

GRANT WILLERT

the maslo

HOUSING WITH AN IMPACT



OUTLINE

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THE MASLO

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INTRODUCTION

THESIS ABSTRACT

- Architects design buildings on the client/developer's terms, which can sometimes forfeit design quality and social or environmental impact.
- Due to the architect's commitment to the greater good of the general public, a self-led development has the potential to create value in ways a traditional development may not.
- An emphasis on the social return on investment can create equitable communities that benefit all stakeholders of a project.
- A combination of the architect and developer roles has the potential to deliver higher quality buildings, emphasize social and environmental impacts, and benefit a development's community.



INTRODUCTION

AIA CORE VALUES



We stand for equity and human rights

We stand for protecting communities from the impact of climate change

We stand for a sustainable future

We stand for investing in the future

We stand for economic opportunity

We stand for architecture that strengthens our communities

We speak up, and policymakers listen



INTRODUCTION

THE MASLO

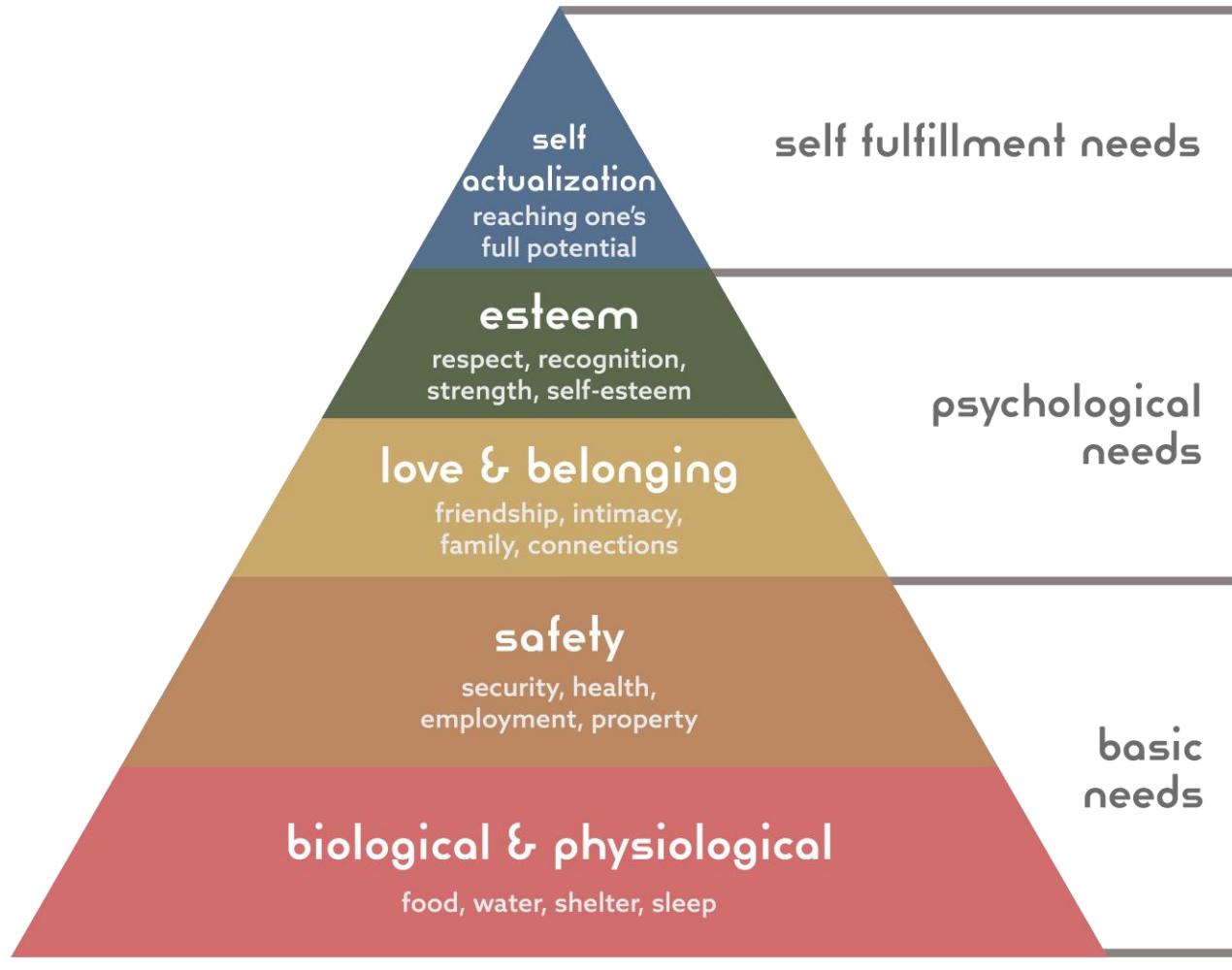
- The Maslo is a mixed-use commercial housing development located in Los Angeles, California that includes income-based accessible housing.
- Research conducted includes the origins of architect-developers, project delivery methods, the commercial real estate process, the current state of housing and homelessness in Los Angeles, and social return on investment.

The goal of this development is to provide residents and the community with a healthy, safe, supportive, and equitable environment that allows everyone the opportunity to reach their fullest potential.



INTRODUCTION

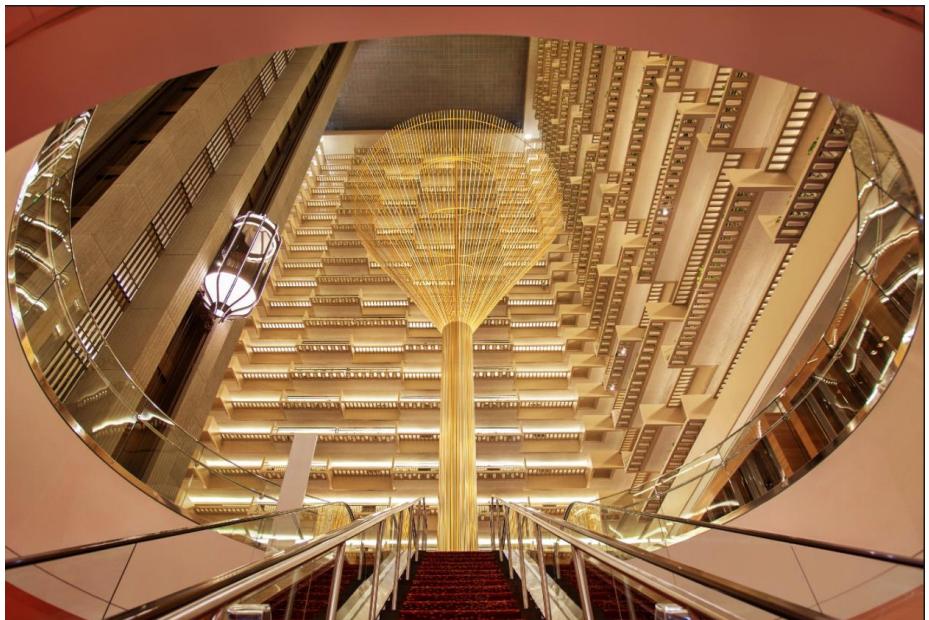
MASLOW'S HIERARCHY OF NEEDS



THESIS RESEARCH

ARCHITECT DEVELOPER ORIGINS

- John Portman, of Atlanta, Georgia, made the architect-developer combination known around the profession in 1956.
 - He grew impatient with small projects and waiting for clients to come to him
 - Today's architect-developers describe a similar disconnection between developer-clients and their inclusion or appreciation of architects in their process.
 - The main argument is that the architect provides a service that developers find expensive and, in some cases, unnecessary. Developers that focus on the cost of projects will likely have their architect cut down on the overall design in order to make a profit. (Budds, 2018).



THESIS RESEARCH

CURRENT-DAY ARCHITECT DEVELOPERS



Jared Della Valle, AIA, Alloy Development

- Head of Alloy Development in Brooklyn, New York
- “Our Company tends to buy the best worst real estate. We find the things other people can’t address because we can do the due diligence in house to solve the problem.”
- Entire development process in-house with construction company, brokerage company, and staff of architects.
- Feedback is directly applied to the next project, ensuring constant improvement



THESIS RESEARCH

CURRENT-DAY ARCHITECT DEVELOPERS



Jonathan Tate, AIA, *Office of Jonathan Tate*

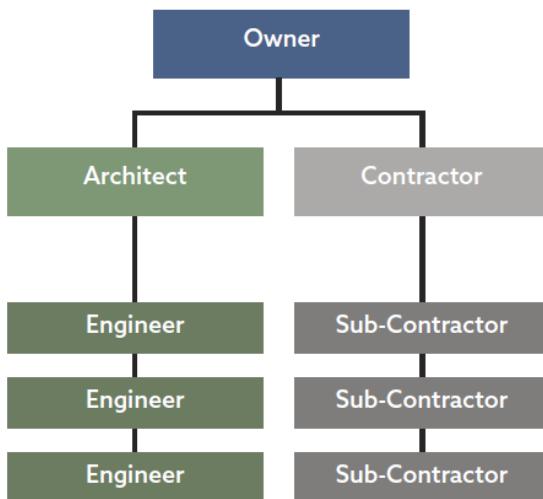
- Leads his firm out of New Orleans, Louisiana
- Mixes research and investigation into his practice, leading to a discovery of housing issues
- He found "small parcels of land that nobody was paying attention to, principally because they were just difficult to do anything with".
- Created The Starter Home*, an affordable housing option



THESIS RESEARCH

PROJECT DELIVERY METHODS

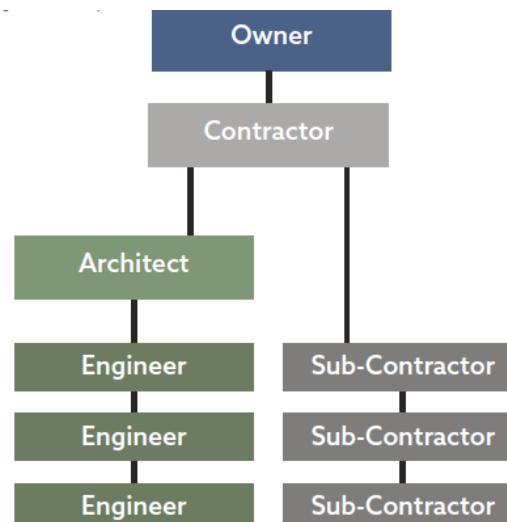
Design-Bid-Build



Pros: Easy to understand and manage, client collaboration, low first-cost, design and construction liabilities separate

Cons: Linear and time consuming, setbacks can delay project, less input on program, separate contracts, low income to architect

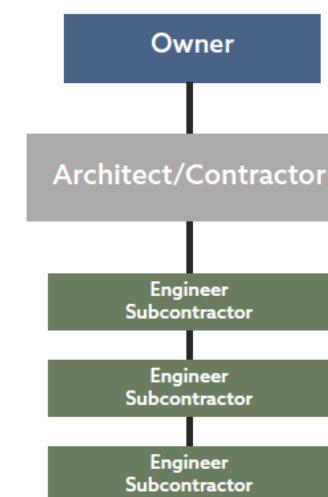
Design-Build



Pros: Close construction admin., lower costs, increased efficiency, accurate cost estimates, less delays, greater building quality

Cons: Architect's allegiance with contractor not owner, additional information needed up front, owner could be rushed into decisions

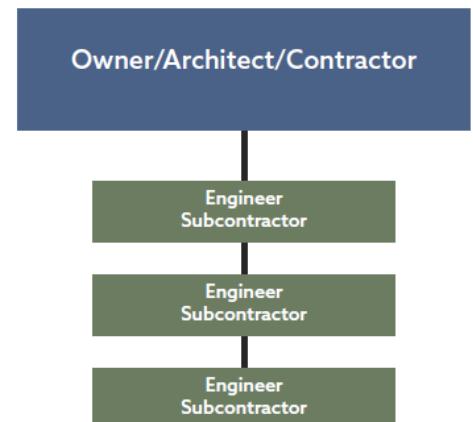
Integrated Project Delivery



Pros: Design and Construction expertise through all phases, reduction of costs, profits evenly distributed, improved efficiency

Cons: Owner may restrict design in favor of cost, reliance on owner for information, developed relationships required

Architect-Developer



Pros: Greater control over built environment, reduction of costs, design freedom, improved project efficiency

Cons: All financial risk falls on architect, additional knowledge required, potential conflict of interest

THESIS RESEARCH

BENEFITS OF ARCHITECT-DEVELOPER



Creative way to pursue work when client projects are hard to come by



Higher importance of design can impact surrounding properties



Use of irregular or unwanted sites



Greater control over projects and the built environment



Ability to make decisions based on social return on investment



Efficiency in workflow

THESIS RESEARCH

LOS ANGELES HOUSING AND HOMELESSNESS

Los Angeles County is known for its palm tree-lined streets, Hollywood stars, and beaches, but far less people see the tents and makeshift houses that line the streets throughout the city center.

- The city of Los Angeles saw its homeless numbers **grow by 16%, to 41,290** individuals, up from approximately 36,000 in 2019 (LAHSA, 2020). (Pre-Covid)
 - Numbers continue to climb, even with government assistance. In 2016, residents approved a \$1.2 billion property tax bond to build permanent supportive housing, and in 2017, Measure H was passed, a sales tax that raises \$355 million per year for affordable housing.
 - The city has **a shortfall of 509,404 affordable homes** for low-income residents, but many affordable homes are at-risk of becoming market-rate units due to tax credit agreement periods nearing their end.

Summary of Federal, State, and County-Administered Affordable Housing and At-Risk Housing In Los Angeles County

Supervisory District (SD)	At-Risk Affordable Homes*	County-Administered Affordable Homes**	Affordable Homes
SD 1	2,165	7,189	34,043
SD 2	2,461	8,883	33,548
SD 3	2,348	3,448	22,652
SD 4	565	3,744	14,899
SD 5	1,334	3,140	14,612
TOTAL (County)	8,873	26,403	119,754

Source: California Housing Partnership Preservation Database, HUD, LIHTC, LACDA, HACLA, DRP and DMH.

This is a subset of the total number of affordable homes.

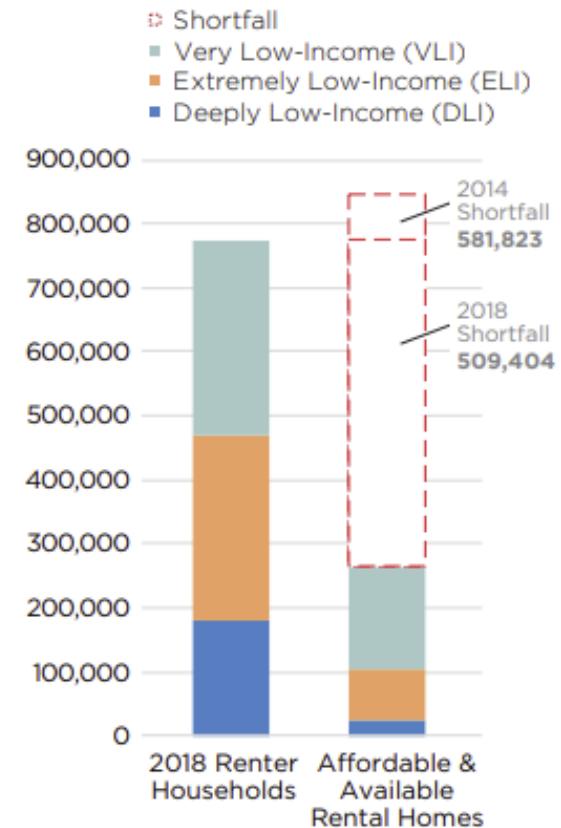
****This is a subset of the total number of affordable homes.**

F43 Housing Affordability Gap Analysis for Lowest Income Households

Renter Group	Cumulative Surplus or Deficit of Affordable Rental Homes*	% Change from 2014 to 2018
DLI	-157,219	↗ 4%
ELI	-365,056	↘ -13%
VLI	-509,404	↘ -12%

Source: California Housing Partnership analysis of 2014-2018 5-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NHIC gap methodology.

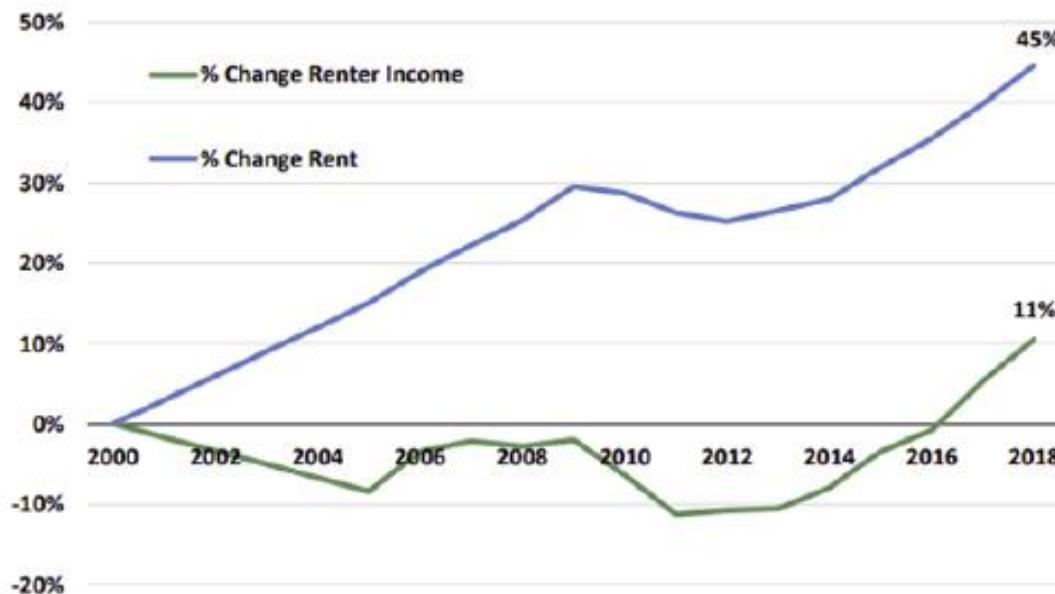
**The surplus or deficit includes homes occupied by households at or below the income threshold of the income group.*



THESIS RESEARCH

LOS ANGELES HOUSING COST BURDEN

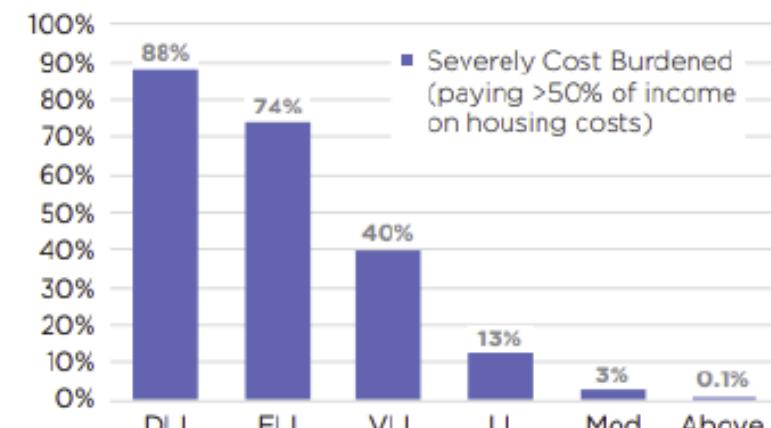
FIGURE 3: MEDIAN RENTER HOUSEHOLD INCOME VERSUS MEDIAN RENTS IN LOS ANGELES COUNTY (2000-2018)*



Source: California Housing Partnership analysis of U.S. Census Bureau American Community Survey, 1-year estimates, table ID: S2503_2000-2018.

**Median renter income and rent from 2001-2004 are estimated trends. Median renter income and rent are inflation-adjusted to 2018 dollars.*

F48 | Median Renter Income vs Median Rents | California Housing Partnership



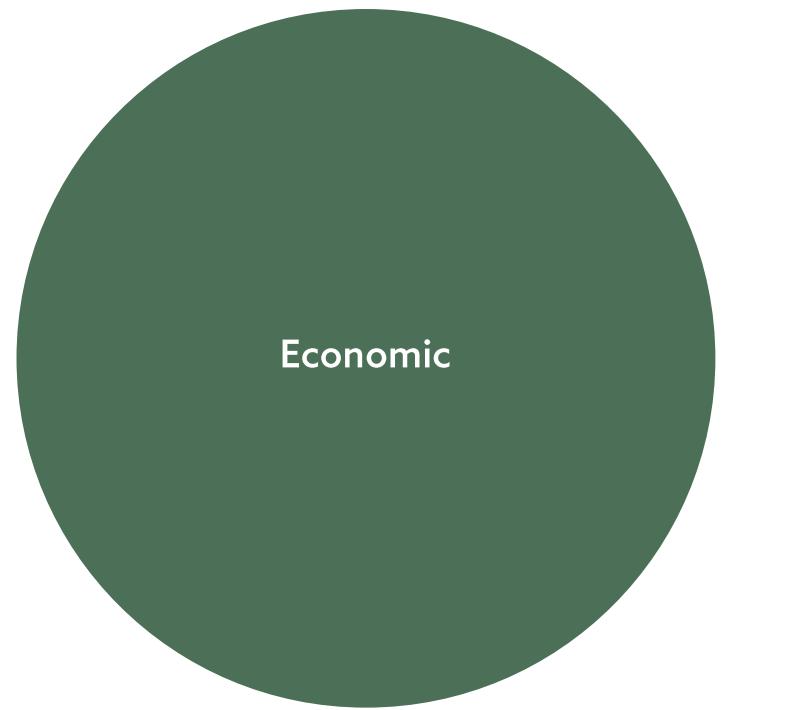
F46 | Los Angeles Cost Burden Breakdown | CHP

- Severely Cost Burdened households are those who are paying over 50% of their income towards housing.
 - 88% of households that earn less than 15% of the median income in the area are forced to spend this much on their home (California Housing Partnership, 2020).
 - The real estate market quickly outgrew the incomes of the average renter. Since 2000, rents have grown by 45%, while income has only grown by 11%.

THESIS RESEARCH

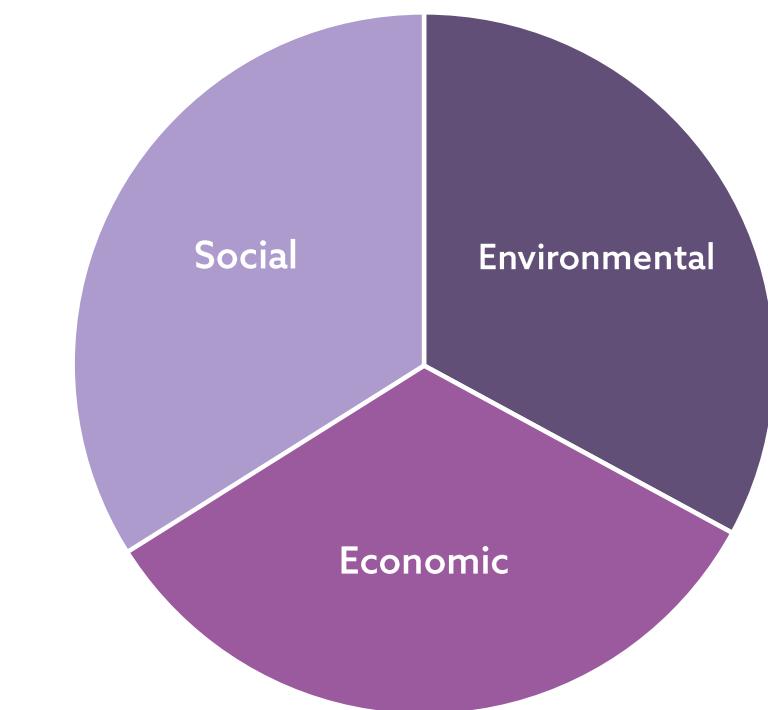
ROI vs SROI

ROI (Return on Investment)



Short-Term

SROI (Social Return on Investment)



Long-Term



SROI DIAGRAM

SOCIAL RETURN ON INVESTMENT

EXAMPLES:

Residents:

- Decreased Housing Instability Due to Additional Affordable Units

Local Businesses:

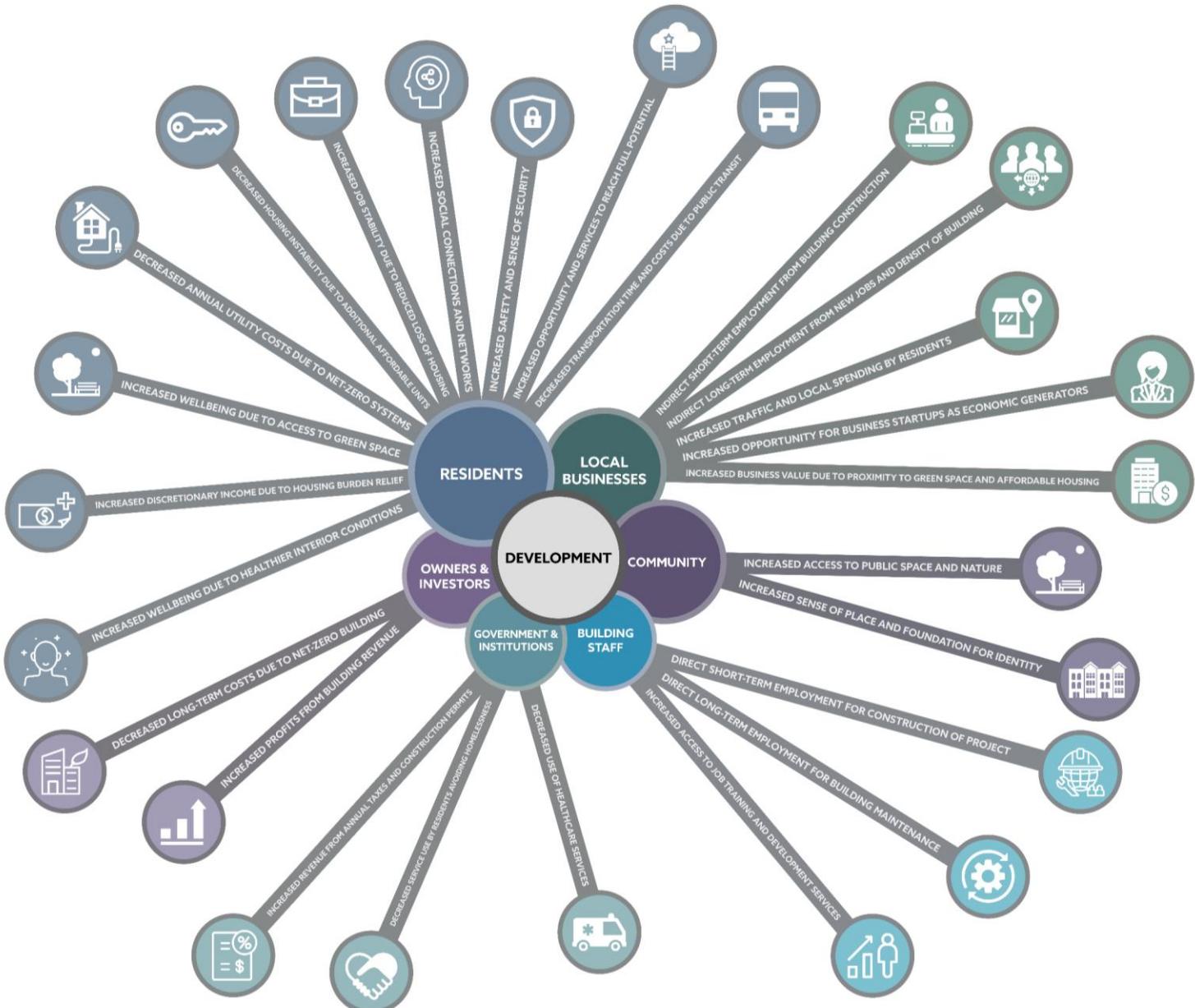
- Increased Business Value Due to Proximity to Green Space and Affordable Housing

Community:

- Increased Access to Public Space and Nature

Government:

- Decreased Use of Healthcare Services



SROI DIAGRAM

SOCIAL RETURN ON INVESTMENT

EXAMPLES:

Residents:

- Increased Job Stability Due to Reduced Loss of Housing

Local Businesses:

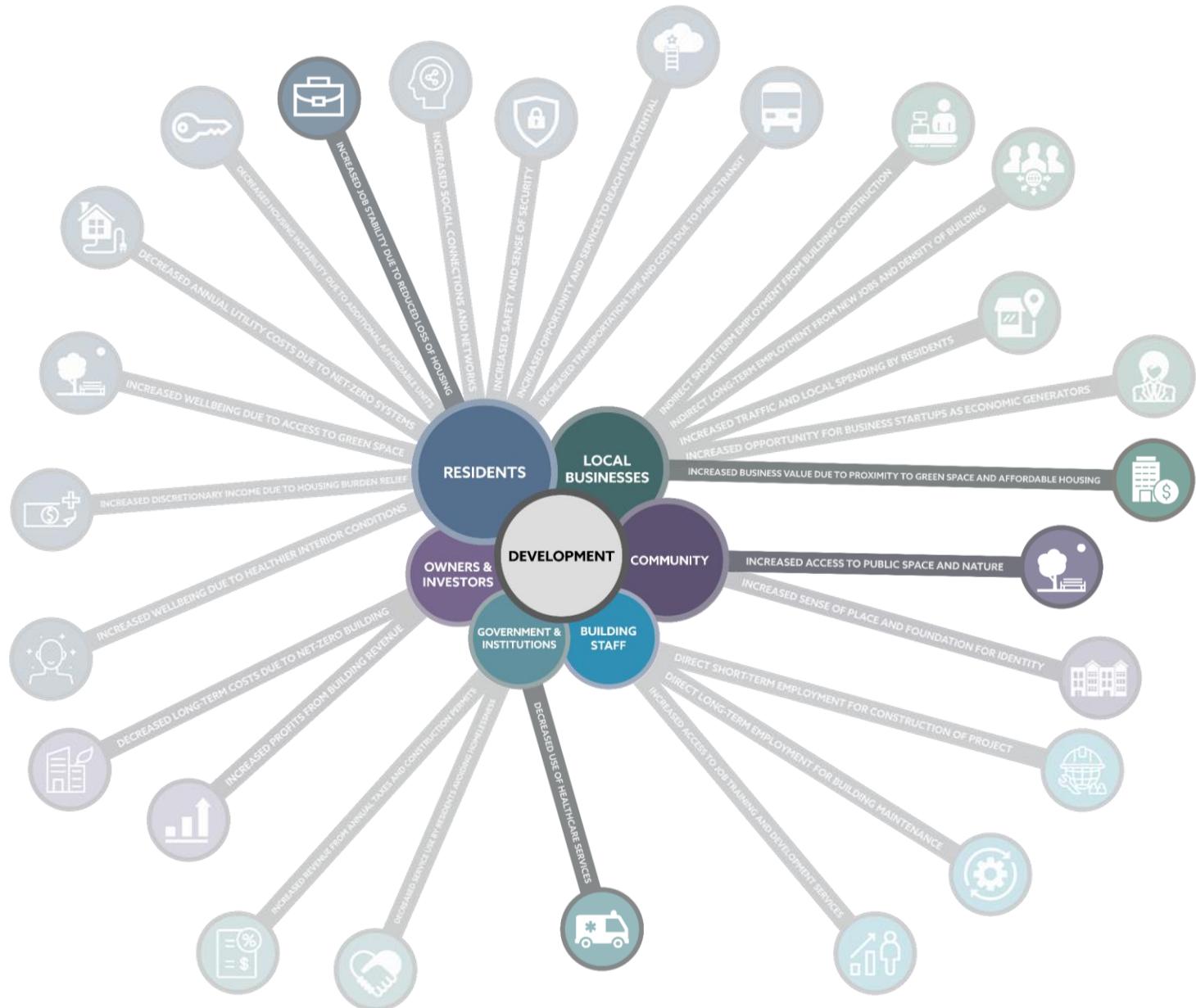
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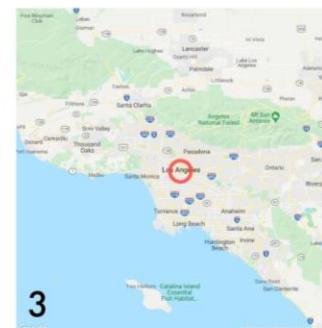
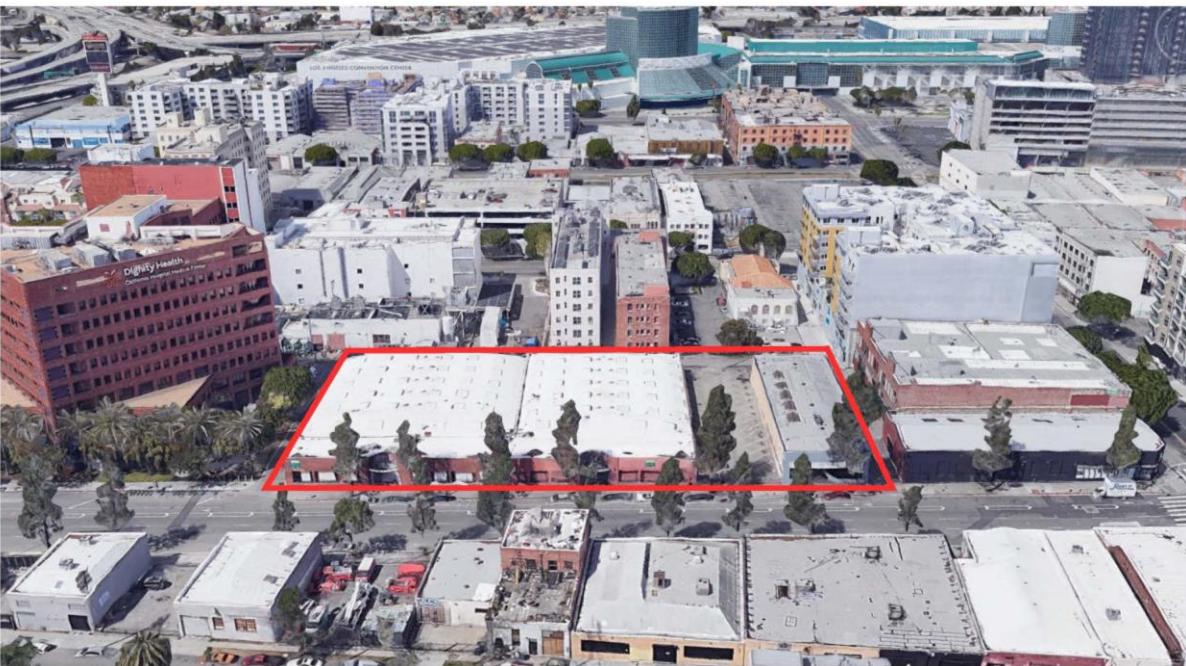
- Decreased Use of Healthcare Services



SITE ANALYSIS

SITE AND PROJECT INFO

- **Typology:** Mixed-Use Commercial and Accessible Housing
- **Location:** 1345 S Grand Ave, Los Angeles, California



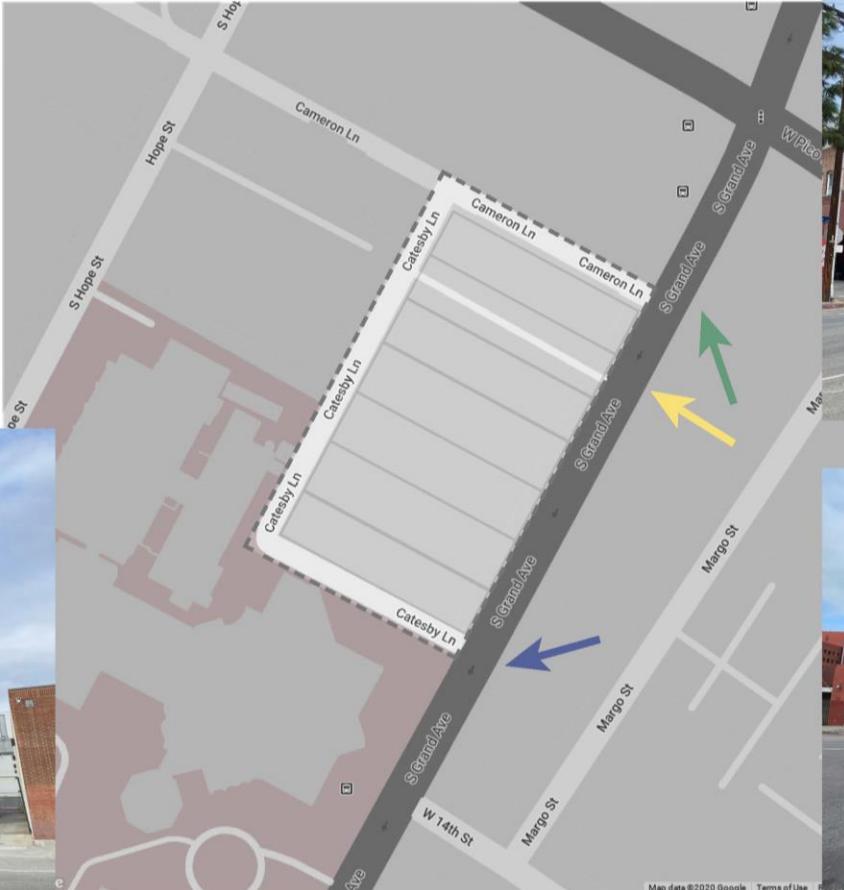
SITE ANALYSIS

SITE NEIGHBORS

2 existing buildings on-site

10 Story Hospital - S

1 Story Gym - N



SITE ANALYSIS

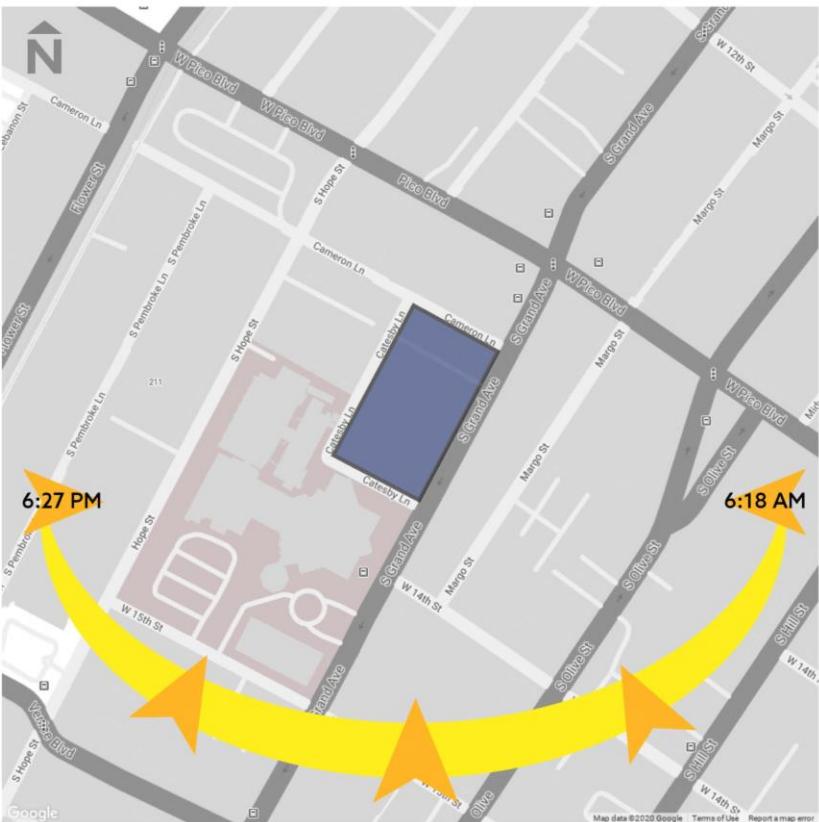
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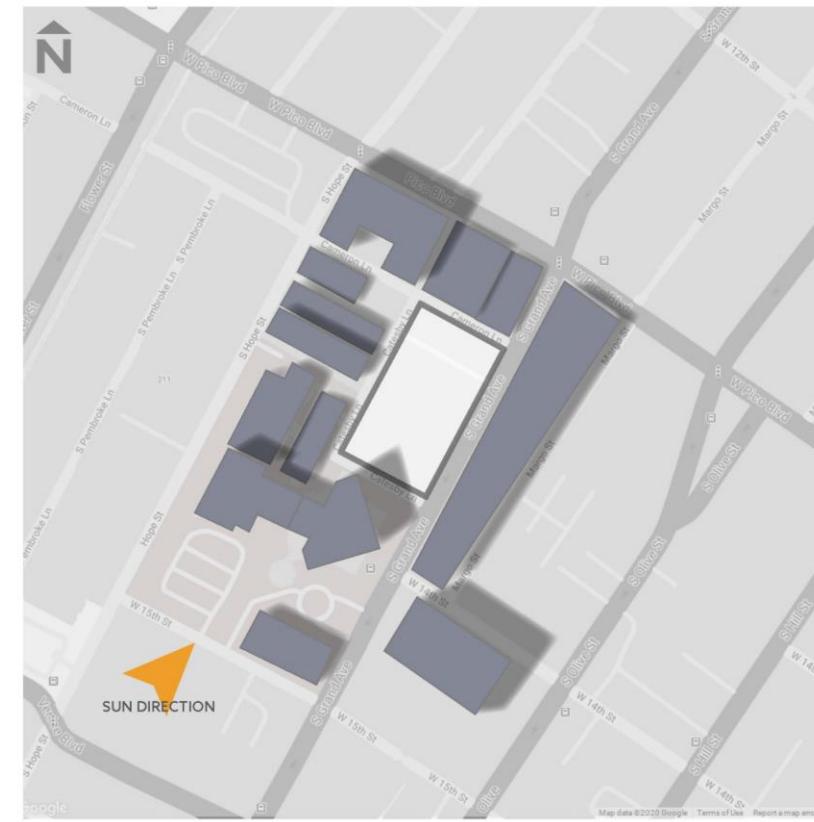
SITE ANALYSIS

SUN AND SHADOW

Sun Path Diagram



Anticipated Shadows



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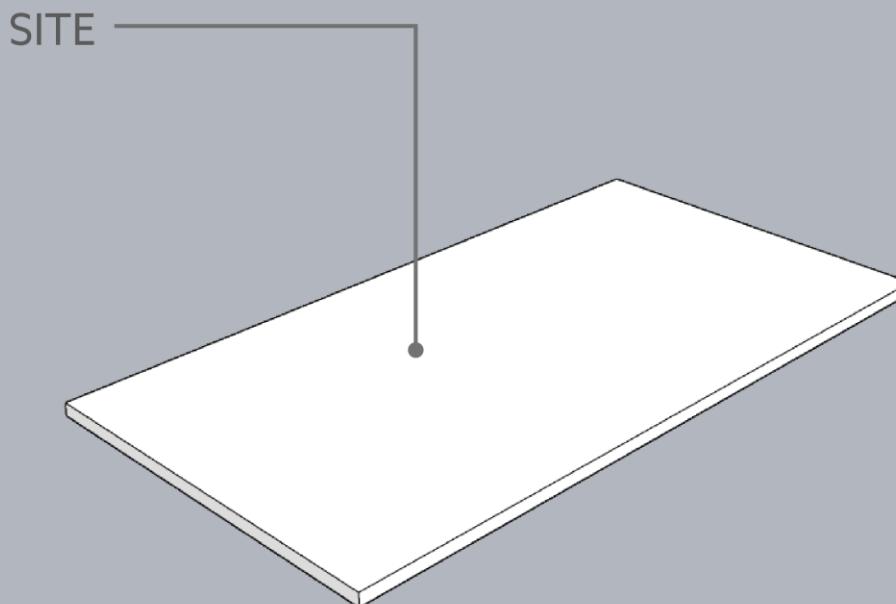
OVERVIEW

- *383 Total Residential Units*
 - *166 Studio*
 - *130 1-Bed*
 - *73 2-Bed*
 - *14 Live/Work Lofts*
 - *60% of Units are designated for Accessible Housing*
 - *50% for Low Income (80% of local median income)*
 - *30% for Very Low Income (50% of local median income)*
 - *20% for Extremely Low Income (30% of local median income)*
 - *Commercial Spaces include:*
 - *Shared Kitchen and Restaurant*
 - *Co-Working Creative Space*
 - *Café and Bakery*
 - *Offices*
 - *"Shopkeeper" Live/Work Units*



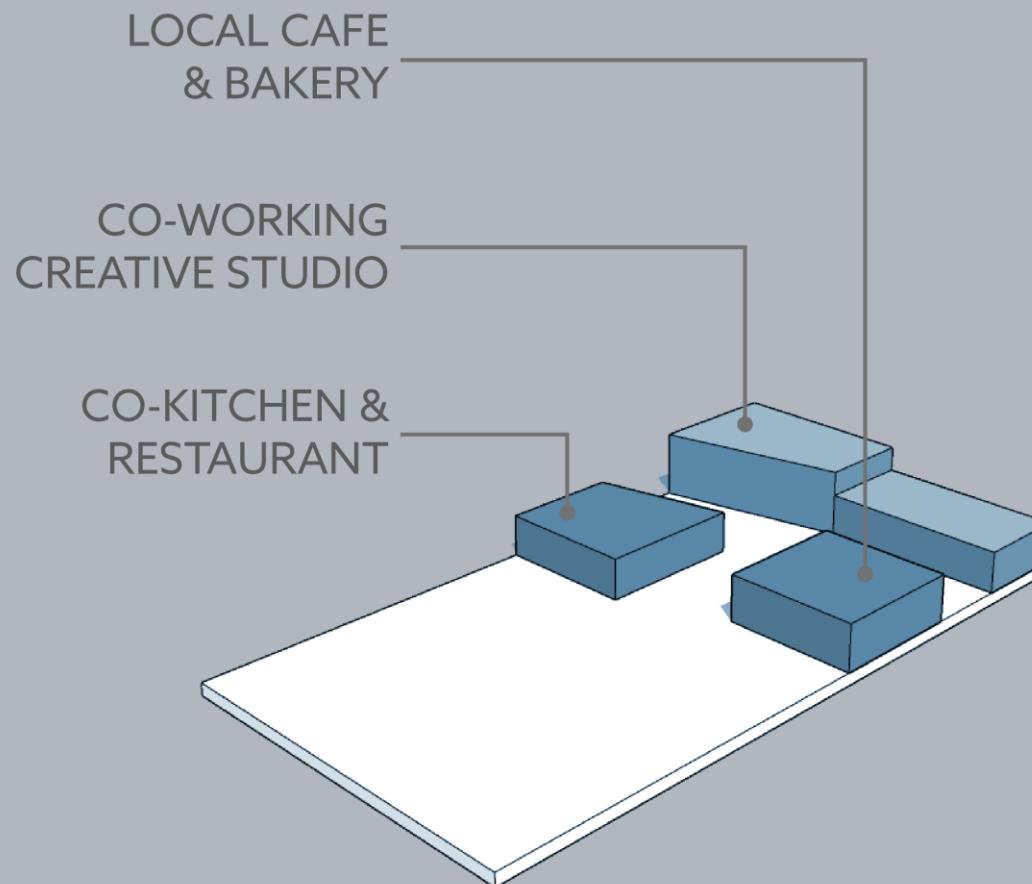
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BLOCKING AND STACKING PROGRAM



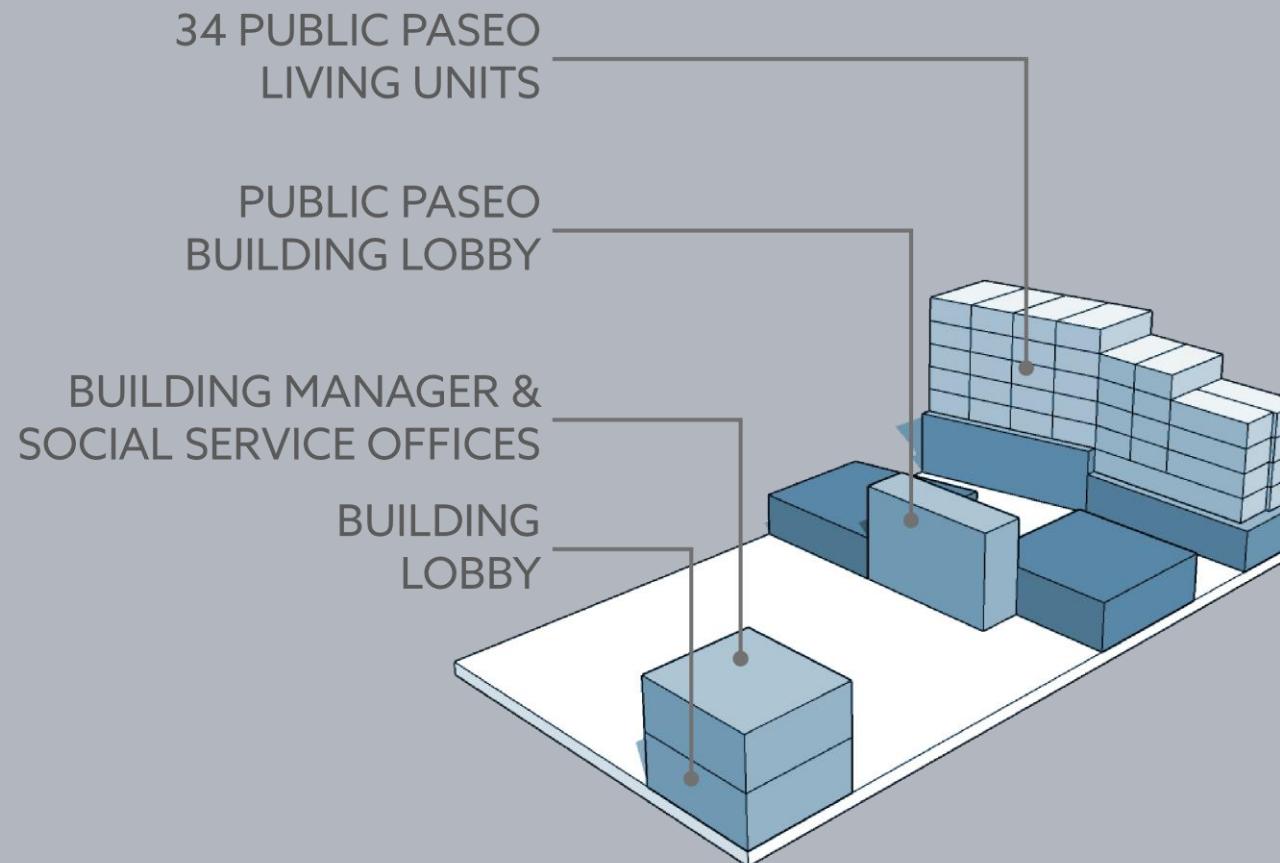
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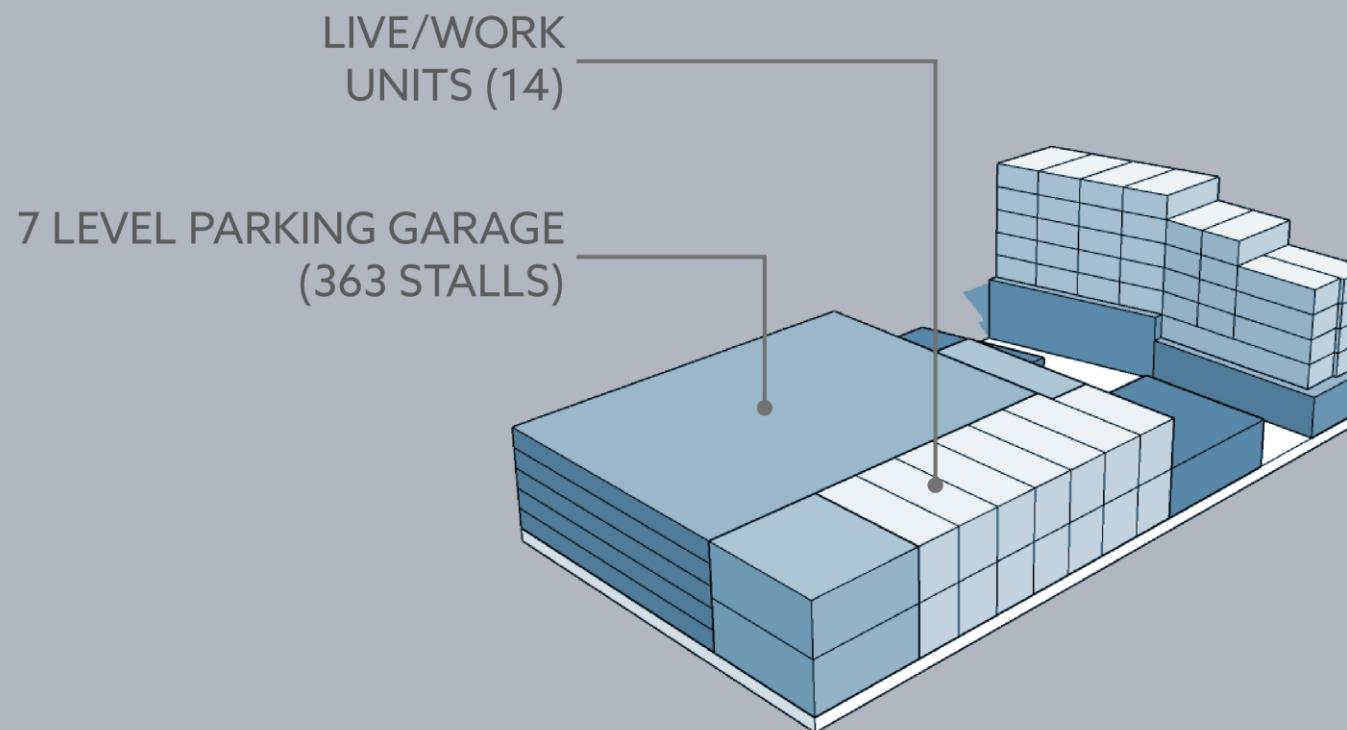
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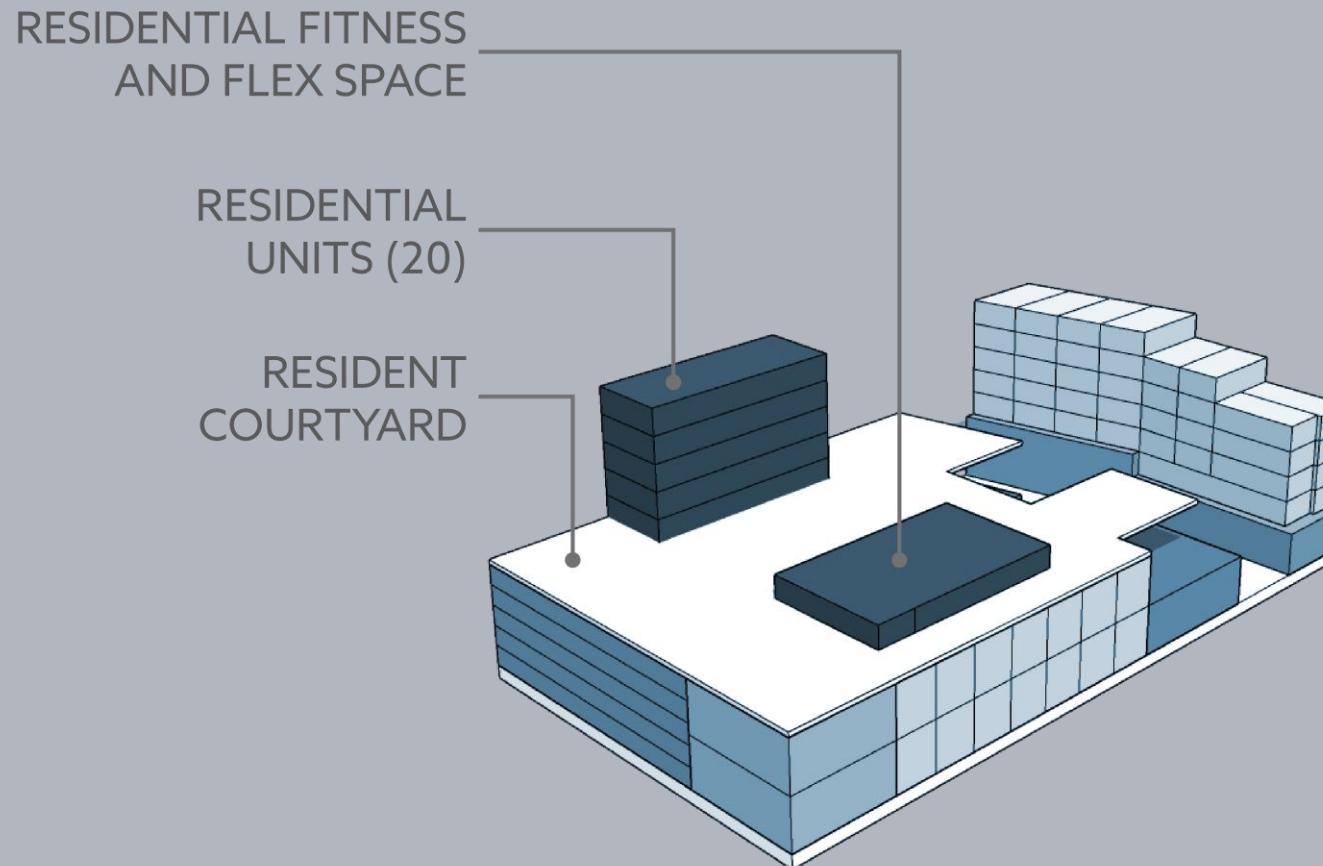
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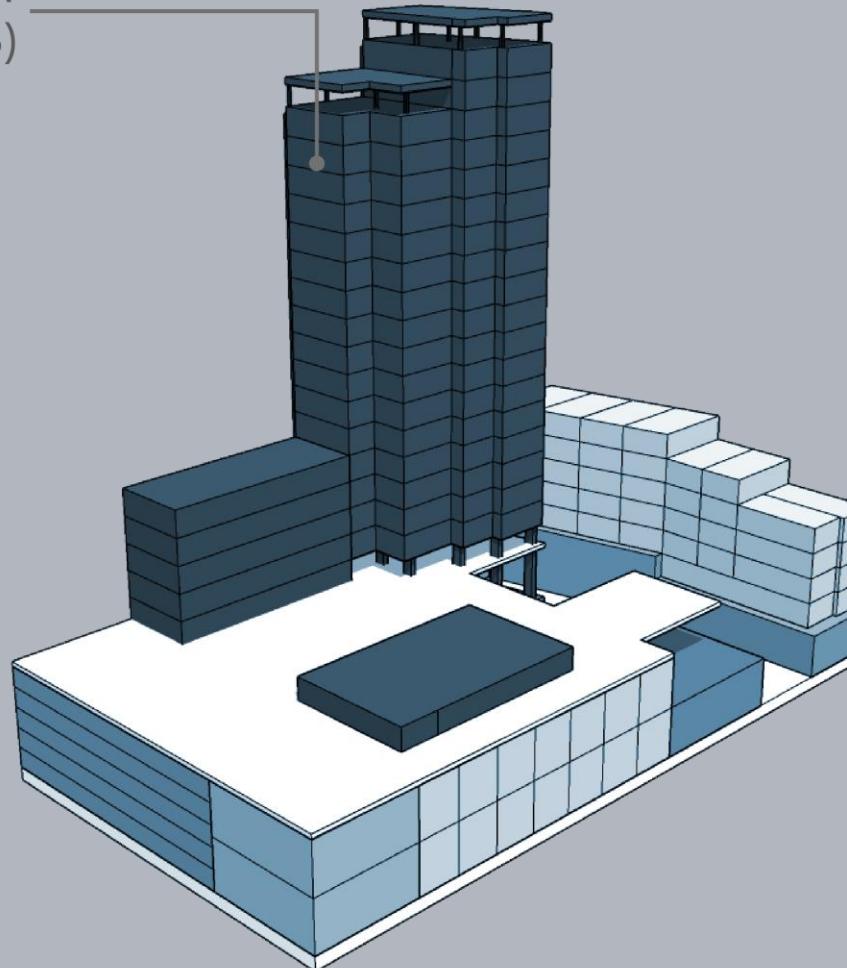
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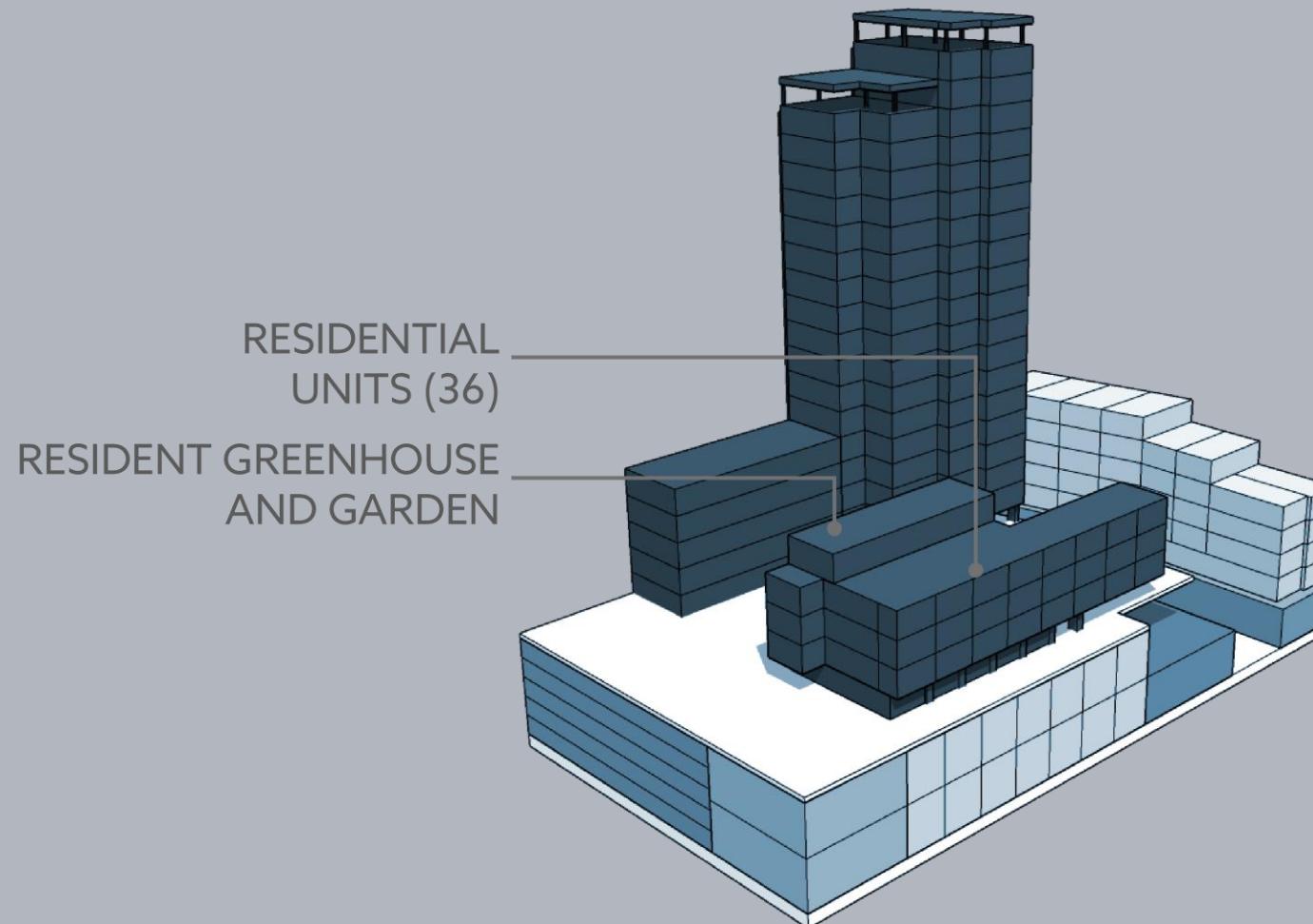
BLOCKING AND STACKING PROGRAM

RESIDENTIAL TOWER 1
(104 UNITS)



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BLOCKING AND STACKING PROGRAM



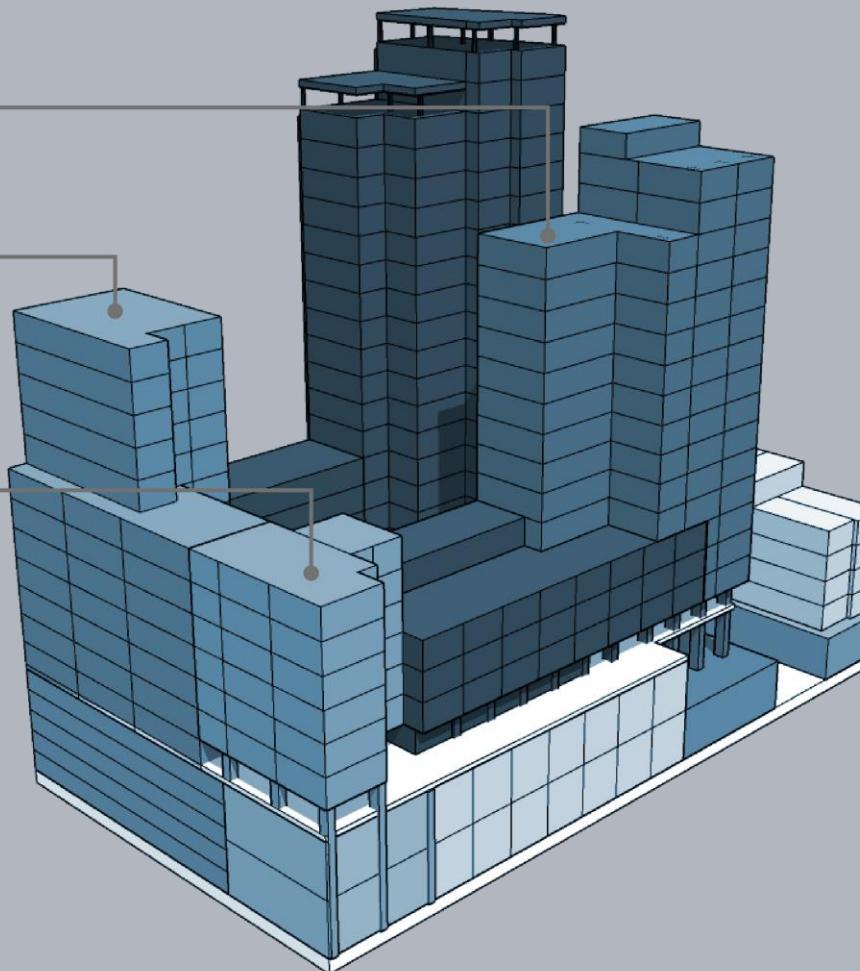
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BLOCKING AND STACKING PROGRAM

RESIDENTIAL TOWER 2
(102 UNITS)

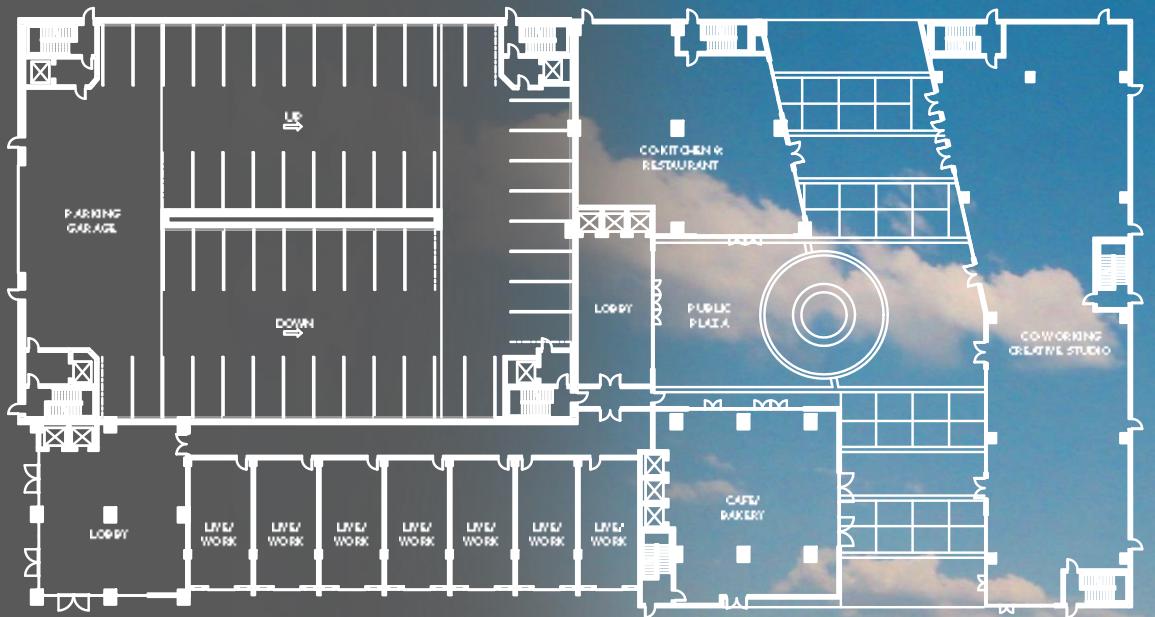
RESIDENTIAL TOWER 3
(55 UNITS)

RESIDENTIAL TOWER 4
(18 UNITS)



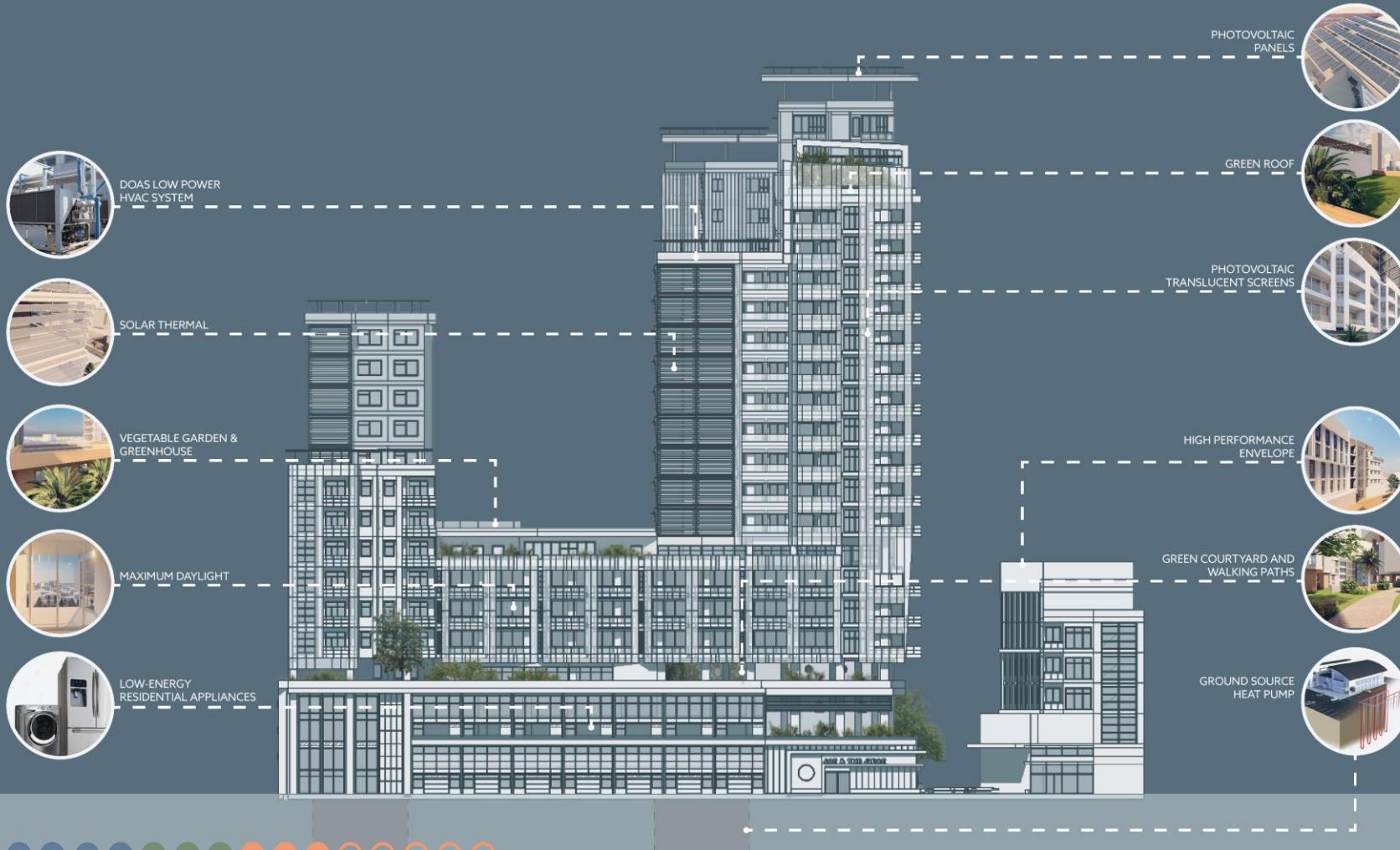
GROUND FLOOR PLAN

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NET-ZERO SYSTEMS









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COST OF DEVELOPMENT

Architect-Developer Role

Maintain a Balance of:

Project Construction Costs

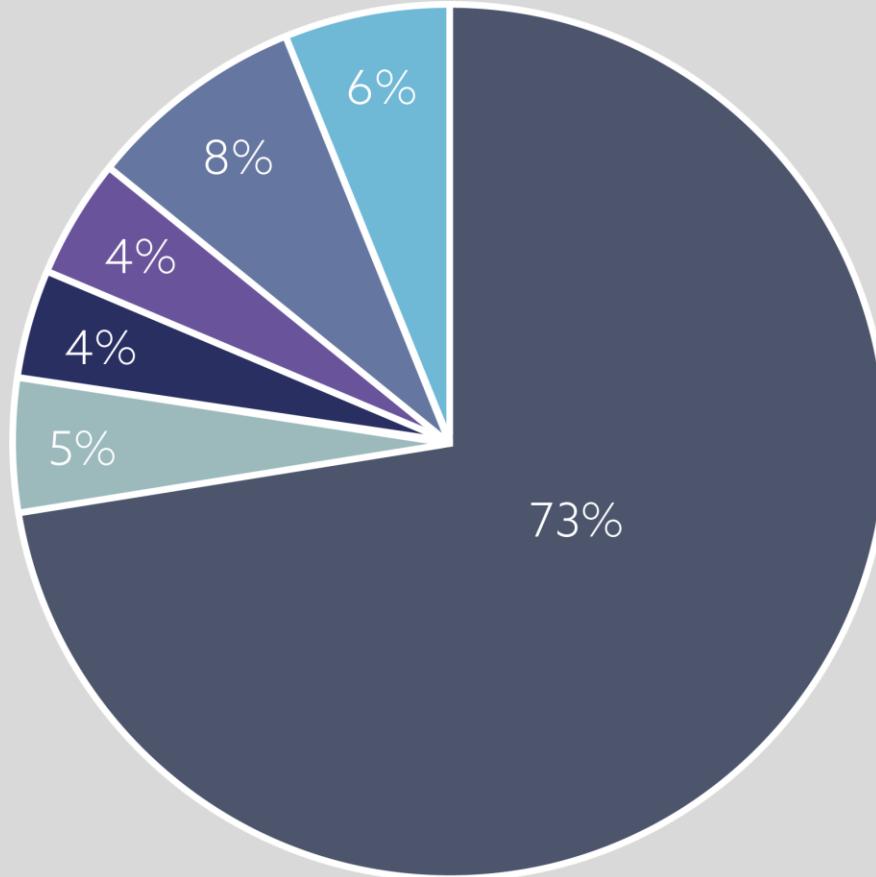
Financing Options - Loan to Cost (LTC)

Affordable Housing Rates

Design Decisions

Resident Equity

Investor Return



73% **CONSTRUCTION**
\$123,886,797

8% **LAND COSTS**
\$13,824,773

6% **CONTINGENCY**
\$10,461,994

5% **CONSULTANTS**
\$8,466,383

4% **FINANCING**
\$7,540,936

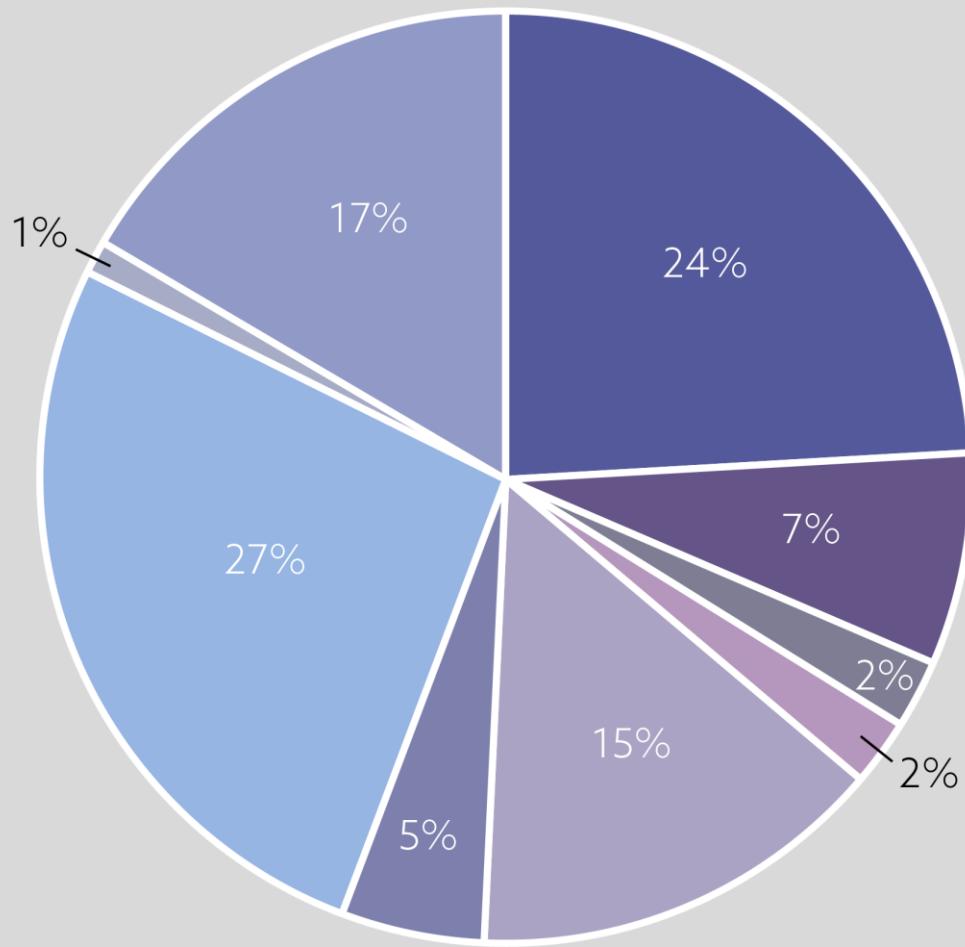
4% **PERMITS & FEES**
\$6,863,712

TOTAL DEVELOPMENT
\$171,044,595



THE MASLO

GROSS INCOME DISTRIBUTION – YEAR 25



27% **RESIDENT EQUITY FUND**
\$3,875,743

24% **DEBT SERVICE**
\$3,530,237

17% **INVESTORS RETURN**
\$2,418,524

15% **ADMINISTRATIVE**
\$2,111,612

7% **TAXES & INSURANCE**
\$1,071,809

5% **VACANCY LOSS**
\$729,159

2% **OPERATING COSTS**
\$346,166

2% **MAINTENANCE**
\$334,627

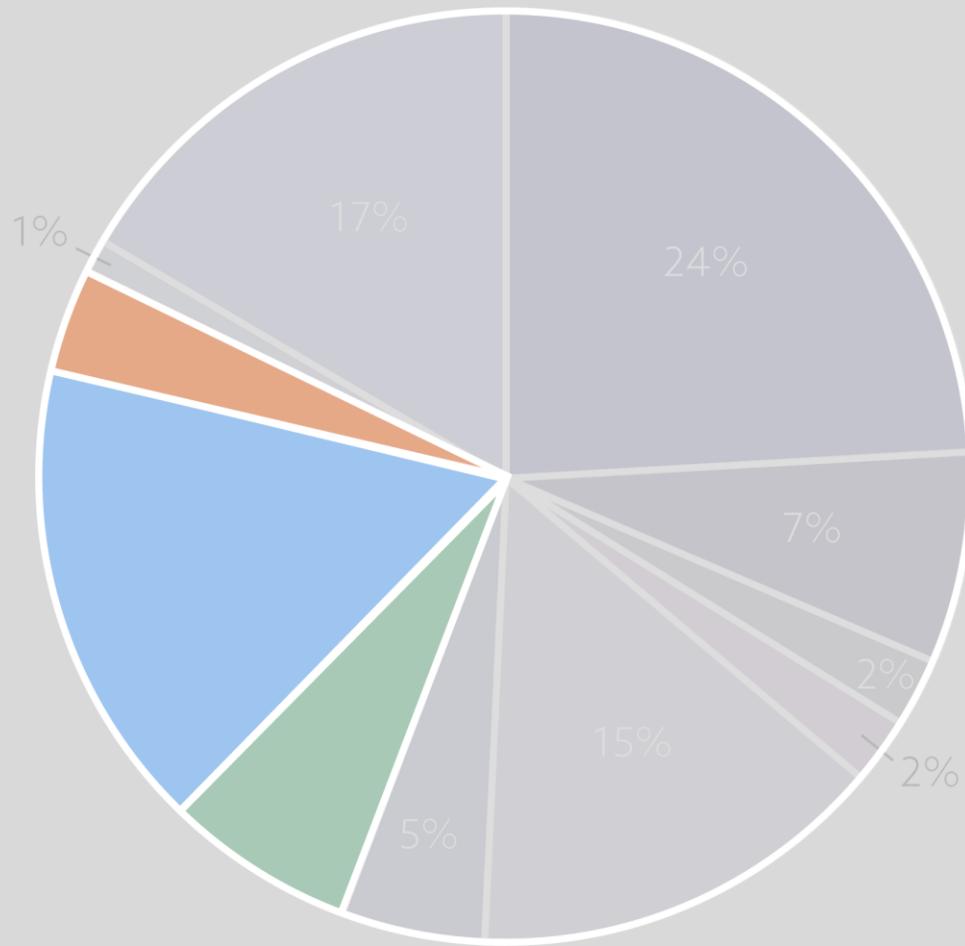
1% **OWNER FEE**
\$165,305

TOTAL GROSS INCOME
\$14,583,184



THE MASLO

RESIDENT EQUITY FUND



- The Resident Equity Fund places a focus on the use-value of residential units, investing in the people who are living in them, rather than valuing the unit itself.
 - Percentages of rent are placed into a savings account for each household to build equity on their home, along with annual dividends from the entire housing development.
-
- Residents are responsible for community duties and participation to qualify for the program, creating a community that has pride and ownership of their surroundings.



SROI DIAGRAM

SOCIAL RETURN ON INVESTMENT

EXAMPLES:

Residents:

- Increased Wellbeing Due to Healthier Interiors
 - Decreased Annual Utility Costs - Net-Zero

Local Businesses:

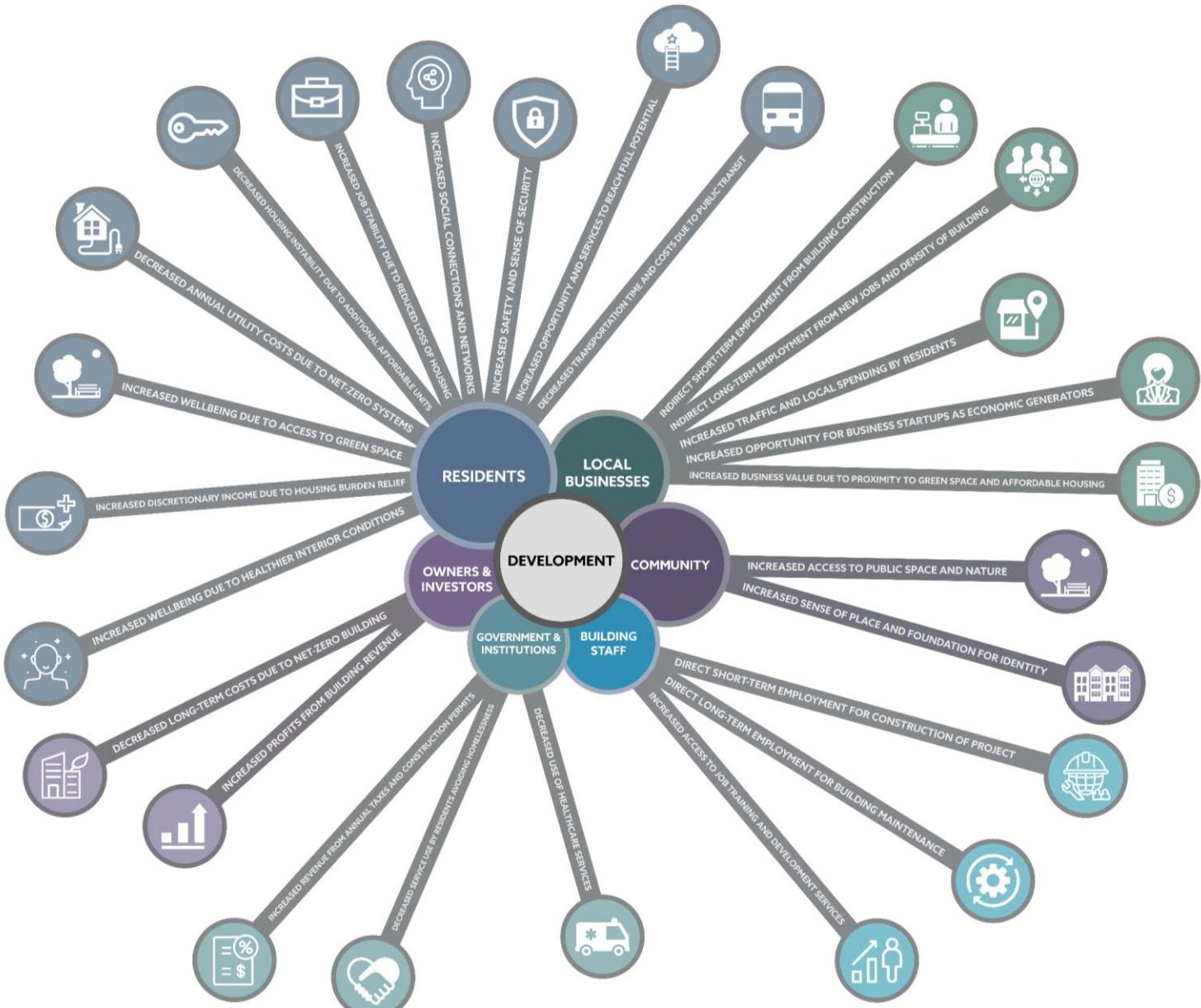
- Increased Opportunity for Business Startups

Building Staff:

- Direct Long-Term Employment for Building Maintenance

Owners & Investors:

- Decreased Long-Term Costs - Net-Zero



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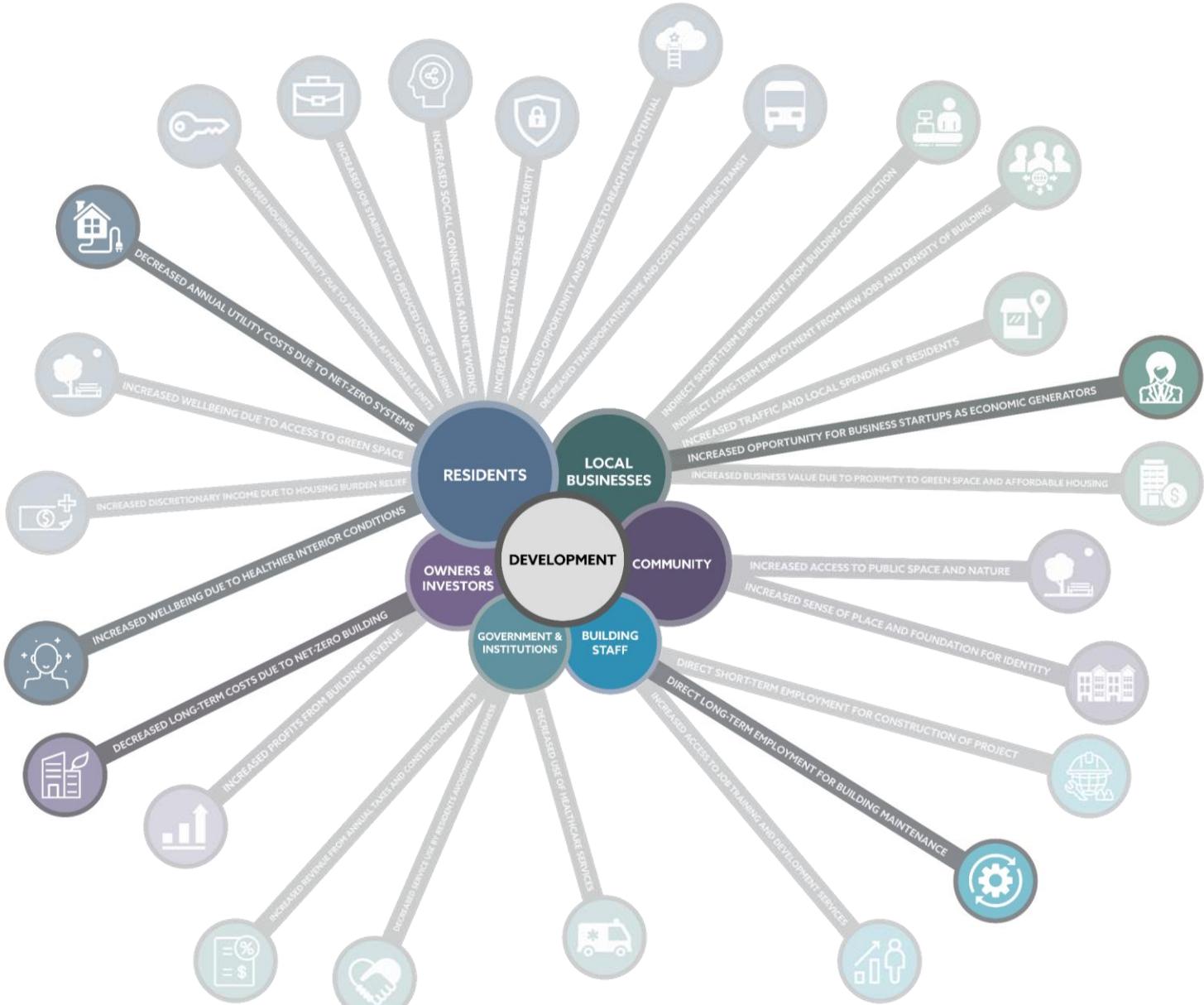
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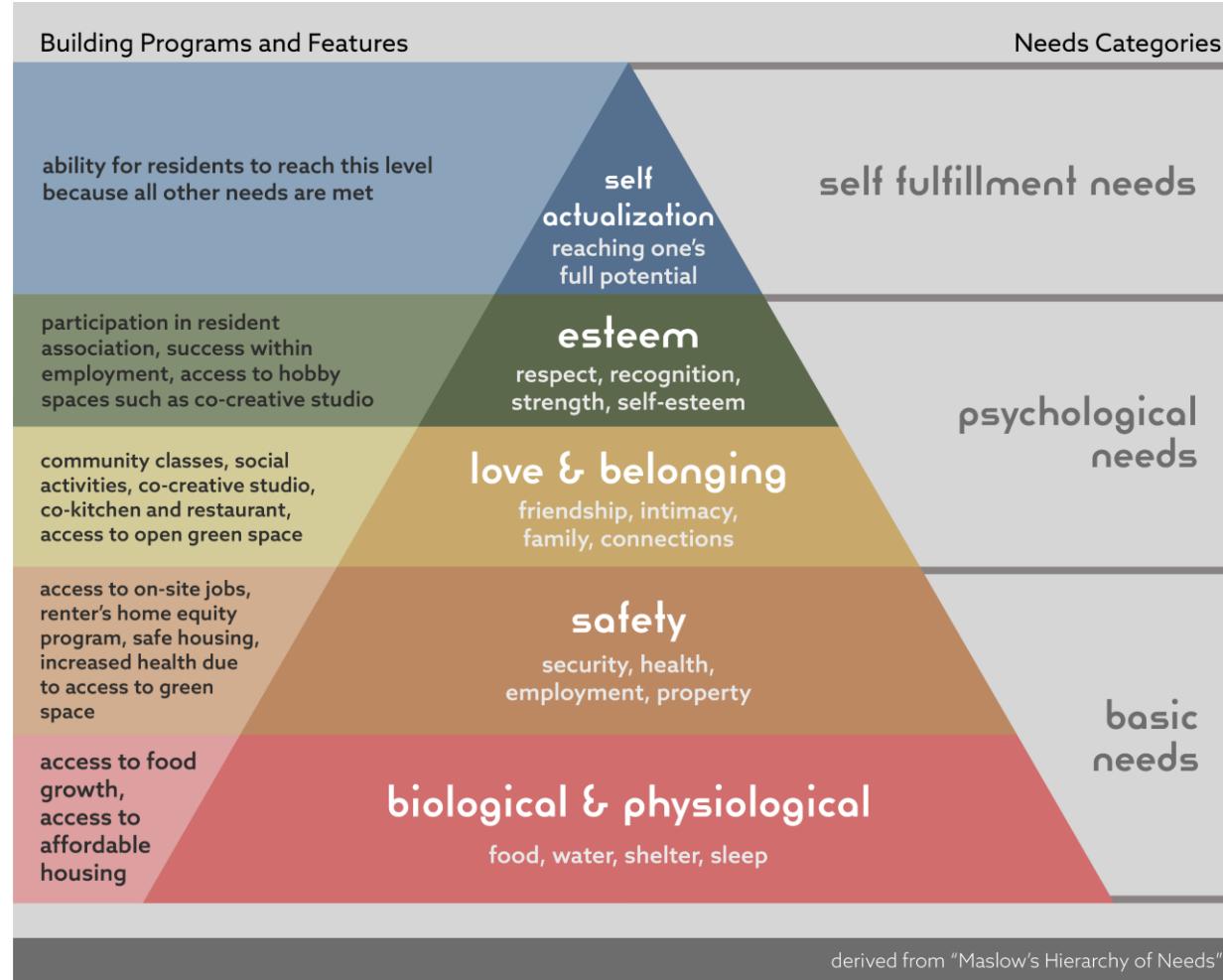
Owners & Investors:

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THE MASLO'S FULFILLMENT OF NEEDS





THANK YOU

QUESTIONS/COMMENTS?

