

## Brno, Czech Republic

### Integrated urban development in Brno's 'Bronx'

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### Integrated urban development in Brno's 'Bronx'

The rehabilitation of social housing, necessitated by decades of chronic underinvestment, is a major urban challenge in most central European countries. To fight physical decay and social exclusion, the Moravian capital of Brno is successfully using existing EU funding possibilities to regenerate a residential area in the city centre. The intervention zone of around 19.5 ha and some 4 300 inhabitants shows signs of severe physical and social deprivation, and has an estimated unemployment rate of around 80%.

A special neighbourhood-based Integrated Urban Development Plan (IUDP) has been set up within the country's national Integrated Operational Programme (2007-2013) to co-finance this exemplary housing intervention. IUDPs under the IOP must meet two central eligibility criteria: First, they must target a geographically defined residential area which is part of a city and which shows a high concentration of negative socio-economic developments (e.g. high unemployment, crime, social exclusion). Secondly, the target area must be part of a city larger than 20 000 inhabitants and has to include at least 500 housing units.

Instead of focusing on one single estate or housing block, Brno's IUDP covers an entire residential area dating from the 19th century. Activities cover not only the physical regeneration of public and private apartment buildings and their urban environment, but also projects to rehabilitate and expand social housing. Roma communities living in the area are the primary target group of additional 'soft' projects envisaging their better inclusion into society. With a total budget of €11.6 million and ERDF support of as much as €5.26 million for the period 2008 to 2015, the city of Brno intends to change the face of a neighbourhood which is locally known as its 'Bronx'.

Completed in 2012, the first renovated buildings are visible signs of hope for the area. A new park, to be created in the same year, will provide the area's residents with some much-needed green space. Complementary ERDF projects, such as an 'integrated service centre', will additionally strengthen social cohesion and employment possibilities in the area. Overall, the IUDP for Brno represents an important impetus for the city to increase its social cohesion.

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Since 2007, the ERDF regulation has allowed housing interventions in areas experiencing or threatened by physical deterioration and social exclusion in the EU-12 countries. With set financial limits and under the precondition that an integrated urban development plan is in place, expenditure on multi-family housing or apartment buildings designated for low-income households or people with special needs is now possible.

The Czech Republic used this possibility and translated it into its multi-objective Integrated Operational Programme (2007-2013, CCI 2007.CZ.16.U.PO.002) which co-finances an exemplary housing intervention in the Moravian capital, Brno. Instead of focusing on one single estate or housing block, the Integrated Urban Development Plan (IUDP) for Brno covers an entire residential area built in the 19th century. Activities cover not only the physical regeneration of public and privately-owned apartment buildings and their urban environment, but also the expansion of social housing. The positive role of the ERDF regulation must be emphasised in fostering the social dimension of the projects and thus promoting an integrated approach to housing. Roma communities living in the area are a primary target group of additional 'soft' projects envisaging their better inclusion into society. With a total budget of €11.6 million and ERDF support of as much as €5.26 million for the period 2008 to 2015, the city of Brno intends to change the face of a neighbourhood, locally known as its 'Bronx'.

#### *Centre of regional growth*

Brno is the Czech Republic's second-largest city and has a population of around 380 000. The city enjoys a favourable location in central Europe with Vienna, Prague and Bratislava all lying within a 200-kilometre radius and accessible by an extensive road and rail network.

Over the past few decades, Brno's economic development has been fuelled by its textiles and mechanical engineering industries. Today the city has shifted its focus towards other drivers of economic growth. Research and development projects and sectors with high value added, such as biotechnology and biomedicine, are playing an increasingly important role in the city's economy. The city also acts as a major education centre and is home to 13 universities with more than 90 000 students. Much of the city's development pipeline is focused on this sector. Projects underway include the development of supra-regional science hub, the Central European Institute of Technology and a new International Clinical Research Centre.

Most visitors to Brno are impressed by its vibrant historical centre which has survived two World Wars and later Communist underinvestment without too much damage to its charm. Recent ERDF investment has helped to rehabilitate many of its century-old buildings and to change its public face. The vast 19<sup>th</sup>-century residential blocks that surround the city centre are vivid reminders of the shared architectural history of the Austro-Hungarian monarchy. It is in this area – right next to the city centre, and a five-minute walk from glamorous shops and architectural highlights – that one of Europe's most deprived neighbourhoods is located. It is a residential area that hasn't even really got a name, and sits on the boundary between two city districts. Speaking geographically, it is not far away from the city centre – but in other ways they are poles apart.

#### *A tragic history of deprivation*

Though the neighbourhood covered by Brno's Integrated Urban Development Plan does not have an official name, the local press sometimes calls it 'the Bronx'. But citizens of Brno

seem to know exactly what you are talking about when you mention words like 'run-down' or 'deprived'. It is a rather small area, comprising 157 buildings with 1 497 housing units.<sup>1</sup> According to official statistics, around 4 300 people are permanent residents – but the city estimates that in fact some 8 000 people are living in overcrowded and very poorly equipped flats.



Some of area's well-decorated 19th century facades still show signs of better times when the area was a cultural mix of the city's German-speaking and Jewish communities. A nearby woollen mill nourished the development of the area, which served as a home to workers and small businesses. When the First World War ended in 1918, the population of Brno included about 55 000 German speakers and a Jewish population of about 12 000. It was at the end of the 1930s when the mostly peaceful coexistence of the city's two ethnic minorities ended. After Nazi Germany occupied the Czech territories in 1939, almost all of the Jewish inhabitants were driven out, deported and killed. Empty buildings in the neighbourhood were occupied by German speakers, who soon faced the nationalistic oppression themselves. After the end of the Second World War in 1945, the surviving ethnic German residents were expelled, as it was the case throughout Czechoslovakia.

With both minorities – the Jewish and German communities – gone, the neighbourhood had lost almost its entire population in only six years. But the abandoned apartments did not stay empty for long. From the 1950s on, the area was used to relocate Roma communities, who were obliged to become 'settled' citizens in the Communist era. Empty buildings offered an ideal opportunity for the Communist government to realise their strategy of fully assimilating the Roma into a 'new, homogenous Socialist society'. The Roma's century-old traditions, skills and values were ignored, and they were forced into a new lifestyle with a permanent residence and job – which also made it easier to control them. Ever since, discrimination against Roma communities has been a hot topic throughout the country.

The impression one gets when walking through the area is depressing. With the last investment in the housing stock dating back to the 1940s and 1950s, the entire area is in a seriously deprived state. The first renovated houses stand out like lighthouses in the otherwise grey environment.

Crumbling facades, courtyards used as rubbish dumps, no public green space and damaged roads are just a few of the signs of severe physical deprivation. In social terms, the area has one of the highest proportions of low-income households in the Czech Republic. Given the mind-boggling unemployment rate of over 80%, most of the population depends on social transfers. Economic activity seems to have come to a standstill. In a downward spiral, the

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<sup>1</sup> The selected 'problematic residential zone' and IUDP target area is located close to Brno's historical city centre – city districts Brno-střed (Brno Centre) and Brno-sever (Brno North) – and covers an area of 19.5 ha. It includes parts of the following streets: *Bratislavská, Cejl, Francouzská, Körnerova, Přadlácká, Stará, Hvězdová, Spolková* and *Soudní*. The area comprises 157 buildings: 129 residential and 28 commercial. Fifty-seven buildings are owned by the city of Brno; the remaining 100 are private property.

entire area has become unattractive for investors – both for the renovation of buildings and for setting up local businesses.

### Inspiring frameworks

Despite its substantial investment needs and deteriorating social conditions, the local political establishment has turned a blind eye to the neighbourhood until quite recently. Public investment in urban regeneration was mostly channelled into the renewal of the city centre and major technical infrastructure projects, leaving little or no room for other interventions. Despite owning over one-third of the apartment buildings in the neighbourhood, the city's interest in initiating a redevelopment process seems to have been limited. Also, the little investment that was made was sectorial rather than integrated and ad-hoc rather than strategic.

Finding new ways and innovating as regards common practice sometimes works best if there is an external inspiration – or 'push for change'. Brno is an excellent example of this at several levels. Having never profited from the URBAN II Community Initiative (2000-2006), which promoted integrated urban development concepts, the Czech Republic decided to set up an URBAN II-inspired implementation framework for urban actions in the 2007-2013 period. Since 2008, this national framework has provided a solid basis for Integrated Urban Development Plans (IUDP) across the country, including Brno. It was, without any doubt, an important step towards the better integration of policies at local level. Brno additionally profited from national expertise concerning the IUDP's final emphasis on marginalised urban communities.<sup>2</sup> It was a step which would not have been likely to have happened without some external inspiration.

Urban development in regional centres is compulsorily carried out on the basis of IUDPs, which address zones of two types: deprived zones and zones with high growth potential. The Czech government's resolution no. 883 of 13 August 2007 defines the concept of IUDPs, clarifies their structure and contents, sets out the procedure for their approval and provides guidance on their implementation. It is the conceptual basis for the IUDP described in this case study. As pointed out by a study on the urban dimension in five European cities,<sup>3</sup> the Czech Republic uses the term 'IUDP' exclusively in the context of the Structural Funds and refers to an application document linking a package of projects for ERDF funding under a single operational programme.

As the largest Czech city falling under the EU's convergence objective, Brno makes extensive use of the Structural Funds, not only as a source of financing but also as a conceptual framework for action. In addition to the investment from the Regional Operational Programme (ROP) for the Czech South-East Region (convergence), the city receives funding from several thematic ERDF operational programmes. In 2010 alone, the city received around 1 billion CZK (€39.5 million) from the EU's Structural Funds.<sup>4</sup>

In total, the city manages three IUDPs: two financed from the South-East OP and one from the Integrated Operational Programme (IOP). While the two 'regionally' allocated IUDPs focus on the city centre (tourism) and the city-wide quality of services, the IUDP from the IOP explicitly addresses a 'problem area'. Here it is important to emphasise that the term IUDP in this context means a strategic planning document for content-specific and time-related

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<sup>2</sup> The 2006 document 'Analysis of socially excluded Roma localities and the absorption capacity of entities operating in this area' (*Analýza sociálně vyloučených romských lokalit a absorpční kapacity subjektů působících v této oblasti, Praha 2006*) includes analyses of (a) the situation of socially excluded Roma communities in locations across the Czech Republic aiming to identify appropriate financial resources in the programming period from 2007 to 2013; and (b) possible operations and the absorption capacity for setting up and operating services in the field.

<sup>3</sup> ECORYS 2010: *The urban dimension of the ERDF in the 2007-2013 period: Implementation and practice in five European cities*. Contract no. 2009.CE.16.0.AT.110. Brussels.

<sup>4</sup> Brno City Activity Report for 2010

actions that are implemented in a restricted area or within a thematic approach in Czech cities. Therefore, one city can have several IUDPs with different thematic foci at the same time. Operations financed from the IOP need to be targeted at the newly occurring and increasing concentration of socially vulnerable groups in housing estates and residential areas. In residential zones they have to be part of the IUDP, and can cover three types of interventions: regenerating apartment houses, revitalising public areas and fostering the social inclusion of Roma communities.

Brno's Integrated Urban Development Plan, which has been under way in the residential area east of the city centre since 2008, follows the logic described above and addresses several important strategic challenges. The first is the poor condition of private and public housing, particularly as residential buildings dominate the area. The second challenge is posed by the difficult economic situation of the city which creates the need for structural support. The third challenge is the run-down physical and natural environment. The IUDP aims to tackle these challenges and to make life in the neighbourhood more attractive by renovating poor-quality housing and investing in public spaces. This *inter alia* contributes to the goal of reducing the significant level of social exclusion and poverty.

Moreover, the Brno case is a very innovative and rare example where the management authority gave the management role (here, specifically, the selection of the operation) to the city. Once a 'framework' for interventions in the area (including a list of possible projects) was approved by the managing authority, the city of Brno launched a call for projects. At this stage, project promoters had to submit detailed project applications to the city, which acted as a coordinating body for the IUDP. The project proposals were subsequently reviewed by the city authority. An internal, city-led IUDP steering group then approved a list of projects.

### ***An integrated strategy for Brno's 'Bronx'***

With a total budget of €11.6 million and ERDF support of as much as €5.26 million for the period 2008 to 2015, concentrated investment is expected to transform the face of the neighbourhood. At its core, investment is targeted at the rehabilitation of the privately and publicly owned housing stock. Of the 157 buildings in the target area, 57 are owned by the city of Brno – the remaining 100 are a private property.

Brno's integrated plan contains three interconnected pillars. The financial emphasis is clearly put on renovating and expanding social housing, which absorbs about 60% of the funds. The remaining 40% is divided evenly between the two other fields of intervention, renovating private and public residential buildings and refurbishing public space. These elements will bring the city closer to its objective of improving living conditions in the neighbourhood and enhancing its visual and economic attractiveness. Financial investment from the IUDP is however limited to physical investment in social housing, while complementary 'soft projects' are co-financed from other sources, mostly the national OP for Human Resources and Employment (2007-2013) as well as the regional South-East OP. Complementary soft projects are carried out by social NGOs in the area and contribute to strategic IUDP objectives.

### **Putting social housing on the agenda**

The regeneration of social housing is a primary target – and first pillar – of Brno's IUDP. Given the significant presence of municipally owned social housing in the area, the city authorities have identified this as the best place to start. In a way, two strategic considerations coincide: on the one hand, renovation of social housing is likely to improve social and economic structures in the area by bringing standards closer to the city-wide level. On the other hand, the city has the opportunity to initiate a physical rehabilitation process without being too dependent on private owners' willingness to invest. The renovated social housing represents the important first visual signs which indicate 'change' to the wider public.

Given that some of the city's social housing stock was last renovated in the 1930s, the current upgrade is a major technical challenge. 'In most buildings, pretty much everything needs to be done – from the roof to the foundations,' explains Marek Havlík, the city's project manager for the IUDP. The works include renovating the façade and roof (according to modern energy efficiency standards), refurbishing common space, removing static defects, repairing foundations, waterproofing substructures and reconstructing water mains, heating and lifts. Planners also paid attention to the regionally typical 'balcony corridors' and courtyards.

In the process, flats were also tailored to the right size (many of them were either too small or too big), and equipped with a kitchen and a modern bathroom (most still shared a toilet in the corridor). Ground-floor flats were fitted for barrier-free access and with equipment for disabled persons. To improve the security in and around the buildings, CCTV cameras have been installed in most buildings.

Overall, the renovation scheme has not only significantly improved the quality of social housing but also increased its quantity, by building new rooftop apartments and dividing larger apartments into two. Up to 60% of eligible project costs are financed from the ERDF and the city's own budget. The remaining co-financing mostly comes from the city authorities.

Most of the inhabitants were temporarily relocated during renovation. The city therefore started by renovating empty buildings, which then served as temporary accommodation. By the end of 2011, 11 buildings were under renovation, and in 2012 the first tenants moved back into their homes.

A major concern of the city authorities is the sustainability of the action, namely, avoiding damage to and misuse of the newly renovated social housing. The city therefore decided to install publicly paid caretakers, who manage technical matters, keep up the buildings' appearance, and connect the sometimes marginalised inhabitants to social services and NGOs in the area. It is a function which is already paying off. 'We can see that our first new buildings are staying clean and tidy – and we are avoiding damage and crime. The caretaker system went out of fashion decades ago, but now we intend to reintroduce it in other municipal buildings,' explains the city council's Ivan Hlousek.

### **A successful start in *Spolková 3***

The *Spolková 3* building is an excellent example of the whole rehabilitation process and its difficulties. This four-storey building in Zábřovice was one of the first social housing projects to be completed, and drew a lot of local publicity to the site. Built in 1896, the building's façade, typical of the end of the 19th century, and its characteristic structure with loggias and a courtyard at the back, were the only reminders of 'better times'. At the start of the renovation works, the building was suffering from a crumbling façade, with rain pouring through of the roof and a lake in the cellar caused by leaking pipes. Household waste filled the back yard to a depth of two metres. At the time the building was emptied, the object's 15 flats were still inhabited. Some of its inhabitants, mostly from the Roma community, had been living there in almost unimaginable conditions.

Construction works, which also included an extension of the attic, started in February 2011. After an initial clean-up and the removal of tons of waste, things turned from bad to worse when some of the building's 19th century structure was destroyed by local scrap merchants. Overnight, everything metallic was torn out – from doorframes and balustrades to metal pipes in the walls.

It only took the city authorities nine months to completely transform the house. The six new flats, the new façade and roof, and the redesigned back yard show no trace of the previous terrible conditions. The building's energy performance has been increased from national

category 'F' to 'C', slashing energy costs. On 24 November 2011, the 21 up-to-date flats were approved for occupation. Of the total costs of €1.29 million, the ERDF contributed roughly €214 000 (34% of the eligible project costs of €631 317). As social housing is a shared competence between the city and the district levels, the city of Brno has six flats at its disposal while the district of Brno-Sever uses the remaining 15 flats. All the flats are equipped with a kitchenette and have a size of 41.8 to 72.8m<sup>2</sup>.

### Changing the face of residential buildings

The renovation of residential buildings which are not used for social housing is a second pillar of Brno's integrated strategy.



Both private and public owners of buildings can apply for financial support for necessary works on their property. The co-financing from the ERDF and the city's budget is up to 60% of eligible costs, offering owners a real opportunity to lower the financial burden of investing in neglected buildings.



In contrast to the support for social housing where full-scale renovations are envisaged, financial support here is mainly focussed on renovating façades, windows, roofs and courtyards – and on saving energy. A rehabilitated 'shell' is not only considered to be vital to improve the neighbourhood's appearance but is also a starting point for more extensive work. As a matter of fact, it creates an impetus for full-scale renovations covering the 'shell' and the 'inside' even though only the shell is subject to EU funding.

By the end of 2011, projects for nine buildings had been approved for funding – both from private investors and from public owners, namely the city of Brno and public real estate companies. The (mostly) city-owned buildings serve as public housing with fixed rents. Flats in the five privately owned buildings are rented out at market rates. In both cases, the majority of tenants come from rather disadvantaged social groups which fail to meet criteria for social housing flats. The funding is allocated through public calls for projects.

The impact of the projects is already widely visible to visitors. New, colourful façades have changed the face of the neighbourhood and its sometimes depressing streets. This conveys the message of much-needed change. Beautifully decorated 19<sup>th</sup>-century facades of buildings like Soudní 9 or Francouzská 80 which now shine again in former glory are widely visible symbols that better times might soon return to Brno's Bronx.

### Creating spaces for people

Public space plays an essential role in determining the image and attractiveness of urban settings. Economic investment decisions and the spatial allocation of social



groups are sometimes closely linked to the location and appearance of public urban space. While Brno's city centre is a vivid mix of well-designed pedestrian areas, parks, playgrounds, historical monuments and clean streets, things are very different in the city's 'Bronx' – though it is only a stone's-throw away. Streets are showing signs of decades-long underinvestment and neglect, and public green space or playgrounds are literally non-existent in this densely populated neighbourhood. But things are about to change.

Most of the newly renovated buildings have a courtyard which its tenants can use, providing space for interaction and recreation in direct proximity. However, the milestone set within the IUDP is something much bigger. The creation of the Park Hvězdička ('Star Park') is an important step towards a greener and more liveable urban environment. The future park is located on a courtyard-like plot of land in the centre of the neighbourhood – an abandoned 0.62 ha of space which was once used for collecting waste. From 2012, the city authorities will create a public green space to serve as a recreational site for its inhabitants and as a playground for the children. Local landscape architect Ian Sandler has designed a multi-user park with a central paved square from which radiate four paths, dividing the area into four distinct sectors: a south-western sector for sports and games (basketball, volleyball, closed playground), a north-western 'recreational' part with benches, a north-eastern part with newly planted trees and a south-eastern sector dedicated to social outreach. This part of the park will be the future home of a low-threshold social centre for families and young people run by a local NGO.

What may sound rather banal in the context of most European cities is a big step forward for this neighbourhood. Also the fact that the park has been designed in a participative way, taking up the demands of its future users, is something new for an area where social exclusion and marginalisation have hindered civic dialogue and inclusive ways of communication. The ERDF is contributing up to 85% of Park Hvězdička's construction costs.

### **A city is made of people, not buildings**

It is clear, however, that favourable social developments cannot only be achieved by creating new flats and parks. The physical side is an important and necessary prerequisite, but needs to be combined with social and labour market action. To put it differently, new buildings will not solve long-term unemployment, social exclusion and poverty. Driven by this idea, the city authorities have emphasised additional measures to improve the social situation in the neighbourhood. With a large part of its population stemming from socially marginalised Roma communities and only one out of five persons at work, local NGOs and the city's social services are crucial for stabilising social structures and creating access to the labour market.

In this context, Brno's IUDP plays a central role – not in financing social actions, but in coordinating the actors and attracting complementary funding. While financial investment from the IUDP is limited to physical investment in social cohesion (namely social housing), complementary 'soft' projects are co-financed from other EU sources, mostly the national Operational Programme for Human Resources and Employment (2007-2013) and the regional South-East OP. The IUDP encourages such projects – which are mostly implemented by local NGOs – through a special implementing provision: it offers NGOs the possibility to ask for the 'inclusion of the project in the IUDP', giving them – if approved by the IUDP's steering group – a 10% benefit in the project application assessment process. In this way, a number of projects have already been set up.

The city can thereby build on the vast experience of six social NGOs in the neighbourhood, most of them with long track records in Roma integration. One of them, IQ Roma Servis, has successfully obtained ERDF funding from the South-East OP for the Integration Service Centre, a project which has been included in the IUDP despite its different sources of funding. This cooperation across different EU programmes is already having positive effects: the project's headquarters will be in a city-owned building (Vranovská 45) which has been

transformed from an abandoned housing block to an open counselling and service facility. As a special bonus, the city of Brno will not ask for any rent for 17 years – an investment which is likely to pay off quickly. The centre will provide a wide range of integration, education and social services for citizens, especially those who are socially excluded or at risk of social exclusion.

#### Four lessons

The Bronx is not in Brno. And Brno is not New York City. However, most cities have their own 'Bronx' – and can profit from the experience of others, including New York City. There are things to learn and to take away from most cases – good and bad. This is an attempt to describe, in a nutshell, some of the lessons to learn from Brno's Integrated Urban Development Plan.

First of all, the importance of coherent national frameworks and of external inspiration should be underlined. As it was noted earlier in the text, finding new ways and innovating in common practice works best if there is an external inspiration or push for change.

Secondly, an integrated urban approach has to include the housing dimension. The IUDP demonstrates that housing plays a vital role in the rehabilitation of urban areas. Placed in an integrated framework, the sector's role can be increased by creating synergies with other policies, especially regarding social integration. Promoting an integrated approach was a clear step forward for the city's urban development and housing policy – and had positive effects on social structures and marginalised groups.

Thirdly, social housing can work as a catalyst to help society's weakest members. The renovation of neglected housing stock is a major challenge in most Central European cities – and is likely to remain in political agendas of the countries for years to come. The Structural Funds can play an important role, both by creating integrated frameworks and by providing investment. In today's (mostly market-driven) housing sector, a focus on urban areas with social problems and/or marginalised communities is the right one – and a suitable eligibility criterion for EU funding. Improved housing conditions, especially in social housing, can help the formerly excluded individuals or groups to regain access to the labour market and seize new economic opportunities.

Last but not least, the important role of public investment in breaking a downward spiral needs to be stressed. The Brno case illustrates how vital this is. A run-down area with a high percentage of marginalised groups and a traditionally negative image is usually not a private investor's first choice. As a consequence, a lack of investment in maintenance and rehabilitation aggravates already poor social conditions. There is therefore a genuine role for the public sector to intervene, break the spiral and correct what cannot be achieved by a weak market. It will also remain as an important public task to promote the area's attractiveness and image while avoiding gentrification and displacement of social problems.

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