

INNOVATION BEYOND THE FAÇADE₃



Local and National
Case Studies of
Good Design in
Affordable Housing



EXECUTIVE SUMMARY

Thoughtful design is a critically important tool in our increasingly complex world. Past glossy façade photographs and deeper than matters of style, innovative affordable housing has the ability to create places in which people can thrive. Well-designed affordable housing can also impact people who might never see the building itself—diverse housing stock can address demographic shifts and help create livable metropolitan regions. How might current affordable-housing delivery systems be adapted to better support design innovation? This report examines case studies and conversations that uncover opportunities for supporting design excellence in affordable housing across Minnesota.

Through the late winter and spring of 2010, The McKnight Foundation hosted a series of facilitated conversations that brought local architects, affordable-housing developers, funders, and other key stakeholders together. The forum's focus was on analyzing projects that could translate to supporting high-quality design in affordable housing in the Twin Cities. For this seven-session forum, the focus was on rental projects in urban settings, although a few suburban projects were examined as well.

Minnesota is recognized nationally as a leader in affordable-housing development. The collaborative work of developers, architects, service providers, and funding agencies is admired across the nation for a variety of reasons, from its attentiveness to the needs of specific populations in supportive housing projects to its streamlined SuperRFP process. In no way does the creation of this innovation-focused forum imply that good design is absent in Twin Cities' affordable-housing projects—on the contrary. The starting point for this forum was a desire to build on Minnesota's success in affordable-housing development.

The forum was structured such that at each session, one architect-developer team presented one local example of good design as well as a project located outside of Minnesota. It was up to each presentation team to define "good design" through their project selection. Forum organizers created a standard framework for analysis of the case studies, with topics ranging from development process to sustainability. An hour of facilitated discussion followed the pair of case study presentations at each forum session.

KEY FINDINGS

The fourteen case studies—and the discussions they generated—resulted in five key findings:

- 1. Expectations.** High expectations result in great buildings. Affordable-housing projects have many stakeholders, from future residents to next-door neighbors to the public, broadly understood, to architects, developers, contractors, and city, state, and federal funders. Each of these parties has the ability to move the bar ever higher on design.
- 2. Regulations with Latitude.** Regulatory latitude, when set within the framework of a very clear review process, results in greater design diversity.
- 3. Risk and Reward.** Local architects are doing good work for minimal fees and little recognition. Improving the risk/reward calculus for architects will better allow design to advance and could attract new designers to the field.
- 4. Design Follows Finance.** Case studies demonstrated this in three ways: projects that were able to attract non-traditional funding sources were better able to innovate; funding streams that commit to set-asides for affordable housing propel action and diffuse NIMBY attitudes; and when funders' procurement policies allow integrated teams, a truly iterative process results.
- 5. Emerging Issues.** The forums' discussions have been rooted in the quickly changing context of affordable housing: the foreclosure crisis and economic meltdown, shifting financing, and vast demographic changes. This particular moment provides significant design-related opportunities if adaptive re-use and transit-oriented development are prioritized.

RECOMMENDATIONS

The examination of two tangible examples side by side produced a number of recommendations on ways to support excellence in affordable-housing design in the Twin Cities. The highest priorities of the 14 recommendations the forum produced are:

- 1. Design/Development Review Process.** Bring clarity to the review process to ensure more productive public involvement while balancing neighbors' needs with broad regional expectations and interests.
- 2. Post-Occupancy Examination.** Deepen the field's understanding of how well affordable housing is working for its most important clients—its residents—by making thorough post-occupancy evaluation of built work a standard practice.



NEAR NORTH REHABS, MINNEAPOLIS

Meyer, Scherer & Rockcastle



COLORADO COURT, SANTA MONICA

*Pugh + Scarpa Architects/
Marvin Rand, photographer*

- 3. Architecture Fees.** Open a conversation between Minnesota Housing Finance Agency (MHFA), architects, and affordable housing developers. While in fact MHFA allows negotiation on fees for most projects, in practice the published fee schedule sets low fee expectations.
- 4. Affordable-Housing or Community Design Award.** Boost recognition of design excellence in affordable housing and reward local architects and neighborhoods for their efforts by sponsoring affordable-housing awards in conjunction with AIA Minnesota or another existing award venue.
- 5. Mixed-Use Incentive Fund.** Explore ways to financially support the non-residential portions of mixed-use projects to reduce financial risks and provide a lasting contribution to neighborhood vitality.
- 6. Transit Corridor Design Districts.** Test the effectiveness of the recommendations in this report and explore new ways to support innovation in design through the creation of transit corridor design districts.

Some of the forum's recommendations, such as creating a community-based design award, would be fairly easily implemented. Others, such as changing regional expectations regarding design, would require iterative changes and focused effort over time. All recommendations include action items that require collaboration between many organizations, cities, and the state.

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STAKEHOLDER EXPECTATIONS

Without exception, every case study illustrates that many stakeholders touch a project during the process of creating affordable housing. Proactively considering the expectations, involvement, and needs of the various audiences can lead to a better process and a more effective end project.

THE PUBLIC

Case study after case study demonstrated that public expectations play an important role in determining the diversity and quality of design in affordable housing. Regional perceptions and expectations—as intangible and difficult to define though they might be—profoundly affect the built work. When the public understands affordable housing as a community asset, design diversity rises. When the public expects durable, high-quality design, the quality of affordable housing rises. The case of the Richard L. Harris building in Portland demonstrates the public’s power to determine built outcomes: public expectations related to design were high enough to cause the project’s developer to let their original architect go and hire another design firm. The completed project is now beloved in the neighborhood. In fact, the project architect credits the excellent design of the building itself with working to increase public support for affordable and supportive housing in Portland.

CASE STUDY:

Public Involvement

PROJECTS: RICHARD L. HARRIS BUILDING & ALLIANCE ADDITION

The case studies of the Richard L. Harris Building and the Alliance Addition provide two examples of effective public involvement in project development.

The Richard L. Harris Building in Portland, a purpose-built supportive housing for individuals going through or recently graduated from chemical dependency treatment, received public input through Portland’s tightly structured design review process. Projects that qualify for a ‘Type 1’ process go through design review by a panel of professional designers that are appointed by the City Council. Architects in Portland point to the review process as an effective way to improve on marginal design work, though they emphasize that design review boards must be staffed by talented individuals if design quality is to be ensured.

At the Alliance Addition in Minneapolis, the neighborhood’s clear vision of its future and sophisticated understanding of the public’s role in the development process ensured that neighbors’ input contributed to the betterment of the project. There were four important components of the Eliot Park Neighborhood, Inc’s (‘EPNI’) process:

1. EPNI helped residents and business owners articulate a clear vision for their neighborhood and its future, and documented this vision through a master plan and design guidelines for developers. Having these documents at the start of the design process clearly laid out the neighborhood’s priorities and offered a starting point for the Alliance Addition’s team.
2. EPNI’s vision included affordable housing as an important neighborhood asset. Having had this discussion well before any development proposals were on the table allowed the neighborhood group to address the Alliance Addition proposal in a sophisticated way, and didn’t waste anyone’s energy on NIMBYism.



RICHARD L. HARRIS BUILDING, PORTLAND

SERA Architects/Michael Mathers, photographer



ALLIANCE ADDITION, MINNEAPOLIS

Cermak Rhoades Architects

3. EPNI established a specific process for handling development proposals: the neighborhood appointed a committee to follow each proposal through the neighborhood process so that a small group of neighbors gained a deeper understanding of the project. When the project came before the full board, there were fewer surprises.

4. EPNI acted as a watchdog for safe and vibrant streets. Much of the public discussion focused on ensuring that 17th Street didn't become the Addition's 'back door.' Cermak Rhoades Architects placed front doors along 17th to activate the street. Since then, EPNI has created a coalition of neighborhood organizations and hired a local landscape architecture firm to conduct charrettes to continue improving 17th Street.

While the intensity of neighborhood involvement typical in projects in Minneapolis can seem a barrier to good design, the Alliance Addition is an excellent example of how structured collaboration with the public can lead to improvements that expand beyond the building site.

When the public understands affordable housing as a community asset, design diversity rises.

Regional expectations extend, too, to matters of style. Case studies revealed that most local projects' design goal was to 'blend into the neighborhood,' even when varied building scales or stylistically mixed neighborhoods made that difficult or impossible. Lincoln Place in Eagan and the St. Anthony Mills Apartments in Minneapolis are both very thoughtfully designed examples of a modest Midwestern approach. By contrast, in Portland, San Francisco, and other cities, the general expectation is that new buildings will be thoughtfully planned and carefully detailed; whether or not the building intends to stand out from its neighbors varies from project to project—some choose to be "textural" buildings while others intend for the building to stand out. This vastly different regional approach generated very interesting discussion over the course of the forum sessions. Many forum participants believe that the typical Twin Cities' approach—to build attractive but visually restrained affordable housing—is the best one. This way, the thinking goes, residents of affordable housing will not feel singled out from their neighbors. Others thought that affordable-housing residents would be served equally well in buildings that aren't afraid to be bold. In either case, the discussion is an important one, as regional expectations often drive written design guidelines and administrative processes that either allow for new design approaches or shut down avenues to innovation.

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THE NEIGHBORHOOD

Case study projects demonstrated the degree to which neighborhood input on project design varied across the country. Printers' Square, an adaptive reuse of a former printing complex in Baltimore, received virtually no public input, despite the fact that the project included the permanent closure of a public street. In Chicago, too, neighborhood involvement during project development was minimal. Wentworth Commons, a supportive housing project, was championed by the district's Alderman, and what little public discussion there was during the development process was facilitated by the Alderman rather than the project team. Portland is at the other end of the spectrum; the Resource Access Center, a project that includes supportive housing, a shelter, and daytime services for homeless, had an intensive public charrette process that resulted in highly developed and proactive goals for the project. Likewise, the Richard L. Harris Building demonstrates the very positive impact that a neighborhood with high design expectations can have on the built outcome (see case study).

Almost all of the Minneapolis and St. Paul projects engaged more frequently with neighbors and neighborhood organizations during project design and development than projects located elsewhere (Portland excepted). However, more neighborhood involvement isn't always for the betterment of the project: local examples revealed that the neighborhood approval process was often one of appeasement, where the development team made concessions related to the design in order to obtain approval for the affordable-housing program. The process is typically very open-ended, with architect-developer teams reporting that obtaining neighborhood approval can take dozens of meetings over the course of years. The process is further frustrated by the fact that neighborhood residents can come and go, offering little continuity in the conversation. The net effect in these cases was to steer building design toward blandness instead of supporting design innovation. In other cases, when the process had a clear structure and neighbors' understanding of the power of good design was deep, neighbors have worked alongside development teams to arrive at effective and innovative building designs. The Alliance Addition in Minneapolis' Elliot Park is a great local example of effective public involvement (see case study).

FUNDERS

Public and private funders' high expectations can lead to great strides forward in terms of buildings' sustainability and durability. Case studies from Oregon and California, in particular, reveal an advanced understanding of the importance of considering a proposal's life-cycle cost rather than looking exclusively at first costs.

Colorado Court, the nation's first LEED-certified affordable-housing project, invested in single-loaded corridors for natural ventilation, highly efficient integrated water and space heating equipment, and solar panels to reduce operating costs. The Richard L. Harris building is constructed of durable concrete rather than wood-frame, which allows for interior reconfiguration over the life of the building. The project's stated goal was to create a "100-year building." Locally, the Alliance Addition project has introduced the idea of investing for the very long term, but forum participants emphasized that local funders' perspectives have not fully embraced the idea of optimizing life-cycle costs (despite higher first costs). Local projects that attempt a very high level of sustainability can face resistance because the construction cost might appear extravagant.

PROJECT TEAMS

To see innovative design through to the end, projects need champions for design excellence. On projects here and across the country, both the architects and developers spent much more time than they were paid on virtually all projects studied. The St. Anthony Mills Apartments development team especially emphasized this, noting that the project's diverse clientele and highly visible location on busy Washington Avenue in Minneapolis kept the team committed to a very high standard.

A development team that includes design, construction, finance, and social service expertise and works together from project inception is another way to support innovative design. For example, Touchstone Mental Health initiated the supportive housing project and worked with the developer and architect from the beginning. Touchstone did extensive research on attributes of supportive environments for the population to be served and that research is being carried out in the design of the structure. Likewise, the general contractor can be an important member of the project team when involved early in the design process, providing real-time construction-cost estimates throughout the design process.

CASE STUDY:

Programmatic Fit

PROJECTS: TOUCHSTONE SUPPORTIVE HOUSING & WENTWORTH COMMONS

Because uses within the building are more highly varied, and because more tends to be known about the future residents, supportive housing projects offer the opportunity to tailor building design very specifically to future residents' needs. Touchstone Supportive Housing, currently under development in Minneapolis, and Wentworth Commons in Chicago each approached building fit quite differently.

At Wentworth Commons, half of the resident population is formerly homeless. The remaining units are rented to low-income households that are not necessarily formerly homeless but still benefit from on-site services. Unit sizes range from studios to three-bedroom apartments, and the unit types are thoroughly mixed on each floor. As is overwhelmingly the case in affordable-housing projects, the developer's understanding of what has worked well in the past largely shaped the interior experience of the building.

Whereas Wentworth Commons was based on the refinement of existing housing models, the Touchstone project has sought to take an entirely new approach to providing stable housing for those with serious and persistent mental illness. The development team's innovative approach has been research-based and informed by three distinct workgroups: a workgroup of mental-health professionals; a design and development workgroup that includes the project's architect, developer, and project sponsors; and a group of approximately 150 of Touchstone's current clients who represent the building's future resident population.

This research led Touchstone to create a matrix of design elements, each of which had to be addressed in order to meet the project's goals of supporting mental health and minimizing episodes of hospitalization. The matrix was intended to provide a very objective set of criteria on which the design could be based, and has proved invaluable to the team's decision making as the design process has progressed. For example, since many mentally ill individuals often need assistance with socializing and integrating into a community, the 40-unit project includes a variety of social spaces throughout the building, as well as a health and wellness center that will be open to both resident and non-resident mentally ill individuals.



TOUCHSTONE SUPPORTIVE HOUSING, MINNEAPOLIS

Urban Works Architecture



WENTWORTH COMMONS, CHICAGO

Harley Ellis Devereaux/Anthony May, photographer

Collaboration with affordable-housing residents has the potential to increase the fit and effectiveness of affordable housing.

RESIDENT OCCUPANTS

In most cases, affordable housing is built “on spec” with a wide range of future occupants in mind. However, the case studies revealed a few examples in which future occupants were able to provide input during the building’s design phase. The Touchstone project provides an excellent model: project development has included consultations with their current clients—potential future residents—as part of their research (see case study).

Typically, the existing affordable-housing development process, both locally and nationally, lacks a systematic method of obtaining input from residents before or after projects are built. In many cases, this happens casually through property management’s reports. However, there is no uniformity to the questions asked, nor is there a method of disseminating the information publicly to improve future projects. Collaboration with future residents has the potential to increase the fit and effectiveness of affordable housing; systematic post-occupancy evaluation can contribute as well by helping the affordable-housing industry better understand how well it is working for current occupants.

RECOMMENDATIONS

Change the Communication—Diverse Housing Builds Livable Communities

Too often the industry communicates the value of affordable housing itself but fails to follow through to express the broad benefits of a diverse housing stock on regional sustainability, on neighborhood reinvestment, on providing jobs, and on bringing investment and vitality to streets and sidewalks. When affordable housing is understood as an important component of every community, and individual projects do not face NIMBY reactions from neighbors, public discussion of development proposals can contribute to the betterment of each project and each project can better contribute to the fabric of the neighborhood.

Promote Life-Cycle Cost vs. First Cost

Increase the practice of life-cycle cost analysis to reduce building resource use over a building’s lifetime and raise local expectations regarding building durability.

Conduct Systematic Post-Occupancy Evaluations

Especially for projects in which the building design is highly tailored to occupants’ needs—such as supportive housing projects—thorough follow-up is warranted. Obtaining input from building residents after projects are complete could create a feedback loop by which future projects are improved. Further, post-occupancy studies could be coupled with the building resource usage tracking that is becoming increasingly common in high-performance projects. MHEA is ideally poised to set goals for post-occupancy study and serve both as a conduit for funding and a clearinghouse where knowledge can be shared and incorporated into future projects. Formally polling even a small percentage of building residents in affordable housing would be a substantial improvement over the current state of affairs in which no uniform method of obtaining and disseminating information exists.

REGULATORY LATITUDE

The case studies revealed that greater innovation occurred when project teams were allowed latitude within regulations, codes, and review processes. Greater design diversity and better outcomes were achieved when each project was allowed to consider its unique needs and then determine the best approach to achieve its goals.

PARKING

The matter of parking aptly demonstrates successful regulatory latitude. Projects all across the country sought to minimize the number of parking spaces provided, for the simple reason that avoiding the cost of building parking means that those funds can go into spaces or programs that serve people. Case study projects evidenced a number of innovative parking solutions. The St. Anthony Mills Apartments structure wraps around a shared municipal parking ramp that is open to the public and serves building residents as well. The 8th & Howard building in San Francisco provides parking spaces for a car-sharing program rather than private spaces for residents' vehicles. In some cases, such as at the Alliance Addition in Minneapolis, the project team won a variance to reduce off-street parking to zero. Zoning boards, both locally and out of state, tend to offer affordable-housing projects a great deal of latitude with regard to parking; creative solutions result.

CODES AND GUIDELINES

The difference in outcomes between 'prescriptive' and 'descriptive' codes and guidelines is another example of regulatory flexibility resulting in greater design diversity. Prescriptive models often represent a defensive way of thinking—simply a way to avoid repeating past mistakes. They tend to be formula- or checklist-based. Descriptive models, on the other hand, actively define a vision of where the community wants to be in the future and are often backed up by a clearly-defined design review process. (The sharp contrast between the two models is described further in the Prescriptive vs. Descriptive Zoning Codes case study.) Forum participants emphasized the profound impact these two types of codes or guidelines have on projects. One architect commented that “if we want innovation, we can't start with prescriptive zoning models.”

REVIEW PROCESS

Various models exist for effective design review processes. Portland's centralized model, in which members of the design review board are appointed by city government and review projects at large all across the city, is one example. After the forums, research uncovered an additional neighborhood-based design review process in Seattle. There, individual neighborhood boards review projects at three stages during the design process. Review is based on pre-established guidelines for each neighborhood and is undertaken by a 5-member panel with a very specific makeup. The review panel understands the process as well as the panel's scope. Certain matters, such as parking and traffic, are understood as environmental, not design issues, and, thus, are not reviewed by the panel. The existing process for zoning approval in the Twin Cities includes review by neighborhoods, planning staff, the zoning board, and often the city council. As discussed above, the process is often intense without much benefit to neighborhoods or to projects.

UNIT SIZE

Greater latitude with respect to minimum unit sizes might also allow for greater design diversity in 'Twin Cities' affordable-housing stock. The square footage of the units in many of the projects in other cities was much smaller than what is built in Minnesota. For example, studio apartments in the Richard L. Harris Building in Portland are 225 square feet; apartments intended as permanent supportive housing at the Alliance Addition average 400 square feet. The minimum unit-size in Minneapolis is 350 square feet.

CASE STUDY:

Prescriptive vs. Descriptive Zoning Codes

PROJECTS: LINCOLN PLACE & RESOURCE ACCESS CENTER

The comparison of two supportive housing projects, Lincoln Place in Eagan, Minnesota and the Resource Access Center in Portland, highlighted the impact of regulatory flexibility on building design.

Two sets of rules governed the design of Lincoln Place: the Eagan zoning code and the Cedar Grove redevelopment district overlay. Both sets of rules were prescriptive in nature and dictated everything from building setbacks to exterior materials. For example, Lincoln Place was required to be clad in a certain percentage of either brick or stone, and the rest of the building had to have lap siding. Other typical exterior materials such as metal panels were simply not allowed. The net effect of prescriptive regulations is a very narrow range of aesthetic variation across the buildings located in that district.

At the other end of the regulatory spectrum is the Resource Access Center (RAC). Located in Portland's Pearl District, the RAC is governed both by Portland zoning code as well as three tiers of design guidelines. While this many layers of regulation could be stifling to the project's designers, the guidelines were crafted to work together, and all of them take the descriptive approach. An example guideline is "Provide a distinct sense of entry and exit." At the RAC, an open central courtyard serves as the threshold between indoors and the street. Building designers were given freedom to achieve pre-established goals through design innovation, and compliance with the guidelines was ensured by routing development proposals through a design review process. The visual effect of descriptive regulations was a wide range of variation in building massing and style throughout the neighborhood.



LINCOLN PLACE, EAGAN, MINNESOTA

LHB Corp/Kim Bretheim, photographer



RESOURCE ACCESS CENTER, PORTLAND

Holst Architecture

Descriptive models actively define a vision of where the community wants to be in the future and are backed up by a clearly-defined design review process.

One hundred square feet or more multiplied by hundreds of units adds up quickly. Unit size ties into matters of sustainability—smaller apartments mean fewer resources required to build and maintain—as well as demographics—demographers predict that the largest growth in the next decade in the Twin Cities will come in the form of one-person households. Architects and other forum participants voiced their interest in continuing to investigate this issue.

RECOMMENDATIONS

Develop Descriptive vs. Prescriptive Zoning Codes and District Guidelines

Creators of district guidelines should be encouraged to develop descriptive, vision-based codes rather than prescriptive checklist-style approaches. Though changing the very model of zoning code represents an extremely large commitment on the part of cities, municipalities should consider this alternative type of code during their next zoning code revision cycle. One immediate opportunity is for cities to use transit corridors to implement more descriptive code or other innovations in overlay districts or as code is necessarily changed for transit-oriented development opportunities.

Examine Neighborhood Review Processes

Participants in the forum identified key characteristics of an effective review process:

- Review of each project is based on pre-established and endorsed-by-the-public vision for the district or neighborhood.
- Steps and roles in the review process are clear to both the development team and the public.
- All parties understand what is on the table for discussion and what is off.

Neighborhoods in Minneapolis and St. Paul have sometimes been able to organize effective review processes themselves (see the Public Involvement case study) but in other cases project review devolves into NIMBYism.

Forum participants recommend that the existing neighborhood review process in Minneapolis and St. Paul be reexamined in light of these findings. Two specific suggestions are on the table:

1. Offer support to all neighborhood groups to better understand affordable housing as an important component of any healthy neighborhood and to assist them in creating development guidelines and a clear review process. If neighborhoods are well prepared in advance of specific development proposals, the level of discussion will be raised, and good design stands a much better chance.
2. Create a flexible, descriptive zoning code coupled with new municipal-level or corridor-based design review processes. There are two important components of this suggestion: descriptive, not prescriptive, zoning codes and overlay guidelines must be in place. The descriptive code is then further interpreted on a project-by-project basis by a design review committee. It is vitally important, emphasized forum participants, that the design review committee be staffed by thoughtful and talented professionals, lest the design review itself serve to stifle creativity and innovation.

Study Minimum Unit Size

What is the appropriate minimum unit size for Minnesota that will allow for long-term livability? Given the increasing relevance of this issue, focused research into this topic is warranted.

RISK AND REWARD

Architects working in affordable housing in Minnesota assume a great deal of risk and are offered low reward, both in terms of financial compensation for their work and in terms of the work's prestige. Recommendations that arose out of the forums include ways to address both the "risk" and the "reward" sides of this equation.

LOW FEES

Architects working in Minnesota's affordable-housing field face low fees and rising costs. Because nearly all affordable-housing projects in the state engage at some point in Minnesota Housing's SuperRFP process, the guidelines established by MHFA set expectations for fees locally. In fact, MHFA allows architects and developers to negotiate fees for all large or complex projects. In practice, the published schedule sets the tone for the negotiation. A study undertaken after the forums revealed that compared to the seven other state housing finance agencies that have published guidelines for architecture fees, Minnesota's is the lowest—a hypothetical \$5.6 million dollar project would generate a 3.8% fee in Minnesota, versus a 10% fee at the top of the range in New York state. Further, the expectation in Minnesota is that the architect's fee will cover all consultants' fees as well as participation in a public process that is very extensive in comparison to other states. Increasing project complexity causes consultants' fees to rise, further squeezing architects' fees. Though Minnesota Housing allows deviation from the fee schedule for large or complex projects, many developers continue to expect that all projects can be delivered for the scheduled fee.

FRONT-LOADED FINANCIAL RISK

In addition to low fees, architects are often asked to bear financial risk over the long term of a typical project's development. In many cases, architects undertake feasibility studies and conceptual designs for free. There is typically little time to develop highly nuanced concepts. If the project is never funded, architects are never paid for this early design work. On the other hand, if a project is funded, the project team must work against quickly done conceptual designs, which form the basis of the project moving forward, and to which project teams are held throughout the process. Little to no fee paid to architects in the early stages of a project's development discourages innovative design.

LIMITED EXPLORATION

The case studies examined through the forums indicate that local architects that specialize in affordable housing are clearly able to do a lot with a little. However, the particular combination of high risk, low reward is an incentive for re-using proven but historic ideas—from unit plans to construction details to exterior materials—in project after project. High risk and low reward often prevent affordable-housing architects from leading major advances in sustainable design. Further, they prevent the area of affordable-housing practice from attracting new practitioners.

FEW ACCOLADES

Case studies presented throughout the forums revealed that while projects in other states have garnered their share of architecture awards, local affordable-housing projects tended to not receive awards. Awards are an important part of an architecture firm's marketing effort. Increasing this part of the 'reward' for architects' efforts would not only raise the visibility of individual architectural firms in affordable-housing practice, it could raise the profile of affordable housing locally and help to attract new practitioners to the field.

High risk and low reward often prevent affordable-housing architects from leading major advances in sustainable design.

RECOMMENDATIONS

Allow for Architecture Fee Flexibility

Forum participants strongly encouraged communication and collaboration between local architects, developers, and Minnesota Housing on this issue. The top priority recommendation is to eliminate the fee schedule altogether, following the lead of the majority of state housing finance agencies. Other solutions might include raising the fees posted on MHFA's schedule, providing a published fee range or adopting a tiered approach, and/or communicating clearly to developers that complex projects require significantly greater investments in terms of design and need not follow the published fee guidelines.

Establish a Feasibility Study Fund

Address the current high-risk, low-reward climate for architects by reducing risk up front; create an easily accessed pool of funds that developers could access to pay architects in the initial project phase. Because of the risk that the project may never be built, this may be easier for a private entity to fund than a public one. In either case, a feasibility study fund would offset architects' risk and provide more thoughtful feasibility studies and more innovative conceptual designs.

Create Affordable-Housing Design Awards

Encourage high quality design in affordable housing by creating an award specifically for this project type. Criteria for the award could include: the degree to which the project addresses changing housing needs; exemplary community engagement and partner process; innovative financing; and/or cost-constrained but exemplary design solutions.

Local foundations, cities, or the state could team up with the Minnesota AIA or the University of Minnesota College of Design to create the award, or, alternatively, awards could be created for community developers and architects. The latter could be modeled on the Chicago Neighborhood Development Awards and the Richard H. Driehaus Foundation Awards for Architectural Excellence in Community Design. The three of the four Chicago awards go to community development organizations, and the fourth, the Driehaus award, goes to an architecture firm (visit: www.lisc-cnda.org/home.aspx).

CASE STUDY:

Architecture Fees

PROJECTS: LINCOLN PLACE & RESOURCE ACCESS CENTER

Lincoln Place, a groundbreaking project that provides permanent homes for 24 youth at risk of becoming homeless—many aging out of foster care—is located in suburban Eagan, Minnesota. The Resource Access Center, located in urban Portland, will provide 130 permanent supportive apartments, 90 shelter beds, and services for over 1,000 homeless people per day.

Both projects were quite ambitious in terms of sustainability. Lincoln Place is on track to achieve LEED-gold certification; the Resource Access Center, LEED-platinum.

Fees paid to the architects for each of these projects varied considerably, however. For Lincoln Place, architecture fees were set relative to the schedule established by the Minnesota Housing Finance Agency. Oregon Housing and Community Services, on the other hand, does not publish an architecture fee schedule. In addition, the designers of the Portland project were paid for predevelopment work and did not carry any risk through the long development process.

If the Resource Access Center had been built subject to the Minnesota Housing fee schedule, the architect's fee would have been \$800,000. In fact, the architects of the Portland project received more than triple this amount—over \$3 million in fees.

One theme was common to virtually all projects studied, no matter their location: assembling full financing took years. The stop-and-start nature of development during the financing phase of the project can have a negative impact on project design—momentum and continuity among project teams can be lost over the course of those years. Given the current state of the U.S. economy, long project durations seem unlikely to change any time soon. The case studies revealed, however, a handful of creative financing tools that were able to offer leverage at key moments in the development process. Though none of these funding sources are specifically design-related, a number of them are very effective at supporting good design.

NON-TRADITIONAL FUNDING

Two projects studied supplemented typical affordable-housing sources with funds from their local utility or from state commerce departments. This allowed both projects to make great advances in terms of sustainability and to have green design become a critical part of the building's image. Wentworth Commons in Chicago, completed in 2005, was the first LEED-certified multi-family project in the Midwest. Funding came from the Illinois Clean Energy Community Loan Fund and the Illinois Department of Commerce and Economic Opportunity Energy & Natural Resources Grant. Through these funds, the project prioritized energy conservation and renewables: the project contains high insulation values in the building envelope (walls, windows, roof) and renewable energy through a roof-mounted photovoltaic array. The project team chose to make the otherwise inconspicuous PV panels visible from the street by mounting them on large racks on the roof.

The project team at Colorado Court in Santa Monica likewise made use of non-traditional funding sources to advance the project's sustainability profile—the city of Santa Monica and the Regional Energy Efficiency Initiative both contributed funding. (The REEI is a joint program of Southern California Edison, the California Energy Coalition, and the cities of Irvine and Santa Monica.) Colorado Court, with its sparkling blue photovoltaic panels forming part of the front façade of the building, has become an icon of innovative affordable-housing design. Both Wentworth Commons and Colorado Court have won numerous design awards.

PUBLIC MANDATES

In some cases, traditional financing with affordable-housing set-asides affect not only the quantity but also the quality of affordable housing that gets built. The tax-increment financing (TIF) that has helped fund the housing boom in Portland mandates that 30% of TIF resources be spent on affordable housing. This mandate affects the tone of the public discussion when new affordable-housing projects are proposed. The TIF rule establishes that affordable housing will happen in a particular district—the question is no longer “if,” or even “where,” because the TIF districts establish boundaries within which the resources must be spent. The project team no longer needs to make aesthetic trade-offs with neighborhoods or elected officials to gain acceptance of the project's population.

Creative financing tools offer leverage at key moments in the development process.

For example, the Resource Access Center’s homeless-focused program—including permanent supportive housing, a 90-bed shelter, and day-service center—had the potential to make it a highly controversial project. Thanks to Portlanders’ support for affordable housing in general and to the TIF district’s quota in particular, the project benefited from public input rather than suffering through NIMBYism. Through an intense charrette process, ambitious goals were set, including sustainability targets and a philosophical approach to housing the homeless. The built project will reflect these ambitions. Design was advanced because the TIF district established affordable housing as a very high priority.

**CASE STUDY:
Financial Risks with
Mixed-Use**

**PROJECTS: 8TH & HOWARD/SOMA
STUDIOS & ST. ANTHONY MILLS
APARTMENTS**

8th & Howard/SOMA Studios features four stories of affordable apartments—including both family housing and single-resident occupancies—with a childcare center and an organic grocery store on the ground floor. 8th & Howard is located in the South of Market neighborhood of San Francisco.

The St. Anthony Mills Apartments is both mixed-income and mixed-use: residential units share the 5-story building with ground-floor commercial spaces at the building’s corners. It is located in the Mill District of Minneapolis.



8TH & HOWARD/SOMA STUDIOS, SAN FRANCISCO

David Baker + Partners

The comparison of the 8th & Howard and St. Anthony Mills buildings provides an excellent illustration of the risk and difficulty involved in developing true mixed-use projects in medium-sized cities such as Minneapolis. The entire first floor of the SOMA building in San Francisco is devoted to non-residential uses, and all tenants, including a childcare facility and a locally-owned grocery store, appear to be thriving. This success is likely due to the building’s location in pedestrian-dense San Francisco and to the building’s effective design at the sidewalk.

In Minneapolis neighborhood-scale commercial spaces face a more uncertain fate. The corner commercial spaces in Minneapolis’ St. Anthony Mills building are now occupied, but only after months of vacancy, and not by tenants that one expects in a mixed-use project—for example, a ticket vending company rents one space. Inclusion of commercial spaces in the project was especially complicated in this case, as they were late additions to the project and required the team to replace funded residential units with unfunded commercial spaces. The development team strongly emphasized the difficulty of including commercial spaces in the project and noted that they continue to pose a financial risk to the project. There are few funding sources similar to the affordable-housing tax credit to support the development of commercial space in cities where mixed-use buildings are highly desired but economically risky.



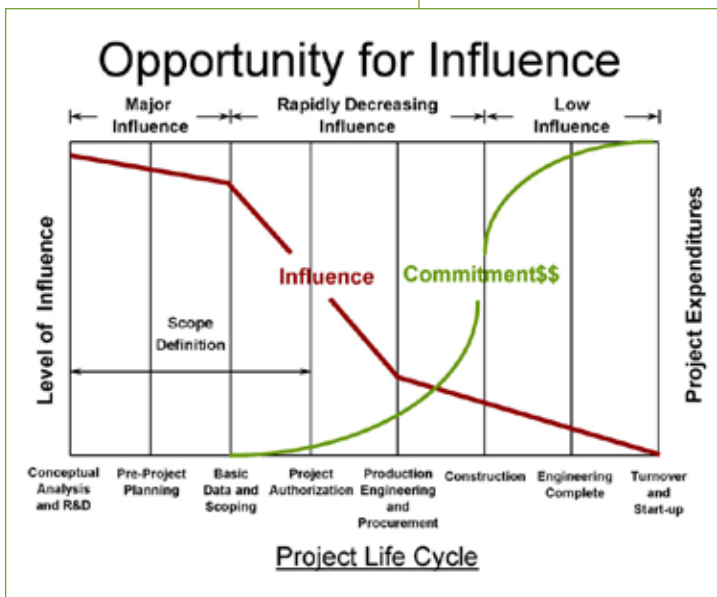
ST. ANTHONY MILLS APARTMENTS, MINNEAPOLIS

Elness Swenson Graham Architects/Trace Jacques, photographer

MIXED USE

Mixed-use, mixed income projects benefit communities in many ways. They contribute to the vitality of streets by providing daytime and nighttime activity, they support economically diverse neighborhoods, and, because they serve a varied clientele, they contain a built-in incentive for design quality. The case studies revealed that the commercial portions of mixed-use projects easily attain economic viability in pedestrian-dense cities. A thriving small grocery store and successful childcare center at the ground floor of the 8th & Howard/SOMA Studios building in San Francisco demonstrates how well mixed uses can activate a city block. Indeed, one forum participant noted that in New York City ground-floor commercial uses are typically so successful that they are able to subsidize affordable housing above.

In more auto-dependent cities, however, mixed-use projects often present a risky proposition. In Chicago, for example, ground-floor commercial space in the Wentworth Commons building has been sitting vacant since the project was completed in 2005. Examples of vacant commercial spaces in mixed-use projects abound in the Twin Cities as well. Despite the wide range of benefits derived from mixed-use projects and the known difficulties in developing them, very few funding sources exist to support the neighborhood-scale commercial uses in mixed-use projects. A rare example exists in Oregon's Vertical Housing Program, a state program that allows developers of mixed-use projects a time-limited property tax exemption based on the number of floors of housing built.



EARLY INVOLVEMENT

Throughout the forums, architects and developers discussed the critical importance of allowing general contractors to join the development team early. Case studies revealed that other cities and states typically allow general contractors to join project teams through a negotiated process, rather than requiring straight bidding in all cases. Contractors' early participation is especially important with regard to sustainability because decisions made early in the process have the most profound impact on a building's resource use over its lifetime. Early general contractor input allows for truly effective—and cost-efficient—solutions. Forum participants applauded the city of Minneapolis' recent decision to allow developers to enter into negotiated agreements with general contractors, rather than requiring bidding in all cases. The negotiated route allows for a genuinely integrated design process.

RECOMMENDATIONS

Create a Mixed-Use Incentive Fund

The benefits of mixed-use projects are well known. However, local projects struggle to fund and ensure the ongoing viability of the commercial portions of mixed-use projects, a difficulty faced in many cities. Local foundations, cities, and/or the state could consider creating a mixed-use incentive fund or other financing mechanism to support neighborhood vitality in the long term. Oregon's Vertical Housing Program could serve as a model (visit: oregon.gov/OHCS/HFS_Vertical_Housing_Program.shtml).

Maintain Flexible Procurement Policies

Forum participants strongly emphasized the value of having the general contractor at the table early in the design process, and clearly articulated the importance of this in developing ever-more sustainable buildings. The city of Minneapolis recently made the change to their procurement policy to allow negotiated contracts; other funding agencies are encouraged to maintain a flexible procurement policy (for both architects and general contractors) as well.

EMERGING ISSUES

Adaptive reuse contributes to diversity in the affordable-housing stock.

In addition to identifying key leverage points in the existing affordable-housing production process, the forums were able to identify two project types that have the ability to expand diversity within affordable-housing design. Adaptive reuse enables project teams to dive deep into special details and expands affordable housing's design diversity. Transit-oriented development holds the potential to encourage vibrant places and reshape the Twin Cities metro region.

ADAPTIVE REUSE

Adaptive reuse projects often have great design built-in. First, the existing structures themselves typically have beautiful proportions and detailing that are very difficult or expensive to recreate today, and, second, they require creative solutions and diligent attention to detail in order to fit a new program into an existing space. Though not without its challenges, adaptive reuse allows project teams to fit an often-controversial building program (affordable housing) into an existing urban context. The reuse of vacant buildings can sometimes be of such benefit to neighborhoods that it diffuses the controversy that arises when proposing a new affordable-housing project. Furthermore, adaptive reuse provides project teams with the mandate to match design and construction quality of neighboring buildings, and these high-quality adaptive reuse projects contribute to design diversity within affordable housing.

TRANSIT-ORIENTED DEVELOPMENT

Virtually all projects studied through the forum claimed to be within walking distance of transit. Locally, transit-oriented “points” are almost always some of the easiest to obtain on funding applications at the municipal and state levels in Minnesota. However, it is not clear that public transit is a truly viable transportation option in each case. If virtually all projects are considered transit-oriented, perhaps the bar is too low or too vague for this claim since it is almost universally applied.

RECOMMENDATIONS

Support Adaptive Reuse of Historic Buildings as Affordable Housing

Forum participants recommend that funders continue to encourage adaptive reuse of old or historic buildings for affordable-housing projects by keeping fee schedules, parking requirements, and other requirements flexible enough to meet the demands of adaptive reuse.

Raise the Standard for Transit-Oriented Development

Funding agencies should consider re-examining their definitions of “transit-connected” to ensure that project locations truly allow residents mobility without automobile ownership. The Center for Transit-Oriented Development can serve as a great resource (see: www.reconnectingamerica.org/public/tod).

Use Light-Rail Corridors as Laboratories

Forum participants identified light rail corridors currently under development as excellent laboratories for testing some of the ideas that emerged through the forum; the Central Corridor and the Southwest Corridor were named in particular. Limiting adjustments to the development process to a geographically limited but transit-linked area could also make the forum's policy recommendations suggestions easier to implement quickly.

CASE STUDY:

New Ideas for Old Buildings

PROJECTS: CRANE ORDWAY & PRINTERS' SQUARE APARTMENTS

Both the Crane Ordway and Printers' Square projects fit affordable housing into former industrial/warehouse buildings. Each made the most of design opportunities presented by the specific cases of each existing building.

Crane Ordway, located in St. Paul's Lowertown, converted a former plumbing parts warehouse to create 70 affordable studio apartments. Printers' Square, located at the edge of the historic Mount Vernon neighborhood in Baltimore, created 60 one- and two-bedroom apartments in a former printing house. Neighbors welcomed both projects as a way to bring life to long-vacant structures and revitalize a part of the neighborhood.

Adaptive reuse also allows for an intense focus on special details that wouldn't be acceptable in a new construction project proforma. The renovation of the glass and cast iron stair at Crane Ordway is a great example of how a development team worked through construction complexities to restore a uniquely beautiful aspect of the building. In an historic renovation project, these details are acceptable to developers and funders as a required part of the project because it is understood that exactly this kind of attention to detail is required to meet historic guidelines.

Adaptive reuse contributes to diversity in the affordable-housing stock. Fitting new programs into existing building configurations results in unique spaces. At Printers' Square, a single-loaded corridor weaves indoors and out. This would likely be seen as too inefficient were it proposed in a new construction project, but the quality of the daylighted spaces that resulted certainly qualify as good design. Likewise, at Crane Ordway, floor to sill heights in the existing building demanded that apartment units have raised platforms at the exterior wall. The platforms bounce light deep into the narrow apartments, again providing unique living spaces that would never have come about in a new construction project.



CRANE ORDWAY APARTMENTS, ST. PAUL

Cermak Rhoades Architects/Aaron Holmberg, photographer



PRINTERS' SQUARE APARTMENTS, BALTIMORE

ArchPlan/Brough Schamp, photographer

SUMMARY

The Twin Cities area is at a critical juncture where the future will not look the same as the past.

Conducting a comprehensive forum focused on the innovative design opportunities within affordable housing has resulted in many insights and recommendations to support design excellence in the Twin Cities. Learning from successes and limitations in local projects as well as those in other communities can inform a better process and lead to better outcomes.

Minnesota has a history of success in affordable-housing development, but coming population growth and demographic shifts indicate that the Twin Cities area is at a critical juncture where the future will not look the same as the past. The need to explore new housing types, for transit-oriented housing density, and the changing needs of residential occupants will influence how good design continues to be defined and achieved.

This report is a first step toward building awareness, raising expectations, and encouraging constant improvement. The process should not end here. Rather, this report can serve as a starting point to encourage others to continue exploring new ways to support innovative design. As seen through the many case studies within this report, innovative design requires collaboration from all stakeholders. Developers, architects, consultants, funders, residents, neighborhoods, government agencies, and the greater public all need to take a proactive role in order to advance good design—stable homes, vibrant streets, and a thriving metropolitan region depend upon it. By working together, future affordable housing can achieve true design excellence from every measure.

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APPENDIX:

Case Study Presentation Schedule February 17 – June 9, 2010

To view a complete set of case study notes from all forum sessions visit:
www.mcknight.org/housing

Presentation Focus and Date	Architectural Firm and Developer	Minnesota Project	Comparative Project
Adaptive Reuse, February 17	Cermak Rhoades; Aeon	Crane Ordway, St. Paul	Printers' Square, Baltimore
Supportive Housing, March 17	UrbanWorks; Project for Pride in Living and Touchstone	Touchstone Supportive Housing, Minneapolis	Wentworth Commons, Chicago
New Typologies, April 7	LHB; Dakota County CDA	Lincoln Place, Eagan	Resource Access Center, Portland
Supportive Housing, April 21	Cermak Rhoades; Aeon	Alliance Addition, Minneapolis	Richard L. Harris Building, Portland
Affordable Housing as Placemaking, May 5	Meyer, Scherer & Rockcastle; Project for Pride in Living	Near North Rehabs, Minneapolis	Colorado Court, Santa Monica
Mixed-Use/Mixed Income, May 19	ESG Architects; Brighton Development	St. Anthony Mills Apartments, Minneapolis	8th & Howard/ SOMA Studios, San Francisco
Senior Housing, June 9	Miller Hanson Partners; McCormick Baron Salazar	Heritage Commons, Minneapolis	The Legacy, Pittsburgh