



Architects Empowering Communities

Abstract:
The practice of architecture is suffering from a lack of innovative business models and is on the verge of being disrupted by technology solutions. Competition has become fierce between architects offering similar services with dwindling profit margins. At the same time, the current model of housing development often ignores the very communities in which they are located.

As architects, we want to leverage our design skills to work with communities to create what they want and need. We see current development primarily focused on building housing and other amenities for the wealthy, but we see an opportunity for investment; design skills, to be opened up to serve a wider range of society.

A business model similar to that of a Community Land Trust would enable us to purchase land through a partnership with local communities. We would then share ownership of the land and build on it based on the input from the community. By crowdfunding investments from individuals living within the community, to purchase land and build a project, the community becomes the developer.

We would design and manage the building(s), retaining equity along with community investors throughout the project and local communities would get a say in what gets built in their neighborhoods. The proposed business model would also incentivize architects who are responsible for the management of the property to push the boundaries of design, optimizing solutions and thus being accountable for the operation and maintenance of their innovative solutions.

Customer Group Label	Description / Persona	Segment Size / Share	Priority / Status
Communities at risk of gentrification	Established workers and families who would much prefer staying in their communities	60% of the neighborhood	Target #1
Workers in low income jobs	In jobs that help them remain steadily employed and move into better jobs	29% of Boston population	Target #2

Approach:

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Community Land Trust:

Our business model will be similar to that of a Community Land Trust. As explained by CommunityWealth.org, community land trusts are nonprofit, community-based organizations designed to ensure community stewardship of land. Community land trusts can be used for many types of development (including commercial and retail), but are primarily used to ensure long-term housing affordability. To do so, the trust acquires land and maintains ownership of it permanently. With prospective homeowners, it enters into a long-term, renewable lease instead of a traditional sale. When the homeowner sells, the family earns only a portion of the increased property value. The remainder is kept by the trust, preserving the affordability for future low- to moderate-income families. The length of the lease (most frequently, 99 years) and the percentage earned by the homeowner vary. Ultimately, by separating the ownership of land and housing, this innovative approach prevents market factors from causing prices to rise significantly, and hence guarantees that housing will remain affordable for future generations. Today, there are over 225 community land trusts across the United States.

Benefits:

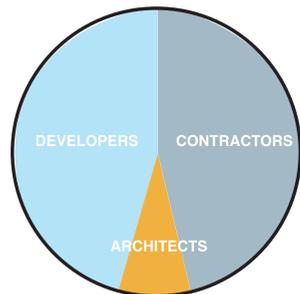
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Housing in the City:

Housing prices have jumped 70 percent in Roxbury between 2010 and 2015 compared to 36 percent elsewhere in the city. Housing Data shows that the cost of rent has doubled in certain parts of Dorchester that are still considered "pre-gentrified." Boston Planning and Development Agency does not track the rent increases. Skyrocketing rent in these areas effectively drives out community with the most need.

TEAM:

Al Pierre
Forrest Perkins
Hend Al Humadan
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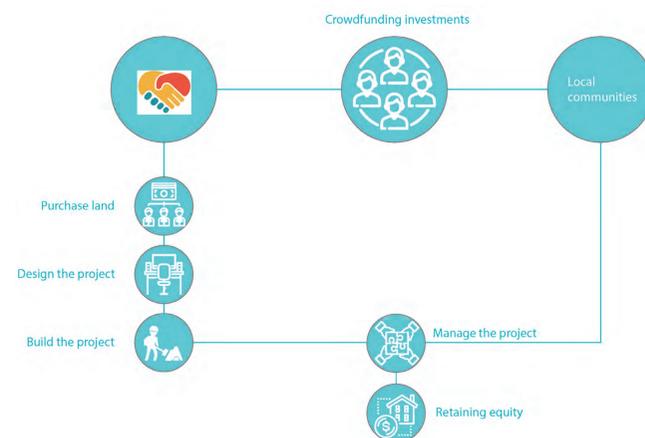
Rethinking an Architecture Business Model:

Architecture firms today have become complacent, even as Silicon Valley investors have turned their eyes towards the construction industry. The share costs of an architect's fees are bracketed at 10% or less for all transactions in the Architecture/Engineering/Construction industry. With a small percentage of the total project cost comes a lack of control for the architect over what gets built. Instead developers and contractors are deciding what will be built. Often a developer's focus is on their bottom line, and what building is the most profitable. Many projects being built today do not offer opportunities for real estate investment for people with low household incomes.

Our Model:

We intend to focus on building a sense of belonging by promoting financial stability, long-term settlement, and well-designed sustainable architecture.

"The ability to provide service without the restraints of a for-profit business model!"

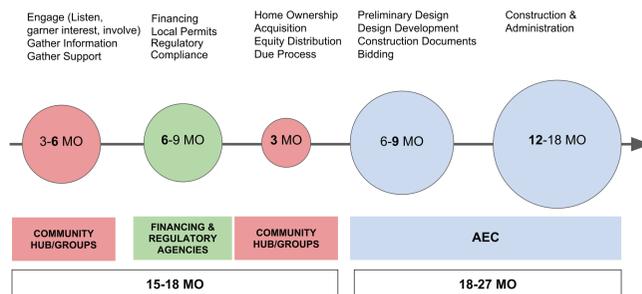
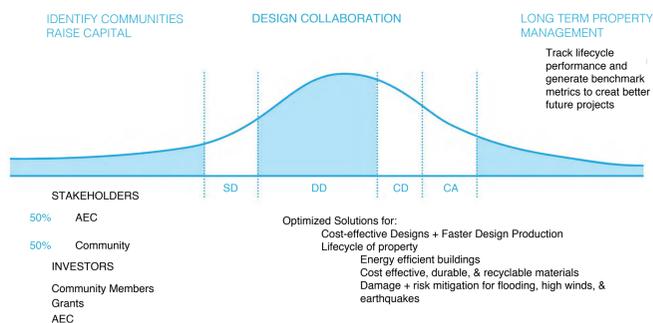


Financials:

Partnerships would be built with local organizations, businesses, convenience stores, and local government to help fundraise capital through investment, grants and loans. Discussion will be ongoing with multiple communities to give AEC multiple options so not to be too overly reliant on one. If a sufficient number of community members invest then the project can begin, if not then the money that was raised is refunded to the individuals.

An individual would invest at a lower buy in price than is typically offered in real estate development. The investor then gets to benefit from using the new project in their own neighborhood, and receive equity from the project. They would then be paid out over the coming years.

At the beginning we would ask people to pledge a certain amount, when that project is selected then they would have to pay (Go-Fund-Me Approach). How they will influence the project as it is built is important. We would have to have a contract that limited their power as individual investors so as to retain control of the direction of the project as a firm but more importantly as a collective rather than one individual.



Our Approach:

First Gain Community Investors/Champions:

The need for better development that benefits underserved communities and provides affordable housing is a prevalent social issue today. Presenting the opportunity to invest in the development that is happening within these communities is a way to influence the project and access to the closed-off real estate investment through crowdfunding. We as a firm will target areas that desire fair community rates.

AEC would identify communities A, B and C, all of which are similar to the makeup of Roxbury, Mattapan, and Dorchester, as three areas with abandoned buildings/ underutilized sites that could be built on or reused and converted to housing, commercial or mixed use. We would establish contact with neighborhood groups, churches and businesses within those communities with an offer to partner with that community to buy and develop a site based on current needs of the community. AEC would look for one of the groups from a community that expresses the most support, saying for example that there is a demand for more housing and several local businesses would like a place to relocate to.

AEC would then, through our partnership with a community organization, set up weekly meetings to raise interest and bring in ideas and complaints from the neighborhood. Through these meetings AEC's architects can begin to draft a design concept and more members of the community will be exposed to the project and begin to express more interest in investing.

Some of these investors would be people interested in a new home to live in, others would be small businesses that feel they are being pushed out by bigger chains, and others are long term residents interested in the potential to make a small investment that can reward them and the community. As more people become involved and lend their voices a direction begins to come together and early designs are released for critique at further meetings.

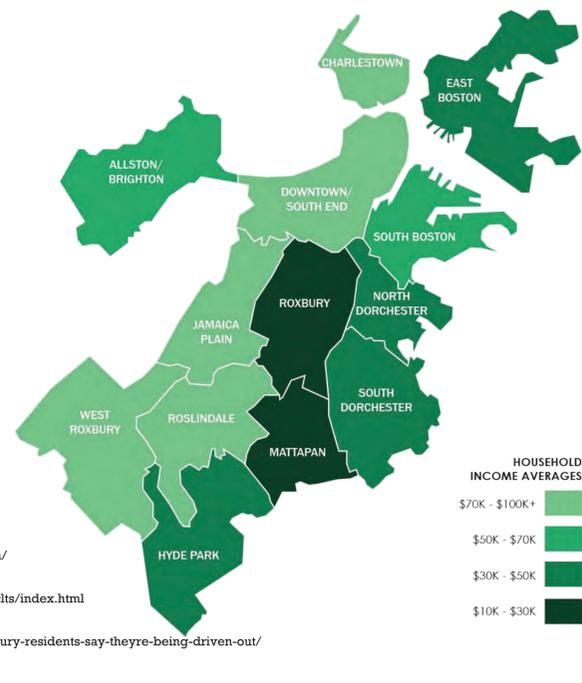
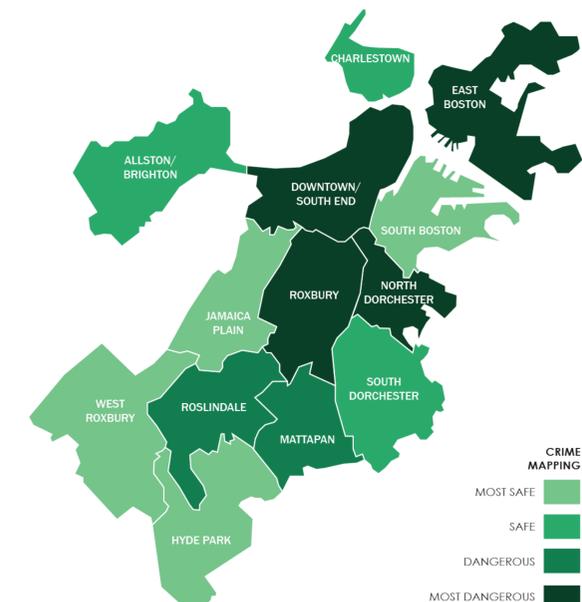
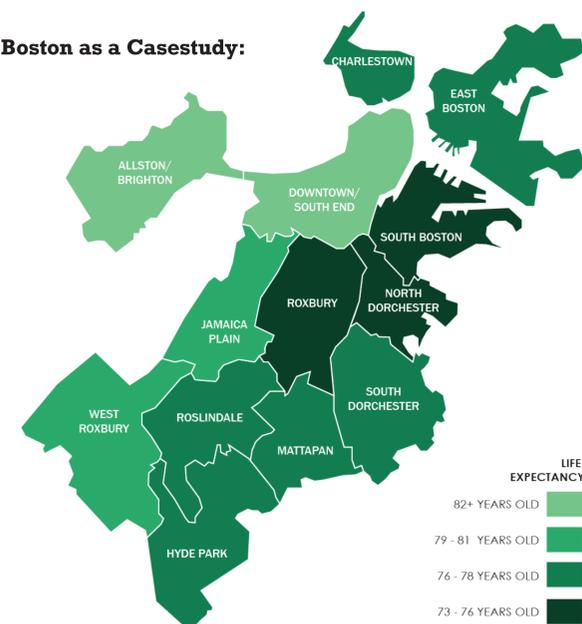
As funds are raised, the permitting process can begin and conversations with local government about zoning. Once the money has been raised, the site can be purchased and the design can be refined. AEC's contractors can begin work based off money raised, completing any needed demolition/site work. Once the project is completed investors can move in to their homes and work space. AEC will continue to maintain the project with the hope being that they designed it well to maintain its value in the longterm. Investors can sell their share with a set cap to limit the value so as to keep the housing affordable while also letting people make money off their investment. As AEC develops more projects it will have full time staff for the early development stage, for the design, for the construction, and for the property management. From here it will be able to expand into new markets as it grows.

	End User Persona	Economic Buyer Persona	Champion Persona
Name	Residents & Small Business	Community Members/Investors Federal and State Grants	Community Groups
Proxy Products	Looking for a home for themselves or their business	Looking for investment opportunities	Community Empowerment
Priorities (Top 4 in order)	1 Price 2 Location 3 Amenities 4 Management	1 Project Vision 2 Financials 3 Project Leaders 4 Stakeholders	1 Community Involvement 2 Price 3 Project Vision 4 Impact
Key Selling Points to this Person	1 Landlord will be community members 2 Will have a voice in the design process 3 In AEC's interest to design a sustainable building	1 Investment in themselves 2 Improving struggling areas 3 Good Publicity	1 Far more say in entire process 2 Given control of their community 3 Alternative to business as usual

Boston Residents we talked to:

- Mrs. Vashti Etienne**
34
Works as a Boston public schools counselor
Also an wedding/event planner
Salem state graduate
Currently lives in Fenway with parents because of their health concerns
Believes Boston needs to invest in their longtime residents and mom and pop businesses and allow them priority locations.
- Jamaal Crawford**
25
Works security for a commercial building in Downtown Boston and also drives Uber
Currently a Dorchester resident and has lived in Boston for most of his life
Aspiring creative director
Hates the fact people are being driven out of the homes they'd lived in their entire lives
Says Boston needs fair rates for its longtime residents "it's only right"
- Mr. Charidyn Valcin**
30
Went to West Roxbury High
Works as a car salesman for Prime Acura
Currently a Weymouth resident, has lived in Boston for most of his life before getting married
Family lives in affordable housing in a rapidly gentrifying area of Dorchester
Would love to see families that are being overlooked in better homes.
- Mr. Klebert Etienne**
70
Reverend at First Haitian Baptist Church
No college education
Longtime Fenway resident and landlord
Enjoys the opportunity to be able to invest in new and high end buildings rather than spending so much in old developments. It's the only way to provide for his families futures
- Jose Fernandez**
52
Owner of Happy Superette Convenience Store
Since 2005
Longtime Dorchester resident
Believes local government should've done something like this a long time ago

Using Boston as a Casestudy:



Sources:

- (Construction Industry Data)
<https://www.statista.com/topics/974/construction/>
- (Community Land Trusts)
<https://community-wealth.org/strategies/panel/clts/index.html>
- (Boston Housing facts)
<https://www.bostonherald.com/2018/11/14/roxbury-residents-say-theyre-being-driven-out/>
- (Boston Statistics)
Boston Census 2016