

La Borda: A case study on the implementation of Cooperative Housing in Catalonia

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This article takes a close look at La Borda, a housing cooperative being developed in Barcelona. The article encompasses the economic and social context in which the housing initiative emerged, the organizational features that define the cooperative, and its origins in the process of urban renewal of the former industrial site of Can Batlló. The article also analyzes its current development and its potential for scalability. Drawing on Moulaert's definition of social innovation, the authors argue that La Borda goes beyond the mere provision of housing to include public participation as a key component of the model. The Andel Model for cooperative housing is presented as the main source of inspiration for La Borda's model, including its roots in the social and cooperative economy and the role of the cession of use housing tenure.

The article concludes there are reasons to believe La Borda will succeed in providing long-term affordable housing while engaging its residents in its daily management. The authors consider the suitability of La Borda's model elsewhere to be dependent on the economic, social and political context in which it is implemented.

Keywords: Affordable housing, Cooperative housing, Cession of use, Social economy, Social innovation

Introduction

Since 2008, the Spanish economy and particularly its housing sector have been suffering from the consequences of the global financial crisis and the burst of the Spanish housing bubble. This context has had an enormous impact on the financial, labor and housing markets in Spain, increasing the pressure on households to make ends meet on their housing related expenses. However, this situation has also created a window of opportunity in the housing market for alternative housing schemes- beyond traditional forms of home-ownership and renting. The social and cooperative economy is the framework in which pilot housing initiatives are beginning to grow.

This article focuses on La Borda, a housing cooperative being developed in Barcelona. This housing cooperative was born in 2012 as a result of three contextual factors. First, a housing crisis fueled by a reduction of available income on the part of households as a result of increased unemployment and salary reductions, and a decrease in financing options available to access home-ownership. Second, the emergence of the social economy - and particularly a cooperative movement, mostly nonexistent in affordable housing until then - as potential grounds for the development of alternative housing schemes. And third, the existence of a strong neighborhood movement linked to the urban renewal process of the former industrial site of Can Batlló that believed in the necessity to develop affordable housing through an alternative model that did not rely on the traditional market-driven housing agents.

In Spain, the housing cooperative scheme being used by La Borda is categorized under the legal term “cession of use”, which refers to the right of the tenant to occupy a housing unit for free or in exchange for some type of economic or in-kind compensation. This terminology is important in the Spanish context since it differentiates La Borda’s long-term affordable housing model from the traditional housing cooperative model, which develops housing that is afterwards privatized using a condominium scheme.

This case study also provides a discussion of some aspects that go beyond La Borda’s case, thereby contributing to the academic debate on self-organized housing models. The project’s potential for scalability and its relevance as a first step towards an alternative housing model are also assessed in this article.

Research Methods

This article relies on a literature review to describe the context in which the initiative emerged, while relating it to the relevant national and international academic literature. The case study also used participant observation to provide information about the cooperative's internal organization, and to describe the project's features and rationale. Both the literature review and the participant observation were performed between March 2014 and September 2015, with small updates until December 2016. The analysis uses La Borda's experience to assess the potential of the cession of use cooperative model to become a socially responsible and economically sustainable housing model in a post-crisis scenario.

Section one examines Barcelona's housing market, its growing social and cooperative economy, and Can Batlló's neighborhood movement. Section two presents the Andel cooperative housing model. Section three focuses on La Borda's project features, namely the features of the cooperative, the adopted tenancy regime, its sustainable communal living model, its economic viability, the access to land, and the project's affordability. Finally, section four discusses La Borda's model and its potential for scalability.

A favorable context

Housing market and housing affordability in Barcelona, Catalonia, and Spain

Housing affordability in Barcelona was broadly affected by the lingering effects of the 2007 financial crisis on many households, and by the policies implemented by the local, the regional, and the Spanish governments over the last decades. The collapse of the housing market had a devastating impact on unemployment in Catalonia, rising from 6.5% in 2007 to 14.6% in the third quarter of 2016, with a peak of 24.5% in the first quarter of 2013 (INE, 2015); and it drastically reduced average income (Idescat, 2012). Another widespread result was that of evictions (PAH, 2013). The most pessimistic estimates suggest that, on average, almost six evictions per every 1000 inhabitants per year occurred in Spain between 2008 and 2012, almost nine per 1000 in Catalonia. According to the Spanish General Council of the Judiciary, 98,040 foreclosures were initiated in Catalonia between 2008 and 2013 (Law 24/2015).

The housing crisis can be seen as a consequence of a period of speculation in the housing market, which led to a housing bubble from 1997 to 2007. During this period, housing prices increased more rapidly than average income, forcing most households to rely on longer mortgages to fill the gap. This process, coupled with stagnant salaries, caused an increase in the share of available income households needed to spend on housing. The maximum desirable economic effort is generally fixed at a share of 30% of the household's available income (Chaplin and Freeman, 1999). Data from Barcelona Economia (2013) shows that the average share of household income devoted to housing in Barcelona in 2012 was 46% for new housing home-ownership, 29.8% for second-hand home-ownership, and 18% for renting. The general average economic effort for Catalonia and Spain in 2012 was 33.7% and 32.3% respectively (Idescat, 2012).

Table one summarizes the housing tenures currently available in Catalonia. In addition to these typologies, one should also consider other systems used in other legal traditions that could eventually be imported. One of the most relevant contributions in this direction is the reform of the Catalan Civil Code led by Sergio Nasarre, which recently incorporated shared ownership and temporary ownership to the Catalan legal system (Law 19/2015).

[Table 1] Housing tenures in Catalonia

Data from 2011 shows home-ownership stands as the predominant housing tenure for primary residences in Barcelona, around 58% of homes (ECVHP, 2011). This is particularly disturbing since home-ownership has the highest economic effort index among housing tenures. Renting only comprises 36% of homes, and 4% of primary residences are occupied through other housing tenures. The percentages are 72% home-ownership and 24% renting in the Metropolitan Area of Barcelona, 73% home-ownership and 23% renting in Catalonia, and 79% home-ownership and 14% renting in Spain (ECVHP, 2011. INE, 2011).

Nevertheless, renting is the fastest growing housing tenure in Catalonia, absorbing most of the current housing demand (Idescat, 2015). This can be interpreted as a temporary or a contextual shift in households' housing tenure preferences, diverging from the pro-ownership approach supported by public policies in Spain since the 50s (Pareja at Leal, 2010). It could also be the result of market forces driven by an increase in the demand for rental housing and a decrease in the access to mortgage financing. In addition to the housing crisis, Spain has suffered from a deep financial recession and a collapse in the labor market by way of a dramatic increase in unemployment. This macroeconomic environment has constrained funding for families and businesses, it has limited the reliable demand, and it has paralyzed traditional real estate developers, therefore shifting the housing demand from home-ownership to renting (Mur & Clusa, 2013).

Regarding affordable housing policies, Barcelona, Catalonia, and Spain have historically been an exception compared to the rest of Europe (Hoekstra, 2010; Scanlon, Fernández & Whitehead, 2014). Housing policies in these places can be defined as being based on a Dualist Housing Model (Kemeny, 1995) and part of a Rudimentary or Mediterranean Welfare State Model with limited housing policies, considering both public expenditure in housing and the percentage of affordable housing in relation to the total (Esping-Andersen, 1990; Leibfried, 1992).

Dualist housing models are characterized by a general preference for home-ownership and a strong polarization between for-profit market rentals and social rental housing. Barcelona's dualist housing system allocates affordable housing to the low-income demand excluded from the open housing market. Regardless of the legislative changes introduced to promote a rise in the offer of affordable housing (mainly land reserves and compulsory land transfers to the public sector), Barcelona's affordable housing stock plays a minor role both in the housing supply and in terms of providing housing solutions to those in need. In fact, the demand for this type of housing clearly outweighs its supply (Consorti de l'Habitatge de

Barcelona, 2014). In addition, home-ownership has been the main housing tenure in affordable housing, an uncommon feature in comparison with the rest of Europe, where affordable housing has traditionally been offered in renting (Burón, 2012). One of the reasons behind this anomaly is that the development of affordable housing in Spain has mainly relied on private developers for whom it was easier and more profitable to sell than to manage rental housing.

In addition, the limited public investment in housing has historically supported home-ownership in the open housing market through indirect (financial) expenditure. This fact, added to the vulnerability that tenants endured as a result of subsequent liberalizing reforms in the rental housing market, has led to a dramatic decrease in renting in the Spanish housing market over the years, from 54% of dwellings in 1950 to 13% in 2010 (Pareja at Leal, 2010). Even if these percentages are somehow not as dramatic in the case of Barcelona, they are still clearly unbalanced in favor of home-ownership, both for open-market and affordable housing.

In the long run, Spain's dual housing model has proven to be favorable to real estate speculators and harmful to low- and middle-income households. This could be the result of the major role private for-profit agents have been given in the urban development process, compared to the limited role awarded to not-for-profit agents. Numerous cases of corruption show the complicity between private developers and public officials (El País, 2015), which has sometimes favored private interests over the general interest. This phenomenon has also discouraged the creation of a social housing stock and a relevant rental sector that could limit the instabilities of the housing market by offering alternatives to home-ownership (Pareja at Leal, 2010).

Although home-ownership is still the most common housing tenure both in the affordable housing sector and in the open market in Catalonia, intermediate housing tenures such as surface rights, shared and temporary home-ownership, and cession of use (as described in table one) seem to be gaining some momentum. Intermediate housing tenures refer to all housing tenures between home-ownership and renting, and they can be seen as a way to fight the provisional nature of renting and the excessive financial burden of full ownership by increasing flexibility in the access to housing and promoting its long-term affordable occupation (Monk & Whitehead, 2010).

Social economy and social innovation

The social economy can be defined as a third sector lying between the private and the public sectors. It legally belongs to the private sector, but its stated goal to pursue the common good makes it subject to special treatment by the public sector, for example by making it eligible for tax exemptions and public subsidies (Nicholls, 2008). In the case of Spain, this sector includes not-for-profit organizations, social enterprises, charities and cooperatives, among others (Law 5/2011).

In Catalonia, there are several networks that belong to the social economy. The Xarxa d'Economia Solidària (www.xes.cat) is a network of businesses and other organizations of the social economy that promote cooperation among themselves. In their manifesto, they argue that the social economy aims to provide, in a sustainable manner, the material bases for the personal, social and environmental development of the human being.

In the field of housing, many social housing schemes can be considered part of the social economy. Social rental units provided by public institutions or by not-for-profit organizations are the most common. However, the current context of crisis is favoring the emergence of new housing schemes and the participation of new actors in this sector of the economy, namely cooperatives.

Murray et al. define social innovation as 'the many ways in which people are creating new and more effective answers to the biggest challenges of our times' (Murray, Caulier-Grice, and Mulgan 2010). Moulaert et al. define the process of social innovation in territorial or regional development as the combination of 'creative ideas (...) combined with innovative actions, organizational changes with individual initiative, including the role of leaders, the dialectics between history and contemporary change, the need to transform governance dynamics at various scales or levels through personal and collective empowerment and juridico-institutional changes' (Moulaert et al. 2005, p. 8). This definition includes three dimensions of social innovation: satisfaction of human needs that are not currently satisfied (content dimension), changes in social relations and governance (process dimension), and increased socio-political capability and access to resources (empowerment dimension).

According to the above definitions, the social and cooperative economy can be described as a framework for the development of social innovation in the housing field. First, they emerge as a response to current challenges and the inability of public and private institutions to react to them. Second, they are based on a collective understanding of leadership that considers relationships as shared forms of leadership (Uhl-Bien et al., 2012).

This is because leadership can arise from the relations among people and other actors within a network of stable relations, separate from the traditional understanding of charismatic leadership (Ospina and Hittleman 2011). And third, in such a relational view of leadership, traditional charismatic leaders engage with others in a mutually influential process that goes beyond the traditional leader-centric perspective. That is, they promote that all people involved is empowered and plays a role in the process.

The following sections will describe La Borda's social innovation process and how it takes part in the social economy.

Can Batlló

Can Batlló is an old industrial site located in La Bordeta, a neighborhood in the District of Sants-Montjuïc, in Barcelona. The site was used exclusively by the garment industry until the mid-60s, when it was fragmented and used for different industrial purposes. Since 1976, the Metropolitan General Plan regulates the uses in the site, which have changed overtime (Ajuntament de Barcelona, 2014).

The Spanish housing crisis brought Can Batlló's urban renewal process to a standstill. The site was blighted and underutilized, and the delay in the construction of the open spaces, the public facilities and the affordable housing envisioned by City Council lead the neighborhood movement Recuperem Can Batlló to take initiative and occupy the site in June 2011 with the objective of developing and managing it themselves. Since then, the neighborhood movement has articulated itself through an open assembly where neighbors and local organizations share information and make decisions. Work committees have been created in the areas of financial management, open space design and media communication. In addition, the movement has developed different projects in order to restore the activity on the site and give a collective response to some of the community's needs. In 2016, there were 35 on-going projects in place involving around 300 people.

The neighborhood movement decided to promote affordable housing through the creation of a cession of use housing cooperative. La Borda was therefore born in the framework of a bottom-up urban process that responded to the inability of public and private institutions to disentangle Can Batlló's future, and provided an opportunity for local residents to participate in the creation and implementation of a housing cooperative. In that sense, La Borda is not only a housing cooperative but also the result of a social innovation process that goes beyond the mere provision of housing. Moulaert's dimensions of social innovation

(2005) -content dimension, process dimension, and empowerment dimension - provide a useful framework to analyze La Borda's case.

First, the idea to create a housing cooperative to build and manage the housing units, as well as to contribute to the livelihood of the surrounding neighborhoods, is certainly innovative in the Catalan context and responds to an affordability crisis not effectively tackled by existing social welfare programs. Second, not only the purpose but also the process to achieve it includes innovative features such as the creation of commissions formed by prospective residents and volunteers (some of them with technical expertise) to design and develop the project, negotiate the cession of the land with City Council, or develop the financial models for the project. A collective understanding of leadership has therefore been prioritized over a leader-centric perspective, implicitly considering collective relationships as shared forms of leadership (Uhl-Bien et al., 2012). Finally, La Borda relies upon a bottom-up approach that uses the entrepreneurial spirit and social capital (Putnam, 2000) of the community to both move the project forward and cultivate a sense of belonging and common responsibility among its members. All these features will be developed in further detail in the following sections.

The Andel model of cession of use cooperative housing

In Spain, the housing cooperative scheme being used by La Borda is categorized under the legal term "cession of use" (see table one). La Borda's long-term affordable housing model is different from the traditional housing cooperative model, which privatizes the housing units using a condominium scheme once construction is completed (Fajardo et al., 2014). The cession of use cooperative model is already in use in Northern European countries such as Denmark, Norway and Sweden, as well as in Uruguay and Canada. The Danish model, also known as the Andel model, has been disseminated in Catalonia by the not-for-profit association Sostre Cívic, and it has become a reference for La Borda.

The Andel model is based on the private initiative of not-for-profit cooperatives that develop and manage housing for their members. The cooperatives are constituted by partners, who have the indefinite right to use one of the dwellings as long as they are members of the cooperative. In Spain, this right of use is what distinguishes cession of use housing cooperatives from other cooperative housing schemes that rely on different legal frameworks (Turmo, 2004).

The right of use is generally acquired by paying an entry fee that is proportional to the area of the dwelling and will be returned if (and when) the tenant leaves the cooperative, and is kept by paying an affordable and adaptable monthly fee that is intended to cover the cost of the debt contracted for the construction and subsequent maintenance of the building and the cooperative. The sale price of the right is agreed by the cooperative as a whole and takes into account the improvements or maintenance costs attributable to the previous tenant. This system triggers a proper maintenance of the housing units by the tenants and avoids real estate speculation.

The members of the cooperative participate in all the decision-making processes through an assembly. Different communal living settings can be arranged between households. This system makes people jointly responsible for the development of the cooperative and the maintenance of the buildings.

Housing cooperatives can be developed both in public and private land, in the open or in the publicly-intervened housing market. The cession or the transfer of the surface right of public land for a long period of time are considered the best arrangements because they contribute to housing affordability without forcing public administrations to lose their land assets. In addition, the participation of public agencies via public subsidy or the provision of land can increase the commitment of housing cooperatives to providing housing to a wide part of low- and middle-income residents.

The Andel model is a non-speculative model that takes housing as a basic right rather than a commodity, in the framework of a consolidated capitalist economy (Turmo, 2004). Its social advantages lie in the fact that long-term affordability is one of the core pillars of the model. In terms of tenure, the Andel model tries to improve housing accessibility by combining the advantages of renting and home-ownership. Proponents of cooperatives also point to financial advantages stemming from economies of scale that derive from the fact that mortgages are held by the cooperative rather than by individuals (Jacobus, R. and Lubell, J. 2007).

La Borda's cooperative housing model

La Borda is a unique case in the Spanish context. Its bottom-up organizational scheme relies on existing social networks in the surrounding neighborhood and the expertise of external participants to find a socially desirable and economically sustainable solution to the community's housing needs. This 28-unit housing cooperative is moving forward as a result

of the synergies created with organizations and individuals within the social economy. Updated information can be found at www.laborda.coop/en/.

In order to describe the housing model, this section looks at the strategies to develop and manage the building, the tenancy regime being used, the sustainable communal living model of the project, the features of the economic agents involved, the strategy to access land, and affordability criteria.

Self-management and self-development through a housing cooperative

La Borda defines itself as a not-for-profit housing cooperative. Its members govern the organization through the general assembly, which defines the strategies and approves and monitors the projects related to the development process. La Borda has also created commissions to manage the cooperative.

In addition to its self-management, La Borda will also rely on its members for the construction of the building. The project includes a volunteer work scheme through which members of the cooperative contribute some of their time and knowledge. This system is coupled with professionals that offset the limitations the cooperative members have in terms of knowledge and availability. However, the cooperative members maintain the responsibility to decide who should execute each job, avoiding unnecessary intermediaries. This model is intended to reduce the cost of building as well as to guarantee a higher control of the project by its prospective users. The building is expected to begin construction in 2017 and to be finished by the end of the year.

It is worth noting that this project relies on a shared civic engagement amongst its proponents. Most people involved see themselves as left-wing progressives, and share the opinion that housing should not be treated as a commodity or an asset but as a human right and a basic consumer good. This common ideological background has been crucial to facilitate the organization's decision-making process and to solve conflicts among cooperative members.

Cession of use as a tenancy regime

La Borda will implement a cession of use tenancy regime for the allocation of its housing units. This model - inspired by the Andel model - leaves the ownership of the building to the cooperative and grants the right to use each dwelling to each household through a cession of use contract in exchange for an entry fee and a monthly payment. The residents will have the

indefinite right to use their assigned dwellings as long as they are members of the cooperative. The right of use can be left in bequest if the heirs are long-time members of the cooperative and fulfill the income criteria set by the law for affordable housing. If any of the residents want to leave the cooperative, the entry fee will be returned.

Together with the cooperative model, the cession of use regime is intended to preserve housing affordability in perpetuity and to avoid the privatization of affordable housing units.

Sustainable and communal living

La Borda differs from a mainstream housing development in that it fosters a communal living model. By fostering community life through shared common facilities and spaces, La Borda aims to optimize its space and resources while encouraging interaction between residents. This is achieved by prioritizing common space over private dwelling space. Communal spaces will also be used as a meeting space for Can Batlló's neighborhood movement.

Another characteristic element of La Borda is its focus on sustainability in both the low environmental impact of the construction project and the sustainable usage of the building. On the one hand, the construction methods and materials to be used have been chosen to minimize the environmental footprint of the project without rising costs. On the other hand, a responsible, sustainable usage of the building by its residents will be promoted to minimize the consumption of natural resources.

Technicians and prospective residents are already discussing the most cost-efficient ways to ensure a sustainable living environment. An external environmental consulting firm has also been hired to assist the architectural committee and the professional architects in implementing the desired sustainability features.

Social economy

La Borda emerged in the framework of the social and cooperative economy. The economic activity generated by La Borda is meant to both benefit from and contribute to the expansion of this economic sector and the businesses related to it. To this end, the cooperative prioritizes professionals and businesses that belong to the social economy and cooperative networks, including funding through ethical banking. The shared social goals among the agents participating in the social economy guarantees that affordability is maintained over time while making the project financially viable.

Being part of the social economy also has implications for the decision-making processes and other behavioral aspects of the cooperative. This includes the participation of all members of the cooperative in its daily management, the communal living setting described above, as well as the need for mutual trust between the cooperative and its business partners within the social economy.

Funding

Despite their expansion in recent years, Catalan credit cooperatives from the social economy have limited funding capabilities, generally inferior to that of the mainstream banking system (www.bancaetica.cat). This comparative disadvantage results from the fact that most of these organizations depend exclusively on their members' resources. At the same time, the contraction of the housing sector since the burst of the housing bubble has made financing institutions reluctant to support housing development projects (Asociación Hipotecaria Española, 2015). In this regard, La Borda's project financing will be provided by the credit cooperative Coop57, which will also be strongly involved in the technical monitoring of the entire development process. This partnership responds to the shared goals between agents of the social economy presented above.

However, the funding required for the project- 2.7M€ - exceeds the maximum amount Coop57 can afford to lend. That is why Coop57 and La Borda are already creating alternative sources of funding such as participatory bonds and voluntary contributions to the so-called 'social capital fund', the share capital fund of the cooperative. All in all, loans from Coop57 are expected to cover 29% of the funding needs. 29% will be covered through participatory bonds (to be repaid, with interest, overtime), and 29% with funds from La Borda (among which are the entry fees paid by the residents). The rest is expected to come from voluntary contributions and subsidies.

Professional support

In line with La Borda's communal approach and its role in the social economy, the hiring process necessary for the construction of the building will be based on three criteria. First and foremost, the person or business hired needs to be technically suitable for the job. Second, priority is given to professionals that belong to the social economy. And third, priority is given to professionals or businesses that are members of the cooperative or are taking part in La Borda's volunteering program. These criteria have so far ensured that the financial

viability study, the design project, and all the legal work have been completed by members of the social economy. This has reduced costs to the cooperative while helping develop the social economy as a sector.

Land access

After several changes to the urban renewal plans for Can Batlló, City Council currently foresees the construction of market-rate housing on privately-owned land (670 units, 61%), and affordable housing on publicly-owned land (430 units, 39%; of which 70 units are to be developed by housing cooperatives) (Ajuntament de Barcelona, 2014).

In 2012, La Borda started working on two alternatives: the renovation of an existing building or the construction of a new building in one of the vacant lots. Although La Borda's members preferred the first alternative over the second, the renovation of an existing building was only considered to be feasible in the medium or long term because it required the modification of the General Metropolitan Plan. Choosing the second alternative made La Borda's project feasible in the short term without giving up on the other alternative for future initiatives.

Regarding the tenure of the land, its acquisition in the open market was dismissed from the very beginning since its cost would have made the project financially unfeasible. In addition, La Borda's project already met the criteria set by City Council to apply for publicly-owned land.

On this matter, Barcelona's Municipality owns land that is legally designated for the development of affordable housing. Most of this land has its origins in the modifications of the General Metropolitan Plan, that include the cession of privately-owned land to the Municipality in exchange for higher development rights (Law 3/2012). Most of this land is developed through the Patronat Municipal de l'Habitatge (PMHB, 2015), a publicly-owned affordable housing development company. However, the Municipality also partners with private affordable housing developers in order to move forward some of the projects. The customary practice involves a barter between a private developer and City Council through which the latter receives a share of the resulting housing units in exchange for the publicly-owned land being developed.

Barcelona used to sell its affordable housing units to low-income households with resale restrictions. However, in 2011 City Council decided to stop selling its housing assets and to use surface rights instead. In the case of Barcelona, the covenant for this tenure (see table one)

generally implies the sale of the ownership of the apartments (and thus of the buildings) for 75 years, while the land remains in the hands of the Municipality (PMHB, 2015).

In view of the common use of surface rights for the sale of affordable housing in Barcelona, La Borda proposed City Council to transfer the surface rights of one of the publicly-owned lots in Can Batlló to the housing cooperative. In the final agreement between La Borda and City Council it is stated that the surface right for a publicly-owned lot in Can Batlló is transferred in exchange for an annual levy of 3600€ (270,000€ for the whole 75-years period) for the development of cession of use affordable housing.

Affordability

La Borda's affordability depends on the access to financing, the legal conditions for the development of publicly-owned land, and the development and management costs of the project. The financing conditions agreed with Coop57 establish that 29% of the resources necessary to advance the project will come from LaBorda's own funds. This amount is expected to be collected equitably from each household through returnable up-front capital contributions to La Borda's social capital fund.

The surface right's covenant with City Council subjects the project to the same regulations as 25-years-long rentals in the affordable housing market. The law establishes an income limit equivalent or inferior to 4.5 times the IPREM (Multiple Effects Rent's Public Index), which is currently between 44,730€/year for 1 person and 49,700€/year for 4 or more people (Law 25/2014). Regarding the monthly fee to be paid by the cooperative's members, the limit agreed between La Borda and City Council is 5.81€/m² (Document de Condicions Reguladores, 2015).

Considering the two limitations stated above, the entry fee is expected to be around 17,000€ and monthly payments should not exceed 450€/month for an average apartment of 70m² plus its share of common space. It is worth pointing out that these fees are lower than the maximum prices set by law for affordable housing and clearly below open-market rental prices, which in 2014 were 688€/month in Barcelona and 540€/month in all of Catalonia, on average (Idescat, 2015). The cooperative members receiving the right of use for one of the apartments will have to meet all other requirements of the Catalan legislation for affordable housing (Law 75/2014).

Discussion

This article analyzes the key components of a cooperative affordable housing project. In addition to the context in which the initiative emerged and its characteristics, a third element is worth discussing in this article, namely its ability to scale and become an alternative housing option.

La Borda emerges in a context of economic crisis in which alternative housing models are seen as one of the solutions to fight unaffordability and improve the management of affordable housing estates. Both the global financial crisis and the Spanish housing crisis have cast doubts on the traditional models of housing provision, particularly in the affordable housing sector. On the contrary, housing cooperatives have been praised by its supporters for promoting a shared responsibility between their members and the rest of society, including public institutions, social businesses, and neighborhood organizations, among others. Their connection to other social enterprises has been seen as an opportunity to achieve affordability without exclusively relying on public subsidies.

In addition to the favorable macroeconomic environment, the particular context of Can Batlló also favored the emergence of La Borda. The initiative was framed in a dynamic neighborhood that is rich in social capital and benefits from strong social networks. In addition, the housing project that was first envisioned in the former industrial site of Can Batlló was brought to a standstill during the crisis, opening up the possibility for social movements to get more involved in the urban renewal process. Finally, external support from young professionals and people involved in the social economy has also been critical for the initiative's success until today.

In terms of the particular features of La Borda, some elements have been critical to consolidate it. First, member's involvement in the design and management of the cooperative has been crucial to reduce costs and create the necessary social connections to move the project forward. Second, the adoption of a cession of use housing tenure will ensure that housing remains affordable overtime. Third, the preference for communal living spaces will allow for a sustainable use of space and resources. Fourth, the financial and technical support from other businesses from the social economy has contributed to the project's viability. And fifth, the agreement reached with Barcelona's City Council to access land through a surface right at an affordable price has made the project possible while ensuring that all new units will be affordable. Overall, La Borda has adopted a bottom-up approach that prioritizes sustainability and affordability over profitability.

Regarding its potential for scalability, La Borda can teach some lessons to similar projects elsewhere, particularly in Barcelona. Its bottom-up approach has so far been successful at minimizing costs and finding alternative business partners to those in the mainstream housing sector. Support from local partners and social networks is already accessible in other areas of the City where neighborhood organizations and social movements are already active trying to preserve housing affordability and to stop evictions (IGOP, 2014). In addition, La Borda also shows the need to partner with public institutions in order to ensure affordability overtime. On this matter, the scalability potential for cooperative housing will greatly depend on governments' support. As of now, both Barcelona's City Council and the Catalan Government have committed to promote intermediate housing tenures in affordable housing. The success of the left-wing platform led by Ada Colau and other anti-eviction activists in the 2015 local election in Barcelona is expected to increase even further public support for intermediate housing tenures such as cooperative housing (Ajuntament de Barcelona, 2015). If La Borda is successful, it can be expected that similar initiatives will emerge, benefitting from the knowledge that will arise from La Borda's experience.

On the other hand, there are some particularities to La Borda's case that might challenge the model's scalability. The urban renewal process of Can Batlló is quite unique in Barcelona because of its large size, the number of people and organizations involved in the process, and its proximity to a socially and economically vibrant district such as Sants. In addition, Barcelona's City Council has limited experience partnering with bottom-up affordable housing developers for the provision of affordable housing. Another major obstacle is that of financing. Mainstream banking institutions are reluctant to lend money to not-for-profit affordable housing developers, and the financing capability of credit cooperatives is limited. This limitation can nonetheless be overcome by establishing partnerships with cooperative banking institutions and the pursue of cost-reduction strategies based on the promotion of self-construction by residents, the preference for common space over private dwelling space, and the use of sustainable low-cost construction materials and methods. Finally, the people and organizations involved in the project have no experience in managing a housing estate. Their performance on this matter will be critical to determine the model's potential to scale.

The academic relevance and limitations of this study should be stated in order to inform further research on related issues. First, as in any other case study, the conclusions reached here are very much connected to the case itself. Even if some general recommendations can be extracted from La Borda's experience, they should be taken as preliminary ideas rather

than final conclusions. In addition, some country-specific (even region- and local-specific) features should be considered if some of the lessons are to be applied in a different context. Barcelona, Catalonia, and Spain have recently experienced a severe housing crisis that has forced home-seeking households, and public and not-for-profit organizations to look for solutions outside the traditional housing industry. Barcelona and Catalonia have pioneered this transition within the Spanish context with the use of surface rights and the introduction of temporary and shared ownership in the Catalan Civil Code. Nonetheless, La Borda's experience can be particularly relevant to similar contexts such as in other countries in Southern Europe.

Finally, as in any ongoing project, La Borda's success will need to be evaluated overtime in order to have a full assessment of the initiative. Further research on this and other case studies is recommended to contribute to the understanding of self-organized bottom-up intermediate housing schemes and particularly to that of housing cooperatives and their potential to become an alternative housing option.

Conclusions

This article analyzes the case of La Borda housing cooperative as an example of social innovation in the provision of affordable housing. It describes the context in which the initiative emerged and the features of the project. According to Moulaert et al. (2005) dimensions, La Borda could be defined as socially innovative because of its response to social needs currently unmet by the public and private sectors, its bottom-up governance model, and the increased socio-political empowerment it encourages among its members.

Regarding its context, three key elements opened a window of opportunity for La Borda: the 2008 Spanish housing crisis, the emergence of the social and cooperative economy, and the existence of a strong neighborhood movement that supported alternative models of housing provision. In terms of the cooperative's features, La Borda adopted a version of the Andel model that relies on the participation of its members and partners in the social economy for the provision of affordable housing. Additional support from the local and regional governments through increased access to land and public subsidy have also emerged from the analysis as key factors to explain the initiative's progress.

La Borda's case study allows the reader to go beyond the project's particularities to reflect on the potential for replication and scalability of similar self-organized affordable housing projects in Barcelona and elsewhere. The social, legal and economic context in

which the project is developing already exists in other areas of the city as well as in changing neighborhoods across the world, particularly in post-industrial cities in Southern Europe. However, one of the limitations to its scalability in Spain is the access to financing due to the restrictions imposed by mainstream financing institutions since the burst of the Spanish housing bubble.

Finally, it is worth pointing out that La Borda is not a finalized project. The building is currently under construction and it is expected to be completed by the end of 2017. Its success will need to be assessed overtime. In addition, the model's long-term impact on society and particularly on the housing sector will greatly depend on external factors such as Spain's financial, labor and housing markets' performance, and on society's perception and support for social innovation in the housing sector.

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Table 1: Housing Tenures in Catalonia

Housing Tenures	Definition	Use in affordable housing	Legal framework ¹
Home-ownership	Owner-occupied housing. The most common housing tenure is condominiums (<i>comunidad de propietarios</i> or <i>propiedad horizontal</i>), which is also the most common in the open housing market. Condominiums have been largely used in Spain since the 1960s, when the first law regulating them was adopted (Casado, 1999).	In affordable housing, home-ownership has traditionally been used in combination with temporary resale restrictions. Spain's public affordable housing is known under the name of <i>Vivienda de Protección Oficial</i> (VPO) and it differs from affordable housing policies in other countries in that private developers are legally compelled in urban plans to build this type of housing in exchange for their right to develop open-market housing, as well as some kind of public subsidy. Most of this type of housing is sold at an affordable fixed price unconnected to the buyer's income, and keeps its affordability for a limited period of time established by law; reasons why it is more appropriate to use the term 'affordable housing' rather than 'social housing' to define it. The allocation of the units is generally done through a lottery system.	In all of Spain: Law 49/1960 Catalonia: Law 5/2006.
Renting	Temporary use of someone else's housing in exchange for rent.	Affordable rental housing policies include rent regulation for open-market units, publicly-owned rental apartments, as well as subsidized privately-owned rental for low-income households. A fourth typology is emerging as a result of the temporary transfer of housing units from private owners (particularly banks) to municipalities.	In all of Spain: Law 29/94 Law 4/2013 Royal Decree 1559/2012
Surface rights	It refers to a real right or right in rem limited to someone else's estate that temporarily gives the ownership of the building(s) on the estate to someone else (the superficiary), while the initial owner keeps the ownership of the land beneath it. It resembles a land trust in that the land and the dwellings are owned by different people.	This tenure is used to sell affordable housing developed by public agencies for a limited period of time (equivalent to the duration of the contract). It has the advantage that it provides affordable housing for a long period of time while not overburdening the public sector with operating costs. Since the land remains in the hands of the public sector, it also ensures that the buildings will remain affordable overtime.	In Catalonia: Law 22/2001
Shared ownership and temporary ownership	Shared ownership refers to the acquisition of housing by individuals with the patronage of a public agency, postponing the final acquisition by the beneficiary; or by partnering with private actors who will receive a rent in exchange for their part of the property. Temporary ownership allows for the acquisition of property for a limited period of time, after which the property returns to the original owner (or whomever has his or her rights at the moment).	These typologies have not been implemented yet, although they are legally possible.	In Catalonia: Law 19/2015
Cession of use	It refers to the right of the tenant to occupy a housing unit for free or in exchange for some type of economic or in-kind compensation.	In affordable housing, this tenure has been used in housing cooperatives to recognize the right of the members to use a housing unit, in exchange for monthly fees to the cooperative. It has also been used in ad-hoc agreements between landlords and tenants in exchange for physical improvements to the property, to be performed by the latter (this type of agreement is known as <i>Masoveria Urbana</i> in Catalonia).	In Catalonia: Law 18/2002

¹ In Catalonia: Law 18/2007, Law 3/2012. In all of Spain: Article 33 of the Spanish Constitution, Law 8/2013.