

ACCESS TO LAND & FINANCE FOR COMMUNITY-LED HOUSING

Short case studies from Africa, Europe and Latin America



This publication is a CoHabitat initiative led by World Habitat and urbaMonde.



CoHabitat is a network of different grassroots federations and umbrella organisations, as well as NGOs and academic institutions working in the field of community-led housing, working together to secure housing rights through collective, non-speculative, people-led solutions.

co-habitat.net



World Habitat is an independent charity working internationally to help bring the best housing to the people who need it the most. Since 1986, World Habitat has organised the annual [World Habitat Awards](#) (in partnership with UN-Habitat) rewarding inspiring initiatives - many of them led and inspired by the community - from across the world as well as providing opportunities for knowledge exchange and peer learning. In 2018, World Habitat launched the [Global Community-Led Housing programme](#) to support the community-led housing sector to increase knowledge and capacity for housing to be created by - and for - communities. World Habitat contributes financially and strategically to urbaMonde's work, including the co-ordination of the CoHabitat Network and the production of this publication.

world-habitat.org



UrbaMonde is a non-profit organisation founded in 2005 in Switzerland and in 2015 in France. Its mission is to promote community-led housing locally and internationally. Convinced that inhabitants and users of urban spaces should be at the center of all processes that produce the city, urbaMonde's mission is to support groups of inhabitants who implement community-led housing projects and who are committed to making their cities more sustainable and inclusive. Since 2014, urbaMonde co-ordinates the CoHabitat Network, and it is within this framework that urbaMonde has conducted this study.

urbamonde.org

INTRODUCTION

It is Urban October again, and everybody is invited by the United Nations to reflect on how we live on earth as human societies, in urban, peri-urban and rural areas. The United Nations Conferences on Biodiversity (COP15) and on Climate Change (COP26) will also take place this October (2021), with alarming analysis about how we humans are responsible for the mass extinction of species and the climate emergency with its international consequences - which are now too long to be listed. The way we produce, transport and consume resources and energy, the way we transport ourselves, and the way we use and contaminate the earth has irreversible impacts that cannot be ignored. And so does the way we produce our living environment.

Community-Led Housing (CLH) refers to a multitude of practices where people unite to collectively take control of the planning, managing and - sometimes - constructing or improving their living environment, including housing, communal or public spaces, areas for recreational or income generating activities, amongst others. CLH is extremely diverse and is not a guarantee for a more environmentally-friendly construction or a low carbon footprint way of life, but it definitely **offers people the power of taking collective decisions about how to live.** As this CLH project-review shows, the participation of the residents, the interactions with the neighbourhood - and the collaboration with public authorities and other stakeholders - leads to comprehensive projects, including innovations in eco-conception and energy-efficiency, affordability, circular and solidarity economy, social inclusion, and mutual care among neighbours.


In any case, CLH projects always involve a two-fold complexity: **how to access land that comes with tenure security**, and **how to access affordable and inclusive finance.** These elements will be at the heart of this case-study review.

Who we are and what we do

The [CoHabitat Network](#) is an informal network of organisations which seek to promote **community-led housing as a concrete and sustainable way to build cities for - and with - citizens.** It started in 2014 in Geneva (Switzerland), in a gathering organised by urbaMonde which has since co-ordinated events and meetings of this growing network of partners. Funding for the CoHabitat Network has been received from World Habitat, the Fondation pour le Progrès de l'Homme (FPH) and the City of Geneva.

Over the last few years, urbaMonde, World Habitat and other network partners have organised **regional Community-Led Housing Awards (CLH Awards)** with the objective of promoting the international recognition of the transformative potential of community-led housing, as well as the dissemination of inspiring practices.

CoHabitat Network's CLH Award has been organised in the following years and regions, recognising and showcasing the work of 27 organisations from 24 different countries.



	2015	2016	2017	2019
Latin America	3	3	5	
Europe		4	4	3
North America			2	
Africa				3

To learn more about these projects, see their descriptions on [the following Map](#).

Winners of the CLH Awards are directly integrated in the shortlist of the [World Habitat Awards](#) competition - which is organised annually by World Habitat, in partnership with UN-Habitat. The panel of external judges of the World Habitat Awards is composed of international housing experts including the Executive Director of UN-Habitat (the United Nations Programme for Human Settlements). Some of the CLH Award winners were ultimately selected as winners or finalists of the World Habitat Awards.

Winners of the CLH Award are then invited to share their experiences during **Regional Meetings**, also organized and coordinated by the CoHabitat Network, back-to-back with other regional or international events like Habitat III, the International Social Housing Festival or the UN-Habitat Assembly. At these meetings, civil society organizations, grassroots federations, local communities, academic actors and other stakeholders have a space to meet and share knowledge and ideas, thus creating a space for community-led housing allies and pioneers to promote people-led solutions and strengthen the movement. According to the context, those meetings are focused on advocacy work, experience exchanges and peer-to-peer learning.

Besides the organisation of the Regional CLH Awards and Regional Meetings, another important tool of the network is its **open and collaborative database** [cohabitat.io](#). The database aims to document and share information on different community-led housing projects located all over the world. By exploring the scale of CLH and documenting how different initiatives came to exist - through their context, models, financial and land mechanisms, difficulties and obstacles, organisation and management, partners - the database is an important resource to inspire people-led initiatives and it showcases the diversity of existing solutions. We wholeheartedly invite you to visit [cohabitat.io](#), join the community and contribute by documenting your project and/or organization!

Finally, **the CoHabitat Network promotes solidarity finance** through a pilot initiative called **Habitat Solidarity Fund** - a financial tool managed by urbaMonde. Aware that access to affordable and ethical finance is a major obstacle for community-led housing, the Habitat Solidarity Fund connects donations and loans made in Europe - usually involving funds from Swiss housing cooperatives - with local revolving funds managed by grassroots organizations and their technical support NGOs for home improvement (Senegal) and cooperative housing construction (Nicaragua).

Throughout the year, the CoHabitat Network organises and promotes a series of different activities, including **events, publications, peer-to-peer exchanges**, among others. In order to keep informed about all our activities, as well as our partners' - everyone is welcome to subscribe to [the Network's newsletter](#).

Goal of this publication

This short publication reviews some of the winning projects of the CLH Award by focusing on how they managed to secure land and accessed funding to plan and build, refurbish or improve, their living environment. It will be followed by **a second publication** - in the months to come - that will focus on lessons from other projects.

It is urbaMonde's belief that, **despite their diversity of local contexts and particularities, these practices can inspire other people** who are trying to conceive or strengthen CLH projects, especially given that access to affordable finance and access to land tend to be some of the main obstacles for developing CLH all over the world.

Through the following case studies, you will learn about several different land and financial mechanisms used by projects in the United Kingdom, Colombia, Argentina, Spain and Senegal - thus exploring a variety of contexts while exposing their difficulties, hopes, opportunities and ultimately presenting the solutions found by those groups of people.

The **first case** explores how a **Liverpool-based Community Land Trust** managed to revitalise an entire neighborhood, preventing demolitions, gentrification and bringing back to place its original community. Benefiting from different financial sources - which included an interest-free loan, a grant, fundraising schemes, a land allocation by the City Council and income generating activities - the **Granby 4 Streets CLT** was able to refurbish 11 houses and build a community winter garden. The land, property of the CLT, ensures that houses will remain permanently affordable as no speculation can be made.

The **second case** explores how a small group of people from urban areas decided to change their lifestyles by founding an **ecovillage in the Colombian countryside**. Through the resources of the associates, and community income generation activities, the group was able to purchase a plot of forest land, later transferring its ownership to their founding association, **Aldea Feliz**. Houses were partially built through self-building and the selling price is limited to avoid speculation and keep houses permanently affordable. *Aldea Feliz* shows the importance of collective effort to create affordable housing with a quality of life.

The **third case** presents how a strong community mobilisation in the Argentine Patagonia has led to the **transfer of ancestral Mapuche land from the State back to its original people**, the Curruhuinca community. With the support from grants and loans for the low-income households, the **Barrio Intercultural** provided affordable and adequate housing for 110 households on land that cannot be sold or rented. The project combined government support and self-build, and aims to build 250 dwellings with a high standard of environmental protection and culturally adequate design and architecture.

Back to Europe, **the fourth case** explores **La Borda housing cooperative in Barcelona**, the first cooperative in Spain to implement the “grant of use” model. La Borda was also innovative in the environmental sustainability of its building as well as in the financial mechanisms used by the project. Completely financed at the margins of the conventional financial system, La Borda managed to combine residents’ savings, subsidies and also partner with an ethical financial cooperative and other organisations from civil society, which wholeheartedly supported the project for its ground-breaking implementation.

Finally, in Senegal, **the fifth case** describes the fundamental work developed by the **Senegalese Federation of Inhabitants** with the technical support NGO urbaSEN, in its **Home improvement and reconstruction programme**, aimed at improving the living and housing conditions for households affected by the recurrent floods in the suburbs of Dakar. The programme is based in community mobilisation and community finance, through the establishment of a **Revolving Fund for Urban Renewal**, which uses community savings, international cooperation, as well as solidarity loans from the [Habitat Solidarity Fund](#).

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Finally, but not less important, we want to acknowledge the work of the communities that inspire us and are the principal actors of change that deserve to be better known. Specially, we would like to thank the people who gave time for an interview for this publication: Astou Mbengue (Senegalese Federation of Inhabitants), Carlos Rojas (Ecovillage Aldea Feliz), Hazel Tilley (Granby 4 Streets Community Land Trust), Helena Febres (La Borda Cooperative), Magatte Diouf (urbaSEN), Nelson Ulloa (Vecinos Sin Techo, Barro Intercultural).

SUMMARY



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GRANBY 4 STREETS COMMUNITY LAND TRUST

LIVERPOOL, UK



Saving houses from demolition and a neighbourhood from gentrification

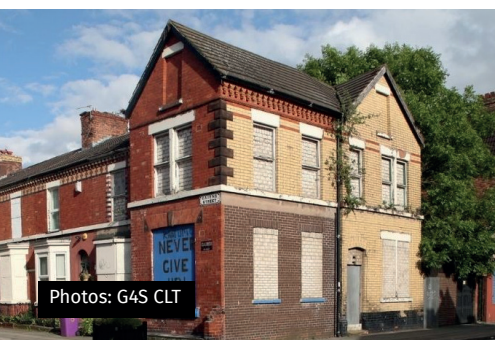
In a culturally-mixed and poor neighbourhood of Liverpool, Granby 4 Streets Community Land Trust (CLT) emerged from a resident group that campaigned against the demolition of traditional brick houses and the relocation of the community. By revitalising the neighbourhood and attracting people from other areas through the implementation of different activities, **Granby Residents Association (GRA)** progressively gained attention and funding to stop the demolition process and restore empty houses. Today the renovated homes are prioritised for families who grew up in Granby and that left when it became a stigmatised neighbourhood or when they had been displaced by demolition plans.

The community successfully **halted the demolition** of the buildings in four of the 14 streets of the district and set up a **Community Land Trust (CLT)** to prevent buildings from being sold for purposes that do not serve the community. CLTs are usually non-profit organisations which hold land in trust for the benefit of the local community by maintaining long-term affordable housing, commercial and service areas, and/or in some cases land for farming, urban agriculture and public spaces. This community-driven tool was developed in the United States in the early 1970s and CLTs have progressively appeared in Canada, the UK, Belgium, Puerto Rico, and are now in development in other countries.

In Granby, the project is still of a very small scale, with 11 houses for residential uses (six rental and five ownership homes), but its **long term goal is to renovate all houses in the Granby triangle**, which has a potential of providing homes for **250 families** in housing need.

Timeline

- 1993** Creation of GRA
- 2010** Local market and house painting
- 2011** Creation of the CLT
- 2014** Property transfer of 10 homes to the CLT
- 2015** Winning of the Turner Prize
- 2016** Winner of the European Community-Led Housing Award
- 2016** Finalist of the World Habitat Award
- 2019** Inauguration of the Winter Garden



Photos: G4S CLT



Land negotiation

Granby is a small area of Liverpool and its community is amongst the poorest in the UK. It is **the most ethnically diverse area of the city** and reportedly home of the **UK's oldest Black community** (400 years). Although this was historically a thriving and active community, during the 1970s the economy of the area began to decline. Residents experienced high levels of unemployment and increasing levels of poverty, and conflicts between the authorities and the residents led to the 1981 "Toxteth Riot". In the 1980s, as more and more shops closed and a housing association left the Granby area, empty homes began to appear, leading to more stigmatisation and dereliction of the neighbourhood. Liverpool City Council's response to these issues was highly controversial within the local community: it acquired hundreds of houses in the area for demolition. New houses were built in some areas but others were left without redevelopment. Allocation policies for the new houses were also perceived as promoting gentrification, breaking up the original community. Only four streets were spared from demolition. But even there, most of the houses were acquired by the council and housing associations, bricked up and left vacant.

In this context, members of the community created the **Granby Resident Association**, which started cleaning and painting abandoned houses and the nine inhabited houses that were left in the neighbourhood. Over social media and local radios, they reached out to people who lived there several years before to ask if they would be interested in coming back to Granby. Quickly they proved the desire and need for housing in the area.

In the meantime, they were inspired by the example of Newcastle where the City Council empowered people to regenerate empty houses, and learned by 'word of mouth' about an existing CLT in England. It took a long time to set up, but Granby 4 Streets is the first CLT in England to own the land under existing buildings in an urban area. **Created in 2011**, the CLT received the **property of 10 empty houses from the City Council in 2014** and started working with an architect studio to restore them.

In 2015 the CLT won the prestigious UK "Turner Prize" for visual art by the Artists' collective Assemble which recognised the positive use of art within the house-improvement process in this grassroots fight against gentrification in low-income neighbourhoods. The Turner Prize provided a lot of positive visibility and international recognition to Granby, with visitors coming from across the UK and from several other countries. It also facilitated fundraising which allowed the CLT to buy and refurbish **two other homes for residential use, and the building of a glass roof over two derelict houses**, which became a **community Winter Garden**. Inaugurated in 2019, the Winter Garden is a place for ecological gardening but also educational workshops and community social life.

Financial mechanism for land and constructions

The project really started to grow when a social entrepreneur lent an **interest-free loan of GBP 500 000 over two years**. They also managed to receive a **grant from the Lottery Fund** for another **GBP 500 000**. With this capital, **10 empty houses were bought by the CLT from the City Council for a symbolic pound each**, and were refurbished by the community and architects. Unfortunately, two houses were in too poor a condition and were unviable for refurbishment as homes. Nevertheless, they had the idea to transform them into a community Winter Garden, partly funded by the Arts Council. The CLT applied to Liverpool Council for more houses to renovate and received another three houses in a row.

To repay the loan, the CLT had to **sell five renovated houses but kept the ownership of the land**. The leasehold agreement with the buyers of these five houses stipulates that the buildings **cannot be sold at the real estate market price**, but at a value related to the local medium income, which ensures it will **remain affordable** for local people. Since the residents have moved in, these houses have not been resold by their first occupants. The other **six houses are rented through a small housing association**, which manages approximately 100 units in Liverpool, especially to people of colour. All the generated rent income stays within the housing association which pays a rent to the CLT. Additionally, the CLT owns the

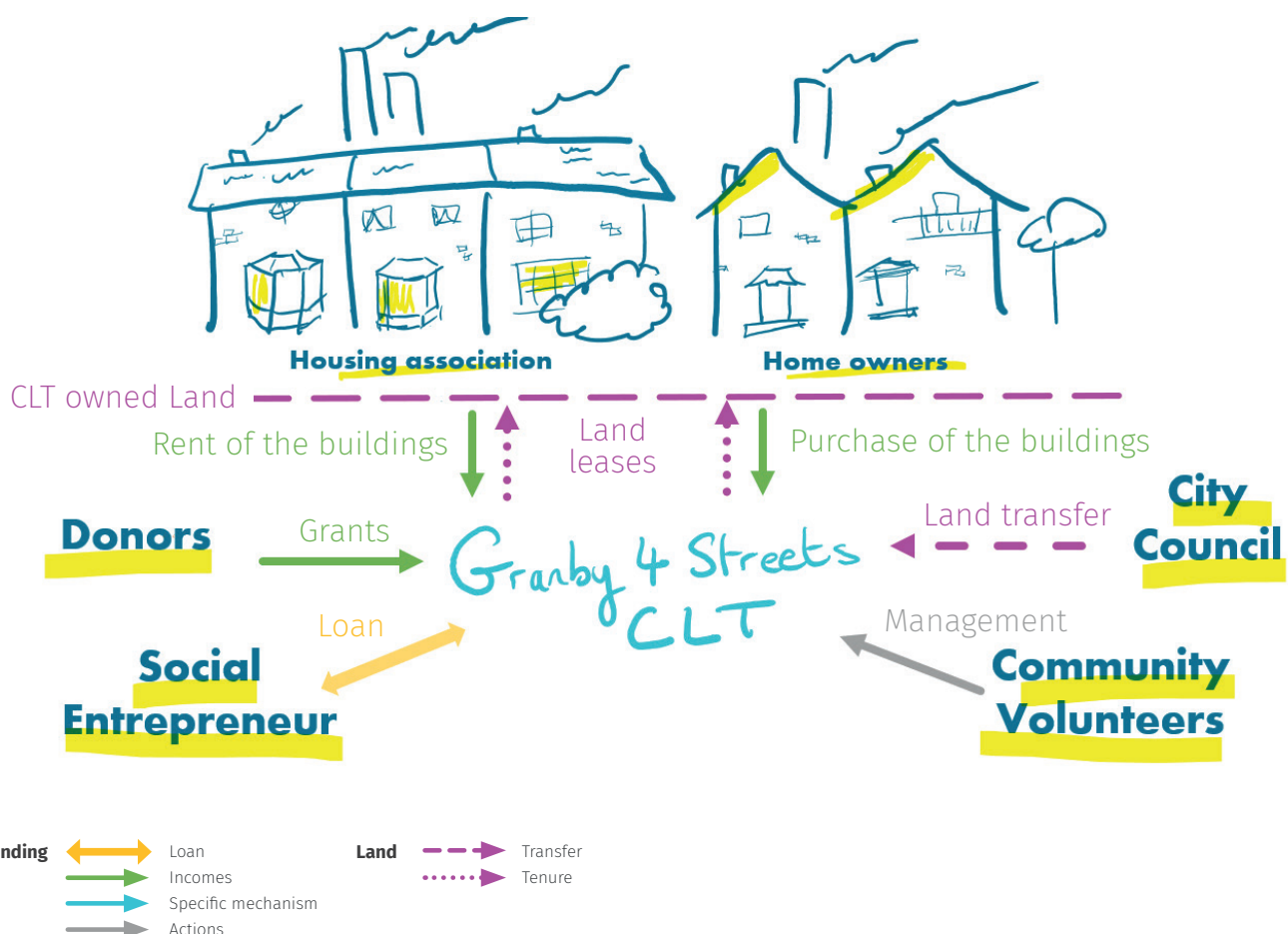
Winter Garden and other plots of land where new houses could be built. However, it is not easy to develop new projects since legal costs are quite high and the City Council currently does not offer support for this.

“If you’re a black, brown or Muslim person from Granby your chances are limited. But for us, it matters that people have dignity and aspirations that aren’t just living on the street with poor choices”, says Hazel Tilley, a 66-year-old Granby neighbour, who has been part of the community group since it started. When she was 35, she was threatened with eviction from her newly bought house, which the City Council wanted to demolish.

Hazel is one of the current board members from the CLT together with three CLT residents, one housing association representative, one housing developer representative and a university teacher. Even though the CLT board can have up to 12 members, it currently has only seven. At the beginning, an advisory person from the City Council took part in the board without voting rights, but not anymore.

Currently, the CLT relies on the work of **15 to 20 volunteers**, but is seeking to hire a permanent staff person to fundraise and generate income for the improvement works to the existing houses and eventually to develop new projects including housing, shops and other community development projects. For example, the vintage market that attracts people from beyond Liverpool takes place only once a month and could happen more often, diversifying products and generating more income for the community. Furthermore, given the climate emergency related issues, **refurbishing the existing buildings** is already of a **lower carbon footprint and contamination than demolishing and reconstructing new ones**, but the CLT wants to generate high environmental quality insulations and improvements of the homes, which can be expensive.

While the community mobilisation has saved the existence and spirit of the Granby neighbourhood and set the basis with the CLT model for permanent protection from evictions for tenants and homeowners, **the scaling up and thriving phase has not quite been reached yet**. Young people are needed to inject new energy and creativity, and to build on the legacy of the elderly activists who developed fundamental skills and aspirations to see their neighbourhood revived.



ECOVILLAGE ALDEA FELIZ

SAN FRANCISCO, COLOMBIA



An ecovillage in collective ownership

In 2006, a small group who wanted to buy a piece of land of 3.5 hectares in a natural area outside Bogotá put together an open call to encourage more people who were interested in planning an **ecovillage**. After 6 months of searching, they found a piece of land with the possibility of paying the owner over a period of two years, while new people joined the project. The ecovillage group consists of **15 households (21 people)** who had to contribute around **USD 1500** each to purchase the land. In 2009, they transferred the land to the “**Aldea Feliz**” association (Happy Village, in English) to steward it for the group and protect it from speculation.

The construction of the houses and collective buildings was financed through the **resources of the associates** (savings, loans) and through **community income** - made jointly through different activities (crops, events, visits, volunteering, etc.). The central focus was on protecting the natural environment, using **local materials and sustainable technologies**, and allowing each family to realise their own unique design - their dream house.

Over 6 years, they built **10 houses** and **several collective buildings**. Local master builders were contracted for half of the construction work, while the other half was carried out directly by the residents and volunteers with no previous experience.

Timeline

- 2006-2008** Land purchase by the original households
- 2009** Transfer of the land to the *Aldea Feliz Association*
- 2013** Training on sociocracy for equitable governance
- 2016** Knowledge sharing with Ecovillage networks
- 2017** Winner of the Latin American Community-Led Housing Award



Land negotiation

The land was purchased by the residents from a landowner and then donated to the **Aldea Feliz Association (AFA)** which retains ownership. Each household took out a bank loan over two years to pay for the purchase of the land, but they could not apply for public housing subsidies since in Colombia these are only granted for constructions on individual ownership land, and not in collective or associative ownerships.

There are two types of members of the association: residents and non-residents (who live in the surrounding villages and are interested in the project), but the land is not subdivided. AFA owns the land and each resident household has a **right of use on the part of the ecovillage where they chose to build their home with the agreement of the group** (some on the ground, others on a slope or in the trees). This right of use is legally established through a **commodatum contract which can be inherited and sold under strict conditions to avoid speculation or empty homes**. This collective property is self-governed through sociocracy (an innovative system of horizontal and equitable governance inspired by nature in terms of mechanisms that help further both individual and group benefits).

The approval of the location, size, design and master plan of the dwellings, the building permits for each house, as well as the inclusion of each new family, have been **decided at assemblies by consent**, a participatory and organic method of decision-making. The Association owns the communal facilities (community kitchen, living rooms, ancestral home, vegetable gardens, etc.) and in case a house remains empty because the owner doesn't use it as its principal residence, the community can manage and use this house. 90% of the total land belongs to the AFA and 10% is made up of public infrastructure owned by the municipality.

Financial mechanism for land and constructions

For the construction of the houses, each family took a loan or invested their savings individually, but the cost of materials was optimised through **collective purchases, exchanges of materials and community work** (called "minga"). Some people also worked on other residents' housing sites in exchange for materials or money. By carrying out income-generating activities through the association, it was possible to raise resources for community works (pathways, services, transformation of an old house into a community hall, community kitchen, shared spaces, etc.).

Each family designed their homes according to their needs, with technical advice from residents who are engaged in technical trades or from architecture students who did internships in the village. Other residents supported the collective process with childcare, cooking or coordination of non-resident volunteers - who came to support and learn about low-cost ecological construction with earth, bamboo and native wood; ecological systems for processing organic materials, human waste and grey water systems; as well as the social technologies to manage interactions between people.

All the houses are different and have achieved both low costs with high quality since 1) they cover a small surface area (on average 30-35 m²); 2) they share several communal services (laundry, kitchen, dining room, vegetable garden, common garage); and 3) all the roads are pedestrian, without the presence of vehicles. The villagers' food, cooking and maintenance labour as well as services, including WiFi Internet, are paid for through the profits generated by organising a collective economy which includes holding educational events; hosting visits of the ecovillage; growing organic coffee and vegetable gardens; and renting community spaces for workshops and events.

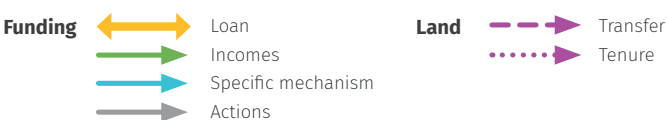
In total, around **USD 200 000** have been invested in the project and, on average, each family has invested around **USD 10 000** in their home. However, AFA considers that the **collective effort has generated a quality of life that would have cost each household USD 200 000 if they had sought to generate it individually** (nature, healthy food, single-family home, security, care, school for children, technical and social skills development).

In 15 years, there was a 20-30% turnover of residents, particularly those who expected to create a business locally, once settled, but did not succeed. The people who stayed were those who were able to live with less money or adapt their work routines with living far from the city, through remote working, agricultural activities, services to the community of the village, and the surrounding area (such as the village school attended by seven children from the community and seven from the neighbourhood).

When someone leaves, the person can transfer the right of use to families interested in coming to the ecovillage (there is a long waiting list). The newly selected families pay for their house in **instalments adapted to their income**. The cost of the houses was set at two times the minimum wage per square metre (**around USD 400/m²**). Depending on the surface area, the price of the houses ranges from **USD 4 000 (10 m²)** to **USD 30 000 (75m²)**. These costs are far below market prices on purpose, in order to prevent speculation and keep housing affordable for new households chosen by AFA assembly. However, through this rule, the profit from the sale of a house makes it difficult to afford a new home outside the Ecovillage. The project encourages the community to have positive ways to resolve conflicts and heal human relationships through social and community technologies, such as Non Violent Communication (NVC), in order to minimise separations within a household or tensions between households for which some people might want to leave.

The Association is self-governed through **sociocracy** and its educational processes are inspired by the “chimigagua matrix” which contemplates the development of the self, the family and the community in the mental, ecological, emotional and cultural dimensions. At this point, conflicts are minimal due to the great capacity residents have acquired to confront and manage them.

“It is one of the most valuable things here, and it is the most valuable thing that can be taught to others. A house is easy to build, an emotional culture is much more difficult to build and pass on to future generations”, Carlos Rojas, resident at Aldea Feliz.



Sources: Interview with Carlos Rojas, resident at Aldea Feliz, and Aldea Feliz blog. More resources on page 22

BARRIO INTERCULTURAL

SAN MARTÍN DE LOS ANDES, ARGENTINA



Free restitution of land for housing by the state to an indigenous community

In 2006, a group of families who were renting or living with relatives in San Martín de los Andes (in the north of the Argentinean Patagonia), began to worry about access to affordable housing. They discovered that, due to tourism, around **2500 families in this town of 40 000 inhabitants were unable to afford their own housing**. They founded the organisation *Vecinos Sin Techo por la Vivienda Digna* (VST-VD – Homeless neighbours for dignifying homes, in English) and began to search for available land to build housing. They managed to find a large plot of land (400 ha) owned by the Argentinean state with a lease to the army, that was unused for several years.

The neighbourhood organisation set up a community radio station and held assemblies to communicate about this plot of land and the possibilities of reclaiming it for affordable housing for low-income families. By joining with a Mapuche Curruhuinca community (Lof), whose ancestors lived on this land, and with a lot of persistence and technical support from professionals, they managed to get the National congress to pass **a law that ceded ownership of the land to the Curruhuinca community** (National Law 26.725).

The ownership of the land under the **250 dwellings** planned for the resulting Intercultural Neighbourhood was to remain **communal and not individual**.

Timeline

- 2006** First VST-VD Assembly
- 2011** National law on land restitution (National Law 26.725)
- 2011-2012** Participatory neighbourhood design
- 2014-2016** Construction of the first 56 houses
- 2015** Winner of the Latin American Community-Led Housing Award
- 2016** Finalist of the World Habitat Award



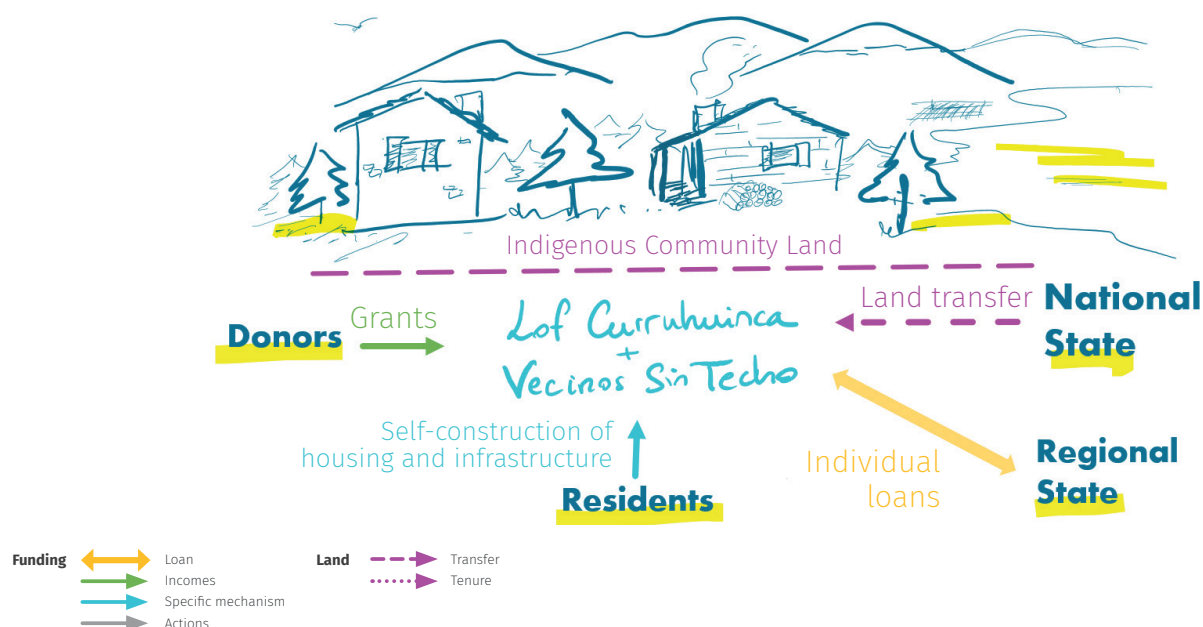
Land negotiation

Through the advocacy of the VST-VD group and the Mapuche Community Lof Curruhuica, the Argentinean Chamber of Deputies and Senate passed a national law ordering the restitution of the 400 hectares state lands to the claimant indigenous community at no cost. This law opened the way for other communities to do the same in Argentina. The houses built on the community lands cannot be sold or rented and they can only be occupied and transferred to family heirs. Participation in community activities (assemblies, community work, etc.) gives households a score, on the basis of which priority is given to the households, to start building their own houses on the communal land.

Financial mechanism for land and constructions

In the first phase of 56 houses, the **families created a work cooperative and participated in the construction of the houses, community facilities and the connection of services** on site (water, drainage, underground electricity, internet, a bus route), and the installation of a gas network is being planned. The technical advice, as well as the cost of the infrastructure, was paid by the State. In addition, they received a State loan of approximately **USD 30 000** per house for the purchase of materials and to compensate for the time invested by families in the self-construction. In addition to the labour in the mutual-aid days, each household contributes with a **solidarity fee each month to the residents association** (USD 7) - to pay for the investment in infrastructure and improvement of the neighbourhood. Each family will have to repay - in instalments - the loan to the State of Neuquén for the construction of their house. For the moment, repayment has not yet started and residents do not have clarity on what the repayment conditions will be. The Curruhuica community and VST-VD are currently advocating for the repayment of the individual credits to be made to a fund managed at the municipal level, which would allow investment in services and equipment locally in San Martín de los Andes, but this was not achieved yet.

The construction continues to progress in the collective work days on Saturdays and Sundays to reach the goal of **250 dwellings** in the Intercultural Neighbourhood. **Each group of 14 houses has a shared communal house for collective use** (recreational, educational or other activities), and the neighbourhood shares a common storehouse, an apiary and a vegetable garden. To reduce their environmental impact and respect the Mapuche cosmovision, the design of the buildings seeks **to impact the vegetation and soil as little as possible**. In addition to the bioclimatic design, local materials, and renewable energies - wood-saving stoves and dry toilets have been introduced. The inter-cultural, social and environmental process, together with the historical milestone of a South American state giving land back to an indigenous community, makes the Intercultural Neighbourhood a unique project, with the potential to inspire many more. *“The Social Production of Habitat is to have dignity in order to live. Housing is not a political issue, it is something necessary that dignifies you”*, Nelson Ulloa, resident.



LA BORDA COOPERATIVE

BARCELONA, SPAIN



Paving the way for collaborative, non-speculative, sustainable and affordable housing in Spain

La Borda is a pioneering housing cooperative in Barcelona: **the first in Spain to implement the model of “grant of use” - which is a model characterised by the collective ownership of the housing property.** The cooperative was formally established in 2012 by a group of residents of Can Batló neighbourhood.

The project developed within the framework of Can Batló urban rehabilitation - a former industrial site located in the district of Sants-Monjuïc. Since the 1970s, the municipality had planned for the area to be for a public use, but years went by without any initiative from government bodies. In response, in 2011, a neighbourhood platform decided to occupy and self-manage the site and, in negotiation with local authorities, transformed those spaces for communal use in a participatory way.

In search for a solution for adequate, affordable, democratic and non-speculative housing, a group from the neighbourhood collective began studying the Uruguayan and Danish cooperative models, which ended up inspiring the **creation of the “grant of use” model.** The collective then brought a proposal to the City Council for a **collective ownership housing project**, in which **the municipality would not sell the land, but instead lease it for a period of time.** Since part of the plot in Can Batló was originally destined for social housing, the project was embraced by the municipality.

Therefore, the model ‘grant of use’ was approved with the **collective ownership of the buildings held in the form of a housing cooperative, while the land remains public and leased for periods of 75 years.** The building has **28 apartments and several shared spaces**, such as a multipurpose room, a utility room, a guest room and a communal garden, which aim to foster and strengthen communal life.

To be part of the cooperative, residents must be registered to access social housing. This implies, among other requirements, for the household to be below an income threshold and to be in need of adequate housing. Therefore, La Borda has a strong **social purpose of providing affordable and inclusive housing** in a city with a very limited accessible housing market.

Besides its social purposes, La Borda has a **strong commitment to the environmental sustainability of its building.** Besides being the **tallest wooden building in Spain**, the whole housing project was also conceptualised in order to promote energy efficiency and to minimise impacts in all its life-cycle stages. Through energy efficiency, another main goal is to **eliminate the possibility of energy poverty among users**, given the high costs of energy and low incomes.



Timeline

- 2012** Creation of the cooperative
- 2013** 'Grant of use' model proposed and accepted by municipality
- 2016** Winner of the European Community-Led Housing Award
- 2017** Constructions began
- 2019** Residents moved in + World Habitat Award Bronze winner

Land negotiation

The project La Borda is constructed on public land and **leased** by the municipality for a **renewable 75 years period**. The idea is that the land remains public so that land speculation is avoided and the project remains affordable for further generations. The lease includes an annual fee of approximately EUR 4 000.

Financial mechanism for land and constructions

The total cost of the project was EUR 3 246 560. Initially, La Borda searched for financing in various commercial banks, but once the project presented itself as a cooperative with collective property and not as individuals, it faced distrust since the model was completely unknown until then. The collective, therefore, started searching for **ethical sources of financing** and the whole financial mechanism ended up being articulated outside the conventional financial system.

In Catalonia, there is a strong culture around social and solidarity economy and the cooperative movement has a long history in the region. La Borda then managed to partner with a **financial cooperative, Coop 57**, which promotes, supports and finances projects that contribute to the social and solidarity economy and which spotted the ground-breaking potential of the project .

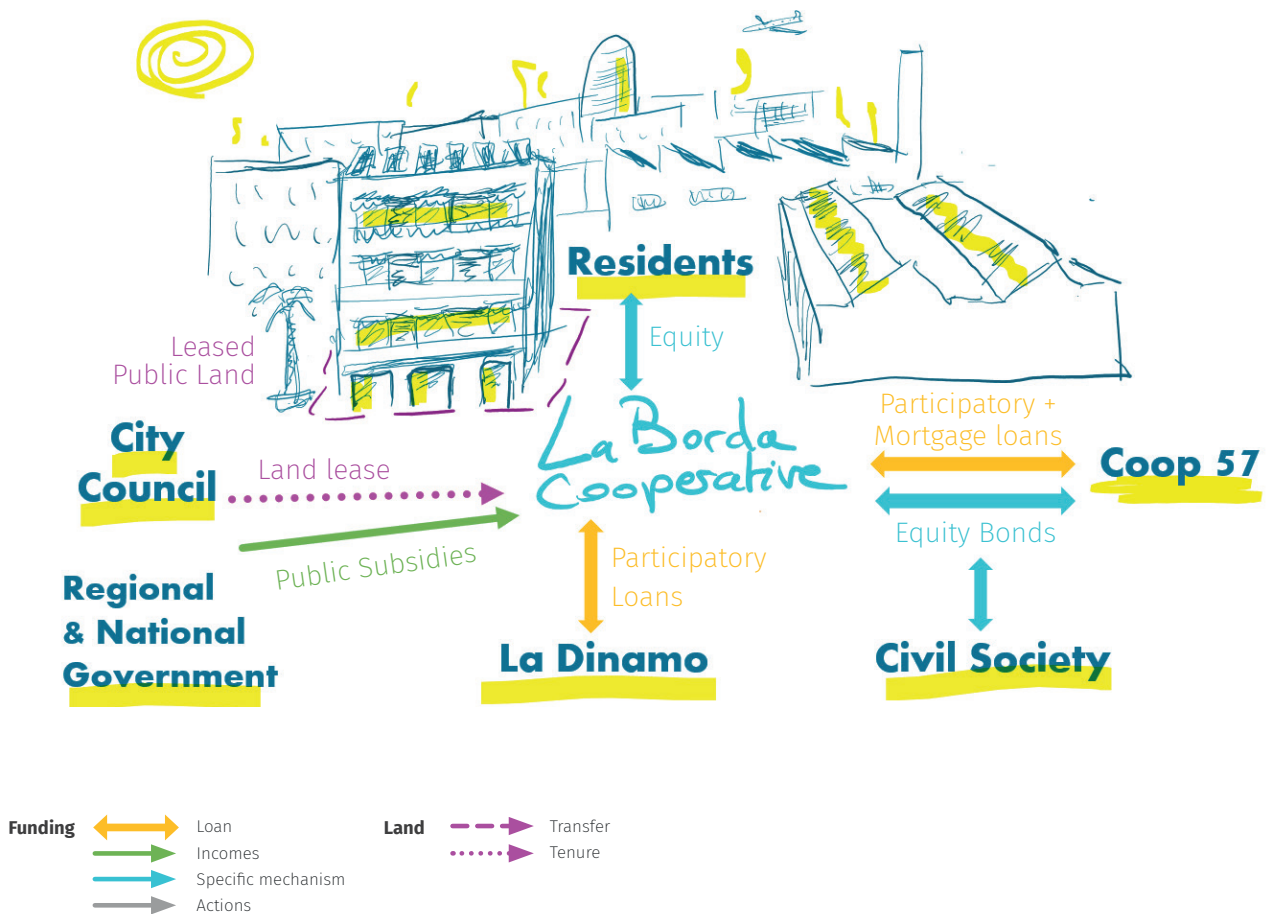
Therefore, La Borda managed to obtain various sources of ethical financing, including government support as well as contributions from the general public and various associations from across Barcelona and Spain. The total amount was financed as following:

- **Each household paid a contribution of EUR 18 500** towards the cooperative's capital, which corresponded to around **20% of the total cost of the project**. This contribution is mandatory, but once a household decides to leave the cooperative, this equity is reimbursed, and is once again collected from the newcomers.
- **Coop 57**, of which La Borda is a member, provided financing to cover around 52% of the necessary funds through **participatory loans, home equity loans and the issuing of equity bonds**. The equity bonds provided a total of EUR 865 000, through the emission of 865 equity bonds, each at a value of EUR 1 000. To promote this, La Borda organised [a campaign](#) to raise awareness amongst the public and social organisations to invest their savings into the project, for which it offered a **better annual interest return than banks (1.75%)** as a way to stimulate their investment and recognise the importance of their trust in the project.
- La Borda also managed to sign an agreement with the **Dinamo Foundation**, which provided a **participatory loan** that covered 4.5% of total costs. The Dinamo Foundation has the goal of promoting and encouraging the "grant of use" cooperative model.
- La Borda also benefited from governmental subsidies. A **combined subsidy of Barcelona City Council, the Government of Catalonia and the Spanish Government** provided 17% of the funds, providing more than EUR 500 000. This subsidy program is part of the Government's National Housing Plan and it has the goal of promoting housing with social interest. In addition, the Government of Catalonia subsidised 3% of the total cost, recognising the importance and uniqueness of the project.
- La Borda also managed to raise a small amount of funds from the **supply of services, individual donations and small loans from social economy organisations**.

Each resident of La Borda pays a monthly rent, which varies according to the number of square meters of their apartment and also includes the cost of shared spaces. The size of apartments in La Borda varies from 40 m², 55 m² or 76 m² on average. The **cost per square meter is EUR 8.71**. Once loans have been repaid, the cost of the contributions will fall to around **EUR 5.86 per m²**.

The running costs of the cooperative are mainly covered by the monthly contributions from residents and from income generated by different activities organised by the cooperative.

The whole financial plan implies a **repayment period of approximately 30 years**. La Borda has also created a fund in which each **member deposits EUR 5 per month**, with the goal that, in 60 years, this fund will be enough to cover the costs of construction of a new building. In this way, La Borda's future generations will not have to search for loans and, therefore, the new project would imply decreased costs - by avoiding the repayment of interests, for example.



SENEGALESE FEDERATION OF INHABITANTS AND URBASEN



DAKAR, SENEGAL

Promoting community cohesion and solidarity finance through a revolving fund for urban renewal

The Senegalese Federation of Inhabitants (FSH) and the technical assistance NGO urbaSEN work together to finance the rehabilitation of precarious housing in the suburbs of Dakar through the implementation and management of a **local revolving fund - called Revolving Fund for Urban Renewal (RFUR)** - and the provision of technical assistance.

The suburbs of Dakar are home to more than 1 850 000 people, in an area that spans more than 10 hectares. These neighbourhoods suffer the worst impacts of the recurrent winter floods in the region, which, over the years, force families to live in constant displacement. The Home improvement and reconstruction programme, based on **community mobilisation and savings groups - and led by FSH and urbaSEN** - rehabilitates houses damaged by flooding and promotes neighbourhood upgrading.

The FSH has more than **12 000 members, mostly women**, from grassroots community organisations, organised in more than **520 savings groups in the regions of Dakar, Thiès and Louga**. urbaSEN provides the necessary **technical support and assistance**, adapting housing projects to the socio-economic profiles and needs of the beneficiary households, supervising the construction, training local craftsmen on construction techniques, managing the revolving fund, amongst other activities.

Through the revolving fund, **households living on low and irregular income** can access housing finance that is normally inaccessible for them: most of the households source their revenues in the informal sector and cannot afford high interest rates or fit the requirements of banks or micro-finance institutions (for example, the request for a financial guarantee, land title or regular income from the formal sector). Since 2016, this system of revolving funds has proven its effectiveness with **718 homes renovated to date**, dozens of neighbourhood improvement projects implemented and improved living conditions for more than **7 000 people**. In addition to renovations, the revolving fund also supports other activities, such as the development of **Income Generating Activities (IGAs)**, by granting loans to savings groups, and also finances collective development projects linked to flood management.

Timeline

- 2009** Creation of urbaSEN
- 2014** Creation of Senegalese Federation of Inhabitants, affiliate to [SDI](#)
- 2016** Creation of the Revolving Fund for Urban Renewal
- 2018** First loan received by the CoHabitat Solidarity Habitat Fund
- 2019** Winner of the African Community-led Housing Award
- 2021** 520 savings groups



Photos: Bea Varnai, FSH, Damien Epiney



Land negotiation

In most of the suburbs of Dakar, land is usually informally occupied, as a result of self-building processes and squatting, which leads to informal neighborhoods that are now established. No matter what their land tenure status is, the households need to invest in home improvement as well as the collective installation of sewers and sanitation infrastructures to improve their living conditions.

Given the lack of urban planning and zoning, FSH and urbaSEN have developed an important process of **data collection**, producing an extensive and detailed **Geographic Information System map**, which not only identified **geo-reference buildings**, but also assisted in the required **documentation** for the acquisition of the land, the status of land titles, as well as the type of building occupancy (owner-occupied, rent, inheritance) of each member of the federation.

This information is used to elaborate **intermediary land titles** - which can evolve towards legal land titles. The documents are acknowledged and validated by members of FSH, urbaSEN, the owner-occupiers or (residents) and, in some cases, even local authorities. The idea is to produce as many intermediary land titles as possible, with the hopes of raising the interest of the government to **accelerate the issuing of legal land titles**. In some cases, the intermediary land titles have been acknowledged by legal guarantees for residents to obtain a loan or insurance at micro-finance institutions.

In the meantime, the FSH is in the process of purchasing **4 hectares of land, intended for the construction of 150 houses as well as public facilities for low-income families** (a project called "Cité FSH") - which is also supported by the revolving fund.

Financial mechanism for land and constructions

The revolving fund for urban renewal (RFUR) is inspired by traditional solidarity practices («tontines» in French) which consist of contributing to a common fund managed by a group of people usually from the same neighbourhood. The money saved is entrusted - in turn - to each member of the group, thus contributing to the financial wellbeing of the families.

In this case, **each saving group contributes approximately EUR 7.50 per month to the fund**. Voluntary and individual contributions are also collected from FSH members to finance access to decent housing for member households. **International cooperation stakeholders**, such as the French Development Agency (AFD), Swiss cantonal cooperation (Fédération genevoise de coopération, Fédération vaudoise de coopération) and the Abbé Pierre Foundation in France, contribute to the revolving fund for urban renewal thanks to seed funds. The **Cohabitat Network Solidarity Habitat Fund (FHAS)** also contributes to the RFUR via **solidarity loans**. The fund is also fed through the small interest rates collected from loans as explained below.

All FSH members can apply for financial support through the revolving fund. When a resident applies for a loan, they have to go through the following steps.

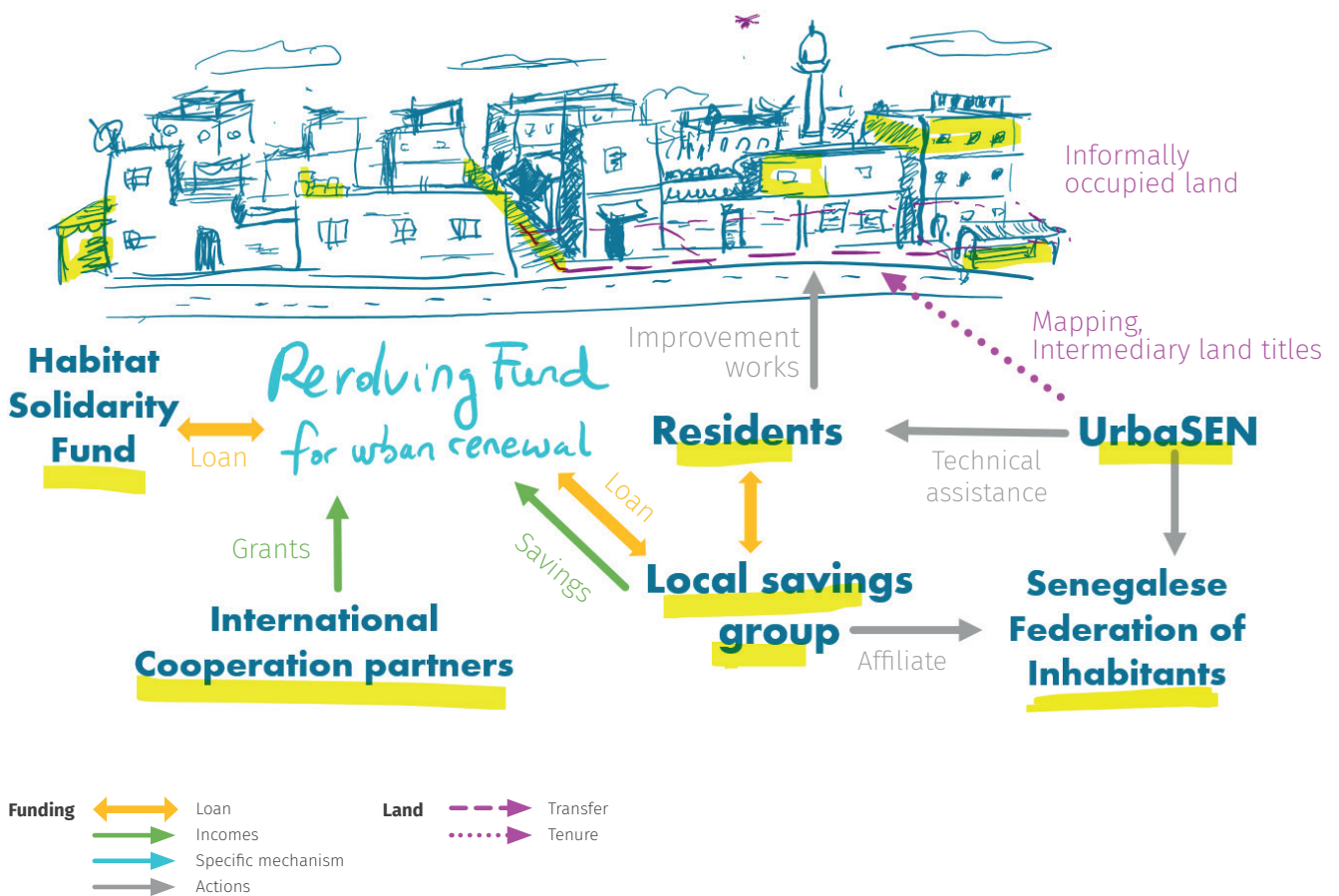
1. Validation by their savings group.
2. Validation by the FSH Loan Committee.
3. Application review and agreement on the amount and duration of the loan by urbaSEN (usually 20 months and maximum EUR 1 500).
4. Loan approval by FSH, the resident can start the renovation works with technical assistance and monitoring by urbaSEN.
5. Repayment of the loan over 20 months (with repayment starting a month after construction works are finished).

The real interest rate of the loan is 5% divided as follows: 1% for the member group, 1% for FSH, 1% for urbaSEN and 2% for the RFUR.

In terms of numbers, the fund has a capital of EUR 494 702 (as of June 2021), of which: 61.4% come from international endowments, 26.9% from member savings, 7.1% from interest and 4.6% from FHAs' loans.

It is important to notice the importance of international and governmental support. For instance, the revolving fund mechanism does not cover the costs related to the technical assistance of urbaSEN - which is instead covered by international cooperation and donors. Therefore, such a mechanism must be considered as an operation tool that promotes the social rights of vulnerable populations and which must be integrated with public policy and be supported by a variety of different stakeholders in order to be sustainable.

Moreover, to ensure its sustainability, the revolving fund must be backed by a community with a strong spirit of cohesion and high degrees of collective organisation. The management and technical assistance provided by support actors are also paramount to its success.



RESOURCES

Granby 4 Streets

Official Website
Cohabitat.io Project Page
World Habitat Project Summary
Center for CLT Innovation

Ecovillage Aldea Feliz

Official Website
Cohabitat.io Project Page
Aldea Feliz Photo Blog

Barrio Intercultural

Official Website
Cohabitat.io Project Page
World Habitat Project Summary
HIC América Latina Blog

La Borda Cooperative

Official Website
Sostre Cívic Official Website
La Dínamo Official Website
Cohabitat.io Project Page
World Habitat Project Summary

Senegalese Federation of Inhabitants & urbaSEN

FSH Official Website
UrbaSEN Official Website
Cohabitat.io Project Page
Slum Dwellers International

Consult the latest publications of the CoHabitat Network's partners

- » Global study: Community-led Housing in the COVID-19 context
- » Study on citizen financing mechanisms for affordable housing production in Africa
- » The Growth of Community Land Trusts in England and Europe

