RETHINKING HOUSING

A Continuing Conversation to Identify and Develop Innovation in Buildings, Places, and Systems throughout the Twin Cities Region

RETHINKING HOUSING DESIGN

SUMMARY REPORT

December 6 and 7, 2010

Event and workshop facilitated by urban designer, architectural educator, and former Mayor Maurice Cox

Rethinking Housing is presented in partnership by the Family Housing Fund, the Metropolitan Council, Minnesota Housing, Twin Cities LISC, The McKnight Foundation, and the Urban Land Institute Minnesota/Regional Council of Mayors
INTRODUCTION

IN EARLY DECEMBER, 2010 community members and local leaders gathered to rethink affordable housing design in the Twin Cities region over a two-day event. Keynote speaker, Maurice Cox, delivered a powerful message on the importance of design excellence at a public event to an audience of nearly 150 people, while day two’s workshop generated dialogue among 60 local leaders to re-imagine how we can elevate innovative and holistic design in affordable housing now and in the future throughout the region. The purpose of the workshop was to examine the following key questions.

1. With increasingly diverse needs for a full range of housing, how can a broader community become engaged in design in a meaningful way?
2. How can innovative designs connect communities, especially underserved communities, to opportunity—opportunity to work, to be safe and healthy, and to play?
3. What steps can this region take to move beyond the financial, political, social, and creative barriers to high quality and distinctive design of housing?

The current regional and national economic challenges require us to rethink how we can deliver affordable and sustainable housing for the region now and in the future. Holistic design thinking encompassing not just buildings, but also process, community involvement, and financing are all critical pieces of the equation.

The workshop was facilitated by Maurice Cox, an urban designer, architectural educator at the University of Virginia, School of Architecture, and former mayor of Charlottesville, Virginia. He recently served as Director of Design for the National Endowment for the Arts where he presided over the largest expansion of direct grants to the design field and oversaw the Mayors’ Institute on City Design and the Governors’ Institute on Community Design. A founding partner of RBGC Architecture, Research and Urbanism from 1996 –2006, the firm received national acclaim for its partnerships with underserved communities.

This December workshop was a follow-up to previous Rethinking Housing events. The first series of events was held in February 2009 featuring architect, designer, and educator William R. Morrish and provided a framework for the overall Rethinking Housing initiative. In November 2009, a workshop was held, facilitated by Stacy Becker, focused on rethinking housing finance systems in the Twin Cities region in the midst of a new and challenging housing market. Participants generated ideas on how to tackle challenges resulting from this market in the next five to ten years.

Participants have represented a cross-section of housing practitioners and leaders, including private and nonprofit developers, funders and lenders, local officials and staff, architects, urban designers, university, foundation, and community representatives.
Introduction

Remarks by Tom Fisher

Kicking off the December 2010 Rethinking Housing Design event, Tom Fisher, Dean of the College of Design at the University of Minnesota, spoke to the current housing situation that Minnesota and the rest of the nation is facing. Specifically in Minnesota, Fisher stated that the historically strong economy was hit hard by the foreclosure crisis. One of the major reasons behind the housing demise, Fisher explained, is the mismatch between supply and demand. The housing products available are different from the needs of buyers, specifically related to their financial capacity. While there are multiple factors that lead to the foreclosure crisis, Fisher made the case that it is directly connected to a much larger design issue—design not only in terms of physical characteristics, but also the broader design of systems and services.

Fisher asked the question: **How can we create more resiliency in the future in banks, the design of housing, and in the design of communities?** Resilience does not come from fractured critical systems, rather it stems from diversity in economic and financial systems, as well as racial diversity in homeownership.

**Rethinking design is also a major solution to creating this resilience in our housing systems.** Fisher stated the ways we think about design will assist us to think more creatively about our future. We need to be preemptive to analyze how housing and delivery systems can fail in order to create a healthier system in the future. Fisher said leadership in affordable housing finance and delivery is a key piece of the puzzle to envisioning a future of resilience.

Fisher described that creating a healthier system involves thinking of design excellence holistically. Emphasizing the importance of creative design within affordable housing as it relates to public health, Fisher referenced a study (www.naturalearning.org/docs/Kuo=SullivanAgression.pdf) conducted by the University of Illinois, which concluded that individuals living in barren housing in comparison to greener housing had higher levels of aggression and mental fatigue. In closing, Fisher introduced Maurice Cox by stating Cox is leader in a worldwide movement that is working to demonstrate the importance housing design plays in every aspect of a person’s life.
Keynote: Achieving Design Excellence in Affordable Housing

Presentation by Maurice Cox

Cox began his presentation by stating, “We have to apply excellence to every aspect of life.” There is a critical role that design advocates play in making our communities a better place to live. Cox focused on three main topics in his presentation:

1. **Build a national constituency for design excellence in everyday life by expanding design access to a more diverse audience.**
   - We need to associate design excellence with quality of life and it must apply to every aspect of life.
   - The built environment is uniquely situated for making the case for design excellence because it is project specific.
   - We need to engender a culture for design excellence in everyday life.

2. **Raise the national profile of design by bringing design to the attention of an expanding audience.**
   - The general community needs an opportunity to prepare for design opportunities.
   - Through mobilizing people to tackle tough challenges, people begin to understand that design is part of the democratic process.
   - Problem solving must occur according to people's collective values and it is impossible to get to a collective understanding without collecting the people.
   - Mobilizing people also assists in strengthening community problem solving capacity and capacity to accept change.
   - This process will assist in developing shared values of affordable housing for communities.
   - The bigger the gap between the aspirations of your community and the reality in which they live, the greater the amount of trust you’ll need to engender to face the challenge. And, trust translates directly into collective capital.
   - Design work must align with the community's values.
   - Public investment will help bridge the gap between the vision people say they want and the reality they are living.
   - By engaging the community in every step, the general public is more willing to accept change.

3. **Create more design leadership venues to better serve our nations leaders at the local, state, and national level.**
   - Design leadership in the public realm is not about influencing a community to follow your lead; rather it is about influencing a community to face their adaptive challenge.
   - Cox stated, “Adaptive challenge is the new learning required to narrow the gap between the values people stand for and the reality they are living.”
   - Affordable housing advocates believe in equitable, beautiful housing for all and current practice does not guarantee this outcome.
   - New learning is required to diminish the gap between the reality of housing and what is actually happening. We cannot change the outcome with the same routine.
In order to confront an adaptive challenge, we need to create venues that allow discussion and deliberation to occur. Cox stated that generally there is no place for elected officials to go to admit they don’t have the answer. The Mayors Institute on Design allows mayors to act as urban designers and it gives them the opportunity to learn the rules of urban design. It also assists to make elected officials advocates of affordable housing.

- Designers must work with mayors consistently on their projects to prepare them to be public spokespeople for design excellence.
- This allows for a statewide conversation about affordable housing and advances state legislation to help us deal with placemaking.
- State and local governments can be used to redirect resources to support communities in their placemaking and affordable housing efforts.

The Affordable Housing Design Leadership Institute—held for the first time in the Twin Cities in July 2010—uses a similar strategy to the Mayors Institute on Design, but instead brings Executive Directors of affordable housing organizations together with designers to rethink strategies.

- It uses simple notions about creating public spaces and housing with a variety of spaces for families to live.
- Plans can radically change by bringing in designers.
- It provides technical assistance to projects as a way of problem solving.

Cox concluded with a quote stating, “Design is everything.”

“Design excellence in affordable housing is not a luxury, it’s a necessity. You meet people where they are and assist them on their journey to a new place that perhaps they never thought possible. The courage to design for quality and according to a community’s values is the real activity of design leadership.”

—Maurice Cox

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More than 60 leaders gathered McKnight Foundation to engage in a workshop on rethinking affordable housing design. Maurice Cox kicked off the morning with a summary presentation of his keynote from the evening before.

**Innovation Beyond the Façade—Presentation**

*Presentation by Becky Yust*

Becky Yust from the Department of Design, Housing, and Apparel at the University of Minnesota, presented “Innovation Beyond the Façade,” a report on Local and National Case Studies of Good Design in Affordable Housing. The report was based on a series of forums convening local architects, affordable-housing developers, funders, and other stakeholders that took place at The McKnight Foundation in Minneapolis in July 2010. The purpose of the forums was to define “good design” by analyzing affordable housing projects in other regions and local projects in the Twin Cities. After seven forums, participants came up with the following key findings:

- Set high expectations.
- Use regulatory latitude.
- Improve the risk/reward calculus for architects.
- Find non-traditional funding sources.
- Practice adaptive re-use and implement transit-oriented development.

**Recommendations—Innovation Beyond the Façade**

“Innovation Beyond the Façade” forum participants identified 14 affordable housing design recommendations for the Twin Cities region. The six highest priority recommendations quoted directly from the report follow:

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.

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.

The Gateway IV—An Urban Development Case Study

Presentation by Gina Ciganik and William Weber

Gina Ciganik, Vice President of Housing Development at Aeon and William Weber, Senior Research Fellow for the Center for Sustainable Building Research at the University of Minnesota, presented their work together on developing a design for the fourth corner of the Franklin-Portland Gateway. They discussed the broader community impact of the building—through innovative design this one site can be used to make the larger world more coherent and more whole. They also explored the “Living Building Challenge” as a guide for the design of The Gateway through three workshops held in the summer of 2010. The key findings from the workshops for the Gateway IV project were as follows:

- Simplicity and low tech.
- Integrated solutions are essential.
- Closed loop water system.
- Decreased average unit size.
- Flexibility and predictability in codes is essential.
- Residents should be partners in the design process to ensure performance outcomes.

Thinking it Through—Small Group Discussions

After the presentations were finished, participants broke into small groups to discuss the following topics during two 30-minute sessions:

- Process and Delivery/Role of Residents
- Design and the Connecting Spaces in Affordable Housing
- Finance and Regulatory

Participants provided vibrant discussion, as well as action items and recommendations for the Twin Cities region. The following is a summary with action items that each of the groups developed during the individual group sessions.

Process, Delivery, and Residents: Designing for the First 50 Years

The community engagement process was a major point of discussion during this breakout. During the two sessions, a number of ideas were generated to improve the way community engagement is conducted around affordable housing, such as:

- A clear vision is needed before a proposal.
- There must be continuity of process and participation.
- There must be accountability in community processes.
- Come away with solutions that can be implemented, while also controlling expectations.
- Use a bottom up approach that stems from the community.
- Designers/developers cannot move in a predisposed solution set.
- There must be a clearer understanding of partnership.
- Understand who the community is, as well as who the future community will be.
After an engaging larger group conversation, participants developed action items and suggestions for the affordable housing community engagement process in the Twin Cities. The following is a list of action items that emerged as a result of this conversation.

**Action Items and Recommendations**
- Institutionalize successful processes from projects that work.
- Establish “Reagan-like” empowerment zones for experimentation.
- Enter into a continual review process of our underwriting requirements.
- Institutionalize community engagement and clarity of process, as well as how to fund community engagement.
- Develop a way to create predictability in community engagement from the investment standpoint.
- Create peer-to-peer review processes to build capacity for facilitation.
- Bring in national design peers to participate in project review process to keep the bar high and projects on track to attain design excellence.
- Public entities should play a role that supports the design review process.
- Twin Cities should create its own institute for technical assistance to raise the bar for design excellence.
- Create a space inside of Rethinking Housing for dialogue around community engagement planning.

**Design of the Connecting Spaces in Affordable Housing**

The focus of this small group breakout was to identify what community looks like because developing a community goes hand in hand with developing a project. The group discussed ideas to assist in this process:

- Invest in good examples of how this works.
- Provide incentives to developers that create places for interaction in their developments.
- Blend ownership and rental.
- Financing structure needs to consider the value of public spaces as well as the building.
- Engage the design community in the decision making process—more in a public leadership role to relay the importance of design in placemaking.
- Blend public and private spaces so people feel a part of the community.
- Re-brand affordable housing as a community asset.
- Develop a vision for the area and educate the community on what the vision means.

Another major theme in this session was establishing a way for current and future residents to become stable and invested in the community. The following is a list of action items the larger group generated to accomplish this task.

**Action Items and Recommendations**
- The community needs to create the design as it will give them a reason to become invested.
- Think about what is important to the residents who will live there.
- There should be a connection to community resources.
- Need to understand the value of the place before you design it.
- Must understand who the project is serving and what their needs are.
• Design needs to be thought of first, not after the fact.
• Provide a method for residents to ensure that what is valuable to them gets into the project, such as a Community Benefit Agreement.
• Bring gathering spaces back such as pocket parks, areas to grow food, and meeting spaces.
• Funders need to take responsibility in this and set standards that support community values.
• Investigate where the funds come from to implement these ideas.
• Create a scorecard with values and translate those into items that can be gauged.
• Planning grants are needed, as well as more flexible financing.
• Consider hosting a “Mayors Institute of Design” in the Twin Cities area.
• Have further conversations with The McKnight Foundation to keep the momentum going.

Finance and Regulatory Processes
The discussion for this breakout group centered on what is working well and what changes could be made to the housing finance and regulatory systems to support design innovation and sustainability. The groups generated the following ideas:

• A need for a broader public support campaign to get people to understand the connection between affordable housing, jobs, and transportation.
• A need for a balance of preservation and acquisition strategies.
• Need to establish best practices and case studies for preservation design.
• Energy efficient mortgages, or other innovative underwriting strategies are needed that acknowledge transportation and utility cost savings.
• There should be zero to very low interest rates for acquisition funding because time is money.
• A need to explore and revisit employer-assisted housing strategies.
• Connection between health and housing needs to be recognized and institutionalized.
• Design should be made more efficient by choosing sites with the right amenities in the first place.
• Adequate and flexible financial resources are needed.

After ideas were shared within the larger group, participants developed broader actions items for the housing finance and regulatory process.

Action Items and Recommendations
• Continue to create and support mechanisms (i.e. Rethinking Housing forums) for shared learning without competition.
• Resources need to be aligned to take conversation about one specific project to different forums in order to help spread successful ideas.
• Design workshops such as the mayors forum where funders and mayors are in the same room to establish funding resources for projects, as well as take project examples to see how funding resources do or do not align.
• Explore strategies to maximize the use of four percent tax credits and bonds that provide less equity but are unlimited and can be used with revenue bonds.
Rethinking Housing Design in the Twin Cities

Throughout this two-day event and workshop, participants had the opportunity to collaborate in order to generate ideas and recommendations to improve affordable housing in the Twin Cities region. Below is a summary of each small group and the priority action items that emerged as a result of the group’s conversation.

Small Group Summaries

Process, Delivery, and Residents: Designing for the First 50 Years
Institutionalize a public engagement and design review process that includes a role for public entities. Incorporate local peer-to-peer review processes and use national peers to bring new ideas and keep the design bar high. Consider a local institute for technical assistance to support design excellence. Then, capture and share lessons from projects that exemplify design excellence.

Design of the Connecting Spaces in Affordable Housing
Appreciate and understand the value of the “in-between” spaces that often “fall through the cracks” in terms of developer and public responsibility; heighten the importance and availability of funding for public spaces. To design a space, begin with what residents say they value to ensure that public spaces meet residents’ needs (i.e. areas to grow food, meeting spaces) and are uniquely place-specific.

Finance and Regulatory Processes
Align resources and create mechanisms for shared learning and understanding among funders so that projects can be more effectively supported; use project examples to see how funding does or does not align and how alignment can be improved. Workshops where mayors and funders are in the same room, such as the Affordable Housing Design Institute, are a good venue for such shared learning. Continue to seek clarity about the roles, responsibilities, and gaps along the development financing continuum.

Moving Forward with Rethinking Housing
While this event provided a venue to discuss affordable housing design and beyond, we also realize that “rethinking housing” is a long-term process and there is much more to be done. The following is a list of ideas participants suggested for Rethinking Housing events and improving affordable housing in the Twin Cities:

- Hold a regular series of hands-on seminars for design professionals, planners, developers, community leaders, financiers, and consultants to “role play” how to plan affordable housing development—using case studies or other scenarios. This would provide an opportunity to help professionals in the field learn how to work together, learn from each other as stakeholders, and to build skills.
- Host a meeting with elected officials, planning commissioners, planners, and public works so elected officials are informed when making decisions on design of affordable housing.
- Partner with the American Society of Landscape Architects—Minnesota Chapter on events related to equity and design.
- Invite several people currently living in affordable housing in the Twin Cities to the table to widen the perspective and develop a new set of ideas.
- Open a space for community members concerned about affordable housing to join the conversation.
- Engage more partners to create a wider pool of resources—very important in a time of decreased resources.

Stay connected online with the Rethinking Housing initiative at www.rethinkinghousingmn.org.