**Successes and shortcomings for ZEIS-3 housing in São Paulo: The Case of “25 de Janeiro”**

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**Background**

São Paulo, a city of 11 million residents as of 2014, is known for having extreme socio-spatial segregation. It is also a city with a significant housing deficit (230,000 housing units according to the most recent data[[1]](#footnote-1)) which disproportionately affects the lowest income families.

The federal City Statute in 2001 made possible the creation of zoning instruments known as ZEIS (*Zonas Especiais de Interesse Social,* or “Special Zones of Social Interest”), which designate areas inhabited by low-income populations in the city so that they may be eligible for regularization or improvement, thereby reducing their susceptibility to real estate speculation.[[2]](#footnote-2) The authority to define the different types of zones and to determine their geographical locations was left up to municipalities.

The 2002 Master Plan for São Paulo called for four ZEIS zones in São Paulo, depending on the existing conditions and features in each area. In São Paulo, only one of them – ZEIS-3 ­– was created to maintain low-income housing stock or to stimulate private-sector housing production in abandoned or underutilized parcels in *central* parts of the city, where infrastructure is complete and where amenities are abundant. ZEIS-3 were delineated under the logic that their ample access to services, jobs, and infrastructure would provide greater opportunities for low-income residents than those available in more peripheral parts of the city, thereby helping to combat the pervasive socio-spatial segregation found in São Paulo. However, because the cost of land is extremely high in these areas, there are few examples of housing developments which have been completed in ZEIS-3 areas thirteen years after the creation of this zoning tool.

**Project Description**

This study evaluates a ZEIS-3 housing development known as “25 de Janeiro”, which was authorized in 2005 and first occupied in 2008. It is comprised of four buildings with 403 units originally destined for social-interest housing, and two market-rate housing buildings, for a total of 603 units.

In this project I evaluate 25 de Janeiro by asking the following research questions: how has living in the housing project affected the livelihoods of former or current residents? What were the housing alternatives that were available to them? Based on findings from these questions, I also consider questions such as: does this model currently have the potential to diminish the high levels of socio-spatial segregation found in São Paulo, or to improve housing options for low- and middle-income families in centrally-located areas of the city?

25 de Janeiro was built by the private developer Engelux Construtora and was considered to be one of the few successful examples of housing constructed in a ZEIS-3 area, given that private construction of low-to moderate-income housing developments in ZEIS-3 zones has been largely unfeasible in amenity- and infrastructure-rich neighborhoods because of the extremely high cost of land. Academics and city staffers alike have emphasized that 25 de Janeiro appeared to be a success story because of the the large number of subsidized housing units that were created through this project, the excellent location adjacent to a metro and rail station, the easy access to jobs, and the abundant nearby services.

The initial occupants enrolled to live in the development in 2006 on a first-come, first-serve basis and were required to meet eligibility criteria: they had to be residents of the city of São Paulo, and had to be earning less than six monthly minimum salaries. Priority was supposed to be given to families who were living in nearby *cortiços* (a low-quality, aging housing type in which large houses are subdivided to accommodate multiple families). The families who successfully enrolled to be residents received an indirect subsidy from the federal government, since the construction was financed by the federally-owned bank Caixa Econômica Federal. While the deeds of these apartments required that families live in these homes for a minimum of ten years, it is already clear that many people have sold and/or sublet their homes, raising questions about the efficacy of the government subsidies.

**Methodology**

While several studies have been done on the implementation of ZEIS-3 projects, all of them have focused on interviewing policymakers or local community leaders. I evaluate this development eight years after its initial occupation date based on in-depth interviews with current and former residents, and conversations with relevant actors at the city and in the private sector. The resident interviews prompt interviewees to recall how their lives have changed upon moving to 25 de Janeiro, and questions fall largely into two categories: quality of life questions and housing cost questions. Residents were asked about their former places of residence; former and present employment opportunities; access to public transit; and housing alternatives.

**Findings and Recommendations**

While residents were legally obligated to stay in these subsidized units for a minimum of 10 years, it is already clear that many have broken the terms of their deeds to sell or rent their apartments to other families. This raises questions about the efficacy of the subsidies given to families, but also about the strategy for delivering subsidized housing to low- and moderate-income populations in the city of São Paulo. Historically, most subsidized housing developments in São Paulo were built in peripheral neighborhoods, where land values are not as high and where real estate speculation is less likely. However, this study shows that an alternative means of financing may be needed as São Paulo begins to implement housing policies that promote the construction of subsidized housing in central areas of cities. Furthermore, my results suggest that this development may no longer be addressing existing needs within the city of São Paulo and are becoming increasingly available to residents of other cities or regions.

Nonetheless, it is still clear from these interviews that the families who have lived in this development have benefited from 25 de Janeiro’s location and experience high quality of life indicators. This project therefore provides empirical support for the idea that subsidized housing can make a positive impact for families who would otherwise be excluded from the housing market in amenity-equipped and centrally-located areas of the city.

1. City of São Paulo, as cited in Folha de São Paulo, October 11, 2015, “Cobranças em Ocupações de sem teto divide urbanistas e movimentos.” Accessed from: http://www1.folha.uol.com.br/cotidiano/2015/10/1692792-cobranca-em-ocupacoes-de-sem-teto-divide-urbanistas-e-movimentos.shtml [↑](#footnote-ref-1)
2. Caldeira, Teresa and James Holston. 2014. “Participatory Urban Planning in Brazil.” *Urban Studies* 52:11. [↑](#footnote-ref-2)