



# 6<sup>TH</sup> BIENNIAL RESIDENTIAL BUILDING DESIGN & CONSTRUCTION CONFERENCE 2022



## Housing Design Studio: The Case for Social Entrepreneurship

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### ABSTRACT

This paper outlines a participatory development strategy first tested and adopted in practice and now being reoriented as an educational studio design process. Two case studies from practice will be explored that provide unique strategies for empowering community. These crowdsourced projects pool resources and expertise in order to design and build projects that resist gentrification, stimulate investment, and build community. Professionals work directly with neighborhood residents to utilize the participatory actions of establishing a pro forma, acquiring land, securing financing, selecting professional engineers and contractors, and ultimately constructing the project all as larger components of community building. The professional models of community development presented here offer an alternative to the traditional designer-client dichotomy and allow the once-clear boundary between architect and client to be redrawn.

We then explore the translation of this process into an educational experience where students in a design studio explore difficult community development issues with building owners and stakeholders. The potential of the educational model is more profound than a traditional design studio in that rather than simulating project constraints fabricated by a studio instructor, actual concerns and issues are brought to the exploration. The studio operates at a scale and scope beyond that which could be accomplished by any one professional firm. It empowers students to chart a path that rejects a discipline rooted in form-making and aesthetics. It teaches the process of architectural design to be one of entrepreneurship. Students act as community organizers in setting up the framework in which community members are able to become active participants in their built environment.

### Introduction

Our experience with participatory design reveals a problem with the predominant architecture business model: designers are commissioned exclusively by those with privilege. Design fees are paid by a professional client funding development projects seeking to make a return on investment. However, further examination into a built environment reflective of social justice recognizes that only those affected by an environment have any right to its determination.

In attempting to bring theoretical underpinnings to our participatory design work, one

can examine the increasing number of architects that are finding ways to break free of a practice dependent upon clients paying for professional services. (Feldman et al. 2013) A new 'entrepreneurial' model of practice may loosen the constraints of designers who are torn between the need to operate within a viable business model and the desire to bring design engagement to traditionally underserved neighborhoods. Entrepreneurship is a process by which individuals pursue opportunities without regard to the resources they currently control. (Stevenson and Jarillo 1990) The entrepreneurial architect, then, is one who is able to identify opportunities for change in our communities and *independently* takes constructive action.

The re-framing of the client role that may free the design professional from responding solely to the needs of paying clients, redraws boundaries that may allow us to address more complex challenges: climate change, crumbling infrastructure, lack of access to clean drinking water, food insecurity, disaster response, refugee shelter in areas of conflict, homelessness. Solutions to these and other challenges are rooted in the design and stewardship of the built environment. In an age of open-source architecture, crowdsourced information, and global interconnectedness, today's designer has never been better equipped to meet these challenges head-on.

The modest interventions explored here serve as demonstrated attempts to transition residents from passive bystanders to active participants in the shared process of community redevelopment. In this case, it is the professional knowledge surrounding real estate development and valuation that allows for this transition to active participant. Brazilian educational theorist Paulo Freire's 'banking' concept of empowerment is relevant to this point. His analogy contends that in the traditional educational model, the teacher 'deposits' knowledge into the student as though the student is an empty container. The passive learner is acted upon and the potentially emancipatory process of gaining knowledge (and therefore power) is negated by being reduced to a one-way mechanical transaction. (Freire 2005)

Stakeholders sharing in the visioning process for community redevelopment projects has long been held as a requirement of any sensitive revitalization effort. How can stakeholders be elevated from peripheral players to decision-makers that may be able to invest (even modestly) in a community's transformation and thus directly benefit from shared investment efforts? This mode of shared participation transcends the monetary transaction. The willingness to invest in one's own neighborhood reflects a willingness to invest in oneself and the belief that these actions can allow one to act strategically and critically to restructure a world one cannot wholly remake. (Colistra 2016)

#### **Champa Terrace**

The authors' firm, in situ Design, was contacted by a group of neighbors living in the historic Curtis Park neighborhood of Denver, Colorado. An initial group of eight families, all living within a few blocks of the property, formed a Limited Liability Company and purchased the lot for \$40,000. The group then began recruiting other

interested parties within the neighborhood. They set out to construct a viable real estate development while protecting the neighborhood's historic character. As the venture gained momentum, town hall-style design workshops were held to manage the project. The resident group was from a diverse range of economic backgrounds that included such professions as a city planner, a teacher, an historian, a lawyer, and several residents who worked in the construction trades. They were brought together by concerns for the future of their neighborhood. A true example of crowdsourcing, these long-time neighborhood residents put their own homes up for collateral in order to secure a construction loan of \$1 million. This group of twenty-three neighbors recognized the power that came with organizing politically. in situ Design worked with the group over the following months to develop a 4-unit townhouse project that would be called Champa Terrace.

The project sold out within six weeks of the completion of construction and investors realized approximately 65% return on investment. This type of infill project is likely to raise property values. However, a key distinction from typical gentrifying developments where all return on investment leaves the neighborhood, this framework allows all profit to stay within a few blocks of the project. The process also resists gentrification by consciously weighing profit against affordability and setting up a structure in which investors are not driven solely by return on investment but also on community cohesion.

#### **Merchants Row**

Champa Terrace was lauded in the local press for its proactive approach to community development. Feeling enfranchised and seeing the opportunity to replicate this development model, the group looked into rolling its returns into a second project. This second self-development model is called Merchants Row Brownstones. This \$2.5 million multifamily housing development is modeled after a rowhome prototype common to the neighborhood. Sensitive of context, the group prioritized the relationship of form, mass, and scale to the surrounding buildings. The primary feature of the exterior is a reinterpretation of the historic bay: a three-story mullionless curtainwall. Figure 1. These not only allow daylight to penetrate deep into the units, they also represent metaphorically the visual connection to openness and transparency.



**Figure 1. Merchants Row**

This project, like the earlier example, sold out soon after the completion of construction. The pride the group took in witnessing a cultural enterprise emerge from their shared ideas and resources was evident. Open house events and tours were more of a neighborhood celebration than marketing event and extended even after all the units were sold. Several investors, in various structures and configurations, continue to roll over development proceeds into neighborhood investments of various scales.

#### **Social Entrepreneurship Housing Studio**

The authors are currently engaged in a studio teaching model at the University of Kansas that engages local neighborhoods to seek out self-development projects. One such project is in Kansas City, Missouri that has the potential to demonstrate a city-wide strategy for the revitalization of underserved communities through the notion of shared economy. In April of 2017, Kansas City voters were asked to approve a one-eighth-cent sales tax to spur economic development in the city's most blighted neighborhoods.

The Central City Economic Development Sales Tax is to be in place for 10 years and provides a projected revenue of \$8.6 - 10 million each year. This citywide tax would only be utilized in an area bounded by Ninth Street to the north, Gregory Boulevard to the south, the Paseo to the west and Indiana Avenue to the east. Essentially, Kansas City's traditionally most underserved neighborhoods. An appointed board made up of designees of such entities as the Mayor's office, the school board, city council, etc.

will oversee the distribution of the tax revenues. The authors, with affiliated faculty from the Kansas City Design Center (KCDC), engaged citizenry from within this established boundary in order to respond to the city's Request for Proposals.

A sales tax is often hurtful to the poor, however, rather than reinvesting the tax revenue in neighborhoods that are well-positioned, the revenue from this initiative will be limited to an area identified with high crime, unemployment, dilapidated housing stock, and a lack of development. (Kades 2016) Leaders of the initiative cited two reasons why this tax makes sense: 1. When a city's core is healthy, the entire city is healthy; and, 2. Residents of these neighborhoods have consistently supported similar tax initiatives that funded major projects outside the core, including a \$1billion airport improvement project. (Gray 2017) The vote was telling. Most neighborhoods voted in favor of the tax despite the reality that it would not directly affect them. (Knox 2017)

#### **Neighborhood Prospects**

An advisory committee consisting of city, civic, and professional as well as community residents and stakeholders provided critical guidance towards the project's development; innumerable residents, stakeholders, and city staff also contributed time and advice through participation in public meetings and other conversations. Student-community service-learning projects can be akin to Trojan horses. By throwing earnest and often naïve students into the thicket of community design, we rely on a great number of residents, stakeholders, and community officials to volunteer their perspectives. The student-community project is an opportunity for all to think big – not to abandon the constraints of a project but to hold decision making at bay while engaging students in the project's greater ambitions. Advising students through the essentially academic exercise of inquiry, analysis, and creative design proposals is low risk for all. And, one that comes with the benefit of contributing to the education of the next generation. In this manner, student-community projects can, at their best, draw stakeholders together in a frank discussion that might not be possible where the stakes are higher.

The first iteration of a response to the city's Request for Proposals process has been completed. The proposed self-development project is for a 6-unit townhome project priced in the range of \$170,000. Various solutions have been tested to arrive at a viable development model. Schematic financial analysis utilized construction costs provided by a local contractor. Single family homes were estimated to cost in the range of \$140/sf while the efficiencies of a multifamily structure brought the cost down to about \$110/sf. All proposed options were market-driven and assumed at least 10% profit. This resulted in the required sales price for single-family homes to be approximately \$330,000 while townhomes would need to yield a sales price of \$170,000. Figure 2.



**Figure 2. Development Schemes**

This difference is significant. Not only is a home price above \$300,000 not compatible with comparable prices in the neighborhood, homes in this price range would almost exclusively be marketed to buyers from outside the community. Units for sale at \$170,000 could serve home buyers with a desire to remain in the community. It is estimated such units would yield monthly payments of \$750 to \$850. This is well within the range of apartment rental rates within the neighborhood. The goal of creating affordable housing is elusive in a neighborhood that has suffered disinvestment that has resulted in depressed property values. Typically, affordable housing can be defined as being able to attain housing at no more than 30% of one's income. Using this standard, a two-income family earning the Area Median Income of \$22,000 could comfortably maintain these anticipated mortgage payments.

The Central City Economic Development Sales Tax Board did not select the project for funding. However, the model that was developed laid the groundwork for the neighborhood group to receive funding in subsequent applications.

**Downtown Lawrence Design Center**

The pedagogical success of the service-learning experience evolved into several other iterations. Granted modest funding from the University's Center for Service Learning, the School of Architecture & Design was able to secure storefront space in downtown

Lawrence, Kansas. Figure 3. This facility is referred to as the Downtown Lawrence Design Center. Our School's visual presence and our commitment to taking on pressing downtown development issues conveys our University's commitment to our Lawrence community. We engage in master plans, research studies, and design exercises that provide insight to the complex development issues of our downtown. Again, our commitment to community engagement is underpinned by the belief that only those affected by an environment have any right to its determination.



**Figure 3. Downtown Lawrence Design Center**

Pedagogically, this immersive service-learning experience, uses downtown sites and engages the land owners and community stakeholders to offer real-world experience while being afforded the space to approach design problems with rigorous critical thought. The studio is also "contingent" in nature. Unlike a self-contained introverted studio that has a predetermined and well-defined scope, this somewhat flexible practicum is set up to confront the unforeseen and uncontrollable aspects of architectural practice. The goal is to empower students with the improvisational intelligence necessary to navigate the unknown, and unknowable, that define all real-world endeavors. This approach implicitly embraces the assumption that design extends beyond formal and aesthetic concerns. As such, a contingent pedagogy is one that confronts students with an architectural problem of indeterminate scope in order to expand the potential field of operation beyond conventional academic limits.

Reconciling competing opportunities and constraints into a design solution that simultaneously serves the client and larger community is seldom a straightforward endeavor. Students are challenged to imagine not only new physical environments but also new modes of architectural production in realizing solutions that facilitate socially and environmentally responsive design.

Design solutions that aspire to goals such as these can rarely be achieved by any stand-alone building design, and they cannot reside the physical realm alone. The process of making architecture may be re-examined and re-imagined to operate in a way that might be referred to as entrepreneurial as it was defined earlier.

The Downtown Lawrence Design Center is the University's only presence in our downtown business district. Projects displayed in the windows attract community stakeholders and passersby to engage us in discussions. Students are exposed to the critical soft-skills of communication, professionalism, and engagement. Building owners and developers benefit from the University's "neutral" voice being brought to bear on issues facing our downtown. And, design firms appreciate the broad scope of our project approach and our attempt to "tee-up" projects for further professional study. Figure 4.



Figure 4. Design Project, Students N. Acosta and Z. Early

#### Conclusion

The authors have developed several professional projects that have developed new ideas about entrepreneurship and community participation. These modest projects engage communities to self-develop housing ventures that are not only profitable but provide opportunities for communities to organize and determine the future

development trends of their own neighborhood. The efforts also generate a profound sense of pride as residents witness the emergence of a meaningful enterprise being built using their own resources and ideas.

These strategies for community engagement and community organization are altered to serve as a vehicle for service-learning experiences. The Social Entrepreneurship Housing Studio model implies inclusive participatory input from those affected by a development project. It also suggests that participants have an opportunity to share in the increased value that is brought to their neighborhoods by real estate development. The value created by architectural production has been one of the most stable and well-performing strategies for growing wealth. Yet, participation in real estate development is an impossibility for the vast majority of the population. Through entrepreneurial design thinking, architects have the potential to ease the barriers to such community investment opportunities and share in the transformative act of building community.

Both the studios described here, the downtown Kansas City Design Center studio and the Downtown Lawrence Design Center studio embed design students in a community. Building owners, developers, and community stakeholders utilize the physical and theoretical space as a safe and neutral place to discuss broad ideas about community building. The problem fields are perhaps broadened to accommodate the optimistic leanings of ambitious students just beginning to understand the constraints of real-world development. And, community members are more willing to engage in the "academic exercise" of imagining the future without the risk or investment of a true pragmatic proposal.

Students, perhaps for the first time, are beholden to a real estate financial pro forma, zoning codes, and parking requirements. They are able to hear first-hand the concerns and needs of building owners, how these needs may depart from the needs of broader community stakeholders, and facilitate conversations that search for common ground.

Although the scale of the community interventions shared here are small, these professional projects and student explorations are clear territorial demarcations of community empowerment. Participants move through and away from these experiences forever changed from passive occupants of a built environment to citizens armed with the knowledge and resources to act upon the world.

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