its constitution, giving social rights and the right to housing federal support.

1988 Federal Constitution

Brazil’s 1988 Federal Constitution includes a number of important features that relate specifically to improving housing conditions for citizens of Brazil. Some of these reforms include:

- Specific language relating to the social function of both the city and property
- The delegation of power to municipal authorities to define the use and occupation of urban land, therefore streamlining the decision-making process and allowing for more locally responsive decisions and actions to take place
- The requirement of municipalities to produce “Master Plans” within a given timeframe that includes a political process involving comprehensive decision-making about the management of the municipal territory and its community
- The right to regularization of consolidated informal settlements
- A mandate to combat property speculation in urban areas, which includes compulsory land parceling, utilization and building, progressive property tax, and expropriation-sanction agreements

The City Statute

Brazil’s City Statute, which was adopted into Brazil’s Constitution in 2001 and currently regulates Articles 182 and 183 of the Federal Constitution, is regarded as one of the most forward-thinking and progressive statutes with respect to housing in the world. The creation of the City Statute took place gradually in Brazil over a number of decades, and is the product of compromise between a number of different institutions, including nonprofit organizations, citizens groups, academic institutions, trade unions and elected officials that sought to confront the myriad of issues associated with rapid urbanization in the 20th century. The City Statute

The City Statute also specifies a number of concrete legal provisions that assist in achieving its purported goals, including a provision that deals with the "social function of property," which determines how urban property should be regulated with respect to preventing various commercial or economic pressures from becoming obstacles to the right to housing. More specifically, this provision deals with combatting segregation, territorial exclusion, and "the prevalence of inhumane, unequal and environmentally predatory cities."37

It also establishes:

- The right to adverse possession (usufrutúpia), whereby an "an individual possessing an area or urban construction measuring up to 250 square meters for a period of five years, uninterrupted and unopposed, using it as a place for him/her and his/her family to live, acquires dominion of such a place providing the individual does not own another urban or rural property." 38

  The right to adverse possession helps to legitimize squatter rights under certain conditions and allows for a more efficient use of underutilized and/or abandoned land.

- A mandate for municipalities to create master plans to define the use and occupation of municipal territory to ensure that all property fulfills its social role.40 The City Statute states that these master plans must involve urban, environmental, budgetary, and sectorial planning as well as economic and social development planning.41

- The introduction of taxation instruments to provide the necessary means of achieving the goals of the City Statute, including taxes, contributions, incentives, and fiscal and financial benefits. The progressive IPTU is one instrument that may be used to achieve such a goal, and consists of a tax paid by owners or holders of properties, calculated as a percentage of the market value of a given property. The City Statute enables a municipality to use the IPTU tax progressively over the years for properties whose owners fail to obey the fixed deadlines established for compulsory parceling, building or utilization. In order to ensure that this instrument is effective, the City Statute has vetoed the concession of tax waivers or amnesties.42

- The creation of Special Zones for Social Interest (ZEIS), which can be used to regularize and rezone occupied areas, as well as to prioritize and/or reserve areas to benefit infrastructure, services, and/or urban equipment for social housing. ZEIS can be used, for example, to rezone vacant areas of a municipality to be used for social housing or to permit the installation of street systems consisting of narrower streets or alleyways than recommended at the federal level that are more suitable for occupied hilly or steep areas.43

- The right of a municipality to expropriate private property for the public or collective social good. Expropriation for urban reform in particular requires payment of the property owner to be made in public debt bonds repayable over a ten-year period.44

- A "Building Waiver with Costs" instrument that enables public authorities to encourage densification of certain areas of the city as a way of promoting the maximum use of infrastructure, including...
a specific provision for the separation of the right to build from the right to ownership in order to fulfill the social function of property.\textsuperscript{41}

- The creation of a body of Consortiated Urban Operations in charge of introducing urban projects based on partnerships between public authorities, property owners, and civil society. Urban Operations can be utilized for a number of projects including conversion and upgrading of older, deactivated areas of the city, upgrading land-use and infrastructure around large urban facilities such as avenues and metro stations, and creation of better land use connected with substantial urban works.\textsuperscript{42}

The Ministry of Cities & National Council of Cities

In order to implement urban reform and management of its cities, the federal government of Brazil created the Ministry of Cities in 2003 in order to address key issues in federal urban policy, particularly related to housing, transportation and sanitation, while simultaneously reinforcing and strengthening the discretionary powers of municipalities to address issues of local urban concern. One of the primary tasks of the Ministry of Cities is to assure consistency among municipal actions and to share resources among different municipalities that may benefit actors country-wide, particularly in the form of supporting technical training of municipal public administrators and/or local social agents.\textsuperscript{43}

The National Council of Cities, also created in 2003, consists of 86 members, 49 representing segments of civil society (popular movements, workers unions, NGOs, academic institutions, and the business sector) and 37 members representing federal, state, and municipal administrators. The National Council of Cities convenes to discuss and deliberate issues related to national urban reform and policy, particularly related to housing, sanitation, planning, and transportation policies. The National Council of Cities has met a number of times since its creation to discuss these issues and is recognized nationally as an important sociopolitical forum to discuss federal urban policy. The National Council of Cities works closely with the Ministry of Cities as a consultative and deliberative body for the design and implementation of the national urban and housing policies.\textsuperscript{44}

Brazil’s commitment to progressive legal reforms with respect to housing and urban regulation led our studio to believe that inclusionary housing can and should be a viable option for the city of Rio de Janeiro to realize its mandates to expand the right to housing and the right to the city to its current and future residents, particularly in areas designated for upcoming redevelopments and upgrades such as Porto Maravilha. While many have criticized the 1988 Constitution and City Statute for their slow implementation process of producing real and effective change, those who defend these reforms point to the fact that it may be too early to tell if and how their full potential can be realized. Many countries around that world that do not possess such progressive legal frameworks with respect to housing and urban reform as Brazil have already implemented successful inclusionary housing policies in some cities or states (such as the United States). Thus, given this established foundation of progressive legislation, Brazil is a prime candidate for being a world leader in inclusionary housing goals and implementation.

Government Housing Programs

Along with a progressive, promising legal framework, Brazil engaged in a robust effort to address the critical needs of housing and development. Various funding mechanisms at the federal and local levels are in place that could help our client provide affordable housing. However, although these tools address the quantitative need for housing by reducing the deficit, they often do little to address, and in some cases aggravate, the qualitative deficit of housing. The result is poorly constructed, isolated housing units, that further the social and class divide between rich and poor residents.

Minha Casa, Minha Vida

The most notable federal housing program in Brazil is Minha Casa, Minha Vida (MCMV, My House, My Life), which was created in 2009 through the National Fund for Social Housing of the growth acceleration program, PAC. PAC is charged with improving sanitation, crime prevention, and
access to social services, and it also provides funding for social housing for residents who make up to ten times the minimum wage. MCMV’s original budget has more than doubled to BR $72 billion (approximately USD $41.6 billion), with the goal of building two million units by 2014. This includes 100,000 units in Rio de Janeiro by 2016, the majority of which are intended for citizens who will be displaced by Olympic preparations.

It should be noted that while MCMV is building a large quantity of housing units, the program is widely criticized for developing new houses on greenfields outside of the central city. Many of these residents had been physically and socially integrated in their original communities within the city’s central core, but were forced to move to the periphery of the city far from public transportation and economic opportunities. In addition to this program’s location strategy, there are criticisms surrounding the housing unit size and quality resulting from the program’s incentive structure. The incentive structure of MCMV pays developers one fixed fee per unit regardless of location, quality, or square footage (units must be two bedrooms/two bathrooms). Additionally, there are concerns surrounding the militias who are present within these developments, which are accused of charging illegal taxes to the residents.

Novas Alternativas

Novas Alternativas (New Alternatives) is a government program housed within the SMH, working to rehabilitate vacant and historic buildings in Rio de Janeiro’s Central District (including the port, downtown, and adjacent areas). As a result of the precipitous decline in population over the last several decades, abandoned and underutilized structures have become a pervasive element of Rio de Janeiro’s port district. Many of these structures are historic, and are in varying states of decay, ranging from semi-inhabitable to merely facades. By repurposing these dilapidated buildings, Novas Alternativas has been able to create 753 units of housing thus far, consisting mostly of apartments in small 5-unit, former tenement buildings. Currently, the program is working to create 214 new units of housing through the restoration of twelve buildings. The structures represent an enormous possibility not only to create new housing units, but also to maintain the historic character and scale of the port area, an idea which will be discussed in greater detail in Section IV. Novas Alternativas exemplifies many values of contemporary planning, such as the promotion of historic preservation, mixed-use development, and affordable housing. However, the program has been unable to significantly scale up its operations due to lack of political support and the often-arduous process of expropriating vacant buildings.
Morar Carioca

Morar Carioca (Carioca Living) launched in 2010. It is meant to provide a process of urbanization and integration of all favelas in Rio de Janeiro in the next 10 years. The project is part of the Municipal Plan for the Integration of Precarious Informal Settlements. In addition to urbanization, Morar Carioca provides other lines of work: conservation of public space, control of the growth of favelas, urban legislation, the creation of posts for urban and social orientation (POUSO), and resettlement of residents who are in hazardous areas. Morar Carioca has not been mobilized to the point it could serve the communities of the port area, but it has the potential to become a key player in the redevelopment considered within our proposals for the Porto Maravilha project.

CEPACs

Another source of funding that is available for the provision of affordable and inclusionary housing are CEPACs. Certificates of Additional Potential of Construction. These are air rights on existing and planned development, a concept that was developed in Sao Paulo and is currently being implemented in Rio de Janeiro. All of the CEPACs have been purchased from the city by CAIXA, Brazil’s national bank, which is also the sole financier of the Minha Casa, Minha Vida Program. Since CAIXA provides and subsidizes the loans made for Minha Casa, Minha Vida, revenue from the future sale of CEPACs allows the bank to provide more discounted loans, which indirectly creates inclusionary housing. Proposals to use CEPACs revenue to promote additional affordable and inclusionary housing is considered in further detail in next section of the report.
The Porto Maravilha project has exposed the great tensions between Rio's desire for international prominence, its pending social debts and the country's progressive laws. In spite of the proliferation of dazzling renderings and impressive statistics, actual information about how this project will be implemented is hard to find. However, there is still opportunity to reform this project. The legislative and governmental tools currently enacted in Rio de Janeiro and Brazil are testaments to the fact that this project can be carried out in an equitable and inclusive way. A primary way to achieve this is to use this Porto Maravilha project to create affordable and inclusionary housing.

The Porto Maravilha project is a part of a larger push by the city of Rio de Janeiro to improve city infrastructure and create world-class amenities before the mega-events. The port is integral to the infrastructure upgrade as it is one of the few clusters in the city where Olympic events will be held and participants will be housed. The area is going to house a number of museums and facilities designed by star architects. Construction in the Port area is being conducted under the authority of the Urban Development Company of the Port Area (Companhia de Desenvolvimento Urbano da Região do Porto do Rio de Janeiro), or CDURP.

The City's goal for the Port is to improve the area to create a waterfront neighborhood that will house amenities geared toward attracting tourists and developments that will create a neighborhood with luxury residences and office space. Although it is unclear exactly how many residents live in the area currently, the City estimates the population to be approximately 22,000, and projects this number to grow to over 100,000 inhabitants in 10 years. It also plans to increase the total green area from 2.46% to 10.96% and to add infrastructure to handle a 50% increase of traffic flow.

MEGA-EVENTS

As mentioned, upcoming mega-events in Rio de Janeiro are the catalyst for the city's infrastructure upgrades and redevelopment interventions. There will be multiple mega-events in Rio de Janeiro during the next four years, including the United Nations Conference on Sustainable Development (2012), the FIFA World Cup (2014), and the Summer

56 Ibid.
Olympics (2016). Plans show that R$5 billion (2.9 billion USD) will be spent on Rio before the World Cup. The total estimated cost for the Olympics is R$23 billion (12.8 billion USD). Much of this investment, particularly preceding the World Cup, is going toward upgrading infrastructure and is divided into three categories: transportation, energy, and other urban infrastructure such as sanitation and housing.

Sport mega-events have a reputation of leaving behind a negative legacy. FIFA received $3 billion in revenue from the 2010 World Cup in South Africa, but only $100 million of that was spent on development projects in the country. Meanwhile, the stadiums that were built for the World Cup are often empty and very costly to maintain. Beijing has experienced similar issues with the venues it built for the 2008 Summer Olympics. Also, before the Games, reports that 1.5 million residents would be driven from their homes induced the event with controversy. Worries that Rio will mismanage event investment abound, and criticism, particularly about displacement, has already appeared in local and international press.

However, this information does not mean that Olympic development in Rio and the Port cannot be beneficial for residents, both in the time leading-up to the events and after the games are over. Rio has a significant opportunity to target investment so that it makes the events a success, and also improves the quality of life for current inhabitants. There is potential for the city’s development to not only improve the city for its residents, but for Rio to become a global model for responsible, sustainable, socially-conscious spending. Much attention will be paid to Rio de Janeiro in the next few years due to these upcoming mega events, which provides a great opportunity for the city to be recognized for its provision of affordable housing and mixed-income communities. As will be seen in our proposals, these mega events can be a great catalyst in Rio de Janeiro’s provision of inclusionary housing for its residents.

SITE PLANS

While the mega-events certainly pose as an opportunity to create affordable, mixed housing units, CDURP has already developed plans for the port in order to transform it into the kind of area the city envisions. This is the Porto Maravilha project, which has a few comprehensive plans detailing what will happen in the area, where approximately 75% of the land is publicly owned, either by the municipality of the state. The Porto Maravilha land use plan is very vague. While much room is devoted to housing in the center of the area, those areas, encompassing parts of all three neighborhoods, are already residential. In regards to these zones, not only is the plan vague, it tells residents nothing about what will happen to their neighborhoods. It is not possible to discern how these neighborhoods
will evolve or what may happen to the residents. The other zones, marked for business/services and arts and culture, are similarly meaningless. The lack of detail in the land use plan keeps developers’ options open while denying Rio residents transparency.

The plan for allowable building height is more detailed, but still appears to show insensitivity to current port residents. If most of these zones were built up to their full allowable height, the views of Guanabara Bay would be blocked for most residents. The plan clearly intends to encourage the construction of as much office space as possible.

The City of Rio, via CDURP, has made public statistics on the infrastructure it plans to install. These include:
- 5 million m² for class A office and retail
- 700 km of water, sanitation, electric, gas and telecom networks
- 4 km of tunnels
- 70 km of roads
- 17 km of bike path
- 15,000 trees
- 3 sanitation plants

Again, there is much potential for Rio to make intelligent investments in the Port area. We believe it must seize the opportunity, though, to prevent the Port from being turned into a luxury district, something that would very likely displace current Port residents.

The Olympic media and referee village, also known as the Olympic Port Village, will also be built in the port neighborhood of Santo Cristo. It is planned to encompass 17 blocks, or 850,000 m². The project will include a convention center with an integrated 500-room, five-star hotel. After this Olympics, this area will be transformed into residential areas and commercial offices. The Olympic Port Village is an important part of the Porto Maravilha intervention, though it is being financed out of a separate fund. Other investments being made in the Port area include an aquarium and the Santiago Calatrava-designed Museum of Tomorrow.

In order to develop the area, the City of Rio has signed a R$7.6 billion (4.2 billion USD) contract with the Porto Novo Consortium, comprised of Norberto Odebrecht, OAS and Carioca Engenharia.

The consortium assumed responsibility for the area in February of 2011 and the concession for development will last fifteen years. These three corporations will receive the resources from a fund administered by CDURP.

INTERVENTIONS IN FAVELA MORRO DA PROVIDÊNCIA

Morro da Providência is the oldest favela in Rio, which sits on a hill (or morro) in the Port neighborhood of Gamboa and is home to 5,500 people. According to Housing Secretary Jorge Bittar, “the re-urbanization of Providência is fundamental to the revitalization of the Port Zone.” There has been lots of activity in this favela in current years. In April 2010, the seventh Police Pacification Unit (UPP) was installed in the community. In 2008, the community gained prominence when it served as the location for the first UPP. In September 2009, the mayor held the groundbreaking of the aforementioned Morar Carioca program in Providência. The total expected investment from

65 Ibid.
66 Ibid.
the program is R$131-150 million (76-82 million USD), and the interventions will benefit about 5,500 residents in 1,720 households.

Infrastructure upgrades are among the plans for Morro da Providência, including new water and sewage management systems, which are scheduled for completion in 2013. Most notable, though, is the planned construction of a cable car and a funicular in the community. The cable car will have three stations total and will connect Providência with Central do Brasil, the city's train station, and Samba City. The funicular will provide another way to get to the top of the hill and will run alongside the signature stairs of the community. While these upgrades are seemingly impressive, their usefulness is dubious because they are very costly, not considered particularly necessary by residents of the favela, and will require the resettlement of some families.

**URBAN OPERATION**

The Porto Maravilha project is an URBAN OPERATION:

“A legal instrument that seeks to provide local governments with the power to undertake interventions related to city planning improvements in association with the private sector. It identifies a particular area within the city that has the potential to attract private real estate investments to benefit the city as a whole.”

Urban Operations are instituted in the Brazilian City Statute and are supposed to be one way of streamlining and speeding urban development for the realization of the spirit of the Statute, which promotes democratic decision-making, the right to the city, the right to housing, and the social function of property. However, Urban Operations can easily be subverted and transformed in a mechanism for the expansion of neoliberal urbanism.

**STAKEHOLDER ANALYSIS**

There are many stakeholders with often conflicting interests in the Porto Maravilha project, as shown below. While there is great potential for the project to benefit many residents, conflicting interests could prevent this from actually occurring. The city of Rio de Janeiro is hoping to partner with private sector developers to help revitalize the port area. This studio believes the municipality should use this potential relationship to create the most benefit for all stakeholders and not just those with the most money or power.

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![Favela Morro da Providência](image-url)
In envisioning the potential for Rio de Janeiro’s port area to become a world-class example of inclusionary housing, the studio analyzed the barriers that might stand in the way of making our goal a reality. These barriers are multifaceted, involving an array of issues ranging from social, institutional, and procedural obstacles. However, these challenges are not insurmountable, and the rapid economic growth in Brazil makes this a prime opportunity to address its city’s critical housing needs.

SOCIAL

The social barriers the studio uncovered were persistent classism and lack of corporate media attention given to the social inequities that have been occurring as a result of the city’s (re)development interventions.

Classism/Spatial Segregation

Through research, conversations and meetings we held in Rio de Janeiro, the studio realize that there are social barriers to enacting inclusionary housing. Brazil has a long history of racial tension and income and class segregation. Unfortunately, social and spatial segregation are remnants of these issues. Low-income residents mostly live in favelas or informal settlements, clumped together in certain neighborhoods of the city with limited integration with the rest of the community. When social or affordable housing is built in Rio, it is usually located in the outskirts of town, far from the rest of the city. There is a stigma in Brazilian society that hinders the mixing of different income groups in the same residential projects or neighborhoods. This spatial segregation reproduces a lack of desire for integration or the idea that this is not plausible, and is a large barrier in the provision of integrated, affordable housing units in mixed-income projects and/or neighborhoods.

Media Coverage

Corporate media, such as large newspaper and cable news outlets, could serve as watchdogs over government actions and be used as a community tool for leverage in political agendas. However, these news sources have often been used to reproduce a status quo that does not favor progressive goals. According to many residents we spoke to, the mainstream media are a tool for the rich, and do not do their fair job investigating injustices in Brazilian society. While independent media and blogs cover housing displacements and highlight other environmental injustices relevant to lower-income residents, these outlets are not widely circulated and do not have the same leverage as popular mainstream media.

INSTITUTIONAL

In addition to the social barriers mentioned, there are a series of complex political and institutional challenges that preclude the creation of affordable housing in Rio de Janeiro. These barriers include conflicting political agendas and the minimal enforcement of development regulations.

Coordination Issues

Conflicting agendas among municipal agencies
present one of the largest challenges to the actualization of affordable housing and creation of inclusionary communities. In a context of asymmetric power within government agencies, the SMH’s goals are often given less priority, or not considered when planning for, or implementing (re)development. This lack of coordination is exemplified through the planning and implementation of the Morro da Providência cable car, a project that has been highlighted in both the Porto Maravilha, as well as general Rio 2016 interventions as a model for urban infrastructure upgrades and improvement to mobility and accessibility as Rio approaches the 2016 Summer Olympics. Since the Teleférico is funded through the Morar Carioca program as one of a series of interventions to upgrade the historic Morro da Providência favela, the planning, management, and construction of the project lies within the jurisdiction of the SMH. Despite the project’s clear ties to transportation, the Municipal Secretary of Transportation (SMT) was not involved in the planning or development, and continues to be absent in the construction. No environmental review, needs assessment, or projected ridership and density study typical of a transportation project was conducted, nor was approval or review by the SMT sought prior to groundbreaking. While the transportation agency was notified of the project, there is no evidence of collaboration between the SMH and SMT on this transportation intervention that is at the heart of a slum upgrading program.

These challenges of structural fragmentation and political conflicts are further exacerbated by the addition of CDURP into the complex web of political actors as the managing body of the urban operations management in the port area. The majority of redevelopment of the port area, including the re-zoning of existing land uses, setting maximum floor area ratios of future development, as well as the implementation of CEPAC funds for the Porto Maravilha project lies within the jurisdiction of CDURP, and not the Secretaria Municipal de Urbanismo (SMU) or SMH. In conversations with both SMH and SMU, representatives from both agencies seem to be uninformed about specific housing plans in the port area, citing that to be under the jurisdiction of CDURP only.

City of Exception

Moreover, Rio de Janeiro has been called the “City of Exception”, where powerful political actors make exceptions to laws in order to benefit economic actors such as developers and the wealthy elite. This favoritism is especially prevalent now due to the fact that Governor Sérgio Cabral Filho, Mayor Eduardo Paes, and the head of SMU are all members of the centralist Partido do Movimento Democrático Brasileiro (PMDB or Brazilian Democratic Movement Party), and are all considered very pro-development and eager to cater to private corporations and real estate developers in hopes of transforming Rio into a global city that is attractive to tourists and international businesses alike. Attempting to enforce strict guidelines on how many units of affordable housing needs to be built in every neighborhood will be futile if developers and investors can easily bypass these requirements in order to serve their interest. A “City of Exception” makes it incredibly difficult to realize the creation of inclusionary housing, even if such provisions are included in plans and laws. Rio de Janeiro should rethink its strategy of acquiescing to the economically powerful, and instead consider the rights and needs of all of Rio de Janeiro’s residents, and particularly the most vulnerable, when planning the city’s redevelopment.

PROCEDURAL

Finally, procedural barriers are those that relate to our client most directly. This report will focus recommendations and proposals to address these issues.

Minimal Community Involvement

Perhaps the most pressing issue facing the port redevelopment is the lack of substantive and sustained community participation. Government agencies, in particular the SMH, have focused efforts on improving infrastructure and integrating low-income communities into the rest of the city. The interventions staged in
Morro da Providência are impressive in scope, encompassing the creation of new community facilities, infrastructure, and an aerial tram among other things. These improvements will have a positive impact on the health and aesthetics of the community. However, these interventions have largely been conceived and implemented by the government with very little community input. This strategy results in projects that do not serve the community best and in some cases are unwanted, weakening trust between community residents and government officials.

The repercussions of this approach are projects that will likely have negative impacts on the community. During site visits, the studio saw an empty concrete plaza in front of a church on top of the morro, the site of a former soccer field. Though it was well used and appreciated by many community youth, the site was turned into a program-less plaza as part of the SMH-led favela interventions and is now considered a dead space unused by residents—without open conversations or communications about the need or purpose of the intervention with residents. Perhaps the most pressing issue facing Port redevelopments is the lack of community participation.

Moreover, several other projects require the demolition of houses within the favela. While some demolitions may be necessary to improve accessibility, create needed public spaces, prevent landslide damage, and ensure safety, residents of these homes are often not given ample warning or explanation before their homes are marked with the “SMH” initials, symbolizing that they need to go. This fragments communities, while leaving little room for collective action or productive discussion between favela residents and the SMH. This top-down approach has many drawbacks. Not only does it weaken trust between the community and the government, it can result in inefficient projects.

Unenforced Laws

Brazil is ahead of many countries around the world in terms of a legislation that promotes the right to housing. Having the law on the side of expanding access to affordable and inclusionary housing, The 2011 city’s master plan features vague ideas that are easily modified to serve political and economic agendas, serving as inept guidelines to manage the city’s growth. In addition, the recent update to the plan did away with a provision in the previous version that allowed a 1:1 development by-right to property owners, but made additional development rights conditional. If reintroduced and enforced, this would give the municipality expanded powers to guide development to fulfill the public interest.

The SMH is currently in the process of making a municipal master plan for social housing, which we hope becomes a more specific, progressive, and compulsory tool than the master plan currently is.
As previously mentioned, the studio client requested creative strategies to create affordable housing in the port area. The studio’s findings indicate that SMH’s scope of work should not be limited to the favelas, but should incorporate the entirety of the port area. Our proposals are structured into three categories:

1. Community integration into the planning process
2. Legal advocacy campaign to target CEPAC money for social housing
3. Revitalization through housing program reform and innovation

COMMUNITY INTEGRATION INTO THE PLANNING PROCESS

The work of the SMH is a genuine and much-needed effort to upgrade and integrate informal settlements into the urban fabric. However, limited community participation, both in qualitative and quantitative terms, threatens these efforts by damaging trust between the government and community, while investing money in poorly conceived projects. In order to rectify this, SMH must reexamine and fundamentally revamp its approach to community development. This new approach should be rooted in close citizen collaboration in all the phases of the planning and implementing of urban interventions. We have identified three areas where we propose reforms and innovations to enhance community participation in the planning process:

- Community integration into the planning process
- Legal advocacy campaign to target CEPAC money for social housing
- Revitalization through housing program reform and innovation
If implemented, this can ensure that SMH’s interventions truly serve community needs in the best ways possible. The result will be projects that both substantially improve residents’ quality of life and fulfill the mission of SMH. This proposal will also empower community residents and build political support and constituency around the work of SMH.

**Engagement**

Citizens should be able to drive the interventions in their community through a robust involvement process. This citizen involvement should give residents the chance to affect the operations of the SMH on multiple levels. One component can be the creation of a stakeholder’s advisory council with regularly scheduled meetings, and which has power to affect the decision-making process. Chairs on this advisory panel should be given to prominent members of the community, such as heads of residents associations, community groups and NGOs, alongside representatives from the SMH and other relevant bodies. This body will also make sure that community input is continually integrated into the urban operations of the department. This reform can be instituted quickly and is vital to more fully engaging and informing the community.

Furthermore, the SMH should create a large-scale community outreach strategy to educate residents on their work, while giving them sincere opportunities to give input and make decisions. This strategy can consist of different outreach strategies and media, ranging from small focus groups to large public meetings. Focus groups are great ways of deliberating and disseminating information about urban interventions. Representatives from the SMH can engage in community meetings, school activities, samba dances and other cultural events, workplaces, and other community gathering occasions and locations to present proposed projects, get citizen input, and obtain contact information to inform residents about future meetings. Large-scale interactive charrettes (ateliers or workshops) could also be undertaken where citizens can not only give input, but also drive the design interventions. These charrettes allow residents to collaborate with planners and designers on exactly how projects will physically be realized in their community. The SMH should also devise mechanisms for effectively integrating the feedback they receive from this process into their work.

By closely involving residents in the planning and implementation processes for urban interventions, the SMH will create better community relations and better projects. They will also increase popular support for their interventions, which will give them political leverage amongst the broader city government. This strategy will empower the community to be directly involved in development projects. Moreover, it will bolster civil society groups and NGO’s by legitimizing them as integral players in the decision-making process. To compliment this idea, Rio could adopt TRGs (Technical Resource Groups), implemented in Montreal (see the Canada case study in the Appendix) TRGs work alongside developers in creating affordable housing projects. These groups use their knowledge of planning regulations, the housing market, and design solutions to create communities that include high levels of affordable and inclusionary housing. Serving as moderators, TRGs aim to create financial feasible projects for developers that also address community needs. While this process will take longer to implement, this type of institution can also be vital to involving the community in design process.

**Transparency**

Making government accessible to the community is an imperative. In regards to the traditional approaches for engagement, such as community meetings, SMH needs to improve the processes and media by which they attract community members. The example of the Teleférico now being built in
Morro da Providência (commented on above) shows us the dangers of lacking transparency. Through conversations held with the Foro Comunitario do Porto, we learned there was minimal advance warning to the residents of the community in regards to construction. This meant that those who were displaced due to construction were not given adequate warning to prepare to move. Local residents were also not given the opportunity to give their feedback about the locations of the Teleférico stations. Residents now claim that these locations were not selected in the most efficient manner for the improvement of residents’ accessibility, and thus will not best serve the entire community. In fact, as our discussions with the client revealed, the project did not even receive guidance from the Secretary of Transportation.

An innovative solution to improving transparency could be a community information center, using the example of the Nova Luz Urban Operation in São Paulo. There, a community space called Posto do Atendimento is a publicly accessible office, displaying design proposals and updated statuses on new construction projects and their expected impacts on the community. The center allows for ongoing, interactive conversation, allowing citizens to participate in a myriad of ways, including asking questions and submitting suggestions. As opposed to the COUNP Porto Maravilha website, which is infrequently updated and only available for those with Internet access, this type of center encourages transparency and public participation. We recommend this type of facility to improve the community outreach of COUNP. It can be sited at the existing cluster of community facilities that exists at the bottom of Morro da Providência.

Enforcement:

To ensure that the community is adequately reflected in SMH projects, we propose a Memorandum of Understanding (MOU) between SMH and the local community. This will ensure that SMH plans reflect community wishes and that projects are expedited in a timely fashion. Approvals and revisions of plans should be done with transparency, allowing residents to comment. The stakeholder advisory group can act as the broker of this agreement. We commend the current intent by the group responsible of creating the master plan of social housing of revising and revamping the process of community involvement.

LEGAL ADVOCACY CAMPAIGN TO TARGET CEPAC FUNDS FOR SOCIAL HOUSING

Brazil’s constitution stipulates that every citizen has a right to housing. In addition, guidelines exist on how Urban Operations should be implemented in order to fulfill this mandate. At the present time, however, the Porto Maravilha Project is not conceived in a manner that will fulfill these laws. Not only is the project neglecting a rich opportunity to extensively provide affordable and inclusionary housing; it is also threatening the existing community with displacement. In response to these subversive conditions of the project, Rio de Janeiro City Council Member Sonia Rabello introduced a project of law to the City Council in March 2012 to dedicate 10% of the money received by the city from the sale of the CEPACs for affordable housing in the port.

We are in accord with the spirit of this project of law introduced by Rabello, but in light of the housing policy precedents studied in many countries around the world and considering the housing mandate of the Brazilian Constitution and supporting laws, deem it to be too timid.

We suggest that the Council considers backing a minimum of 30% of CEPAC funds to be dedicated to affordable housing in situ, i.e., in the area of the Porto Maravilha Urban Operation. If the legislative branch of city government (the City Council) does not embrace and enact this housing agenda, we recommend appealing to the judicial branch of government by presenting a lawsuit at the Municipal Court. This strategy keeps with the Constitution, the City Statute, and state and municipal laws in Rio de Janeiro, and would use the Porto Maravilha project as the first major redevelopment project in Brazil that fully realizes the spirit of such laws – an example for the city, country, and world to admire and follow.

Although, Brazil is a country with progressive laws, politics often are a barrier to their proper implementation. For this reason, legal methods using the legislative and judicial branches of government alone may not prove sufficient to reallocate the CEPAC funds. To complement such approach, we propose a broad-based grassroots campaign to push for political change. This will unite a coalition of citizens and urban activists around reforming the Porto Maravilha project – and with it setting a powerful precedent for
Urban Operations to follow in the country. A broad-based citywide outreach campaign could be implemented to bring awareness to the issues at stake and put pressure on the executive, legislative, and judicial city representatives. The alliance should then sign support cards or petitions that will be sent to decision makers such as the mayor, city council members, judges, and other policy makers to show the support for the CEPAC campaign (and potentially other sources of funding for affordable, inclusionary housing in Rio). Citizens can also be brought before city council to testify in support of the lawsuit and the reform of CEPAC allocations. Additionally, the coalition could be utilized to draw media attention to bring awareness and solidarity among the general public. This can include press conferences, demonstrations, and street theater. If done correctly, this campaign could help bring a united push for housing reform to the forefront of Rio’s current political sphere. It will also bring attention to the problem of the Porto Maravilha project and its current disregard for the constitutionality of affordable housing for all.

The campaign should not be a hierarchical relationship with politicians in charge of the popular movement, but a partnership between civil society and the political sphere. Evidence of the possibility of this coalition were seen on March 19th at Studio X in downtown Rio where over 100 politicians, government officials, students, professors, advocates, and citizens met to learn and exchange ideas about inclusionary affordable housing strategies. Meetings such as this are a way to build coalitions and organize movements.

We propose SMH finds courageous, yet institutionally appropriate means to support the actions at the municipal legislature and judiciary, as well as ways to support and invigorate the grassroots organization and advocacy.

The allocation of CEPAC funds to affordable housing can be pursued at the federal level as well. Just as CDURP in the city of Rio de Janeiro may be mandated to allocate a minimum of 30% of the money acquired from the sale of CEPACs, an equivalent mandate may be imposed to Caixa when it sells the CEPACs bought to Rio de Janeiro. Equivalent strategies at the legislative (Congress) and judicial (Federal Court) branches of the federal government, together with the pressure of a national coalition in support of affordable housing (strengthening the one already in place in Brazil) may bring about the changes desired. At the federal level, the funding for affordable housing thus acquired can be allocated nationally based on need-based assessments, thus contributing to reducing regional housing inequalities.

This securing of significant extra funding for affordable housing at both the municipal and national levels ought to be supported by a parallel effort at both levels to mandate minimum quotas of affordable and inclusionary housing units in all new and redeveloped projects.

**Precedents**

This proposal is partially inspired by The Los Angeles Housing Trust Fund, a campaign to secure funding for affordable housing in California. This city-wide coalition composed of housing advocates, community groups, and labor organizations partnered with progressive city council members to pass legislation creating the trust fund. The program creates rental housing for very low-income individuals. Housing is created through a long-term loan program with housing developers for new construction or rehabilitation of existing structures. The program was begun in 2002 and contains $100 million, making it the largest program of its kind in the United States.13

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REVITALIZATION THROUGH HOUSING PROGRAM REFORM AND INNOVATION

The goal of the Porto Maravilha project is to create a new iconic, world-class destination for the city of Rio. City officials hope to revitalize the port area and central zone by building an area amenable to investment and tourism, capitalizing on the upcoming mega-events. However, the spatial strategies of the current proposal will most likely not achieve these goals. Instead of building on the qualities that make the port area and Rio a unique destination, current plans merely replicate the design strategies of other redevelopment projects across the globe. We propose a model for revitalization that will integrate new development into the historic urban fabric and create a truly unique destination that expresses the rich heritage of the port and of Rio de Janeiro. Our model proposes to achieve this through revitalization through housing program reform and innovation by:

- Land use strategies: land banking, land acquisition through expropriation and negotiation, separation of ownership from development rights, land readjustment
- Developing community-led housing rehabilitation process and community land trusts
- Reforming existing housing programs
- Introducing new housing tenure modes

This model imbibes existing programs such as Novas Alternativas and Minha Casa Minha Vida with best practices from around the world. This model not only achieves the goal of creating a dynamic new world-class neighborhood in the heart of the city but is also more sustainable and equitable, creating a place for all of Rio’s citizens, both current and future.

As previously mentioned, abandoned and underutilized structures are pervasive elements of Rio de Janeiro’s port district. In the port area alone, there are nearly 1,500 vacant structures and over 4,400 occupational opportunities. Many of these structures are historic, often old cortiços in varying states of decay, ranging from semi-inhabitable to merely façades. The structures represent an enormous possibility. Whereas the Porto Maravilha project represents the introduction of a new community with a dramatically new urban form, repurposing older buildings is a filling-in and elaboration on the existing urban fabric. This approach physically improves the neighborhood through blight removal, while revitalizing its historic character and form.

Homeless citizens squatting on vacant land and in abandoned buildings is another pattern found in the port, which reflects the pressing need for housing in the area. The occupied structures range in quality, from seemingly typical apartments to shanty dwellings inside badly damaged buildings. Our proposed model of community-lead ownership and renovation will give these squatters control over the buildings they already occupy, and will allow them to upgrade these structures with government assistance. By legitimizing the ownership of the buildings, property tax revenue can eventually also increase for the city. While the Novas Alternativas program has achieved some success, it has been unable to significantly increase their operations due to lack of political support and the challenges inherent to the expropriation process. Our proposal will allow Novas Alternativas to radically expand to meet the housing challenges of the port area in a sustainable, inclusive manner.

Land Acquisition Strategies:
- Land Banking
- Expropriation and Negotiation
- Separation of Ownership from Development Rights
- Land Readjustment
- Community Land Trusts

Currently more than 70% of land in the port area is publicly owned, including many vacant properties. Our studio proposes that the city should decisively pursue the banking of publicly owned land. Publicly-owned land could be loaned to developers in long-term loans.
land ownership the city could have more control over the type of development produced and cap real estate speculation. Given the rapidly increasing property values within Rio and the speculative land value increases resulting from the mega events, we believe it is in the city’s best interest to capitalize on the fact that most of the land in the port area is publicly owned. However, much of this land is currently divided between various agencies at the city, state, and federal level as well as public employees unions. Rather than allowing the current landowners to sell to private developers, we suggest the city demand the right of first refusal. In this way, the city can purchase public land and transfer it into a land bank. We understand that cadastral records for all port parcels are not up to date and that makes this strategy difficult, but trust that political will and professional diligence can overcome this hurdle. In any case, cadastral maps need to be produced for the Urban Operation to proceed.

Additionally, many privately owned parcels in the port are abandoned or vacant. The city can pursue acquisition of abandoned and decaying properties for placement into a land bank for future inclusionary housing projects. We propose such expropriation of private, vacant or underutilized and not-maintained parcels and for SMH to be given he right of first refusal on saleable parcels. Expropriation of private parcels is allowed under the City Statute, which states that it is within the municipality’s authority to “expropriate private property for the public or collective social good.” Many private parcels in the port area have a convoluted ownership structure with some divided amongst family members living in different countries. Because of this, it is unlikely that these properties will be put to a productive use. Moreover, many of these private properties are severely dilapidated, with some being occupied by squatters. The city should expropriate these properties and assemble them into a land bank to be converted into affordable housing.

Separating land ownership from development rights can give city agencies, including SMH, more leverage vis-à-vis developers to enforce mandates quotas of affordable and/or inclusionary housing, or negotiate more advantageous quotas, in the process of permitting new (re)development projects. These policies could be integrated into both the city’s master plan and master plan for social housing.
Another land use strategy to consider is that of integral land readjustment, consisting of organized landowners acting collectively— in cooperation with the municipality and/or private developer—to pool their land in order to accomplish a redevelopment project. In the case of the port since the majority of land is public, the city as landowner can enact integral land readjustment to favor projects that can more effectively accommodate affordable and inclusionary housing.

**Community-Lead Redevelopment**

Parcels acquired by the city can be turned into new affordable units through a community-led redevelopment process. This process is similar to that of Novas Alternativas, however it makes the government agents the facilitators and community residents the instigators. Squatters currently living in vacant buildings as well as other needy citizens will form co-operatives. These co-operatives will be paired with architects, designers, and contractors to come up with plans for rehabilitating vacant, dilapidated structures into new homes. This can be facilitated through the right of technical assistance included in the City Statute, which guarantees cooperatives and social movements the assistance of architects, urbanists, and other required technicians to create designs for social housing. This process can result in homes and cooperative housing complexes that reflect the needs and lifestyles of community residents as opposed to current affordable housing developments that do not. By giving citizens control over the design process they will feel ownership over their new homes and empowerment through having a stake in the process. Members of these cooperatives will also contribute their labor towards the construction or rehabilitation of buildings, getting job training and certification in the process.

Instead of selling land-banked land outright, SMH should institute 99-year ground leases. This way they can ensure the long-term affordability of the newly constructed affordable housing. In community-led revitalization projects, cooperatives could own the building while SMH owns the land through a ground lease. This allows residents to have an equity stake in their property while allowing SMH to put limits on the resale value of the units and to control who is allowed to purchase them, in order to keep them affordable. A similar system could also work in MCMV buildings and units to keep them inclusionary, i.e., of mixed income affordability.

This model is similar to a community land trust (further explained below), except the SMH would be in charge instead of a non-profit community organization, and is inspired by the Dudley Street Initiative in Boston, Massachusetts. The Dudley Street Neighborhood Initiative (DSNI) is a nonprofit community-based planning and organizing entity based in Boston. The community group works to implement resident-driven plans partnering with nonprofit organizations, community development corporations, businesses, and religious institutions serving the neighborhood, as well as banks, government agencies, corporations, and foundations. DSNI has used the community land trust model to revitalize their neighborhood and to create over 400, long-term affordable housing units. They are the only community-based nonprofit in the U.S. which has been granted eminent domain authority over abandoned land within its boundaries.

This type of revitalization can look to Chiq da Silva as a starting precedent for the new process. Chiq da Silva is an organization currently working in the port with squatters to rehabilitate vacant buildings into new housing. The group works collaboratively with residents to generate designs that adapt the space to the lifestyles of its inhabitants, preserves the cultural and architectural value of the buildings, and revitalizes the surrounding area. Chiq da Silva sees its effort not only as a way to provide more housing but also as a way of empowering disadvantaged groups through the design and construction process. The organization targets their work to central Rio and the port area in particular. One project involved the renovation of an abandoned office building in Gamboa owned by the National Social Security Institute. An example of the many publicly owned abandoned buildings in the port area; this space has been occupied by squatters since 2005 and is home to 133 families. Chiq da Silva is working...
with residents to upgrade communal space in the building and create a new sanitation system. The work of Chiq da Silva should be integrated into the SMH process.

SMH should try to scale up this and other types of revitalization models that are community-led. One such model that is plausible in the port area given the large public ownership of land that can be relatively easily assembled is the creation of community land trusts (although land for community land trusts needs not need to be concentrated and it is often scattered in the serviced area). A community land trust is a nonprofit organization that acquires and manages land on behalf of the residents of a community. This land ownership and management model is effective at preserving affordability and preventing foreclosures of the housing units located upon its land. If in the United States and other capitalist countries this model, in its many existing variations, has been proven effective and is arguably getting growing tracking, we believe it is adaptable to the context of Brazil, where both the country’s legal framing and the specific land ownership conditions in the port, make it feasible. The defining features of the community land trust model in the United States were enshrined in federal law (Section 212, Housing and Community Development Act of 1992), including nonprofit tax-exempt corporation, dual ownership (separation of ownership of the land and the building units), leased land, perpetual affordability, community base, resident control, tripartite governance (leaseholder, general community, and public representatives), expansionist acquisition, and flexible development.

Minha Casa Minha Vida Reform

Minha Casa Minha Vida (MCMV) needs reform to prioritize and incentivize infill development rather than greenfield development (development in non-urbanized or poorly urbanized areas in the outskirts of cities). In the port area, land banked parcels can be used for new MCMV projects, and interest rate discounts for development projects can be used as an incentive. Meanwhile, disincentives and development caps should be put in place to limit construction of MCMV units on the periphery. Currently, interest rates in Brazil are around 12%, some of the highest in the world. A discounted interest rate for development would serve as a major incentive to lure affordable housing in the port area, where infrastructure and access to job already exists. Another reform to MCMV should allow for single units or bundles of units financed by the program to be integrated into market rate developments. Rio’s master plan and/or Rio’s master plan of social housing should mandate minimum inclusionary housing quotas in new developments, so that the resulting communities gain in mixed-income diversity. Our studio recommends a minimum of 30% of in-situ inclusionary housing mandate in the port area. It also advises a minimum inclusionary housing mandate for the entire city, where variations of on-site, off-site, and payments to an affordable housing trust in lieu of construction can be allocated depending on the area’s capabilities.

MCMV, Morar Carioca, and Novas Alternativas can be reformed to operate within the land use schemes and community-lead processes suggested above.

Alternative Housing Tenure Modes

There is an array of housing tenure modes that exists in-between the most common modes existing in Brazil: fully privately rented (when the housing unit occupant is renting the unit 100%) and fully privately owned units (when the housing unit occupant is owning the unit 100% or is paying mortgage towards 100% ownership). There are models where the housing unit occupant is fully or partially assisted to pay rent on the unit. The Section 8 Program in the U.S. would have occupants pay up to 30% of their income towards rent (the maximum income quota below which housing costs are not considered to be overburdening the household) and the federal government would pick up the rest of the rental cost. A similar program could be instituted in Rio de Janeiro, or more generally, in Brazil. On the other hand, housing units can be partially owned by the occupant at different arrangements and percentage levels, with the rest owned by a government entity (e.g., SMH or Caixa), housing cooperative, or another type of NGO. Our studio recommends SMH (together with the support of CDURP, SMU, Caixa, federal regulators of MCMV, housing advocates and NGOs, and any other relevant stakeholders) explores reforming MCMV (and potentially other housing programs, including Novas Alternativas and Morar Carioca) so that they finance and produce social rental housing and start experimenting with mixed-ownership housing modes in the manners suggested in the recommendations above. The intent is to create and convert an expanding number of housing units away from ownership for profit, favoring...
instead larger roles for social production, social control, and housing affirmative action for racial minorities and women.
After analyzing our site and its assets with residents, students and professors of urbanism, and policymakers in Rio de Janeiro, we selected the following 3 sites that can be used to symbolize the actualization of each of our proposals:

1. Morro da Providência, favela
2. Avenida Francisco Bicahlo, future Olympic Media Village
3. Saude, neighborhood

SCENARIO I: MORRO DA PROVIDÊNCIA, FAVELA

Our first scenario involves the construction of a community information center at the base of the Morro da Providência favela. This center will serve to integrate residents’ input and participation into the planning process and improve transparency of interventions. This area is currently home to 3 creches, or childcare centers, as well as an adult education and community health center. We believe that this established social node is an ideal site for the community information center. Since it is already a familiar and frequented meeting area for current residents, including the active Forum Comunitario do Porto community group, existing community assets can be leveraged by making this site the headquarters for the stakeholder advisory group, in addition to using it as a location for design charrettes and focus groups.

Current Site

This is a view of the community health center in the current site:

Proposed Vision:

We drew inspiration for our vision from the renderings for a community center located within a São Paulo favela created by the Urban Think Tank and SLUM Lab architects below:

![Proposed site for a community information center on port interventions.](image)

SCENARIO II: AVENIDA FRANCISCO BICAHLO, FUTURE OLYMPIC MEDIA VILLAGE

Our second scenario suggests the integration of inclusionary housing plans into the Olympic Media Village housing developments. Our
proposed, legislative mandate of targeting 30% of CEPAC sales for affordable housing funding could yield approximately $414 million dollars from. In addition, 30% housing units in all new developments would be allocated to the creation of new affordable units within all new developments that are on-site — inclusionary housing. Current plans for the Media Village include construction of 11,000 units to house media personnel and judges for the 2016 Olympics, which will later be converted into market-rate apartments. Following the legislative reforms, we propose that 30% of these units be reserved for below-market-rate affordability, resulting in 3,300 affordable and inclusionary units. This can serve as housing for lower-middle income groups and public sector employees, alleviating the excessive housing burden they currently face. We emphasize that affordable units must be included in the same building with indistinguishable design between market and below-market rate units, in order to encourage the mixing of different income groups spatially and socially. Ideally, these affordable units should have varied levels of affordability, i.e., they should be distributed throughout the range of levels that need to be targeted, including both the levels of affordability that are the specific mandate of the MCMV (0-10 minimum wages) and the (widening) range that exist between the 10 minimum wage level and that which is the minimum level served by market rate housing.

**Current Site**

Currently the site around Avenida Francisco Bicalho is degraded and underutilized:
Proposed Vision

This rendering from the Media Village can serve as an example of integrating affordable housing into sophisticatedly designed projects. If done seamlessly, we believe this helps create true social integration while also allowing for this area to be a vibrant destination.

Scenario III: Saúde, Neighborhood

We selected the Saúde neighborhood of the port to demonstrate the third scenario, which embodies the community-led revitalization proposal discussed above. Novas Alternativas, a municipal housing program that operates under SMH, is currently working in Saúde to rehabilitate and convert the historic, vacant buildings into affordable housing units. From their estimates, each building can be retrofitted to create an average of 8 units. With Novas Alternativas’s estimate of 15,000 vacant units that can be rehabilitated in the port area, this could create approximately 12,000 units at different levels of affordability. These units will be allocated to accommodate families who span the range of incomes that are between 0-10 minimum wages and between 30 minimum wages to the minimum level of income served by market-rate housing. By being inclusionary, these mixed-income housing developments will prevent the concentration of poverty and instead create equitable, vibrant neighborhoods while preserving the cultural heritage of this historical district.

Current Site

Rendering of a proposed housing development in the new Olympic Media Village.

Affordable units
An example of the many abandoned and underutilized buildings that exist in Saúde.

This housing development has been retrofitted and rehabilitated by Novas Alternativas for affordable housing.
This site is currently composed of vacant buildings with historical façades and gutted interiors:

Proposed Vision

The two buildings in the previous photo have been rehabilitated by Novas Alternativas, and will be allocated to low-income families in the area.

We see the reform, expansion, and innovation of the current housing programs as a means of creating housing that is not only affordable, but also inclusionary. The community integration, legal reform and advocacy, and housing revitalization proposals we outlined here can help the Municipal Secretary of Housing and its allied institutions in charge of development in the port area (most particularly COURP) transform this district into a culturally vibrant destination that serves the goals of all stakeholders and benefit current as well as future residents.
CREATING AN OLYMPIC LEGACY OF INCLUSIVE HOUSING

Rio should utilize the investment and international spotlight from the 2016 Summer Olympics as an opportunity to showcase itself not only as a global destination, but also as a global city for current and future residents and visitors alike. Following the example set by the London 2012 Olympic master plan, Porto Maravilha can and should deliver a legacy of inclusive housing and act as a model for successful urban redevelopment.

In fulfilling its commitment to affordable housing depicted in its Olympic bid, London’s Olympic Park Legacy Company—a non-profit responsible for the long-term planning, development, management and maintenance of the Olympic Park and its facilities after the London 2012 Games—has revised its master-plan for the Olympic park to allocate 50% of converted units from the athletes’ village to be affordable homes. In addition, 40-45% of all Olympic village units will be targeted for families, while 35% of will be reserved for affordable and inclusionary housing to be sold and rent at varying below market-rate prices. Mayor Boris Johnson, along with the national and international media, has hailed this plan as “most important regeneration project for the next 25 years” for its commendable pledge to inclusive housing and the creation of mixed-income communities.

Porto Maravilha has the opportunity to gain the same prestige as a global model for vibrant waterfront redevelopment and equitable, inclusive housing. As CDURP, SMH, and the Rio Municipal government seeks to advance the city’s status as a global megacity known for its mega-events and world-class destinations, it must also create a sustainable legacy of inclusive housing and social-integration. London has already set the foundation to ensure its Olympic legacy of inclusionary housing through a 30% minimum allocation of inclusive, affordable housing. It’s time for Rio to demonstrate its own commitment to the international audience by seizing the Olympic moment to become a leader in social inclusion and sustainable urban development.

In conclusion, we see this period in the history of Rio de Janeiro as an exciting and promising time. The city has all the tools, investment opportunities, and potential to overcome its housing deficit and, in the process, redress its long-standing social and ethnocratic debts, making itself a world-class example of urban inclusivity and justice. Our client, the SMH, has a deep commitment to improving the lives of the vast majority of Rio de Janeiro’s population. Our studio hopes that the recommendations posed in this report are well considered, and that bridges are built between local actors and all stakeholders to improve community involvement and ensure democratic planning that leads to sustainable and equitable outcomes. The legacy of the mega-events and their resulting mega-projects will surely shape the socio-cultural, physical, and political-economic history of Rio for decades after the mega-events have passed. What form will this legacy take and for whom will it serve?
APPENDIX: INTERNATIONAL CASE STUDIES

The United States of America is the capital of real-estate investment and one of the largest capitalist societies in the world. Yet, the US has a history of affordable housing, and many current-day successful inclusionary housing programs. Affordable housing has existed in the United States since the 1930s, but not executed in effective ways. Troubled high-rise public housing projects were built during the 1950s and 1960s, which were segregated on the outskirts of town. These projects were subject to scrutiny because of variety of health and safety issues associated with them. The federal government then attempted to create alternative programs for the provision of affordable housing to low-income residents that would not segregate them from other neighborhoods, through both the demand and supply side of housing. However, inadequate resources prevented these federal projects from large-scale success.

A drop in federal resources, coupled with a rise of exclusionary zoning and skyrocketing housing prices, led to the national-wide demand for inclusionary housing programs. Inclusionary housing efforts were primarily implemented in the courts, and were pushed further by community-based advocacy efforts that compelled hesitant mayors and city councils to act.

In order for successful implementation, inclusionary housing should be economically integrated and private developers should be engaged in providing that housing. A few ways to make this possible are through zoning, cost offsets, exactions, and linkages. Zoning controls the aspect of development itself - specifying standards for the housing units to be built on the land. Cost offsets are a tactic of providing incentives for private developers to produce affordable units through offering density bonuses, fee waivers, modification of development standards, or subsidies. Second to these are exactions, which are fees paid by developers to improve the public infrastructure or facilities benefitting the public in the space they wish to develop. Linkages are widely considered to be exactions, where developers are required to contribute to housing trust funds, instead of creating the actual affordable housing units. In order for these fees to be estimated, a "nexus study" is used. This is a tool used by planners and economists to predict with reasonable accuracy the number of lower-income households that will need housing in or near the municipality as a result of the construction of such development. Nexus studies inform what is called "fair-share obligation" - which the amount of affordable housing that must be created in each city to accommodate its current and projected population.

As can be seen, there are many options provided for developers to provide inclusionary housing in the US. Construction can take place either on site or off site to produce the actual units of affordable housing. Alternatively, developers can dedicate a portion of land to be developed by another entity or dedicate an off-site location for affordable housing to be created by another entity. Lastly, developers can make a financial contribution to a housing trust fund for development or improvement of affordable housing in the municipality. Working with the developer to provide options and flexibility is essential, as to avoid discouraging development altogether.

Not only do inclusionary housing policies aim to build affordable units, but to create mixed communities where affordable units are integrated among other income groups' housing. Examples of this can be seen in California, where San Francisco’s SDMA Grand 246-unit condominium project holds 29 inclusionary units. Another example lays in the affluent suburban of Cranbury, New Jersey, where an inclusionary development created multi-family affordable units designed to look like expensive single-family houses. These two projects show that inclusionary housing can be attractive and well integrated in affluent communities.
The history of inclusionary housing in Canada shares many similarities with that of the United States. Public housing was first attempted at the federal level, with a significant number of units built, in large apartment complexes. This was followed by the increasing influence of the non-profit sector, responding to the social issues that were associated with these large projects. And finally there was a “period of retrenchment,” which continues to this day, in which non-profits and municipal level governments are the major players in the creation of affordable housing. There is no national policy on inclusionary policy in Canada, making it one of the only countries in the developed world without such federal regulation.

In Canada, the political structure is strongest at the provincial level. In regards to housing issues, very few provinces have a defined set of policies. Lacking a strong set of rules from upper levels, municipal governments, advocates, and non-profit associations shape much of the policy and programs. They are often engaged in political battles with developers and the home building agencies, which are less concerned with affordable housing issues.

Vancouver, which is a global city in many respects, suffers from an expensive rental housing market. The price of rental is 43% more expensive than the average cost in Canada. The average wages in Vancouver do not reflect this market, with wages mirroring that of the rest of Canada. The housing burden, when owners or renters spend more than 30% of their income on their residence, has historically been a challenge for people in the city. British Columbia, the province in which Vancouver is situated, is one of the only provinces in Canada with policies dedicated to the creation of affordable housing. In 1988 a provincial law declared that all new residential projects with over 200 units were required to be made 20% affordable. They also established “payment in-lieu” options, so developers could pay into a fund dedicated to affordable housing, if they were unable to meet the affordable housing requirements in situ. Critics now say that too frequently developers choose the “payment in lieu” option, and that what is paid into the fund is insufficient. The municipal government in Vancouver also has strong policies to create inclusionary, affordable housing. Areas that have been re-zoned, and thus are targets for new development, require developers to negotiate with the city to determine the level of affordable housing that is necessary. In addition, developers are able to exceed zoning restrictions, by building an agreed upon amount of affordable housing.

One community in Vancouver, False Creek, has achieved significant levels of affordable housing. This development, which occurred mainly on city owned land, was planned to support an income mix that was representative of the region. False Creek was a former industrial site, which had become derelict, and was re-zoned by the municipality to spur development. In this project, the prices of the higher-income households were set to help support the lower income residents.

From 1975-1981, 1,780 units were built at False Creek, half of which were affordable. When the project was completed in 1996, 2,840 units had been built. The percentage of affordable units had been reduced, in large part because of the cost of the privately held land in the area, but the level of affordability still exceeded the provincial minimums. A study in 2001, by the Housing Centre in Canada, claimed that the goal of representing the income mix in the region had been largely met. Only the poorest, those making less than $10,000 Canadian dollars a year, were not adequately represented. False Creek is however representative of a mixed income community, where the lower-income residents are seamlessly integrated into the housing complex, and a good example of a successful public-private partnership.

While the province of Quebec has no housing
Montreal has policies that promote affordable housing. The "Habiter Montreal" is a multi-pronged housing strategy that was adopted in 1990. This policy, which is not a formal law, calls for a social mix reflecting the needs of the city and addressing deficiencies in the housing stock. Learning from their failures with large public housing projects that concentrated poverty and led to an unequal distribution of services, "mixité sociale" is an ideal espoused in this policy declaration. In Montreal, Quebec there is a very progressive political climate, and a strong non-profit sector that is invested in creating affordable housing. The municipal government uses Technical Resource Groups (TRGs) that are non-profit entities that are required to work with developers. TRGs provide planning services, offer design critiques, and most importantly serve as intermediaries. Tax base sharing, which directs increases in tax revenues to be distributed between the municipalities in Quebec according to need, and set aside for affordable housing, has been another successful tool that reduces regional disparities.

One community that exemplifies Montreal's commitment to affordable housing is Le Nordelec. Also a former waterfront industrial site, the El-AD development group proposed a mixed-use plan. The developers included 15% affordable rentals and 15% affordable units for sale. In negotiations with a TRG and the community the developer was asked to donate the land and rehabilitate the areas that needed environmental remediation. Fearing the project would be delayed or stopped the developers conceded.

The Lofts Imperial serves as another example of successful affordable housing on a former tobacco site. TRGs also played a significant role in the contentious negotiations, with 46% of the units affordable including 16% devoted to social housing and 30% to affordable condos. The flexibility of the political process in Montreal is responsible for the incredible success they have had. Lacking a formal law, these policy declarations have led to a social contract, by which Montrealers abide. By inserting non-profit institutions as advocates into the process, the underrepresented lower-income communities have benefited tremendously.

As Brazil seeks to redevelop its formerly industrial waterfront, many of these previously stated examples should be considered closely. Addressing the issues of the housing deficit in this area is entirely possible, as shown through the Canadian case studies. It is remarkable the level of affordable housing that has been created, with most provinces and many municipalities lacking concrete laws. Combining public-private partnerships, and negotiating with communities through voluntary programs have served these cities. Canada is distinct, because a strong sense of civic responsibility permeates to provide housing for lower-income individuals, a choice that Brazil must consider as they confront their massive housing deficit.
Italy is one of the most socially minded countries in regards to land use planning. Beginning in the 1940s, it established progressive planning laws, including the Planning Law of 1942. This law prescribed for expropriation of land at values that do not reflect an increase due to the proposed development, which was intended to limit speculation and to keep land value increases captured for the public. Similarly to the social rights established through Brazil’s Constitution and City Statute, in Italy “private property is recognized and guaranteed by law,” but it also has inherent “limitations designed to assure its social functioning and render it accessible to all.” In addition, Italian law determines how “the public and private economic activity may be directed and coordinated toward social ends.”

In 1968, former President of the Italian Constitutional Court Aldo Sandulli declared “the right of land development not as intrinsic to the right of ownership, but the result of public concession, to be accompanied by the imposition of a charge equal to the entirety or to a great portion of the increase in land value which results form development.” Additionally, development can only occur with a master plan established and enforced by each locality.

During the 1980s and 1990s, there was a move to contractual planning negotiated between land owners and localities, benefitting the economically powerful, but more recently the country has moved back toward inclusionary urban renewal policies through Integrated Intervention Programs (PII) and Urban Redevelopment Programs (PRU) which specifically note the public should benefit from PRU more than simply through development fees, and furthermore, developments should include social housing. By establishing the transfer of development rights a more equitable assignment of costs and benefits of development can be negotiated. Also, by establishing a competition for the right to develop including a minimum level of required social benefits, development is no longer a zero-sum game where a single winner takes it all but an operation where costs and benefits are more equitably distributed.

Even in Milan, a market-driven city, the government has still been able to negotiate successful developments with increased allocations of green space and social housing, including state-owned rental properties. In Modena, owners were paid a below-market rate to develop 70% of the area for social housing/public facilities and in return they were able to develop 30% of the area for private development. Additionally, any developer who wished to build on greenfields was required to donate 20% of the area to the community. Furthermore, if a property owner requested a variance to increase density or for a new land use, he/she was required to give half of the property value increase to the commune.
Spain has gone further than almost any other European country in using inclusionary housing as a mechanism for achieving its ambitious social and affordable housing goals. While implementation of Spain's inclusionary housing policies have been slow, and it may be too early to assess the success or failure of some of Spain's more recently enacted legislation and policies, Brazil has much to learn from Spain's experience, particularly due to the fact that both countries have experienced tremendous increases in housing prices, land speculation, the prevalence of vacant and underutilized property, and more.

Even during the Franco dictatorship Spain enacted a number of important laws (such as the 1956 Planning Act) to assure that ownership of property comes with certain obligations and duties with respect to maintenance, infrastructure, and public amenities of areas surrounding one's property. A relatively recent introduction to Spain's planning law includes the creation of PAUs (Polígonos de Actuación Urbanística) which allow municipalities to re-parcel and rezone urban areas while still allowing property owners to maintain ownership of their land. PAUs allow for more efficient and flexible rezoning, while assuring that the interest of property owners is protected as well.

In terms of inclusionary housing specifically, Spain has recently adopted a national law that requires a minimum of 30% of the floor area designated for residential development to be dedicated to a land bank for future development of social housing. This future development must be located within the site of current development taking place in order to maintain Spain's goal to promote mixed income communities throughout the country. The country has also incorporated a national mandate that 5-15% of development profits be dedicated to municipalities for infrastructure and urban services.

The case of La Marina de la Zona Franca in Barcelona is a prime example of Spain's commitment to build not only affordable, but spatially inclusive, units of social housing. This development, which was built after Spain hosted the 1992 Summer Olympics, prioritized the building of a social housing projects in a prime urban area of central Barcelona that gave local residents access public transportation, schools and more.
Planning in England has a progressive housing policy at the national level, including an overt goal of trying to meet foreseeable housing needs through a national policy and allocation system, similar to Brazil’s constitutional right to housing and federal programs such as the Minha Casa Minha Vida. Requirements for new housing are specified at the national level in light of forecasted household growth, implemented by local planning agencies (LPAs) that ensure that these requirements are locally executed, and managed by non-profit housing associations.

Affordable housing in England encompasses both “social rented” and “intermediate affordable” housing provided to specified, eligible households whose needs are not met by the market. The first type—social rented housing refers to housing that is owned and managed by local authorities and registered landlords. Rents for these units are determined nationally by area, and are usually heavily subsidized by the government. This is similar to public housing in the US. However, England is moving away from social rented housing to more inclusionary, “intermediate affordable housing,” or housing at rents above social rent but below market rate. While originally created for public servants to encourage employment in the public sector, these units often have rent and eligibility criteria set locally by authorities, based on local incomes and demands.

The foundation of city planning in the United Kingdom and its housing policies is established by the separation of land ownership and development rights, and predicated on mandated planning permission. Planning permission is required for all development or changes to the property—housing or residential—as ownership alone no longer conferred the right to develop the land. This legislative mandate is key in allowing for the construction of inclusionary housing; developers can build on land they do not own, allowing the land to be publicly owned while giving local planning agencies (LPAs) the right to approve or deny their plans based on the commitment to affordable and inclusionary housing. In addition, this prevents speculation and acts as a land value capture scheme to fund housing and infrastructure.

The 1990 Town and Planning Act further established England’s commitment to equitable housing through the Section 106 Agreement by mandating that affordable housing is required for all market housing development. Under S106:

1. LPAs plan housing targets and their levels of affordability relative to local incomes.
2. Affordable units are required for new projects with 15 or more housing units.
3. LPAs and developers negotiate on the allocation, design, and placement of affordable units on a per-case basis.
4. Binding legal agreements are signed by LPAs and developers for planning permission.

Each S106 agreement is flexible and designed around a case-by-case assessment of the planning obligation to affordable housing. On-site, affordable units with indistinguishable design between market-rate and below market-rate are highly encouraged for the creation of mixed-income communities, with many LPAs giving more incentives for developers who do so.

Imperial Wharf, London housing project.

- 50% of affordable units (515) built on-site with indistinguishable design.
- S106 was signed in May 2000 after over 2 years of negotiation.
- S106 was very strong, mandating that phase 2 construction could not begin before all of phase 1 obligations were delivered.
The Belvedere housing complex, Cambridge.

THE BELVEDERE, CAMBRIDGE

- Original S106 allocated 40% affordable housing of 100 apartment units
- Developer found costs of contracting to housing associations too high and requested to alter original S106 for a commuted sum payment in lieu of constructing on-site affordable units
- Commuted sum was used to pay for other affordable housing site nearby

By 2008, S106 provided more than half of all new affordable housing units. However, it is important to remember that this type of land value capture is market dependent. In the Brazilian context, this type of approach cannot replace Minha Casa Minha Vida and other federally funded housing programs, but complement them with private developer funded affordable housing.

Management, affordability, design and placement of units within developments are keys to successful inclusionary housing. The most successful mixed-income developments had indistinguishable physical design between affordable and market rate units. This is most beneficial to both sales of market-priced units and social inclusion. In such developments, survey results show that the majority of neighbors did not know who was living in market rate and who was living in affordable subsidized unit. This allowed for social mixing without discrimination common to traditional types of segregated affordable housing projects.

S106 has been successful and accepted by developers and market rate renters and purchasers because of their flexibility and case-by-case assessment of housing obligations and planning permission at a local level. This has not been seen as a nationally imposed tax but rather local contribution to local services and affordable housing.

This type of policy allows government to keep public land publically owned, while still producing development and capturing “profit” from market development for affordable housing and infrastructure investment. Tying this to Brazil and Rio, enacting a similar housing policies involves the separation of land ownership and development rights, similar to CEPACs used in urban operations in the Porto Maravilha project, where a percentage of CEPAC profits would be allocated to affordable and inclusionary housing.

In addition, legal mandates should be enacted to enforce affordable housing subsidies for all building permissions, and developments of over 15 units should be mandated to have affordable units. This would be successful for production of new affordable units and creation of mixed-use communities.
FRANCE

Two laws, passed in 1991 and 2000, explicitly state social inclusion as a goal of the French government. The law of urban renewal (2000) was enacted to require communes to carry out certain planning and housing measures. The most important provision is one that requires communes with a population over 1500 to meet a quota of 20% of social housing. The government is ready to back up its commitment with housing subsidies. Four tiers of subsidies exist, and they assist 66% of the population. France also has a national nonprofit corporation that works toward providing integrated, affordable housing. It is funded by 1% tax on employers. Its goal is to integrate in two directions: it both works to increase social inclusion in affluent communities, but also to integrate low-income communities.

Communes develop their own land use and housing plans, and also have the power to establish a special development zone, known as a ZAC, in order to undertake a large development project. Developers are forced to comply with municipality laws and regulations, a lesson Rio can take from France. While some negotiation takes place, of course, developers do not receive broad exceptions. Developers are eager to comply with the city in which they are building. This is part of the political culture; a developer needs the mayor’s personal approval to move forward. In Paris, a developer will agree with almost anything in order to get planning permission to build because, 1) building is profitable, and 2) unbuilt space is very hard to find.

Communes can also exercise control by ensuring that social housing is not physically isolated and demanding high-quality units. In 2006, communes were authorized to impose inclusionary obligations on developers. Developers are fully willing to build inclusionary housing for a few reasons. France not only eliminates downsides to doing inclusionary housing, it makes it financially appealing. First, developers do not build to own and then rent, they build to sell. This means that there is less risk involved in building inclusionary housing. Additionally, it is understood that inclusionary housing affects land value, so land prices are adjusted for the developer. Secondly, when a developer is building social rental housing, an entity (usually a nonprofit) agrees to buy a number of units at a certain price up front and accepts delivery upon building completion. Inclusionary housing is becoming increasingly important in France. In 2006, of the total units built by one developer, 20% were built for affordable owner occupancy.

APPENDIX

Affordable, inclusionary housing complex in France.
Inclusionary, affordable housing has been implemented around the world in a diversity of ways. Affordable housing often has the connotation of being large complexes that are isolated and physical distinct from the rest of the city. It also is often associated with developed countries primarily in North America and Europe. However, affordable housing programs are being used in a diversity of ways in countries across the globe. In many cases some of the most innovative and progressive housing programs are happening in countries outside of Europe and North America.

Utilizing large redevelopment projects is an increasingly popular mechanism for creating affordable units. Many of these redevelopment projects are meant to bring international attention to their respective cities and involve massive investments in infrastructure. Hafen City is one example of this approach. It is a 387 acre waterfront re-development in Hamburg, Germany. This project will result in 12,000 units of new housing alone. Several blocks in the project are set aside for affordable housing utilizing the Wohnwarft system. This is a method popular in Germany where groups of citizens collectively build a multifamily housing structure. Through this they appreciate savings they would not have if they purchased a similar apartment on the private market. Land is either given for free (as in the case of Hafen City) or heavily subsidized by the government. Sydney is also utilizing a redevelopment project to create affordable housing. The Green Square project south of central Sydney will create 13,000 units with 3% of those being affordable and the equivalent of 1% of all commercial space being affordable business space.

Other areas have taken a more traditional approach to inclusionary housing. Mumbai requires redevelopments of slum areas to house the displaced residents in the new development. Guaramon, a small city outside of New Delhi requires 20% of lots in subdivisions of farmland to be affordable. The Australian state of South Australia requires all significant new development to have at least 15% of the units be affordable. South Australia has also established a government office called the Housing Innovation Unit that works with municipalities and developers to implement this requirement, utilizing best practices from around the world. Colombia recently passed a national housing law that requires a minimum of 30% of units in new developments to be affordable.

Some countries use inclusionary, affordable housing as a way to create racial justice. Malaysia is a diverse country with a native ethnic majority, the Bumiputra. The government uses 5-year economic plans to guide the economy. Within these economic plans, different sectors of the economy are required to build differing levels of affordable housing to specifically benefit the Bumiputra and raise their living standards. The levels of affordable housing for each sector are adjusted in each new plan based on their performance in the previous plan.

This summary shows that inclusionary, affordable housing policies, programs, and projects are used in a diversity of ways in countries with very different conditions. A commonality in all of these approaches is that the housing that is created is of high quality and is sometimes used in conjunction with redevelopment projects that utilize world-class architecture and infrastructural investment.