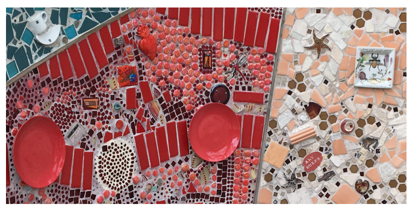
ARTS MARKET STUDY
REPORT OF FINDINGS


A LOOK AT THE SPACE NEEDS AND PREFERENCES OF ARTISTS AND CREATIVES INTERESTED IN LIVING, WORKING AND/OR CREATING IN LAGUNA BEACH, CA

Prepared for:

Laguna Beach, CA // January 2019

PARTNERS

ACKNOWLEDGEMENTS:

Artspace would like to thank the City of Laguna Beach for inviting us to document and share the space needs of the creative sector as revealed through an Arts Market Study. In particular we extend gratitude to Siân Poeschl, Cultural Arts Manager for the City of Laguna Beach and the Arts Commission for assisting in the survey instrument development and artist outreach process. Local engagement is a critical component to the success of this study.

FUNDING AND SUPPORT PROVIDED BY:

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EXECUTIVE SUMMARY

The **Arts Market Study (AMS)** follows the **Preliminary Feasibility Study (PFS)** conducted July – December 2017. The AMS relies on the **Survey of Artists and Creative Individuals** to test assumptions about the space needs and preference of the creative sector formed during the PFS and to provide quantitative data that can be used to inform future creative space policies, projects, and initiatives in Laguna Beach. The study focused specifically on the need for affordable artist housing, private studio and shared creative spaces. This approach, identifying the specific space needs and preferences of artists, allows Artspace to calculate demand for space, while finding answers to important broad questions including whether new spaces can: help retain artists; grow the creative sector; address affordable housing goals; and/or activate buildings/neighborhoods with creative activity. A particular goal of this study was to inform planning for the creative space priorities previously identified by the City such as: a "multi-use flexible Art Center" and "live/work" units as described in the City's Cultural Arts Plan. The survey was open for eight weeks, July 30th – September 28th, 2018 and was widely promoted by the City of Laguna Beach to artists and creatives who have in the past or currently live, work, attend school and/or participate in Laguna Beach-based arts festivals or other arts/cultural offerings.

366 individual artists/creatives responded to the survey and a **significant 78% (285) expressed interest in at least one type of space**. The greatest space need identified is Artist Housing (174 interested/48%) followed by Shared Creative Space (126 interested/34%) and Private Studio Space (119 interested/33%). Respondents could express interest in more than one type of space.

Following are the key space recommendations and findings based on the AMS data. This information should be used by the City and local developers/property owners to plan, incentivize and/or advance creative space development and preservation, in Laguna Beach.

A need for **ARTIST LIVE/WORK HOUSING**

- Demand for up to **58 new spaces**
- Housing configured as **located above commercial space; single family homes; Accessory Dwelling Units (ADU);** and/or**, small multi-family housing projects of up to 10 units.** Each are preferred by at least 50% of interested respondents
- Housing that is **affordable to artist households between 30% and 80% of AMI**
- **Priority locations** to consider are **Downtown** and **Laguna Canyon Road**
- At least 50% of space rented **at or below $1,200/month**

A need for **SHARED CREATIVE SPACE** and/or **SPECIALIZED EQUIPMENT**

- The most preferred shared space types include: **Studio space (**general-use, **multiple simultaneous users)**; **Studio Space (private** general space, short term use**)**; **Gallery/Exhibition** space; and, Classroom(s)/Demonstration space. Each space type is preferred by at least 30% of interested respondents.
- **Space types are appropriate for a "multi-use flexible Art Center"** and offer an efficient way to provide much needed creative workspace for artists of different disciplines in Laguna Beach, who also wish to share their work and skills with the broader population.

- **Monthly memberships** would be an appropriate operating model to test, as it is of interest to over half of the interested respondents.
- **57% (71) of those interested in shared creative space, currently rent or own space where they practice their creative work.** This space may or may not be entirely dedicated to creative work. This indicates that current working space is not satisfactory for many. Additionally, 32% don't have space for creative work and would greatly benefit from the opportunity of shared creative space.

A need for **PRIVATE STUDIO SPACE**

- Demand for **23 - 30 new studios** rented on one-year or longer lease terms
- **Priority locations** to consider are **Laguna Canyon Road** and **Downtown**
- Introduce **150- 600 square foot spaces** which will serve 76% of those interested
- At least 53% of studios leased at **$500/month or below**. None to exceed $1,000/month
- Locations and spaces that support a variety of specialized uses. At least 44% should be **public assembly adaptable** and at least one-third of spaces should support each **retail,** and **industrial arts/light manufacturing/fire arts** uses

In addition to the strong demand for affordable artist housing and creative spaces in Laguna Beach, other important findings include:

- **Investment in artist housing would help retain artist and grow the local arts community.** 58% (101) of respondents who are interested in affordable artist housing, currently live in Laguna Beach. 76% of respondents currently rent/lease their homes (whether or not they live in Laguna Beach) and are assumed to have the flexibility to easily relocate. 70% (71) of respondents who currently live in Laguna Beach have considered leaving, but all stay for the opportunity of new affordable artist housing. 42% (73) respondents do not currently live in Laguna Beach, but would relocate for the opportunity.
- **Investment in affordable artist housing will not only support the creative economy but those in the local workforce as well.** Over half (56%) of the interested artists also engage in lines of work or occupations that are unrelated to their creative work. They are members of the local workforce through such industries as: education, retail, professional services and hospitality. Affordable artist housing is one of many strategies to increase attainable housing and maintain a strong local workforce and economy.
- While the small number of those who own their work space in Laguna Beach are largely satisfied with their spaces the **significant number of those who want new space but currently rent space** (39% of those who want artist housing; 41% of those who want private studio space; and 33% of those who want shared creative space) suggests that **many of those who rent space are not satisfied**. Bringing on line new live/work, private studio, and shared studio space/private short-term studio rentals, will help address current work space issues experienced by at least one- third of those interested in new affordable creative spaces.

The Arts Market Study offers data that substantiates the need for new creative spaces and underscores the importance of investing directly in space development as well as in incentives, policies and/or programs that encourage new spaces or make existing spaces more satisfactory to renters. The data and related findings also offer specific information that can be used in the planning and design of new space.

Overall, the AMS supports the findings of the Preliminary Feasibility Study (PFS) which recommended several short-term goals and action steps to address the creative space needs in Laguna Beach (see Preliminary Feasibility Report, December 2017). These two reports should be used together to plan and implement strategies that increase safe, affordable housing and work spaces for Laguna Beach artists.

To this end, following the completion of this Arts Market Study, the Laguna Beach Arts Commission approved the following prioritization of the Goals and Action steps from the PFS:

1. Goal A: Identify underutilized storefronts and commercial buildings to repurpose for arts uses

2. Goal B: Develop and encourage multiple private and public-sector lead creative space initiatives

3. Goal C: Develop a multi-use and flexible Art Center, as described in the Cultural Arts Plan

Action Steps

1. "Sharing the results of the AMS with local developers and building owners to help those who are interested in offering creative space options"

2. "Adopt an Amnesty program that will allow artists to remain in non-permitted spaces while they are adapted to meet work/live code. Develop incentives and funding programs to assist building owners and artists to make the building modifications necessary to conform with work/live ordinance"

3. "Develop a project concept for the multi-use flexible Art Center as described in the Cultural Arts Plan. Use Cultural Arts Facilities Special Project funding to help fund action steps and as gap or predevelopment funding for a project"

4. "Offer technical assistance to property owners and developers who may have an interest in offering affordable creative space, but lack the skills or knowledge to build for or market to the creative sector"

5."Identify affordable artist housing as one type of workforce housing prioritized in the City's Housing Element and increase the goal of the number of affordable housing units overall to create in Laguna Beach"

INTRODUCTION

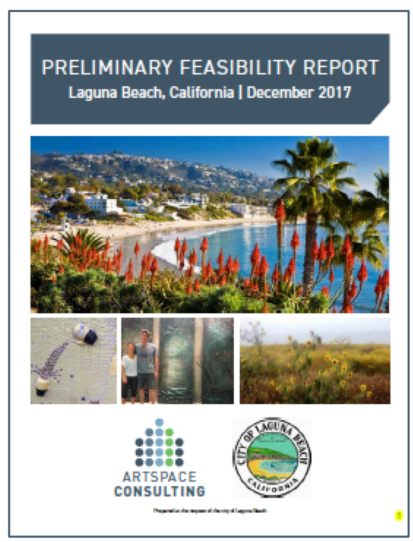
Artspace was contracted by the City of Laguna Beach to determine if there is sufficient demand by artists and other members of the creative sector to support the development of:

- Space-based policies and programs aimed at supporting Laguna Beach's creative sector
- New affordable creative space(s), including: shared space, private studios and/or housing

The secondary objective of this study is to better understand the needs and preferences of the interested artists and creatives including:

- Space features
- Approved uses in private, rental studio spaces
- Affordable rental levels
- Housing configurations
- Neighborhood locations
- Interest in renting new space or improving currently owned space (if owned space is insufficient)

The tertiary objective is to collect information about interested artists and creatives. This is to understand who might benefit most from new spaces and policies, and to confirm if survey respondents are a diverse group representative of the community. Descriptive information also helps the city see whether complementary community objectives can be addressed while at the same time addressing creative space needs, i.e. retention of artists and workforce housing.



The Arts Market Study (AMS) follows the Preliminary Feasibility Study (PFS) conducted July - December 2017 in Laguna Beach. The PFS involved a general assessment of the potential to develop new, affordable creative spaces, and this study focuses specifically on quantifying the need for private and shared creative workspaces and housing. The PFS included a two-day visit by Artspace's Consulting and Strategic Partnership staff Wendy Holmes, Senior Vice President and Teri Deaver, Vice President. Artspace conducted a series of focus groups and community meetings in Laguna Beach, took a tour of area arts assets and potential sites, and wrote an in-depth report of preliminary findings. The PFS analyzes new space potential by six key areas Artspace considers essential to successful community-led development. Those include: **project concept** for a new creative space initiative; the **arts market** and its need for new space; **local leadership** support; **funding and financing** opportunities; **potential sites** for the project concept; and, how an arts-centric project could **align with broader community goals.**

The Arts Market Study goes a step further. It tests assumptions formed during the PFS and collects information to help in the design and development of new space and programs. For example, the "multi-use flexible Art Center" and "live/work" units as described in the City's Cultural Arts Plan or policies to support non-compliant work/live space. The Arts Market Study process includes: an in-depth data collection survey deployed online; this Report of Findings; and, the Technical Report Addendum that contains the data and analytics.

Artspace has conducted over 95 Arts Market Surveys across the country reaching more than 40,000 artists. The experience and lessons learned from surveying artists and creatives around the country plays heavily into the market considerations, assumptions, and recommendations in this report.

THE SURVEY

Artspace worked with Siân Poeschl, Cultural Arts Manager for the City of Laguna Beach and Suzi Chauvel, Arts Commissioner to develop a survey that would assess the space needs and space-related preferences of artists and creatives interested in new affordable space in Laguna Beach. The online survey was open for eight weeks, July 30th – September 28th, 2018. The **Survey of Artists and Creative Individuals** allowed respondents to articulate their needs and preferences for housing, private studio space, and shared creative space. Respondents were asked to provide descriptive information including their arts and creative activities, current living and creative workspace arrangements, household income, student status, non-creative lines of work, current place of residence, and other demographics. For brevity, this survey will be referred to as the **"Artist Survey"** in this report.

The Artist Survey for Laguna Beach focused on interest in four types of creative space options:

1. Relocating to affordable housing specifically designed for artists and their families, referred to as "**artist housing**" in this report;

2. Renting new private studio or creative work space on an ongoing basis (one year or longer), referred to as "**private studio**" in this report;

3. Shared creative space and/or specialized equipment that can be accessed on a short-term or occasional basis through a paid membership or alternative rental arrangement. Referred to as "**shared creative space**" in this report.

4. Shared performing arts space and/or specialized equipment that can be accessed on a short-term or occasional basis through a paid membership or alternative rental arrangement. Referred to as "**shared performing arts space**" in this report.

INTENDED AUDIENCE

The results of this survey will help **the City of Laguna Beach** and others interested in affordable creative space and artist housing, determine what sort of projects and space-based policies and programs are appropriate for Laguna Beach.

Advocates of the local arts community and creative economy investment can use this information to more effectively communicate the cultural space challenges and opportunities as described by the creative sector respondents and to put a "face to" the area's artists.

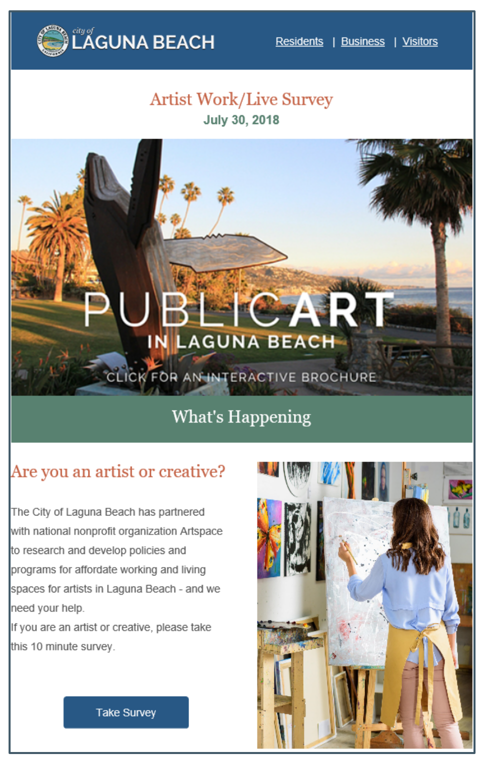
The design guidelines starting on page 31, are included to benefit all looking to make space available for artists and creatives. The Technical Report Addendum should be reviewed by those embarking on new space initiatives as it contains data critical to fully understanding the artist market's need and preferences for new space.

SURVEY METHODOLOGY

In order to reach the greatest number of artists, Artspace relies on local arts partners using their expertise and connections to promote and spread awareness about the study and Artist Survey. The Laguna Beach Artist Survey launched through a promotional campaign that began on July 30^{th,} 2018. Local artists and creatives living, working or creating in and immediately around Laguna Beach were the target market and the outreach methods reflect this. While the survey was live, the City of Laguna Beach and local partners disseminated survey notifications through the following means:

- **Digital Media:**
    - Bi-weekly ads in "Stu News Laguna", an online newspaper
    - City's Arts digital newsletter reaching 566 subscribers
- **Printed Outreach**
  1000 Postcards were distributed, including at:
    - Music in the Park
    - Sunset Serenades

  Cultural Arts Calendar mailed to every home in Laguna Beach
- **Email/ Social Media Outreach:**
    - Laguna College of Art and Design email blast to 500 students
    - Direct invitational emails to over 40 artists



The following local organizations assisted in promoting through their memberships and newsletters:

- Laguna Beach Alliance for the Arts (members)
- First Thursday's Art Walk (member galleries)
- Festival of Arts (newsletter)
- Sawdust Arts Festival (newsletter)

Weekly updates and strategic outreach assistance informed by real-time data was provided by Artspace to the City of Laguna Beach. Particular attention was given to encouraging diversity and inclusiveness of all creative community members and art forms. The Artist Survey was open for eight weeks via the Survey Gizmo online platform. During that timeframe, there were **366** respondents.

Survey respondents indicated that they heard about the survey through the following means:

- Email invitation: 234 (63%),
- Online media source (not social media): 33 (9%)
- Friend/colleague/acquaintance: 31 (8%)
- Social media outlet: 26 (7%)
- Non-web-based media: 13 (3%)
- At a public meeting: 7 (2%)
- Postcard in the mail: 1 (<1%)

**Respondents may have selected multiple options*

SURVEY DISCLAIMER

The survey is a sample of convenience. While believed to be grossly representative of the target population (artists and other creatives living in/around Laguna Beach), generalization of the findings to the broader populations cannot be conducted. Because of the non-random nature of the sample, the data reported includes only descriptive statistics. The responses included in this report are all completed survey entries barring any apparent erroneous responses which were removed. Due to the nature of data collection, the analysts at Artspace are not able to eliminate the entire possibility of duplicate responses to the artist survey, given the bounds of confidentiality.

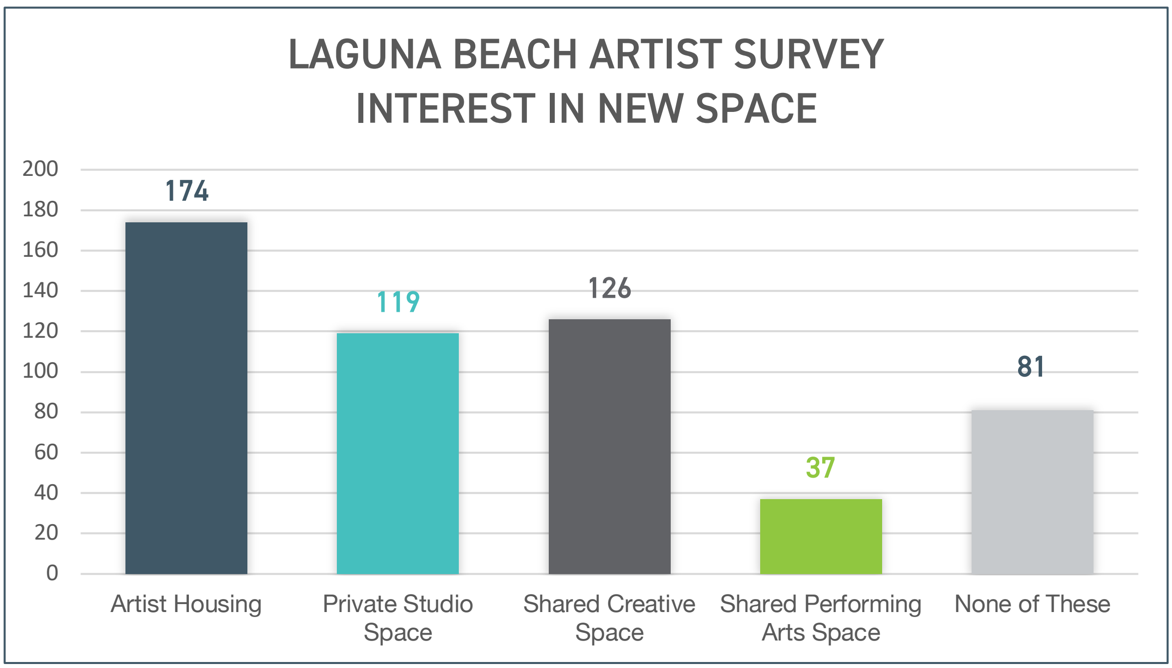
Data that is not statistically relevant due to low response numbers are mostly omitted from this report. Small group differences or percentages should be interpreted carefully. Statistical analysis of the Survey Gizmo collected data was conducted via SPSS Statistics software and Microsoft Excel.

KEY FINDINGS & RECOMMENDATIONS

The primary focus of this report is on the **285 (78%)** of the total **366 survey respondents** who indicated an interest in at least one type of space in Laguna Beach.

366 TOTAL RESPONDENTS

The following is a breakdown of the types of spaces in which respondents expressed interest. **The data suggests that there is a need for a variety of affordable creative space types in Laguna Beach. Exploring programs, policies and developments that address these needs is recommended.**

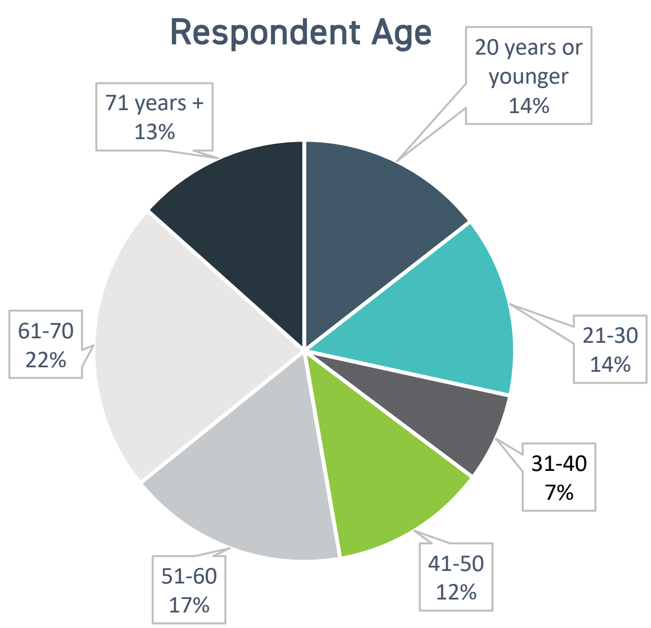


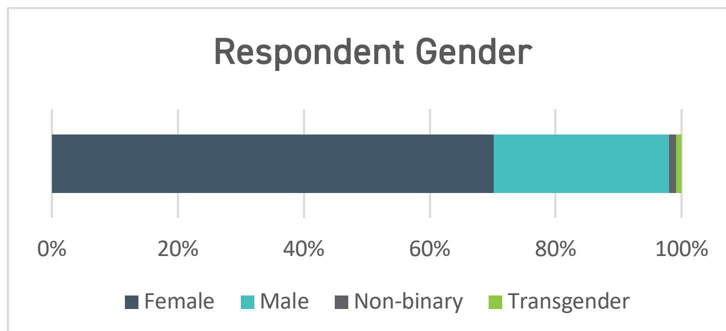
ALL RESPONDENT OVERVIEW

In general, most survey respondents either **currently live (66%) or have previously lived (15%) in Laguna Beach. More rent (55%) than own (38%)** their homes. They participate in a broad **variety of art forms**, are **highly educated** and a notable number **(27%) are full-time students**. This reflects the targeted outreach to the Laguna College of Art and Design. There is a skewing toward an older population, with **52% of respondents age 51 or older.** While not reflecting significant racial or ethnic diversity, the **dataset does generally align with the diversity present in Laguna Beach**. Consistent with other surveys conducted by Artspace, the large majority **(67%) are female** which likely reflects a propensity for females to respond to surveys rather than a deficiency in outreach.

Following is a demographic and arts discipline summary breakdown of all **366 survey respondents.** More information about the all respondent subset, can be found in Section I of the Technical Report.

Top 11 reported areas of arts/cultural/creative disciplines (>10%)		
Painting/Drawing	171	47%
Digital Arts	79	22%
Mixed media	77	21%
Arts education/instruction	65	18%
Art gallery/Exhibition space/Curatorial	57	16%
Crafts/Fine crafts	49	13%
Photography	49	13%
Sculpture	44	12%
Graphic arts/design	43	12%
Book arts/Illustration	40	11%
Writing/Literary arts	39	11%





79 (86%) of respondents who own workspace in Laguna Beach, live in the same space

189 (52%) of respondents have occupations/work outside of their creative pursuits

Race/ethnicity of respondents	Total Resp.	Laguna Beach 2018*
White/Caucasian	75%	88%
Hispanic/Latinx(o)(a)	8%	9%
Multiracial/Multiethnic	5%	4%
Pacific Islander/Native Hawaiian/	1%	.1%
Asian	6%	5%
Indigenous American/Alaskan Native	1%	.3%
Black/African American	1%	1 %

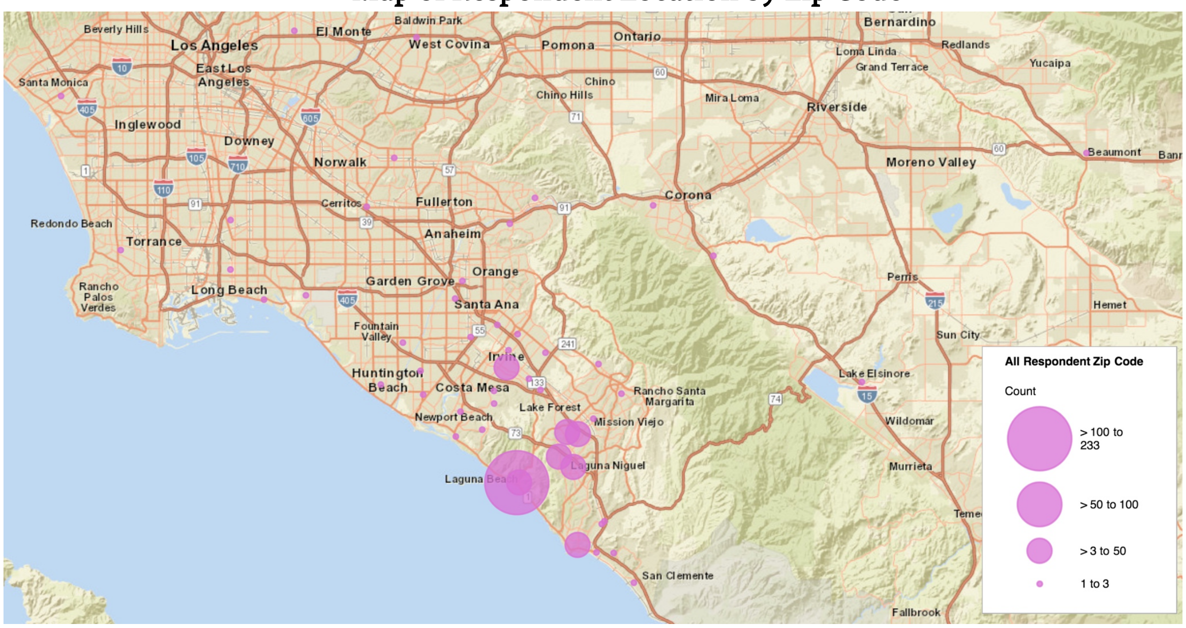
Laguna Beach 2018 Race and Ethnicity Estimates through Esri Community Analyst

There was broad geographic representation of Laguna Beach in this survey. Four geographic areas made up at least 10% of the "other" responses: Top of the World (11%), Bluebird Canyon (13%), Woods Cove(13%), Arch Beach Heights (10%)

Total who currently live in Laguna Beach	241	66%

In which neighborhood/area of Laguna Beach do you live?		
Other	80	33%
Laguna Canyon	71	29%
North Laguna	44	18%
South Laguna	25	10%
Downtown	21	9%

Map of Respondent Location by Zip Code



ARTIST SURVEY RESPONDENT INTEREST IN:

ARTIST HOUSING

The information on the following pages is solely about the **174 respondents** interested in artist housing in Laguna Beach.

174 (48%) OF THE 366 RESPONDENTS ARE INTERESTED IN HOUSING DESIGNED FOR ARTISTS AND THEIR FAMILIES

82 (47%) ARE ONLY INTERESTED IN HOUSING AND NO OTHER SPACE TYPE

147 (84%) ARE INTERESTED IN A LIVE/WORK TYPE SCENARIO

Artspace Definition: Live/Work Housing
Space that meets standard residential codes or local live/work ordinances and is somewhat larger than a typical dwelling unit. For example, 600-800 sq. ft. for an efficiency, and up to 1,400 sq. ft. or larger for a 3-bedroom unit in a typical Artspace project. The space is designed flexibly, incorporating both wide open areas and private rooms, to allow artists and creatives to arrange their living and working environment in a way that best suits their artistic/creative and family needs. The aesthetics favor durable surfaces, allowing residents to create in a variety of mediums anywhere in the space and artist-friendly design features, amenities and management policies are incorporated

LOCATION

With 76% of interested respondents being either current or past Laguna Beach residents, new affordable housing would primarily serve locals, but it would also attract new artists, as evidenced by the 24% of interested respondents who have never lived in the city. It would also help retain artists. 70% (71) of those current, interested residents, have considered leaving Laguna Beach, but all would consider staying for the opportunity of affordable housing. **Investment in artist housing would help retain and grow the local arts community.**

Have you ever lived in Laguna Beach?		
I currently live in Laguna Beach	101	58%
Yes, but not currently	32	18%
No	41	24%

In which neighborhood/area of Laguna Beach do you live?		
Laguna Canyon	36	36%
Other	25	25%
North Laguna	18	18%
Downtown	13	13%
South Laguna	9	9%

Interested respondents would consider relocation to housing in a variety of neighborhoods/areas of Laguna Beach. **New artist housing initiatives or programs should prioritize: Laguna Canyon, Downtown and North Laguna**, as these would be of interest to about half of respondents.

Which of the following areas would you consider for relocation?		
Laguna Canyon	102	59%
Downtown	94	54%
North Laguna	84	48%
South Laguna	67	39%
No Preference	43	25%
Other	9	5%

HOUSING SCENARIOS AND CONFIGURATIONS

The survey data suggests that the **City and interested developers or building owners have significant flexibility when designing new space and programs that support the creative sector's housing needs**. While the majority of the interested artists prefer a Live/Work scenario (84%), many would consider a Work/Live (38%) arrangement (living space secondary to commercial/light industrial uses) and residential "housing-only" (29%). Any one or a combination of all three space types could be pursued in Laguna Beach.

There is also flexibility about how to deliver those spaces. As a priority housing could be above commercial storefront, offered as a single-family home or an Accessory Dwelling Unit ("granny flat"). Small multi-family housing is also an option to explore, although the option of least interest to respondents.

Which of the following scenarios would you consider for your housing?		
Live/Work	147	84%
Work/Live	66	38%
Housing-only	51	29%
Which of the following building configurations would you consider for your housing?		
Housing above commercial storefront	116	66%
Single-family home	110	63%
Accessory Dwelling Unit	105	60%
Multi-family (up to 10 units)	94	54%

Note: Respondents could select all that apply

DELIVERING AFFORDABLILTY

Interested respondents shared what they would consider paying monthly for new artist housing. This information is critical to understanding and addressing the market need. There are a variety of ways to achieve the necessary affordability including for example: direct rental subsidies; mixed-income or mixed-use projects that use market-rate rents to subsidize the operating costs of the affordable spaces; and, financing tools that are intended to subsidize multi-family affordable and workforce housing (Low Income Housing Tax Credits, Housing Trust Funds, HOME/CDBG and so on).

The 4% and 9% Low Income Housing Tax Credit programs drive private equity into affordable and workforce multi-family housing projects. The 9% Low Income Housing Tax Credit program can result in 60% - 80% of the capital costs but is subject to cost caps and is often prioritized for the lowest income households, homeless and other supportive needs housing, and is highly competitive. The state's application and scoring criteria change annually with details published in their Qualified Allocation Plan. Artspace uses this model to fund its national live/work housing projects that are affordable to artist households with incomes between 30% and 60% of the Area Median Income (AMI). Efforts to extend the program and introduce new resources to help to meet the needs of moderate-income households (between 80% and 120% AMI) have been discussed at the federal and state levels and could be explored further.

A recent Artspace project example of a 9% LIHTC development is in Mesa, AZ. This 50-unit artist live/work project had a total development cost of approximately $16 million and the equity investment leveraged by the tax credit program was $12.6 million, or 77% of the Total Development Cost (TDC).

In comparison, a 58-unit Artspace project in Memphis, TN was funded using the 4% LIHTC / bond program. The TDC was approximately $19 million and the generated equity $6.4 million, or 33% of the TDC.

Interested respondents provided their household incomes to help the City or interested developers gauge whether an affordable artist housing project or program, could be structured to receive equity or loans through public financing tools like the LIHTC. A majority (61%) of interested households would qualify for workforce and affordable housing targeted to those who earn between 30% and 60% of AMI (area median income) while 71% would qualify if the unit makeup also included housing for those who earn up to 80% AMI. **Affordable artist housing is a market-supported model for the City to consider as part of its affordable housing strategy.**

What interested respondents would consider paying monthly for housing and how that aligns with their household size is below. If using affordable housing resources, there may be restrictions on household size relative to the number of bedrooms in a unit. Note that 68 (39%) of respondents interested in housing are full time students. It is reasonable to assume that their household composition and incomes will change after graduation.

What interested households would consider paying monthly for new housing designed for artists and their families						
	Household Size				Total	
Max monthly rent	One	Two	Three	Four or more	#	%
$400	4	1	2	8	15	9%
$600	6	6	4	7	23	13%
$800	8	4	1	6	19	11%
$1,000	9	8	4	6	27	16%
$1,200	5	6	2	1	14	8%
$1,400	5	6	1	0	12	7%
$1,600	2	7	0	0	9	5%
$1,800	1	6	3	2	12	7%
$2,000	5	7	2	2	16	9%
$2,500	5	7	1	4	17	10%
$3,000	2	1	5	1	9	5%
More than $3,000	1	0	0	0	1	1%
Total	53	59	25	37	174	100%

Household income limits for 2018 are offered below as a comparison to the incomes of interested respondents. The high cost of living in Orange County is reflected in these tables. The one person, income maximum for 80% of AMI is $61,280, high in comparison to the other cities Artspace has conducted this survey. The higher income limits therefore encompass a lot of working artists, 71% self-identify as income qualifying at 80% of AMI for low-income housing.

2018 HUD Income and Rent Limits for Orange County, CA

Household Size	Income Max (30% - 60% AMI)	Income Max (80% AMI)		Bedrooms	Max Rent (30% - 60% AMI)	Max Rent (80% AMI)
1	$22,980 - $45,960	$61,280		Efficiency	$574-1,149	$1,532
2	$26,250-$52,500	$70,000		1-bedroom	$615-1,230	$1,641
3	$29,520-$59,040	$78,720		2-bedroom	$738-1,476	$1,968
4	$32,790-$65,580	$87,440		3-bedroom	$852-1,705	$2,274

Source: Novogradac & Co. Rent and Income Calculator; Novoco.com, 2018. Rents expressed by month, and incomes expressed on an annual basis.

Annual Household Income	One	Two	Three	Four or more	Total	Income Qualify – 30% AMI	Income Qualify – 60% AMI	Income Qualify – 80% AMI
Prefer not to Answer	6	1	1	7	15			
Under $10,000	4	2	6	10	22	22	22	22
$10,000 - $15,000	7	2	1	3	13	13	13	13
$15,001 - $20,000	8	2	2	2	14	14	14	14
$20,001 - $25,000	4	5	1	1	11	11	11	11
$25,001 - $30,000	3	6	2	2	13	10	13	13
$30,001 - $35,000	3	1	0	1	5	1	5	5
$35,001 - $40,000	2	3	0	2	7	0	7	7
$40,001 - $45,000	1	3	1	1	6	0	6	6
$45,001 - $50,000	1	4	1	0	6	0	6	6
$50,001 - $55,000	2	4	1	0	7	0	5	7
$55,001 - $60,00	1	3	0	0	4	0	0	4
$60,001 - $65,000	1	2	1	2	6	0	2	6
$65,001 - $75,000	2	4	0	2	8	0	2	6
$75,001 - $85,000	1	5	1	1	8	0	0	2
$85,001 - $100,000	6	2	0	1	9	0	0	1
$10,001 – over $400,000	1	10	7	2	20	0	0	0
Total	**53**	**59**	**25**	**37**	**174**	**71**	**106**	**123**
								41%
								61%
								71%

WORKFORCE AND THE CREATIVE ECONOMY

Artspace has found nationally through its surveys that artists make 25% or less of their income from art, with the greatest percentage of that subset falling below 10% (including no income from art). This is consistent with the Laguna Beach findings of 64% of interested respondents making 25% or less of their income from their art. Based on an impact study of some of Artspace's longest operating projects, **new affordable space in Laguna Beach may offer artists an opportunity to increase income derived from creative work** (*2011 Taking a Measure of Creative Placemaking study).

Additionally, new affordable space options and programs that keep artists in Laguna Beach can also help the 36% of artists who currently earn more than 25% of income from art, maintain their productivity.

Over half (56%) of the interested artists also engage in lines of work or occupations that are unrelated to their creative work. In effect they are members of the local workforce through such industries as: education, retail, professional services and hospitality. **Investment in artist housing will not only support the creative economy but the local workforce.**

% of income that comes from creative work of interested artists		
I earn no income from my art/creative work	39	22%
Less than 10%	43	25%
10% - 25%	30	17%
26% - 50%	17	10%
51% - 75%	12	7%
76% - 100%	33	19%
Total	**174**	**100%**

Non-creative sector lines of work of interested artists (>5%)		
Education	32	16%
Retail	23	11%
Other	16	8%
Professional and business services	14	7%
Service/Leisure and Hospitality	11	5%

HOUSING RECOMMENDATIONS

Artspace market survey data supports the development of **up to 58 new affordable artist housing spaces in Laguna Beach** that are targeted to households at or below 80% of AMI. If creating new space without regard to income restrictions (while still addressing the expressed affordability needs of respondents) more space may be considered.

3:1 REDUNDANCY

Given the variety of factors that impact the respondents' stated need for space, Artspace uses a triple redundancy method to calculate demand. The threshold for market support for a housing project requires a minimum 3:1 redundancy, meaning at least 3 interested artists/creatives should be identified for every 1 housing space created.

174 ÷ 3 = 58

Factors that might contribute to an overestimate of demand and that are mitigated by use of the 3:1 method include:

- **Income Qualification:** 123 households that qualify at or below 80% AMI; important if using affordable housing resources
- **Duplication:** 42 interested households in which more than one artist responded to the survey
- **Full time students:** 68 respondents whose household composition and income may change after graduation, impacting the number of spaces needed and if using affordable housing resources, the targeted incomes and rent levels
- **Overstatement of Interest:** Excitement over the concept may result in more respondents expressing interest than would seriously consider relocation.

LOCATION

Downtown and Laguna Canyon are preferred by over half of the interested artists and should be the priority focus for planning new space initiatives

SPACE AND PROGRAM CONCEPTS

There is predominate interest in live/work space scenarios over other types of housing (work/live or housing-only). Housing configuration preferences include: Housing Above Commercial, Single-Family Homes and, Accessory Dwelling Units. Just over half (54%) would consider small multi-family buildings (up to 10 units).

Creating or incentivizing these types of spaces to be built in Laguna Beach is recommended. As discussed in the Preliminary Feasibility Report, the City of Laguna Beach could consider prioritizing existing funding (e.g. Business Improvement District resources and/or cultural facility set-aside) for the creation of affordable artist housing. Denver's RiNo Neighborhood is a national model for dedicating BID revenues for the preservation and creation of affordable artist spaces. The creation and funding of a Housing Trust Fund (in conjunction with a Housing Element that supports the development of affordable artist housing) could set-aside funding (low-interest loans and grants) to help leverage private investment in artist live/work housing. Incentives that offer building owners/developers certain benefits in return for addressing the space needs of the creative sector could leverage investment in artist housing programs or artist housing in specific geographic areas/overlay zones. Example incentives include: streamlining approvals (concierge service), city fee reductions, awards of conditional use permits. Policies that reduce burdens and lower construction costs for those who want to convert non-residential space to artist live/work space, without jeopardizing safety, can encourage commercial building owners to adapt to the needs of creatives.

Given the housing configuration preferences revealed by this study, and with the funding and incentive recommendations found in the Preliminary Feasibility Visit report, the follow types of programs could be explored:

- Incentivize **Downtown artist housing above commercial storefronts** in underutilized buildings. Share the findings in this report with building owners so that they understand what artists can pay for live/work housing, and the size of space and the amenities that they need.
- Dedicate funding sources to the creation of **Laguna Canyon ADU/ "Granny Flat" housing** that addresses the needs of artists as revealed in this study.
- Adapt work/live zoning in **Laguna Canyon and Downtown** to support live/work space uses and conversions, and dedicate funding sources and incentives to this end.

UNIT MIX

The number of bedrooms needed by respondents interested in housing in Laguna Beach, trends toward one- and two-bedroom units and new space design should consider this.

Laguna Beach - Suggested Unit Mix			
Number of Bedrooms	**Requested #**	**Percentage**	**Recommended # of Units**
Efficiency/Studio Units	17	10%	6
One-Bedrooms	76	44%	25
Two-Bedrooms	69	40%	23
Three-Bedrooms	9	5%	3
4+ Bedrooms	3	2%	1
Totals	**174**	**100%**	**58**

LIVE/WORK AND WORK/LIVE HOUSING FEATURES

Respondents shared the types of features that would be most important to their art or creative work in a housing situation that also accommodates workspace. New live/work or work/live style space should include preferred features to the extent feasible.

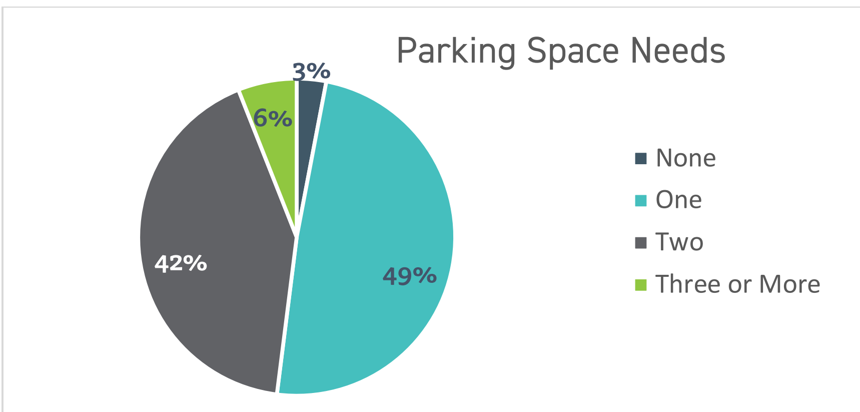
Respondents could choose up to five features. The following received at least 10% of all responses. More information about preferred features can be found on page 31.

MOST PREFERRED FEATURES

- Wired for high speed Internet (18%)
- Abundant natural light (18%)
- Washer/Dryer hookups in unit (14%)
- Utility sink in unit (12%)

PARKING

97% require at least one parking space for their household, while 48% require 2 or more. New housing should offer onsite or another walkable parking arrangement for residents.



ARTIST SURVEY INTEREST IN:

PRIVATE STUDIO SPACE

The information on the following pages is solely about the **119** respondents interested in leasing private studio space on an ongoing basis.

119 (33%) OF THE 366 RESPONDENTS ARE INTERESTED IN PRIVATE STUDIO SPACE

90 (76%) INTERESTED ONLY IN PRIVATE STUDIO SPACE and not live/work or work/live housing

Definition: Private Studio Space

Space designed for the creation or practice of art (e.g., for visual arts, performing arts, or other creative work space needs). This space is not code compliant for residential use and may require capital investment by lessee for specialized uses. Leases are one year or longer.

33 (28%) ARE FULL TIME STUDENTS
86 (72%) ARE NOT FULL TIME STUDENTS

OF THE 119, 39 (33%) DO NOT HAVE SPACE FOR ART/CREATIVE WORK

18 (15%) CURRENTLY OWN STUDIO SPACE on an ongoing basis; 16 (89%) of them own in Laguna Beach and most (94%) live on the same property

49 (41%) CURRENTLY RENT STUDIO SPACE on an ongoing basis;

36 (73%) of those studios are in Laguna Beach

CURRENT RENT FOR PRIVATE STUDIOS
11 (22%) pay over $2000/month
9 (18%) pay $1001 - $1,500/month

TOP ARTS, CULTURAL, CREATIVE INDUSTRY INVOLVEMENT
(Respondents could choose up to 4)

1. Painting and Drawing - **52%**
2. Mixed Media – **22%**
3. Digital Arts – **19%**
4. Arts Education/Instruction – **18%**
5. Art Gallery Exhibition - **17%**
6. Photography – **17%**

LAGUNA BEACH RECOMMENDATIONS FOR PRIVATE STUDIO SPACE

When calculating the demand for private studio space, Artspace uses the number of respondents only interested in private studio space and not live/work or work/live housing too **(90 respondents).** However, top priority shared amenity and design feature preferences are based on the responses of all those interested in private studio space **(119 respondents)**. This conservative approach is based on the assumption that if an artist has housing that addresses their creative workspace needs, then the added expense of private studio space becomes less pressing so ultimately, they would rent the live/work housing, but not likely studio too.

119 − 29 = 90 ÷ 4 = 23

As noted earlier, new artist live/work housing can be brought on line or encouraged in a variety of ways. Some cities use surplus land and dedicate if for affordable artist housing as part of their overall housing and creative economy strategy. Others incentivize creative space by offering something in trade that a building owner/developer would want in return for the below market public benefit they are creating. Still others, leverage private investment by offering low-interest loans or grants for the creation or conversion of space to artist housing or by reducing costs or removing barriers that would otherwise make creating low-cost space infeasible such (e.g. donated land, relaxed land-use regulations for live/work, reduction in parking requirements). Sometimes public/private partnerships are formed between philanthropic foundations and municipalities to bring development partners to the table.

New private studio space would primarily serve those who currently, or have in the past, lived in Laguna Beach. Investment in creative space is an investment in the local creative sector.

Have you ever lived in Laguna Beach?		
I currently live in Laguna Beach	74	62%
Yes, but not currently	23	19%
No	22	18%

In which neighborhood/area of Laguna Beach do you live?		
Laguna Canyon	22	30%
Other	22	30%
North Laguna	15	20%

In addition to where respondents currently live and where they have studio space, respondents also shared their preference for where they would consider renting new private studio space. New space or programs could be targeted to a variety of areas, including Laguna Canyon and Downtown.

Where would interested respondents consider renting private studio space on an ongoing basis?		
Laguna Canyon	70	27%
Downtown	61	23%
North Laguna	49	19%
South Laguna	44	17%
No preference	32	12%

**Respondents could choose more than one location*

The data supports **up to 23 private studio spaces in Laguna Beach, if live/work or work/live housing is also built, or up to 30 spaces, if it is not**. This is a conservative estimate based on a 4:1 redundancy model. There are more variable factors to consider when assessing market need for private studio spaces versus live/work or work/live housing units, most importantly necessity, therefore Artspace relies on the 4:1 model for this type of space. Factors that influence our recommendation and conservative assessment of demand include:

- Artists may choose a more cost-effective option than renting a private studio on a long term-basis such as:
    - Sharing a studio space with other interested artists
    - Using less space than they initially indicated
    - Renting short-term spaces (*see interest in Shared Creative Space in the following section)*
- Amenity specific needs that they prefer, may not be feasible to include
- Location of new space
- Income fluctuation leading to shorter tenancy than housing

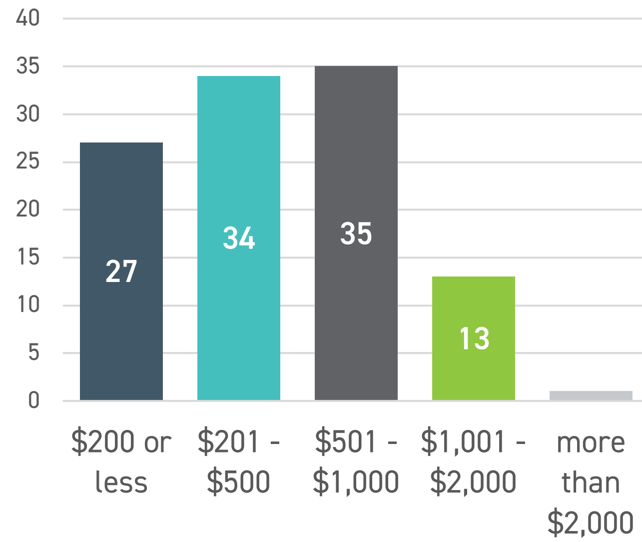
The value of this recommendation relies on a diverse selection of private studio space options that reflect the sizes, rental costs, amenities, and features preferred by interested artists/creatives.

STUDIO SIZES & RENTAL RATES

Understanding what artists can afford and how much space they need is critical to the marketability and self-sustainability of new space. The following two charts provide a summary of this information.

Desired Square Footage		
Minimum Square Footage	**Count**	**%**
150 sq. feet	17	14%
151 - 300 sq. feet	38	20%
301 - 500 sq. feet	24	20%
501 - 600 sq. feet	12	10%
601 - 1000 sq. feet	14	12%
At least 1,000 sq. feet	7	6%

Affordable Monthly Studio Rents in Laguna Beach, In Addition To Housing Costs



Based on the data a draft program plan for a private studio space development should consider the following:

- Studio spaces of varying sizes.

EXAMPLE: Studio Counts and Sizes	
2 - 4 studios	At least 150 sq. ft.
3 - 6 studios	151 – 300 sq. ft.
3 - 6 studios	301 -500 sq. ft.
2 - 4 studios	501 – 600 sq. ft.
2 - 4 studios	600 – 1000 sq. ft.
1 - 2 studios	at least 1000 sq. ft

- Rental agreements that do not exceed **$1,000 per month**, gross rent regardless of space size. With many targeted lower, at least 53% renting at $500 or less.

MOST REQUESTED PRIVATE STUDIO SIZE*
76% (91) would be served by
600 sq. ft. or less
**A variety of sizes are needed*

MOST PREFERRED PRIVATE STUDIO FEATURES*

- Abundant natural light (73%)
- Wired for high speed Internet (62%)
- High ceilings (over 10 ft.) (40%)
- Special ventilation (23%)
- Storefront/Direct street access (20%)
- Washer/Driver hook-ups (20%)

**Respondents could choose up to four preferred features*

Incorporating some larger spaces and more expensive spaces is also supported by the market findings, but what artists can pay for space on a square foot basis may not be commensurate. Therefore, Artspace recommends pre-leasing, collecting letters of interest, and/or developing a waiting list for planned private studios larger than 600 square feet or more than $500 a month.

New studio spaces would need to both comply with local codes and zoning and be designed to support the types of uses that would occur in those spaces . The chart below summarizes the types of special uses artists would need approved in order for the private studio space to be most marketable. *Section III of the Technical Report includes more information to help in the design of any future private studio/workspace spaces or programs

The types of uses that would need to be approved		
Special Uses	**# of Respondents**	**%**
Fine Arts	79	66%
Public assembly	52	44%
Retail	40	34%
Industrial arts/Light manufacturing/Fire arts	39	33%

There is an opportunity to introduce new private studio spaces, or programs that incentivize private studio spaces, in Downtown and Laguna Canyon as well as other areas of Laguna Beach. Based on the data from this survey, new space will primarily benefit local artists who require modest sized spaces that are relatively affordable. A critical factor in marketability is how well the spaces deliver the required features and whether the spaces and the intended uses comply with local codes, zoning and ordinances. There is some overlap between those who are interested in private studio space and those interested in affordable housing for artists. Offering a variety of spaces that can be flexible to the residential, working, retail/showcase and industrial needs of the creative sector will have the greatest benefit.

ARTIST SURVEY INTEREST IN SHARED:

CREATIVE SPACE and PERFORMING ARTS SPACE

The information on the following pages is solely about the respondents interested in accessing shared spaces through a paid membership or other short-term rental arrangement.

126 (34%)

OF THE 366 RESPONDENTS ARE INTERESTED IN ACCESS TO SHARED CREATIVE SPACE

Definition: Shared Creative Space and Specialized Equipment

Space that is available through a membership or other short-term rental arrangement and is designed for making things/creating. This may be short-term private or shared general-use studio space, or multi-use space, commonly referred to as "makerspace", where there is an operator/business owner and specified hours of operation. There may also be amenities such as specialized equipment, tools for creating, shared studio/work spaces, classes, equipment training, and/or other programs intended to serve many creatives and artists with similar interests and space/equipment needs. Shared creative spaces can also be for a very specific purpose such as a ceramics studio or a business center.

100 (79%) currently or have in the past lived in Laguna Beach

37 (10%)

OF THE 366 RESPONDENTS ARE INTERESTED IN ACCESS TO SHARED PERFORMING ARTS SPACE

Definition: Shared performing arts space

Space that is available through a membership or other short-term rental arrangement and is designed for performing arts uses. Examples include: flexible rehearsal space, costume shop, storage, recording studio, music practice rooms, dance studio/rehearsal space, blackbox theatre, etc.

TYPE OF INDUSTRY INVOLVEMENT

(Respondents could choose up to 5)

1. Painting/Drawing: **12 (32%)**
2. Music: **9 (24%)**
3. Writing/Literary arts: **9 (24%)**
4. Digital arts: **8 (22%)**
5. Film/Video/TV/Digital/Web-based entertainment production: **8 (22%)**

28 (76%) currently or have in the past lived in Laguna Beach

LAGUNA BEACH RECOMMENDATIONS FOR SHARED CREATIVE SPACES

Shared creative spaces are an efficient way to support the needs of the creative sector.

Whether creating a new business model or program or expanding an existing one, focusing on just one or a few of those spaces that are “most preferred” (of interest to at least 20% of respondents) is recommended. Providing limited types of appropriate spaces (and associated equipment) is more valuable than a variety of mediocre ones. It is also important to consider the total number of potential users. The respondents to this survey expressed greatest interest in generalized shared creative spaces. **There is likely insufficient interest in specialized performing arts spaces to warrant investment in a theater/performance space or a music recording studio.** However, flexible use spaces could serve those practicing in a variety of arts disciplines.

A full list of types of shared spaces of interest to respondents can be found in the Technical Report Section IV. The full list should be reviewed when concept planning for shared space.

The high interest in shared studio space, whether for simultaneous use by multiple users or private, underscores the need for creative working space in Laguna Beach. Whether addressing the demand through long-term Private Studio Space from the previous section or short-term space highlighted here, new space and space-based initiatives will benefit many in the Laguna Beach creative sector.

Most Preferred Shared Space Types in Laguna Beach *

Space Type	Count	% of Respondents
Studio space (general-purpose, multiple **simultaneous users**)	62	49%
Studio space (general-purpose, for short-term **private** use)	50	40%
Gallery/Exhibition space	47	37%
Classroom(s)/Demonstration space	41	33%
Office equipment (color copier/printer, etc.)	34	27%
Outdoor work area	30	24%
Digital fabrication & prototyping equipment (3D printers/Laser cutters/Machine shop)	27	21%

**Respondents could choose up to 5 types of shared spaces that could be accessed on a paid membership or short-term rental basis*

TYPE OF INDUSTRY INVOLVEMENT
(Respondents could choose up to 5)

1. Painting/Drawing: **63 (50%)**
2. Digital arts: **31 (25%)**
3. Mixed media: **24 (19%)**
4. Art gallery/Exhibition/Curatorial: **23 (18%)**
5. Arts education/Instruction **21 (17%)**

71 (57%) rent or own space where they create or practice their art
25 (83%) of those who own, do so in Laguna Beach

WORKSPACE OWNED IN LAGUNA BEACH

Respondents were asked about their current creative workspace situation, including space that they own or rent in Laguna Beach. Ninety-two (92) respondents rent the space where they conduct their creative work, while 82 own their space. Understanding the situation of those who own their space can offer insight into the types of programs or initiatives that may offer support to these local creatives.

In general, those who indicated an interest in new affordable housing or private creative studio space AND who currently own "unsatisfactory" or "inappropriate" creative work space in Laguna Beach, would prefer the new space option they selected over an opportunity to see improvement to the space they currently own.

Current Creative Workspace Locations (owned)		
Areas of Laguna Beach	**Count**	**%**
Other areas of Laguna Beach	37	45%
Laguna Canyon	19	23%
North Laguna	12	15%
South Laguna	8	10%
Downtown	6	7%
Total creative workspace owned in Laguna Beach	**82**	**100%**

Creative Workspace Configuration

- **79 (96%)** of respondents live on the same property where they have their creative workspace

Satisfaction with Creative Workspace

62 (76%) consider the creative workspace they own to be satisfactory and appropriate, while, **16 (30%)** do not, and **4 (5%)** are unsure

Why Creative Workspace Is Not Satisfactory or Appropriate		
Reasons Why	**Count**	**%**
I need more space	11	42%
My work requires different space features (e.g. more light, higher ceilings)	7	27%
Space is aging and in need of capital improvements I cannot afford	2	8%
Space is not code compliant for the creative work I conduct or want to conduct there	2	8%
Something else	2	8%
Location is not satisfactory	1	4%
Space is not zoned for the creative work I conduct or want to conduct there	1	4%
Total	**26**	**100%**

* Respondents could select more than one option

DESIGNING ARTIST SPACES

Concept planning for new space requires more than just quantifying interest in housing scenarios such as live/work or work/live or in private studios or shared creative spaces. Location, rental costs, shared amenities, size and design features all impact marketability of new spaces. Regional market conditions, funding strategy, available operators of shared spaces and project budget limitations also influence what spaces are created and the amenities and features that are included. Given that many variables impact feasibility and the concept planning process for new spaces or initiatives, Artspace offers the following design best practices to assist those interested in creating new space for the creative sector. The Laguna Beach Arts Market Survey data as well as Artspace's 30 + years designing projects informs this resource.

DESIGN FEATURES AND AMENITIES

GENERAL GUIDELINES

If spaces and buildings are well designed to incorporate features and amenities that artists prefer, then the artists are better served, and spaces are more leasable. In the design phase, developers should be mindful of the environment preferences of specific types of art, (e.g., lighting, flooring, heating/cooling, ventilation noise, ceiling height, etc.) All artist spaces need safe and secure storage, the ability to easily load and unload projects, materials, and equipment. This means wide entrances and circulation pathways. For example, a multi-residential or tenant building should have 6-foot minimum hallways/walkways and oversized doorways and elevators with 3,500 pounds capacity, and perhaps including loading zones, and space for package pick-ups. Certain art materials can be toxic, that adds a level of consideration for trash disposal and utility sink drains. The flooring in all spaces should be highly durable and low-maintenance (e.g., stained/polished concrete, sealed/epoxy coated concrete, ceramic or porcelain tile, or linoleum or wood products, but no carpet.)

LIVE/WORK AND WORK/LIVE HOUSING

Overall housing that accommodates workspace should be designed to maximize flexible space. This infers that kitchens should be open, galley, straight, or "L" shaped layouts with no "islands" and the sink is recommended to be a single, extra deep basin, stainless steel preferred, with no garbage disposal. Ceilings should be a 10-foot minimum to ensure open space. Windows should be large and operable for natural light and fresh air. Communal laundry rooms are a cost-effective approach if funding allows. Work/live space may require higher ceilings, garage door entrances and specialized building materials to support industrial arts and light manufacturing uses.

COMMUNITY GALLERY & ENTRY LOBBY

When designing also consider that artists should have space for collaboration and community activity. Commercial and communal space public restrooms should be inclusively designed with at least two gender neutral restrooms and include a diaper changing station in at least one unit.

Artists also enjoy sharing their art, a space with adequate lighting can provide an opportunity for both the public to enjoy art and artists to present and sell/perform their work. Artists should be allowed to hang, paint, display their art in the hallways, if they choose to do so. For gallery spaces, there should be floor outlets approximately every 12 feet. Walls should include a ¼ inch layer of plywood behind the gypsum board to aid in hanging artwork; there should be a minimum of 3 feet height of plywood installed, at 40 inches from the floor, up to 76 inches (and if cost and time allowed, add a foot on each side to accommodate even larger artwork). Walls should be neutral colored and suitable for displaying artwork. Best case scenario there are two types of lighting in these rooms. First is the general overhead lighting and the second is the directional track lighting for the art work. These track lights need to be installed so as to light work at 45 degrees from the spot where art is traditionally hung. There also needs to be separate light switches for both sets of lights and a hanging system incorporated

FINAL COMMENT

The aim of this Arts Market Study is to collect creative sector space needs and preference data that can be used to inform city policies (i.e. including artist housing as one priority of a broader affordable housing plan, using BID funds to help subsidize the cost of creating live/work artist housing in an overlay zone, offering incentives that reduce costs for building owners who convert to artist live/work spaces uses) and private or public creative space led developments. Those embarking on such developments are encouraged to review the Technical Report in depth for a deeper understanding of important considerations like what size spaces artists need and what they can afford to pay. This information can be used to inform design and an initial operating budget.

The responses to the survey paint a picture of affordable space needs ranging from housing to private studios to shared creative work spaces. The theme is flexibility. Respondents are interested foremost in housing and would consider a variety of housing scenarios and configurations. While there are location preferences that support efforts in Downtown and Laguna Canyon, other locations would be welcome by the creative sector as well.

Whatever the new affordable space-based efforts that may result from these findings, they will predominately serve local Laguna Beach creatives who are also members of the local workforce. They will also offer an opportunity to retain Laguna Beach-based artists including full-time students presumably attending Laguna College of Art and Design, as well as attract back creatives who have left. With a demand that supports up to 58 affordable artist housing spaces and 23-30 private studio spaces, there is significant opportunity to address need. And, with artists currently renting and owning their work spaces in Laguna Beach, there is also an opportunity to provide new spaces including shared spaces, that will support creative activity.

This Report of Findings and the data from the Technical Report, in tandem with the Preliminary Feasibility Report recommendations, may be used to begin strategizing and concept planning programs, policies and space initiatives that seek to answer the high demand for affordable, creative space in Laguna Beach. The City might even consider a Toolbox or an Affordable Art Space Development Concierge approach that offers an accessible interface for building owners and developers who are interested in creative space. By pooling and marketing together all existing and to-be-developed incentives and funding opportunities that encourage creative space development, whether "Granny Flats" or the reuse of underutilized commercial spaces for artist housing for example, the City of Laguna Beach will be bringing to the forefront an opportunity that may not yet have been explored by the private sector. The City of Laguna Beach may want to lead efforts by building and owning space or simply pave the way for others to do so. Either approach will help to move the needle on retaining and attracting artists and creatives to a city that has been built on its highly successful Arts Colony Brand and that wishes to preserve and strengthen this brand into the future.