

13. Strategies for Complex Transformation in Vilnius

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Urban Context, Problems, and Requirements

Vilnius, the capital of Lithuania and its largest city, is now facing the challenge of large housing estate renovation, thirty years after the restoration of the country's independence. Vilnius of today has a territory of 401 km², with 18.4 km² of mass housing estates. The majority of the city's overall population (543,000) live in mass housing estates: 362,590 people.

Vilnius is working on a strategy for sustainable and complex renovation and densification of the settlements while generating a mix of typology and usages in the housing districts of modernist construction. The city is looking for best practices to find solutions for a range of challenges. Chief among them are how to cope with rapidly aging housing stock, the deteriorating quality of apartment buildings and their surroundings, the crisis of local identity, and growing social inequality in large housing estates.

Between 1950 and 1990, Vilnius experienced significant population growth and a resulting strong need to develop large modern housing estates to satisfy the demand for growth in housing. Since 1991, when Lithuania restored independence from the Soviet Union and rapidly moved from a planned economy toward an open market economy, the city underwent a massive shift in housing demand from multi-apartment housing to single-family housing. Between 1990 and 1995, almost the entire housing stock of apartment buildings was privatized flat by flat, though common space in the buildings and around them was considered a common good belonging to no one or everyone. It took the city more than twenty years to come to an understanding that neither the municipality nor anyone else would take care of the common property and that all

responsibility for the buildings' facades, staircase, roof, and area outside would lay on the shoulders of the residence.

During the last thirty years, Vilnius had to adapt urban policies for the growing demand for single-family houses, to control rapid urban sprawl and to ensure sufficient supply of social and infrastructural services. The city administration is still struggling with the consequences of “the wild times” of urban sprawl. At the same time, in the large housing estates, Vilnius must cope with the need for renewal of 6,144 blocks of flats.

Figure 1: Newly renovated prefabricated buildings constructed between 1960 and 1970.



Source: Saulius Žiūra.

Renovation of apartment houses is one of the best-explored tools to update the exterior and engineering systems of buildings and to reduce energy consumption and living costs for residents. Yet renovation will not fundamentally change the quality of the living environment. The list of problems in the estates is long; among the most urgent issues are the following: outdated layout of flats; small kitchens; no elevators in 5-story buildings; dilapidated stair-

cases; dull and non-aesthetic facades; low energy efficiency; lack of parking spaces and wild parking in courtyards; overgrown and undermanaged greenery; low quality of sport facilities and children's playgrounds; and uneconomical and monofunctional use of open spaces. While 97 percent of the apartments in large housing estates in Lithuania were privatized between 1990 and 1995, the common space in and around the flats is still considered "nobody's." This lack of ownership has, over time, induced a sense of lost identity and belonging and a lack of ownership feeling. Concluding, one can say the massive privatization challenged renovation process and mistrust in public authorities.

Bringing the population, especially young families, back from the outskirts of the city to in order to densify urban areas is one of the strategic goals in almost every European city, but it is important to plan the needed activities carefully. The municipality must ensure complex urban solutions to ensure that the various neighborhood respect current residents and allow them to stay. Though renovation of the old apartment buildings is likely to be met with mistrust and reluctance, renovation (modernization) of a multistory apartment building might increase the market price of flats by up to 20 percent and reduces the energy costs by 40 to 70 percent. Due to private ownership of the apartments and common areas of the houses, the municipality of Vilnius has no legal preconditions to replace run-down apartment blocks by new, modern construction, and the same is true for the land around the buildings. In Lithuania, the management of vacant, undeveloped land has been transferred to state institutions; consequently, the municipalities do not have the right to build or renew the domestic engineering infrastructure around the apartments until the owners of the dwellings rent the land from the state. The resulting bureaucracy causes serious delays in complex renovation of housing estates, which again raise mistrust and a feeling of ignorance. Clearly, complex replanning of the districts in the search for additional space for new housing should be organized by the municipality, and leadership in this process might build trust and raise awareness. In the case of rebuilding deteriorated houses or supplying them with additional sections, the municipality could sufficiently increase the quality of buildings using external financial resources. The city is responsible for planning the process in a way that does not degrade the existing environment of the residential area.

Today about 60 percent of the city population live in mass housing estates that were constructed between 1945 and 1993 (around 90 percent of all stock). The estates are sufficiently served by public transport and social institutions

and large green spaces are available, thus they meet all the needs of modern life.

Currently, 6144 dwellings built in the 1960s need renovation. The city of Vilnius aims to renovate 50 percent of its old apartment blocks by 2030 and to restore the identity and ensure a sustainable and multifunctional environment in the large housing estates. CO₂ emission per heating season are 22,154 tons. The estates show a diverse picture, but need a lot of attention. The estimated needed investments are €243,467,803.

Goals, Strategies, and Instruments

In order to update the prefabricated housing stock, Vilnius has defined its approach to modernist housing estates, which consists of the following components:

- Complex transformation of the city according to individual guidelines
- Ensuring high quality of life regardless of the area
- Supporting complex renovation

To achieve the city's goal, two hundred dwellings must be renovated per year. But how can one find the best approach for a complex transformation? Vilnius started by mapping and prioritizing large housing estates according to their potential to upgrade and their current quality of life. Then the city produced a series of studies. Individual modernization action plans for various districts were established. Communities with active citizens who were willing to partake in the needed change were integrated into the planning and management of the districts, and the feeling of ownership and belonging rose as a consequence. The studies and citizen participation showed that a good way forward would be controlled densification of large housing estates by mixing urban typologies, functions, and social strata. Against the background of controlled densification, the request for new real estate developments in modernist housing areas became increasingly imperative, especially the need to invest in modernization of the public realm. But also to generate a greater variety of urban typologies (detached housing, rental housing, office/commercial buildings, ground-floor commercial premises, etc.) became more of an issue.

Vilnius made an effort to promote, market, and moderate complex renovation process of large housing estates. The city invested time and human resources into active collaboration with residents, public organizations, and businesses, and it used municipal funds to invest in the integrated management of residential areas. To access all target groups and to encourage positive changes, the Vilnius City Municipality has established the public company *Let's Renovate the City* [Atnaujinkime miestą] and created several financial assistance programs designed to cofinance the renewal of neighborhoods. The city has invested in green areas, parking lots, sports and recreation infrastructure, bicycle lanes and footpaths, and districts in general. Increasing attention is paid to the development of the residents' sense of ownership and initiative.

The following different organizational and financial instruments have been developed to support the transformation and modernization at all levels.

The national administration, represented by the public company Housing Energy Efficiency Agency, coordinates Multi-Apartment Building Renovation, a modernization program that organizes annual calls for applications to ensure financial support of the transformations.

The municipal administration is represented by the public company *Let's Renovate the City*. This company represents the owners of apartment buildings and helps to submit applications for renovation. Furthermore it coordinates marketing events and public information activities. Additionally it acts as a competence center for the development of a sustainable living environment in the city of Vilnius and organizes the neighborhood renewal program, which supports modernization of the direct living environment as well as the renovation of residential blocks and flats.

Different financial instruments are used to fund the transformation programs. The renovation of housing estates is mainly financed by long-term loans from the JESSICA (Joint European Support for Sustainable Investment in City Areas) Holding Fund, which is managed by the European Investment Bank. Additionally, the National Urban Development Fund, managed by local banks, supports the efforts. Through all funding programs the financial support reaches up to 40 percent of the renovation costs. These funds are distributed among various positions: Roughly 30 percent (75 percent of the funds) directly supports various investments by the apartment owners to upgrade and renovate the apartment building. Specifically, the state supports energy efficiency measures such as the conversion or replacement of outdated heating and hot water systems, the conversion of ventilation and recuperation systems, new insulation of roof and external walls, renewal or installation of

balcony glazing, replacement of windows, renovation of elevators, and upgrading of common areas. The remaining 10 percent (25 percent of the funds) is used for exceptional measures such as modernization of non-automated heating points, installation of balancing valves, et cetera.

Figure 2: Complex renovation of residential buildings and public spaces managed by Let's Renovate the City.



Source: Saulius Žiūra.

Full compensation is provided for preparation of the renovation project, administration of the project, and supervision of the project's implementation. The state also guarantees privileged credit conditions with a 3% interest rate. Additionally part of the loan is directly financed by the state if the houses will meet the requirements set by the government after the renovation. Along with these programs, the state compensates 100 percent of renovation costs for deprived residents who are entitled to compensation for heating costs.

Requirements to Commence Building Renovation

Different aspects have to be fulfilled to commence the renovation process. First of all, the decision to initiate renovation has to be made by the owners of the apartments and other premises by a majority vote. To receive funds, the owners have to ensure that the energy efficiency class of the building must at least reach the standard C once the renovation is finished. Moreover, the thermal energy consumption must be reduced by at least 40 percent compared to pre-renovation consumption. For buildings of cultural heritage value, the restrictions are not as tight, but nevertheless the energy consumption has to be reduced by at least 25 percent compared to the pre-renovation condition to receive funds.

Actions for Improving the Urban Environment

The city has initiated a number of measures to ensure a high quality of life, regardless of the area or location of the neighborhood:

- Support and promote the sensitive renovation of specific objects or structures that enhance the local spirit of the neighborhood, such as specific landscape elements, landmarks, art installations, and traditional events
- Renovation map: Presents detailed information on the renovation status of buildings (in planning, started, finished), heating class by season, priorities of the quarterly renovation program, breakdown of process by districts and by investments, statistics
- Neighborhood Program: Large housing estates (built before 1993) are divided into small neighborhoods—each with common facilities, courtyards, entrances—and can join efforts by signing joint venture agreements and apply to the Neighborhood Program for financial support (up to €10 / m² of unbuilt common area) for renovation of outdoor space, infrastructure, and greenery. Applicants are required to buy or lease land.
- 100 Green Islands: Program featuring 100 micro-public spaces. Each public space, smaller than 100 m², is supported with €6,000. The spaces are designed and constructed to complement public infrastructure in large housing estates in order to compensate for a lack of space or quality of recreational spaces. Residents design and create the spaces to add vegetation and take care of it.

- Create Vilnius: Program with annual financial support to finance art in public spaces; priority is given to neighborhoods with no or few identifying elements
- Active Vilnius: Program for the renewal of open-air sport infrastructure in the settlements; it also funds short-term rentals of sport and cultural facilities in educational institutions

Figure 3: Street art creates new identity for renovated buildings.



Source: Saulius Žiūra.

Furthermore, the City of Vilnius has initiated additional non-monetary support in order to promote complex renewal of large housing estates. These activities are organized by Let's Renovate the City. Regular meetings with building managers, chairmen of housing associations, and private citizens lead to a better understanding of needs and possibilities. Site visits and promotional campaigns along with pilot and tactical projects help to improve the image outside of the community and strengthen overall perception and understanding of the neighborhoods.

Figure 4: Newly renovated square with public meeting point in Zirmunai triangle area.



Source: Rūta Matoniene.

Hurdles and Lessons Learned

Despite all actions and efforts taken, there is still a lack of speed to reach a critical mass of renovated housing. This is due to several obstacles that need to be overcome. For example, the public company Let's Renovate the City is not legally set up to organize a voting process that prioritizes certain renovations. At the same time, residents and maintenance companies are not able to make a decision themselves, and consequently the decision process is significantly slowed down. Furthermore, the provided financial support of 40 percent is too low to significantly impact the renovation speed and spread. In an opinion pool organized by Let's Renovate the City, residents named three main obstacles for why their building has not been renovated yet:

- The financial situation of my neighbors does not allow it
- Disagreement with neighbors on renovation issues
- Lack of initiative and lack of people starting and driving the process

Active leadership, legal consensus, and adequate funding are the tree pillars that have to support successful renovation processes. The City of Vilnius is working hard to support and lead communities in large modernist housing estates on their path toward a sustainable and excellent living environment.

Figure 5: New sport facilities in Zirmunai triangle area, constructed with EU financial support.



Source: Rūta Matoniene.