

# Financing a City's Vision: The Social Mobilization of Land Values in São Paulo

---

## Exhibits

---

1. Maps
2. Figures
3. Tables

# 1. Maps

**Map 01:** The map shows in red the proposed road to connect Marginal Pinheiros Avenue with Imigrantes Highway. Marginal Pinheiros Avenue starts in the northwest and loops south. Imigrantes Highway starts Northeast of Marginal Pinheiros Avenue and goes south to the Port of Santos, one of the most important Ports in Brazil. To connect the two highways, the proposed road named Roberto Marinho Avenue (also known as Agua Espreada Avenue) would run diagonally across the populated Agua Espreada region in São Paulo, forcing the removal of thousands of families living in favelas in the area.



**Map 01:** Proposed road connection between Marginal Pinheiros Avenue and Imigrantes Highway.

**Map 02:** The map shows the first stretch of Roberto Marinho Avenue that opened in 1996. The avenue starts at the intersection of Marginal Pinheiros in the west and runs southeast towards the Imigrantes Highway. Many families living in informal settlements were removed during construction, but thousands of residents stayed in favelas alongside the new avenue and on vacant land that was expropriated for the avenue.



**Map 02:** First stretch of Roberto Marinho Avenue opened in 1996.

**Map 03:** The shaded blocks in Map 03 show the location of numerous favelas that remain today along the unfinished section of the avenue after the first stretch opened in 1996. About 4000 families are estimated to be living in the favelas in the area.



**Map 03:** Location of favelas that remain along the unfinished section of Roberto Marinho Avenue.

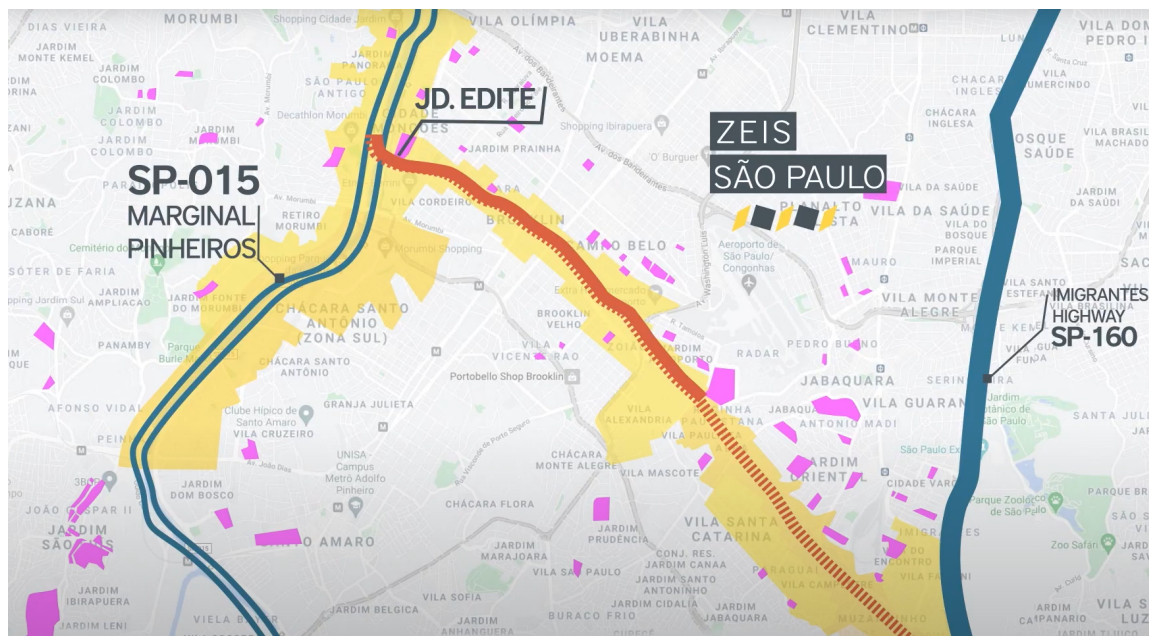


**Map 04:** The map includes the location of core projects included in the Master Plan of the Agua Espraiada Urban Operation: the Roberto Marinho Avenue (also known as Agua Espraiada Avenue); roads and other infrastructure needed to support urban development; parks and green spaces; and social housing and public services for low-income families affected by the works.



**Map 04:** Location of core projects included in the Master Plan of the Agua Espraiada Urban Operation.

**Map 05:** The pink shades in Map 05 show the location of numerous special areas of social interest (ZEIS) around the Agua Espraiada Urban Operation. Areas designated as ZEIS can only be used for the provision of social housing and services for low-income families, thus preventing their displacement to other areas of the city lacking infrastructure and services. Jardim Edite has been considered a ZEIS since 2002.



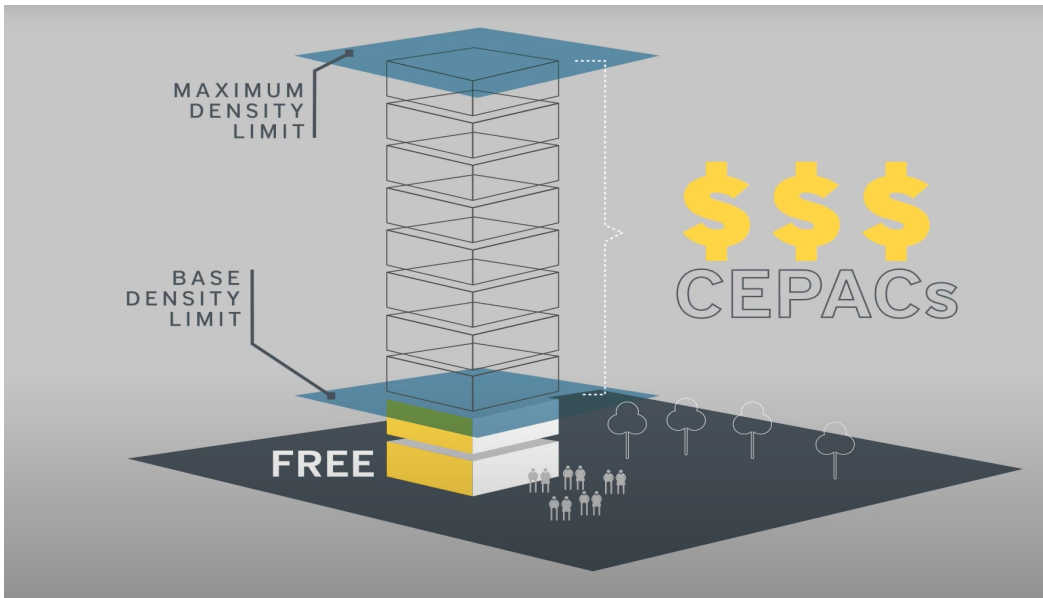
**Map 05:** Location of special areas of social interest (ZEIS) around the Agua Espraiada Urban Operation.



## 2. Figures

---

**Figure 01:** The image shows a diagram of the Certificates of Additional Development Potential (CEPACs) mechanism with the two tiers of density authorized by the city. Developers can build from the ground up to the base density limit free of charge. The area above the base density limit—up to the maximum—is considered a public asset, and developers must purchase these development rights from the municipality in the form of CEPACs that are sold in public auctions on São Paulo’s stock exchange.



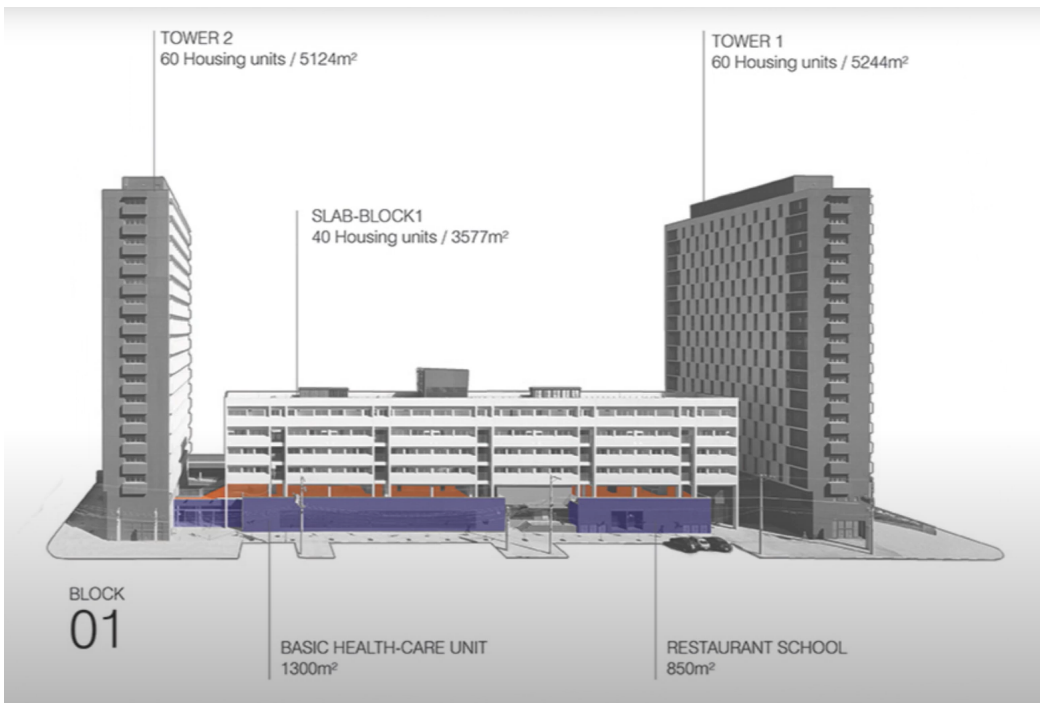
**Figure 01:** CEPACs mechanism.

**Figure 02:** To ensure transparency and democratic participation of all stakeholders, the Agua Espirada Urban Operation is overseen by a management group that regulates what projects are approved and how resources are allocated. As shown in Figure 02, the group comprises of 18 members, half representing the government and half representing various stakeholders from the community.

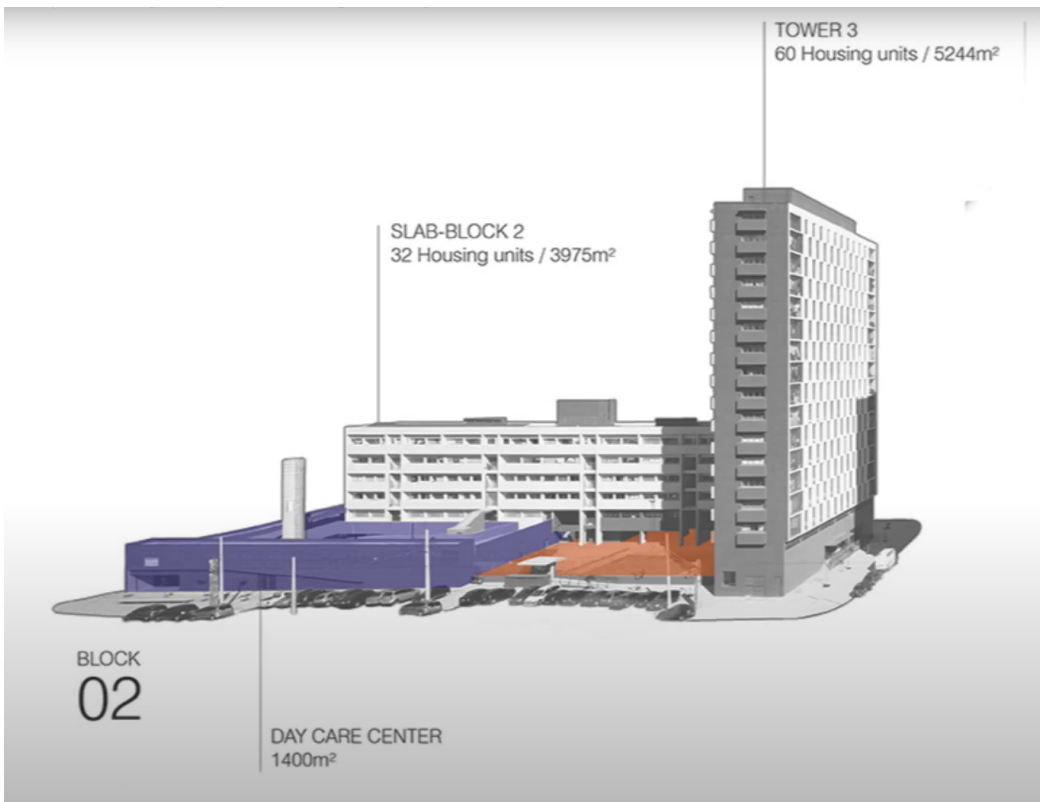


**Figure 02:** Composition of AEUO management group.

**Figures 03 and 04:** The images show the first phase of the Jardim Edite social housing complex completed in 2013. It consists of three towers with 60 units each, one building with 40 units, and another with 32 units; a basic healthcare unit; a daycare center; and a culinary arts school. The second phase of Jardim Edite opened next door in 2017, containing 68 housing units.



**Figure 03:** Jardim Edite phase 01, block 01, delivered in 2013.



**Figure 04:** Jardim Edite phase 01, block 02, delivered in 2013.



**Figure 05:** The graphic shows the price of CEPACs sold at each of the 17 auctions since 2004. In two auctions—2008 and 2012—the sold price of CEPACs was higher than its opening price. It is important to note that the minimum price of CEPACs almost quadrupled between 2004 and 2012, increasing from R\$300 in 2004 to R\$1282 in 2012. This increase represents the increase in land values triggered by the infrastructure investments in the area.



**Figure 05:** CEPAC prices 2004-2012

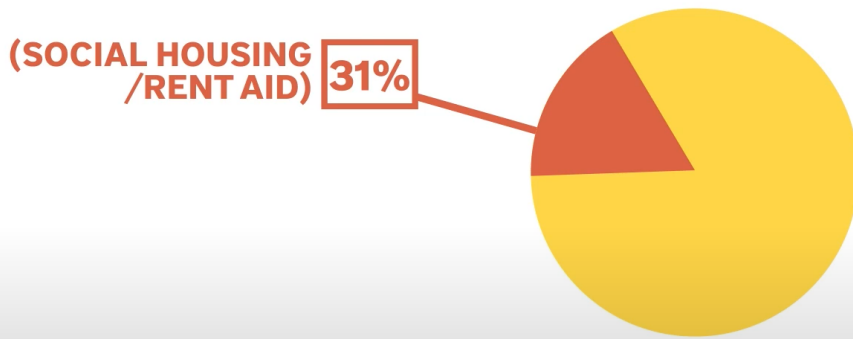
**Figure 06:** As of 2021, revenue from the sale of CEPACs has funded the construction of approximately 1821 social housing units within the perimeter of the Agua Espraiada Urban Operation. For families still waiting for a unit, the Urban Operation offers rent assistance. Approximately 1127 families receive this benefit.



**Figure 06:** Social housing apartment buildings funded through the sale of CEPACs within the perimeter of the Agua Espraiada Urban Operation.

**Figures 07 and 08:** Some critics of the urban operation argue that it deviated from its initial goal of providing a better quality of life to favela residents by prioritizing the construction of infrastructure projects to attract the real estate market over the construction of affordable housing. Figure 07 shows that, for finished projects, social housing and rent aid account for 31% of the funds invested. However, Figure 08 shows that 85% of all funding has been invested in projects that remain unfinished, and only 5% has been used to provide social housing and rent aid.

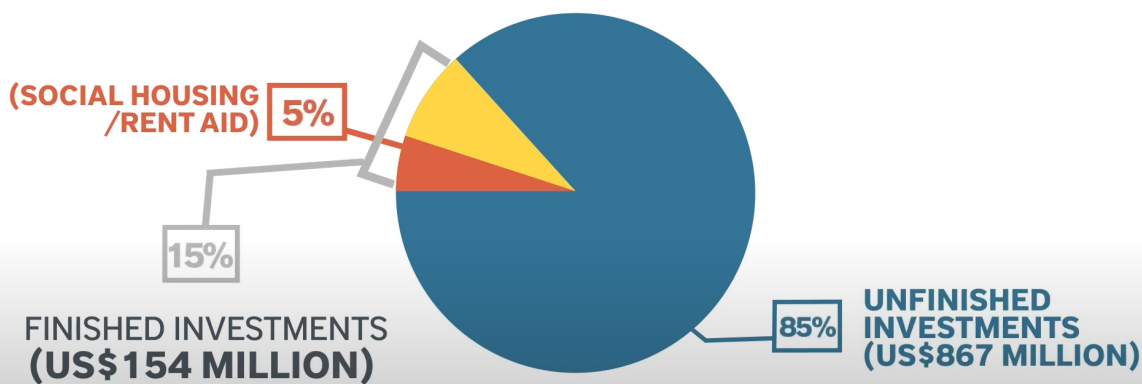
## FINISHED INVESTMENTS



SOURCE: SÃO PAULO CITY HALL-SP URBANISMO, 2019

**Figure 07:** Allocation of resources within AEUO—finished investments.

## TOTAL INVESTMENTS



SOURCE: SÃO PAULO CITY HALL-SP URBANISMO, 2019

**Figure 08:** Allocation of resources within AEUO—all investments.



## 3. Tables

**Tables 01 and 02:** In 2004, the Urban Operation Agua Espraiada announced its first phase of projects. It included the construction of the Estaiada Bridge over the Pinheiros river and the construction of 600 social housing units for the families living in the Jardim Edite favela. In order to raise funds to pay for the projects, the city sold additional development rights in the area in the form of CEPACs. The first CEPACs auction was held on July 7, 2004. As shown in Table 01, row 1, all 100,000 CEPACs offered were sold at the minimum price of R\$300, generating R\$30,000,000 in funds for the projects.

More auctions followed between 2004 and 2008 (Table 01 and Table 02), yielding approximately US\$320 million from the sale of CEPACs. When the Estaiada Bridge was completed in 2008, the construction of the social housing units had not started.

### CEPAC AUCTION HISTORY

ÁGUA ESPRAIADA UO

YEAR	AUCTION	CEPACs OFFERED	CEPACs SOLD	MINIMUM PRICE R\$	REALIZED PRICE R\$	COLLECTED R\$
2004	1 <sup>ST</sup> AUCTION	100,000	(100,000)	300	300	30,000,000 ★
2004	2 <sup>ND</sup> AUCTION	70,000	(16,899)	310	310	5,238,690
2005	3 <sup>RD</sup> AUCTION	56,500	(56,500)	370	371	20,961,500 ★
2006	4 <sup>TH</sup> AUCTION	180,000	(125,969)	370	370	46,608,530

**TOTAL US\$40,000,000**

**102,808,720**

**Table 01:** Agua Espraiada Urban Operation CEPACs auctions, 2004 – 2006.

### CEPAC AUCTION HISTORY

ÁGUA ESPRAIADA UO

YEAR	AUCTION	CEPACs OFFERED	CEPACs SOLD	MINIMUM PRICE R\$	REALIZED PRICE R\$	COLLECTED R\$
2007	1 <sup>ST</sup> AUCTION	50,000	(50,000)	400	411	R\$20,550,000
2007	2 <sup>ND</sup> AUCTION	100,000	(100,000)	411	411	R\$41,102,000
2007	3 <sup>RD</sup> AUCTION	167,781	(158,773)	411	411	R\$65,255,703 ★
2008	1 <sup>ST</sup> AUCTION	186,740	(186,740)	460	1,110	R\$207,281,400
2008	1 <sup>ST</sup> AUCTION	650,000	(379,650)	535	535	R\$203,112,750

**TOTAL R\$537,301,853**  
**US\$280,000,000**

**Table 02:** Agua Espraiada Urban Operation CEPACs auctions, 2007 – 2008.