Adaptive Reuse Ordinance Introductory Session

March 28, 2024

City Planning Division

City of Santa Monica

Agenda

1. Background
2. What is Adaptive Reuse?
3. Why Adaptive Reuse?
4. Barriers to Adaptive Reuse
5. Potential Opportunities for Adaptive Reuse
6. Potential Incentives
7. Discussion and Next Steps

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Background

What is Adaptive Reuse?

Repurposing an existing building and updating it for new use

- Not just limited to historic buildings
- Can refer to any change of use (commercial to commercial; commercial to residential, etc)
- May consist of full renovation, integration with new construction, or façade preservation only

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Background

Significant movement to encourage adaptive reuse at the State and Federal level

THE WHITE HOUSE

MENU

OCTOBER 27, 2023

FACT SHEET: Biden-Harris Administration Takes Action to Create More Affordable Housing by Converting Commercial Properties to Residential Use

BRIEFING ROOM › STATEMENTS AND RELEASES

New resources will encourage zero emissions conversions and transit-oriented development that increase housing supply and cut climate pollution

BUILDING CODES

California Updates Building Codes to Advance Housing Creation and Climate Goals

AIA California-led initiative simplifies adaptive reuse of empty office and retail structures for new housing.

(Sacramento, California) June 30, 2023—In an action that simultaneously addresses the climate emergency and California's housing crisis, the California Building Standards Commission voted this week to ease barriers to the safe conversion of underused existing commercial buildings.

The adaptive reuse of retail and office structures (vacated due to market changes such as work-from-home and online shopping) can reduce the carbon footprint of construction, while also helping revitalize our communities. The potential is enormous, as highlighted in a recent RAND Corporation report that found some 3300

STATE OF CALIFORNIA AUTHENTICATED ELECTRONIC LEGAL MATERIAL

Assembly Bill No. 529

CHAPTER 743

An act to amend Section 65589.9 of the Government Code, and to add Section 17921.9 to the Health and Safety Code, relating to adaptive reuse.

[Approved by Governor October 11, 2023. Filed with Secretary of State October 11, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

AB 529, Gabriel. Adaptive reuse projects.

The Planning and Zoning Law requires each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city, and specified land outside its boundaries, that includes, among other specified mandatory elements, a housing element. That law requires the Department of Housing and Community Development to determine whether the housing element is in substantial compliance with specified provisions of that law.

Existing law, for award cycles commenced after July 1, 2021, awards a city, county, or city and county that has adopted a housing element determined by the department to be in substantial compliance with specified provisions of the Planning and Zoning Law and that has been designated

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Background: Why now?

Part of Santa Monica's Housing Element (certified October 2022)

Phase 2 Implementation – Complete by October 2024

- Program 1.H Adaptive Reuse
- Program 1.B Objective Design Standards
- Program 1.E Bergamot Area Plan
- Project 2.I Zoning for a Variety of Housing Types
- Program 5.B Low Barrier Navigation Centers
- Program 1.I Innovations in Construction
- Program 2.B Right of First Offer
- Program 2.C AHPP Part 2

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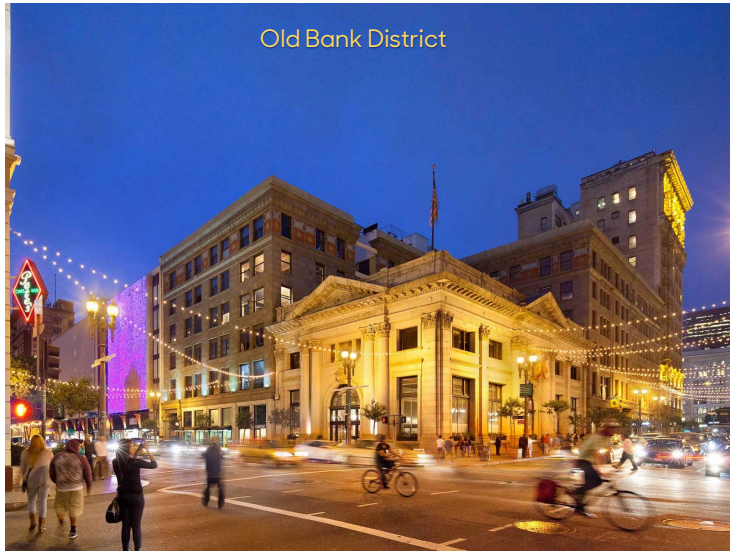
What's Old is New.....

Cities with adaptive reuse ordinance



City of Los Angeles

City of Long Beach

City of San Francisco

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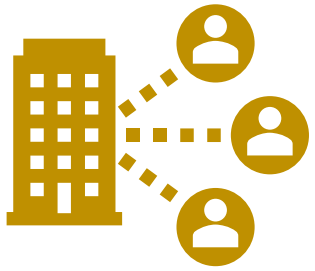
Why Adaptive Reuse?

Addresses commercial vacancy



Increased housing opportunities

Sustainable

Preserves historical buildings

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Barriers to Adaptive Reuse

- Financial barriers including construction costs
  - Residential rents may be lower than current office rents
  - High repair/renovation costs to bring building up to current code
  - Expensive to buy out remaining tenants in partially vacant building
    - Class A office space is valued in the City
  - May be more cost effective to demolish and build at greater density
    - Conversion cost office to residential vs. cost of ground up construction

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Barriers to Adaptive Reuse

- Technical barriers related to architecture and building design
  - Access to light and air
  - Vertical structural elements (e.g., elevators, support columns)
  - Mechanical and plumbing systems
  - Structural deficiencies
  - Potential contamination (asbestos, lead based paint, contaminated soil)

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Barriers to Adaptive Reuse

- Regulatory barriers such as zoning and building codes
  - Must meet standard residential requirements such as unit mix, parking, open space, etc.
  - Seismic improvements may be challenging
  - Building code updates forthcoming – Per AB 529, HCD to convene a working group to identify potential amendments to state building standards that support adaptive reuse residential projects no later than December 31, 2025.

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Characteristics Suitable for Adaptive Reuse

Building Size

- Study for San Francisco found that best candidates for adaptive re-use were high rise buildings with floor plates between 12,000 – 20,000 SF
- Typically residential buildings are at least 60 feet deep

Construction Type

- Both steel and concrete buildings can be converted to residential. It can be feasible to build additional floors of residential on top of shorter commercial buildings.
- Buildings with repetitive floor plates (easier routing of utility systems)

Vacancy

- Buildings must be vacant in order to be converted to residential. Buildings more than 50% vacancy more likely to be adaptively reused

Building Age

- Older buildings are more likely to be converted because their prior uses may now be obsolete. On the other hand, may have building code and contamination issues

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Characteristics Suitable for Adaptive Reuse

SAMPLE OFFICE CONVERSIONS | Examples of office conversions to residential are typically taller buildings in built-out markets.

8899 Beverly Boulevard

West Hollywood

Developer:
Townscape Partners

Architect:
Olson Kundig

10-stories

48 units

3540 Wilshire Boulevard

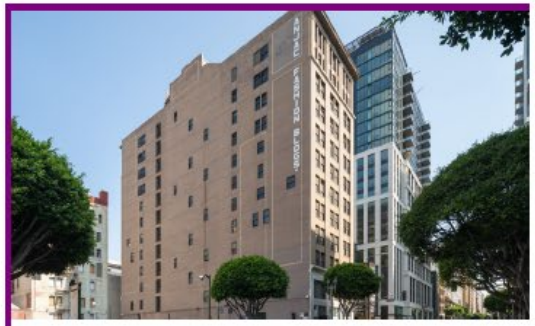
Koreatown

Developer:
Jamison Services

Architect:
CORBeL

13-stories

206 units



Lane Mortgage Building

Downtown LA

Developer:
Delijani Family

Architect:
Omgivning

12-stories

109 units

Source: HR&A

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City's Adaptive Reuse Strategy

Goal: Remove zoning barriers and incentivize adaptive reuse projects for housing

- Per Housing Element Program 1.H, ordinance would encourage conversion of non-residential building to a residential use
- Create opportunities for new housing in the City

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Potential Adaptive Reuse Opportunities

- Citywide office vacancy rate 19%
- Adaptive reuse will be challenging
- Most likely feasible in older buildings:
  - Taller, larger office buildings that are Class B and Class C
  - Older 3-star hotels

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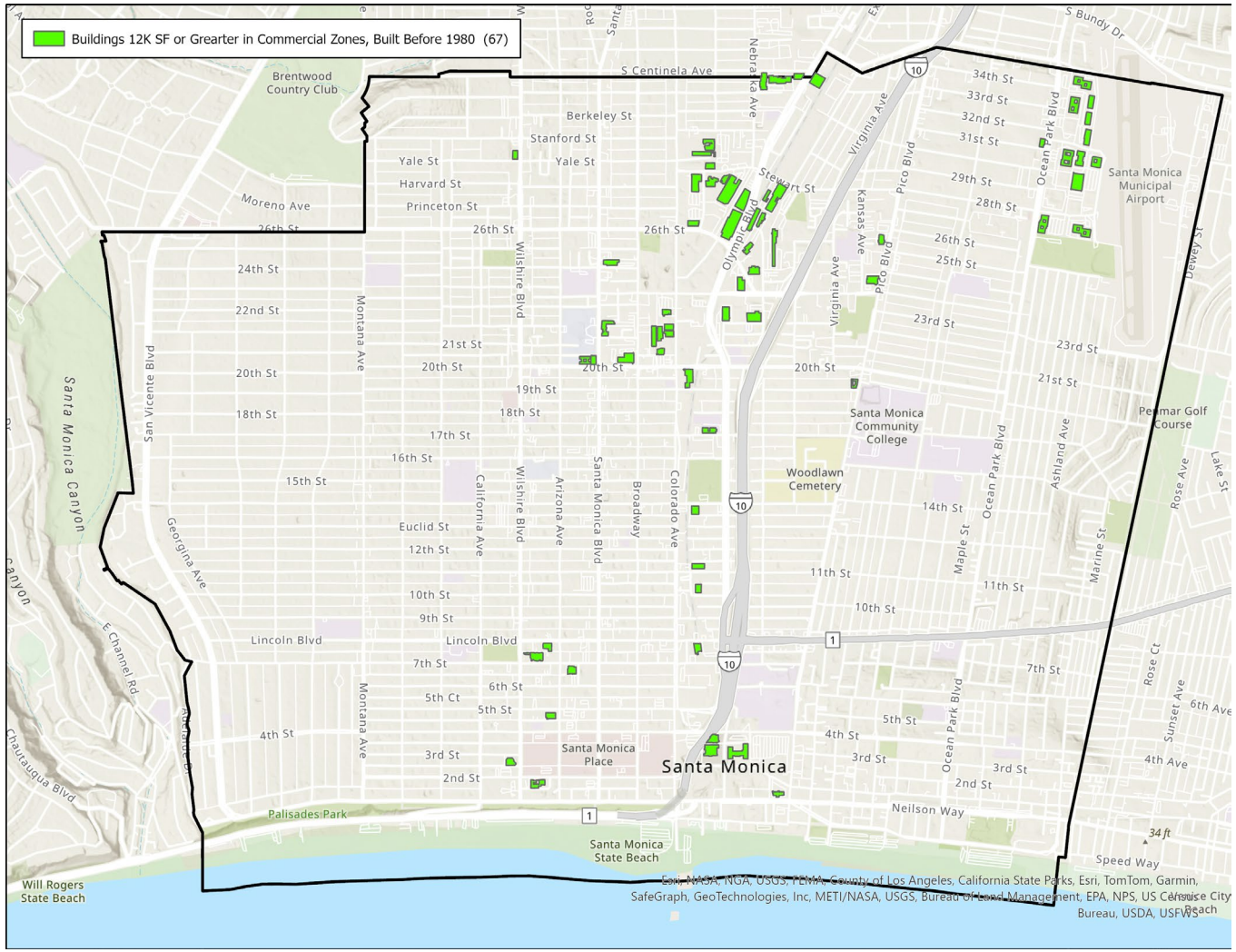
Potential Adaptive Reuse Opportunities



- Pre-1980 buildings over 12K floorplate likely have highest potential for adaptive reuse due to age and size
- Limited likely opportunities mostly near Airport and Bergamot

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Potential Adaptive Reuse Incentives

- Process Incentives
  - Streamlined By-right Process
  - Waiver of impact fees
  - No design review
  - Allowances for building additions (e.g., increased floor area/height up to a specified threshold)
- Exemption from certain development standards such as:
  - Density limits
  - Setbacks and Step backs
  - Unit mix
  - Open space
  - Vehicle and Bike Parking
  - TDM
  - Inclusionary housing
  - Loading spaces
  - Active pedestrian design

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Questions for Discussion

- What challenges have you encountered to adaptively reusing buildings?
- Which incentives should be offered to encourage the adaptive reuse of buildings into housing?
- Do you think there should be limitations in the adaptive reuse of buildings (e.g., location, type of use, age of building, size)?

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Next Steps

- Technical Working Group Sessions – Spring 2024
- Study session at Planning Commission - May 2024
- Draft Ordinance - Summer 2024
- Adoption of Ordinance – October 2024

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