The Point of No Return: Informal Settlement Upgrading (Porto Alegre, Brazil)

Learning objectives
1. Understand the tradeoffs between including and not including public participation in the planning process (how fast versus how slow this makes the process, the importance of public buy-in, etc.).
2. Recognize the differences between establishing legal possession of land and providing essential infrastructure and other upgrades even if land is not legally owned.
3. Consider the different priorities/values in housing and informal settlement upgrading projects (e.g., do you prioritize those who pay property taxes or those who are in most need?).
4. Think about the diversity of informal settlement residents—not all poor have the same levels of poverty.
5. Appreciate differences in planning perspectives—technical knowledge for optimal programs/plans versus the optimal plans from the perspective of the people who will benefit.
6. Comprehend the importance residents place on basic infrastructure above new housing units.
7. Identify the spectrum of legality and upgrading present in informal settlement projects.

What Actually Happened
The municipal government redrafted plans and projects to include both the existing residents and the newcomers, after investigating the newcomers’ previous housing situations (and the deplorable conditions in which they had lived). Because of this increase in demand, they were unable to rehouse all of the residents onsite and had to build some replacement public housing units in a nearby neighborhood. The municipal government also sought innovative solutions to the problem. Instead of just relying on public housing, they also provided assistance for residents to rebuild and upgrade their own self-built houses. Additionally, they were able to fit more new units in the community through techniques such as shared walls between units within the same extended family. This type of construction was not permitted by the federal housing bank that provided some of the financing for the project, but the local government was able to obtain waivers. Nonetheless, some people with medium-quality housing did not receive new housing units as they had expected. But because of the Participatory Budgeting process and other public participation forums involved in the project, all residents had to sign off on the project plan in order for it to move forward; in the end, regardless of their individual outcome or benefits from the project, all signed off. Today, however, city planners, architects, and social workers are very
direct with residents about permitting others to move in to communities where projects are in progress. They caution that they do so at their own risk and that due to the large number of projects across the city, city staff may not be able to redo plans or find the funding or staff capacity to implement a different project, and may have to cancel the project.

Summary
The Porto Alegre Housing Secretariat, serving the capital of the Brazilian state of Rio Grande do Sul, has received requests to explore the possibilities of upgrading the Vila Itororó informal settlement in the eastern part of the city. This project has been built into the city’s budget through an innovative citizen-initiated Participatory Budgeting process and is therefore a priority.

Preliminary studies and surveys have made clear to you, the city planner, as well as your architect and social worker partners, that settlement upgrading in this community is much more complicated than you originally thought. This is largely due to the diverse needs and levels of ownership of stakeholders living in the community. There are three types of residents. Members of the first group have lived in the community for a long time, in a portion of the settlement that is considered an irregular subdivision. The subdivision has some basic infrastructure and a more regular—albeit unpaved—street grid. While many who live in the subdivision never gained legal ownership of their land, a small number of residents were able to obtain official legal titles. The houses in the illegal subdivision are built of high-quality construction materials, and houses are large with several rooms.

Another group of residents settled on land that was originally designated as open space for the subdivision; these individuals have a more precarious living situation as this part of the settlement lacks street access and basic infrastructure like water and electricity. The housing stock in the occupied areas is diverse: the older houses facing the main road have been upgraded over the years with average-quality construction materials and are about one thousand square feet, while the houses in the inner areas, with no street access, have improvised roofs, walls, windows, and doors, which do not provide proper protection from weather elements such as rain and wind.

The third group of residents recently moved into the settlement after hearing word that the settlement may be upgraded and that public housing is being made available for some residents. Thus, they built houses that were either tents or made of reclaimed tarps and scrap materials. This group was hoping to benefit from the upgrading process by gaining access to higher-quality housing. They were likely invited by family members or close friends who currently live in the settlement and who had first-hand knowledge of the upgrading process.

Social workers on your team at the Secretariat have already been working with existing residents and completed the registries necessary for rehousing (providing replacement housing for those
occupying substandard structures, facing public health risks, or living in conditions that make them vulnerable to natural disasters). One of the main concerns in the rehousing process—in addition to providing higher-quality housing to those in need—is ensuring that families be rehoused together and that existing neighborhood networks of support not be disrupted. The influx of new people is creating major complications, however, because these new residents are often receiving upgraded housing before long-time residents of the informal settlement. This is largely because the newest migrants settle in the housing that is in the worst condition. The settlement upgrading process and registry must be addressed, as residents from all three categories are starting to complain.

**Background**

Porto Alegre is a city of over 1.5 million in southern Brazil, known for pioneering the use of Participatory Budgeting (PB) to ensure more equitable access to government funds. When city leaders began to implement PB, they also began to reconsider housing policy. In the past, the city government had resorted to clearing slums and building public housing in its place to increase the housing quality and security of low-income residents. However, these public housing projects were located in the outskirts of the city, farther away from hospitals, employment centers, and transportation nodes. As private-sector housing developers began to gain more power and public views of welfare changed, the government began to turn to more self-help methods of housing policy, including slum upgrading. Time has shown, however, that different housing security solutions do not have blanket success for all those who live in informal settlements.

Vila Itororó, in the eastern region of Porto Alegre, was originally settled in the 1960s when the area was still rural. The main landowner in the area began the legal subdivision process, creating plots, demarcations, and designated open space/parks, but as he began to submit paperwork to the city, he became overwhelmed and did not complete the process. Nonetheless, his early work created a more formal land use structure than many informal settlements in the area had. The landowner sold many plots to rural-to-urban migrants looking for housing, but since the full legal designation processes was not completed, these sales occurred informally and without legally registered titles. Currently, around 12,000 residents live in Vila Itororó in both the subdivided area and surrounding informally settled spaces. The residents of the subdivided portion organized to demand water and electricity connections in the 1970s, and a few were able to obtain title to their land. The residents who settled in the surrounding informally settled areas, however, remained without basic infrastructure or land tenure.

With the onset of PB in the city, the residents of the two portions of the Vila decided to explore the possibility of using this process to obtain upgrades for their community. In the beginning, there were many tensions between those living in the subdivision (especially those who had title to their land and paid property taxes) and those living in the informally settled portions. The problems facing the two areas of the settlement were different. In the informal portions, houses
were of poorer quality, without formal electric, water, or sewerage connections; street access; or proper roads. In both the informal areas and the subdivision, drainage—especially during rainstorms—and a lack of street paving affected everyone. These street quality issues also affected the ability of trucks to enter many areas of the settlement to offer trash collection and fire protection. Today, for the residents of the informally settled portion, the main priorities are proper housing and basic service upgrading. The main priority for the residents of the irregular subdivision portion is better drainage and street paving. The two groups were able to put aside their differences and vote for each other’s priorities during the PB processes in order to secure upgrades across the community, including some replacement housing and the necessary infrastructure upgrades.

As the approved PB projects moved to the Municipal Housing Secretariat for the specific project engineering and plan drafting, however, problems began to mount. Some individuals in the informally settled portions had larger parcels that would have to be downsized to locate replacement housing. All but two families gave in to family and neighbor pressure and accepted the new plans. These two families, however, delayed the process by going to court. Because of this delay, the city has had to return some of the funding to the federal government since it cannot be used due to the pending lawsuits. Some residents—especially those who already have nicer housing—have also been vocal about not wanting everything demolished to make sufficient space for replacement public housing. The city is also acutely aware that one alternative, to build replacement public housing away from the existing community, often results in people returning to their old community because of the advantageous location—for work, mobility, social ties, and other reasons.

Further complicating the above issues, a number of relatives and friends of current residents have recently moved to Vila Itororó. As settlement upgrading—both the incremental improvements and replacement housing—begins, the large influx of new residents is proving to be a major issue. The new residents are building homes in the worst areas of the settlement, often over drainage ditches in unsafe or inadequate structures, or are moving into homes abandoned by those who received new housing. These abandoned homes also tend to be in poor condition, since those with the most unsafe or unhealthy living conditions have first access to new public housing under the current process. A circular problem is developing. As new residents move into the poorest conditions in the neighborhood, they begin to receive public housing before residents living in poor conditions who had been in the area longer, even though these long-time residents had initiated the process of requesting smaller upgrading projects.

As a planner, you are torn on this issue. It is clear that those who need improved housing most are receiving it regardless of how long they have lived in the neighborhood. However, when you hear stories from long-time residents who have been waiting a year for public housing or for their upgrading proposals to be completed who have been passed up many times because of new
residents, you realize that the process is flawed. Furthermore, as word spreads that new housing is available for those who have recently settled in the community, it is providing incentives for new residents to settle in poor conditions in order to receive housing quickly. The situation is quickly getting out of hand. The money is running out, and many in the community are unhappy with the upgrading and housing replacement process. You must think quickly about how to turn this complicated scenario into something that is manageable and equitable.

**Actors & Institutions**

**Residents in the subdivision portion of the Vila:** These residents were the first to live in the community, and some actually have title to their property. Since this portion of the Vila had a formal land plot subdivision, they have standardized lot sizes and most have connections to basic infrastructure. Houses are comparable in quality and size to those encountered in formal subdivisions. Nonetheless, the streets in this portion of the Vila are not paved, making consistent trash collection difficult and impeding other forms of vehicular accessibility, especially after large rainstorms.

**Residents in the informally settled open space portion:** These residents have much smaller lot sizes in most cases and homes of lower-quality construction than those in the subdivision portion. They also have little to no access to formal electric, sewerage, and water connections; only those houses facing the main street have direct access to streets and trash collection. Flooding is a recurrent problem for all residents, regardless of the quality of their housing.

**New arrivals to the Vila:** Many of these individuals are relatives or friends of existing residents. While they ostensibly moved to take advantage of the replacement housing programs in the Vila, they moved from deplorable living conditions like overcrowded tenement houses, homelessness, and temporary shacks built of recycled wood and cardboard in other regions of the city. In the Vila settlements, they built tents or very precarious shacks on top of streamlets and ditches, the only remaining open spaces.

**City architects and planners:** These city staff create and implement plans for the entire city and have many other concerns and priorities beyond those of Vila Itororó. They try to adhere to bureaucratic restrictions, planning regulations, subdivision standards, and approvals processes.

**City social workers:** These city staff members are mostly concerned with providing a decent living situation for all, especially emphasizing female heads of households, preserving family structures and childcare arrangements, and the safety of the elderly.

**Participatory Budgeting Administrators:** Although these individuals also work for the city, they are more left-leaning than other staff and emphasize programs to improve the quality of life of the poor over the technical criteria regulating potential projects.
The Decision
As a project planner working with the Porto Alegre Housing Secretariat, you need to make a decision on how to move forward with the Vila Itororó upgrading and housing replacement project. Your options are as follows:

1. **Provide the necessary upgrades for the longstanding residents, and evict the new arrivals to open up the space needed for the construction of replacement housing in the community**, staying within the original timeline. This option would provide the necessary infrastructure and housing upgrades for those living the longest in the community. It would also ensure that you use the funding you were allotted, with no delays. Unfortunately, many of the new arrivals have no previous housing to which to return if they are evicted; they lived in overcrowded tenement buildings or in temporary cardboard and reutilized wooden structures on the street or in vacant lots. Their return to these housing conditions creates an issue that will eventually have to be addressed in future projects. However, perhaps if you show your efficiency and effectiveness with this project, you will secure additional funding to start addressing the housing needs of families in greatest need in other parts of the city.

2. **Modify the existing plans to include some of the recent arrivals, prioritizing replacement housing for those in the greatest need.** This option has the potential to rehouse a number of families in the existing community while minimizing evictions. Although this option would provide basic infrastructure upgrades to all three groups, some of the individuals who originally may have qualified for replacement housing may no longer qualify if their units are not among the most in need. Furthermore, it would be difficult to determine modification criteria and decide which recent arrivals should be included. You would need to spend significant amounts of time and money updating the registry while new arrivals enter the community every day. This would delay the project timeline significantly, putting funding for project completion at risk if the project is not completed within the federal government timeline. In this case, you could lose all project funding and create a situation where no one in the community will receive the desired and necessary infrastructure upgrades.
3. **Create a new housing registry and redo all of the plans to provide decent housing and settlement infrastructure for all, including the recent arrivals.** This will delay the project timeline and affect the project budget, although creating a new registry altogether would be quicker than redefining registry criteria as in Option 2. The original approved budget did not have sufficient allocations to address the rehousing of the newest families and therefore runs the risk of spreading the funds too thinly across all families in need, requiring the building of lower-quality housing and lower-quality infrastructure improvements than originally planned. Additionally, it is highly likely that you would not be able to rehouse everyone in the community and would have to build some replacement housing in a different area of the city, failing to meet some of the original project goals. This runs the risk of breaking up families and social support networks, as well. However, this option has the potential to address the housing needs of everyone, and even modestly built houses and upgrades will still be an improvement. Furthermore, the Secretariat would build its reputation as being fair and responsive.