

Institutional Setting

1964-86

- Credit for housing development (funded by a deposit made by employers)
- 4 million new popular units financed
- Closure of the National Housing Bank and establishment of National Housing System

1987-99

- Strengthening of the link between public and private sectors
- New Brazilian Constitution + New urban legislation + requirements for states and municipalities

2000-
Present

- 2000: housing as a constitutional right
- Safer environment due to existing regulation
- Expansion of credit → “My House, My Life” Program as the basis of the housing financial system in Brazil.

“My House, My Life” Program

- **Starting Point:** Need for increasing housing units for low-income people (housing deficit = 5,792 million units) + better national regulation + international financial crisis
- **Approach:** Mass housing construction + expansion of credit for social housing available for the private sector.
- **Innovative Aspects in the Brazilian context:**
 - 1) Regulation of financial funds through legislation, including the establishment of norms for allocations and conditions. Resulted in:
 - Greater resources from the national government applied into a fund aimed at reducing risk for the private sector in case of non-payment (only for middle-class groups);
 - Expansion of the investment coming from employers' deposits and savings.

“My House, My Life” Program

2) Scale-up of housing projects presented by the municipalities;

3) Specific fund for organizations, such cooperatives, associations, trade unions and others.

- **Outputs:**

- 3.75 million units expected to be contracted (2009 -14). 1,8 million have been delivered. Stage 3 (July 2015-18): + 3mi.
- Stronger economy (especially construction industry) + better employment rates.

- **Lessons:** Importance of resuming investment on housing + Program continuity + Need for improving urban integrated policies.

- **Follow up:** Housing for the poorest segment built in areas with less infrastructure + High concentration of social housing in peripheral areas + Need for mixing different income groups.

Residential Leasing Program

- **Starting point**: Need for increasing housing units for low-income people without a necessary focus on ownership.
- **Approach**:
 - Borrower can get a residential leasing and, at the end of the contract, opt to buy, rent or return the property.
 - Targeted at families with income up to 6 minimum salaries.
- **Outputs**:
 - (+) good quality housing; (+) well-located units; (-) strict supply (only one type of house in some municipalities).
- **Lessons**:
 - 1st Brazilian program without focus on ownership.
 - Better management and operationalization.
 - Good quality houses → greater interest of families with higher income.
- **Follow-up**: Low financial return in the long term → Applied in a small scale due to private sector's low interest.

Participatory Budgeting

- **Starting Point:** Created in the municipality of Porto Alegre in 1989 in order to promote better distribution of municipal resources.
- **Approach:**
 - Population decide on the allocation of municipal resources for infrastructure and services, including housing.
 - Porto Alegre: 16 Regional Assemblies and 6 Thematic Plenaries
- **Outputs:** Greater investment in poor areas + Greater number of municipal infrastructure works + Adopted in other Brazilian cities and worldwide.
- **Lessons:**
 - Social participation and mobilization of local communities;
 - Greater legitimacy of local policy.
- **Follow-up:**
 - Exacerbated Localism;
 - Complex challenges in the housing sector → difficulties in the operationalization of the people's decisions.

Master Plan of São Paulo

- **Starting point** (July 2014):
 - Social housing deficit of good quality units in central areas.
 - Solution that is not only government- or market-driven.
- **Approach:**
 - Inclusionary zoning (social housing in large housing projects).
 - Increased building potential in certain areas, while increased up to 25 times the “*outorga onerosa*” (amount paid to build above the height limit) → Municipal Fund for Urbanization → Special Areas of Social Interest.
- **Outputs:**
 - 1st Master Plan in Brazil predicting regulation on inclusionary zoning.
 - Expected more financial resources for social housing.
 - Doubled areas for social housing.
- **Follow-up:** Potential problems:
 - Housing production moving into neighboring cities.
 - Large companies focusing on commercial buildings.