Innovating Local Housing Policies in a Country of Homeowners. Insights from an Italian affluent medium-sized city

<table>
<thead>
<tr>
<th>Journal:</th>
<th>Urban Research and Practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manuscript ID</td>
<td>RURP-2018-0075.R3</td>
</tr>
<tr>
<td>Manuscript Type</td>
<td>Academic Article</td>
</tr>
<tr>
<td>Keywords:</td>
<td>Housing, Local Government, Italy, Homeownership, Local Welfare</td>
</tr>
</tbody>
</table>
Innovating Local Housing Policies in a Country of Homeowners. Insights from an Italian affluent medium-sized city

Abstract

Cities face increasing housing needs, particularly in Southern European countries, as well as tightening constraints on public expenditure. The mismatch between income levels and housing costs has come to concern a larger and more diversified share of the population so that housing needs strike beyond the poorest and most underprivileged profiles. This article discusses the outcomes of fieldwork conducted in San Donato Milanese, a medium-sized, affluent town in the Milan metropolitan area, to explore the changing facets of housing issues and the margins for action that can innovate local public action.

Keywords:
Homeownership, Housing, Italy, Local Government, Local Welfare, Planning, Policy innovation
1. Introduction

Italy, like other countries in the Mediterranean welfare regime, displays a very large rate of homeownership, a limited rental housing stock, with a high concentration of low-income families, and a residual stock of social housing (Allen et al. 2004; Poggio 2012). In the past decades, extensive access to homeownership has entailed in the face of decreased real incomes, significant exposure to mortgages by families as well as high growth of real estate values, while liberalisation of lease regulation brought about an increase also in rents (Fregolent and Torri 2018; Filandri et al. 2020). A process of reduction in housing affordability had therefore been in place in Italy for several years before the outburst of the 2008 economic crisis and has become far more critical since then, particularly because of the negative effects on employment conditions. The mismatch between income levels and housing costs has come to concern a larger and more diversified share of the population, so that housing need, and even risks of eviction and homelessness, strike beyond the poorest and most underprivileged profiles, increasingly involving members of the middle class affected by the long recession (OECD 2019; Caruso 2017; Baldini and Poggio 2014).

The housing pressure has been higher in larger cities with a viable economy, such as Milan, or where lack of housing is a structural and long-lasting feature, such as Rome and Naples. After the outburst of the Great Global Recession in 2008, however, the phenomenon of housing non-affordability has put small and medium municipalities under pressure as well. The growth and diversification in social needs that local governments were confronted with, and a renewed intertwining between economic and
housing vulnerability, put into question out-fashioned social programmes and called for innovation in policy contents and approaches as well as in public-private partnerships. Despite being able to count on limited economic and staff resources, and being further burdened by austerity programmes, several small and medium local councils have embarked in policy experimentations to enhance supply of affordable housing, notwithstanding the scant support and framework provided by higher institutional levels to such efforts.

This article draws on a research work carried out by the authors and commissioned by the administration of San Donato Milanese, a former company-town located South-East of Milan. The research stemmed from the acknowledgement of the fact that in recent years the municipal social services have been confronted with changing social needs that increasingly concerned profiles of residents that, until recently, would never have been considered vulnerable or in need and that, more and more, face difficulties in accessing or maintaining housing. While income and housing issues appeared increasingly intertwined, existing policy programmes and tools seemed inefficient or inappropriate and urban planning, the provision of social assistance and housing support remain traditionally strictly separate responsibilities in local administrations. The aim of the research was therefore to refine the knowledge about how recent and ongoing socio-economic processes are reshaping social and housing practices and needs in the specific context of San Donato Milanese, in order to contribute to innovate planning, regulative measures and tools of government. As we shall see below, San Donato is an affluent medium-sized city, with a peculiar local housing market strongly conditioned by the presence of ENI, a major multi-national company. Despite this very specific and
contextualised frame, the case study presented here yields – we believe – insights that are of more general interest, since on the one side it allows to see some typical features of the Southern European housing system expressed to the extreme, while on the other it permits to discuss policy innovation options out of the most drastic conditions of lack of resources.

After framing the Italian case in section 2, and introducing the current pressures on local governments in section 3, the article describes the context, approach, and design of the research in sections 4 and 5. Section 6 sets out the research results with a focus on the practices of inhabitants and the main uses and meanings attached to dwellings. Section 7 presents three pilot actions developed by the city administration to test policy innovation to tackle changing social conditions and needs. Section 8 draws together some conclusions and presents further directions for research and reflection.

2. Housing policies in the Southern European welfare model

Italy is a paradigmatic case of the Southern European welfare model, with an initially largely Bismarckian insurance-based approach, a later universalist turn in health policies, and an underdevelopment of social assistance (at least until very recent changes\(^1\)) and of family policies (Ferrera 1996). Both income support and care were traditionally considered responsibilities of the family, while access to welfare protection was strongly segmented, with major differences among the protected insiders (the employed with standard jobs) and the loosely protected non-standard workers, a

\(^1\) For a long time the only EU countries without a national minimum income scheme, Greece introduced a national measure in February 2017 (ESPN 2017) and Italy in January 2018, both limited in their generosity and implementation; at the beginning of 2019 a far more substantial measure was introduced in Italy (Sgritta 2019).
category which has grown greatly in the past two decades in parallel with a strong deregulation of the labour market (Jessoula et al. 2010).

The housing policies are coherent with this model (Allen et al. 2004; Baldini 2010; Baldini and Poggio 2014; Caruso 2017). Public policies have supported access to lifelong mortgages within a cultural framework in which families usually provide financial help to their adult children even after marriage. The proportion of those living in homeownership has been fairly stable over the last 15 years and was 72.4% in 2018 (www.eurostat.eu). By contrast, the share of public housing is low (3.7%; Pittini et al. 2017), as is the generosity and coverage of public support for housing costs. Public expenditure on the “housing” function is significantly lower (steadily estimated as close to 0% of GDP) than the European average (0.4% in 2018, www.eurostat.eu). Moreover, right-to-buy policies have been locally delivered by social housing companies and local authorities, while the national yearly production of social housing decreased from 34,000 dwellings in 1984 to only 1,900 in 2004, the last year for which national data is available (ISTAT 2004). Since the late 1990s the national agency for public housing has been regionalized and increasingly expected to operate in a budget-balance regime, while at the same time the social contributions earmarked to public housing production and maintenance had been suppressed (Almadori and Fregolent 2020). Squeezed between a large proportion of homeownership and a negligible share of social housing, the private rental market is quantitatively limited (only 18% of families rent their dwellings) and expensive (Poggio and Boreiko 2017; Cucca and Gaeta 2018). The rent control programme was over in the 1990s. A first law (359/1992) allowed rental contracts to be freely fixed in the case of new buildings and in case the owner would
allow a renewal of the contract. In 1998, law 431/98 loosed the regulation of the rent and only regulated the duration of contracts (4 years, with a possible renewal for further 4 years or 3+2 in the case in which the amount of the rent is fixed on the basis of local agreements promoted by local authorities). Both the laws did not fiscally incentivize long-term and affordable official rent contracts. Not by chance, a large portion of transactions evades regulation (dwellings rented without any contract or with contracts that only declare part of the rent paid) and, therefore, taxation. Moreover, the vast majority of tenants belong to the lower-income groups (ISTAT 2014), while housing allowances are scarce and discontinuous. Also due to the scant public policy support, the role of the family is crucial in supporting access to housing: besides helping young couples to access homeownership, with or without mortgage, around 10% of families live in a dwelling through “other forms” of tenancy (Poggio 2008) mostly consisting of free access to family-owned properties. In the decade before the 2008 Great Global Recession started, the pressures in the real estate market pushed up the costs of housing in most of the major Italian cities. Between 1991 and 2009, rents in the private market rose by up to 105%, while the average increase in salaries was 18% (Cittalia 2010). Despite a general crisis of the real estate market, in the most attractive urban areas the prices of properties have only slowly decreased during the recession, and rents have remained very high (Baldini and Poggio 2014; Fregolent and Savino 2014). The disproportion between housing costs and income levels has translated into a steep increase in evictions: in 2016 about 25,000 families were evicted in Italy because of rent arrears (an increase of 29.3% from 2008), the largest share (17.9%) being in the Lombardy region (Ministero degli Interni 2016).
Given these circumstances, the strong dependence on the family, especially among young people, is not surprising. The share of young people still living with their parents is strikingly high: in 2018 it reached 66.1% of those aged 18-34 (it was 61.1% in 2009), against 40.4% in Germany, 24.1% in Sweden, and 18.8% in Denmark (ilc_lvps08, www.eurostat.eu).

With the shift to a post-industrial socio-economic system, social needs have become ever more complex and multifaceted (Taylor-Gooby 2004). Structural economic and socio-demographic transformations put pressure on welfare and housing systems that were developed at a time when general conditions were much more constant and life-long jobs allowed most households (largely characterized by strong family stability) to access and maintain long-term housing solutions. For a long time in the Fordist city forecasts on additional demand were feasible, and they made it possible to pre-define housing demand, which would then be translated into new housing production. Such forecasts have become less and less reliable (Tosi 2003) due to the increasing complexity of factors influencing demand, such as flexibilization of the labour market, delay and complexification of family formation, unpredictability of migration flows, growth of co-habitation and multi-local living patterns (Schier et al. 2015). In this frame, exactly the employment-household-dwelling nexus, that used to be a virtuous one, characterized by strong stability and unity, is increasingly marked by unsteadiness, variability and vulnerability. All this, in turn, makes policy reforms more challenging, especially in a context – like Italy – in which housing policies were very fragile, to begin with.
3. Local governments “muddling through”

After a gradual regionalization process that culminated in the extensive devolution of public policies ratified with the Constitutional reform of 2001, housing policies in Italy are mainly a competence of the Regions, which are responsible for managing public funds supporting either individuals/households or social housing projects. Funding for social housing initiatives, as well as the refurbishment and maintenance of the existing stock, has substantially diminished over the years. In the Lombardy Region, national funding for new social housing programmes dropped from 1.2 billion Euros for the 2002-2004 period to 15.5 million Euros for 2014-2016. The budget allocated to the renewal and improvement of the existing stock for the period 2014-2018 is only 467 million Euros for the entire country, of which 85.2 million is for Lombardy (MIT 2015).

In this context, while the Regional Public Companies for social housing have been reorganised along a New Public Management style, they have been facing mounting budgetary problems. The case of Lombardy is again emblematic, with the housing agency facing an estimated debt of 350 million Euros (Regione Lombardia 2015; Almadori and Fregolent 2020).

On the backdrop of an absent national framework and weak regional frameworks, cities have developed local welfare systems that are diversified, including as regards the extent to which housing needs are supported. This has exacerbated the already significant territorial differences throughout the country, along the well-known North/South divide, but also between and within Regions. Besides budgetary constraints, the development of effective housing solutions is hindered by path dependency, a traditional category-based approach, and an organ-pipe type of
organization with scant intercommunication between departments of public administrations (Tosi 2017; Pogliani 2016).

This segmentation of competences translates into a particularly sharp separation between the urban planning and the social services municipal departments. On the one hand, the urban planning and technical departments of local governments have traditionally dealt with housing policies in terms of planning and regulating the production of new housing stock. But they are currently facing two major difficulties. Firstly, little funding is available for new social housing initiatives and secondly, sustainability-driven approaches, that arrived comparatively late on the Italian public agenda, are inducing stricter land-use control and re-orientating development to the reuse and recycling of already-developed land or existing infrastructures, and full exploitation of empty dwellings.

On the other hand, municipal social services, belonging to the social policies departments (that have also undergone severe cuts during the austerity period2), have traditionally consolidated around the residual character of measures and tools that they administered, dealing for decades with small numbers of individuals and households who cumulated several problems that included, but were not limited to, low income. Such consolidated identities and competencies of social services are currently more and more questioned by the quantitative increase of people in severe housing need, requiring urgent provision of shelter (due to the increase of evictions, in particular) and, at the

---

2 The general Social Policy Fund was drastically reduced (-84% between 2004 and 2013, when it passed from 1.88 billion euros to 344 million; calculations on Conferenza Regioni 2015). Also, general transfers from State to local bodies were severely cut (estimated -10 billion euros to Regions and -8 billion to Municipalities between 2008 and 2015, only minimally compensated by an increase in local taxation).
same time, the rise of housing problems also among social profiles who until recently, would have never turned to social services for support (XXYY; Bifulco 2017).

Out of date social support tools, lack of affordable housing solutions, absence of effective inter-sectorial cooperation modes: all these conditions contribute to putting local governments under heavy pressure. Moreover, the lack of coordination by supra-local levels of government (Kazepov and Barberis 2013) leaves each municipality alone in facing needs and in “muddling through” in search of creative solutions that use residual resources and develop tailor-made procedures and practices. Whilst these attempts may lead to innovation, they still tend to be limited, extraordinary interventions with little effects in terms of institutional learning (Ewers and Evert 2014).

4. Field research in support of local policy-making: context, approach and design

In June 2014 the Municipality of San Donato started a programme of actions to set a new agenda for local housing policies. First, a workshop was organized with around 20 local governments of the Milanese metropolitan area (ranging from 1,500 to 80,000 inhabitants) to discuss emerging housing needs and the difficulties in tackling them, also due to a lack of supra-municipal interventions and coordination. Second, the Department of XXXof the XX was invited to conduct research supporting the municipal administration in formulating guidelines for new housing strategies.

The main premise of the research was the recognition by the City administration that recent policy documents and plans had proved inadequate to foster effective public action in the field of housing. Detailed analysis and forecasts of housing needs previously produced using a traditional quantitative approach, which measured housing
needs to projections of population growth, had proved ineffective in identifying the new
trends in housing demands as well as in supporting policy innovation. At the same time,
municipal social services were increasingly confronted with unprecedented profiles of
needs, different from the traditional multi-problematic individuals and households, that
more than ever entailed difficulties in affording housing costs. Moreover, the then-new
city administration, in office since 2012, had been elected on a political programme
supporting a zero land-consumption policy. The construction and supply of new
housing units could, therefore, no longer be the ready-made solution for housing needs.

Research and analysis were developed along two main dimensions. a) *Housing supply*,
looking at the overall existing housing stock – public and private – as well as the
policies and programmes that could foster the production of new dwellings, and at
procedures that could allow for the return of vacant dwellings (unoccupied flats, unsold
new properties) onto the rental market. b) *Housing practices*, focusing on the "housing
pathways" of individuals and families, how they tackle their own housing needs during
their lives, whether through the private market, reciprocity networks, or public
provision or intermediation, (and) also in connection to contextual conditions, both
contingent or short-term, like a negative economic cycle or a punctual political event, or
structural, like the Fordist or post-Fordist socio-economic framework (Clapham 2002).

A project team was formed which included the academic research group from XXX,
with skills in both urban planning and social policy, and representatives of the town
administration from both the urban planning and the social policy departments.
Adopting a circular approach in which feedback from stakeholders was used to refine
interpretation and analysis, the preliminary and intermediate research results were
examined within the large mixed working group. Advanced research results were
discussed with the representatives of the town council, with the citizens of San Donato,
as well as with academics and professional housing experts. A value added to the
research lies, therefore, in the fact of being jointly co-produced by policymakers, public
officers and academics, to influence practice.

The research moved through various phases, using a range of methods: a) review of
literature and of administrative documents and analysis of background institutional and
statistical data to set the background; b) a set of 26 in-depth interviews with
stakeholders from the public administration and the private and non-profit sector to
reconstruct the different viewpoints\textsuperscript{3}; c) five focus groups and several meetings with the
town’s administrative staff to discuss intermediated results; d) surveys of the town’s
territory and visits to relevant housing facilities and projects to comprehend the local
housing supply, its qualities and spatial distribution; e) a set of 21 qualitative in-depth
interviews on the housing practices of inhabitants and on the key factors that influence
housing options at the local level. Inhabitants with different profiles\textsuperscript{4} were identified
through different sampling methods: with the support of the social services, through
direct visits to various and distinctive housing areas of the town, and using the
snowballing method.

\textsuperscript{3} In-depth interviews were conducted from January to March 2015 and included: the Mayor, the directors
of the urban planning and social services departments, several civil servants and social workers of the two
departments and local tax office, a couple of municipal policemen, the managers of the local public
employment service, the managers of social cooperatives managing housing projects in the city, the
owners of local estate agencies and shopkeepers. Unfortunately, all our formal and informal attempts to
establish contacts and make inquiries at the ENI headquarters did not receive a response.

\textsuperscript{4} The composition of the interviewees, carried out in the Spring 2015, was as follows: 11 women, 10
men; 9 aged over 65, 3 under 26, 9 in-between; 18 were resident in San Donato Milanese, 3 working in
San Donato and commuting daily.
5. The case-study: San Donato Milanese, a city of (home)owners

San Donato Milanese is a town to the south-east of Milan. Although the urban pattern is very dense and develops in continuity across administrative borders, and although a metro line directly links San Donato to Milan city centre since the early 1990s, the town has its own very distinctive features and identity. Currently a city of 32,761 inhabitants\(^5\), its demographic and economic growth was very rapid between 1950 and 1970, when the number of residents grew by nearly 20,000. ENI (Ente Nazionale Idrocarburi), the State Hydrocarbons Company established in 1953, located here its headquarters. The small urban centre rapidly became a company town, largely shaped by the company’s strategies, which were devised during the 1950s and 1960s by Enrico Mattei, an outstandingly progressive yet paternalistic manager. In the words of an inhabitant: “Before Mattei, San Donato did not exist. Mattei started to employ workers at ENI between 1950 and 1960. Before there was no town here. There was absolutely nothing until 3,000 people working at ENI came and needed a home. All of a sudden, ENI, after buying all the available land, started to build housing for them…”.

With a remarkable set of economic, cultural and social infrastructures, a new district was born and named Metanopoli (“Methanopolis”), designed according to advanced patterns of spatial organization and providing housing, differentiated by occupational profiles and, therefore, by social classes, as well as a significant quantity of collective services. ENI was the sole owner and acted as a highly responsible landlord, managing and maintaining the entire network of green areas and streets. Most residents employed at ENI, migrated to San Donato from every part of Italy, and the company built over the

\(^5\) At January 1\(^{st}\) 2019 (http://demo.istat.it/).
years a complete welfare system: crèches, kindergartens, sports facilities, summer camps, etc. These specific features of the town’s development have marked its material and cultural character, and ties between local politics and the company’s strategies have always been very strong, with the former often led by the latter (Balducci 1977).

In the wave of extensive privatization of public companies that started in the 1980s, ENI was privatized in 1992 and entered the stock exchange (the Italian State holds the golden share through the participation of its ministries). In a similar way to what occurred in many other privatization processes, ENI profited from its real estate properties, and most of the San Donato housing stock was put up for sale. Privatization entailed drastic changes in two senses. In terms of organization and management: dwellings passed from being in the hands of a single owner to being split among several condos and large “super condos”, while the maintenance of public spaces was handed over to the municipality. In terms of the property of the housing stock: dwellings were mostly sold to their tenants at a price that was significantly below market values. For many, such an opportunity arrived at the time when they retired. Their severance pay could top up considerable family capital, accumulated thanks to the typical ENI career, involving on the one side long missions abroad and/or mobility across the country, and the related monetary benefits, and on the other side good housing conditions in San Donato for moderate rents, which also allowed remarkable savings. Thus, a large number of households who used to be tenants (of their breadwinner’s employer) acquired privileged access to homeownership. In this way, the gap with the national average data on tenure status was very rapidly bridged. Such special conditions enabled

\[\text{In 2011, out of a total number of 14,098 dwellings, 77\% were registered as owner-occupied and 18\% as rent on the private market. Social housing units (publicly owned) amounted to 493 (3.4\% of all}\]
many to buy not only the flat in which they were living, but often also other flats besides. While access to homeownership is the dominant trend throughout the country, under this peculiar combination of conditions in San Donato many workers became small landlords. This was used by many in favour of family inter-generational solidarity, to provide dwellings for adult children who had left the parents’ household or were about to do so. In some cases, it produced speculative behaviours, through subsequent reselling or renting at higher costs. Such development was encouraged by the existence in the town of a very specific demand for private rented accommodation, once again triggered by ENI, by foreign managers temporarily assigned to the San Donato headquarters, who can afford high-standard and high-cost housing, thanks to the housing allowances provided by the company to support their mobility and housing costs. This has set conditions for the local housing market, driving prices upwards, and clearly distinguishing between a higher market segment, which benefits from the special circumstances that characterise ENI workers, and a lower segment in which tenants suffer from a lack of affordability and landlords face the risk of payment arrears or not being able to rent their property.

Such developments have also intertwined with demographic trends and inter-generational relations. On the one hand, a large part of those family apartments, built in the 1960s and 1970s to host large families typical of the Fordist society, now accommodate older couples or singles, with issues of maintenance and functioning costs. On the other hand, while a part of the young adults benefitted from the accumulation of housing capital of their parents or grandparents, enjoying the dwellings). The number of dwellings that were vacant or occupied by non-residents was 1,002 (7%) (calculations on data by the Municipality of San Donato).
possibility to live in a family flat for free, or to count on financial guarantees to access bank loans (a typical feature of the Italian housing system that assumes distinctive forms in San Donato), for those who did not have this possibility, the high housing market prices that characterize San Donato (for the reasons just discussed) make it unaffordable to live there. However, even those who settle in the neighbouring cities keep revolving around San Donato, due to not only inter-generational care ties (grandparents represent a major childcare resource in Italy, but they may also need care in their turn), but also the high-quality urban and welfare services, provided by ENI first and by the Municipality later, that they have been accustomed to.

6. Three different uses and meanings of dwellings

Within this peculiar framework, to better understand the mechanisms at work in the local housing system, it was decided to develop a deeper exploration of the roles and attributes of housing in the individual experiences of inhabitants. An extensive qualitative focus on housing practices and a set of in-depth interviews allowed to identify emblematic uses and meanings attached to dwellings.

The first conceived the dwelling as “a roof over one’s head”, magnifying the use value of it. The second conceived the dwelling as mostly an investment, to complement other income sources at present, or in the future. The third describes the situation of those homeowners who, facing a serious worsening in their income conditions, radically changed their way of living, in order to be able to use their owned dwelling as a source of asset-based welfare.
The dwelling as a roof over one’s head.

Housing as a service, as in goods in which the use value of the asset is predominant, emerged in several interviews. In many cases, it was a reminder of the situation when people migrated to San Donato and required a (rented) flat close to their workplace at ENI, and especially of those who have experienced a complex housing pathway, facing many transfers and also harsh housing conditions. The case of an older woman who had moved to San Donato after her husband’s long job assignment in Africa, being housed in a cottage, and several months of assignment in southern Italy, being housed in a hotel, is illustrative. “We lived in a hotel, we had our meals in the hotel and we spent most of our time in the room. I didn’t know anybody and I couldn’t stand hotel rooms any longer. (…) Then we decided to move here and to have a real flat. A nice bedroom, a nice living room. I really felt that I had a home”.

Today, these cases are more typical of newly immigrated foreigners who wish to have a dwelling close to their workplace, as in the case of a couple that achieved homeownership in San Donato after many steps: “I was working as a family assistant. I couldn’t speak Italian, I only knew three words: ciao, arrivederci, buongiorno. I was taking care of a man who suffered from Alzheimer’s disease. Acquaintances of my sister-in-law hosted me, and then I slept for a time at the family for which I was working. I never went out. I worked non-stop. After meeting my future husband, we shared a flat with friends for four months. We only had a bed. Luckily, we were working all day long. Then we found a small flat, on the ground floor, that had been used as a storage room. Very dirty, but it was the only place we could find. We paid only 250 euros a month and 700 every three months for expenses”.
Use-value of dwelling is also prominent for those young people who work and/or carry out other activities in San Donato, like volunteering, social and political commitment, being actively part of the local social life, but cannot afford to live there and need to commute in order to make ends meet.

The dwelling as a means for investment.

As we saw, good incomes and good prices in access to homeownership allowed many residents to invest their capital and to become landlords when ENI properties were sold. Buying more than one flat and renting out was more remunerative and less risky than most other forms of investment. Not only managers and employees, but in some cases, even blue-collar households were able to buy up to three flats in a rapid sequence. Small real estate fortunes grew with the incremental accumulation and valorisation of properties. “Well, people who have been working in Nigeria for ten years, with very high salaries and no expenditure... they have easily accumulated capital and they find it very profitable to invest it in housing here, where it is always so easy, safe and profitable to rent out to the ENI expats...”.

For some inhabitants, the objective is clearly to complement future income levels in their old age. As an interviewee explained: “Recently we have bought the flat beside our own to extend it. Part of the new flat has been rented out as a small unit. The remaining part has been added to our main flat. We will not need such a large flat when our children leave the family (...). In the future me and my husband will reduce the flat again and retreat to the former smaller unit. And then we will have a third small flat to rent out”.
As we said, the local rental market is largely dominated by the role of ENI. A large part of the rental housing stock owned by private individuals operates as a sort of specialised stock of self-catering accommodations that ENI accesses as a reserve to house employees living in the city for short-term stays related to training programmes or special tasks. For many individual landlords, this is a guarantee of selected and reliable tenants, and therefore of secure and higher rent. A family recalled: “In the 1990s we had rented out our flat – a large one, about 150 square meters – to an Italian family. When they left, the new tenant for a year was a family from Saudi Arabia and then a single man from the Emirates for another year and a half. We rented it out very easily until the 2008 crisis to the many foreigners coming to work at ENI: the rent was quite good (1,800 euros a month). Then for nearly three years, the flat remained empty. Now we are renting it to an Italian couple, both working at ENI, for 1,600 euros. It is less, but still quite good rent”.

It is interesting to consider that the benefits which the company furnished in the past to its workers, that represented a large share of the population, have turned into assets that fewer residents can exploit, namely those who can profit from the stability and reliability of the high-level segment of the local rental market.

*The dwelling as a financial safety-net.*

Many interviewees – and especially the younger ones – shared the opinion that the peculiar development observed in San Donato has enormously favoured a generation that, in a few decades, experienced an accumulation of income savings first and of real estate capital later. On the contrary, the younger generations, that have been
experiencing labour market precarisation and lower job incomes, struggle to access and/or maintain independent housing solutions. If this generational cleavage is valid throughout Italy and, more in general, the Western countries, it is particularly sharp in San Donato for the very specific conditions and history of the local housing estate.

In the more critical situations, a family dwelling is explicitly used as a direct supplement for an irregular or insufficient income, an attitude that has been increasingly observed also in other contexts (see Soaita et al. 2017 about the UK). In some cases, young adults moved back to their parents’ place, renting out their flat to guarantee a sufficient and hopefully regular income. A young IT technician said “I went back to live with my parents in their 65 square-meter flat. I would never move anywhere else and not to Milano. Now we want to rent out the second flat, hopefully at ENI. It would be the best, the most reliable solution. These days you can never be sure that the tenant will pay. And if they suddenly stopped paying, how could I live? The rent is an essential income. A sort of guaranteed minimum income”. This experience concerned a number of young adults, generally in their early thirties, who lost a precarious job during the Great Recession, interrupting and in fact marking a step backwards in the transition to economic independence (and so housing independence and autonomy), a process that in Italy was already averagely delayed in comparative terms. The postponement in the achievement of independence of this “boomerang generation” risks further socio-demographic implications, not least in terms of a dropping birth-rate.

Dwellings that are redundant or oversized for family needs become a source of income if a salary is lacking or irregular. There are cases in which “young people inherit a large flat in high-quality condos built in the 1970s, from parents who may have relocated
elsewhere after retirement and then cannot afford the service and maintenance costs... and end up renting out some rooms, organizing a B&B’.

The housing practices emerged through the interviews confirmed some of the trends hypothesized stemming from the analysis of the local housing system. The peculiar features of the ENI-driven rental demand polarises the local housing market, defining marked inequalities between those who make a profit out of it and those who cannot, and in addition suffer from the consequent unaffordability. These findings contributed to feed the definition of possible directions for the development of experimental actions by the municipal administration, that will be discussed in the next section.

7. Designing new policy programmes at the local level

The main aim of the research presented here was to identify and explore, together with the municipal administration, critical issues deserving reform efforts in local welfare and housing policies, as well as of urban planning strategies and tools.

As seen, the research results pointed at nodes that, in different ways, all revolved around the changing employment-household-dwelling nexus in a context marked by a consistent heritage of middle-class private housing stock. On the one side, weakness on the labour market (unemployment, short-term contracts, involuntary part-time, care burdens reducing availability for paid work, etc.) and/or family vulnerability (separations, single parenthood, family violence, etc.), coupled with a very expensive local housing market, make it impossible for many to autonomously access and maintain a dwelling, especially in face of the scarcity of affordable housing solutions. On the other side, a significant mismatch between the features of existing dwellings and...
the profiles of households is observed, especially in terms of size, which reduces the quality of living for many.

In light of the insights emerged from the research results, three local pilot projects were developed, to test new solutions and tools, fostering inter-departmental cooperation and cross-sectoral interventions.

The first concerned the experimentation of “trilateral agreements”, in which the municipal administration officially acts as intermediary and guarantor between private landlords and tenants, in support of tailor-made social projects supervised by the municipal social services. This “trilateral agreement” favours the tenant, who can access a private rental at a price lower than that on the market, despite being unable to offer the usual guarantees required as a renter, and is therefore sustained on a path towards the (re)acquisition of autonomy. But it also favours the owners who, in exchange for the lower rent, receive a guarantee on the continuity of payment and proper use and maintenance. As we have seen above, in fact, the increase in arrears related to the prolonged recession has also hit small owners, who count on rent revenue to repay the mortgage, or even to supplement the family income. In San Donato there appears to be scope to expand such an experiment, given the above-mentioned incidence of households owning more than one flat in the town. The expansion of the “trilateral agreements” could represent the cornerstone on the basis of which to develop a Municipal Housing Agency, that would extend the perimeter of housing policies beyond the management of the small public housing stock. It is a direction that other Municipalities have undertaken, in a scattered way, in the absence of guidelines by
higher levels of government\textsuperscript{7}. San Donato appears as a particularly fertile context in this sense, since making more effective use of the existing (public and private) housing stock is more crucial here than elsewhere, due to the political commitment of the current administration to zero-land consumption.

The second experimental action regarded the reuse of a vacant non-residential space – a former handcraft manufacturing site – for mixed productive and housing purposes. The objective would be to give a new function to an abandoned place in the city and at the same time create both job opportunities and housing solutions to be offered to disadvantaged persons. In this sense, this pilot project aimed at creating the conditions for the employment-dwelling nexus to be a virtuous one again, even for underprivileged profiles. The implementation of such a project required a change in land-use designation in the local plan regulation, as well as the selection of a provider – a non-profit organization – who would be responsible for the social management of both the housing facility and of the employment (re)insertion projects within the new productive activity, through a public-private partnership and partly drawing on regional public funds (e.g. vouchers for the employment of socially disadvantaged unemployed).

The third experimental action consisted of fostering the exchange of dwellings and cohabitations among public housing tenants. To understand why such actions require a pilot project, it is to be known they are both extremely rare in Italy. Public housing tenants very seldom leave the apartment they were initially assigned, even when their

\textsuperscript{7} It is, among the others, the case of the Rhodense district, where a set of nine municipalities which are grouped to develop the intercommunal Plan for Welfare policies have set up the “Agenzia dell’abitare” (https://www.adarhodense.it), a quite dynamic Housing Agency managed by a social enterprise and shared by the nine municipalities. Another exemplary case is the one of the City of Modena, where the Housing Agency is directly managed by the City Administration: https://www.comune.modena.it/welfare/abitare-sociale/agenzia-per-la-casa
family size drastically changes and, when they do, it is generally to move to a flat that has become empty. The switch of dwellings among tenants with a valid rent contract requires attentive management and accompaniment. The size of San Donato's municipal public housing allows very close management that can permit to pursue a more appropriate correspondence between tenants’ household size and flats’ dimensions (and other features as well, such as the presence of architectonic barriers vis-à-vis disability conditions). Similarly, cohabitation between unrelated persons supported by municipal social services was tested, as an occasion for them to access housing at a lower cost and, at the same time, to train their social capabilities and, in the most successful cases, to develop solidarity bonds.

Besides implementing such pilot projects, a further innovation discussed with the local administration was to promote, incentivize and regulate the practices of splitting up or sharing oversized flats in the private housing stock. This would on the one hand, enhance the quality of life of many residents in San Donato, especially older ones who have remained alone in large family flats, having difficulties in coping with the maintenance costs, but also with issues of loneliness (De Jong and Tesch-Romer 2012). On the other, it would allow to increase the supply of available dwellings in a regime of zero land consumption, acting on the existing built environment. If promoted through fiscal and/or monetary incentives paid only in case the newly created apartments are destined to affordable housing programmes, under public supervision, such a process would also contribute to enlarge the local affordable housing supply. This hypothesis will need further pilot projects, in order to explore the opportunity structures of the potentially involved social actors.
The overall vision of the research was to widen the range of options available for individuals and families, and to enlarge the housing solutions accessible in the city. After the acquisition of the research results by the City Council and several public debates, the pilot projects presented here are feeding reform directions that are currently being discussed within the Urban Planning Department in the revision process of the city Master plan. Firstly, the perspective is to monitor the undergoing pilot experiences, secondly, the challenge is to intertwine housing policy and urban planning decisions in the design of new planning tools and of future development.

8. Conclusions

In this article, we have presented the results of a research carried out for, and together with, the administration of the town of San Donato Milanese. The main research objective was not to replicate quantitative forecasts, but rather to improve the understanding of local, fluid circumstances to enhance efficacy, efficiency and appropriateness of existing policy tools and housing programmes and to make them more adaptable to a wider and changing range of situations.

The context of San Donato is very specific for a number of features that we have highlighted, including its past as a company-town, ENI’s strong impact on the local urban development and housing supply, the influence exerted by the alienation of the housing property stock and by the current presence of high housing demand related to ENI on the local housing system.

Despite such specificity, this case study is of interest in more general terms. The intense socio-demographic changes and labour market transformations bring about a need for a
deep reform of welfare policies (Taylor-Gooby 2010) including housing policies (Tosi 2017). However, such reforms are not easy to carry out in the framework, typical of Southern European countries, of scant resources, vested interests, chaotic multi-level governance and inefficient administrative and political elites (XXX 2013). The situation has further worsened in the wake of the long years of economic recession and austerity policies that have produced the unsolvable dilemma of dealing with increasing social and housing needs while available resources are decreasing. In such a situation, cities represent the frontline, since they are responsible for providing both social assistance and income support, and – together with regional agencies – they own and manage part of the social housing stock.

The case of San Donato Milanese shows that policy-makers can learn from a better understanding of the practices through which individuals and families organize their housing solutions, paving the way for more adequate and creative modes of providing housing solutions. Supporting existing sharing practices, short-term tenancy, the reuse of existing housing stock, or the transformation into housing of buildings with other uses, and building on them, local governments may develop a new and effective role in leading the governance of housing policies so that, even though direct public provision of housing is quantitatively limited, it is possible to channel existing housing resources (including non-public ones) into public support programmes.

A further outcome of our research, points at the need for city administrations to extend the boundaries of their action in the domain of local housing policies, and to favour inter-sectoral cooperation. Local welfare departments are increasingly confronted with demands from citizens who, despite having economic resources and therefore not being
entitled to social assistance, do however express a need to be supported and steered in
tackling complex issues related (also) to housing. The local urban planning departments
are dealing with the challenge of finding a variety of interventions that can provide
more effective use of the existing housing stock. This requires a professional and
cultural re-orientation: of the social workers towards a more pro-active and empowering
role, and of the urban planners to abandon a mind-set in which the solution to
unanswered housing demand has typically consisted in new construction.

The issue is, therefore, integrating approaches and departments’ routines, which are
consolidated in non-communicating pillars, and promoting roles able to manage projects
and programmes characterized by complexity of involving a diversified range of
providers, institutional levels, resources flows, and target profiles.

Finally, local innovation efforts should also tend to the dissemination of information,
mainstreaming of good practices, scaling-up and production of institutional learning. If
not, the risk of dispersing energies and resources and increasing territorial inequalities is
particularly severe, especially in the context of Southern European welfare regimes.

References


gestori dell’Edilizia Residenziale Pubblica” in Laino, G., Ed., Quinto rapporto sulle


XX


XX


OECD, Under Pressure: The Squeezed Middle Class, 2019.


Regione Lombardia 2015.,


Note1. The measures related to the minimum income do not majorly change the social assistance system in Italy.

We respectfully disagree. The Reddito di Inclusione had for the first time introduced a subjective right to a national, non category-based minimum income scheme (after an initial phase in which coverage was partial, in the first year); a strengthening of local social services and of their staff was also foreseen. Yet, the money destined to the measure was limited, and therefore the measure was not generous. Soon after, the Reddito di Cittadinanza has for the first time put a remarkable amount of money on income support, maintaining the national, universal, non-category basis of the measure. The scheme had various limits when first approved, but some of them have been corrected through parliament debate, further decrees and finally implementation. Limitations remain, of course, but they are not enough to deny that the social assistance system in Italy has been majorly changed over the recent years. We have however slightly changed the sentence.

End of page 5: “loose regulation about rents” needs its reference, law or other.

We added details

Line 27, page 6: “Despite the severe crisis of the real estate market”, this sentence also needs a reference through data or literature. The data about evictions are not marking the crisis of the market.

We added references

Note 3: An indication about the times (months, year) of the interviews is needed.

We added details

Page 20, line 29: “adulthood”, it is not a matter of adulthood, more about economic independence (and so housing independence and autonomy)

We corrected the sentence

Page 22 line 45-48: Please insert references or a note relating to other municipalities’ experiences.

We added a note