



City of
**Santa
Monica**

Adaptive Reuse Ordinance – Technical Working Group Session #1

May 2, 2024

Agenda

1. Background on Adaptive Reuse Ordinance
2. Technical Working Groups – Overview
3. Review Potential Process Incentives
4. Discussion and Next Steps

Background

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

City's Adaptive Reuse Strategy

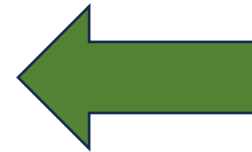
Goal: Remove zoning barriers and incentivize adaptive reuse projects for housing

- 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
- Zoning Ordinance revisions - Due October 31, 2024
- Building Code revisions to follow

Potential Adaptive Reuse Incentives

Process Incentives

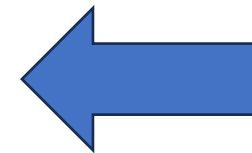
- Applicability - Project Types
- Permitted Land Use Conversions
- Waiver or reduction of Impact Fees
- Inclusionary (affordable housing) Requirements
- Other Limitations



TWG #1 - Today's Discussion

Development Standards

- Density limits
- Floor Area Ratios
- Setbacks and Step backs
- Unit mix
- Open space
- Vehicle and Bike Parking
- Loading spaces
- Active pedestrian design



Next TWG # 2

AR State Legislation to Watch

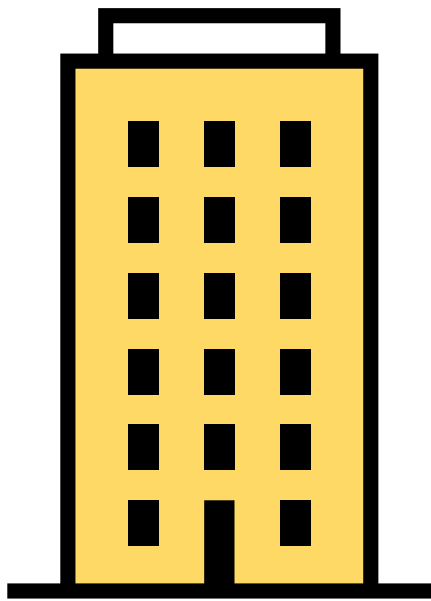
- AB 529 (passed) – Per AB 529, HCD to convene a working group to identify potential amendments to state building standards that support adaptive reuse residential projects no later than December 31, 2025.
- AB 2910 (pending) – Allows prohousing cities to adopt alternative building code standards for adaptive reuse

Project Types

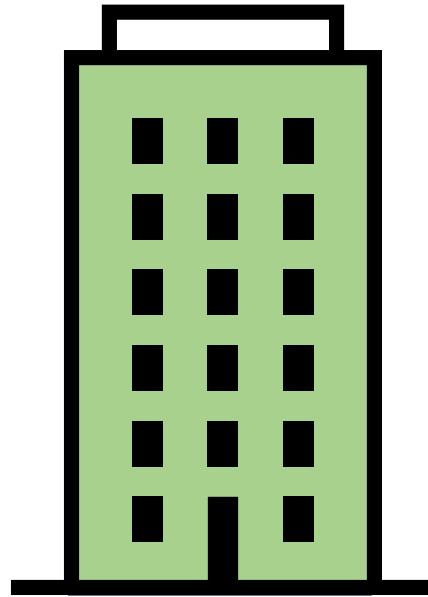
Adaptive Reuse can involve:

- Full Conversion – Requires building to be entirely vacant
- Partial Conversion – Allows for partial occupancy; implements live/work concepts; make AR projects more financially feasible
- Additions/New Construction – Allowance for additional height or floor area to be added could make AR projects to be more financially feasible

Project Types - Full Conversion

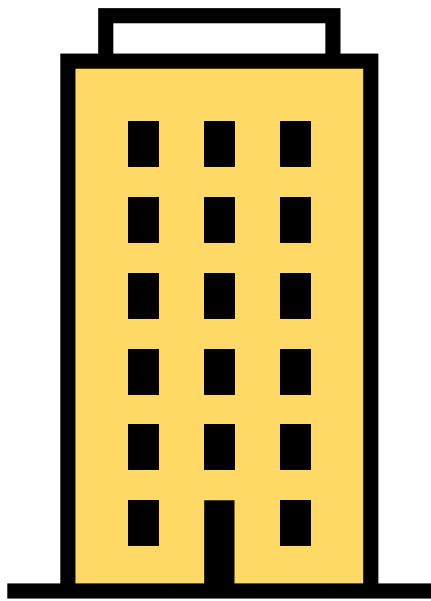


Commercial

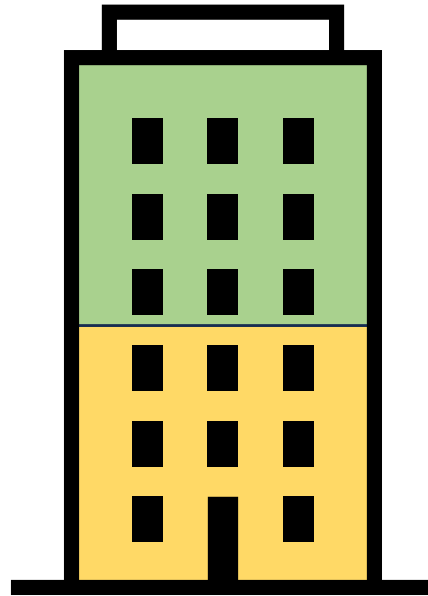


Residential

Project Types – Partial Conversion

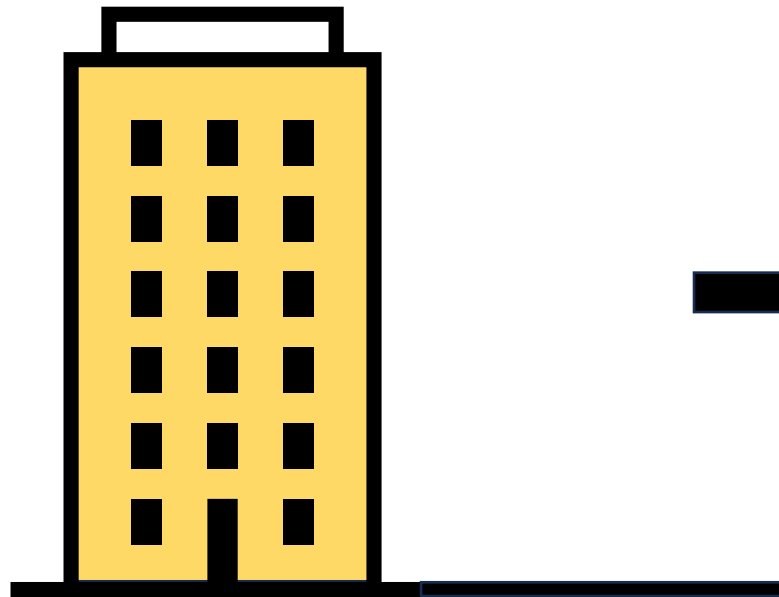


Commercial



Partial Conversion
with New
Residential

Project Types – AR + New Addition

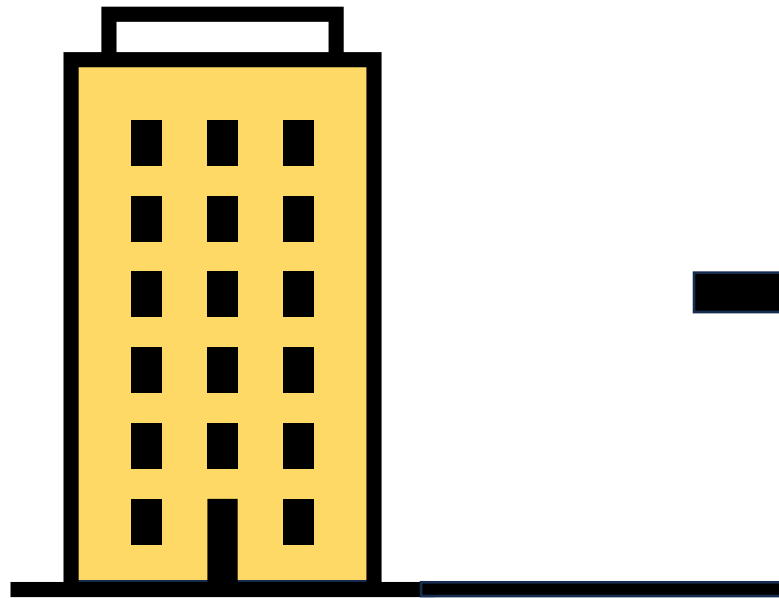


Commercial

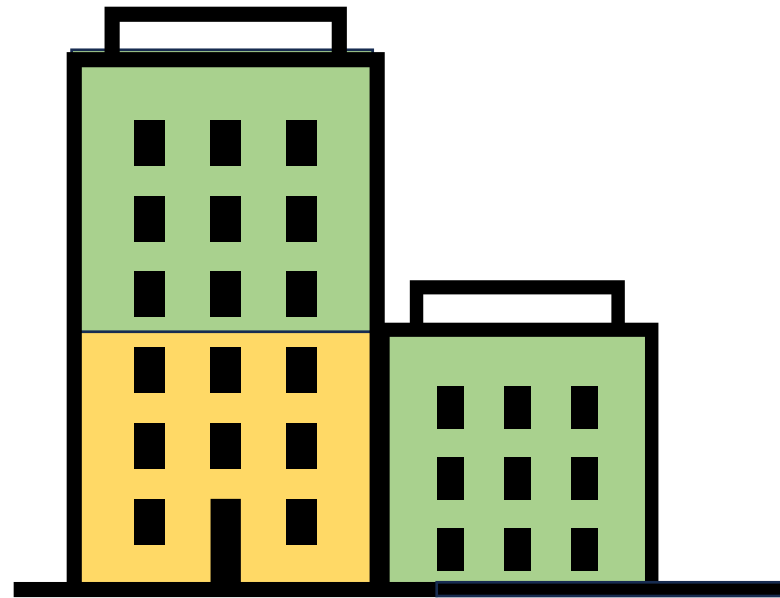


Full Conversion with New
Residential
(Attached new Floor Area)

Project Types – AR + New Addition

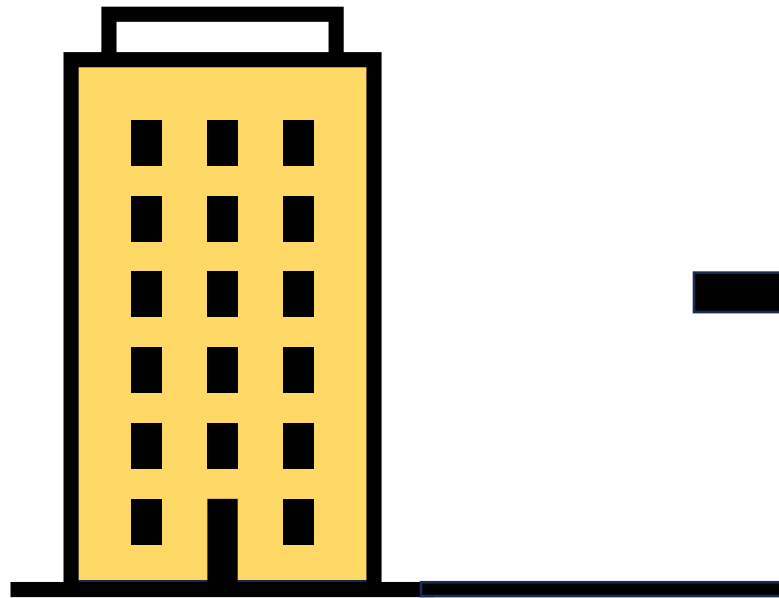


Commercial



Partial Conversion with New Residential
(Attached new Floor Area)

Project Types – AR + New Addition



Commercial



Partial Conversion with New Residential
(Detached new Floor Area)

Project Types

Poll Question 1:

What types of AR projects should the City permit in the AR Ordinance?

1. Full Conversion
2. Partial Conversion
3. AR + New Construction/Additions to the Building (attached)
4. AR + New Construction (detached)
5. All of the above

Project Types

Poll Question 2:

If the City permits new construction/additions for adaptive reuse projects, how much new construction/addition should be allowed?

1. 10-20% additional floor area
2. 20-30% additional floor area
3. 30-40% additional floor area
4. 40-50% additional floor area
5. More than 50%

Demolition

Santa Monica Demolition Ordinance (Chapter 9.25)

- Demolition Definition
 - Buildings Not on City's Historic Resources Inventory (HRI) - Removal of more than 50% of exterior wall elements
 - Buildings on HRI - Removal of more than 25% of the wall(s) facing a public street or removal of more than 50% of all exterior walls

AR project must not undertake "demolition" – in other words, must keep at least 50% of exterior wall elements

Demolition

Poll Question 3:

Should the demolition ordinance be altered to allow for greater flexibility for adaptive reuse projects?

1. Yes
2. No

Land Use Conversions

Goal of the AR Ordinance is to create housing opportunities. Land use conversions that could occur as part of AR projects include:

- Commercial to Residential – With Housing Element rezoning in 2022, residential is permitted in all zones
- Residential to Residential (must adhere to SB 330) – Residential land use classifications in Section 9.51.020 of SMMC. Conversions could include involve group residential or senior community living housing to multiple unit housing.
- Commercial to Live/Work – Live/work considered commercial use in City’s Zoning Ordinance even though it includes residential component. Requires Conditional Use Permit

Land Use Conversions

Poll Question 5:

What types of land use conversions should the City permit in the AR Ordinance?

1. Non-Residential to Residential
2. Residential to Residential
3. Non-Residential to Live/Work (required by HE)
4. All of the above

Applicability

Poll Question 4:

To determine eligibility for the AR ordinance, what should the eligibility threshold be based on?

1. Number (#) of units
(Example: AR Project must either result in 5 new units)
2. Percent of building converted
(Example: AR project must convert at least 20% of building floor area into residential)
3. Square footage
(Example: AR project must involve the conversion at least 5000 sf of building floor area into residential)

Impact Fees

Development impact fees are assessed on new projects

- Imposed under the Mitigation Fee Act
- Purpose is to pay for the cost of new or additional public facilities/services that are needed to serve the projects

City has adopted the following fees:

- Transportation Impact Fee (Chapter 9.66)
- Parks and Recreation Fee (Chapter 9.67)
- Affordable Housing Commercial Linkage Fee (Chapter 9.68)
- Cultural Arts Fee (Chapter 9.30)
- Childcare Linkage Fee (Chapter 9.65)

Impact Fees

| | TIF (Chapter 9.66) | Parks and Rec (Chapter 9.67) | Affordable Housing Linkage (Chapter 9.68) | Childcare Linkage (Chapter 9.65) | Cultural Arts (Chapter 9.30) |
|---|---|---|--|---|--|
| Applicability | 1,000 SF of gross new floor area or change of use; addition of dwelling units | 1,000 SF of gross new floor area or change of use; addition of dwelling units | 1,000 SF of gross new commercial floor area or change of use | Multifamily dwelling units, or 7,500 gross SF of new office, retail, or hotel floor area or change of use | 7,500 gross SF of new commercial floor area, remodels or TI of 25,000 SF, or residential projects of 5 units or more |
| FY 2023-2024 Fees (per multifamily unit) | \$3,554 | \$5,428 studio/1 bed \$8,744 2+ bed unit | N/A | \$182.67 | 1% of \$200 per sf |

Impact Fees

Poll Question 6:

Should the City exempt Adaptive Reuse Projects from impact fees? If so, which ones?

1. No, no exemption - all fees shall be paid
2. Transportation Impact Fee (Chapter 9.66)
3. Parks and Recreation Fee (Chapter 9.67)
4. Affordable Housing Commercial Linkage Fee (Chapter 9.68) – for commercial portion of AR projects
5. Cultural Arts Fee (Chapter 9.30)
6. Childcare Linkage Fee (Chapter 9.65)
7. All – all of these fees should be waived

Affordable Housing Requirements

- [Chapter 9.64 of the Santa Monica Municipal Code \(SMMC\)](#) establishes the City's inclusionary affordable housing program, *Affordable Housing Production Program (AHPP)*

| Number of Units | On-Site Requirement | Off-Site Option (in lieu of on-site requirement) |
|------------------|--|--|
| 2-5 units | Pay the Affordable Housing Fee (\$41 - \$48 per sf) | - |
| 6-19 units | 15% affordable units for up to 80% AMI | - |
| 20 units or more | 15% affordable units with even distribution across 50% AMI, 80% AMI, and Moderate Income | 20% affordable units at 50% or 80% AMI |

Affordable Housing Requirements

Poll Question 7:

Should the City waive the affordable housing requirements for adaptive reuse projects?

- 1) No
- 2) Pay fee only
- 3) Waive both the fee and on-site requirement

Other Limitations

Cities of San Francisco and Los Angeles have applied limitations to their AR Ordinance, such as:

- Location – Examples
 - Coastal Zone – as Coastal Commission protects low-cost visitor accommodations
 - Live/Work – may be desirable in certain commercial districts (e.g., Bergamot Area)

- State Density Bonus – Under Density Bonus law, can utilize unlimited waivers and incentives.

Other Limitations

Poll Question 8:

Should there be any limitations on the applicability of the AR Ordinance?

1. Location
2. Other (e.g., property size)
3. Use of State Density Bonus
4. None

Other Thoughts?

Poll Question 9:

Are there any other process incentives that the City should consider for the ARO?

Next TWG

Poll Question 10:

Which dates do you prefer for the next lunchtime TWG session focusing on development standards?

1. May 20 (Monday)
2. May 22 (Wednesday)
3. May 29 (Wednesday)
4. May 30 (Thursday)

Next Steps

- ❖ Technical Working Group Sessions – Spring 2024
 - Session #2 – Development Standards (e.g., Density, FAR, setbacks/stepbacks, unit mix, open space, parking, loading, pedestrian design)
 - Session # 3 – Wrap up; Thoughts on future actions (Building Code amendments, etc)
- ❖ Study session at Planning Commission – May 8, 2024
- ❖ Draft Ordinance – Summer 2024
- ❖ Adoption of Ordinance – October 2024

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Thank you!!!