

Case Study: Fighting Poverty through Rehabilitation of Poor Neighbourhoods

Lisbon, Portugal

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Introduction

The experience of Lisbon demonstrates that it is possible to rehabilitate deteriorating living quarters in historical city centres without excluding poor populations in the process.

The two methods most frequently used by municipalities to renovate a neighbourhood are to demolish existing housing, in order to make room for new housing, or to undertake expensive work to increase the tourist or commercial value of the area. Both methods reject marginalised populations by pushing them to the periphery. That is why the municipality of Lisbon opted for a third way, not seeking a radical transformation but instead limiting intervention to the strict minimum necessary to render the decaying zones inhabitable.

In making it a priority that housing in historical town centres remains for the benefit of more modest populations, it was possible to improve the quality of life for these people while simultaneously respecting the identity of neighbourhoods and combating social exclusion.

1. Rehabilitation borne of popular will

After having for a long time sheltered the majority of Lisbon's population, the central neighbourhoods, aged and deprived of modern comfort, were progressively deserted by the wealthy and left for immigrants less concerned about the quality of life in these zones. Strongly entrenched in these areas, and benefiting from modest rents, these new inhabitants nonetheless also gradually lost their younger and more affluent members.

The increasing degradation of these districts and the inaction of its private landowners finally solicited protest from its elderly and marginalised residents, who were subject to precarious conditions (overcrowding, no running water, kitchen or washroom, etc.). The municipality of Lisbon took action, making sure to avoid the unleashing of speculative forces that would have led to the eviction of the poor.

2. Minimal intervention, concerted and pragmatic

- An *minimum intervention* for reducing the high number of cases related to rent increases:

It consists of limiting rehabilitation operations to the work necessary to assure conditions of minimum comfort (non-leaking pipes, solid construction, sanitation, etc.) and to preserve as much as possible the existing building, using a method that is economical, authentic, and environmentally sound. The work thus had to be performed according to techniques used in the original construction, which were maintained to preserve the buildings' authenticity.

It is interesting to note that, due to deficiencies in architectural know-how at the time of the buildings' construction, many mistakes were made. Having discovered this, the rehabilitation project now serves as a laboratory and training centre in the field of old building construction.

This method of intervention thus prevented the excessive value-added increase of the existing housing stock that

would have resulted in the eviction of residents by market forces.

Similarly, it permitted the municipality to save money by avoiding the costs that would have been generated by the construction of new housing (estimated at 200-300% greater).

- **The establishment of a dialogue with the population**

Although the rehabilitation was instigated by the population, it was at first necessary to gain its confidence, as people thought they would inevitably be forced to disappear.

A method of decentralised management promoting popular participation was therefore instituted, assisted by:

- district management organisations situated so as to be in direct contact with the population and its problems,
- concrete input of residents via workshops designed for their expression (which ideally contained a maximum of 25 people for a district of 6,000 – 7,000 inhabitants)
- the submission of projects to families, and a number of options for district assemblies.

It is thus that the elaborated plans for urbanisation were negotiated with inhabitants, so that they could be best adapted to the neighbourhoods' needs. These plans were not finalised by technicians until after three years of on-the-ground inquisition, at which point plans were submitted to and discussed with the population. Care was also taken to harmonise the elaboration of plans with the construction permit applications made by the private sector.

- **Operations directed in a pragmatic and flexible manner** so as to respond to the most urgent needs and to adapt to each working site.

The intervention was conceived for the resolution of existing problems and not to conform itself to an existing procedure or pre-established norms.

That is why bureaucracy was reduced and diagrams put to the side, and the renovation planning done with flexibility, taking into account the many obstacles posed by initiation of a work site. It is useful to note that the interventions were initially concentrated in one or two districts, so as to avoid a dilution of resources and obtain a preliminary experience to be used later during the eventual expansion into additional fronts as permitted by available means.

1. Instruments for rehabilitation

The majority of the tools used were not of themselves very original, and can be found in many industrialised countries; rather, it is their combination that is of interest.

- ***The technical and human means***

a. A Director's Plan specified:

- The renovation zones and their management rules,
- The urbanisation plans of districts
- A system of control for buildings permitted to call for their own restoration
- The construction permits for urban management.

a. The creation of a Municipal Direction of Rehabilitation, composed of:

- A central department to regroup support services (departments of urban affairs, information, finance...)
- A decentralised and multidisciplinary department of technical workshops, composed of experts (architects, engineers, legal professionals) present in each district of intervention and endowed with jurisdiction over municipal services. = A total of 270 people

- a. The *personnel necessary and sufficient* for the implementation of these operations was made available by the municipality.
- b. *Flexible intervention techniques* were used in order to adapt to the specific context of work on ancient building, the mastery of which does not continue in the present day so that the real state of a building's structure cannot be determined until after work on it has begun.
- c. *A Temporary relocation program was made a priority for residents of the most dangerous and unsanitary buildings*, for which the municipality previously had to obtain available housing close to the various buildings as well as the consent of local authorities concerned.

- **The legal and financial tools**

- a) For rented housing:

- *A national program to assist landowners who rent housing that has been degraded by lack of maintenance*: to compensate for the inadequate means of some private landowners, grants were awarded in proportion to the needs of given proprietors.
- *A loan in the order of 50%, issued by the State to the city* in order to cover the unsubsidised portions of substantial work down on rented buildings.
- If necessary, the use of a *simplified expropriation procedure*: this authorises the municipality to expropriate buildings in zones that the government declares rehabilitation sites, based on a report by experts. This report consists of an inventory of fixtures intended to legally fix the landowner's compensation, in case friendly negotiations fail. This measure also affords protection to the tenant, threatened with eviction and without recourse, if the building collapses while he is still in it.

- a. For vacant housing:

- The declaration of a rehabilitation zone permits the city priority acquisition of vacant housing, and thus control over the housing market, thanks to a pre-emptive right to the sale of buildings in zones so defined.

- State assistance amounting to 50% the cost of the purchase and rehabilitation of vacant buildings in declared rehabilitation zones, that is both specified for the city's benefit and can be complemented by a ten-year loan covering 50% of the remaining costs.

- a. For all housing:

- *In certain cases, sources of complementary finance* can be found from partners other than the State and landowners, particularly in cases of specific buildings such as monuments. For example, the tourism sector subsidised roofing and exterior renovation on the residential part of a castle.

4. **From the rehabilitation of housing to an entire urban project**

Initially limited to housing in a state of advanced deterioration, following the will of the residents, the program of rehabilitation was expanded to include public spaces, infrastructure, and equipment, so as to give life back to these neighbourhoods.

These projects, integrated on the district level, take a more global approach to the sites involved, and enlarge the existing network to act in concert with other partners capable of investing in the area's economic and cultural enhancement, which is the only way to promote certain social heterogeneity. This approach is what put in place a centre for popular festivals, an auditorium, a guitar school, a theatre, etc. These projects, in turn, extended to include other activities, and were most notably connected to employment and urban space management (traffic, parking, footpaths, etc.); similarly, they can expand to new districts.

5. **The results**

In ten years, more than 6,000 units of housing were rehabilitated out of the 26,000 identified. The total cost was 110 million Euros (\$115 million), financed 42% by the municipality (without increasing its budget, due to a redistribution of its own funding), 40% by landowners and 18% by the State. The average cost of rehabilitation per unit of housing was estimated at 17,375 Euros (\$18,000), less than half the cost of new housing on the town periphery.

In addition, the continuation of residents in their won neighbourhoods allowed them to preserve their social fabric, which is comprised of solidarity and self-governance, critical factors in avoiding the exclusion and marginalisation that were the high price paid by those people relocated to the outskirts of town.

Finally, the improvement of the living environment served as a positive catalyst for the private sector, whose investments prompted the return of other social classes and permitted their integration. All this was done while managing to avoid gentrification of the town centre, thanks to the maintenance of the original population, who continue to preserve local culture.

5. Conclusions and recommendations

This experience illustrates that it is possible to rehabilitate historic town centres, which are often old and have been appropriated by more modest residents, without turning them into large, lifeless museum.

Beyond the advantages that it presents to inhabitants, the path taken by Lisbon testifies that it is equally in the interest of municipalities to preserve their heritage, to value the identity of their own centre, and to reinforce residents' social cohesion.

Places for the expression of popular spirit, these areas have much to gain from the preservation of their living quarters and existing social networks, factors of cohesion and integration.

To attain these results, it is necessary to combine the following elements:

- A strong political will
- The establishment, in accord with residents, of an intervention zone that is relatively homogenous and initially limited in size
- An inventory of available legal and financial tools
- A concern with advancing things, even with little available means, while assuming the risks inherent in these operations (particularly that plans are made with respect to new construction regulations and are inapplicable to old buildings).

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