Social Housing
Models and Key Considerations

End Homelessness Now
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What is Social Housing?

Social Housing is the share of housing that treats "housing as social resource, rather than as a commodity yielding private windfalls" (Michael Stone 2012: 76). Social housing **keeps housing permanently off the private market**, and rents are calculated through cost-based or income-based formulas (Homes Guarantee 2019). It is a **state-supported** approach to providing housing outside of the market.

When discussing social housing, it is vital to understand that there are **many different models and goals**. Some jurisdictions intend for social housing to meet the universalistic right to housing: to **ensure that all people, regardless of income, have a home**. Others use a safety net model: to **meet the needs of the most disadvantaged**.

Residents of the Kenyon Housing Cooperative in Washington, D.C. Photo credit: Greater Greater Washington.
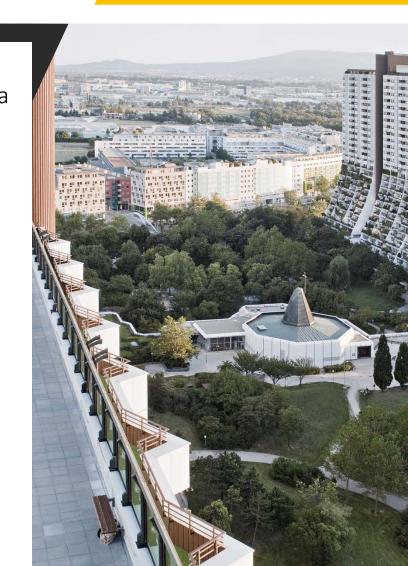
International Model I: Vienna, Austria

About social housing in Vienna:

- **Public housing** was initially developed in Austria during the inter-war period under a socialist government. Today, social housing takes 2 forms: **municipal** housing (pictured at right) or city-funded nonprofit housing **cooperatives.**

- About **60% of Viennese reside in municipal housing**. Roughly 80% of Austrians qualify to reside in municipal housing based on their income.

- Complexes can include a range of **amenities**, like pools, cinemas, shops, and kindergartens, and they're perceived as high-quality homes. As a result, residents tend to hail from a **mix of economic classes.**

Financing of social housing in Vienna:

- A **combination of public and subsidized private loans** (with low interest rates) back initial costs of development; these are supplemented by tenants' loans, which can also be subsidized.

- **Rents are regulated** so residents never pay more than 25% of their income towards rent. Rent is calculated based on property cost and maintenance.
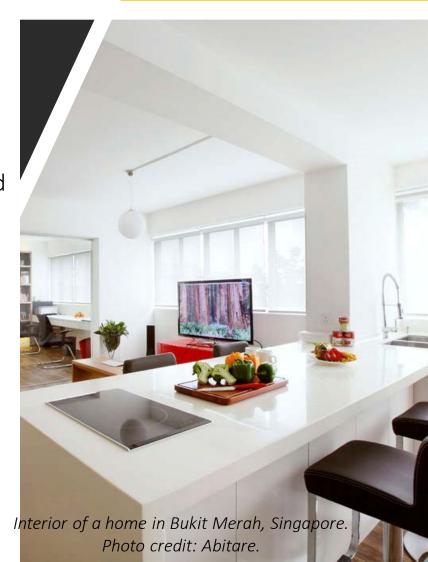
International Model II: Singapore

About social housing in Singapore:

- Singapore developed **public housing** in 1960 to address problems of poor sanitation, overcrowding, and racial tensions. The **Housing Development Board (HDB), est. 1960, manages the program**, which now comprises more than 1 million units. Singaporeans cannot own more than 2 residential units at once.

- Each building is part of an estate (neighborhood), which host schools, shops, and transportation. **Residents manage their estates** via Town Councils.

- 82% of the population resides in social housing, and **90% own their homes**. Quotas, in place since 1989, prevent emergence of ethnic enclaves. That said, only Singaporeans can buy new flats (the primary means of acquisition).

- Newer units (pictured at right) are designed to **accommodate multi-person** families, with units having up to 5 bedrooms. Older units are smaller.

Financing of social housing in Singapore:

- The 1967 Land Acquisition Act enabled the state to acquire land that was dedicated for public use (**eminent domain**).

- **HDB retains title and ownership** on properties via a 99-year lease; residents purchase rights to exclusive use of the unit (akin to a community land trust structure). **HDB does not regulate sale prices of units.**

Interior of a home in Bukit Merah, Singapore. Photo credit: Abitare.

International Model III: Brussels, Belgium

About social housing in Belgium

- Social housing has been in existence for 100+ years. Social housing **accounts for approximately 7% of the total housing stock** and is **targeted towards low income households**.

- **Both ownership and rental tenures** are part of the national social housing scheme. A **range of providers** are involved in the social housing sector: municipalities, non-profits, cooperatives, corporations, and foundations.

- National social housing is decentralized today into three regions: Flemish, Walloon, and Brussels. The decentralized model has led to significant policy variations. For example, **sale of social housing is prohibited in Brussels but is permitted in other regions**.

Financing social housing in Belgium

- **Rising construction costs and land shortages** have contributed to a **decline in new social housing production**. In this way, the Belgian context is most similar to Los Angeles.

Price Determination of Rental Housing in Europe: Comparing Social Housing and the Private Market

Key takeaway? There is no one approach for pricing social housing. Context – history and political will – shape policy.

Table source: Scanlon and Whitehead 2008: 87.

	Social	Private
Austria	Cost-based.	Also cost based; private < 10% higher (in post-1953 buildings there is de facto no regulation)
Denmark	Cost-based. 3.4% of building cost + bank charges. Average 2005 €6.67/m2/month	Private rents also regulated. Average €6.83/ m2/month
Germany	In some regions rents vary with household income. €4-7/ m2/month	Rent on new leases free, but rises regulated
France	Central government decrees maximum rents (vary by region). Cost based related to estate or owner	Rent on new leases free, but rises regulated. 30-40% higher than social rents
Sweden	Set by annual negotiation between landlords and tenants.	Private rents limited by social rents; private slightly higher.
Netherlands	Rent based on utility value of dwelling and target household income level. Average €353/month.	Also controlled; average rent €419/month.
Hungary	Set by local authorities	Market based
Ireland	Tenants pay % of income in rent. Average rent €155/month.	Rent control abolished 1981 now market determined.
England	Rent restructuring regime based on local earnings and the dwelling price; increases RPI plus 0.5/1%. HAs and LAs must cover outgoings.	Market determined for properties let since 1988

Social housing in the U.S. currently exists in either **rental** or **ownership** forms of tenure. Some models are government-run, while others are autonomous.

Rental models: public housing and non-profit rental housing

Ownership models: limited-equity housing cooperatives and community land trusts

Considerations when creating social housing:

1. *Financing (capital stack and construction costs) + Preservation of Affordability*

2. *Site Identification, Acquisition + Development (entitlements – the legal right to develop for a certain use)*

3. *Regulation + Governance*

Model	Details
Public Housing	▪ Housing that is owned and operated by the government ▪ USDept. of Housing and Urban Development (HUD) has a range of funding plans for public housing development and maintenance, including the Capital Fund, HOPE VI, and Operating Funds, to Public Housing Authorities (PHAs). Additional HUD public housing programs include Housing Choice Vouchers (formerly Section 8), which subsidizes the lease of units on the private market. ▪ Middle class households initially resided in U.S. public housing, but it quickly became predominantly low-income. Public housing funds have declined over the decades. That decline was exacerbated by the HOPE IV and RAD programs, which contributed to the loss of more than 60,000 public housing units b/t 2006 and 2016.
Limited-Equity Housing Cooperatives	▪ Low-income housing that is governed collectively and owned by residents (co-op members) ▪ Development is financed through a variety of mechanisms, such as city-run housing trust funds and tenant opportunity to purchase (TOPA) acts. Units are maintained as permanently affordable through resale restrictions, income caps, and flip taxes. ▪ A fixture of affordable housing in some US cities, including NYC and DC; several exist in Los Angeles, such as the Los Angeles Eco Village.
Community Land Trusts (CLTs)	▪ CLTs are nonprofits that provide affordable homeownership by purchasing land, retaining title to the land, and selling only a 'ground lease' interest in the home (akin to the Singapore model). ▪ Separating land sale from the unit itself lowers the actual cost of purchase

From Encampments to Social Housing: New Horizons in the U.S. for Ending Homelessness Now

A months-long, multi-site series of occupations by unhoused community members in Philadelphia, most of whom were Black people and mothers, led to their successful **acquisition of vacant city-owned property to develop a community land trust**. The housing will be permanently affordable for extremely low-income households, and will be managed by Philadelphia Housing Action, a coalition of housing activists who have all experienced homelessness.

Vacant, city-owned sites where similar social housing schemes could house currently unhoused Angelenos:

- Old LA County Hospital, Firehouse on Manchester, Lot on Slauson + Wall, Library on Arlington, *Reclaiming Our Homes* Caltrans houses in El Sereno

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Resources and Further Reading

- *Homes Guarantee* briefing book, People's Action (2019). https://homesguarantee.com/wp-content/uploads/Homes-Guarantee-_-Briefing-Book.pdf

- *Country Profiles: Social Housing in Europe* reports, Housing Europe (2020). https://www.housingeurope.eu/section-15/resources-articles?topic=research&type=country-profile&order=

- *Social Housing in Europe II: A Review of Policies and Outcomes* report, Kathleen Scanlon and Christine Whitehead of LSE London Research Center (2008). http://www.iut.nu/wp-content/uploads/2017/07/Social-Housing-in-Europe-II.pdf

- *Social Housing in the U.S.* report, Oksana Miranova and Thomas J. Waters of Community Service Society (2020). https://www.cssny.org/news/entry/social-housing-in-the-us

- *Social Housing in the United States* report, Peter Gowan and Ryan Cooper of the People's Policy Project (2018). https://www.peoplespolicyproject.org/wp-content/uploads/2018/04/SocialHousing.pdf

- "Social Ownership" chapter. Michael Stone, *The Community Development Reader* (2012)

- Housing Production Trust Fund (special revenue fund financing affordable housing development programs, including TOPA): https://dhcd.dc.gov/page/housing-production-trust-fund

- "Creating Affordable Housing" policy plan for Nithya Raman (2020). https://www.nithyaforthecity.com/affordable-housing