

STRATEGIES FOR PROTECTING AND CREATING ARTS & CULTURE SPACE IN OAKLAND

WHITE PAPER

Prepared for the Mayor's Artist Housing and Workspace Task Force
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OVERVIEW

The City of Oakland is in the midst of an economic upturn, characterized by increased investment, much national attention and quickly escalating real estate prices. Unfortunately, some artists—along with other low-income populations—have been or are at risk of getting displaced from the City in the process. Given the unique role that artists play in creating economic, cultural and social value for the City and its residents, the Mayor convened a Task Force to propose policy recommendations to help artists remain in Oakland.

This multi-disciplinary Task Force included artists and representatives from arts organizations, architects, market and affordable real estate developers, technical experts, and city staff. The Task Force served as a subcommittee of the Mayor's larger Housing Cabinet and met seven times at the end of 2015.

To inform its work, the Task Force issued a survey of Oakland's artists in November 2015 to help better understand the issues facing Oakland's artists and attempt to assess their magnitude. The survey received more than 900 responses with the help of Task Force member outreach. According to the survey, most artists both live and work in Oakland and have been in Oakland more than five years, with the largest percentage having been in Oakland more than ten years. While a majority of respondents reported that they are not currently facing imminent displacement in their housing or workspace, the majority indicated that workspace and housing costs present the biggest challenges to being an artist in Oakland. In addition, nearly half of the respondents stated they are currently on month-to-month leases in their housing and workspaces, making them vulnerable to displacement. The threat of displacement is particularly high in workspaces, where there is no commercial rent control or other commercial rent protections.

Most broadly, this data suggests that now is the time to establish more robust policies to support artists in Oakland, before displacement worsens.

The Task Force studied and vetted a wide range of strategies for creating and preserving affordable housing and workspaces for artists in Oakland. Over the course of these conversations, and informed by the survey results and the affordable housing work being done by the larger Housing Cabinet, the Task Force's work resulted in a greater focus on workspace affordability.

Consistent with the charge from the Mayor's office, the Task Force created a brief memorandum that outlines just the top three (3) strategies that garnered the strongest and broadest support from Task Force members and can begin to be implemented most quickly. That memorandum can be found in the Appendix of this report. Key survey findings are also included in the Appendix. The full breadth of the research, strategies and case studies that were studied by the Task Force – addressing both housing and workspace affordability – are included in the following white paper.

GUIDING PRINCIPLES

In developing its recommendations, the Artist Housing and Workspace Task Force established the following principles to guide its work:

- **Permanency** – While recognizing that temporary, stopgap measures may be necessary to provide immediate relief to artists facing displacement, policies that provide artists with the ability to live and work in Oakland permanently are the most desirable solutions.
- **Equity** – Solutions that assist a diverse and broad group of artists and arts organizations are most desirable, given Oakland’s geographically large and culturally varied landscape. Priority should be given to those neighborhoods and communities that are currently underserved and would benefit most from the preservation/development of arts and cultural spaces and activities.
- **Cultural preservation** – The City of Oakland is home to existing rich and diverse cultures and cultural legacies. Any intervention should benefit those already in Oakland, especially long-time residents and artists who are integral to Oakland’s communities. Both cultural heritage and physical cultural assets should be preserved.



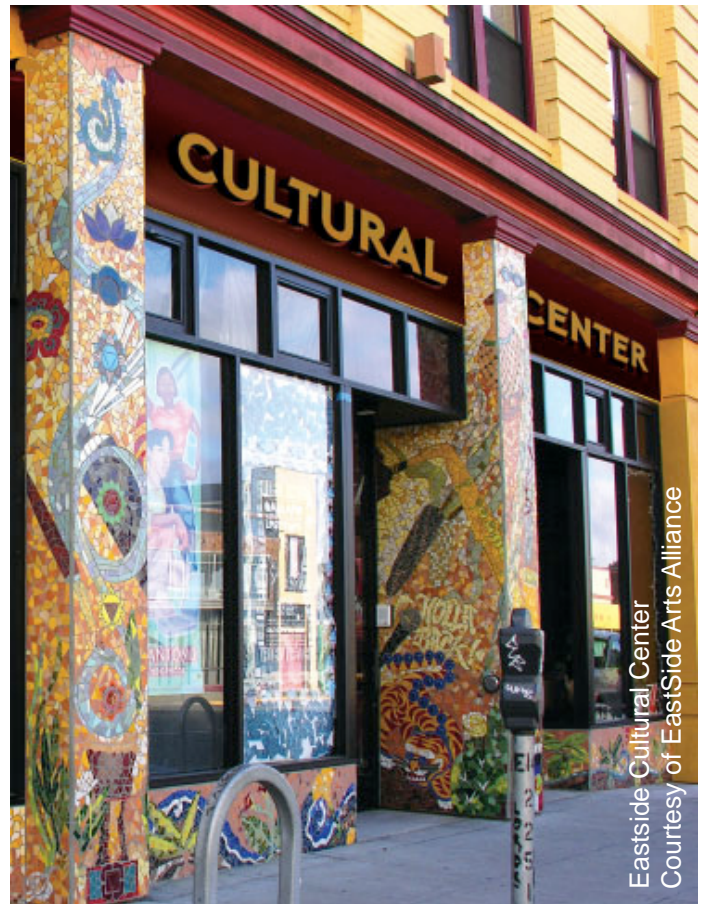
Courtesy of Malonga Casquelourd Center for the Arts

STRATEGIES

The three categories of strategies listed below are intended to reflect the ideas that garnered the most consensus and support amongst Task Force members. Additional policies and case studies considered by the Task Force will be described at the end of this report.

- **Real estate acquisition and leasing** – Ensuring long-term affordability and ideally ownership for artists in their housing and workspaces is the most powerful way to ensure artists can remain in Oakland. The following sub-strategies offer several ways to protect artists against rising real estate costs.
- **Financial assistance** – Provide direct financial assistance to help artist groups/arts organizations avoid or cope with displacement.
- **Technical assistance** – Establish a robust portfolio of technical assistance programs to support and help artists strengthen their businesses and art practice and stay in Oakland and improve the City’s internal infrastructure to support artists and arts organizations in Oakland.

The following section will describe in greater detail the strategies within these categories that the Task Force recommends. Case studies of existing policies and programs throughout the United States and Canada will also be provided to help illustrate what implementation of these and similar strategies can entail.



Eastside Cultural Center
Courtesy of EastSide Arts Alliance

Strategy 1

Create a property acquisition program, modelled on CAST in San Francisco, to create permanently affordable space for arts organizations in collaboration with foundations and other partners

A nonprofit should acquire real estate (buildings or ground floor spaces) before prices increase further. Once acquired, this real estate would be leased at an affordable rate to arts organizations on long-term leases. These arts organizations would then be provided technical assistance to build their capacity to fundraise, manage their facilities, and ideally purchase the space from the nonprofit at a later date.

Population served: Arts organizations

Type of space addressed: Workspace (e.g., offices, gallery space, performance space, rehearsal space, studio space)

Implementation Steps

- Establish working group—including potential philanthropic funders and nonprofit partners like East Bay Asian Local Development Corporation (EBALDC), the Community Arts Stabilization Trust (CAST), Northern California Community Loan Fund (NCCLF), and the Kenneth Rainin Foundation—to begin fundraising and identify potential properties for acquisition.
- Seek foundation support to seed program
- Establish a framework for identifying potential nonprofit partners to manage the program, looking at the CAST and NCCLF as potential partners or models

Timeline: Mid-term – 1 to 3 years

A working group can be established immediately, but it could take a year or more to acquire property and find suitable arts organization tenants. It could also take several years for arts organizations to raise capital and make the improvements needed to make space fully functional.

Case Studies:

Community Arts Stabilization Trust (CAST)



CounterPulse renovating space at 80 Turk Street
Courtesy of Kegan Marling

Community Arts Stabilization Trust (CAST)

San Francisco, CA | www.cast-sf.org

CAST was established in 2013, having been incubated by the Northern California Community Loan Fund (NCCLF) to acquire properties in San Francisco's Mid-Market neighborhood to create permanently affordable arts spaces. Rising rents and development pressures in this neighborhood put existing arts and culture uses at risk, especially given that most organizations had short-term leases. To help those organizations without the capital necessary to purchase property themselves, CAST purchased real estate and then entered into long-term leases (7-10 years) with the arts organizations. The goal is in 7-10 years, the arts organizations would have the capacity to buy the real estate from CAST at cost.

The Kenneth Rainin Foundation provided \$5 million to launch CAST and allow it to begin making acquisitions. With technical assistance from NCCLF, CAST identified and acquired its first two buildings. The value doubled after acquisition, allowing CAST to leverage another \$5 million in NMTC, development rights and other funds for acquisitions. The Luggage Store Gallery, Hospitality House, and CounterPulse dance company now have permanently affordable homes in Mid-Market. CAST began as a conduit model for purchasing and holding real estate; for-profit developers like Forest City now have begun to contract with CAST to bring arts organizations into new projects, making it a conduit for the provision of community benefits. CAST is considering expanding the geography of its work beyond San Francisco to include Oakland.

Strategy 2

Lease City or other publicly-owned property for arts uses at affordable rates, modelled on Spaceworks in New York City

Properties that are currently owned by the City or other public agencies should be assessed for excess or underutilized space. Spaces that might be appropriate for art space could be leased (long-term) to a nonprofit, with expertise in the arts, which could then rehab, lease and manage the space for arts uses at below market rates. Uses could include artist working studios, space for nonprofit arts organizations, and rehearsal and programming spaces.

Population served: Individual artists and arts organizations

Type of space addressed: Workspace (e.g., offices, gallery space, performance space, rehearsal space, studio space)

Implementation Steps

- Identify and map potential properties (already underway by the Housing Cabinet's Public Lands subcommittee and Enterprise Community Partners)
- Consider launching a pilot program in a limited geography, such as downtown, including getting the required City Council approval for below-market rents.
- Identify competitive process for offering space (to Spaceworks-like nonprofit versus other potential lessees)
- Identify potential nonprofit partners with expertise in the arts and real estate to rehab, manage and lease space
- Seek foundation support for leases, improvements and property maintenance

Timeline: Short- to Mid-term – 6 months to 3 years

The process to negotiate leases and make improvements could take a couple of years or more. The City could consider piloting the program where a number of arts uses in city-owned properties already exist.

Case Studies:

Spaceworks

Vancouver Artist Spaces and Residencies



Artist Courtney Giannone in the Williamsburgh Library
Courtesy of Spaceworks

Spaceworks

New York City, NY | www.spaceworksnyc.org

Spaceworks is a nonprofit real estate developer created in 2011 by New York City's Department of Cultural Affairs to transform underutilized public and private property into affordable rehearsal and studio space for artists. Spaceworks serves as the master lessee and assists with space build-out, tenant selection, and artist lease negotiation.

Spaceworks currently leases and manages space in three buildings:

- Long Island City (privately owned building)
Four rehearsal spaces
- Williamsburgh Library (active public library)
Three visual artist studios, two rehearsal spaces, one community art room
- Gowanus (privately owned building)
Two visual artist studios, four co-working spaces, Spaceworks headquarters

Spaces in at least two more buildings are planned:

- Governors Island (former PS 26 building)
43 studios, one rehearsal space, one gallery
- Redhook Library (active public library)
Two rehearsal spaces

Spaceworks rents rehearsal spaces by the hour at \$12-16 per hour. It rents studio spaces to artists chosen by lottery via annual, renewable lease for \$350-400 per month. Development costs range from \$200,000 to \$6,000,000 per project.

Spaceworks receives substantial city funding and foundation support.

Vancouver Artist Spaces and Residencies

Vancouver, BC | www.vancouver.ca

Artist Live/Work Studio Program

The City has two work studios and five live/work studios in five different locations throughout Vancouver that it rents to artists at extremely low rates in 3-yr terms. One of each type of studio is rented for \$1.00 for the full 3 years; the remaining studios are rented at a rate of \$300-\$470 per month.

Eligible applicants for these spaces are emerging Vancouver artists in:

- Dance
- Music
- Creative writing
- Painting
- Drawing
- Pottery
- Sculpture
- Crafts
- Video
- Photography

Welding and glassblowing are not allowed, nor are amplified music or practices involving toxic fumes.

Artists are chosen based on Vancouver residency, financial need and artistic merit (judged by staff and peers). There is a maximum occupancy of two people per unit.

The Arts Factory

A building owned by the City and managed by The Arts Factory Society nonprofit, it includes workshops, studio spaces, offices and common areas. Space within four communal studios rent for \$1.90/sf/month plus \$15/month/artist for insurance.

Tenants have 24/7 access to these spaces, which are intended for both emerging and established artists engaged in industrial- and fabrication-based practices including:

- Sculpture
- Painting
- Fabric
- Wood
- Ceramics

Vancouver Park Board Artist Residencies

The City of Vancouver provides artists with workspace in field houses, park facilities, marinas and community centers free of charge for 3-year terms in exchange for 350hr/yr of community arts-based engagement, blog/documentation, and participation in a closing exhibition. The primary goal is to “create work in and with community. The program seeks to bring the everyday life of art into Vancouver neighbourhoods.”

It started as pilot project in 2011, and now includes over 50 artists, including:

- Writers
- Composers
- Musicians
- Poets
- Choreographers
- Visual and digital media artists
- Theater artists
- Environmental artists
- Performing artists
- Multi-disciplinary artists
- Artists engaged in creative social practice

Artists, staff and community members review applications, selecting artists based on artistic practice and approach, as well as relevance to the community within which he/she would be working.

Strategy 3

Purchase properties via community land trust to create or maintain permanently affordable housing and workspaces for artists

A community land trust (CLT) is a nonprofit organization that acquires and stewards land in trust for permanent community benefit and affordability. The City should conduct a campaign to educate property owners of the significant tax and estate planning benefits associated with donating property to a land trust, such as the Oakland Community Land Trust (OakCLT). Once OakCLT has acquired a property, it can perform rehab if needed, maintain ownership of the property's land, sell the property's building(s) to low-income artists or arts groups with a 99-year ground lease and ensure that the property remains affordable for arts uses in perpetuity. OakCLT is currently in the process of acquiring seven existing artist live/work spaces in East Oakland, accruing significant tax benefit to the elderly owner.

Population served: Individual artists and arts organizations

Type of space addressed: Housing and workspace (e.g., offices, gallery space, performance space, rehearsal space, studio space)

Implementation Steps

- Identify potential property owners that might be interested in the CLT model and proactively market to them
- Create the marketing materials necessary to make clear what the benefits of donating property to a community land trust are and who would benefit
- Use as a model OakCLT's possible acquisition of a 7-unit building in Eastlake, which OakCLT will maintain as permanently affordable artist live/work housing

Timeline: Short- to Long-term – 6 months to 10 years

Difficult to assess; dependent on OakCLT's staff capacity and nature of future opportunities.

Case Studies:

Oakland Community Land Trust

Pigeon Palace (related to Small Sites Program on page 25)

Oakland Community Land Trust

Oakland, CA | www.oakclt.org

The first CLT was created in Albany, Georgia, in 1970, as part of the civil rights movement, in response to sharecropping and African American farmers losing their land. It was a way to establish common ownership of what they produced from the land. Since then, the model has grown exponentially and spread to urban areas to address predominantly housing.

OakCLT was created in 2009 in response to the foreclosure crisis, which saw thousands of families displaced with 14,000 foreclosures in Oakland. For the last year and a half, OakCLT has been used as a tool for community control of land, for not just housing but community-serving space, urban agriculture and the displacement of nonprofits from downtown Oakland. So far, OakCLT has 19 properties with 30 units in the pipeline, and they're on the verge of acquiring 12 vacant lots for urban agriculture.

The key hallmark of CLTs is the community ownership of land via the CLT (which owns the land) and ownership of the buildings and improvements upon that land by individuals. CLTs unbundle real estate rights in this creative way to make space affordable and preserve affordability in perpetuity with 99-year ground leases. Resale and occupancy restrictions are built into the ground lease to ensure the property remains affordable and continues to be used as intended. CLTs take on stewardship/perpetual responsibility for the land.

OakCLT's board has the following composition:

- 1/3 lives on/uses CLT land
- 1/3 are neighborhood residents
- 1/3 are technical assistance providers/supporters

CLTs remove land and properties from the speculative market and can be used for essentially any land use. OakCLT has a project currently in the works in Eastlake that is a live/work, 7-unit property that has been owned for the last 40 years by a single, aging owner who may not want to be a property owner anymore. The owner rents these units below market to working artists and wants to sell the property to OakCLT to ensure that population continues to be served. In this scenario, the owner would provide the property at a bargain sale price to maintain affordability; 25-60% of the value will be donated. OakCLT is working with the residents to define a co-op structure for the building, either 1) a non-equity co-op where tenants create a nonprofit with a master lease with OakCLT to self-manage the property on a thin margin or 2) a limited equity co-op where tenants can purchase shares in the property, which is a form of ownership with all the tax and legal benefits that homeownership entails.

A similar structure could be used for commercial (rather than residential) buildings. In fact, OakCLT is working on doing this with properties in other locations.

Projects like this can be done without subsidy and just debt based on existing rents. To ensure the long-term viability of the property, however, OakCLT builds capital reserves into rents charged. Further, should OakCLT go bankrupt, assets will be transferred to another, likeminded nonprofit per the organization's bylaws and the co-op would have first rights to the land.

To ensure residents of these properties remain artists, the co-op could base their tenant selection process on the screening process the owner has developed and used over the years. Because it is a private property with private funding, it does not need to adhere to fair housing law.

Pigeon Palace

San Francisco, CA | www.sfclt.org

The “Pigeon Palace” is a 6-unit residential building located at 2840-2848 Folsom Street in the Mission district of San Francisco. It was purchased by the San Francisco Community Land Trust (SFCLT) in 2015 for \$3.28 million at a probate court public auction. Other bidders included speculators with histories of evicting low-income tenants.

SFCLT was able to acquire the building with \$1.78 million from the City’s Small Sites Program (see page 25), a \$1.2 million loan from Boston Private Bank and Trust, and \$328,000 from tenant fundraising (which went toward the required 10% downpayment). The City’s Small Sites Program also provided an additional \$700,000 for rehabilitation/development of the property. In 2016, SFCLT rehabilitated the building and began leasing the two vacant units to moderate-income households (earning up to 130% AMI) by lottery, keeping rents for the existing tenants affordable.

The existing tenants include the founder of Critical Mass, an HIV/AIDS activist, a community organizer, a catering chef, and a performance artist, some of whom had lived in the building for over 10 years and were paying an average of \$1,200/month for their 2-bedroom apartments.

These tenants had long intended to purchase the building from their elderly landlady, who also lived in the building and with whom they had built caring relationships. They started working with SFCLT in 2011 to plan the transition of ownership. The owner had even signed an Intent to Sell Form in 2013.

However, the owner was soon assigned a conservator and the Intent to Sell was deemed invalid. The conservator put the property up for sale in 2015.

Fearing Ellis Act evictions, the remaining tenants organized to keep their homes, working with SFCLT to purchase the building and bringing media and public attention to their plight. The building was eventually put up for auction, when SFCLT was successful in offering the highest bid. The plan now is for the property to be converted into a resident-owned cooperative.

In the end, the building was successfully taken off the market and will remain affordable housing for low- to moderate-income households in perpetuity. However, the amount of time, effort and money that went into making the acquisition (and rehabilitation) a reality raises questions about efficient use of funds and whether legal or political actions could and should have been implemented to make the process easier and less expensive.

Strategy 4

Create affordable temporary art spaces in private developments in existing vacant or underutilized buildings poised for future redevelopment

Establish a program with a local nonprofit to create temporary artist studios or other arts uses (e.g., 9 months to 2 years) in existing vacant retail spaces or vacant buildings planned for redevelopment that are going through the entitlement process. This program could be modelled on ArtSpan's partnership with Build Inc at the Journal Building in San Francisco.

Population served: Individual artists and potentially arts organizations

Type of space addressed: Workspace (e.g., offices, gallery space, performance space, rehearsal space, studio space)

Implementation Steps

- Identify nonprofit or other entity to partner with to broker relationships between property owners and artists, and to enter into master leases with property owner
- Identify one or two properties to contact to pilot the program
- Look to ArtSpan as a model, adapting its leases and regulatory agreements
- Seek foundation support to help fund build out of space

Timeline: Short-term – 6 to 12 months

Once an appropriate nonprofit partner has been identified, negotiating lease agreements with property owners and artist tenants and building out space to suit artist needs could take several months.

Case Studies: ArtSpan & BUILD



“Bird Song” mural on the side of the Journal Building
Courtesy of BUILD

ArtSpan & BUILD

San Francisco, CA | www.artspan.com | www.bldsf.com

While it works to get entitlements to redevelop a property in San Francisco, Build Inc., a San Francisco real estate development company, is temporarily leasing an existing, otherwise vacant, old office building on the property free-of-charge to ArtSpan. The lease helped Build Inc. create a sense of place at their project site, and build relationships with local stakeholders. ArtSpan then leased the building, now referred to as the Journal Building, to 22 artists for studio space as a short-term residency between 9 months to 2 years at very affordable rents. The developer creates activity and vitality in the short-term on its property, and a large group of artists receives affordable workspace.

ArtSpan made basic building improvements to create the artist studios then selected the artists through a competitive process to sublease the space as part of an artist residency program, renewable until the master lease ends. At the end of the lease, artist residents will have a group show to share the work created during their time in the Journal Building. ArtSpan now looks to replicate this model in two more locations.

Strategy 5

Incentivize private developers to provide permanently or long-term affordable artist spaces in mixed-use developments through zoning tools

With new development taking place in Oakland, the City has an opportunity to incentivize the long-term or permanent inclusion of arts uses in new mixed-use buildings. For example, conditional use permits for residential construction could be tied to the provision of affordable arts and culture space on ground floors or some amount of artist housing in certain areas (such as a neighborhood zoned Community Commercial (CC), including CC-3 districts where residential is currently now allowed) or in areas designated as formal Cultural Districts. The City should also consider establishing a density bonus for providing permanent, affordable artist workspace in a development (perhaps through the selling of the space as a “cultural” easement to a nonprofit as described in Strategy 1 or a dedication of space to a land trust as described in Strategy 3). The City should also implement noise disclosure requirements for new development projects located in cultural districts or near artist culture uses to avoid potential conflicts.

Population served: Arts organizations and potentially individual artists

Type of space addressed: Workspace (e.g., offices, gallery space, performance space, rehearsal space, studio space) and potentially housing

Implementation Steps

- The Planning Department should develop new zoning policy (perhaps as part of the Oakland Downtown Specific Plan) to incentivize arts uses, as described above.
- Garner public and political support to get new zoning passed
- Consider piloting this approach in a project currently going through the entitlement process

Timeline: Short-term – 1 to 2 years

New development that can be used to support cultural uses is happening now so the City needs to move quickly to capture inclusionary potential. Plus, the Downtown Specific Plan is scheduled to be completed in a year, and the first round of State Cultural District designations, which could support the inclusion of cultural uses, is scheduled to be announced in 2017. Zoning work must be done within this 1-2 year timeframe in order to fully leverage the opportunities presented by these initiatives.

Case Studies:

Hundred Hooper

Cultural Density Bonus

Arts and Culture Planning Toolkit

Arts & Entertainment Districts

Zoning Tools, Regulatory Incentives and Contractual Obligations

California State Cultural Districts (AB 189)



Rendering of Hundred Hooper
Courtesy of Plau Long Architecture

Hundred Hooper

San Francisco, CA | www.hundredhooper.com

A study by the San Francisco Mayor's Office and SFMade, a nonprofit that supports the local manufacturing sector, found that land currently zoned PDR industrial was not financially feasible to develop solely for industrial use. A proposal was developed to allow commercial in addition to industrial development on certain parcels. Analysis indicated a mix of 80% commercial and 20% industrial was needed to make projects pencil.

The resulting legislation, passed in 2014, allows 66% commercial/office and 33% industrial on PDR sites that meet the following criteria:

- 0.3 FAR or below (i.e., practically vacant so as to not displace existing industrial)
- 20,000 square feet or larger
- Located north of 20th Street (close enough to downtown to meet office demand)

This legislation is intended to be only a pilot and has a sunset clause of 2-3 years; at that point, the program will be assessed and anything could happen.

The only project making use of this planning code amendment thus far is Hundred Hooper. It is being developed by a private developer as 66% office and 33% industrial. PlaceMade, a nonprofit associated with SFMade, will have a long-term lease on the industrial portion to ensure long-term affordability for the maker and industrial tenants since there is no commercial rent control and affordability cannot be assigned in deed of trust.

Cultural Density Bonus

Berkeley, CA | www.ci.berkeley.ca.us

As part of its 1990 Downtown Plan, the City of Berkeley created a cultural density bonus, allowing developers in the downtown area to build beyond what was allowed by existing zoning in exchange for the inclusion of cultural space within their developments. The Plan was vague about what constituted a “cultural facility,” including what uses were acceptable and/or required to meet “cultural” criteria and how frequently and what percentage of the space had to host cultural uses. The Plan was also not clear about whether the developer was responsible for building out the cultural facility or if the burden lay with the tenant to finance improvements.

The 1990 Downtown Plan was subsequently amended in 2001 via a General Plan update to provide greater clarity. See [Policy LU-19 Downtown Arts Density Bonus](#) of the City of Berkeley General Plan.

Two buildings that attempted to take advantage of Berkeley’s downtown arts/cultural density bonus were the Gaia Building on Allston Way and the Arpeggio Building on Center Street.

The Gaia Building was developed by Patrick Kennedy and designed to include 10,000 square feet of cultural space in the form of a bookstore with a café and a theater for readings and events. It was granted a density bonus of two additional stories above the 5-story limit in 1998, the first project to utilize Berkeley’s cultural density bonus. It was during the development of this project that the ambiguity around definitions and expectations of cultural space became clearly problematic.

When the bookstore that was supposed to inhabit the cultural space went out of business before the building even opened in 2001 leaving the space tenantless, the project was criticized for getting a density bonus without delivering the promised cultural amenities. How the cultural space needed to be used, by whom and how often was debated between the developer, City staff, the City Council, the Zoning Adjustments Board and the courts into 2008, a decade after the density bonus was originally granted. Questions about who was responsible for financing the build out of the space and the financial feasibility of operating the space were also raised.

By the time the Arpeggio Building was granted a cultural density bonus in 2004, lessons had been learned from the challenges experienced with the Gaia Building. This time, expectations and performance standards were made clear from the beginning. For its inclusion of a theater and office space for Berkeley Rep in addition to affordable housing, the developer, SNK Development, was granted four extra stories. However, the project encountered funding setbacks and SNK ended up selling the project to CityView. The building was not completed until 2012.

The cultural density bonus no longer appears to be in use.



Courtesy of CMAP

Arts and Culture Planning Toolkit

Chicago, IL | www.cmap.illinois.gov

This toolkit was designed by the Chicago Metropolitan Agency for Planning (CMAP) to help cities plan for the primary needs and secondary impacts of different types of arts and culture in their communities.

Primary needs include studio, performance, rehearsal, display, production, retail and classroom space. It also encourages the identification of secondary functional needs of artists, including affordable housing, incubator space, maker space, temporary spaces and community-sponsored programs.

It provides guidelines for how to prepare, engage, assess and implement an arts/cultural plan and emphasizes the need for the creation of an arts commission to carry out work.

This toolkit document also includes case studies, model regulatory language (for arts and culture definitions, standards for uses, adaptive reuse, district model, and public art programming), and a list of resources for more info.

Arts & Entertainment Districts

State of Maryland | www.msac.org/programs/arts-entertainment-districts

Created by the General Assembly in 2001 and administered by the Maryland State Arts Council, this is the first statewide arts and entertainment district program in the country. It is connected to the State's smart growth, neighborhood revitalization and economic development goals.

The Arts & Entertainment District designation provides:

- Property tax credits for new construction or renovation of buildings that create live/work space for artists and/or space for arts and entertainment enterprises
- Income tax subtraction modification for income derived from artistic work both created by “qualifying residing artists” in any Arts & Entertainment District and sold, published, produced or performed in any Arts & Entertainment District (or sold online but shipped from the district)
- Exemption from the Admission and Amusement tax levied by an “arts and entertainment enterprise” or “qualifying residing artist” in a district

A “qualifying residing artist” is an individual who:

- owns or rents residential real property in the State
- conducts business in any Arts & Entertainment District and
- derives income from the sale or performance within any Arts & Entertainment District of an artistic work that the individual wrote, composed or executed, either alone or with others, in any Arts & Entertainment District

There are currently 24 Arts & Entertainment Districts. Designations are granted via a semi-annual application process. Technical Assistance Grants are also made available to Arts & Entertainment District designees (\$200-\$2,500 to cover up to 50% cash expenses associated with professional development, marketing materials or similar technical assistance activity).

Maryland's Arts & Entertainment District program was originally based on Providence, RI, legislation from 1998 that provided sales tax exemption and income tax deduction on work created/sold in a designated district. Baltimore's Station North district inspired the Kansas City tax abatement plan that would freeze property taxes on properties housing arts and cultural uses within its Crossroads district.

One example of how designation of an Arts & Entertainment District can directly impact the availability of artist space is the work of Baltimore Arts Realty Corporation (BARCO) in Baltimore's Station North Arts & Entertainment District. BARCO is a nonprofit developer that specializes in the acquisition and rehabilitation of underutilized commercial and industrial buildings in Station North to provide affordable and sustainable spaces for the arts, culture and creative communities, including working studios, production facilities, offices for arts organizations, a black box theater, and a public gallery.

Summary of Potential Zoning Tools to Encourage Arts Uses

Source: Bloomberg Associates

STRATEGY	DESCRIPTION	USERS
Density Bonus	Allows development beyond as-of-right floor area ratio (FAR) in exchange for inclusion of community or cultural space. Usually mandates a minimum percentage or number of square feet of bonused floor area for the cultural or community use.	Many major cities including Los Angeles and New York; also Berkeley, CA
Special Use District	Designates a district for inclusion of a special use or a specific development strategy to achieve objectives that may not work for generalized zoning or standard development citywide.	Many major cities including New York, Los Angeles and San Francisco
Overlay District	Creates a special zoning district over an existing base zone with special provisions in addition to those in the underlying base zone such as special use permissions or as-of-right allowances for desired development.	Many major cities including Los Angeles (hybrid industrial live/work; interim live/work zone) and Phoenix (Arts, Culture and Small Business Overlay)
Replacement Ordinance	Mandates that developers benefitting from public subsidies replace creative workspace or pay a replacement fee into a creative workspace fund administered by the City for each unit taken off line	Several major cities including Chicago, Portland, and San Francisco (affordable housing)
Rehabilitation Subcode	Subcode dedicated to rehabilitation of older buildings as distinct from new construction. Requires structural and safety regulations that work with the existing buildings' height, area, construction type, fire resistance ratings, zoning, and fixed dimensions, rather than demanding alterations that are cost prohibitive in older buildings.	New Jersey (rehabilitation subcode)
Cultural Inclusionary Zoning	Requires development schemes over a certain number of units or FAR to include cultural spaces, artists' studios and/or creative workspace in a given district.	London
Conservation Area	An area deemed to have cultural significance is given a designation to preserve its character and appearance with a conservation area management plan outlining how the special interest of the area will be pre-served by the municipality in collaboration with community stakeholders	London
Asset of Community Value (ACV)	Similar to the Conservation Area, but limited to a specific asset deemed to further social wellbeing, social interests or/and cultural practice. The ACV designation allows community groups a prescribed time period within which to submit an expression of interest to the local authority, and a further time period in which to make an offer of purchase to the owner. Owners can consider bids from community groups, but are not mandated to accept them.	London

More on following page

Summary of Potential Zoning Tools to Encourage Arts Uses

Source: Bloomberg Associates

Continued from previous page

STRATEGY	NOTES
Density Bonus	Bonuses can be successful in under zoned neighborhoods where the market will allow developers to realize profit from increased density, most often through height. Infill and reduced setbacks can be alternatives where added height is inconsistent with neighborhood aesthetics. Non-profit cultural organizations that benefit from bonused space may need help with operational challenges that accompany major capital projects (ex., fundraising, project planning).
Special Use District	Examples include industrial mixed-use districts to encourage the reuse of older industrial buildings for a variety of other non-industrial uses like studio space, live/work dwellings, and institutional uses; Theater subdistricts to preserve and promote concentration of legitimate theater and entertainment-related uses. May be a useful tool for mural preservation near development sites (ex. preservation of public access and view corridors for murals; variance to allow developers to use FAR lost for public access elsewhere on the site).
Overlay District	Examples include arts and culture overlays that promote cultural and creative uses by mandating inclusion of facade treatments for murals or open space; live/work overlays that allow as of right, new construction and conversion of permanently affordable live/work developments without additional approvals.
Replacement Ordinance	Not generally used outside of affordable housing and in turn, may compete with space or funding for affordable housing development. Replacement fees may be controversial and draw parallels to Oakland's housing impact fee and public art ordinance currently in litigation.
Rehabilitation Subcode	This tool will be most effective in markets where adaptive reuse represents a significant portion of the construction market or where reuse of historic or architecturally significant buildings is favored. Prior to passage of the NJ subcode, rehabilitation work in an existing building covering more than 5% of the floor area triggered compliance requirements for light, ventilation, egress, and fire safety provisions for the entire building, thereby discouraging rehab work.
Cultural Inclusionary Zoning	Mandatory zoning tool, mostly used in the affordable housing context. May be less viable because of primacy of affordable housing projects and sensitivity of Oakland's development landscape.
Conservation Area	Conservation Area Advisory Committees comprised of local residents, businesses, and representatives of local historical and civic groups assist the planning department with review of land use applications within the conservation area. This strategy has been coupled with community ownership models that provide community and tenant groups an opportunity to purchase property located within conservation areas prior to third-party transfer.
Asset of Community Value (ACV)	Can be an effective means of sustaining informal cultural that is well-loved and valuable to a community, but not recognized as a traditional cultural practice. In London, ACV designations have been used for skate parks and pubs.

Summary of Potential Regulatory Incentives and Contractual Obligations to Encourage Arts Uses

Source: Bloomberg Associates

STRATEGY	DESCRIPTION	USERS	NOTES
Expedited Approvals	Streamline permitting process for development projects including cultural space	Major cities including San Francisco and New York (most often for energy saving projects)	Accomplished in many cities by City Council ordinance that allows expedited process for projects meeting certain conditions in the City's building code or as determined by the City's chief building official. Most effective in cities where approvals are known to be cumbersome.
Fee Waivers	Allow waiver of certain fees associated with municipal review of development projects including cultural space	Chicago (landmark buildings); San Antonio (inner city reinvestment infill projects)	Most often applied to plan review, building permit, and document management fees
Community Benefit Agreements (CBA)	Negotiated agreements with developers to provide specified benefits and investments in neighborhoods where development projects are initiated. Among the benefits provided by CBAs are employment opportunities, capital investment in neighborhood assets, and creation of green space.	Many major cities including Los Angeles, San Diego, San Francisco, New York, Philadelphia and Washington D.C.	Success of this tool may depend in large part on how community organizations are aligned with the City's goals for development of a given area or site. The terms of CBAs must also be considered in light of other policies and regulations that apply to developers (ex. impact fees, living wage) so as not to disincentivize development.

California State Cultural Districts (AB 189)

State of California | www.cac.ca.gov/initiatives/cultdistricts.php

Legislation championed by Assemblymembers Richard Bloom and Marie Waldron passed in early September 2015 requiring the California Arts Council to:

- Establish a competitive application system for state-designated cultural district certification
- Provide technical and promotional support for certified state-designated cultural districts, and
- Collaborate with public agencies and private entities to maximize the benefits of state-designated cultural districts

The San Francisco Arts Commission put forth the following statement in support of the bill:

“cultural designations are extremely valuable in the face of changing neighborhoods, especially in communities where a rebounding economy triggers a steep decrease in vacancies and a highly competitive real estate market. Legislation that aids in maintaining existing artists and creative businesses while welcoming in new residential and commercial tenants is critical.”

Cultural Districts are seen as an opportunity to address artist displacement.

The Commission has enlisted the services of consultants Jessica Cusack and Maria Rosario Jackson to help guide the development of the new cultural district program. They scheduled regional public meetings across the state in the months of September and October to solicit community input, asking the questions:

- When you think of “cultural districts,” what comes to mind for you?
- What would be the benefits of a cultural district in your community?
- Whose involvement would be essential to the success of a cultural district in your community?

The program is expected to launch in early 2017.

The success of Cultural Districts is highly dependent on how local cities choose to utilize and build “teeth” into them. Some localities include noise disclosure ordinances that require new housing developments to disclose the presence of noise-generating cultural uses in the vicinity to reduce the likelihood of resistant neighbors. Some use city-owned property within the District for arts uses. Meanwhile, others require a small inclusionary requirement for artists in affordable housing projects (or even market rate), or implement a cultural density bonus. Still others provide tax incentives for arts activities.

One of the powers of the Cultural District designation is that it creates policy rational for employment of these types of local policies and requirements.

Including California, there are now 15 states with cultural districts. (See [Americans for the Arts](#)’ National Cultural Districts Exchange for more information.) Each supports a different combination of incentives and regulations.

Strategy 6

Provide direct financial assistance to help artist groups/arts organizations avoid or cope with displacement

Modelled on San Francisco's Nonprofit Displacement Mitigation Program, Oakland should establish a program to provide artists and arts organizations facing displacement with direct monetary assistance to help them remain in Oakland. The direct funding could support operating costs, rent payments, tenant improvements, etc. Arts organizations must demonstrate displacement risk (e.g., previous displacement, evidence of impending rent increase) and provide evidence of a multi-year lease being offered in order to qualify. This financial assistance could be a standalone program administered by a nonprofit partner (like CAST in the San Francisco model), or it could be an added component to the funding programs already administered by the Cultural Arts Unit. The funding should be seeded by the City of Oakland in the next budget cycle, which can then be used to leverage additional philanthropic support.

Population served: Arts organizations

Type of space addressed: Workspace (e.g., offices, gallery space, performance space, rehearsal space, studio space)

Implementation Steps

- Consider requesting \$250,000 in seed money from the City of Oakland general funding during the City Council's mid-cycle budget process (beginning spring 2016)
- Identify other potential funding sources such as foundations
- Identify nonprofit partner to run program (if not administered internally by Cultural Arts Unit)

Timeline: Short- to Mid-term – 6 months to 2 years

If seed money is secured during the mid-cycle budget process, funds could begin to be disbursed within a year.

Case Studies:

Nonprofit Displacement Mitigation Program

Small Sites Program (related to Pigeon Palace on page 11)

Make a Mark Loan Program

Percent for Art



Women's Audio Mission in new location in SOMA
Courtesy of Mike Koozmin, SF Examiner

Nonprofit Displacement Mitigation Program

San Francisco, CA | www.ncclf.org/npdmitigation

In 2014, the San Francisco Board of Supervisors allocated \$4.5 million in general fund reserves to fund a 3-year Nonprofit Displacement Mitigation Program to help keep organizations facing displacement stay in San Francisco. The City selected Northern California Community Loan Fund (NCCLF) in partnership with the Community Arts Stabilization Trust (CAST) and Urban Solutions to manage the program. \$2 million was given to the SF Arts Commission, which through CAST provides financial assistance to arts and cultural organizations to help pay for relocation costs (e.g., professional services, rent stipends, moving expenses, tenant improvements, furnishings/fixtures/equipment). The remaining \$2.5 million was given to the Mayor's Office of Housing and Community Development, which through Urban Solutions provides assistance to nonprofit social service agencies.

Only 501(c)(3) nonprofits in existence for at least 3 and 5 years are eligible to apply for up to \$50,000 and \$100,000 respectively. These financial assistance grants can be paired with Nonprofit Displacement Mitigation Program technical assistance grants administered by the Northern California Community Loan Fund. Five (5) arts and cultural nonprofits received financial assistance in the first round of allocations.

Small Sites Program

San Francisco, CA | www.sfmohcd.org

This program was conceived of in 2009 and got funding from the Bay Area's HUD Sustainable Communities Initiative grant in 2013 for Chinatown Community Development Center (Chinatown CDC), the San Francisco Community Land Trust (SFCLT), Bernal Heights Neighborhood Center and PODER to conduct research and develop recommendations for program development.

The Mayor's Office of Housing and Community Development announced it would make \$3 million available for the Small Sites Program in 2014, funded by the City's Housing Trust Fund and affordable housing fees from developers, including in-lieu fees from commercial developers and impact fees from condo conversions. The City continues to fund the Small Sites Program through a mix of sources and, depending on the outcome of the November 2016 election, unused City funding originally designated for Unenforced Masonry Building retrofits may be repurposed for use by Small Site properties in the near future.

The funds could be used for the acquisition and rehabilitation of 5-25 unit rental buildings occupied by low- to moderate-income tenants in San Francisco. Preference is given to buildings that 1) are facing Ellis Act evictions, 2) are in areas with high level of Ellis Act evictions, or 3) house minors or elderly, ill, disabled, or lowest income tenants. 75% of a building's tenants must have an average income at or below 80% AMI.

Funds are available on first-come, first-served basis, provided to affordable housing organizations in the form of a residual receipts loan with an approximate \$350,000/unit cap.

Applicants must leverage the debt with a first mortgage and apply long-term affordability restrictions to the property to keep rents affordable for existing residents and future households earning up to 130% AMI. Tenant incomes must be recertified on an annual basis. Properties must show that projected rents will yield positive cash flow for 20 years. This is in part to safeguard against the City needing to provide additional funding to the property in the future, in the form of operating subsidy or funds for rehabilitation.

The program has disbursed over \$20 million so far to acquire properties in the Tenderloin, Mission, Duboce Triangle, NoPa, SoMa and North Beach. Properties purchased by SFCLT, Mission Economic Development Agency (MEDA) and Chinatown CDC using these funds include but are not limited to:

- 20-unit 308 Turk Street (SFCLT)
- 6-unit 462 Green Street (Chinatown CDC)
- 6-unit 2840-2848 Folsom Street (SFCLT)
- 5-unit 70-72 Belcher Street (SFCLT)
- 4-unit 151 Duboce Avenue (SFCLT)
- 4-unit 642 Guerrero Street (MEDA)
- 4-unit 380 San Jose Avenue (MEDA)
- 3-unit 1684-1688 Grove Street (SFCLT)
- 3-unit 1353-1357 Folsom Street (SFCLT)

Several of these buildings house artists. (See "Pigeon Palace" on page 11.)

Additional housing/community nonprofit organizations in the City are now considering acquiring and rehabilitating properties through the Small Sites Program.

Make a Mark Loan Program

Nashville, TN | www.thehousingfund.org

A program of The Housing Fund, a Community Development Financial Institution (CDFI), the Make a Mark program is a response to the need to create/preserve affordable artist space and “revitalize neighborhoods through focused placemaking driven by the creative community.” It provides loans to artists and nonprofits for the purchase, rehab, and/or new construction of artist live/work or workspace in the Nashville or Davidson County area. To be eligible, artists must earn 80% AMI or less, or the property must be located in a low- to moderate-income census tract.

The program will track the impacts loans have on neighborhoods, including:

- changes in population
- increase in arts/cultural activity
- increase in financial investment in community

Seed funding totaling \$200,000 for a 2-year pilot of the program was provided by the Kresge and Surdna Foundations, which The Housing Fund sought to leverage to create a total loan pool of up to \$1,000,000.

Percent for Art

Oakland, CA | www2.oaklandnet.com

The City requires new private residential and non-residential developments to set-aside 0.5% and 1% respectively of project costs for public art. These funds can be used to produce/install public art on-site, or the funds can be contributed in-lieu to the City’s Public Art Project Account.

The legislation includes an allowance for developers and/or owners to satisfy up to seventy-five percent (75%) of the Public Art Program in-lieu contribution with the creation of cultural arts space in the building. Per the ordinance:

“Inclusion of space within the development project that is generally open to the public during regular business hours and is dedicated by developer

The Housing Fund matches each approved loan request 4:1 and works with the applicant to develop specific loan terms, advised by staff and an Artist Advisory Committee, including:

- Metro Arts Commissioners
- Artisans
- Non-profit cultural organizations
- Academics
- Lenders
- Developers
- Local government representatives

The program is currently focusing on making investments in the Buchanan Street Arts District, but ultimately wants to assist/establish creative hubs outside downtown Nashville and the urban core to expand to all Tennessee counties.

Kresge and Surdna paired up to provide similar seed funding for programs in Toledo, Santa Fe/Albuquerque, Philadelphia, and Baltimore (all in January 2015).

and/or owner for regular use as a rotating art gallery, free of charge, will be deemed to satisfy twenty-five percent (25%) of the Public Art Program in-lieu contribution.”

Further, “Developer and/or owner’s provision, design and dedication of at least 500 square feet of space within the development project, to be made available to the public for the primary use of arts and cultural programming, may be deemed to satisfy fifty percent (50%) of the Public Art Program in-lieu contribution.”

This is an existing tool that can be used now to create dedicated arts space within new developments.

Strategy 7

Establish a robust portfolio of technical assistance programs to support and help artists strengthen their businesses and art practice and stay in Oakland

The City should develop a clearinghouse of resources that artists and arts organizations can refer to when in need. This clearinghouse could provide links to applications for financial assistance (Strategy 2) as well as tenants rights groups, legal help, business planning tools, available artist space, and an information packet for landlords and artists (including a multi-year model lease and descriptions of any tax incentives or facility improvement grants that the City might make available to property owners to encourage the creation and maintenance of affordable artist spaces). The City should create a clear and easy to navigate website of resources to support artists and arts organizations in Oakland.

Population served: Individual artists and arts organizations

Type of space addressed: Workspace (e.g., offices, gallery space, performance space, rehearsal space, studio space) and housing

Implementation Steps

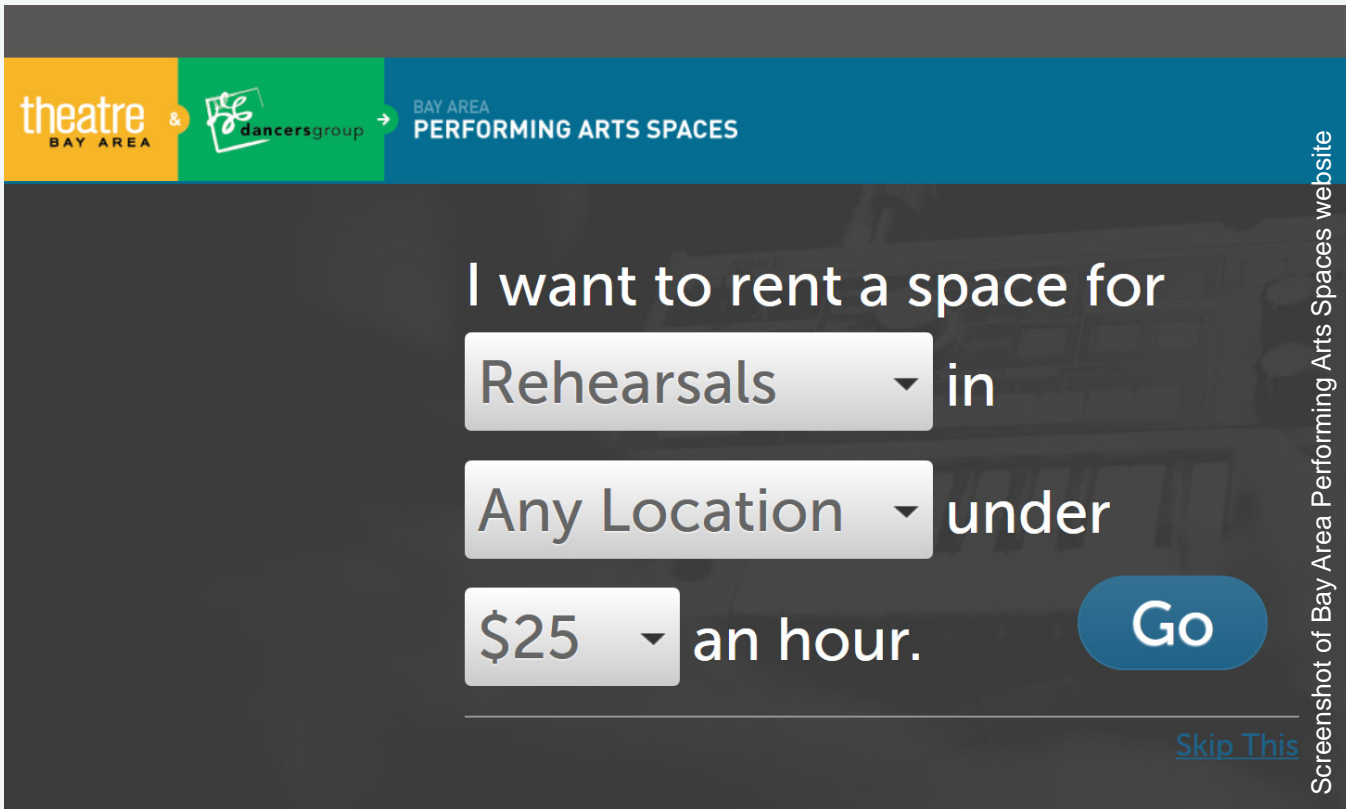
- Identify partner to help establish curriculum (see Nonprofit Displacement Mitigation Program on page 24)
- Consider using the City's Business Assistance Center or local arts spaces in City-owned properties such as ProArts as venues for technical assistance
- Prioritize creation of a new City website dedicated to these resources
- Look to existing models (e.g., Assets for Artists) on which an Oakland clearinghouse could be based
- Identify nonprofit subject area experts for collaboration or to offer a training program, such as the Northern California Community Loan Fund
- Ensure sufficient City staffing is dedicated to creating and maintaining clearinghouse and other technical assistance programs

Timeline: Short-term – 6 to 12 months

Some resources already exist (e.g., California Lawyers for the Arts, tenant rights organizations) that the City can refer artists to now. However, developing additional resources (e.g., model leases, incentive information packets, a financial assistance program [Strategy 2]) and the clearinghouse platform itself could take several months.

Case Studies:

[Bay Area Performing Arts Spaces Website](#)
[Seattle Office of Arts & Culture Website](#)



Bay Area Performing Arts Spaces Website

San Francisco Bay Area, CA | www.bayareaspaces.org

The Bay Area Performing Arts Spaces website is a joint project of Theater Bay Area and Dancers' Group. It allows artists to search for performance space by type of activity, location and cost, and book space all on the same site. It even provides the option for users to save a favorite location for easy booking in the future.

Its database includes spaces located across the entire 9-county Bay Area plus Santa Cruz.

Types of space include:

- Performance
- Rehearsal
- Special event
- Class
- Audition
- Photo shoot
- Video/film shoot
- Screening
- Reading
- Meeting
- Studio Art
- Exhibition
- Audio recording
- Live/work



Seattle Office of Arts & Culture Website

Seattle, WA | www.seattle.gov/arts/opportunities

The Seattle Office of Arts & Culture website provides a comprehensive array of resources for artists, from grant opportunities and real estate listings to calls for artists and marketing tips. It helps artists address their need for affordable workspace via the Spacefinder Seattle platform while also providing artists access to jobs and professional development that can help produce higher and more sustainable income streams.

This multi-pronged approach to supporting artists is needed to maximize artists' abilities to remain living and working in high-price cities such as Seattle and Oakland.

Strategy 8

Improve the City's internal infrastructure to support artists and arts organizations in Oakland

The City's Cultural Arts Unit has been understaffed for many years and currently has several vacancies. In order for the City to offer better and broader support for the arts in Oakland, it needs a more robust infrastructure in place. Strategies include:

- Move swiftly to hire a permanent Cultural Affairs Manager and elevate that position within the organization to be more senior and externally facing.
- Add additional staff to the Cultural Arts Unit to increase its capacity to support arts and culture in Oakland, including moving ahead with the creation of a Cultural Plan, implementing the strategies of this Task Force, working with the State of California Arts Council on the new Cultural Districts program, and other proactive policy work
- Consider reconstituting a Cultural Affairs Commission empowered to devise and implement policy related to arts in Oakland, only with appropriate staff support in place

Population served: Individual artists and arts organizations

Type of space addressed (indirectly): Workspace (e.g., offices, gallery space, performance space, rehearsal space, studio space) and housing

Implementation Steps

- Prioritize recruitment for vacant Cultural Affairs Manager position
- Consider mid-cycle budget request to fund one or two new staff positions at \$151,000 per position (includes salary and overhead)
- Seek foundation support to help fund additional staff (e.g., funds for a 2-year staff position to help create Cultural Plan)

Timeline: Short-term – 6 to 12 months

A new Cultural Affairs Manager should be able to be hired within 6 months. Hiring additional staffing and reinstating a Cultural Arts Commission may take longer.

Case Studies:

San Francisco Arts Commission

San Francisco Arts Commission

San Francisco, CA | www.sfartscommission.org

The San Francisco Arts Commission (SFAC) was established by charter in 1932 as a city agency dedicated to championing the arts. SFAC currently has 15 commissioners and 34 staff members to implement its work.

Its stated values include:

- Cultural equity and access to high quality arts experience for all
- The arts as a vehicle for positive social change and prosperity
- Artists as integral to making San Francisco a city where people want to live, work and play
- The arts as critical to a healthy democracy and innovative government
- Responsiveness to community needs
- Collaboration and partnerships
- Accountability and data-driven decision-making

The goals outlined in SFAC's 2014-2019 Strategic Plan are to:

- Invest in a vibrant arts community
- Enliven the urban environment
- Shape innovative cultural policy
- Build public awareness of the value and benefits of the arts
- Improve operations to better serve the SF arts ecosystem

The 1932 charter includes the mandate that SFAC “promote the continued availability of living and working space for artists within the City and County.” The Creative Space (CRSP) grants SFAC currently provides work toward fulfilling this mandate. (See program descriptions at right.)

In addition to CRSP grants, SFAC offers grants that emphasize artists working in and with underserved communities, in line with its 2014-2019 Strategic Plan.

- Artists and Communities in Partnership (ACIP)
- Cultural Equity Initiatives (CEI)

CRSP Planning Grants (CRSP-PLANNING)

- Grants up to \$50,000
- For tax-exempt arts orgs with average 3-yr operating budget <\$2 million
- Planning or pre-planning for development or acquisition of arts facilities
- Includes:
 - feasibility studies
 - A&E consultations
 - Financial and management analysis
 - Market analysis
 - Site analysis
 - Needs assessment
 - Capital campaign prep
- Priority funding goes to arts organizations that foster artistic expression deeply rooted in and reflective of historically underserved communities; must align with one or more SFAC cultural equity outcomes

CRSP Facility Improvement Grants (CRSP-FACILITIES)

- Grants up to \$100,000
- For tax-exempt arts orgs with average 3-yr operating budget <\$2 million
- For capital improvements
- Includes addressing the following issues:
 - key safety
 - code compliance
 - ADA accessibility
- Split into two categories based on length and security of tenancy
 - Level 1: for those with at least 3 years left on lease or has been in the space for at least 10 years but on year-to-year lease; eligible for up to \$50,000
 - Level 2: for those that hold title to space or have a lease with at least 5 years remaining; eligible for up to \$100,000

Other Strategies

Additional strategies include:

1. Mapping of arts and culture clusters to geographically target efforts

The City of Oakland will want to identify where artists live and work in the city in order to help determine where investments will have greatest impact. The November 2015 survey conducted by the City of Oakland with the help of the Mayor’s Artist Housing and Workspace Task Force provides a general idea of where artists are located, but the data are incomplete and, at the zip code scale, imprecise. Researching and mapping locations of artist residential and commercial spaces will produce a useful guide to making informed funding decisions to protect and bolster existing arts and culture clusters.

Implementation Steps

- Collect accurate and comprehensive information on the location of arts and cultural spaces—both residential and commercial
- Map and analyze said information to produce a strategy for targeted investments
- Identify and court private funders who would have an interest in investing in arts and cultural spaces in Oakland

The City may need to hire someone—staff, intern or consultant—who would be dedicated to the work of identifying and mapping arts and culture clusters. This should and can be done within a couple of months to put in motion the process of determining priority areas of investment. The actual research, mapping and analysis could then be completed within a year.

2. Creative financing tools to support the preservation and development of artist housing and workspaces

While the City should dedicate a portion of its own funds to the preservation of arts and culture communities, there are additional funding sources that can be used in tandem with the City’s investments. The City should not only be aware of existing resources that can be utilized to support the goal of stemming displacement of artists and arts organizations; it should also actively seek to leverage financial support from and partnerships with private funders. Partnership development with private funders is ongoing work that has already started.

The following case studies show how a number of artist housing and workspaces have been funded through a creative mix of financing tools and partners.

Case Studies:

Pac Arts

Tannery Arts Center

EastSide Cultural Center

Minnesota Street Project

Pac Arts

Los Angeles, CA | www.metahousing.com

Pac Arts is a 100% affordable Low Income Housing Tax Credit (LIHTC) project designed for artists with an artist preference, developed by Meta Housing. It is located in San Pedro in Los Angeles, a working class area with a strong, long-term artist community. It is just outside the historic city center and has been in operation for a year.

Pac Arts has 49 units and lots of community space, including:

- A community gallery that's part of the First Thursday art walk; it features 1-2 month shows from a rotation of local and resident artists
- A mess workshop with kiln, centrifuge, table saw, drill press, industrial sewing machine, etc.; it is not used as much as anticipated
- Six (6) ground floor live/work spaces
- A music room, which is soundproof for musicians and performers, has a piano and TV screen; one of most heavily used spaces

On the 2nd floor of Pac Arts, there is:

- A studio
- A community garden
- Community space/rehearsal space
- A tech lab with Macs and Adobe (also not used as much but great for after school tutoring programs)
- Storage
- Flexible outdoor area

Tenants are selected by lottery from a qualified pool of artists. Because of this, it is hard to predict the mix of artists that will be utilizing the space and what they might want. Developers would be wise to set aside a slush fund to outfit the space as needed as the resident mix changes over time.

It is important to note that public use is a requirement for tax credit projects, but the Housing and Economic Recovery Act (HERA) allows there to be an artist preference.

Meta set up a committee of about four (4) local individuals who are provided with fair housing training. This committee goes through all tenant applications looking for a commitment to craft (which is demonstrated in the application for housing via resume, portfolio, etc). Meta hosted five (5) local workshops at different times, days and locations to ensure locals knew about the availability of new housing. Demand was such that Meta had to cut off the applicant pool at 100 each for the 1BRs and 2BRs so as to not overwhelm the selection committee.

Approximately 55-60% of residents are from San Pedro and 100% are from Los Angeles. To satisfy LIHTC requirements, 30% of the units had to be 3BRs, but Meta had trouble filling those, so 6 out of the 49 units were made available to non-artists. Those non-artist residents are still benefiting from living in an artist development because they participate in after school offerings taught by resident artists. After initial income verification, a tenant can stay as long as they want as long as their income does not exceed 140% AMI.

The project cost \$18 million and would probably cost more now given today's higher construction costs. Further, Pac Arts got a lot of help from redevelopment, which no longer exists. An alternative funding source would need to be identified.

LIHTC projects take a long time; this one was a 5-yr project. Therefore, new development of this sort does not address immediate needs. It does address long-term affordability, however.

Artspace, a nonprofit based in Minneapolis that specializes in the development of artist housing and workspace, provided lots of technical assistance on this project.

Tannery Arts Center

Santa Cruz, CA | tanneryartscenter.org

The Tannery Arts Center was jointly developed by the former City of Santa Cruz Redevelopment Agency, Artspace (a nonprofit specializing in the development of affordable arts spaces across the country) and Tannery Arts Center, Inc. (a local nonprofit organization governed by a board of directors representing business, the public and the arts). It was a 3-phase project on the site of the historic Salz Tannery, which closed in 2001, adaptively reusing five of the original tannery buildings in addition to new construction. The complex includes 100 affordable live/work units (Phase 1, completed 2009), 24,000 square feet of working studio space for artists and creative businesses (Phase 2, completed 2012) and a fully-equipped 182-seat performing arts theater (Phase 3, completed 2015).

Apartments feature high ceilings, natural light and durable surfaces for multiple forms of artmaking. They range from studios to 3-bedrooms serving families earning 30-50% AMI with a preference for artists. Commercial studio tenants include individual artists, art cooperatives, arts education organizations and galleries. The new theater is home to the Jewel Theater Company, the county's only year-round professional theatre company. Arts Council Santa Cruz County is also housed in one of the campus buildings. In total, the Tannery Arts Center campus comprises 8.2 acres along the San Lorenzo riverfront.

The City of Santa Cruz retains ownership of the land on which the campus is built, leasing portions to Artspace and Tannery Arts Center, Inc. Third party property manager John Stewart Company manages the live/work and commercial working studios.

Financing was provided by the California Department of Community Redevelopment Housing, California Tax Credit Allocation Committee, City of Santa Cruz Redevelopment Agency, City of Santa Cruz Housing Trust Fund, County of Santa Cruz Housing Trust Fund, Community Foundation Santa Cruz County, Federal Home Loan Bank, Economic Development Administration and numerous private banks.

NOTE: Artspace is a nationally acclaimed developer of affordable arts spaces with over 35 years of experience. The Tannery live/work and working studio developments are just a couple of approximately 50 projects in Artspace's portfolio. Visit www.artspace.org for more information about other Artspace projects.

EastSide Cultural Center

Oakland, CA | www.eastsideartsalliance.com

EastSide Arts Alliance (ESAA) started as a collective of artists doing work in arts and political activism in and with the diverse Lower San Antonio community. ESAA strongly believes in the power of arts to empower youth, bring different cultures together and build community. Up until 2007, it did not have a building or location of its own and ran programs out of various spaces throughout the neighborhood.

ESAA was able to tap into Annie E. Casey's Making Connections initiative, which had designated Lower San Antonio as a location for investment to become a more supportive place for children and families. The Making Connections community focus group identified the neighborhood's cultural diversity and "community connectedness" as high priority, so ESAA proposed the creation of a cultural center. Making Connections provided ESAA:

- Funding to visit existing cultural centers in Chicago, New Orleans and South Africa
- Funding for a feasibility study for a cultural center, building community support for the project in the process
- Connections to nonprofit developer Affordable Housing Associates (AHA), now Satellite Affordable Housing Associates (SAHA)
- Grants to build organizational capacity

Building off this initial support, ESAA was able to acquire and rehabilitate a 3-story former hotel building on International Boulevard to create the EastSide Cultural Center. It includes sixteen (16) small, affordable apartments (4 for youth aging out of foster care); ESAA offices; ground floor cultural arts space (including visual arts, recording studio, video production, dressing room); and 2 ground floor commercial spaces (for childcare and like-minded businesses/organizations). It took 3-4 years to develop and opened in 2007.

It cost a total of \$4.3 million. The building was not eligible for tax credits, bond financing or other standard affordable housing sources.

Instead, ESAA utilized funding from:

- City of Oakland's vacant housing program
- Washington Mutual loan
- Casey Foundation money (including rental assistance for transitional age youth units to make project pencil)
- Northern California Community Loan Fund
- Hewlett Foundation
- LISC
- Haas Junior Fund
- Arts-related grants

The person from whom ESAA purchased the building also reduced his sales price and even loaned the project \$400,000 for acquisition. In addition, California Lawyers for the Arts provided help with the acquisition and Heller Ehrman LLP provided pro bono legal services.

To make the dream of owning their own space a reality, ESAA had to put aside mistrust of the real estate industry and incorporate as a nonprofit. Meanwhile, AHA had to overcome financial hurdles to make the development happen, but they did so because they believed in the value of the center to the community. Now the property is owned by a limited liability corporation (LLC) jointly owned by ESAA and AHA. The eventual plan is for ESAA to take over full ownership.

The EastSide Cultural Center has proven to be a true community asset, home to engaging programming through a mix of building uses along with murals, mosaics, and other art on display reflecting the different cultures of the neighborhood. In the end, building successful arts and cultural spaces may not pencil and could require many unconventional financing mechanisms, funder lenience and a slew of partners to make it work, but it can be done if you get people to really believe in the project. Further, the project does not stop after construction; operating requires ongoing consideration and real commitment to make the capital investment worthwhile.

Minnesota Street Project

San Francisco, CA | minnesotastreetproject.com

The Minnesota Street Project is a new art complex founded by Andy and Deborah Rappaport in the Dogpatch neighborhood of San Francisco. Andy, a tech venture capitalist, and his wife, Deborah, are avid art collectors who felt inspired to help San Francisco's visual arts community remain in the city and further build San Francisco as a vibrant art hub.

The Rappaports are aware that there is a whole arts ecosystem of museums, artists, nonprofit organizations that support artists, galleries, and trades (e.g., art supply shops, framers, transportation specialists) whose tenure in the city is challenged by high real estate prices.

The Dogpatch is predominantly zoned for production, distribution and repair (PDR) light industrial uses, and features several vacant properties ripe for reuse, which presented a unique development opportunity for the Rappaports. Because the PDR-zoned land cannot be used for residential or commercial office uses, which are more profitable than industrial uses and increase the value of land, the Rappaports were able to acquire several large properties in the Dogpatch at a lower price than would be possible elsewhere in the city.

They redeveloped three warehouses at 1275 Minnesota Street, 1240 Minnesota Street and 1150 25th Street into art studios, galleries and state-of-the-art, climate-controlled art storage and viewing rooms. The high-end storage and collection management services for collectors, institutions and galleries subsidize operation of the studios and galleries, which the Rappaports rent to artists and arts organizations at below-market rates. The complex is designed to be a self-sustaining business, a for-profit model that is a new—and perhaps counterintuitive—approach to providing affordable spaces for artists.

The building at 1275 Minnesota Street houses 13 galleries and the San Francisco Arts Education Project, a nonprofit arts organization serving youth in San Francisco public schools. This is the only building that is open to the public. Its grand opening in March 2016 drew lines of visitors around the block.

Meanwhile, 1240 Minnesota Street provides private working studio space for 37 artists and residencies for 4 creative companies (e.g., Adobe) who pay top price to place employees in the midst of working artists for inspiration, helping further subsidize the affordable studio and gallery spaces. The few dozen art studios at 1240 Minnesota Street received over 300 applicants.

To help maximize spatial efficiencies and decrease costs per tenant, the artist studios at 1240 Minnesota Street have access to several shared facilities including a woodshop, kiln and print lab. Meanwhile, the galleries at 1275 Minnesota Street share kitchen space, restrooms, a packing & shipping room and one large exhibition space. In addition to cutting costs, this arrangement helps encourage tenants to collaborate with and support one another and occasionally plan joint programs and events.

The Rappaports also designed the Minnesota Street Project to help cultivate art audiences by equipping the space with wi-fi, seating and a restaurant/bar to create a welcoming environment for today's consumers, as well as by providing permanent space for the San Francisco Arts Education Project to instill an appreciation for art in future generations.

Affordable housing for artists in the City is still an issue, but the Rappaports saw an opportunity to more quickly address the lack of affordable workspace and took advantage of it.

ACKNOWLEDGEMENTS

Thank you to members of the Mayor's Artist Housing and Workspace Task Force

David Baker, David Baker Associates
Anyka Barber, Betti Ono Gallery/San Francisco Foundation/Oakland Creative Neighborhoods Coalition
MJ Bogatin, California Lawyers for the Arts
Natalie Bonnewit, Bonnewit Development Services
Katherin Canton, Oakland Creative Neighborhoods Coalition
Walter Craven, Blank & Cables/Norton Studios
Karen Cusolito, American Steel Studios
Cheryl Derricotte, Artist/City Glassworks
Tom Dolan, Tom Dolan Architecture
Sasha Drozdova, California Lawyers for the Arts
Moy Eng, Community Arts Stabilization Trust
Rick Holliday, Holliday Development
Heather Hood, Enterprise Community Partners
Cristy Johnston-Limón, Destiny Arts Center
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Hiroko Kurihara, 25th Street Collective/Oakland Makers
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Margot Prado, Economic Development Department
Kristen Zaremba, Cultural Arts Unit, Economic Development Department

Special Thanks

Donn Harris, Oakland School for the Arts/California Arts Council
Maryann Leshin, Leshin Consulting
Joen Madonna, ArtSpan
Genise Choy, writer and researcher, UC Berkeley

APPENDICES

Memorandum to the Mayor Key Survey Results

Memorandum

To: Mayor Libby Schaaf
From: Mayor's Artist Housing and Workspace Task Force
Date: December 23, 2015
Subject: Top Three Strategies to Stem Artist Displacement

I. OVERVIEW

The City of Oakland is in the midst of an economic upturn, characterized by increased investment, much national attention and quickly escalating real estate prices. Unfortunately, some artists—along with other low-income populations—have been or are at risk of getting displaced from the City in the process. Given the unique role that artists play in creating economic, cultural and social value for the City and its residents, the Mayor convened a task force to propose policy recommendations to help artists remain in Oakland. This multi-disciplinary task force included artists and representatives from arts organizations, architects, market and affordable real estate developers, technical experts, and city staff (a complete task force roster is attached). The task force serves as a subcommittee of the Mayor's larger Housing Cabinet and met seven times over the last five months.

The task force issued a survey of Oakland's artists in November 2015 to help better understand the issues facing Oakland's artists and attempt to assess their magnitude. The survey received more than 900 responses with the help of task force member outreach. According to the survey, most artists both live and work in Oakland and have been in Oakland more than five years, with the largest percentage having been in Oakland more than ten years. While a majority of respondents reported that they are not currently facing imminent displacement in their housing or workspace, the majority indicated that workspace and housing costs present the biggest challenges to being an artist in Oakland. In addition, nearly half of the respondents stated they are currently on month-to-month leases in their housing and workspaces, making them vulnerable to displacement. The threat of displacement is particularly high in workspaces, where there is no commercial rent control or other commercial rent protections. Most broadly, this data suggests that now is the time to establish more robust policies to support artists in Oakland, before displacement worsens.

The task force studied and vetted a wide range of strategies for creating and preserving affordable housing and workspaces for artists in Oakland. Over the course of these conversations, and informed by the survey results and the affordable housing work being done by the larger Housing Cabinet, the task force's work resulted in a greater focus on workspace affordability.

Consistent with the charge from the Mayor's office, this brief memorandum outlines just the top three (3) strategies that garnered the strongest and broadest support from task force members and can begin to be implemented most quickly.

The full breadth of the research, strategies and case studies that were studied by the task force – addressing both housing and workspace affordability – will be included in a final report to be produced in early 2016. The complete survey findings as well as the survey tool will also be included in the final report.

II. GUIDING PRINCIPLES

In developing its recommendations, the Artist Housing and Workspace Task Force considered the following principles to guide its work:

- **Permanency** – While recognizing that temporary, stopgap measures may be necessary to provide immediate relief to artists facing displacement, policies that provide artists with the ability to live and work in Oakland permanently are the most desirable solutions.
- **Equity** – Solutions that assist a diverse and broad group of artists and arts organizations are most desirable, given Oakland's geographically large and culturally varied landscape. Priority should be given to those neighborhoods and communities that are currently underserved and would benefit most from the preservation/development of arts and cultural spaces and activities.
- **Cultural preservation** – The City of Oakland is home to existing rich and diverse cultures and cultural legacies. Any intervention should benefit those already in Oakland, especially long-time residents and artists who are integral to Oakland's communities. Both cultural heritage and physical cultural assets should be preserved.

III. STRATEGIES

The three strategies (and sub-strategies) listed below are intended to reflect the ideas that garnered the most consensus and support amongst task force members. Additional policies and case studies considered and supported by the task force will be described in a more comprehensive report to be produced in early 2016.

STRATEGY #1

Real Estate Acquisition and Leasing

Ensuring long-term affordability and ideally ownership for artists in their housing and workspaces is the most powerful way to ensure artists can remain in Oakland. The following sub-strategies offer several ways to protect artists against rising real estate costs.

1a. Create a property acquisition program, modelled on CAST in San Francisco, to create permanently affordable space for arts organizations in collaboration with foundations and other partners

A nonprofit should acquire real estate (buildings or ground floor spaces) before prices increase further. Once acquired, this real estate would be leased at an affordable rate to arts organizations on long-term leases. These arts organizations would then be provided technical assistance to build their capacity to fundraise, manage their facilities, and ideally purchase the space from the nonprofit at a later date.

Population served: *Arts organizations*

Type of space addressed: *Workspace (e.g., offices, gallery space, performance space, rehearsal space, studio space)*

Implementation Steps

- *Establish working group—including potential philanthropic funders and nonprofit partners like East Bay Asian Local Development Corporation (EBALDC), the Community Arts Stabilization Trust (CAST), Northern California Community Loan Fund (NCCLF), and the Kenneth Rainin Foundation—to begin fundraising and identify potential properties for acquisition.*
- *Seek foundation support to seed program*
- *Establish a framework for identifying potential nonprofit partners to manage the program, looking at the CAST and NCCLF as potential partners or models*

Timeline: *Mid-term – 1 to 3 years*

A working group can be established immediately, but it could take a year or more to acquire property and find suitable arts organization tenants. It could also take several years for arts organizations to raise capital and make the improvements needed to make space fully functional.

CASE STUDY

Community Arts Stabilization Trust (CAST), San Francisco

CAST was established in 2013, having been conceived and incubated by the Northern California Community Loan Fund (NCCLF), to acquire properties in San Francisco's Mid-Market neighborhood to create permanently affordable arts spaces. Rising rents and development pressures in this neighborhood put existing arts and culture uses at risk, especially given that most organizations had short-term leases. To help those organizations without the capital necessary to purchase property themselves, CAST purchased real estate and then entered into long-term leases (7-10 years) with the arts organizations. The goal is in 7-10 years, the arts organizations would have the capacity to buy the real estate from CAST at cost.

The Kenneth Rainin Foundation provided \$5 million to launch CAST and allow it to begin making acquisitions. With technical assistance from NCCLF, CAST identified and acquired its first two buildings. The value of the buildings nearly doubled after the acquisition, which allowed CAST to leverage another \$5 million in NMTC, development rights and other funds for acquisitions. The Luggage Store Gallery, Hospitality House, and CounterPulse dance company now have permanently affordable homes in Mid-Market. CAST began as a conduit model for purchasing and holding real estate; for-profit developers like Forest City now have begun to contract with CAST to bring arts organizations into new projects, making it a conduit for the provision of community benefits. CAST is considering expanding the geography of its work beyond San Francisco to include Oakland.

STRATEGY #1 (continued)

Real Estate Acquisition and Leasing

1b. Lease City or other publicly-owned property for arts uses at affordable rates, modelled on Spaceworks in New York City

Properties that are currently owned by the City or other public agencies should be assessed for excess or underutilized space. Spaces that might be appropriate for art space could be leased (long-term) to a nonprofit, with expertise in the arts, which could then rehab, lease and manage the space for arts uses at below market rates. Uses could include artist working studios, space for nonprofit arts organizations, and rehearsal and programming spaces.

Population served: *Individual artists and arts organizations*

Type of space addressed: *Workspace (e.g., offices, gallery space, performance space, rehearsal space, studio space)*

Implementation Steps

- *Identify and map potential properties (already underway by the Housing Cabinet's Public Lands subcommittee and Enterprise Community Partners)*
- *Consider launching a pilot program in a limited geography, such as downtown, including getting the required City Council approval for below-market rents.*
- *Identify competitive process for offering space (to Spaceworks-like nonprofit versus other potential lessees)*
- *Identify potential nonprofit partners with expertise in the arts and real estate to rehab, manage and lease space*
- *Seek foundation support for leases, improvements and property maintenance*

Timeline: *Short- to Mid-term – 6 months to 3 years*

The process to negotiate leases and make improvements could take a couple of years or more. The City could consider piloting the program where a number of arts uses in city-owned properties already exist.

CASE STUDY

Spaceworks, New York City

Spaceworks is a nonprofit real estate developer created in 2011 by New York City's Department of Cultural Affairs to transform underutilized public and private property into affordable rehearsal and studio space for artists. Spaceworks serves as the master lessee and assists with space build-out, tenant selection, and artist lease negotiation.

Spaceworks currently leases and manages space in three (3) buildings:

- **Long Island City (privately owned building)**
Four (4) rehearsal spaces
- **Williamsburgh Library (active public library)**
Three (3) visual artist studios, two (2) rehearsal spaces, one (1) community art room
- **Gowanus (privately owned building)**
Two (2) visual artist studios, four (4) co-working spaces, Spaceworks headquarters

Spaces in at least (2) more buildings are planned:

- **Governors Island (former PS 26 school building)**
Forty-three (43) studios, one (1) rehearsal space, one (1) gallery
- **Redhook Library (active public library)**
Two (2) rehearsal spaces

Spaceworks rents rehearsal spaces by the hour at \$12-16 per hour. It rents studio spaces to artists chosen by lottery via annual, renewable lease for \$350-400 per month.

Development costs range from \$200,000 to \$6,000,000 per project. Spaceworks receives substantial city funding and foundation support.

STRATEGY #1 (continued)

Real Estate Acquisition and Leasing

1c. Purchase properties via community land trust to create or maintain permanently affordable housing and workspaces for artists

A community land trust (CLT) is a nonprofit organization that acquires and stewards land in trust for permanent community benefit and affordability. The City should conduct a campaign to educate property owners of the significant tax and estate planning benefits associated with donating property to a land trust, such as the Oakland Community Land Trust (OakCLT). Once OakCLT has acquired a property, it can perform rehab if needed, maintain ownership of the property's land, sell the property's building(s) to low-income artists or arts groups with a 99-year ground lease and ensure that the property remains affordable for arts uses in perpetuity. OakCLT is currently in the process of acquiring seven existing artist live/work spaces in East Oakland, accruing significant tax benefit to the elderly owner.

Population served: Individual artists and arts organizations

Type of space addressed: Housing and workspace (e.g., offices, gallery space, performance space, rehearsal space, studio space)

Implementation Steps

- Identify potential property owners that might be interested in the CLT model and proactively market to them
- Create the marketing materials necessary to make clear what the benefits of donating property to a community land trust are and who would benefit
- Use as a model OakCLT's acquisition of a 7-unit building in Eastlake, which OakCLT will maintain as permanently affordable artist live/work housing

Timeline: Short- to Long-term – 6 months to 10 years

Difficult to assess; dependent on OakCLT's staff capacity and nature of future opportunities.

1d. Create affordable temporary art spaces in private developments in existing vacant or underutilized buildings poised for future redevelopment

Establish a program with a local nonprofit to create temporary artist studios or other arts uses (e.g., 9 months to two years) in existing vacant retail spaces or vacant buildings planned for redevelopment that are going through the entitlement process. This program could be modelled on ArtSpan's partnership with Build Inc at the Journal Building in San Francisco.

Population served: Individual artists and potentially arts organizations

Type of space addressed: Workspace (e.g., offices, gallery space, performance space, rehearsal space, studio space)

Implementation Steps

- Identify nonprofit or other entity to partner with to broker relationships between property owners and artists, and to enter into master leases with property owner
- Identify one or two properties to contact to pilot the program
- Look to ArtSpan as a model, adapting its leases and regulatory agreements
- Seek foundation support to help fund build out of space

Timeline: Short-term – 6 to 12 months

Once an appropriate nonprofit partner has been identified, negotiating lease agreements with property owners and artist tenants and building out space to suit artist needs could take several months.

CASE STUDY

ArtSpan, San Francisco

While it works to get entitlements to redevelop a property in San Francisco, Build Inc. is temporarily leasing an existing, otherwise vacant, old office building on the property free-of-charge to ArtSpan. ArtSpan then leased the building, now referred to as the Journal Building, to 22 artists for studio space at very affordable rents. The developer creates activity and vitality in the short-term on its property, and a large group of artists receives affordable workspace. ArtSpan made basic building improvements to create the artist studios then selected the artists through a competitive process to sublease the space as part of an artist residency program, renewable until the master lease ends. At the end of the lease, artist residents will have a group show to share the work created during their time in the Journal Building. ArtSpan now looks to replicate this model in two more locations.

STRATEGY #1 (continued) Real Estate Acquisition and Leasing

1e. Incentivize private developers to provide permanently or long-term affordable artist spaces in mixed-use developments through zoning tools

With new development taking place in Oakland, the City has an opportunity to incentivize the long-term or permanent inclusion of arts uses in new mixed-use buildings. For example, conditional use permits for residential construction could be tied to the provision of affordable arts and culture space on ground floors or some amount of artist housing in certain areas (such as a neighborhood zoned Community Commercial (CC), including CC-3 districts where residential is currently now allowed) or in areas designated as formal Cultural Districts. The City should also consider establishing a density bonus for providing permanent, affordable artist workspace in a development (perhaps through the selling of the space as a “cultural” easement to a nonprofit as described in 1a or a dedication of space to a land trust as described in 1c).

Population served: Arts organizations and potentially individual artists

Type of space addressed: Workspace (e.g., offices, gallery space, performance space, rehearsal space, studio space) and potentially housing

Implementation Steps

- The Planning Department should develop new zoning policy (perhaps as part of the Oakland Downtown Specific Plan) to incentivize arts uses, as described above.
- Garner public and political support to get new zoning passed
- Consider piloting this approach in a project currently going through the entitlement process

Timeline: Short-term – 1 to 2 years

New development that can be used to support cultural uses is happening now so the City needs to move quickly to capture inclusionary potential. Plus, the Downtown Specific Plan is scheduled to be completed in a year, and the first round of State Cultural District designations, which could support the inclusion of cultural uses, is scheduled to be announced in 2017. Zoning work must be done within this 1-2 year timeframe in order to fully leverage the opportunities presented by these initiatives.

STRATEGY #2 Financial Assistance

Provide direct financial assistance to help artist groups/arts organizations avoid or cope with displacement

Modelled on San Francisco’s Nonprofit Displacement Mitigation Program, Oakland should establish a program to provide artists and arts organizations facing displacement with direct monetary assistance to help them remain in Oakland. The direct funding could support operating costs, rent payments, tenant improvements, etc. Arts organizations must demonstrate displacement risk (e.g., previous displacement, evidence of impending rent increase) and provide evidence of a multi-year lease being offered in order to qualify. This financial assistance could be a standalone program administered by a nonprofit partner (like CAST in the San Francisco model), or it could be an added component to the funding programs already administered by the Cultural Arts Unit. The funding should be seeded by the City of Oakland in the next budget cycle, which can then be used to leverage additional philanthropic support.

Population served: Arts organizations

Type of space addressed: Workspace (e.g., offices, gallery space, performance space, rehearsal space, studio space)

Implementation Steps

- Consider requesting \$250,000 in seed money from the City of Oakland general funding during the City Council’s mid-cycle budget process (beginning spring 2016)
- Identify other potential funding sources such as foundations
- Identify nonprofit partner to run program (if not administered internally by Cultural Arts Unit)

Timeline: Short- to Mid-term – 6 months to 2 years

If seed money is secured during the mid-cycle budget process, funds could begin to be disbursed within a year.

CASE STUDY

Nonprofit Displacement Mitigation Program, San Francisco

In 2014, the San Francisco Board of Supervisors allocated \$4.5 million in general fund reserves to fund a 3-year Nonprofit Displacement Mitigation Program to help keep organizations facing displacement stay in San Francisco. The City selected the Northern California Community Loan Fund (NCCLF), in partnership with the Community Arts Stabilization Trust (CAST) and Urban Solutions, to manage the program. \$2 million was given to the SF Arts Commission, which through CAST provides financial assistance to arts and cultural organizations to help pay for relocation costs (e.g., professional services, rent stipends, moving expenses, tenant improvements, furnishings/fixtures/equipment). The remaining \$2.5 million was given to the Mayor’s Office of Housing and Community Development, which through Urban Solutions provides assistance to nonprofit social service agencies. Only 501(c)(3) nonprofits in existence for at least 3 and 5 years are eligible to apply for up to \$50,000 and \$100,000 respectively. These financial assistance grants can be paired with Nonprofit Displacement Mitigation Program technical assistance grants administered by NCCLF. Five (5) arts and cultural nonprofits received financial assistance in the first round of allocations.

STRATEGY #3

Technical Assistance

3a. Establish a robust portfolio of technical assistance programs to support and help artists strengthen their businesses and art practice and stay in Oakland

The City should develop a clearinghouse of resources that artists and arts organizations can refer to when in need. This clearinghouse could provide links to applications for financial assistance (Strategy 2) as well as tenants rights groups, legal help, business planning tools, available artist space, and an information packet for landlords and artists (including a multi-year model lease and descriptions of any tax incentives or facility improvement grants that the City might make available to property owners to encourage the creation and maintenance of affordable artist spaces). The City should create a clear and easy to navigate website of resources to support artists and arts organizations in Oakland.

Population served: *Individual artists and arts organizations*

Type of space addressed: *Workspace (e.g., offices, gallery space, performance space, rehearsal space, studio space) and housing*

Implementation Steps

- Identify partner to help establish curriculum
- Consider using the City's Business Assistance Center or local arts spaces in City-owned properties such as ProArts as venues for technical assistance
- Prioritize creation of a new City website dedicated to these resources
- Look to existing models (e.g., Assets for Artists) on which an Oakland clearinghouse could be based
- Identify nonprofit subject area experts for collaboration
- Ensure sufficient City staffing is dedicated to creating and maintaining clearinghouse and other technical assistance programs

Timeline: *Short-term – 6 to 12 months*

Some resources already exist (e.g., California Lawyers for the Arts, tenant rights organizations) that the City can refer artists to now. However, developing additional resources (e.g., model leases, incentive information packets, a financial assistance program [Strategy 2]) and the clearinghouse platform itself could take several months.

3b. Improve the City's internal infrastructure to support artists and arts organizations in Oakland

The City's Cultural Arts Unit has been understaffed for many years and currently has several vacancies. In order for the City to offer better and broader support for the arts in Oakland, it needs a more robust infrastructure in place. Strategies include:

- Move swiftly to hire a permanent Cultural Affairs Manager and elevate that position within the organization to be more senior and externally facing.
- Add additional staff to the Cultural Arts Unit to increase its capacity to support arts and culture in Oakland, including moving ahead with the creation of a Cultural Plan, implementing the strategies of this Task Force, working with the State of California Arts Council on the new Cultural Districts program, and other proactive policy work
- Consider reconstituting a Cultural Affairs Commission empowered to devise and implement policy related to arts in Oakland, with appropriate staff support in place

Population served: *Individual artists and arts organizations*

Type of space addressed (indirectly): *Workspace (e.g., offices, gallery space, performance space, rehearsal space, studio space) and housing*

Implementation Steps

- Prioritize recruitment for vacant Cultural Affairs Manager position
- Consider mid-cycle budget request to fund one or two new staff positions at \$151,000 per position (includes salary and overhead)
- Seek foundation support to help fund additional staff (e.g., funds for a 2-year staff position to help create Cultural Plan)

Timeline: *Short-term – 6 to 12 months*

A new Cultural Affairs Manager should be able to be hired within 6 months. Hiring additional staffing and reinstating a Cultural Arts Commission may take longer.

Appendix

Artist Housing and Workspace Task Force Roster

David Baker	David Baker Associates
Anyka Barber	Betti Ono Gallery/San Francisco Foundation/Oakland Creative Neighborhoods Coalition
MJ Bogatin	California Lawyers for the Arts
Natalie Bonnewit	Bonnewit Development Services
Katherin Canton	Oakland Creative Neighborhoods Coalition
Walter Craven	Blank & Cables/Norton Studios
Karen Cusolito	American Steel
Cheryl Derricotte	Artist/City Glassworks
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Kristen Zaremba	Cultural Arts Unit, Economic Development Department

Special thanks to:

Donn Harris	Oakland School for the Arts/California Arts Council
Joan Madonna	ArtSpan
Maryann Leshin	Leshin Consulting
Genise Choy	Enterprise Community Partners/UC Berkeley Department of City and Regional Planning

ARTIST SPACE IN OAKLAND: A SNAPSHOT

A summary of a survey conducted by the Mayor's Task
Force on Affordable Artist Housing and Workspaces

April 2016

Background

- In August 2015, Mayor Libby Schaaf convened a multi-disciplinary task force to identify strategies to help artists remain and thrive in Oakland.
- As part of that work, the volunteer Task Force issued a survey late last year to learn more about the space needs of Oakland artists.
- More than 900 artists responded
- **913** artists provided detail on where they live and work.
 - **208** artists live in Oakland and work elsewhere
 - **130** artists work in Oakland and live elsewhere
 - **575** artists both live and work in Oakland

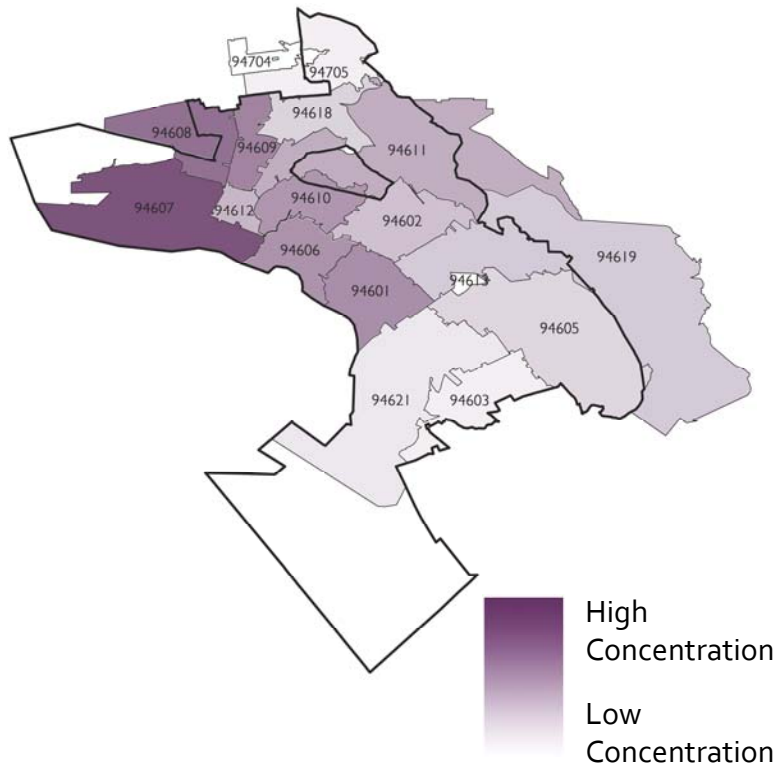
Data Highlights

- The majority of respondents have lived and worked in Oakland for **more than 10 years**
- **25%** reported that they **have been displaced** within the last year or are facing imminent displacement
- **75%** reported that they **have not recently been displaced** nor are facing imminent displacement
- Of the 170 artists displaced in the last year, **60%** of the moves **resulted from increased rents or sale of buildings.**
- **Month-to-month leaseholders** are most **vulnerable** to displacement
 - **52%** reported being on **month-to-month leases for workspaces**
 - **46%** reported being on **month-to-month leases for housing**
- A **majority** of respondents indicated workspace and housing **costs present the biggest challenge** to being an artist in Oakland
- **More than half** of the artists surveyed said that **technical assistance** would help them address their most urgent needs.

Key Finding: The data suggests that now is the time to establish more robust policies to support artists in Oakland, before displacement escalates

Geographic breadth of survey

Artists living in Oakland

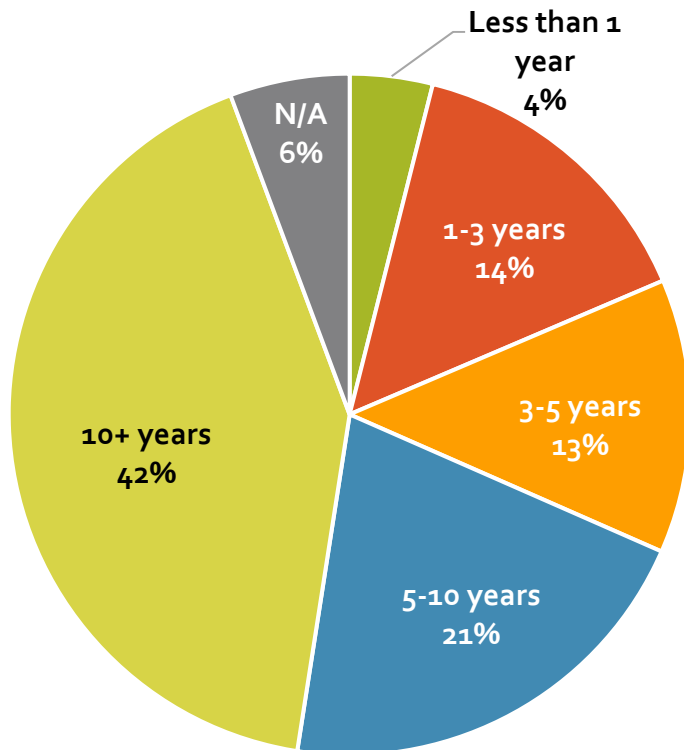


Artists working in Oakland

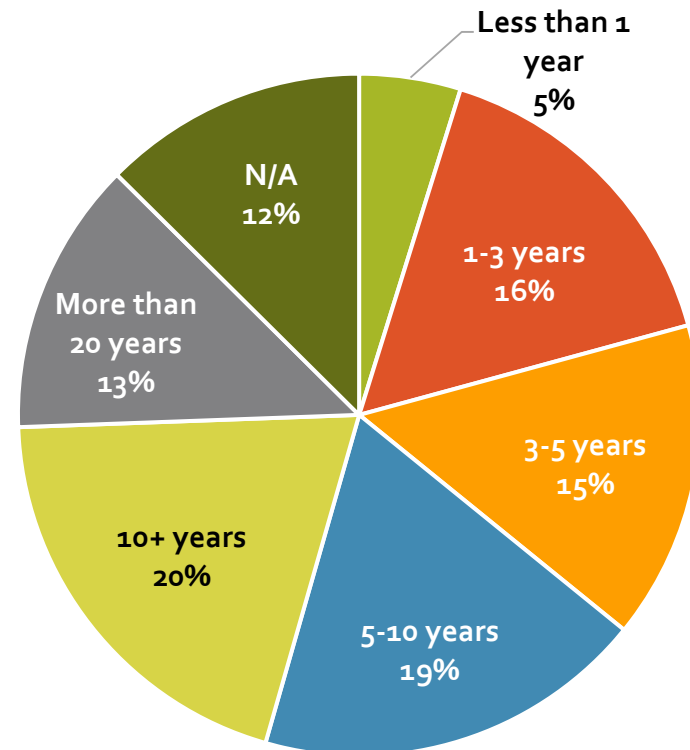


Years in Oakland

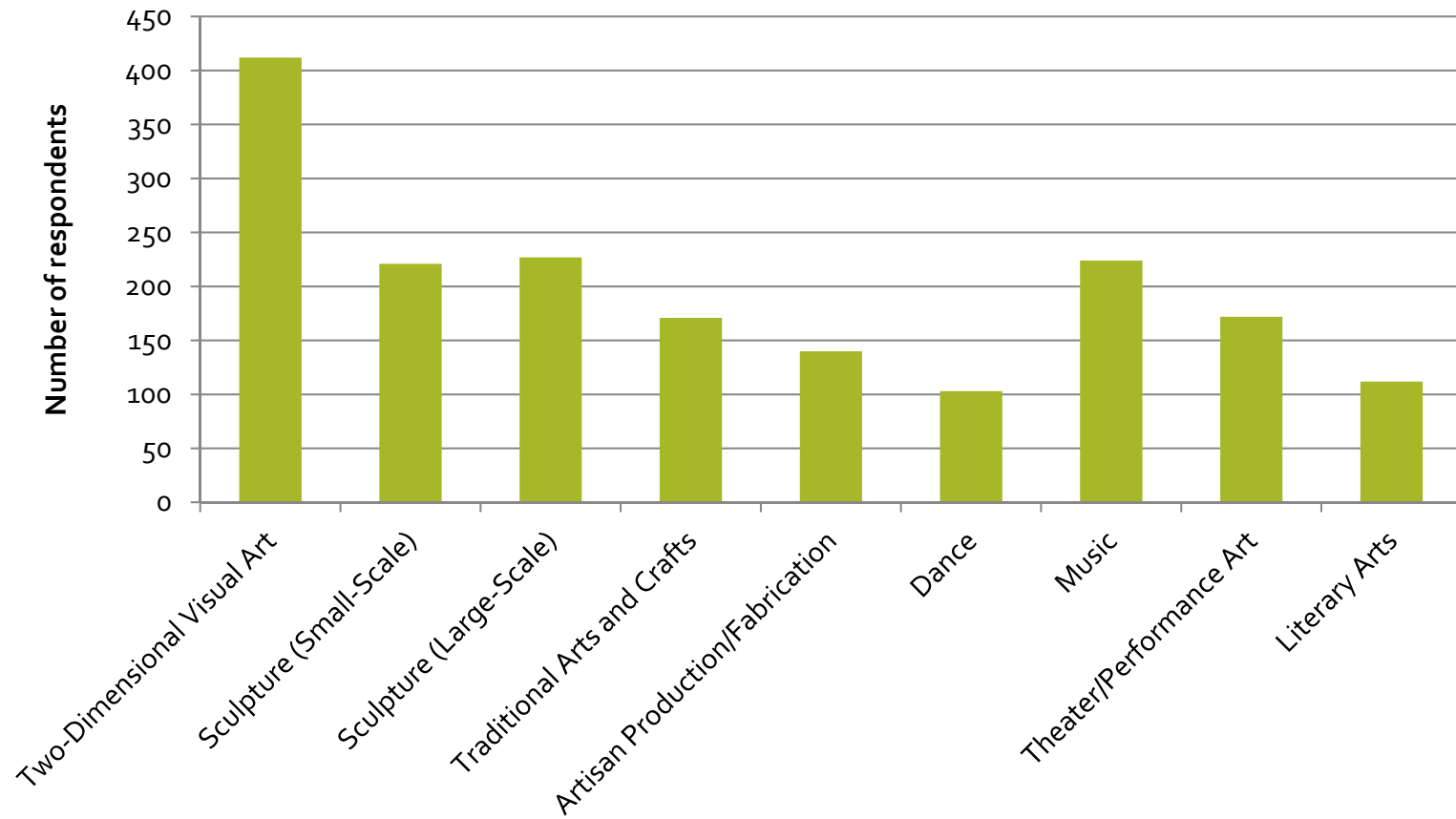
Living



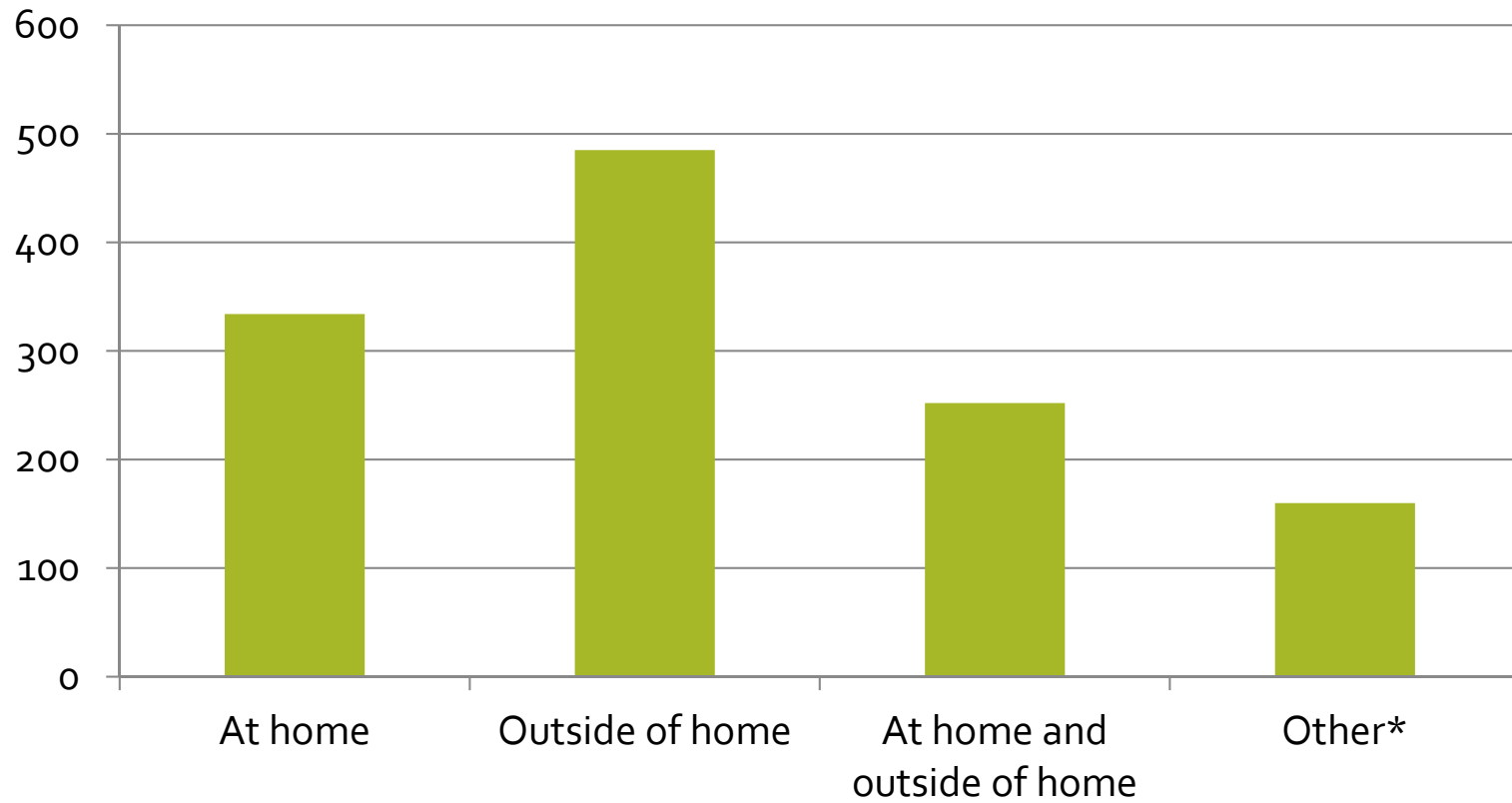
Working



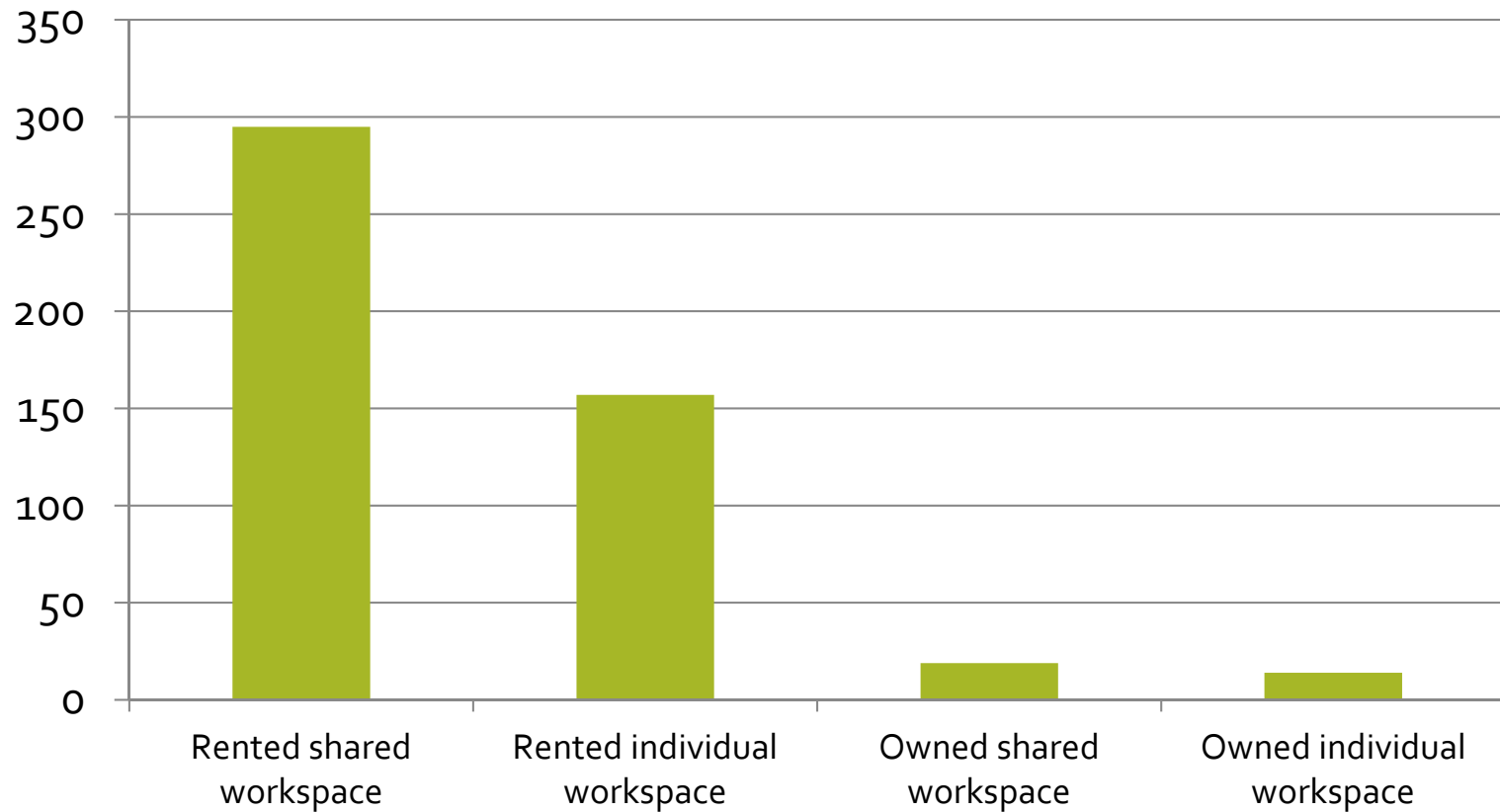
Artistic discipline



Where you make or practice your art



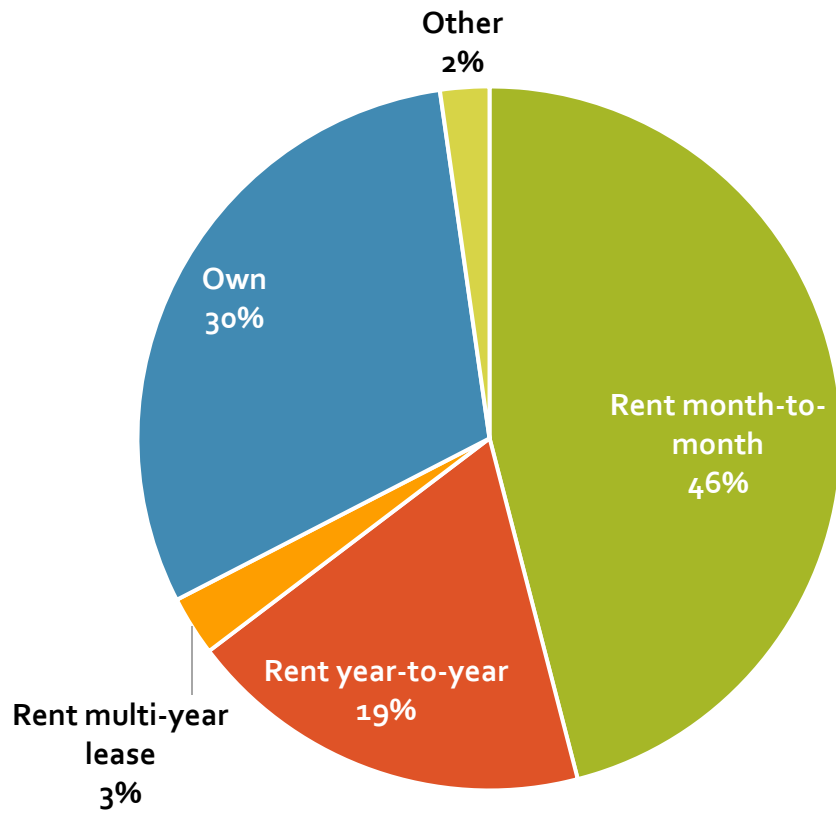
Shared vs. individual workspace



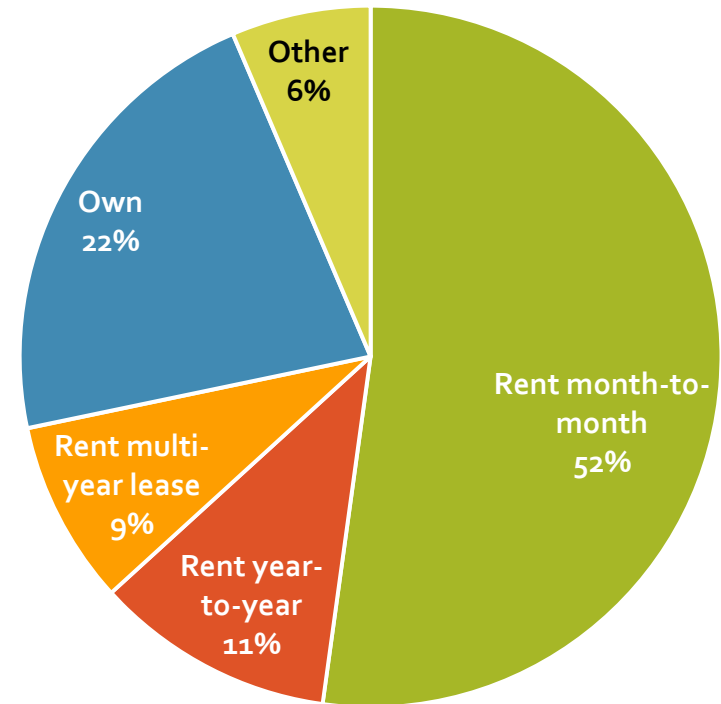
485 artists responded to this question

Tenure

Living space

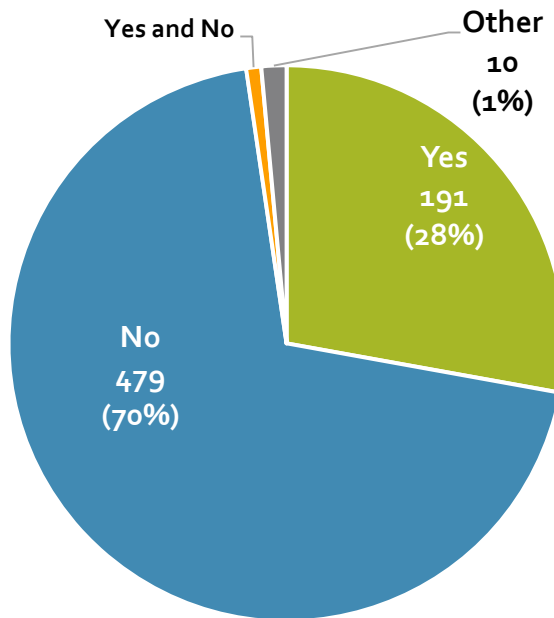


Workspace

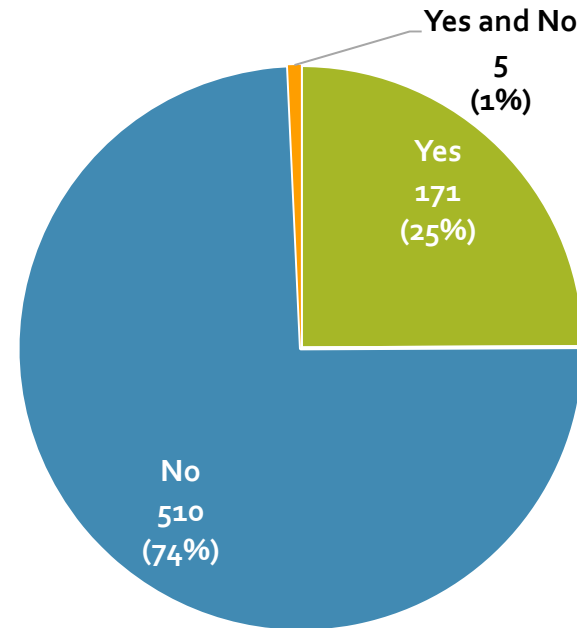


Displacement

Prior to 2015?

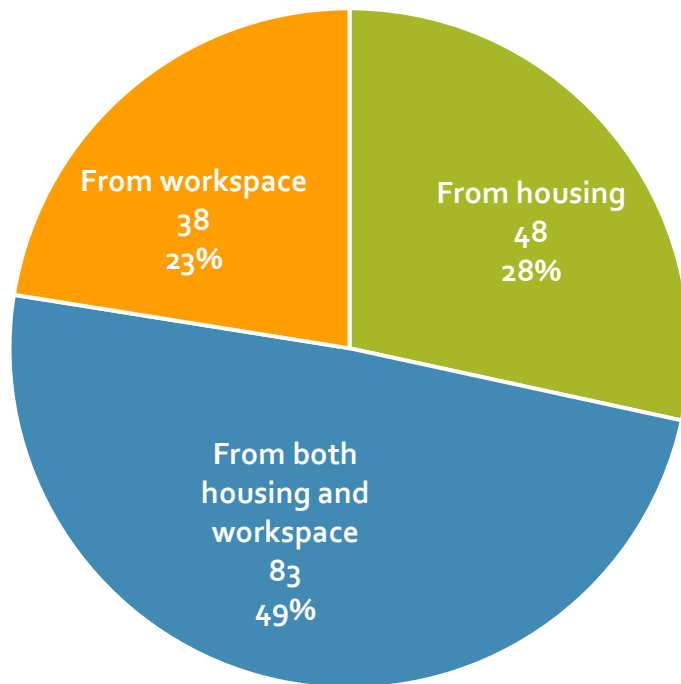


In the last year or currently facing displacement?

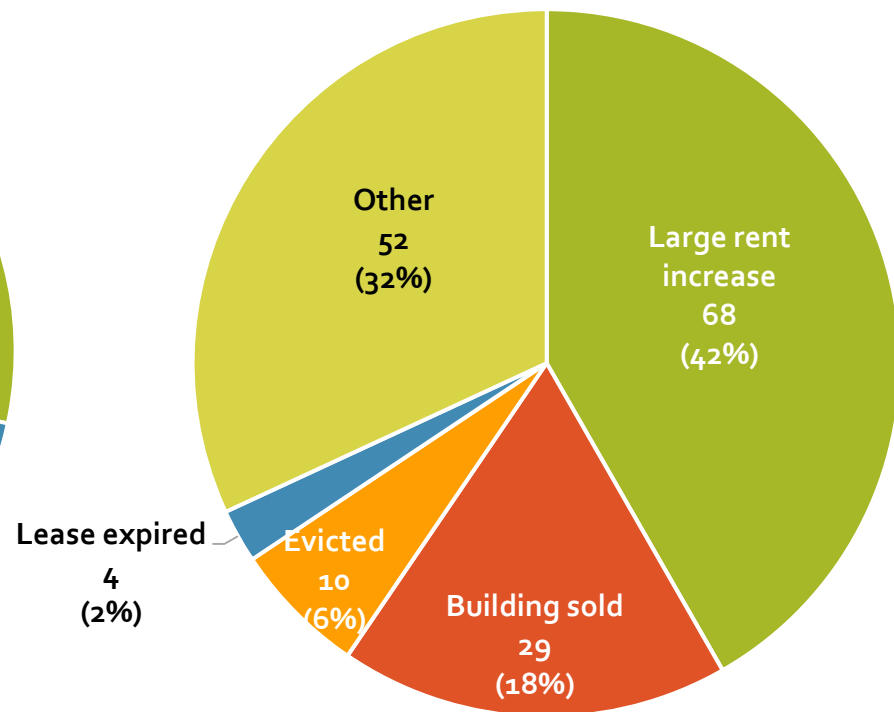


Displacement

Type



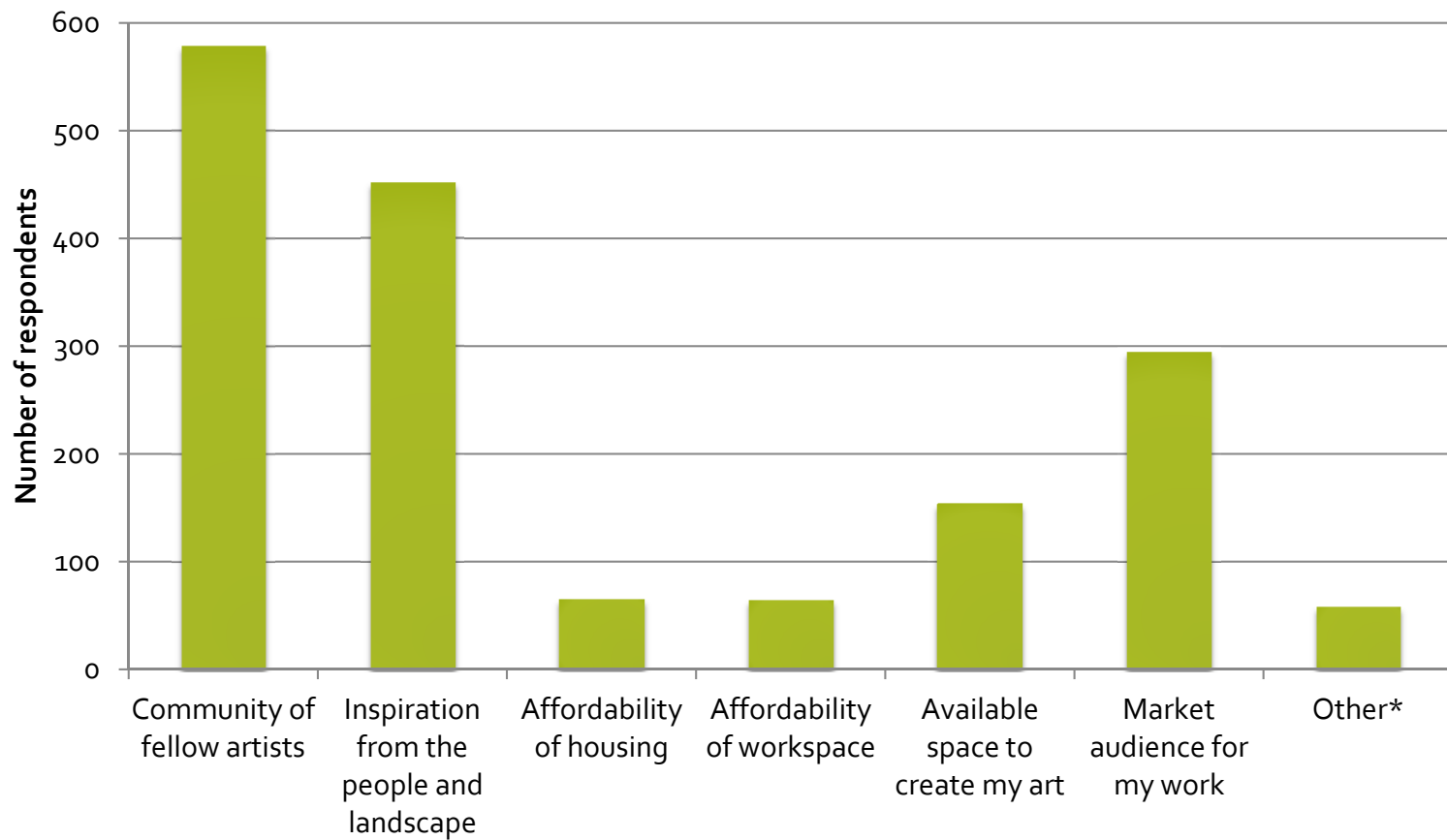
Reason



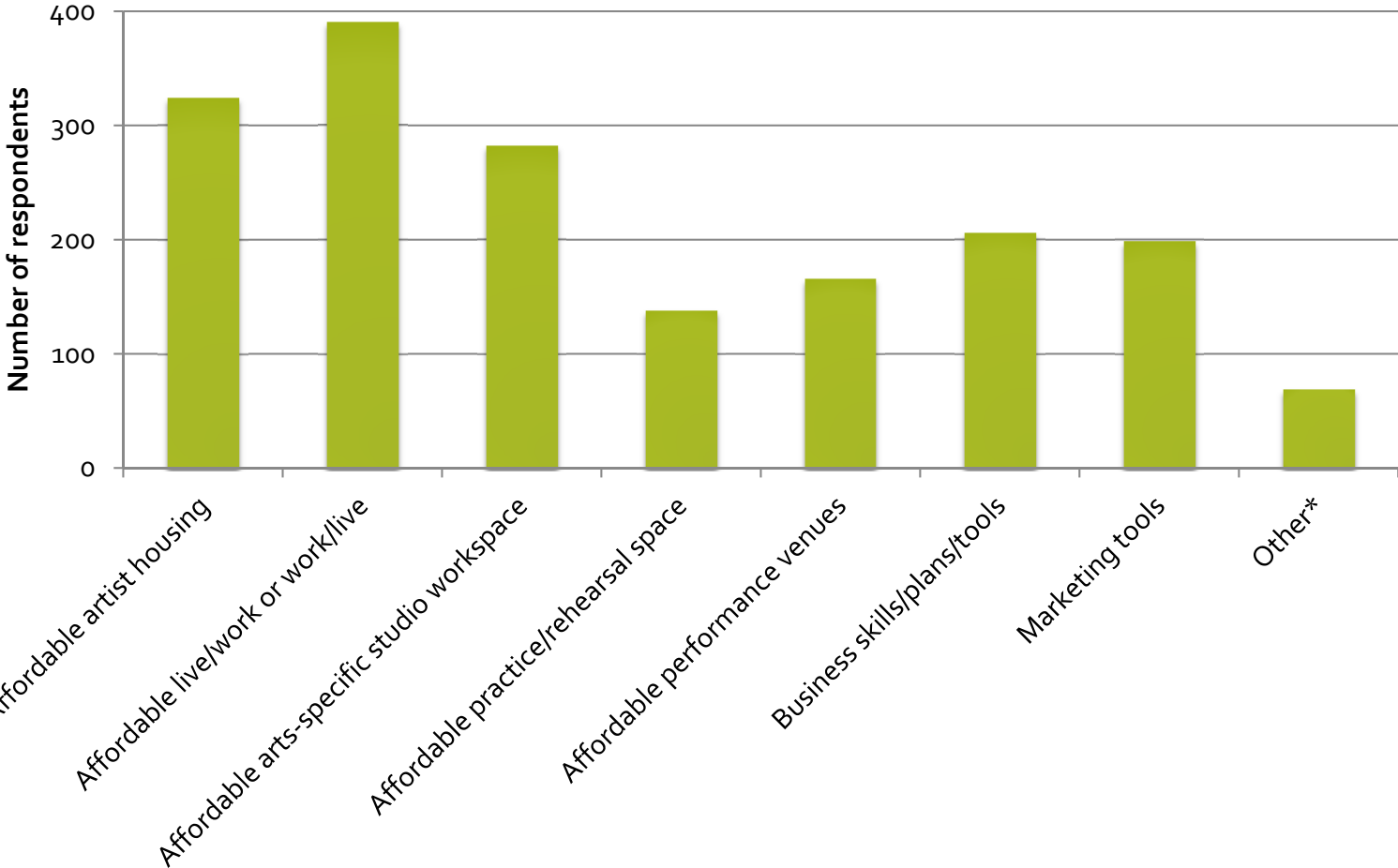
Challenges to working as an artist in Oakland



Positive aspects of working as an artist in Oakland

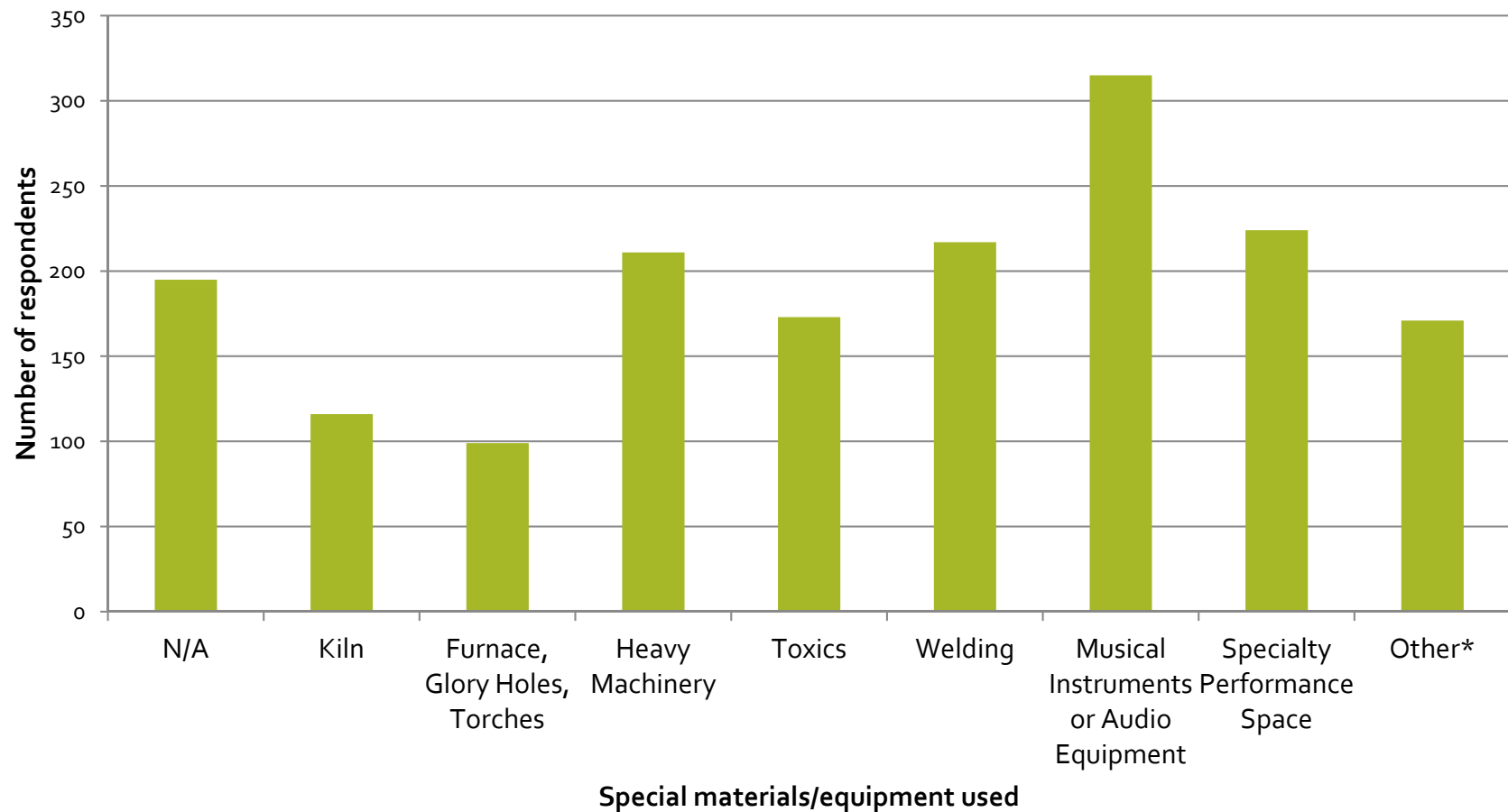


Desired resources



Appendix: Additional Data

Specialized tools or materials used by artists in Oakland



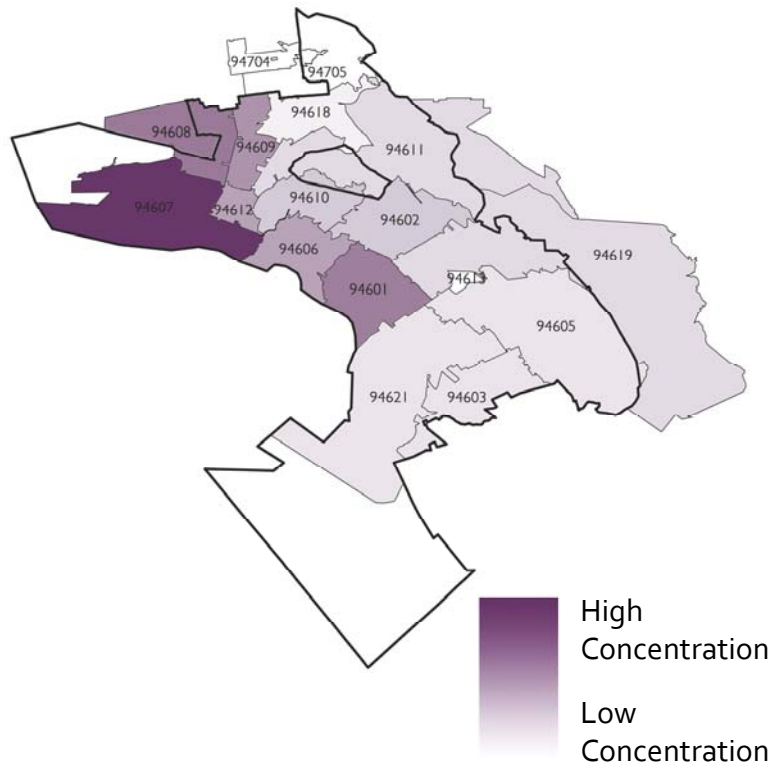
Other places artists make art in Oakland

Other locations cited as primary places where artists practice or make their art include:

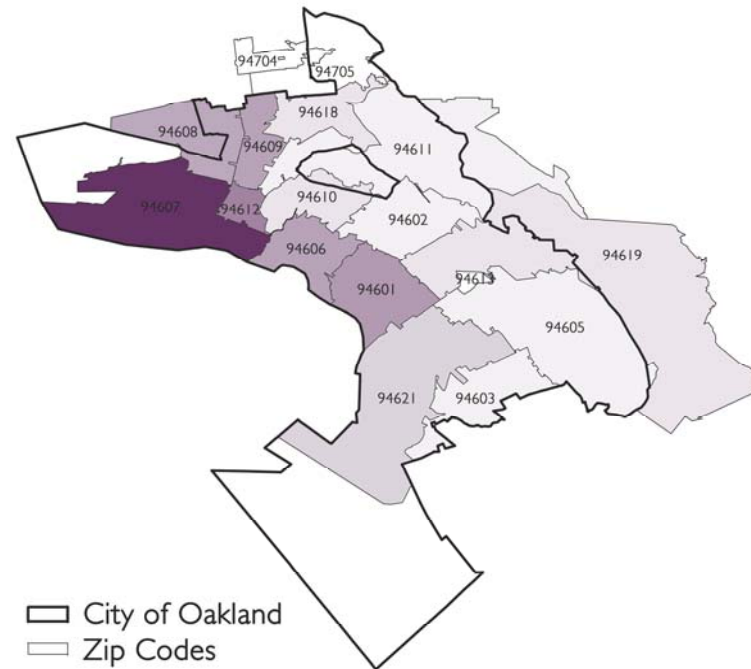
- Arts organizations
- Cafes
- Churches
- City-owned buildings
- Community centers
- Friends' spaces
- Event and performance venues
- Galleries
- Garages
- Libraries
- Public spaces
- Residencies
- Restaurants
- Schools
- Storage units
- Workplaces

Geographic location of displacement

Living space



Workspace



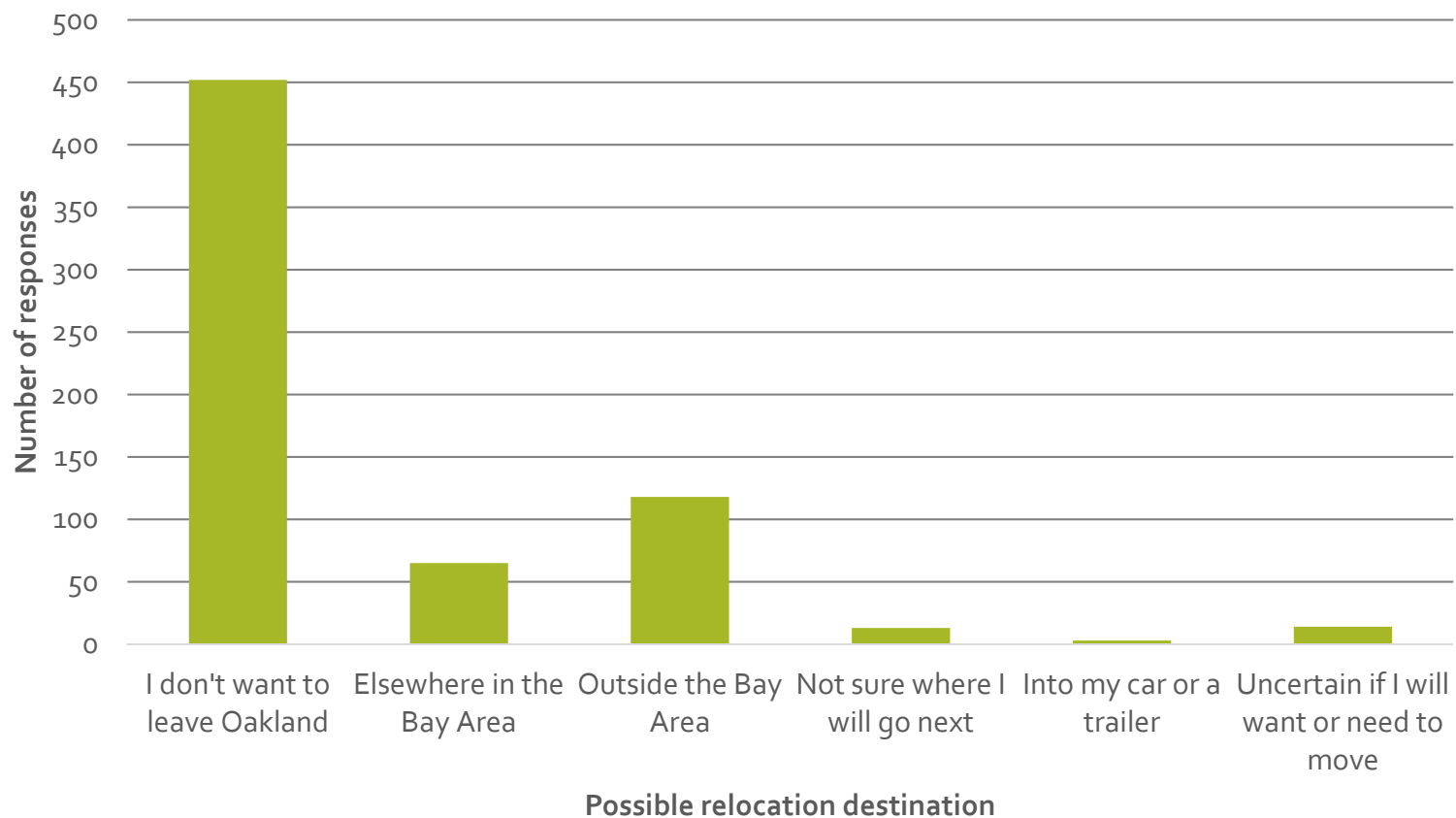
Other positive aspects of being an artist in Oakland cited

- Alignment of values
- Rent control
- Feeling that Oakland is home
- Proximity to services and amenities
- Opportunities for sharing and collaboration
- Flexible spaces
- Weather
- Availability of:
 - Resources
 - Funding
 - Job opportunities
 - Venues for showing work

Other challenges cited to being an Artist in Oakland

- General cost of living
- Issues associated with raising a family
- Traffic
- Lack of:
 - ADA accessibility
 - Safety
 - Funding
 - Food access
 - Art patrons/consumers
 - Value placed on the arts
 - Job opportunities/sufficient income

Considering moving to another location? If yes, where?



Other locations cited

- Outside of Oakland
 - Alameda
 - Antioch
 - Berkeley
 - El Cerrito
 - Dublin/Pleasanton
 - Emeryville
 - Redwood City
 - Richmond
 - Silicon Valley
 - Vallejo
- Outside of the Bay Area
 - Los Angeles
 - Nevada City
 - Santa Cruz
 - Williams
- Outside of California
 - Chicago, IL
 - Detroit, MI
 - Las Vegas, NV
 - Reno, NV
 - New York City, NY
 - Portland, OR
 - El Paso, TX
 - Colorado
 - Washington
 - Northwest
 - Mexico