**From the idea to the practice: evaluation of thirty years of land value capture planning tools implementation in the City of São Paulo, Brazil**

Urban infrastructure has always represented a great cost to the municipal governments. One of the results of infrastructure implementation is the valuation of real estate adjacent to it, valuation that is generally captured by owners and entrepreneurs by raising rents or sales value of these properties. Since the late 19th century, many cities around the world have implemented land value capture tools as a way to recover government costs, allowing the continuity of infrastructure expansion.

In Brazil, the idea of ​​implementing these instruments dates back from the 1970s with the discussions of creating an urban development fund. The City of São Paulo has been one of the pioneers in some of these planning tools implementation since the 1980s. However, currently there is a critique on the use of such tools, especially regarding to the application of the funds, considering the context of an extremely uneven society such as the Brazilian.

The aim of this work is to evaluate the experience of São Paulo in the implementation of these instruments, trying to understand how the allocation of the raised funds contributed to decrease or increase this unevenness through investments in infrastructure and services with higher social returns, considering mainly the lower income strata.

The analysis methods consisted of evaluating the historical evolution of land value capture tools in the city of São Paulo, based on three of them: the *OI – Operações Interligadas* (interconnected operations), the *OUC – Operações Urbanas Consociadas* (consortium urban operations) and the *OODC – Outorga Onerosa do Direito de Construir* (onerous building rights grant). First, trying to understand of the genesis of each of these instruments. Then, analyzing the amount of collected funds, as well as the application of these resources and their physical-spatial and socio-economic impacts. Therefore, these fund investments were mapped, as well as its sectoral distribution in infrastructure (such as road system works, public transportation works or social housing production) were tabulated.

The first planning tool, OI, appeared in 1986 allowing the owners of slums occupied land to apply for FAR – Floor Area Ratio upgrade, since they build or financially contribute to social housing production for the slum population replacement. Later, this tool has changed to allow every property in the city to ask for FAR review through the payment of a financial compensation to the FMH - Municipal Housing Fund. This study has concluded that, although most of resources have been raised in the wealthier areas of the city, most of the housing units were built in the peripheral areas with large gaps in infrastructure and social facilities, enhancing the socio-territorial inequalities in the city.

The OUC appeared in 1991 as the integrated set of urban interventions developed in certain areas of the city, under the coordination of the government, with the private sector participation, aiming structural urban transformations, social improvements and environmental enhancement. The initial concept was based also on upgrading FAR by financial contribution, which would be invested in the works planned for the area. Later this onerous grant came to be made through CEPAC – Additional Building Potential Certificate, a bond issued by the city, equivalent to a certain amount of square meters of additional building area​​ or modification of land use parameters, traded on the stock exchange, for use within the perimeter of an Urban Operation.

From 1995 to 2014, the existing urban operations in the city raised the equivalent of R$ 6.3 billion (US$ 1.8 billion) of which only 45% was invested. Of this total, 43% was invested in road works, which for the most part, favored private transport means (overpass and tunnels), 14% in the mass transit system and only 12% in the construction of social housing. Another issue is the spatial concentration of resources, because these can only be invested inside the ​​urban operation area, which account for only 2% of the municipality urban area where the high-income strata is concentrated.

Since 2002 Municipality Master Plan and 2004 Municipality Zoning Law review, the City has begun to grant building rights costly in other areas defined by the zoning law. This instrument, defined as OODC, is the closest of the three concepts to the 1970s ideas. The funds raised are deposited in FUNDURB – Urban Development Fund, and the FUNDURB Management Board defines what works and what regions of the city will receive these resources. From 2004 to 2014 FUNDURB raised R$ 1.6 billion (US $ 430) to be spent on 98% of the municipal area (except the OUC areas). Analyzing the investment of these resources, one can see a more progressive sectoral and spatial distribution than previous instruments: road works received 30%, land regularization works and slum upgrading received 25%. From the spatial concentration of these resources point of view, one can see a more democratic application as, in 2014, 62% of them were invested in the poorer periphery.

So, the paper concludes that although the thirty years of land value capture tools application in the City of São Paulo, these still need to be much improved to reverse the existing large social deficits, especially on the issues of housing and public transport. The work tried to demonstrate the need for a thorough review of them to end distortions as, for example, the fact of the OUC dispose of 162 times more resources to spend per area than FUNDURB.

**References:**

Castro, L. G. R., 2006. **Operações urbanas em São Paulo: interesse público ou construção especulativa do lugar?** PhD Thesis. São Paulo: Faculdade de Arquitetura e Urbanismo da Universidade de São Paulo.

CJ Arquitetura, 1977. Memorando. **CJ Arquitetura**, abril, 16, 3-7.

Montandon, D. T., 2009. **Operações urbanas em São Paulo: da negociação financeira ao compartilhamento equitativo de custos e benefícios**. MA Dissertation. São Paulo: Faculdade de Arquitetura e Urbanismo da Universidade de São Paulo.

Nobre, E. A. C., 2009. Quem ganha e quem perde com os Grandes Projetos Urbanos? Avaliação da Operação Urbana Consorciada Água Espraiada em São Paulo. **Cadernos IPPUR**, 23, 203-219.

Nobre, E. A. C. 2015. **Financiamento da Implantação dos Eixos de Estruturação da Transformação Urbana na Cidade de São Paulo e Recuperação da Valorização Imobiliária**. Brasília: IPEA.

São Paulo (city), 1986. Lei nº 10.209, de 9 de dezembro de 1986. Dispõe sobre a construção de habitações de interesse social para moradores de habitação sub-normal, concede incentivos e dá outras providências. **Diário Oficial do Município de São Paulo**, December, 10, 1.

São Paulo (city), 1995. Lei nº 11.773, de 18 de maio de 1995. Dispõe sobre o Programa "Direito à Moradia", visando à obtenção de recursos para a construção da residência destino dos moradores de habitação sub-normal. **Diário Oficial do Município de São Paulo**, May 18, 1.

São Paulo (city), 2002a. Lei nº 13.430, de 13 de setembro de 2002. Institui o Plano Diretor Estratégico do Município de São Paulo e dá outras providências. **Diário Oficial do Município de São Paulo**, September 14, 1-13.

São Paulo (city), 2002b. **Processo Administrativo 111/2001: Requer constituição de Comissão Parlamentar de Inquérito para apurar as Operações Interligadas (Lei N. 10.209/86 e N. 11.426/93) realizadas no Município de São Paulo desde a promulgação da Lei N. 10.209/86**. São Paulo: Câmara Municipal de São Paulo.

São Paulo (city), 2004. Lei nº 13.885, de 25 de agosto de 2004. Estabelece normas complementares ao Plano Diretor Estratégico, institui os Planos Regionais Estratégicos das Subprefeituras, dispõe sobre o parcelamento, disciplina e ordena o Uso e Ocupação do Solo do Mun. S. Paulo. **Diário Oficial do Município de São Paulo**, October 6, Suplemento, 1-688.

SMDU. Secretaria Municipal de Desenvolvimento Urbano, 2014b. **Situação Geral dos Processos de Outorga Onerosa do Direito de Construir**. [Online] Available at: http://www.prefeitura.sp.gov.br/cidade/secretarias/upload/chamadas/outorga\_onerosa\_agosto\_2014\_1411663503.zip [Access August 20 2014].

SP Urbanismo, 2014c. **Operações Urbanas**. [Online] Available at: http://www.prefeitura.sp.gov.br/cidade/secretarias/desenvolvimento\_urbano/sp\_urbanismo/operacoes\_urbanas/index.php?p=19525 [Access at 20 outubro 2014].

Van Wilderode, D. J., 1995. **Desregulamentação urbana: as operações interligadas. Dissertação de Mestrado**. PhD Thesis. São Paulo: Faculdade de Arquitetura e Urbanismo da Universidade de São Paulo.