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Live-Work Spaces Can Provide an Affordable Option for Working Artists

A Behind-the-Scenes Look at This Unique Style of Living and How It Benefits Both Artists and Communities

by Daniel Grant

(Above) In 1982, the Northern Warehouse in downtown St. Paul, Minn. (left), was the first building purchased by Artspace.

(Right) The Tashiro Kaplan Artist Lofts in Seattle, Wash.

Before the arts were thought of as good for the economy and setting up house in abandoned factories was seen as chic, artists sought inexpensive places to live and create their work. Some of the most prized works of art of the postwar era were produced by artists living and working illegally in an area of lower Manhattan in the 1960s. This scenario was repeated in Boston, Chicago, Los Angeles, Minneapolis and a variety of other cities around the country.

However, as the middle class was drawn back into the cities, building owners raised rents significantly to take advantage of the higher incomes, displacing the artists who had pioneered loft-living. (The term “gentrification” came into use to describe this phenomenon.) Artists found themselves where they had started decades before, looking for inexpensive space in which to live and work. The situation could be endlessly repeated — move in, fix up, get priced out — but nonprofit groups, private developers and government agencies have worked together in a number of cities around the country to create permanent, affordable live-work space for artists. Perhaps the most active housing developer for artists is Artspace Projects in Minneapolis. Artspace Projects has taken ownership of,

and renovated, 12 buildings in Minnesota and has worked with other groups in creating artist housing in Connecticut, Illinois, Maryland, Michigan, Nevada, Oregon, Pennsylvania, Texas, Washington, D.C., and Washington State.

Artspace started out as a housing referral agency for artists in the 1970s; members of the organization identified buildings that would be suitable for artists and negotiated lease agreements with landlords for potential tenants. However, the organization found itself running on a treadmill, endlessly talking with landlords and never catching up to the problem. In 1982, the organization began the process of becoming an artist live-work space developer, purchasing its first building, the Northern Warehouse in downtown St. Paul, and creating 52 units for artists four years later.

Working with groups in both Washington, D.C., and

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Seattle, Artspace Projects has taken part in the construction of new buildings for artists, but the primary focus has been on rehabilitating older ones that already provide the bare bones of what an artist needs in a studio. "It's very expensive to build something from scratch with 12-foot-tall ceilings," says Will Law, chief financial officer at Artspace Projects, "but old warehouses already have them." In addition, more funding sources are available for the renovation of buildings than for new construction.

The financial underpinning of Artspace Projects' artist sites is complicated, consisting of a patchwork of funding sources. The principal mechanism is the sale of tax credits, such as for historic preservation, affordable housing and environmental clean-up, which provides between 40 and 75 percent of the total costs. The remaining financing usually is provided by foundations, government grants and through bank loans.

"Every community brings its own sources of funding," says Teri Deaver, a project manager for Artspace, noting that Artspace Projects was able to sell water rights under a live-work site in Reno, Nev., and air rights over another site in St. Paul, Minn. — both to developers — for cash. The water rights alone netted \$300,000.

The principal tax credit used is for affordable housing, which requires that tenants earn no more than 80 percent of the median income for the particular county and that rents or purchase prices are affordable to someone earning between 50 and 65 percent. The differences between counties may be significant for what constitutes low income: In Jackson, Mich., for instance, where the Enterprise Group in partnership with Artspace Projects is developing a 36-unit live-work space for artists, an individual living alone must earn less than \$30,000, whereas in Washington, D.C., where the local Cultural Development Corporation is sponsoring 12 affordable live-work units on the first three floors of a luxury condominium development, the artist must earn no more



(Above) The Riverside Artist Lofts, in Reno, Nev.



(Left) A new Artspace project is the Mount Ranier Artist Lofts, in Mount Ranier, Md., which opened in 2005.

than \$65,000. In Cape Cod, where Community Housing Resource in conjunction with the Fine Arts Work Center is converting a portion of a former motel in Provincetown into affordable housing live-work space, single artists are eligible to live in one of these units if they earn no more than \$42,200 per year.

There are 36 units in all at the Provincetown site, of which 13 are set up as live-work spaces and qualify as affordable housing, while five others are nonresidential artist studios for use by residents of the Fine Arts Work Center artist community and the remaining 18 are to be sold at market rates — half the complex subsidizing the other half is another form of financing. Most of the units, both market-rate and affordable

housing, are one and two bedrooms (1,050 square feet and 1,200 square feet, respectively). The price of an affordable housing one-bedroom live-work unit is \$90,000 (as compared with \$375,000 market rate), whereas a two bedroom sells for \$115,000 (\$435,000 market rate).

Artspace Projects principally works on a rental basis, rather than allowing artists to purchase their units, because of a concern that someone may buy a space and "then turn around and sell it to an investment banker at market rate," says Michael Byrd, a project manager at Artspace Projects. On the other hand, the Cultural Development Corporation of Washington, D.C., which created 12 affordable live-work spaces for sale in a 54-unit condominium at Ninth and G Streets, has no requirement that artists sell to other artists, although the first owners may not charge market rate for at least 10 years. These artists must sell at the initial buying price, adding in the cost, rather than the value, of any improvements they made to the unit.

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HOW ARTISTS CAN RENT OR OWN A LIVE-WORK SPACE

All Artspace Projects sites create a committee, consisting of local artists and some staff members from Artspace Projects, which evaluates an applicant's portfolio and résumé (perhaps references) to determine the degree to which the individual is in fact a professional artist. "Ninety percent of our tenants have other jobs than being full-time artists," says Byrd, and those jobs need not be art-related — an art instructor, for instance. "It's more about dedication to their craft. We want to see that the person has a body of work that reflects that they've been seriously working on their art and are trying to promote it, whether you or I happen to like it." Ted Malone, president of Community Housing Resource, notes that applicants are "not evaluated on a competitive scale; it's more like pass-fail."

The buildings that Artspace Projects and other, similar live-work developers refashion are not exclusively for craftspeople. Writers, musicians, performers, graphic designers and even, in some instances, hair stylists are eligible for rental or purchase units. Since the buildings will be both residential and studio spaces, applicants whose work may involve noxious fumes or heavy, loud machinery may be deemed "inappropriate" by the committee, Malone says. The artist may employ other people in the studio as assistants or bring in collectors to look at work — although either or both may pose a parking problem for other tenants — but not use the studio strictly as a retail space, such as a commercial art gallery. The studio cannot be used as an additional bedroom, either.

Demonstrating a need for an artist's studio is a specific point of eligibility for those seeking to rent a live-work space. Making affordable housing units available exclusively for artists is not always easy for government officials to swallow. "We've gotten some opposition from officials at public agencies," says Jessica Norie, director of Artspace Utah, which is located in Salt Lake City and predates Artspace Projects as a developer of live-work buildings for artists by six years. "They have complained about our priorities, saying that homeless people and single-parent households are more in need of housing. Artists are viewed as voluntarily poor — they should just get a job." Artspace Utah has completed three live-work sites, consisting of a total of 150 units, and currently is working on a fourth. However, only one of the completed buildings contains strictly artist tenants. The federal government offers no objections to restricting occupants by profession, as long as there is no discrimination on the base of race, sex, ethnicity, age or nationality.

The success of an artist's live-work site may be measured in a number of ways. Certainly, the artist now has a more reasonably priced place to reside and produce art, and a building in need of rehabilitation is restored. For the municipalities in which these sites are created, though, the hope-for benefit is not just to get poor artists off the street but to revitalize a formerly decaying — even dangerous — neighborhood through the spark of life that the arts provide. Cities all over the country want another SoHo, and it looks like they are getting just that. "When we began work on the Northern Warehouse in Lower Town" — a downtown section of St. Paul — "there were, maybe, 500 people living there," Byrd says. "Now, there are 5,000 people, and a for-profit developer is selling lofts right across the street for between half a million and a million dollars." The Twin Cities of Minneapolis and St. Paul, where Artspace Projects has developed 10 live-work sites to date, has estimated that the municipal governments

receive \$8 in tax revenues for every dollar invested in these buildings.

The city of Boston, as well as a number of surrounding cities, has also given the green light to developers interested in developing affordable housing for artists. "My administration is dedicated to retaining existing studios and creating new, per-

Cities all over the country want another SoHo, and it looks like they are getting just that.

manent spaces for artists to live and work, so Boston can remain a place that artists want to call home," says Mayor Thomas M. Menino. Perhaps no area in the city saw as sizeable a turnaround in fortunes as Boston's South End, which had been full of abandoned buildings, many of which were left in disrepair. The Cloud Building, for instance, was in such poor shape that it had been slated for demolition by the city before the Boston Center for the Arts asked to take over and renovate the building in the mid-1970s. Almost 30 years later, the Boston Center for the Arts, with its exhibition and theater spaces, live-work and studio-only units, is the center of the South End's cultural hub, surrounded by "condos, bistros, cinemas. The area is totally gentrified now," says Michelle Baxter, director of programs at the Boston Center for the Arts.

Similarly, the Pioneer Park section of downtown Salt Lake City was an impoverished, crime-ridden area back in the early 1980s before Artspace Utah developed live-work spaces in two area buildings, "and now the area is booming," Jessica Norie says. "We were the first ones down here; nobody was interested in being in the neighborhood. Now, there are five market-rate condominium projects immediately surrounding our buildings. Just one block away is a 30-acre mixed-use development, with office, retail and residential space. There are more restaurants, movie theaters; and a planetarium opened. There's no question that we were the catalyst for all this activity." **TCR**

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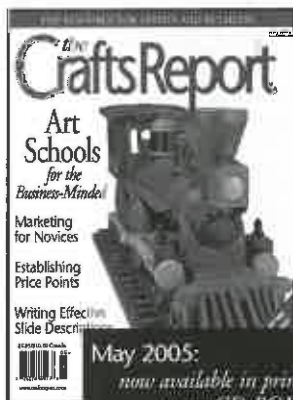
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