

3. Public-cooperative collaboration in the production of affordable housing

This series of articles provides a summary of the discussions held with the *Yes, We Rent!* Advisory Council on how to consolidate and build on the projects' legacy in Mataró.

One of the most innovative aspects of *Yes, We Rent!* is its bid to co-produce affordable housing through a collaboration between the municipality and citizens. In asking how citizens could be supported to become active agents in local policies for access to housing, *Yes, We Rent!* touches on a key issue for public housing policy today.

“We wanted to explore how the collaboration between tenants could lead to the generation of affordable housing. Is it possible that housing policies do not just work in a top-down manner with the government as the sole provider of affordable housing? Could we move towards a system in which the community -through collaboration with administrations or by itself- could self-generate affordable housing in the rental market? This is the main challenge, the main proposal and the main vision of the project.”

**Albert Terrones,
Mataró City Council**

In addressing this challenge, *Yes, We Rent!* strives to bring together two types of actors with different orientations and cultures: on the one hand, citizen and

rights-to-housing movements with their bottom-up and grassroots logic; and on the other, the municipality with its more top-down and bureaucratic approach.

As an additional challenge, this cooperation was to be built in the context of a EU-funded project, its calendar and administrative requirements. But this challenge was taken on by both sides for good reasons.

Citizen movements as a response to the housing affordability crisis

In response to the housing affordability crisis, in Europe and beyond new right to housing movements have emerged. They have mobilized citizens around the concept of housing commons that sees housing as a social good that needs to be protected against its commodification and financialisation, in particular on the back of vulnerable tenants.

As part of this trend, cooperative housing has seen a renaissance as model for the citizen-led production of affordable housing (Ferreri & Vidal 2021). The cooperative model's inherent characteristic to act on de-commodifying housing, to be constituted democratically and to be able to mobilise self-help provides a suitable model to channel citizen engagement towards the creation of affordable housing.

Ferreri & Vidal
2021 - Mara Ferreri
& Lorenzo Vidal.
2021. Public-
cooperative policy
mechanisms
for housing
commons,
International
Journal of Housing
Policy.

In the recent past, however, cooperative housing initiatives have often not reached a sufficient scale to have a significant impact on the housing market and to address housing needs. High initial investments needed to create de-commodified housing have made it difficult for cooperatives to really take off and grow. As a consequence, many cooperative housing projects have remained restricted to a select few - typically citizens who may well have a precarious position on the housing market, but who do not count among the most needy. This is where the partnership between municipalities and cooperatives can make a difference by mutually complementing each other in the production of affordable housing:

“In the times and places where cooperative housing has expanded beyond the margins, however, state support and recognition stand out as key enabling factors. In these contexts, cooperatives have sought to balance their independence with access to external resources and expertise (Mullins, 2018; Mullins & Moore, 2018) developing a relationship with the state that could be characterised as one of ‘embedded autonomy’ (Ganapati, 2010)”

Ferreri & Vidal 2021

With housing cooperatives struggling to make a difference at a greater scale, and public authorities needing a broader basis to develop housing policies that are up to the challenges, public-cooperative collaboration comes in as a potential solution.

On the side of municipalities overburdened with the costly task of providing social housing, often with little or no support from other governments, the collaboration with housing

cooperatives promises to increase local capacity by injecting social capital and collective intelligence, for instance, in detecting empty flats that can be used for affordable housing; and to widen the social base, democratic legitimacy and diversity of housing policies.

On the side of housing cooperatives, the collaboration with municipalities can help to overcome limitations, in particular in access to capital and land, and in technical support and know-how, e.g. in questions related to the management of housing.

Exploring and testing the potential of this cooperation is the main contribution of Yes, We Rent! to innovation of public housing policies.

Creating a housing cooperative from above

Yes, We Rent! accompanied and supported the creation of a housing cooperative to manage the flats mobilised in the project. In this way, the flats would become the foundation of an affordable housing stock under cooperative management that would continue to incorporate new flats after the end of the EU-project phase.

After the process for attracting owners to the affordable housing scheme had begun, in February 2020, the Yes We Rent! partner Fundació Unió de Cooperadors made a call to citizens to participate in the constitution of a cooperative. Around 50 citizens went to a first meeting, which soon led to a core group of ten who withstood the difficulties that the pandemic imposed to develop the cooperative. Of this group, 2 people were eventually contracted to become the first technical team to accompany the process of constitution of the tenant cooperative Bloc Cooperatiu.

“We were faced with the task of setting up something that did not yet exist, that had never been done before, and I still remember that they told us “this project is an experiment”. We did not know where we would go, but in spite of this, 10 to 15 of us who were interested to dedicate our time to figure out how this could work came together.”

Ivet Compañó, Bloc Cooperatiu

There was a contradiction between the usually lengthy process of setting up a housing cooperative and the context of a EU-funded project, with its expectation to have a cooperative running within a couple of years, in which this happened. The restrictions imposed due to the pandemic also made it difficult for the founding members of the cooperative to meet, to build trust among each other and to develop the project further.

“The rhythm of the EU-project put pressure on the constitution of the cooperative. We are talking about building a community in a participatory process, and those of us who have participated in this type of experience know that they are not fast. Because participatory and community processes often get stuck in self-reflection, assembly decisions are slow, in all the processes, in which many people participate, there is a great diversity of opinions and ideas and they slow us down. Here, the project forced us to go fast, which had both a downside and an upside. We would not be where we are, I think, if we were not immersed in the framework of the European project with this limited time.”

Ivet Compañó, Bloc Cooperatiu

Another particularity is that Yes, We Rent! - as a municipality led project, set up a cooperative “from above”, with the city council being present from the outset and providing support accompaniment. These atypical conditions created frictions, but they helped to put the focus from the outset on the project as a pilot for testing the potential of tenant cooperatives as instrument of public housing policies.

“This is not a project that comes from the citizenry, but from the public administration. Normally we as citizens come up with a project, set up a cooperative, an association or a federation of associations. You set it up with the money that you have. Not here. Here we set it up with the money of the European Union, under the coordination of the city council, and you have a lot of money. And you say “Gosh, and on top of this they give me the opportunity to generate your own model of a tenants; cooperative. This is very powerful, but at the same time, it creates suspicions from cooperativists that “they will make us do things that we don’t want, we won’t be totally free”. But some will also say “this support of the public administration can also be very powerful and transformative.”

Lluís Ferrer, Bloc Cooperatiu

The engagement of the founding members together with the public support and the resources made available through the EU project helped Bloc Cooperatiu to take off very quickly. For legal reasons, the municipality could not become a member in the cooperative, as initially planned, which means that other legal forms of institutional or contractual cooperation have to be defined for the time after the end of the EU-funded project.

BLOC COOPERATIU'S CREATION: DATES AND NUMBERS

FEBRUARY 2020:

call to citizens to set up a tenants' cooperative

FEBRUARY 2021:

formal constitution of tenants cooperative Bloc Cooperatiu, first flats under cooperative management

SEPTEMBER 2022:

95 members have joined tenants cooperative (100 on waiting list), 61 flats managed by Bloc Cooperatiu

Other models of public-cooperative collaboration

City councils have a wide range of instruments to support the citizen-led production of affordable and social housing. Broadly speaking, they fall into the two categories: contractual relations in which municipalities provide services on behalf of the municipality, but remain institutionally independent; and institutional cooperation, in which public authorities join affordable or social housing provider together with citizens.

An example of the first case is the **Community Land Trust Brussels (CLT Brussels)**, which was initiated by the advocacy work done by a civil society platform, and which is now an association governed by a tripartite structure including the regional administration, organised civil society and inhabitants. Since 2021 there is a regional legal framework to regulate CLT and to allow for a sustainable funding.

In **Barcelona**, public-cooperative cooperation moved from a contractual framework, in which land was ceded to individual cooperatives in competitive bidding processes, to an institutional one through association agreements with non-profit organisations (the so-called "**convenis d'associació amb entitats socials sense ànim de lucre**", in short **convenis ESAL**). In this model, all actors of the cooperative housing ecosystem, including the city council, umbrella organisations, and not-for profit housing providers, form together a round table and on a regular basis co-decide on the allocation of building land in collective agreements.

The **Coin Street Community Builders, London** is a social enterprise with affiliated housing cooperatives operating at "arm's length" of the municipality. Founded in the early 1980s by the South Bank Action Group – a residents' movement against real estate speculation in this central area of London – it has proven the viability and scalability of its model. The initial impulse for this grass-roots affordable housing project was the Greater London Council selling industrial buildings at the South Bank to Coin Street Community Builders for 1m GBP. The Council was also once of the main credit providers for the cooperative.

Main types of public support for cooperative housing production according to Ferreri & Vidal 2021

(table 1, shortened and modified)

Access to land and buildings

- Sale of public land
- Long-term lease of land
- Reserves for social/cooperative housing in new constructions
- Transfer of management of buildings in need of renovation

Access to financing

e.g. public loans or guarantees for private loans

Direct subsidies

e.g. for social housing or housing cooperatives

Indirect subsidies

e.g. tax breaks for cooperatives

Technical support

e.g. training provided by umbrella organisations or public sector

Housing cooperatives mobilising and managing privately-owned housing

“Yes We Rent! fills a gap by putting a cooperative in charge of rent intermediation between private owners and tenants, a role which is usually taken by organizations that restrict themselves to a technical or managerial role.”

Joaquin de Santos, CLT Brussels

Yes, We Rent! represents an exception in public-cooperative collaboration in two ways. Firstly, while public support for housing cooperatives mostly happens in the form of ceding land and buildings, support for Bloc Cooperatiu consists in the municipality transferring temporary control over privately owned flats. This support provides the cooperative with seed capital and at the same time with an opportunity to develop its capacity in the management of housing stocks.

Secondly, Yes, We Rent! chooses a different path in mobilizing structurally vacant flats, which normally draws on public agencies, associations or even profit-oriented actors. Giving control over the mobilised flats to a cooperative allows building capacity in civil society in the production of affordable housing.

“The model of social rental agency is giving money to the owner. Then he renovates it and then it has to be rented out to a subsidized price and all of this is moderated by a public authority. But Yes We Rent is telling another story. This is something more stable and for the long term than just giving subsidies to an owner, putting a tenant into the house and after a certain period of time, the tenant has to leave and the owner can rent out this house which is beautifully renovated by taxpayers money. This is in our opinion, not as sustainable as building up a tenant cooperative who will then take care and full responsibility of the houses.”

Barbara Steenbergen, IUT

But this specific model of public support has only been the beginning of public-cooperative collaboration in Mataró. Now that the EU-funded pilot phase is over, collaboration will need to be reorganized to be sustainable in the long term.

Public-cooperative collaboration: from pilot to ecosystem

“The main recommendation I would make to the City Council is that it should not leave the project. There could be a scheme in which the involvement of the City Council decreases, but not too abruptly, not like, “ We help, we set up the project and then we suddenly disappear.”

**Eduardo González de Molina Soler,
UPF Barcelona**

With the end of the EU-funded pilot phase less resources will be available for the municipality and at the cooperative to invest in the partnership. The minimum support from the side of the city would consist in helping with the technical capacities to manage affordable housing, detect new flats and conduct renovations.

At the same time, the partnership citizen-led affordable housing production in Mataró can be broadened into an ecosystem involving more actors belonging to the cooperative sector or supporting it. With political commitment on the side of the municipality to further engage in the co-production of affordable housing, and a diversification of non-profit actors on the housing market, public support can extend to new instruments such as the cession of buildings and land for citizen-led social housing or the creation of new credit lines.

“In aiming to diversify the city's social and affordable housing providers, the city council should not just think about this cooperative but also try to create others.

Mataró, from a public policy point of view, is in the phase of a pilot project, where the city council is experimenting. Once it is clear that the model works, it will be scaled up to allow more actors to join. There are two arguments here. The first is that the City Council has to allow

competition and let other entities - also cooperatives, also social entities - enjoy support. The second is a risk criterion. If you only cooperate with one entity and it fails, the whole public policy in this sector fails with it. However, if there are more entities, if one fails, but the others do not, then the resilience of this policy can be strengthened. So it is necessary to diversify actors, also because actors can learn from each other, in the future these entities can generate a cooperative housing roundtable, as in the case of Barcelona, where they are all represented, they can form part of the Federation of Housing Cooperatives of Catalonia... So the idea is that they cooperate, learn from each other and if you have not a cooperative but an ecosystem, this ecosystem will have greater capacity to negotiate with the city council or with landlords.”

**Eduardo González de Molina Soler,
UPF Barcelona**

Barcelona's cooperative housing round table as institutionalisation of the co-production of social housing and public-cooperative collaboration

Barcelona's cooperative housing round table brings together the city's housing councillor and the commissioner for cooperatives with housing coops, cooperative banks and relevant Catalan social economy and social housing umbrella organisations (the network of the social and solidary economy XESS, the coordinator of foundations providing social housing Cohabitac, the umbrella of social housing providers GHS, and the Federation of Housing Cooperatives FCHC). Through the institutional cooperation, the group co-decides on the municipal land allocation to non-profit social housing providers.

Summary and outlook

Yes, We Rent! has developed a unique model of public-cooperative collaboration in the affordable housing provisions based on cooperative control over structurally vacant flats.

After the pilot phase mobilised a first stock of vacant flats for the affordable housing scheme, the municipality and Bloc Cooperatiu now need to define a legal and practical framework for their future cooperation that includes new actors.

While the end of the EU-project means that less resources will be available for the support of the project, it seems clear that the success of the initiative will depend on further accompaniment for Bloc Cooperatiu in developing its capacity to manage the housing scheme, in building up its housing stock and in becoming financially sustainable.

At the same time, the city and the cooperative will need to develop the pilot experience of public-cooperative collaboration into a wider and more diverse ecosystem of citizen-led affordable housing provision.

Yes, We Rent! Advisory Council

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