

GRANT WILLERT

the maslo

HOUSING WITH AN IMPACT



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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

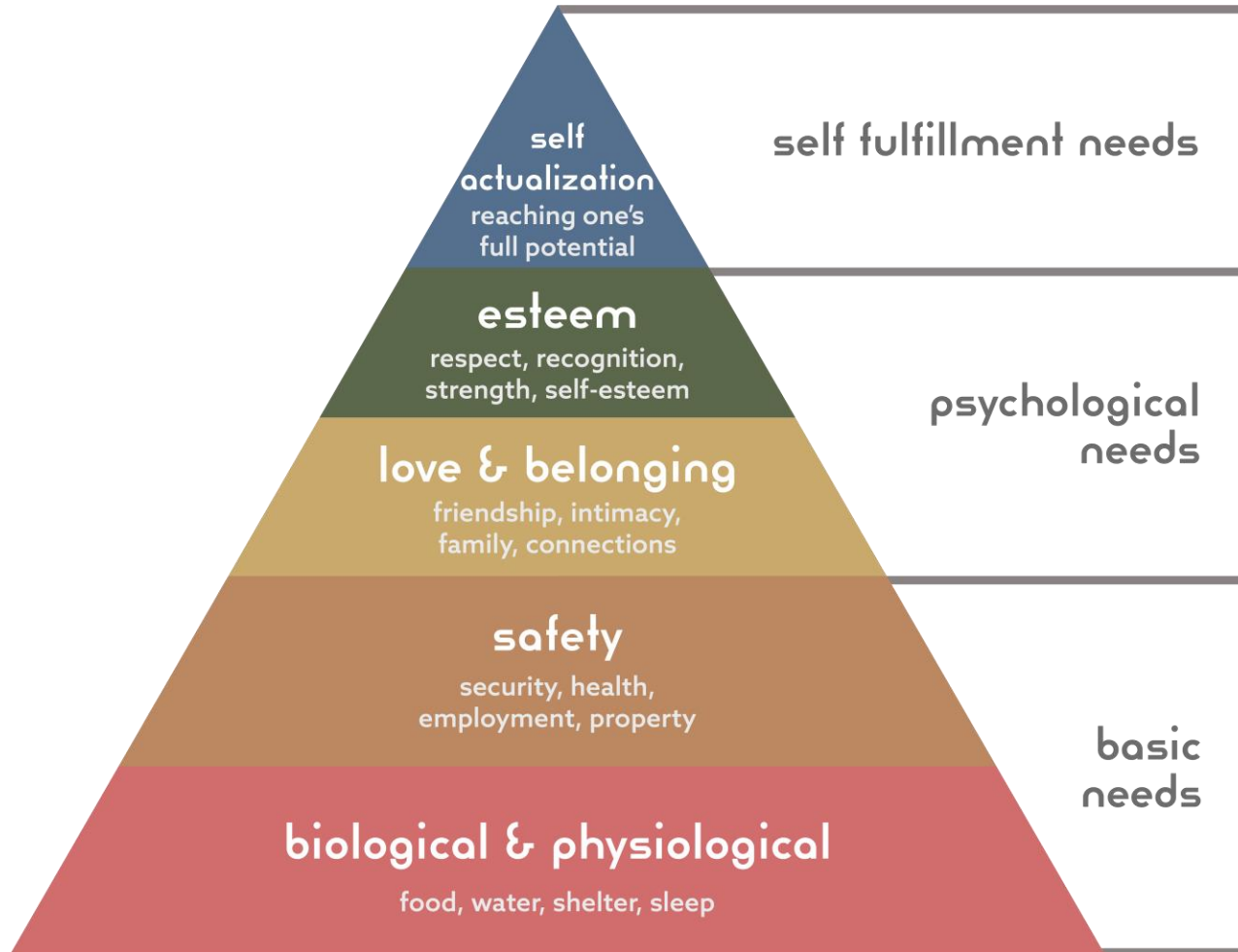
- The Maslo is a mixed-use commercial housing development located in Los Angeles, California that includes income-based accessible housing.
- Research conducted includes the origins of architect-developers, project delivery methods, the commercial real estate process, the current state of housing and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



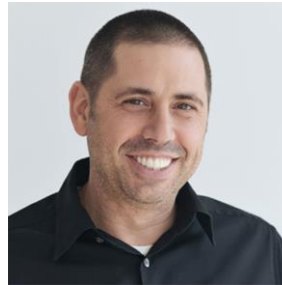
INTRODUCTION

MASLOW'S HIERARCHY OF NEEDS



THESIS RESEARCH

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*

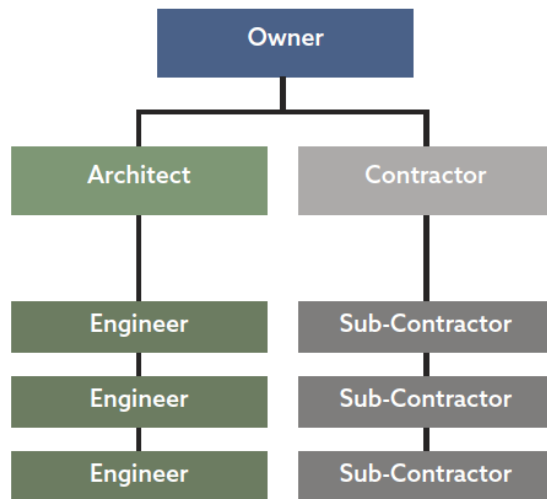
- Leads his firm out of New Orleans, Louisiana
- Mixes research and investigation into his practice, leading to a discovery of housing issues
- He found “small parcels of land that nobody was paying attention to, principally because they were just difficult to do anything with”.
- Created The Starter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



THESIS RESEARCH

PROJECT DELIVERY METHODS

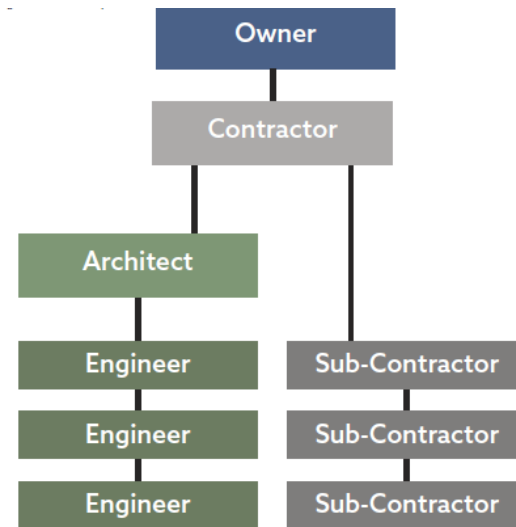
Design-Bid-Build



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

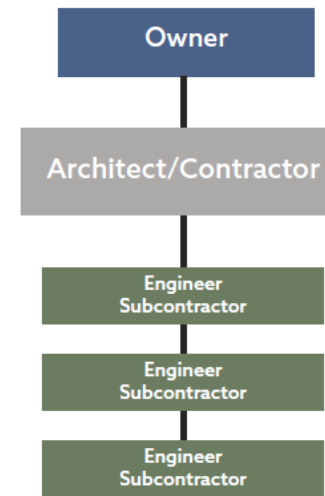
Design-Build



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

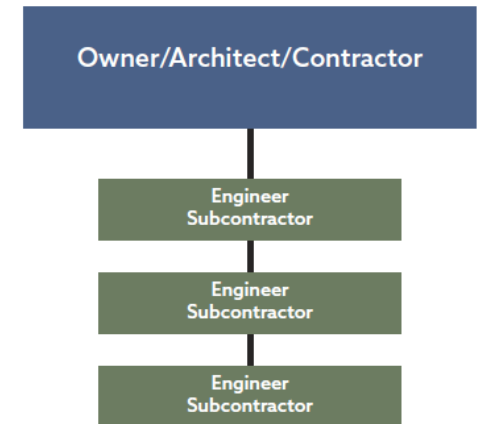
Integrated Project Delivery



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

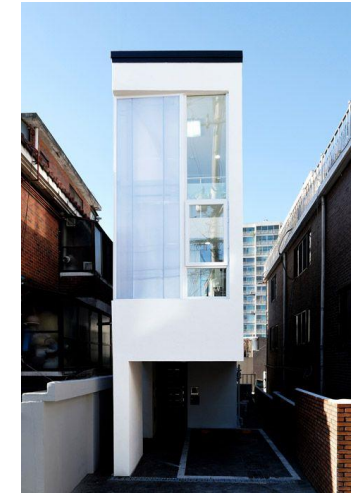
BENEFITS OF ARCHITECT-DEVELOPER



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

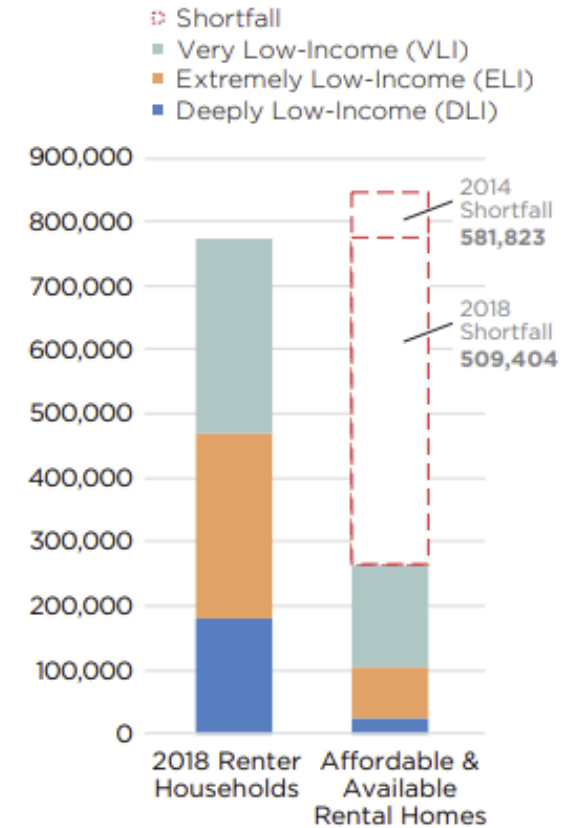
Supervisory District (SD)	At-Risk Affordable Homes*	County-Administered Affordable Homes**	Affordable Homes
SD 1	2,165	7,189	34,043
SD 2	2,461	8,883	33,548
SD 3	2,348	3,448	22,652
SD 4	565	3,744	14,899
SD 5	1,334	3,140	14,612
TOTAL (County)	8,873	26,403	119,754

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 and includes homes affordable up to moderate income households (<120% AMI).

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%

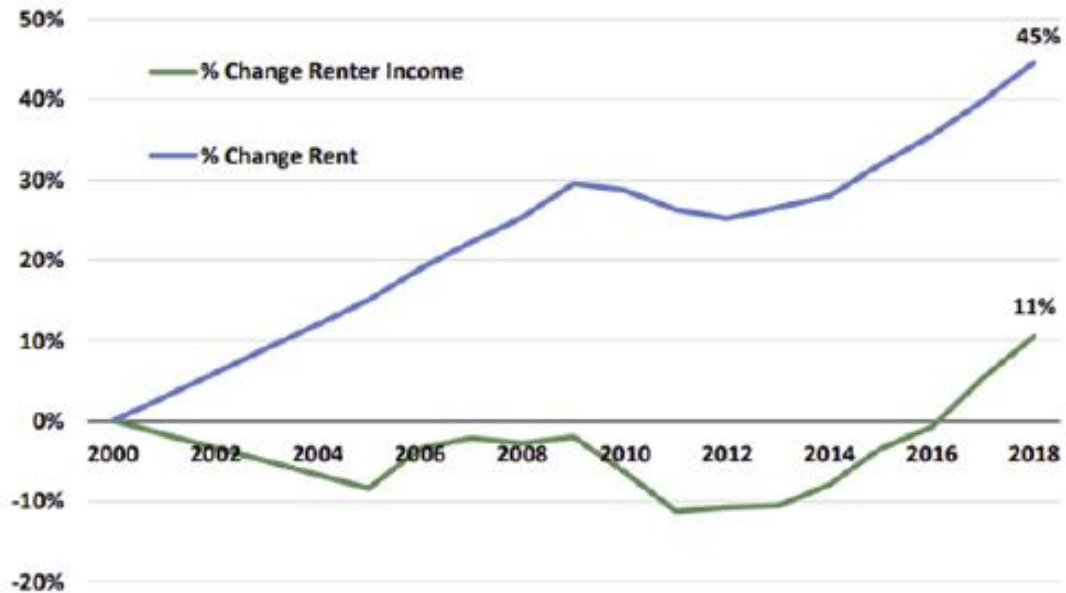
Source: California Housing Partnership analysis of 2014-2018 1-year ACS PLIMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology.
 *The surplus or deficit includes homes occupied by households at or below the income threshold of the income group.



THESIS RESEARCH

LOS ANGELES HOUSING COST BURDEN

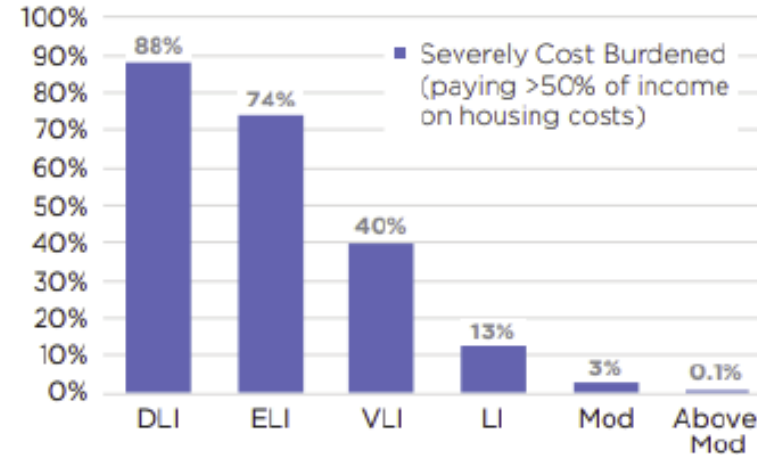
FIGURE 3: MEDIAN RENTER HOUSEHOLD INCOME VERSUS MEDIAN RENTS IN LOS ANGELES COUNTY (2000-2018)*



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

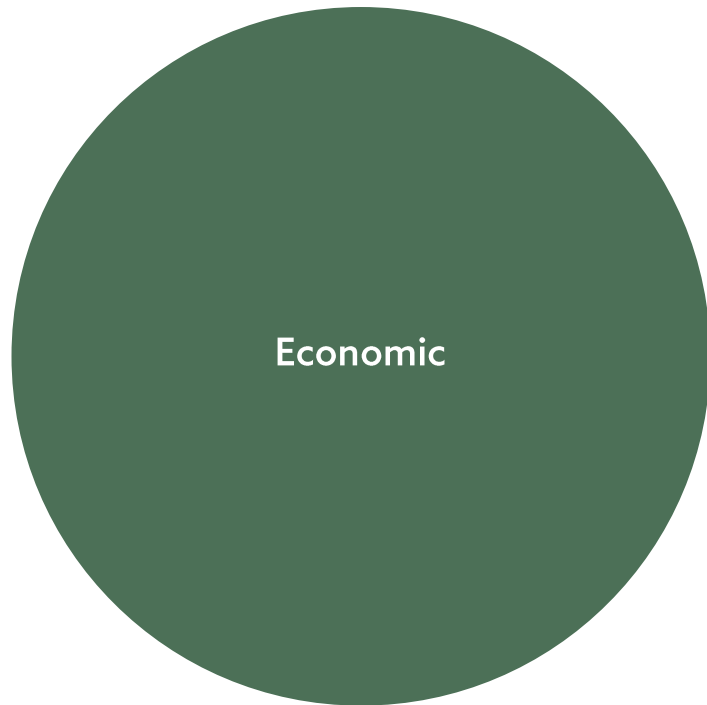
- Severely Cost Burdened households are those who are paying over 50% of their income towards housing.
- 88% of households that earn less than 15% of the median income in the area are forced to spend this much on their home (California Housing Partnership, 2020).
- The real estate market quickly outgrew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



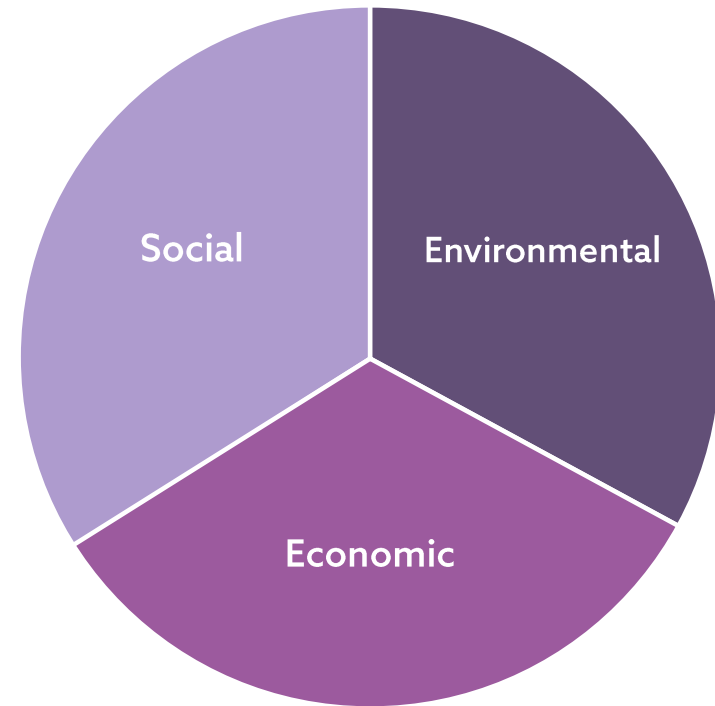
THESIS RESEARCH

ROI vs SROI

ROI (Return on Investment)



SROI (Social Return on Investment)



SROI DIAGRAM

SOCIAL RETURN ON INVESTMENT

EXAMPLES:

Residents:

- Decreased Housing Instability Due to Additional Affordable Units

Local Businesses:

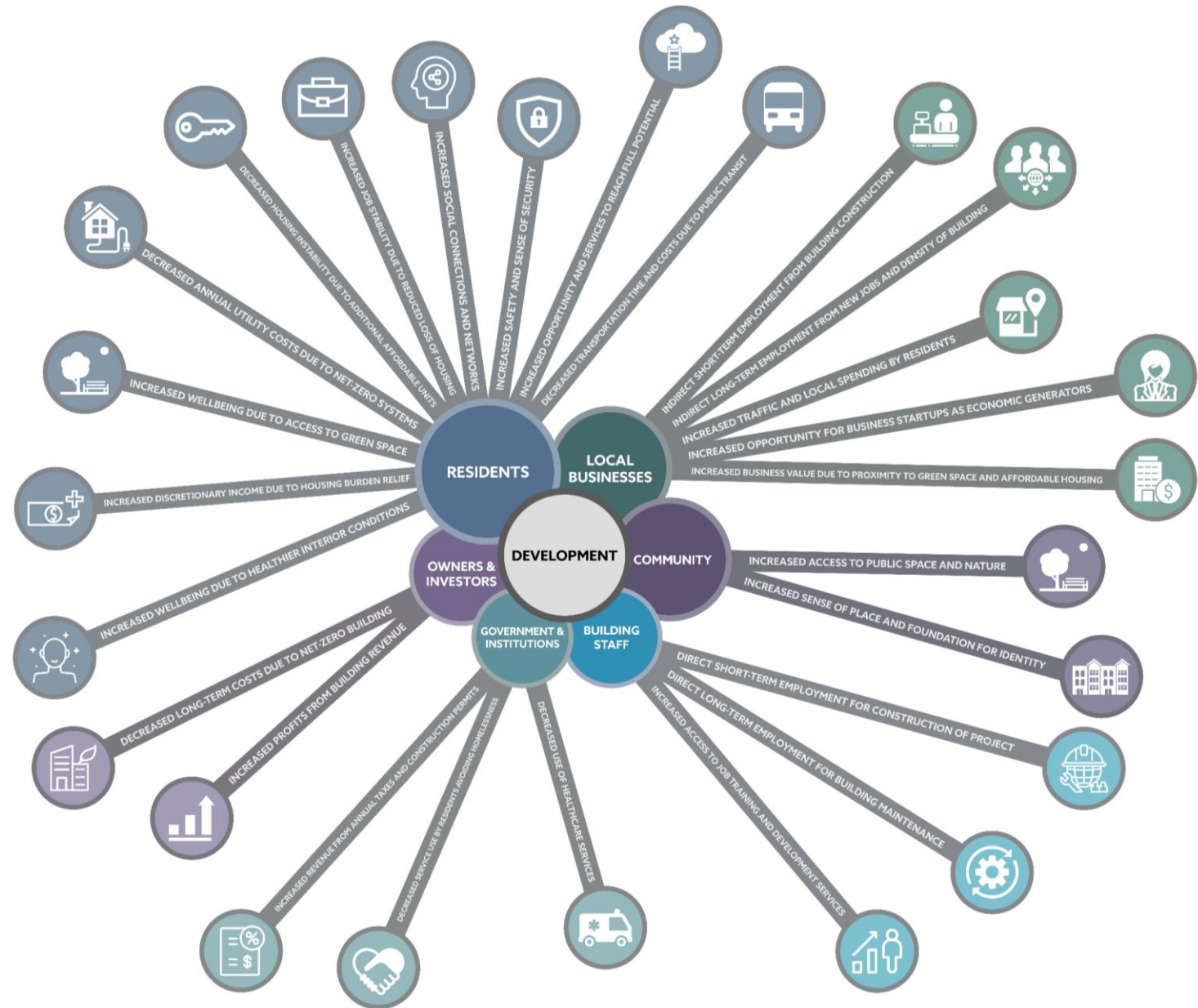
- Increased Business Value Due to Proximity to Green Space and Affordable Housing

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:

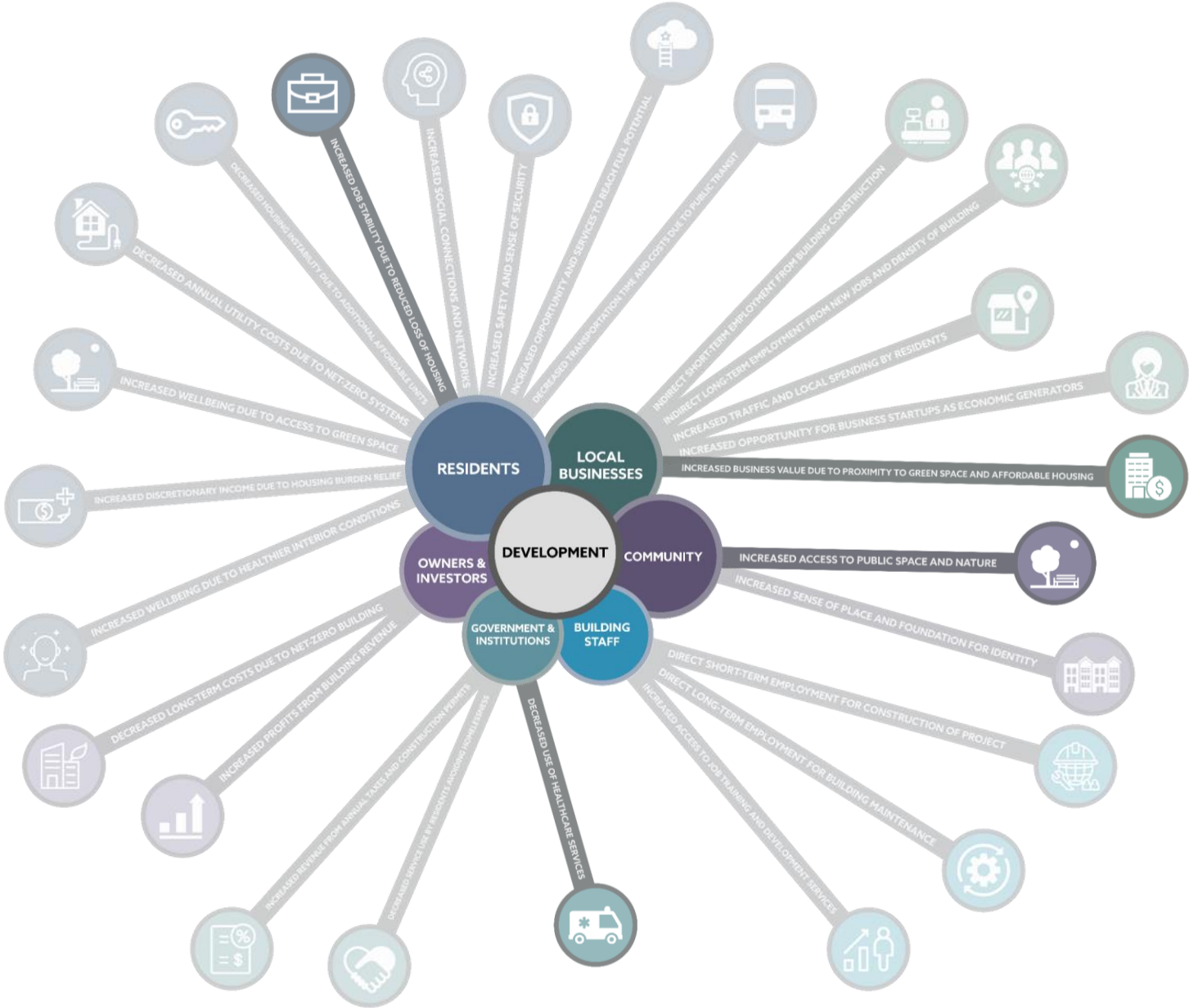
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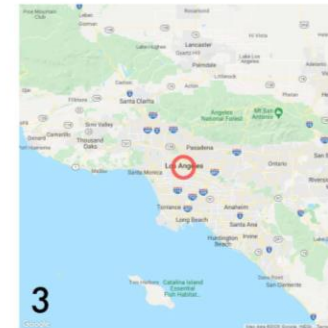
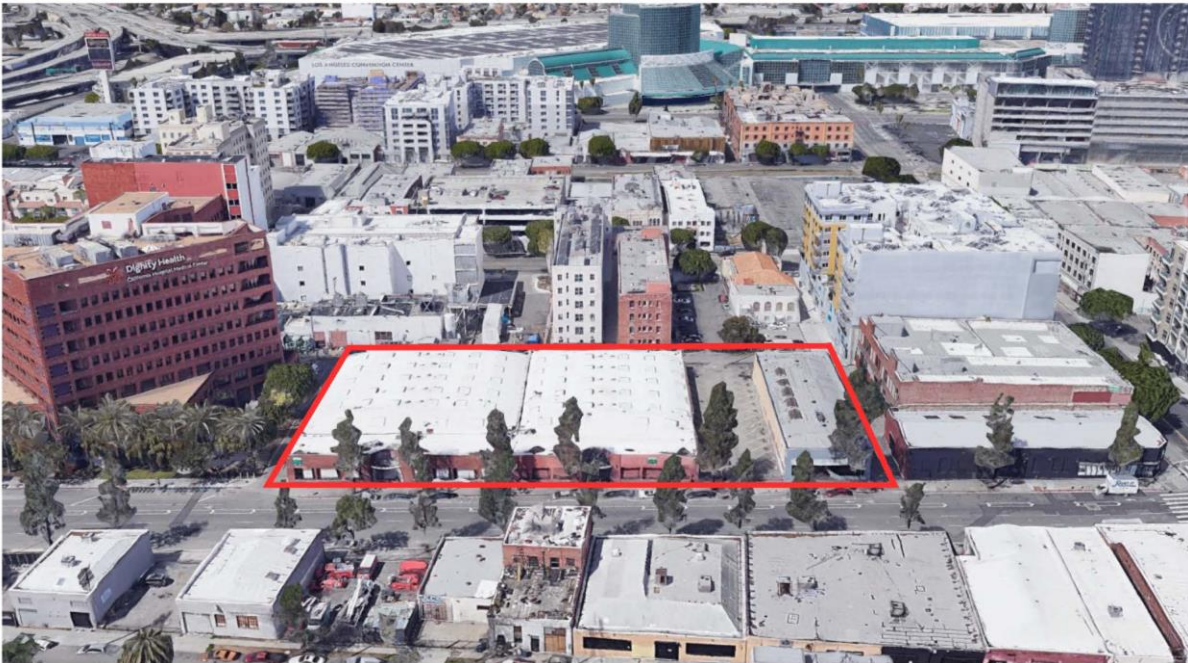
- Decreased Use of Healthcare Services



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



THE MASLO

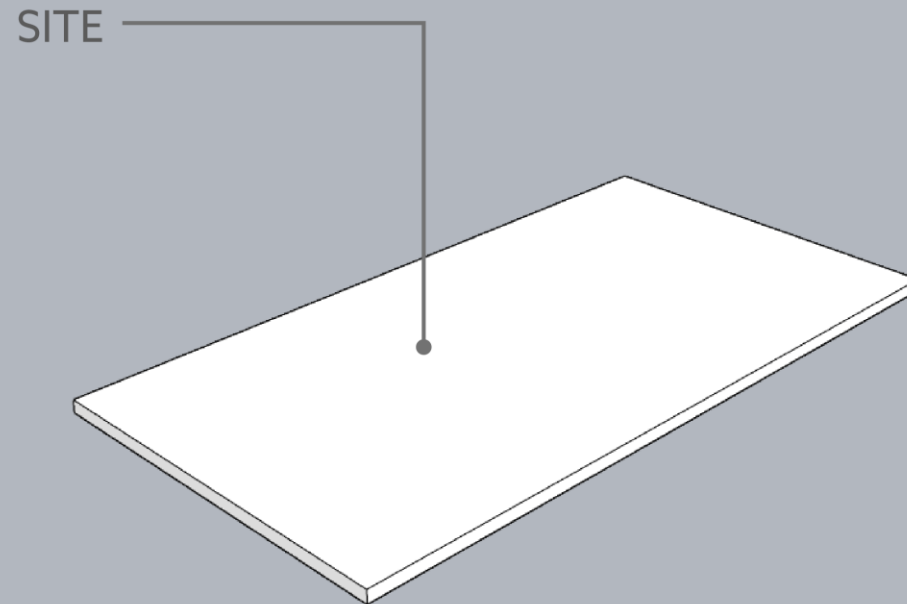
OVERVIEW

- *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*



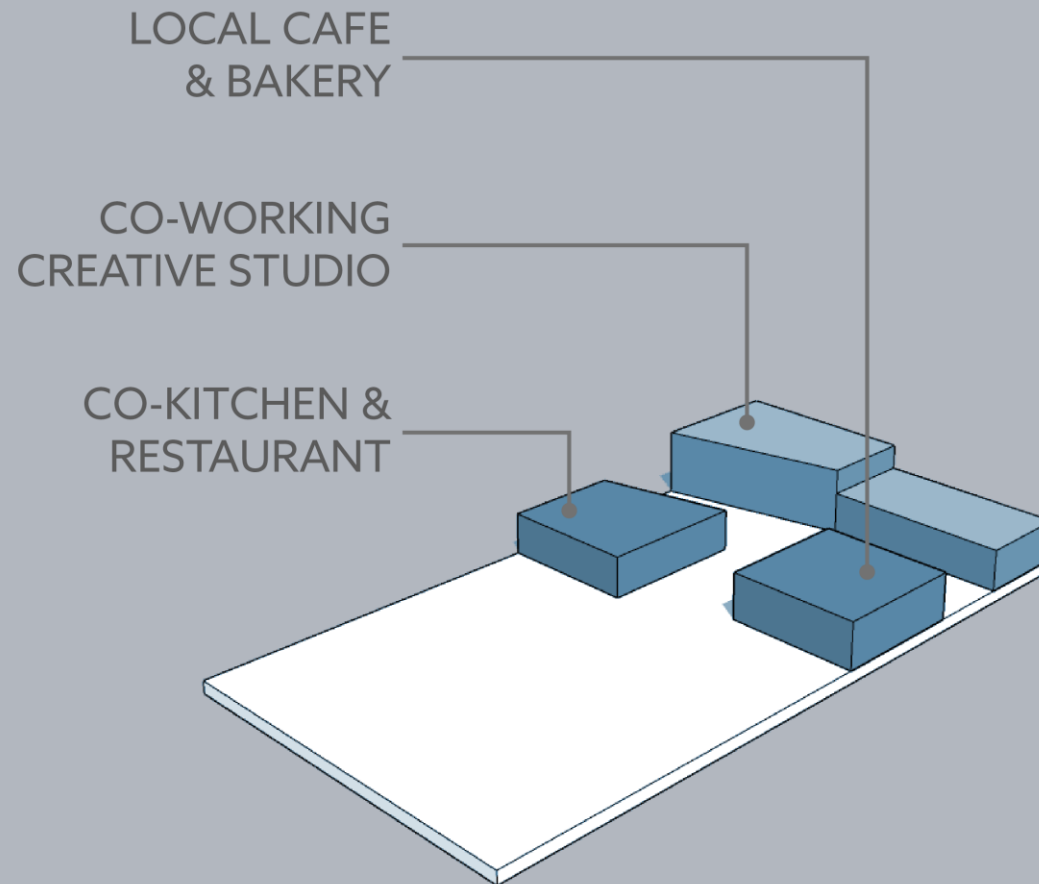
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BLOCKING AND STACKING PROGRAM



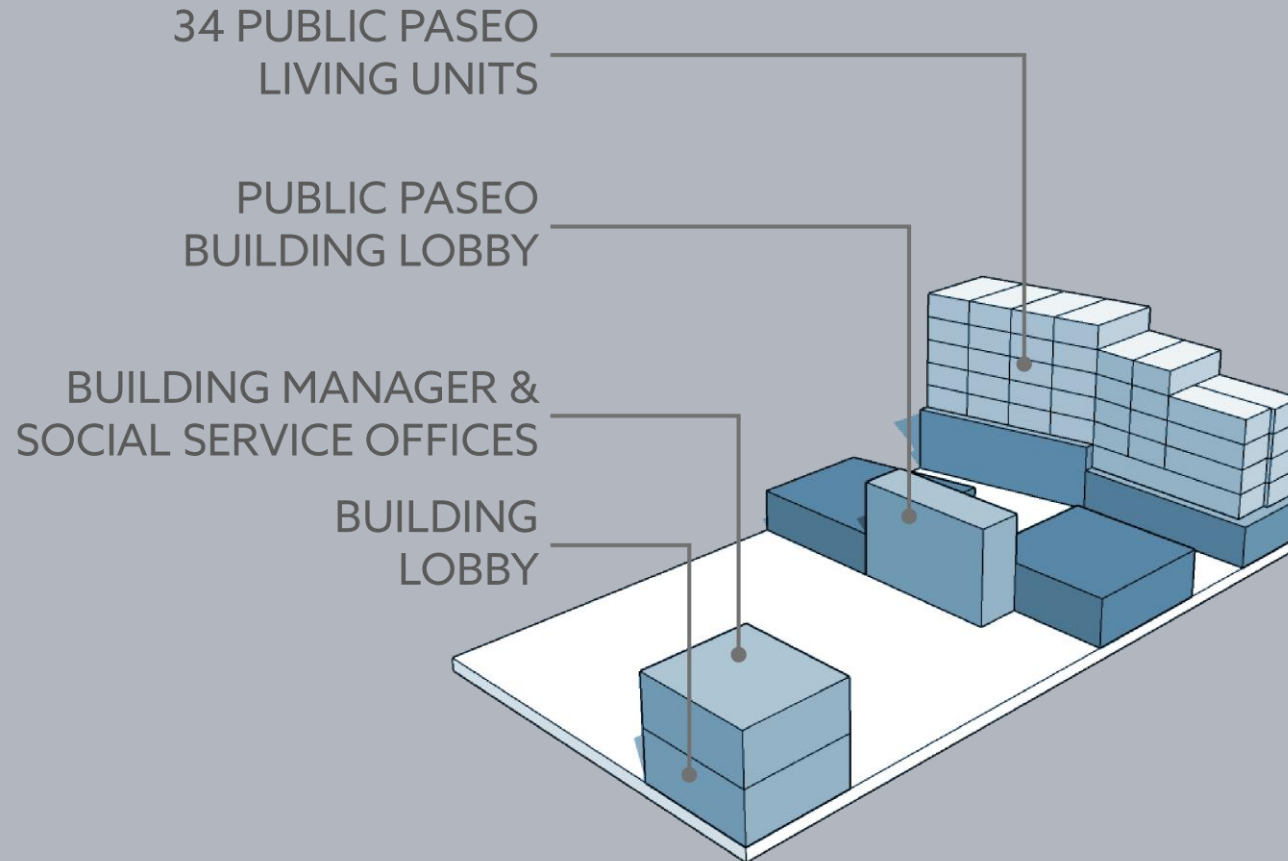
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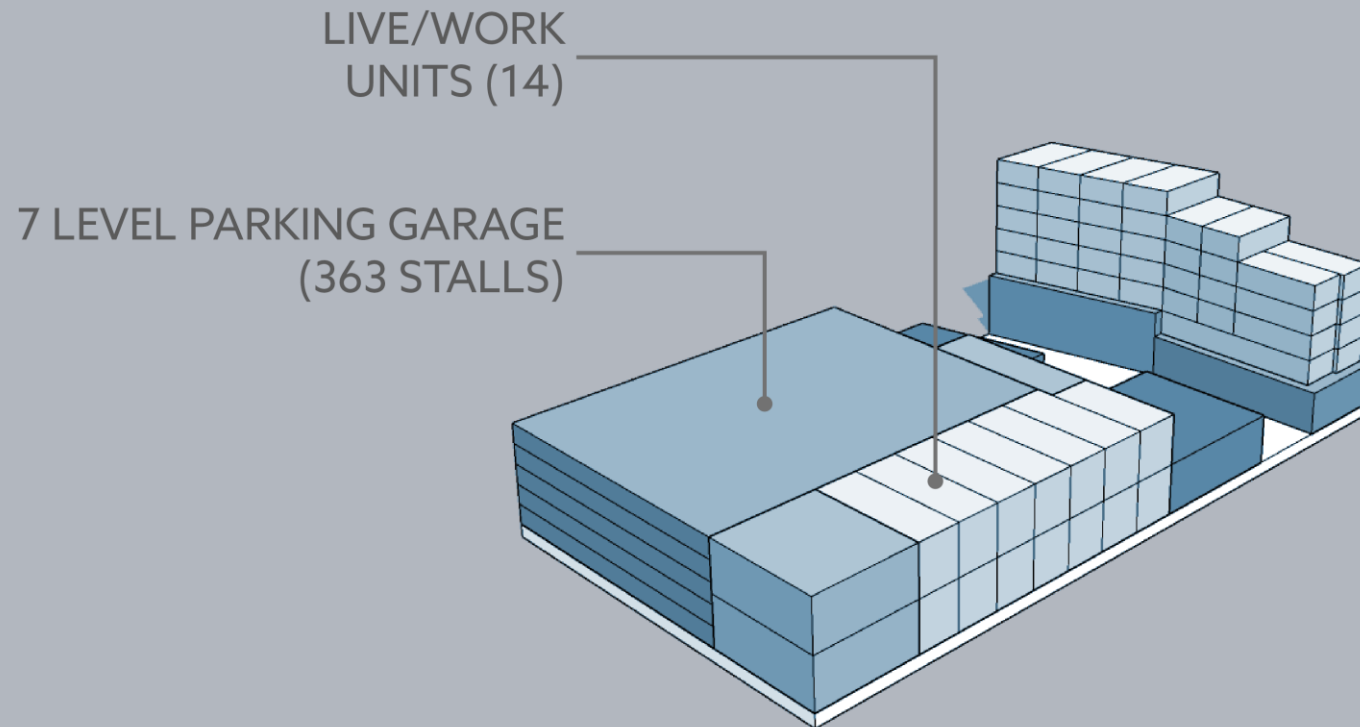
THE MASLO

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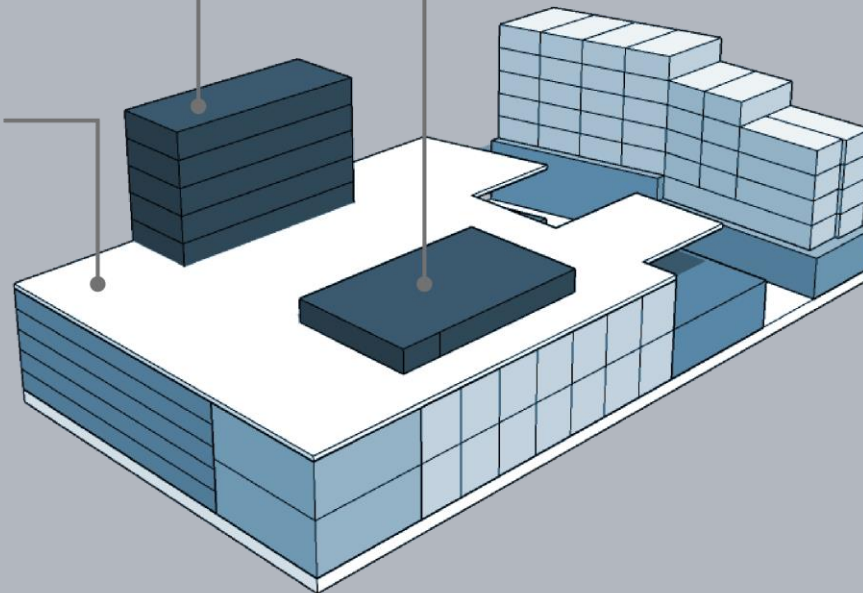
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BLOCKING AND STACKING PROGRAM

RESIDENTIAL FITNESS
AND FLEX SPACE

RESIDENTIAL
UNITS (20)

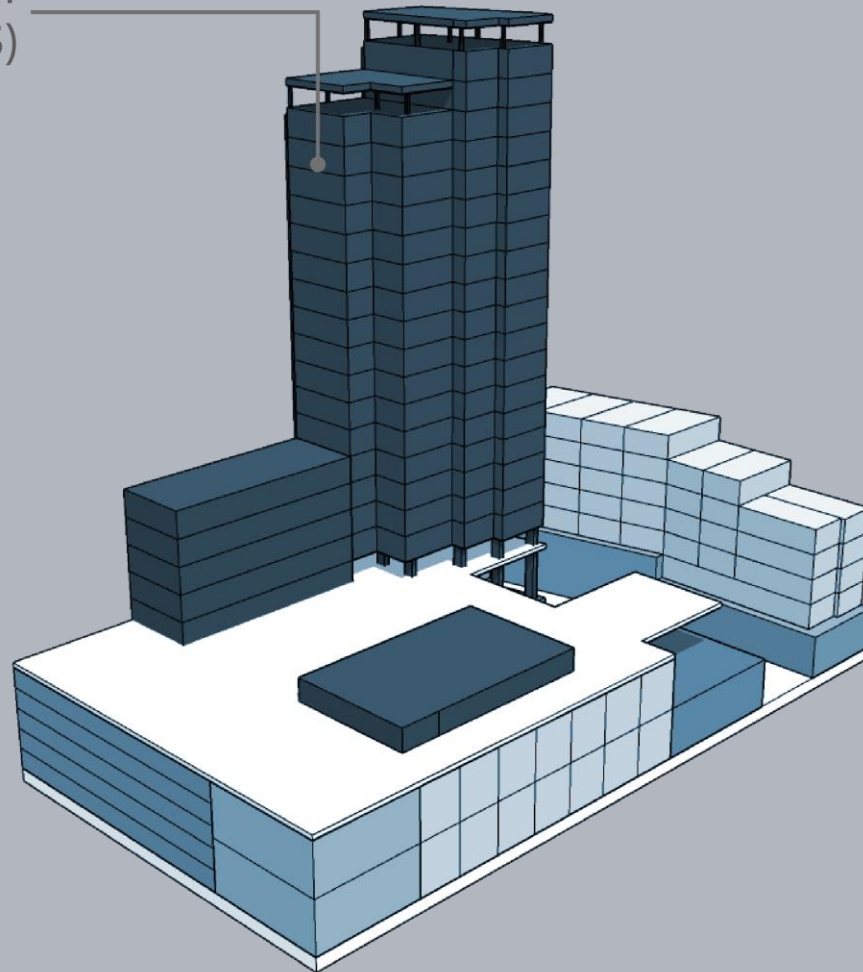
RESIDENT
COURTYARD



THE MASLO

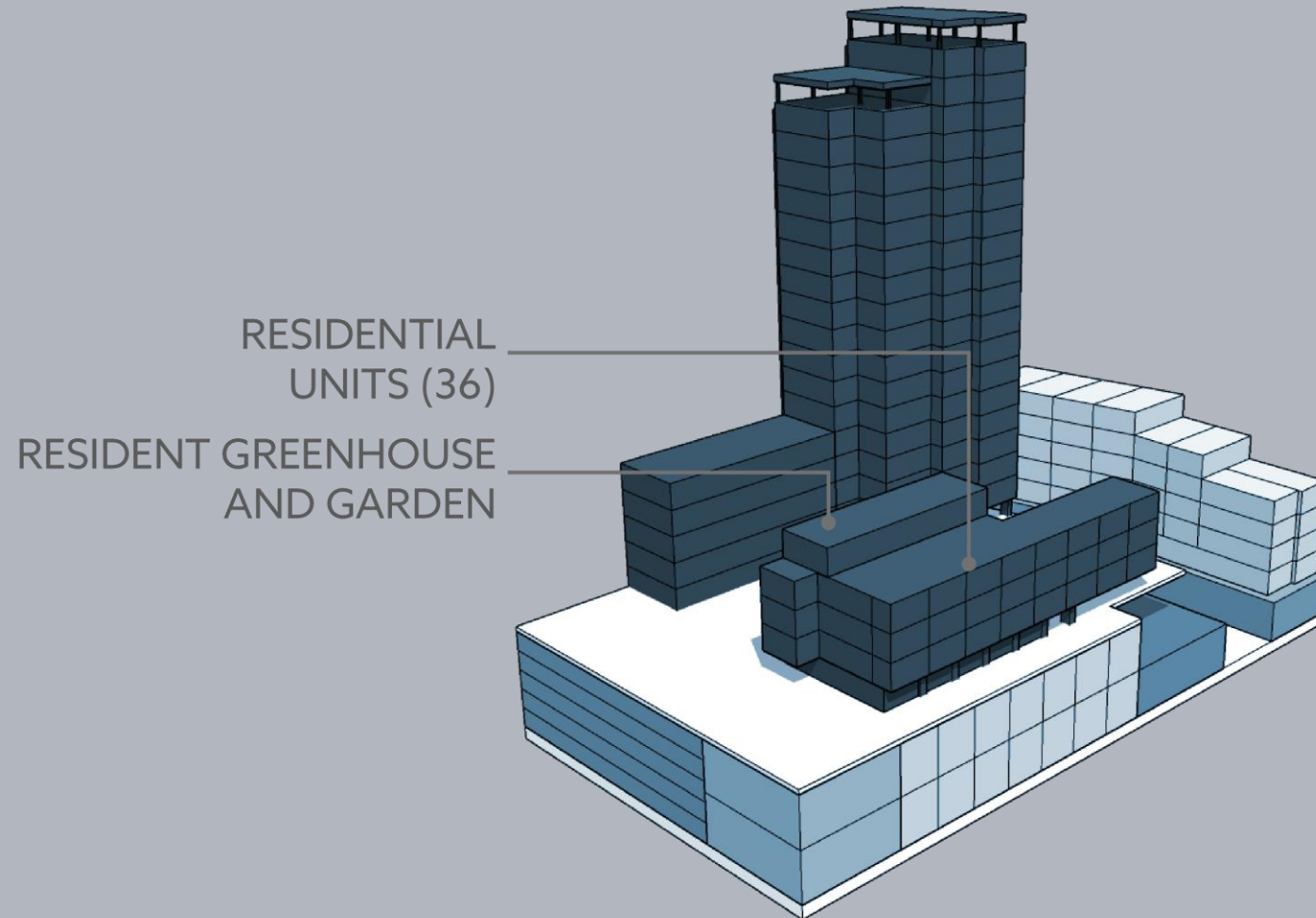
BLOCKING AND STACKING PROGRAM

RESIDENTIAL TOWER 1
(104 UNITS)



THE MASLO

BLOCKING AND STACKING PROGRAM



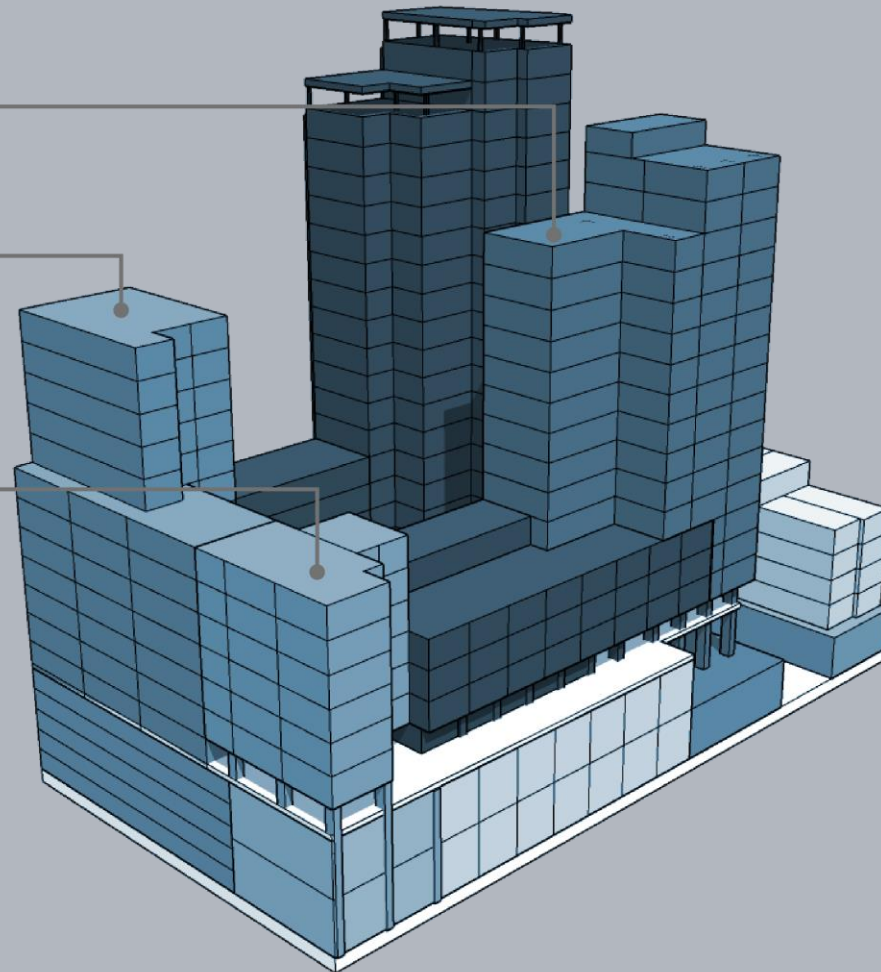
THE MASLO

BLOCKING AND STACKING PROGRAM

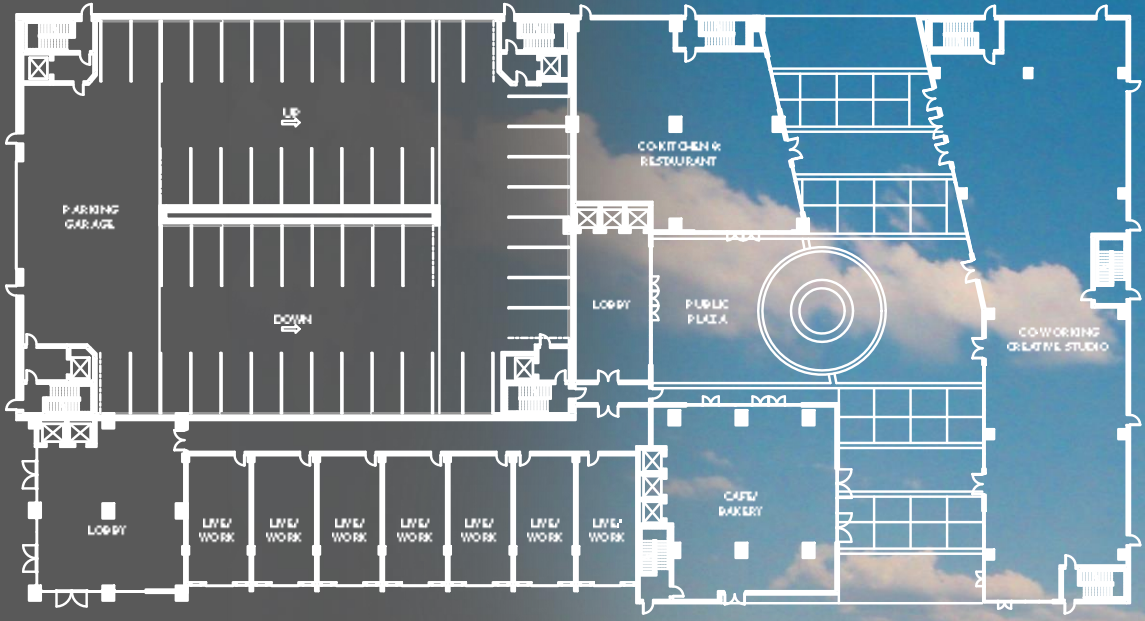
RESIDENTIAL TOWER 2
(102 UNITS)

RESIDENTIAL TOWER 3
(55 UNITS)

RESIDENTIAL TOWER 4
(18 UNITS)

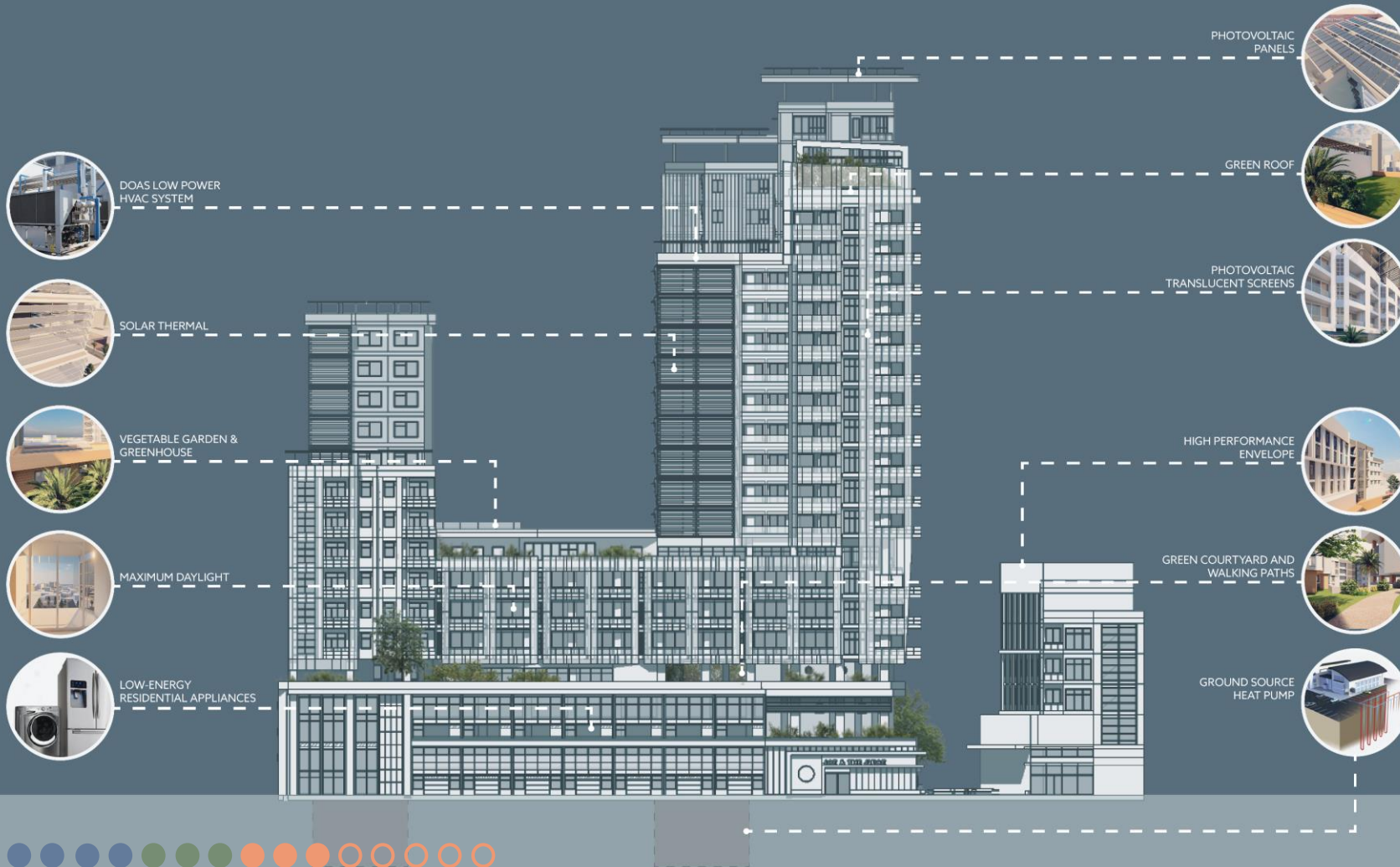


GROUND FLOOR PLAN



THE MASLO

NET-ZERO SYSTEMS







JOE & THE JUICE

JOE & THE JUICE





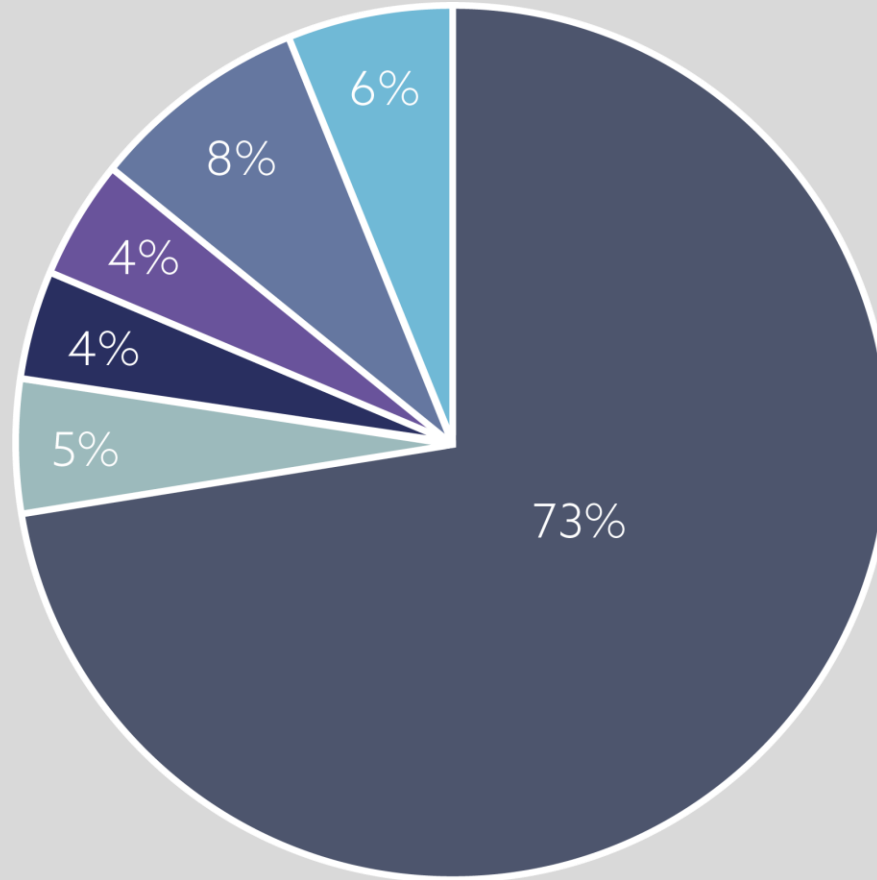
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COST OF DEVELOPMENT

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



CONSTRUCTION
73% \$123,886,797

LAND COSTS
8% \$13,824,773

CONTINGENCY
6% \$10,461,994

CONSULTANTS
5% \$8,466,383

FINANCING
4% \$7,540,936

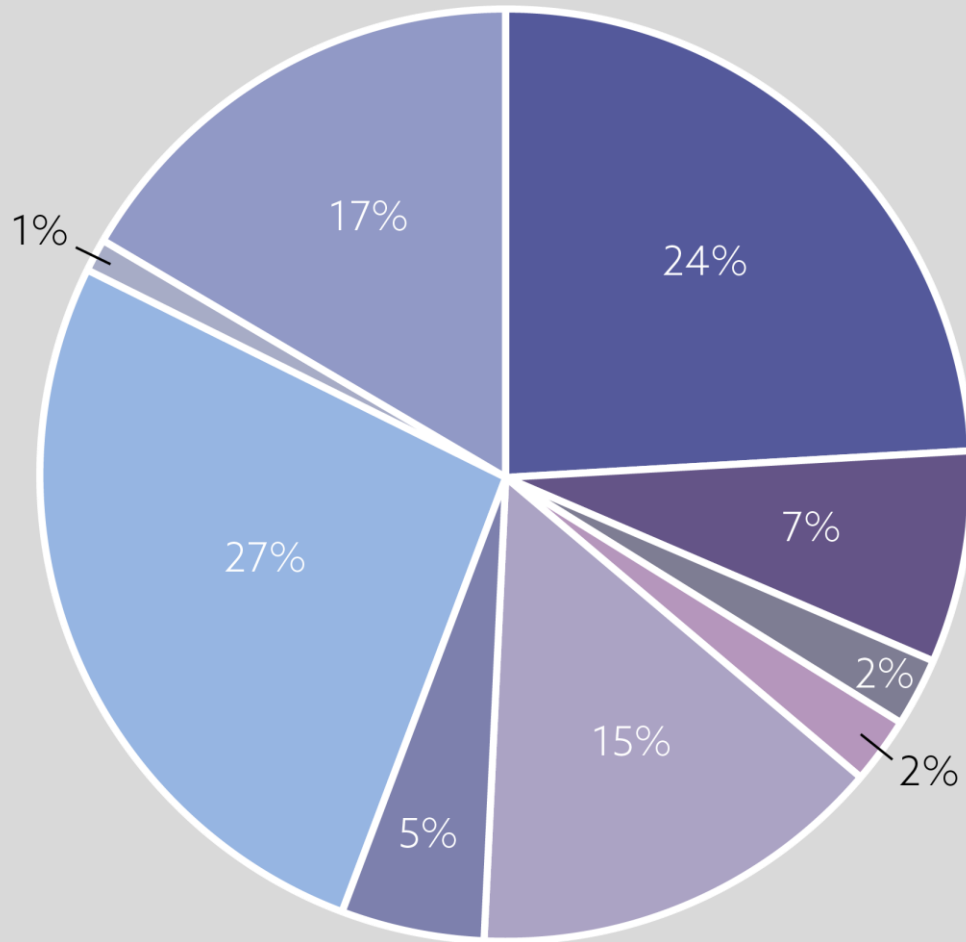
PERMITS & FEES
4% \$6,863,712

TOTAL DEVELOPMENT
\$171,044,595



THE MASLO

GROSS INCOME DISTRIBUTION - YEAR 25



RESIDENT EQUITY FUND
\$3,875,743

DEBT SERVICE
\$3,530,237

INVESTORS RETURN
\$2,418,524

ADMINISTRATIVE
\$2,111,612

TAXES & INSURANCE
\$1,071,809

VACANCY LOSS
\$729,159

OPERATING COSTS
\$346,166

MAINTENANCE
\$334,627

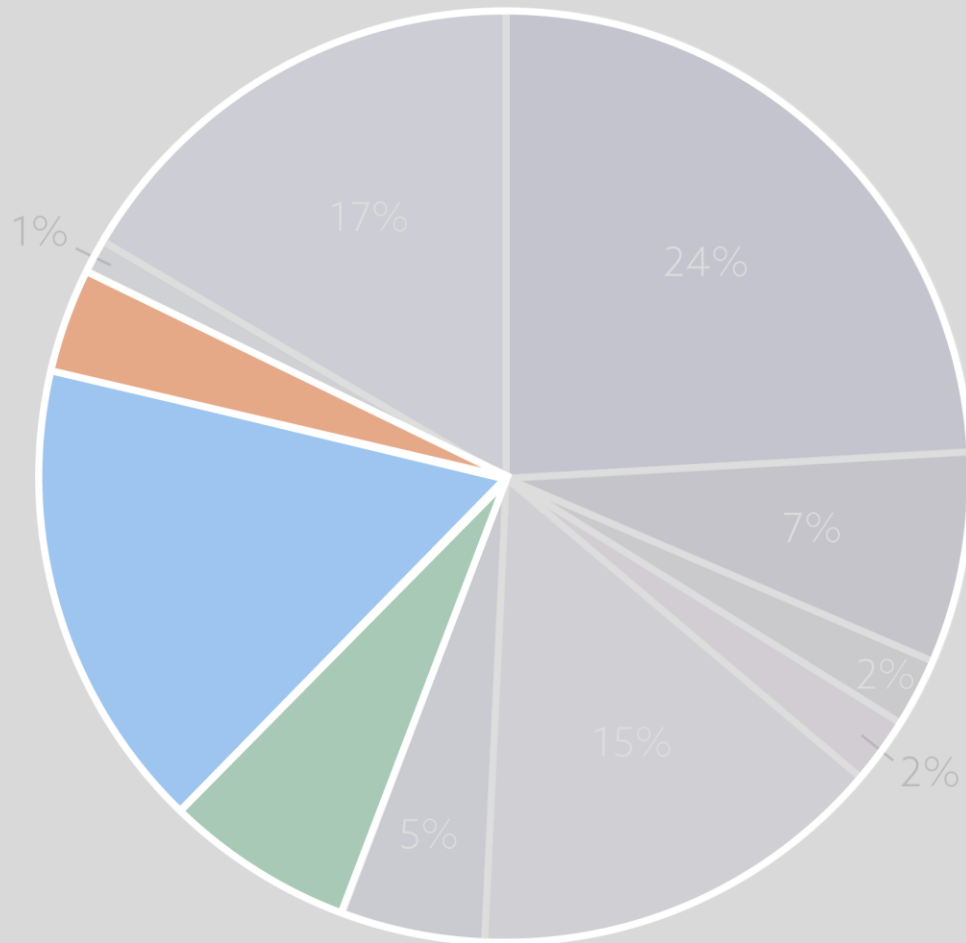
OWNER FEE
\$165,305

TOTAL GROSS INCOME
\$14,583,184



THE MASLO

RESIDENT EQUITY FUND



RESIDENT SAVINGS
77%

IMPROVEMENTS
15%

RESIDENT DIVIDENDS
8%

- 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:

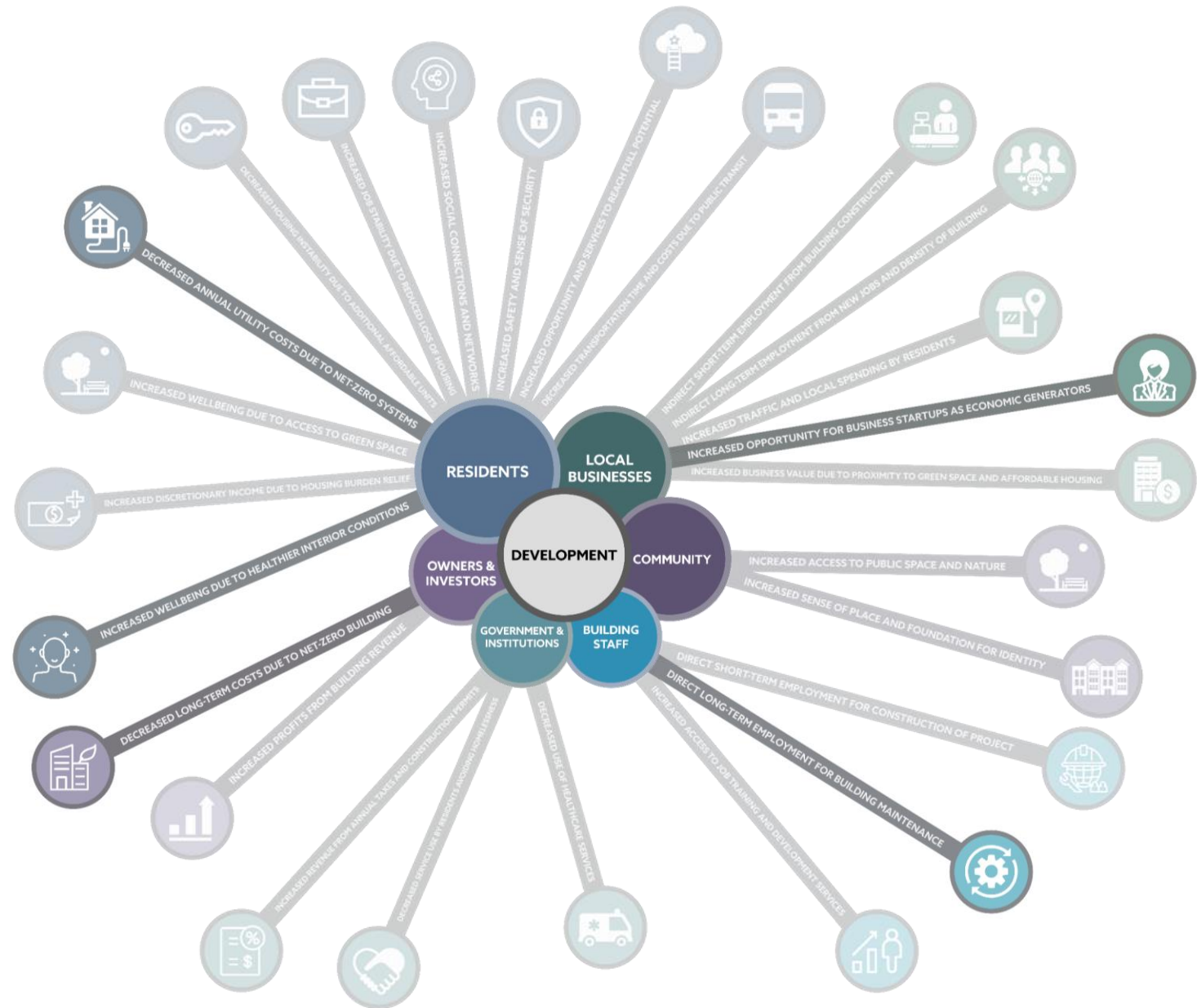
- Increased Opportunity for Business Startups

Building Staff:

- Direct Long-Term Employment for Building Maintenance

Owners & Investors:

- Decreased Long-Term Costs - Net-Zero



RESIDENTS

IMPROVED AIR QUALITY FROM PROPER VENTILATION AND FORMALDEHYDE-FREE MATERIALS



ROOF AND FACADE PHOTOVOLTAIC PANELS PROVIDE 100% OF ELECTRICITY NEEDS



A LARGE GREEN COURTYARD AND SMALL GREEN LOUNGE SPACES ALLOW RESIDENTS TO CONNECT WITH NATURE



60% OF RESIDENTIAL UNITS ARE DESIGNATED FOR MULTIPLE AFFORDABLE HOUSING BRACKETS



RESIDENTS ARE ABLE TO STAY IN THEIR HOUSING DUE TO AFFORDABLE RATES



RESIDENTS HAVE ACCESS TO JOB TRAINING SERVICES ON-SITE ALONG WITH JOB OPPORTUNITIES WITHIN THE BUILDING



RESIDENTS ARE LIKELY TO CONNECT WITHIN COMMUNITY AREAS, CO-WORKING SPACES, AND OPEN GREEN SPACE



RESIDENTS ARE REMOVED FROM THE STREET, HAVE THEIR UNITS SECURED FROM OUTSIDE THREATS, AND ARE NEIGHBORS WITH A MAJOR HOSPITAL



ON-SITE JOB OPPORTUNITIES, TRAINING, AND SOCIAL SERVICES ASSIST RESIDENTS ADVANCE IN, MAINTAIN OR FIND JOBS



A MAJOR PUBLIC TRANSIT HUB IS LOCATED NEXT DOOR AT THE DIGNITY HEALTH HOSPITAL



LOCAL BUSINESSES

THE SIGNIFICANT SIZE OF THE BUILDING WILL REQUIRE MANY TRADESPEOPLE AND CONSTRUCTION CREWS IN THE COMMUNITY



THE INCREASE IN DENSITY IN THE NEIGHBORHOOD WILL REQUIRE OTHER BUSINESSES TO HIRE ADDITIONAL POSITIONS



RESIDENTS OF THE BUILDING WILL LIKELY BECOME PATRONS OF NEARBY BUSINESSES, AND WILL SPEND MORE DUE TO INCREASED DISCRETIONARY INCOME



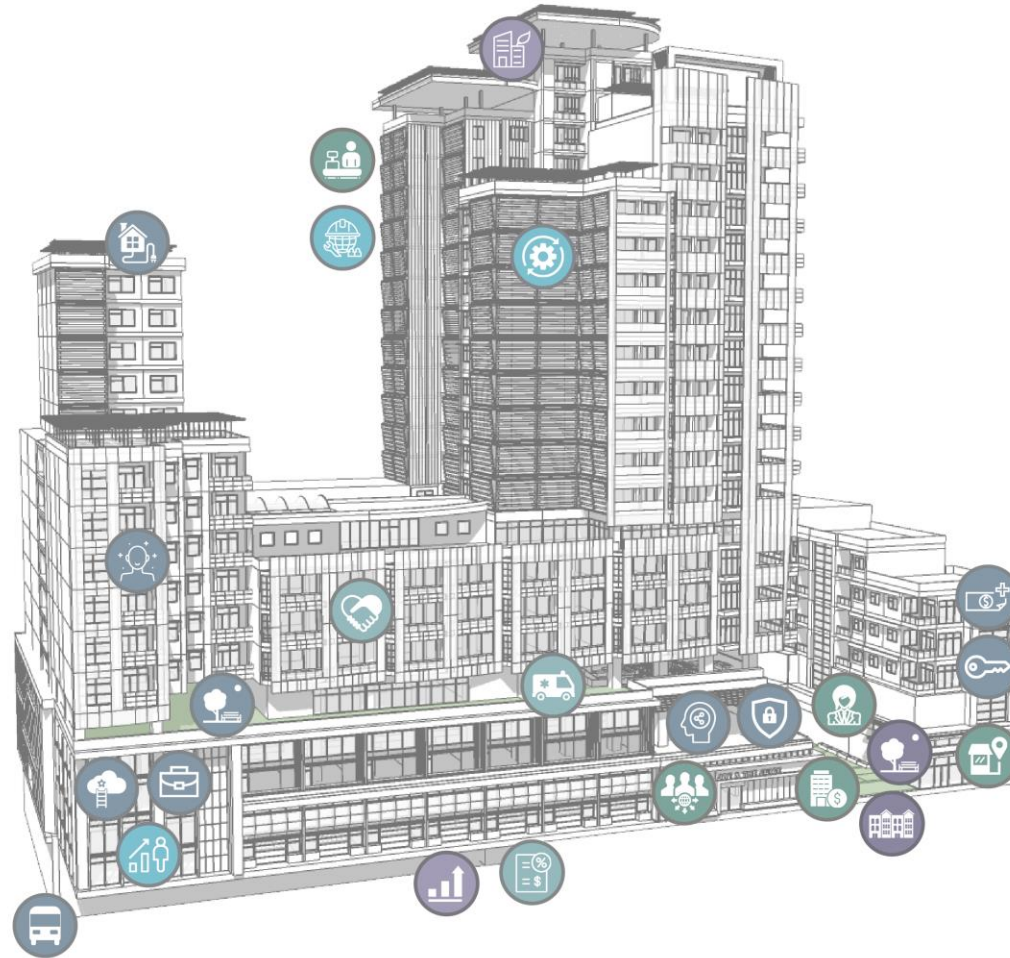
LIVE/WORK UNITS, A CO-KITCHEN AND RESTAURANT, AND CO-CREATIVE STUDIOS ALLOW RESIDENTS TO EXPAND THEIR SMALL BUSINESSES



SURROUNDING BUSINESSES WILL EXPERIENCE INCREASED VALUE AND TRAFFIC BECAUSE OF A NEIGHBORING PUBLIC PLAZA AND GREEN SPACE



DESIGN RESPONSE



COMMUNITY



THE PUBLIC PASEO WILL ALLOW MEMBERS OF THE COMMUNITY TO ACCESS GREEN SPACE AND INCREASE THEIR WELLBEING



THE PUBLIC PASEO AND ENTREPRENEURIAL SPIRIT OF THE BUILDING WILL ATTRIBUTE TO THE IDENTITY OF THE UNDERDEVELOPED SOUTH PARK NEIGHBORHOOD

BUILDING STAFF



CONSTRUCTION OF THE BUILDING WILL PRODUCE JOBS FOR DESIGN, PLANNING, AND MANAGEMENT OF THE PROJECT



MAINTENANCE AND UPKEEP OF NET-ZERO SYSTEMS, RESIDENTIAL UNITS, AND GREEN SPACE WILL REQUIRE MANY ON-SITE JOBS



BUILDING STAFF HAVE ACCESS TO THE TRAINING AND DEVELOPMENT SERVICES TO ENSURE THEY HAVE REQUIRED SKILLS OR KNOWLEDGE

GOVERNMENT/INSTITUTIONS



THE EXPANSIVE ACCESS TO GREEN SPACE IN THE BUILDING AIDS RESIDENT'S OVERALL WELLBEING



THE AVAILABILITY OF AFFORDABLE HOUSING WILL HELP RELIEVE HOMELESS SHELTERS AND OTHER HOUSING SERVICES



THE INCREASE IN PROPERTY VALUE WILL RESULT IN A LARGE INCREASE IN TAX REVENUE EVERY YEAR

OWNERS/INVESTORS



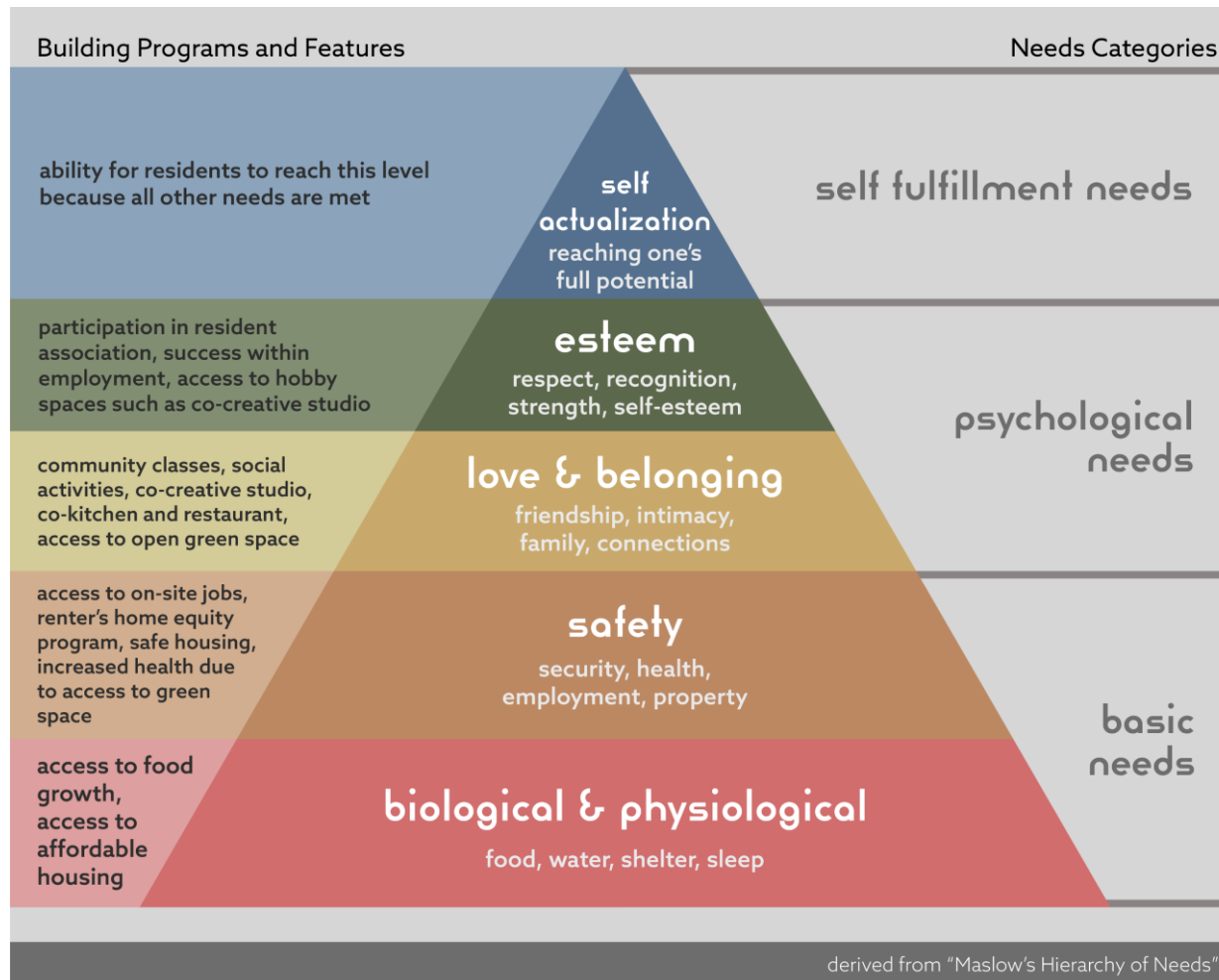
THE OPERATION OF THE BUILDING WILL RESULT IN A RETURN ON INVESTMENT



THE NET-ZERO SYSTEMS OF THE BUILDING WILL CUT ENERGY COSTS SIGNIFICANTLY, RESULTING IN MAJOR ANNUAL SAVINGS

THE MASLO

THE MASLO'S FULFILLMENT OF NEEDS





THANK YOU

QUESTIONS/COMMENTS?

