

**52nd IFHP WORLD CONGRESS ON
HOUSING AND PLANNING**



**HOUSING BEYOND ITS WALLS:
PLANNING FOR AN AFFORDABLE AND SUSTAINABLE HOUSING**

**Building a Just, Integrated and Sustainable Planning and
Housing System: The Puerto Rican Experience**

Lucilla Fuller Marvel, A.I.C.P., P.P.L.

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The underlying vision of this Congress is a future of a just and sustainable quality of life through affordable and accessible housing for all. What is the strategic framework within which we will plan such a housing system for the future? We know the housing system to be a complex one, requiring coordination in decision-making of many variables, many players, and across many sectors. I propose that comprehensive anticipatory design and planning is the strategic approach that will make an integrated housing system possible. This requires planning and building not only the parts of the system, but also the bridges to join the parts in order to create a habitat where everything works together to everyone's benefits, synergistically leading to a just and sustainable housing system.

There are many bridges to build. Alliances are needed to join public, private, non-governmental and community sectors. Links should be created between the design and building of temporary shelter and permanent housing, especially after disasters and emergencies, so as to maximize resources and minimize the terrible dislocation of people. Connections must be put in place to allow current residents to become part of the process of future urban renewal and revitalization, and not victims of unwanted displacement. Academics must enable students to connect the theories and policies taught in schools to become able practitioners of action on the ground. Values of those who plan, design, finance and build housing must be linked and meshed with values of those, the clients and the users, who need housing. We must create new models and ways of providing affordable housing, because bridging the ever-increasing affordability gap for adequate housing, especially in the urban context, is the great challenge in the foreseeable future. And, finally, an important bridge to build is that between the past and the future. We can learn from the past, what didn't work and why, remembering as Santayana said: "Those who forget the past are doomed to repeat it," as well as learning about what did work and why.

Puerto Rico has a rich history of planning and building affordable housing in the 20th Century, often carrying out pioneering and innovative work, much of it driven by the

public sector.¹ Providing a safe and secure home for every family has been a fundamental goal of the Puerto Rican government as stated in the Constitution of Puerto Rico of 1952, in Article II Section 20, Bill of Rights, which includes housing as a basic human right.² A visionary document of 1964, *The Purpose of Puerto Rico*, calls for *un hogar propio para cada familia*, “a home for every family”.³ Both pronouncements reflect the government’s ethical obligation and commitment, clearly establishing the legal and policy base that emerged as a response to the vast affordable housing need that grew exponentially during the first half of the 20th century. Island cities and towns experienced continual immigration of the rural poor, a population growth and extreme poverty. Families moved to urban centers in search of opportunities, principally jobs, and met their shelter need by moving into whatever was available, or improvising their own make shift dwellings. This was a pattern of urban growth, still experienced in many parts of the world.⁴ Overcrowding, poor conditions and lack of an adequate infrastructure compounded the housing problem. Poor neighborhoods formed, and grew into poor communities, labeled ghettos or slums.

As early as the 1920s, the Government of Puerto Rico responded to the incipient housing plight, and passed legislation to establish the Homestead Commission and authorizing the construction of houses to sell to families of limited incomes. The Secure Homes Act (*Ley de Hogar Seguro*) of 1921 created worker’s neighborhoods, *Barrios Obreros* for a dual purpose, to provide adequate housing for workers, artisans and public employees, and to set up guidelines for orderly urban development. This particular act of local initiative is noteworthy as a very early example to plan affordable housing within a community context, a guiding principle.

The 1930s ushered in Federal United States housing programs, sponsored under the innovative New Deal programs of U.S. President Franklin Delano Roosevelt, and carried out locally by the Puerto Rico Reconstruction Administration. The first federally funded project was El Falansterio, built in 1937, with 216 units for renter families, now a

¹ See Lucilla Fuller Marvel *Listen to What They Say: Planning and Community Development in Puerto Rico*. San Juan: University of Puerto Rico Press, 2008 for source material of this paper.

² Puerto Rico. *Constitución del Estado Libre Asociado*. artículo II, sección 20, 1952.

³ Legislatura de Puerto Rico. *Informe de la Comisión para el Estudio del Propósito de Puerto Rico*. May 28, 1968.

⁴ Mike Davis, *Planet of Slums*. New York: Verso, 2007.

cooperative. It is heralded today as a positive example of social design, fostering neighborliness, with controlled access and interior patios. The Mirapalmeras project in Santurce, was finished in 1939, still occupied, row houses for home owners built around pedestrian walkways, an early example of urban cluster housing. The U.S. Housing Act of 1937⁵ created the federal public housing program, applicable to Puerto Rico as well. The first public housing projects were occupied by 1941: Juan Ponce de Peon in Ponce, Columbus Landing in Mayaguez, and Fray Bartolome de las Casas in San Juan stand today. The federal public housing program continues today to be a major subsidized rental housing program, and I will speak of it later.

In 1938, the benefits of the federal mortgage program were extended to Puerto Rico, an act that would be of lasting significance in financing the construction of new houses for homeowners under the Federal Housing Administration, or FHA, program. This financing made it possible for the private sector to build housing units in urbanizations, to meet the housing need of those who could afford the new units. From this juncture in time, there has been a divergence in housing development. The private sector continues to meet an ever-growing demand for new housing for a growing middle class. The government and the people in need of adequate housing have been left to meet that need. Furthermore, financing of urbanizations over a 60-year period has resulted in vast urban sprawl, and major urban planning and land use challenges.

In the 1940s two giant leaders came to power at the same time, Gov. Rexford G. Tugwell and Senator Luis Muñoz Marín, both passionately dedicated to social justice and poverty mitigation. Their actions led to direct results in the planning and housing fields. Tugwell was a renowned reformer and planner, part of President Roosevelt's brain trust, whom Roosevelt appointed to be Governor of Puerto Rico in 1941. Tugwell established the Planning Board of Puerto Rico by Law 213 in 1942,⁶ considered for many years to be one of the most progressive and powerful planning laws anywhere in the democratic world. We live today with the impact of planning and zoning models put into practice at that time, especially the model of the suburban neighborhood, with its segregation of residential from other uses, and the dependence on the automobile, aiding and abetting

⁶ Puerto Rico. Law 213. Planning, Urbanization and Zoning Law. May 12, 1942.

urban sprawl. Simultaneously, under Senator Muñoz Marín, who would later become an elected governor of Puerto Rico for four terms, the Legislature of Puerto Rico passed Law 26 in 1941.⁷ The land law, as this was known, was responsible for carrying out vast land redistribution in the rural areas all over Puerto Rico. Of particular interest were Titles V and VI of the law, permitting the distribution of plots of land, or *parcelas* or *solares*, to landless agricultural workers and farmers in communities developed by the government, which laid out the basic community site plan and built the roads and provided for the infrastructure, installed as services became available. Families signed up for a lot in the new communities and selected their individual plot by lottery. Title to the plot was originally given in usufruct, or a long-term lease of 99 years. Under the *parcelas* program, the government developed more than 610 *parcela* communities, containing more than 185,000 plots, in the 50-year period from 1941 to 1992. If all lots were to be occupied by only one household today, this would represent 17% of the 1,054,924 households recorded in the 2000 U.S. Census, a sizeable segment of the population. The creation of the *parcela* communities was an early example of a participatory affordable housing solution and partnership between the public sector and the people in need of housing. It was emulated elsewhere in the world as the “sites and services” or “*lotes y servicios*” program, and remains a valid development model today, with the government providing the land with utilities, and the people their housing. These rural communities and their residential structures are in a dynamic state, as the residents keep up with changing life styles, and changing demographics, and the houses are transformed by remodeling, and the spread of the urban footprint.

However, the government learned that many families could not provide adequate housing for themselves even though they had a piece of land, so it took another creative step in founding the Self Help and Mutual Aid Program to help families build their houses. An active program from the late 40s through the early 70s, people formed brigades, in groups of 20 to 25 families, and built their houses in a collective effort, paying for materials at a highly affordable cost, with technical assistance and supervision

⁷ Puerto Rico. Law 26. Land Law- To promote the welfare of the inhabitants of Puerto Rico through the financial stability, social justice, and economic freedom of the farmers, laborers, and inhabitants in general of rural districts of Puerto Rico, by providing an improved distribution of agricultural wealth. April 12, 1941.

provided by the government. More than 35,000 houses were built under the Self-help and Mutual Aid Program, considered to be highly effective in meeting a housing need with residents' participation. Recognized as a partnership model of the public sector and the community for achieving affordable housing, it too was copied around the world. It was the centerpiece of the International Federation of Housing and Planning Congress held here in 1960. The central government unfortunately phased out the program, as it turned its focus to the urban area and building in greater volumes, but without people's participation, and it terminated by 1996, with the Mata de Platano Project in Luquillo.

However, on a very minor scale, the model persists of this organized sweat equity approach, albeit at a minor scale. Habitat for Humanity for Puerto Rico Inc. has an active program with its partner families, as does the Municipality of Caguas, evidence that self help and mutual aid is an effective, participatory affordable solution for families of limited resources to invest their own labor in obtaining their own home. Furthermore, from the outset, the programs of self-help and mutual aid were and are capacity building programs for the participants; they learn skills while building their houses, and thus they build assets. They also learn how to work together in a collaborative fashion. It is incumbent upon us to explore how to adopt the program to the 21st Century, especially in the urban context, to meet more of the affordable housing need.

A significant part of the history of housing within the reach of families with the least amount of economic resources is found in the traditional urban centers of Puerto Rico's municipalities, the *Barrio Pueblos*. This is housing built by the people who served as their own architects and contractors, resolving their housing need, on their own terms, as they established a foothold in the city. This informal housing, outside of the market and government systems, was built in unplanned, spontaneously organized communities, settlements that grew organically over time, built and extended by the residents who lived there and those who came to join them. However, they were squatters. These homebuilders built on someone else's land, sometimes private, sometimes public. The residents and their settlements, shantytowns, *barriadas*, *arrabales* or slums were and are an intrinsic part of the urban structure of Puerto Rico, adding the values of diversity and

socio-economic heterogeneity to the town centers, from very early in the 20th Century. These communities have existed on the average for over 75 years.⁸

Many of the residents called themselves rescuers or *rescatadores* of the land, rejecting the epithet of land invaders or *invasores*. In the process they gained a sense of belonging and territory, of taking matters into their own hands and meeting their housing needs. The communities provide their residents with social ties and support systems often lacking for them in the world outside their boundaries, creating an internal social network, recognized today as social capital. They are homeowners however who live in uncertain, marginal and unhealthy conditions, often related to environmental problems. They have learned to cope; to deal with problems related to the location of their communities on often-unmapped lands, prone to floods and mudslides, as well as problems of outside attitudes of social and economic discrimination

During the 1950s, Federal U.S. housing policies and programs focused on its own dilapidated and deteriorated housing conditions, found often in inner city areas, and expanded the Urban Renewal and Slum Elimination program, undertaken in Puerto Rico as well. A dramatic case is that of a sector of Santurce, El Fanguito, where 30,000 people were relocated, their homes wiped out, in a 30-year period from 1950 to 1980. However, and to its great credit, the Government of Puerto Rico took a different and innovative stand toward the unplanned or informal communities and their housing stock. It recognized the social and economic validity of the squatter communities, understanding that the people were contributing their own resources to resolving the overall housing problem and that the equitable approach would be to improve the housing and community conditions. By 1960 the Government of Puerto Rico had established the On Site Rehabilitation program, *Rehabilitacion en su Sitio*. . The Urban Housing and Renewal Corporation, known as CRUV for the *Corporación de Renovación Urbana y Vivienda*, the forerunner of today's Department of Housing, was responsible for the program, that included surveying the informal communities, preparing urban improvement plans, including plot plans, installing basic services (water, sewage, electricity) and roads, setting up housing improvement programs, and preserving as much

⁸ Taller de Planificación Social. Inventario de comunidades urbanas espontáneas de Puerto Rico, 2002. San Juan: Oficina para el Financiamiento Socio- Económico y de la Autogestión, Verano 2002.

of the housing and community as possible, given topographical conditions. This pioneering vision, policy and program, today known globally as urban upgrading of urban informality⁹, is more active than ever. Early examples include the Figueroa community in Santurce and Barriada Israel in Hato Rey, beneficiaries of the program in the 1960s. Another emblematic community is La Perla, in Old San Juan, object of an international planning and design competition in 1978¹⁰, and Arenas Betances in Ponce in the late 80s. Two highly visible and significant on site rehabilitation areas are the Cantera Peninsula Project, started in 1990, and the Project ENLACE Caño Martín Peña District, started in 2002, both located in San Juan., noteworthy not only because they are full scale socio- economic physical-spatial community overhauls, with comprehensive plans, but also because they began as resident and community participation projects, setting a precedent of planning with the people. At the island wide level the Office of Special Communities was created in 2001 to coordinate housing rehabilitation and infrastructure renewal in 686 urban and rural communities, adding an empowerment and capacity building component. It is clear that since its inception 48 years ago, the On Site Rehabilitation Program paved the way for social planning, giving value to the families and their houses within a community context, and value to the community as well. The program represented an early recognition of the effectiveness of recycling, of rehabilitation, of mixed use, of people and pedestrian-friendly places, characteristics that today are associated with sustainable communities.

An issue of great concern for the preservation of the affordable, participatory housing built under the organized self help and mutual program, as well as informal housing built by people, *vivienda de auto gestión*, in both urban and rural communities is that of land title. The government came to understand that holding land title is a tool for stability and gaining equity in one's home.¹¹ The families needed title in order to be able to qualify for loans and carry out improvements, and, on a deeper level, to have a sense of

⁹ Ananya Roy "Urban Informality" *Journal of the American Planning Association*. Vol 7, N0.2, Spring 2005.

¹⁰ Puerto Rico. Department of Housing. *La Perla: Concurso para el desarrollo integral del vecindario La Perla de San Juan de Puerto Rico*. Río Piedras, 1978.

¹¹ Hernando de Soto. *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. New York: Basic Books, 2000.

security of place. In 1969, the Legislature of Puerto Rico passed Law #35,¹² permitting the government to sell the plots of land in the rural communities to homeowners for \$1.00. In 1975, a similar meaning law was passed that legalized the urban squatter communities by allowing the sale of plots of land to resident homeowners for \$1.00.¹³ The long-term benefits of these laws has yet to be examined, given the small landmass and the high population density of Puerto Rico, the abuse by politicians (giving out title prior to elections), and a growing awareness on the part of the homeowners that individual land title alone would not protect them from involuntary displacement in the face of urban development. Once more, in a pioneering step and evidence of Puerto Rico's initiatives in evolving a just housing system, the Legislature of Puerto Rico passed Law 489¹⁴ in 2004 that included the creation of the Caño Martín Peña Land Trust for the Project ENLACE Caño Martín Peña District, the first community land trust in Puerto Rico. Title of all public lands is placed in the Trust, while the homeowners retain title to their houses. The trust will make unused land available for the implementation of the District's Comprehensive Plan. Community members are the fiduciaries of the Trust, which will guarantee affordable housing by taking land ownership out of the market equation. This is a model to be used for other squatter communities in Puerto Rico.

As mentioned earlier, a major player in providing affordable housing has been the federal public housing program, known locally as *residenciales publicos* or *caserios*. With federal funding, the construction and maintenance of over 336 public housing projects, containing over 56,000 housing units throughout Puerto Rico, took place in the 60-year period from 1940 through 2000. Heavily subsidized shelter is given to more than 225,000 persons who would represent approximately 19% of all households, based on 2000 U.S. Census data. Administered by the Public Housing Administration (PHA), the program is the second largest in the U.S., following that of New York City. It is affordable housing because it is highly subsidized, but it is also highly regulated, in stark contrast to life in the unplanned communities. Based on a concept of transience rather than permanence, residing in public housing was supposed to give low-income families,

¹² Puerto Rico, Law 35 of June 14, 1969.

¹³ Puerto Rico, Law 132 of July 1, 1975

¹⁴ Puerto Rico. Law 489. Law for the Comprehensive Development of the Special Planning District of the Caño Martín Peña. September 24, 2004.

many relocated from the eliminated squatter settlements, a secure base of operations. The premise was that a safe roof over one's head would lead to stability in jobs, education and more income, and that in turn would enable families to buy housing elsewhere. But today where there are third and fourth generations living in the projects, the "up and out" theory for the highly dependent population has not proved to be the case. The projects have become "home" although not necessarily communities; there has historically been little participation expected or asked of the occupants. The projects are considered to be a last resort by many of families and individuals in need of shelter who would prefer the option of renting or buying a house in unplanned communities. The smaller scale, walkup projects, with fewer units, function better socially, with a greater integration of the residents into the urban fabric, than the larger scale projects, such as Luis Llorens Torres, with 2, 601 units. High on the agenda of the Public Housing Administration and the federal Department of Housing and Urban Development (HUD) should be seeking strategies to improve life in these highly subsidized projects, in order to make them into suitable, sustainable places to live. Other heavily subsidized Federal rental programs include the Section 8 Program, *Plan 8*. This provides rental vouchers to residents, or rental subsidies to developers. Since the later 1980s the Federal Low Income Housing Tax Credit program has been another option to finance affordable rental housing.

Building the public housing projects, as well as Section 8 and 221 D 3 projects did offer the local government an opportunity to look for new solutions to the production of affordable housing, and it encouraged developers to experiment with mass produced, prefabricated, industrialized high rise construction systems, in order to build more units, in a faster time, mainly in urban areas with higher densities, particularly during the decades of the 60s and 70s. The tall multifamily structures however have been more of a troubling legacy than a long lasting successful solution, and are no longer built. They were difficult to administer, difficult to maintain, and for their residents, living collectively, removed from the ground was a cultural break from living on the land, under one's own roof. . Some units have been eliminated, with intentions to build smaller scale, more socially acceptable designs, under lower densities.

The local government also experimented from the 50s through the 70s with other ways to increase the production of low cost housing for low-income families, at lower

densities with programs like core housing, shell housing and semi-finished houses. The experimentation was brief, and the government became convinced that families would not accept a less than terminated house. These kinds of programs and a positive attitude toward experimentation bear exploration again, as strategies to deal with the gap grows between what low-income families can afford to pay and the cost of producing completed houses.

By the 1980s the Puerto Rican government began to reconsider its role as a builder of affordable housing, shifting toward a role as facilitator.¹⁵ This coincided with a cutback in federal building funds. In Puerto Rico, the public sector looked toward the private sector to build what was called social interest housing. In 1987, legislation was enacted that provides tax benefits and incentives to developers who build housing, that is sold at levels under market prices, with thresholds established by the Legislature of Puerto Rico.¹⁶ In 1987, the threshold level or top prices at which social interest housing could be sold was \$35,000 for a single-family house. Thresholds have steadily risen as the cost of housing production has risen, and today the threshold is \$110,000 for a multifamily unit. However, household incomes have not risen commensurately. Recognizing that there is a large segment of the population in need of housing but outside of the capacity to pay for what is being produced as social interest housing, the government has recently passed legislation providing financial assistance directly to perspective low and moderate-income homebuyers, for example with the Key to Your House Program (*La Llave de Tu Hogar*).

The social interest housing financing has benefited the lower middle-income families but not low-income families. The housing need for those outside of the economic capacity to buy what the market builds has remained at 90,000 to 100,000 households since the 1980s.

During the early and middle years of the 20th Century the government saw housing as an end in itself, as reflected in its mission to provide every family with a home of its own. But as it turned to partnering with the private sector, the government began to see housing as a means to helping the construction sector, considered a motor of

¹⁵ Lucilla Fuller Marvel and Jorge Allende Santos. *Vivienda, metas, objetivos y programas*. San Juan: Departamento de la Vivienda, 1990.

¹⁶ Puerto Rico. Law 47. Co-participation of the Public and Private Sector. June 26, 1987.

economic development. We debate as elsewhere the broad policy questions of who is responsible to provide affordable and sustainable housing for those at the bottom of the economic ladder, as well as how to do this, often overlooking the experience of many people who have done so in the spontaneous communities.

More recently, there has been a shift toward a broader partnership, involving the non-governmental sector and the non-profits in the production of affordable housing. The passage of the U.S. National Affordable Housing Act of 1990 legislated the eligibility of community-based organizations to be sponsors, developers and owners of housing for their residents.¹⁷ These groups are becoming active players in building new housing and rehabilitating structures. This has brought a direct benefit to improvements of the informal housing in the urban unplanned communities, and provides an opportunity for welcomed resident participation. Another benefit is that the community-based organizations are in a position to serve the needs of special populations within their communities.¹⁸ The more technical support the non profits receive the better they are able to serve their communities. The non-profits and leaders become the voice of the community, the bridge to the world beyond their borders, and able partners in the comprehensive community planning tasks, including housing improvements, and setting the agenda for their future.

As Puerto Rico moves further into the 21st Century, we do so building upon the fundamental vision of social justice for all, including a safe and sound place to live, a home. All of the partners and the team players in planning and building an integrated and sustainable housing system are urged to expand policies and programs to implement the broad commitment to help people help themselves, as was done so successfully with the Self Help and Mutual Aid Program. Building upon the creative and ever-evolving On Site Rehabilitation Program, established almost 50 years ago, which in turn builds upon the resources and energy of the people who built their houses and communities, continues to be a laudable comprehensive anticipatory design and planning system for improving and revitalizing our urban centers for all of the residents. This is a goal we all share and care about.

¹⁷ U.S. Congress. Cranston-González National Affordable Housing Act. Public Law 101-625, 1977.