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Publication Date

1998

Working Paper 98-11

Artists' Work/Live Space in Fruitvale:
Trends, Issues, and Policies

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The University-Oakland Metropolitan Forum is a partnership of the University of California at Berkeley; California State University, Hayward; Mills College; Holy Names College; the Peralta Community College District; and the Oakland community.

University of California at Berkeley
Institute of Urban and Regional Development

Professional Report
submitted in partial satisfaction of
the requirements for the Master's degree
in the Department of City and Regional Planning
at the University of California, Berkeley

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Spring 1998

***“Legislation can’t change the heart,
but it can restrain the heartless.”***

-Martin Luther King

ARTISTS' WORK/LIVE SPACES IN FRUITVALE: TRENDS, ISSUES AND POLICIES

ABSTRACT

EXECUTIVE SUMMARY

INTRODUCTION

I. BACKGROUND	Page 2
Revitalizing the Waterfront	Page 2
The Changing Live-Work Patterns of Society	Page 3
The Special Needs of Artists	Page 3
Oakland's Encouragement of Artists' Work/Live Conversions	Page 6
II. LEGISLATION	Page 9
Definitions	Page 10
Oakland's Zoning Policy	Page 12
Oakland's Building Codes	Page 13
III. ARTISTS' WORK/LIVE IN THE FRUITVALE ESTUARY	Page 14
Analysis of the Fruitvale Estuary	Page 14
Artists' Work/Live Developments	Page 14
Land-Use Conflicts	Page 21
Tenant Conflicts	Page 22
Gentrification - Can It Happen?	Page 22
IV. ZONING FOR ARTISTS' WORK/LIVE LOFTS	Page 25
The Concentrated Approach	Page 25
The Diluted Approach	Page 26
Zoning Recommendations For Oakland & Fruitvale	Page 26
V. ENCOURAGING CODE COMPLIANCE	Page 29
Enforcement of Codes	Page 29
Further Clarification and Relaxation of Regulations	Page 30
Financial Incentives	Page 31
VI. REGULATING USE OF SPACE	Page 32
Certification Process	Page 32
Filing an Affidavit	Page 32
Oakland - Regulating Use of Space	Page 33
VII. MAINTAINING CONTROL & PREVENTING GENTRIFICATION	Page 34
Homeownership Opportunities	Page 34
Non-Profit Involvement	Page 35
For-Profit Partnerships	Page 36
Non-Profit Cooperatives	Page 36
Condominiums	Page 37
SUMMARY OF RECOMMENDATIONS	Page 38
APPENDIX A: Model Projects in the Bay Area	Page 40
APPENDIX B: Potential Funding Sources for Development and Improvements	Page 45
ENDNOTES	Page 50
INTERVIEWS	
BIBLIOGRAPHY	

TABLES AND FIGURES

Table 1:	Amenities Desired By Artists.....	Page 4
Table 2:	Survey of Many Work/Live Lofts.....	Page 18
Table 3:	Goodman2 Project Budget & Financing.....	Page 40
Table 4:	45 th Street Coop Financing.....	Page 42
Figure 1:	Artist's Work/Live Studio at 4001 San Leandro Street.....	Page 5
Figure 2:	Artist's Work/Live Unit at Ford Street Studios.....	Page 5
Figure 3:	Innovative Gardens in the Fruitvale Estuary District.....	Page 15
Figure 4:	Innovative Gardens in the Fruitvale Estuary District.....	Page 15
Figure 5:	Neighbors Gathering in Front of 2915 Ford Street.....	Page 16
Figure 6:	Lawyer's Office in the Fruitvale Estuary District.....	Page 16
Figure 7:	Map of Many Work/Live Lofts in Oakland.....	Page 20

ABSTRACT

This report examines the issues involved with artists' work/live loft conversions in the Fruitvale Estuary District. Interviews, case studies and literary research provide personal and professional insight useful in gaining a better understanding of the complex and often conflicting matters entangled with the loft conversion phenomenon. An analysis of zoning strategies, code compliance issues, regulatory enforcements, affordability, financing options and gentrification concerns provides the basis for a series of recommendations aimed at encouraging and protecting artists' loft conversions. In addition, an inventory of many of Oakland's loft spaces and rent levels offers information about trends in affordability and location. This report concludes that if the City of Oakland and the Fruitvale Area Team want to protect and promote their artists, an aggressive strategy must be implemented to offer financial incentives and legislative support for the development of affordable artists' work/live space.

EXECUTIVE SUMMARY

This report was commissioned by the City of Oakland's Fruitvale Area Team in an effort to gain a better understanding of the issues affecting artists' work/live space in Oakland. Members of the Fruitvale Area Team requested this information in order to evaluate proposals for various projects, such as the renovation of the Montgomery Ward Building located on International Boulevard. With a broader understanding of the loft market, City officials will be able to make more informed decisions and respond more effectively to the developments of this booming industry. This report is also being used to guide policies in the Estuary Plan (which will soon be incorporated into the General Plan) and the restructuring of the live/work component of Oakland's zoning policies.

This report presents the broader issues involved with loft conversions, and then analyzes how these issues are affecting Oakland and the Fruitvale Estuary district.

The report is composed of the following sections:

- I. General background on the loft conversion phenomenon and an analysis of the needs of artists and professionals.
- II. Analysis of legislation on the state and local level that has had a significant impact on the loft conversion process.
- III. Focus on the Fruitvale Estuary District and the issues associated with the artists presence in this community, including land use and tenant conflicts and the threat of gentrification. This section also includes an inventory of lofts conversions in the district and throughout Oakland.
- IV. Study of the zoning problems involved with loft conversions and the strategies that various cities have designed to deal with them.
- V. Discussion of methods that may be used to address code compliance problems, including ways to provide incentives and improve the clarity of regulations.
- VI. Proposal of several ideas that have been used and may be effective in regulating residents' use of space, including certifying artists and requiring the filing of an affidavit.
- VII. Presentation of various types of development that will enable artists to maintain control of their living situation by protecting the affordability of their work/live spaces.

INTRODUCTION

The issues raised by the conversions of industrial and commercial buildings into artists' work/live loft spaces are of growing relevance to the Fruitvale neighborhood and Oakland as a whole. A number of conversions have taken place in the city, many concentrating in the industrial zones along the estuary. This trend has attracted the attention of city officials who are attempting to address the issues surrounding these transformations. Questions have been raised regarding definitions, policies, impacts and funding opportunities. This report is intended to present a summary of these issues as well as a series of recommendations on ways that Fruitvale can plan for, and encourage, future development of *safe and affordable* artists' work/live spaces.

The presence of these artist communities along the estuary is of particular interest in light of the current planning efforts to revitalize the waterfront district from Jack London Square to 66th Avenue south of the 880 freeway. It is essential that the City and the Port of Oakland be aware of the nature of the artists existence and ensure the protection of the affordability of their spaces. Plans to transform these districts into vibrant and highly marketable mixed-use neighborhoods threatens the existence of artists who rely on the affordability of rough-edged industrial areas. Without effective policy initiatives to protect the existing affordable work/live units, the City risks losing a culturally and economically valuable asset.

It is important to gain perspective on existing and potential problems in order to develop policies that are in the best interest of Oakland residents. Oakland's work/live conversion activity is not as fully exploited as many cities, therefore it is useful to study the experiences of other urban areas in order to build on existing examples. Analyzing different planning strategies through the experiences of other cities will offer the opportunity for Oakland to emulate successful endeavors, and anticipate potential pitfalls.

The City of Oakland's Fruitvale Area Team has expressed a keen interest in gaining more personal insight into the needs and concerns of the Fruitvale community as they relate to the presence of artists' work/live spaces. Interviews with residents, landlords, developers and artists make this analysis specific to the Fruitvale neighborhood.

I. BACKGROUND

Revitalizing the Waterfront

Oakland is just one of a number of American cities focusing its efforts on revitalizing an underutilized and increasingly obsolete industrial waterfront district. Baltimore, Cleveland and Seattle have recognized the strength of their waterfront location and have aggressively taken action to invest in the revitalization of these areas. Converting old industrial buildings into festival marketplaces, office complexes and loft-style housing has become an accepted model which has helped to breathe new life into these cities.

Most people identify Oakland's waterfront with Jack London Square and its multiplex cinema, restaurants, clubs and retail centers. And yet, Oakland's waterfront district extends for miles along the San Francisco Bay, and offers a number of opportunities for revitalization. The ROMA Design Group is currently working with the Port of Oakland and the City to produce a comprehensive plan for the entire waterfront district which will guide policy decisions for the next twenty years. Live/work developments are just one element within the complexity of issues that this study has to contend with, but it is one with significant implications. This housing type has proven to be a powerful force in transforming neighborhoods and should therefore receive special consideration in planning efforts.

Above all else, it is essential that a clear distinction be made between the various types of live/work developments that are desired in the different districts and that policies be designed to achieve the defined objectives. As will be discussed in this report, there is a significant difference, in terms of design, use, cost, tenant profile, and impact, between the "lifestyle lofts" that are sprouting up around Jack London Square and the "artists' work/live quarters" that have clustered around the Fruitvale Estuary. Without significant financing and policy changes it is highly unlikely that the two can coexist because of the severe discrepancy in the property values and rent levels. An influx of lifestyle lofts will surely squeeze artists out of the market and ultimately drive them out of the City. If maintaining affordability and protecting existing residents from displacement is a priority, these issues must be carefully considered and actions must be taken on a proactive, rather than reactive, basis.

The Changing Live-Work Patterns of Society

Up until about twenty years ago it was predominantly artists who occupied loft spaces because the industrial character of the neighborhoods was most conducive to their art-making activities and offered affordable rents. Most artists' work/live studios were developed illegally from warehouses and former industrial plants while city officials looked the other way. Lately, the need to accommodate the changing needs of our society has grown more pressing as the distinction between live and work spaces has become increasingly blurred. Today the developments of the telecommunications industry have created a surge of telecommuters and a sharp rise in the number of professionals working out of home offices. Studies indicate that the number of telecommuters have skyrocketed from 4 million in 1990 to 11 million in 1997, and are projected to reach 14 million by the year 2000.¹ Many of these telecommuters are finding loft space well suited to their work-live needs.

Furthermore, loft spaces have grown increasingly popular among professionals who are attracted by the architectural quality of these "alternative" spaces which are commonly referred to as "lifestyle lofts." From the canals of Amsterdam and the ports of Buenos Aires, to the docks of London and the old sweatshop districts of New York City, living in former manufacturing spaces has become highly fashionable. The relatively new housing type has been fairly successful, and in some cases wildly successful, at bringing the middle- and upper-class residents into the inner cities; therefore many cities have been scrambling to take advantage of this trend.

The growing attraction of live/work lofts puts artists at risk since it threatens the affordability of their spaces. This potential conflict challenges planners to devise strategies to meet the evolving demands of society while supporting the continuing needs of an underserved population. A city like Oakland must promote creative planning efforts to attract and accommodate both the artist and the professional if it is to strengthen and enrich the quality of life of its residents.

The Special Needs of Artists

Many artists require special amenities in their loft spaces in order to carry out their practice. Tours of various units really brought this point to life as painters, woodworkers and glass crafters revealed their abused work spaces and demonstrated a genuine need

for their unconventional spaces (figs. 1 & 2). Artists working on murals or large sculptures, for instance, require high ceilings, open floorplans, and wide doors and hallways to transport pieces. Those working with noxious substances, such as oil paints and ceramics, need special ventilation systems. Unfinished work spaces are essential to most artists who cannot be concerned with splattering paint on wood floors or banging objects against freshly painted walls. These special requirements make typical residential units unsuitable for an artists occupation. On the other hand, converted industrial spaces characterized by high ceilings, expansive windows, roll-up doors and flexible spaces are often ideal.

A survey of 872 Bay Area artists conducted by ArtHouse reveals which amenities are most commonly needed (total responses exceeds 100% due to multiple answers)²:

Table 1: Amenities Desired By Artists

<u>Amenity</u>	<u>% of Total</u>
Bath/Kitchen built-in	55%
Good Lighting	43%
Windows/Natural Light	39%
High Ceilings (min. 10')	30%
Concrete Floor	29%
Special Ventilation	25%
Heat	22%
Enhanced Electrical	19%
Industrial Sink	14%
Outdoor Access	11%
Soundproof	9%
Safe Neighborhood	9%
Freight Elevator	8%
Secure Parking	7%
Roll Up Door	6%
Darkroom Space	6%
Live Separate from Work	6%
Loading Dock	3%
Disabled Access	1%

Not only are the spatial requirements of artists best met by industrial buildings, but the work of artists is also often more compatible with industrial activity than residential use.



Fig. 1 Artist's work/live studio at 4001 San Leandro Street; Fenton Glass Studio.



Fig. 2 Artist's work/live unit at Ford Street Studios.

The noise generated from performance art, wood and metal working tends not to be well received by residential neighbors. Furthermore, the lifestyle of an artist is often quite irregular. Many artists need the flexibility to engage in their work either after day jobs (essential for paying the bills), or simply at spontaneous moments, which can often be at odd hours of the night.

The bottom line, however, is affordability. Artists are drawn to the industrial zones where rents are much lower and buildings can often be converted cheaply. Large warehouses can be transformed into a number of work/live spaces offering nothing more than basic plumbing and electrical wiring, concrete floors, and exposed sheet rock walls. Artists then save significant amounts of money by making their own upgrades. Myths surrounding the notion that artists occupy these spaces as an extension of their image as "struggling artist" was dispelled by many people interviewed. A number of artists expressed that if they could afford to separate their living and work spaces they would since the anxiety that results from waking up surrounded by unfinished projects is onerous. The threat of toxins, poor maintenance by landlords and the inadequate environment for children are other issues that preoccupy residents. Furthermore, the lack of local amenities such as groceries, restaurants and cafes is seen by many as a necessary trade-off, not a choice of preference.³

For these various reasons it is important that artists be supported in this quest for an environment which is conducive to their work habits and needs. Most North American cities have opened the opportunity to convert industrial buildings for artists either as a right, or through conditional use permits. More and more cities are reconsidering their zoning and building code policies in order to better accommodate their artist population and others who desire combining their working and living quarters.

Oakland's Encouragement of Artists' Work/Live Conversions

Oakland can seize the opportunity to attract a significant number of artists into its communities since the number of artists being squeezed out of San Francisco is drastically increasing. As gentrification spreads into the once-forlorn SoMa and Potrero Hill districts, more and more artists are turning to the East Bay for affordable work/live space. One journalist reports that although "no one has kept track of the number of artists who have left, Oakland and Emeryville are two of the areas known to have absorbed much

of [San Francisco's] creative culture. Artists who live in those East Bay cities say thousands have moved into old warehouses in the past decade rather than paying more for much less in San Francisco."⁴

A survey conducted by ArtHouse in 1996 confirms that Oakland and Emeryville, as well as Berkeley, are competitive in terms of desirability. Of 872 artists polled, 39% expressed either a preference for, or interest in, East Bay locations, specifying the following cities (total responses exceed 100% due to multiple answers)⁵:

Oakland	64%
Emeryville	61%
Berkeley	58%

It is in Oakland's best interest to bring artists into its communities since the benefits that result from a vibrant art scene are widespread and significant:

- **Economic:** attract tourism through art galleries and performances; boost tax revenues by offering more commercial opportunities; increase employment by offering jobs in venues, stores, galleries, and production sites.
- **Cultural:** enhance Oakland's identity by enriching its cultural activity; provide educational opportunities through exhibits and classwork; improve public safety with the presence of a community at home during working hours and active late into the night.
- **Aesthetic:** revitalize derelict industrial and manufacturing areas by rehabilitating neglected buildings.

One way in which the City can pursue this opportunity is to facilitate and encourage the development of artists' work/live spaces. The greater the concentration of artist residents, the greater the intensity of cultural life in the City. Acknowledging the value of artists to the community, the City of Oakland has already expressed a desire to encourage artists' work/live development:

The Office of Economic Development and Employment in 1991:

The waterfront warehouse neighborhood south of the Nimitz Freeway should be "considered as a location for live-work artist housing."⁶ (This neighborhood is now commonly referred to as "SoNi," a reference to Manhattan's SoHo district)

The City of Oakland Cultural Arts Division in *Oakland Arts: A Vision for Tomorrow*," October 1994 suggests to:

Develop a cluster/critical mass of arts-related economic activity by designating an arts enterprise zone(s) and devising incentives to stimulate, and reduce barriers to, economic activity.

Oakland City Council Resolution No. 68516 from November, 1991:

Affirming the City's commitment to the development of affordable, safe, livable work/live space for artists; adopting a definition of "artist work/live space" which will guide the development of city policies, procedures, programs and projects that result in an increase in affordable, safe artist work/live spaces; and directing city staff to work collaboratively and in a timely manner to develop additional artist work/live policies, procedures, programs and project recommendations.

And yet, while Oakland has repeatedly expressed a desire to encourage the arts and the development of affordable housing for artists, the City has not *aggressively* promoted this effort. The City lacks a comprehensive strategy for attracting developers of work/live spaces of any kind which would have to include a combination of policy initiatives as well as technical and financial support. Essentially, Oakland must promote itself as a place that is ready to do business and even be prepared to take the initiative on certain projects by targeting particular sites or buildings that it identifies as appropriate for artists' work/live development. Such a strategy would make a bold statement that distinguishes the City from surrounding communities and serve as an open invitation to artists and developers alike.

II. LEGISLATION

For many years artists have been illegally inhabiting industrial spaces across the country, and it is only in the last twenty years that legislators have begun responding to this prominent trend. Until recently, zoning regulations have been used to segregate residential areas from industrial and commercial activity. These laws have posed a unique conundrum for artists: they find themselves economically unable to separate their living and working quarters yet legally unable to combine them. Furthermore, if zoning were not enough of an obstacle, building codes reinforce the barrier since the cost of converting old warehouses to meet the high standards for residential use is often prohibitively expensive.

California was one of the first states to respond to this pressing issue. Legislators acknowledged the need to adapt building codes and zoning regulations to facilitate the revitalization of often abandoned industrial buildings in order to encourage the development of safe and affordable housing. Faced with a growing demand, predominantly by artists, for spaces in industrial zones where low rents enable the use of large spaces, legislators responded with efforts to facilitate the conversion process. The central problems involved with these conversions was the confusion, cost and time associated with conforming to existing regulations.

With the signing of the **California Senate Bill 812** in September of 1979, the state legislature encouraged localities to adopt "alternative building standards" to promote the conversion of industrial and commercial buildings into a new type of occupancy called "joint living and work quarters." The Bill states:

"Any city or county may adopt alternative building regulations for the conversion of commercial or industrial buildings, or portions thereof, to joint living and work quarters..."

It is the intent of the (California) Legislature that local governments have discretion to define geographic areas which may be utilized for joint living and work quarters and to establish standards for such occupancy, consistent with the needs and conditions peculiar to the local environment. The Legislature recognizes that building code regulations applicable to residential housing may have to be relaxed to provide joint living and work quarters in buildings previously used for commercial or industrial purposes."

In response to this bill the City of Oakland has passed several legislative measures to set alternative zoning and building code requirements for loft conversions⁸. Before addressing

these ordinances, however, it is necessary to weed through the terminology in order to clarify certain aspects.

Definitions

The term "live/work" has become a common catch phrase used by everyone from developers to journalists to pastry chefs. Since it is used to describe an array of housing types, the term has come to mean everything and nothing at the same time. Within the City of Oakland, the issue is no less perplexing because there has been no consistency in terminology used in various documents, such as building codes, zoning ordinances and the General Plan. Establishing working definitions has posed a great challenge to policy makers entangled in the live/work issue and remains far from being resolved. It is essential that more clearly articulated and widely accepted definitions be established and consistently utilized. Nevertheless, for clarity within this report and to highlight issues pertaining specifically to Oakland, the following definitions have been cobbled together from a variety of sources, including my own findings regarding rental rates and degree of interior finish.

***Live/Work:** new construction; primary use is residential; work is secondary. Tend to be upscale units with rents of \$1.00 or more per square foot per month in Oakland, although they are typically sold as condominiums. (often referred to as "Lifestyle Lofts")

***Work/Live:** new construction; primary use is work; residential use is secondary. No such spaces were identified in either the Fruitvale or the Jack London Square districts.

Residentially Oriented Joint Live/Work Quarters (JL/WQ): conversion of existing building; residential use is primary. Much like "Live/Work" spaces, these units tend to be rather chic and rent for over \$1.00 per square foot per month in Oakland, although they are more often sold as condominiums. There are a number of such buildings around Jack London Square. (also referred to as "Lifestyle Lofts")

Commercially/Industrially-Oriented Joint Live/Work Quarters (JL/WQ): conversion of existing building; commercial use is primary. These units tend to be less refined than the residentially oriented space, offering rents between \$.40 and \$.80 per square foot per month in Oakland. These projects are commonly found in the Fruitvale estuary and along San Leandro in East Oakland, as well as in West and Northwest Oakland.

***Artists Joint Work/Live Quarters (JW/LQ):** "a room or combination of rooms in a building used for both art-making (work) purposes and living purposes... The residential use of the space is secondary to its primary use as a place of art-making (work)." Required is a minimum usable floor area of 600 sf, with a minimum of 67% of that designated as the art-making portion with the rest for living purposes.⁹ These tend to be less refined spaces with rents between .40 and .80 per square foot in Oakland. Most of the commercially/industrially-oriented JL/WQ seem to be occupied by artists.

***Artist:** "ART-MAKING is the activity of creating objects and expressions of form (inert, organic or synthetic) primarily for purposes of visual or auditory contemplation. Art-making activities include all creative endeavors in the visual arts, dramatic arts, music and dance. Art-making is an activity undertaken by an artist or a person studying to become an artist; it is not a hobby activity."¹⁰

* The asterisk indicates terms that are not officially recognized by the City of Oakland and have never been given the force of law. These designation have only been mentioned vaguely in Resolutions and other documents. Nonetheless, they are important in distinguishing between the different types of work/live space.

The first problem with the definitions is simply the word sequence. Some documents use the designation "live/work" while others the less common "work/live." There has been a movement on the part of Oakland's Standing Committee on Artist's *Work/Live* Space to use "work/live" and "live/work" to emphasize and distinguish between the nature of the principal activity as being either residential or non-residential. Unfortunately, the phrase does not seem to have caught on, either officially or unofficially. The latest draft of the General Plan, for instance, refers only to "live/work units" and provides a vague definition which highlights none of the issues addressed here, such as conversion/new construction, primary/secondary use, employees and walk-in trade/ or not, or artist/non-artist. Perhaps even more importantly, the words flow much more naturally in the order of "live/work," and for that reason the media and marketing professionals have tended to favor it.

The second problem is that the terms are much too verbose. It is important to streamline the titles in order to simplify matters as much as possible.

Third, an issue which is not in Oakland's control is that every city has established its own terminology so there are no universally accepted definitions. This is particularly frustrating for developers and architects who work in multiple cities.

The last and perhaps most profound issue is that while the terminology is difficult to pin down, the definitions seem impossible to effectively enforce. How is a city to regulate whether work is the primary use of a space or not? Physical requirements can be set as a preliminary measure, but the floor plan of a unit reveals little about the actual use of the space. This issue is discussed further in the "How to Regulate" section.

Oakland's Zoning Policy

The Oakland City Planning Commission adopted new zoning regulations in 1980 in response to SB 812. Section 7020 of the Zoning Regulations permits "joint living and work quarters" in all zones where residential use is sanctioned. It also authorizes the conversion of commercial and industrial buildings into joint living and work quarters throughout the City, with the stipulation that residential occupancy be permitted only where it is "appropriate, incidental and subordinate to" the principal non-residential activity.¹¹ In certain commercial and industrial zones a minor conditional use permit is required, and is virtually automatically granted.

Joint Living and Work Quarters (JLWQ) is defined in Section 7020 as:

residential occupancy by not more than four persons, maintaining a common household of one or more rooms or floors in a building originally designed for industrial or commercial occupancy which includes: (1) Cooking space and sanitary facilities which satisfy the provisions of other applicable codes, and (2) Adequate working space reserved for, and regularly used by, one or more persons residing therein.

The element of this definition which must be emphasized is that occupancy of JLWQ is limited to *existing* industrial or commercial buildings, and does not address new construction. Building lofts from scratch still requires overcoming a number of onerous obstacles with which developers are highly reluctant to contend. Those who have, simply conformed to residential codes and built loft-style residences. In industrial zones this is not possible without going through a convoluted and impractical process of converting a commercial or industrial building and then, once it is completed, converting it to JLWQ.

Within the zoning ordinance artists' work/live spaces are not specifically mentioned but fall within the broader definition of Joint Living and Work Quarters.

Oakland's Building Codes

Only recently has the City adopted provisions to the building codes to facilitate the legal conversion process. On January 1, 1996 Oakland adopted the new code interpretations for live/work spaces which are based on the City's *Uniform Building Code*. By relaxing certain codes the development of legal and affordable live/work spaces becomes more economically feasible. The provisions apply only to those buildings which were originally designed for commercial or industrial purposes and whose proposed residential occupancy is secondary to its primary use as a workplace, as defined by the following land use criteria¹²:

1. Each unit must have a minimum floor area of 660 sf.
2. A minimum of 67% of each unit's floor area must be designated as workspace and the remainder as residential area. Up to 25% of the designated work area may be used for dual purposes such as telephoning, drawing, accounting, reading, planning, development of work projects and sanitary facilities. (thereby meaning that the residential area can be effectively 50%)
3. The areas of a JLWQ used for living, sleeping, eating, and cooking are designated as residential area. The residential area must be secondary to the work area and may not exceed 33% of the floor area of the individual JLWQ.
4. In each unit, a designated residential area up to 300 square feet may provide residence for no more than two people. An additional resident can be accommodated for each additional 150 square feet of designated residential area. There is a limit of 10 persons to a JLWQ regardless of size.

If these criteria are met, and the building is deemed commercially/industrially-oriented, seismic upgrades need only comply with 75% of the current code, as opposed to the 100% compliance required of residential structures. Furthermore, most of the other code requirements conform to those of commercial/industrial buildings which, again, are more lax than those required of residential buildings.¹³

III. ARTISTS' WORK/LIVE IN THE FRUITVALE ESTUARY

Analysis of the Fruitvale Estuary

The Fruitvale estuary is bounded by the 22nd Avenue, Interstate 880, Fruitvale Avenue, and the estuary. It is an interesting mixed-use area which combines industrial and manufacturing users with small scale businesses, single-family housing and artists' work/live spaces. Upon first glance the area appears barren and unfriendly, overtaken by neglected and dilapidated buildings. The unusual juxtaposition of small, wood-framed houses with ominous warehouses and corrugated metal sheds is somehow disturbing. But with a closer analysis the neighborhood begins to tell its own story and reveal some of its charm. Flowered vines drape over the gates of some properties, old cars are sawed in half and transformed into a garden, and a freshly painted house rests several meters from the highway, buffered only by a measly fence. This unconventional neighborhood defies all the ideologies promoted by the planning field and, in fact, is distinct because it is so clearly unplanned. It is a combination of the pride and care that has been invested in some of these properties, with the refreshing sense of spontaneity which gives this neighborhood character. (figs. 3, 4 & 5)

It seems ironic that the intermingling of such seemingly incompatible land uses was once deemed inappropriate by zoning boards which, until recently, strictly enforced the segregation of industrial and residential uses. Today Oakland appreciates the integration of land uses, and heralds its diverse shoreline as a "mixed use waterfront showcase," with plans to preserve and enhance the existing character. A recent draft of the General Plan states an objective to "develop and encourage mixed use areas along the estuary shoreline," and indicates that "Live/work units are appropriate mixed use developments and unique residential opportunities."¹⁴

Artists' Work/Live Developments

Within the Fruitvale area artists' work/live spaces are almost exclusively clustered along the estuary. The spaces available in this district are among the most affordable in the Bay Area with rents averaging around \$.68/sf. The rent level depends primarily on the location and the condition and delivery status of the unit. Spaces are generally delivered in one of three conditions:



Figs. 3 & 4 Innovative gardens in the Fruitvale Estuary District.



Fig. 5 Neighbors gathering in front of 2915 Ford Street.



Fig. 6 Lawyer's office on Chapman Street in the Fruitvale Estuary District

- **Raw:** Equipped with only 110 and 220 power outlets and plumbing.
- **Semi-Raw:** Bathroom(s) and kitchen are at least partially built out but the rest of the unit is unfinished.
- **Finished:** The entire unit is finished, including walls, floors, kitchen and bathroom(s).

Artists rarely rent fully finished spaces because they tend to be prohibitively expensive, and they are not conducive to their needs since finished floors and walls in the workspace are easily ruined by the materials used. A fully "finished" unit is usually found only in "lifestyle lofts."

Although raw or semi-raw spaces are often more desired by artists because of affordability, one problem that commonly arises is that tenant upgrades increase the value of units. Unless otherwise agreed in advance with the landlord, the benefits of such improvements are entirely absorbed by the landlord who can then lease the unit for a significantly higher rent. The result is that with the investment of each new tenant the unit moves further and further away from affordability.¹⁵

It is interesting that one property manager voiced an opinion from the other side of the fence. The problem she faced when delivering units raw is that tenants would make improvements that not only violated codes, but were also inadequate in terms of structural and aesthetic quality. She found herself having to rip out these "improvements" any time the unit was turned over, which required a significant amount of time and money. In the long run, she claimed, delivering the units raw actually ends up costing more.¹⁶ It seems that the best way to prevent such happenings is for property managers to be responsible for approving tenant improvements and ensuring that proper building permits are obtained. This stipulation should be included in rental agreements to ensure that upgrades meet codes and are of a certain quality.

Table 2 and the accompanying map indicate the location of joint live/work projects in the Fruitvale, Jack London Square and East Oakland districts, as well as several others around the City. Both the map and the accompanying table serve to highlight some of the trends discussed throughout this report. The central issue is that of affordability, which typically reflects the design and tenant profile of a building. The lifestyle lofts which are concentrating around Jack London Square are mostly being sold as condominiums which are unaffordable to most artists, at prices ranging from \$190,000 for 1200 square feet

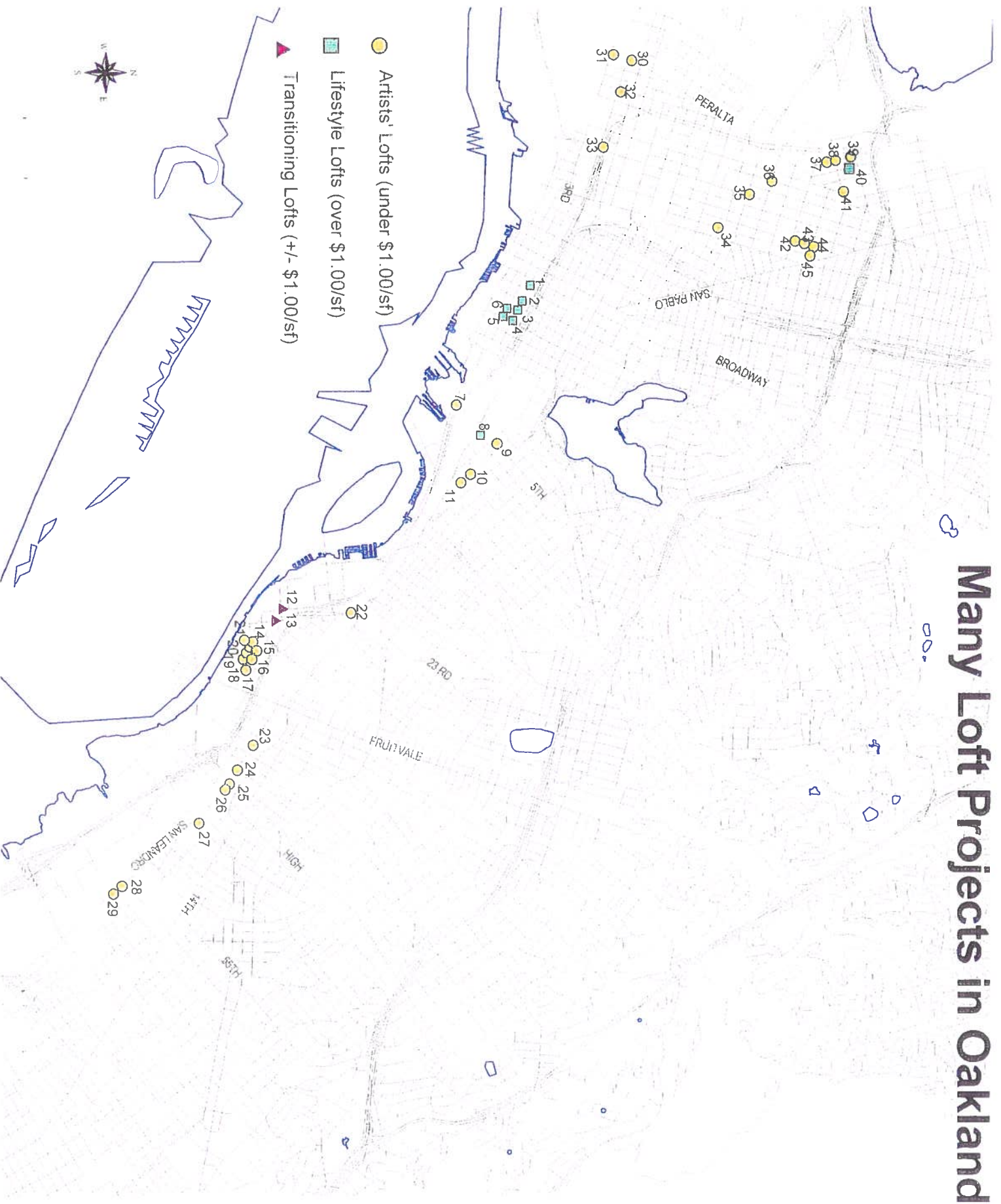
Table 2: Survey of Many Work/Live Spaces in Oakland

	<u>Address</u>	<u>No. of Units</u>	<u>Unit Size</u>	<u>Rent/SQFT</u>	<u>Sale/SQFT</u>
Jack London Square District					
1	Pocket Building 373 4th St	10	1200-2100		\$130- 155
2	Portico Lofts Harrison & 4th	10	1000-1100		\$160
3	255 4th St	16			
4	Fourth St Lofts 247 4th St	63	900-1800	\$1.12	125-150
5	Brickhouse Lofts 201 3rd	16	1000-2100		\$155
6	255 3rd St	36			
TOTAL		151		\$1.12	
Oak Through Ninth Street District					
7	499 Embarcadero	75	400-1600	\$0.70	
8	530 E. 8th	8	1000	\$1.03	
9	1051 5th Ave	20			
10	832 E. 11th St	6			
11	900 E. 11th St	6			
TOTAL		115		\$0.73	
Fruitvale Estuary District					
12	Kennedy Studios 646-658 Kennedy	30	900-2000	.80-1.20	
13	Exchange Studios 527 23rd Ave.	39	1000-1200	.80-1.06	
14	2889 Ford Street	12	1000-2000	0.52	
15	2912 Chapman	10	1000-1200	0.70	
16	2921 Chapman	10			
17	3037 Chapman	6			
18	Ford St. Studios 2934 Ford St.	48	450-3400	0.57	
19	2915 Ford St.	3	800-1100	0.70	
20	2912 Ford St.	10	1000-1200	0.82	
21	Ford-Glascock Studios 2898 Petersen	25	1000-3000	0.52	
22	1080 23rd Ave.	30		0.52	
TOTAL		223		0.68	
East Oakland District					
23	3701 San Leandro	60	1000-2000	0.50	
24	4001 San Leandro	32	1100-3400	.40-.70	
25	Vulcan Studios 4401 San Leandro	60	1000-4000	0.60	
26	Dutch Boy Studios 4701 San Leandro	66	800-2500	0.52	

Table 2: Survey of Many Work/Live Spaces in Oakland

	<u>Address</u>	<u>No. of Units</u>	<u>Unit Size</u>	<u>Rent/SQFT</u>	<u>Sale/SQFT</u>
27	1050&1066 47th St	34		0.57	
28	5707 San Leandro	4			
29	Old Cannery 5733 San Leandro	12	900-2000	0.55	
TOTAL		268		0.55	
Other Oakland Districts					
30	Pinetree Studios 345-53 Lewis	4			n/a
31	South Prescott Village 350 Lewis	16		n/a	
32	Henry Street Studios 1452 5th Street	5		n/a	
33	David Gray Studios 1155 5th St	27	1200-2000	0.68	
34	2025 Myrtle	7	2000	0.69	
35	2200 Adeline			n/a	
36	Magnolia Court 24th and Magnolia			n/a	
37	2885-2889 Ettie	2	500	0.65	
38	1601-1607 32nd St	9	700-3000	0.65	
39	New Daylight Studios 3246 Ettie	26	325-4000	.40-.95	
40	Hannah Studios 3206 Hannah	7		1.31	
41	1446 32nd St			0.79	
42	2828 Filbert	30	1500-2500	0.64	
43	Filbert Court 2932 Filbert	6			n/a
44	3016 Filbert	15			n/a
45	3015 Myrtle	19			
TOTAL		173		0.69	
TOTAL		930		\$ 0.67	
Note: This is not a comprehensive survey of <i>all</i> joint work/live projects in Oakland, however it is fairly exhaustive for the Fruitvale estuary, East Oakland and Jack London Square districts.					

Many Loft Projects in Oakland



(\$158/sf) to \$325,000 for 2100 square feet (\$155/sf) in a typical building¹⁷. Those that are being leased rent for twice that of many work/live spaces in other neighborhoods. The main distinction is that Jack London Square has the amenities to attract professionals into an urban setting. The roughness of the Fruitvale and East Oakland districts is what keeps rents low and affordable to artists. There are, however, several buildings which are transforming into more upscale spaces, such as the Exchange and Kennedy Studios where rents have been steadily rising. It seems that the rent barrier which distinguishes between the affordable work/live spaces and the refined lifestyle lofts is \$1.00/sf. Once rent crosses that level in Oakland, one can predict with confidence that the unit is being rented by a professional as opposed to an artist.

Land Use Conflict

There has been little indication of conflicts regarding land use activity between artists and the industrial sector in the Fruitvale district, although the potential undeniably exists. Most residents seem to have a clear sense of what they are getting into when they enter their lease, and recognize that industry has dominion over these lands. Furthermore, some landlords emphasize the noise issue in order to discourage potential tenants that may have difficulty in adjusting to the industrial character of the neighborhood. The general response by landlords indicates that while the issue does occasionally arise, the problem is fairly insignificant.

Although the problem lies dormant at the moment it should not be neglected since it is likely to inflame if development proceeds and particularly if more professionals move into the area. San Francisco has been embroiled over this issue for the past several years as businesses in the South of Market district feel threatened by the incursion of lifestyle lofts. They fear that the noisy activities of the district, which begins in the wee hours of the morning, will incite complaints from the wealthy loft-dwellers.¹⁸ An owner of an automotive business which has been in the South of Market district since 1976 expressed great concern over the transformations of the neighborhood: "These units are popping up all over. We're surrounded. I'm convinced they're out to drive us out of here. They even told us they want us out of here."¹⁹

It is essential that the City of Oakland work with residents and local businesses to determine what the priorities are for this neighborhood, so that the City can take decisive

action to enforce these decisions. As this neighborhood transforms, existing industries are increasingly being threatened by displacement. As more professionals move into the area, these businesses will be the first to be driven out of the neighborhood, followed shortly thereafter by the artists and other low-income residents. As a preventative measure, therefore, it is recommended that the City of Oakland require potential tenants to sign **nuisance easements** to essentially sign away their rights to complain about the noise and activity level of neighboring industries. This measure will help ensure that the industrial sector is protected from the influx of residents and will also help preserve the neighborhood from gentrification.²⁰ Not only is the preservation of the industrial sector important for job retention, but it is also integral to preserving the affordability of housing in the area.

Tenant Conflicts

Conflict between tenants seems to be a rather significant issue. While most tenants are willing to accept the noise generated by the surrounding industrial sector, some seem to be opposed to having clamorous activity taking place on the other side of a thin wall. Many landlords, in fact, will not rent their space to musicians, woodworkers or other artists that use heavy machinery.²¹ The problem becomes even more pronounced when professionals move in and object to the noise and activities of the artists, thereby forcing them to alter their live/work habits or move out. Many landlords respond to this issue by restricting the type of activities and the hours during which artists are permitted to work.

People interviewed have noticed this trend occurring in projects such as the Vulcan and Kennedy Studios in the Fruitvale district where artists are finding it increasingly difficult to work.²² This problem is related to the issue of gentrification discussed below.

Gentrification-- Can it Happen?

The issue of gentrification is one of prevailing concern since there is a national trend which has emerged from loft conversions. First, artists seeking very large and cheap spaces for combined studio and living purposes serve as "pioneers," acquiring vacant industrial buildings and converting them to meet their needs. As the neighborhood transforms into an artist community, it becomes admired by others for its alternative, bohemian character. Suddenly the neighborhood is perceived as trendy, causing a boom in the demand for property in the neighborhood. Real estate developers send out their scouts in search of

these golden opportunities. With moderate risk and the potential for great returns, they too begin rehabilitating old warehouses which they buy cheaply and transform into luxury condominiums, or "lifestyle loft" units. Soon, the frenzy of speculative developers eager to get involved target the neighborhood, catering to the wealthy who are open to this alternative living environment. The ironic result is that this boosted demand increases rents in the neighborhood and ultimately drives out the artists who created it. The most notorious example of this phenomenon occurred in the SoHo district of Manhattan; thus it is now commonly referred to as the "SoHo Effect."

San Francisco has been experiencing similar gentrification problems. Recently, numerous articles have highlighted the intensifying issues faced by San Francisco artists. Lax enforcement of the 1988 ordinance designed to encourage artists' work/live development has caused an astounding surge in the development of lifestyle lofts, causing rents to skyrocket under growing speculative activity. Most of this activity is taking place in the South of Market and Potrero Hill districts, where lofts are selling for as much as \$900,000 for a two-bedroom unit²³, and \$200,000 for a 655sf dwelling²⁴. Records show that development has increased from 58 units built in 1991, to 146 built last year²⁵. Most startling is that in the first six months of 1997 there have been 617 units either built or in the pipeline.

As a result, many artists are heading to the East Bay where, at least for the time being, affordable rents can still be found. Oakland should take advantage of this opportunity and make every effort to embrace the artists since they have the capability of revitalizing communities. In order to attract the arts the City must make significant financial investments into cultural activities and artists' housing. At the same time it is essential that Oakland be sensitive to indications of potential gentrification, and take measures to protect the artists from displacement.

This is a very complex issue since there is such a fine line between community improvement and gentrification. I believe that what distinguishes between the two is displacement. Once existing residents are no longer able to afford housing costs in their neighborhood, gentrification has made its impact and pushed people out of their community. The issue is particularly challenging for planners who are forced to struggle with somewhat conflicting goals as they try to protect the best interest of existing residents while seeking opportunities to boost the economic base of their city. The effects of

gentrification can look very appealing on paper since it typically increases the wealth of a city, and yet the social impacts can be devastating to certain socio-economic groups.

Some people scoff at the prospect of Oakland experiencing gentrification problems, but in effect there are signs of such potential. Many professionals are already inhabiting loft spaces in Oakland, which is an early indication of potential outcomes. And Fruitvale is no exception. Although the Fruitvale estuary seems an unlikely target for gentrification considering the lack of amenities and the level of commercial activity, a number of live/work developments have been attracting multi-media professionals into their spaces which is reflected in rising rent levels.²⁶ There is even a law office which has set up its practice in this neighborhood (fig. 6). Planners involved with this area should be highly sensitive to this issue, especially in light of the proposed Transit Village and the rezoning strategy which are likely to add a strong attraction to the area.

IV. ZONING FOR ARTISTS' WORK/LIVE LOFTS

Cities across the United States have adopted different zoning policies according to their particular geographic and occupancy patterns. The two strategies presented below offer solutions to different problems.

The Concentrated Approach

Some cities have implemented strategies to concentrate artists in designated districts. New York, for instance, initially targeted SoHo (South of Houston Street) as the loft housing district since the stock of cast-iron industrial buildings was well suited to such spaces and artists had already begun to flock to the area. Amendments to the New York State Multiple Dwelling Law began in 1964 to facilitate the conversion process. By 1971 artist loft spaces were permitted as a *right* in the upper floor of small buildings in the SoHo district.

What ensued was an intense gentrification of the district now commonly referred to as the "SoHo Effect." As a result new amendments were passed to permit loft development in NoHo (North of Houston Street) and TriBeCa (triangle below Canal Street), but gentrification has struck these neighborhoods as well, and continues to drive artists out of the market.

Other cities have taken a lesson from New York's experience; therefore, the idea of creating "artists' districts" has generally fallen out of favor in recent years. Some believe that identifying "artists' districts" in fact hastens the gentrification process by essentially publicizing the trendy neighborhood to attract upscale residents.²⁷

Los Angeles is one of the few cities that has followed the concentration approach in an effort to revitalize its depressed warehouse district. Their "Commercial and Artcraft District" is intended to

create enclaves whereby the artisan segments of the population may live, create, and market their artifacts. Artcraft activities, combined with commercial and residential uses will be permitted in those areas appropriate for the establishment of a Commercial and Artcraft District.²⁸

Proposals to concentrate artist activities have been brought forth in Oakland, as well, in what are referred to as **Arts Enterprise Zones**, broadly defined as

"specially zoned areas in which government policy and legislation/regulation works in collaboration with the for-profit and non-profit sectors and the community to encourage arts and entertainment programming, entrepreneurship, facility development, job development and incubation of small arts-related business by removing barriers and providing incentives and support."²⁹

Concentrating arts activities is seen as a means of promoting community and economic development and providing support for artists.³⁰

The Diluted Approach

Some cities have consciously attempted to prevent the "SoHo effect" from striking their communities by diffusing the presence of artists' work/live developments. Seattle, for instance, permits artists' work/live projects in 19 of 22 districts which covers about 82% of the city.³¹ The city believes that it is just one mechanism for trying to maintain affordability for artists' housing. Nonetheless, communities of artists have clustered in several parts of Seattle, such as Belltown and Fremont, and driven rents up with a new and trendy image. Affordable rents are now mostly found in industrial sectors where a number of cooperatives have developed, and where the shortage of retail and services deters many investors.³²

Oakland's current zoning policy falls under the diluted approach since J/L/W/Q are now permitted anywhere commercial and industrial buildings exist. Clustering has occurred, however, in the industrial zones along the estuary and in the Four Sisters/Dogtown neighborhood (an area bound by the Mandella Freeway, Interstate 580, San Pablo Avenue and W. Grand), as is reflected in the survey mapped-out above.

Zoning Recommendations For Oakland and Fruitvale

The strategies presented above seem to offer means to achieve different objectives. The approach and implementation strategy that is best suited to any particular neighborhood depends on the goals set by the community. Concentrating artist activities is effective in revitalizing a neighborhood by boosting its economic viability. However, the manner in which this approach is typically implemented essentially promotes a movement towards gentrification and puts affordable housing at risk. That is, if the market is left to take its own course these neighborhoods tend to get consumed by the gentrification cycle. The

diluted approach, on the other hand, is seen as a way of providing and protecting affordable housing for artists by curtailing the ability of artists to transform neighborhoods. This method increases the supply of work/live space much more dramatically than the targeted approach by extending development opportunities across the city, and thereby helps to maintain a certain level of affordability.

With an aggressive and resourceful strategy the City of Oakland could devise a plan that combines both the diluted and concentrated approach, while preserving and expanding affordable work/live opportunities for artists. An aggressive effort to concentrated live/work spaces for artists, professionals and anyone interested in the lifestyle, is appropriate for areas around Jack London Square, Old Town and the Fox Theatre district where such housing opportunities would (and, where present, do) compliment the character of the neighborhood. These districts are ideal for incorporating Arts Enterprise Districts to intensify the already existing cultural life and significantly enhance their marketability. Jack London Square, in particular, is already promoting the image of a vibrant mixed-use neighborhood which has attracted the investment of a number of private developers. This approach, however, threatens the affordability of housing in these districts. It is idealistic to believe that a laissez-faire planning approach will bring affordable work/live projects into this district; and the sales/rental prices of current developments certainly support this skepticism. In order to minimize the impact, the City should take preventative measures by ensuring that a quota of affordable housing is met, and that non-profits play an active role in the planning and development of the area. By integrating the non-profit projects with profit-seeking developments, these districts could have a rich diversity of cultural life that would serve as a national model. In order to do so, however, the City should offer incentives to affordable housing developers to ensure that they are active in the area of work/live development.

The Fruitvale estuary district, on the other hand, is an area which currently provides a significant amount of affordable housing for artists and other residents. Proposals set forth in drafts of the estuary plan threaten to severely alter this neighborhood by advising a change in existing zoning designations from "heavy manufacturing" (M-40) to "residential mixed-use" (RMU).³³ There are undoubtedly a number of benefits to such a strategy: higher property taxes, potential tourist draw, and improved access to the waterfront are just a few. No matter how attractive the notion of a "mixed-use" district, such a measure is likely to transform this district into a trendier neighborhood attracting wealthy professionals

and subtly, but ultimately, displacing existing residents, manufacturing firms, and warehouses through a combination of increased property values and opposition to the current level of activity.

The fact is, the activity of the Fruitvale Estuary neighborhood generates a tremendous amount of noise which will undoubtedly be strongly opposed as lifestyle lofts start sprouting up in the neighborhood. The more rent people are paying, the fancier the car they are driving, the more they are likely to complain about characteristics of a neighborhood that diverge from essentially residential ideals, especially noise and odors.³⁴ In fact, the planning currently being proposed for this district would outrightly prohibit activities generating noise above accepted levels for a residential area, and would limit truck access and servicing for existing industries. Existing trucking, tank storage, warehousing, metal fabricating and auto repair facilities would be forbidden in the Fruitvale estuary. By displacing existing industries, this plan in turn threatens to drive affordable housing opportunities out of the district since renters rely on the industry to keep property values low.

The best way to protect this neighborhood from pricing current residents out of it is to maintain its industrial zoning status. Should the proposed residential mixed-use proposal be adopted, however, it is then essential for Oakland provide a counteracting force to balance the influx of capital that this strategy is likely to stimulate. The City would have to be aggressive in its effort to protect existing residents and ensure that sufficient levels of affordable housing for artists and non-artists are provided.

V. ENCOURAGING CODE COMPLIANCE

Code compliance is always a sticky issue, and one which seems to be an ever-present problem for artist work/live spaces. Since many of these spaces are conversions of industrial buildings not originally intended for residential use, bringing them up to code can be very expensive. And because artists often have the skills and desire to come up with make-shift solutions to electrical, plumbing and spatial problems of a raw unit, code violations are quite prevalent. Furthermore, depending on the previous use and the age of the building, the presence of lead, asbestos and other hazardous materials can pose problems as well.³⁵

Oakland has put forth some effort to find solutions that will uphold health and safety standards and reduce the cost and complexity of codes. Below are a few recommendations for furthering this effort.

Enforcement of Codes

Oakland currently has a reactive policy towards the enforcement of codes. The City lacks the staff capacity to organize random inspections of property; therefore, inspections are ordered strictly on the basis of complaints from tenants. Most commonly these complaints are brought forth as a measure of retaliation by tenants being evicted by their landlord.³⁶ Essentially, basic tenant/landlord conflicts become entangled with building code issues.

- ❖ It is not feasible to invest the money and manpower into a proactive campaign for code compliance. It would be more efficient and effective to direct some of those resources towards compiling an incentive package to encourage landlords and tenants to take the initiative to bring their properties up to code. This incentive package could include grants or loans to support improvements, fee waivers to cut costs, and/or training programs to inform property managers and tenants on how to meet the City's code standards. Most importantly, these incentives must be well publicized to ensure that landlords and tenants are aware of the opportunities offered by the City.

Another rather progressive idea that the City should consider is to institute a self-regulation policy which would allow architects or other state regulated professionals to serve as inspectors of properties. These professionals could certify improvements made

on properties which are code compliant and thereby save tenants and property managers the time and money of working through the channels of the City.

Further Clarification and Relaxation of Regulations

Many people, off the record, believe that the City should "look the other way" when it comes to code compliance, especially since it seems to be the only way in which these properties can maintain their affordability. However, Oakland has taken initiatives to find a middle ground where health and safety standards can be maintained while relaxing some of the regulations which were somewhat excessive and irrelevant to loft conversions. As discussed above, Oakland revised its building code ordinance in 1996 to give more leniency to conversions of industrial buildings into work/live spaces. The revised codes are undoubtedly a step in the right direction, but their convoluted language still poses hardship on anyone who has to work through them. In response to this issue, the City has hired a consultant to put the codes into a "Plain English" version in order to alleviate some of the confusion.³⁷

Passing new policy initiatives is fruitless unless well implemented. Zoning and Building services personnel, especially at the counters where interaction with the public is most common, must be well trained on current live/work issues. One person interviewed reported that a client of his was given the 1992 ordinance from the permits department eighteen months after the 1996 ordinance had been adopted.³⁸ The use of these new ordinances must be aggressively pursued and this type of negligence must be thwarted if the City wants to encourage live/work development. Furthermore, the City should consider producing a step-by-step guide to direct artists, developers and architects through the system to save many people the time, energy and frustration that this process consumes.

The composition of the Area Teams is well suited to addressing and simplifying the artists' live/work situation. The code officer from each Team should reach out to tenants and landlords of these live/work properties to offer support and individual attention with regards to code compliance. By working on a case-by-case basis these building codes specialists can give leeway on certain codes if deemed safe and reasonable.

Another possibility is to have one code compliance officer serve as the work/live specialist for the entire City, an approach that has worked in San Francisco. All inquiries and

projects relating to work/live would then be directed to this designated person who would have the authority and expertise to efficiently address most issues. This system would save tenants, property owners and developers considerable amounts of time and energy, and he/she would serve as a pivotal figure in internal planning projects as well.

Financial Incentives

The financial burden of meeting building standards is the greatest obstacle that tenants, landlords and developers must overcome. Therefore, the greatest incentive that the City can offer is financial assistance for the undertaking. There are currently no rehabilitation funding programs offered by the city that are structured to serve work/live projects. Two funding sources, the Rental Rehabilitation Program and the FHA Title I Home Improvement Loans could fulfill this need if modified. These programs are described in the "Providing Funding Sources for Development & Improvements" section.

VI. REGULATING USE OF SPACE

Many cities have encountered the problem of trying to encourage the development of affordable artists' work/live lofts and ensuring that it is in fact the *artists* who benefit from the situation. Again this type of regulation is essentially an attempt to undermine the gentrification process which is propelled by wealthy non-artists taking advantage of these desirable living opportunities and driving up the rents with their professional incomes. In order to counteract this process some cities have devised strategies to try to ensure that artists are the ones occupying the loft space.

Recently, San Francisco has been under the spotlight with regards to this issue. The City's planners are struggling with the criticism that lax regulations intended to encourage the development of affordable work/live spaces for artists has actually facilitated the process for developers of lifestyle lofts. By designating a project as work/live, developers are exempt from having to provide public notice, and have reduced parking, open space, and affordable housing requirements. One journalist reports that

“...the City Hall planning bureaucracy, under pressure from developers, has failed to enforce restrictions on live-work projects. What had been intended as a way to help artists occupy unwanted industrial space, opponents argue, has become a free-for-all for developers looking to make a quick buck.”³⁹

Certification

New York adopted a policy of certification as part of its 1971 amendment. Their Department of Cultural Affairs developed the criteria for certification which is based on the need for space and commitment to art. Unfortunately the certification was not rigorously enforced. What is most perplexing is that this process was actually undermined by artists who loaned, or in some cases rented, their portfolios out to non-artist friends seeking the loft lifestyle. The City still believes that through strict enforcement of certification, the “SoHo effect” can be warded off.⁴⁰

Filing An Affidavit

Seattle was opposed to the idea of a formal certification procedure, so the City decided to require potential loft dwellers to sign an affidavit stating that the person is an artist. They were riding on the “...hope that some people would be deterred by having to sign an affidavit saying that they were an artist when they were not.”⁴¹ While no planner interviewed from the City of Seattle could judge the efficacy of this approach, I would

venture to say that most people probably do not hesitate to sign such a document if they are seeking a particular housing opportunity.

The affidavit is perhaps more effectual in fulfilling its second purpose, which is to serve as a first line of defense to discourage potential residents from moving into an industrial neighborhood unless they are well prepared for the noisy activity that pulsates through it. This effort was put forth to try to mitigate the discord between live/work inhabitants and the industrial sector. Emeryville has implemented a similar policy as well.

Oakland - Regulating Use of Space

First of all, it should be made clear that Oakland has made no attempt to distinguish between artists and other commercial work/live inhabitants as the cities discussed above have. Currently, the City of Oakland only concerns itself with whether tenants meet the building code regulations for commercially/industrially oriented joint live/work spaces stipulating that work is the primary activity and that at least 67% of the unit's floor space is designated for this purpose. Furthermore, the work activity taking place is required to be compatible with existing land uses. The primary purpose behind this regulation is to minimize the conflict between industrial and residential users.

In reality, the enforcement of use is virtually impossible without highly invasive measures. And the issue of whether or not tenants are artist is probably not as significant as whether they are likely to conflict with the existing environment, and whether they are likely to impact the affordability of the neighborhood. In order to deal with the potential problem of conflict, Oakland should consider adopting a system like Seattle's or Emeryville's which requires incoming tenants to sign an affidavit indicating their awareness of the issues involved with living and working in an industrial zone and signing over their right to complain about the noise and activity taking place in the neighborhood-- so called nuisance easements.

As for the affordability issue, which is what everything seems to boil down to, the City should consider adopting policies and programs to ensure that the rents of work/live units remain reasonable. For instance, Oakland could set quotas to ensure that a percentage of all new projects are preserved as affordable units, or offer funding programs with income-based restrictions to ensure that support is being offered to those who most need it.

VII. MAINTAINING CONTROL & PREVENTING GENTRIFICATION

Maintaining long-term affordability is a predominant issue in the development and preservation of artists' work/live space, and one which requires innovative solutions and active involvement from artists, non-profit developers and city officials. It seems that the best way to obstruct the gentrification cycle is for control of the property to be in the hands of artists themselves, or in those of non-profit developers whose objectives are most likely to meet the needs of artists. Maintaining control of the space is essential to protecting the interest of the artists in terms of both affordability and freedom of activity.

Below is a discussion of several methods of providing affordable homeownership and rental opportunities.

Homeownership Opportunities

A survey of artists' work/live projects around the country revealed that the most successful are those owned and operated by artists themselves.⁴² The autonomy derived from home ownership ensures that the best interest of the artists are met since they have complete control of the property. Should property values begin to rise in the neighborhood, artists would be protected from what would otherwise result in private landlords raising their rents.

The "Live/Work Consumer Survey" conducted by ArtHouse shows that there is a significant level of interest among artists for purchasing work/live space in the Bay Area. Of the 872 respondents, 41% indicated an interest in ownership opportunities. Of those voicing an interest, 36% responded that they could afford a \$20,000 down payment and an additional 5% said that they would be able to in the future. They indicated a preference for the following types of space and ownership⁴³:

Multi-unit, for-profit partnership	40%
Single-unit condominium	27%
Multi-unit, non-profit cooperatives	21%
Interest in all three	12%

It is a bit unclear as to what these statistics mean. The survey indicates that the greatest interest is in for-profit partnerships, but whether that means that the person surveyed is

interested in being a partner or purchasing a unit under that type of ownership is ambiguous. In either case it implies that the primary motive is to enter into a profit-making venture which, essentially, indicates a case of artists wanting their cake and eating it too. Undoubtedly, an artist is like most anybody who wants the opportunity to make a good return on their investment. However, if their priority is in obtaining affordable work/live space and to preserve affordability over the long term, it is likely that they will have to sacrifice the opportunity to profit from the venture.

Non-Profit Involvement

Non-profits have had little involvement in developing work/live space around the Bay Area, and yet they are ideally suited to meet the needs of the artists. Their expertise in providing affordable housing for underserved populations gives them leverage in attaining financial support from both public and private lenders and an advantage in facilitating the entire development process. Non-profit developers could offer rental or ownership opportunities, or a combination thereof, with regulations in place to ensure that the property remains affordable for a number of years. This will help protect artists from gentrification, keeping rents and sale prices low and observing their best interests.

Interviews with affordable housing developers revealed a number of obstacles that must be overcome to produce work/live projects.

- Private lenders tend to be conservative and reluctant to offer funding for these unconventional work/live developments.
- Developers need assistance from the city to cover gap financing.
- Some cities are reluctant to invest in artist work/live space because artists are perceived as the "voluntary poor."
- Funding is unlikely to be attained from the competitive 9% Low Income Housing Tax Credits since the Board strongly favors 3-bedroom projects.
- Artists as an "underserved, low-income group" is not a widely accepted fact, and there is very little advocacy for such a perception (unlike other low-income groups who have endless organizations touting their cause).

Despite these obstacles, several non-profits have managed to produce affordable work/live space for artists. The next section offers a case study of The Goodman2

building, developed by ARTSDECO in San Francisco, which provides insight into how non-profits can make these projects work.

For-Profit Partnership

A for-profit partnership is comprised of two or more individuals operating as co-owners of the property. Each partner is personally liable for incurred debts and shares equally in the profits. Taxation at the corporate level is avoided by each partner being taxed individually through personal income taxes. One pitfall is that interest in the partnership is not freely transferable, so with discord the partnership could dissolve.

Perhaps a more feasible alternative for artists, considering the amount of time, money and commitment demanded from a partnership, is to form a **limited partnership**. In this structure at least one of the partners is a general partner, which can be either an individual or a corporation. Liability for the limited partners is confined to the amount of their investment, and taxation occurs through personal income. The general partner, meanwhile, takes on full liability for all debts.

Non-Profit Cooperatives

In non-profit cooperatives ownership of the building is in the hands of a corporation of which all members live in the building. Unlike condominium owners, coop tenants are stockholders in the building rather than owners of a specific portion of the building, and they fall under one blanket mortgage which covers the entire building. Tenants own shares of the building and hold open-ended leases on the apartments they occupy. They share, on a pro rata basis with other tenants, the total cost in running the building.

The advantages of cooperatives are that they are relatively easy to establish, permit the flexible transfer of owner interest, and offer owners the same tax benefits as the homeowner. The down side is that it is structured such that failure on the part of any member to meet payments forces the corporation to make up the difference.⁴⁴

The form of cooperative ownership that is most likely to keep units affordable is the **Limited Equity Cooperative**. With this structure the cooperative can buy the share of a departing member for the initial payment plus the amount of the principal that member amortized. Therefore, a new member would be able to buy into the cooperative at the

same price. The disadvantage is that departing members lose in the appreciation of the property. Yet it allows entrance fees to stay affordable and avoids speculation in shares. Furthermore, this arrangement is a requirement for federal subsidies to cooperatives with below-market interest rates.⁴⁵

A case study of a cooperative project follows below.

Condominiums

A condominium is a “common interest subdivision” which combines shared ownership of common space (such as land, lobbies, roofs and basements) with individual ownership of units. To effect a condominium conversion, the entity owning the building subdivides the property and sells each unit individually.

Significant tax deductions for home mortgage interest and equity build-up are some of the advantages to this form of ownership, which from a tax and appreciation standpoint is not unlike a single house. Plus, since it is more formally structured than the cooperative, it is a less risky arrangement. Compared to creating a cooperative, a condominium conversion can present higher legal, architectural and other costs as well as greater mortgage costs since each unit is individually financed.⁴⁶

SUMMARY OF RECOMMENDATIONS

In response to the various issues presented in this report, the following is a list of recommendations to help guide policy and project initiatives for artists' work/live developments in Oakland.

ISSUE: Maintain Affordability

- Encourage non-profit development, through a combination of outreach and financial support, to ensure that maintaining affordability is the primary objective of the property owners.
- Offer financial support for development and improvements only to affordable projects. Set criteria for different levels of support such that funding is incrementally more favorable as the proportion of low and moderate income tenants increases.
- Be sensitive and responsive to indications of gentrification. Take a lesson from San Francisco and be aware of how policy measures are affecting the market so that adjustments can be made efficiently.
- Steer gentrification into designated districts such as Jack London Square, Old Town and/or the Fox Theatre neighborhood by encouraging residentially oriented joint live/work projects.
- Keep the Fruitvale estuary district zoned for industrial use to protect existing industries and affordable work/live spaces for artists.

ISSUE: Provide Funding

- Reconstruct existing funding programs so that they can be extended to work/live projects.
- Offer other methods of supporting innovative projects on a case-by-case basis.
- Institute a group purchase assistance program to assist artists in establishing cooperatives.

ISSUE: Encourage Code Compliance

- Devise an incentive package which includes funding support and greater leniency in meeting regulations to encourage code compliance.
- Place responsibility on Area Teams for outreach initiatives to promote the incentives and offer technical advice, AND/OR
- Put one code compliance officer in charge of all work/live issues for the entire City so that all inquiries and projects are directed to this specialist, AND/OR consider instituting a self-regulation policy which would certify architects or other state regulated professionals as inspectors.

ISSUE: Mitigate Land Use Conflicts

- Initiate forums to promote dialogue between residents and businesses and to set priorities for the neighborhood
- Require nuisance easements of all potential residents of joint live/work units in industrial zones to waive their rights to complain about industrial activity.
- Apply creative buffering techniques to dampen the impact of noisy and disruptive activity.

ISSUE: Encourage New Development

- Provide financial support to developers of affordable spaces and for homeownership opportunities.
- Initiate a pilot project
- Revise the existing zoning ordinance to permit new development, not just conversions, in industrial zones.
- Identify sites where new development can take place and actively seek interested developers, artists or organizations.

ISSUE: Protect Existing Industry

- Issue nuisance easements as a proclamation of industry's dominion over industrial zones.
- Conduct a study of the estuary to track industrial trends to determine the strengths and weaknesses of existing businesses and how best to support them (i.e. relocation, maintain existing zoning)
- Monitor industrial activity to maintain awareness of, and be prepared to counter, displacement problems.

ISSUE: Establish Consistency in Terminology Use

- Establish consistency in terminology used in all documents produced by the City of Oakland. There is currently no uniformity between terms used by zoning, building and planning
- Simplify the existing designations of "Residentially Oriented Joint Live/Work Quarters," "Commercially/Industrially-Oriented Joint Live/Work Quarters" and "Artists Joint Work/Live Quarters" by eliminating the words "oriented" and "joint."
- Make the distinction between new construction and conversion within the policy measures. It is unnecessary to set different classifications based solely on building type, even though the distinction is important in Oakland since only conversions are permitted in industrial zones.
- Ensure that all work/live policies distinguish between the different types of units and the permitted uses within the units. "Live/Work" while generically used to describe hybrid housing, is not a monolithic term and using it as a general concept is insufficient.

APPENDIX A: Model Projects in the Bay Area

There are numerous innovative developments of artists' work/live spaces being created across the country, but one does not have to look beyond the Bay Area to find a couple that serve well as case studies.

Goodman2 Building

The Goodman2 project located at 18th and Arkansas in San Francisco has been recognized as a national model for developing affordable artists' work/live space. Completed in 1996 by ARTSDECO, a newly founded non-profit development corporation, Goodman 2 offers 29 work/live units, configured as follows:

- 5 very low income rental units, affordable to households earning 38% of area median income- 1400 square feet at \$500.
- 18 priced to be affordable condominiums for artists with incomes at 74% of the area median- ranging from \$60,000-\$90,000.
- 6 sold at market rate- from \$145,00-\$225,000.

ARTSDECO met funding needs through unit sales, and subsidies from the Mayor's Office of Housing and the Redevelopment Agency. The following table shows how this project was financed.⁴⁷

Table 3: Goodman2 Project Budget & Financing

<u>EXPENSES</u>	<u>COSTS</u>
Land	\$303,000
Construction Costs	2,755,000
Design	150,000
Marketing	50,000
Condo. Association Start-Up	10,500
Legal	5,000
DRE Fees and Condo Map	12,500
Title & Closing	20,000
Contingency	10,000
Predevelopment Project Management	177,500
Construction Period Project Management	50,000
Financial Consultant	12,500
<u>TOTAL</u>	<u>\$3,556,000</u>
<u>FUNDING SOURCES</u>	
Unit Sales	\$2,726,000
Mayor's Office of Housing	500,000
Redevelopment Agency	330,000
<u>TOTAL</u>	<u>3,556,000</u>

The Goodman 2 model offers several interesting issues and ideas which are worth considering:

Exclusively Artists: The project is currently fully occupied by artists as per an agreement that was made with the City of San Francisco. ArtHouse came up with a set of "objective" criteria which is used by an impartial panel to determine whether or not a potential tenant is, in fact, an artist. In so doing ARTSPACE ensures that the units are being offered to active artists who truly need the space.

The Challenge of Finding a Lender: One of the greatest obstacles faced by ARTSDECO was meeting the conservative standards of their lending institution. Most lenders are only starting to get comfortable with the work/live phenomena, but the level of risk is still regarded to be very high.

Public Funding Essential: Despite the fact that the City of San Francisco was reluctant to invest in this project, the project could not have been accomplished without the City's financial support. All efforts to attain funding through private foundations failed, so without city subsidies, no affordable units could have been offered.

Mixed-Income Project Easier to Finance: By offering 6 units at market rate, ARTSPACE was able to make ends meet with limited subsidies. The profits attained from these units are used to subsidize the moderate, low and very low income units. Private lenders also seem to look favorably upon mixed-income projects since they appear to have less risk and greater stability.

45th Street Artists Co-Op

The 45th Street Artists Co-Op in Emeryville serves as a great example of how artists can consolidate their resources to take control of their work/live situation. The project consists of two single story buildings located across the street from each other which were once a part of the Shell Oil Research and Development Headquarters. The buildings were first leased by two women artists in 1974 who brought the building out of shambles (there were weeds growing on the *inside*) and began subleasing it to artists. In these early years tenants were basically chalking off portions of the large warehouse and building out their own spaces. In 1980 the existing tenants formed a co-op, bought the two women out of the remainder of their ten-year lease, and began negotiating purchasing agreements.⁴⁸

Buying the buildings seemed an unlikely possibility considering that a survey of the co-op members indicated that over 90% were low-income residents. However, with the financial support of the City of Emeryville and several private lending institutions they were able to realize this opportunity. The financing structure is a bit complicated since the two buildings were owned by different entities and therefore purchased at different times and with different financing packages. The following table provides an overview of how this project was pulled off.⁴⁹

Table 4: 45th Street Coop Financing

	<u>45th Street Building</u>	<u>Holden/Horton Building</u>
Building Size	46,200	30,500
Number of Units	34	22
Unit Sizes	750sf to 2180sf	750sf to 2180sf
Monthly Rent	\$230 to \$1143	\$230 to \$1143
Property Acquisition	\$1,107,000	\$1,600,000
Equity	\$2.00/sf	\$3.00-\$3.50/sf
	Plus significant sweat equity invested by residents in improving their spaces over time (typically ranging from \$3,200 to \$15,000 per unit)	
First Mortgage	\$453,100 from SAMCO (30-year, adjustable every 7 years - now @ 5.879)	\$540,000 from First Nationwide (20-year, adjustable every 10 years - now @ 8.8%)
Second Financing	\$103,000 for seismic upgrades from National Cooperative Bank Development Corporation (10-year, adjusted every 5 - now @ 10.26%)	\$281,000 from NCB Development Corporation (10-year, adjusted every 5 - now @ 10.26%)
	A \$721,900 55-year lease buy-back of the land with the City of Emeryville at gradually increasing payments.	
	A \$348,000 5-year loan from the City of Emeryville at 8.1% has been paid off as well as a \$400,000 loan from the seller at 10%.	

In addition, in order to attain financing and make the project work, the co-op was asked to sell a parcel of the 45th Street land to the city and has sold a portion of the H/H property to a for-profit developer. That developer has converted his portion into 15 market-rate condos selling for about \$245,000 for 1000sf.

The project is now recognized as a national model and is part of an area which the City of Emeryville heralds as "a lively mix of retail, executive office, high-tech/bio-tech, R & D, light industry, service and the arts."⁵⁰ It demonstrates how even with such limited equity, ownership is possible. The following provides a summary of solutions to various issues and lessons learned from the experience of developing this project.

Transfer of Units: The procedure set up for the transfer of units is rather elaborate, though common to many limited equity co-ops. Share values are determined by the size of the unit, downpayment and amount invested in improvements (i.e. bathrooms, kitchens, lofts). Over-improvements to a unit (i.e. marbled bathrooms) do not receive full credit in determining their share value (a bathroom, for instance, has a predetermined value regardless of materials used). Share values currently range from about \$6,000 to \$55,000.

Exclusively Artists: A studio transfer committee is in place to interview potential shareholders. The committee tries to determine how committed these prospective owners are to their art work and whether or not they are amenable to becoming a part of the community, in order to preserve the character of the project.

Board Monitors Tenant Improvements: A board composed of five members elected by tenants is established to monitor various matters regarding the project. Tenants are required to ~~present plans and permits~~ for improvements to their space to the Board to ensure ~~that changes to the building are suitable~~ and support the co-ops mandate to maintain affordability.

Attracting Lenders: There are several factors which seemed to make this project attractive to lenders: 1) that it was a limited equity project as opposed to a speculative development, 2) that it was developed by a non-profit, and 3) that certain banks recognized it as an ideal community reinvestment opportunity.

City Funding Support Essential: The need for financial assistance from city sources has been reiterated in numerous interviews, and this project was no exception. The 45th Street Artists Co-Op could not have happened without the funding support offered by the

City of Emeryville. Now, although the city demonstrated great will to assist the co-op, it was still very difficult to work through the system to structure funding sources in a way that this project could qualify, and that calculations for funding appropriations would make sense. For instance, the First-Time Homebuyers program offers subsidies for a down-payment, but the way the co-op is financially structured, downpayments for many of the properties are as low as \$1,000, making the funding support inconsequential. Ironing out these technicalities so that funding sources could equitably accommodate this unconventional housing type proved to be quite a feat.

The City of Emeryville assisted in the project by buying the land from them and offered very favorable terms for resale. The city also offers first-time homebuyers and rehabilitation funding.

Maintaining Affordability: The co-op enforces its mandate to provide affordable housing to artists by stipulating that any new tenant must be either low or moderate income. Before the City of Emeryville committed its support, it was required that 51% of the residents be low income individuals (\$18,000 for a single person). Furthermore, the value of each unit is not based on market rates, and does not fully appreciate.

APPENDIX B:

Potential Funding Sources For Development & Improvements

Numerous interviews stressed the importance of obtaining financial support from city sources in order to make affordable work/live space for artists feasible. There are several funding programs offered by the City of Oakland which may be used to subsidize the development of affordable work/live space. Several of them, however, would have to be amended in order for work/live developments to qualify. It should be noted that, to date, no work/live project has applied for any of these funding sources.

First-Time Homebuyers Mortgage Assistance Program

This City program, funded by the federal HOME program, operates jointly with participating financial lenders to assist low-income, first-time homebuyers to purchase homes in Oakland. Literature promoting this program specifically indicates that live/work units are eligible. These second mortgage loans offer up to \$30,000 to qualifying homebuyers with no monthly payments required as long as the homebuyer lives in the home. Only once the property is sold, transferred, refinanced or converted to a rental is the loan due. If the borrower occupies the property continuously for twenty years, the City loan never has to be repaid.

Furthermore, participating lenders offer mortgage loans up to 95% of the purchase price and require only a 3% downpayment from the borrower's own funds (the remaining 2% is covered by the Downpayment Assistance Program described below).

Borrowers must earn a total gross income of (or net income if self-employed) of less than 80% of area median income to qualify, which is about \$34,800 for 2-person households and \$43,500 for 4-person households.

First-Time Homebuyers Downpayment Assistance Program

This City program can be used in tandem with the First-Time Homebuyers Mortgage Assistance Program described above. It provides a loan to cover the 2% of the downpayment remaining after the 95% loan from the lender and the 3% downpayment made by the borrower.

Again, the repayment of the loan is deferred while the owner lives in the home, but it is not forgiven. The loan, provided at a 3% interest rate, becomes due when the borrower sells, transfers, refinances, or converts the home to rental property, or at the end of the 30-year loan term, whichever comes first.

The borrower's total gross household income may not exceed 120% of area median income, or 150% of area median income if purchasing a home in one of Oakland's Target Areas. These are areas in which a majority of residents have incomes of 80% or below are median income, such as the Fruitvale District and all neighborhoods south of Interstate 580.

Rental Rehabilitation Program

The Rental Rehabilitation Program provides loans on a matching funds basis to help finance the rehabilitation of privately-owned, primarily residential rental properties in one of the seven Community Development Districts. A maximum of \$8,500 per unit (depending on the number of bedrooms) is offered at a 6% interest rate, with payment deferred for five years. The initial 5-year term may be extended upon the City's approval up to two additional 5-year periods for a maximum term of 15 years.

The property can have from 1 to 99 units, but union wages must be paid if it contains 12 units or more.

At least 70% of the tenants in the property must have incomes at or below 80% of the area median income.

With a little flexibility this program could be ideal in supporting artists, or any residents of joint living and work quarters (JLWQ). It stipulates that the building must be at least 51% residential usage, and if dual-purpose space is counted, building code regulations permit up to 50% of residential use in JLWQ. Another necessary modification would be to change the criteria determining the amount of the loan for work/live projects from the number of bedrooms to the square footage of units since work/live lofts do not conform to traditional housing configurations.

This program should be promoted to serve work/live projects since it could be a useful tool in encouraging code compliance and general development.

HOME Investment Partnerships Program

Using funds provided by the U.S. Department of Housing and Urban Development's HOME Program, the City provides low-interest loans to developers building or rehabilitating rental housing for occupancy by low and very-low income households. Applicants may be for-profit or non-profit corporations, individuals or general or limited partnerships. Mixed use projects (containing both residential and non-residential space are eligible, provided the residential living space (exclusive of common areas such as laundries and community rooms) constitutes at least 51% of the total project space.

Maximum loan amounts are as follows (per HOME-assisted unit):

<u>Size of Unit</u>	<u>Maximum Loan Amount</u>
0 Bedroom	\$59,885
1 Bedroom	68,646
2 Bedroom	83,474
3 Bedroom	107,986
4+ Bedroom	118,536

Loans are provided at a simple interest rate of 3% per annum, for a term of thirty years. Payments of interest and principal are deferred for the term of the loan.

All of the HOME-assisted units must be reserved for occupancy by households with incomes at or below 80% of median income. In addition, 90% of the units must be occupied initially by households with incomes at or below 60% of area median.

This program is very well suited to assist work/live if the 51% living space requirement could be tweaked to 50%. Again, the fact that the amount of the loan is determined by the number of bedrooms is not ideal for work/live which really should be judged by square footage.

City of Oakland/Redevelopment Agency Housing Development Program and Predevelopment Loan Program

Loans under these programs are provided on a case-by-case basis for rental and owner-occupied projects of at least 10 units. Funds may be used for rehabilitation of new construction and they can only be used to finance the very low, low or moderate income units in an project. City/Agency funding is available only to fill the gap between funds from private and other public funding sources and the total project cost. Funding is limited to 40% of project costs.

These programs could provide valuable support for work/live development.

Home Maintenance & Improvement Program (HMIP)

The HMIP offers loans of up to \$55,000 to correct health and safety violations, code deficiencies and other work on properties owned and occupied by low and moderate income families. The property owner can choose between a interest-free, deferred loan and a low interest, amortized loan.

Most work/live projects would not qualify for this program since the property can only have up to 4 units.

HMIP Vacant Housing Loan

This program provides assistance for rehabilitation of properties which have been vacant for more than six months. Loans are as much as \$90,000 for up to four unit dwellings offered for 30 years at 6% interest. Income limits are set at 80% of median income.

Again, the four-unit limit disqualifies most work/live projects from eligibility for this program.

FHA Title I Home Improvement Loans

This program offers fixed-rate, fully amortized loans of up to \$60,000 for home repairs and most home improvements. Interest rate are offered at a competitive market rate for a term of up to 20 years. The loan does not require an appraisal or title insurance.

No work/live project has applied for this loan, and this might be because the terms do not seem to be particularly favorable compared to what the market can offer.

Other Funding Ideas

There are of course other funding sources available for work/live developments which are worth exploring, including private foundations, state and federal sources, and private lending institutions (particularly those with a commitment to community reinvestment). Funding from economic development sources would seem to be another venue for support, although research into the One-Stop Capital Shop proved highly discouraging. Micro-loans of up to \$10,000 (up to \$250,000 for women and minorities) are offered for start-up businesses, but the entrepreneurs must have collateral- usually property- in order to qualify. When I described the typical situation of an artist seeking assistance to buy or rehabilitate a work/live unit I was highly dissuaded from this program.

One other way in which the City could financially assist homeownership opportunities for work/live occupants is to institute a **group purchase assistance program**. This program would encourage enterprising artists to form cooperatives in order to take control of their work/live situation.

ENDNOTES

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³ Interviews with Stewart Port, Dan Fenton, and several artists from the Ford Street Studios.

⁴ Matt Melucci, "Getting the Lowdown On Lofts." *San Francisco Examiner Magazine*, Sunday, May 18, 1997: p.34.

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⁶ *A Vision for Downtown Oakland*, Prepared by the Office of Economic Development and Employment, 1991. From Oakland Cultural Affairs Commission, *Blueprint for Change: Making Work/Live Work for Artists*. Draft, April 1994: p.9.

⁷ California Senate Bill 812. September, 1979.

⁸ Section 7020 of the Zoning Regulations passed in 1980 and Oakland's 1996 interpretation of the *Uniform Building Codes*.

⁹ Oakland City Council Resolution No. 68516, November, 1991: p.2.

¹⁰ Ibid.

¹¹ Section 2211 of the 1980 Oakland Zoning Regulations.

¹² *Oakland Live/Work Building Code*, Adopted January 1, 1996.

¹³ Details of the Building Codes will soon be available in a "Plain English" version by architect Thomas Dolan.

¹⁴ City of Oakland Community and Economic Development Agency, *Envision Oakland: City of Oakland General Plan*. Draft Land Use and Transportation Element, June 1997: p.86.

¹⁵ *Blueprint for Change: Making Work/Live Work for Artists*: p.15.

¹⁶ Vida Tavesich, interviewed 7/19/97.

¹⁷ Sale prices are from a listing for the Pocket Building at 373 Fourth Street.

¹⁸ Zachary Coile, "SOMA Squeeze Play," *The San Francisco Examiner*. August 28, 1997: p.B1.

¹⁹ Gerald D. Adams, "Are Lofts Driving Small Business Away?" *The San Francisco Examiner*. June 11, 1997: p.A8.

²⁰ Thomas Dolan, interview 7/2/97. He has been commissioned by the City to write the "Plain English" version of the building codes.

²¹ Vida Tavesich, interviewed 7/19/97, Suki Okane, interviewed 7/7/97, Jerry Cisco interviewed 7/10/97.

²² Thomas Dolan, interviewed 7/2/97. Suki Okane, interviewed 7/7/97.

²³ Gerald D. Adams, "Lofty Debate Over Live-Work Space," *The San Francisco Examiner*. April 7, 1997: p. A1.

²⁴ This unit is in the historic Clocktower Building which holds 127 live-work condominiums that sell for between \$200,000 and a rumored \$1 million. Emily Gurnon, "S.F. Loft Owners Fear Bay Span Fix," *The San Francisco Examiner* August 14, 1997: p. A1.

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²⁶ Suki Okane, interviewed 7/7/97.

²⁷ Natalie B Macris, *Artists Live/Work Space in San Francisco: Strategies for Preservation & Development*. April 1985.

²⁸ City of Los Angeles Ordinance No. 146,775.

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- ³⁰ Sananman.
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- ³³ ROMA Design Group, *Oakland Waterfront Initiatives: Estuary Plan for the San Antonio Fruitvale District*. Draft for discussion, May 28, 1997: p.8.
- ³⁴ Thomas Dolan, interviewed 8/29/97. Paraphrased from Brad Paul.
- ³⁵ Gerald Donahue recalled one such incident in Oakland with the conversion of a battery manufacturing building. Lead does not, however, appear to be a widespread issue.
- ³⁶ Gerald Donahue, interviewed 7/1/97.
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- ³⁸ Ibid.
- ³⁹ Daniel Zoll, "Stealth Housing: Harrison Street Lofts Become Battleground in War Over Live-Work Space," *San Francisco Bay Guardian*, May 7, 1997: p.21.
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- ⁴² Jane Robbins, *Helping the Artists to Live and Work in the City: The Evolution of a New Strategy*. National Endowment for the Arts 2, Fall 1981.
- ⁴³ Arthouse. *Arthouse Hotline Activity Report, 1996*. Arthouse, 1997. The 1995 report surveyed 1226 artists and had similar results.
- ⁴⁴ Artists Equity Association, Inc., p.58.
- ⁴⁵ Ibid.
- ⁴⁶ Ibid., p.57.
- ⁴⁷ ARTSDECO, Goodman 2 Project Information, 1995: p.11.
- ⁴⁸ Jan Plimpton, "Live/Work Space: Housing for Artists in Your Community," *Monographs*, National Assembly of Local Arts Agencies, Vol. 4 No. 7, August, 1995: p.10.
- ⁴⁹ Ibid., p.9
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6/10/97 Representative, Petersen Properties

6/27/97 Richard Croop, Croop Enterprises, Owner of Ford-Glascock Studios

7/1/97 Gerald Donahue, Code Enforcement Supervisor, Oakland Community & Economic Development

7/1/97 George Eleopoulos, Office of Planning and Building, Oakland Community & Economic Development

7/1/97 Joshua Simon, East Bay Asian Local Development Corporation

7/2/97 Thomas Dolan, Architect

7/2/97 Deborah Stuart, Department of Construction & Land Use, City of Seattle

7/2/97 John Skelton, Department of Construction & Land Use, City of Seattle

7/7/97 Suki Okane, City of Oakland Cultural Affairs Commission; Artist; Resident of Kennedy Studios

7/10/97 Jerry Cisco, Property Manager of Ford-Glascock Studios

7/16/97 Stewart Port, Artist, Member of 5th Ave Waterfront Alliance

7/18/97 Martha Senger, Board Member of ARTSDECO

7/18/97 Leal Charonnat, Architect

7/19/97 Vida Tavesich, Property Manager of Ford Street Studios

7/19/97 Various artists from the Ford Street Studios

7/20/97 Stewart Port- Bike Tour

7/20/97 Dan Fenton, Artist, Resident of 4001 San Leandro Studios

7/20/97 Jo Walters, Artist, Resident of Dutch Boy Studios

7/28/97 Claudia Capió, Director of Planning & Building, City of Emeryville

8/11/97 John Denton, CitiBank, Economist for ARTSDECO

8/11/97 Brad Paul, President of the Board of ARTSDECO

8/12/97 Sharon Wilshire, Community Liaison for the 45th Street Artists Co-op

8/29/97 Thomas Dolan, Architect

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