

5. Largo Residências (Lisbon, Portugal)



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Executive summary

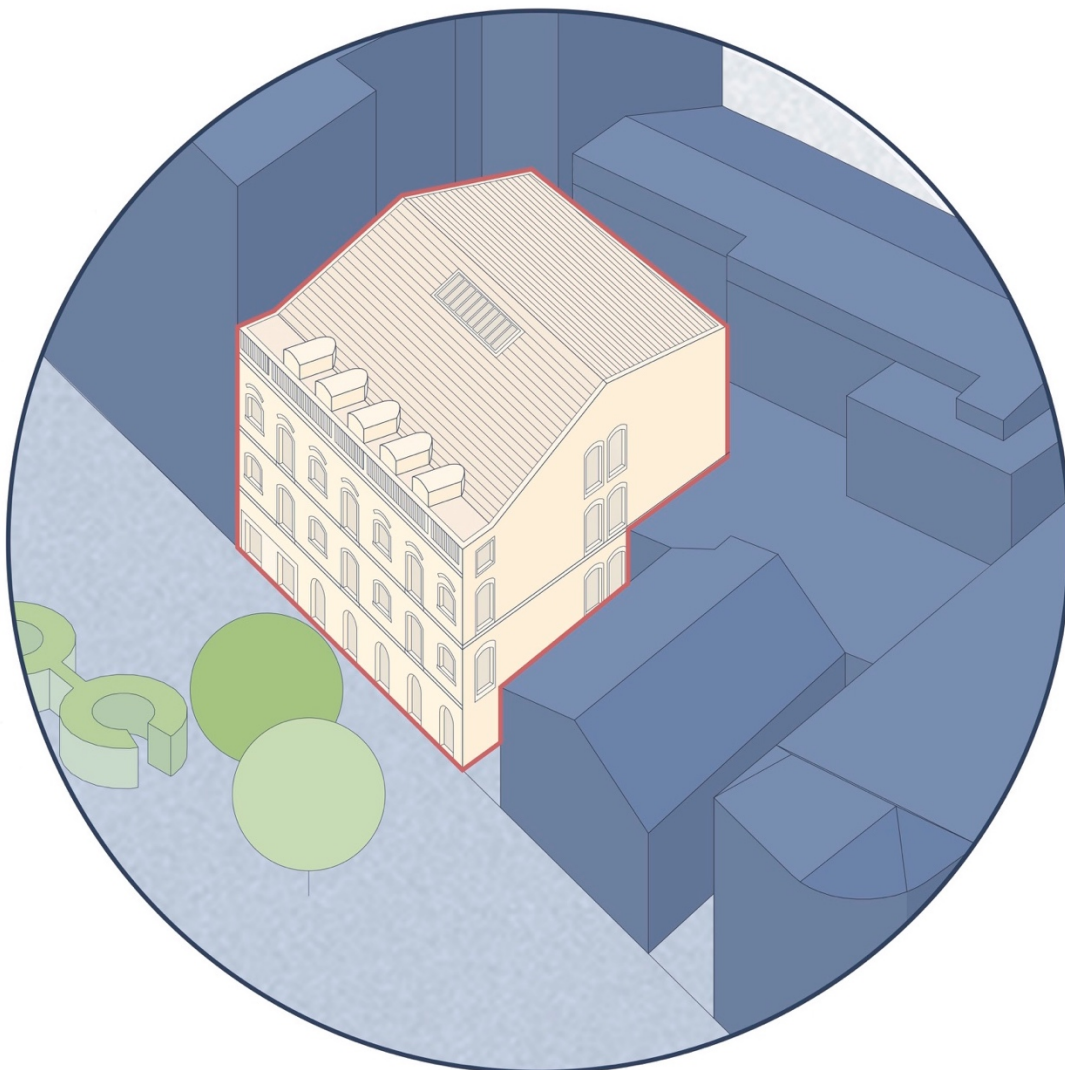
[Largo Residências](#) is a hostel, hotel, artist-in-residence and café in Lisbon's fast-changing Intendente neighbourhood. Largo Residências, run by a cooperative, uses its revenue from tourism and events to develop projects to support the cultural and social inclusion of the most vulnerable groups. In the past years, Largo has become a social net for many of the area's residents and a community as well as a community hub, leading the discussion about Lisbon's touristification and gentrification. Endangered by the tourism-driven real estate development transforming the city's historical areas, Largo has been working on opening new spaces for its activities.



Picture 1. The façade of Largo Residências. Photo (cc) Eutropan

1 Timeline

- 1850s – the construction of the building by the Viúva Lamego family
- 2011– Largo Residências rents the building on Largo Intendente
- 2011 – renovation of Largo begins
- 2012 – first residencies are open
- 2013 – the rental contract is revised
- 2013 – the café opens
- 2013 – renovation of Largo is complete
- 2017 – conflicts begin with the landowner who puts the building on sale
- 2018 – Largo breaks even and pays back the cooperative members' loans
- 2019 – Municipal regulation to limit new tourism facilities in historical areas
- 2021 – Largo's rental contract expires



Picture 2. The building of Largo Residências. Image by Jorge Mosquera

2 The story of the building

Largo Residências is located in a 4-floor building built in the late 19th century, at Largo Intendente, the central square of the Intendente neighbourhood. Originally built as a ceramic factory, in the past decades it had been used as a pension and brothel: it hosted an illegal sex workers business on the first floor and rented rooms on the upper floors. Because of its illegal operations, the landlord lost the property in a juridical process. The new owner began a renovation including an additional floor at the top of the building, but passed it over to the initiators of Largo Residências who inherited a construction site. In 2011, the building was rented for 10 years by this initiative that renovated it and adapted it to be used for commercial and artistic purposes, creating a hostel, a hotel, an art residency and a café hosting community gatherings. With Largo Residências approaching the end of its 10-year contract, there is increasing pressure on the building's tenants from the owners' side to break up the contract sell the building, probably to become yet another high-end hotel in Central Lisbon.

"Actually, when we first came here, the sexual workers in the area thought I was a new Madame." Marta Silva

3 The initiative

Largo Residências was initiated by a group of people rotating around the cultural association SOU Cultural Association ([SOU Associação Cultural](#)), set up by the dancer, educator and cultural producer Marta Silva. The association used to have a venue a few streets away from today's Largo, in the Mouraria neighbourhood, organising performing arts classes and cultural programs. With the economic crisis, as participants were less and less able to pay their courses, SOU's activities became insufficient to cover the venue's expenses and their attempts to secure grants were unsuccessful.

The group decided to open an artistic space that could be financially sustainable and thus cover the costs of cultural work and have a positive impact on the community. The goal of Largo Residências was to contribute to the regeneration of a marginalised area in Lisbon. Renting a vacant building facing the Intendente square served this purpose: to combine activities of social inclusion and cultural effervescence with economic sustainability in an environment where public buildings were not available and public grants were limited. Looking around in the area of Intendente, Marta Silva and her associates found a variety of buildings and the one on Largo Intendente was in a better shape than many others and this made renovation less costly and therefore more feasible. The many rooms of the building whose walls were unmoveable gave the idea of an artist residency, focusing on a specific segment of potential visitors as tourism was practically non-existent in the area.

"I tried to convince my colleagues to do something bigger for the neighbourhood, to start an association and connect art to this area. Ten years ago, we were the only cultural association here. Now this neighbourhood is known as one of the most cultural neighbourhoods in the city." Marta Silva

Marta Silva's first collaborators in Largo Residências were members of SOU. Each team member was a newcomer in the tourism, commerce and property management sectors: they all took over professional tasks that were new for them and they had to rely on their learning skills and external advice to perform well. Consultations with lawyers and economists helped to develop a legal and economic structure with a social business angle and called for the participation of cooperative members. Architects of the studio [Ateliernob](#), for instance, who originally joined the process to design the renovation, have got involved in the core issues of the project and soon become members of the cooperative. Twelve members joined Largo's cooperative and they contributed with ideas, financial investments and expertise.

"I had no management experience and my heart was much bigger than my brain. Now we have a good balance between brain and heart: cooperative members were fundamental in the design of the management model and in filtering ideas." Marta Silva

Developing a working model for Largo Residências was a gradual process that was built with the inputs from friends, family members and from the various cooperative members. In time, the group developed the concept of a studio/artist residency space mixed with a tourist accommodation facility, so that artistic work would be sustained by the revenue from the commercial unit.

Largo launched its cultural and social programming while renovating the building. It also opened the hostel, one room after the other, to balance the renovation expenses with the hostel's revenue. The first two years were financially difficult as the hostel was operating only partially and it remained closed in winter due to big heat loss in some rooms. The café studio opened in 2013, and it was an immediate success. Within 3 years Largo was ready and fully working.

"We want to build this area and not abandon it. This project only makes sense if it's locally based and if you manage to build the area." Tiago Mota Saraiva

The rental contract of the building hosting Largo Residências expires in 2021 and the building is expected to be sold for commercial purposes. Largo is searching for an alternative venue where to carry on its activities. In the future location, Largo members plan to implement a similar project but also work on developing a cooperative housing project that would help overcome the housing gap in the neighbourhood.

4 Activities

Today Largo Residências is located in a 4-floor building. It is a **multipurpose space** that combines social, cultural and commercial functions. The apartments of the artist residency are situated at the **top floor**. Artists stay in Largo for a period of 2 to 6 months according to their projects. Besides artists, these apartments also host architects, cultural producers and others involved in Largo's programmes and operations including receptionists. Largo Residências gives artists supporting conditions for their work in various arts sectors such as plastic and visual arts, dance, theatre, literature, photography, video, performance, gastronomy and fashion; and it also hosts academic and research projects, as well as professionals from different fields such as anthropology, sociology, psychology, and architecture.

It requires residents' projects to be a contribution to the local community and its territory. Besides the residents' spaces, the top floor also hosts Largo's production office.



Picture 3. A room in Largo Residências. Photo (cc) Eutropian

The **1st and 2nd floors**, about 200 m² each are dedicated to the short-term rental and they usually host tourists but also students, journalists and artists. The 1st floor has 8 private rooms with connected private bathrooms, while the 2nd floor hosts a hostel with 9 rooms, with shared bathrooms, kitchen and living rooms. Largo has established collaborations with other cultural and social institutions such as universities, theatres and festivals, who prefer Largo to a regular hotel. The 2nd floor also hosts the reception.

"Visiting the building and knowing that hairdressers and cafés are the most important meeting points, we thought we should have a café as it would be the meeting point for not only our workers but also our neighbours and local people. We thought, let's see if this place can also serve as an artistic platform or a studio, a small theatre." Marta Silva

On the **ground floor**, Largo has a cafeteria, a studio and a shop occupying around 150 m². The café contributes to the sustainability of the entire socio-cultural project, it creates a meeting point for the community and it is where most of the cultural programming takes place. The studio is one of the workspaces for artists in residence and a venue for some presentations of their creations. Besides presenting the work of Largo's artists, it also has a regular free-of-charge cultural programme with concerts, exhibitions, book presentations. The studio stays open

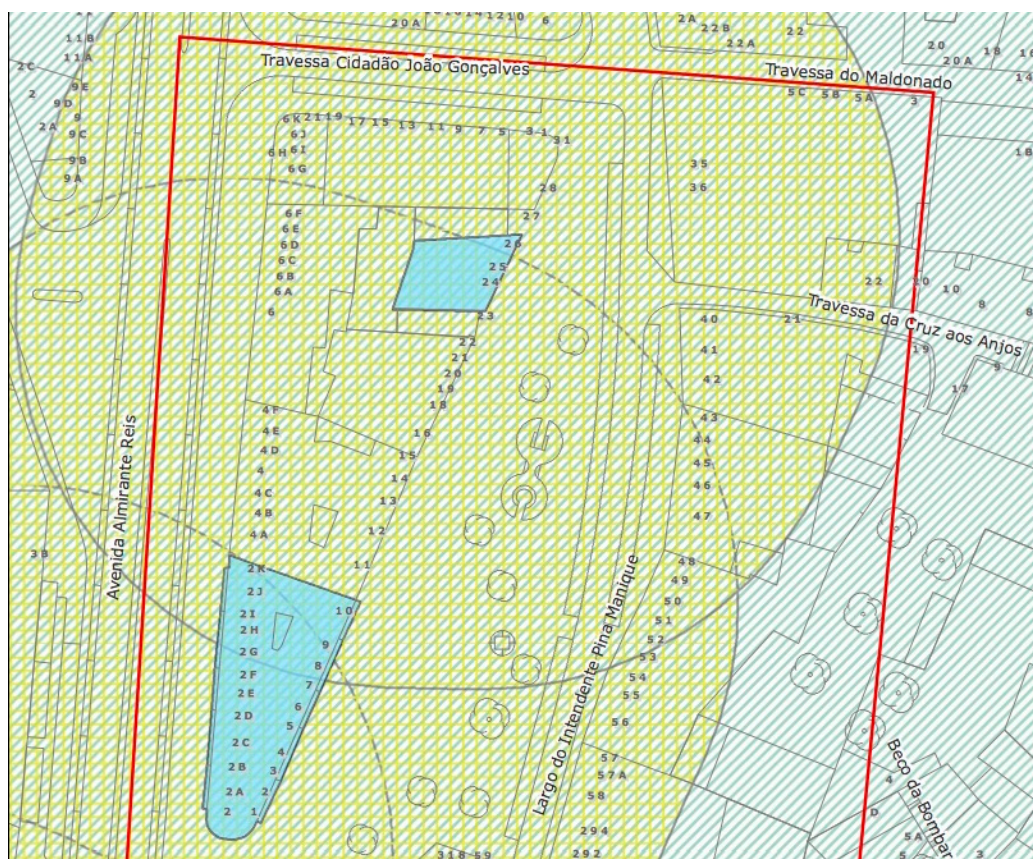
to the public to be used for informal gatherings also when their activities are not organized. Besides its own venues, Largo's ground floor also hosts the Bike Pop Shop, a multidisciplinary space dedicated to the promotion of bicycle culture run by a cooperative and the Largo Loja vinyl record store, a social business: they rent ground floor spaces from Largo, thus contributing to the financial sustainability of the building's management.



Picture 4. Cafeteria at the ground floor of Largo Residências. Photo (cc) Eutropian

5 Renovation and adaptive reuse

Located at the recently renovated Largo Intendente, Largo Residências is part of the historical tissue of Intendente. The building has a typical façade with ceramic tiles that refer to its original function as a ceramic factory and makes it one of the most spectacular landmarks on the square. The building enjoys heritage protection because it is located in the **protection zone around two classified buildings**, the Fábrica de Cerâmica da Viúva Lamego (Viúva Lamego's ceramic factory) and the building located at the corner of Largo do Intendente and Avenida do Almirante Reis. Situated in this buffer zone, the building of Largo Residências, together with all other buildings in the block, are protected by local and national law. This implies that any change in the facades of these buildings needs approval by the Ministry of Culture. In practice, this protection makes any alteration complicated and time-consuming.



Picture 5. Map of heritage protection in Intendente. Image by Lisbon Municipality

Before renting the building to Largo Residências, the new landlord started the building's renovation from the 3rd floor down. Largo took over the renovation of the rest of the building: each floor used to be organised into two apartments, and they had to be divided into rooms, while the ground floor was converted into a café and a studio.

"We did the basic design of the project but we had to reinvent it many times as we found huge structural problems in the building that we did not expect." Tiago Mota Saraiva

At the moment of signing the rental contract, the structural conditions of the building were not entirely clear for the Largo team. Incongruities are common in Lisbon buildings constructed at the end of the 19th century because of the liberalisation of construction procedures in the 20th century that allowed modifying structural and non-structural walls without following a plan. In many buildings modified in the past decades, problems are not seen immediately and they appear only after starting a renovation. In the case of Largo, there were many technical issues to solve, including an electricity system non-compliant with current legal standards and the absence of structural walls.

"We could not do the conventional process of making a detailed project design and giving it over to the contractor. It did not work like that. We spent a lot of time on the site and in the construction process and re-adapted the design when it was needed." Tiago Mota Saraiva

The renovation of the building and its opening coincided with the rehabilitation of the square facing the building, Largo Intendente. The square's renovation created a lot of difficulties for the first period of operating Largo: the whole area was a construction site and this negatively affected both pedestrian traffic and tourism,

while Largo needed revenue to reinvest into the renovation and into the launch of its activities.

“The first two years were hard in a touristic sense because Intendente was like a construction site with a lot of dust.” Marta Silva

Largo Residências has been working on embracing both the tangible and intangible heritage of the building and the neighbourhood. Highlighting the building’s past as a ceramic factory, Largo develops a variety of activities related to the ceramic tiles once produced in the building and used across the neighbourhood and the city. Going beyond the building, Largo has been active in mapping the neighbourhood’s social memory, countering the process of forgetting as a consequence of gentrification and touristification.



Picture 6. The location of Largo Residências in Lisbon. Image by Jorge Mosquera

6 The area and its transition

"Intendente and Mouraria were always very resistant places in the city, zones of obscurity that stayed for centuries, and decades till now. They were always hard to gentrify." Ana Jara

Largo Residências is situated on Largo Intendente, the central square of Intendente. Intendente is a historical neighbourhood in Lisbon, about 1,5 kilometres Northeast from the city's central square Praça do Comércio. Despite its central location within the historical tissue of Lisbon, in the last decades of the 20th century the area has been largely neglected by city councils and developers. In line with this lack of investment, together with the neighbouring area Mouraria, Intendente has become one of the most accessible, cosmopolitan and multicultural areas of the city. In the 1970s, with the demolition of some of the most conflictful neighbourhoods of Lisbon, many families from these areas moved to Intendente, bringing with them drug and sex businesses. As a result, Intendente has become a secluded area with a bad reputation across the city.

"For 30-40 years, this area was one of the darkest places of the city. The square was psychologically much bigger than the actual space, because of the traffic, the illegal drug trade and prostitution." Marta Silva

Around 2010, the city council decided to start a process for the revitalization of Mouraria and Intendente, the two neighbourhoods connected by Largo Intendente. The mayor of the time, Antonio Costa, moved his office to Largo Intendente because he believed that working from the inside, for three years, would be an efficient strategy for improving the neighbourhood. A key part of the big urban regeneration plan for the area was the physical renovation of Largo Intendente, which created a clearer, more accessible, more transparent urban square. The mayor's move to Intendente and the regeneration plan has received a lot of attention and involved a variety of local actors, including Largo Residências. The mayor invited Largo to co-organise the 2011 and 2012 editions of the [Festival Todos](#) (Portuguese for "Everyone") which brought many Lisboans to Intendente and gave visibility to the area and Largo Residências.

"Largo Intendente is a symbolical centre of radical change in Lisbon. This area of the city used to have a flourishing market of drugs and prostitution, it was considered a dark area and many Lisboans would not come here. Things began changing when key community agents started working in this area to create new living conditions, to increase the quality of life, and to attract people here." Roberto Falanga

Following the renovation, the Intendente area has been radically transformed. In the past years, it has developed into a conflict zone between citizen-led initiatives trying to improve living conditions for the residents of this area, and investors buying up buildings and converting them into hotels and short-term rental apartment complexes. This evolution coincides with tourism assuming a greater role in Lisbon's city economy with many sectors specializing in tourism as well as the long-term housing market shifting towards a short-term apartment rental system, undermining housing provision in the central areas of the city.



Picture 7. The entrance of Largo do Intendente. Photo (cc) Eutropian

"All programs carried in Lisbon in the 2011-2013 period have reinforced the interest of foreign investors in Lisbon. Lisbon was the perfect city to invest: beautiful, sunny, cheap, and with many empty buildings in the city centre. I don't think Largo Residências accelerated the change, but they were in the heart of the change." Roberto Falanga

Intendente's recent transformation is the result of a combination of local and global processes. One important aspect is the recent **liberalisation of the housing market** in the 2000s. As a residue of the Fascist regime in Portugal, rental prices had been frozen since the 1940s and it had strongly affected Portuguese cities with significant rental markets. The long-term consequence of fixed rent prices was a lack of funds for landlords to maintain their properties and it led to the structural deterioration of buildings in entire neighbourhoods. While poor tenants were protected by the law, landlords did not invest in their properties and many buildings were left abandoned in Central Lisbon areas like Intendente. Since 2004, new policies of the government and municipalities have opened the housing market to private investors. With the economic crisis of 2008-2009, under pressure by the IMF, the European Commission and the European Central Bank, Portugal privatised many public buildings; changed its rent laws and lifted the rent freeze, leading to massive transformation in Portuguese real estate. As landlords no longer had to respect a rent price limit, evictions occurred in massive numbers, altering the demographics of the city and creating a housing gap.

"We never had massive evictions in our urban history and now we are seeing the consequences of it." Luis Mendes

Another component of Intendente's transformation is the quick **touristification** of Central Lisbon. Troubled by the economic crisis, Portugal has not only embraced the liberalisation of its housing stock but also the creation of fiscal programs that attract foreign investment – including the so-called Golden Visas. The liberalisation of Lisbon's housing stock went in pairs with growing interest in investing into properties in the city. Real estate investment, produced by international funds, was injected in the housing sector to promote luxury apartments and private condominiums. An increasing part of this investment went into tourism facilities: fearing the spread of global terrorism, many people and investors withdrew their investments from tourism resorts in North Africa and moved them into Portugal, a safe country with low prices and high life standards.

"The real estate market has been emptied of its social function as housing, to become financial asset for international investors." Luis Mendes

Besides public investment in public spaces like in the case of Largo Intendente and social housing in peripheral areas of the city, there has been little public investment into the refurbishment of the existing building stock. Cuts in government funding forced the municipality to sell many buildings, also in Intendente. With the privatisation of a part of the remaining public building stock, including buildings on Largo Intendente, even public investment in public spaces ultimately contributes to the increase of the value of private property, thus aggravating the housing situation in central neighbourhoods and leading to gentrification and touristification.

"From 2016, big investment started to come. All the new shops, all buildings were up for sale and they were quickly sold. And sold again. And sold again. Big speculation came and suddenly this area turned into a completely different atmosphere." Marta Silva

Touristification is the process of adapting the urban realm to tourist needs. It often implies the redistribution of resources from local to touristic uses and it often triggers a gap in rental and a real estate speculation and increases in prices for residents.

"In some parts of the city we cannot speak of social bonds anymore because many inhabitants have moved out. The social capital and memory that was essential to the resilience of these places is lost. That is a big issue that has to be understood to prevent the worst gentrification and urban transformation yet to come." Luis Mendes

Lisbon's newly found economic dynamism has created new conflicts, by displacing people from central areas and destroying traditional social and economic tissues. With long delays in regulating short-term rental, homes were turned into Airbnb facilities and traditional economic activities were replaced by tourism-oriented businesses, radically transforming the neighbourhood and its perception. Members of Largo Residências were afraid of becoming just an additional player in the gentrification process, therefore they prioritised the involvement of the local community in neighbourhood activities and worked to maintain and strengthen structures of solidarity, networks of the local commerce and looked for solutions to the housing crisis.

"I think this very central location helped capital investors consider Largo Intendente as an attractive place to invest. Nevertheless, local associations

engaged in neighbourhood initiatives represent the resistance to the cannibalisation of the city.” Roberto Falanga



Picture 8. Community event in Intendente. Photo (cc) Eutropian

7 Community involvement

Until a decade ago, Intendente was perceived as a dangerous and conflicted neighbourhood and most Lisbon residents would avoid the area. The communication work of Largo Residências, therefore, focussed on **changing the bad reputation** of the neighbourhood as well as of the building itself. Largo has reached out to specific groups: the residents of Intendente, artists cultural producers and art institutions active in the area as well as local shopkeepers.

“In 2012, reconstruction works at the square were finished and Antonio Costa came to us and asked us to make an inauguration party. I said, all right, we can make a festival. You can think about the big names to fill the square but I will propose small things, community projects to engage people, to have the opening with neighbours being part of it.” Marta Silva

The first step in opening the building was to meet representatives of the local community and to build connections with the groups of artists organised around SOU. In the first year, Largo developed its social business plan but it also invested time in building long-lasting relationships with those living in Intendente, which eventually led to the development of participatory cultural projects involving a wide range of people from the area. In the first two years, from 2011 to 2013,

much effort was also invested into building a relationship also with local institutions. Slowly but steady, Largo Residências has gained the features of a community centre around which people from the neighbourhood have started gathering.

"My mission is to connect with the people on the streets, to be part of the social processes and cultural programs, and to become the mediator between the citizens and the politicians. Now, I speak to the mayor and the prime minister in the same way that I talk with the drug dealers." Marta Silva

When moving in the building on Largo Intendente, Largo Residências only had a few neighbours: old bars, sports pubs and an 82-year-old saloon. The square was being under construction and this kept away visitors, and new commercial and socio-cultural uses came to the square only after the constructions finished. The most direct engagement of Largo took place at the street level: the cooperative members spent much time talking to people on the streets, in the squares, frequenting the neighbourhood's bars to get to know the area's residents, gain their trust and invite them to visit and spend time at Largo Residências. This work included collecting local stories countering the mainstream narratives of the neighbourhood, presenting the image of a neighbourhood with strong community ties and solidarity networks.

"People living in Intendente needed mediation to help restore social bonds and mobilisation to fight for housing and other urban rights." Luis Mendes

Largo Residências represents a model of **skills and knowledge** production. The most important skills developed by the Largo team in their social business are mediation and non-verbal communication. Largo's work is based on relationships of trust and collaboration and it requires the ability to create relationships and balance one's involvement in partnerships.

"In partnerships, you give your hand and they take the full body. Now, I am more protective when it comes to creating new partnerships with other institutions." Marta Silva

The Largo team was aware of the risks of supporting gentrification with their work and they tried to contrast this possibility by favouring local engagement in their activities. A bottom-up approach to urban rehabilitation was sought by mediating between public institutions and the local community and by developing new functions according to the community needs. Largo was also a key actor in building local networks of associations as well as shopkeepers to be able to resist pressure from real estate developers. In time, Largo gained visibility in the city and it strengthened its ability to speak up on the neighbourhood issues and to suggest possible improvements on behalf of the community. It also works as informal mediator among various entities which are connected to Largo Intendente.

"We were keen on not acting as gentrifiers but to strengthen the networks of local commerce, local shops and help the residents who suffered the most from the crisis and austerity first, and from tourism and real estate speculation afterwards. In a certain way we were trying to reorganise community in the neighbourhood" Tiago Mota Saraiva



Picture 9. Cultural festival in Largo do Intendente. Photo (cc) Eutropian

Besides the regular activities inside the Largo Residências venue, Largo is at the centre of a wide range of initiatives that attempt to connect and strengthen the local community in Largo Intendente. Largo Residências organizes theatre projects, dance workshops, exhibitions featuring the artists in residence, and festivals in Largo Intendente. Moreover, members of Largo's cooperative often act as representatives of the community's needs on the city level, and they are vocal advocates for community rights especially in regards to housing.

"The projects developed in Largo Residências use art to empower people and to bring a reflexive way of thinking about what is happening in their personal lives as well as in the urban surrounding." Helène Veiga Gomes

Anthropologists and urbanists have contributed to Largo's better knowledge of the area. The visual anthropologist, Helène Veiga Gomes conducted a participatory ethnography research in the area during the reconstruction of Largo Intendente. She asked residents to document their daily trajectories and collected valuable data about the intangible heritage of the neighbourhood. The project results were exhibited in an abandoned building, which has later been renovated and transformed into a restaurant.

Cultural events and programmes produced in Largo often focus on the life and personal stories of local residents. For example, the theatre project called *Companie Limitade* built a theatre piece starting from the story of the people living in the neighbourhood who were suffering from solitude or dealing with diseases. The final piece included visits to residents' homes to experience their living conditions.

"Largo's projects aim to develop good practices in the neighbourhood. A lot of them are linked to interculturality and they encourage the better inclusion of people living in the neighbourhood through language and cultural mediation." Helène Veiga Gomes

Another project, [Escuta](#) aims to describe urban transformation through the experience of Largo Residências and other initiatives in the area. Escuta explores the work of many associations and institutions working in Intendente and Mouraria. In the first phase, a pop-up container was installed in Largo Intendente for one month and it hosted the Escuta radio, interviewing a variety of local actors. The container attracted people in the area because of its position and transparent architectural features and had transmitted a live stream radio show. This container became a meeting point as all kinds of people were stopping to listen. One segment of Escuta covers personal narratives through photographs and texts, and another one is an audio-visual project that will result in a film. Those media are used as cumulative processes, mining data about the neighbourhood and collecting people's voices to build a tool for reflection about the transformation of Central Lisbon.

"Largo works with the social tissue of the neighbourhood, boosting its social innovation, its urban participation, reinforcing the strength of the neighbourhood's citizens." Luis Mendes

To support its business model, Largo Residências also had to develop communication with the outside world. In order to reach a wider number of tourists, Largo joined accommodation platforms like Booking.com and Hostelworld, and it became well-known in networks of festivals and art institutions. Despite difficulties to communicate the social aspect of its operations, Largo makes a great effort to explain its mission to first-time visitors and engage them for their further visits.

"At that time, we were just at the beginning of Lisbon's touristification process. We were one of the first hostels that appeared, in a moment that tourism was beginning to increase. Now Largo is fighting with other accommodation providers that are pushing residents out of Lisbon's centre." Marta Silva

8 Municipal policies and programmes

Intendente and Largo Residências have been in the focus of various municipal policies. The shift of municipal policies from running social and cultural projects to supporting initiatives to run these projects coincided with Largo's ambition to run a space that can secure its economic sustainability. The renovation of Largo Intendente, initiated by the mayor's office in 2011, has rejuvenated the face of the neighbourhood, with upgraded public spaces but also potentially contributing to gentrification and touristification. When the mayor moved his office to Largo Intendente, this proximity favoured various types of collaboration with Largo Residências some of which like festivals and advocacy initiatives continue until today. The mayor's office was also instrumental in connecting the initiators of Largo with the landowner of their building.

"I always had an impression that this square is amazing, in the city centre, but empty. It looked like a public living room already before it was rebuilt and re-developed." Marta Silva

In the same period as the beginning of renovations in the area, Intendente and Mouraria were identified by the city council as priority neighbourhoods where specific funding needs to be targeted. The **BIP/ZIP program**, launched in 2010, was created to facilitate targeted seed funding to organisations and initiatives operating in these priority areas.

"The very central idea of the program is to provide local associations and informal groups of citizens the opportunity to build partnerships and to propose ideas for the regeneration of the city." Roberto Falanga

The BIP/ZIP program was launched by the Lisbon Municipality's Department of Housing and Local Development in 2010 to promote strategic partnerships in the city's priority neighbourhoods. BIP/ZIP created three indexes which mapped social inequalities, infrastructures issues, litter and environmental irregularities in Lisbon. BIP/ZIP called for a citizen's consultations to improve the so-called "BIP/ZIP chart", and it eventually pinpointed 67 priority areas that were considered social territorial fractures, and were spread inhomogeneous in the city centre and in the city periphery. The priority areas include social housing areas, informal settlements as well as historical neighbourhoods. All the selected areas present comparable aspects in terms of the high unemployment rate, insecurity, urban hygiene, lack of services, poor accessibility. The BIP/ZIP program offers seed funding of up to 50.000 euros to initiatives, selected through an open call. An external committee of experts appointed by the municipality evaluates the proposals and distributes the budget to the single initiatives. These allowances allow local organisations to carry out small projects that can act as catalysers of change. The total amount of the budget provided a year is about 1,5-2 million euros.

The funded initiatives are monitored and evaluated by the administrative team: initiatives are required to deliver to the municipality self-monitoring reports and the team of the municipality monitors the implementation of the initiative on the field. The program is also evaluated by a team which measures the quantitative and qualitative results of BIP/ZIP. The evaluation takes into consideration quantitative data (the number of partnerships created, the numbers of activities developed within such partnerships, and the budget allocated) and qualitative data (surveys with the initiatives and with the citizens who benefitted from the programs).

"The BIP/ZIP programme created a fabric of associations and local practices that were very interesting; the question is why it did not grow in the last eight years. Now urban policies are very focused on another kind of interventions, supporting creative hubs, creating businesses and an economy that comes from big investments." Ana Jara

Largo Residências has been an active participant in various seasons of the BIP/ZIP programme. A winner of a 50,000 grant in 2011 that contributed to launching the building and its operations, Largo and its partners [Ateliermob](#) and [Working with the 99%](#) later on successfully applied again with their plan of establishing an anti-eviction information office in Central Lisbon.

"We think it is good to talk to the municipality and see if they still recognise the work we do and if they want to take part in the triangle between the private sector that owns the building, the municipality and us." Tiago Mota Saraiva

In order to facilitate the best use of this funding locally, in some of the priority areas, the municipality has set up Local Coordination Offices, or GABIPs. GABIPs function as elements of a co-governance framework involving the municipality, local boroughs and all relevant stakeholders and community organisations. They promote an articulated response among the political, administrative and technical dimensions with local organisations and community. Largo Residências had an important place in the local GABIP process and developed a relationship of trust both with local communities and municipal offices. Aware of their work in the neighbourhood, municipal offices were increasingly reaching out to Largo Residências to evaluate urban development, and Largo took the role of mediating between citizens and the offices of the local authorities.

"From that moment on we didn't have to knock on the door of the municipality; on the contrary, they were asking our opinion and our participation in processes. The relationship has changed." Marta Silva

GABIPs are present in BIP/ZIP neighbourhoods with their local offices, and consist of a coordinator from the municipality and an executive committee with local key stakeholders of the urban regeneration process, local authorities, local associations and other actors. The precise composition of this committee depends on the technical, urban, social, environmental, cultural as well as educational aspects of the related projects: usually elected officials and representatives of the Department of Housing and Local Development are involved, but elected officials from other departments can also take part. The GABIPs allow the municipality to move decision-making to the local scale and share it with local actors.

"These kinds of participatory processes need to rely on a more robust commitment of public authorities in providing real welfare policies. Without providing citizens with concrete answers on primary needs like housing, education and health, if we do not guarantee and ensure that all citizens have equal access to these goods and services, participatory processes can fail to realise a big part of their potential." Roberto Falanga

The BIP/ZIP program is an important help to start bottom-up urban innovation and social initiatives as it gives funding to local associations and groups to develop new ideas. Yet, this program does not rely on broader policies that support social innovation and it might be an insufficient tool to strengthen local communities in Lisbon's rapid, market-driven transformation. Many voices claim that the competition model of municipal programmes is not able to keep up with the fast pace of change in the city.

"What we feel from the last three years is that we want to change scale. We want to be more than just doing some works on the public space and producing some precarious event. When you have a city that is led by private investment that are totally out of control, funded on the Cayman Islands then you have to react fast and cannot wait for competitions." Tiago Mota Saraiva

Beyond hundreds of interventions at the neighbourhood level, an offspring of the BIP/ZIP programme is Lisbon's Collaborative Platform for Community-Led Local Development (CLLD), an EU-funded governance scheme including over 150 NGOs, private enterprises and the local government that aims to develop a global strategy to BIP/ZIP.

CLLD (Community-Led Local Development) is an instrument created by the European Union's Cohesion Policy 2014-2020, which grants CLLD networks access to part of the Structural Funds. CLLDs foresee the management of the funding to be shared between the public administration, private and civic partners, with none of them having the majority of shares and votes. In the case of Lisbon, the CLLD includes over 150 NGOs, private enterprises and local government organisations, and its fund disposes of about 1,5 million euros.

9 Financial model

From the moment of visiting buildings on Largo Intendente, the idea of offering accommodation to guests was an integral part of Largo's business model. In the first phase of conceiving Largo Residências, however, its initiators did not have tourism in mind: they were focusing on cultural institutions and events as potential clients, who can bring in Largo their performers or artists. Within a few years, this focus was extended as more and more responsible (if not mainstream) tourists began to visit Intendente and other formerly avoidable areas of Central Lisbon. Nevertheless, Largo also maintained its residency profile: there are more than 20 cultural institutions that regularly book rooms in the hotel.

In order to renovate the building and set up the organisation and pay the rent for the first months, Largo needed significant upfront investment, about 200.000 euros: 150,000 euros were needed to create the cafeteria and the other ground floor spaces, and another 50,000 euros were spent on renovating the first floor. The upper floors were already mostly renovated so there was no significant investment to be made there.

"We couldn't go to the bank as we were a new cooperative with no history. We had to put money from the cooperative members to invest in the renovation works. It took us five to six years to pay back these investments. By 2017 we paid back everything and are now saving money." Marta Silva

The cooperative of Largo Residências raised money from various sources: 50,000 euros were invested by the cooperative members (to be paid back six years later with 4% interest) and 50,000 euros came from a municipal funding. The remaining 100,000 euros were already produced by Largo's economic activities. As an important help to the organisation's cash flow, the construction contractor accepted to defer his payment of 50,000 euros until after the hostel's opening. This arrangement functioned as an informal loan and allowed Largo to finish the renovation quickly. In addition, architects of Ateliermob offered their services for free, in exchange for rooms to host the office's interns.

The renovation was organised step-by-step, so that when a floor was ready, it opened and began to generate revenue, and this allowed the renovation to continue on the other floors. Service barter was also an important resource that

was used by Largo Residências in its beginning and which allowed its renovation and opening. For example, Largo Residências hosted people in exchange for their construction services and it managed. Finally, a 50,000 euros grant from the BIP/ZIP programme helped launch Largo's activities but could not be spent of infrastructure or renovation.

By 2017-2018, Largo's revenues allowed the organisation to repay the original cooperative members' investment with interest and to break even. Largo Residências business plan is based on using commercial revenues (hotel and hostel) to support the cultural and artistic projects, to cover the workers' wages and improve their working conditions. While the hotel and hostel are responsible for most of Largo's profit, the cafeteria, despite its initial ambitions, does not generate revenue for cultural activities. Functioning more as a social café, it accommodates people who spend long periods of time without consuming. Nevertheless, due to its community function and the six jobs it maintains, the cafeteria remains an integral part of Largo Residências.

"Our workers at the café are also social assistants for the neighbours that come with their problems, they speak, they are friends so it's difficult to keep a code and technical way of working there. The café pays the bills but it doesn't give a big profit – but we decided to keep it because it's an open door to the community." Marta Silva

Largo's main expense is the commercial rent paid to the building's owner. While the rent was originally defined 8000 euros a month, it has been lowered to 6000 euros after a long negotiation, due to the significant structural problems encountered in the building and the renovations needed to be undertaken. The **relationship with the building's owner** has been worsening in the past years. Preparing to put the building for sale, the owner has repeatedly threatened the cooperative with eviction in case of delays with the rent payment, despite various verbal and formal agreements. With a rental contract expiring in 2021, Largo Residências is in the process of finding a new space in the neighbourhood, preferably a building in public ownership.

Aware of Largo's achievements and positive impact in the neighbourhood, at a certain point of the conflict, the municipality came in as a third party to negotiate between Largo and the property owner and to ease the situation. Disposing of a pre-emption right, the municipality has considered buying the building, but the property owner has changed strategy and is now selling the company that owns the building, in order to come around the municipality's pre-emption right and reduce taxes.

10 Governance

"When I asked for legal advice, people told me that we couldn't keep the project in the form of an association because the commercial part would be bigger than the cultural part to finance. Therefore, we needed to create a cooperative, so that we could run the social business and we could still support the non-profit activities." Marta Silva

Largo Residências has the organisational form of a cooperative. The cooperative model was chosen because it was considered suitable to represent an entity that combines commercial activities with cultural and social activity. It also allowed to include the organisation's workers in Largo's ownership and decision-making, with equal votes.

"We started as a cooperative because this allowed us to integrate funds from the members and invest them in the renovation of our building." Tiago Mota Saraiva

The cooperative was founded by 3 members, and it was joined by 10 members. Two of the three founding members are still involved in the project. The founding members were all from the same area: neighbours, friends, co-workers and parents of children in the same schools. They had different backgrounds and professions but shared the desire of developing a social program in the Intendente neighbourhood. Members of the cooperative invested in the organisation financially, with their work and skills. Financial investments were not equal among members but each member maintains equal decision-making power.

"Since the beginning, we wanted to create a group composed of people experiencing different conditions of life. One of our members put 15 euros in the cooperative, someone else gave 20,000 euros and they had the same vote." Marta Silva

The cooperative has three sectors, one taking care of cultural activities, another is responsible for accommodation and the third one for the cafeteria, each sector with a coordinator. Some people move between different sectors as their ambitions change. Not all members of the cooperative work daily at Largo Residências. Some of them do not join discussions about the daily operations but longer-term strategies and the mission of the cooperative, the quality of partnerships and networks.

Cooperatives are "autonomous associations of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise" (International Cooperative Alliance). In cooperatives, economic benefits are distributed proportionally to each member's level of participation in the cooperative. Democratic decision-making in cooperatives implies each member with one vote, no matter how big their financial contribution. Cooperatives were an important organisational form in the 1970s but in the decades after they lost their relevance and popularity. In the 2010s, cooperatives are increasingly popular again as new, non-speculative and non-extractive forms of economy are sought by community initiatives across the world.

11 Impact

Largo Residências has created a variety of **services** in the neighbourhood that benefit local residents. By channelling the revenues of its commercial activities (tourist accommodation and cafeteria) into local **activities and events** that enable artists to share their work and local residents to build networks and join forces around the most pressing issues that are transforming the neighbourhood.

Relying on its local network with residents and other associations created in the past years, Largo has effectively constituted a welfare net that takes care of vulnerable residents when it comes to evictions or other destabilising life situations. For many local residents, joining activities organised by Largo was conceived as an empowerment process, with increasing personal security, as well as new networking and job opportunities.

"People joined Largo's projects also to improve their self-esteem: as they were from Intendente, they felt the right to be there, they had something to say about their place, and values to share." Helène Veiga Gomes

Largo's **employment** policies have also contributed to social integration. The organisation has created a variety of employment opportunities for people living in Intendente, mostly in the cafeteria and the hotel. As of today, Largo employs 15 workers, 80-90% of whom live in the neighbourhood, and 30% coming from a highly vulnerable social situation. Out of the 15 employees, 6 and a half people work in the cafeteria, 5 and a half in accommodation and 3 in the cultural department. Additional projects and festivals allow Largo to occasionally employ more people.

By providing training and jobs – and sometimes helping them formalise their residence or citizenship status – Largo Residências has helped several vulnerable people change their lives and welcomed them in a community that treasures equality and personal empowerment.

"We intend to grow and to involve more people." Marta Silva

Besides conducting its own activities, Largo Residências has been engaged in **advocating for social inclusion policies**. Some of these activities urge local government to work together with local institutions that come from the social inclusion field and are connected with local needs so that local residents can contribute to decisions about public matters. Through the local GABIP structure, Largo has advanced a law proposal to empower the elderly, people who are isolated and who are often victims of exploitation and fraud. At the local as well as at the national level, Largo has been advocating for housing-related legislation. Largo members are working on a new institution of cooperative housing to design processes of cooperativism in the city centre.

"Largo is an important connector that can boost and organise people and civil society and can interact with important social movements. They try to put housing rights into the mainstream political and social agenda." Luis Mendes

Largo Residências also had an impact on municipal policies related to tourism. Approved in October 2019, a new regulation established a **ban on new tourism facilities** in Lisbon's historical areas. However, tourism facilities that reuse a formerly vacant building and accommodate social and cultural projects for local development and housing, are exempt from this ban. Clearly, the regulation has been inspired by Largo Residências, aiming at limiting extractive real estate speculation and promoting a new, more sustainable and responsible logic of tourism.

Locally, Largo Residências has received approval both by the City Hall, with which the organisation has established a channel of continuous open dialogue, and the local community. Occasionally, however, Largo has been criticized for assisting the gentrification of Intendente.

"Our response to criticism is that gentrification is based on substituting classes. And our project did not substitute classes; it tries to help people who were evicted to stay here." Tiago Mota Saraiva Saraiva

12 The Largo Residências model

Largo Residências has been identified as an example of **good practice connecting the cultural sector and social inclusion**. Largo's cooperative project is considered a vanguard model of economic sustainability because its implementation preserves the harmony with the various dimensions of social sustainability. For this reason, it has been featured in the *"Policy Handbook on Promotion of Creative Partnerships"* published by the European Union.

Using its visibility at the local and international scene, Largo has developed a variety of local and international partnerships that also helped in promoting more inclusive development policies including the right to housing, non-speculative urban development, social economy and responsible tourism. Joining the [re:Kreators](#) and [Placemaking Europe](#) networks helped Largo participate in international policy discussions and have an impact on the European Union's [Urban Agenda discussion](#).

"Largo is special because it makes the connection between the global forces and external threats or opportunities that come to this part of the city and those forces and the local organisations we already have in Largo." Luis Mendes

13 Interviewees

Jerusa da Costa, receptionist, Largo Residências

Roberto Falanga, Universidade do Lisboa, adviser at the BIP/ZIP program

Ana Jara, activist, politician, elected municipal councillor

Luis Mendes, journalist, Universidade do Lisboa

Tiago Mota Saraiva, architect, Ateliermob

Marta Silva, founder of Largo Residências

Hélène Veiga Gomes, anthropologist, Escuta

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