

Appendix D: Arts & Industry— A Toolkit for Preserving Affordability + Funkiness

Thriving arts and creative industry districts contain varied uses and are in a constant state of motion; the policies and practices to ensure their sustainability and growth must be just as diverse. At the heart of these districts are three elements that are essential: 1) affordability for the artists, makers, and entrepreneurs who call these districts home; 2) spaces and places that allow for that often-talked about “funkiness” factor and where artists have the freedom to “make and break” things; and, 3) visibility and density that bring customers and vibrancy.

As “urban pioneers,” artists benefit from setting up shop in areas with low rents or high vacancy. Over time, as neighborhoods gentrify, rising rents leave artists reacting to the forces around them instead of having the ability to control where they work and what they pay. To this end, this toolkit is an important resource and companion to *planBTV South End*. This toolkit outlines a number of potential strategies that could be explored to help artists take the reins in determining the future of arts space in the South End. Many of the strategies in this toolkit discuss models for artists’ ownership of, or a partnership in the management of, space. While it’s certainly not the only strategy for preserving arts and affordability in the South End, it is an important one.

Ownership can be one of the most successful ways to ensure affordability, but being in control requires much more than simply owning space. The capacity to lead and manage the acquisition, development, programming, maintenance, and operations of a building is a must for any organization or individual interested in providing arts and creative space. In a city Burlington’s size, capacity to provide these spaces will depend on pooling a variety of resources and actors within and outside of the South End. And it’s good business to pull in a variety of people and organizations—many of the skills and resources needed to acquire and manage affordable space

A Note about “Funkiness”

While it can be hard to define and quantify, it can be helpful to understand that funkiness comes from variety and serendipity: small and large things that include the ability for artists to inhabit and use informal and often-ignored spaces; the sweat equity that often goes into studio renovations and space maintenance; the acknowledgement that working and exhibition space has higher value than “polished” space; and the ability of the public realm to accommodate a variety of permanent, temporary, ephemeral and spontaneous installations, events, and happenings.

Visibility and density of uses are important to attract customers. Artists, makers, and other creative entrepreneurs depend on people with disposable income to buy their work. Density of uses, open gallery hours on weekends, signage, and marketing can all play a part in the “business” side of things for the South End.

go well beyond what most artists have the capacity to provide. Taking on responsibility of real estate development or property management can be a big distraction from the making. On the flip side, owners and managers of commercial space may not have a thorough understanding of the current and future space and programming needs of an arts district.

Many of the models contained in this toolkit describe successful examples of mixed-use development that include a range of affordable artists and maker spaces, and in some cases retail, office and residential uses that made them work financially. Finding the right mix of these uses is critical, and can have a major impact on individual projects and the character of the surrounding neighborhood. *planBTV South End* included a lot of passionate discussions about the appropriate mix of these uses in the neighborhood—and in particular in the South End’s Enterprise Zoning District.

At this time, the plan does not recommend changes to the City’s Enterprise Zone to allow for housing in this district. It’s important to note that the toolkit acknowledges this policy decision. However, these models are still relevant for many reasons. They provide perspective on how to make affordable development work and who could be involved. What’s more—these models could be utilized for properties in the South End not located in the Enterprise Zone, or in other artists’ areas throughout the City where housing is permitted. And finally, *planBTV South End* supports a continued discussion about the appropriate locations and types of housing within the South End neighborhood. These models can support City-wide discussions about how to meet the diverse needs of residents. And in the future, if the City’s land use policies reconsider areas of the South End Enterprise Zone that may be appropriate for housing, these models will be resource guide for investing in the South End.

The City of Burlington is committed to ensuring affordable spaces for artist and maker spaces are sustained and grown as the city and the South End change. To stay ahead of the curve and prepare for every opportunity, some things are imperative (and it’s not all up to the City to act).

Setting up for success: gathering the people and elements to make the best use of the tools

- **Form a Collaborative Working Group representing a broad array of skills and perspectives to support each other.** Provide a structure and a purpose, meet early and often. Think of it as the “South End Maker Space Water Cooler”—it’s the place where conversations happen, ideas are born, and people and organizations are connected to ensure every serendipitous event and possible strategy is used to ensure makers thrive. SEABA should be the leader here, with support from the City. Key players are likely to include:
 - SEABA
 - Burlington City Arts
 - CEDO

- Champlain Housing Trust
- State-wide agencies and organizations who can provide technical assistance, financing, and other resources
- Mission-driven developers
- South End land/property owners
- Finance, tax credit, artist space experts
- **Gather South End property owners.** Property owners are key to creating artist and maker space. The best place to start is with a conversation. Many of them, in fact. Property owners should have a central role in the Working Group, but also need their own group to discuss ideas, share thoughts, and openly talk about worries and goals.
- **Create a Technical Assistance Team of experts.** Use a sub-set of the Working Group and others to provide technical assistance to developers and entrepreneurs. Curate the group to include experts in brownfields, real estate finance, artists space, property management, programming, operating budgets, etc.
- **Engage landlords of artist space in honest (and difficult) conversations.** Not talking about market pressures, code compliance issues and generational transitions doesn’t make the challenges disappear. Benevolent landlords need to be at the table as soon as possible so discussions about future plans and needed help can move forward.
- **Get the BCA/CHT artists’ survey out there!** BCA, with the collaboration of CHT has spearheaded the first-ever survey of artist space needs and cost considerations. The assumption that artist space must be provided free is hurting artists and makers. Developers and property owners need solid numbers to help them provide appropriate spaces at desirable price points. And this does something important in that it reaches beyond the South End community to reach a larger artists audience to understand a broader set of needs and desires for space and affordable price points.

- **Maintain a database of makers with space needs** and the spaces existing in the district as a real-time supplement to the artists survey. What buildings and properties seem well-suited to space needs? Target them and start talking to land owners and developers! An example of an online clearinghouse of sorts is the creative space classifieds on <http://artsake.massculturalcouncil.org/blog/artsake/> and the listings on <http://mass.spacefinder.org/>
- **Publish this toolkit online!** Educate everyone about what actions are needed to preserve and grow affordable artist and maker space. Write about the challenges, and solicit input and suggestions. Let everyone know the challenges and the necessary ingredients for solutions to the affordability issue. Ask a developer to walk through a pro forma to explain the numbers. Have a banker talk about financing requirements and limitations.
- **Think and act about capacity and leadership.** What needs to happen? Why hasn't it happened? Who can lead? While it's tempting to look at government, regulations, and market forces as driving factors, history tells us that it takes leadership and a proactive stance to get things done, no matter what the environment. Where will that energy come from? What changes and partnerships are necessary to move things forward? How might board compositions change? What issues need a phone call? A coffee? A hug? This all circles back to the working group at the top of this list.
- **Don't get overwhelmed!** Pick one project, even if small, and focus on getting the system and capacity in place to succeed! So often the focus is on getting a building for arts space, stopping a development project or other large task when in fact, having a "system" in place that has all the people, agencies and collaborative ties to get things done is critical to any form of success. A good first project to stretch those collaborative muscle and get the South End system working smoothly? Word on the street indicates a cooperative arts/maker retail space would be a great first goal.

The NEXT STEPS include creating the South End Working Group, writing a mission statement, and setting goals with a timeline for results. SEABA, with support from organizations like BCA, should lead this effort. Others who should be involved include CEDO, CHT, state-wide agencies and organizations, developers, and property owners.

The Toolkit

Now that some basics are taken care of, it's useful to think about the menu of strategies that can be deployed to achieve affordability for artists and makers in the South End. Rather than think about the solution to affordability as a silver bullet in one project, approaching affordability and character as a district-wide web of policies and strategies can be much more effective in achieving long-term goals. While it may be difficult to create an entire project of affordable spaces, achieving just 3-5% affordability in artist and maker space in every development across the district would create a robust district that benefits from using new development as a tool to prevent the gentrification and destruction of the things that are best-loved in the South End.

Because everyone has a role to play, these strategies are offered in this toolkit according to the actors involved: What are artist ownership options? How can developers become heroes? What role do non-profits and the City have in the scheme of things? What approach should be taken, if any, with benevolent landlords? And how can the City provide a framework and incentives to make it all doable? The tools, along with some examples from other places and thoughts about how it could play out in the South End are listed here. And a note: the terms "artist" and "maker" are used interchangeably here for simplicity sake.

Proceed with Caution! (and full awareness)

Keep in mind that all of these artist ownership models described in the toolkit need a combination of some or all of the following elements to succeed (and of course, it's much the same list for private and non-profit developers...but they live, sleep, and eat this stuff every day while artists don't!):

- Vision
- High-risk tolerance
- A site or building prospect (and a good match in terms of cost, present ownership, location, size, layout)
- Resources (capital campaign capability, crowdfunding ability, people with expertise, financing sources, etc.)
- Capacity for building operations (day-to-day management, maintenance, programming)
- Identified revenue stream for ongoing maintenance and major capital expenditures (when the boiler breaks or the leaky roof needs replacement)
- Technical assistance/access to consulting services/partnerships if no development/renovation expertise
- Capacity to be an effective player/partner within real-world constraints and expectations (dealing with banks, regulatory bodies, end-users, design teams, engineers, etc.)
- Patience
- A “can do” attitude
- Lots of social and political capital

ARTIST/MAKER OWNERSHIP MODELS (YES, IT REALLY HAPPENS SOMETIMES)

One of the best kinds of artist affordability comes from artist/maker-owned spaces (a.k.a., the Rosie the Riveter / Dive-in-and-Do-It strategy). Yes, taxes rise, operating costs increase yearly, and managing a building and tenants may be a headache—but at the end of the day, ownership means control over destiny and the whims of the real estate market. Here are four common ownership structures (and they aren't mutually exclusive!).

For any of the artist/maker ownership models present below, the NEXT STEP is to identify underutilized buildings and use BCA/CHT survey responses to create a viable artist/maker space business plan. WHO should act? The South End Working Group, property owners, and mission-driven developers all need to be at the table.

Individual mission-driven artist developer

Find a building, see a need, get creative, take a deep breath, and plunge right in. Or maybe buy a building for your own business needs and rent out some extra space. There are lots of variations to the individual mission-driven artist-owner and some simply involve long-term leases and creative management. Unless the artist had a previous life in property management and development, this route involves a lot of “on the job” experience and calls for robust partnerships.

South End possibilities:

- The number of artists/makers/creative entrepreneurs who exist in the South End make this a realistic possible approach.
- This approach might work for redevelopment of an existing building for small maker spaces that could support closer to market rents.
- This is where a technical assistance team would be a real asset.
- Renovation/additions to an existing structure seems more doable in the South End. Underutilized buildings with some land also offer good potential for bare-bones maker space redevelopment.



The South End's very own Soda Plant and S.P.A.C.E. embody the ownership/management option. Steve Conant, owner of Conant Metal and Light bought a building and had more space than he needed. He also had very little time to manage the rental of artist studios. A collaboration between Conant and Christy Mitchell allows Mitchell to rent the entire space and manage the sub-leases to artist tenants. Today, the Soda Plant houses 18 artists and a gallery and Conant's business. The arrangement allows Conant and Mitchell to each do what they do best.

PHOTO SOURCE: SPACEGALLERYVT.COM

Artist-owned

Some artists have resources and capacity that can be put to good use in buying and renovating a building. Sweat equity, crowd-sourced funding, and sometimes a savvy development partner can help make artist ownership a reality. Artist ownership becomes reality when a group of artists join forces, assess their capacity and common interests, enter into partnerships to fill expertise/resource gaps, and move forward as a united front to create a co-operative ownership model or LLC that offers affordable rental options.

South End possibilities:

- CHT and CEDO can be useful partners/leaders here to coordinate City assistance and expertise. SEABA and BCA could also help facilitate these projects.
- This model will work best when significant technical assistance and mentorship is available. A South End technical assistance team would be a huge help here. A community development corporation might also offer mentorship and looking toward state agencies would be a good strategy to expand options.
- It is possible SEABA could expand its mission and grow capacity to look toward ownership models.



In Boston, the pending sale of Midway Studios, an artist live/work rental building with 89 studios (36 of which are income restricted) and 24,000 SF of ground floor retail/commercial space, brought the artist tenants to action. They teamed with New Atlantic Development to create a viable financing structure, management strategy, and investor prospectus that helped them present a credible offer of a \$20 million purchase price to the private owner. Within 72 hours the artists raised over \$500k by crowdfunding and outreach to friends, family, and arts advocates. They reached \$1.1 million within 14 business days and had raised over \$2 million shortly thereafter. Investment in the purchase was made simple, with a downloadable offering available online and a promised return of 8% on investments ranging from \$1,000 up to \$1.7 million. Today, the artists have formed an organization to hold ownership and the units will remain affordable rentals....an unusual but much-needed ownership arrangement (most artist-owned buildings are co-ops not rentals). The property is managed by a Board of Directors, half appointed by New Atlantic Development, and half by the residents. With its expertise in building management and artist space, New Atlantic knows how to keep costs low to protect affordability.

PHOTO SOURCES: MIDWAYFUND.COM AND BOSTONGLOBE.COM

Artist or non-profit organization/developer joint venture

While developers can provide space for artists within their projects, it is rare that artists share ownership in the deal. But there are good reasons to find a mission-driven developer and think about what a partnership might look like. Artist projects are complicated and can draw from numerous financing sources...sometimes over a dozen. It takes a developer with deep experience, good relationships, and a love for the cause to make many of these deals work. Identifying non-profit or private for-profit developers who may be interested in a joint venture can be a path to ownership for artists and arts organizations.

South End possibilities:

- BCA could function as a non-profit partner in a scenario like this, collaborating with an organization like SEABA to respond to South End space needs and building programming. BCA has the space management expertise, but a project manager with development expertise would be a necessary addition in some office or department of the City—perhaps in CEDO with that person taking on other projects as well.
- SEABA could also serve as non-profit partner in a development deal. To do this, the organization would have to grow capacity and bring on dedicated staff and expertise. A capital campaign would also be necessary.
- The City of Burlington owns the property at 339 Pine Street, which offers opportunities for renovation/maintenance and expansion of affordable maker and artist space in the South End.



In Ventura, CA, the City wanted to build a new live/work space for artists, but could not identify an existing building for reuse, so turned to new construction. They brought in PLACE, a non-profit developer of arts spaces, as consultants, who partnered with the John Steward Company, a for-profit California developer and property management company to structure a viable project. The team identified a complex stack of financing that made the \$61 million project

possible. PLACE utilized CDBG funding, tax credits, as well as a mix of other public and private sources, to create a total building program that included 69 affordable units, 54 of which were designed for artist families and individuals and 15 units that are permanently set aside for deeply subsidized low income formerly homeless families and individuals. All affordable units are rental and the 13 market-rate condos are expected to provide nearly \$2 million in cross subsidy for the project. Assistive services for the low-income and formerly homeless tenants are provided on site and the project also provides for 6,100 SF of arts-friendly business for project revenue.

PHOTOS SOURCE: FIRSTFRIDAYSVENTURE.COM

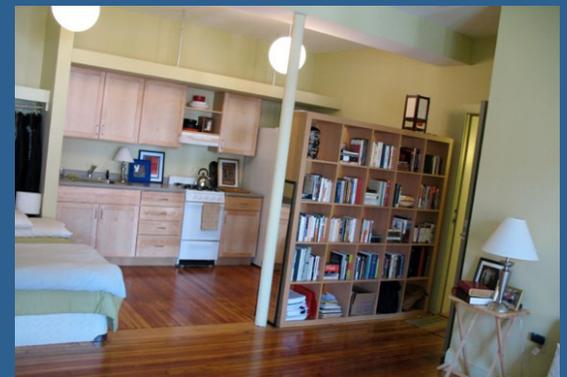
Arts organization owned/leased

An existing or new non-profit arts organization could develop space or enter into a long-term lease. Developing affordable artist space is not for the faint of heart but it is doable with patience and lots of grit and outside support. Leasing existing space is an easier task but offers no long-term protections. In either case, expertise of building management practices, including programming and managing multiple tenants, is essential.

South End possibilities:

- BCA has potential to expand its maker space model (GENERATOR) in City-owned space or another location in the South End where a site can accommodate additional development.
- Other City-owned parcels should be evaluated for suitability for artist space.
- SEABA, or another non-profit, could consider the acquisition of an existing maker/artist space in the South End for long-term management or redevelopment. Numerous challenges must be met, including redevelopment costs and organizational capacity/mission fit.

In Providence, RI, the non-profit AS220 was formally organized in 1985. In 1992 it made its first acquisition of the 21,000 SF three-story Empire Street building and then added to its building portfolio with the Dreyfus Hotel and the Mercantile Block a few years later. AS220 financed acquisition with City loans, foundation donations, and capital campaigns. The organization has also filled the building with rent-paying tenants like the Groundworks Dance Company, Perishable Theater, and multiple artist residences. Commercial tenants round out the mix. The strategy was simple: do a minimum build-out to meet code (artists got bare-bones spaces with no walls and minimum plumbing/kitchens) but nothing more and use the real estate market to help support financing and operations by renting ground floor retail and restaurant space at market rents. Strong support from foundations and the operation of AS220 Industries (the Community Print Shop, AS220 Labs, and AS220 Media Arts) funds operations.



PHOTOS SOURCE: AS220.ORG

Creating Affordability in Market-Rate Environments



The small size of maker and artist spaces within larger spaces make this model for affordability more doable in market-rate conditions. Spaces such as Artisan's Asylum in Somerville, MA charge market rates for small (50 to 100 SF) work spaces. The rent from 170 of these spaces at \$2.50/SF per month, added to other rental revenue from 550 monthly membership

fees, storage rental, and flex space for short-term projects, provides 70% of operating revenue. The teaching/classes for members breaks even and the rest of the operating budget is supported by gifts, grants, events, and corporate sponsorships, which are significant. All in all, the 40,000 SF facility, in the former Ames Safety Envelope Complex, is a beehive of artists, makers, creative and tech hands-on entrepreneurs, and small businesses. It manages to do all this while paying market rent to the landlord. The organization has even put together some tutorials for how to make a maker space: <http://artisansasylum.com/how-to-make-a-makerspace/>. PHOTO SOURCE: ARTISANSASYLUM.COM

The South End is a natural place for this model. These spaces support the kinds of micro enterprise and light-industrial incubator uses that are central to the Enterprise Zone and also encourage a mixing of uses that is a central characteristic of Innovative Districts....a win-win all around.

In addition, Burlington has a local model for maker space. BCA launched the GENERATOR...Burlington's very own artist, maker, creative incubator space

which hosts 140 makers of all kinds...which now calls the South End home. The organization's experience with GENERATOR and the success of the space in providing makers with affordable places to collaborate and create, along with class learning opportunities, creates an opportunity for maker space expansion into the South End. PHOTO SOURCE: GENERATOR.COM



DEVELOPERS AS HEROES

While often seen as the evil players in the gentrification that has pushed artists out of affordable neighborhoods and buildings, with the right environment and collaborations, developers can provide permanent affordable work, work/live, and community arts space in projects. Not all developers are created equal. Not-for-profit community development corporations, mission-driven entrepreneurs, and traditional developers who have clear regulatory restrictions and supportive environments can all play a role in the affordability mix. In the South End, the NEXT STEP is approach developers about incorporating affordable space (cooperative maker retail space, work/live, work) into current projects. SEABA, CEDO and the South End Working Group can take the lead on this effort.

Not-for-profit developer

A not-for-profit developer can be an excellent creator of affordable work and live/work space. One of the best known is Artspace which owns and operates 35 affordable developments (new and redevelopment) across the country and also offers consulting services. Burlington also has its own home-grown non-profit that is a model for affordable housing development—the Champlain Housing Trust (CHT). The CHT developed artist live/work space at the Rose Street Artists' Cooperative, a 12-apartment renovated former bakery that also contains gallery space.

South End possibilities:

- CHT is the most obvious option for developing artist live/work spaces in the South End. For this strategy to work, sites available for housing would have to be identified either in the South End Enterprise Zone or adjacent to the district.

The Rose Street Artists' Cooperative and Gallery has the mission of “providing perpetually affordable living and studio space for local artists. The project was developed by CHT and offers twelve apartments along with a gallery and common space in the building. Members of the co-op must volunteer a few hours each month to help with arts events in the gallery. This requirement of volunteer time is typical of artist cooperative projects.



PHOTO SOURCE:
VTAFFORDABLEHOUSING.ORG

- As with all affordable housing development, restrictions should be in place to retain ownership and rental possibilities for those meeting income guidelines. In addition, it is important that artist certification requirements be in place to ensure artist units remain for artists actively engaged in making.
- Artspace, the non-profit developer of affordable artist space, is another option for development entity.

Mission-driven for-profit developer

Developing affordable space for artists takes a special set of skills. The complexity of financing, frequent use of government funding and tax credits, the knowledge needed about specialized artist space, and the ongoing pressures to keep operating costs low, act as a natural filter that leaves a limited number of for-profit developers interested in this specialized project area.

South End possibilities:

- Burlington has development companies who could fit the bill here and who should be part of ongoing conversations about affordable space in the South End. Put them in the Working Group!
- The BCA artists' survey can help developers understand how the provision of artist space can support his bottom line.
- Mission-driven developers should be heavily recruited for all new development possibilities.



In Boston, Peter Roth of New Atlantic Development is one such developer with an impressive track record



of working with artists and communities to create affordable live/work spaces. At ArtBlock in the South End of Boston, New Atlantic responded to an RFP issued by the Boston Redevelopment Authority, in which the city was putting publicly-owned land up for sale for the purpose of creating artist live/work units. The site consists of two new five-story buildings framing the historic Joshua Bates Arts Center, and the program includes a mix of 28 market-rate units, 26 affordable artist live/work lofts, an exhibition gallery called Mobius, and enclosed parking. The market-rate units were marketed as luxury condo units, which subsidized the affordable units. The Arts Center remains dedicated to providing artist work space, and the project also features a sculpture garden and street-level terrace. The \$21 million project was funded by the BRA, the City's Department of Neighborhood Development, Historic Tax Credits, and multiple construction loans. New Atlantic Development continues to own and operate the property with an eye toward keeping costs low and involving the artists on the board of The Bates Art Center, a former school which houses approximately 15 artists. PHOTO SOURCE: NEWATLANTIC.NET

For-profit developer

For-profit developers who may not have a particular expertise in artist housing shouldn't be excluded. Public projects that come with public financial support and stream-lined permitting offer opportunities for traditional developers to compete favorably. Clear expectations around zoning requirements and the provision of incentives to provide affordable artist space can work magic in turning traditional developers into heroes! These projects work best with clear City priorities and readily available information on artist space market demand and needs.

South End possibilities:

- BCA led the first-ever artist space survey. The results of this survey can help make the case with developers of how and why artist space could become a part of mixed-use development.
- Work with developers advancing projects in the South End to explore how affordable space might be accommodated in the project.
- SEABA should consider providing information on artist needs and even maintaining a list of artists interested in space in the South End as a kind of clearing house to help incorporate artist space in projects.



In 1991, the City of Lowell, MA, issued an RFP for the disposition and redevelopment of two adjacent brownfield sites housing former factories. EA Fish, a Boston-area private developer, won the RFP and was able to purchase the land for \$120,000 and invested an additional \$3.9 million in the redevelopment, Ayer Lofts, which included brownfield clean-up. The project helped increase the City's tax revenue by \$300,000 to \$400,000 per year as a result of the redevelopment, which is valued at \$9 million. The resulting development has 49 loft-style artist homeownership units, as well as a 3,100 SF café and gallery on the first floor. On average, the units sold for \$175,000 in 2000 at the project completion.

The Benevolent Landlord: leave well enough alone?

Much of the affordable space in the South End is due to benevolent or mission-driven landlords. Often, the artist-landlord relationship begins when properties are in transitioning areas and artists act as urban pioneers—paying cheap rents for bare bones spaces no one else wants or needs. It's a win-win for landlords and artists. Some, but not all, of these landlords have a soft spot for artists and makers. For others, artists are simply great tenants in a down market. The South End's Soda Plant, Mapleworks, and Howard Space Center all provide affordable space to artists, makers and creative users, not because it is regulated or funded, but simply because they do.

The challenge of course, is presented by changing real estate markets and generational changes in ownership. The need to update building systems, meet code requirements, and adapt to new users can also create affordability challenges as landlords grapple with how to meet legal requirements while keeping upgrade and operational costs low.

In general, honest conversations about long-term plans, generational transitions, estate planning and other difficult but important subjects should be the goal here. All of these landlords should be in the South End Working Group!

And remember, no news is definitely not good news. As the Midway Studios example illustrates, long-range developer and landlord intentions can be upended by the twists and turns life throws our way. Better to plan now and also to provide assistance to help keep these buildings vibrant and affordable by offering:

- Technical assistance around upgrades and code compliance
- Access to grants and tax credits for renovations and improvements
- Possible municipal support on code compliance
- City tax breaks for the provision of affordable maker/artist space could help ease the burden on landlords.

The Unsworth Properties-owned Howard Space offers artists and maker spaces and, along with Steve Conant's Soda Plant, is a major provider of affordable space in the South End.

PHOTO SOURCE: UNSWORTHPROPERTIES.COM



Dutch Boy Studios in East Oakland, CA is called the “Mother of all Artists Live/Work projects/legalizations” by many. A former paint factory contaminated with lead, the complex has been home to artists since 1979. Starting in 2000, it has been the focus of an extensive live/work building code re-write effort that has involved intensive negotiations between the City, consultants, architects, the building owner, and the artists who live and work there. Dutch Boy epitomizes the collaboration and “out of box” thinking necessary from all sides to create enduring, legal, code-compliant artist space that can remain affordable.



The City as developer

Some municipalities choose, often through their Redevelopment Authorities, to redevelop City-owned properties for artist live/work as rental or ownership opportunities. In this scenario, a City determines the project parameters and acts as a developer. But it could also use the *planBTV South End Master Plan* framework to issue an RFP to developers with affordability requirements and land uses clearly outlined. The City could issue an RFP for affordable artist development or a portion of affordable artist development in the redevelopment/disposition of any City-owned parcel or building in the South End.

A NEXT STEP for this strategy would be to evaluate all City-owned property in the South End for suitability for artist/maker space and create affordability requirements for development RFPs and disposition that incorporate affordable space. This effort could be a collaboration between CEDO and BCA.

South End possibilities:

- Any redevelopment of City-owned spaces in the South End should consider expanding maker and artist affordable space.
- An inventory of City-owned properties, vacant and occupied, should be created and examined to determine suitability of the properties and buildings for artist and maker use. This information can inform future RFPs and development plans.
- Properties providing rental, rather than homeownership might be developed by the CHT.

In Malden, MA, Irving Street Studios was created when the City purchased an 11,000 SF former convent in 2005 for \$200,000. A \$1.7 million renovation yielded nine artist units from between 550 to 850 SF each, as well as gallery and classroom space. To complete the renovations, the City received \$800,000 in Federal funds, as well as financing from local bank Salem Five. The City sold the units for between \$120,000 to \$125,000, with a \$10,000 down payment

required, but for first-time homebuyers, provided \$7,500 in down payment assistance. The units were restricted to singles earning no more than \$46,300 per year and couples earning no more than \$52,950 per year, and required that a “substantial portion” of applicants’ annual income come from creative work.



The City as policy maker

planBTV South End is the City’s effort to get out in front of change in the district to ensure the great qualities, uses, and opportunities of the South End are preserved and grown in future years. Many affordable arts spaces around the country don’t enjoy the protection and assistance of government policies and regulations, nor the benefits that come from a density of compatible uses. In the South End, the City can get out in front and lead the way by creating policies and incentives that support the best qualities of the district. In conjunction with the tools for ownership and creation of affordable space, a consistent and district-wide approach to policy can ensure that the South End thrives as a hub for innovation, industry and creative makers not just in small pockets, but from the lake to Pine Street and beyond.

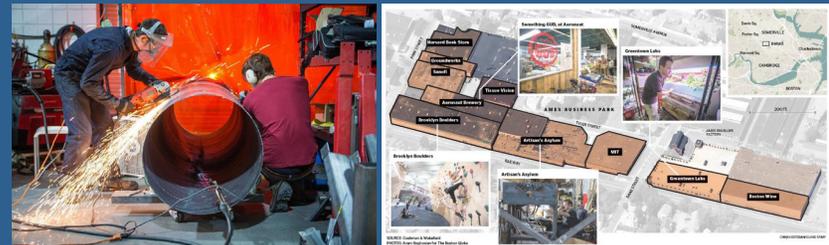
Zoning and development incentives

Zoning and development regulations can be used to help expand the supply of affordable spaces for production, work/live, and display. A balanced, feasibility-based approach is important here. Make the regulations too weak, and the South End has lost an opportunity to expand its inventory of artist and maker space. But require projects to provide too much subsidy—either in the amount of artist/maker space or in the limits on rent or sales price—and a project could become financially infeasible.

Potential strategies are listed below. The key here is calibrating a carrot-and-stick approach that offers the right balance of incentives and mandatory requirements so that the goals are reached. Incentives and requirements may need adjustment over time.

Potential regulatory strategies include:

- **Create a special zoning district, or update zoning provisions, to better define arts and cultural uses, update requirements to support the sector’s evolving needs.** A special artisan fabrication district, for example, could support a whole range of fabrication, arts, making, and non-art commercial uses.
- **Consider incentives for or require any new office or housing projects to incorporate a set portion of arts space** to ensure that the inventory of arts/maker space grows along with other uses and to protect against possible loss of space in existing privately-owned affordable maker space properties over time. Explore a range of affordable artist space



Somerville, MA wants to preserve and enhance the old, funky, and creative artist and creative economy spaces in the area it calls the Fabrication District. As a result, the City has proposed the Fabrication District Overlay in a portion of the City along Somerville Avenue, which won’t allow housing except as work/live, NOT as live/work. There is a very clear distinction. These units are work spaces that you happen to live in, and look very different than the residences where you work and where the general public wants to live to enjoy the creative vibe. In this district, nothing is zoned for residential and everything is industrial and commercial as of right. In specified sub areas, developers can build residential (and they all want to build residential!) only if they provide affordable artist work/live spaces as a public benefit. PHOTO SOURCES: BOSTONGLOBE.COM

A note about live/work vs. work/live spaces

The term artist live/work space has been used for many years to describe space that allows both living and working. Originally, this term was used to define very particular situations where living was allowed in manufacturing or industrial districts. Soho in NYC is an example of designated artist live/work space. Soho is also an example of a trend whereby most spaces that are designated live/work tend to migrate toward the “live” end of the land use spectrum over time. This phenomenon occurs because artist space is often desirable in its loft-style design and arts uses create dynamic neighborhoods over time.

The concern for gentrification of arts districts and arts-oriented areas and the rise of “maker” spaces that recognize a broader range of creative/craft uses in cities has led to the use of a different type of artist/maker space defined as work/live space. While this shift of words may seem superficial, the emphasis on space that is work space, in which one happens to also be allowed to live, defines a quality of space and relationship to other uses and spaces that is meant to protect affordable artist space and industrial/noisy maker space from residential gentrification. Here are some key characteristics of work/live spaces:

- Work is always present, and living space is secondary (and sometimes just part time).
- The design of the units reflects the primary purpose of work and look less like residential units with traditional kitchens, bathrooms and sleeping spaces and more like industrial work spaces that have small spaces set-aside for residential needs.
- Work/live projects may also provide individual work units that allow for living as well but that offer only shared kitchen facilities for all units or all units on each floor.
- Code and zoning regulations restrict changes to spaces to prevent “residential reversion.” In contrast, live/work space is primarily designed for living, with perhaps just a desk, work studio in a corner, or separate room set aside for working.
- The spaces are designed for proximity to “making”—acknowledging through design and policy that noise, dirt, and odors are acceptable and necessary characteristics of creative, affordable spaces.
- The spaces are part of a larger plan/goal of a making/creative neighborhood and community that collaborates, learns, and creates side by side and together. This may be purely artist, or include a broader concept of makers and creative entrepreneurs and enterprises...in fact, much like a 21st-century update of the heavier industrial uses once found in the South End Enterprise Zone.
- Work/live space may allowed in conjunction with other zoning policies that provide “Maker Protection Zones” that allow only certain types of uses. The key here is flexibility and an updated understanding of “maker” that goes beyond the industrial uses of the last century. Another protection policy might allow only rental units within given areas, which slows down gentrification in certain markets and discourages residential reversion.
- Work/live space fits well with the broader concept of innovative districts and 21st-century Enterprise Zones. Offering flexibility as well as business support and incubator services within work/live and innovative zones supports policies that emphasize the “working” over the “living” space.
- Urban design goals for areas with work/live spaces include spaces for interaction, collaboration, and sharing—similar to innovation district goals.

square footage requirement. Possible targets could be 5-10% of the project square footage. Some things to consider?

- Allowing projects to provide work space, work/live space; performance or exhibit space; or a combination of those uses, to meet requirements.
- Allocating to artists a set component of any affordable housing required under the City's inclusionary zoning policies for new housing developments. Require income verification and artist certification by a panel of peers.
- Another option could be the creation of incentives within the City's inclusionary zoning policies specifically for artist-only housing. This should also require income verification and artist certification by a panel of peers.
- Requiring space for public art in ground floor and exterior spaces.

The NEXT STEP includes exploring city development economics to determine the correct proportion for affordable space requirements and write requirements for artist space inclusionary zoning and public art spaces. WHO would take this on? The Department of Planning and Zoning would lead the way, with assistance from CEDO, CHT, BCA, and SEABA.

- **Require artist and income certification for eligibility for any subsidized and/or permanently affordable work or work/live spaces** to prevent gentrification (through reversion to residential-only uses) and ensure subsidies are benefiting the right target group. Certification would be conducted by a panel of peers and would be based on demonstration of a commitment to artist or maker production (not on a subjective quality of work assessment). This process could be facilitated by SEABA, with perhaps a City seat on the panel.

Development of an artist certification strategy is the NEXT STEP. An artist peer review panel must be created to oversee the process. Coordinate income certification with affordable housing requirements.

SEABA could oversee the artist certification process with collaboration with the City through BCA. CHT would be responsible for the income eligibility requirements. Both efforts would be coordinated based on the type of project and sources and purposes of subsidies.

- **Provide incentives for the reuse or incorporation of existing buildings into new arts uses.** These might include:
 - Creating a specialized artist work/live building code for older buildings with existing artist uses.
 - Creating a code/regulations advocate to help landlords understand what and how to improve and upgrade spaces while retaining affordability.
 - Providing tax breaks or grants to offset costs of code compliance and systems upgrades in order to retain affordability.
 - Allowing increased density or infill on existing sites to help retain affordability through cross-subsidy of uses.

Working with landlords is the NEXT STEP. Goals should include understanding property owner challenges, and investigating the possibility for zoning FAR bonuses and other incentives to allow infill/additions on developed sites. Investigation of possible grant sources is also a priority. WHO should lead this effort? SEABA, the South End Working Group, and the Department of Planning and Zoning (zoning bonuses).

- **Provide incentives for developers and property owners to provide new affordable artist and maker spaces.** These might include:
 - Floor area bonuses (increased FAR)
 - The right to build housing by special permit in limited designated areas in exchange for a portion of those projects being set aside for permanently affordable artist/make space
 - Expedited permitting

- Publicly-funded infrastructure improvements
- Waiver of permitting fees (for the entire project or pro-rated according to the ratio of affordable artist space provided)
- **Create design guidelines that incorporate the arts into the physical fabric of the South End.** Strengthen visibility of the arts by prioritizing the retention (and expansion where possible) of existing buildings to support small artists and makers; and encourage creative use of building façades and public space. Policies and design standards could include:
 - Creating a Pine Street Arts Corridor and Linear Arts Park
 - Mandating space for public art in all development projects and in public realm plans
 - Creating mandatory inclusion policies for affordable work/live units and possibly, communal exhibit or work space in all projects
 - Mandating a minimum amount of Arts and Productive uses or a minimum number and type of arts units as part of every project

The NEXT STEP would be the creation of Design Guidelines and Zoning revisions. This would be spearheaded by the Department of Planning and Zoning, with collaboration from SEABA, BCA, CEDO and the South End community.

Other regulatory incentives

There are a range of other regulatory issues that impact the success of arts districts. Based on case studies from other communities, additional potential strategies are listed below. These will likely require partnership with other City departments as well as agencies outside the City, so it's important to bring them into discussions early.

Potential strategies include:

- Streamline the permitting process for cultural uses

- Consider the possibility and feasibility of sales, property, or income tax credits or exemptions within an arts district, or advocate for policies at a state level where applicable
- Target special historic tax credits and/or loan funds into an arts district to aid in redevelopment and new development that supports artists and makers

And finally, support for Burlington City Arts and local arts organizations and artists is key to the success of any of these strategies.

The City's continued commitment to artists and makers is exemplified in Burlington City Arts. BCA can play an instrumental role in ensuring South End arts and makers continue to thrive and grow by being entrepreneurial, leading the way in collaborative relationships to develop permanently affordable space, and by offering technical assistance and mentorship where possible.

BCA and SEABA will need to work closely together to achieve goals. BCA can provide the city-wide perspective and overall coordination and expertise for the Burlington arts community while SEABA can provide a leadership role for South End initiatives. A common theme in all the arts and maker space success stories is the presence of collaboration and leadership. As suggested by the recommended working group...it is going to take many actors and resources to achieve the goals of a continued and robust artistic presence in the district.

The NEXT STEPS for moving forward with strategies in this toolkit is the formation of a South End Working Group, and the setting of goals and a work plan with deadlines. SEABA is the logical local leadership for this effort, with assistance from BCA.



**OUR PLAN FOR THE
SOUTH END NEIGHBORHOOD**

Find this plan online at:
www.burlingtonvt.gov/planbtv/se

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