

February 11, 2026

Agenda Item 9.a.

Vienna Social Housing Field Study Report

Subject:

Report on the Vienna Social Housing Field Study taken by Commissioners and MTC staff (September 2025)

Background:

Over the last two years, MTC, BAHFA and ABAG have sponsored several delegations to attend the Vienna Social Housing Field Study (Study Tour), organized by the Global Policy Leadership Academy (GPLA). In September 2025, the MTC-BAHFA delegation included Commissioners Fleming and Melgar as well as Deputy Executive Director Daniel Saver. In July 2024, the MTC-ABAG delegation included Commissioners Abe-Koga and Ramos, as well as Executive Director Andrew Fremier, Legislation and Public Affairs Director Rebecca Long, and BAHFA Director Kate Hartley. Commissioner Schaaf separately attended a previous iteration of the Study Tour.

The Study Tour is organized around a rigorous curriculum designed to give participants firsthand knowledge of a globally recognized model of social housing. Key topics included urban planning, construction, financing, land management, homelessness services, governance, and community engagement. The curriculum includes a proprietary 140-page briefing book and is delivered by GPLA faculty and a variety of Viennese housing experts including government officials, developers, service providers, researchers, and architects. The structure of the Study Tour includes daily lectures, discussions, exhibits, and walking tours of housing sites and diverse neighborhoods that reflect the various typologies of Viennese social housing. Each Study Tour has been comprised of approximately 30-50 delegates primarily from California; a primary benefit of the Study Tour is the opportunity to build and strengthen relationships with other delegates through dialogue and an intensive, shared learning experience.

The curriculum provided a thorough understanding of the Viennese social housing model that ensures most city residents are well supported by the following strong institutions and practices:

- *Wiener Wohnen* – a municipal housing enterprise that produces and maintains the city's publicly controlled housing, approximately 220,000 apartments (Vienna is Europe's biggest public property manager).
- *Wohnservice Wien* – a municipal agency that provides a variety of housing services to the city's tenants including free housing counselling, legal assistance, community building, as well as placements in publicly owned housing.
- *Wohnfonds Wien* – a city-created, financially independent nonprofit agency that purchases and disposes of land in accordance with social housing objectives, structures public sector financial contributions to mixed-income developments, runs developer selections through design competitions, and assures quality in housing developments.
- *Vienna Municipal Department MA 50* – a component of the city government that provides housing subsidies to households in need, legal support for tenants, and housing policy research.
- *Austrian Federation of Limited-Profit Housing Associations (LPHA)* – an umbrella organization guiding mixed-income, limited-profit housing development. LPHA

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developments include “smart” apartments subject to certain design standards available at a reduced cost for lower- and middle-income city residents.

- *Chamber of Labor* – a publicly funded organization that works closely and collaboratively with the Vienna Trade Union Federation to ensure strong labor standards while also serving as something of a consumer watchdog to safeguard and promote the rights of tenants. The Chamber of Labor also engages in a unique blend of activities spanning research, policy advocacy, and direct service provision including legal assistance to renters.

Analysis:

When compared to most large American cities and many international cities as well, Vienna’s housing system is extraordinarily successful. Basic facts are immediately apparent through neighborhood site visits:

- Street homelessness is extremely limited.
- Most housing developments are of high quality, with ample open space, good design, and ground floor community-serving space that is widely used.
- Social housing is abundant and spread throughout the city; Vienna’s has roughly 420,000 units of social housing, including the 220,000 units managed directly by the city as well as approximately 200,000 additional units managed by LPHAs.

Further study reveals five key factors that make Vienna’s housing system so successful. The following analysis is derived from materials assembled by GPLA faculty, presentations from Viennese experts, as well as Commissioner and staff observations during the Study Tour.

#1: A Strong, Well-Funded Safety Net. Vienna’s commitment to a strong safety net is rooted in the century-old work of Social Democrats who, from 1919 through 1934, built 64,000 new homes aimed at improving living standards for Viennese workers. While this period, known as “Red Vienna,” was crushed by fascist control starting in 1934, the continued existence and operation of municipally owned, high-quality housing created during the Red Vienna period was enough to spur the expansion of the social housing fabric after the war and which has continued to the present. Today, approximately 60% of Viennese residents live in social housing.

Vienna’s housing system and broader social safety net depend upon sustained public funding. The top personal income tax rate in Austria is 55%, serving as a strong base for scaled public infrastructure and services spending. The Viennese pay an additional 1% “housing construction tax,” funded by .5% of employees’ salaries and .5% from employers. This 1% tax generates about 220-225 million euros annually for affordable housing investments. Note also that in Vienna, education is free, childcare through age 6 is free or subsidized, and health care is subsidized. The public transportation system, around which social housing is built, costs 365 euros per year for unlimited rides.

#2: A Self-Sustaining Public Lending System to Supplement Taxes for Housing. Wiener Wohnen, Vienna’s municipal housing agency, has been and continues to act as the lender for its social housing stock of 220,000+ units. This means it has a steady flow of principal repayment, interest income, and loan fees that it can reinvest in new social housing, building rehabs, and housing subsidies. Annually, these loan payments provide approximately 220-225

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million euros, perpetuating the availability of internally self-sustaining investment and development resources.

#3: Social Mixing and Commitment to Provide Housing for All (Not Just the Poor). Vienna explicitly pursues a “social mixing” policy that seeks to integrate households from diverse backgrounds, promote social solidarity, increase social mobility, and avoid stereotyping and segregation historically associated with “affordable housing” in the United States. The policy of social integration has other benefits outside of the housing sphere, including promoting integration in schools and reducing disparities in social determinants of health.

A key mechanism to implement this social policy is that the income limits to qualify for Vienna’s social housing are set to include the vast majority of the population; roughly 80% of residents qualify for social housing. Additionally, in Vienna, households need only qualify upon initial occupancy and do not need to submit annual income certifications as is standard practice in the United States. This enables households that reside in social housing to increase their incomes without the threat of falling off a “benefits cliff”; it also spares them from the stigma of regular and invasive government oversight of their personal finances. Furthermore, the rents in Vienna’s social housing are set based on the cost of producing and operating a unit rather than the income of the residents, ensuring that everyone (including middle class households) benefit from an efficient system. Overall, the social policy to provide “homes for all” has fomented a broad constituency that directly benefits from the social housing system, including middle and even higher-income earners, which in turn has contributed to the political resilience of the social housing system for more than 100 years.

#4: Coordinated Planning, Funding, and Delivery of Large-Scale Redevelopment. Since the 1980s, growth in Vienna’s social housing system has been spurred by a proactive land acquisition and redevelopment strategy. This strategy is anchored by Wonfonds Wien, a quasi-governmental agency that has become one of the largest landowners in Vienna and works closely with city government to implement large-scale, mixed-use development projects, often on the scale of thousands of new homes. In addition to acquiring land (it is, in part, a “land bank”), Wonfonds Wien also undertakes early phase predevelopment activities such land clearing, surveying, urban planning, and green space design. The agency holds “developer competitions” to ensure that projects adhere to the four pillars of the Vienna social housing model (social sustainability, design, environmental sustainability, and economic feasibility), which also ensures close coordination and alignment with the more than 50 limited-profit housing associations that build Vienna’s social housing. When a proposal is selected, the developer is awarded land, project approvals, and financing for the construction – enabling an efficient and seamless transition from design to construction phases. This integrated, long-term approach with a proactive public sector role has contributed to sustained production of new housing at scale, averaging 5,000-10,000 new homes per year.

#5: A Public Good Ethos. None of the governmental actions described above would be possible without a strong cultural belief in the common good and support of public welfare actions over the prioritization of individual wealth maximization. Arguably, this public good ethos has created a degree of livability that has driven sustained population and economic growth, creating a virtuous cycle whereby a high standard of living is both expected and achievable for most residents.

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Lessons for the Bay Area:

Many of the key success factors in Vienna's housing system are not present in the United States. For example, public housing built in the Red Vienna era was defined by high quality design that elevated workers' living conditions and integrated developments seamlessly into the city center. In contrast, US public housing built between 1937 and 1998 (the year of the Faircloth Amendment, by which Congress prohibited new public housing construction) tended to be concentrated in racially segregated, under-resourced neighborhoods. Chronic Congressional underfunding of public housing operation and maintenance needs reinforced the homes' stigmatization.

There remain for BAHFA at least three strong elements of the Viennese model that deserve consideration and application.

First, the Study Tour revealed how critical it is to couple public transit and affordable housing. The Vienna transit system is easily accessed, so that bus/train transfers are minimized, headways are generally short, and the trains run around the clock. By reducing the need for cars and parking lots, land development can be optimized and development costs reduced. Reducing or in some cases eliminating the costs of car ownership also mitigates the effect of high tax rates (as do Vienna's other safety net benefits).

The second, most compelling lesson to be learned from Vienna is that BAHFA can and must implement a public lending program. This will enable BAHFA to sustain itself and, like Vienna, create resources every year that can be reinvested in more affordable housing and tenant protection programs. Establishing a strong public lending program will take time – Vienna's approximately 220 million euros of annual loan repayments available for reinvestment are generated by income from apartments it built beginning more than 100 years ago. Similarly, the New York Housing Development Corporation, one of the closest domestic analogues to Viennese public finance institutions and upon which BAHFA is partially modeled, took roughly 50 years to grow its balance sheet and develop the expertise needed to issue billions of dollars in debt and hundreds of millions of dollars in subsidy annually. The swiftest path to capitalize BAHFA at scale is through a regional revenue measure. BAHFA's Strategic Planning process has laid the foundation to explore a future revenue measure as soon as 2028. In the meanwhile, BAHFA will pursue more modest-scale pilots to demonstrate proof of concept for a public lending model, including a new Mixed-Income Financing Program incubated during the Strategic Planning process. The success of Vienna's social housing model can both affirm and inspire BAHFA's efforts to drive transformation in the Bay Area's affordable housing finance and delivery system.

The third avenue BAHFA can pursue to create better housing opportunities follows the concept of a more coordinated and efficient approach to housing production. This could involve BAHFA (alongside MTC and ABAG) serving as regional leader to marshal resources, technical capacity, and political will to drive large-scale developments towards completion instead of allowing them to languish amid the delays and cost over-runs that plague American infrastructure projects. Lessons from Vienna include the importance of leveraging public land, creating an integrated set of public tools to support the full lifecycle of development from land acquisition to planning to construction to community building, and empowering institutions that can hold a long-term vision to ensure delivery over time. Plan Bay Area 2050 already serves as a planning and policy framework for this sort of coordinated development planning that holistically considers housing,

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transportation, and the environment. An enhanced focus on linking planning to *implementation*, building upon some of MTC, ABAG, and BAHFA's currently successful programs while also acting as a strong regional voice to secure state and federal partnerships, are ingredients necessary to deliver the quality-of-life outcomes that are abundant in Vienna. Importantly, this will require attracting sustained funding while also developing public-private partnerships that can leverage lower-cost planning and policy interventions that may be more achievable in the near-term.

Conclusion

The Economist Intelligence Unit's Global Livability Index, which ranks 173 international cities by five key categories – stability, healthcare, culture and environment, education and infrastructure – has consistently ranked Vienna as the first or second most livable city in the world since 2015. For the Bay Area, the cultural norms and social contract that support Vienna's "most livable" qualities are things to hope for and work towards. In the meantime, BAHFA can continue the work of bringing the region together to achieve impact at scale that will benefit all residents of the region.

Issues:

None

Recommended Action:

Information

Attachments:

A. Presentation

Reviewed:



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