

PUBLIC-PRIVATE PARTNERSHIP FOR CENTRE REHABILITATION THE CASE OF BARCELONA

A successful strategic plan put into action by local authorities with a strong social component on housing, environment, vulnerable groups, visitation and innovative financial mechanisms with high investments from local authority has been implemented in the city over the last decade.

The city of Barcelona roused international interest for its approach to rehabilitating and conserving depressed sections of its historic centre through private-public partnerships.

As part of a major modernization drive, the Municipality of Barcelona embarked on the implementation of a Strategic Plan that, along with many interventions agreed with the community and the private sector, included a special component of rehabilitation of the deteriorated neighborhoods located in and around the historic centre.

The approach adopted rests on the impact of private investment on key public investments. It can be asserted that improvements in urban services and the public space generate externalities that attract private investments.

Whenever possible, urban services were housed in rehabilitated or recycled historic buildings and assistance was given to private owners to rehabilitate and recycle historic properties.

Using its long experience in operating mixed capital companies to promote joint ventures with the private sector, the municipality embarked on a programme to upgrade living conditions in the historic centre.

Private partners brought capital and real estate development expertise into the mixed venture.

Participation in the joint ventures allowed the municipality to capture part of the improvement generated by the rehabilitation effort.

Using resources from existing national and regional low-income housing programs, the mixed capital companies managed to retain in the rehabilitated areas significant portions of the original resident low- or middle-income families.

Restored buildings also provided space for craftsmen and small merchants, financed partially with cross-subsidies from fully commercial ventures.

These efforts allowed the retention of part of the original occupants.