

# HOUSING REHABILITATION IN MEXICO CITY'S HISTORICAL DOWNTOWN<sup>1</sup>

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While in Latin America the recovery of historical downtown areas has increasingly attracted interest over the past two decades, the housing issue is only incipient. Almost all Latin American cities have implemented important activities to rescue parts of their historical downtown areas. Particularly, the so-called major heritage and important monuments have been rescued for cultural purposes and use by public or private institutions. Building façades and public spaces in areas visited by tourists have also been painted and renewed. Contrarily, housing facilities in historical downtown areas have only been repaired as a result of “exemplary” or “emergency” actions; that is, particular and specific actions that cannot be reproduced to confront the problem of shanty-towns.

All cities are historical, but **historical downtown areas** are the cities' central quarters that the activities of their inhabitants have shaped and changed along the centuries. At a point in time these areas constituted the whole city; but due to the urban growth and the consequent differentiation and operational specialization processes they have either preserved, acquired or lost urban centrality functions with respect to the cities to which they gave origin. Historical downtown areas are not, and have never been, physically or socially homogeneous territories. They do not completely or evenly become shantytowns or deserted areas. They are neither subject to the same pressures by the different public, private or social actors, nor do they necessarily respond to the (questionable) physical delimitations established by the corresponding city authorities.

In Mexico City's historical downtown differences have been emphasized by the public and private investment that has concentrated in the so-called “Business district” (a practice that has been repeated every 10 years for the past three decades), and along a modern area that has extended from the Alameda towards Paseo de la Reforma and westwards to Santa Fe.

- Historical housing problems concentrate mainly in the eastern and northern areas and are characterized by deterioration, high population density, and hectic formal and informal trade activity carried out even in public spaces.
- The western and southern areas have attracted the interest of investors and “rescue” programs. They are almost free from population, in better physical shape, and host shops for the medium- and high-income population as well as banks. The tallest buildings are located in these areas, where modernity importantly influenced the substitution of buildings during the 19<sup>th</sup> and 20<sup>th</sup> centuries (Mercado 1997, Monnet 1995, Santa María 1997).

**Housing in Latin American historical downtown areas** has recently emerged as an issue in international meetings on the rescue of historical downtown areas. Otherwise, the subject has been absent from housing policies. The housing problem is a social and urban

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phenomenon of long-standing; its recent and more or less protagonist expression has been the result of: 1) a natural disaster; 2) the fact that the recovery of historical downtown areas has become an important item in the agenda of Latin American cities; 3) the recent surge of a discourse on integrality which, at least on paper, points to the need of solving the problem of shanty-towns; 4) the recognition of an "urban squander" due to the emptying and subutilization of buildings produced by the depopulation processes in downtown areas. The almost inexistent reference to housing in Latin American downtown areas derives from quantitative and conceptual issues:

- It represents a marginal dimension with respect to the housing built in the expanding periphery through "self-construction".
- In the 1950s it was seen as a pathology that had to be extirpated. The physical and social conditions of dwellings seemed to be the best reason to undertake functional urban renewal projects.
- The pioneering scholars of urbanization and housing in Latin American considered this was a transitory situation in the residential turnover processes (Turner, 1968).
- At different moments, certain advocates of heritage considered that shanty-town dwellings were a threat to the dignity of monuments, and expressed their wish to eliminate poor people and their shanties, in order to "rescue" the city's heritage and give it a dignified use.

The problem of housing in the downtown areas of Latin American cities has two perspectives:

The **historical** perspective has to do with the physical deterioration of buildings that are densely populated by low-income inhabitants; another characteristic is a high percentage of dwellings formally or informally leased; market irregularities concerning ownership, and an abundant typology of dwellings produced throughout history.

The **modern of fashionable** (*virtual*) perspective has derived from the pressure exerted by certain politicians and investors, rather than by the middle and high classes, to "recover" historical downtown areas through repopulation with dwellings for medium- and high-income groups. The causes can be found in the reappraisal of old architectural designs, a trend toward the recovery of the downtown areas of First World cities, and the "discovery" of a potential real estate market (abandoned and subutilized buildings) that can be reactivated with relatively small investments and fiscal incentives, and ensures short- and medium-term rewards. (For example, the 1997 *Vivir en el Centro* or "Downtown residence" project for Mexico City, which intends to repopulate the historical downtown area with childless, medium and high income young people, in 4,000 modern apartments on the upstairs floors of buildings located in the "Business district".)

### **Housing and the historical downtown area**

My research subject has to do with the first perspective. However, this does not imply that I stand for turning the historical downtown area into a "social interest housing area". Historical downtown areas have been built by their inhabitants over the centuries and constitute a heritage that the city inhabitants have to safeguard and increase to be handed down to future generations. Although these small territories have witnessed the sharpest social

contrasts, they are the city's most heterogeneous areas, where the most varied socioeconomic groups conduct different activities both as users and residents. In this sense, both perspectives of housing problems must be taken care of within these spaces and their immediate peripheries (if one recognizes the downtown as a part of the city). All this must be done in the framework of an overall development policy of the downtown area and the city, aimed at building a city in accordance with a combination principle (population from various socioeconomic layers and balanced land uses), and based on the generation of equipping and services for the different neighborhoods, and the rescue of public spaces. If only houses are recovered, without the corresponding improvement of the urban environment, dormitory towns are produced and the houses remain vulnerable to processes of physical deterioration and changes in the land use. If only the urban environment is considered, the social problem will prevail in spite of the façade improvement and the building reappraisal that, in turn, increases land value and exerts pressure on both the low-income population and the residential function.

## **DIMENSION AND COMPLEXITY OF THE RESIDENTIAL PROBLEM**

The Mexico City's Historical Downtown was delimited 1980 by a Decree of Mexico's President. The area is 9.1 square kilometers, has 7,000 buildings and includes two zones: Perimeter A (3.7 square kilometers) which has the majority of monuments, and Perimeter B (5.4 square kilometers) which is a transition area between the old and the modern city. It seems that the President of Mexico wanted "create" the most large old downtown in Latin America.

In spite of the tertiarization and depopulation processes, the historical downtown area **is still meeting its residential function for the low-income population** in a context of increasing deterioration of the physical and living conditions. Some authors have suggested that downtown shanties still prevail because they are located in territories that were never the focus of investment (the same that the prevalence of old architectural styles is due rather to the absence of real estate interests than to the existence of laws for heritage protection). Despite risking their lives given the unhealthy and deteriorated conditions of buildings, people live in downtown areas because these offer social reproduction conditions that cannot be easily found in peripheral areas. Of 145,000 dwellings for 180,000 inhabitants:

- 24% are deteriorated; 33% suffer crowding conditions (only one room), and 6% do not have a specific cooking area.
- Around 1,200 dwellings in 84 buildings that have been classified as monuments by the Mexican Institute for Anthropological and Historical Studies (*Instituto Nacional de Antropología e Historia, INAH*) display highly risky conditions.
- A considerable percentage of dwellings have poor sanitary services.
- A high percentage of dwellings are under formal or informal leasing contracts (46%).

**Legal status:** A constant of buildings in this territory is irregular ownership that has usually been present for several decades. It is common to find intestated properties, buildings sold in sections to different persons, alleged owners, tenants who do not pay any rent given the absence of a landowner, squatters, and a series of unlawful situations such as irregular subleases, illegal occupations, etc.

**Housing and heritage:** The characteristics of old buildings (large spaces) alongside the high costs of the land derived from a privileged location, force many tenants, owners and real estate agents to increase the inhabitable spaces by sacrificing original architectural layouts, thus neglecting heritage laws. Heritage preservation opposes the interests of real estate agents and those of housing demanding organizations. Usually, housing rehabilitation projects in historical buildings emphasize the architectural values, but even then the accent is laid on the foundation or creation point in time. Heritage value is only recognized as “authentic” in regard to the original “layout”, regardless of the value of changes undergone by the building during history. For *INAH*, “history” apparently ends in 1900.

### **POPULATION’S PROJECTS AND ORGANIZATION**

The irregularities in land ownership at historical downtown areas are not relevant in discouraging the resident population’s investment in housing improvement. This population does not consider itself in a transitory condition. The efforts implemented by the social sector to improve the habitat are of two kinds: 1) Works to improve the sanitary conditions of buildings and to prevent their collapse, and 2) the struggle to obtain the property of the inhabited buildings. While neighbors’ organizations play a fundamental role in housing projects, given the collective nature of the buildings, clientelism and corporativism complicate and weaken the process. This attitude has added certain assistentialism: a means of producing clients who are grateful to the ruler in office, which in turn results in the organized population’s loss of autonomy and combativeness. Additionally, the gap between the population’s income, building and rehabilitation costs, and the credits granted by public housing agencies makes it necessary to densify the plot’s inhabitation as much as possible in order to finance the operation. This produces a large number of very small size dwellings.

### **LOW-INCOME HOUSING VS. TRADE**

The impact exerted by the huge informal tertiarization in low-income quarters has received little attention. Trade in public spaces has become a characteristic of Mexico City’s historical downtown area. This activity does not contribute to the replacement of buildings, however, their use as warehouses contributes to their deterioration and threatens to displace the last dwelling areas of low-income population. The cyclic projects to “rescue” the historical downtown have included programs to relocate “itinerant” vendors (in a specific area). However, after the implementation of these “reordering” programs it is usual for vendors (already existing or new ones) to return to the streets, arguing that commercial malls do not work or that the economic crisis forces them to conduct these activities. On the other hand, the Mexican Institute for Housing (*Instituto Nacional de la Vivienda, INVI*) favors housing efforts wherever these can be implemented, without a previous evaluation of whether the dwellings will in fact be used as such, or the subsidized works will be destined to store the goods that are sold on the streets.

### **ABSENCE OF A HOUSING POLICY VS. CHRONICAL RESCUES OF THE HISTORICAL DOWNTOWN AREA**

Mexico City’s central area has lacked a specific housing policy. Only the terrible sequels of the 1985 earthquakes gave way to an unparalleled public intervention to recover the lost dwellings. ***Renovación Habitacional Popular*** (Low-income Housing Renewal) rebuilt 48,000 dwellings in two years. Of these, 13,562 in 796 buildings corresponded to the

historical downtown area. The program was based on the expropriation of land (in favor of residents), a soft credit granted by the World Bank, the creation of a temporary agency, and regulations' negotiation with *INAH*. One hundred three monuments received special treatment: 74 buildings were repaired; 55 underwent "first cell" preservation and additional building, and 3 had their façades preserved. It was a unique and exceptional experience that did not unleash urban recycling or housing rehabilitation processes.

The program was made possible by a mobilization of damaged inhabitants who opposed all offers to be relocated in peripheral areas and forced the government to conduct the corresponding building expropriation. The mobilization was able to consolidate areas inhabited by low-income population; contrarily, the government prevented social interest housing projects in areas of interest for land developers. Two expropriation edicts were issued. The official explanation argued that the expediency of the 11/10/1985 edict and the deficiency of tax-lists had produced many mistakes; consequently, the "amended" 21/10/1985 edict was issued to expropriate a considerable number of land plots located east and north of the affected area, excluding middle-class quarters of the west and south that also suffered important collapses and had been taken into account by the first decree.

Subsequently, Phase II of the ***Programa Emergente de Vivienda*** (Emergency Housing Program) was put into effect. This program operated between 1987 and 1989 (12,670 housing actions), to take care of those families affected by the earthquakes that had not been included in the expropriation decree. The land was purchased and the cost incorporated to the credit granted to families. Given the difficulties to buy land in the downtown area, priority was given to efforts for building new dwellings in plots acquired in other parts of town. This facilitated works through the use of prototypes. The "House of one's own" Trust (***Fideicomiso Casa Propia, FICAPRO***), was created in 1987 to enable access to land ownership of the population from the downtown area. This agency bought buildings in favor of tenants directly from owners and granted credits. As of 1990 the agency began to suffer financial shortage to acquire buildings, and played an intermediary role between tenants and owners. These programs had little impact.

## **SCARCE HOUSING PROJECTS**

**1998 – 2001** After a decade, in 1997 the first democratically elect city government attempted to confront the challenge of housing recovery in the downtown area. With the support of the Historical Downtown Area Trust (*Fideicomiso Centro Histórico, FCH*) and financing from the Federal District Housing Institute (*Instituto de la Vivienda del Distrito Federal*) 6 projects for 94 dwellings were developed, amounting 7.5 million pesos: 4 projects (55 dwellings and 5 commercial areas) corresponded to the rehabilitation of buildings classified as monuments, and the other 2 projects belonged to the housing improvement category. *INVI's* operation rules were adequated to meet the conditions of the historical downtown area: through a specific grant of 2,000 times the minimum wage for housing rehabilitation in classified buildings, and credits for the rehabilitation of commercial areas (did not apply in the mentioned cases).

**2001 – 2003** The new Federal District government was inaugurated in December 2000 with two ambitious programs: housing, and urban development. These programs have had little impact on housing rehabilitation in the historical downtown area.

- **Edict 2** (*Bando 2*) (05/12/2000) restricting the construction of housing units in the four central Delegations that have suffered a depopulation process and have urban services, infrastructure and equipping.
- The **Housing Policy Agreement** (*Acuerdo sobre Política Habitacional*) (17/01/2001) establishes the implementation of housing efforts and the corresponding budget. This agreement is adjusted on a yearly basis:

#### 2000-2003 Housing Budget (million pesos)

| Period                       | Total number of efforts |           | New dwellings |           | Housing improvement |           |
|------------------------------|-------------------------|-----------|---------------|-----------|---------------------|-----------|
|                              | Actions                 | Financing | Actions       | Financing | Actions             | Financing |
| 2001                         | 25,000                  | 2,117     | 10,000        | 663       | 15,000              | 1,454     |
| 2002                         |                         | 2,153     |               | 987       |                     | 1,166     |
| 2001 – 2002                  | 60,000                  | 4,260     | 20,000        | 1,650     | 40,998              | 2,620     |
| Sept. 2003<br>(accumulated)* | 75345                   | 6,500     | 40,194        |           | 35,160              |           |

Source: Third Report of Activities of the Federal District Government Head, September 2003.

In order to reappraise the central city, these programs are conducted in the framework of the so-called sustainable development policy; they are a complement of the Reforma-Centro Histórico-Basilica tourist corridors and the Historical Downtown Area Rescue that, except for an overall granting of subsidies to investors, to this moment has focused on the renewal of the Business District and the Alameda Project.

In the year 2000 the present administration carried out 8 projects for 187 dwellings in the historical downtown area (including 4 efforts conducted in perimeter A by the preceding administration).

Between 2001 and 2002, 28 housing repair and building works were completed in the historical downtown area, involving 1,254 dwellings; three of these are located in perimeter A.

In 2003, 16 works for 474 dwellings were underway, but only one work with 40 dwellings belongs to perimeter A –Uruguay 162–, which started during the preceding administration (the façade was renewed by the preceding FCH authorities).

| WORKS BY THE INSTITUTO DE VIVIENDA AT MEXICO CITY'S HISTORICAL DOWNTOWN AREA, 2000-2003 |       |           |             |           |             |           |              |           |
|---|-------|-----------|-------------|-----------|-------------|-----------|--------------|-----------|
| INVI works  | Total |           | Perimeter A |           | Perimeter B |           | Perimeter B* |           |
|   | Plots | Dwellings | Plots       | Dwellings | Plots       | Dwellings | Plots        | Dwellings |
| Concluded in 2000   | 8     | 187       | 5           | 122       | 1           | 16        | 2            | 49        |
| Concluded in 2001-2003  | 30    | 1,337     | 3           | 60        | 25          | 1,194     | 2            | 83        |
| Underway  | 17    | 482       | 1           | 40        | 15          | 434       | 1            | 8         |
| Total   | 55    | 2,006     | 9           | 222       | 41          | 1,644     | 5            | 140       |
| Perimeter B*: Buildings across the street from Perimeter B.                             |       |           |             |           |             |           |              |           |

Evidently, the housing problems of Perimeter A of the Historical Downtown area are not being confronted. In 1998 The Historical Downtown Trust and *INAH* prepared a catalogue that included 88 historical monuments in high risk, with 1,582 dwellings. To this day, (after 5 years) 6 buildings with 92 dwellings have been repaired. At this pace, it will take 68.3 years to refurbish the remaining 82 monuments with 804 dwellings that are still under high risk.

**Participation of the Junta de Andalucía:** This board is among the international cooperation agencies that support historical heritage rescue in Latin America. As part of its work, the board promotes the repair of buildings for dwelling purposes in several Latin American historical downtown areas. In Mexico City, the repair of the *Casa de la Covadonga* is currently underway. Works are based on four elements: 1) The government identifies the project and presents the building; 2) the Junta provides financial resources; 3) both parties jointly call a competition to define the repair project, and 4) the operation is jointly financed by the Junta, the government and the benefited population through a credit granted by *INVI*. Previously, the Junta financed most of the operations, but appealing to shared responsibility it obtained the Federal District Government's major contribution (77%). Housing works promoted by the Junta are aimed at becoming "model experiences". This is not easily attained in the case of an exclusive and highly subsidized operation. Particular emphasis is given to the election of old large houses or palaces with important architectural value, which intervention costs are high and do not involve the generation of instruments and methodologies that allow a reproduction of operations. In a strict sense, the resources provided by the Junta are lower than those that can be mobilized locally. Nonetheless, international cooperation money is "heavier" in terms of "visibility".

**Emergency program for housing under structural risk.** This program was recently announced (September 2003). It is based on the expropriation of 108 buildings affected by collapse risk (a plot surface of 51,863 square meters) where 1,500 dwellings will be rebuilt. Fifty-five expropriated buildings can be found in the historical downtown area, 31 in perimeter A and 24 in perimeter B. Fifteen buildings with 171 dwellings that may benefit from these efforts are included in the *FCH/INAH* Catalogue of High Risk Buildings. (Other 67 inhabited monuments under high risk remain excluded from any intervention.) The cost of these projects (396 million pesos) must include funds for rents and hotel costs for the families that have been evicted from their dwellings. In five cases, the owners have resorted to legal protection.

### **Impact of the historical downtown area rescue projects on housing**

Housing rehabilitation projects for the historical downtown area are few in comparison to the rescue and revitalization projects that have been conducted each decade since 1970, focused on interventions aimed at a reappraisal of this area:

- Between 1972 and 1973 the image of the **historical downtown area** (business district) **was renewed**.
- Between 1980 and 1982 streets and different monuments east of the National Palace were refurbished (as an exception). The *Templo Mayor* (Main Aztec Temple) was discovered (by this project some colonial buildings were destroyed), and old waterways and squares were renewed; 1,436 monuments were repaired and the Monuments Area edict was issued.

- Between 1988 and 1994 the *“Échame una manita”* (lend me a hand) program improved the business district through street repair and the renewal and improvement of 832 buildings; “itinerant” vendors were relocated in small and medium-size malls; the Alameda Project was since then encouraged.
- In 2001 the Federal District Government started (once again) the historical downtown area rescue. Surprisingly, the Government Head, who had previously rejected as “sumptuous works” two projects proposed for competition by the preceding administration (remodeling of the Major Square or *Zócalo* and *Residence of Burgermeister*), rapidly changed his mind and backed up not only the integration of a “Consultory Board for the rescue of the Historical Downtown Area”, chaired by Mexico’s wealthiest investor, but decided to invest public funds in the amount of 65.6 million US Dollars to repaint the façades and renew the business district.

These rescue projects directly and indirectly affect the housing problems of the corresponding urban areas in different ways: 1) Doing nothing to improve the conditions of dwellings while deterioration continues; 2) emphasizing contrasts between areas that receive investment and marginal ones; 3) the official reappraisal of some parts of the historical downtown area (at least in the vicinity of “rescued” areas) results in an increase of rental fees and more expensive living conditions in the neighborhoods.

**Permanent patterns of inequitable intervention:** A spatial analysis of the actions presently underway for the rescue of the historical downtown area shows the permanence of an intervention pattern that: 1) Concentrates public and private investments to rescue the business district using the name of the Historical Downtown Area, and 2) few actions, whether specific or disperse, are conducted in the shanty zone (east and north). Both actions are apparently unrelated: the public and private investment in the “Business District”, apart from its positive impact in that area (in terms of the recovery of subutilized space and of a possible reinvestment), does not generate any benefit in the shanties of the downtown area.

- The Business District, and the southern and western areas receive considerable public (Federal District Government: 65.6 million US Dollars) and private (15 million pesos for 195 projects) investment. The chairperson of the Consulting Council for the recovery of the downtown area has bought 53 buildings, mainly located in the Business District and to the south.
- The housing programs of the Federal District Government, including recently expropriated buildings, are unevenly distributed along the “shanty crescent”. The only exception is a building located behind the Metropolitan Cathedral (Guatemala 26).

## CONCLUSIONS

- The emergent and specific strategies followed to this point in time have not sufficed to revert the problem of shanty towns. In this sense, it would be convenient to explore the implementation of such new strategies as gradual rehabilitation (provision of acceptable physical and dwelling conditions), understood as a plan of action in accordance with the dimension of the emergency and the scarce resources of the population and the public housing agencies. This would

enable the low-income population to access public financing, and to solve in a relatively short time the risky conditions of many *vecindades* (densely inhabited, one-room apartment blocks). It would also allow taking care of a larger number of families and buildings with the same available resources.

- In view of the historical investment in the Business District, the scarce and unevenly distributed housing projects seem to justify the implementation of a comprehensive and including policy.

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