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Author: **Nils Scheffler** *UIA Expert*



The 'Yes, We Rent!' project Journal N° 2

Project led by the City of Mataró







The 'Yes, We Rent!' project

Yes We Rent! tackles the lack of affordable rental housing by bringing back into the local market properties that have been left empty. The project will incentivise owners to rent their dwellings at below market prices by offering them a guaranteed rent and financial/organisational support to renovate their properties.

Through its scale, Yes We Rent! aims to 'change the rules' of the whole rental market in Mataró, to put pressure on rents and to contribute to desegregation. In addition, the project tests an original organisational model of a multi-stakeholder cooperative, which allows public control and absorption of public investments while supporting the empowerment and self-management potential of cooperatives members. Tenants will be trained and incentivised to engage in self-help, empowerment, joint development of housing related services and recruitment of new flats. Both the impact and the organisational approach will be assessed through a solid research and evaluation framework and together form a model of a transferrable policy instrument for affordable housing.

Partnership:

- Mataró City Council
- Fundació Unió de Cooperadors
- Fundació Jovent
- Diputació de Barcelona
- IGOP
- TecnoCampus

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1. EXECUTIVE SUMMARY

The UIA funded project 'Yes, We Rent!' tackles the challenge of **"people without flats and flats without people"**. There are about 2.800 private owned vacant flats in Mataró and at the same time an increasing number of household that can barely afford the rents on the rental market, which have increased in the last year by more than 30%.

In order to use the empty flats as an opportunity and make them available to the housing market for a fair rent – below average market price for people with problems at the rental housing market, the city has developed the following approach:

- Reactivation of private empty flats by offering incentives and support to owners to leave their empty flats with the 'Yes, We Rent!' affordable housing scheme
- 2. Using the renovation of flats for the capacity building of troubled adolescents
- Establishing a housing cooperative responsible for the 'Yes, we rent'! affordable housing scheme beyond the duration of the UIA project

The 'Yes, We Rent!' project kicked-off in summer 2019. After its initial phase of implementation, in 2020 all three approaches mentioned above are set up and running. The acquisition of empty flats as well as the training of troubled adolescents for the renovation of the empty flats is progressing, despite the COVID-19 social distancing restrictions. Nevertheless, these restrictions have required an adjustment in the implementation of these parts of the project; but this was successfully dealt with.

The foundation of the housing cooperative advances slower than initially anticipated. Main

reason – besides COVID-19 restrictions – is that the development of a cooperative based on the voluntary work of volunteers takes simply more time. This leads to different speeds in the implementation of the project. Thus, some parts of the project timewise do not intertwine as well as it would be desirable for the planned progress of the project. This has required interim solutions and partly the adaptation of the original implementation concept. As a result, certain approaches of the project cannot be tested at the moment: the cooperative as the main actor and contractual partner for the 'Yes, We Rent!' housing scheme.

But also the COVID-19 social distancing restrictions hamper the co-implementation of the project as virtual meetings cannot adequately replace physical meetings, which are necessary to build up a strong partnership, to build up trust between the stakeholders (social glue) and to work effectively together. Here in particular the information flow from the cooperative to some partners could improve.

The next steps of the project will focus to attract further owners to let their vacant flats to the 'Yes, We Rent!' housing scheme and to allocate first tenants to renovated flats. Also the 2nd cohort of adolescents will receive their technical and practical training in the renovation of apartments. The legal establishment of the housing cooperative will be key for the further development of the project.

For further information:

https://www.uia-initiative.eu/en/uia-cities/mataro; https://www.mataro.cat/sites/lloguem

2. UPDATE ON THE IMPLEMENTATION & CHALLENGES OCCURRED

The 'Yes, We Rent!' project had kicked-off its main activities - after a preparatory phase - in summer 2019. The 1st Journal reported on these first activities. Since January 2020, the focus of the project has been on the

- activation of first flats and owners for the 'Yes, We Rent!' housing scheme,
- 2. renovation of the flats and in this context the training of young people for the labour market,
- 3. building up the cooperative.

As expected, the COVID-19 restrictions have delayed the implementation or even required the re-planning of activities to be able to continue with the project. This has led to the interruption of the work process, but the project continues.

2.1 Reactivating private empty flats and owners for the 'Yes, We Rent!' housing scheme

Preparation of legal studies, model contracts and standards of renovation work



With the support of an external lawyer (which has been very important!) and in coordination with relevant administrative units and other stakeholders a **legal report for the rental guarantee fund** was prepared. It describes for example the (legal) mechanism for guaranteeing payment to the owner and the (legal) relationship between the involved parties (owner – city

council – cooperative – tenant): the rental mediation, handing over keys, collaboration for the management of the homes, rights and responsibilities, etc. The rental guarantee fund guarantees the owner the rent payments during the rental period in case the tenant is not paying the rent. As the cooperative, which is to be responsible for the guarantee fund in the future, does not yet exist as a legal organisation, it cannot conclude any contracts. Thus, for the transitional period, the city council will be the responsible contract partner for the owner for the guarantee fund, committing itself for the payment of rent guarantees.

In addition, a **template for a rental contract between the owner and the tenant** was developed as well as a **template for the contract between the owner and the city council**, regulating the temporal transfer of the flat into the 'Yes, We Rent!' housing scheme, the agreement of adhesion, the subsidies for the renovation works of the flat, etc. It was supposed that the contract partner would be the cooperative. But as it does not exist legally yet, as transitional regime the city council will be the contract partner. So first apartments will be rented not via the cooperative, but via the bourse of applicants for public housing BORSA.

To determine the renovation and energy efficiency standard for the flats for the 'Yes, We Rent!' housing scheme and thus, which renovation and modernisation measures for the flats will be subsidised (up to 20.000 € per flat), the municipality developed a **document in which the standards for the rehabilitation works and the energy efficiency are described**. The standards are based on the buildings and housing laws and directives that exist at state, regional and municipal level.

Due to the importance of legal validity of such documents and contracts, the external legal support was crucial. Thus, a **lesson learnt** is to equip such projects with robust legal and technical support that can be drawn upon rapidly and on demand as different doubts and questions arise during the design of such legal documents by the different parties.

Procurement of the renovation work for first flats

The city organised a tender to hire companies to do the renovation work for the first acquired flats for the 'Yes, We Rent!' housing scheme. Due to current procurement regulations, the municipality could not introduce a clause that the companies had to cooperate with the Salesians Sant Jordi foundation, which is responsible for the training of troubled adolescents for the renovation of flats to improve their chances on the labour market. So by now the trained young people could be involved in the renovation works. The only clause that could be introduced was that the companies had to cooperate with any organization that works with troubled adolescents. All selected companies opted to work together with other associations. But the municipality intends to check if in a second tender there is a legal possibility to enter an exceptional clause that demands to cooperate with the Salesians Sant Jordi foundation as they are part of the EU funded project.

Communication campaign to attract owners to the 'Yes, We Rent!' housing scheme



Before the break out and start of the COVID19 restrictions, Mataró had started its communication campaign at the end of January to inform about and attract citizens and owners to the 'Yes, We Rent!' housing scheme (see also 1st Journal, p. 10). But very soon due to the COVID19 lockdown the campaign had to be stopped for an unforeseen period of time as direct contacts with owners were prohibited and during the "summer break" the impact of the campaign would have been low.

In addition, the municipality set up a website about the 'Yes, We Rent!' housing scheme targeting at owners and people interested to set up and become members of the housing cooperative.

By now 43 owners have contacted the city with the intention to bring in their flats to the 'Yes, we rent housing scheme'. The pandemic probably benefits the project, as it gives security to landlords to get the rent payments, which at the moment might be more difficult in the private market.

On-site visits with owners of their empty flats



With owners that have stated their interest to transfer their vacant flat to the 'Yes, We Rent!' housing scheme, the chief architect from the department of Housing together with his team arranged on-site visits to present the 'Yes, We Rent!' housing scheme in person and to assess the renovation needs of the flat. By now 36 visits have taken place. Based on the on-site visits, the municipality has sent a proposal to the owners about the compulsory and recommended renovation works to be done, the subsidies and other benefits the owner will receive and the duration of the assignment of the flat to the 'Yes, We Rent!' housing scheme incl. the maximum monthly rent. Based on the proposal, so far 11 owners have submitted a grant application and 7 owners have requested the management of their flats to the municipality. Four owners have started own rehabilitation works on their empty flats to let them afterwards to the 'Yes, We Rent!' housing scheme.

A **lesson learnt** has been so far that is important to respond and contact the owner to arrange an on-site visit within three days after the project has been contacted by the owner. To coordinate the work and on-site visits within the team responsible in the municipality, they use the project software Airtable. Also the experience demonstrates that it is better to meet in person with the owner at the apartment rather than in the town hall.

2.2 Training of troubled adolescents for the renovation of flats to improve their chances on the labour market



As the renovation of the vacant flats is used to train troubled adolescents to improve their labour skills to have better opportunities on the job market, Salesian Mataró, a non-profit organisation working in the social education and capacity building of children, problematic teenagers and adults, has continued with the training of the young people to do basic renovations of flats (read the article on the training). The first group has already finished the training programme and participated in the renovation of two flats. As they cannot participate in the renovation of the first flats of the 'Yes, We Rent!' housing scheme due to the procurement results (see p. 6), the municipality contributed two of their public flats in need of renovation from the social housing programme.

Due to the COVID-19 pandemic and its restrictions with group work, Salesian Mataró had to reorganise its training plan and training facilities. How they have successfully shifted their physical training program for troubled adolescence online and the experience with it due to the COVID-19 restrictions, you can read in the interview with Laura Font Mela, director of Salesians Sant Jordi-PES Mataró. Key steps have been to shift the technical training to online training programmes and the practical training from group works to more personal work on individual projects to be able to comply with the safety distance requirements.

A **lesson learnt** from the training has been that not only renovation skills need to be trained but also the reinforcement of language skills due to their low level.

2.3 Developing the tenants housing cooperative

Communication campaign to attract people to become members of the tenant housing cooperative



In February the Fundació unió de Cooperadros de Mataró, founded by the municipality to be in charge for the set-up of the tenant cooperative, organized an information event announced in social media and with posters distributed around the city to talk about the foundation of a tenant cooperative. To inform and attract further potential cooperative members, newsletters and questionnaires were produced. They were distributed amongst the members of the 'driving group' of the cooperative and amongst people who have contacted the cooperative as they might want to become a member and rent a flat.

In addition, the municipality set up a website about the 'Yes, We Rent!' housing scheme targeting at owners and people interested to set up and become members of the housing cooperative.

By now there are about 20 active members working on the set-up of the cooperative and about 40 people interested in becoming a member of the cooperative and rent one of the apartments.

Constitution of a 'driving group' working on the foundation of the tenant cooperative



Based on the information event in February, about 20 people formed a 'driving group' to propel the foundation of the tenant cooperative. They divided the tasks in four working groups, which work self-organised and independent of each other. To coordinate interim results among the working groups representatives meet once a week. The working groups are about:

- Communication (internal and external)
- Statutes group
- Internal regulations
- Strategy group

The people work unpaid on a voluntary basis. The COVID-19 restrictions, unfortunately, meant that the physical meetings of the driving and the

working groups had to be stopped; which is very unfavourable, especially at the beginning when a group gets to know each other. Nevertheless, the people continued their work via virtual platforms with weekly online meetings (google drive, zoom and jitsi) despite the fact that the online communication is more tedious and less dynamic.

So far the Statutes of the cooperative have been work out, the criteria defined for awarding the flats, a report on the business plan and the rights and duties of future coop members is in elaboration. In addition a document was prepared called "The cooperative we want".

A **lesson learnt** from the process so far is: the foundation of a cooperative by voluntary people takes time, in particular to reach agreements amongst people who have recently got to known each other. It needs time to come up with a model that convinces to become engaged as cooperative member in the long-term. This is crucial in order that the cooperative will become and remain a new actor in the rental market of Mataró.

Thus, if time is of an issue, such groups need professional coordination and leadership support (group managing skills), helping them to advance and take decisions and not get stuck in "endless" discussions. They also need technical support by experienced people in the set-up of a housing cooperative; in particular when a cooperative is to be set up to take on tasks as foreseen in the 'Yes, We Rent!' project on a long-term basis (guarantee fund, temporary renting of single, unconnected flats which are not owned by the cooperative, etc.). It cannot be expected that this kind of technical knowledge and experience in leadership is automatically within a group of voluntary people.

Based on this lesson learnt, the 'driving group' received external legal support (Col·lectiu Ronda) and support for the development of the business plan from the project partner TechnoCampus (social economy department). For instance, the business plan was written as open online file by TechnoCampus. Core cooperative members could ask questions or suggest ideas. Afterwards the exchange continued via various online meetings. The project partner Institute on Government and Public Policy (IGOP) organised two online training courses (online due to social distancing measures) about housing cooperativism and organisation facilitation.

Nevertheless, it can be concluded that the development of the cooperative based on a group of voluntarily people takes more time than time is available within the UIA project. I.e. first apartments are available for rent by the cooperative, but the cooperative is not in the legal position to do so. Here the interim solution is that the municipality steps into the position of the cooperative (legal contract partner).

3. NEXT STEPS

Reactivating private empty flats



An important next step will be the economic justification of the guarantee fund to be able to put

it in practice. Also the communication campaign will be re-started to attract further owners to let their empty flats to the 'Yes, We Rent!' housing scheme.

First contracts between owners and the city Council will be signed to bring in effectively first flats into the 'Yes, We Rent!' housing scheme. This will be followed with first allocations of tenants to renovated flats, mainly amongst the applicants for public housing until the cooperative is set up.

Training of troubled adolescents for the labour market



Salesian Mataró will start with the selection of a 2nd group of adolescents for the technical and practical

training programme and start the training. With regards to the first cohort, the education team will evaluate the first round of the training programme and develop individual itineraries with each adolescents of the first round for their further working life.

Developing the tenants housing cooperative



Monitoring the project



Next steps for setting-up the cooperative will be finalising the draft documents, the development of the Viability Plan based on the Business Plan and the organisation of a third training session for the coop members. This is supposed to lead to the formalisation of the cooperative and have members enter the 'Yes, We Rent!' housing scheme.

The next step in monitoring of the project is finalising the first interim report, continuing with the next stages of the evaluation process and signature of necessary documents by the evaluation partners to have access to needed data.

4. UIA CHALLENGES

- "A critical analysis anchored to the project activities development.
- The lessons learned from that specific challenge, in the respective implementation period."

The UIA Initiative has identified seven typical challenges for the implementation of innovation projects, as 'Yes, We Rent!' is one. For explanations on these challenges, take a look at the UIA Operational challenges. 'Yes, We Rent!' also addresses these challenges to support a

successful implementation of the project. The envisaged way of dealing with these challenges is described in the following subchapters, providing at the same time a further insight into the 'Yes, We Rent!' project.

Political and administrative leadership

So far, no particular challenges have occurred. Political representatives (mayor and councillors) take part in public events presenting the project. With the political advisor of the council woman on Housing regular meetings are held. As a result, she helps to make the other departments understand that the project is a political priority and they are expected to

Cross-department working

The main challenge is making the different departments of the city council understand their concrete role and work in the project and to accompany the project in an innovative and creative way (thinking out of the box).

So far, the solution has been the organisation of technical meetings with the presence of high rank technical personnel from the departments, from which support and services for the implementation of the 'Yes, We Rent!' project is needed. The meetings are supposed to serve to support the project in an innovative and creative way.

A potential controversy will be that the parties have different views on how independent the cooperative should be; whether there should be a possibility for the city to influence decisions and activities in the future, this i.e. by being present in the board of the cooperative.

coordinate and speed up necessary decisions. During the meetings they inform what has happened lately and what is needed to successfully continue with the project. However, due to the COVID-19 pandemic no meetings have taken place in 2020.

In addition, regular informal bilateral meetings are held with relevant departments to tackle concrete management issues at each moment of the process.

Participative approach for co-implementation

To coordinate the partners and activities - besides bilateral contacts - regular steering committee meetings take place. Due to the ongoing COVID-19 related social distancing measures, physical meetings could not take place. The online meetings are not a perfect substitute in terms of optimum communication and relationship-building for decision-making processes, especially when it comes to the constitution of the cooperative. Social distancing measures inevitably come in the way of building group cohesion and fluid communication. Adapting to online communication has been a learning process and although important progress

has been made, prospects are it will continue to be a problematic factor in the next months.

Another challenge is the different working speeds and working culture of the city administration, the research partners and the volunteers of the cooperative. This impedes the timewise coordination of interrelated activities.

It seems also that the information flow from the person in charge of the foundation of the cooperative to the other partners could be more fluid and dynamic. An idea is to invite members of the 'driving group' of the cooperative to the steering committee meetings.

Communication with target beneficiaries and users

General communication with owners and potential tenants had been planned at neighbourhood meetings and events. Due to the COVID-19 distancing measures these could not take place. This has hampered the understanding that the project is not about the provision of social housing. Just through direct communication opportunities with owners and tenants this could be explained well. In a future communication campaign it will be a focus to communicate better which households the 'Yes, We Rent!' housing scheme targets at. As the social distancing measures are still in place, the communication campaign will be reinforced through written media and local radio and TV.

Public procurement

See "Procurement of the renovation work for first flats", p. 6.

Monitoring and evaluation

The evaluation partners of the project, Fundació TechnoCampus Mataró-Maresme and the Institute on Government and Public Policy (IGOP) of the Autonomous University Barcelona Evaluation have developed the final evaluation scheme. In addition, for the interim report for phase 1 of the project they have collected relevant qualitative data (interviews, questionnaires, observations, document analysis). Due to the COVID-19 restrictions interviews had to be carried out online and the observations concentrated on online-meetings of the project partners and the 'driving group' of the cooperative. Another challenge are the legal requirements regarding data collection and data analysis to implement the evaluation scheme. To ease that the evaluation partners have worked with the city council defining the legal framework and establish the pathway to obtain administrative information.

Upscaling

The most important challenge so far is to be aware of the challenges and successes of implementing such a project so that it can be transferred to other municipalities that may be interested in a similar project in the future. To ease potential transfer of the project to other municipalities the documents and templates have been worked out in a way that they can be applied in other cities, too. Also the Diputació de Barcelona will assist in making the project and its experience known by gathering with other municipalities from Barcelona's province.

Urban Innovative Actions (UIA) is an Initiative of the European Union that provides urban areas throughout Europe with resources to test new and unproven solutions to address urban challenges. Based on article 8 of ERDF, the Initiative has a total ERDF budget of EUR 372 million for 2014-2020.

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Urban Innovative Actions

Les Arcuriales 45D rue de Tournai F- 59000 Lille

+33 (0)3 61 76 59 34

info@uia-initiative.eu www.uia-initiative.eu

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