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## Live –Work Space in Michigan: Key Considerations

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### I. WHAT IS A LIVE-WORK SPACE?

Live-Work spaces provide an exciting way to promote growth in a particular urban area by permitting individuals to use the same space as a residence and a work place. By creating Live-Work spaces, cities will create cultural epicenters by making urban living places affordable and desirable for young artists and entrepreneurs.

Live-Work spaces evolved mainly from artists' actions in turning unused industrial space into working lofts. The most uncontroversial Live-Work spaces still have their basis in abandoned or unused industrial or commercial buildings. Some Live-Work space, however, is now built from the ground up. Many of these developments, however, are no longer affordable for the struggling artist. Instead, they tend to be used as residential housing for higher income individuals who appreciate the location and style of the Live-Work/loft environment.

Live-Work spaces can be anything from an apartment with a small home office, to a loft with an artist's studio, to a space with minimal residential amenities housing a small assembly facility. Although there are not yet uniform definitions of various types of Live-Work environments, the following terms are useful for the purposes of conceptualization and discussion.

#### A. Unit Types

1. *Live-Work.* These types of units are highly flexible in use as an artist studio or other individual who uses their living space for work. A quiet environment for other building residents and in the neighborhood is generally a priority over work activity. The noise, odors, etc. associated with the work activity must be within reasonable levels that are usually established by city ordinance.
2. *Work-Live.* These units tend to have primarily commercial or industrial purposes. The needs of the work activity take precedence over quiet enjoyment expectations of the neighbors. Noise, odors, employees, regular customers, or other such impacts are generally expected in these work spaces.

3. *Home Occupation.* These units involve individuals working at home.

## **B. Proximity Types**

1. *Live-With.* This type of space is what is thought of as an artist's loft. It is generally comprised of one space that houses both the living and working activities.
2. *Live-Near.* In this type of space, the living area is separated from the work space by a floor or a wall. The living unit typically resembles an apartment or a town home. The separate work area may be necessary because of the use of hazardous materials, because of noise considerations, or merely the result of a desire to have separation between the work area and the living space.
3. *Live-Nearby.* For these locations, although the living space is in close proximity to the work space, they are separated from the by a short walk. The work space may be located in a converted garage, an outbuilding, or a courtyard.

While all of these types of Live-Work projects have merit, the traditionally conceptualized notion of Live-Work spaces fits under the categories of Live-Work and live-with, as discussed above. Accordingly, unless otherwise specified, this overview will focus primarily on the concept of a Live-Work space as explained in the Live-Work and live-with sections above. This overview refers to those spaces as "Live Work" spaces.

## **II. PLANNING ISSUES**

### **A. Where should the Live-Work spaces be located and what considerations have to be made regarding their location?**

1. Although Live-Work spaces could theoretically be located anywhere, their locations have traditionally been limited by the following:
  - Zoning restrictions;
  - The demand for the creation of buffer zones between such districts and traditional neighborhoods;
  - The existence of nuisance easements or ordinances.
2. Other Considerations:
  - Mixed use: Live-Work is an inherently mixed use space. This consideration often dictates the location of Live-Work projects.
  - Buffer zone: Live-Work projects may be used as buffer zones between residential and industrial or commercial zones. Using Live-Work spaces as a buffer zone is practical both because of the mixed use of the Live-

Work space itself, and because buildings commonly located in these areas can be renovated to create Live-Work spaces.

- Nuisance easements: If the space is permitted to be used in a work-live capacity, as defined in section I.A.2, then it is often advisable to require neighbors to sign nuisance easements acknowledging and permitting this usage prior to purchasing surrounding property. This prevents a future NIMBY problem which can arise as areas become more residential.
- Legalization: At times, there are existing Live-Work spaces operating illegally. If so, it is often practical and fairly economical to work with the artists in these spaces toward legalization of the spaces. Individuals active in the artists' communities are often aware of these spaces, but may not want to come forward for fear of the tenants' eviction or fines from the governing authority.

**B. What types of work may be done in the Live-Work space?**

1. Live-Work spaces are not constricted for any particular type of work, although other areas of the country have focused on using the space for artist lofts and studios. Other possible uses for Live-Work space could be offices for:
  - Civic, professional, religious or charitable organizations;
  - An accountant, architect, attorney or other professional;
  - Travel agency, real estate agency or other service business.
2. Although Live-Work areas do not necessarily limit the type of business, the following practical considerations impact what types of businesses a city chooses to allow:
  - Health and safety concerns: Any thorough consideration of establishing Live-Work areas must address various health and safety concerns, including fire codes, building stability and structure, ventilation, proximity to hazardous materials. One of the main concerns about permitting Live-Work spaces is how to effectively regulate the health and safety concerns which accompany permitting work to be done in a residence. Commercial and industrial buildings, for example, have very different fire codes and regulations regarding insulation than to residences. One way to address this problem is through creating different definitions of Live-Work spaces, such as done in section I.A. Once different definitions are created, it is then possible to regulate accordingly. For instance, it is often desirable to require a Live-Near or Live-Nearby facility when hazardous materials or industrial equipment is being used.

- Nuisance concerns: Even when the work being done is not industrial in nature, there are often smells, noises, and other nuisances created by Live-Work spaces which are not common in purely residential areas. Sometimes it makes sense to require nuisance easements from neighbors purchasing property in the neighborhood surrounding the Live-Work. Other times, simply monitoring the nuisance levels and allowing the neighborhood to develop and respond to them is acceptable. If the goal is provide a long term Live-Work space, then some provisions should be considered to ensure that the types of work deemed appropriate for that space can be continued even if the neighborhood undergoes a change, such as revitalization.
- Employees/customers: Some Live-Work spaces will have employees, contractors, customers, and other individuals coming and going at various times. The amount of pedestrian and automobile traffic desired should be considered when deciding on the types of work to permit in various Live-Work locations. Further, the permissible amount of traffic should be considered when determining the appropriate amount of required parking per Live-Work space and the appropriate building regulations regarding health and safety.
- The frequency of events (gallery openings, exhibits, parties, etc.) that will occur.

### **C. What are the goals of the Live-Work spaces?**

1. Residential Reversion/Revitalization: Many Live-Work projects lead to the revitalization of the neighborhoods in which they are located. As this happens, the Live-Work spaces themselves often become more and more residential in nature. This is referred to as residential reversion. Residential reversion generally leads to greatly improved neighborhoods, but as prices rise in these areas, it often drives out the individuals that originally utilized the Live-Work space. Whether the long term goal is revitalization or to provide affordable long-term Live-Work space for artists or other individuals should be discussed.
2. Affordability: Live-Work spaces were originally developed as an affordable way for artists to have both a place to live and a place to do their work. The renovation of vacant or under-utilized buildings often can provide the type of affordable space needed by this segment of society. However, if long term affordability is desired, some protections must be made against residential reversion. As neighborhoods are revitalized, the artists who caused the revitalization are often forced out.
3. Types of ownership: Live-Work spaces can be owned and operated in the same way as any other real property. Many Live-Work spaces in California are owned as condominiums. In New York, many are established as cooperatives. Elsewhere, both ownership of the spaces and tenancy are

common. A non-profit, for example, could purchase an under-utilized building, renovate the building, and lease it for reduced rent to individuals interested in pursuing work that the non-profit wants to support. Alternatively, a group of individuals leasing space in an illegal Live-Work project can organize to buy the place from the owner, and then work with the governing authority to legalize the space. One benefit to the individuals for legalizing the Live-Work may be the ability to obtain licenses for art shows and other activities which are otherwise unavailable.

4. New Construction: At times Live-Work space is newly constructed. Often, this type of Live-Work space is higher-end condominium style lofts (actually called Lawyer's Lofts in Vancouver, BC). A relatively low number of these lofts are used as a primary basis for the resident's work. They are generally valued for their proximity to downtown areas and for their "coolness" factor. Intensive work (work with a high nuisance factor) is generally not desirable in these Live-Work spaces because of their primarily residential nature.

**D. What challenges have other cities faced in creating Live-Work spaces?**

In implementing the Live-Work concept, U.S. cities have faced a number of issues that were not previously anticipated. In addition to the concerns listed in section II.B.2., the most common of these issues include:

1. Gentrification. This generally occurs when large numbers of persons move into an area where the majority of the long-standing residents have substantially less income and fewer economic resources than the new residents. Typically, properties were initially bought for low prices then sold at higher prices as the areas became more popular. A study by the National Endowment for the Arts has shown that gentrification in urban centers increases in proportion to the number of artists living in the area.
2. Disputes between neighbors and Live-Work owners. A lack of communication between the current residents and new Live-Work residents can lead to disputes. Such disputes often arise when artists hold events at their residences, such as gallery openings, without considering the impact on other neighbors. Establishing early and frequent dialogue between new Live-Work residents and existing residents can avoid potential future disagreements.

**E. How should Live-Work space regulations differ from those applied to residential and commercial buildings?**

1. Parking restrictions may need to be relaxed to encourage shoppers and visitors to visit the area.
2. Size regulations may need to be modified to create space that accommodates both a residence and business space.

### III. BUILDING ISSUES

#### A. Should there be open space requirements?

- Importance of community: One of the downsides associated with Live-Work projects is that individuals working in their homes have fewer opportunities to interact with people throughout their day. Accordingly, many people feel that open space should be part of Live-Work projects, and it is incorporated into many new developments. Open space can be required or simply encouraged by cities and communities interested in developing Live-Work projects. One benefit of encouraging, rather than requiring, open space is that it may allow less expensive renovations of existing buildings.
- Foster neighborhood concern: A sense of community is one of the factors which contributes to concern for the neighborhood in which a person lives. Open space in or around Live-Work projects has been credited with helping to create a sense of community leading to concern for and action in the community and eventual revitalization of the neighborhood. These areas must continue to recognize the importance of community, which is accomplished by creating a neighborhood feeling that joins dense population with open space.

**B. Defining minimum residential requirements.** In providing for Live-Work spaces, defining the minimum residential requirement may be advisable. Generally, the minimum residential requirements imposed by a governmental body are consistent with those for a studio apartment (including size and facilities), but it depends on the number of occupants. Other Live-Work communities have been created in order to accommodate families or couples.

#### C. Should the building codes be relaxed?

Commercial and industrial buildings have different building requirements than residential buildings. The mixed use Live-Work spaces create a challenge regarding which standards to apply. Generally, the type of work permitted and the degree of public traffic in an out of the Live-Work space should be considered when drafting the building code. The following issues, at a minimum, should be considered:

- Change of Use
- Disabled Access (this is often a concern due to the age or previous use of Live-Work areas, which almost always pre-date current disabled-persons access regulations)
- Heat and Insulation
- Fire Safety
- Hazardous materials
- Noise
- Smell
- Heavy equipment restrictions

#### **IV. REGULATIONS ENACTED IN OTHER STATES.**

Live-Work statutes have been enacted in the following areas throughout the country that may be used as a starting point for Live-Work zones in Michigan:

- **Emeryville, CA.** Through Ordinance No. 93-001, the City of Emeryville established alternative building regulations for the conversion of commercial and industrial buildings into Live-Work units. This ordinance may provide a good basis for any Michigan city interested in addressing certain building concerns associated with Live-Work units. Among other safety requirements, Emeryville's ordinance requires the installation of smoke detectors and fire alarm systems, written approval of the fire department prior to possessing flammable liquids or engaging in welding or open flame work, and fire department approval for areas designed to store hazardous materials.
- **San Diego, CA.** In January 2000, San Diego implemented Live-Work regulations that allowed for the integration of living space into work space. Live/work quarters are subject to the following regulations:
  - minimum floor area of 750 sq. feet.
  - maximum of 33% of the floor area can be used or arranged for residential purposes.
  - access to each live/work quarters must be clearly identified to provide for emergency services.
  - all exterior doors that provide access to the live/work quarters must remain locked at all times.
  - live/work quarters may be occupied and used only by an artist, artisan, or similarly situated individual, or a family in which at least one member is an artist, artisan, or similarly situated individual.
  - persons other than residents of the live/work quarters are not permitted to work in the live/work quarters.
  - live/work quarters shall not be used for mercantile, classroom instructional use, storage of flammable liquids or hazardous materials, welding or any open-flame work, or offices or establishments with employees.

San Diego has had limited success with its Live-Work units. A February 12, 2004 study (titled San Diego Downtown Community Plan Update Arts Market Demand Study) took note of comments critical of San Diego's live/work regulations, and also noted that the tenancy of 3 out of every 4 artists was at risk due to rent increases and lease issues.

- **Seattle, WA.** The City of Seattle is recognized as having one of the most "art-friendly" environments in the United States, with well-developed regulations covering building and zoning requirements. The "Space for Artists 2002" handbook prepared by the City of Seattle's Office of Housing provides an excellent overview of Live-Work issues faced by artists, and includes such items as sample lease agreements, sample artist selection criteria (to determine eligibility for artist live/work housing that is typically government-subsidized), and an overview of building and safety requirements. This report is

available at: <http://www.cityofseattle.net/housing/07-FreePublications/ArtistsHousing-Seattle.pdf>.

- **Oakland, CA.** The City of Oakland's Building Code has a number of sections that pertain specifically to live/work, known as Joint Living and Work Quarters. Specifically, these sections provide good examples of the following provisions: change of use, specific use, property siting issues, access and means of egress, light and ventilation concerns, and plumbing. An overview of pertinent portions of the Code is available at: <http://www.live-work.com/plainenglish/1999code/newindex.html>.
- **Vancouver, BC.** The City of Vancouver's regulations allow for two kinds of Live-Work units: "homecraft," or "dwelling unit in conjunction with Artist Studio." "Homecraft" allows for any type of activity provided that it does not generate an "objectionable" impact. Employees and product sales are not permitted from or within the dwelling. Dwelling Units in conjunction with artist studios are limited to two residents, at least one of which must be an artist. Neither employees nor retail sales are permitted. Live-Work units are allowed in most mixed-use zones, downtown and historical zones, and certain industrial zones. In general, each unit should have a ratio of one-third living space to two-thirds work. A May 2001 report by the City of Vancouver noted that the popularity of artist live/work studios was resulting in an increase in land prices.

## V. LANSING AS A POSSIBLE MODEL

*For purposes of discussion the authors selected one Michigan City, Lansing, to review the opportunities for Live-Work units and the legal changes that might be required for such development to occur.*

Lansing, Michigan's capitol city, may provide a typical prototype of a city that could successfully institute Live-Work spaces to promote affordable urban growth, while also creating a cultural epicenter that attracts artists, art lovers, and entrepreneurs alike. In its Old Town area, Lansing has a dedicated, though small, group of artists and art venues that attract like-minded persons from around the region. Recent construction projects have resulted in new lofts and townhouses in the Old Town area. Additional lofts and apartments are planned for the downtown Lansing area.

Like many communities, Lansing has not adopted specific Live-Work regulations. Under existing city ordinances, home occupations as explained above may provide the least complicated way to create Live-Work spaces. Home occupation is ideal for artists who do not need a gallery to sell art, but who want to create art in their living space. For home occupation in Lansing, an artist's workspace cannot consist of more than 25% of the floor space (excluding material storage).

Areas that mix apartments with shopping districts, as well as areas that mix residential with office space may also provide optimal spaces for artists within the City of Lansing. The City of Lansing's Code of Ordinances currently contemplates such mixed uses and provides a tax incentive for individuals using co-operative living space within the City of Lansing. A combination of apartment and shopping space may also be ideal for artists who want to sell artwork from their home. Such spaces are typically structured with living space located above a gallery or other retail space and provide a convenient way for artists to create and sell at their living space. The benefit for

Lansing is that artists may be encouraged to open galleries or other retail stores that will likely promote business growth in surrounding areas.

Despite the above, in order for Lansing to truly embody the concept of Live-Work space, it would likely have to revise several ordinances in order to permit additional types of Live-Work units, or perhaps to better create a cultural cluster or specific zone of Live-Work units. For example, certain safety concerns and nuisance issues would need to be better addressed in existing regulations to provide for the full range of Live-Work units. In addition to changing certain zoning and building regulations, Lansing may want to examine ways to provide a number of financial incentives for artists interested in Live-Work units, as affordable housing is a major concern. The City could also look at providing a “rent-control” restriction on a certain percentage of Live-Work units constructed or renovated. In this way, Lansing could help to control the problems of gentrification and rapidly escalating rent prices that have driven artists away from other urban centers that instituted Live-Work policies and regulations. Using the codes and ordinances adopted by the cities described above would provide a good starting point for drafting any necessary regulations.

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