Hi, everybody welcome! We will be starting momentarily.

Good a time. Is any? Hello, everyone. My name is Jackson.

That Beers and I am one of spurs, public programming associates. Thank you.

So much for joining us for this digital discourse today.

Many of you here today are spur members. So thank you so much for your support.

If you're not a member, I encourage you to join to continue supporting spurs, spurs, work.

And using education, policy, analysis and advocacy to make our cities and region more prosperous sustainable, and equitable.

Places to live. Your financials were enables us to continue our work, including the hosting of programs like today's, you'll find more information about our membership online@spur.org slash, join our next visual discourse is scheduled for Tuesday January the seventeenth, at 1230 Pm. It is titled Housing on the ballot in California.

Up and down the State local jurisdictions, placed housing measures on the ballot in the November the twentieth, 22 elections issues on the ballot include stopping affordable housing from being built in wealthy communities, taxing vacant units mechanisms, to

Streamline, Housing, Production and protection for tenants a recent article by the Turner Center for Housing innovation at the University of California, Berkeley cataloged each housing measure on the ballot for the November 22 election and recording by Kqed.

You sought to make sense of what each measure means for housing in our state.
And this digital discourse will explore which of these measures pass which failed, and what the outcome means for housing in California today's digital course, and why you all are here is titled social housing in Vienna.

A model for California, California's housing affordability crisis has compelled policymakers to look at unconventional ways, to boost housing production across the State Vienna has a rich tradition at building social housing such as government supported mixed income and rent restricted

Housing, for a large portion of its residents.

A recent study trip to Vienna help demonstrate how social housing is finance built and maintained.

Today you will hear from housing experts who participated in this trip on how social housing works in Vienna, and what lessons can be learned and applied here in California to help create more housing affordability today's forum will be moderated by spurs senior advisor Sarah Karlinski. Sarah is an expert in housing and land use policy.

She has led the publication of numerous fair policy reports on topics ranging from housing, affordability in the Bay Area to disaster, resilience to historic preservation prior to the joining spur Sarah developed affordable housing throughout the Bay Area with Midpen Housing. With that, Sarah. I will turn it over to you, July, to introduce our panelists

Great. Thank you so much, so excited for this forum today, I'm really really excited to learn from the script of people I'm gonna start off.

I'm gonna introduce everyone, and then I'm gonna turn it over to Hel.

Need to get us started. Our speakers today are Helmi, historic.

Helmi is a senior principal with global global policy Leadership Academy, who developed and leads the Vienna Social Housing field study helmi spent over 25 years working on affordable
housing development and finance with the city of Los Angeles holding Senior Level Positions at the Los Angeles housing department, and serving as Deputy Mayor of housing and homelessness, in the Bill Gorosa Administration.

After leaving the city of La in 2019, Helm has focused on bringing scalable solutions to California's house and crisis and driving change through educating California housing leaders on best practices and housing from around the world.

We are also joined by Carol Gallante Carol is the founder and advisor of the Turner center for housing innovation at Uc.

She's the emeritus faculty director of the Turner center and held the I. Donald Turner, Professorship in affordable housing and urban policy at Uc.

She also previously served in the Obama Administration as Assistant Secretary for Housing Federal Housing Commissioner in the U. S.

Department of housing and Urban Development, and as Deputy Assistant Secretary for Multi-family housing programs.

We are also joined by Ruby, Belaria, Schiffin ruby is the head of the community initiative at the Chan Zuckerberg initiative.

Which includes the housing affordability program to ensure everyone in California can have a safe, accessible, affordable home and live in dignity, and the regional Bay area program focused on building a more inclusive equitable Bay area prior to Czi ruby worked as a project manager for
multifamily mixed and compromise in San Francisco.

She also worked internationally at the housing department in Johannesburg, South Africa, where she managed an institute upgrading pilot project.

She started her career as an organizer, working on labor, water and food.

Justice issues. And last, but not least, we are joined by Dan Adams.

Dan is the senior advisor for housing initiatives in the office of Mayor London Breed, having previously served in a variety of housing focused roles at the city of San Francisco, including as the acting director and deputy director of the Mayor's office of

The housing and community development. A licensed architect, Dan, has worked as a developer of affordable housing for a number of private for-profit and nonprofit companies, including Sarah Regis group of Northern California, Bridge housing Midpen housing and resources for community

Development. So you can see, we have an amazing panel today, really, really exciting.

I would just ask that people who have questions. Please put those questions in the in the Q.

A which you can see at the bottom of your screen, and I will be monitoring that Q.

A, and I'll be going back to it when we get into the the kind of audience question and answer portion of this program with that, tell me I'd like to turn it over to you

Great. Thank you so much. I think I'm gonna jump right into the Powerpoint.

So hopefully, you guys can load that
But I'll just, you know as as that's happening as that's getting loaded, I will sort of take a minute to talk a little bit about Vienna social housing, field study

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Just a quick question. I just wanna confirm that the the you are loading the Powerpoint, not me.

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Yes. Yeah.

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Let me just ask Jackson. Okay, getting it up. Great thanks.

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Okay, okay, good, wonderful. So thank you. So the global policy Leadership Academy is really designed to take housing policy leaders to learn about new ideas around the world and the Vms social housing field study is about a 5 and a half day immersive visit to Vienna to meet with and learn from Viennese social housing experts, government officials to talk with residents to, to our projects, and to really spend time learning about the Vienna social housing model.

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But it's not only about what we learned from Vienna.

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It's also very much about what we learned at one another.

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And the people on the panel today were some of my favorite people to have the opportunity to get to know.

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I did not not know the group from Northern California when we put this group together, and a lot of what we took a lot of what we got out of the process is actually talking to one another about what we're learning.

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But also, what can we bring home? So let's go to the next slide.

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So just to begin with, a little bit of history about Vienna.

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Why go to Vienna? What? What's about it?
You may have heard that Vienna has an interesting or unique social housing model.

What most people don't know is that a little over a 100 years ago, Vienna was considered the worst place to live in Europe.

It had a terrible housing crisis. They had about 30,000 homeless people in a city of 2 million.

They had about 300,000 people living in slum housing are essentially overcrowded conditions.

They were people who are known as Bet gayers, which is basically renting the bed by the day.

They simply lacked enough housing, and they had a at the end of World War one had a large number of immigrants coming into the city from outlying parts of the Austro-hungarian Empire.

A 100 years later. You know they are now considered to be the most livable city in the world, and has been ranked the number one city multiple times over the last 15 years, and a large part of that is due to the fact that they have really affordable housing it is the most affordable large city in Europe.

It has high quality housing, and it also has, as a consequence of their housing supply, that has a low crime rate.

It has a very hot, lots of culture, and people are out on the street.

It's very active city, a very fun city to be part to, to, to live in, and people generally like living there.

In the first social housing building was built in not in 1922.

That was the very first construction, and so when we were there, we were sort of recognizing and celebrating the hundreds year of social housing being built, and since then, in the first 5 years after 1918 from that from 1918, the 5 years after 1,922 I'm sorry
They built 65,000 units of social housing. They went on a massive development campaign shortly after World War one pushed by a coalition of folks.

There was, and I'll just touch on the Coalition, and then we can move on.

What happened in 1919 20, basically, women got the vote.

So that was a first big change. A lot of the immigrant population moving into Vienna we're taking industrial jobs coming from Eastern Europe, Vienna sits at the border of the of Slovakia and very close to Poland and very close to Hungary are actually on the border of hunger, and people that were moving into the city were largely taking industrial jobs.

And so there was momentum coming out of the Labor Union movement as well as large employers trying to solve the housing crisis.

And then finally, the folks that are called wild settlers, basically, people who build houses or were squatters on a lot of public land and started subsistence.

Farming became a coalition, or they kind of unionized themselves into a self-help cooperative.

And those 3 forces, the the wild settlers, the women getting the vote and the Labor Union movement.

Coalesced into a large group of people pushing for housing, and so, when the first mayor in 1,918, as the city became its own state, it is a city-state, the first mayor, who was a Socialist, mayor elected in 1918 allied himself with those forces and started to launch what they call a housing offensive.

So they really put together a plan to start rapidly building, housing in Vienna.

Let's go on
So, where the kind of the big ideas we wanted to talk about today are some of the things that are driving the social housing in Vienna.

First is this concept of housing for all which is very inclusive sort of big tent approach to housing.

Another another key driver in Vienna, is that they have sufficient predictable amount of capital that flows into their affordable housing system.

They have a very proactive public land strategy with a land bank.

They have a financing system. That's rather efficient it's called cost-based financing, and alright Lpa, which is limited Profit Housing Associations.

And I'll talk a little bit more about that later.

But it is a a relatively more modern approach to financing.

They didn't do that in the first 50 years of their housing development.

They started to shift towards that about 50 years in, but the model is now being picked up by many cities around the world.

In particular, Ireland, Dublin is looking at it very closely, and it's considered a very efficient way to scale up housing. And then they have a big focus on innovation and environmental sustainability which I'll talk about a little bit later let's go to the next slide

So, to begin with, I thought it would be helpful to show some local comparisons just to give some context for housing supplies in Vienna.

So how Vienna, Austria, the city, slash State, is very close to the same size as the city of San Jose in terms of land area.
It is not, it is much more densely built out than than San Jose, but it's not as densely built out as San Francisco, so it's sort of halfway between San Francisco and San Jose in terms of densities the total population in Vienna is 1.9 million, and their total housing units is 1 million.

When you compare that to the housing supply in both San Francisco and San Jose, you can see that there's actually significantly less housing.

San Francisco, with 887,000 people, has about 340,000 units, and San Jose, with a 1 million people, has about 322,000 units.

So they're somewhat off the pace of what they should be.

San Francisco, if it mirrored, if it mirrored Vienna, would be closer to 450,000 units and San Jose would be closer to about 500,000 units, the total affordable housing, supply, though, is where you see really significant differences so with a 100 years of investing pretty heavily in social housing.

Vienna has a mass of total of about 440,000 units of affordable housing.

Keeping in mind, it's what we call the big tent or the you know.

They serve a much wider income level than our affordable housing, but by comparison San Francisco has 30,000 units in San Jose has 17,500 so there's just a very big difference in the number of housing units.

Even when you add in section 8, which Vienna doesn't have, they do not do rent support, separate from.

Their affordable system. They they, San Francisco, adds another I believe it's another 6 or 7,000 units in San Jose.
Also actually San Jose, yeah, San Jose has about 15,000.

Section 8 units. So San Jose has a lot more rental.

No public. Their homelessness numbers. Vienna does have some homelessness.

It's not completely without homelessness. It has what you would think what we would term is a functional 0, because they are able to house every single person who becomes homeless very, very rapidly.

They have, what they, their current count is about 2,200 homeless individuals in a city of 2 million, and you know that compares to the San Francisco and San Jose, which have more than double the number of homeless people even though they're populations.

Are are significantly less, more, less than half so. The most important thing to really think about is what is it like to have a wide or large supply of affordable housing lastly, I'll just add that Vienna has 2 types of housing.

2 primary types of affordable housing or social housing.

About 20% of the units, 21% or 200,000 220,000 units.

Our public housing owned by the city, so municipally owned housing, and that is traditional social housing.

That was what they started building in (191) 917-1922.

That's what they started building at that time, and then over time, it's migrated to having significantly, more privately held affordable housing called limited profit housing.

We think of that more like the way we do afford to buy housing with, which is our tax credit system.
So that would be the sort of parallel we have, a much smaller public housing segment, and more of our housing is privately held nonprofit.

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Their is about 50 50, the other slice here is student housing and sub leases and things.

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So they have a lot less market rate housing than we do, and they virtually have very, very small amount of single family home ownership.

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It's primarily a multifamily city, and it's built out specifically that way.

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Let's go to the next

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So housing for all just kind of this policy is that in Vienna they believe the affordable, that the Government should intervene in the housing market because the housing market doesn't quite work, and so they have this very broad approach to how they define social housing 80% of the people or 80% of the residents qualify for social housing.

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It serves incomes of up to 200% of the area median, and of course, everything to the deepest levels of poverty.

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So they've really have a wide variety of of housing pipes.

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They have set aside for low income and vulnerable groups a very short way lists not more generally not more than a year.

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Usually about 3 month waiting lists to get into housing.

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So it does vary, depending upon what unit you're trying to get and to specific circumstances of your family.

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It's a very needs based orientation. So they focus a lot on less on what your income is and more on what is the urgent issue?
That's driving. You need to need housing and particularly vulnerable groups will get prioritized first.

Families, particularly senior parents, with children as well as senior citizens, who are, you know, living on on lower incomes.

There's a big focus on building community.

They have a lot of support for folks living together sort of building this idea that we all live together and share open spaces together.

They have a very comprehensive tennis services, providing everything from legal aid or displacement, prevention, dispute, resolution to community support.

If you want to have a barbecue, added to your neighborhood space, you call the city, and they are welcoming your ideas for what will help build communities.

So they're very responsive to their tenants.

Tenants manage the boards of most of the housing in Vienna.

So it's very tenant focused in terms of its decision making process.

And they also track, tenant satisfaction, and they have a very good sense of which buildings are functioning well, in which buildings are less desired by the by its tenants, and they will tend to prioritize they're in zoom so that older buildings may maintain well maintained within the community.

There's a policy that they call social mixing, we we call it affirmatively furthering fair housing.

I think it came about right at the beginning, where, when they first started to do an aggressive campaign of building housing, they grabbed land wherever they could.
The map on the left shows you the little where housing in Vienna is affordable, housing.

It literally exists in every single district, every single neighborhood.

And so there's a far less variability in terms of income from neighborhood to neighborhood, and they are very focused as well on ensuring that mix income housing is being built so that a that tenants within existing buildings have a variety of different professional lives and you know.

it's they're very focused on trying to ensure that folks get to know one another live together.

The Mayor of Vienna likes to say that you should not be able to tell a person's income by their address.

And they're very proud of that. They you are never asked to leave housing in Vienna.

If you you qualify. Once upon Lisa, and then you're never checked again.

Your income can go up and your rent will stay the same.

Some criticize that, thinking that there's this sort of excess subsidy going towards housing.

But the philosophy in Vienna is that permanent, permanent, and permitting Housing and community building.

Our priorities, and that we don't want people to actually spend all their access cap on housing.

They want them to spend it on restaurants and social life in the city and their families.

You can pass your unit along to your children or your parents, and so many times in social housing families will stay in the same place for many, many generations, in many decades, and all new housing and I'll talk about this in a minute.
All new housing has a mix of incomes across different income ranges and so it's very, not uncommon that the new, the folks that are coming out of the prison system for example, will find housing in the same building as new families, and they really encourage that people engage together and and

Start building, sort of community life as a way to build what they call social cohesion.

It's a big priority for that. Let's go to the next slide.

So capital. This is probably one of the most important things that they have in Vienna is a very predictable flow of capital into their housing system.

There's a national 1% income tax that is paid 50% by the employer and 50% by the employee that raises that that basically is given by the Federal government to the States to allocate how they choose.

So the city, State of Vienna gets 250 million dollars a year.

Our euros a year in in revenue from this 1% income tax and currently, the exchange rate is about even so, it's close to 250 million.

In addition to that, they have, with a 100 year portfolio of municipal housing, and they they have quite a lot of both ground.

These revenue coming off of that portfolio, as well as lone revenues, and so they have an additional 200 million dollars annually, and that that fluctuates somewhat.

But coming into the budget that 450 million euros is allocated, 85% is going to housing capital.

They have a very strong preference for housing, capital, and new development over rent subsidies, such as section 8.
They do offer rent subsidies but it's a very small number, and it really is to support reducing rents in social housing for families that needed two-thirds of the capital funds are for new construction and one-third is for rehabilitation.

And their rehabilitation program is closely aligned with their carbon reduction program.

And I'll I'll talk about that at the little bit later.

15% of them funding is going for individual subsidies and tenant services.

So there is a steady supply predictable supply of funding that is significantly higher than the funding we have for comparable sizes.

And zoom is actually what makes the system function incredibly well and and develop.

They're developing about 10 to 15,000 new units per year in Vienna.

Of social housing. Let's go on

In addition to the capital program, or actually has a consequence of the capital program, they have a very robust public land strategy.

The organization. That's named in the bottom of the slide.

It's called one phones. Vein is what we would kind of think of as like a redevelopment agency for housing.

Specifically the von Funds vein was founded in 1,984.

It was originally founded to focus on the refurbishment of housing, because at that point in time they didn't have a demand for new housing.

They had built out a lot of their social housing, and they were starting to focus on the room.
Rehabilitation of older housing. However, shortly after that, into the land, prices started to rise and Von Funds Vine took on the task of acquiring land, and now it is primarily a land acquisition and disposition agency with a very large rehab Program. They do major housing devices, and they purchase 15 years worth of housing needs.

So they're always buying land to plan for housing, and these are many of the developments that are currently happening in Vienna.

Let's go to the next slide

So this picture is actually one of the places that we visited on the trip.

It's called Zhch dot Osbourne, and what you can see is this, land was a large.

It was actually a former air field. It had been purchased by General motors to become an audio manufacturing plant, but never that never materialized, so the Von Fuzzy purchased it back from general motors and planned and development it's about how it's actually

About a 20 min train ride outside of the city of Vienna.

It is halfway between the capital city of Bratislava in Slovakia and Vienna, which is the capital of Austria.

So it's sort of sandwiched between 2 capital cities, and is a intended to be a hub for those 2 cities.

The first thing they did when planning this development was build the rail system that enables residents here to travel to both of those capital cities as well as a local rail system that goes through more neighborhoods in the Vienna area.

The entire development is zoned mixed income, and and, as I started to say, with the trains, the infrastructure investment, the Government took on the process of clearing the land building the infrastructure.
So they build not only the utility infrastructure, but also, for example, the parking infrastructure.

So the public sector built a parking garage and then releases land for through developer competitions that don't require onsite parking.

So there, it's a really considered a walkable neighborhood with an intention that it be a no car living, or you can have no car living.

Their developer competitions are part of the Von funds being infrastructure, they have a standing committee that gets three-year terms that makes decisions about which projects are going to move forward and they judge them based on a policy on what they call the 4 pillars model so they analyze the social sustainability or the ability, the contribution of the building to the social infrastructure they analyze, and grade them on their design sort of competitive on their architectural quality of the project they evaluate and score them, on environmental sustainability and they evaluate and score them on financial feasibility. So the the Advisory Board is made up of professionals with expertise in each of these areas, and the experts as well as community.

Input, they will score these projects based on those characteristics and figure out the project. That is the best across all 4 metrics. Let's go on.

Another large scale urban development that we visited on the trip was, Sonvan Fertel, and something feartel you could see on the picture up on the upper.

It actually was the realignment of a rail system. So the rail yard used to come down through where the park and the buildings on the right are, and there was an agreement between the city and the rail system to realign the rail they needed to this was the central rail station the the gray.
Rooftops towards the back of the picture. On the top is the same rail station, and all of the housing around here, and this large 17 Acre Park is social housing, and it ranges from deeply affordable housing all the way to market rate there are several cooperative owned properties. There we visit a few of them. One of them is called bikes and rails, which actually is a co-OP designed by a community members that actually believe in car and rail life, living no car living.

I'm not car Carmel bike and rail living with no cars.

And so the infrastructure for living without a car is really wonderful.

Here, there's a local tram as well as the main rail station.

There's it's 5,500 new units, and it includes Ev car sharing services.

There's a parking garage built by the public sector as well.

Bicycle stalls, trains, and a large open space, and it again, they're very focused on the communal living.

There is also a small school here at elementary school that goes from basically one year old to eighth grade.

Let's go on.

Hey? Helmet! I'd I'd wanna just make sure that we get to the the Q. A.

Right. You would mind if it's yeah.

Panel. I will. I'm sorry. I will speed it up and get through the last very quickly, so just briefly thank you for telling me that the there's a variety of different housing types in social housing.
The municipal housing is the more traditional limited profit is the current one.

But there's all kinds of housing that is considered social housing, including temporary emergency housing and owner properties.

As we've mentioned before. Let's go on

Cost-based financing or limited profit housing.

I mentioned earlier is the new model for financing, and even though Lpa's, they're they're called housing cooperatives.

They're large housing developers have been around for a 100 years, and there's 60 active Lphs in Vienna right now.

The model. Their financing model really caninges on low-cost land low-cost financing and mixed-income housing, and that together means that they can charge rents that actually pay for the cost of the development.

Now the cost of development and feedback is about 50% of our costs.

And we're still teasing out what that is. But they believe that by limiting every element of the project, whether it's limiting the financing cost or limiting the construction costs and living the land costs that they can actually push their housing costs, down their construction costs down and their

Rents in turn are a function of what their costs are.

So there's a in high incentive to have leap have much more efficient cost.

Construction costs. Let's keep going

Finally. I'll just say that they are when you know their their conversation around affordability in Vienna is rather quiet.
They kind of solve with affordability problem here. It's quite noisy there.

You don't sense that, and what takes its place is a conversation around sustainability.

They have a very proactive multi interdepartmental strategy for carbon emissions. Reduction.

They are pushing towards a carbon neutral city by 2040, and I actually believe they'll hit it.

And one of the things they're doing in addition to a lot of wood, low carbon construction is a rehab program based on block rehab, where they completely change out the utilities for the assets that are owned by the city in particular is where they test out the ideas for electrifying their utilities. So that's that's pretty much it.

And I want to thank everyone who came on the trip.

And if you want to come on it on a delegation, we're gonna have a 3 more this year.

You can go to gpla.co. And and learn more about it.

Tell me. Thank you so much. That was an amazing overview.

I really really appreciate it. So we're gonna get into some questions, answers with the panel.

Now I'd good to encourage the audience. If you have questions, please do put them in the Q.

A section we'd love to hear from you. The first question is going to go to Ruby, and it it really comes from kind of thinking through how Vienna and Bay Area compare from a tenant perspective.
And I was wondering if you could share with us how you think, just from attendant perspective these 2 systems compare, and how they feel different.

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Yeah, I think and home. We touched on some of it.

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But I think 2 kind of main themes that I would say right really struck me was one.

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They have a stronger tenant protection system. That's more centralized in Vienna, and that's stably resource.

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The the other main thing is that most people at least 2 things, I think, reinforce each other.

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Most people are renters, and they choose to remain renters only about 10% of Vnis own their home it's just not as attractive.

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It's not seen as a wealth builder in the same way that it is in the Us.

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And so that changes the political power, so that public policy is shaped more in the interest of renters than homeowners like what we have here.

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And it's also in addition to that, I think there's a strong kind of cultural belief that everyone deserves quality housing and so you see that in both what helmet was saying around kind of higher income limits.

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But also, I think, more importantly, there's less of attend and focus placed on verifying incomes annually checking for fraud.

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You know, our system feels very obsessed with ensuring that you deserve the benefits that you're getting versus making this, you know, kind of it's a one time you move in, and then, you know, you're kind of in I think one of the challenges that they mentioned that they're

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Facing around this. Just so we don't feel like you know, they're a perfect system is that there is they?

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We talked about a spatial mismatch. So because people have tendency that can last forever, sometimes you have, you know, senior citizens living in more of a family style home.

And so the government was working on incentives to kind of get people to downsize or move to an appropriate spot.

The one thing that since I think those are the main things, the other thing I would just mention is from a tenant perspective, the centralized infrastructure piece I don't think can be minimized.

They have an agency called Long Service. It's a tenant rights hub that was created into 2,000.

So relatively recently, and it's a one stop shop for tenants.

It helps them find housing, provides assistant to connect with legal counsel, because evictions are very low there.

Since 1,996 in particular, they created basically a right to council type system that is actually funded at any time. And eviction.

Notice Happens Government Agency is triggered and that actually reduced to victims in year one so 1,996 from about 61% to about 35%.

So it's a pretty dramatic decrease, showing that that strategy works.

And this bond service can help, even with mediation of like, you know, tenant disputes with their neighbors.

And so the idea of a they have government services that actually support tenants and think about the rights of tenants as equal to anyone else, I think, is different. Than the system.

We have here, where there is a hierarchy between renters and homeowners, and so that political power is definitely different. But I'll stop there and see if anyone else's things you wanna ask
I just just kind of a quick follow up question. So it seems like, you know, we have this whole concept in the United States of this housing ladder, you know, and at the top of the ladder is home ownership.

But it's seems like that's really not the case in in Vienna.

Absolutely not. Yeah. People who earn a lot too, choose to stay both as a renter, even in social housing like this is how these charts were showing.

There is market rate housing as well. In Vienna, but people still really prefer social housing.

And one thing that was really interesting also to learn was the government actually stopped building and doing housing for a while, and for a couple of years?

I can't remember exactly when, but someone somewhere in the 2 thousands, and it only took a couple of years for the citizens actually to rise up and say No, no, no, we don't want the market to take over being the soul kind of provider. Of housing.

We want the Government to play a role in this as well.

And so they they came back in. So I think that just demonstrated

Super. Super interesting. Okay? Our next questions for Carol, and it has to do with kind of the cost of building, housing, and comparing that to the Bay area which, as I think, everybody knows, it's so expensive to build housing here and Vienna is just really able to address their their cost

Issue. So who could you talk about that a little bit? The differences and kind of in particular, with regards to materials?

Financing and labor.

Sure, and let me let me just say that I think Hellmate laid out, you know, kind of the overarching reason why it's less expensive, which is, there's predictability of funding.
There's predictability of land use, and there's, you know, predictability of financing.

So the basic financing model under this limited profit model is, you know, you get a private loan for a large portion that you know of the development.

You get a subordinate loan from the city to help you get to, you know most of the property being affordable at, you know, a higher level.

I think I just need to be clear about that. That's like the main thing in the structure is, you do have more rent coming in than we have in our system.

Where it is traditionally driven to the extremely low income, and and I think that's something we need to struggle with when we talk about.

What's what do we translate here for the United States or for California?

Because that that makes a big difference, that they are developing this mix of incomes from the get-go, and that's built into the finance model.

And but they also don't have as wide to Income Gap as we do in general.

So like we need to, you know. I'm not saying that you wanna take exactly what they're they're doing.

But but I think it's really important to keep that frame in mind because it also helps politically that you are.

You know. You're kind of working for everybody here, as the government.

So that's that's on the financing piece.
And then these limited profit companies. The last thing I would say on the finance limited profit companies are making a return on their investment, and so as part of the bidding process, they are also, when they want to bid on a piece of property.

00:42:56.000 --> 00:43:02.000
You know Vienna controls. They are putting in some of their equity.

00:43:02.000 --> 00:43:07.000
Their company owned equity back into the property, and that's it.

00:43:07.000 --> 00:43:12.000
Those are the 3 sources you're done, you know, 2 sources of debt and private equity, and you make a return and people have a quality place to live.

00:43:12.000 --> 00:43:24.000
The second thing I would say on materials, I would take it less on materials and more on.

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There is standardization of design, you know. There's limited parking.

00:43:29.000 --> 00:43:31.000
There's lots of bike parking, there's you.

00:43:31.000 --> 00:43:38.000
If you want parking, you pay for it in a centralized place, but that's on, that's on you.

00:43:38.000 --> 00:43:41.000
So that eliminates a lot of cost right there.

00:43:41.000 --> 00:43:45.000
Vienna also controls the land pricing. There's maximum per unit.

00:43:45.000 --> 00:44:04.000
Land, pricing that can be built into the developments, and I would say, that's one thing I don't think is probably likely to be legal in California.

00:44:04.000 --> 00:44:12.000
The way, you know, the Supreme Court would look at land takings I think that would be problematic.

00:44:12.000 --> 00:44:19.000
So we have to consider that but it is that, you know they and they spend a lot of time on their designs.

00:44:19.000 --> 00:44:26.000
And you can see this from the photos that help me showed the landscaping and the common area external to the building is really important for building the community.

00:44:26.000 --> 00:44:35.000
The units themselves are are pretty small, I mean, for families.

00:44:35.000 --> 00:44:40.000
It's, you know, and it's and then partly that's cultural.

00:44:40.000 --> 00:44:50.000
It's much more customary in many parts of Europe not to have, you know, large homes.

00:44:50.000 --> 00:44:53.000
And so people are used to that, but they also then are very intentional.

00:44:53.000 --> 00:44:58.000
Every home has about balcony, so there is external space everywhere that that's just built in.

00:44:58.000 --> 00:45:05.000
That's what you must do. So Lot, you know all of that makes it less expensive.

00:45:05.000 --> 00:45:12.000
Labor. It's primarily unionized labor force, but the labor rates are the same across.

00:45:12.000 --> 00:45:15.000
It doesn't matter whether you're unionized or not.

00:45:15.000 --> 00:45:24.000
The labor rates are the same, and so that really isn't a factor, except that they do still have shortage of of labor to some degree.

00:45:24.000 --> 00:45:30.000
And they've solved that up primarily through immigration.

00:45:30.000 --> 00:45:34.000
Frankly so those are those. Those are the big things.

00:45:34.000 --> 00:45:36.000
I would add

00:45:36.000 --> 00:45:37.000
Yeah, it's super helpful. I was wondering one thing we talked a little bit about in the Pre.

00:45:37.000 --> 00:45:46.000
Meeting was that they have, in addition to like a Chamber of Commerce.
They have a Chamber of labor, and they's like sectoral bargaining.

Right? Yes, yes, that

And so it's just really just a really different labor landscape. Wanted to talk about that just very, very briefly.

Well, I mean, I think you really said it. I mean, there is just a the whole system works together so that there's no you just don't see the tension whether it's in the land use, whether you whether it's between labor and the the building.

Industry, you know, between the government and the private sector. It really just feels like.

And again, we really, you know, we don't. Maybe there's things under that, you know. If you spend enough time you'd see it more clearly.

But the expenses are just set, and everybody works within those expectations.

The last thing I would say is, they use you could see the buildings.

They're all concrete. They use a lot of concrete.

There's some wood buildings that they do industrialized construction versions.

That's that's pretty cool, too. But even those have a lot of concrete foundation.

And supports and that it's plenty full, and it's and it's local.

So it's you know. They, I think, even Vienna, like owns or did own, you know all these gravel pits, you know.
So they control their means of production in a way that doesn't happen here.

And it's, and and they use that because it's there.

And it's it's available

Great. It's so interesting. Okay, Dan, I'd love to ask you a question about infrastructure.

And and how many did touch on it a bit in her presentation?

Would you just delve in a little bit more to have the end of finances infrastructure as it relates to housing, and how that impacts housing, feasibility

Sure. Well, I you know they don't do it like we do it.

That's what's clear. I mean as we talk about our housing element goals for new production I'm constantly reminded of all the entitled views in San Francisco that we're not building today, and many of those tens of thousands of those are in major project areas, and in many cases the what Stein is that production is upfront infrastructure costs, and the kind of high-risk capital it takes from a private source to get that moving. I you know.

There! Were 2 statements telling me made referencing.

One of the major developments that we visited that, I think, are so revealing.

The first is the first thing they did was Bill M. Transit stations. And so the kind of coordination with transit, infrastructure, and new development.

I think is something that's really potent for us to think through.
And certainly tho those rail stations were part of a capital planning, we don't know the ins and outs of all the financing sources that went into that.

But it's much more likely to part of the general capital planning exercise than a kind of developer.

You're gonna pay for this with the sales on your housing units in 10 years.

It just wouldn't be feasible. And then they second David is, you know, the government took on the role of billing the roads and the parking upfront.

And so in this likely some of that value was probably recaptured when they disposed of the parcels, but I think in that particular case there was a sort of 50 over 50 split, as I think I remember.

But again, like I, the the fit kind of efficient bureaucratic government implement implementation around infrastructure really unlocking production.

The second major project, that in Helmet's presentation that we visited, which was associated with the rail line refurbishment and realignment, the land that was created out of that I mean the the timeline for that was sort of extraordinary 2,004 they had the idea, 22. They're finishing up 5,500 units of housing.

And so I think a lot of the exercise will be doing.

And we have been doing this, how do we translate these lessons from Vienna to to California?

We'll talk more about this, I'm sure, but in many cases we can't translate them directly.

But I but I do think, thinking about how we lead with transportation and and what the public sector role is, and can be, especially in a post redevelopment would be stuff redeveloped to address so easy.
It's what are the tools that we have at our disposal to bring on some of that initial obligation into the public sector, which, again, is just gonna unlock that later housing production later on, so I think I think the outcomes are something we want to translate, even if some of the direct mechanisms would be different in our case.

That's great! And it's a good segue to the audience.

Q. A. We've gotten a lot of like, how can we make this happen here? What is the first steps like?

Let's do legislation. I want to road show.

So you guys can see all of that in the Q. A.

I'm gonna pick out some of the questions and maybe aggregate them a little bit.

The first one I wanted to ask is one from James.

Papas, who wants to know how affordability for extremely low income and very low income people are addressed as kind of goes.

How many you talked about how Vienna has functional homelessness, 0.

And so I'm assuming that these 2 things are interlocked a little bit, that the that they're just is a way for financing, housing, for the the most low-income people and views society.

So maybe help me out. I'll kick it to to start, and then anybody else who wants to jump in. Please do.

Well, I think the first thing to just remember is their supply of housing is of affordable housing is just so much bigger than ours that they actually are not chasing.
They don't have the same sort of lack of supply problem that we have.

And so they are building low-income housing in the municipal sector.

So the municipal build is primarily targeted towards the lower income, more vulnerable populations they took a break from building that on.

They actually recently restarted rebuilding, municipal housing, because the demand for lower income housing was needed.

They don't have much of a waiting list. They can house vulnerable and low income populations rapidly, and that they in their homelessness, outreach approach.

They adopted our housing first policy, actually from California, and have implemented it quite successfully.

So they definitely have a immediate rapid response on, on deeply affordable housing, largely as a result of having a much bigger supply.

One thing I wanted to just add after that, and and I I believe I I heard this correctly.

But what the social housing there in Vienna is is much more like regular housing in many ways.

I mean we talked about some of the ways in which it's not so highly regulated, and then one of the ways in which it is sort of more like what I'll call regular housing, probably a poor term, but is that one of the ways that they get it deeper affordability is smaller units.

So these smart units, they're just smaller so they can cost less, so that a slightly different, maybe not exactly the same population that James is referring to me as Cap Pat.

A question about extremely low income folks, but it is true that there is a sort of directness to production and affordability that would be, and can sometimes be, a politically fraught conversation, and our resource constrained context here
Hey? Can I also add you just to my point earlier?

I don't think you have the income distribution so this goes to.

They have a social safety net that is beyond housing. I was talking to the board of directors of a Co-OP, but I was like, Well, what if someone can't pay their monthly fees because they have a you know, again, a range of incomes, and it's like, well, but they'll have unemployment.

Insurance

It's automatic, you know. They're just they're just not worried about it.

And it goes to the tenant protections. It's just there's a safety net there that doesn't exist here in lots of ways.

But the next question kind of builds. Actually, Caroline, and what you're saying, which is sort of about culture, it's question that James Dunbar asks, which is he describes how Vn.

As a cultural history of the tenants right to the city as far back as the Socialist red Vienna, which is sort of a communal understanding of a fundamental justice of how housing for all.

And then he asked, kind of How can you even compare that the United States model model is so fundamentally?

It's this rugged individualism. And and you know, I guess the question is in terms of the culture of Vienna, and how that creates the possibility for this housing.

Is there anything that we can learn from that? Or compare to the Us.

Model, or or bring. Bring back here, because the the cultural mill you is so different from.

But United States
And I just jump in on that just 2 points. One is, yeah, absolutely.

And they talked about that with us, too, in terms of the red Red Vienna history and phase, which also was kind of funded through really high taxes, which then, after that led to the rise of fascism. Right?

So it's kind of the trickle effect of this also is kind of the unintended consequences.

Sometimes, but that that history of government coming in and buying and and building housing for everyone is for sure something that underpin their culture.

And still is there today. But also we have that, too, you know, in the new deal we rolled out federal programs and agencies that essentially did the same thing, and it felt like we just diverged in a different direction where there was an erosion in government trust and the role of the government in terms of being a housing provider, and that was not the, you know.

Vienna didn't get diverted in that way, and so I think a lot of it a lot of the time when we were learning about some of the stuff I was like.

Oh, we have that, or at 1 point are we at some like that?

Or it's not actually as different as we have made it to be believed.

But it's broken down since that kind of starting point for us.

More, more so around the new deal, I think I'm sure Carol could.

You know more details on that
Yeah, I mean, I could on the new deal, but I guess I wanna take your comment, Ruby, in a slightly different direction, which is the one thing I would say is, they also have a Viennese first policy.

So you have to live in Vienna for a certain period of time before you qualify for any of this, and when you ask about, and there are.

So, there are sections, and I think I'd love helmet to get that explored a little bit more.

There are sections of the city where there's new immigrant populations that you know.

Maybe aren't living in the 1,918 category.

But you know don't have, you know all the same vested rights that the Viennese longer term residents have, and so I do think, and this partly comes from my experience, and going to Sweden and some other places over time, you know they have, more of a Homogeneous population, racially, not necessarily ethnically, as much.

But they just you know it. It it it is traditionally there, you know, there are more one tribe.

Let's just be clear, and when you talk to them about, you know the immigrant population, and you know the the disparities.

You know the discomfort is palpable on their faces like they don't know how to talk about these relationships, because they're not.

Used to different cultures. Really, you know, in their country, from what they're used to from 40 years ago.

I can. You know, kind of just thinking about what you're saying are responding to it a little bit.

You have to have lived in Vienna for 3 years as a resident, as a permanent resident in one location, so you can have moved around.
You actually have to demonstrate that you've lived in one place for 3 years to be eligible for social housing.

What that means is, if you're a refugee and you're brought in through a refugee program or you're a legal immigrant into the into Austria or into Vienna.

You can get established and and and get access to social housing.

But if you are coming in, not through a traditional refugee program, or you're sort of living with family members who've immigrated in, there's a large number of immigrants within Vienna that are not accessing the social housing program and so there are definitely communities that are more immigrant, oriented, and and and more crowded.

So it's not perfect. And and I think Carol's right it is sort of a Vn.

First policy. Still they tend to provide. They tend to talk about inclusiveness a lot, and they and they do mobile, mobilize around that in terms of trying to build community.

They're very. They do focus on that. They are not as racially diverse as we are, even though they're 30% 4 and 4.

They're not as racially different

Well, we're we're right at time. I was hoping we could just very briefly do a lightning round with each of the panelists I'm gonna ask you if there is one thing that you could take away and replicate in the bay area context from what you learned in vienna

what would it be? And I'm gonna start with Dan

Well again, I think replication is probably tough in most cases, but but I are working strict replication.
But the their land banking was, and how many I?

Okay, share leaders, extraordinaries on their phone being just, they have 15 years of land, I mean, based on their current production to to to attend to those needs.

And I think there's especially with Boston, other kind of regional entities.

There's real opportunity to be strategic on a regional level about banking land in advance of increased value. So that that would be something, I think, would be really interesting to bring

Great Carol.

Well, I would pile on with, you know we have buffer and it's land acquisition.

Strategy. But it's also the consolidation of maybe funding disbursements and creating more of a step that steady stream and a professionalized staff.

You know, that could work. You know, Bay Area wide, but the other thing I would just add, if I have a second ask is that we do think about this more in a mixed income and across middle income housing?

As well as low income. I know that's hard in this and our context. But I think we really need to

Great ruby

My pie in the sky is the limited equity, like the fact that you could limit profits and cap profits on development.

Be a dream, I think that'd be hard in our in our having market.

So I think the other thing I would say is the centralization, like I just think I was so impressed with the fact, not just with the tenant services, but almost everything it was like one stop shop.
And that just increases efficiencies, you know, tremendously.

And then help me.

I think, in addition to the land banking, I think a consistent supply of capital for housing that is really focused at a local level sort of at the city level.

But that is consistent and big enough to make an impact is would be ideal.

Well, I just wanna say we started off when we started this event.

Magic.

It was pouring rain and hailing and miserable, and now the sun is out, so something has shifted in the universe, and I think you know social housing is coming I just want to thank all of you so much for sharing your knowledge with us.

It's just been really great. And thanks hell me to you and your team for setting this all up I mean, what a wonderful, remarkable way to teach people in California about what social housing means.

Yeah, thank, you.

So thank you.