



Community and Economic Development in North Carolina and Beyond Blog: Arts-based Community & Economic Redevelopment: Artist Relocation Programs

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Article: <https://ced.sog.unc.edu/arts-based-community-economic-redevelopment-artist-relocation-programs/>

This entry was posted on November 14, 2013 and is filed under Built Assets & Housing, Community Development, Downtown & Main Street, Economic Development, Human & Cultural Assets



image credit: Noah Adams, NPR

How can we build on our existing assets to revitalize our downtown? How can we attract new residents and entrepreneurs into distressed areas? How can we encourage the kind of culture and vitality that keeps young professionals in our downtown? Many North Carolina towns are asking themselves these questions in the wake of an evolving rural economy, the recession, and a changing political infrastructure. In the search for innovative redevelopment strategies, several post-industrial communities have relied on Artist Relocation Programs (ARPs) as a tool for promoting place-based revitalization.

Previous blog posts have highlighted the arts and culture industry's positive impact on local economies. Artist Relocation Programs offer a more targeted approach to creative placemaking. The term Artist Relocation Program (ARP) describes any initiative that involves an intentional effort to attract professional artists into disinvested areas through the provision of residential and/or studio space. Artists are attracted to an area through a variety of planning tools and recruitment incentives, including flexible zoning that allows for live/work spaces, downtown studio space at below market rents, financing to rehabilitate historic homes, free marketing and professional services. In some communities, ARPs have resulted in the rehabilitation of deteriorating housing stock, an enhanced tax base, and reinvestment in downtown through the establishment of a more vibrant and diverse arts community.

The Development Finance Initiative (DFI) at the UNC School of Government conducted interviews with three exemplary ARPs (Oil City, Pennsylvania, Paducah, Kentucky, and Alleghany County, Maryland) that might provide North Carolina communities with ideas as to how they might revitalize their own communities through the arts. Similar to any local redevelopment initiative, ARPs require time, investment, and intentional implementation in order to be sustainable. DFI found that the ARPs' organizational structure, unique stakeholders, incentive packages, and municipal supports were all key components in creating a successful initiative. In many ways the local government's investment in ARPs is leveraged financially; yet is also demonstrated through thoughtful leadership and collaboration, as described in the topics below.

Organizational Structure & Stakeholders

All of the ARPs we examined had cooperative, working relationships with their local government. An ARP's degree of access to redevelopment decisions and administrative leadership in the local government's organizational structure is a reflection of their investment in the program. Each ARP we interviewed discussed their affiliation with local government as an asset to their work and a key to their success.



In addition to those stakeholders that are typical to a community development initiative, such as local governments and financial institutions, we found that ARPs also tend to form creative partnerships with the private sector.

- Oil City, PA: Oil City provides financial support for a part-time program administrator that reports directly to the City Manager, although the program is housed within the Oil City Arts Council. The Oil City Civic Center is the nonprofit arm of this ARP's public-private partnership. Previously a commercial building for local oil companies, a private party purchased the building prior to its scheduled demolition and donated it as a community space. Currently the Oil City ARP works with the Civic Center to lease properties to artists, provide community space, and hold art education courses.
- Paducah, KY – Originally housed in the City of Paducah's Planning Department, Paducah's ARP was a strategic priority for neighborhood development. Once the City's Lower Town District, a historic yet struggling residential neighborhood, began to see results as artists moved into once-vacant homes, the program transferred to the Paducah Renaissance Alliance, the area's Main Street program.
- Alleghany County, MD – The Alleghany Arts Council, the umbrella arts organization for the county, administers two local ARPs. Working across the county provides leverage in building networks and tapping resources that also enhance the work of the county's economic and community development strategies. The Executive Director of the ARP also has an ongoing relationship with the local realtors' association. The ARP's Director conducts sessions on working with the ARP and targeted artists. Once completed, the realtors have access to referrals and are listed as preferred realtors on the ARP website.

Financing & Incentives

All ARPs offer a blend of incentives that entice artists to relocate to their community. Each of the city's websites offers an overview into their incentive programs: Oil City, PA; Alleghany County, MD; and City of Paducah, KY. Some ARPs said that low residential costs were a major factor for growth of their ARP. Home mortgage incentives are a primary component in this affordability, as shared below. However, similar to other economic development programs, incentives are significantly bolstered by strategic marketing and passionate leadership.

Home Mortgage Incentives

A key component of any ARP is the opportunity for the town to redevelop dilapidated structures and for the artist to own a living and residential space at a low cost that can make living in a less-established artist community more attractive. A key component to offering a competitive incentive package is a strong relationship with local banks. All three organizations crafted this relationship, yet have felt the impact of the recession, change in the housing market, and 'market creep' (how others catch on to trends in the market and housing prices increases).

- Oil City, PA – Through a partnership with First National Bank, Oil City's program offers 100 percent financing and fixed rate mortgages to qualifying artists. Potential artists must go through a pre-qualifying process (as any other purchaser), in addition to an artwork review. The mortgage covers the purchase, rehabilitation, and/or demolition of the property up to \$150,000. Other opportunities for financing home purchase and rehabilitation have been through USDA Rural Development Loans.
- Paducah, KY – Paducah's ARP is often noted for properties conveyed to artists for as low as \$1, which is not feasible for all communities. However, to create low cost residential development opportunities, Paducah also built a strong relationship with a local bank before the recession. In these original agreements, the bank was willing to loan nearly 200 percent of the appraised value of the home, which allowed for the financing of both purchase and construction costs. However, in today's economy, the local bank no longer offers this type of incentive package to artists — the current regulations require 10 percent gap loans from the local government. Also, similar to Oil City, Paducah Alliance requires an artist relocation proposal in order to participate in the program.

Overall, the Artist Relocation Programs described here represent successful initiatives that have continued despite the economic downturn. Despite a struggling housing market, these communities have leveraged the assets of their distressed neighborhoods into vibrant artistic centers.



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