

Reframing Affordable Housing As Our Housing Commons Working Paper

ABSTRACT: In the market-based economies of the developed world, people are expected to obtain housing through one of two mechanisms – through the marketplace, if they can afford it, or through accessing programs and supports provided by the state, if they cannot. In some nations, a non-profit sector also provides housing; however, this sector often depends upon the state for the majority of its funding. With over 100 million people experiencing homelessness and at least another one billion inadequately housed, there is ample evidence that market-based economies have not produced adequate, affordable shelter for everyone. A more robust alternative may lie in the work being done to create a “Commons Paradigm”- an economic and social framework that recognizes the pivotal role the commons play in human survival. This article suggests affordable housing should be recognized as a commons and should be protected by community housing charters and managed by community housing trusts.

Key words: affordable housing, common goods, Commons Paradigm, community housing trusts

Introduction

The United Nations estimates over 100 million people worldwide are homeless and at least another 1.1 billion are inadequately housed (United Nations, 2010). These numbers are alarming in themselves, but they are especially alarming in light of the long history of international declarations aimed at ensuring universal access to adequate, affordable housing: the 1976 Vancouver Declaration on Human Settlements affirming adequate shelter and services as a basic human right; the 1987 International Year of Shelter for the Homeless; the 1987 Global Strategy for Shelter to the Year 2000 with its objective of stimulating measures to facilitate adequate shelter for all by the year 2000; the 1996 Istanbul Declaration reaffirming the commitment to the “full and progressive realization of the right to adequate housing”; the UN Housing Rights Program launched in 2002 with the stated objective of assisting states and other stakeholders to ensure the “full and progressive realization” of the right to adequate housing; and on and on, with the most recent declaration by the European Commission that 2010 was the European Year for Combating Poverty and Social Exclusion.

It is a global tragedy that all people do not have access to adequate, affordable shelter. In developing nations, perhaps an argument can be made that there is not enough wealth to ensure everyone is adequately housed, although that is questionable, but, in developed nations, there is no shortage of national wealth. Why is it that increasing national wealth has not resulted in the eradication of poverty and an adequately housed population in developed nations? The author contends that it is the current market-based framework that is the problem. This article proposes an alternative “commons-based” framework, which recognizes affordable housing as a common good, instead of a private or public good, and further proposes that affordable housing be protected and preserved as our housing commons by community housing charters and trusts.

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The article is organized as follows. It begins with a discussion of the provision of housing in market-based economies. The next section identifies five structural characteristics of market-based economies that impede the production and distribution of affordable housing (private land ownership, commodification of housing, compound interest, separation of production and consumption, and use of housing as an instrument of national economic policy). This is followed by a review of international efforts to affirm housing as a human right, beginning with the adoption of the Universal Declaration of Human Rights in 1948. The next section describes the Commons Paradigm – an economic and social framework that recognizes the pivotal role the commons play in human survival. This section also differentiates common goods from public and private goods and outlines ways to protect and preserve common goods through social charters and commons trusts. The following section proposes that affordable housing be recognized as a common good and a community housing legacy for current and future generations. The paper concludes with suggestions for institutionalizing the affordable housing commons through stakeholder-created community housing charters and community housing trusts.

The Provision of Housing in Market-Based Economies

In market-based economies, sometimes referred to as “Market State” economies, the production and distribution of goods and services occur primarily through two mechanisms: the pricing mechanism of the market and the public policy framework of the state. The underlying assumption of Market State economies is that people should be able to obtain housing either from the marketplace or through government programs and supports.

In some nations, a non-profit sector also provides housing, however, this sector typically depends upon the state for the majority of its funding. A recent study on non-profit housing activity in Canada, the United States and Europe found that, although many non-profit organizations expand their activities into areas that generate revenue to help meet their financial needs, not many of them become “completely or even significantly independent of government funding” (Svedova et al, 2010). For most non-profits, their entrepreneurial approaches result, at the most, in decreased operational costs and a consequent reduced dependence on government funds for their operations but they do not result in the creation of new housing. These results are not surprising as, although the sector does have equity in assets it can leverage to obtain funding from private sources as well as access to charitable donations and social capital in volunteerism, it does not have a large enough resource base to draw upon to provide adequate, affordable shelter to those in need without access to government funds. This reliance upon government funding can often result in non-profit organizations becoming “agents” of government, thereby severely limiting their independence.

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In market-based economies, markets are considered the only sector capable of creating wealth or “adding value”. This is a relatively recent view. Prior to the Industrial Revolution, value was ascribed to other sources. In the early 17th century, the mercantilists equated value with the wealth of the ruler (the stocks of gold and silver in the king’s treasury, for instance). In the 18th century, the physiocrats identified nature (i.e., land) as the source of value and “producer of human sustenance” (Bell & Kristol, 1981). In the late 18th century, following the publication of Adam Smith’s *Wealth of Nations* and the subsequent birth of classical economics, the source of value shifted from “nature” to “man”, assuming that labour (and not land) created value. Neo-classical economics depersonalized the whole notion of economic activity by reframing the context from value to “utility” and, in so doing, from human needs to “demand” expressed in terms of purchasing power. This view continues to be the dominant view in market-based economies and is expressed in the assumption that markets, not land and not people, create value.

This changing view of the source of value and the means for creating and distributing goods and services brought with it a shift in the relationship among people and between people and nature. Originally deeply connected with nature and with each other, people worked the land, created shelters on the land from resources provided by nature and harvested or produced food from the land. As the physiocrats observed, human sustenance was derived from the land. The Industrial Revolution and the rise of classical economics shifted the view of human from “natural man” to man as an “input of production” (i.e., labour). The neoclassical economists shifted this view further to *homo economicus* or “rational” man as a “consumer seeking to maximize utility”. This separation of people from the land and from their means of sustenance meant they no longer produced what they consumed – i.e., the functions of production and consumption were separated.

Market-based economies operate on the premise that economic growth and rising GDP lead to increased prosperity, thereby ensuring sufficient national wealth to meet basic human needs and eradicate poverty. Schumacher (1974) pointed to the fallacy of this premise: “If economic growth to the present American level has been unable to get rid of public squalor – or, maybe, has even been accompanied by its increase – how could one reasonably expect that further ‘growth’ would mitigate or remove it?” (Schumacher, 1974, p. 228). Despite Schumacher’s insight and despite continued evidence to the contrary, the Organization for Economic Co-operation and Development continues to advance the view that economic growth and financial stability can foster prosperity and fight poverty. Yet, to this day, in spite of economic growth, women, men and children in wealthy nations are living in poverty and unable to access adequate, affordable shelter.

Housing policies and strategies vary a great degree among nations, depending upon the prevailing political ideology as to the roles of the market, the state and the individual. A report by the Council of Europe (2008) identified two trends in the housing policies

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of developed nations over the previous 30 year period: (1) a shift from supply-side to demand-side programs and (2) a shift in the role of the state from that of a direct service provider to a role described as “enabling”. These trends point to increased reliance upon the market to produce and distribute shelter. As UN Special Rapporteur on Adequate Housing Rolnik (2009) observed, “(i)n the majority of countries, the market has become the regulating institution, setting benchmarks for the price, location and availability of housing and land, as well as rental housing prices, while the role of the State in the management of public housing has generally decreased.” (Rolnik, 2009, p. 2).

Structural Impediments to Accessing Housing in Market-Based Economies

Access to adequate, affordable housing is hampered by five structural characteristics of market-based economies: private land ownership; commodification of housing; compound interest; separation of production and consumption; and the use of housing as an instrument of national economic policy.

Private land ownership: The emergence of private land ownership is generally thought to begin with the “enclosures” in 13th century Britain. Until then, the commoners enjoyed traditional rights to live on the land through natural or customary law. After the signing of the Statute of Merton in 1235, the lords and nobles broke down ancient law and custom, literally chasing the commoners off the land, tearing down their houses and robbing them of their share in the commons (Polanyi, 1944).

The privatization of land had the effect of privatizing the trees, rocks and other resources which were previously used as building materials for shelter, thereby separating people from the resources needed to sustain life. Korten (undated) draws a distinction between property rights and what he refers to as “living rights”, or the right to a means of living. When property rights are widely and fairly distributed, they are inseparable from living rights but when they are concentrated in the hands of the few, they literally determine whether one has a home.

When land is managed as a commons, it has an intrinsic value to the community and to all those who have access to it. When it becomes privatized, it loses this intrinsic value and, in market-based economies, it becomes a commodity with market value. Increases in market value can result from improvements made to the land by the owner but they can also arise from social influences such as increases in demand from population growth or improvements due to public infrastructure or other services provided by the state. Henry George and others have argued that increases in land value due to these “fortuitous factors” rightly belong to the public. However, without land value capture policies, these increases accrue to private land owners and are reflected in increased house prices.

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Commodification of housing: Housing is a complex good/service. First and foremost, it is a basic human need. It is also an investment good offering an income stream (real or imputed), protection against rising house prices and the potential of capital gain and associated income tax benefits. As an investment, it also attracts a special kind of investor, the speculator.

This multi-faceted nature of housing as a basic need, an investment and a speculative investment, complicates the allocation of housing and impacts its affordability. The market price of housing is influenced by external factors unrelated to housing need. It is not unusual for the market price of housing to be higher than the actual cost of construction during periods of rapid population growth. Conversely, after the collapse of housing bubbles, the departure of a major employer or other disruptions to the local economy, it is not unusual for the market price to be lower than the original purchase price. In 2009, almost one-quarter of American homeowners with mortgages owed more than their houses were worth (*The Economist*, September 18, 2010).

Up until the last quarter of the twentieth century, many nations held a broader view of housing than simply a commodity or financial asset. Affordable housing was recognized as a public good, similar to municipal utilities such as water and sewer infrastructure, public roads or street lighting. However, the development of a globally integrated financial system in the later part of the twentieth century accentuated the commodification of housing and the role of the market in regulating the production of housing, leading to a reduced role for the state in the social sphere, as Rolnik observed (Rolnik, 2009, p. 9).

Treating housing as a commodity typically leads to a suboptimal distribution of shelter due to the durable nature of housing and the frequent mismatch between the type of housing needed by residents to be adequately sheltered and the characteristics of the existing housing stock. For instance, some houses may be sitting vacant while families down the street are living in overcrowded housing. Elderly households may be living in oversized family homes that are “too big”, “too expensive” and “too much to maintain” when their children no longer live at home. Single-person households may be living in three-bedroom homes because there is a shortage of one- and two-bedroom units in the community. Due to foreclosures, families may be forced to leave their relatively new homes which then remain vacant and fall into disrepair at the same time as people in the community are homeless.

Impact of compound interest: Compound interest is a barrier to affordable housing in two distinct ways: it adds to the monthly cost of housing; and it increases risk, especially for low-income households.

It is sobering to recall that the word “mortgage” is derived from the two Latin words *morte* and *gage*, which literally translate to “pledge of death” or “grip of death” (Conaty & Lewis, 2009). Historically, people would take out mortgages only as a last

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resort because the risk of losing their land and their means of subsistence was too great. Today, far from being a last resort, most home purchasers have no choice but to take out a mortgage to spread the cost of their home over time. This adds substantially to the price of housing and, even with current low interest rates, it is not unusual for homeowners to re-pay more than twice the amount originally borrowed.

Variable rate mortgages, adjustable rate mortgages or even short-term fixed rate mortgages can expose families and individuals to a high degree of risk when economic or market conditions change. In 2011, in Canada, a country considered to have a well-regulated financial sector, 11 per cent of mortgage holders were found to be at risk if interest rates went up by as little as one percentage point during mortgage renewal (Canadian Association of Accredited Mortgage Professionals, 2011).

In the United States, 2,800,000 homes were lost to foreclosure in 2009 (Adler, 2010). Foreclosures also impacted tenants who were often unaware that their landlords were subject to a foreclosure procedure and were evicted with little or no prior notice (Rolnik, 2009).

Separation of production and consumption: The Industrial Revolution and the emergence of a market system resulted in an inversion of the relationship between society and the economy: “Instead of economy being embedded in social relations, social relations are embedded in the economic system” (Polanyi, 1944, p. 57). Unlike pre-industrial societies where economies were organized on principles of reciprocity, re-distribution and what Polanyi (1944) calls “householding” (i.e., production for one’s own use), production and distribution in market-based economies are governed by the impersonality of the price mechanism. Production is separated from consumption. Working is separated from living.

Although there are some examples of individuals or groups producing housing for their own consumption in our modern Market State system (e.g., cohousing, co-operative housing, self-built housing), for the most part, housing is produced by developers for sale or rent to consumers through the marketplace. The separation of production from consumption is a barrier to affordable housing as there is no principle of reciprocity in the developer/customer relationship other than a monetary exchange. As Aristotle observed in *The Politics*, a civilization that organizes itself around “production for gain” will be very different from one that organizes around “production for use”.

Use of housing as an instrument of national economic policy: In developed nations, housing-related expenditures represent a large portion of GDP. The residential construction industry is a significant contributor to the economy, creating direct jobs in construction as well as spin off employment in other sectors including manufacturing, wholesale and retail trade, forestry, transportation, warehousing, finance, insurance, real estate etc. Due to this multiplier effect, governments often introduce initiatives to stimulate house construction during times of slow economic growth. However, these

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incentives can also have the negative result of increasing consumer debt load to unmanageable levels if economic conditions decline, leading to foreclosures and loss of homes.

Housing as a Human Right

The Universal Declaration of Human Rights, adopted in 1948, affirmed that “Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.” This was followed 12 years later by the adoption of the International Covenant on Economic, Social and Cultural Rights (ICESCR) outlining the commitment to grant economic, social and cultural rights to all individuals, including the right to an adequate standard of living. The ICESCR came into force on January 3, 1976 and, as of January 2012, it had been ratified by 160 states parties, with the notable exceptions of the United States, South Africa and Cuba, among others (United Nations Treaty Collection, 2012).

In 1991, the Committee on Economic, Social and Cultural Rights (the committee that monitors the ICESCR) sought to clarify the meaning of the right to “an adequate standard of living” and issued *General Comment 4* stating that the right to housing should be interpreted to mean the right to adequate housing and, further, that this right should be ensured to all persons, irrespective of income or access to economic resources (Office of the High Commissioner for Human Rights, 1991).

Although the statement clearly describes the Committee’s interpretation of the phrase “the right to housing”, *General Comment 4* is not a binding agreement and there are no protocols or measures for enforcement. This became an issue at the Second Conference on Human Settlements held in Istanbul in 1996, where, according to Korten (undated), one of the most “hotly debated” issues was whether the Global Action Plan would recognize housing as a basic human right. In the end, the right to adequate housing was reaffirmed by the official delegates and written into the Habitat Agenda emerging from the Istanbul Conference (UN HABITAT, 1996). However, not all parties were in agreement with this view and several nations, including the United States and India, argued against declaring adequate shelter as a human right. If housing were to be made a legal right, the United States and India argued that governments would be obligated to ensure all their citizens were adequately housed and citizens could potentially sue the governments to provide them with a free home (Korten, undated).

To this day, in spite of statements affirming the right to adequate housing in key international documents such as the Istanbul Declaration and in spite of efforts of the UN Special Rapporteurs on Adequate Housing, housing is still not recognized as a right by many nations, even wealthy, developed nations.

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Miloon Kothari (the Special Rapporteur on Adequate Housing from 2000 to 2008) made 13 official country visits during his tenure, including visits to developed nations such as Canada and Australia. In his reports to the United Nations following these missions, he expressed serious concerns in regard to the housing conditions in these countries. In his 2007 visit to Canada, Kothari witnessed the impact of homelessness on the lives of Canadians, commenting that, as one of the richest countries in the world, the prevalence of homelessness in Canada is “all the more striking” (Kothari, 2008). In his February 2009 report to the UN Human Rights Council, Kothari wrote “Denial of the right to adequate housing to marginalized, disadvantaged groups in Canada clearly assaults fundamental rights in the Canadian Charter of Rights and Freedoms, even if the Charter does not explicitly refer to the right to adequate housing.” (Kothari, 2009, p. 10). He recommended the right to adequate housing be recognized in federal and provincial legislation. This recommendation has not been implemented.

In an official visit to Australia in 2006, Kothari was particularly disturbed by the lack of adequate housing in indigenous communities: “In both urban and rural areas in all states, those he visited are facing a severe housing crisis, evidenced by the lack of affordable and culturally appropriate housing, the lack of appropriate support services, the significant levels of poverty and the underlying discrimination.” (Kothari, 2006, p. 21).

In 2008, Raquel Rolnik, an architect and urban planner from Brazil succeeded Kothari as Special Rapporteur for Adequate Housing. After her official visit to the United States in 2009, she expressed grave concern about the millions of people facing serious challenges in accessing affordable and adequate housing in that country (Rolnik, 2010). In concluding her report, Rolnik (2010) drew attention to the fact that the United States had not yet ratified the ICESCR and strongly encouraged the government to do so.

As this history shows, there is a significant gulf between statements of a right to adequate housing and the realization of that right, even in developed nations. Rolnik (2009) has argued strongly for an adoption of a “human rights-based approach” to housing, recognizing that markets alone cannot provide adequate housing for all. Korten (undated) has advocated that the right to housing is actually a planetary birthright possessed by everyone and, therefore, a right that precedes the formation of nation states. This view shifts the moral authority and legitimacy for claiming the right to housing from the state to the people themselves and opens the door to considering a commons-based approach to affordable housing.

A New Approach - The Commons Paradigm

There is a rich and growing body of literature on a new economic and social framework that encompasses the market and state but also includes a third component – the commons. Aptly named the Commons Paradigm, this framework recognizes common

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goods as a distinct category of goods in addition to the private and public goods supplied by the market and state, respectively. Common goods are goods we inherit or create together. They include goods and services we may have traditionally thought of as our commons, such as rivers, forests or indigenous cultures and they also include goods and services we create together, such as energy, intellectual property or the Internet (Quilligan, 2010). The commons are neither public nor private themselves, although they are the foundation upon which the public and private sectors are based. More to the point, the commons have been subsidizing the private and public sectors for generations by allowing free or cheap access to their resources.

The term “commons” originates from a variety of historical contexts including the enclosure period in pre-industrial England and, subsequently, in colonialism when land was enclosed in foreign countries for the benefit of imperialist nations. In more recent times, the term commons has come to more broadly represent the natural, physical, social, intellectual and cultural resources and relationships that make human survival possible.

The commons are often misinterpreted as simply resources, but as de Angelis (2009) points out, the “shared wealth” of the commons includes three elements: a common pool of resources; communities that co-produce and co-govern the resources; and the praxis of “commoning”, a term used to describe the social process of people coming together to make decisions about how the resource is to be protected, preserved and replenished.

Quilligan (2009) outlines three basic principles for managing the commons: co-production, co-governance and subsidiarity. Co-production is a form of social production involving the collaboration of resource producers and resource users. Instead of buyers and sellers operating in isolation and engaging through the price mechanism of the market, users and producers collaborate directly through open social networks. Co-governance of the commons refers to a self-organizing process involving resource users and resource managers. It invokes Schumacher’s (1974) principle of “subsidiarity”, under which decisions are made at the lowest possible level of authority.

Self-organized housing communities such as housing co-operatives, intentional communities, co-housing and eco-villages exhibit several characteristics of a commons. Comments from residents suggest they are drawn to a vision of housing that extends beyond the narrow definition of housing as a commodity – they are seeking community and a sense of belonging. “The relationships are what make it all work and all worthwhile” (Durrett, 2009). “Living alone, or in a contemporary nuclear family, people have lots of privacy, but often not as much community life as they want or need.” (McCamant & Durrett, 1988). “We’re longing for a way of life that’s warmer, kinder, more wholesome, more affordable, more co-operative, and more connected” (Christian, 2003).

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People who chose these options are clearly looking for something more than just a roof over their heads - they are yearning to be in relationship with each other. Another characteristic of these communities is that they involve residents in the production process, whether simply at the design stage or all the way through the construction process itself. Residents are also involved in managing their housing communities, whether through strata councils, homeowners' associations, informal residents' committees or other similar institutions.

While none of these housing communities would likely claim they have created a housing commons, it is striking to notice how many characteristics of a commons they do embody. These models should provide plenty of food for thought when thinking about how to collectively create a housing commons.

Claiming Affordable Housing as Our Commons

The definition of “affordable” housing is context-dependant, varying from country to country and even within one country over time. Typically, the term refers to housing that costs less than a certain percentage of household income. In Canada, housing is considered affordable if the monthly cost of shelter is less than 30 per cent of income. Households paying 50 per cent or more of their income are considered to be “at risk” of homelessness. In Australia, households are considered to be in “housing stress” if they spend more than 30 percent of their disposable income on housing and those spending more than 50 per cent of their income are said to be in “housing crisis”.

These definitions describe affordability at the scale of the individual household. At the larger scale of neighbourhoods, towns or cities, affordability should be defined more broadly to include societal and environmental costs. Housing is a major consumer of land, energy and raw materials and a large source of greenhouse gas emissions. The size and location of houses, lifestyle patterns and the materials and building technologies used in construction all influence the amount of resources required to construct and operate our homes and our consequent impact on the environment. The inefficient use of our housing stock arising from vacant or abandoned housing, lack of maintenance and repair or inefficient housing allocation (e.g., “overhoused” residents, overcrowded housing, “monster” houses etc.) imposes a cost on our physical, social and economic environment, thereby subtracting from the common wealth of the community.

The release of the Brundtland Commission Report in 1987 introduced the term “sustainable development - development that “meets the needs of the present without compromising the ability of future generations to meet their own needs” (World Commission on Environment and Development, 1987). Affordable housing has a two-way relationship with sustainable development: (1) in terms of the broader societal perspective, it must be affordable in the sense that it does not place a financial, social or

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environmental cost on future generations that would limit their ability to meet their needs and (2) in terms of individual household affordability, a necessary feature of sustainable communities is access to financially affordable housing (Peck & Associates, 2000).

Affordable housing, using this expanded definition of individual and societal affordability, is a form of community wealth and a legacy to be protected, preserved and replenished by the community for present and future generations. Recognizing affordable housing as a form of community wealth creates a very different relationship between people and their housing than that which exists in market-based economies. Rather than a commodity to be owned, or a public good to be allocated by government to those “in need”, affordable housing is valued as a common good.

This commons-based approach is consistent with Rolnik’s (2009) call for a human rights-based approach to housing, but it goes one step further in claiming that neither private ownership nor state ownership of housing can guarantee the right to adequate housing for everyone. Instead of calling for increased state intervention or construction of state-owned public housing, the commons-based approach calls for a re-structuring of the production and management of affordable housing through community housing trusts. Government ownership of housing does not guarantee the human right to housing, as we have seen in examples such as the massive sale of council houses in the United Kingdom during the 1980s. Only intentionally constituted community-based trusts can guarantee that the assets will be protected and preserved for current and future generations in perpetuity.

In a society used to viewing housing primarily as private good, the proposal to manage affordable housing as a common good requires some solid justification. Some insight can be gained from Ostrom’s (1990) work. Ostrom identified two essential prerequisites for successfully managing common pool resources: (1) the system must face significant environmental uncertainty and (2) there must be social stability in the group (i.e., commoners must have a “shared past” and expect to “share a future”). The environmental uncertainty provides the incentive to share risks and the social stability provides the incentive to create, protect and preserve the commons for future generations.

Would affordable housing meet these two prerequisites? In terms of environmental uncertainty, there is no question that the on-going operating costs of heating and powering our homes with fossil fuels are going to increase, both financially for individual households and also for society at large through the continuing damage to our ecosystems. Recognition of the risks involved in continuing to build new housing that is not sustainable and maintaining existing inefficient housing should be a strong motivator for collective action to produce truly affordable housing.

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When “environment” is defined beyond physical conditions to include social and economic conditions, it is clear that the lack of affordable housing creates environmental uncertainty – for those lacking housing as well as for the surrounding neighbourhoods or community more generally. The research is clear that affordable housing is a social determinant of health, resulting in improved quality of life for individuals, families and the community in general.

Addressing the second pre-requisite (i.e., social stability in the group) is more difficult in the absence of a specific context. For instance, while rural communities are known anecdotally for their strong sense of community, it is less clear that urban areas would meet this condition, except in tightly-knit neighbourhood populations. However, there are some instructive examples in urban areas to draw upon. Richard Pithouse has reported on cases of squatters in Durban, South Africa reclaiming urban spaces and creating new commons in the process (Bollier, 2009). As Bollier (2009) observes, while these are not “traditional” commons, they are certainly commons in the sense of being self-governed collectives managing a resource for the benefit of the participants. Other examples can be found in the self-organized squatter settlements in Caracas, Venezuela and in India's Bhoodan Movement, which encouraged wealthy landowners to voluntarily share their property with members of lower castes, who then manage the gift as a commons.

Platt et al (1994), Ingerson (1997) and Morgan (1998) have explored the possibility of public housing as a form of common property. Ingerson suggests “while the social stability of these neighbourhoods is often involuntary, created by economic, social and racial barriers to mobility, there is also human knowledge, social infrastructure and the property itself which can be energized for development through new conceptions of common property” (Morgan, 1998, p. 5). As Burke (2010) points out, it is the self-organizing aspect of people coming together to address their shared needs that “makes the commons come alive”.

Institutionalizing the Housing Commons Through Community Housing Charters and Trusts

A key component of the Commons Paradigm is the creation of social charters and commons trust to co-govern the commons. Social charters are declarations of intent to hold a commons in trust. They are grounded in customary or natural law, making them fundamentally different from national or international charters created by the state or states on behalf of the people (e.g., the European Charter). Charters created by nation states place the locus of power in government and tend to function more as mechanisms for handling complaints or for quality control rather than upholding the rights of people to their commons. Following the principle of subsidiarity, social charters are created directly by the people for the co-production and co-governance of their commons.

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Although there is no specific template for a social charter, the Global Commons Trust (www.globalcommonstrust.org) identifies four areas that should be covered:

- vision and mission statement;
- historical claims;
- rights of fair access and use; and
- resource management.

These categories are similar to the content of a constitution of a non-profit society and an accompanying strategic plan.

The creation of a charter prior to establishing a trust is important to ensure there is a common understanding and agreement among the stakeholders as to the purpose of the trust and how it will manage the resources of the commons. The resource management plan should include a process for decision-making that will support adequate analysis and deliberation of the issues that are bound to arise.

Applying the charter/trust model to affordable housing would require the establishment of community housing charters and community housing trusts. Community housing charters would be formal declarations to protect, preserve and hold in trust the common good of affordable housing.

There are many examples of successful community trusts to draw upon. In the United States, community land trusts have been in existence since 1967 when the first one was formed in Georgia. Since then, over 200 community land trusts have been formed throughout the country, resulting in the creation of over 5,000 affordable homes. These trusts are democratically governed non-profit corporations representing the interest of the community as a whole. Residents own the buildings or other improvements they make to the land but they do not own the land itself which is held in trust for the community. Land trusts can be very effective in preserving affordable housing because they ensure any increases in land value remain with the trust and not with homeowners when they sell their homes.

Although the concept of community housing trusts has not taken hold to the same extent as land trusts, there are some in existence, particularly in the United Kingdom where several communities have established community housing trusts based on the *Community Gateway Model*, a new model of housing organization designed to “put residents at the heart of decision-making”. The Gateway Model builds on the belief that greater levels of dweller control can result in better housing management, better value for money and more sustainable communities. The model gives residents maximum involvement in the strategic and operational management of their housing. The Board of Trustees is made up of a mix of residents, councillors and independent stakeholders from the community. Although these community housing trusts do not refer to their communities as housing commons, they do describe themselves as “tenant democracies to steward their homes”, a phrase that echoes the language of the commons.

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Once established, community housing trusts can benefit from bequests and gradually build up an asset base of affordable housing. Potentially, they could also create new affordable housing using a model similar to that developed by Habitat for Humanity. Following the Habitat example, a community housing trust could build affordable rental housing through a combination of fund-raising, donations of building materials and contribution of volunteer labour from community members and potential occupants. Since the homes would only be built after the funding was raised, there would be no interest compounding to add to the cost of housing and no mortgages or loans to repay. Revenue collected from rent would be used to cover management, maintenance and operating costs and the balance would go into a pool of funds to be used to construct future housing. In the long run, an active housing trust could become self-sustaining from its rental stream.

Community housing trusts could also add to their asset base by converting existing housing into affordable rental housing. For instance, the trust could act as a “one-stop shopping centre” for “overhoused” seniors interested in having their large single-family homes converted into smaller suites. The trust could arrange the renovations and, upon completion, act as property managers to screen tenants and deal with on-going tenancy issues. Homeowners would sign over the housing title to the trust, in return for lifetime occupancy rights and guarantees of maintenance or other support. This option has great potential as it could result in a more efficient utilization of existing housing stock as well as supporting seniors in their transition to a smaller living space and providing ongoing support as they age.

These examples demonstrate how a commons-based approach could avoid the structural barriers present in market-based economies described earlier. Holding affordable housing in trusteeship avoids the barrier of private land ownership and the commodification of housing. Adopting a model similar to that used by Habitat for Humanity would remove the barrier presented by accumulating interest charges. The reconnection of the functions of production and consumption would yield additional benefits to the community such as sharing of knowledge and skills and increases in social capital.

Government adoption of land value capture policies could provide a significant revenue stream to support community housing trusts. In Australia, for instance, calculations by the Land Values Research Group in 2007 revealed that the unearned income from private land was almost equal to one-third of GDP in that country (Kavanagh, 2008). That is an enormous pool of potential income. Land value capture policies would reduce or eliminate land speculation, making housing more affordable and the revenue collected could be used to provide start-up funding for community housing trusts.

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Summary

In summary, this paper is proposing that the right to affordable housing is a planetary birthright that neither the state nor the market in current market-based economies have been able to guarantee. The structural characteristics of market-based economies, including private land ownership, commodification of housing, compound interest, separation of production and consumption, and the use of housing as an instrument of national economic policy, have distorted the production and distribution of affordable housing such that millions of people in the world are homeless or at risk of becoming homeless. Society needs a new organizing principle that transcends the limitations of the Market State system and recognizes that affordable housing cannot be treated as a commodity or a public good but must instead be recognized as a community legacy to be produced, preserved and protected for current and future generations. Such an organizing principal is to be found in the Commons Paradigm through which we can re-frame affordable housing as a common good and empower local citizens to create community housing charters and trusts to produce and manage their housing commons.

Clearly, much more research, experimentation and on-going dialogue is needed to work through best practices to develop and implement this approach. It is the author's hope that this working paper may contribute to the on-going conversation.

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