

The project seeks to address the growing problem with housing affordability found in many cities in the NWE region, by supporting the establishment of more and successful Community Land Trusts (CLTs), initially in four cities to 'prove the concept' - Brussels, London, Ghent and Lille. CLTs are democratic community-based organisations that develop and manage homes that are affordable to people on low and median incomes and remain affordable. CLTs create cohesive neighbourhoods through ongoing affordability and extensive community and resident involvement. There is a growing interest in this innovative approach amongst communities and authorities and significant potential for CLTs to move from a 'niche' model to a mainstream option for housing supply.



*Plenary session at the conference of 22 May 2018 in Lille in the presence of the main actors of CLT development in Europe*

## 1. INTRODUCTORY REMARKS

*Audrey Linkenheld (Lille Local Councillor, co-author of legislation on French CLT model), Frédéric Roussel (Emeritus Notary, Conseil supérieur du Notariat) & An Descheemaeker (President of CLTB)*

### **(1) A failure to accommodate modest and middle-class households in the city**

In big cities, the rise in prices leads some modest households to settle in the outskirts. We are now facing an affordable housing crisis in the major part of European cities. For example, housing prices in the city of Lille are among the most expensive in France, while the median income of the inhabitants are among the lowest. The answer to this rise in housing costs can come from the local scale.

### **(2) The genesis of CLT in France**

Some people from Lille made the trip to Brussels to take inspiration from the CLT model. It then had to be transposed into French law, making the OFS a different system from that of the classic CLT. CLTs are democratic community-led organisations that take an innovative approach to developing and managing homes that are affordable to low and median income households and remain permanently affordable, thereby creating sustainable, cohesive and thriving neighbourhoods.

In France, the goal was to make it a flexible tool, so the legislation is as short as possible.

### **(3) Objectives of the OFS/BRS system**

The French seem to be attached to private property. It is therefore a cultural challenge to focus on the use of property rather than its ownership. The OFS can be an effective tool in regenerating the city on itself. Also working for the old building, the interest of the OFS is to be able to realize a more social mix by integrating the system of co-ownership.

### **(4) The example of the Lille OFS**

The selling price of sqm for the first operation of the OFSML is 2000 € per m<sup>2</sup> (against 3000 € of m<sup>2</sup> in the free market). The future OFS residents in Lille come from the social and private rental sector. To sustain the activities of the OFSs, a national network will be created in the coming months.

## 2. THE CLT MODEL : ROOTS & DEVELOPMENT

*John Davis (Writer and community organiser of the CLT movement in the United States), Yves Cabannes (Emeritus Professor of Development Planning, University College London) & Audrey Linkenheld*

### (1) Roots of CLT in the United States (J. Davis)

The CLT movement was born in the United States in the 1970s. The first innovation took place in the state of Georgia in 1969, in a political context marked by the African-American civil rights movement. This story is recounted through the movie 'Arc de Justice', co-produced by John Davis.

The CLT movement is inspired by works such as those of E. Howard or movements such as the Land Reform in India. Today there are about 280 CLTs in the US, covering a wide variety of organisations.

According to John Davis, the CLT's classic model is based on three pillars:

(1) **Community:** it is created around a non-profit association that owns the land, anyone living in a defined geographical area can integrate this association. The public authorities, inhabitants and neighbours of the CLT have power within the Board of Directors.

(2) **Land:** the community owns the land collectively; the houses are purchased individually by the families. The goal is to manage the land equitably and sustainably.

(3) **Organisation:** its goal is to preserve the affordability of long-term housing. This involves promoting access to CLT housing for low-income households, preserving housing quality, regulating energy consumption, and preserving the inhabitants' economic stability.

### (2) Lessons from the American experience (J. Davis)

#### What did they do right :

- The American CLT model is first and foremost an effective response to the demand for housing of a middle class forgotten by public policies. In the long term, CLTs seek to produce housing for the poor.
- The system of governance integrates equally inhabitants, public authorities, and other people of the community (neighbors, traders, etc.) into the Board of Directors.
- Model CLTs such as New Communities Inc., or Champlain Housing Trust have been developing and promoting the model in the United States, researchers and activists are spreading the model through articles and conferences.
- The US CLT model is not rigid, it is constantly evolving, adapting and developing to the local, political and legal context. For example, some CLTs are now integrating rental housing, developing services such as cooperative stores, partnerships with hospitals.
- The network of CLT is well developed, a national movement has been set up to help each other, to exchange ideas, ways of doing things.

#### What did they do wrong :

- Most CLTs focus only on housing production and forget other possibilities for CLT development
- Community development is often neglected: affordable housing production is often a priority over community engagement and empowerment.
- CLTs need a new generation of leaders to develop the movement and expand it in Europe.
- The geographical area of the CLT tends to spread over time, which limits the possibility of building a community with strong links of solidarity.
- CLTs are sometimes difficult to maintain over time, an erosion phenomenon occurs, the links between land, community, and organisation of the CLT can be lost.

### (3) Roots of the movement in the United Kingdom (Y. Cabannes)

There are three important events that have grounded CLT's approach in the UK:

(1) The movement of diggers in 1649: faced with the privatisation of communal lands in the United Kingdom, diggers reacted by creating communities sharing ownership of farmland. This is one of the first examples of land collectivisation.

(2) Thomas Spence writes "The Real Rights of Man" in 1775 where he denounces the transformation of parishes into corporations. It promotes the establishment of autonomous parish communities and stands up against the nationalization of agricultural land that deprives communities of surplus value.

(3) Ebenezer Howard wrote in 1898 his work on garden cities, a system for capturing capital gains in perpetuity for the community. The issues of sustainability, collective governance, and land as a common good are in the heart of this book. Land is considered a common good, its collective management is a means of capturing the added value generated by the work of the community.

To sum up, the community is fundamental in the history of CLTs and other forms of land collectivisation in the UK. And it is up to members to define their community.



From left to right : Yves Cabannes, John Davis & Audrey Linkenheld

#### **(4) Roots of the French model (A. Linkenheld)**

If the recent development of CLTs in the United Kingdom and Belgium follows the US CLT tradition, it is first initiatives around the participatory habitat that have emerged in France. Faced with this new request to the local authorities of some inhabitants, reflections around the sharing of land has begun. In the OFS model, the place of the inhabitants in governance has not been made mandatory. The advantage of the CLT model is how flexible they are in adapting to local contexts. Adaptation in France, through the establishment of the “Organisme de Foncier Solidaire” and the “Bail Réel Solidaire”, requires compliance with the Constitution, which is the signature of a culture. If we are far enough away from the participative model in Lille, it is because this reflection is done at the level of the municipality. The OFS model then integrates the issue of social and functional mix.

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## **3. URBAN CLT PILOTS IN EUROPE**

*City of Lille, Tom Chance (Head of Grants and Development, National CLT Network), Keith Cowling (Bristol CLT), CLTB Gent, London CLT, CLT Bruxelles*

### **(1) The main goals of the INTERREG project**

The SHICC project has been chosen for the social innovation it brings to urban housing production. The goals set by the partners are: (1) to prove the concept; (2) to create a supportive local, regional and national policy, funding and regulatory environment for CLTs, and (3) to build a movement across the North-West European Region.

### **(2) An overview of the development of urban CLTs in England and Wales**

One of the first English urban CLTs, Granby 4 Streets, was born in Liverpool. In a declining neighborhood facing the vacancy of former housing workers, inhabitants have mobilised and chosen the CLT model to create a sustainable community. Today, initiatives such as a collaborative market are being put in place. The relationship with the public authorities is essential for the functioning of this project.

### **(3) Introduction to the four pilot Urban CLTs**

#### **CLT GENT**

Created in 2013, this CLT aims to meet the demand for housing of low income households. Their financial model remains fragile because there is no sustainable fund from the public sector that would allow Gent's actors to produce housing. By 2022, a first CLT project should see the light of day, consisting of 34 housing units, with a cooperative supermarket and a community garden.

#### **LONDON CLT**

Created in 2007, London CLT seeks to respond to the crisis of affordable housing triggered by the very sharp rise in property prices in London. The goal is to offer housing whose price is related to the income of Londoners. The first operation in CLT has 23 dwellings. The London CLT also seeks to develop broader action for the neighborhoods in which CLT operations are developing.

This CLT emerges from the observation that real estate prices in Lille are among the most expensive in France, for an average income of inhabitants lower than the national average. On the strength of this observation, the OFS is created in 2017 to reduce the mechanisms of land speculation and facilitate access to private property of modest families. The project is set up with public and private partners. The first CLT operation has 15 apartments and is part of a 210-unit project.

CLTB was created by several neighbourhood associations and social activists in 2012. Subsidies from the Brussels-Capital Region allow the CLTB to acquire the land. The governing structure emphasizes the participation of the inhabitants in the decision-making process. Applicants for housing are eligible for social housing and classified into four levels of income. Today, the CLTB has a project of 9 inhabited housing, three projects under construction and five projects under study.

## 4. THE FRENCH CLT MODEL

*French ministry of Housing, Florence Caumes (Coopératives HLM Federation), Christelle Beurienne (Crédit Foncier de France), Romain Paris (Cabinet Rouge Vif Territoire)*

### (1) The French OFS Model

The OFS / BRS model is a tool to produce housing and a new way of offering a social home ownership for low-income households. As an inheritance of the French Revolution, the right of private property is sacred. The aim is therefore to create affordable housing for the greatest number of people via the OFS system. In France, the OFS system is a success that nobody expected. Many cities have already embarked on the creation of such a structure and many are in a phase of study. It is an innovative and flexible device that must be able to develop in the tight zone of the housing market.

### (2) Cooperative initiatives

The COOP'HLM are in the spirit of the CLT model. Their objective is to promote resident participation, by securing the residential path of households. The goal is to empower civil society to seize this tool. It is therefore necessary to intervene where land is expensive: in cities, and in coastal areas where the development of second homes threatens the affordable housing market. This system of dissociation of the property needs to be considered in the long term, because in 60 years the OFS will have to be able to renovate their housing stock which will arrive at the end of the cycle. It is therefore necessary that they acquire from now on financial means to relieve this difficulty.

### (3) How can banks make it happen ?

'Crédit Foncier' supports local authorities and is an expert in the financing of the Rent-Accession Social Loan. The questions asked by Crédit Foncier are as follows: (1) Are the future clients of OFS/BRS the current clients of the Rent-Accession Social Loan? For them, yes (2) What is the guarantee provided by the BRS? the OFS organisation advises families which is a good guarantee of their solvency (3) Will the model report to the bank?

### (4) An overall perspective and critical point of view

By observing the American movement of CLTs, we notice that the community aspect takes precedence over the production of housing. Some CLTs in the United States were created in a Utopian spirit around an autonomous community. In France, this model has gone through the social housing filter, which has led to a relative loss of flexibility. The major innovation remains the creation of the 'Bail Réel Solidaire', which allows French law to separate land and built property.

Here are some lessons from the comparison of the OFS and CLT model:

- The study of the American context of affordable housing production shows how effective and valuable the French social housing system is. By way of comparison, the United States has not produced social housing since the 1970s.
- In the United States, the affordable housing factory is based on a complex and expensive public-private mechanism. This is also the case in Europe, which is not optimal for the development of CLTs / OFSs.

- Housing market constraint mechanisms such as Inclusionary Zoning and Deed Restrictions allow the United States to produce affordable housing over time.

In short, the CLT is an interesting alternative and an adaptable model in this context of housing crisis. Successful CLTs have generally been based around Community Organising, to socially develop neighborhoods and empower communities (Cincinnati, Boston). Other CLTs are presented as land tools for a local affordable housing policy (Burlington). Finally, some structures specialise in providing expertise to local groups to develop participatory housing.



*Joaquin De Santos (CLTB) is leading the peer to peer exchanges*

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## 5. WORKSHOPS

### *A 360° Perspective on CLT Finance*

A mapping of the potential sources of funding was carried out by the 'Fond Mondial pour le Développement des Villes'. This work notice that each CLT manages to find financial resources in different ways. Nevertheless, each CLT suffers from a lack of funding for the purchase of land and is often dependent on public subsidies.

Here are three inspiring examples of funding models:

(1) The Community Housing Fund (England): The objective is to reduce the amount of funding sources to start a project. This fund would produce community houses, and the structuring of a sustainable market for the development of CLTs. This project also seeks to identify sources of funding by creating a single website for community development.

(2) Social investment is also a development tool for CLTs in the UK. It aims to invest capital for social purposes. Today, social investment funds nearly 3,000 organisations.

(3) The social mortgage loan in Flanders: this type of financing is intended for people with low incomes. For these households, you must find a mortgage loan covering 100% of the price of housing. Two housing funds offer such a loan.

In short, there are two financing problems: (1) it would be necessary to reduce housing production costs (2) while still convincing banks to invest in CLTs. Finally, non-monetary resources, and self-construction can be a way to produce cheaper housing. It is also a question of soliciting local governments and making them understand the validity of CLTs.

### *Building a genuinely community-led CLT*

The goal of this workshop is to take examples from the London CLT and Heart & Hastings CLT because both of which have active communities that take part in the housing production. The first CLT proposes that communities produce affordable housing and positively influence the neighborhood. The second bases its work on the production of affordable spaces, creating long-term co-ownerships. There are similarities in the desire between them to take possession of the land to future inhabitants. For this, access to the construction site is organised. Workshops and events to bring the community together are organised throughout the year. The London CLT organises these events even before the selection of applicants for housing, while the Heart & Hastings CLT waits to have selected candidates to involve them. Both entities promote community organising but also development from individuals.

The main difference is that the Heart & Hastings CLT promotes self-build housing.

The aim is to think collectively about the development of a CLT and a community. Trying to do things differently is sometimes complicated and takes a lot of time. That's why it's important to create hope for families.

In Lille, participation is more top-down: information meetings on the progress of the buildin and, the nature of housing are organised. In Gent, the creation of a cooperative supermarket welds families around a common project and meets the needs of residents to have access to a supermarket close to home.

Overall, it is recalled that it is not easy to create strong communities.

## CLTs : A Housing Solution for the Most Deprived ?

The number of citizens living in poor housing is growing in most European countries. Can the CLT model be a solution to this problem that is affecting more and more young people?

The Champlain Housing Trust (CHT), the most developed CLT in the United States, has not tried directly to house the poor. Its first strategy was to produce housing for the middle classes. Today, most CHT residents have incomes between 60% and 80% of the median income in Burlington. 70% of the housing stock managed by the CHT is rental housing, making it possible to house some of the poorest people. Today, the CHT has partnered with hospitals in Burlington to accommodate patients. In France, since the progressive establishment of a favorable legal context, there are 5 ways to have a social impact for the OFS: (1) the BRS makes it possible to capture the surplus-value for a social purpose (2) dwellings are cheaper for households (3) CLT can buy land to prevent land speculation (4) Taxes can be made available for land purchase (5) CLT can be a tool improvement of housing quality in declining cities.

In Brussels, the creation of the CLTB was allowed by the presence of a budget of the Brussels-Capital region for the creation of social housing which is not seized by the classical producers of housing. Vulnerability is not only economic, it is also social. The CLTB is therefore committed to the economic and social security of its members. It seeks primarily to meet the needs of the poor.

So, is the CLT model for everyone? Is it possible to create a CLT for the sole purpose of helping homeless people?



*John Davis intervenes during the workshop to house the most deprived*



*Visit of the construction site of the first OFS housing in Lille*

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## CONCLUSION OF THE FIRST DAY

The history of the CLT movement is linked above all to the land. This movement has an alternative approach to the land market that it does not see as a commodity but as a common good, from which the power of individuals can be exercised.

It is therefore a question of not confusing the production of affordable housing and the constitution of a community whose power comes from the possession of the soil.

John Davis asks two questions: (1) What is the right way to make a CLT? (2) When is the right time to start a CLT? According to him, it is still time to create a CLT.

Most CLTs in the United States are at the initiative of the inhabitants, in a bottom-up approach. Others come from the will of the public authorities, but in both cases the construction of a community foundation is necessary for its proper functioning.

Every initiative is good, and it's never too late to start working together democratically.

## 6. PEER TO PEER SESSIONS

### *Topics mentioned by the peers*

- What kind of financial model can we develop?
- How to produce solidarity in the CLT community?
- What is the right scale to develop a CLT?
- CLT as a response to informal housing?
- What is the role of the CLT in urban renewal projects?
- How to find partners to develop a CLT?
- What allocation criteria to put in place?
- How to develop the vision of the land as a common good?
- How CLTs can be a bulwark for gentrification?
- How can CLTs create new ways of living together?
- How to obtain support from local authorities? private investors?

### *Les sujets traités*

#### **- How to produce solidarity in the CLT community ?**

One of the questions was how to involve a community of mentally disabled people in the project? Workshops and games can be interesting ways, as can the development of a cooperative market.

In Ghent, questionnaires addressed to the future inhabitants made it possible to know what they need: a garden and a supermarket. The question of the scale of the community is also raised: if the community of residents can be strong, the link with the inhabitants of the neighborhood is often difficult. The goal is that the community develops organically. For that, to speech is the best way to create solidarities. The role of CLTs is to give tools to individuals to emancipate while listening to them.

#### **- What innovations in housing can bring the CLTs ?**

For the CLT to be an innovative tool, it must open its horizons and not just produce housing. The key question when creating a CLT is: what does the neighborhood need? Today, we focus mainly on legal issues which hampers innovation. For some, the objective of the CLT is not only to live for less, it is living differently that housing will be cheaper (by sharing common areas for example). CLT Gent is considering the creation of a community garden and a cooperative supermarket. The scale of development of a CLT is very important. A local CLT gives the power to the inhabitants, that is not necessarily the case for a wider CLT. But with a wider CLT, opportunities to buy lands and build housing are increased. The goal of main of the CLT is to help people live differently for the good of the community. Because today, the classic lifestyle is too expensive and exclude part of the population from the free housing market.

#### **- What financing model can be put in place ?**

We can observe that the problem to finance a CLT is not a lack of money, but access to this money. Mapping can be a solution to identify these sources of funding. It's about being creative in fundraising and soliciting both private and public investors. How to build a CLT in long-term sustainability when at the beginning we focus on one or two projects? We must try to see as far as possible, and take inspiration from US CLTs, some of which have more than 30 years of experience. Some instruments can answer questions about the functioning of CLTs and the development of new projects. Among them (1) Community Shares can be a good way to develop new projects (2) resale formulas can generate added value for CLT (3) long term leases are effective tools for developing a CLT.

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