



Affordable Artist Housing and Workspace Focus Group

Thursday, February 16th, 2017; 2:00-4:00pm

Location: The Actors Fund, 729 7th Ave 11th Floor, New York NY 10019

Facilitator: Kristin Sakoda, DCLA; Nisha Baliga, HSC

I. Introduction by DCLA and Hester Street Collaborative

- Introduced the AREA initiative aimed at increasing the availability of affordable housing and workspace for artists in NYC.
- Presented the main questions for the discussion:
 - How can we support artists?
 - How can we increase affordability for artists?
 - How do we properly support New York City's cultural ecosystem?
- The cultural plan is occurring within the context of a changing federal policy towards the arts, which has the capability of impacting the state budget.
- The CreateNYC team, with DCLA, has already helped organize over 180 focus groups and community meetings.
- The goal of the cultural plan is to create policy, program, and project recommendations over the short, medium, and long term.

II. Open Discussion About Affordable Artist Housing

- Creating and preserving artist housing is difficult, what are successful strategies and models that could be replicable for supporting or creating affordable artist housing?
 - One of the largest barriers to creating new affordable housing for artists is the law that prohibits artist-only housing or artist-preferences for housing.
 - Artspace developed and operates El Barrio's PS 109 artist housing facility. This project was able to circumvent the human rights law because they do not view "artist" as an occupation but instead as a lifestyle. The project contains live/workspace.
 - Artist Live/Work facilities are legal, and are an effective model, but the space requirements often make the projects difficult financially. For example, studio space requires high ceilings, which limits the number of units that can be created due to zoning laws that restrict building height. We should also think about ways to incorporate rehearsal space for performance artists.
 - We should engage the private sector about supporting a robust arts/culture ecosystem through corporate grants, similar to Minnesota, where the private sector supports artist housing through grants.
 - One challenge with preserving and supporting affordable housing projects is that existing models, such as Westbeth and Manhattan Plaza, experience aging resident populations, and many residents are no longer artists. How can we address this issue without displacing residents?
 - Printers Row in Chicago is an example of an effective artist housing model which separates living space from work space; Printers Row contains very small compact living spaces with larger workspaces. Micro-units are an option we should consider.
 - A leaner option for supporting affordable artist housing is to focus on education, including mortgage handbooks, training artists how to compete in affordable housing lotteries, educating

artists about financial planning, providing savings assistance, and training developers how to process artist 1099 applications which are more onerous and difficult to examine than normal W2 applications. Additionally, we need to continue to engage local arts organizations about the Mayor's plan to build 1,500 units of artist housing.

- The Loft Law is an historical model of an effective program aimed at preserving existing affordable artist housing.
- HPD has floated the idea of community land trusts. This could be an attractive model. Promoting ownership would be an effective way of supporting existing community anchors and mitigating gentrification.
- For the dance sector, hotel bills for visiting dancer are a large expense. Could we create a time-share program to help mitigate this expense? Could this model be replicated across the various arts/cultural sectors?
- We should think about how we classify artists. Artspace uses an artist approval committee that does not judge the quality of work, but instead judges the applicant's commitment to their work. Artist certification should not be based on income but instead on demonstrated commitment.

III. Recommendations

- Examine the Human Rights Law, which prohibits artist preferences for housing.
- Support training for artists to successfully compete for affordable housing.
- Provide financial planning education to artists with regards to FICO, savings, and how to qualify for housing lotteries. Support existing models that already provide these services.
- Educate housing developers about how to process 1099 housing applicants.
- Reach out to the private sector about creating corporate subsidies/grants for affordable artist housing.
- Explore a community land trust model.
- Explore a "rent to own" model for artists.
- Explore a fractional timeshare model for artists.
- Make affordable housing recertification requirements less onerous, particularly for artists without steady or predictable income streams.
- Examine changes to zoning laws:
 - Allow micro-units.
 - Provide additional FAR bonuses for cultural/artistic uses.
 - Provide an affordable housing FAR bonus, and potentially an FAR bonus for light industrial uses in affordable housing developments.

IV. Open Discussion About Affordable Artist Workspace

- What are some models for affordable artist workspaces, and what are the challenges for preserving and creating affordable workspace for artists?
 - Many organizations transform unused space, whether vacant or underutilized, into artist workspace. Often these workspaces are temporary (e.g. Chasama).
 - Some programs that offer affordable workspace to artists have rigorous and very competitive application processes, such as the Queens Museum and the Lower Manhattan Cultural Center. One of the goals of these projects has been to provide workspace to a diverse range of artists. Strategies for inclusive and diverse programs include ensuring that selection committees are composed of diverse panels, and reaching out to a wide variety of different communities through local groups and elected officials.
 - One model for creating additional affordable workspace for artists is to partner with existing institutions, such as churches and schools (e.g. Exploring Metropolis). In Philadelphia, a program called “Sacred Places” works with congregations to create workspace for artists. For this model, administrative capacity is crucial for artists to effectively utilize the space (i.e. there has to be someone to turn on the lights, unlock the doors for artists).
 - There is a huge space crisis for creative industrial businesses looking for less than 5,000 SF. Industrial properties are speculatively trading for residential prices. The expansion of WeWork is also increasing the price for industrial leases. We need to do more to preserve spaces for industrial creative industries, which are a crucial components of the arts/culture ecosystem, because they employ a wide variety of artists, from set designers to furniture makers.
 - Creative industrial businesses are struggling to find long-term leases, and usually sign three year leases, which is very costly for smaller organizations.
 - It is difficult for arts organizations and artists to buy commercial space, in part because it is difficult for them to receive commercial mortgages. We need to think about creating a new commercial banking product that would lend to artists and arts/culture organizations.
 - One possible model for supporting affordable art workspaces is to use non-profit master leaseholders with strong financials as an intermediary that can support longer leases and compete with organizations like WeWork.
 - For dance workspaces, permanence is a huge issue, and rehearsal space is very rare. A key component of rehearsal space is centrality and proximity to public transportation, which allows organizations to stay at full capacity 24/7 and to rent the space to premium clients, such as Broadway shows, and to use that income to subsidize rents for dancers.
 - A dance performance space closed on 38th Street and 8th avenue because of high rents and expensive real estate taxes. We should consider real estate tax credits and utility subsidies for arts/cultural organizations.
 - We should streamline permitting for temporary mobile spaces for artists.
 - Affordability crisis has two sides. The first side is real estate. The second side is the amount of money artists are earning. Can we figure out a way to get more money into the pockets of artists, particularly in sectors that do not have strong unions?
 - City will release Requests for Expressions of Interest and Information to see who is interested in developing, operating and tenanting space.

V. Recommendations

- Create a new banking/lending product for artists that have different income requirements.

- Support real estate tax subsidies and utility subsidies for arts/cultural organizations.
- Activate underutilized spaces (music schools, senior centers, churches, as well as city-owned assets).
- Streamline the permitting of mobile spaces for temporary arts/cultural uses.
- Use solvent, non-profit master leaseholders as an intermediary that can support long-term leases to arts/cultural organizations.