

Cooperative Housing in Emilia Romagna

By David J. Thompson

Emilia Romagna in Northern Italy is a region of four million people known for products and practices that make it a place often studied. It is world famous for being the home of Ferrari, Lamborghini, and Ducati if you drive fast or prosciutto ham, balsamic vinegar and parmesan cheese if you eat slow. The region is also known for the “Emilian model” of child education and small enterprise development. What is less known is that co-ops make up over 30 percent of the economy of the region.

To the people of Emilia Romagna, co-ops are a part of daily life. Almost 2.7 million people are members of co-ops that generate over 40 billion dollars a year and employ 175,000 people. In Emilia Romagna, over



When the only cinema closed in the town of Zola Predosa (near Bologna) the site stayed empty for many years. Co-op Ansaloni worked with the local government to transform the site into 23 units of needed housing in the town center. Co-op Ansaloni's buildings feature underground parking, terraces, solar orientation and ecological building principles.



Co-op Ansaloni began in 1948 as a worker cooperative creating jobs for its members in post war Italy. They began by re-building existing homes. Later, they began building new apartments for the 10,000 consumer members of the transformed housing cooperative.

200,000 people live in cooperative housing.

One of the earliest examples of cooperative housing took place in 1884 among workers at a tobacco factory in the city of Bologna, the capital of Emilia Romagna. From the late 1800s to the 1920s, thousands of units of housing co-ops were formed with the sponsorship of many of the political parties.

To understand housing co-ops in Italy, you first need to study a political map. There are three confederations of co-ops: the Lega (League of Cooperatives) is associated with the left parties; the ConfCoop (Confederation of Cooperatives) with the Catholic center right parties, and AGCI, the Association of Cooperatives, (quite small compared to the other two) with the Republican parties.

Within Emilia Romagna, the Lega is the largest of the confederations. At both the national and regional level, housing co-ops are affiliated with the Lega's housing cooperative organization ANCAb (Associazione Nazionale delle Cooperative di Abitazione).

Throughout Italy (2002), there are 1,011 housing co-ops affiliated with the Lega's ANCAb organization. These co-ops have developed 268,000 units of housing for their 394,817 members.

In Emilia Romagna, ANCAb's 22 member housing cooperative development organizations have provided 54,173 units for their 115,812 members. The number of new members joining in 2004 was 4,153 of which 55 percent were aged 34 or younger. During 2004, their members created 1,563 units of their own and an additional 4,747 through other partners. In this case, the ANCAb co-ops in the region have only met the needs of half their membership. There are similarly 162 housing co-ops in Emilia Romagna associated with Federabitazione, the housing cooperative federation affiliated with ConfCoop. These housing co-ops serve the needs of 38,950 members.

From the time Mussolini came to power in 1922 and through the end of World War II, all Italian co-ops were controlled by the Fascist government. During the Second World War, many cooperators associated with the Lega became members of the partisan (resistance) movement. The Italian Communist Party (PCI) led the effort. At the end of the war, the PCI was democratically elected to govern the Emilia Romagna region. The Lega both nationally and regionally was governed by a leadership coming mainly from the PCI, other left parties, and the partisan movement.

The Second World War had tremendous impact especially on northern Italy. Aerial bombings and ground warfare reduced many cities and towns to rubble, and thousands of factories and houses were destroyed. Restoring Italy meant putting people back to work and giving them homes to live in.

Throughout Italy, two types of co-ops emerged to rebuild housing in the



post-war era. The first were worker co-ops whose priority was to create employment for their members through the massive task of rebuilding Italy. The second type was housing co-ops. Their major objective was to increase the number of units of livable housing and to rebuild destroyed communities.

Cooperativa Edificatrice Ansaloni – A Conventional Housing Co-op

You can join Co-op Ansaloni in Bologna with an equity share of about \$200. The share gives you a vote but more importantly the right to be informed of homes made available through Co-op Ansaloni's building program. Your place on the share register is like being on a waiting list and gives you certain rights. You may have additional rights for restricted use units if you are a senior, handicapped, or low income.

When a new unrestricted cooperative project is proposed, the membership of Co-op Ansaloni is informed of the details such as costs, location, and types of units. Members generally look at a project based on cost and location, and if interested, send in an application. Co-op Ansaloni awards units by date of joining as long as that member meets the qualifications for the unit.

When completed, the building is transferred from Co-op Ansaloni's ownership to being owned by a new separate cooperative organization. Within the new co-op, the ownership rights are divided up similarly to a stock co-op or condominium. The new organization remains affiliated with Co-op Ansaloni and will likely be managed by them. The new occupants remain members of Co-op Ansaloni as well as being members of the new cooperative association.

President Franco Lazzari and Vice President Giancarlo Caravita of Co-op Ansaloni are very proud of building quality housing at affordable prices. Co-op Ansaloni places a high value on building communities that are ecologically responsible and socially responsive. Co-op Ansaloni also pursues a strong social mission and allocates



By early 2006, Co-op Dozza will open the second phase of Hygeia. Hygeia offers 80 units of housing with many in-unit amenities for elderly and handicapped. Forty units are already being lived in and enjoyed by the members. All the hot water needs of the apartments are met by solar on the roofs.

funds in its budget to a range of benefits for the community (see the box on page 11).

There are 10,938 members on Co-op Ansaloni's list, and 544 members joined in 2004. In the same year, Co-op Ansaloni provided 326 new units of housing to its members. Since its founding in 1948, Co-op Ansaloni has built 4,000 homes.

Cooperativa Edificatrice Giuseppe Dozza – A Social Housing Co-op

Becoming a member of Co-op Dozza has many similarities to joining Co-op Ansaloni in terms of rights. However, when you join Co-op Dozza, you must also qualify as meeting their target population that either is an income-based target or special needs populations such as elderly or handicapped or both. In Emilia Romagna in 2004, 20 percent of cooperative housing was built as social housing.

Co-op Dozza works with local governments to obtain below-market funds to provide low-cost social housing. The funds are used to fulfill a social purpose by serving the special needs of local residents. As a commit-

ment to long-term permanent affordability, Co-op Dozza retains ownership of all the units within the co-op as indivisible capital. This legal act protects the value created by the co-op ever being sold at market price and commits the property and the capital investment it represents to serving social housing.

Valter Cattabriga, president of Co-op Dozza, is working on "Hygea" a project just being completed for seniors and people with handicaps. What is impressive about Co-op Dozza is their commitment to handicapped accessibility. Each apartment has a closed circuit television phone so that the member can see and communicate with who is at their door. While still in bed, they can let the visitor into the apartment building and into their own unit. Each bedroom has pulleys to lift the resident out of bed and into a wheel chair. Each apartment has a fully accessible bathroom with a roll-in shower and lots of pulleys. The height of the kitchen sink and counters can be adjusted by the cooperative staff. The amenities built into every unit to

(See SPOTLIGHT, p. 11)

(SPOTLIGHT, from p. 9)

accommodate a potential handicapped member.

Co-op Dozza owns 40 different properties that provide just over 1,000 units of housing. Co-op Dozza's properties are located in 14 different cities and towns in and around Bologna.

The two cooperative organizations highlighted in this article demonstrate how Italian housing cooperative organizations meet many different needs in Italy. These two co-ops are an everyday part of the Lega family of co-ops and major contributors to the cooperative economy of the region. For example, many of the housing co-ops are built by worker-owned construction co-ops.

At the present time, the future has mixed possibilities. The continued long-term reduction of national and regional subsidies and resources for all types of housing has created a slowdown. Interest rates are also moving up and putting pressure on housing cost. On the other hand during tighter times, the housing cooperative organizations have more capital and capacity to keep going than many private housing developers.

To protect the future, housing co-ops in Italy are pioneering "green building" methods and cornering a niche market. The responsiveness of the housing co-ops to green energy and solar is lifting them to a new level of success. Co-ops are taking the same level of interest in innovation in developing special needs housing. Due to a shrinking population, an ageing cohort, and high levels of immigration, Italy's housing needs will change a lot during this present century. However, it is assured that Italy's housing co-ops are quite capable of not only changing with the times but championing those changes.

David J. Thompson visited housing co-ops in Emilia Romagna this June. He is author of "Weavers of Dreams" and co-author of "Cooperation Works." He has written almost 300 articles on co-ops. David is co-principal of Neighborhood Partners, LLC, a developer of housing co-ops based in Davis, California.

Cooperative Housing Today

Most Italian housing co-ops operate on the basis that if you wish to obtain a home through a cooperative housing organization, you have the right to become a member. Membership in Italian housing co-ops is not restricted to those who live in a specific housing co-op but is open to those who wish to live in housing provided by the cooperative housing organization.

In general, cooperative housing associations in Italy build two different types of housing co-ops. One type is called a social housing co-op. In this case, the housing unit remains owned by the cooperative organization that provides subsidized housing for low-income families, elderly, immigrants, and other special needs populations. The other is a conventional housing cooperative provided under market conditions. However, due to special government financing, the unit is sold to members slightly below market and usually has equity restrictions on resale that are released over a period of 20 years.

According to Italian Cooperative law, every co-op must contribute 3 percent of their net surplus or profits to the

national cooperative development fund of the confederation with which they are affiliated. For example, in 2004 Co-op Ansaloni contributed \$120,000 dollars to the Lega's Co-op Fund. All co-ops must also contribute 30 percent of their net profits to their own indivisible reserves; in 2004 Co-op Ansaloni transferred \$1.2 million dollars to indivisible reserves. Corporate tax in Italy is reduced for co-ops when they assign profits to indivisible reserves. Upon dissolution of a co-op, the reserves cannot be distributed to the members but must be donated to the Lega's cooperative development fund. Because both Co-op Ansaloni and Co-op Dozza are cooperative development organizations (similar to CSI Support and Development Services, and United Housing Foundation) they fund their ongoing operations and future projects from the profitability of their development projects. Profitability is important because it strengthens the equity on their balance sheets and stronger balance sheets allow for greater borrowing and the continued capacity to develop new cooperative housing projects.



Co-op Dozza's Hygeia is separated into two adjoining buildings to give all the apartments terraces, sunlight, air circulation and plenty of windows. A passageway between the buildings connected by elevators allows for safe internal circulation.