



Vienna Social Housing Field Study – A Summary of Learnings on LPHAs

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Field Study Overview

- Immersive, 5.5 days
- Learning from:
 - Viennese social housing experts
 - Government officials
 - Residents
- Tours
- Peer-to-peer discussions



The Delegation

- 50 professionals
- Representing a wide range of leaders in housing

- State Assembly and Senators
- 3 Mayors/their offices
- Developers (for and non-profit)
- Community Based Advocates
- Government employees
- Land Use Attorney
- Philanthropy
- Think Tanks/Academia
- Gateway Cities COG
- From SCAG: Jacob, Jenna and Clint Lorimore!

ABOUT VIENNA

Context for the Social Housing Model



Quick Facts



160 Square Miles

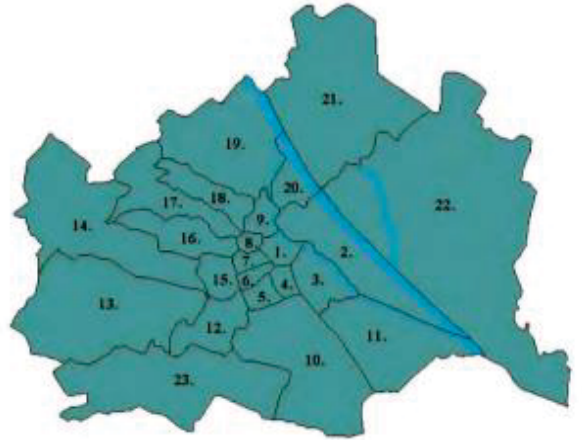
23 Districts

Pop: 1,920,949 (Country: 8,979,894)

Government: Municipality & State

Districts of Vienna

1. Innere Stadt
2. Leopoldstadt
3. Landstraße
4. Wieden
5. Margareten
6. Mariahilf
7. Neubau
8. Josefstadt
9. Alsergrund
10. Favoriten
11. Simmering
12. Meidling
13. Hietzing
14. Penzing
15. Rudolfsheim-Fünfstadt
16. Ottakring
17. Hernals
18. Währing
19. Döbling
20. Brigittenau
21. Floridsdorf
22. Donaustadt
23. Liesing



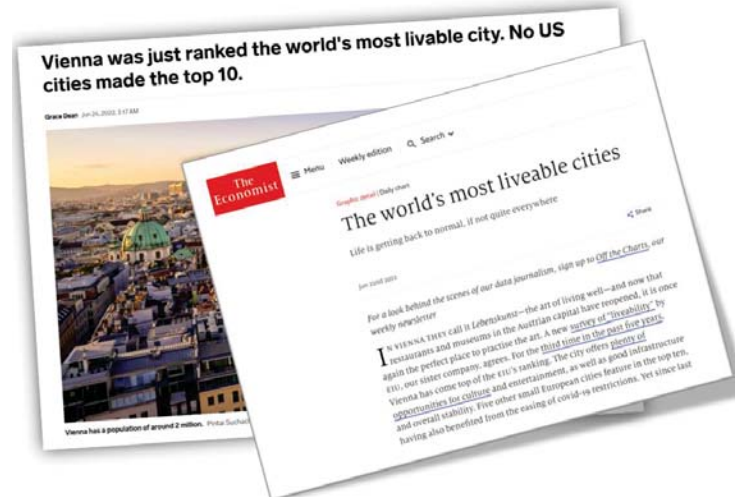
Vienna solved their housing crisis

■ 1918



© State Hall of the Austrian National Library. Photographer, Albert Hilscher.

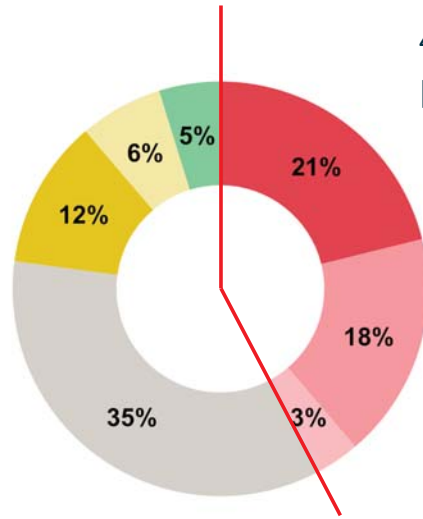
■ 2022



80% of residents earn below Social Housing income cap, ≤ 200% AMI

Housing Stock, 2020

Rental Homes	75%	775,000
Municipal (Public Housing)	21%	222,000
LPHA (Subsidized Cooperatives)	18%	185,000
Privately Owned (Partly Rent-Controlled)	35%	368,000
Owner Occupied Homes	20%	225,000
Condominiums (Subsidized)	3%	35,000
Condominiums	12%	122,000
Single Family Homes	6%	68,000
Other (Sublease, dorms)	5%	50,000
Total Homes	100%	1,050,000



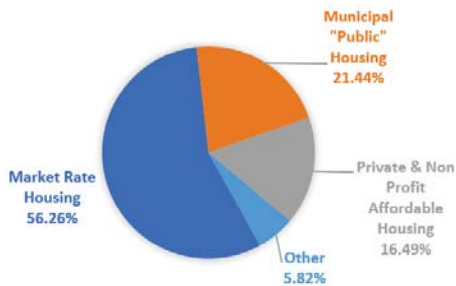
42% Social Housing

Estimation MA 50, Source: Statistik Austria Registerzählung, GBV Kompaktstatistik

100% composed of multi-story buildings

How a similar size So Cal city compares

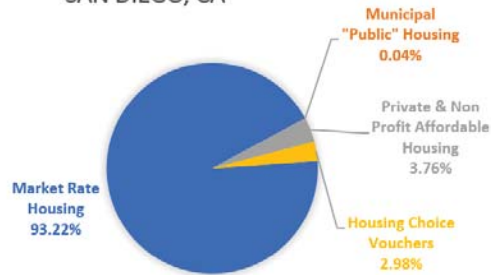
VIENNA, AUSTRIA



Population 1,960,023 People

Total Housing Units 1,031,000 Units
Total Affordable Housing 391,000 Units

SAN DIEGO, CA



Population 1,432,852 People

Total Housing Units 512,530 Units
Total Affordable Housing 20,057 Units
Total Housing Choice Vouchers 15,736 Vouchers

Built Environment

- Smart City Plan:
 - Climate Adaptation
 - Mode shifts
- 47% of Viennese do not own cars
- Active Housing Policy

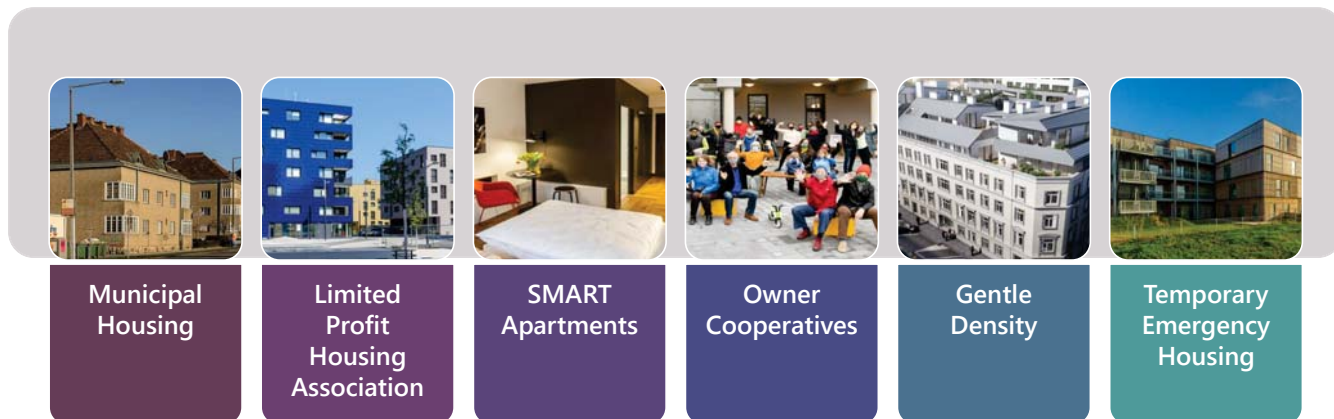


What Social Housing Is...

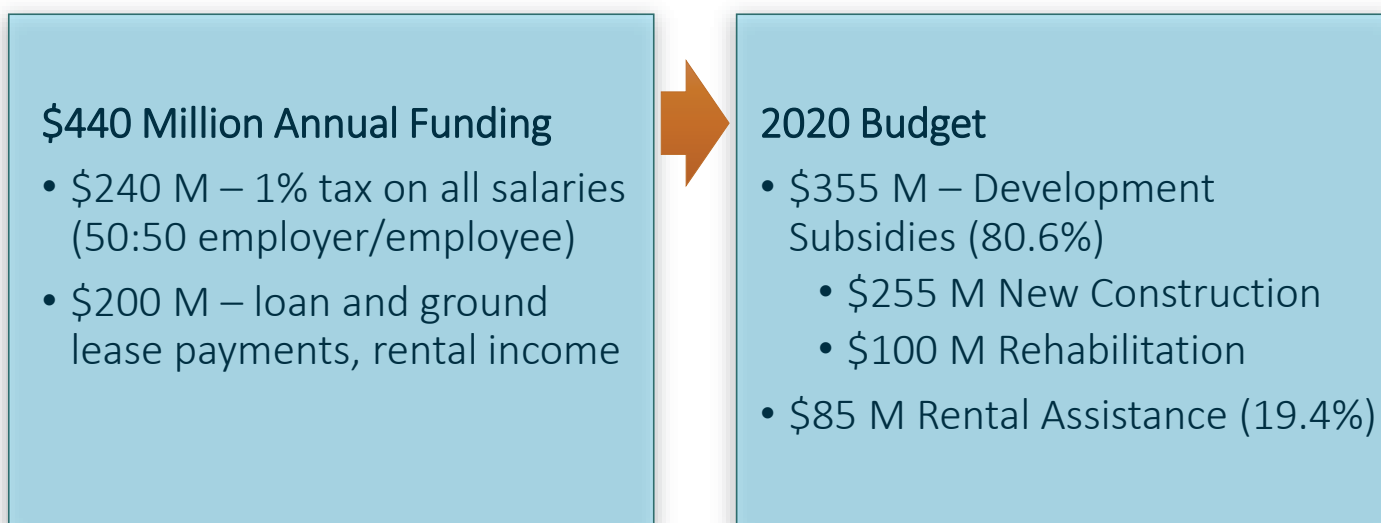


- Several models, based on population
- Emphasis on building subsidies, not individual subsidies
- Subsidy scheme for different target groups
- Includes low and middle incomes
- Quotas for low-income and vulnerable groups

What Social Housing Is...



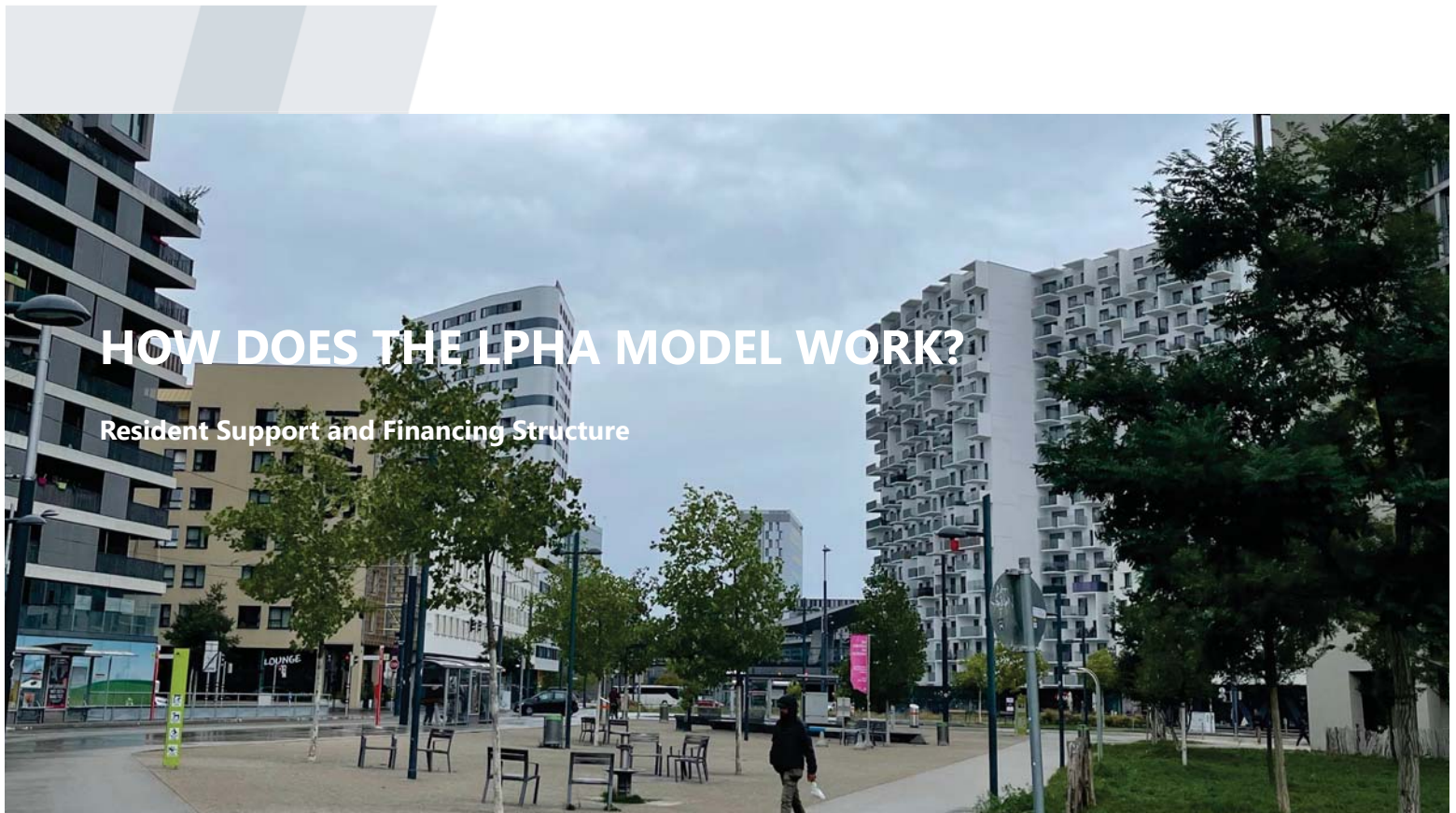
How it Works: Permanent Funding Source



How it Works: Prospective Land Policy



- Target 15 Years of Land for Anticipated Residential Development
- 2019 Building Code Amendment:
 - Land Price Limited to \$17/sqft Floor Area for Subsidized Projects
 - Net Rent Limited to \$0.48/sqft
 - 2/3 Residential Floor Area Dedicated to Subsidized Housing



HOW DOES THE LPHA MODEL WORK?

Resident Support and Financing Structure

Limited Profit Housing Association (LPHA) Model

- 1980s, became dominant form of new construction and financing.
- Shifted social housing toward private non-profit development.



- Permanent funding source
- Land acquisition
- Developer competitions



- Reduced land costs
- Reduced cost of soft debt, limit ROI
- Subsidies for lower rents



- Mixed-income Product:
 - Two-thirds: below market
 - One-third: market
- Allows rent to purchase after 10 years
- Excess profit recycled into new projects
- Finance structure is a *market intervention*

How it Works: LPHA Finance Model

Financing Components	Per Unit Avg. Cost:	\$244,000
Bank Loan	At least 15-year term	
Subsidy Loan (City of Vienna)	1% interest rate, 40-year term	
Tenant Contribution - construction costs, land costs	12.5% maximum share of construction costs (upfront equity)	
LPHA Equity Capital	3.5% interest rate	
Grants	For special needs populations, SMART apartments	

Limiting Costs = Limiting Rents

- Housing is financed with debt and equity, whether subsidized or market-rate
- Lower financing costs means less equity and debt, which allows rents to be lower

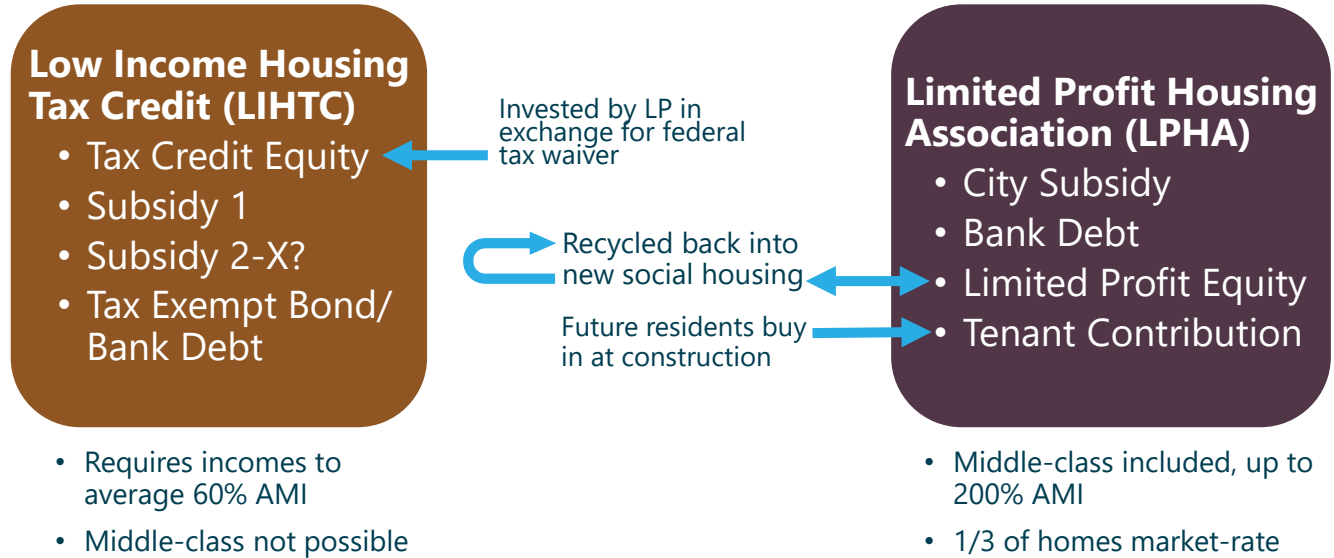


How it Works: Developer Competitions

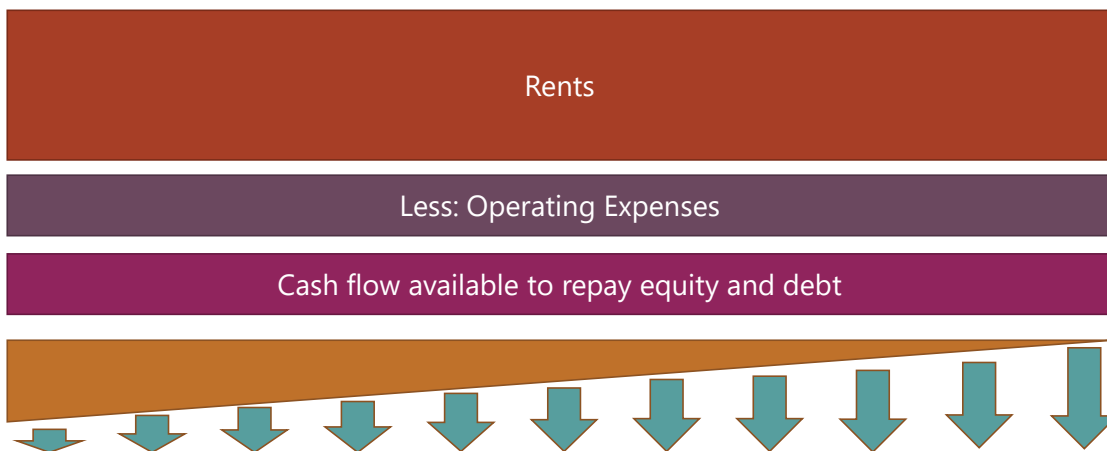
- Subsidized Projects > 500 Units
- Land Owned by City of Vienna or Wohnfonds Wien
- Architect/Builder Submits Fully Developed Project
- Panel Selection



LIHTC (TCAC) vs LPHA Model



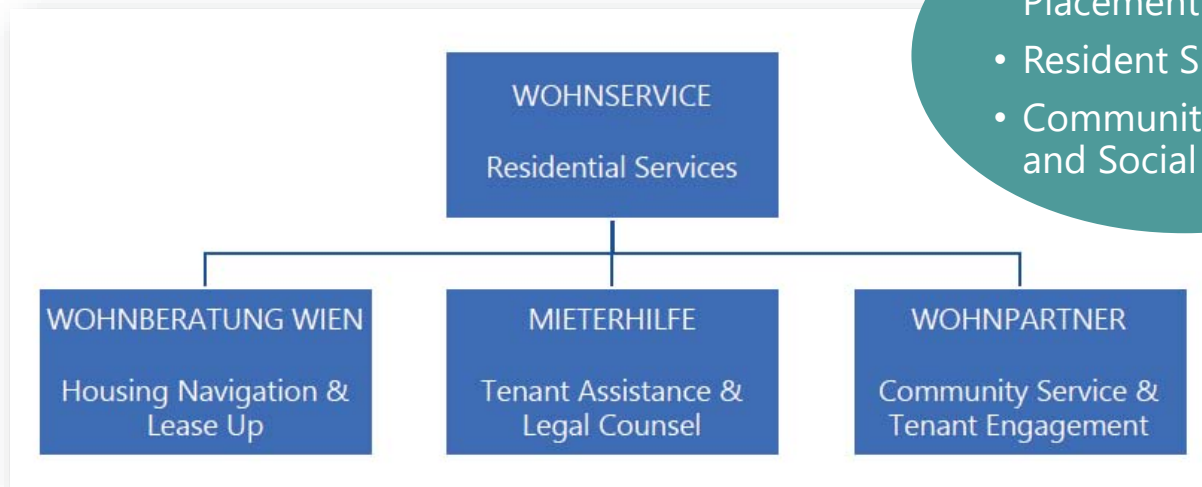
How it Works: LPHA Debt Repayment



Holding all else equal, lower Debt and Equity costs allow for more net cash flow, OR an equivalent reduction in rents. Excess profits recycled into the program

Who Administers Social Housing?

- Housing Counseling Placement services
- Resident Support
- Community Building and Social Services

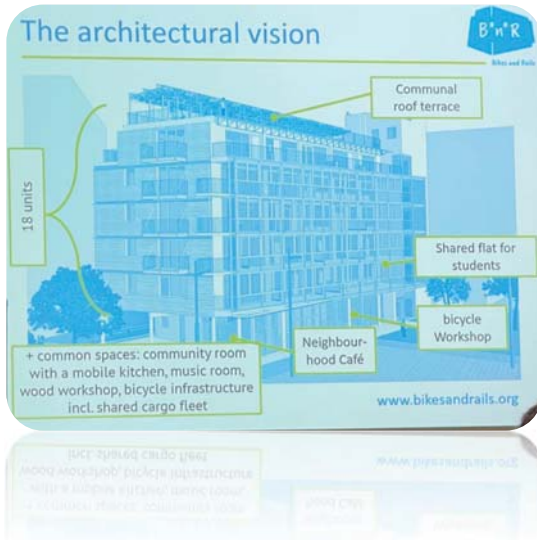


Takeaways

- Collective belief housing is a human right
- Commitment to the public good; belief that government can deliver it
- Inclusion of wider range of incomes generates broad acceptance (think Medicare)
- Comprehensive supports, including legal and social

- LPHA financing structure is an intervention in capital market
 - Mixes in higher incomes
 - Lower expected return on land and development
 - Profits recycled back into the funding stream
- Land banking and prospective land policies are critical

Putting it into Action - Opportunities



- REAP1 Projects
- REAP2
 - HIPP program structured to offer TA for development of public lands
 - Trusts/funds could explore finance structures
- Connect SoCal Land Use Strategies
- Other potential opportunities
 - City of LA – Unite to House LA
 - LA County Land Banking initiative

Large Scale Mixed Use Development

Seestadt Aspern

- Airfield Redevelopment
- 593 Acre, brownfield
- U-Bahn Extension
- 25,000 future residents
 - Municipal Housing
 - Limited Profit Housing
 - Student Housing
 - Luxury Housing
- Hotel and Retail (20,000 jobs)
- 5 Billion Investment



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Seestadt Aspern

Sonnwendviertel

- 75 Acres
- 17 Acre Park
- 5,500 Units
- 13,000 Residents
- 20,000 Jobs
- Central Rail Station
 - 100 Shops
 - EV Car Sharing Svc
 - 600 Parking Stalls
 - 1,100 Bicycle Stalls



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Sonnwendviertel



Amazing People!

Thank You!

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