



## DEPARTMENT OF CITY PLANNING RECOMMENDATION REPORT

### City Planning Commission

**Date:** October 10, 2024  
**Time:** **After 8:30 am**  
**Place:** Los Angeles City Hall  
John Ferraro Council Chamber  
3rd Floor, Room 340  
200 N Spring Street  
Los Angeles , CA 90012

**Case No.:** CPC-2023-5986-CA  
**CEQA No.:** ENV-2020-6762-EIR  
ENV-2020-6762-EIR-ADD1,  
ENV-2020-6762-EIR-ADD2  
**Council File No.:** CF-21-1230-CA,  
CF-11-1973-S1  
**Council District:** ALL  
**Plan Area:** ALL EXCEPT DOWNTOWN

This Recommendation Report **supersedes** the Recommendation Report dated September 12, 2024.

The meeting's telephone number and access code access number for the hybrid meeting will be provided no later than 72 hours before the meeting on the meeting agenda published at:

<https://planning.lacity.org/about/commissions-boards-hearings#commissions> and/or by contacting [cpc@lacity.org](mailto:cpc@lacity.org)

**Public Hearing:** June 27, 2024; Supplemental hearing to be held on October 10, 2024

#### PROJECT

**LOCATION:** Citywide, except for Downtown Los Angeles (**Exhibit B1**)

#### PROPOSED PROJECT:

An ordinance amending sections 12.03, 12.22 A.26, 12.24 X.1 and 16.05 of the Los Angeles Municipal Code to update the existing Adaptive Reuse Ordinance to apply citywide, to further incentivize the conversion of existing buildings to housing and streamline Planning approval for such projects; and to supersede the Adaptive Reuse Incentive Areas Specific Plan, Ordinance 175,038, now designated as Subareas of the Adaptive Reuse Ordinance (**Exhibits B2-B5**). Concurrently, the new Zoning Code Citywide Adaptive Reuse Program, 9.4.6 of Article 9 of Chapter 1A, which has similar provisions, is being amended to align provisions in both Chapter 1 (**Exhibit A1**) and 1A (**Exhibit A2**) of the Los Angeles Municipal Code.

#### RECOMMENDED ACTIONS:

1. **Recommend**, pursuant to Los Angeles Municipal Code (LAMC) Sections 13B.1.2 and 13B.1.3, that the City Council adopt of the proposed Citywide Adaptive Reuse Ordinance (Exhibit A), amending Chapter 1 and new Zoning Code (Chapter 1A) including an amendment to the Adaptive Reuse Incentive Areas Specific Plan (Ordinance 175,038);
2. **Adopt** the Staff Recommendation Report as the Commission's report on the subject;
3. **Adopt** the attached Findings;
4. **Recommend** that the City Council Find, the Project was assessed in the Housing Element Environmental Impact Report ("EIR") Number ENV-2020-6762-EIR (SCH No. 2021010130) (**Exhibit E**) certified on November 29, 2021, and Addenda 1 and 2 (ENV-2020-6762-EIR-ADD1 and ENV-2020-6762-EIR-ADD2), and pursuant to CEQA Guidelines Sections 15162 and 15164, no subsequent EIR is required.

VINCENT P. BERTONI, AICP  
Director of Planning



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Ken Bernstein, Principal City Planner



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Michelle Levy, Senior City Planner



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ADVICE TO PUBLIC: \*The exact time this report will be considered during the meeting is uncertain since there may be several other items on the agenda. Written communications may be mailed to the City Planning Commission Secretariat, 200 North Spring Street, Room 272, Los Angeles, CA 90012 (Phone No. 213-978-1300). While all written communications are given to the Commission for consideration, the initial packets are sent to them the week prior to the Commission's meeting date. These submissions are governed by the City Planning Commission Rules and Operating Procedures posted online at <https://planning.lacity.org>. If you challenge these agenda items in court, you may be limited to raising only those issues you or someone else raised at the public hearing agendized herein, or in written correspondence on these matters delivered to this agency at or prior to the public hearing. As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability, and upon request, will provide reasonable accommodation to ensure equal access to this programs, services and activities. Sign language interpreters, assistive listening devices, or other auxiliary aids and/or other services may be provided upon request. To ensure availability of services, please make your request not later than three working days (72 hours) prior to the meeting by calling the Commission Secretariat at (213) 978-1300.

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## PROJECT ANALYSIS

### Project Summary

This report recommends the adoption of the proposed Citywide Adaptive Reuse Ordinance, to further incentivize the conversion of existing buildings to housing and streamline Planning approval for such projects. This program builds upon the Downtown Community Plan Adaptive Reuse provisions, and addresses citywide housing needs in areas outside of Downtown (**Exhibit B1**). It enables a faster review process for the conversion of existing buildings and structures to housing, supports greater design flexibility, and expands the incentives available, including creating new incentives for those projects that include affordable housing on site. Clarifications have been made to the text, to help enable conversions, in response to the outreach conducted and in consultation with the Department of Building and Safety.

The proposed Adaptive Reuse Ordinance will expand project eligibility in three meaningful ways:

1) It will make the incentives and streamlined processes available in all areas across the City outside of the Downtown Community Plan area and align with the Citywide Adaptive Reuse provisions of the new Zoning Code; 2) It will make buildings eligible for by-right adaptive reuse procedures once they have exceeded fifteen years from their permitted and completed construction date, based on a rolling clock, in place of the current code's fixed eligibility date, limited to buildings constructed prior to July 1, 1974; and 3) The range of applicable Zones is increased beyond the Commercial and R5 Zones covered by the 1999 ordinance to include R2, RD1.5, RD2, RD3, RD4, RD5, RD6, RW2, R3, RAS3, R4, RAS4, R5 and P, PB and PF Zones, enabling the adaptive reuse incentives to apply to a greater number of sites in these parts of the city.

The City of Los Angeles is contending with three overlapping crises. First and foremost, we have a long-standing housing crisis with an imperative to advance multiple strategies to address many unmet housing needs. Second, the City is facing a crisis in the commercial real estate market, as commercial property owners continue to adjust to the new realities of the post-pandemic recovery period. Retail and office space demands have changed rapidly over the course of the pandemic, with the increase in hybrid work schedules, leaving many buildings vacant or only partly occupied. In fact, it is estimated that in Los Angeles approximately 44 million square feet of office space currently sits vacant, equivalent to 30.7 72-story U.S Bank towers - a historic high. And lastly, we are contending with a climate crisis. It is generally accepted that "the greenest building is the one that's already built": conserving the embodied energy that went into producing a building often offers considerable climate benefits, compared to demolishing it for new construction. Adaptive reuse addresses all three issues together by removing obstacles to encourage the productive reuse of the buildings we already have, reducing vacant space, and helping to revitalize commercial corridors and promote walkability.

### Recent Additions and Revisions to the Citywide Adaptive Reuse Ordinance

Subsequent to the posting of the September 12, 2024 Recommendation Report, a revision of the Ordinance has been made.

During the public comment period, concerns that established local and neighborhood-serving businesses might be displaced by adaptive reuse projects were expressed by community members, as discussed in the *Discussion of Key Issues* section (page A-9) of this Report. In response, a new incentive has been added to the proposed Ordinance, as LAMC Section 12.22 A.26(g)(15) (*Commercial Tenant Preservation or Retention*) to protect and retain both existing, neighborhood-serving commercial uses and Legacy Small Businesses.

Also in response to public comments received, a clarification was made to LAMC Section 12.22 A.26(h) (*Incentives for Unified Adaptive Reuse Projects Providing Affordable Housing*) that applicants may utilize both Type I and Type II Unified Adaptive Reuse incentives, as long as all of the specific requirements for new construction on both the same or adjacent lot and for additional stories are met.



## Background

The revised Adaptive Reuse Ordinance is one implementation strategy identified in the City of Los Angeles General Plan's Housing Element Rezoning Program (CF-21-1230-CA), to facilitate housing production through a number of incentives for conversion from commercial to residential use. The proposed ordinance directly supports the implementation of Program 13 of the Housing Element<sup>1</sup> and the Housing Element EIR<sup>2</sup> (**Exhibit E**) conservatively estimates that over 43,000 new housing units could potentially be created if ten percent of the newly eligible commercial buildings were converted through Adaptive Reuse.

Los Angeles' Adaptive Reuse Ordinance was first adopted in 1999 for the Downtown area to enable the conversion of underutilized commercial buildings into new uses including apartments, condominiums, live/work lofts and hotels. The success of the 1999 Adaptive Reuse Ordinance enabled the creation of more than 12,000 new housing units downtown and continues to serve as a national model for the productive reuse of existing buildings. In 2003 the Adaptive Reuse Incentive Areas Specific Plan (Ordinance 175,038) expanded the geography to include parts of Chinatown/Lincoln Heights (**Exhibit B2**), Hollywood (**Exhibit B3**), Wilshire/Koreatown (**Exhibit B4**) and Central Avenue (**Exhibit B5**) in South Los Angeles.

To bring all of the City's adaptive reuse regulations into alignment, the ordinance will apply the same proposed incentives and standards citywide and serve as a bridge between the current and new Zoning Code (Chapter 1A, Article 9). Within the boundaries of the former Specific Plan, now designated as Subareas of the Adaptive Reuse Ordinance (**Exhibits B2-B5**), the special provisions of Ordinance 175,038 (12/20/02) will be retained that allow conversions of commercial properties to both hotel rooms and residential units, and conversion to residential uses in manufacturing zones with Zoning Administrator approval. Concurrently, the new Zoning Code's amended Citywide Adaptive Reuse Ordinance (**Exhibit A2**) has been released, with its provisions aligned with those of this citywide ordinance (**Exhibit A1**).

The ordinance also responds to City Council motion CF-11-1973-S1 (introduced by then Councilmember Koretz) adopted by the City Council on March 3, 2021, directing the Department to prepare and present an ordinance to update the Adaptive Reuse Ordinance to allow eligible conversions by-right beyond those located in the six Specific Plan Incentive Areas. The motion further directed that the ordinance include an economic feasibility study and report back. As part of the proposed Citywide Adaptive Reuse Ordinance AECOM, an economic consulting firm, was commissioned to analyze the feasibility of adaptive reuse projects and the inclusion of affordable housing mandates. The report, *Feasibility Analysis of Adaptive Reuse Projects Supported by the Proposed Citywide ARO Update*, is attached as **Exhibit C**, and will be discussed in greater detail in this staff report.

A Planning and Land Use Management (PLUM) Committee report (CF-11-1973-S2) on June 1, 2021 and pursuant to the previous motion recommended that City Planning, with the assistance of the Los Angeles Department of Building and Safety, report on the feasibility of amending the definition of an Adaptive Reuse project in Municipal Code Subdivision 12.22 A.26 to include Supportive Housing and Transitional Housing as eligible dwelling uses for conversion; waive minimum floor area requirements for such residential uses; allow the required number of off-street parking spaces to be the same as the number of spaces that existed on the site, or reduced to the Supportive Housing or Transitional Housing parking requirements; and allow by-right conversions to Supportive Housing and Transitional Housing through Adaptive Reuse projects Citywide. The proposed Citywide Adaptive Reuse Ordinance expands the definition of Residential Use (in Section 12.03) to include Efficiency Dwelling Units, Supportive Housing, Dormitories, Boarding Houses, Hostels and Live/Work Units.

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<sup>1</sup> 2021-2029 Housing Element of the General Plan (The Plan to House LA), see pages 267-268 and 193 at: [https://planning.lacity.gov/odocument/1fb853cf-c80c-4b87-bf40-14975d1ae5f9/2021-2029\\_Housing\\_Element\\_Book\\_\(Adopted\)\\_-High\\_Res..pdf](https://planning.lacity.gov/odocument/1fb853cf-c80c-4b87-bf40-14975d1ae5f9/2021-2029_Housing_Element_Book_(Adopted)_-High_Res..pdf)

<sup>2</sup> Housing Element 2021-2029 Update/Safety Element Update EIR: <https://planning.lacity.gov/development-services/eir/housing-element-2021-2029-update-safety-element-update-0>

## Proposed Ordinance

The ordinance amends Sections 12.03, 12.22 A.26, 12.24 X.1 and 16.05 of Chapter 1 of the Los Angeles Municipal Code to update the existing Adaptive Reuse Ordinance to apply citywide to all areas outside of the Downtown Community Plan (**Exhibit B1**), as well as to supersede the Adaptive Reuse Incentive Areas Specific Plan, Ordinance 175,038. This updated ordinance enables a faster review process for the conversion of existing buildings and structures to housing, supports greater design flexibility and expands the incentives available, including creating new incentives for those projects that include affordable housing. Numerous clarifications have been made to the text, in response to the outreach conducted subsequent to the release of the initial draft ordinance in May 2023 and in consultation with the Department of Building and Safety.

Design standards for adaptive reuse projects that support walkability and healthy building design have been created. A new Procedures paragraph has been added to Sections 12.22 A.26 and 12.24 X.1 of the Code, to spell out the approval process more clearly and to align with the Processes and Procedures ordinance (Chapter 1A of the Code). Any configuration of units and unit sizes, new floor levels, and shared amenities for residents may be created, within all or part of an existing building. Partial conversions to residential use were allowed in the original, 1999 ordinance but there was no minimum quantity specified; this has been clarified to conform to the City of Los Angeles' definition of a Housing Development as comprising five or more residential units. In addition, new one-story structures to provide amenities such as fitness rooms, lounges, shade for roof terraces, or other similar features may be built on the roof and not be counted as new floor area or additional height if these are accessible to all residents or guests. A new incentive allows for conversions that remove internal space for the purpose of creating courtyards or light wells to be replaced with an equivalent square footage that may be added within vacant areas of the project site or on an adjacent property.

Adaptive reuse projects that provide affordable housing units on-site have been aligned with the provisions of the Citywide Housing Incentive Program (CHIP, see **Exhibit D**). Such projects have the option of utilizing Unified Adaptive Reuse Project provisions and be subject to an Administrative Review instead of a Class I Conditional Use process, and be eligible for unlimited density (within the floor area limitations) on the combined site(s), or to add up to two additional residential stories above the existing building. Any new construction involved in the expansion of new floor area will be required to meet all applicable Zoning Code requirements.

### *Eligibility Criteria*

The Citywide Adaptive Reuse Ordinance (**Exhibit A1**) will substantially expand the types of buildings that are eligible for adaptive reuse incentives, both geographically and by building age. The Ordinance will make the incentives and streamlined processes available in all areas across the City outside of the Downtown Community Plan area and align with the Citywide Adaptive Reuse provisions of the new Zoning Code (**Exhibit A2**); it will make buildings eligible for by-right adaptive reuse procedures once they have exceeded fifteen years from their permitted and completed construction date, based on a rolling clock, in place of the current code's fixed eligibility date, limited to buildings constructed prior to July 1, 1974; and it will expand the range of Zones in which adaptive reuse is permitted beyond the Commercial and R5 Zones covered by the 1999 ordinance to include R2, RD1.5, RD2, RD3, RD4, RD5, RD6, RW2, R3, RAS3, R4, RAS4, R5 and P, PB and PF Zones, enabling the adaptive reuse incentives to apply to a greater number of sites in these parts of the city. Parking structures and areas that are at least five years old may also be converted to new housing and be eligible for by-right review.

Zoning Administrator approval will continue to be required for projects in buildings for buildings between five and fifteen years old, thus maintaining the discretionary procedures of the existing ordinance.

### *Review Procedures*

In an effort to encourage adaptive reuse and reduce application processing delays, procedures have been established that eliminate the need for discretionary review processes. Adaptive reuse projects which meet the basic eligibility criteria will proceed directly to the Department of Building and Safety for plan check and permitting. Those projects involving Surveyed Historic Resources or providing on-site affordable housing to

request Mixed Income Incentive Program or Affordable Housing Incentive Program Public Benefit Option incentives will be reviewed in accordance with the Administrative Review procedures covered in Article 13 of the new Zoning Code, Processes and Procedures.

Zoning Administrator approval will continue to be required for projects in buildings for buildings between five and fifteen years old, thus maintaining the discretionary procedures of the existing ordinance. Zoning Administrator review in the current Code, now a Class 1 Conditional Permit, will be required only for projects in younger structures between five and fifteen years old, projects requesting incentives not listed in the ordinance, or Unified Adaptive Reuse Projects that do not provide affordable housing. Projects in the Coastal Zone will also be required to obtain a Coastal Development Permit.

Provisions regarding the review of Surveyed and/or designated Historic Resources have been strengthened to ensure that the Office of Historic Resources reviews individual adaptive reuse projects involving eligible or designated historic resources for conformance with The Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring & Reconstructing Historic Buildings.

### *Allowed Uses*

The Proposed Citywide Reuse would allow any change from an existing Non-Residential Use or Transient Residential Use to a new Residential Use. The Environmental Impact Report for the updated Housing Element (**Exhibit E**) analyzed only the reuse of buildings to provide new housing, creating this one key distinction between the proposed ordinance and the new adaptive reuse provisions of the Downtown Community Plan, which allows conversions between any uses allowed in the underlying Use District.

To address concerns expressed over the potential loss of ground floor retail as required in certain Specific Plans and other overlays, at least the first fifteen feet of the street-facing frontage must be dedicated to uses such as Live/Work Units or common residential amenity spaces such as fitness rooms, lounges, lobbies or co-working space, to maintain active uses at the ground floor. In addition, the transparency or condition of exterior glazing must not be reduced on any portion of a ground floor fronting a public street, unless such reductions are required for seismic reinforcement, fire/life safety concerns or other upgrades to improve the building's performance.

Within the Citywide Adaptive Reuse Subreas (formerly the Adaptive Reuse Incentive Areas Specific Plan), the *status quo* will be maintained with respect to allowable uses, with properties remaining eligible for conversion to Transient Residential Use and allowed within M Zones with Zoning Administrator approval.

### *Incentives*

The original Adaptive Reuse Ordinance accepted the existing floor area, height, yards and the amount of parking provided as allowed to remain in their current condition, even if non-conforming to Zoning Code regulations. It exempted adaptive reuse projects from the lot area requirements that establish the maximum number of units for a project, Site Plan Review and Commercial Corner regulations. Described below are clarifications that have been made in the Citywide Adaptive Reuse Ordinance to reduce the need for interpretations on a case-by-case basis.

- *Allowance for Intermediate Floor Levels.* Adaptive Reuse Projects often seek to make the most of existing interior spaces, including double-height spaces. The allowance for the addition of a Mezzanine (limited to 33 percent of the floor area of the space below in the current ordinance based on the Building Code definition) has been expanded to allow for new full, intermediate floor levels, a new incentive uniquely defined for Adaptive Reuse Projects. .
- *Allowance for Rooftop Addition for Occupant Amenities.* The Citywide Adaptive Reuse Ordinance allows for a new one-story rooftop structure used for shared amenities for the residents, which will neither be counted as new floor area nor be subject to height limitations, provided the additional story is under 16 feet in height.

- *Removal of Minimum Unit Size Requirements.* The zoning requirements for minimum unit size have been eliminated and will now defer to all applicable building code requirements that may be in effect to protect health, life safety, and habitability.
- *Clarification of Step Back and Transitional Height.* The ordinance clarifies that existing buildings utilized for adaptive reuse projects need not comply with step back or transitional height requirements.
- *Clarification of Parking Requirements.* Numerous additional clarifications have been added to the requirements for parking and loading spaces, in response to comments received. The original, 1999 ordinance requires that the total number of parking spaces be maintained and not reduced. In addition, while “existing” parking spaces have often been interpreted as the number of spaces recorded on the Certificate of Occupancy, this number often changes over time or may need to be reduced, e.g. to accommodate necessary structural or mechanical system upgrades to meet contemporary building codes. The existing parking areas on a project site are typically constrained within the structure and so cannot be expanded but converting some standard spaces to compact ones may be desirable in order to increase backup clearances, turning radii or otherwise increase visibility and safety.

With recent changes in State law, such as AB 2097, there are new opportunities to replace outdated parking areas with more active uses. Housing uses often have lower minimum parking requirements than those required for office or retail uses. Accordingly the updated ordinance provides for greater flexibility in the reconfiguration of existing spaces or reductions in the total number provided, where appropriate. In contrast, new parking spaces created in excess of the minimum required by the Code shall be subject to all of the provisions of Subdivision 12.21 A.5 (*Design of Parking Facilities*). Any existing loading spaces are allowed to maintain their current dimensions, correcting an inconsistency in the current ordinance.

- *Optimization of Interior Spaces.* Creating new interior light wells, courtyards, recessed balconies or other such features that increase natural light and ventilation will significantly improve the habitability of the new housing units but are among the most expensive improvements to implement within an existing building. So as not to penalize these interventions, a new incentive has been crafted to allow the amount of floor area removed to be reallocated to building additions outside the envelope of the existing building, as long as these do not increase the number of stories or height of the structure and also meet all Zoning Code requirements.

#### *Incentives for Adaptive Reuse Projects Providing On-Site Affordable Housing*

The economic feasibility study (**Exhibit C**) commissioned by Los Angeles City Planning has determined that imposing an inclusionary affordability requirement would render most adaptive reuse conversions to residential uses economically infeasible. As proposed, adaptive reuse projects remain subject to the Affordable Housing Linkage Fee (AHLF, Section 19.18 of Chapter 1 of the LAMC); in practice, many project applicants choose to provide the minimum percentages of on-site affordable housing units that results in a waiver of the AHLF assessments. The Citywide Adaptive Reuse Ordinance therefore does not propose any additional mandates for inclusionary zoning beyond these minimum percentages of affordable units specified in the AHLF Ordinance. In light of the economic study’s findings, development incentives have been added to better encourage the voluntary provision of affordable units within adaptive reuse projects.

Adaptive reuse projects that provide affordable housing units on-site (pursuant to Subdivisions 12.22 A.38 or 12.22 A.39 of Chapter 1 of the Code) have the option of utilizing Unified Adaptive Reuse Project provisions and will be subject to an Administrative Review instead of a Class I Conditional Use process. Such projects will be eligible for unlimited density (within the floor area limitations) on the combined site(s), or to add up to two additional residential stories above the existing building.

For Unified Adaptive Reuse Projects that involve the expansion of new floor area on portions of a lot shared with the existing building(s), on abutting lots, lots separated by an alley or directly across the street from one another, this incentive has been crafted to align with the incentives in the Mixed Income Incentive Program or Affordable Housing Incentive Program Public Benefit Option; such projects will follow all of the income level and unit percentage schedules, and other provisions of the Citywide Housing Incentive Plan (CHIP). For those

Unified Adaptive Reuse Projects utilizing the option of two additional stories, the affordable units will be provided in accordance with the affordability requirements set forth in the Affordable Housing Linkage Fee.

With both the Adaptive Reuse Ordinance and CHIP Ordinance currently moving toward adoption but on slightly different timelines, the CHIP ordinance has been included in this report as **Exhibit D**. Further refinements to integrate provisions of the CHIP Ordinance and the Adaptive Reuse Ordinance may occur during form and legality review.

All new construction involved in the expansion of new floor area will be required to meet all applicable Zoning Code requirements, including of all applicable Specific Plans, supplemental use districts, [D] limitations, [Q] conditions and other land use regulations. The required percentage of affordable units will be based only upon the units added outside the existing building envelope, and will be distributed within the entire project pursuant to Los Angeles Housing Department requirements.

### *Design Standards*

Design standards have been included in the Citywide Adaptive Reuse ordinance to enhance the quality of the public realm and to retain the character of commercial ground floor uses.

- **Street Trees and Plazas.** To encourage the provision of open space and landscaping within Adaptive Reuse Projects, standards have been added to now require street trees and the preservation of any existing tree canopy or parkways. A new provision regarding open space states that if any open, outdoor gathering areas exist on site then at least half of this area must be retained in the project.
- **Active uses.** In an effort to retain the character of existing buildings with active ground floor uses, the ordinance requires that the first 15 feet of depth on the ground floor be limited to uses such as live/work units, fitness rooms, lounges or co-working space, in order to maintain an active engagement with the street. The ordinance also requires that existing ground floor window transparency be retained and not reduced.

### *Relationship to Other Zoning Provisions*

Any new construction that results in an expansion of new floor area, whether added to vacant parts of a project site or as part of an Unified Adaptive Reuse Project, will remain subject to all provisions of the Zoning Code. Similarly, the review provisions for projects within an Historic Preservation Overlay Zone or Sign District are restated as remaining in effect. In order to maintain a ministerial review process, the ordinance supersedes the requirements of Specific Plans, supplemental use districts, "Q" conditions and "D" limitations, or other citywide regulations which may be in conflict with the Citywide Adaptive Reuse Ordinance. While the Citywide Adaptive Reuse Ordinance does not mandate an affordable housing set-aside, the incentives of the Mixed Income Incentive Program or Affordable Housing Incentive Program Public Benefit Option (see CHIP Ordinance, **Exhibit D**) may be used in combination with an Adaptive Reuse Project that provides affordable housing units on site, with the Restricted Affordable Unit percentage, income level and other requirements to follow the schedules and procedures established under those programs and the Linkage Fee Ordinance, depending upon the type of Unified Adaptive Reuse Project selected. This is further described under Incentives for Adaptive Reuse Project Providing On-Site Affordable Housing section below.

### *Definitions*

New definitions to Section 12.03 will be added, including definitions for Adaptive Reuse Project, Residential Use, Transient Residential Use and Non-Residential Use. Designated Historic Resource, Historic Resources Survey and Surveyed Historic Resource terms are defined, both to help clarify the protections that will be afforded to eligible historic resources and to enable qualified adaptive reuse projects to utilize the California Historic Building Code. Residential Use is clarified in a more expansive manner to include less traditional types of occupancy such as supportive housing or dormitories, as might be appropriate to conversions in a greater range of existing building forms. A Unified Adaptive Reuse Project is distinguished from Unified Development Projects, with more objective standards to allow Administrative Review of projects that include on-site affordable housing units.

### *Zoning Administrator Authority*

Because the ordinance's intent is to incentivize adaptive reuse projects citywide to meet the City's housing, revitalization, and climate goals, outdated findings required in the current code related to the economic viability of current uses, existing vacancy rates, and overflow parking and traffic conditions have been eliminated in favor of objective criteria.

### **Discussion of Key Issues**

While the majority of stakeholder comments received have been addressed through sequential revisions to the draft ordinance, there remain several key policy issues for further consideration, based upon public comments during small focus group discussions, the Public Hearing and subsequent written communications.

#### 1. Creation of Affordable Housing Units

While several comments expressed a desire to see an inclusionary affordability requirement in Adaptive Reuse projects, the proposed ordinance does not impose additional affordable housing mandates on Adaptive Reuse Projects. However, all Adaptive Reuse Projects will be subject to the City's Affordable Housing Linkage Fee Ordinance, which generates local funding for affordable housing citywide. In practice, many applicants choose to make their projects exempt from the fee by providing the requisite levels of affordable housing units on-site (40% moderate income units, or 20% low income units, or 11% very low income units, or 8% extremely low income units).

There are reasons why adaptive reuse projects are confronted with unique challenges with respect to mandating additional on-site affordable units. For example, adaptive reuse projects frequently require significant seismic retrofits, may encounter uncertain existing conditions in older buildings, and may have less-than-optimal existing floorplates to maximize economic returns from housing conversion. These challenges are backed up by the findings of the economic feasibility study (**Exhibit D**) commissioned by the City, to help determine whether a mandate to include affordable units could be imposed on adaptive reuse projects beyond that of the Affordable Housing Linkage Fee while ensuring that such projects remain feasible. Los Angeles City Planning analyzed three representative building typologies in four market tiers and concluded that in all but the highest housing-market tiers in Los Angeles, adaptive reuse projects are currently either economically infeasible or only marginally feasible. These findings did not appreciably change when typical unit sizes were compared with the reduced unit sizes allowed under the proposed ordinance. Furthermore, an analysis of eliminating the Affordable Housing Linkage Fee also did not have an appreciable impact on economic feasibility.

As an alternative to an affordable housing mandate, LA City Planning has proposed an incentive-based approach to affordability through the Unified Adaptive Reuse Project provisions in the ordinance which are described in greater detail in the section above, *Incentives for Adaptive Reuse Projects Providing On-Site Affordable Housing*.

#### 2. Request for Financial Subsidies and other City Support

Examples were provided of U.S. cities that provide reductions in fees and/or property tax abatement. There are tax credits available for designated historical properties but these are not enough to facilitate widespread conversion of underperforming commercial properties. The White House released a [guidebook](#) last fall, describing a mix of federal loans, grants, guarantees and tax incentives to help cover conversion costs. However, none of the twenty programs listed are specifically tailored for office-to-residential construction; instead these were originally intended to promote important social goals like transit-oriented development, emissions reduction and historic preservation. The Inflation Reduction Act's [Energy Efficient Commercial Buildings Deduction](#) (179D) provides a tax deduction of \$0.50 - \$5 per square foot, for buildings over five years old and greater than three stories and the [Energy Efficient Home Credit](#) (45L) that provides a tax credit of \$500-\$5,000 per unit for homes that meet EPA's Energy Star certification or DOE's Zero Energy Ready Homes certification.

Planning staff met with the City's Economic and Workforce Development Department (EWDD) and Housing Department (LAHD), as well as with the County's Department of Regional Planning, to explore potential funding sources. Based on these discussions, taxing authority resides in the County and, unlike those US cities such as San Francisco or New York, Los Angeles City and County are *not* coextensive. There are current efforts at the state level that, if passed into law, would enable local governments to craft financing programs of direct subsidies for conversions of existing buildings to housing, as well as existing partial funding for the energy and water conservation upgrades, as are required for all adaptive reuse projects to meet current Energy and Green Building Codes.

### 3. One-Story Addition Incentive

Multiple comments have been received, including from the Los Angeles Conservancy, questioning why the new incentive to allow one-story rooftop additions is limited to providing recreational or other amenities for building occupants rather than a mix of housing and amenity spaces. The one-story addition incentive was added to the menu of adaptive reuse incentives in recognition of the fact that many existing commercial office buildings were not originally built with open space amenities for their office occupants. The proposed Citywide Adaptive Reuse Ordinance exempts existing commercial buildings from having to meet the minimum open space requirements that apply to newly constructed residential projects but do require improvements to the public realm in the form of street trees. The one-story addition is intended to provide much-needed rooftop amenity spaces for residential building occupants where none might currently exist.

Many of the successful commercial to residential conversions have penthouse units and a series of Zoning Interpretations (ZIs) were released to clarify the 1999 ordinance, that allowed a new mezzanine or loft level of new units on the uppermost floor to project above the roof. Commenters pointed out that penthouses are a valuable selling point, and one that can potentially offset the cost of conversion. Including a mix of residences and recreational amenities could help to activate the shared spaces on a roof, and thereby foster more contacts between residents.

As an alternative to the one-story addition, property owners who wish to provide additional floors for housing, can avail themselves of the Unified Adaptive Reuse incentive which allows for two additional floors atop the structure. These floors can be dedicated to housing units or a mixture of housing and amenity space, in exchange for providing the required percentage of affordable set-aside units in the project. The required affordability set aside for Unified Adaptive Reuse projects utilizing this incentive is tied to the affordability schedules in the Linkage Fee Ordinance.

### 4. Relationship to Specific Plans, [Q] conditions and D limitations, and other overlays

One comment letter from the Del Rey Residents Association raised concerns about the provision in the draft ordinance that allows Adaptive Reuse Projects to be exempt from Specific Plans, [Q] conditions and D limitations, and the requirements of other zoning overlays or Supplemental Use Districts. The letter states that new construction as part of Unified Adaptive Reuse Projects could conflict with Specific Plans, in particular those of the Glencoe Maxella Specific Plan, by granting incentives for affordable housing through an administrative review process in lieu of a discretionary process.

Under the current Adaptive Reuse Ordinance, projects are exempt from Specific Plans, [Q] conditions and D limitations that were adopted after the effective date of the Adaptive Reuse Ordinance. While it is uncommon for a citywide ordinance to waive projects entirely out of established Specific Plan and neighborhood-specific zoning standards, adaptive reuse projects are unique in involving buildings that already exist and, in some cases, have pre-dated existing regulations for new construction by several decades. For an existing building to comply with any number of Specific Plan provisions or [Q] conditions affecting the building envelope would either a) require significant and costly architectural and potentially structural retrofits (some of which may not be physically feasible and create a hardship for the property owner); or b) necessitate lengthy and costly discretionary reviews, adding to the risk and uncertainty adaptive reuse projects are already faced with.



In the case of the Glencoe/Maxella Specific Plan, based on the Plan's "Purpose" statement, there are several stated Specific Plan objectives (see Section 2 of the Glencoe-Maxella Specific Plan) that can be met with the Citywide Adaptive Reuse Ordinance, these include:

- To assure that future development of the Glencoe/Maxella area occurs in an orderly, attractive, and harmonious manner;
- To protect the existing, established industrial uses within the Specific Plan Area, and to encourage the preservation and expansion of light industrial uses which provide skilled jobs for local residents;
- To permit the development of housing within the Specific Plan area;
- To insure that differing land uses in close proximity to each other will be compatible

The Citywide Adaptive Reuse supports the Glencoe/Maxella Specific Plan's objectives of permitting housing within the Specific Plan area while simultaneously protecting existing, established industrial uses within the Specific Plan Area. The majority of the Glencoe/Maxella Specific Plan area is zoned CM(GM)-2D-CA, which permits R3 residential uses by-right. The Citywide Adaptive Reuse ordinance supports the Specific Plan's vision to encourage a variety of land uses in close proximity to each other, by allowing for housing to be co-located with commercial uses, since the CM zone is a Commercial zone. The portion of the Specific Plan along Lincoln Boulevard, between Washington Boulevard and Maxella Avenue is zoned M1-1, which prohibits residential uses. The Citywide Adaptive Reuse ordinance allows conversions from commercial uses to residential use by-right; however, it does not incentivize nor allow for conversions from industrial uses to residential uses by-right. Such changes of use to residential within industrial zones would require a General Plan Amendment and/or a Specific Plan Amendment or Exception.

As stated in the Findings, the General Plan supports the streamlining of all manners of new housing development including through adaptive reuse projects. Specific Plans often contain provisions that would physically preclude the conversion of existing commercial buildings to housing, and are likely to introduce development standards that render the project infeasible or require substantial building architectural and/or structural alterations. If the adaptive reuse program were to follow the letter of each Specific Plan, it would frustrate the City's ability to effectively implement the housing streamlining measures in the General Plan and State Law.

For these reasons the policy recommendation, in keeping with Housing Element Program 13, is to create a streamlined by-right process for projects qualifying for adaptive reuse incentives and to allow existing buildings to remain in their current condition, even if they are non-conforming as to Specific Plans and other Zoning requirements, for the purpose of encouraging and facilitating faster conversions of unoccupied building spaces to housing.

#### 5. Potential Loss of Neighborhood-Serving or Legacy Businesses

Some local advocacy groups have commented that creating incentives for converting existing commercial buildings to housing could potentially spur the displacement of existing ground floor businesses and have requested protections for existing neighborhood-serving or legacy businesses. Ensuring the retention of existing businesses is challenging, since residential uses are a permitted use in most commercial corridors under State law and City of Los Angeles' local zoning ordinances.

To address these community concerns, new and specific voluntary incentives for commercial tenant preservation or retention have been added to the Citywide Adaptive Reuse Ordinance. The incentives for long-term Legacy Small Business retention have been modeled on those included in the recently adopted

Downtown Community Plan through the Community Benefits program<sup>3</sup>, with projects that preserve or retain an active ground floor use eligible to exempt that area from the calculation of Floor Area (up to 1,500 square feet), essentially amounting to bonus Floor Area. Building upon the criteria established in the Boyle Heights Community Plan and the definition included in the new Zoning Code, projects that provide space for Legacy Small Businesses may receive a Floor Area bonus of double the square footage of the business, including Legacy Small Businesses relocated from within a two-mile radius of the project site. A definition of Legacy Small Business is proposed to be added to LAMC Section 12.03, to include those businesses listed on the Citywide Legacy Business Registry or meeting two of four additional criteria, to bring the current Zoning Code (Chapter 1) into alignment with the new Code in Chapter 1A.

Los Angeles' Employment and Workforce Development Department (EWDD) has been mapping<sup>4</sup> significant neighborhood businesses on the Legacy Business Registry, using criteria substantially similar to those in the Downtown Community Plan. Alongside the Registry, EWDD recently launched the Legacy Business Recovery Grant Program which provides \$10,000 to \$20,000 to businesses listed on the Legacy Business Registry, with annual revenue not to exceed three million dollars, and prioritizing funding for businesses located in low- and moderate-income communities and/or owned by low- and moderate-income persons (as defined by the federal department of Housing and Urban Development, or HUD)

To limit or discourage the loss of ground floor commercial spaces, the proposed Citywide Adaptive Reuse Ordinance also introduces two design standards aimed at preserving the character of commercial districts. Existing ground floor commercial uses may be converted to residential use, provided that at least the first 15 feet of depth as measured from the street-facing facade be limited to such active uses as Live/Work Units, or common residential amenity spaces such as fitness rooms, lounges, lobbies or co-working space, to maintain active uses at the ground floor. The new ground floor use(s) must also maintain or increase transparency, but cannot reduce the existing condition of exterior glazing on any portion of a ground floor fronting a public street (exceptions are built in for seismic reinforcement, fire/life safety concerns, or other upgrades to improve performance of the existing building).

#### 6. Need for Complementary Amendments to the Building and Fire Codes

Finally, the increased design flexibility and lifting of zoning constraints proposed in the Citywide Adaptive Reuse Ordinance may be necessary but not sufficient to foster widespread reuse of underutilized commercial buildings. Substantial obstacles remain within Los Angeles' Building and Fire Codes, many of which exceed the minimum requirements under associated California Codes. Los Angeles' City Planning and the Department of Building and Safety (LADBS) are working together to address these substantial challenges that confront those contemplating the conversion of existing non-residential buildings to new housing. Facilitating these projects has emerged as a Mayor's Office priority and LADBS' leadership is at work on such initiatives that can provide greater design flexibility specifically for adaptive reuse projects. Legislation such as AB 529 and the proposed AB 2910 directs the State to adopt alternative building standards, in ways that will help to facilitate or expedite the review of adaptive reuse projects.

In addition to cross-departmental collaboration on all Codes related to Adaptive Reuse, repeated calls were made for the need of some form of direct financial assistance or, at a minimum, for dedicated staff to offer concierge-like case-management services for adaptive reuse projects.

#### *Summary of Changes Since May 23, 2023 Draft Release*

The initial draft of the ordinance emphasized the retention and reorganization of building features within the existing building volume, with the exception of allowing the addition of one-story rooftop structures intended for residential amenities. However, in response to public comments received, staff have sought to find additional solutions that can improve the feasibility of adaptive reuse projects which are summarized below.

<sup>3</sup> Council File 23-0861 - Director of Planning Technical Memo to PLUM Committee for Consideration of Amendments to the Recommended Boyle Heights Community Plan (Fall 2023), recommended by the City Planning Commission on January 11, 2024, pages 37-43 [https://clkrep.lacity.org/onlinrdocs/2023/23-0861\\_misc\\_2\\_11-29-23.pdf](https://clkrep.lacity.org/onlinrdocs/2023/23-0861_misc_2_11-29-23.pdf)

<sup>4</sup> Los Angeles' Legacy Business Program Administered by EWDD: <https://la-legacy-business-lahub.hub.arcgis.com/>

- **Reallocation of Building Floor Area.** Often adaptive reuse projects require the removal of internal building volumes to create livable residential spaces. A new incentive allows for conversions that remove internal space for the purpose of creating courtyards or light wells to replace this lost volume with an equivalent square footage that may be added within vacant areas of the project site or on an adjacent property.
- **On-site Affordable Housing.** New incentives have been made available for projects that provide on-site affordable housing units, to encourage infill development in conjunction with the reuse of existing buildings. All new construction that expands the floor area of the project will be eligible for unlimited density, within the floor area limitations of the underlying zoning and all other Zoning requirements. Alternatively, adaptive reuse projects providing affordable housing units on-site will be eligible for a vertical addition of up to two additional stories above the existing building height.
- **Hotel and Motel Conversions.** Conversions from hotels and motels were not initially considered in the Citywide Adaptive Reuse Ordinance, due to potential conflicts with Project Homekey or competition for sites or with other projects subject to the Interim Hotel/Motel Conversion Ordinance (IHMC, No. 185489). The Ordinance became effective on April 20th, 2018, amending Sections 12.03, 14.00 and 151.02 of the Los Angeles Municipal Code (LAMC) and established regulations to facilitate the use of existing hotels and motels for Supportive Housing or Transitional Housing for persons experiencing homelessness or those at risk of homelessness. In discussions with Los Angeles' Housing Department (LAHD), staff learned that very few applications have been made under the IHMC ordinance. As Transient Residential Use is considered as, potentially, a type of land use that could more readily support the creation of new residential units, the ordinance has been amended to allow such conversions.
- **Commercial Tenant Preservation or Retention.** Subsequent to the posting of the September 12, 2024 Recommendation Report, an incentive has been added to the proposed Citywide Adaptive Reuse Ordinance, in LAMC Section 12.22 A.26(g)(15), to address community concerns that local and neighborhood-serving businesses might be displaced by adaptive reuse projects. This incentive is purely voluntary and will not impose any new mandatory requirement on any small or legacy business.

## Conclusion

As discussed in this report, extending the current adaptive reuse ordinance to apply citywide is an important implementation Program of the Housing Element. The provisions of the proposed ordinance are intended to grant a streamlined Planning approval process to as many potential adaptive reuse projects as possible. The ordinance supports the development of much-needed housing by removing procedural barriers that add months of delays to bring new units online, causing housing production costs to increase.

The proposed Citywide Adaptive Reuse Ordinance (**Exhibit A1**) will expand the pool of commercial buildings available for conversion to new housing units, encouraging the retention of many that contribute to the scale and character of their neighborhoods. The ordinance builds upon the success of the Adaptive Reuse Ordinance first adopted in 1999 and aligns with the additional flexibility provided in the new Zoning Code for such projects (**Exhibit A2**), making it an effective bridge between the current and new Code while the latter is adopted over the next several years.

As with many global cities, Los Angeles continues to confront the overlapping challenges of housing affordability and unmet housing needs, the post-pandemic recovery of the commercial real estate sector, and the threat of climate change. Seen as a national leader in adaptive reuse policies, Los Angeles' past adaptive reuse policies have left a tremendous legacy in Downtown Los Angeles - with the creation of over 12,000 housing units in Downtown alone since the ordinance's inception in 1999. Adaptive reuse provides multiple simultaneous benefits: the creation of new housing opportunities on already-developed land; environmental sustainability and resilience by repurposing existing structures and materials and making buildings more compliant with recent energy and seismic codes; revitalizing vacant and underutilized buildings, thereby bolstering economic activity and tax revenues; and contributing to neighborhood preservation and placemaking

by retaining buildings that have long been a part of our communities, while avoiding demolition and displacement of existing housing.

Though adaptive reuse requires certain unique site- and building-specific conditions for success and the typical “unknowns” that come with existing buildings often upend a schedule and so construction costs can quickly spiral above the original budget, broadly expanding the pool of eligible buildings that can avail themselves of the incentives will create greater opportunities to build upon the success we have seen Downtown in many more pockets of the City. The proposed Adaptive Reuse Ordinance will create many new and innovative incentives that meet the aims of creating more housing and maximizing existing buildings for the greatest public good. For these reasons, staff recommends adoption of the proposed Citywide Adaptive Reuse Ordinance and related amendment to the Adaptive Reuse Incentive Areas Specific Plan.

## FINDINGS

### General Plan/Charter Findings

#### 1. City Charter Findings

Charter Sections 556 and 558 - The City Charter was adopted by voters at the General Municipal Election held June 8, 1999, and sets forth various provisions related to City Departments. Charter Sections 556 and 558 require the City Planning Commission and City Council to adopt the following findings when taking any action to (i) create or change a zone or zoning district created for the purpose of regulating the use of land, or (ii) zoning the permissible uses, height, density, bulk, location or use of buildings or structures, size of yards, open space, setbacks, building line requirements, and other similar requirements, including specific plan ordinances:

(1) The zoning ordinance is in substantial conformance with the purposes, intent, and provisions of the General Plan. (Charter Sec. 556.)

(2) The zoning ordinance is in conformity with public necessity, convenience, general welfare, and good zoning practice. (Charter Sec. 558.)

In accordance with City Charter Section 556, the proposed Adaptive Reuse Ordinance is in substantial conformance with the purposes, intent, and provisions of the General Plan in that it would further accomplish the goals, objectives, and policies of the General plan as outlined below. (For Charter Section 558 findings, see discussion below titled, "Zoning Code Amendment and Specific Plan Amendment Finding.")

#### 2. General Plan Findings

This section provides relevant goals, objectives, policies, and programs that are established in the General Plan that form the basis for Staff's recommended actions for the Proposed Ordinance. The Proposed Ordinance is in substantial conformance with the purposes, intent, and provisions of the General Plan, as noted below.

The City of Los Angeles' General Plan consists of the Framework Element, seven (7) required Elements that are mandated by State law, including Land Use, Mobility, Housing, Conservation, Noise, Safety, and Open Space, and optional Elements including Air Quality, Service Systems, and Plan for a Healthy Los Angeles. Thirty-five individual community plans comprise the Land Use Element

#### *General Plan Framework Element*

The proposed Citywide Adaptive Reuse Ordinance will meet the intent and purposes of the General Plan Framework Element to encourage the creation of additional housing, while at the same time encourage sustainable growth. In particular, the proposed ordinance would further the intent and purpose of the following relevant goals, objectives, and policies of the Framework Element:

*Goal 3A:* A physically balanced distribution of land uses that contributes towards and facilitates the City's long-term fiscal and economic viability, revitalization of economically depressed areas, conservation of existing residential neighborhoods, equitable distribution of public resources, conservation of natural resources, provision of adequate infrastructure and public services,

reduction of traffic congestion and improvement of air quality, enhancement of recreation and open space opportunities, assurance of environmental justice and a healthful living environment, and achievement of the vision for a more liveable city.

*Objective 3.1:* Accommodate a diversity of uses that support the needs of the City's existing and future residents, businesses, and visitors.

*Objective 3.2:* Provide for the spatial distribution of development that promotes an improved quality of life by facilitating a reduction of vehicular trips, vehicle miles traveled, and air pollution.

Policy 3.2.2: Establish, through the Framework Long-Range Land Use Diagram, community plans, and other implementing tools, patterns and types of development that improve the integration of housing with commercial uses and the integration of public services and various densities of residential development within neighborhoods at appropriate locations.

Policy 3.2.4: Provide for the siting and design of new development that maintains the prevailing scale and character of the City's stable residential neighborhoods and enhance the character of commercial and industrial districts.

*Objective 3.4:* Encourage new multi-family residential, retail commercial, and office development in the City's neighborhood districts, community, regional, and downtown centers as well as along primary transit corridors/boulevards, while at the same time conserving existing neighborhoods and related districts.

*Objective 3.13:* Provide opportunities for the development of mixed-use boulevards where existing or planned major transit facilities are located and which are characterized by low-intensity or marginally viable commercial uses with commercial development and structures that integrate commercial, housing, and/or public service uses.

*Goal 7G:* A range of housing opportunities in the City.

*Objective 7.9:* Ensure that the available range of housing opportunities is sufficient, in terms of location, concentration, type, size, price/rent range, access to local services and access to transportation, to accommodate future population growth and to enable a reasonable portion of the City's work force to both live and work in the City.

Policy 7.9.2: Concentrate future residential development along mixed-use corridors, transit corridors and other development nodes identified in the General Plan Framework Element, to optimize the impact of City capital expenditures on infrastructure improvements.

### *Housing Element*

The proposed Citywide Adaptive Reuse Ordinance implements Program 13, one of four core elements in the Citywide Housing Incentives Program, including Policies 3.2.7, 3.2.8 and 3.2.9 under Objective 3.2. As such, it is in substantial conformance with the purpose, intent and provisions of the General Plan in that it would further accomplish the goals, objectives, policies and programs of the Housing Element outlined below:

#### Chapter 3 Opportunities for Conservation in Residential Development

Goal 1: A City where housing production results in an ample supply of housing to create more equitable and affordable options that meet existing and projected needs.

Objective 1.1: Forecast and plan for existing and projected housing needs over time with the intention of furthering Citywide Housing Priorities.

Program 21: Innovative Parking / Mobility Strategies in Housing [Incorporate updated parking recommendations and strategies into Community Plans, Specific Plans, the revised zoning code and Transit Neighborhood Plans]. Encourage the utilization of alternatives to current parking standards that lower the cost of housing, support GHG and VMT goals and recognize the emergence of shared and alternative mobility.

Program 54: Expedite Affordable Housing Projects [Prioritize affordable housing projects to expedite processing of permits and any related entitlements].

Program 60: Zoning Code Revision [Adopt ordinances and a brand new Zoning Code that establishes clear and predictable regulations].

Objective 1.2: Facilitate the production of housing, especially projects that include Affordable Housing and/or meet Citywide Housing Priorities.

Policy 1.2.1: Expand rental and for-sale housing for people of all income levels. Prioritize housing developments that result in a net gain of Affordable Housing and serve those with the greatest needs.

Program 55: Implement CEQA Streamlining Measures [Facilitate the utilization of Statewide CEQA streamlining measures, including those that implement the regional Sustainable Communities Strategy (SB 375) and those that promote infill projects (SB 226).

Program 121: RHNA Re-Zoning [The Program will update and expand the City's affordable housing incentive programs (including Density Bonus, TOC, among others) to include a wider array of areas and project types and create more inclusive developments. These existing incentive-based programs will continue to set a floor for affordable housing development. Opportunities for greater streamlining will also be explored through expansion of *adaptive reuse and micro unit housing*, current value capture efforts and additional incentives for 50-100% affordable and supportive housing projects, senior housing, and special needs housing].

Policy 1.2.2: Facilitate the construction of a range of different housing types that addresses the particular needs of the city's diverse households.

Policy 1.2.3: Facilitate innovative housing models and promote regulatory reforms that reduce the costs of housing production while also promoting broader Citywide Housing Priorities.

Program 62: Facilitate Housing Innovation [Adopt various amendments to the Zoning Code to accommodate innovative multifamily housing types]. Identify modifications needed in the Zoning Code to incentivize and facilitate innovative housing types, such as shared housing (co-living), cooperative housing, modular and prefabricated housing, *adaptive reuse*, interim housing, tiny homes, micro units, ADUs, co-living and group quarters.

Policy 1.2.5: Streamline the housing approval process, particularly for Affordable Housing, throughout City departments.



Program 6: New Production of Affordable Housing Through the Affordable Housing Managed Pipeline [The City's goal, through the AHMP is to create housing for low and very low-income households within the City. In 2021, LAHD added priority scoring for projects located in Higher Opportunity Areas and in TOD areas].

Program 57: Improvements to Development Processing [Increase the number of cases processed as ADM Clearances and Ministerial cases, while decreasing the percent of projects processed as discretionary entitlements through a variety of efforts].

Policy 1.2.6: Create new citywide and local land use incentives and programs that maximize the net gain of affordable housing and produce housing that meets Citywide Housing Priorities. Explore varied affordability ratios, the feasibility of inclusionary zoning requirements, and a greater mix of incomes based on market areas.

Policy 1.2.9: Allow for zoning flexibility for Affordable Housing at the project review and planning levels when broader Citywide Priorities are being advanced.

Goal 3: A City in which housing creates healthy, livable, sustainability, and resilient communities that improve the lives of all Angelenos.

Objective 3.1: Use design to create a sense of place, promote health, foster community belonging, and promote racially and socially inclusive neighborhoods.

Program 43: Historic Preservation [Designate historic and culturally significant neighborhoods as Historic Preservation Overlay Zones (HPOZs) and individual buildings as Historic-Cultural Monuments (HCMs). Such designations allow historic residential buildings to qualify for tax incentives and other incentives for their rehabilitation and *adaptive reuse*].

Policy 3.1.2: Promote new development that furthers Citywide Housing Priorities in balance with the existing architectural and cultural context.

Program 58: Development and Design Standards [Adopt implementation tools, such as form and frontage regulations, Community Plan Implementation Overlay districts zones and design standards, to guide new development, create objective standards, promote pedestrian oriented design, and acknowledge existing architectural context.]

Policy 3.1.5: Develop and implement environmentally sustainable urban design standards and pedestrian-centered improvements in development of a project and within the public and private realm such as shade trees, parkways and comfortable sidewalks.

Objective 3.2: Promote environmentally sustainable buildings and land use patterns that support a mix of uses, housing for various income levels and provide access to jobs, amenities, services and transportation options.

Policy 3.2.1: Promote the integration of housing with other compatible land uses at both the building and neighborhood level.

Policy 3.2.2: Promote new multi-family housing, particularly Affordable and mixed-income housing, in areas near transit, jobs and Higher Opportunity Areas, in order to facilitate a better jobs-housing balance, help shorten commutes, and reduce greenhouse gas emissions.

Program 65: Plan for Housing Growth and Place-Based Strategies in Community Plan Areas [Prioritize rezoning at densities that allow creation of affordable housing in areas near transit, jobs and in Higher Opportunity Areas, while balancing the preservation of stable multifamily neighborhoods].

Policy 3.2.4: Provide streamlining, incentives and flexibility for residential buildings that promote energy and resource conservation particularly those that exceed existing green building standards.

Policy 3.2.5: Promote and facilitate the reduction of water, energy, carbon and waste consumption in new and existing housing.

Program 74: Building Design and Materials for Sustainability [Ensure guidelines are developed and updated. Integrate guidelines into all project reviews].

Program 76: Direct Installation to Conserve Energy and/or Water [Offer ongoing energy efficiency and water conservation opportunities to all of LADWP's residential customers either by energy and water efficiency upgrades, home energy and water assessments with conservation recommendations, or participation in another program. Develop green building incentives programs for existing buildings.

*Policy 3.2.7: Provide environmentally sustainable development standards and incorporate sustainable best practice in building and zoning code updates.*

*Policy 3.2.8: Provide incentives and promote flexibility for the conversion of non-residential structures to new housing in order to reduce the carbon footprint resulting from demolition and new construction.*

*Program 13: Adaptive Reuse [Revisions to the Citywide Adaptive Reuse Ordinance and/or the Density Bonus Ordinance, to include incentives and provisions for adaptive re-use by 2023]. Expand the opportunities for adaptive reuse of commercial and office buildings for housing. Explore additional incentives to facilitate affordable unit and supportive housing production and additional adaptive reuse projects through the expansion of by-right processes, reduced minimum unit sizes, reduced parking standards, flexible building standards, and increased flexibility on the types of uses (e.g. hotels/motels, office and commercial) and locations that can be converted to support proposed developments.*

*Policy 3.2.9: Consider accommodating new residential uses, including live/work and mixed-use, in less-productive industrial, office, and commercial areas when the site can accommodate housing in keeping with citywide industrial land, jobs-housing and jobs preservation priorities, and when sites have been appropriately tested and remediated, if necessary.*

Goal 5: A City that is committed to preventing and ending homelessness.

Objective 5.1: Provide an adequate supply of short-term and permanent housing in addition to supportive services throughout the City that are appropriate for and meet the specific needs of all persons who are homeless or at-risk of homelessness.

Policy 5.1.5: Expand housing, shelter, and supportive services for the homeless and special needs populations in all communities, and reduce zoning and other regulatory barriers to their placement and operation.

Program 115: Zoning and Development Standards for Homeless Housing [Identify and adopt changes to the Zoning Code to facilitate by-right siting of a greater variety of shelter, transitional and permanent supportive housing facilities throughout the City (such as larger facilities, different development standards, different performance standards, etc.). Identify citywide land use initiatives to facilitate shorter development timelines and reduce costs for the development of affordable housing projects for persons at-risk of homelessness to be adopted as appropriate. *Continue to facilitate the easier conversion of hotel/motels and other non-conforming buildings to homeless housing using the Adaptive Reuse Ordinance (see Program 13)*].

### *Mobility Plan 2035*

The proposed Citywide Adaptive Reuse Ordinance promotes vibrant mixed-use neighborhoods by encouraging the creation of new housing units within underutilized commercial buildings. It also adds a new requirement that at least one street tree per thirty linear feet of street frontage shall be provided and any existing street tree canopy and/or landscaped parkways shall be preserved. As such, it is in substantial conformance with the purpose, intent and provisions of the General Plan in that it would further accomplish the objectives, policies and programs of the Mobility Plan outlined below:

Chapter 1: Safety First. People want streets to be safe, stress-free places for all ages and modes of travel.

Policy 1.2: Complete Streets. Implement a balanced transportation system on all streets, tunnels and bridges using complete streets principles to ensure the safety and mobility of all users.

Program SF-26: Tree Canopy. Continue to expand the City's tree canopy using tree species that are appropriate for the location, climate, water supply, planting conditions and existing street infrastructure.

Chapter 3: Access for All Angelenos: a transportation system is only useful insofar as it is accessible and convenient.

Objective: Ensure that 90% of households have access within one mile to the Transit Enhanced Network by 2035.

Policy: 3.3 Land Use Access and Mix: Promote equitable land use decisions that result in fewer vehicle trips by providing greater proximity and access to jobs, destinations, and other neighborhood services.

Program PL-3: Mixed-Use. Encourage mixed-use residential, employment and commercial serving uses where appropriate to facilitate increased utilization of walking, bicycling and transit use.

Chapter 5: Clean Environments and Healthy Communities

Objective: Decrease VMT per capita by 5% every five years, to 20% by 2035

Policy: 5.2 Vehicle Miles Traveled (VMT): Support ways to reduce vehicle miles traveled (VMT) per capita

- Increasing the availability of affordable housing options with proximity to transit stations and major bus stops.

- Land use policies aimed at shortening the distance between housing, jobs, and services that reduce the need to travel long distances on a daily basis

### *Plan for Healthy Los Angeles*

The proposed Citywide Adaptive Reuse Ordinance directly promotes the rehabilitation of buildings. It includes performance standards that help create and encourage walkable neighborhoods. As such, it is in substantial conformance with the purpose, intent and provisions of the General Plan in that it would further accomplish the goals, objectives, policies and a program of the Plan for Healthy Los Angeles outlined below:

#### Chapter 2: A City Built for Health

A city that is built for health uses design, construction, and public services to promote the physical, mental, and social well-being of its residents. A healthy city has neighborhoods where health-promoting goods and services are abundant and accessible, so that the healthy choice is the easy choice for all residents.

Policy 2.2: Healthy building design and construction. Promote a healthy built environment by encouraging the design and rehabilitation of buildings and sites for healthy living and working conditions, including promoting enhanced pedestrian-oriented circulation, lighting, attractive and open stairs, healthy building materials and universal accessibility using existing tools, practices, and programs.

Program 29: Green business incentives. Develop, fund and implement a Green Sustainable Business Program that incentivizes retrofitting existing buildings and operations to incorporate sustainable design. Explore the feasibility of providing the following incentives: case management services, financing and grants, tax and utility rebates, energy efficient capital equipment and machinery upgrades, identification of strategic partnerships, energy efficiency audits, and lean sustainable manufacturing services for businesses to incorporate conservation and energy efficiencies.

#### Chapter 5: An Environment Where Life Thrives

Los Angeles is committed to green and sustainable growth that provides a healthy environment for all Angelenos.

Policy 5.7: Land use planning for public health and GHG emission reduction. Promote land use policies that reduce per capita greenhouse gas emissions, result in improved air quality and decreased air pollution, especially for children, seniors and others susceptible to respiratory diseases.

Program 39: Cool Roofs. Explore the feasibility of incentivizing cool roofs for existing residential and existing/new commercial, industrial, institutional and similar structures in the City.

### *Safety Element*

The proposed Citywide Adaptive Reuse Ordinance encourages the retention and productive reuse of existing buildings, thus conserving much of the embodied carbon included in the production, processing, transportation and disposal of building materials and energy used in their initial construction. As such, it is in substantial conformance with the purpose, intent and provisions of the General Plan in that it would further accomplish the goals, objectives, policies and a program of the Safety Element outlined below:

GOAL 1: Hazard Mitigations A city where potential injury, loss of life, property damage and disruption of the social and economic life of the City due to hazards is minimized.

Objective 1.2: Confront the global climate emergency by setting measurable targets for carbon reduction that are consistent with the best available methods and data, center equity and environmental justice, secure fossil free jobs, and foster broader environmental sustainability and resiliency

Policy: 1.2.5 Housing and Development. In keeping with the Housing Element, create housing opportunities that enhance affordability, equity, livability, sustainability and resilience.

**3. Zoning Code Amendment and Specific Plan Amendment Findings.** Pursuant to Charter Section 558, LAMC Section 13.B.1.2 and 13.B.1.3, in approving a Zoning Code Amendment and Specific Plan Adoption or Amendment, the City Planning Commission and City Council shall find that:

- a. the action substantially conforms to the purposes, intent and provisions of the General Plan; and
- b. the proposed ordinance is in conformity with public necessity, convenience, general welfare and good zoning practice

As made evident by the list of General Plan goals, objectives and policies above, the proposed ordinance is in conformance with a range of General Plan goals related to the provision of a variety of housing opportunities and incentivizing affordable housing. The City's Housing Element clearly recognizes the City's vision that housing is a human right and the City should promote policies and programs that result in the increase of housing production and a more equitable distribution. The proposed amendment responds to the General Plan by providing an opportunity to encourage the retention of existing buildings and streamline their conversion to new housing by alleviating zoning constraints, and better facilitate adaptive reuse throughout the City.

The proposed amendment not only responds to goals in the Framework Element and the Housing Element, but to goals found in the City's community plan updates and the citywide policy elements, including the Mobility Plan, Health, and Safety Elements, by increasing housing production and a variety of housing opportunities that enhance affordability, equity, livability, sustainability and resilience.

Housing, transportation, health, and safety are inextricably linked. The presence of vacant or underutilized commercial buildings if left unchecked can begin to negatively impact daily life in our neighborhoods, initiating a downward spiral of decreasing economic activity, and foot traffic for local businesses and making streets feel less safe. At the same time, existing buildings provide an excellent sustainable solution to address our housing crisis while activating streets and public spaces, and improving the long-term resilience of buildings, and our communities.

For all these reasons and the Findings described above, the proposed ordinance to streamline adaptive reuse of existing, non-residential buildings for new housing units is in substantial conformance with the purpose, intent and provisions of the General Plan in that it would also further accomplish the goals, objectives, policies and programs of the following citywide elements: Framework, Housing, Mobility, Plan for a Healthy Los Angeles, and Safety Element.

The proposed ordinance is in conformity with public necessity, convenience, general welfare and good zoning practice, as noted below:

Public Necessity. The City of Los Angeles faces a long-standing housing crisis and the proposed ordinance is one of many strategies to address the immediate and projected housing needs of the City. The repurposing of existing buildings creates new housing opportunities while reducing materials consumption and thereby lowering the overall carbon footprint of providing housing, in contrast to new construction on a site.

Convenience. Conversion of existing commercial buildings to new housing units can support more mixed-use and walkable neighborhoods by revitalizing commercial corridors and reducing the need for the new residents to drive greater distances to dine, shop or access transit and services.

General Welfare. Adaptive reuse projects involve buildings that already exist and, in some cases, are important contributors to the history, scale and character of their neighborhoods. Many buildings were constructed decades before the development of current zoning regulations and to subject proposals for their productive reuse to lengthy and costly discretionary reviews simply adds to the risk and uncertainty associated with such projects, streamlining adaptive reuse projects can offer an attractive alternative to new, ground up construction and can potentially reduce the timeframe for occupancy as compared with new construction.

Good Zoning Practice. The alignment of adaptive reuse provisions between the current and new zoning codes will be easier for City staff and the public to apply and comprehend. The proposed ordinance extends the work undertaken over the past several decades by the Los Angeles Departments of Building and Safety, City Planning, and others, to collaborate to remove zoning and building code barriers that have prevented property owners from retaining existing structures and converting them to a new use.

### **CEQA Findings**

Adoption of the Proposed Amendment for the Citywide Adaptive Reuse Ordinance is a program in the Housing Element of the City of Los Angeles. Program 13 of the Housing Element calls for the Department of City Planning to: expand the opportunities for adaptive reuse of commercial and office buildings for housing and explore additional incentives to facilitate affordable unit and supportive housing production and additional adaptive reuse projects through the expansion of by-right processes, reduced minimum unit sizes, reduced parking standards, flexible building standards, and increased flexibility on the types of uses (e.g. hotels/motels, office and commercial) and locations that can be converted to support proposed developments. The completion of Program 13 requires adoption of the Proposed Zoning Code and Specific Plan Amendment by the City Council.

An Environmental Impact Report (EIR) (ENV-2020-6762-EIR, SCH No. 2021010130, **Exhibit E**) that analyzed the environmental effects of the 2021-2029 General Plan Housing Element and Safety Element, and a Rezoning Program for the creation of additional housing was certified by the Los Angeles City Council on November 24, 2021. Addenda 1 and 2 to the EIR (ENV-2020-6762-EIR-ADD1 and ENV-2020-6762-EIR-ADD2) support these findings.

For the purposes of this report, the EIR and Addenda will be referred to as the Housing Element EIR. The Housing Element EIR was prepared to examine the potential environmental effects of the 2021-2029 Housing Element Update, including build out of the Regional Housing Needs Assessment (RHNA) Allocation, as well as the programs and policies that have the potential to result in physical environmental effects, and the Inventory of Sites and Rezoning Program needed to demonstrate zoned capacity needed to accommodate the City's RHNA Allocation. Additionally, the EIR analyzed the potential effect from the construction and operation of 420,327 housing units (full RHNA build out of 456,643 units minus the 36,316 housing units that have been approved but not built).

The Housing Element EIR found that the environmental impacts of several of the issue areas were significant and unavoidable, even with imposition of mitigation measures. Based on the analysis in the Housing Element EIR, the EIR concluded the implementation of the 2021- 2029 Housing Element Update would result in unavoidable significant environmental impacts with regard to:

- Air Quality (Exceedance of Criteria Pollutants—Construction and Operations)
- Biological Resources (Special Status Species, Sensitive Habitats, Wildlife Corridors)
- Cultural Resources (Historical Resources and Archaeological Resources)
- Geology and Soils (Paleontological Resources)
- Hazards and Hazardous Materials (Hazardous Materials Near Schools and Hazardous Materials Sites)
- Noise (Construction Noise, Operation Noise, and Construction Vibration)
- Public Services (Fire Protection, Police Protection, and School Facilities)
- Recreation (Deterioration of Recreational Facilities and Construction of Recreational Facilities)
- Transportation (Freeway Queuing)
- Tribal Cultural Resources (Construction: Ground Disturbance during Construction)
- Wildfire (Impair Emergency Response Plan, Exacerbate Wildfire Risks in State Responsibility Area or VHFHSZ, Require Infrastructure that may Exacerbate Fire Risk, Expose People or Structures to Significant Risks in State Responsibility Area or VHFHSZ, and Expose People or Structures to Significant Risks Involving Wildland Fires)

The Housing Element EIR also identified the following significant impacts that were anticipated to be reduced to less than significant with identified mitigation measures:

- Air Quality: Construction-related emissions of toxic air contaminants
- Hydrology: Impeding or Redirect Flood Flows
- Transportation: Circulation Plan Consistency, Hazardous Design, Emergency Access As stated above, adoption of the Proposed Ordinance was analyzed in the EIR.

The proposed amendment to the Zoning Code to expand the City's Adaptive Reuse Ordinance citywide allows the City to meet its Regional Housing Needs Assessment (RHNA) Allocation by providing for streamlined, administrative review of projects converting underutilized commercial properties to housing. Adoption of the Proposed Ordinance is needed to implement the City's Housing Element. The City's 2021-2029 Housing Element implements State housing law mandates for the City to adopt zoning ordinances to accommodate RHNA units for which the City cannot identify existing inventory of sites. To meet the State law mandates, the Housing Element requires the City, through zoning and other actions, to make it possible to build almost 185,000 affordable units for lower-income renters in eight years.

The Proposed Ordinance is needed to facilitate the production of housing in the City. The Housing Element EIR fully analyzed the environmental impacts that could occur as a result of the implementation of the 2021-2029 Housing Element, including the construction and operation of up to 420,327 housing units (185,000 affordable), and rezoning programs to facilitate the construction and operation of those housing units. The Housing Element EIR anticipated and fully analyzed that the construction and operation of these housing units would require action to streamline approvals of these housing units, including making more projects subject to by-right or administrative review and eliminating discretion in the approval of affordable housing developments.

As part of this report's Recommended Actions, the Director of Planning recommends that the City Council find that the Project was assessed in the Housing Element Environmental Impact Report ("EIR") Number ENV-2020-6762-EIR (SCH No. 2021010130) certified on November 29, 2021 (**Exhibit E**), and Addenda 1 and 2 (ENV-2020-6762-EIR-ADD1 and



ENV-2020-6762-EIR-ADD2), and pursuant to CEQA Guidelines Sections 15162 and 15164, no subsequent EIR is required.

The Housing Element EIR is available for review at the City of Los Angeles, Department of City Planning Records Management, 221 N. Figueroa Street, Room 1450 Los Angeles, and online at the following weblinks:

- Draft EIR: [https://planning.lacity.org/development-services/eir/Housing-Element\\_2021-2029\\_Update\\_Safety-Element\\_Update\\_dei\\_r](https://planning.lacity.org/development-services/eir/Housing-Element_2021-2029_Update_Safety-Element_Update_dei_r)
- Final EIR: <https://planning.lacity.org/development-services/eir/housing-element-2021-2029-update-safety-element-update-0>
- EIR Administrative Record: Los Angeles City Council File 21-1230 - <https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=21-1230>
- Addendum 1 to the EIR (ENV-2020-6762-EIR-ADD1): [https://planning.lacity.gov/odocument/23bb4628-cd19-4859-9484-48284bbdcd96/Exhibit\\_C\\_-\\_Addendum\\_to\\_Environmental\\_Impact\\_Report\\_\(ENV-2020-6762-EIR,\\_SCH\\_No.\\_2021010130\).pdf](https://planning.lacity.gov/odocument/23bb4628-cd19-4859-9484-48284bbdcd96/Exhibit_C_-_Addendum_to_Environmental_Impact_Report_(ENV-2020-6762-EIR,_SCH_No._2021010130).pdf)
- Addendum 2 to the EIR (ENV-2020-6762-EIR-ADD2): <https://docs.google.com/document/d/1ZZAktoZJBo3i-VZOL445z8rogSK8AaYCIe03FMh6jZo/edit?usp=sharing>
- Addendum Administrative Record: Los Angeles City Council File 21-1230-S1 - <https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=21-1230-S1>

## **PUBLIC HEARING AND COMMUNICATIONS**

### **Public Outreach and Public Comment Summary**

#### *Comments Received on the Initial Draft Ordinance*

The first draft of the proposed Citywide Adaptive Reuse Ordinance was released in May 2023 in advance of three informational webinars conducted on Zoom, on the evenings of June 6th and 7th (in Spanish) and the morning of June 8th, 2023. The webinars were attended by over 170 members of the public. Subsequently staff conducted numerous individual and small focus group meetings including with structural engineers and architects, and developers of successful adaptive reuse projects. Urban Design Studio staff actively participated in multiple roundtables and workshops on adaptive reuse, including those convened by the American Institute of Architects' local chapter (AIA/LA), the Structural Engineers Association of Southern California (SEAOSC), the Urban Land Institute (ULI) and the Southern California Development Forum. In addition to those made to Councilmembers' offices, presentations were made to groups such as the PlanCheck alliance of Neighborhood Councils, Los Angeles Conservancy, Central City Association (CCA), Valley Industry Commerce Association (VICA), Building Owners and Management Association (BOMA), SEAOSC, Los Angeles County Regional Planning, Westside Urban Forum, Southern California Association of Nonprofit Housing (SCANPH), Supportive Housing Alliance, Alliance for Community Transit (ACT-LA) and Strategic Actions for a Just Economy (SAJE).

Through these interactions, Planning heard input that many parts of the initial, 1999 Adaptive Reuse Ordinance required expansion and clarification. Certain specific aspects in the reuse of existing buildings were not addressed in the 1999 ordinance, such as transitional height and other building mass limitations, open space and landscaping, the retention of ground floor commercial uses, or incentives for the provision of affordable units (other than those provisions in the Affordable Housing Linkage Fee). A second draft of the Citywide Adaptive Reuse Ordinance was released on March 12, 2024 in conjunction with the Citywide Housing Incentive Program (CHIP Ordinance, see **Exhibit D**), of which Citywide Adaptive Reuse is one of four implementation programs (Program 13).

### **Public Hearing**

A public hearing notice was mailed on May 31, 2024 to approximately 123,000 residents and property owners within the Adaptive Reuse Incentive Areas Specific Plan (Ordinance 175,038), and within a 500 foot buffer of the Specific Plan boundary, for the staff-level Public Hearing to be conducted on June 27, 2024. The Public Hearing was also advertised in the Los Angeles Daily News on May 30, 2024 and distributed to interested parties via an e-blast from Planning's Media Relations unit on May 31, 2024.

The Department conducted one virtual, staff-level public hearing on the proposed ordinance on June 27, 2024 which was attended by 56 members of the public. Following the Public Hearing the record remained open for an additional three weeks, to receive public comments through July 18, 2024.

Six speakers provided public testimony during the Public Hearing. Comments were generally supportive of the proposal that the Adaptive Reuse Ordinance now be broadened and apply citywide, but most would like to see some modifications. One comment expressed concerns about affordable housing and issues of displacement, referring mostly to new, ground-up development. Suggested modifications received as verbal testimony during the Ordinance's Public Hearing include:

- The incentive to allow one-story, rooftop additions should be expanded beyond the provision of amenities for the building occupants, to also allow new housing units.
- Existing buildings that have large, open plazas should be required to add trees, plants and add more permeable surfaces wherever feasible.
- More incentives need to be added, as adaptive reuse projects are incredibly difficult and expensive to realize.
- Building code revisions to enable Adaptive Reuse are critical to the success of a Citywide program.
- The City needs to provide direct financial subsidies if the Citywide Adaptive Reuse ordinance is to be effective.
- Many requirements for designated historic resources are detailed in the current draft; these buildings already have processes in place to protect them and require meeting the Secretary of the Interior's Standards for Rehabilitation.

Other general comments:

- Has targeted outreach to building owners been contemplated and are ways in which the city can support potential conversion of neighborhood sites to new housing units?
- Concerns were raised about how streamlining for Adaptive Reuse Projects eliminates the need for CEQA review.
- Streamlining housing production may have unintended consequences in communities of color, resulting in displacement of local businesses in economic corridors that communities are reliant upon and accelerating gentrification.
- Concern about the broader role of new building construction contributing to urban heat island effect.

Staff received the following written communication via email and letters:

- A resident in the Sawtelle neighborhood supports incentives to repurpose the vacant real estate to meet housing needs but notes that there is considerable vacant commercial real estate, including recent new commercial real estate construction that remains unoccupied, with unhoused people seeking shelter under the awnings of brand-new commercial buildings. Until housing needs are met, no new commercial real estate permits should be issued in Los Angeles and commercial corridors should be rezoned to facilitate repurposing the vacant commercial structures for housing.
- The Los Angeles Conservancy submitted the following comments, subsequent to meeting with staff on July 11 :
  - Adaptive reuse is much more sustainable than new construction and less impactful to adjacent neighborhoods.
  - Allow the one-story addition to be used as residential use, although it should probably be set back from the front façade edge at least 10 feet. There are many conversions where a penthouse has been added to the top floor of an existing commercial building. A penthouse unit(s) can be valuable and can offset the cost of conversion.

- The lack of an inclusionary requirement for affordable housing makes sense given the market and costs associated with adaptive reuse.
- Please study the creation of any mechanism to incentivize the creation of larger, family-sized units.
- Consider whether buildings with large, existing concrete plazas (as in DTLA, Koreatown) could be required to make these areas more permeable, add more trees and other vegetation.
- Generate a map with both eligible parcels (by age) and the CHIP (see **Exhibit D**) incentive areas, to support adaptive reuse projects providing on-site affordable units, wanting to utilize CHIP incentives and that are *outside* of the opportunity corridors.
- A letter was received from the Del Rey Residents Association raising the following concerns about the Adaptive Reuse Ordinance:
  - That the proposed Citywide Adaptive Reuse preemptively changes zoning regulations in the Del Rey neighborhood in advance of a participatory Community Plan process.
  - That new construction as part of Unified Adaptive Reuse Projects could conflict with Specific Plans and [Q] Conditions, in particular those of the Glencoe Maxella Specific Plan, by granting incentives for affordable housing through an administrative review process in lieu of a discretionary process.
  - Layering the new incentives linked to providing on-site affordable units, on top of the liberal provisions proposed for adaptive reuse projects, could be used by developers to expand the footprint of the existing building, and be viewed as a way of “double dipping” by using housing incentives.
  - No requirement for new open space or landscaping is proposed, to serve the residents who are being added to the community by the adaptive reuse project.
- The Central City Association offered the following considerations and suggestions, in support of the city’s efforts to encourage the conversion of underutilized commercial space to housing:
  - Property values of office buildings have declined in parallel with diminished demand for office space, which has significant implications for tax revenues that the City depends on to fund critical public services.
  - Ordinance should expand the incentive for one-story rooftop additions to include new residential uses (apart from the two-story addition possible via affordable housing incentives), and not limit this to amenity spaces.
  - Rooftop additions should be allowed up to the allowable height and/or number of stories rather than on the existing conditions, with allowing the use of incentives to then exceed the maximum building envelope.
  - Allow multi-site Unified Adaptive Reuse Projects to occur within a specified radius of the existing building’s site, rather than limiting these to immediately adjacent or directly across the street
  - Provide a longer window than five years from Administrative Review approval for a deemed-complete building permit plan check application for Unified Adaptive

Reuse Projects, as these are inherently complicated, multi-phase projects that would benefit from a longer time horizon.

Staff received the following additional written communications:

#### General comments in support of the ordinance

- The amendment to the current adaptive reuse program to expand citywide is a good step to make more housing available and bring down costs.
- The importance of implementing as soon as possible is imperative. There are many Developers sitting on the sidelines due to the ordinance not being implemented yet. Developers typically have had negative experiences with City policy and they are fearful of more delay. They will not acquire a building for the purpose of adaptive reuse until the ordinance is implemented.
- Communities cannot bear to continue to have tens of millions of square footage sitting empty when there is a housing crisis. In addition to providing actual affordable units, adding housing supply has also been proven to significantly decrease rental costs and provide affordable living options. In addition, reducing costs and processing times can lower housing costs downstream and increase the likelihood that the developer can provide workforce housing and not just luxury housing.
- While incentivizing affordable units in market rate adaptive reuse projects is commendable, and the City needs to continue to work with the development community to find strategies on how to create affordable units in these projects, the majority of the adaptive reuse projects will likely be market rate.

#### Comments recommending amendments

- The need for direct financial incentives is imperative, as even with the potential cost savings or revenue generating aspects of this ordinance, these projects are still not penciling. Most large US cities are giving significant tax abatement. In addition, the linkage fee could be eliminated from all adaptive reuse projects.
- The definition of “Live Work” that has been added to the ARO is helpful, as there has been confusion as to the difference between Joint Living and Work Quarters and Live Work. There is a specific building code for Live Work which might be helpful to reference as well, so please clarify in definitions and possibly point to LABC Chapter 85 for “Joint Living and Work Quarters”. Unclear whether “Live Work” technically allows “commercial” use within the residential unit.
- The ordinance should clarify which RD zones projects will be eligible for adaptive reuse incentives.

#### Other general comments

- Clarify whether this ordinance will supersede any State Bill that is implemented in the future, or if a state bill could ever supersede a local ordinance. For example the Haney bill, AB 3068, is proposing to include affordability and labor requirements.
- Many publicly funded affordable housing developers are not considering adaptive reuse as an option, as adaptive reuse projects cannot meet the extremely strict funding timelines and requirements required of non-profit housing development.

- The City should ensure inclusion of existing residents, especially low- income ones in adaptive reuse projects. Mixed-income projects can keep long-time residents in place and can support inter-community ties if done well.
- Adaptive reuse should incentivize multifamily reuse, which should also include vacant lots that can become desperately needed public spaces or small commercial areas.
- Future notices should utilize a darker color font to provide better visibility for seniors.

# **EXHIBIT A1**

## **Proposed Citywide Adaptive Reuse Ordinance (Chapter 1)**



## Introduction

This document is the final draft of the proposed Citywide Adaptive Reuse Ordinance, to amend Chapter 1 of the Los Angeles Municipal Code. Please note that minor edits have been made to the draft released on June 11, 2024 for the Public Hearing and posted to the Housing Element Rezoning Program webpage; such changes are indicated in **red text**, with those additions made subsequent to the draft posted with the September 12, 2024 City Planning Commission meeting agenda in **blue text**. Maps of the Citywide Adaptive Reuse Areas and Subareas are included as Exhibit B in the Citywide Adaptive Reuse Recommendation Report.

The Citywide Adaptive Reuse Ordinance will initially apply to all areas of Los Angeles outside of the Downtown Community Plan Area. Over time, as new Community Plans are adopted, the new Zoning Code (Chapter 1A) will become operational in those areas and supersede the Citywide Adaptive Reuse Ordinance.

Note that the updated Downtown Community Plan, Ordinance 187,822, features its own, separate Downtown Adaptive Reuse Program, as the first Community Plan to implement the new Zoning Code. For specific information that applies to adaptive reuse projects within Downtown, please refer to Section 9.4.5 of Article 9 that may be found [here](#).

Contents	Pages:
Citywide Adaptive Reuse Ordinance (Chapter 1), clean copy version	1-1 thru 1-27
Citywide Adaptive Reuse Ordinance, strike-out and underline version	2-1 thru 2-33

**DRAFT ADAPTIVE REUSE ORDINANCE (CHAPTER 1)  
OCTOBER 2024**

**ORDINANCE NO. \_\_\_\_\_**

Key:

[Edits made subsequent to the draft released on June 11, 2024 for the Public Hearing](#)  
[Additions made subsequent to the draft posted with the September 12, 2024 City Planning Commission meeting agenda](#)

An ordinance amending Section 12.03, Subdivisions 12.22 A.26 and 12.24 X.1, and Section 16.05 of the Los Angeles Municipal Code (“Code”) in order to update the existing Adaptive Reuse Ordinance. The expansion of the Adaptive Reuse Ordinance to apply citywide will further incentivize the conversion of existing buildings to housing units, provide greater design flexibility, and streamline Planning approval for such projects. It will establish a by-right approval process for existing structures that are at least fifteen years old, in place of the previously fixed date of July 1, 1974. For buildings between five and fifteen years old, adaptive reuse projects shall remain subject to the Zoning Administrator Conditional Use procedure.

**Sec 1.** Section 12.03 of Article 2 of Chapter 1 of the Los Angeles Municipal Code (*Definitions*) is hereby amended to read as follows:

**ADAPTIVE REUSE PROJECT:** Any change of use in all or any portion of any eligible building or structure pursuant to provisions in Subdivision 12.22 A.26.

**DESIGNATED HISTORIC RESOURCE:** A building, structure, object, landscaping element, or natural feature listed or designated as a historical resource, either individually, or as a contributor to a historic district, at the local, state, or national level, including but not limited to listing in the National Register of Historic Places or California Register of Historical Resources, or designation as a Historic-Cultural Monument or as an Historic Preservation Overlay Zone.

**HISTORIC RESOURCES SURVEY:** A document, officially recognized by a local, state, or federal agency, resulting from a process of systematically identifying and documenting buildings, structures, objects, cultural landscapes, natural features, and historic districts as potentially eligible for listing as either an individual resource or as a contributor to an historic district under a local, state or federal designation program, including but not limited to the National Register of Historic Places or California Register of Historical Resources, or designation as a Historic-Cultural Monument or as a Contributing Structure in an Historic Preservation Overlay Zone (HPOZ).

**LEGACY SMALL BUSINESS:** Any business that is listed on the Citywide Legacy Business Registry or any business not listed on the Citywide Legacy Business Registry that has been in continuous operation within a 2 mile radius of the project site within the City for at least 20 years

with no break in its operations exceeding two years, and meets at least two of the following four standards:

- a. Has no more than 50 full-time equivalent employees;
- b. Employs non English language speakers and posts a placard stating that non English languages are spoken in the establishment, written in the respective language offered. The placard shall be located within 5 feet of the entrance along the primary street lot line, and shall be a minimum of 8 ½” by 11” in at least a 12 point font;The business includes employees that can serve multi-lingual members of the community;
- c. Accepts government issued assistance such as Electronics Benefits Transfer (EBT) and posts a placard stating acceptance of government issued assistance such as Electronic Benefit Transfer (EBT) within 5 feet of the entrance along the primary street lot line, and shall be a minimum of 8 ½” by 11” in a front size of at least a 12 point font;
- d. Pays employees wages equivalent to or greater than those specified in Sec. 10.37.2 (Payment of Minimum Compensation to Employees) of Article 11 (Living Wage) of the Los Angeles Administrative Code.

**LIVE/WORK UNIT:** A single unit that combines both a dwelling unit and work space designated for productive uses and entrepreneurial activities, that may include areas for display or sales of products produced therein. **The alternative provisions in Division 85 of the Los Angeles Building Code, established to apply to conversions from non-residential uses to Joint Living and Work Quarters, shall also apply to Live/Work Units.**

**NON-RESIDENTIAL USE:** Any use other than for housing accommodation.

**RESIDENTIAL USE:** Any use that provides housing accommodations serving as a primary residency or having a tenancy of thirty days or greater, or residential Supportive Services, or a Home Occupation. This definition includes Dwelling Units, Efficiency Dwelling Units, Supportive Housing, Dormitories, Boarding Houses, Hostels, Guest Rooms, Live/Work Units, or Joint Living and Work Quarters.

**SURVEYED HISTORIC RESOURCE:** Any building, structure, object, site, landscape, or natural feature identified through an Historic Resources Survey as eligible for listing as either an individual resource or as a contributor to an historic district under a local, state or federal designation program, including but not limited to listing in the National Register of Historic Places or California Register of Historical Resources, or designation as a Historic-Cultural Monument or as an Historic Preservation Overlay Zone. This term does not include a non-contributor to an eligible historic district.

**TRANSIENT RESIDENTIAL USE.** A residential building wherein occupancy, by any person by reason of concession, permit, right of access, license, or other agreement is for a period of 30 consecutive calendar days or less, counting portions of calendar days as full days. Lodging uses shall not serve as a primary residence.

**UNIFIED ADAPTIVE REUSE PROJECT.** An adaptive reuse project composed of the conversion of existing floor area from a Non-Residential Use to a Residential Use in at least one existing building combined with new construction of new floor area, either attached to the existing building, or detached from the existing building, which may include development of portions of a lot shared with an Adaptive Reuse Project, or on lots that abut or are separated only by an alley, or are located directly across the street, from any portion of an Adaptive Reuse Project.

**Sec. 2.** Subdivision 26 of Subsection A of Section 12.22 of Article 2 of Chapter 1 of the Los Angeles Municipal Code (*Downtown Adaptive Reuse Projects*) is hereby amended to read as follows:

### **12.22 A.26. Adaptive Reuse Projects**

**(a) Purpose.** The purpose of this Subdivision is to implement the General Plan by facilitating the retention and conversion of existing, underutilized, or historically significant buildings to new Residential Uses. This will reduce vacant space, create opportunities for new housing and preserve the City’s architectural and cultural legacy. Encouraging the reuse of buildings is a sustainable practice to retain many of the resources that went into their initial construction and thereby reduce greenhouse gas emissions. Such productive reuse will support mixed commercial and residential uses in order to improve air quality and reduce vehicle trips and vehicle miles traveled by locating residents, jobs and services near each other.

**(b) Relationship to Other Zoning Provisions.** If the provisions of Paragraphs (g) and (h) of this Subdivision conflict with those of any “Q” condition, “D” limitation, or any citywide provision of Chapters 1 and 1A of the Los Angeles Municipal Code (“Code”) regulation, then this Subdivision 12.22 A.26 shall prevail. In addition, Adaptive Reuse Projects shall be subject to the following exceptions or additional provisions:

(1) If the provisions of this Subdivision conflict with those of any Historic Preservation Overlay zone (HPOZ), then the provisions of the Historic Preservation Overlay Zone shall prevail, pursuant to Division 13B.8 (*Historic Preservation*) of Chapter 1A of the Code. Adaptive Reuse Projects involving other Designated Historic Resources may be eligible for the incentives set forth in Paragraphs (g) (*Incentives*) and (h) (*Incentives for Unified Adaptive Reuse Projects Providing Affordable Housing*) of Chapter 1 of the Code, below, and shall be reviewed pursuant to Section 91.106.4.5 (*Permits for Historical and Cultural Buildings*) of Chapter IX of the Code and/or Section 22.171 (*Cultural Heritage Commission*) of the Los Angeles Charter and Administrative Code.

(2) For Adaptive Reuse Projects seeking tax abatement under the Mills Act, pursuant to Sections 50280-50290 of the California Government Code, and Section 91.140 (*Approval of Historic Property Contracts*) of the Los Angeles Administrative Code, the City Council may contract with an owner or agent of the owner of any qualified historical property

(3) If the provisions of this Subdivision conflict with those of any Sign District (SN) then the provisions of the Sign District shall prevail, pursuant to Section 13.11 of Chapter 1 of the Code.

(4) Notwithstanding the above, expansion of new floor area as part of a Unified Adaptive Reuse Project shall be subject to applicable citywide provisions of Chapter 1 or 1A of the Code and any applicable “Q” conditions or “D” limitations, and any applicable Specific Plan, supplemental use district, and/or Streetscape Plan.

(5) The Mixed Income Incentive Program or Affordable Housing Incentive Program Public Benefit Option may be utilized in combination with an Adaptive Reuse Project, with the Restricted Affordable Unit percentage and Income level, and other requirements, subject to the provisions of Subsections 12.22 A.38 or 12.22 A.39 of Chapter 1 of the Code [or established in Div. 9.3 or in Sec. 9.2.2. of Chapter 1A of the Code.](#)

(6) Adaptive Reuse Projects remain subject to provisions of the Affordable Housing Linkage Fee pursuant to Section 19.18 of Chapter 1 of the Code.

(7) This Subdivision 12.22 A.26 shall supersede the Adaptive Reuse Incentive Areas Specific Plan (Ordinance 175,038), with the areas of that former Specific Plan now designated as Subareas of this Citywide Adaptive Reuse Ordinance. Adaptive Reuse Projects within the boundaries of the Subareas shall be eligible for all incentives and procedures in this Subdivision 12.22 A.26, except that:

(i) Properties within the boundaries of the Subareas shall be eligible for conversion to Transient Residential Use, as set forth below, in Paragraph [12.22 A.26\(c\)](#); and

(ii) A Zoning Administrator may, upon application, allow Adaptive Reuse Projects in the MR1, MR2, M1, M2 and M3 zones, subject to the procedures set forth in Subparagraph 12.22 A.26 (e)(4) of Chapter 1 of the Code.

**(c) Uses Allowed in Adaptive Reuse Projects.** Notwithstanding any other provisions of this Chapter to the contrary, to be eligible for incentives set forth below an Adaptive Reuse Project is subject to the following provisions:

(1) Any change of an existing Non-Residential Use, or Transient Residential Use to new Residential Use which may include Dwelling Units, Efficiency Dwelling Units, Supportive Housing, Boarding Houses, Dormitories, Hostels, Guest Rooms, Live/Work Units, or Joint Living and Work Quarters in all or any portion of any eligible building or structure is allowed.

(2) Adaptive Reuse Projects shall not include changes of use to Transient Residential Use, which shall be ineligible for the incentives and procedures set forth in this Subdivision 12.22 A.26, except that such conversions may be allowed in Adaptive Reuse Projects located within the boundaries of the former Adaptive Reuse Incentive Areas Specific Plan, Ordinance 175,038, now considered as Subareas of this

Subdivision **12.22 A.26**. Conversions from Transient Residential Use may be allowed in Adaptive Reuse Projects.

(3) Only Adaptive Reuse Projects resulting in the creation of five or more residential units shall be eligible for the incentives and procedures set forth in this Subdivision.

Applicable Area	Conversion of Buildings		Permitted (P) or Not Permitted (NP)
	Existing Use	Proposed Use	
Citywide*	Non-Residential	Residential Uses, including Dwelling Units, Efficiency Dwelling Units, Supportive Housing, Boarding Houses, Dormitories, Hostels, Guest Rooms, Live/Work Units, or Joint Living and Work Quarters	P
		Transient Residential Use	NP
	Transient Residential Use	Residential Uses	P
	Residential	Non-Residential	NP
Subareas**  Subareas** (continued)	Non-Residential	Residential Uses, including Dwelling Units, Efficiency Dwelling Units, Supportive Housing, Boarding Houses, Dormitories, Hostels, Guest Rooms, Live/Work Units, or Joint Living and Work Quarters	P
		Transient Residential use	P

	Transient Residential Use	Residential Uses	P
	Residential	Non-Residential	NP

\* Pursuant to this Subdivision 12.22 A.26 of Chapter 1 (or Article 9. of Chapter 1A of the Code, for that portion of Los Angeles within the boundaries of the Downtown Community Plan and new Community Plan areas subject to the new Zoning Code (Chapter 1A) as they are adopted).

\*\* Projects located within the boundaries of the former Adaptive Reuse Incentive Areas Specific Plan.

(4) Existing ground floor commercial uses may be converted to Residential Use, provided that at least the first 15 feet of depth, as measured **perpendicularly** from the street-facing facade, shall be **designed and intended for** such active uses as Live/Work Units, or common residential amenity spaces such as fitness rooms, lounges, lobbies or co-working space, to maintain active uses at the ground floor. **Additionally, while the ground floor facade may be modified,** the new ground floor use shall maintain or may increase transparency, and shall not reduce the existing condition of exterior glazing on any portion of a ground floor fronting a public street. **Only** such reductions **as** are required for seismic reinforcement, fire/life safety concerns, or other upgrades to improve performance of the existing building **shall be allowed**.

**(d) Eligible Buildings.** The provisions of this Subdivision 12.22 A.26 shall apply to Adaptive Reuse Projects in all or any portion of the following buildings and structures in the R2, RD1.5, **RD2, RD3, RD4, RD5, RD6,** RW2, R3, RAS3, R4, RAS4, R5, CR, C1, C1.5, C4, C2, C5, CM, P, PB, and PF Zones. A Certificate of Occupancy, building permit finalized date, or other suitable documentation may be submitted as evidence of the date of permitted and completed construction.

(1) Buildings constructed in accordance with building and zoning codes in effect at the time they were built, for which at least fifteen years have elapsed since the date of permitted and completed construction.

(2) Any parking structure or parking area within an existing building constructed in accordance with building and zoning codes in effect at the time they were built, for which at least five years have elapsed since the date of permitted and completed construction.

(3) Buildings constructed in accordance with building and zoning codes in effect at the time they were built, for which:

(i) At least five years have elapsed since the date of permitted and completed construction; and



(ii) An Adaptive Reuse Project is approved by a Zoning Administrator, pursuant to Paragraph 12.24 X.1(b) of this Chapter 1 and Sec. 13B.2.1. (*Class 1 Conditional Use Permit*) of Chapter 1A of the Code.

**(e) Procedures.** Adaptive Reuse Projects shall be reviewed according to the following procedures dependent upon the age of the structure and incentives requested, if the applicable requirements of Paragraph 12.22 A.26(d) (*Eligible Buildings*) of the Code are met.

**(1) Department of Building and Safety Review.** The Department of Building and Safety shall review the following Adaptive Reuse Projects when the criteria described in Paragraph 12.22 A.26(g) (*Incentives*) are met:

(i) Adaptive Reuse Projects involving buildings for which at least fifteen years have elapsed since the date of permitted and completed construction; or

(ii) Adaptive Reuse Projects involving parking structures or parking areas within an existing building for which at least five years have elapsed since the date of permitted and completed construction.

**(2) Administrative Review.** The following projects shall submit plans to the Director for an Administrative Review pursuant to Sec. 13B.3.1. (*Administrative Review*) of Chapter 1A of this Code, and according to the following additional procedures:

(i) Unified Adaptive Reuse Projects providing on-site affordable housing utilizing incentives pursuant to Paragraph 12.22 A.26(h) (*Incentives for Unified Adaptive Reuse Projects Providing Affordable Housing*), in combination with those incentives listed in Paragraph 12.22 A.26(g) of Chapter 1 of the Code; and/or

(ii) Adaptive Reuse Projects involving a Surveyed Historic Resource:

(a) Any proposed alteration of a Surveyed Historic Resource shall comply with the Secretary of the Interior's Standards for Rehabilitation. Any such project shall be reviewed by the Office of Historic Resources, prior to building permit issuance, and will thereby be eligible to utilize the California Historic Building Code; and

(b) Should the Director or their designee within the Office of Historic Resources determine, based upon substantial evidence, that the Surveyed Historic Resource is not an historical resource, as defined by California Public Resources Code Section 21084.1, such property will not be considered an historic resource; and

(c) If proposed alterations to a Surveyed Historic Resource do not meet the Secretary of the Interior's Standards for Rehabilitation to the satisfaction of the Office of Historic Resources, the Discretionary Procedure pursuant to Subparagraph (3) below shall be followed.



(3) **Exceptions for Designated Historic Resources.** Adaptive Reuse Projects involving Designated Historic Resources shall not be eligible for Administrative Review but shall be reviewed according to the following procedures:

(i) Adaptive Reuse Projects located within an Historic Preservation Overlay Zone (HPOZ) shall be reviewed pursuant to Division 13B.8 (*Historic Preservation*) of Chapter 1A of the Code.

(ii) Rooftop additions to Designated Historic Resources may be allowed in Adaptive Reuse Projects providing affordable housing, as set forth in Subparagraph 12.22 A.26(h)(2) of Chapter 1 of the Code, below, and shall be reviewed pursuant to Section 91.106.4.5 (*Permits for Historical and Cultural Buildings*) of Chapter IX of the Code and Section 22.171 (*Cultural Heritage Commission*) of the Los Angeles Charter and Administrative Code.

(iii) Adaptive Reuse Projects involving Designated Historic Resources may be eligible for the incentives set forth in Paragraph 12.22 A.26(g) (*Incentives*) of Chapter 1 of the Code, below, and shall be reviewed pursuant to Section 91.106.4.5 (*Permits for Historical and Cultural Buildings*) of Chapter IX of the Code and/or Section 22.171 (*Cultural Heritage Commission*) of the Los Angeles Charter and Administrative Code.

(4) **Class 1 Conditional Use.** The Zoning Administrator shall review the following Adaptive Reuse Projects pursuant to Subdivision 12.24 X.1 of Chapter 1 and Sec. 13B.2.1. (*Class 1 Conditional Use Permit*) of Chapter 1A of the Code.

(i) Adaptive Reuse Projects involving buildings for which at least five years and less than fifteen years have elapsed since the date of permitted and completed construction; **or**

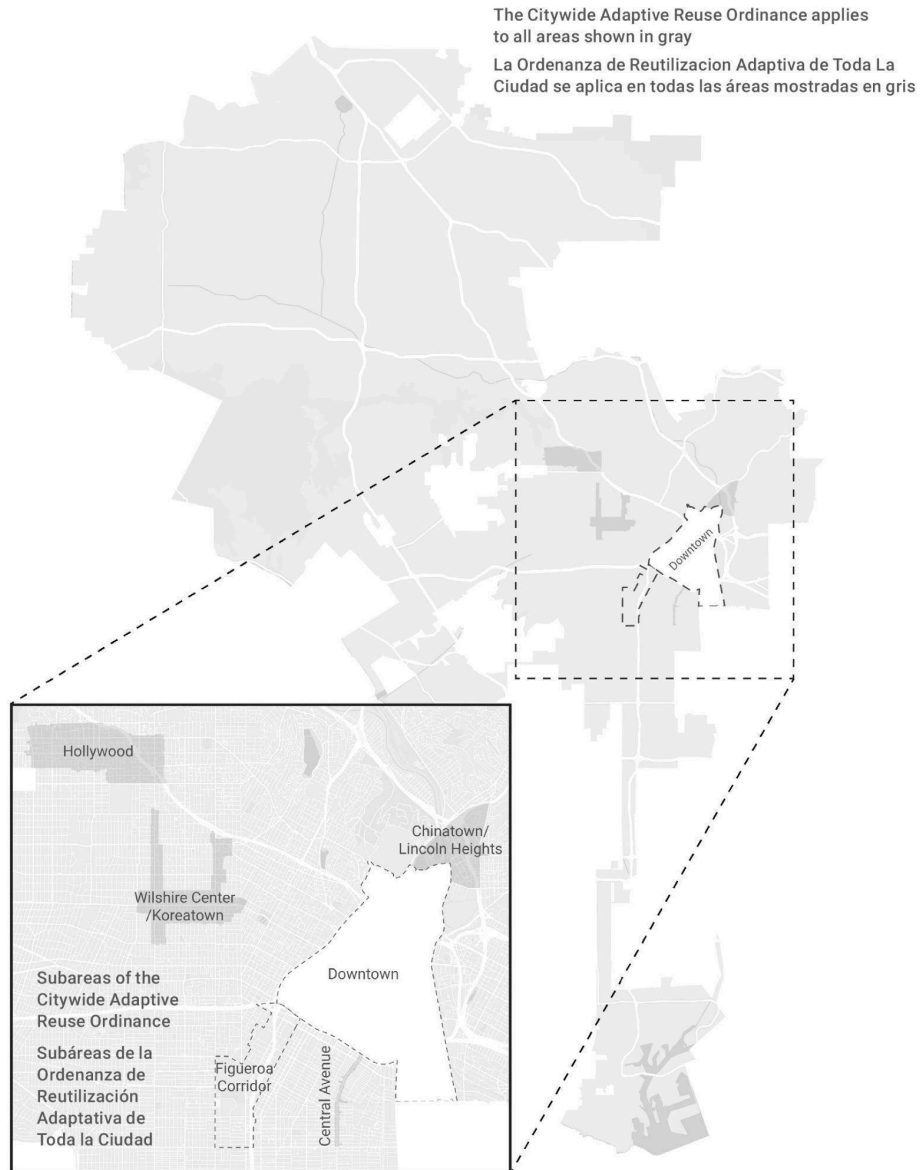
(ii) Projects involving buildings for which at least fifteen years have elapsed since the date of permitted and completed construction requesting incentives not listed in Paragraphs 12.22 A.26(g) (*Incentives*) or 12.22 A.26(h) (*Incentives for Adaptive Reuse Projects with Affordable Housing*), below; **or**

(iii) Unified Adaptive Reuse Projects requesting floor area averaging, transfer of residential density, or both, that do not also provide on-site Restricted Affordable Units, pursuant to Paragraph 12.24 X.1(d) of Chapter 1 of the Code; **or**

(iv) Adaptive Reuse Projects located in Manufacturing Zones and within the boundaries of the Subareas, pursuant to Paragraph 12.24 X.1(e) of Chapter 1 of the Code.

(5) **Adaptive Reuse Projects in the Coastal Zone.** Adaptive Reuse Projects located in the Coastal Zone shall continue to be subject to any applicable Coastal Development Permit procedures pursuant to Sec. 13B.9.1 of Chapter 1A of the Code.

**(f) Project Area.** The Citywide Adaptive Reuse Ordinance applies in all of Los Angeles except that Adaptive Reuse Projects located within the Downtown Community Plan area are not eligible for the Citywide Adaptive Reuse Program but should refer to Sec. 9.4.5 of Chapter 1A of the Code. The Project Area includes the following areas:



**(g) Incentives.** Notwithstanding any other provisions of Chapter 1 or Chapter 1A of the Code to the contrary, Adaptive Reuse Projects shall be entitled to the incentives set forth below.

Any new construction or expansion of new floor area outside of the existing building envelope of an Adaptive Reuse Project shall be subject to all applicable provisions of the Zoning Code including Specific Plans and supplemental use districts, except that Adaptive Reuse Projects involving rooftop amenity structures, as allowed in Subparagraph (1), below;

or unlimited density, and/or additional stories as allowed in Paragraph 12.22 A.26(h) (*Incentives for Unified Adaptive Reuse Projects with Affordable Housing*) of Chapter 1 of the Code shall be eligible for the incentives set forth in those Sections.

Exterior changes resulting from improvements in building safety or performance, such as to accommodate required structural or energy conservation upgrades, shall not be considered new construction, additions, or additional floor area for the purpose of granting incentives per this Paragraph.

(1) **Rooftop Amenity Structures.** The construction of new structures on the existing roof, whether on the uppermost or on multiple roof levels, shall not be considered as adding new floor area or height, as long as the new rooftop structures meet all other Los Angeles Municipal Code requirements and:

(i) Are constructed and maintained for the sole purpose of providing additional amenities or open space, such as fitness rooms, lounges, or shade structures accessible for the use of all residents or guests; and

(ii) Do not exceed one story in height.

(2) **Intermediate Levels.** Any intermediate level or levels between the floor and ceiling of any existing story, [including Mezzanines](#), in an Adaptive Reuse Project shall be allowed and not considered as adding new floor area, as long as these are added entirely within the existing building envelope. An intermediate level may consist of either a partial or full floor, and the clear height above and below the intermediate level shall be not less than 8 feet.

(3) **Density.** New Residential Uses, including Dwelling Units, Efficiency Dwelling Units, Supportive Housing, Boarding Houses, Dormitories, Hostels, Live/Work Units, Joint Living and Work Quarters and Guest Rooms shall not be subject to the minimum lot area per Dwelling Unit or Guest Room requirements of the zone in which they are located.

(4) **Minimum Unit Size.** Adaptive Reuse Projects shall be exempt from any minimum unit size zoning requirements. Unit sizes shall remain subject to all other applicable Los Angeles Municipal Code requirements that may be in effect to protect health, life safety, and habitability.

(5) **Off-Street Automobile Parking.** The required number of parking spaces shall be the same as the number of spaces that physically exist on the site at the time of application submittal for the Adaptive Reuse Project. Observed existing parking spaces that are maintained in their current configuration shall otherwise be exempt from the provisions of Subdivisions 12.21 A.4 and 12.21 A.5 of Chapter 1 of the Code. Reconfiguration of such existing parking spaces to bring the parking layout up to current standards, such as for the purposes of improving safety or access, or to accommodate required structural, seismic or mechanical system upgrades, shall also be exempt from the requirements of Subdivisions 12.21 A.4 and 12.21 A.5 of Chapter 1 of the Code.

All new parking spaces provided in excess of the minimum parking required by the Code shall comply with Subdivision 12.21 A.5 (*Design of Parking Facilities*) of Chapter 1 of the Code. Except that for any parking spaces in excess of the number of spaces which physically existed at the time of application, any combination of standard, compact or tandem spaces may be provided. Tandem parking spaces that do not comply with Subparagraph 12.21 A.5(h)(2) of Chapter 1 of the Code may be provided in any configuration as long as a parking attendant or an automated parking system is provided.

Moreover, if the total parking required for the Adaptive Reuse Project's proposed number of Dwelling Units, Efficiency Dwelling Units, Supportive Housing, Boarding Houses, Dormitories, Hostels, Live/Work Units, Joint Living and Work Quarters, or Guest Rooms is less than the number of observed spaces that physically exist at the time of application submittal, then the project may reduce the parking spaces to that number of spaces required.

Adaptive Reuse Project sites located within one-half mile of a major transit stop may, prior to a letter of determination or permit being issued, be exempt from any minimum automobile parking requirement pursuant to Section 65863.2 of the California Government Code. Utilization of this exemption, as created by Assembly Bill 2097 (2022), does not invalidate any otherwise applicable requirements regarding the provision of electrical vehicle (EV) supply equipment or parking spaces accessible to persons with disabilities. The EV and accessible parking standards required by Chapter 1 of the Code and/or the Los Angeles Green Building Code will be applied to any new parking spaces created and these requirements shall be based upon the total number of parking spaces provided in the Adaptive Reuse Project.

**Adaptive Reuse Projects, including allowable floor area added as part of a rooftop amenity structure or addition, or floor area reallocation, shall not be subject to the Bicycle Parking Ordinance for Residential Uses, Subdivision 12.21 A.16 of Chapter 1 or Div. 4C.3 of the Code except:**

(i) The required number of bicycle parking spaces shall be the same as the number of spaces that physically existed on the lot at the time that the application for the adaptive reuse project was submitted. However, if the total bicycle parking required for the new use is less than the number of bicycle parking spaces that exist on the lot, then the number of bicycle parking spaces may be reduced to the number of bicycle parking spaces required.

(6) **Floor Area.** Existing floor area which exceeds that permitted by the zone, height district, Specific Plan, supplemental use district, or any other citywide provision of Chapters 1 and 1A of the Code shall be allowed to remain. The following shall not be considered as adding new floor area that enlarges an existing building or structure:

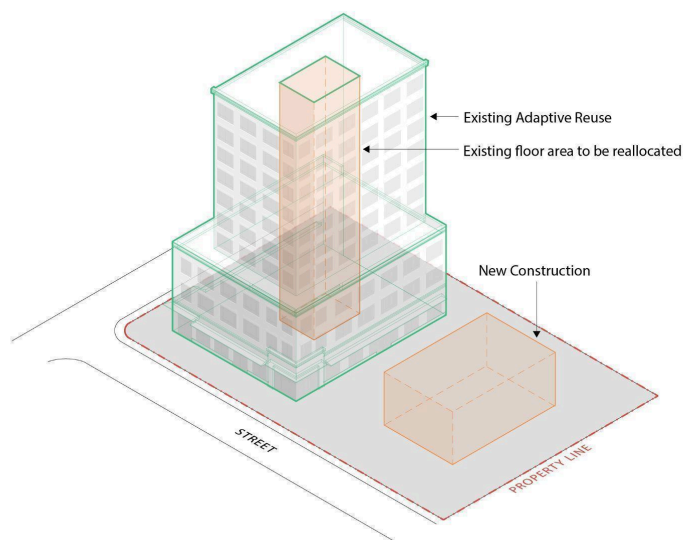
(i) The change of use of any area within the envelope of an existing building to Residential Use, including Dwelling Units, Efficiency Dwelling Units, Supportive

Housing, Boarding Houses, Dormitories, Hostels, Guest Rooms, Live/Work Units, or Joint Living and Work Quarters.

(ii) The change of use of any area within the envelope of an existing building to common amenities or open space areas for residents or guests, or to other incidental Accessory Use.

(iii) All other areas exempted from floor area calculation, pursuant to Subdivision 12.21.1 A(5) of Chapter 1 of the Code.

(7) **Floor Area Reallocation.** Any amount of floor area that is removed from an existing building as part of an Adaptive Reuse Project, in order to create new interior light wells or courtyards, recessed balconies or other open space inset from exterior walls, or other such features that provide natural light and ventilation and improve habitability, may be reallocated to building additions that extend or increase the gross floor area outside of the envelope of an existing building but do not increase the number of stories or height of the structure. Additions resulting from this reallocation may be eligible for incentives under this Paragraph 12.22 A.26(e) (*Incentives*) but shall meet all requirements of Chapters 1 and 1A of the Code for new residential construction, such as for required open space, yards and height.



**Figure 1: Reallocation of Existing Floor Area**

(8) **Height.** An existing building which exceeds the height permitted by the zone, height district, Specific Plan, supplemental use district, or any other citywide provision of Chapters 1 and 1A of the Code, and is part of an Adaptive Reuse Project shall be allowed to maintain its existing height, regardless of whether it exceeds that [allowed](#).

Any additional story created entirely within an existing building which is part of an Adaptive Reuse Project shall not be counted as an additional story towards any limit on

number of stories as imposed by Chapters 1 and 1A of the Code. New structures on the existing roof, pursuant to Subparagraph 12.22 A.26(f)(1) of Chapter 1 of the Code, or additional stories pursuant to Subparagraph 12.22 A.26(h)(2) of Chapter 1 of the Code, below, shall be allowed to exceed the maximum allowable height or number of stories established in the Zone or overlay.

(9) **Yards.** Existing observed yards which do not meet the yards required by the Zone, Specific Plan, supplemental use district, or any other citywide provision of Chapters 1 and 1A of the Code, shall be allowed.

(10) **Step-Backs and Transitional Height.** An existing building which is part of an Adaptive Reuse Project shall not be required to comply with any applicable upper story or building mass provisions established by the zone, height district, Specific Plan, supplemental use district, or any other citywide provision of Chapters 1 and 1A of the Code.

(11) **Open Space and Landscaping.** An existing building which is part of an Adaptive Reuse Project shall not be required to provide common or private Open Space as a result of a change of use. In the event that an existing site includes open, outdoor gathering areas such as plazas, courtyards, terraces or roof gardens, at least 50 percent of this existing open space shall be retained.

New Landscaping shall not be required in an Adaptive Reuse Project, with the exception of public realm improvement in the form of new street trees:

(i) Each project shall provide at least one street tree per thirty linear feet of street frontage. Trees selected shall be Large Trees (as defined in LAMC Section 12.03) with a minimum container size of 15-gallons and trunk size of 1-1/2 inch caliper at the time of planting, subject to approval by the Urban Forestry Division;

(ii) Existing trees in the public rights-of-way, including street tree canopy and landscaped parkways, shall be preserved, unless removal is permitted by the Urban Forestry Division. Existing street trees to remain can be counted towards the total required street tree calculation;

(iii) Street trees must be located in either existing vacant tree wells or landscaped parkways or in newly created tree wells and landscaped parkways, in conformance with Public Works Street Design Manual standards and policies;

(iv) The tree planting area size should be the maximum allowed based upon the width of the sidewalk area with dimensions of at least 4 feet x 6 feet, or as approved by the Urban Forestry Division in coordination with the Bureau of Engineering (BOE). Please refer to Type 1 in S-450-4 Standard Plan;

(v) Pursuant to LAMC Section 12.40H.1(b)(iii), the developer shall certify through a Covenant and Agreement that installed street trees will be irrigated for five



years as required for establishment and to maintain ongoing tree health and viability, and shall provide a maintenance plan as part of the application; and

(vi) When required street trees cannot be physically accommodated within the public rights-of-way, due to City-determined physical constraints, a Tree Planting Guarantee Fee pursuant to Subsection 62.177 (b) of Chapter 6 of the Code shall be paid to the Board of Public Works pursuant to “Development Tree Planting Requirements”.

**(12) Mini-Shopping Center and Commercial Corner Development Regulations.**

Adaptive Reuse Projects shall be exempt from the mini-shopping center and commercial corner development regulations set forth in Subdivision 12.22 A.23 of Chapter 1 of the Code.

**(13) Project Review.** Adaptive Reuse Projects shall be exempt from the requirements for Project Review set forth in Sec. 13.B.2.4 of Chapter 1A of the Code.

**(14) Loading Space.** Where an existing loading space is provided, it shall be allowed to maintain its current, existing dimensions, regardless of whether it complies with the provisions of Paragraph 12.21 C.6(h) of Chapter 1 of the Code. If no loading spaces exist, then a loading space shall not be required in conjunction with the development of an Adaptive Reuse Project.

**(15) Commercial Tenant Preservation or Retention.**

- (i) Any Adaptive Reuse Project that preserves or retains an active ground floor use shall be eligible for exemption from the calculation of Floor Area. Active uses, up to 1,500 square feet, located on the ground story shall be exempt from the calculation of floor area:
  - (a) For the purposes of exempting active uses on the ground story from calculating floor area, active space shall be designed and intended for Neighborhood Serving and Retail Uses. Areas for circulation, storage, mechanical equipment, automobile parking, lobbies, mailrooms, laundry rooms, utilities, and waste collection shall not account for more than 15% of an area designated as an active use.
  - (b) Projects utilizing this option shall provide a ground story transparency of a minimum of 60% along the Frontage, except that existing commercial tenants retained in place shall comply with the provisions of Subparagraph 12.22 A.26(c)(4).
  - (c) Projects utilizing this option shall provide a ground floor entrance at minimum every 50 feet along the front property line that provides both ingress and egress pedestrian access to the ground story of the building, except that existing commercial tenants retained in place shall be exempt from this requirement.

- (ii) Any Adaptive Reuse Project that preserves or retains a Legacy Small Business as defined in Section 12.03, shall receive a floor area ratio bonus equivalent to double the existing square floor area of the Legacy Small Business.

When new construction retains a Legacy Small Business or multiple Legacy Small Businesses on the ground floor of a development, either by preservation of the tenant spaces or by the leasing of new tenant spaces to Legacy Small Businesses, the floor area of those Legacy Small Businesses may be exempted from the total floor area calculation of the new construction. Proof of retention may be provided by way of lease agreement, recorded covenant, and written confirmation and consent of the Legacy Small Business owner.

**(h) Incentives for Unified Adaptive Reuse Projects Providing Affordable Housing.**

Unified Adaptive Reuse Projects utilizing the density bonus incentives in the **Mixed Income Incentive Program** or **Affordable Housing Incentive Program Public Benefit Option**, pursuant to Subdivisions 12.22 A.38 or 12.22 A.39 of Chapter 1 of the Code, shall follow procedures pursuant to Subparagraph 12.22 A.26(e)(2) of this Subdivision of Chapter 1 of the Code. Unified Adaptive Reuse Projects are limited to those involving existing buildings located within the Zones in which Adaptive Reuse Projects are otherwise allowed, as per Paragraph 12.22 A.26 (d) (*Eligible Buildings*); and to apply the incentives of this Paragraph 12.22 A.26(h) must also include the required percentage of set-aside affordable units distributed proportionally within each individual building and/or construction phase, as per the requirements of the Los Angeles Housing Department (LAHD).

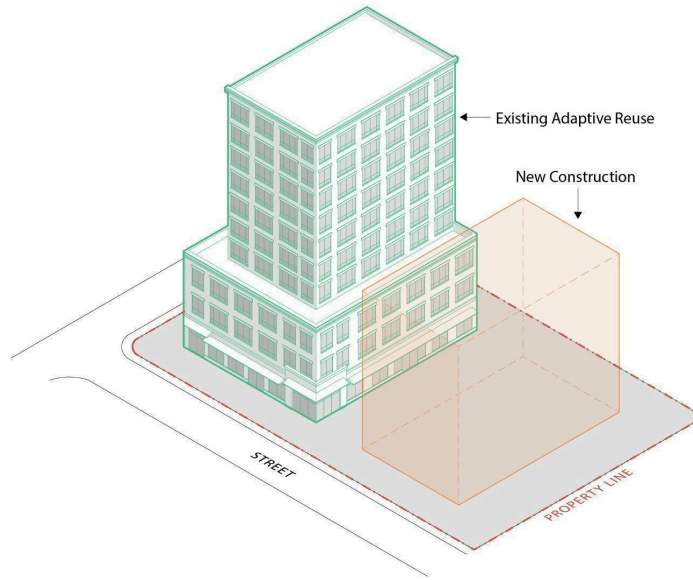
In addition to incentives in Subsection 12.22 A.26(g) (*Incentives*) of Chapter 1 of the Code, such Adaptive Reuse Projects providing affordable housing may utilize one or both of the following incentives:

**(1) Type I Unified Adaptive Reuse Projects: Density Bonus for New Construction.**

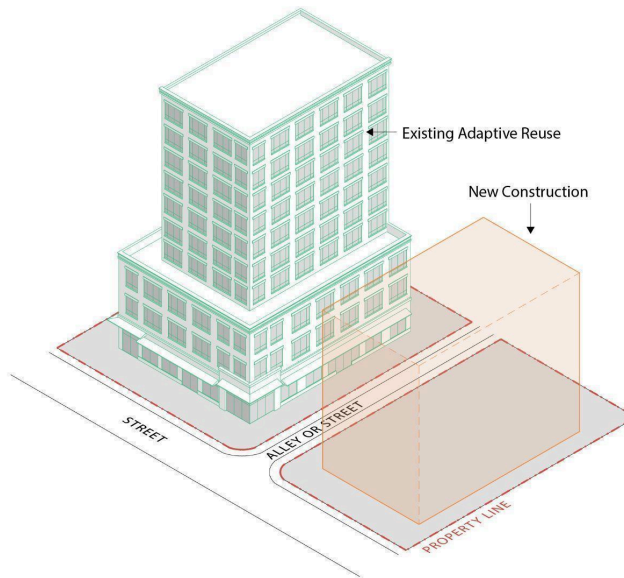
Existing adaptively reused buildings and related expansion of new floor area qualifying as an Unified Adaptive Reuse Project may utilize unlimited density subject to the following requirements:

- (i) Unified Adaptive Reuse Project may include development of portions of a lot shared with an Adaptive Reuse Project, or on lots that abut, or are separated only by an alley, or are located directly across the street, from any portion of an Adaptive Reuse Project; and





**Figure 2: Type I Unified Adaptive Reuse with New Construction on the Same Lot**



**Figure 3: Type I Unified Adaptive Reuse with New Construction Directly Across the Street or Alley from a Lot**

(ii) All site amenities provided in the Unified Adaptive Reuse Project, whether located in the existing building(s) or as an expansion of new floor area, shall be made accessible to all occupants of the Unified Adaptive Reuse Project, which shall be constructed to link pedestrian circulation between buildings and site amenities. All circulation pathways must be clearly delineated, through raised crosswalks,

contrasting paving materials or surface treatments, enhanced lighting, directional or wayfinding signage, or other elements; and

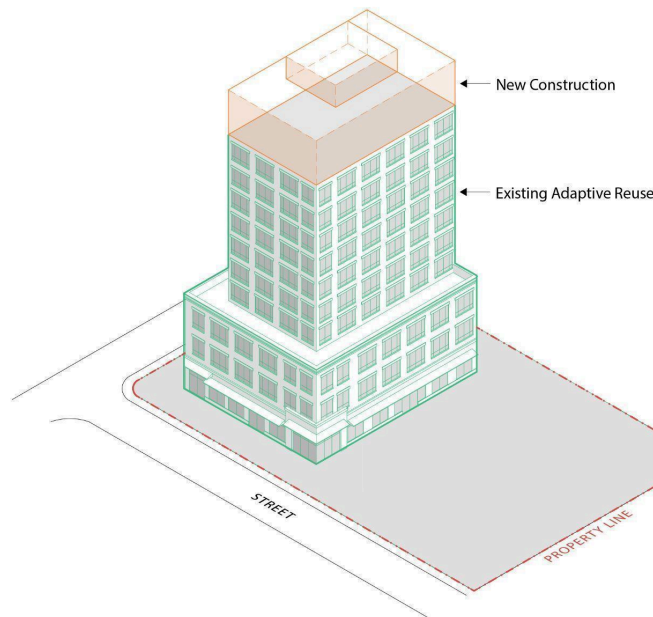
(iii) The requisite number of Restricted Affordable Units included in the Unified Adaptive Reuse Project shall be provided in accordance with the provisions of 12.22 A.38(c) or 12.22 A.39(c) of Chapter 1 of the Code; and

(iv) All owners of the property requesting floor area averaging, transfer of residential density, or both, and all owners of each lot contained in the Unified Adaptive Reuse Project shall execute and record a Covenant and Agreement. A copy of each executed and recorded Covenant and Agreement shall be filed with the Los Angeles City Planning Development Services Center. Each covenant shall run with the land, be approved by the Director or their designee prior to the issuance of any building permits, and shall guarantee the following: (1) The use of any floor area converted to Residential Use shall be maintained and not changed; (2) The number of such units, quarters or guest rooms approved by Planning shall not be increased; and (3) the access for all occupants of the Unified Adaptive Reuse Project to all site amenities, and the pedestrian circulation between buildings and site amenities shall be maintained and not reduced.

(v) Applicants utilizing any of the incentives of this Paragraph must have a building permit plan check application deemed complete for the entirety of the Unified Adaptive Reuse Project within **seven** years of obtaining an Administrative Review approval for the Unified Adaptive Reuse Project; failure to do so shall result in termination of the Project's eligibility for Administrative Review and all subsequent project phases will then be subject to a Class 1 Conditional Use approval process.

**(2) Type II Unified Adaptive Reuse Projects: Density Bonus for Two Additional Stories.** Adaptive Reuse Projects shall be eligible for up to a two-story addition to the uppermost floor, that shall not be considered as additional Floor Area or Height, subject to the following provisions:

(i) **Unified Developments that provide affordable housing to expand floor area** resulting in a maximum of two additional stories, shall be limited to a maximum of two stories added above existing conditions or the maximum height allowed by a project site's underlying zone, whichever is greater.



**Figure 4: Type II Unified Adaptive Reuse with Two Additional Stories**

(ii) Projects utilizing this incentive shall not be eligible for additional FAR and height incentives as described in Table 12.22 A.38(e)(2) or Table 12.22 A.38(f)(2) of Subdivision 12.22 A.38 and Table 12.22 A.39(e)(3) of Subdivision 12.22 A.39 of Chapter 1 of the Code for the Adaptive Reuse Project, unless utilized in conjunction with an Unified Adaptive Reuse Project as described in Paragraph 12.22 A.26.(h) of Chapter 1 of the Code; and

(iii) Restricted Affordable Units included in the Two Additional Stories shall be provided in accordance with the **affordability requirements set forth in LAMC Section 19.18 B.2(b) in lieu of the Linkage Fee that may otherwise be required pursuant to LAMC Section 19.18 for the additional floor area.** The required percentage of Restricted Affordable Units shall be based upon the total units proposed in the new floor area within the additional stories and distributed proportionally within **each individual building or construction phase, as per the requirements of the Los Angeles Housing Department (LAHD), of the Unified Adaptive Reuse Project;** and

(iv) Adaptive Reuse Projects proposing an addition pursuant to this Subsection shall remain eligible for the incentives set forth in Paragraph 12.22 A.26(g) (*Incentives*) of Chapter 1 of the Code; and

(v) Adaptive Reuse Projects involving Designated Historic Resources may be eligible for the incentives of this Subparagraph 12.22 A.26(h)(2) and shall be reviewed pursuant to Section 91.106.4.5 (*Permits for Historical and Cultural Buildings*) of Chapter 9 of the Code or Section 22.171 (*Cultural Heritage Commission*) of the Los Angeles Administrative Code, as applicable; and

The Decision Maker, including the Office of Historic Resources and/or the Cultural Heritage Commission, shall have the authority to approve, conditionally approve, or deny the request in order to conform with the Secretary of the Interior's Standards; and

(vi) Adaptive Reuse Projects located within any Historic Preservation Overlay Zone (HPOZ) may be eligible for the incentives of this Subparagraph 12.22 A.26(h)(2) and shall be reviewed pursuant to Division 13B.8 (*Historic Preservation*) of Chapter 1A of the Code; and

(vii) Applicants for Adaptive Reuse Projects involving any Surveyed Historic Resource may be eligible for the incentives of this Subparagraph 12.22 A.26(h)(2) and shall submit plans to the Director for an Administrative Review pursuant to Sec. 13B.3.1. (*Administrative Review*) of Chapter 1A of this Code, and according to the procedures set forth in 12.22 A.26(e)(2)(ii) of Chapter 1 of the Code.

(3) **New Construction.** Any expansion of new floor area as part of an Unified Adaptive Reuse Project shall be subject to all applicable provisions of Chapters 1 and 1A of the Code including Specific Plans and supplemental use districts, **unless otherwise stated in the Zoning Code.**

**(i) Adaptive Reuse Projects Consistent with AB 1490.** Consistent with Sections 65913.12 and 65960.1 of the California Government Code, as created by AB 1490 in 2023, extremely affordable adaptive reuse projects in any zone may be allowed to use incentives in Paragraphs 12.22 A.26(h) and 12.22 A.26(g) of Chapter 1 of the Code.

Exception: Any extremely affordable adaptive reuse project on a site, adjoining a site, or across a street or alley from a site where more than one-third of the square footage on the site is dedicated to industrial uses shall not be eligible for the provisions of this Paragraph 12.22 A.26(i) of Chapter 1 of the Code. For purposes of this Paragraph, the term "dedicated to industrial uses", as defined in Section 65913.12(a)(1) of the California Government Code, shall mean any of the following:

- (i) The square footage is currently being used as an industrial use; or
- (ii) The most recently permitted use of the square footage is an industrial use; or
- (iii) The site was designated for industrial use in the latest version of a local government's general plan adopted before January 1, 2022; and

To qualify as an extremely affordable Adaptive Reuse Project the project shall also meet all of the affordability criteria, as set forth in Section 65913.12(a)(3)(D) of the California Government Code, below:

- (iv) One hundred percent of the units within the development project, excluding managers' units, shall be dedicated to lower income households at an affordable housing cost, as defined by Section 50052.5 of the California Health and Safety

Code, or an affordable rent set in an amount consistent with the rent limits established by the California Tax Credit Allocation Committee; or

(v) At least 50 percent of the units within the development project shall be dedicated to very low income households at an affordable housing cost, as defined by Section 50052.5 of the California Health and Safety Code, or an affordable rent set in an amount consistent with the rent limits established by the California Tax Credit Allocation Committee; and

(vi) The units shall be subject to a recorded deed restriction for a period of 55 years for rental units and 45 years for owner-occupied units.

**(j) Uses.** Notwithstanding the nonconforming provisions of Section 12.23 of Chapter 1 of the Code, or the provisions of Subdivision 12.21 C.5 of Chapter 1 of the Code concerning the location of Accessory Buildings, all new Residential Uses shall be allowed in Adaptive Reuse Projects, so long as the use is allowed by the underlying zone or approved by the Zoning Administrator pursuant to Subdivision 12.24 X.1 of Chapter 1 and Sec. 13B.2.1. (*Class 1 Conditional Use Permit*) of Chapter 1A of the Code. Where provisions of this Paragraph 12.22 A.26(j) conflict with Section 12.23 or Subdivision 12.21 C.5 of Chapter 1 of the Code, this Paragraph shall prevail.

**(k) Relationship to Specific Plans and Supplemental Use District Ordinances.** Adaptive Reuse Projects, aside from any expansion of new floor area as part of a Unified Adaptive Reuse Project, shall not be subject to zoning regulations found in Specific Plans and supplemental use districts, including but not limited to the Ordinances listed below:

- (1) Alameda District Specific Plan (171,139)
- (2) Avenue 57 Transit Oriented District (174,663)
- (3) Bunker Hill Specific Plan (182,576)
- (4) Central City West Specific Plan (166,704)
- (5) Century City North Specific Plan (156,122)
- (6) Century City West Specific Plan (186,370)
- (7) Century City South Specific Plan (168,862)
- (8) Coastal Bluffs Specific Plan (170,046)
- (9) Coliseum District Specific Plan (185,042)
- (10) Colorado Boulevard Specific Plan (178,098)
- (11) Cornfield Arroyo Seco Specific Plan (182,617)
- (12) Crenshaw Corridor Specific Plan (184,795)
- (13) Devonshire/Topanga Corridor Specific Plan (168,937)
- (14) Exposition Corridor Transit Neighborhood Plan (186,402)
- (15) Foothill Boulevard Corridor Specific Plan (170,694)
- (16) Girard Tract Specific Plan (170,774)
- (17) Glencoe/Maxella Specific Plan (171,946)
- (18) Granada Hills Specific Plan (184,296)
- (19) Hollywoodland Specific Plan (168,121)

- (20) Jordan Downs Urban Village Specific Plan (184,346)
- (21) Los Angeles International Airport (LAX) Specific Plan (185,164)
- (22) Los Angeles Sports and Entertainment District Specific Plan (181,334)
- (23) Loyola Marymount University Specific Plan (181,605)
- (24) Mt. Washington/Glassell Park Specific Plan (168,707)
- (25) Mulholland Scenic Parkway Specific Plan (167,943)
- (26) North University Park Specific Plan (158,194)
- (27) North Westwood Village Specific Plan (163,202)
- (28) Oxford Triangle Specific Plan (170,155)
- (29) Pacific Palisades Commercial Village and Neighborhood Specific Plan (184,371)
- (30) Paramount Pictures Specific Plan (184,539)
- (31) Park Mile Specific Plan (162,530)
- (32) Playa Vista Area D Specific Plan (176,235)
- (33) Porter Ranch Land Use/Transportation Specific Plan (185,903)
- (34) San Gabriel/Verdugo Mountains Scenic Preservation Specific Plan (175,736)
- (35) San Pedro Specific Plan (166,352)
- (36) San Vicente Scenic Corridor Specific Plan (173,381)
- (37) University of Southern California University Park Campus Specific Plan (182,343)
- (38) Valley Circle Boulevard/Plummer Street Scenic Corridor Specific Plan (151,615)
- (39) Valley Village Specific Plan (168,613)
- (40) Venice Coastal Zone Specific Plan (175,693)
- (41) Ventura-Cahuenga Boulevard Corridor Specific Plan (174,052)
- (42) Vermont/Western Transit Oriented District Specific Plan (Station Neighborhood Area Plan) (173,749)
- (43) Warner Center 2035 Plan (182,766)
- (44) Westwood Community Multi-Family Specific Plan (163,203)
- (45) Westwood Village Specific Plan, Westwood Community Design Review Board Specific Plan (187,644)
- (46) Wilshire - Westwood Scenic Corridor Specific Plan (155,044 176,416)
- (47) Hollywood CPIO (Ordinance No. TBD)
- (48) San Pedro CPIO District (185,539)
- (49) South Los Angeles CPIO District (185,927)
- (50) Southeast Los Angeles CPIO District (185,925)
- (51) Sylmar CPIO District (184,268)
- (52) West Adams-Baldwin Hills-Leimert CPIO District (184,794)
- (53) Westchester - Playa del Rey CPIO District (187,155)
- (54) Broadway Theater and Entertainment District Design Guide (180,871)
- (55) Canoga Park-Commercial Corridor CDO District (174,519)
- (56) Cypress Park & Glassell Park CDO (108,561)
- (57) Downtown Canoga Park CDO District (173,508)
- (58) Downtown Westchester CDO District (179,907)

- (59) Echo Park CDO District (180,880)
- (60) Fletcher Square CDO District (178,157)
- (61) Lincoln Boulevard CDO District (179,906)
- (62) Lincoln Heights CDO District (176,658)
- (63) Little Tokyo CDO District (183,011)
- (64) Loyola Village CDO District (180,797)
- (65) Miracle Mile CDO District (176,331)
- (66) Pacoima CDO District (175,545)
- (67) Panorama City CDO (175,549)
- (68) Reseda Central Business District CDO District (176,557)
- (69) Sun Valley CDO District (174,398)
- (70) Toluca Lake Village CDO (184,366)
- (71) Van Nuys Central Business District CDO District (174,420)
- (72) West Wilshire Boulevard CDO District (174,161)
- (73) Atwater Village POD (173,676)
- (74) Westwood/Pico NOD (171,859)
- (75) Westwood Boulevard POD (174,260)
- (76) Redevelopment Plan Areas (186,325)

**Sec. 3.** Subsection X. (*Further Authority of the Zoning Administrator for Other Similar Quasi-Judicial Approvals*) and Subdivision 1 (*Adaptive Reuse Projects*) of Section 12.24 of Article 2 of Chapter 1 of the Los Angeles Municipal Code is hereby amended to read as follows:

**X. Further Authority of the Zoning Administrator for Other Similar Quasi-Judicial Approvals.** The following uses and activities may be allowed in any zone, unless otherwise restricted to certain zones or locations, if approved by the Zoning Administrator as the initial decision maker or the Area Planning Commission as the appellate body. The Zoning Administrator shall make the findings required by Sec. 13B.2.1. (*Class 1 Conditional Use Permit*) of Chapter 1A of the Code. Further, these uses and activities are subject to the additional procedures and limitations set forth below.

**1. Adaptive Reuse Projects.** A Zoning Administrator may, upon application, approve Adaptive Reuse Projects pursuant to this Subdivision 12.24 X.1. Except that the special provisions set forth in the former Adaptive Reuse Incentive Areas Specific Plan (Ordinance No. 175,038), now designated as Subareas of Subdivision 12.22 A.26 (*Citywide Adaptive Reuse Projects*) of Chapter 1 of the Code, may be utilized for Adaptive Reuse Projects within the Subareas.

In conformance with Paragraph 12.24 X.1(b) below, the Zoning Administrator may approve Adaptive Reuse Projects in the CR, C1, C1.5, C2, C4, C5, CM, P, PB, PF, RD1.5, [RD2](#), [RD3](#), [RD4](#), [RD5](#), [RD6](#), R2, RW2, R3, RAS3, R4, RAS4 and R5 Zones in all or any portion of a building or structure, if five years have elapsed since the date of permitted and completed construction. A Certificate of Occupancy, building permit finalized date, or other suitable documentation may be submitted as evidence of the date of permitted and completed construction.



In conformance with Paragraph 12.24 X.1(d) below, the Zoning Administrator may permit floor area averaging, transfer of residential density, or both, in Unified Adaptive Reuse Projects.

**(a) Definitions.** The definitions of “Adaptive Reuse Project”, “Designated Historic Resource”, “**Historic Resources Survey**”, “**Legacy Small Business**”, Live/Work Unit”, “Surveyed Historic Resource”, “Non-Residential Use”, “Residential Use”, “Transient Residential Use”, “Unified Adaptive Reuse Project” and other words and phrases not defined herein shall be construed as set forth in Sections 12.03 and 12.20.3 of Chapter 1 of the Code, if defined therein.

**(b) Procedures.** Adaptive reuse projects subject to Zoning Administrator approval shall follow procedures in Sec. 13B.2.1. (*Class 1 Conditional Use Permit*) of Chapter 1A of the Code.

(1) Adaptive reuse projects involving buildings or structures for which at least five years have elapsed since the date of permitted and completed construction may be approved by the Zoning Administrator, if the adaptive reuse project complies with the requirements of Paragraph 12.22 A.26(d) (*Eligible Buildings*) of this Chapter and meets the criteria described in Paragraphs 12.22 A.26(g) (*Incentives*) and/or 12.22 A.26(h) (*Incentives for Unified Adaptive Reuse Projects Providing Affordable Housing*) of Chapter 1 of the Code.

(2) Projects involving buildings or structures that are requesting incentives not listed in Paragraphs 12.22 A.26(g) (*Incentives*) and/or 12.22 A.26(h) (*Incentives for Unified Adaptive Reuse Projects Providing Affordable Housing*) of Chapter 1 of the Code may be approved by the Zoning Administrator, pursuant to the procedures established in Sec. 13B.2.1. (*Class 1 Conditional Use Permit*) of Chapter 1A of the Code.

(3) Applications for Unified Adaptive Reuse Projects shall follow the provisions of Paragraph 12.24 X.1(d), below. However, the Zoning Administrator may waive the public hearing required in Sec. 13B.2.1. if the owners of all properties abutting, directly across the street or alley from, or having a common corner with the building have expressed in writing no objections to the Adaptive Reuse Project.

(4) Applications for Unified Adaptive Reuse Projects located within the boundaries of the Subareas shall follow the provisions of Paragraph 12.24 X.1(e), below.

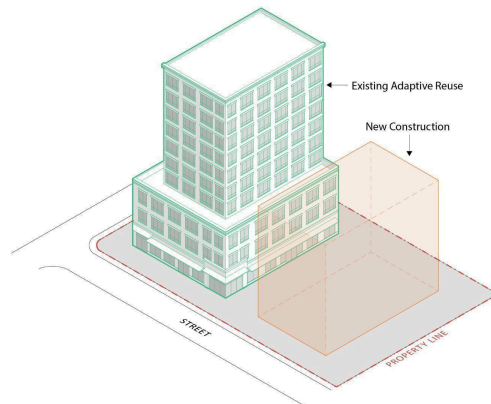
**(c) Additional Incentives.** The Zoning Administrator may grant, modify or deny some or all of the incentives set forth in Paragraphs 12.22 A.26(g) (*Incentives*) and/or 12.22 A.26(h) (*Incentives for Unified Adaptive Reuse Projects Providing Affordable Housing*) of Chapter 1 of the Code to Adaptive Reuse Projects proposed pursuant to this Subdivision 12.24 X.1. Furthermore, the Zoning Administrator shall have the authority to grant any other incentives or exceptions from the Code required to allow Adaptive Reuse Projects proposed pursuant to this Subdivision 12.24 X.1, including but not limited to the authority to allow new Residential Uses in Adaptive Reuse Projects, notwithstanding the nonconforming provisions of Section 12.23 of Chapter 1 of the Code.



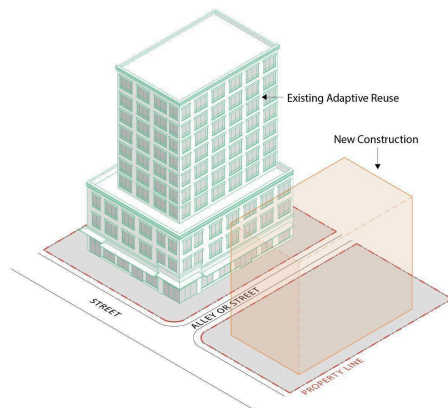
**(d) Unified Adaptive Reuse Projects.** The following shall apply to applications to permit floor area averaging, transfer of residential density, or both, in Unified Adaptive Reuse Projects, and subject to the following provisions:

(1) A Unified Adaptive Reuse Project is a residential or mixed-use development composed of at least one eligible building combined with expansion of new floor area, so long as the Project conforms with the provisions of this Paragraph 12.24 X.1(d) of Chapter 1 and Sec. 13B.2.1. (*Class 1 Conditional Use Permit*) of Chapter 1A of the Code. A Unified Adaptive Reuse Project may include development of portions of a lot shared with an Adaptive Reuse Project, or on lots that abut, or are separated only by an alley, or are located directly across the street, from any portion of each other.

The Zoning Administrator shall determine that all site amenities provided, whether located in the existing building(s) or associated expansion of new floor area, shall be made accessible to all occupants of the Unified Adaptive Reuse Project, which shall be constructed to link pedestrian circulation between buildings and site amenities. All such circulation pathways must be clearly delineated, through raised crosswalks, contrasting paving materials or surface treatments, enhanced lighting, directional or wayfinding signage, or other elements.



**Figure 5: Type I Unified Adaptive Reuse with New Construction on the Same Lot**



**Figure 6: Type I Unified Adaptive Reuse with New Construction Across the Street or Alley from a Lot**

(i) For buildings listed as a Designated Historic Resource or a Surveyed Historic Resource that are incorporated as part of a Unified Adaptive Reuse Project, the existing floor area, up to a maximum of 50,000 square feet, shall be exempted from the maximum floor area limit for the lot or lots. This incentive shall not be utilized if the Unified Adaptive Reuse Project involves any demolition or facade alteration of any portion of a Designated Historic Resource or Surveyed Historic Resource which is not in conformance with the Secretary of the Interior's Standards.

(ii) The averaging of floor area ratios, residential density, or both, may be allowed even if buildings on each individual lot would exceed the allowable floor area ratio requirements of the Zone. However, the total floor area or density for the Unified Adaptive Reuse Project, when calculated as a whole, may not exceed the maximum allowable floor area or density of the Zone.

(iii) Applicants utilizing any of the incentives of this Paragraph 12.24 X.1(d) must have a building permit plan check application deemed complete for the entirety of the Unified Adaptive Reuse Project within **seven** years of obtaining a Class 1 Conditional Use approval for the Unified Adaptive Reuse Project.

(iv) For Unified Adaptive Reuse Projects utilizing the **Mixed Income Incentive Program** or **Affordable Housing Incentive Program Public Benefit Option**, in exchange for providing on-site Restricted Affordable Units, pursuant to Subdivisions 12.22 A.38 or 12.22 A.39 of Chapter 1 of the Code, Zoning Administrator approval shall not be required, pursuant to Paragraph 12.22 A.26(h) of Chapter 1 and Sec. 13B.3.1. (*Administrative Review*) of Chapter 1A of the Code.

(2) If the Zoning Administrator approves the floor area averaging, transfer of residential density, or both, then all owners of the property requesting floor area averaging, transfer of residential density, or both, and all owners of each lot contained in the Unified Adaptive Reuse Project shall execute and record a Covenant and Agreement. A copy of

each executed and recorded Covenant and Agreement shall be filed with the Los Angeles City Planning Development Services Center. Each covenant shall run with the land, be approved by the Zoning Administrator prior to the issuance of any building permits, and shall guarantee the following:

- (i) The use of any floor area converted to Residential Uses shall be maintained and not changed; and
- (ii) The number of such units, quarters or guest rooms approved by the Zoning Administrator shall not be increased; and
- (iii) The access for all occupants of the Unified Adaptive Reuse Project to all site amenities, and the pedestrian circulation between buildings and site amenities shall be maintained and not reduced.

**(e) Manufacturing Zones.** For those properties located within the boundaries of the former Adaptive Reuse Incentive Areas Specific Plan, Ordinance 175,038, now considered as Subareas of Subdivision 12.22 A.26 (*Adaptive Reuse Projects*) of Chapter 1 of the Code, a Zoning Administrator may, upon application, allow Adaptive Reuse Projects in the MR1, MR2, M1, M2 and M3 zones, subject to the following:

- (1) The Zoning Administrator shall find that:
  - (i) One or more signs or symbols of a size and design approved by the Fire Department are placed by the applicant at designated locations on the exterior of each Adaptive Reuse Project to indicate the presence of Residential Uses; and
  - (ii) The Adaptive Reuse Project shall comply with all other applicable codes, provisions, or guidelines of the Departments of Building and Safety and Fire and pursuant to Paragraph 12.22 A.26 of Chapter 1 of the Code; and
  - (iii) The uses of property surrounding the proposed location of the Adaptive Reuse Project will not be detrimental to the safety and welfare of prospective residents; and
  - (iv) The Adaptive Reuse Project will not displace viable industrial uses.

**Sec 4.** Subdivision 6 of Subsection D of Section 16.05 of Article 6.1 of Chapter 1 of the Los Angeles Municipal Code (*Review of Development Projects*) is hereby amended to read as follows:

#### **16.05. PROJECT REVIEW.**

##### **D. Exemptions.**

6. Adaptive Reuse Projects pursuant to Section 12.22 A.26 are exempt from 13.B.2.4 (*Project Review*) of Chapter 1A of the Code.

**Sec 5.** The areas within the former Adaptive Reuse Incentive Areas Specific Plan, Ordinance No. 175,038 are now to be designated and mapped as Subareas of the Citywide Adaptive Reuse Ordinance, Subdivision 12.22 A.26 of Chapter 1 of the Code. The boundaries of the former Specific Plan are hereby amended to remove portions of the Chinatown and Lincoln Heights Subarea, which has been superseded by the Downtown Community Plan (Ordinance 187,822).

**Sec 6. Severability.** If any portion, subsection, sentence, clause or phrase of this article is for any reason held by a court of competent jurisdiction to be invalid, such a decision shall not affect the validity of the remaining portions of this article. The City Council hereby declares that it would have passed this article and each portion or subsection, sentence, clause and phrase herein, irrespective of the fact that any one or more portions, subsections, sentences, clauses or phrases be declared invalid.

**Sec 7.** The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

**DRAFT ADAPTIVE REUSE ORDINANCE (CHAPTER 1)  
OCTOBER 2024**

**ORDINANCE NO. \_\_\_\_\_**

Key:

[Edits made subsequent to the draft released on June 11, 2024 for the Public Hearing](#)  
[Additions made subsequent to the draft posted with the September 12, 2024 City Planning Commission meeting agenda](#)

An ordinance amending Sections 12.03, 12.22 A.26, 12.24 X.1 and 16.05 of the Los Angeles Municipal Code (“Code”) in order to update the existing Adaptive Reuse Ordinance. The expansion of the Adaptive Reuse Ordinance to apply citywide will further incentivize the conversion of existing buildings to housing units, provide greater design flexibility, and streamline Planning approval for such projects. It will establish a by-right approval process for existing structures that are at least fifteen years old, in place of the previously fixed date of July 1, 1974. For buildings between five and fifteen years old, adaptive reuse projects shall remain subject to the Zoning Administrator Conditional Use procedure.

**Sec 1.** Section 12.03 of Article 2 of Chapter 1 of the Los Angeles Municipal Code (*Definitions*) is hereby amended to read as follows:

**ADAPTIVE REUSE PROJECT:** Any change of use in all or any portion of any eligible building or structure pursuant to provisions in Subdivision 12.22 A.26.

**DESIGNATED HISTORIC RESOURCE:** A building, structure, object, landscaping element, or natural feature listed or designated as a historical resource, either individually, or as a contributor to a historic district, at the local, state, or national level, including but not limited to listing in the National Register of Historic Places or California Register of Historical Resources, or designation as a Historic-Cultural Monument or as an Historic Preservation Overlay Zone.

**HISTORIC RESOURCES SURVEY:** A document, officially recognized by a local, state, or federal agency, resulting from a process of systematically identifying and documenting buildings, structures, objects, cultural landscapes, natural features, and historic districts as potentially eligible for listing as either an individual resource or as a contributor to an historic district under a local, state or federal designation program, including but not limited to the National Register of Historic Places or California Register of Historical Resources, or designation as a Historic-Cultural Monument or as a Contributing Structure in an Historic Preservation Overlay Zone (HPOZ).

**LEGACY SMALL BUSINESS:** Any business that is listed on the Citywide Legacy Business Registry or any business not listed on the Citywide Legacy Business Registry that has been in continuous operation within a 2 mile radius of the project site within the City for at least 20 years

with no break in its operations exceeding two years, and meets at least two of the following four standards:

- a. Has no more than 50 full-time equivalent employees;
- b. Employs non English language speakers and posts a placard stating that non English languages are spoken in the establishment, written in the respective language offered. The placard shall be located within 5 feet of the entrance along the primary street lot line, and shall be a minimum of 8 ½” by 11” in at least a 12 point font;The business includes employees that can serve multi-lingual members of the community;
- c. Accepts government issued assistance such as Electronics Benefits Transfer (EBT) and posts a placard stating acceptance of government issued assistance such as Electronic Benefit Transfer (EBT) within 5 feet of the entrance along the primary street lot line, and shall be a minimum of 8 ½” by 11” in a front size of at least a 12 point font;
- d. Pays employees wages equivalent to or greater than those specified in Sec. 10.37.2 (Payment of Minimum Compensation to Employees) of Article 11 (Living Wage) of the Los Angeles Administrative Code.

**LIVE/WORK UNIT:** A single unit that combines both a dwelling unit and work space designated for productive uses and entrepreneurial activities, that may include areas for display or sales of products produced therein. The alternative provisions in Division 85 of the Los Angeles Building Code, established to apply to conversions from non-residential uses to Joint Living and Work Quarters, shall also apply to Live/Work Units.

**NON-RESIDENTIAL USE:** Any use other than for housing accommodation.

**RESIDENTIAL USE:** Any use that provides housing accommodations serving as a primary residency or having a tenancy of thirty days or greater, or residential Supportive Services, or a Home Occupation. This definition includes Dwelling Units, Efficiency Dwelling Units, Supportive Housing, Dormitories, Boarding Houses, Hostels, Guest Rooms, Live/Work Units, or Joint Living and Work Quarters.

**SURVEYED HISTORIC RESOURCE:** Any building, structure, object, site, landscape, or natural feature identified through an Historic Resources Survey as eligible for listing as either an individual resource or as a contributor to an historic district under a local, state or federal designation program, including but not limited to listing in the National Register of Historic Places or California Register of Historical Resources, or designation as a Historic-Cultural Monument or as an Historic Preservation Overlay Zone. This term does not include a non-contributor to an eligible historic district.

**TRANSIENT RESIDENTIAL USE.** A residential building wherein occupancy, by any person by reason of concession, permit, right of access, license, or other agreement is for a period of 30 consecutive calendar days or less, counting portions of calendar days as full days. Lodging uses shall not serve as a primary residence.

**UNIFIED ADAPTIVE REUSE PROJECT.** An adaptive reuse project composed of the conversion of existing floor area from a Non-Residential Use to a Residential Use in at least one existing building combined with new construction of new floor area, either attached to the existing building, or detached from the existing building, which may include development of portions of a lot shared with an Adaptive Reuse Project, or on lots that abut or are separated only by an alley, or are located directly across the street, from any portion of an Adaptive Reuse Project.

**Sec. 2.** Subdivision 26 of Subsection A of Section 12.22 of Article 2 of Chapter 1 of the Los Angeles Municipal Code (*Downtown Adaptive Reuse Projects*) is hereby amended to read as follows:

**12.22 A.26. Downtown Adaptive Reuse Projects ~~(Amended by Ord. No. 174,316, Eff. 12/20/04)~~**

**(a) Purpose.** ~~The purpose of this Subdivision is to revitalize the Greater Downtown Los Angeles Area and implement the General Plan by facilitating the retention and conversion of older, economically distressed, existing, underutilized, or historically significant buildings to apartments, live/work units or visitor-serving facilities to new Residential Uses. This will help to reduce vacant space, create opportunities for new housing as well as and preserve Downtown's the City's architectural and cultural past legacy. Encouraging the reuse of buildings is a sustainable practice to retain many of the resources that went into their initial construction and thereby reduce greenhouse gas emissions and encourage the development of a live/work and residential community Downtown, thus creating a more balanced ratio between housing and jobs in the region's primary employment center. This revitalization Such productive reuse will also facilitate the development of a "24-hour city" and encourage support mixed commercial and residential uses in order to improve air quality and reduce vehicle trips and vehicle miles traveled by locating residents, jobs, hotels and transit services near each other.~~

**(b) Application-Relationship to Other Zoning Provisions.** ~~If the provisions of Subparagraph (2) of Paragraphs (h)(g) and (h) and of Subparagraphs (1), (2) or (3) of Paragraph (j) of this sSubdivision conflict with those of any specific plan, supplemental use district, "Q" condition, "D" limitation, or any citywide provision of Chapters 1 and 1A of the Los Angeles Municipal Code ("Code") regulation, any of which were adopted or imposed by City action prior to the effective date of this ordinance, then this Subdivision 12.22 A.26 shall prevail. In addition, Adaptive Reuse Projects shall be subject to the following exceptions or additional provisions:~~

(1) If the provisions of this Subdivision conflict with those of any Historic Preservation Overlay zone (HPOZ), then the provisions of the Historic Preservation Overlay Zone shall prevail, pursuant to Division 13B.8 (*Historic Preservation*) of Chapter 1A of the Code. Adaptive Reuse Projects involving other Designated Historic Resources may be eligible for the incentives set forth in Paragraphs (g) (*Incentives*) and (h) (*Incentives for Unified Adaptive Reuse Projects Providing Affordable Housing*) of Chapter 1 of the

Code, below, and shall be reviewed pursuant to Section 91.106.4.5 (*Permits for Historical and Cultural Buildings*) of Chapter IX of the Code and/or Section 22.171 (*Cultural Heritage Commission*) of the Los Angeles Charter and Administrative Code.

(2) For Adaptive Reuse Projects seeking tax abatement under the Mills Act, pursuant to Sections 50280-50290 of the California Government Code, and Section 91.140 (*Approval of Historic Property Contracts*) of the Los Angeles Administrative Code, the City Council may contract with an owner or agent of the owner of any qualified historical property.

(3) If the provisions of this Subdivision conflict with those of any Sign District (SN) then the provisions of the Sign District shall prevail, pursuant to Section 13.11 of Chapter 1 of the Code.

(4) Notwithstanding the above, expansion of new floor area as part of a Unified Adaptive Reuse Project shall be subject to applicable citywide provisions of Chapter 1 or 1A of the Code and any applicable “Q” conditions or “D” limitations, and any applicable Specific Plan, supplemental use district, and/or Streetscape Plan.

(5) The Mixed Income Incentive Program or Affordable Housing Incentive Program Public Benefit Option may be utilized in combination with an Adaptive Reuse Project, with the Restricted Affordable Unit percentage and Income level, and other requirements, subject to the provisions of Subsections 12.22 A.38 or 12.22 A.39 of Chapter 1 of the Code or established in Div. 9.3 or in Sec. 9.2.2. of Chapter 1A of the Code.

(6) Adaptive Reuse Projects remain subject to provisions of the Affordable Housing Linkage Fee pursuant to Section 19.18 of Chapter 1 of the Code.

(7) This Subdivision 12.22 A.26 shall supersede the Adaptive Reuse Incentive Areas Specific Plan (Ordinance 175.038), with the areas of that former Specific Plan now designated as Subareas of this Citywide Adaptive Reuse Ordinance. Adaptive Reuse Projects within the boundaries of the Subareas shall be eligible for all incentives and procedures in this Subdivision 12.22 A.26, except that:

(i) Properties within the boundaries of the Subareas shall be eligible for conversion to Transient Residential Use, as set forth below, in Paragraph 12.22 A.26(c); and

(ii) A Zoning Administrator may, upon application, allow Adaptive Reuse Projects in the MR1, MR2, M1, M2 and M3 zones, subject to the procedures set forth in Subparagraph 12.22 A.26 (e)(4) of Chapter 1 of the Code.

**(c) Definition Uses Allowed in of Adaptive Reuse Projects.** Notwithstanding any other provisions of this eChapter to the contrary, ~~for the purposes of this subdivision, to be eligible for incentives set forth below~~ an Adaptive Reuse Project is subject to the following provisions:



(1) Any change of use an existing Non-Residential Use, or Transient Residential Use to new Residential Use which may include Dwelling Units, Efficiency Dwelling Units, Supportive Housing, Boarding Houses, Dormitories, Hostels, Guest Rooms, Live/Work Units, or Joint Living and Work Quarters in all or any portion of any eligible building or structure is allowed.

(2) Adaptive Reuse Projects shall not include changes of use to Transient Residential Use, which shall be ineligible for the incentives and procedures set forth in this Subdivision 12.22 A.26, except that such conversions may be allowed in Adaptive Reuse Projects located within the boundaries of the former Adaptive Reuse Incentive Areas Specific Plan, Ordinance 175,038, now considered as Subareas of this Subdivision 12.22 A.26. Conversions from Transient Residential Use may be allowed in Adaptive Reuse Projects.

(3) Only Adaptive Reuse Projects resulting in the creation of five or more residential units shall be eligible for the incentives and procedures set forth in this Subdivision.

<u>Applicable Area</u>	<u>Conversion of Buildings</u>		<u>Permitted (P) or Not Permitted (NP)</u>
	<u>Existing Use</u>	<u>Proposed Use</u>	
<u>Citywide*</u>	<u>Non-Residential</u>	<u>Residential Uses, including Dwelling Units, Efficiency Dwelling Units, Supportive Housing, Boarding Houses, Dormitories, Hostels, Guest Rooms, Live/Work Units, or Joint Living and Work Quarters</u>	<u>P</u>
		<u>Transient Residential Use</u>	<u>NP</u>
	<u>Transient Residential Use</u>	<u>Residential Uses</u>	<u>P</u>
	<u>Residential</u>	<u>Non-Residential</u>	<u>NP</u>
<u>Subareas**</u>	<u>Non-Residential</u>	<u>Residential Uses, including Dwelling Units, Efficiency</u>	<u>P</u>

		<u>Dwelling Units, Supportive Housing, Boarding Houses, Dormitories, Hostels, Guest Rooms, Live/Work Units, or Joint Living and Work Quarters</u>	
		<u>Transient Residential use</u>	<u>P</u>
	<u>Transient Residential Use</u>	<u>Residential Uses</u>	<u>P</u>
	<u>Residential</u>	<u>Non-Residential</u>	<u>NP</u>

\* Pursuant to this Subdivision 12.22 A.26 of Chapter 1 (or Article 9. of Chapter 1A of the Code, for that portion of Los Angeles within the boundaries of the Downtown Community Plan and new Community Plan areas subject to the new Zoning Code (Chapter 1A) as they are adopted).

\*\* Projects located within the boundaries of the former Adaptive Reuse Incentive Areas Specific Plan.

(4) Existing ground floor commercial uses may be converted to Residential Use, provided that at least the first 15 feet of depth as measured [perpendicularly](#) from the street-facing facade shall be [designed and intended for](#) such active uses as Live/Work Units, or common residential amenity spaces such as fitness rooms, lounges, lobbies or co-working space, to maintain active uses at the ground floor. [Additionally, while the ground floor facade may be modified,](#) the new ground floor use shall maintain or may increase transparency, and shall not reduce the existing condition of exterior glazing on any portion of a ground floor fronting a public street. [Only such reductions as are required for seismic reinforcement, fire/life safety concerns, or other upgrades to improve performance of the existing building shall be allowed.](#)

**(d) Eligible Buildings.** The provisions of this ~~s~~Subdivision 12.22 A.26 shall apply to Adaptive Reuse Projects in all or any portion of the following buildings and structures in the ~~R2, RD1.5, RD2, RD3, RD4, RD5, RD6, RW2, R3, RAS3, R4, RAS4, R5, CR, C1, C1.5, C4, C2, C5, CM, P, PB, and PF Zones in the Downtown Project Area.~~ A Certificate of Occupancy, building permit finalized date, or other suitable documentation may be submitted as evidence of the date of permitted and completed construction.

(1) Buildings constructed in accordance with building and zoning codes in effect ~~prior to July 1, 1974~~ at the time they were built, for which at least fifteen years have elapsed since the date of permitted and completed construction. ~~A Certificate of Occupancy,~~

~~building permit, or other suitable documentation may be submitted as evidence to verify the date of construction.~~

(2) Any parking structure or parking area within an existing building constructed in accordance with building and zoning codes in effect at the time they were built, for which at least five years have elapsed since the date of permitted and completed construction.

(3) Buildings constructed in accordance with building and zoning codes in effect ~~on or~~ after July 1, 1974, if at the time they were built, for which:

(i) At least five years have elapsed since the date of permitted and completed construction issuance of final Certificates of Occupancy; and

(ii) An Adaptive Reuse Project is approved by a Zoning Administrator, finds that the building is no longer economically viable in its current use or uses, pursuant to Section pursuant to Paragraph 12.24 X.1.(e)(b) of this Chapter 1 and Sec. 13B.2.1. (Class 1 Conditional Use Permit) of Chapter 1A of the Code. ~~(Amended by Ord. No. 175,588, Eff. 12/1/03)~~

~~(3) Buildings designated on the National Register of Historic Places, the California Register of Historical Resources, or the City of Los Angeles List of Historic Cultural Monuments. Contributing Buildings in National Register Historic Districts. Contributing Buildings in National Register Historic Districts or Contributing Structures in Historic Preservation Overlay Zones (HPOZ) established pursuant to Section 12.20.3 of this Code are also eligible buildings.~~

(e) Procedures. Adaptive Reuse Projects shall be reviewed according to the following procedures dependent upon the age of the structure and incentives requested, if the applicable requirements of Paragraph 12.22 A.26(d) (*Eligible Buildings*) of the Code are met.

(1) Department of Building and Safety Review. The Department of Building and Safety shall review the following Adaptive Reuse Projects when the criteria described in Paragraph 12.22 A.26(g) (*Incentives*) are met:

(i) Adaptive Reuse Projects involving buildings for which at least fifteen years have elapsed since the date of permitted and completed construction; or

(ii) Adaptive Reuse Projects involving parking structures or parking areas within an existing building for which at least five years have elapsed since the date of permitted and completed construction.

(2) Administrative Review. The following projects shall submit plans to the Director for an Administrative Review pursuant to Sec. 13B.3.1. (*Administrative Review*) of Chapter 1A of this Code, and according to the following additional procedures:

(i) Unified Adaptive Reuse Projects providing on-site affordable housing utilizing incentives pursuant to Paragraph 12.22 A.26(h) (*Incentives for Unified Adaptive Reuse Projects Providing Affordable Housing*), in combination with those incentives listed in Paragraph 12.22 A.26(g) of Chapter 1 of the Code; and/or

(ii) Adaptive Reuse Projects involving a Surveyed Historic Resource:

(a) Any proposed alteration of a Surveyed Historic Resource shall comply with the Secretary of the Interior's Standards for Rehabilitation. Any such project shall be reviewed by the Office of Historic Resources, prior to building permit issuance, and will thereby be eligible to utilize the California Historic Building Code; and

(b) Should the Director or their designee within the Office of Historic Resources determine, based upon substantial evidence, that the Surveyed Historic Resource is not an historical resource, as defined by California Public Resources Code Section 21084.1, such property will not be considered an historic resource; and

(c) If proposed alterations to a Surveyed Historic Resource do not meet the Secretary of the Interior's Standards for Rehabilitation to the satisfaction of the Office of Historic Resources, the Discretionary Procedure pursuant to Subparagraph (3) below shall be followed.

(3) **Exceptions for Designated Historic Resources.** Adaptive Reuse Projects involving Designated Historic Resources shall not be eligible for Administrative Review but shall be reviewed according to the following procedures:

(i) Adaptive Reuse Projects located within an Historic Preservation Overlay Zone (HPOZ) shall be reviewed pursuant to Division 13B.8 (*Historic Preservation*) of Chapter 1A of the Code.

(ii) Rooftop additions to Designated Historic Resources may be allowed in Adaptive Reuse Projects providing affordable housing, as set forth in Subparagraph 12.22 A.26(h)(2) of Chapter 1 of the Code, below, and shall be reviewed pursuant to Section 91.106.4.5 (*Permits for Historical and Cultural Buildings*) of Chapter IX of the Code and Section 22.171 (*Cultural Heritage Commission*) of the Los Angeles Charter and Administrative Code.

(iii) Adaptive Reuse Projects involving Designated Historic Resources may be eligible for the incentives set forth in Paragraph 12.22 A.26(g) (*Incentives*) of Chapter 1 of the Code, below, and shall be reviewed pursuant to Section 91.106.4.5 (*Permits for Historical and Cultural Buildings*) of Chapter IX of the Code and/or Section 22.171 (*Cultural Heritage Commission*) of the Los Angeles Charter and Administrative Code.

**(4) Class 1 Conditional Use.** The Zoning Administrator shall review the following Adaptive Reuse Projects pursuant to Subdivision 12.24 X.1 of Chapter 1 and Sec. 13B.2.1. (*Class 1 Conditional Use Permit*) of Chapter 1A of the Code:

(i) Adaptive Reuse Projects involving buildings for which at least five years and less than fifteen years have elapsed since the date of permitted and completed construction; or

(ii) Projects involving buildings for which at least fifteen years have elapsed since the date of permitted and completed construction requesting incentives not listed in Paragraphs 12.22 A.26(g) (*Incentives*) or 12.22 A.26(h) (*Incentives for Adaptive Reuse Projects with Affordable Housing*), below; or

(iii) Unified Adaptive Reuse Projects requesting floor area averaging, transfer of residential density, or both, that do not also provide on-site Restricted Affordable Units, pursuant to Paragraph 12.24 X.1(d) of Chapter 1 of the Code; or

(iv) Adaptive Reuse Projects located in Manufacturing Zones and within the boundaries of the Subareas, pursuant to Paragraph 12.24 X.1(e) of Chapter 1 of the Code.

**(5) Adaptive Reuse Projects in the Coastal Zone.** Adaptive Reuse Projects located in the Coastal Zone shall continue to be subject to any applicable Coastal Development Permit procedures pursuant to Sec. 13B.9.1 of Chapter 1A of the Code.

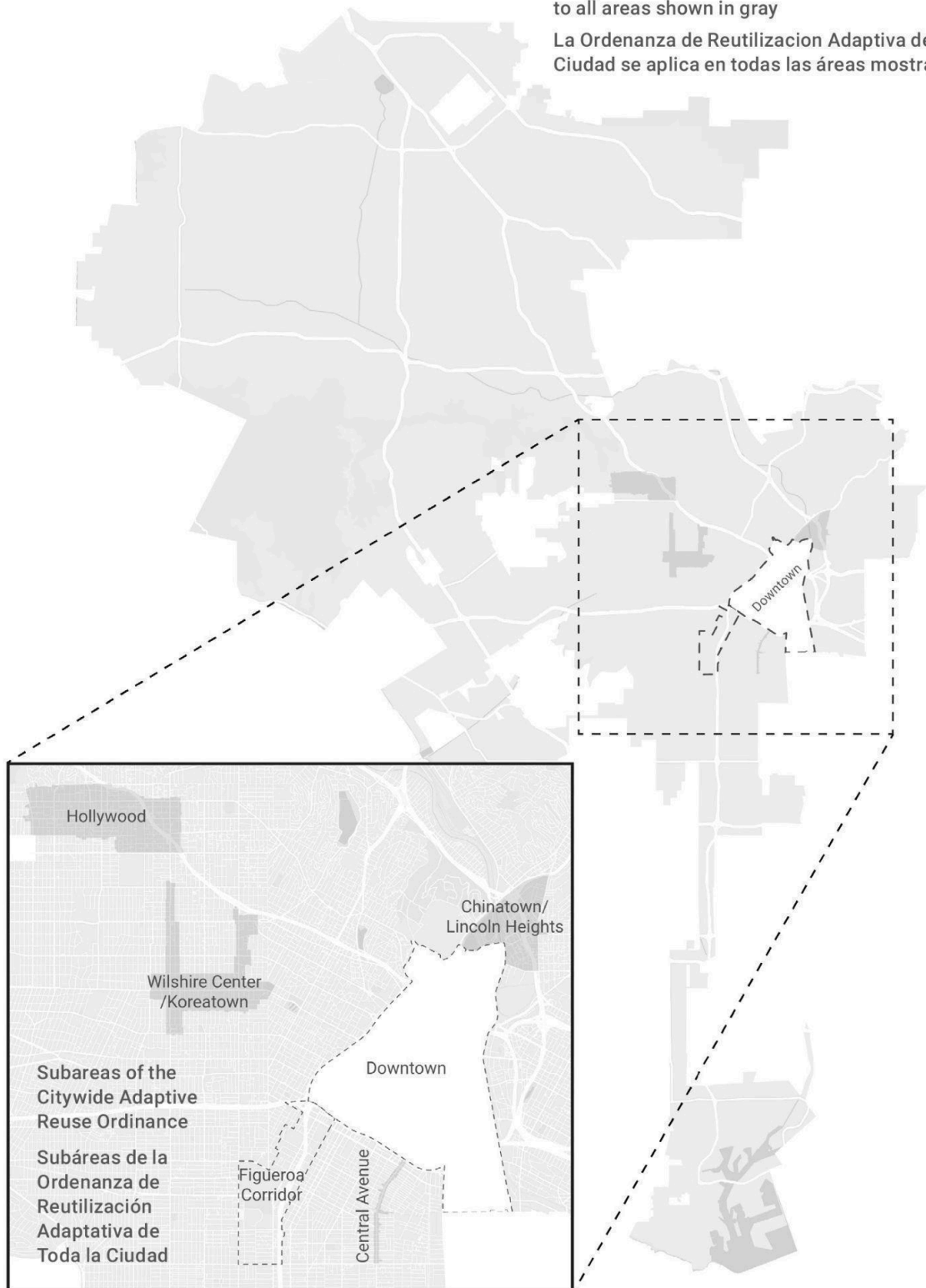
~~**(e) M Zones.** The Zoning Administrator may, upon application, permit Adaptive Reuse Projects in all or any portion of any eligible building in the MR1, MR2, M1, M2 and M3 Zones in the Downtown Project Area, pursuant to Section 12.24 X.1.(b). (**Amended by Ord. No. 175,588, Eff. 12/1/03**)~~

~~**(f) Floor Area Averaging.** The Zoning Administrator may, upon application, permit floor area averaging in unified Adaptive Reuse Projects, pursuant to Section 12.24 X.1(d). (**Amended by Ord. No. 175,588, Eff. 12/1/03**)~~

~~**(f)(g) Downtown Project Area.** [The Citywide Adaptive Reuse Ordinance applies in all of Los Angeles except that Adaptive Reuse Projects located within the Downtown Community Plan Area are not eligible for the Citywide Adaptive Reuse Program but should refer to Sec. 9.4.5 of Chapter 1A of the Code.](#) The Downtown Project Area includes the following areas:~~

The Citywide Adaptive Reuse Ordinance applies to all areas shown in gray

La Ordenanza de Reutilización Adaptativa de Toda La Ciudad se aplica en todas las áreas mostradas en gris



~~(1) Within The Central City Community Plan Area as shown on the General Plan of the City of Los Angeles; and~~

~~(2) All that real property in the City of Los Angeles, described by the following boundary lines: Bounded northerly by the centerline of Freeway Number 10 (commonly called the Santa Monica Freeway); bounded southerly by the centerline of Vernon Avenue; bounded easterly and southeasterly by the following centerline courses: beginning at the intersection of the Santa Monica Freeway and Grand Avenue, then southerly along Grand Avenue to the most easterly line of Freeway Number 110 (commonly called the Harbor Freeway), then southerly along that right of way to the centerline of Martin Luther King, Jr. Boulevard, then easterly along Martin Luther King, Jr. Boulevard to the centerline of Grand Avenue, then southerly along Grand Avenue to the centerline of Vernon Avenue. Bounded westerly and northwesterly by the following centerline courses: beginning at the intersection of Vermont Avenue and Vernon Avenue, then northerly along Vermont Avenue to Jefferson Boulevard, then easterly along Jefferson Boulevard to University Avenue, then northerly along University Avenue to 28th Street, then westerly along 28th Street to Severance Street, then northerly along Severance Street to Adams Boulevard, then westerly along Adams Boulevard to Scarff Street, then northerly along Scarff Street to 23rd Street, then southerly along 23rd Street to Bonsallo Avenue, then northerly along Bonsallo Avenue to Washington Boulevard, then westerly along Washington Boulevard to Oak Street, then northerly along Oak Street and its northerly prolongation to the Santa Monica Freeway.~~

~~**(h)(g) Incentives.** Notwithstanding any other provisions of this chapter Chapter 1 or Chapter 1A of the Code to the contrary, Adaptive Reuse Projects shall be entitled to the incentives set forth below. Except for the provision concerning mezzanines set forth in Subparagraph (1) below, these incentives shall not apply to any new floor area that is added to an Adaptive Reuse Project.~~

~~Any new construction or expansion of new floor area outside of the existing building envelope of an Adaptive Reuse Project shall be subject to all applicable provisions of the Zoning Code including Specific Plans and supplemental use districts, except that Adaptive Reuse Projects involving rooftop amenity structures, as allowed in Subparagraph (1), below; or unlimited density, and/or additional stories as allowed in Paragraph 12.22 A.26(h) (Incentives for Unified Adaptive Reuse Projects with Affordable Housing) of Chapter 1 of the Code shall be eligible for the incentives set forth in those Sections.~~

~~Exterior changes resulting from improvements in building safety or performance, such as to accommodate required structural or energy conservation upgrades, shall not be considered new construction, additions, or additional floor area for the purpose of granting incentives per this Paragraph.~~

**(1) Rooftop Amenity Structures.** The construction of new structures on the existing roof, whether on the uppermost or on multiple roof levels, shall not be considered as adding new floor area or height, as long as the new rooftop structures meet all other Los Angeles Municipal Code requirements and:

(i) Are constructed and maintained for the sole purpose of providing additional amenities or open space, such as fitness rooms, lounges, or shade structures accessible for the use of all residents or guests; and

(ii) Do not exceed one story in height.

~~(2)(1) Mezzanines-Intermediate Levels.~~ Any proposed intermediate level or levels between the floor and ceiling of any existing story, including Mezzanines, in an Adaptive Reuse Project Loft spaces in joint living and work quarters, dwelling units, and guest rooms which do not exceed more than 33 percent of the floor area of the space below shall not be allowed and not considered as adding new floor area, as long as these are added entirely within the existing building envelope. An intermediate level may consist of either a partial or full floor, and the clear height above and below the intermediate level shall be not less than 8 feet. Mezzanines may be included in the calculation of floor area for the purpose of determining compliance with the standards set forth in Paragraph (i) of this subdivision.

~~(3)(2) Density.~~ New Residential Uses, including Dwelling Units, Efficiency Dwelling Units, Supportive Housing, Boarding Houses, Dormitories, Hostels, Live/Work Units, Joint Living and Work Quarters and Guest Rooms shall not be subject to the minimum lot area per Dwelling Unit or Guest Room requirements of the zone or height district in which they are located.

**(4) Minimum Unit Size.** Adaptive Reuse Projects shall be exempt from any minimum unit size zoning requirements. Unit sizes shall remain subject to all other applicable Los Angeles Municipal Code requirements that may be in effect to protect health, life safety, and habitability.

~~(5)(3) Off-Street Automobile Parking.~~ The required number of parking spaces shall be the same as the number of spaces that physically existed on the site at the time of application submittal for the Adaptive Reuse Project, on June 3, 1999, and shall be maintained and not reduced. Adaptive Reuse Projects Observed existing parking spaces that are maintained in their current configuration shall otherwise be exempt from the provisions of Section 12.21 A.4.(m) Subdivisions 12.21 A.4 and 12.21 A.5 of Chapter 1 of this the Code. Reconfiguration of such existing parking spaces to bring the parking layout up to current standards, such as for the purposes of improving safety or access, or to accommodate required structural, seismic or mechanical system upgrades, shall also be exempt from the requirements of Subdivisions 12.21 A.4 and 12.21 A.5 of Chapter 1 of the Code.



All new parking spaces provided in excess of the minimum parking required by the Code shall comply with Subdivision 12.21 A.5 (*Design of Parking Facilities*) of Chapter 1 of the Code. Except that for any parking spaces in excess of the number of spaces which physically existed at the time of application, any combination of standard, compact or tandem spaces may be provided. Tandem parking spaces that do not comply with Subparagraph 12.21 A.5(h)(2) of Chapter 1 of the Code may be provided in any configuration as long as a parking attendant or an automated parking system is provided.

Moreover, if the total parking required for the Adaptive Reuse Project's proposed number of Dwelling Units, Efficiency Dwelling Units, Supportive Housing, Boarding Houses, Dormitories, Hostels, Live/Work Units, Joint Living and Work Quarters, or Guest Rooms is less than the number of observed spaces that physically exist at the time of application submittal, then the project may reduce the parking spaces to that number of spaces required.

Adaptive Reuse Project sites located within one-half mile of a major transit stop may, prior to a letter of determination or permit being issued, be exempt from any minimum automobile parking requirement pursuant to Section 65863.2 of the California Government Code. Utilization of this exemption, as created by Assembly Bill 2097 (2022), does not invalidate any otherwise applicable requirements regarding the provision of electrical vehicle (EV) supply equipment or parking spaces accessible to persons with disabilities. The EV and accessible parking standards required by Chapter 1 of the Code and/or the Los Angeles Green Building Code will be applied to any new parking spaces created and these requirements shall be based upon the total number of parking spaces provided in the Adaptive Reuse Project.

Adaptive Reuse Projects, including allowable floor area added as part of a rooftop amenity structure or addition, or floor area reallocation, shall not be subject to the Bicycle Parking Ordinance for Residential Uses, Subdivision 12.21 A.16 of Chapter 1 or Div. 4C.3 of the Code except:

(i) The required number of bicycle parking spaces shall be the same as the number of spaces that physically existed on the lot at the time that the application for the adaptive reuse project was submitted. However, if the total bicycle parking required for the new use is less than the number of bicycle parking spaces that exist on the lot, then the number of bicycle parking spaces may be reduced to the number of bicycle parking spaces required.

(6) **Floor Area.** Existing floor area which exceeds that permitted by the zone, height district, Specific Plan, supplemental use district, or any other citywide provision of Chapters 1 and 1A of the Code shall be allowed to remain. The following shall not be considered as adding new floor area that enlarges an existing building or structure:

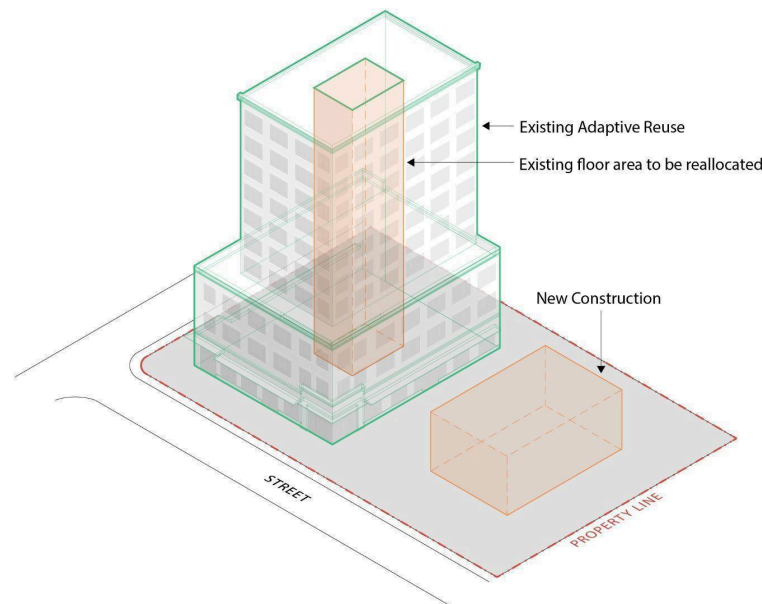
(i) The change of use of any area within the envelope of an existing building to Residential Use, including Dwelling Units, Efficiency Dwelling Units, Supportive

Housing, Boarding Houses, Dormitories, Hostels, Guest Rooms, Live/Work Units, or Joint Living and Work Quarters.

(ii) The change of use of any area within the envelope of an existing building to common amenities or open space areas for residents or guests, or to other incidental Accessory Use.

(iii) All other areas exempted from floor area calculation, pursuant to Subdivision 12.21.1 A(5) of Chapter 1 of the Code.

**(7) Floor Area Reallocation.** Any amount of floor area that is removed from an existing building as part of an Adaptive Reuse Project, in order to create new interior light wells or courtyards, recessed balconies or other open space inset from exterior walls, or other such features that provide natural light and ventilation and improve habitability, may be reallocated to building additions that extend or increase the gross floor area outside of the envelope of an existing building but do not increase the number of stories or height of the structure. Additions resulting from this reallocation may be eligible for incentives under this Paragraph 12.22 A.26(e) (*Incentives*) but shall meet all requirements of Chapters 1 and 1A of the Code for new residential construction, such as for required open space, yards and height.



**Figure 1: Reallocation of Existing Floor Area**

**(8) Height.** An existing building which exceeds the height permitted by the zone, height district, Specific Plan, supplemental use district, or any other citywide provision of Chapters 1 and 1A of the Code, and is part of an Adaptive Reuse Project shall be allowed to maintain its existing height, regardless of whether it exceeds that [allowed](#).

Any additional story created entirely within an existing building which is part of an Adaptive Reuse Project shall not be counted as an additional story towards any limit on number of stories as imposed by Chapters 1 and 1A of the Code. New structures on the existing roof, pursuant to Subparagraph 12.22 A.26(f)(1) of Chapter 1 of the Code, or additional stories pursuant to Subparagraph 12.22 A.26(h)(2) of Chapter 1 of the Code, below, shall be allowed to exceed the maximum allowable height or number of stories established in the Zone or overlay.

(9) **Yards.** Existing observed yards which do not meet the yards required by the Zone, Specific Plan, supplemental use district, or any other citywide provision of Chapters 1 and 1A of the Code, shall be allowed.

(10) **Step-Backs and Transitional Height.** An existing building which is part of an Adaptive Reuse Project shall not be required to comply with any applicable upper story or building mass provisions established by the zone, height district, Specific Plan, supplemental use district, or any other citywide provision of Chapters 1 and 1A of the Code.

(11) **Open Space and Landscaping.** An existing building which is part of an Adaptive Reuse Project shall not be required to provide common or private Open Space as a result of a change of use. In the event that an existing site includes open, outdoor gathering areas such as plazas, courtyards, terraces or roof gardens, at least 50 percent of this existing open space shall be retained.

New Landscaping shall not be required in an Adaptive Reuse Project, with the exception of public realm improvement in the form of new street trees:

(i) Each project shall provide at least one street tree per thirty linear feet of street frontage. Trees selected shall be Large Trees (as defined in LAMC Section 12.03) with a minimum container size of 15-gallons and trunk size of 1-1/2 inch caliper at the time of planting, subject to approval by the Urban Forestry Division;

(ii) Existing trees in the public rights-of-way, including street tree canopy and landscaped parkways shall be preserved, unless removal is permitted by the Urban Forestry Division. Existing street trees to remain can be counted towards the total required street tree calculation;

(iii) Street trees must be located in either existing vacant tree wells or landscaped parkways or in newly created tree wells and landscaped parkways, in conformance with Public Works Street Design Manual standards and policies;

(iv) The tree planting area size should be the maximum allowed based upon the width of the sidewalk area with dimensions of at least 4 feet x 6 feet, or as approved by the Urban Forestry Division in coordination with the Bureau of Engineering (BOE). Please refer to Type 1 in S-450-4 Standard Plan;

(v) Pursuant to LAMC Section 12.40H.1(b)(iii), the developer shall certify through a Covenant and Agreement that installed street trees will be irrigated for five years as required for establishment and to maintain ongoing tree health and viability, and shall provide a maintenance plan as part of the application; and

(vi) When required street trees cannot be physically accommodated within the public rights-of-way, due to City-determined physical constraints, a Tree Planting Guarantee Fee pursuant to Subsection 62.177 (b) of Chapter 6 of the Code shall be paid to the Board of Public Works pursuant to “Development Tree Planting Requirements”.

**(12)(4) Mini-Shopping Center and Commercial Corner Development Regulations.**

Adaptive Reuse Projects shall be exempt from the mini-shopping center and commercial corner development regulations set forth in Subdivision section 12.22 A.23 of Chapter 1 of the Code.

**(13)(5) Project Site Plan Review.** Adaptive Reuse Projects shall be exempt from the requirements for Project Site Plan Review set forth in Sec. 13.B.2.4 of Chapter 1A Section 16.05 of the Code.

**(14)(6) Loading Space.** Where an existing loading space is provided, it shall be allowed to maintain its current, existing dimensions, regardless of whether it complies with the provisions of Paragraph 12.21 C.6(h) of Chapter 1 of the Code shall apply. If no loading spaces exist, then a loading space shall not be required in conjunction with the development of an Adaptive Reuse Project.

**(15) Commercial Tenant Preservation or Retention.**

- (i) Any Adaptive Reuse Project that preserves or retains an active ground floor use shall be eligible for exemption from the calculation of Floor Area. Active uses, up to 1,500 square feet, located on the ground story shall be exempt from the calculation of floor area:
  - (a) For the purposes of exempting active uses on the ground story from calculating floor area, active space shall be designed and intended for Neighborhood Retail and Service Uses. Areas for circulation, storage, mechanical equipment, parking, lobbies, mailrooms, laundry rooms, utilities, and waste collection shall not account for more than 15% of an area designated as an active use.
  - (b) Projects utilizing this option shall provide a ground story transparency of a minimum of 60% along the Frontage, except that existing commercial tenants retained in place shall comply with the provisions of Subparagraph 12.22 A.26(c)(4).
  - (c) Projects utilizing this option shall provide a ground floor entrance at minimum every 50 feet along the front property line that provides both

ingress and egress pedestrian access to the ground story of the building, except that existing commercial tenants retained in place shall be exempt from this requirement.

- (ii) Any Adaptive Reuse Project that preserves or retains a Legacy Small Business as defined in Section 12.03, shall receive a floor area ratio bonus equivalent to double the existing square floor area of the Legacy Small Business.

When new construction retains a Legacy Small Business or multiple Legacy Small Businesses on the ground floor of a development, either by preservation of the tenant spaces or by the leasing of new tenant spaces to Legacy Small Businesses, the floor area of those Legacy Small Businesses may be exempted from the total floor area calculation of the new construction. Proof of retention may be provided by way of lease agreement, recorded covenant, and written confirmation and consent of the Legacy Small Business owner.

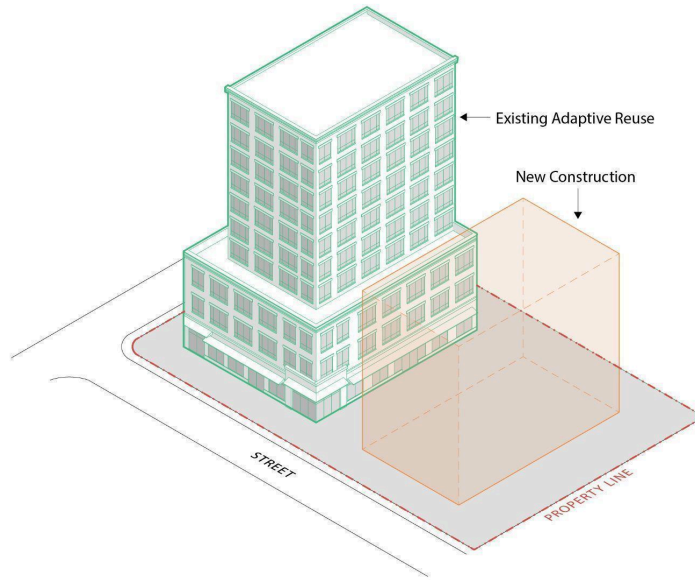
**(h) Incentives for Unified Adaptive Reuse Projects Providing Affordable Housing.**

Unified Adaptive Reuse Projects utilizing the density bonus incentives in the **Mixed Income Incentive Program** or **Affordable Housing Incentive Program Public Benefit Option**, pursuant to Subdivisions 12.22 A.38 or 12.22 A.39 of Chapter 1 of the Code, shall follow procedures pursuant to Subparagraph 12.22 A.26(e)(2) of this Subdivision of Chapter 1 of the Code. **Unified Adaptive Reuse Projects are limited to those involving existing buildings located within the Zones in which Adaptive Reuse Projects are otherwise allowed, as per Paragraph 12.22 A.26 (d) (Eligible Buildings); and to apply the incentives of this Paragraph 12.22 A.26(h)** must also include the required percentage of set-aside affordable units distributed proportionally within each individual building and/or construction phase, **as per the requirements of the Los Angeles Housing Department (LAHD).**

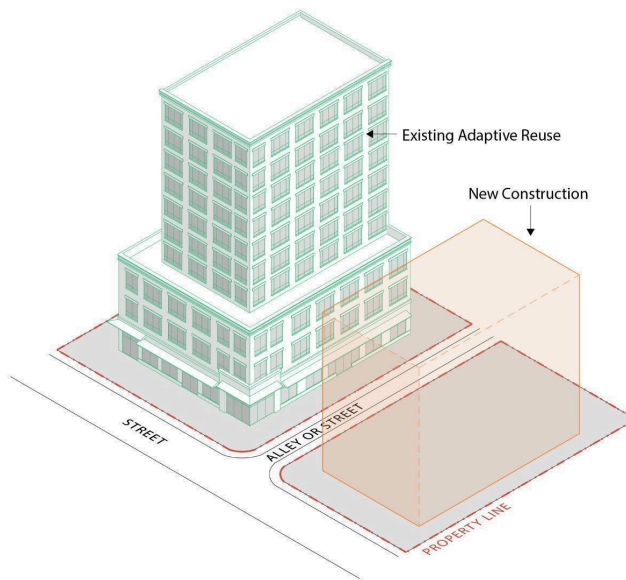
In addition to incentives in Subsection 12.22 A.26(g) (*Incentives*) of Chapter 1 of the Code, such Adaptive Reuse Projects providing affordable housing may utilize one or both of the following incentives:

**(1) Type I Unified Adaptive Reuse Projects: Density Bonus for New Construction.** Existing adaptively reused buildings and related expansion of new floor area qualifying as an Unified Adaptive Reuse Project may utilize unlimited density subject to the following requirements:

- (i) Unified Adaptive Reuse Project may include development of portions of a lot shared with an Adaptive Reuse Project, or on lots that abut or are separated only by an alley, or are located directly across the street, from any portion of an Adaptive Reuse Project; and



**Figure 2: Type I Unified Adaptive Reuse with New Construction on the Same Lot**



**Figure 3: Type I Unified Adaptive Reuse with New Construction Directly Across the Street or Alley from a Lot**

(ii) All site amenities provided in the Unified Adaptive Reuse Project, whether located in the existing building(s) or as an expansion of new floor area, shall be made accessible to all occupants of the Unified Adaptive Reuse Project, which shall be constructed to link pedestrian circulation between buildings and site amenities. All circulation pathways must be clearly delineated, through raised crosswalks,



contrasting paving materials or surface treatments, enhanced lighting, directional or wayfinding signage, or other elements; and

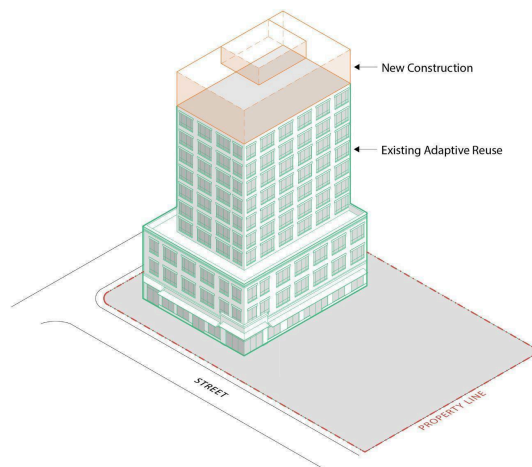
(iii) The requisite number of Restricted Affordable Units included in the Unified Adaptive Reuse Project shall be provided in accordance with the provisions of 12.22 A.38(c) or 12.22 A.39(c) of Chapter 1 of the Code; and

(iv) All owners of the property requesting floor area averaging, transfer of residential density, or both, and all owners of each lot contained in the Unified Adaptive Reuse Project shall execute and record a Covenant and Agreement. A copy of each executed and recorded Covenant and Agreement shall be filed with the Los Angeles City Planning Development Services Center. Each covenant shall run with the land, be approved by the Director or their designee prior to the issuance of any building permits, and shall guarantee the following: (1) The use of any floor area converted to Residential Use shall be maintained and not changed; (2) The number of such units, quarters or guest rooms approved by Planning shall not be increased; and (3) the access for all occupants of the Unified Adaptive Reuse Project to all site amenities, and the pedestrian circulation between buildings and site amenities shall be maintained and not reduced.

(v) Applicants utilizing any of the incentives of this Paragraph must have a building permit plan check application deemed complete for the entirety of the Unified Adaptive Reuse Project within **seven** years of obtaining an Administrative Review approval for the Unified Adaptive Reuse Project; failure to do so shall result in termination of the Project's eligibility for Administrative Review and all subsequent project phases will then be subject to a Class 1 Conditional Use approval process.

**(2) Type II Unified Adaptive Reuse Projects: Density Bonus for Two Additional Stories.** Adaptive Reuse Projects shall be eligible for up to a two-story addition to the uppermost floor, that shall not be considered as additional Floor Area or Height, subject to the following provisions:

(i) **Unified Developments that provide affordable housing to expand floor area** resulting in a maximum of two additional stories may be allowed with no limitations on lot area per unit density. The building envelope shall be limited to a maximum of two stories added above existing conditions or the maximum height allowed by a project site's underlying zone, whichever is greater.



**Figure 4: Type II Unified Adaptive Reuse with Two Additional Stories**

(ii) Projects utilizing this incentive shall not be eligible for additional FAR and height incentives as described in Table 12.22 A.38(e)(2) or Table 12.22 A.38(f)(2) of Subdivision 12.22 A.38 and Table 12.22 A.39(e)(3) of Subdivision 12.22 A.39 of Chapter 1 of the Code for the Adaptive Reuse Project, unless utilized in conjunction with a Unified Adaptive Reuse Project as described in Paragraph 12.22 A.26.(h) of Chapter 1 of the Code; and

(iii) Restricted Affordable Units included in the Two Additional Stories shall be provided in accordance with the [affordability requirements set forth in LAMC Section 19.18 B.2\(b\) in lieu of the Linkage Fee that may otherwise be required pursuant to LAMC Section 19.18 for the additional floor area](#). The required percentage of Restricted Affordable Units shall be based upon the total units proposed in the new floor area within the additional stories and distributed proportionally within [each individual building or construction phase, as per the requirements of the Los Angeles Housing Department \(LAHD\)](#), of the Unified Adaptive Reuse Project; and

(iv) Adaptive Reuse Projects proposing an addition pursuant to this Subsection shall remain eligible for the incentives set forth in Paragraph 12.22 A.26(g) (*Incentives*) of Chapter 1 of the Code; and

(v) Adaptive Reuse Projects involving Designated Historic Resources may be eligible for the incentives of this Subparagraph 12.22 A.26(h)(2) and shall be reviewed pursuant to Section 91.106.4.5 (*Permits for Historical and Cultural Buildings*) of Chapter 9 of the Code or Section 22.171 (*Cultural Heritage Commission*) of the Los Angeles Administrative Code, as applicable; and

The Decision Maker, including the Office of Historic Resources and/or the Cultural Heritage Commission, shall have the authority to approve, conditionally approve, or deny the request in order to conform with the Secretary of the Interior's Standards; and



(vi) Adaptive Reuse Projects located within any Historic Preservation Overlay Zone (HPOZ) may be eligible for the incentives of this Subparagraph 12.22 A.26(h)(2) and shall be reviewed pursuant to Division 13B.8 (Historic Preservation) of Chapter 1A of the Code; and

(vii) Applicants for Adaptive Reuse Projects involving any Surveyed Historic Resource may be eligible for the incentives of this Subparagraph 12.22 A.26(h)(2) and shall submit plans to the Director for an Administrative Review pursuant to Sec. 13B.3.1. (Administrative Review) of Chapter 1A of this Code, and according to the procedures set forth in 12.22 A.26(e)(2)(ii) of Chapter 1 of the Code.

**(3) New Construction.** Any expansion of new floor area as part of an Unified Adaptive Reuse Project shall be subject to all applicable provisions of Chapters 1 and 1A of the Code including Specific Plans and supplemental use districts, **unless otherwise stated in the Zoning Code.**

**(i) Adaptive Reuse Projects Consistent with AB 1490.** Consistent with Sections 65913.12 and 65960.1 of the California Government Code, as created by AB 1490 in 2023, extremely affordable adaptive reuse projects in any zone may be allowed to use incentives in Paragraphs 12.22 A.26(h) and 12.22 A.26(g) of Chapter 1 of the Code.

Exception: Any extremely affordable adaptive reuse project on a site, adjoining a site, or across a street or alley from a site where more than one-third of the square footage on the site is dedicated to industrial uses shall not be eligible for the provisions of this Paragraph 12.22 A.26(i) of Chapter 1 of the Code. For purposes of this Paragraph, the term “dedicated to industrial uses”, as defined in Section 65913.12(a)(1) of the California Government Code, shall mean any of the following:

- (i) The square footage is currently being used as an industrial use; or
- (ii) The most recently permitted use of the square footage is an industrial use; or
- (iii) The site was designated for industrial use in the latest version of the City’s general plan adopted before January 1, 2022.

To qualify as an extremely affordable Adaptive Reuse Project the project shall also meet all of the affordability criteria, as set forth in Section 65913.12(a)(3)(D) of the California Government Code, and below:

- (iv) One hundred percent of the units within the development project, excluding managers’ units, shall be dedicated to lower income households at an affordable housing cost, as defined by Section 50052.5 of the California Health and Safety Code, or an affordable rent set in an amount consistent with the rent limits established by the California Tax Credit Allocation Committee; or
- (v) At least 50 percent of the units within the development project shall be dedicated to very low income households at an affordable housing cost, as defined by Section

50052.5 of the California Health and Safety Code, or an affordable rent set in an amount consistent with the rent limits established by the California Tax Credit Allocation Committee; and

(vi) The units shall be subject to a recorded deed restriction for a period of 55 years for rental units and 45 years for owner-occupied units.

~~(i) **Standards.** Adaptive Reuse Projects permitted pursuant to this subdivision shall be developed in compliance with the following standards:~~

~~(1) **Dwelling Units and Joint Living and Work Quarters** . (Amended by Ord. No. 175,588, Eff. 12/1/03.) The minimum floor area for new Dwelling Units and joint living and work quarters shall be 450 square feet, provided however, that the average floor area of all such units and quarters in a single eligible building, including those that existed prior to June 3, 1999, shall be at least 750 square feet. That minimum average size shall be maintained and not reduced.~~

~~Floor area, as defined in Section 12.03 of the Code, shall also not include hallways or other common areas. The floor area of both the living space and the work space shall be combined to determine the size of joint living and work quarters.~~

~~(2) **Guest Rooms.** Guest rooms shall include a toilet and bathing facilities.~~

~~(j) **Exceptions.** Notwithstanding the nonconforming provisions of Section 12.23, the following exceptions shall apply to the buildings in which Adaptive Reuse Projects are located. These exceptions shall also apply to any building in which new floor area or height was added or observed yards changed on or after July 1, 1974, as evidenced by a valid Certificate of Occupancy:~~

~~(1) **Floor Area.** Existing floor area which exceeds that permitted by the zone, height district, specific plan, supplemental use district, or any other land use regulation shall be permitted.~~

~~(2) **Height.** Existing height which exceeds that permitted by the zone, height district, specific plan, supplemental use district, or any other land use regulation shall be permitted.~~

~~(3) **Yards.** Existing observed yards which do not meet the yards required by the zone, height district, specific plan, supplemental use district, or any other land use regulation shall be permitted.~~

~~(j)(k) **Uses.** Notwithstanding the nonconforming provisions of Section 12.23 of Chapter 1 of the Code, or the provisions of Subdivision 12.21 C.5 of Chapter 1 of the Code concerning the location of Accessory Buildings, dwelling units, guest rooms, and joint living and work quarters all new Residential Uses shall be allowed permitted in Adaptive Reuse Projects, so long as the use is allowed permitted by the underlying zone or approved by the Zoning Administrator pursuant to Subdivision 12.24 X.1 of Chapter 1 and Sec. 13B.2.1. (Class 1~~

Conditional Use Permit) of Chapter 1A of the Code. Where provisions of this Paragraph 12.22 A.26(j) conflict with Section 12.23 or Subdivision 12.21 C.5 of Chapter 1 of the Code, this Paragraph shall prevail.

**(k) Relationship to Specific Plans and Supplemental Use District Ordinances.** Adaptive Reuse Projects, aside from any expansion of new floor area as part of a Unified Adaptive Reuse Project, shall not be subject to zoning regulations found in Specific Plans and supplemental use districts, including but not limited to the Ordinances listed below:

- (1) Alameda District Specific Plan (171,139)
- (2) Avenue 57 Transit Oriented District (174,663)
- (3) Bunker Hill Specific Plan (182,576)
- (4) Central City West Specific Plan (166,704)
- (5) Century City North Specific Plan (156,122)
- (6) Century City West Specific Plan (186,370)
- (7) Century City South Specific Plan (168,862)
- (8) Coastal Bluffs Specific Plan (170,046)
- (9) Coliseum District Specific Plan (185,042)
- (10) Colorado Boulevard Specific Plan (178,098)
- (11) Cornfield Arroyo Seco Specific Plan (182,617)
- (12) Crenshaw Corridor Specific Plan (184,795)
- (13) Devonshire/Topanga Corridor Specific Plan (168,937)
- (14) Exposition Corridor Transit Neighborhood Plan (186,402)
- (15) Foothill Boulevard Corridor Specific Plan (170,694)
- (16) Girard Tract Specific Plan (170,774)
- (17) Glencoe/Maxella Specific Plan (171,946)
- (18) Granada Hills Specific Plan (184,296)
- (19) Hollywoodland Specific Plan (168,121)
- (20) Jordan Downs Urban Village Specific Plan (184,346)
- (21) Los Angeles International Airport (LAX) Specific Plan (185,164)
- (22) Los Angeles Sports and Entertainment District Specific Plan (181,334)
- (23) Loyola Marymount University Specific Plan (181,605)
- (24) Mt. Washington/Glassell Park Specific Plan (168,707)
- (25) Mulholland Scenic Parkway Specific Plan (167,943)
- (26) North University Park Specific Plan (158,194)
- (27) North Westwood Village Specific Plan (163,202)
- (28) Oxford Triangle Specific Plan (170,155)
- (29) Pacific Palisades Commercial Village and Neighborhood Specific Plan (184,371)
- (30) Paramount Pictures Specific Plan (184,539)
- (31) Park Mile Specific Plan (162,530)
- (32) Playa Vista Area D Specific Plan (176,235)
- (33) Porter Ranch Land Use/Transportation Specific Plan (185,903)
- (34) San Gabriel/Verdugo Mountains Scenic Preservation Specific Plan (175,736)
- (35) San Pedro Specific Plan (166,352)

- (36) San Vicente Scenic Corridor Specific Plan (173.381)
- (37) University of Southern California University Park Campus Specific Plan (182.343)
- (38) Valley Circle Boulevard/Plummer Street Scenic Corridor Specific Plan (151.615)
- (39) Valley Village Specific Plan (168.613)
- (40) Venice Coastal Zone Specific Plan (175.693)
- (41) Ventura-Cahuenga Boulevard Corridor Specific Plan (174.052)
- (42) Vermont/Western Transit Oriented District Specific Plan (Station Neighborhood Area Plan) (173.749)
- (43) Warner Center 2035 Plan (182.766)
- (44) Westwood Community Multi-Family Specific Plan (163.203)
- (45) Westwood Village Specific Plan, Westwood Community Design Review Board Specific Plan (187.644)
- (46) Wilshire - Westwood Scenic Corridor Specific Plan (155.044 176.416)
- (47) Hollywood CPIO (Ordinance No. TBD)
- (48) San Pedro CPIO District (185.539)
- (49) South Los Angeles CPIO District (185.927)
- (50) Southeast Los Angeles CPIO District (185.925)
- (51) Sylmar CPIO District (184.268)
- (52) West Adams-Baldwin Hills-Leimert CPIO District (184.794)
- (53) Westchester - Playa del Rey CPIO District (187.155)
- (54) Broadway Theater and Entertainment District Design Guide (180.871)
- (55) Canoga Park-Commercial Corridor CDO District (174.519)
- (56) Cypress Park & Glassell Park CDO (108.561)
- (57) Downtown Canoga Park CDO District (173.508)
- (58) Downtown Westchester CDO District (179.907)
- (59) Echo Park CDO District (180.880)
- (60) Fletcher Square CDO District (178.157)
- (61) Lincoln Boulevard CDO District (179.906)
- (62) Lincoln Heights CDO District (176.658)
- (63) Little Tokyo CDO District (183.011)
- (64) Loyola Village CDO District (180.797)
- (65) Miracle Mile CDO District (176.331)
- (66) Pacoima CDO District (175.545)
- (67) Panorama City CDO (175.549)
- (68) Reseda Central Business District CDO District (176.557)
- (69) Sun Valley CDO District (174.398)
- (70) Toluca Lake Village CDO (184.366)
- (71) Van Nuys Central Business District CDO District (174.420)
- (72) West Wilshire Boulevard CDO District (174.161)
- (73) Atwater Village POD (173.676)
- (74) Westwood/Pico NOD (171.859)
- (75) Westwood Boulevard POD (174.260)

(76) Redevelopment Plan Areas (186.325)

**Sec. 3.** Subsection X. (*Further Authority of the Zoning Administrator for Other Similar Quasi-Judicial Approvals*) and Subdivision 1 (*Adaptive Reuse Projects*) of Section 12.24 of Article 2 of Chapter 1 of the Los Angeles Municipal Code is hereby amended to read as follows:

**X. Further Authority of the Zoning Administrator for Other Similar Quasi-Judicial Approvals.** The following uses and activities may be allowed ~~permitted~~ in any zone, unless otherwise restricted to certain zones or locations, if approved by the Zoning Administrator as the initial decision maker or the Area Planning Commission as the appellate body. ~~In addition to the findings set forth in 12.24 E.,~~ The Zoning Administrator shall make the findings required by Sec. 13B.2.1. (Class 1 Conditional Use Permit) of Chapter 1A of the Code ~~all findings set forth below.~~ Further, these uses and activities are subject to the additional ~~procedures, regulations and~~ limitations set forth below. ~~(Para. Amended by Ord. No. 182,095, Eff. 5/7/12.)~~

**1. Adaptive Reuse Projects.** ~~(Amended by Ord. No. 175,588, Eff. 12/1/03.)~~ A Zoning Administrator may, upon application, approve ~~permit~~ Adaptive Reuse Projects pursuant to this ~~Subdivision 12.24 X.1.~~ Except that, the special provisions of this subdivision shall not apply to those areas set forth in the former Adaptive Reuse Incentive Areas Specific Plan, Ordinance No. 175,038, now designated as Subareas of Subdivision 12.22 A.26 (Citywide Adaptive Reuse Projects) of Chapter 1 of the Code, may be utilized for Adaptive Reuse Projects within the Subareas. ~~Furthermore, the provisions of this subdivision shall not apply to the M Zones outside of the Downtown Project Area. The boundaries of the Downtown Project Area are described in Section 12.22 A.26.(g) of the Code.~~

~~In conformance with Paragraph (b) below, the Zoning Administrator may permit Adaptive Reuse Projects in the M Zones inside the Downtown Project Area. Outside the Downtown Project Area, the Zoning Administrator may permit Adaptive Reuse Projects in the C and R5 Zones.~~

In conformance with Paragraph 12.24 X.1(b) (e) ~~(e)~~ below, the Zoning Administrator may approve ~~permit~~ Adaptive Reuse Projects in the CR, C1, C1.5, C2, C4, C5, CM, P, PB, PF, RD1.5, RD2, RD3, RD4, RD5, RD6, R2, RD, RW2, R3, RAS3, R4, RAS4 and R5 Zones in all or any portion of a building or structure, constructed if five years have elapsed since the date of permitted and completed construction. ~~on or after July 1, 1974, inside the Downtown Project Area. A Certificate of Occupancy, building permit finalized date, or other suitable documentation may be submitted as evidence of the date of permitted and completed construction.~~

In conformance with Paragraph 12.24 X.1(d) below, the Zoning Administrator may permit floor area averaging, transfer of residential density, or both, in Unified Adaptive Reuse Projects, ~~in~~ the C, M and R5 Zones inside the Downtown Project Area. ~~Outside the Downtown Project Area, the Zoning Administrator may permit this floor area averaging in the C and R5 Zones.~~

**(a) Definitions.** The definitions of “Adaptive Reuse Project”, “Designated Historic Resource”, “Historic Resources Survey”, “Legacy Small Business”, Live/Work Unit”, “Non-Residential Use”, “Residential Use”, “Surveyed Historic Resource”, “Transient Residential Use”, “Unified Adaptive Reuse Project” and other words and phrases not defined herein shall be construed

~~as set forth in Sections 12.03 and 12.20.3 12-22 A.26.(e) of Chapter 1 of the Code, if defined therein shall apply inside the Downtown Project Area. Outside the Downtown Project Area, the following definitions apply:~~

**Adaptive Reuse Project** is any change of an existing Non-Residential Use to new dwelling units, guest rooms, or joint living and work quarters in all or any portion of any eligible building.

**Non-Residential Use** means any use other than dwelling units, guest rooms, or joint living and work quarters. Except that, if all the dwelling units, guest rooms, or joint living and work quarters in an eligible building were completely and continuously unoccupied from March 1, 2002, through and including the date an application for an Adaptive Reuse Project is filed pursuant to this subdivision, then those units, room or quarters shall be considered to be a Non-Residential Use.

**(b) Procedures.** Adaptive reuse projects subject to Zoning Administrator approval shall follow procedures in Sec. 13B.2.1. (*Class 1 Conditional Use Permit*) of Chapter 1A of the Code.

(1) Adaptive reuse projects involving buildings or structures for which at least five years have elapsed since the date of permitted and completed construction may be approved by the Zoning Administrator, if the adaptive reuse project complies with the requirements of Paragraph 12.22 A.26(d) (*Eligible Buildings*) of Chapter 1 and meets the criteria described in Paragraphs 12.22 A.26(g) (*Incentives*) and/or 12.22 A.26(h) (*Incentives for Unified Adaptive Reuse Projects Providing Affordable Housing*) of Chapter 1 of the Code.

(2) Projects involving buildings or structures that are requesting incentives not listed in Paragraphs 12.22 A.26(g) (*Incentives*) and/or 12.22 A.26(h) (*Incentives for Unified Adaptive Reuse Projects Providing Affordable Housing*) of Chapter 1 of the Code may be approved by the Zoning Administrator, pursuant to the procedures established in Sec. 13B.2.1. (*Class 1 Conditional Use Permit*) of Chapter 1A of the Code.

(3) Applications for Unified Adaptive Reuse Projects shall follow the provisions of Paragraph 12.24 X.1(d), below. However, the Zoning Administrator may waive the public hearing required in Sec. 13B.2.1. if the owners of all properties abutting, directly across the street or alley from, or having a common corner with the building, have expressed in writing no objections to the Adaptive Reuse Project.

(4) Applications for Unified Adaptive Reuse Projects located within the boundaries of the Subareas shall follow the provisions of Paragraph 12.24 X.1(e), below.

**(b) C, M and R Zones.** The following shall apply to Adaptive Reuse Projects in the MR1, MR2, M1, M2 and M3 Zones inside the Downtown Project Area; and to projects in the CR, C1, C1.5, C2, C4, C5, CM and R5 Zones outside the Downtown Project Area

~~(1) **Eligible Buildings.** A Zoning Administrator shall only permit Adaptive Reuse Projects in the following buildings:~~

~~(i) Buildings constructed in accordance with building and zoning codes in effect prior to July 1, 1974. A Certificate of Occupancy, building permit, or other suitable documentation may be submitted as evidence to verify the date of construction;~~

~~(ii) Buildings constructed in accordance with building and zoning codes in effect on or after July 1, 1974, if: five years have elapsed since the date of issuance of final Certificates of Occupancy; and the Zoning Administrator finds that the building is no longer economically viable in its current use or uses.~~

~~In making this finding, the Zoning Administrator shall consider the building's past and current vacancy rate, existing and previous uses, and real estate market information. The Zoning Administrator may require the applicant to submit independently verified documentation.~~

~~(iii) Buildings designated on the National Register of Historic Places, the California Register of Historical Resources, or the City of Los Angeles List of Historic Cultural Monuments. Contributing Buildings in National Register Historic Districts or Contributing Structures in Historic Preservation Overlay Zones (HPOZ) established pursuant to Section 12.20.3 of this Code are also eligible buildings.~~

**(c) (2) Additional Incentives and Exceptions.** The Zoning Administrator may grant, modify or deny some or all of the incentives set forth in ~~Section Paragraphs 12.22 A.26.(g)(h); (Incentives) and/or 12.22 A.26(h) (Incentives for Unified Adaptive Reuse Projects Providing Affordable Housing) of Chapter 1~~ or some or all of the exceptions set forth in ~~Section 12.22 A.26.(j), of the Code~~ to Adaptive Reuse Projects proposed pursuant to this ~~Subdivision 12.24 X.1~~. Furthermore, the Zoning Administrator shall have the authority to grant any other incentives or exceptions from the Code required to ~~allow permit~~ Adaptive Reuse Projects proposed pursuant to this ~~Subdivision 12.24 X.1~~, including but not limited to the authority to ~~permit allow new Residential Uses, dwelling units, guest rooms, and joint living and work quarters~~ in Adaptive Reuse Projects, notwithstanding the nonconforming provisions of Section 12.23 of ~~Chapter 1~~ of the Code.

~~(3) **Findings and Conditions for the C and R5 Zones.** If the Adaptive Reuse Project is in the GR, C1, C1.5, C2, C4, C5, CM or R5 Zones outside the Downtown Project Area, then the Zoning Administrator shall find that the Adaptive Reuse Project complies with the standards for dwelling units, guest rooms and joint living and work quarters set forth in Section 12.22 A.26.(i). Exception: This finding is not required if the Zoning Administrator does not grant the density incentive set forth in Section 12.22 A.26.(h)(2).~~

~~Before approving a reduced parking incentive pursuant to Subparagraph (2) above, the Zoning Administrator shall also find that the surrounding area will not be adversely affected by overflow parking or traffic congestion originating or terminating at the site of the Adaptive Reuse Project.~~

~~(4) **Findings and Conditions for the M-Zones.** If the Adaptive Reuse Project is in the MR1, MR2, M1, M2 or M3 Zones inside the Downtown Project Area, then the Zoning Administrator shall:~~

~~(i) Require that one or more signs or symbols of a size and design approved by the Fire Department are placed by the applicant at designated locations on the exterior of each Adaptive Reuse Project to indicate the presence of residential uses;~~

~~(ii) Limit the occupations permitted in joint living and work quarters to the following: accountants; architects; artists and artisans; attorneys; computer software and multimedia related professionals; consultants; engineers; fashion; graphic, interior and other designers; insurance, real estate and travel agents; photographers and similar occupations.~~

~~(iii) Find that the Adaptive Reuse Project complies with the standards for dwelling units, joint living and work quarters and guest rooms set forth in Section 12.22 A.26. (i);~~

~~(iv) Find that the uses of property surrounding the proposed location of the Adaptive Reuse Project will not be detrimental to the safety and welfare of prospective residents; and~~

~~(v) Find that the Adaptive Reuse Project will not displace viable industrial uses.~~

~~(c) **Buildings constructed on or after July 1, 1974.** The provisions of Section 12.22 A.26. shall apply to Adaptive Reuse Projects in all or any portion of a building constructed on or after July 1, 1974, in the CR, C1, C1.5, C2, C4, C5, CM, or R5 Zones inside the Downtown Project Area, if: five years have elapsed since the date of issuance of final Certificates of Occupancy; and a Zoning Administrator finds that the building is no longer economically viable in its current use or uses.~~

~~In making this finding the Zoning Administrator shall consider the building's past and current vacancy rate, existing and previous uses, and real estate market information. The Zoning Administrator may require the applicant to submit independently verified documentation.~~

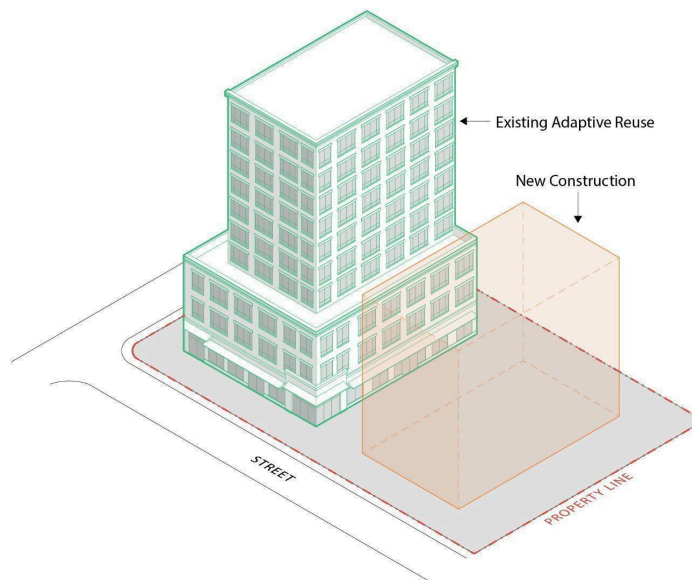
~~(d) **Floor Area Averaging Unified Adaptive Reuse Projects.** The following shall apply to applications to permit floor area averaging, transfer of residential density, or both, in Unified Adaptive Reuse Projects, and subject to the following provisions in the CR, C1, C1.5, C2, C4, C5, CM, MR1, MR2, M1, M2, M3, or R5 Zones inside the Downtown Project Area; and to such applications in the CR, C1, C1.5, C2, C4, C5, CM, or R5 Zones outside the Downtown Project Area:~~

~~(1) A Unified Adaptive Reuse Project is a residential or mixed-use development composed of at least one eligible building combined with expansion of new floor area, so long as the Project conforms with the provisions of this Paragraph 12.24 X.1 (d) of Chapter 1 and Sec. 13B.2.1. (Class 1 Conditional Use Permit) of Chapter 1A of the~~

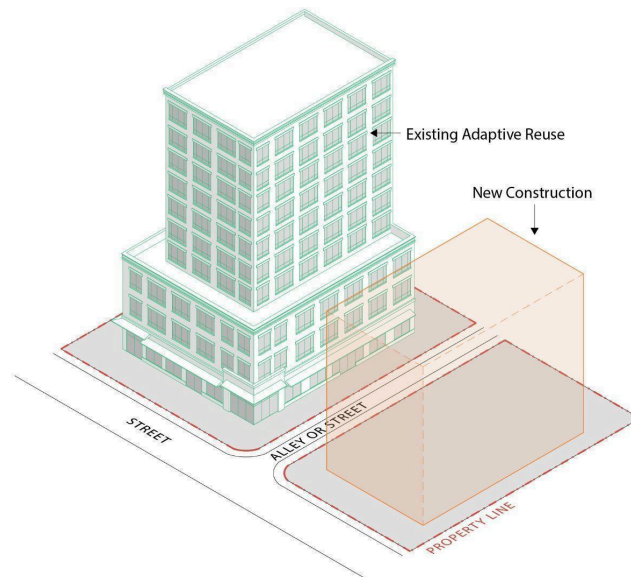


Code. A Unified Adaptive Reuse Project may include development of portions of a lot shared with an Adaptive Reuse Project, or on lots that abut, or are separated only by an alley or are located directly across the street, from any portion of each other.

The Zoning Administrator shall determine that all site amenities provided, whether located in the existing building(s) or associated expansion of new floor area, shall be made accessible to all occupants of the Unified Adaptive Reuse Project, which shall be constructed to link pedestrian circulation between buildings and site amenities. All such circulation pathways must be clearly delineated, through raised crosswalks, contrasting paving materials or surface treatments, enhanced lighting, directional or wayfinding signage, or other elements.



**Figure 5: Type I Unified Adaptive Reuse with New Construction on the Same Lot**



**Figure 6: Type I Unified Adaptive Reuse with New Construction Across the Street or Alley from a Lot**

(i) For buildings listed as a Designated Historic Resource or a Surveyed Historic Resource that are incorporated as part of a Unified Adaptive Reuse Project, the existing floor area, up to a maximum of 50,000 square feet, shall be exempted from the maximum floor area limit for the lot or lots. This incentive shall not be utilized if the Unified Adaptive Reuse Project involves any demolition or facade alteration of any portion of a Designated Historic Resource or Surveyed Historic Resource which is not in conformance with the Secretary of the Interior's Standards.

(ii) The averaging of floor area ratios, residential density, or both, may be allowed even if buildings on each individual lot would exceed the allowable floor area ratio requirements of the Zone. However, the total floor area or density for the Unified Adaptive Reuse Project, when calculated as a whole, may not exceed the maximum allowable floor area or density of the Zone.

(iii) Applicants utilizing any of the incentives of this Paragraph 12.24 X.1(d) must have a building permit plan check application deemed complete for the entirety of the Unified Adaptive Reuse Project within **seven** years of obtaining a Class 1 Conditional Use approval for the Unified Adaptive Reuse Project.

(iv) For Unified Adaptive Reuse Projects utilizing the **Mixed Income Incentive Program** or **Affordable Housing Incentive Program Public Benefit Option**, in exchange for providing on-site Restricted Affordable Units, pursuant to Subdivisions 12.22 A.38 or 12.22 A.39 of Chapter 1 of the Code, Zoning Administrator approval shall not be required, pursuant to Paragraph 12.22 A.26(h) of Chapter 1 and Sec. 13B.3.1. (*Administrative Review*) of Chapter 1A of the Code.

(2) If the Zoning Administrator approves the floor area averaging, transfer of residential density, or both, then all owners of the property requesting floor area averaging, transfer of residential density, or both, and all owners of each lot contained in the Unified Adaptive Reuse Project shall execute and record a Covenant and Agreement. A copy of each executed and recorded Covenant and Agreement shall be filed with the Los Angeles City Planning Development Services Center. Each covenant shall run with the land, be approved by the Zoning Administrator prior to the issuance of any building permits, and shall guarantee the following:

(i) The use of any floor area converted to Residential Uses shall be maintained and not changed; and

(ii) The number of such units, quarters or guest rooms approved by the Zoning Administrator shall not be increased; and

(iii) The access for all occupants of the Unified Adaptive Reuse Project to all site amenities, and the pedestrian circulation between buildings and site amenities shall be maintained and not reduced.

**(e) Manufacturing Zones.** For those properties located within the boundaries of the former Adaptive Reuse Incentive Areas Specific Plan, Ordinance 175,038, now considered as Subareas of Subdivision 12.22 A.26 (*Adaptive Reuse Projects*) of Chapter 1 of the Code, a Zoning Administrator may, upon application, allow Adaptive Reuse Projects in the MR1, MR2, M1, M2 and M3 zones, subject to the following:

1. The Zoning Administrator shall find that:

(i) One or more signs or symbols of a size and design approved by the Fire Department are placed by the applicant at designated locations on the exterior of each Adaptive Reuse Project to indicate the presence of Residential Uses; and

(ii) The Adaptive Reuse Project shall comply with all other applicable codes, provisions, or guidelines of the Departments of Building and Safety and Fire and pursuant to Paragraph 12.22 A.26 of Chapter 1 of the Code; and

(iii) The uses of property surrounding the proposed location of the Adaptive Reuse Project will not be detrimental to the safety and welfare of prospective residents; and

(iv) The Adaptive Reuse Project will not displace viable industrial uses.

~~The Zoning Administrator may permit averaging of floor area in unified Adaptive Reuse Projects for purposes of determining compliance with the 750 square foot minimum average unit size standard for dwelling units and joint living and work quarters, as set forth in Section 12.22 A 26 (i). For purposes of this subdivision, a unified Adaptive Reuse Project means an Adaptive Reuse Project composed of two or more buildings, so long as the Project has all of the following characteristics: (a) functional linkages, such as pedestrian or vehicular connections; (b) common architectural and landscape features, which constitute distinctive~~

~~design elements of the Project; and (c) a unified appearance when viewed from adjoining streets. Unified Adaptive Reuse Projects may include lots that abut or are separated only by an alley or are located across the street from any portion of each other.~~

~~Individual buildings may fall below the minimum average unit size standard, so long as the average size of all the dwelling units and joint living and work quarters in the unified Adaptive Reuse Project is at least 750 square feet, and no dwelling unit or joint living and work quarters is less than 450 square feet in area. The Zoning Administrator shall determine whether a Project meets the definition of a unified Adaptive Reuse Project as set forth above. All owners of the property requesting floor area averaging must sign the application. A current title search shall be submitted with the application to insure that all required persons have signed the application.~~

~~If the Zoning Administrator approves the floor area averaging, then all owners of the property requesting floor area averaging and all owners of each lot contained in the unified Adaptive Reuse Project shall execute and record an affidavit. A copy of each executed and recorded affidavit shall be filed with the Office of Zoning Administration. Each affidavit shall run with the land, be approved by the Zoning Administrator prior to the issuance of any building permits, and shall guarantee the following: (1) The use of any floor area converted to dwelling units or joint living and work quarters shall be maintained and not changed; and (2) The number of these units or quarters approved by the Zoning Administrator shall not be increased.~~

~~**(e) Procedures.** An application for permission pursuant to this subdivision shall follow the procedures for adjustments set forth in Section 12.28 C.1., 2., and 3. However, the Zoning Administrator may waive the public hearing required in that section if the owners of all properties abutting, across the street or alley from, or having a common corner with the building have expressed in writing no objections to the Adaptive Reuse Project.~~

**Sec 4.** Subdivision 6 of Subsection D of Section 16.05 of Article 6.1 of Chapter 1 of the Los Angeles Municipal Code (*Review of Development Projects*) is hereby amended to read as follows:

#### **16.05. SITE PLAN PROJECT REVIEW.**

##### **D. Exemptions.**

~~6. Adaptive Reuse Projects in the Downtown Project Area pursuant to Section 12.22 A.26 are exempt from 13.B.2.4 (Project Review) of Chapter 1A of the Code.~~

**Sec 5.** The areas within the former Adaptive Reuse Incentive Areas Specific Plan, Ordinance No. 175,038, are now to be designated and mapped as Subareas of the Citywide Adaptive Reuse Ordinance, Subdivision 12.22 A.26 of Chapter 1 of the Code. The boundaries of the former Specific Plan are hereby amended to remove portions of the Chinatown and Lincoln Heights Subarea, which has been superseded by the Downtown Community Plan (Ordinance 187,822).

**Sec 6. Severability.** If any portion, subsection, sentence, clause or phrase of this article is for any reason held by a court of competent jurisdiction to be invalid, such a decision shall not affect the validity of the remaining portions of this article. The City Council hereby declares that it would have passed this article and each portion or subsection, sentence, clause and phrase herein, irrespective of the fact that any one or more portions, subsections, sentences, clauses or phrases be declared invalid.

**Sec 7.** The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

# **EXHIBIT A2**

## **Proposed Citywide Adaptive Reuse Ordinance (Chapter 1A)**

## Introduction

This document is the final draft of the proposed Citywide Adaptive Reuse Ordinance, to amend Chapter 1A of the Los Angeles Municipal Code. Please note that edits have been made to the draft released on June 11, 2024 for the Public Hearing and posted to the Housing Element Rezoning Program webpage; such changes are indicated in **red text**, with more recent changes in **blue text**. Maps of the Citywide Adaptive Reuse Areas and Subareas are included as Exhibit B in the Citywide Adaptive Reuse Recommendation Report.

The Citywide Adaptive Reuse Ordinance will initially apply to all areas of Los Angeles outside of the Downtown Community Plan Area. Over time, as new Community Plans are adopted, the new Zoning Code (Chapter 1A) will become operational in those areas and supersede the Citywide Adaptive Reuse Ordinance.

Note that the updated Downtown Community Plan, Ordinance 187,822, features its own, separate Downtown Adaptive Reuse Program, as the first Community Plan to implement the new Zoning Code. For specific information that applies to adaptive reuse projects within Downtown, please refer to Section 9.4.5 of Article 9 that may be found [here](#).

## Contents

	Pages:
Citywide Adaptive Reuse Program (Chapter 1A), clean copy version	3-1 thru 3-27
Citywide Adaptive Reuse Program, strike-out and underline version	4-1 thru 4-31

**DRAFT ADAPTIVE REUSE ORDINANCE (CHAPTER 1A)  
OCTOBER 2024**

**ORDINANCE NO. \_\_\_\_\_**

An ordinance amending Subsection E. (Exceptions) of Section 4C.14.1. (Development Review Threshold Packages), Section 9.4.6. (Citywide Adaptive Reuse Program), and Division 14.2. (Glossary) of Chapter 1A of the Los Angeles Municipal Code (“Code”) in order to update the existing Chapter 1A version of the Citywide Adaptive Reuse Program. The proposed ordinance expands the eligibility of the current Chapter 1A version of the Citywide Adaptive Reuse Program to a greater variety of buildings as well as projects providing affordable housing, in alignment with the policy updates concurrently being proposed for the Chapter 1 version of the Citywide Adaptive Reuse Ordinance. The Citywide Adaptive Reuse Program will continue to apply only outside of the Downtown Community Plan Area. It will establish a by-right approval process for existing structures that are at least fifteen years old, in place of the previous limitation of buildings that are at least 25 years old. For buildings between five and fifteen years old, adaptive reuse projects shall remain subject to the Zoning Administrator Conditional Use procedure. The ordinance also clarifies the relationship between the Citywide Adaptive Reuse Program and other incentive programs intended to incentivize the provision and construction of affordable housing.

**Sec 1.** Amend Subsection E. (Exceptions) of Section 4C.14.1. (Development Review Threshold Packages) of Div. 4C.14. (Development Review) of Article 4 (Development Standards) of Chapter 1A of the Los Angeles Municipal Code to read as follows:

E. Exceptions

*Adaptive reuse projects* limited to the conversion of existing *buildings* eligible for and participating in the Citywide Adaptive Reuse Program, pursuant to Sec.9.4.6. (Citywide Adaptive Reuse Program), or the Downtown Adaptive Reuse Program, pursuant to Sec. 9.4.5. (Downtown Adaptive Reuse Program), shall not be subject to Sec. 13B.2.4. (Project Review).

**Sec 2.** Amend Sec. 9.4.6. (Citywide Adaptive Reuse Program) of Div. 9.4. (General Incentive Programs) of Chapter 1A of the Los Angeles Municipal Code to read as follows:

A. Purpose

The purpose of the Citywide Adaptive Reuse Program is to implement the General Plan by facilitating the retention and conversion of existing, underutilized, or historically



significant buildings to new *residential uses*. The goal is to reduce vacant space, create opportunities for new housing and preserve the City's architectural and cultural legacy. Encouraging the reuse of buildings is a sustainable practice allowing for the retention of many of the resources that went into their initial construction and thereby reducing greenhouse gas emissions. Reusing existing buildings supports mixed commercial and residential uses and, together with the reduction of vacant space, can help revitalize commercial corridors and promote walkability.

## B. Applicability

### 1. Project Activities

- a. In order to participate in the Citywide Adaptive Reuse Program, *adaptive reuse projects* must involve a *use modification* that results in the conversion of existing *floor area* in an existing *building* from a *non-residential use* to a *residential use*.
- b. *Adaptive reuse projects* may also involve the *new construction* of new floor area in combination with the conversion of existing *floor area* from a *non-residential use* to a *residential use*, with the new *floor area* either attached to the existing *building*, detached from the existing *building*, or as part of a *unified development*. Such projects involving the combination of use conversion and *new construction* are considered *unified adaptive reuse projects*.

### 2. Reconciling Provisions

- a. Relationship to Other Incentive Programs
  - i. *Adaptive reuse projects* participating in the Citywide Adaptive Reuse Program that provide *restricted affordable units* in exchange for participation in an incentive program established in Div. 9.3. Citywide Housing Incentive Programs or in the Affordable Housing Incentive Program (Sec. 9.2.2.) and meet both the eligibility requirements and program rules for both the applicable incentive program and the eligibility requirements and program rules of the Citywide Adaptive Reuse Program may participate in both incentive programs and receive incentives pursuant to both programs.
  - ii. *Adaptive reuse projects* participating in the Citywide Adaptive Reuse Program shall not simultaneously participate in any other incentive program outlined in *Article 9 (Public Benefit Systems)*.

b. Relationship to Specific Plans, Supplemental Districts, and Special Districts

The provisions of the Citywide Adaptive Reuse Program are subject to the general reconciling provisions outlined in *Article 8 (Specific Plans, Supplemental & Special Districts)*, with the following exceptions:

- i. For projects limited to the conversion of a portion of or the entirety of an existing *building* or an allowable rooftop amenity structure pursuant to Sec. 9.4.6.C.3.a.iii. (New Rooftop Amenity Structures) below, shall be exempt from **the requirements of** any applicable Specific Plan or Supplemental District.
  - ii. Where the provisions of the Citywide Adaptive Reuse Program conflict with those of any *Historic Preservation Overlay Zone (HPOZ)*, then the provisions of the Historic Preservation Overlay Zone shall prevail, pursuant to *Division 13B.8 (Historic Preservation)*.
- c. Relationship to Other Zoning Provisions
- i. The linkage fee, as established in *Sec. 19.18. (Affordable Housing Linkage Fee) of Chapter 1 (General Provisions and Zoning) of the LAMC*, shall continue to apply to any new floor area in the project devoted to the uses described in the linkage fee schedule, regardless of the exemptions in **Paragraph 2 (Incentives) of Subsection C (Program Rules)** below.
  - ii. Adaptive reuse projects participating in the Citywide Adaptive Reuse Program located in the *Coastal Zone*, shall continue to be subject to any applicable Coastal Development Permit procedures, pursuant to *Div. 13.B.9. (Coastal Development)*.
- d. Relationship with Other Laws and Regulations
- i. Projects that qualify as an *extremely affordable adaptive reuse project*, pursuant to *Sections 65913.12 and 65960.1 of the California Government Code* and meeting the requirements and eligibility criteria outlined in *Sections 65913.12 and 65960.1 of the California Government Code* may simultaneously participate in the Citywide Adaptive Reuse Program and may also qualify for the incentives outlined in *Sec. 9.4.6.C.3.a. (General Incentives)* and

*Sec. 9.4.6.C.3.b. (Incentives for Affordable and Mixed-Income Adaptive Reuse Projects) below.*

- ii. For *adaptive reuse projects* seeking tax abatement under the Mills Act, pursuant to *Sections 50280-50290 of the California Government Code*, and *Section 91.140 (Approval of Historic Property Contracts) of the LAMC*, the City Council may contract with an owner or agent of the owner of any qualified historical property.

## C. Program Rules

### 1. Eligibility

*Adaptive reuse projects* meeting the following eligibility criteria qualify for participation in the Citywide Adaptive Reuse Program, including the granting of incentives outlined in *Sec. 9.4.6.C.2. (Incentives)*.

#### a. Unit Threshold

*Only adaptive reuse projects resulting in the creation of five or more dwelling units within an existing building shall be eligible to participate in the Citywide Adaptive Reuse Program.*

#### b. Location

*Adaptive reuse projects* participating in the Citywide Adaptive Reuse Program must be located on *lots* outside of the Downtown Community Plan Area. Projects located on *lots* within the Downtown Community Plan Area are not eligible for the Citywide Adaptive Reuse Program. For *adaptive reuse projects* located within the Downtown Community Plan Area, see *Sec. 9.4.5. (Downtown Adaptive Reuse Program)*.

#### c. Zoning

*Adaptive reuse projects* participating in the Citywide Adaptive Reuse Program shall not be located on a *lot* with an applied Density District (*Part 6B*) of 1L or N.

#### d. Uses Allowed

*Adaptive reuse projects* participating in the Citywide Adaptive Reuse Program shall only convert *non-residential uses* to *residential uses*.

#### e. Building Age

- i. Existing *buildings* constructed in accordance with building and zoning codes in effect at the time they were built, for which at least 15 years have elapsed since the date of permitted and completed construction are eligible for participation in the Citywide Adaptive

Reuse Program and shall be approved pursuant to the processes outlined in *Sec. 9.4.6.D. 1.a. (Department of Building and Safety Review)* below. A Certificate of Occupancy, building permit finalized date, or other suitable documentation may be submitted as evidence of the date of permitted and completed construction.

- ii. Existing *buildings* constructed in accordance with building and zoning codes in effect at the time they were built, for which at least 5 years have elapsed since the date of permitted and completed construction are eligible for participation in the Citywide Adaptive Reuse Program and shall be approved pursuant to the processes outlined in *Sec. 9.4.6.D.1.c. (Zoning Administrator Review)* below. A Certificate of Occupancy, building permit finalized date, or other suitable documentation may be submitted as evidence of the date of permitted and completed construction.
- iii. Any *parking structure* or *parking area* within an existing building constructed in accordance with building and zoning codes in effect at the time they were built, for which at least five years have elapsed since the date of permitted and completed construction are eligible for participation in the Citywide Adaptive Reuse Program and shall be approved pursuant to the processes outlined in *Sec. 9.4.6.D.1.a. (Department of Building and Safety Review)* below. A Certificate of Occupancy, building permit finalized date, or other suitable documentation may be submitted as evidence of the date of permitted and completed construction

f. Historic Resources

*Designated historic resources* and *surveyed historic resources* are also eligible for participation in the Citywide Adaptive Reuse Program.

g. Parking Structures

Any parking structure, or parking area, provided in excess of the minimum parking required by this Zoning Code (Chapter 1A), within an existing building constructed in accordance with building and zoning codes in effect at the time they were built for which at least 5 years have elapsed since the date of permitted and completed construction.

2. Standards

*Adaptive reuse projects* must meet the following standards in order to be eligible for participation in the Citywide Adaptive Reuse Program, including the granting of the incentives outlined in Sec. 9.4.6.C.3.(*Incentives*) below.

a. Conversion of Ground Floor Commercial

Existing *commercial uses* located on the *ground story* of an existing *building* may be converted to *residential uses*, provided that *the ground story maintains an depth of at least 15 feet, measured perpendicularly from the street-facing facade, of space designed and intended for such active uses as common indoor amenity spaces, lobbies, or designated work areas of joint living & work quarters.* Additionally, while the *ground story* facade may be modified, *transparent area* on the *ground story* shall not be reduced beyond the existing *transparency* prior to modification, along the entire length of the *street-facing facade*. Only such reductions in *transparency* as are required for seismic reinforcement, fire/life safety concerns, or other upgrades to improve performance of the existing *building* shall be permitted.

b. Street Trees

- i. Existing trees in the *public way*, including street tree canopy and landscaped parkways, shall be preserved unless removal is permitted by the Urban Forestry Division.
- ii. Trees shall be planted at a rate of at least *large species tree* per thirty linear feet of *primary street lot line*. *Existing trees may be used to meet this street tree requirement, regardless of existing tree size. Trees planted to meet this requirement shall have a minimum container size of 15-gallons and trunk size of 1-1/2 inch caliper at the time of planting, subject to approval by the Urban Forestry Division.*
- iii. *Required street trees must be located in either existing vacant tree wells or landscaped parkways or in newly created tree wells and landscaped parkways, in conformance with Public Works Street Design Manual standards and policies;*
- iv. *The tree planting area size should be the maximum allowed based upon the size of the sidewalk area with dimensions of at least 4 feet by 6 feet, or as approved by the Urban Forestry Division in*

coordination with the Bureau of Engineering (BOE). Please refer to Type 1 in S-450-4 Standard Plan.

- v. Pursuant to LAMC Section 12.40H.1(b)(iii), the developer shall certify through a Covenant and Agreement that installed street trees will be irrigated for five years as required for establishment and to maintain ongoing tree health and viability, and shall provide a maintenance plan as part of the application.
- vi. If street trees cannot be physically accommodated within the *public way*, due to City-determined physical constraints, a Tree Planting Guarantee Fee pursuant to LAMC Section 62.177 (b) shall be paid to the Board of Public Works.

### 3. Incentives

#### a. General Incentives

The Department of City Planning may grant some or all of the incentives established when an *adaptive reuse project* qualifies for them as established below. Despite any other provisions of this Zoning Code (Chapter 1A) to the contrary, adaptive reuse projects shall be entitled to the incentives set forth below. For additional incentives for adaptive reuse projects providing restricted affordable units, see **Subparagraph b** (Incentives for Affordable Adaptive Reuse Projects) below. These incentives shall not apply to any new *floor area* from *new construction* conducted as part of a *unified adaptive reuse project* unless explicitly stated otherwise below; however, exterior changes resulting from improvements in building safety or performance, such as to accommodate required structural or energy conservation upgrades, shall not be considered *new construction*.

#### i. Floor Area

##### a) Existing Floor Area

Existing *floor area* within existing *buildings* which exceeds the maximum floor area ratio of the applied Form District (*Part 2B*) shall be considered allowed.

##### b) New Floor Area Within Existing Building Envelope

Any additional *floor area*, including *mezzanines*, and new stories created within an existing building envelope shall

not be counted towards the maximum *floor area* limit for the *lot*.

c) Conversion of Exempt Floor Area

The conversion of any existing area in a *building* previously qualifying as exempt from counting toward *floor area* calculation, pursuant to Sec. 14.1.7. (*Floor Area*), to any *residential use* or area meeting the standards of Sec. 2C.3.3.C.1. (*Common Outdoor Amenity Space*) or Sec. 2C.3.3.C.5. (*Common Indoor Amenity Space*) shall not be counted toward the maximum *floor area* limit for the *lot*, provided that the area is located within the existing *building* envelope.

d) Rooftop Structures

Rooftop structures meeting the requirements of Sec. 9.4.6.C.3.a.iii. (*New Rooftop Amenity Structures*) below, shall not be counted toward the maximum *floor area* limit for the *lot*.

e) Floor Area Reallocation

Any amount of *floor area* that is removed from an existing *building* as part of an *adaptive reuse project*, in order to create new interior light wells or courtyards, recessed balconies or other open space inset from exterior walls, or other such features that provide natural light and ventilation and improve habitability, may be reallocated to *building* additions that extend or increase the gross *floor area* outside of the envelope of an existing *building* but do not increase the *height in stories* or *height in feet* of the *building*. The *new construction* of *floor area* resulting from this *floor area* reallocation may be eligible for the other incentives outlined in this Sec. 9.4.6.C.3. (*Incentives*).

d) Unified Development

For *buildings* listed as *designated historic resources* or *surveyed historic resources* that are incorporated as part of a *unified development* composed of two or more buildings, the existing *floor area* of the designated historic resource or surveyed historic resource, up to a maximum of 50,000

square feet, shall be exempted from the maximum *floor area* limit for the *lot*. This incentive shall not be utilized if the *unified development* involves the demolition or *facade modification* of any portion of a *designated historic resource* or *surveyed historic resource* that has not been approved by the Office of Historic Resources.

The averaging of *floor area ratios* may be permitted even if *buildings* on each individual *lot* would exceed the permitted *floor area ratio*. However, the total *floor area* for the *unified development*, when calculated as a whole, may not exceed the maximum permitted *floor area* allowed by the applied Form Districts.

e) Ground Story Active Space Retention

*Unified adaptive reuse projects* may exempt *floor area* dedicated to the retention or preservation of existing *active space* on the *ground story* of an existing *building* from the calculation of *floor area*, up to a maximum of 1,500 square feet. Areas for circulation, storage, mechanical equipment, parking, lobbies, mailrooms, laundry rooms, utilities, and waste collection shall not account for more than 15% of an area designated as *active space*. The retained or preserved *active space* shall provide a minimum *ground story transparent area* of 60% along *primary street lot lines*, 40% along *side street lot lines*, and 50% along *special lot lines*, where applicable. Ground story transparent area shall be measured pursuant to Subsection D (Measurement) of Sec. 3C.4.1. (Transparent Area). The retained or preserved *active space* shall provide *street-facing entrances* with a maximum entrance spacing of 50 feet along *primary street lot lines*, 75 feet along *side street lot lines*, and 50 feet along *special lot lines*, where applicable. *Street-facing entrances* shall meet the standards established in Subsection C. (Standards) of Sec. 3C.5.1. (Street-Facing Entrance), including Sec.



3C.5.2.C.1.(General) and Sec. 3C.5.1.C.2. (Entrance Spacing). Existing commercial tenants retained in place shall be exempt from this requirement.

#### Legacy Small Businesses

*Unified adaptive reuse projects* shall receive a *floor area* bonus equivalent to the two times the total *floor area* dedicated to preserving, maintaining, or accommodating a *legacy small business* within the project, either within existing *floor area* of an existing *building* or within the new *floor area* resulting from *new construction*. The project shall either preserve existing *ground story* tenant spaces for *legacy small businesses* or lease new tenant spaces to *legacy small businesses* previously located on-site or from another location.

#### ii. Height

##### a) Existing Height

An existing *building* which is a part of an *adaptive reuse project* shall be allowed to maintain its existing height, regardless of whether it complies with the height requirements of the applied Form District (*Part 2B*), including but not limited to *height in stories* or *height in feet*.

##### b) New Stories Within Existing Building Envelope

Any additional *story* created within an existing *building* envelope which is a part of an *adaptive reuse project* shall not be counted as an additional *story* towards any *height in stories* limit. Additional stories within the existing *building* envelope may consist of either a partial or full floor, and the clear height above and below the new story shall be not less than 8 feet.

##### c) Rooftop Structures

Rooftop structures meeting the requirements of Sec. 9.4.6.C.3.a.iii. (*New Rooftop Amenity Structures*) below, may exceed the height requirements of the applied Form District (*Part 2B*), including but not limited to *height in stories* or *height in feet*.

d) Upper-Story Bulk

An existing *building* which is a part of an *adaptive reuse project* shall not be required to comply with any applicable upper-story provisions established in *Div. 2C.5.*

*(Upper-Story Bulk).*

iii. New Rooftop Amenity Structures

The construction of new *structures* on the existing roof, whether on the uppermost or on multiple roof levels, shall not be considered new *floor area* or height, as long as the new rooftop structures do not exceed one *story*, meet the standards of *Sec. 2C.3.3.C.1. (Common Outdoor Amenity Space)* or *Sec. 2C.3.3.C.5. (Common Indoor Amenity Space)* and comply with all other zoning requirements, apart from those waived as incentives for participation in the Citywide Adaptive Reuse Program. Allowable rooftop amenity structures may be eligible for the other incentives outlined in this *Sec. 9.4.6.C.3. (Incentives).*

iv. Setbacks

Existing *buildings* which do not meet the *building setback* requirements of the applied Form District (*Part 2B*) shall be allowed.

v. Lot Amenity Space & Residential Amenity Space Requirements

An *adaptive reuse project* shall not be required to provide any additional *lot amenity space* or *residential amenity space* as a result of a use conversion of *floor area* in an existing *building* to a *residential use*. However, existing area on the *lot* and *floor area* dedicated to *lot amenity space* or *residential amenity space* shall not be reduced below what would normally be required by the applied Form District (*Part 2B*). Projects including *new construction* as part of a *unified adaptive reuse project* shall be subject to the full *lot amenity space* requirement otherwise required by the applied Form District (*Part 2B*) as well as the *residential amenity space* that would otherwise be required of the *new construction* portion of the *unified adaptive reuse project*. However, new *floor area* allowed as a result of an allowable rooftop amenity structure, pursuant to *Sec. 9.4.6.C.3.a.iii. (New Rooftop Amenity Structures)*; new *floor area* resulting from floor

area reallocation, pursuant to Sec.9.4.6.C.3.a.i.e. (*Floor Area Reallocation*); or an allowable two-story rooftop addition, pursuant to Sec. 9.4.6.C.3.b.ii. (*Additional Two Story Height Bonus*) shall not be subject to the *lot amenity space* or *residential amenity space* requirements of the applied Form District (*Part 2B*)

vi. Building Mass

An existing *building* which is a part of an *adaptive reuse project* shall not be required to comply with any applicable building mass provisions established in Div. 2C.6. (*Building Mass*). Any new *floor area* as a result of *new construction* shall be subject to building mass provisions established in Div. 2C.6. (*Building Mass*) as otherwise required by the applied Form District (*Part 2B*), with the exception of new *floor area* allowed as a result of an allowable rooftop amenity structure, pursuant to Sec. 9.4.6.C.3.a.iii. (*New Rooftop Amenity Structures*); new floor area resulting from floor area reallocation, pursuant to Sec.9.4.6.C.3.a.i.e. (*Floor Area Reallocation*); or an allowable two-story rooftop addition, pursuant to Sec. 9.4.6.C.3.b.ii. (*Additional Two Story Height Bonus*).

vii. Plants

*Adaptive reuse projects* shall not be required to plant new trees or plants, with the exception of the minimum street trees required pursuant to Sec.9.4.6.C.2.b. (*Street Trees*), above.

viii. Frontage District Standards

*Adaptive reuse projects* within existing *buildings* shall not be required to bring existing *buildings* or *structures* into conformance with the applied Frontage District (*Part 3B*). Where an existing *building* or *structure* is nonconforming as to the applied Frontage District, an *adaptive use project* shall not further reduce compliance. New *floor area* allowed as a result of an allowable rooftop amenity structure, pursuant to Sec. 9.4.6.C.3.a.iii. (*New Rooftop Amenity Structures*); new floor area resulting from floor area reallocation, pursuant to Sec.9.4.6.C.3.a.i.e. (*Floor Area Reallocation*); or an allowable two-story rooftop addition, pursuant to Sec. 9.4.6.C.3.b.ii. (*Additional Two Story Height Bonus*) shall also be exempt from otherwise required standards of the applied Frontage District (*Part 3B*).

- ix. Off-Street Automobile Parking
- a) For *adaptive reuse projects* consisting only of the conversion of an existing *building*, the required number of *automobile parking stalls* shall be the same as the number of *stalls* that physically existed on the *lot* at the time that the application for the *adaptive reuse project* was submitted. However, if the total parking required by Div. 4C.4. (Automobile Parking) for the new use is less than the number of parking stalls that exist on the *lot*, then the number of parking stalls may be reduced to the number of parking stalls required by Div. 4C.4. (Automobile Parking).
  - b) New *floor area* allowed as a result of an allowable rooftop amenity structure, pursuant to Sec. 9.4.6.C.3.a.iii. (*New Rooftop Amenity Structures*); new floor area resulting from floor area reallocation, pursuant to Sec.9.4.6.C.3.a.i.e. (*Floor Area Reallocation*); or an allowable two-story rooftop addition, pursuant to Sec. 9.4.6.C.3.b.ii. (*Additional Two Story Height Bonus*) shall also be exempt from providing *automobile parking stalls* beyond the number that physically existed on the *lot* at the time that the application for the *adaptive reuse project* was submitted.
  - c) *Projects located within 0.5 miles of a major transit stop are not required to provide any automobile parking stalls, pursuant to California Government Code Section 65863.2, in compliance with Assembly Bill 2097 (2022).*
  - d) *Automobile parking stalls provided in excess of the number required by the provisions of this sub-sub paragraph may be provided as automobile parking stalls that meet the standards of compact parking or tandem parking as outlined in Sec. 4C.4.4. (Parking Area Design). Tandem parking that does not meet the standard requirements for tandem parking outlined in Sec. 4C.4.4. (Parking Area Design) may still be provided, as long as a parking attendant or an automated parking system is provided for the tandem parking.*

- e) Physically existing *parking stalls* that are maintained in their current configuration shall be exempt from the design standards outlined in Sec. 4C.4.4. (Parking Area Design), Sec. 4C.4.5. (Parking Lot Design), and Sec.4C.4.6. (Parking Structure Design).
  - f) New *automobile parking stalls* and parking stalls reconfigured or restriped as part of an adaptive reuse project shall be subject to the design standards outlined in Sec. 4C.4.4. (Parking Area Design), Sec. 4C.4.5. (Parking Lot Design), and Sec.4C.4.6. (Parking Structure Design), with the exception of existing *automobile parking stalls* that are reconfigured solely for the purpose of bringing the parking layout up to current standards, such as for the purposes of improving safety or access, or to accommodate required structural, seismic or mechanical system upgrades.
- x. Bicycle Parking
- a) The required number of *bicycle parking spaces* shall be the same as the number of spaces that physically existed on the *lot* at the time that the application for the *adaptive reuse project* was submitted. However, if the total bicycle parking required by Div. 4C.3. (Bicycle Parking) for the new use is less than the number of bicycle parking spaces that exist on the *lot*, then the number of bicycle parking spaces may be reduced to the number of bicycle parking spaces required by Div. 4C.3. (Bicycle Parking).
  - b) New floor area allowed as a result of an allowable rooftop amenity structure, pursuant to Sec. 9.4.6.C.3.a.iii. (New Rooftop Amenity Structures); new floor area resulting from floor area reallocation, pursuant to Sec.9.4.6.C.3.a.i.e. (Floor Area Reallocation); or an allowable two-story rooftop addition, pursuant to Sec. 9.4.6.C.3.b.ii. (Additional Two Story Height Bonus) shall also be exempt from providing bicycle parking spaces beyond the number that physically existed on the lot at the time that the application for the adaptive reuse project was submitted.

- xi. Loading Space
  - a) Where an existing *loading space* is provided, it shall be allowed to maintain its current, existing dimensions, regardless of whether it complies with the provisions of *Sec. 4C.2.2.C.2. (Freight Loading Areas)*.
  - b) For adaptive reuse projects limited to the conversion of an existing *building*, if no *loading spaces* exist or if the number of existing loading spaces are below the number required for the project by *Sec. 4C.2.2.C.2. (Freight Loading Areas)*, then ~~a~~ additional *loading spaces* shall not be required.
  - c) Required *loading spaces* resulting from the *new construction* of new *floor area* as part of a *unified adaptive reuse project* shall only be required for the new *floor area* constructed. However, new *floor area* allowed as a result of an allowable rooftop amenity structure, pursuant to *Sec. 9.4.6.C.3.a.iii. (New Rooftop Amenity Structures)*; new *floor area* resulting from floor area reallocation, pursuant to *Sec.9.4.6.C.3.a.i.e. (Floor Area Reallocation)*; or an allowable two-story rooftop addition, pursuant to *Sec. 9.4.6.C.3.b.ii. (Additional Two Story Height Bonus)* shall not be subject to the *loading area* requirements outlined in *Sec. 4C.2.2.C.2. (Freight Loading Areas)*.
- xii. Project Review
  - a) *Adaptive reuse projects* limited to the conversion of existing *buildings* shall be exempt from any requirements to go through the *project review* process as determined by the applied Development Standards District and set forth in *Sec. 4C.14.1. (Project Review Thresholds)*.
  - b) *Unified adaptive reuse projects* involving the *new construction* of new *floor area* shall only be subject to *project review* based on new *floor area* and the uses, activities, and *dwelling units* within that new *floor area*, with the exception of new *floor area* allowed as a result of an allowable rooftop amenity structure, pursuant to *Sec. 9.4.6.C.3.a.iii. (New Rooftop Amenity Structures)*; new *floor area* resulting from floor area reallocation, pursuant to

*Sec.9.4.6.C.3.a.i.e. (Floor Area Reallocation); or an allowable two-story rooftop addition, pursuant to Sec. 9.4.6.C.3.b.ii. (Additional Two Story Height Bonus).*

xiii. Density

- a) For *adaptive reuse projects* limited to the conversion of existing *buildings, dwelling units* shall not be subject to the *lot area per dwelling unit* or *dwelling unit per lot* requirements of the applied Density District (*Part 6B*).
- b) For *unified adaptive reuse projects* involving the *new construction* of new *floor area, dwelling units* within the new *floor area* shall still be subject to the *lot area per dwelling unit* or *dwelling unit per lot* requirements of the applied Density District (*Part 6B*), with the exception of *dwelling units* within new *floor area* resulting from floor area reallocation, pursuant to *Sec.9.4.6.C.3.a.i.e. (Floor Area Reallocation)*, above.

xiv. Inclusionary Housing Program

- a) *Adaptive reuse projects limited to the conversion of existing buildings shall not be required to provide restricted affordable units pursuant to Sec. 5C.4.5. (Inclusionary Housing Program).*
- b) For *unified adaptive reuse projects* involving the *new construction* of new *floor area, dwelling units* within the new *floor area* shall still be required to provide *restricted affordable units* pursuant to *Sec. 5C.4.5. (Inclusionary Housing Program)*, with the exception of *dwelling units* within new *floor area* resulting from floor area reallocation, pursuant to *Sec.9.4.6.C.3.a.i.e. (Floor Area Reallocation)*, above or *dwelling units* in an allowable two-story rooftop addition, pursuant to *Sec. 9.4.6.C.3.b.ii. (Additional Two Story Height Bonus)*, below.

b. Incentives for Affordable and Mixed-Income Adaptive Reuse Projects

Adaptive reuse projects that provide *restricted affordable units* in exchange for participation in an incentive program established in Div. 9.3.

Citywide Housing Incentive Programs or in the Affordable Housing Incentive Program (Sec. 9.2.2.), in combination with participation in the Citywide Adaptive Reuse Program may select one or both of the following additional incentives, in addition to the applicable general incentives outlined in Sec. 9.4.6.C.3.a. (*General Incentives*), above. New *floor area* from *new construction* as part of a *unified adaptive reuse project* shall also be eligible for the incentives provided by the other incentive program in which the project is participating.

i. Density Bonus

In *unified adaptive reuse projects*, *dwelling units* shall not be subject to the density restrictions of the applied Density District (*Part 6B*), including but not limited to *lot area per dwelling unit* or *dwelling unit per lot* requirements. This exemption from density limitations applies both to existing *floor area* that is converted from a *non-residential use* to a *residential use* as well as new *floor area* provided in *new construction* within the *unified adaptive reuse project*. Utilization of this density exemption is subject to all of the following requirements, limitations, approvals, and procedures:

- a) All site amenities provided in the *unified adaptive reuse project*, whether located in the existing *building(s)*, in new *floor area* added or attached to *existing buildings*, or in new buildings consisting entirely of *new construction*, shall be made accessible to all residents of the *unified adaptive reuse project*, which shall be constructed to link pedestrian circulation between buildings and site amenities. All circulation pathways must be clearly delineated, through raised crosswalks, contrasting paving materials or surface treatments, enhanced lighting, directional or wayfinding signage, or other elements; and
- b) **The requisite number of *restricted affordable units* shall be provided pursuant to the requirements of the applicable housing incentive program. The required number of *restricted affordable units* shall be based off of the number of *dwelling units* located in the new *floor area* from new**



*construction addition but the location of the restricted affordable units shall be* distributed proportionally across the entire *unified adaptive reuse project* within each individual *building*, including both converted existing *buildings* and new *floor area* in *new construction*.

- c) All owners of the property requesting floor area averaging, transfer of residential density, or both, and all owners of each *lot* contained in the *unified adaptive reuse project* shall execute and record a Covenant and Agreement. A copy of each executed and recorded Covenant and Agreement shall be filed with the Los Angeles Department of Building and Safety. Each covenant shall run with the land, be approved by the Director or their designee prior to the issuance of any building permits, and shall guarantee the following: (1) The use of any existing *floor area* converted to *residential use* shall be maintained and not changed; (2) The number of such *dwelling units*, approved by Planning shall not be increased; and (3) the access for all occupants of the *unified adaptive reuse project* to all site amenities, and the pedestrian circulation between buildings and site amenities shall be maintained and not reduced.
- ii. **Additional Two Story Height Bonus**

In *unified adaptive reuse projects*, an additional two stories may be added above to the existing uppermost story of the existing *building* or *buildings* being converted from *non-residential uses* to *residential uses*, regardless of any otherwise applicable limitations on *floor area ratio* and *height in feet* or *height in stories*. *Floor area* within this allowable two-story addition shall not be subject to the density restrictions of the applied Density District (*Part 6B*), including but not limited to *lot area per dwelling unit* or *dwelling unit per lot* requirements. Utilization of this two-story addition incentive is subject to all of the following requirements, limitations, approvals, and procedures:
- a) The maximum building envelope of the existing *building* plus the allowable two-story addition shall be limited to two

*stories* added above existing roof conditions or to the maximum base *height in stories* or base *height in feet* allowed by the applied Form District (Part 2B), whichever is greater.

- b) Existing *buildings* utilizing this incentive shall not be eligible for additional *floor area ratio* and height incentives otherwise allowed via participation in the applicable housing incentive program. However, projects utilizing this two-story addition incentive as part of a larger *unified adaptive reuse project* may utilize the full additional *floor area ratio* and height incentives allowed via participation in the applicable incentive program only for *new construction* of new *floor area* not included in the allowable two-story addition. When calculating the total *bonus floor area ratio* for the *unified adaptive reuse project*, the *floor area ratio* of the allowable two-story addition shall be excluded.
- c) *Restricted affordable units shall be provided at the rates set forth in Sec.15.4.3.B.1.b.i.(Exemptions) in lieu of the affordability levels that would otherwise be required by the applicable incentive program. The required number of restricted affordable units shall be based off of the number of dwelling units located in the allowable two story addition but the location of the restricted affordable units shall be distributed equally across the building, providing restricted affordable units proportionally within both the allowable two-story addition and converted floor area within the existing building or buildings.*

c. Additional Incentives

The Zoning Administrator may grant, modify or deny some or all of the incentives established in *Sec. 9.4.6.C.3. (Incentives)* pursuant to *Sec. 13.B.2.1. (Class 1 Conditional Use Permit)*. Furthermore, the Zoning Administrator shall have the authority to grant any other incentives or relief from other zoning standards required to permit *adaptive reuse projects* participating in the Citywide Adaptive Reuse Program, including but not limited to the authority to permit *residential uses* in *adaptive reuse*

*projects*, regardless of the nonconforming provisions of *Article 12. (Nonconformities)*.

#### D. Administration

##### 1. Procedures

###### a. Department of Building and Safety Review

i. The following types of *adaptive reuse projects* shall be approved by the Department of Building and Safety if the requirements of *Sec. 9.4.6.C.1. (Eligibility)*, and the criteria described in *Sec. 9.4.6.C.2. (Standards)* and *Sec. 9.4.6.C.3. (Incentives)* are met. If the *adaptive reuse project* is approved, the incentives described in *Sec. 9.4.6.C.3. (Incentives)* for which the project qualifies shall be granted:

- a) *Adaptive reuse projects* involving buildings constructed in accordance with building and zoning codes in effect at the time they were built for which at least 15 years have elapsed since the date of permitted and completed construction; and
- b) *Adaptive reuse projects* involving parking structures or parking areas within an existing building for which at least 5 years have elapsed since the date of permitted and completed construction.

###### b. Administrative Review

The Director of Planning shall review the following *adaptive reuse projects*, pursuant to *Sec. 13B.3.1. (Administrative Review)*:

- i. *Adaptive reuse projects* that provide *restricted affordable units* in exchange for participation in an applicable housing incentive program, in order to access additional incentives in combination with those granted by **an incentive program established in Div. 9.3. (Citywide Housing Incentive Programs) or the Affordable Housing Incentive Program (Sec. 9.2.2.)**. Projects proposing a *unified adaptive reuse project* shall also be subject to the following supplemental procedures:
  - a) Applicants must have a building permit plan check application deemed complete for the entirety of the *unified*

- adaptive reuse project* within **seven** years of obtaining an Administrative Review approval for the *unified adaptive reuse project*, pursuant to Sec. 13B.3.1. (Administrative Review).
- b) If the building permit plan check application is not deemed complete for the entirety of the *unified adaptive reuse project* within **seven** years, all subsequent project phases will then be subject to a Class 1 Conditional Use approval process, pursuant to Sec. 13B.2.1 (Class 1 Conditional Use Permit).
- ii. *Adaptive reuse projects* involving any *surveyed historic resources*, provided that any proposed alteration of a *surveyed historic resource* complies with the Secretary of the Interior's Standards for Rehabilitation. Projects shall be subject to the following supplemental procedures:
- a) Projects shall be reviewed by the Office of Historic Resources, prior to building permit issuance, and will thereby be eligible to utilize the California Historic Building Code.
- a) Should the Director or their designee within the Office of Historic Resources determine, based upon substantial evidence, that the *surveyed historic resource* is not an historical resource, as defined by Public Resources Code Section 21084.1, such property will not be considered an historical resource.
- b) If proposed alterations to a *surveyed historic resource* do not meet the Secretary of the Interior's Standards for Rehabilitation to the satisfaction of the Office of Historic Resources, the project shall instead be reviewed pursuant to Sec. 9.4.6.D.1.d. (*Designated Historic Resources Review*) below.
- c. Class 1 Conditional Use Permit
- Adaptive reuse projects meeting any of the following criteria may be approved by the Zoning Administrator, pursuant to Sec. 13B.2.1. (*Class 1 Conditional Use Permit*) if the *adaptive reuse project* complies with the requirements of Sec. 9.4.6.C.1. (*Eligibility*), and the criteria described in

*Sec. 9.4.6.C.2. (Standards)* and *Sec. 9.4.6.C.3. (Incentives)* are met. If the *adaptive reuse project* is approved, ~~and~~ the incentives described in *Sec. 9.4.6.C.3. (Incentives)* for which the project qualifies shall be granted.

- i. *Adaptive reuse projects* involving *buildings* constructed in accordance with building and zoning codes in effect at the time they were built for which at least 5 years and less than 15 years have elapsed since the date of permitted and completed construction
- ii. Projects involving *buildings* for which at least fifteen years have elapsed since the date of permitted and completed construction that are also requesting additional incentives that are not listed in *Sec. 9.4.6.C.3.a. (General Incentives)* or *Sec. 9.4.6.C.3.b. (Incentives for Affordable and Mixed-Income Adaptive Reuse Projects)* above; or
- iii. *Unified adaptive reuse projects* requesting floor area averaging, transfer of residential density, or both, that do not also provide on-site *restricted affordable units*, subject to the following supplemental requirements and procedures:
  - a) The Zoning Administrator shall determine that all site amenities provided, whether located in the existing *buildings* or *new construction*, shall be made accessible to all residents of the *unified adaptive reuse project*, which shall be constructed to link pedestrian circulation between buildings and site amenities. All such circulation pathways must be clearly delineated, through raised crosswalks, contrasting paving materials or surface treatments, enhanced lighting, directional or wayfinding signage, or other elements.
  - b) The averaging of *floor area ratios* may be permitted even if *buildings* on each individual *lot* would exceed the permitted *floor area ratio*. However, the total *floor area* for the *unified adaptive reuse project*, when calculated as a whole, may not exceed the maximum permitted *floor area* allowed by the applied *Form Districts (Part 2B)*.

- c) If the Zoning Administrator approves the requested floor area averaging, transfer of residential density, or both, the project shall be subject to *Sec. 9.4.6.D.2. (Records & Agreements)* below.
- d) The *Zoning Administrator* may waive the public hearing required in *Sec. 13B.2.1. (Class 1 Conditional Use Permit)* if the owners of all *adjoining lots* have expressed in writing no objections to the *unified adaptive reuse project*.
- e) *Unified adaptive reuse projects* that include *restricted affordable units* in exchange for participation in an applicable housing incentive program, shall instead be reviewed and approved via *administrative review*, pursuant to **Subparagraph b.** (Administrative Review), above.

d. Designated Historic Resources Review

*Adaptive reuse projects* involving *designated historic resources* shall be reviewed according to the following procedures:

- i. *Adaptive reuse projects* located within an *Historic Preservation Overlay Zone (HPOZ)* shall be reviewed pursuant to Division 13B.8 (Historic Preservation) and pursuant to *Section 91.106.4.5 (Permits for Historical and Cultural Buildings) of Chapter IX of the LAMC and Section 22.171 (Cultural Heritage Commission) of the LAAC*. The *decision maker*, including the Office of Historic Resources and/or the Cultural Heritage Commission, shall have the authority to approve, conditionally approve, or deny the request in order to conform with the Secretary of the Interior's Standards.
- ii. Rooftop additions to *designated historic resources* are only permitted for *adaptive reuse projects* providing *restricted affordable units* in compliance with *Sec. 9.4.6.C.3.b. (Incentives for Affordable and Mixed-Income Adaptive Reuse Projects)* above.

2. Records & Agreements

If the Zoning Administrator approves floor area averaging, transfer of residential density, or both for a proposed *unified adaptive reuse project*, then all owners of the property requesting floor area averaging, transfer of residential density, or both, and all owners of each lot contained in the *unified adaptive reuse project*

shall execute and record a Covenant and Agreement. A copy of each executed and recorded Covenant and Agreement shall be filed with the Office of Zoning Administration. Each covenant shall run with the land, be approved by the Zoning Administrator prior to the issuance of any building permits, and shall guarantee the following:

- a. The use of any *floor area* converted to *residential uses* shall be maintained and not changed; and
- b. The number of such *dwelling units* approved by the Zoning Administrator shall not be increased; and
- c. The access for all residents of the *unified adaptive reuse project* to all site amenities, and the pedestrian circulation between buildings and site amenities shall be maintained and not reduced.

E. Relief

For requests for incentives other than those listed in *Sec. 9.4.6.C.3.a. (General Incentives)* of *Sec. 9.4.6.C.3.b. (Incentives for Affordable and Mixed-Income Adaptive Reuse Projects)* above, see *Sec.9.4.6.C.3.c. (Additional Incentives)* above.

F. Exceptions

None.

**Sec 2.** Amend Div.14.2. (Glossary) of Article 14 (General Rules) of Chapter 1A of the Los Angeles Municipal Code to read as follows:

**Active Space.** Active space is defined as indoor occupiable spaces designed and intended for general commercial uses, public & institutional uses, or common indoor amenity spaces.

**Adaptive Reuse Project.** Any project limited to the use conversion of any portion of an existing *building* from a *non-residential use* to another use permitted by the applied Use District (Part 5B) and that participates in and meets the requirements and rules of an adaptive reuse incentive program, pursuant to *Sec. 9.4.5.B. (Downtown Adaptive Reuse Projects)* or *Sec. 9.4.6.B. (Citywide Adaptive Reuse Projects)*. Projects participating in the Citywide Adaptive Reuse Program, pursuant to *Sec. 9.4.6. (Citywide Adaptive Reuse Program)*, shall only involve conversion to a *residential use*. For projects involving a mix of adaptive reuse and the *new construction* of new *floor area*, see *unified adaptive reuse project*.

Administrative Review: See Sec. 13.B.1. (Administrative Review)

Commercial Use: Any use listed and defined in Div. 5D.6. (General Commercial Uses) or Div. 5D. 7. (Heavy Commercial Uses).

Designated Historic Resource: A *building, structure*, object, landscaping element, or natural feature listed or designated as a historical resource, either individually, or as a contributor to a historic district, at the local, state, or national level, including but not limited to listing in the National Register of Historic Places or California Register of Historical Resources, or designation as a Historic-Cultural Monument or as an Historic Preservation Overlay Zone (HPOZ)

Historic Resources Survey: A document, officially recognized by a local, state, or federal agency, resulting from a process of systematically identifying and documenting buildings, structures, objects, cultural landscapes, natural features, and historic districts as potentially eligible for listing as either an individual resource or as a contributor to an historic district under a local, state or federal designation program, including but not limited to the National Register of Historic Places or California Register of Historical Resources, or designation as a Historic-Cultural Monument or as a Contributing Structure in an Historic Preservation Overlay Zone (HPOZ)

Housing Development Project: A project that results in the creation of 5 or more new *dwelling units*, including the *new construction* of 5 or more *dwelling units* or addition of 5 or more *dwelling units* to an existing building or buildings, the *renovation* of a building or buildings containing 5 or more *dwelling units*, or a mixed use development containing 5 or more *dwelling units*. For the purpose of establishing the minimum number of 5 dwelling units, restricted affordable units shall be included, and density bonus units shall be excluded.

Legacy Small Business: Any business that is listed on the Citywide Legacy Business Registry or any business not listed on the Citywide Legacy Business Registry that has been in continuous operation within a 2 mile radius of the project site within the City for at least 20 years with no break in its operations exceeding two years, and meets at least two of the following four standards:

1. Has no more than 50 full-time equivalent employees;



2. Employs non English language speakers and posts a placard stating that non English languages are spoken in the establishment, written in the respective language offered. The placard shall be located within 5 feet of the entrance along the primary street lot line, and shall be a minimum of 8 ½” by 11” in at least a 12 point font;The business includes employees that can serve multi-lingual members of the community;
3. Accepts government issued assistance such as Electronics Benefits Transfer (EBT) and posts a placard stating acceptance of government issued assistance such as Electronic Benefit Transfer (EBT) within 5 feet of the entrance along the primary street lot line, and shall be a minimum of 8 ½” by 11” in a front size of at least a 12 point font;
4. Pays employees wages equivalent to or greater than those specified in Sec. 10.37.2 (Payment of Minimum Compensation to Employees) of Article 11 (Living Wage) of the Los Angeles Administrative Code.

Low-Income Household: Households with an annual income that does not exceed the amount designated for that category as defined in California Health and Safety Code, Sec. 50105 (Definitions)

Project Review: See Sec. 13B.2.4. (Project Review).

**Residential Use: Any use listed and defined in Div. 5D.2. (Residential Uses).**

Surveyed Historic Resource: Any *building, structure*, object, site, landscape, or natural feature identified through an *historic resources survey* as eligible for listing as either an individual resource or as a contributor to an historic district under a local, state or federal designation program, including but not limited to listing in the National Register of Historic Places or California Register of Historical Resources, or designation as a Historic-Cultural Monument or as an Historic Preservation Overlay Zone. This term does not include a non-contributor to an eligible historic district.

Non-Residential Use: Any use not listed and defined in **Div. 5D.2. (Residential Uses)**. Includes uses listed and defined in **Div. 5D.3. (Public & Institutional Uses)**, **Div. 5D.4. (Open Space & Recreation Uses)**, **Div. 5D.5. (Transportation Uses)**, **Div. 5D.6. (General**

Commercial Uses), **Div. 5D.7.**(Heavy Commercial Uses), **Div. 5D.8.** (Light Industrial Uses), **Div. 5D.9.** (Heavy Industrial Uses), and **Div. 5D.10.** (Agricultural Uses).

Unified Adaptive Reuse Project: An *adaptive reuse project* composed of the use conversion of existing *floor area* in an existing *building* from a *non-residential use* to a *residential use* in at least one existing *building* combined with *new construction* of new *floor area*, either attached to the existing *building*, detached from the existing *building*, or constructed as part of a *unified development*.**For the purposes of a unified adaptive reuse project, a unified development may include multiple lots within a 150-foot radius from the existing converted building, subject to the design and linkage requirements of a unified development.**

Unified Development: A development consisting of multiple *lots* which is unified by a combination of functional linkages, such as pedestrian or vehicular connections, include common architectural and landscape features which constitute distinctive design elements of the development, and when viewed from adjoining streets appears to be a consolidated whole. A unified development may include *lots* that *abut* or are separated only by an alley or are located across the street from any portion of each other.

Edits made subsequent to the draft released on June 11, 2024 for the Public Hearing  
Additions made subsequent to the draft posted with the September 12, 2024 City Planning  
Commission meeting agenda

**DRAFT ADAPTIVE REUSE ORDINANCE (CHAPTER 1A)  
OCTOBER 2024**

**ORDINANCE NO. \_\_\_\_\_**

An ordinance amending Subsection E. (Exceptions) of Section 4C.14.1. (Development Review Threshold Packages), Section 9.4.6. (Citywide Adaptive Reuse Program), and Division 14.2. (Glossary) of Chapter 1A of the Los Angeles Municipal Code (“Code”) in order to update the existing Chapter 1A version of the Citywide Adaptive Reuse Program. The proposed ordinance expands the eligibility of the current Chapter 1A version of the Citywide Adaptive Reuse Program to a greater variety of buildings as well as projects providing affordable housing, in alignment with the policy updates concurrently being proposed for the Chapter 1 version of the Citywide Adaptive Reuse Ordinance. The Citywide Adaptive Reuse Program will continue to apply only outside of the Downtown Community Plan Area. It will establish a by-right approval process for existing structures that are at least fifteen years old, in place of the previous limitation of buildings that are at least 25 years old. For buildings between five and fifteen years old, adaptive reuse projects shall remain subject to the Zoning Administrator Conditional Use procedure. The ordinance also clarifies the relationship between the Citywide Adaptive Reuse Program and other incentive programs intended to incentivize the provision and construction of affordable housing.

**Sec 1.** Amend Subsection E. (Exceptions) of Section 4C.14.1. (Development Review Threshold Packages) of Div. 4C.14. (Development Review) of Article 4 (Development Standards) of Chapter 1A of the Los Angeles Municipal Code to read as follows:

- E. Exceptions  
Adaptive reuse projects limited to the conversion of existing buildings eligible for and participating in the Citywide Adaptive Reuse Program, pursuant to Sec.9.4.6. (Citywide Adaptive Reuse Program), or the Downtown Adaptive Reuse Program, pursuant to Sec. 9.4.5. (Downtown Adaptive Reuse Program), shall not be subject to Sec. 13B.2.4. (Project Review).

**Sec 2.** Amend Sec. 9.4.6. (Citywide Adaptive Reuse Program) of Div. 9.4. (General Incentive Programs) of Chapter 1A of the Los Angeles Municipal Code to read as follows:

- A. Purpose  
~~The purpose of this Section~~ the Citywide Adaptive Reuse Program is to encourage and facilitate the conversion and retention of ~~implement the General Plan by facilitating the~~

~~retention and conversion of existing, underutilized, or historically significant buildings to new residential uses, and conversion between uses permitted or conditionally permitted by the designated Use District of the property. The goal is to reduce vacant space, create opportunities for new housing, as well as and preserve the City's architectural and cultural past legacy. and encourage Encouraging the reuse of buildings is a the sustainable practice of retaining the inherent energy that goes into the construction of existing buildings allowing for the retention of many of the resources that went into their initial construction and thereby reducing greenhouse gas emissions. This practice has demonstrated its effectiveness as a revitalization tool that encourages the use of underutilized buildings and the creation of new dwelling units. Reusing existing buildings supports mixed commercial and residential uses and, together with the reduction of vacant space, can help revitalize commercial corridors and promote walkability.~~

## B. Applicability

### 1. Project Activities

- a. In order to participate in the Citywide Adaptive Reuse Program, adaptive reuse projects must involve a use modification that results in the conversion of existing floor area in an existing building from a non-residential use to a residential use.
- b. Adaptive reuse projects may also involve the new construction of new floor area in combination with the conversion of existing floor area from a non-residential use to a residential use, with the new floor area either attached to the existing building, detached from the existing building, or as part of a unified development. Such projects involving the combination of use conversion and new construction are considered unified adaptive reuse projects.

### ~~2. Unit Threshold~~

- ~~a. Only adaptive reuse projects resulting in the creation of five or more dwelling units within an existing building shall be eligible to participate in the Citywide Adaptive Reuse Program.~~

### 3. Reconciling Provisions

- a. Relationship to Other Incentive Programs
  - i. Adaptive reuse projects participating in the Citywide Adaptive Reuse Program that provide restricted affordable units in exchange for participation in an incentive program established in Div. 9.3. Citywide Housing Incentive Programs or in the Affordable Housing Incentive Program (Sec. 9.4.1.2.2.) and meet both the

- eligibility requirements and program rules for both the applicable incentive program and the eligibility requirements and program rules of the Citywide Adaptive Reuse Program may participate in both incentive programs and receive incentives pursuant to both programs.
- ii. Adaptive reuse projects participating in the Citywide Adaptive Reuse Program shall not simultaneously participate in any other incentive program outlined in Article 9 (Public Benefit Systems).
- b. Relationship to Specific Plans, Supplemental Districts, and Special Districts  
The provisions of the Citywide Adaptive Reuse Program are subject to the general reconciling provisions outlined in Article 8 (Specific Plans, Supplemental & Special Districts), with the following exceptions:
- i. For projects limited to the conversion of a portion of or the entirety of an existing building or an allowable rooftop amenity structure pursuant to Sec. 9.4.6.C.3.a.iii. (New Rooftop Amenity Structures) below, shall be exempt from the requirements of any applicable Specific Plan or Supplemental District.
- ii. Where the provisions of the Citywide Adaptive Reuse Program conflict with those of any Historic Preservation Overlay Zone (HPOZ), then the provisions of the Historic Preservation Overlay Zone shall prevail, pursuant to Division 13B.8 (Historic Preservation).
- c. Relationship to Other Zoning Provisions
- i. The linkage fee, as established in Sec. 19.18. (Affordable Housing Linkage Fee) of Chapter 1 (General Provisions and Zoning) of the LAMC, shall continue to apply to any new floor area in the project devoted to the uses described in the linkage fee schedule, regardless of the exemptions in Sec. 9.4.6.C.2. Paragraph 2 (Incentives) of Subsection C (Program Rules) below.
- ii. Adaptive reuse projects participating in the Citywide Adaptive Reuse Program located in the Coastal Zone, shall continue to be subject to any applicable Coastal Development Permit procedures, pursuant to Div. 13.B.9. (Coastal Development).
- d. Relationship with Other Laws and Regulations

- i. Projects that qualify as an *extremely affordable adaptive reuse project*, pursuant to *Sections 65913.12 and 65960.1 of the California Government Code* and meeting the requirements and eligibility criteria outlined in *Sections 65913.12 and 65960.1 of the California Government Code* may simultaneously participate in the Citywide Adaptive Reuse Program and may also qualify for the incentives outlined in *Sec. 9.4.6.C.3.a. (General Incentives)* and *Sec. 9.4.6.C.3.b. (Incentives for Affordable and Mixed-Income Adaptive Reuse Projects)* below.
- ii. For *adaptive reuse projects* seeking tax abatement under the Mills Act, pursuant to *Sections 50280-50290 of the California Government Code*, and *Section 91.140 (Approval of Historic Property Contracts)* of the LAMC, the City Council may contract with an owner or agent of the owner of any qualified historical property.

### C. Program Rules

#### 1. Eligibility

~~The provisions of this Section shall apply to adaptive reuse projects outside the Downtown Community Plan Area, in any Commercial or Commercial-Mixed Use District, or on any lot in Density District 2 or FA, regardless of Use District, in the following buildings and structures: A Certificate of Occupancy, building permit, or other suitable documentation may be submitted as evidence to verify the date of construction.~~ *Adaptive reuse projects* meeting the following eligibility criteria qualify participation in the Citywide Adaptive Reuse Program, including the granting of incentives outlined in *Sec. 9.4.6.C.2. (Incentives)*.

##### a. Unit Threshold

Only *adaptive reuse projects* resulting in the creation of five or more *dwelling units* within an existing *building* shall be eligible to participate in the Citywide Adaptive Reuse Program.

##### b. Location

*Adaptive reuse projects* participating in the Citywide Adaptive Reuse Program must be located on *lots* outside of the Downtown Community Plan Area. Projects located on *lots* within the Downtown Community Plan Area are not eligible for the Citywide Adaptive Reuse Program. For *adaptive reuse projects* located within the Downtown Community Plan Area, see *Sec. 9.4.5. (Downtown Adaptive Reuse Program)*.

- c. Zoning  
Adaptive reuse projects participating in the Citywide Adaptive Reuse Program shall not be located on a lot with an applied Density District (Part 6B) of 1L or N.
- d. Uses Allowed  
Adaptive reuse projects participating in the Citywide Adaptive Reuse Program shall only convert non-residential uses to residential uses.
- e. Building Age
  - i. Existing buildings constructed in accordance with building and zoning codes in effect at the time they were built, for which at least 15 years have elapsed since the date of permitted and completed construction are eligible for participation in the Citywide Adaptive Reuse Program and shall be approved pursuant to the processes outlined in Sec. 9.4.6.D. 1.a. (Department of Building and Safety Review) below. A Certificate of Occupancy, building permit finalized date, or other suitable documentation may be submitted as evidence of the date of permitted and completed construction.
  - ii. Existing buildings constructed in accordance with building and zoning codes in effect at the time they were built, for which at least 5 years have elapsed since the date of permitted and completed construction are eligible for participation in the Citywide Adaptive Reuse Program and shall be approved pursuant to the processes outlined in Sec. 9.4.6.D.1.c. (Zoning Administrator Review) below. A Certificate of Occupancy, building permit finalized date, or other suitable documentation may be submitted as evidence of the date of permitted and completed construction.
  - iii. Any parking structure or parking area within an existing building constructed in accordance with building and zoning codes in effect at the time they were built, for which at least five years have elapsed since the date of permitted and completed construction are eligible for participation in the Citywide Adaptive Reuse Program and shall be approved pursuant to the processes outlined in Sec. 9.4.6.D.1.a. (Department of Building and Safety Review) below. A Certificate of Occupancy, building permit finalized date, or other suitable documentation may be submitted as evidence of the date of permitted and completed construction

- f. ~~Buildings That Are At Least 25 Years Old~~  
Buildings constructed in accordance with building and zoning codes in effect at the time they were built and for which at least 25 years have elapsed since the date of permitted and completed construction.
- g. ~~Buildings That Are At Least 10 Years Old~~  
Buildings constructed in accordance with building and zoning codes in effect at the time they were built and for which at least 10 years have elapsed since the date of permitted and completed construction.
- h. ~~A Certificate of Occupancy, building permit, or other suitable documentation may be submitted as evidence to verify the date of construction.~~
- d. Historic Buildings Resources  
*Designated historic resources and surveyed historic resources are also eligible buildings for participation in the Citywide Adaptive Reuse Program.*
- e. Parking Structures  
Any parking structure, or parking area, provided in excess of the minimum parking required by this Zoning Code (Chapter 1A), within an existing building constructed in accordance with building and zoning codes in effect at the time they were built for which at least ~~40~~ 5 years have elapsed since the date of permitted and completed construction.

## 2. Standards

*Adaptive reuse projects* must meet the following standards in order to be eligible for participation in the Citywide Adaptive Reuse Program, including the granting of the incentives outlined in *Sec. 9.4.6.C.3. (Incentives)* below.

- a. ~~Affordable Housing Linkage Fee~~  
The linkage fee, as established in *Sec. 15.4.3. (Affordable Housing Linkage Fee)*, shall continue to apply to any new floor area in the project devoted to the uses described in the linkage fee schedule, regardless of the exemptions in *Subsection D. (Incentives)* below.
- a. Conversion of Ground Floor Commercial  
Existing commercial uses located on the ground story of an existing building may be converted to residential uses, provided that at least the



~~first 15 feet of depth as measured from the street-facing facade shall be limited to such active uses as common indoor amenity spaces, lobbies, or designated work areas of joint living & work quarters.~~ the ground story maintains an active depth of at least 15 feet, measured perpendicularly from the street-facing facade, of space occupied by designed and intended for such active uses as common indoor amenity spaces, lobbies, or designated work areas of joint living & work quarters. Additionally, while the *ground story* facade may be modified, *transparent area* on the *ground story* shall not be reduced beyond the existing *transparency* prior to modification, along the entire length of the *street-facing facade*. Only such reductions in *transparency* as are required for seismic reinforcement, fire/life safety concerns, or other upgrades to improve performance of the existing *building* shall be permitted.

b. Street Trees

- i. Existing trees in the public way, including street tree canopy and landscaped parkways, shall be preserved unless removal is permitted by the Urban Forestry Division. ~~Additionally,~~
- ii. Trees shall be planted at a rate of at least ~~one street tree~~ *large species tree* per thirty linear feet of *primary street lot line*. ~~Existing trees may be used to meet this street tree requirement, regardless of existing tree size. Trees planted to meet this requirement shall have a minimum container size of 15-gallons and trunk size of 1-1/2 inch caliper at the time of planting, subject to approval by the Urban Forestry Division~~
- iii. Required street trees must be located in either existing vacant tree wells or landscaped parkways or in newly created tree wells and landscaped parkways, in conformance with Public Works Street Design Manual standards and policies;
- iv. The tree planting area size should be the maximum allowed based upon the size of the sidewalk area with dimensions of at least 4 feet by 6 feet, or as approved by the Urban Forestry Division in coordination with the Bureau of Engineering (BOE). Please refer to Type 1 in S-450-4 Standard Plan.
- v. Pursuant to LAMC Section 12.40H.1(b)(iii), the developer shall certify through a Covenant and Agreement that installed street

trees will be irrigated for five years as required for establishment and to maintain ongoing tree health and viability, and shall provide a maintenance plan as part of the application.

- vi. If street trees cannot be physically accommodated within the public way, due to City-determined physical constraints, a Tree Planting Guarantee Fee pursuant to LAMC Section 62.177 (b) shall be paid to the Board of Public Works.

### 3. Incentives

#### a. General Incentives

The Department of City Planning may grant some or all of the incentives established when an *adaptive reuse project* qualifies for them as established below. Despite any other provisions of this Zoning Code (Chapter 1A) to the contrary, adaptive reuse projects shall be entitled to the incentives set forth below. For additional incentives for adaptive reuse projects providing restricted affordable units, see ~~Sec. 9.4.6.C.3.b. Subparagraph b~~ (Incentives for Affordable Adaptive Reuse Projects) below. These incentives shall not apply to any new *floor area* from *new construction* or additions located on the same lot as an *adaptive reuse project* conducted as part of a *unified adaptive reuse project* unless ~~otherwise~~ explicitly stated otherwise below; however, exterior changes resulting from improvements in building safety or performance, such as to accommodate required structural or energy conservation upgrades, shall not be considered *new construction*.

#### i. Floor Area

##### a) Existing Floor Area

Existing *floor area* within existing *buildings* which exceeds the maximum *floor area ratio* of the applied Form District (*Part 2B*) shall be considered allowed.

##### b) New Floor Area Within Existing Building Envelope

Any additional *floor area*, including *mezzanines*, ~~as defined by Chapter 9 (Building Regulations) of this Code~~ and new *stories* created within an existing building *envelope* shall not be counted towards the maximum *floor area* limit for the *lot*.

c) Use Modification in Previously Exempted Floor Area Conversion of Exempt Floor Area

~~The following actions shall not be considered as adding new floor area that enlarges an existing building or structure. The conversion of any existing area in a building previously qualifying as exempt from counting toward floor area calculation, pursuant to Sec. 14.1.7. (Floor Area), to any residential use or area meeting the standards of Sec. 2C.3.3.C.1. (Common Outdoor Amenity Space) or Sec. 2C.3.3.C.5. (Common Indoor Amenity Space) shall not be counted toward the maximum floor area limit for the lot, provided that the area is located within the existing building envelope.~~

- ~~i. The change of use of any area of an existing building that is exempt from floor area, to any use permitted in the applied Use District including the renovation of any interior portion of an existing building for a permitted use. However, this shall not include new construction, and must be located within the building's existing exterior walls and below the existing roof.~~
- ~~ii. The change of use of any area of an within the existing building envelope which is exempt from floor area to lot amenity spaces or residential amenity spaces.~~
- ~~iii. The change of use of any area of an existing basement or portions of an eligible building that are below grade.~~
- ~~iv. The conversion of existing parking areas or structures as long as the conversion remains within the exterior walls of the existing building.~~

d) Rooftop Structures

Rooftop structures meeting the requirements of Sec. 9.4.6.C.3.a.iii. (New Rooftop Amenity Structures) below, shall not be counted toward the maximum floor area limit for the lot.

e) Floor Area Reallocation

Any amount of floor area that is removed from an existing building as part of an adaptive reuse project, in order to create new interior light wells or courtyards, recessed balconies or other open space inset from exterior walls, or other such features that provide natural light and ventilation and improve habitability, may be reallocated to building additions that extend or increase the gross floor area outside of the envelope of an existing building but do not increase the height in stories or height in feet of the building. The new construction of floor area resulting from this floor area reallocation may be eligible for the other incentives outlined in this Sec. 9.4.6.C.3. (Incentives).

d) Unified Development

~~i.~~—For buildings listed as *designated historic resources* or *surveyed historic resources* that are incorporated as part of a *unified development* composed of two or more buildings, the existing floor area of the designated historic resource or surveyed historic resource, up to a maximum of 50,000 square feet, shall be exempted from the maximum *floor area* limit for the *lot*. This incentive shall not be utilized if the *unified development* involves the demolition or facade alteration modification of any portion of a *designated historic resource* or *surveyed historic resource* ~~which that~~ has not been approved by the Office of Historic Resources.

~~ii.~~—The averaging of *floor area ratios* may be permitted even if *buildings* on each individual *lot* would exceed the permitted *floor area ratio*. However, the total *floor area* for the *unified development*, when calculated as a whole, may not exceed the maximum permitted *floor area* allowed by the applied Form Districts.

## ii. Height

- a) Existing Height
 

An existing *building* which is a part of an *adaptive reuse project* shall be allowed to maintain its existing height, regardless of whether it complies with the height requirements of the applied Form District (*Part 2B*), including but not limited to *height in stories* or *height in feet*.
  - b) New Stories Within Existing Building Envelope
 

Any additional *story* created within an existing *building envelope* which is a part of an *adaptive reuse project* shall not be counted as an additional *story* towards any *height in stories* limit. Additional stories within the existing *building envelope* may consist of either a partial or full floor, and the clear height above and below the new story shall be not less than 8 feet.
  - c) Rooftop Structures

Rooftop structures meeting the requirements of Sec. 9.4.6.C.3.a.iii. (*New Rooftop Amenity Structures*) below, may exceed the height requirements of the applied Form District (*Part 2B*), including but not limited to *height in stories* or *height in feet*.
  - d) Upper-Story Bulk

An existing *building* which is a part of an *adaptive reuse project* shall not be required to comply with any applicable upper-story provisions established in Div. 2C.5. (*Upper-Story Bulk*).
- iii. New Rooftop Amenity Structures
- The construction of new *structures* on the existing roof, whether on the uppermost or on multiple roof levels, shall not be considered new *floor area* or *height*, as long as the new rooftop structures do not exceed one *story*, meet the standards of Sec. 2C.3.3.C.1. (*Common Outdoor Amenity Space*) or Sec. 2C.3.3.C.5. (*Common Indoor Amenity Space*). ~~Comply with the height requirements of the applied Form District, and comply with all other zoning requirements, apart from those waived as incentives for participation in the Citywide Adaptive Reuse~~

Program. Allowable rooftop amenity structures may be eligible for the other incentives outlined in this Sec. 9.4.6.C.3. (Incentives).

iv. Yards Setbacks

Existing ~~observed yards~~ *buildings* which do not meet the *building setback* requirements of the applied Form District (*Part 2B*) shall be allowed.

v. Lot Amenity Space & Residential Amenity Space Requirements

An *adaptive reuse project* shall not be required to provide any additional *lot amenity space* or *residential amenity space* as a result of ~~a change of use~~ a use conversion of floor area in an existing building to a residential use. However, existing area on the *lot* and *floor area* dedicated to *lot amenity space* or *residential amenity space* shall not be reduced below what would normally be required by the applied Form District (*Part 2B*). Projects including *new construction* as part of a *unified adaptive reuse project* shall be subject to the full *lot amenity space* requirement otherwise required by the applied Form District (*Part 2B*) as well as the *residential amenity space* that would otherwise be required of the *new construction* portion of the *unified adaptive reuse project*. However, new *floor area* allowed as a result of an allowable rooftop amenity structure, pursuant to Sec. 9.4.6.C.3.a.iii. (New Rooftop Amenity Structures); new *floor area* resulting from floor area reallocation, pursuant to Sec.9.4.6.C.3.a.i.e. (Floor Area Reallocation); or an allowable two-story rooftop addition, pursuant to Sec. 9.4.6.C.3.b.ii. (Additional Two Story Height Bonus) shall not be subject to the *lot amenity space* or *residential amenity space* requirements of the applied Form District (*Part 2B*)

~~vi. Upper Story Bulk~~

~~An existing building which is a part of an adaptive reuse project shall not be required to comply with any applicable upper-story provisions established in *Div. 2C.5. (Upper Story Bulk)*.~~

vii. Building Mass

An existing *building* which is a part of an *adaptive reuse project* shall not be required to comply with any applicable building mass provisions established in *Div. 2C.6. (Building Mass)*. *Any new floor area* as a result of *new construction* shall be subject to building

mass provisions established in Div. 2C.6. (Building Mass) as otherwise required by the applied Form District (Part 2B), with the exception of new floor area allowed as a result of an allowable rooftop amenity structure, pursuant to Sec. 9.4.6.C.3.a.iii. (New Rooftop Amenity Structures); new floor area resulting from floor area reallocation, pursuant to Sec.9.4.6.C.3.a.i.e. (Floor Area Reallocation); or an allowable two-story rooftop addition, pursuant to Sec. 9.4.6.C.3.b.ii. (Additional Two Story Height Bonus).

viii. Plants

Adaptive reuse projects shall not be required to plant new trees or plants, with the exception of the minimum street trees required pursuant to Sec.9.4.6.C.2.b. (Street Trees), above.

ix. Frontage District Standards

Adaptive reuse projects within existing buildings shall not be required to bring eligible existing buildings or structures into conformance with the applied Frontage District (Part 3B). Where an eligible existing building or structure is nonconforming as to the applied Frontage District, an adaptive use project shall not further reduce compliance. New floor area allowed as a result of an allowable rooftop amenity structure, pursuant to Sec. 9.4.6.C.3.a.iii. (New Rooftop Amenity Structures); new floor area resulting from floor area reallocation, pursuant to Sec.9.4.6.C.3.a.i.e. (Floor Area Reallocation); or an allowable two-story rooftop addition, pursuant to Sec. 9.4.6.C.3.b.ii. (Additional Two Story Height Bonus) shall also be exempt from otherwise required standards of the applied Frontage District (Part 3B).

x. Off-Street Automobile Parking

- a) For adaptive reuse projects consisting only of the conversion of an existing building, the required number of automobile parking spaces stalls shall be the same as the number of spaces stalls that physically existed on the lot at the time that the application for the adaptive reuse project was submitted. , and shall be maintained and not reduced. However, if the total parking required by Div. 4C.4. (Automobile Parking) for the new use is less than the

- number of parking ~~spaces~~ stalls that exist on the *lot*, then the number of parking ~~spaces~~ stalls may be reduced to the number of required parking spaces stalls required by Div. 4C.4. (Automobile Parking).
- b) New floor area allowed as a result of an allowable rooftop amenity structure, pursuant to Sec. 9.4.6.C.3.a.iii. (New Rooftop Amenity Structures); new floor area resulting from floor area reallocation, pursuant to Sec.9.4.6.C.3.a.i.e. (Floor Area Reallocation); or an allowable two-story rooftop addition, pursuant to Sec. 9.4.6.C.3.b.ii. (Additional Two Story Height Bonus) shall also be exempt from providing *automobile parking stalls* beyond the number that physically existed on the *lot* at the time that the application for the *adaptive reuse project* was submitted.
- c) Projects located within 0.5 miles of a *major transit stop* are not required to provide any *automobile parking stalls*, pursuant to California Government Code Section 65863.2, in compliance with Assembly Bill 2097 (2022).
- d) *Automobile parking stalls* provided in excess of the number required by the provisions of this sub-sub paragraph may be provided as *automobile parking stalls* that meet the standards of compact parking or tandem parking as outlined in Sec. 4C.4.4. (Parking Area Design). Tandem parking that does not meet the standard requirements for tandem parking outlined in Sec. 4C.4.4. (Parking Area Design) may still be provided, as long as a parking attendant or an automated parking system is provided for the tandem parking.
- e) Physically existing *parking stalls* that are maintained in their current configuration shall be exempt from the design standards outlined in Sec. 4C.4.4. (Parking Area Design), Sec. 4C.4.5. (Parking Lot Design), and Sec.4C.4.6. (Parking Structure Design).
- f) New *automobile parking stalls* and parking stalls reconfigured or restriped as part of an adaptive reuse project shall be subject to the design standards outlined in



Sec. 4C.4.4. (Parking Area Design), Sec. 4C.4.5. (Parking Lot Design), and Sec.4C.4.6. (Parking Structure Design), with the exception of existing *automobile parking stalls* that are reconfigured solely for the purpose of bringing the parking layout up to current standards, such as for the purposes of improving safety or access, or to accommodate required structural, seismic or mechanical system upgrades.

xi. Bicycle Parking

- a) The required number of *bicycle parking spaces* shall be the same as the number of spaces that physically existed on the *lot* at the time that the application for the *adaptive reuse project* was submitted. However, if the total bicycle parking required by Div. 4C.3. (Bicycle Parking) for the new use is less than the number of bicycle parking spaces that exist on the *lot*, then the number of bicycle parking spaces may be reduced to the number of *bicycle parking spaces* required by Div. 4C.3. (Bicycle Parking).
- b) New floor area allowed as a result of an allowable rooftop amenity structure, pursuant to Sec. 9.4.6.C.3.a.iii. (New Rooftop Amenity Structures); new floor area resulting from floor area reallocation, pursuant to Sec.9.4.6.C.3.a.i.e. (Floor Area Reallocation); or an allowable two-story rooftop addition, pursuant to Sec. 9.4.6.C.3.b.ii. (Additional Two Story Height Bonus) shall also be exempt from providing bicycle parking spaces beyond the number that physically existed on the lot at the time that the application for the *adaptive reuse project* was submitted.

xii. Loading Space

- a) Where an existing *loading space* is provided, it shall be allowed to maintain its current, existing dimensions, regardless of whether it complies with the provisions of Sec. 4C.2.2.C.2. (*Freight Loading Areas*).
- b) For adaptive reuse projects limited to the conversion of an existing *building*, if no *loading spaces* exist or if the number of existing loading spaces are below the number required

for the project by Sec. 4C.2.2.C.2. (Freight Loading Areas), then ~~a~~ additional loading spaces shall not be required in conjunction with the development of an adaptive reuse project.

- c) Required loading spaces resulting from the new construction of new floor area as part of a unified adaptive reuse project shall only be required for the new floor area constructed. However, new floor area allowed as a result of an allowable rooftop amenity structure, pursuant to Sec. 9.4.6.C.3.a.iii. (New Rooftop Amenity Structures); new floor area resulting from floor area reallocation, pursuant to Sec. 9.4.6.C.3.a.i.e. (Floor Area Reallocation); or an allowable two-story rooftop addition, pursuant to Sec. 9.4.6.C.3.b.ii. (Additional Two Story Height Bonus) shall not be subject to the loading area requirements outlined in Sec. 4C.2.2.C.2. (Freight Loading Areas).

xiii. Project Review

- a) Adaptive reuse projects limited to the conversion of existing buildings shall be exempt from any requirements to go through the ~~P~~project Rreview process as determined by the applied Development Standards District and set forth in ~~Div.~~Sec. 4C.14.1. (Project Review Thresholds).
- b) Unified adaptive reuse projects involving the new construction of new floor area shall only be subject to project review based on new floor area and the uses, activities, and dwelling units within that new floor area, with the exception of new floor area allowed as a result of an allowable rooftop amenity structure, pursuant to Sec. 9.4.6.C.3.a.iii. (New Rooftop Amenity Structures); new floor area resulting from floor area reallocation, pursuant to Sec. 9.4.6.C.3.a.i.e. (Floor Area Reallocation); or an allowable two-story rooftop addition, pursuant to Sec. 9.4.6.C.3.b.ii. (Additional Two Story Height Bonus).

xiv. Density

- a) For adaptive reuse projects limited to the conversion of existing buildings, dwelling units and joint living and work

- quarters shall not be subject to the lot area per dwelling unit or dwelling unit per lot requirements of the applied Density District (Part 6B).
- b) For unified adaptive reuse projects involving the new construction of new floor area, dwelling units within the new floor area shall still be subject to the lot area per dwelling unit or dwelling unit per lot requirements of the applied Density District (Part 6B), with the exception of dwelling units within new floor area resulting from floor area reallocation, pursuant to Sec.9.4.6.C.3.a.i.e. (Floor Area Reallocation), above.
- xv. Inclusionary Housing Program
- a) Adaptive reuse projects limited to the conversion of existing buildings shall not be required to provide restricted affordable units pursuant to Sec. 5C.4.5. (Inclusionary Housing Program).
- b) For unified adaptive reuse projects involving the new construction of new floor area, dwelling units within the new floor area shall still be required to provide restricted affordable units pursuant to Sec. 5C.4.5. (Inclusionary Housing Program), with the exception of dwelling units within new floor area resulting from floor area reallocation, pursuant to Sec.9.4.6.C.3.a.i.e. (Floor Area Reallocation), above or dwelling units in an allowable two-story rooftop addition, pursuant to Sec. 9.4.6.C.3.b.ii. (Additional Two Story Height Bonus), below.
- b. Incentives for Affordable and Mixed-Income Adaptive Reuse Projects
- Adaptive reuse projects that provide restricted affordable units in exchange for participation in an incentive program established in Div. 9.3. Citywide Housing Incentive Programs or in the Affordable Housing Incentive Program (Sec. 9.4.4. 9.2.2.), in combination with participation in the Citywide Adaptive Reuse Program may select one of utilize the following additional incentives, in addition to the applicable general incentives outlined in Sec. 9.4.6.C.3.a. (General Incentives), above. New

floor area from new construction as part of a unified adaptive reuse project shall also be eligible for the incentives provided by the other incentive program in which the project is participating.

i. Density Bonus

In unified adaptive reuse projects, dwelling units shall not be subject to the density restrictions of the applied Density District (Part 6B), including but not limited to lot area per dwelling unit or dwelling unit per lot requirements. This exemption from density limitations applies both to existing floor area that is converted from a non-residential use to a residential use as well as new floor area provided in new construction within the unified adaptive reuse project. Utilization of this density exemption is subject to all of the following requirements, limitations, approvals, and procedures:

- a) All site amenities provided in the unified adaptive reuse project, whether located in the existing building(s), in new floor area added or attached to existing buildings, or in new buildings consisting entirely of new construction, shall be made accessible to all residents of the unified adaptive reuse project, which shall be constructed to link pedestrian circulation between buildings and site amenities. All circulation pathways must be clearly delineated, through raised crosswalks, contrasting paving materials or surface treatments, enhanced lighting, directional or wayfinding signage, or other elements; and
- b) The requisite number of restricted affordable units shall be provided pursuant to the requirements of the applicable housing incentive program. If the incentive program does not require the provision of restricted affordable units, the adaptive reuse project is not eligible for this additional incentive. The required number of restricted affordable units shall be based off of the number of dwelling units located in the new floor area from new construction addition but the location of the restricted affordable units shall be~~The required percentage of set aside restricted~~

- ~~affordable units shall be~~ distributed proportionally across the entire unified adaptive reuse project within each individual building, including both converted existing buildings and new floor area in new construction.
- c) All owners of the property requesting floor area averaging, transfer of residential density, or both, and all owners of each lot contained in the unified adaptive reuse project shall execute and record a Covenant and Agreement. A copy of each executed and recorded Covenant and Agreement shall be filed with the Los Angeles Department of Building and Safety. Each covenant shall run with the land, be approved by the Director or their designee prior to the issuance of any building permits, and shall guarantee the following: (1) The use of any existing floor area converted to residential use shall be maintained and not changed; (2) The number of such dwelling units, approved by the Zoning Administrator Planning shall not be increased; and (3) the access for all residents occupants of the unified adaptive reuse project to all site amenities, and the pedestrian circulation between buildings and site amenities shall be maintained and not reduced.
- ii. Additional Two Story Height Bonus  
In unified adaptive reuse projects, an additional two stories may be added above to the existing uppermost story of the existing building or buildings being converted from non-residential uses to residential uses, regardless of any otherwise applicable limitations on floor area ratio and height in feet or height in stories. Floor area within this allowable two-story addition shall not be subject to the density restrictions of the applied Density District (Part 6B), including but not limited to lot area per dwelling unit or dwelling unit per lot requirements. Utilization of this two-story addition incentive is subject to all of the following requirements, limitations, approvals, and procedures:
- a) The maximum building envelope of the existing building plus the allowable two-story addition shall be limited to two

- stories added above existing roof conditions or to the maximum base height in stories or base height in feet allowed by the applied Form District (Part 2B), whichever is greater.
- b) Existing buildings utilizing this incentive shall not be eligible for additional floor area ratio and height incentives otherwise allowed via participation in the applicable housing incentive program. However, projects utilizing this two-story addition incentive as part of a larger unified adaptive reuse project may utilize the full additional floor area ratio and height incentives allowed via participation in the applicable incentive program only for new construction of new floor area not included in the allowable two-story addition. When calculating the total bonus floor area ratio for the unified adaptive reuse project, the floor area ratio of the allowable two-story addition shall be excluded.
- c) ~~Dwelling units located both in existing floor area in the existing building or buildings and dwelling units located in the allowable two-story addition shall be subject to the affordability levels otherwise required by the applicable incentive program. Restricted affordable units shall be provided at the rates set forth in LAMC Section 19.18 B.2(b) Sec.15.4.3.B.1.b.i.(Exemptions) in lieu of the affordability levels that would otherwise be required by the applicable incentive program. The required number of restricted affordable units shall be based off of the number of dwelling units located in the allowable two story addition but the location of the restricted affordable units shall be distributed equally for dwelling units located across the building, providing restricted affordable units proportionally within both the allowable two-story addition and the dwelling units located converted floor area within the existing building or buildings.~~

i. [Ground Story Active Space Floor Area Exemption](#)

Unified adaptive reuse projects may exempt floor area dedicated to the retention or preservation of existing active space on the ground story of an existing building from the calculation of floor area, up to a maximum of 1,500 square feet, provided that the exempted active space meets the following requirements:

- a) The retained or preserved active space shall provide a minimum ground story transparent area of 60% along primary street lot lines, 40% along side street lot lines, and 50% along special lot lines, where applicable. Where existing commercial tenants are maintained in existing commercial tenant spaces in existing buildings, the area designated as active space shall instead meet the transparency required pursuant to Sub-Subparagraph a.(Conversion of Ground Floor Commercial) of Paragraph 2. (Standards), above. Ground story transparent area shall be measured pursuant to Subsection D (Measurement) of Sec. 3C.4.1. (Transparent Area).
  - b) The retained or preserved active space shall provide street-facing entrances with a maximum entrance spacing of 50 feet along primary street lot lines, 75 feet along side street lot lines, and 50 feet along special lot lines, where applicable. Street-facing entrances shall meet the standards established in Subsection C. (Standards) of Sec. 3C.5.1. (Street-Facing Entrance), including Sec. 3C.5.2.C.1.(General) and Sec. 3C.5.1.C.2. (Entrance Spacing). Existing commercial tenants retained in place shall be exempt from this requirement.
- ii. Legacy Small Businesses Floor Area Bonus  
Unified adaptive reuse projects shall receive a floor area bonus equivalent to the two times the total floor area dedicated to preserving, maintaining, or accommodating a legacy small business within the project, either within existing floor area of an existing building or within the new floor area resulting from new construction. The project shall either preserve existing ground story tenant spaces for legacy small businesses or lease new

tenant spaces to legacy small businesses previously located on-site or from another location.

c. Additional Incentives

The Zoning Administrator may grant, modify or deny some or all of the incentives established in Sec. 9.4.6.C.3. (Incentives) pursuant to Sec. 13.B.2.1. (Class 1 Conditional Use Permit). Furthermore, the Zoning Administrator shall have the authority to grant any other incentives or relief from other zoning standards required to permit adaptive reuse projects participating in the Citywide Adaptive Reuse Program, including but not limited to the authority to permit residential uses in adaptive reuse projects, regardless of the nonconforming provisions of Article 12. (Nonconformities).

D. Administration

1. Process Procedures

a. Department of Building and Safety Review

- i. The following types of *adaptive reuse projects* shall be approved by the Department of Building and Safety if the requirements of Sec. 9.4.6.B.C.1. (Eligibility), and the criteria described in Sec. 9.4.6.C.2. (Standards) and Sec. 9.4.6.D.C.3. (Incentives) are met. If the *adaptive reuse project* is approved, ~~and~~ the incentives described in Sec. 9.4.6.D.C.3. (Incentives) for which the project qualifies shall be granted:

- a) *Adaptive reuse projects* involving buildings constructed in accordance with building and zoning codes in effect at the time they were built for which at least ~~25~~ 15 years have elapsed since the date of permitted and completed construction; and
- b) Adaptive reuse projects involving parking structures or parking areas within an existing building for which at least ~~40~~ 5 years have elapsed since the date of permitted and completed construction.

b. Administrative Review

The Director of Planning shall review the following adaptive reuse projects, pursuant to Sec. 13B.3.1. (Administrative Review):



- i. Adaptive reuse projects that provide restricted affordable units in exchange for participation in an applicable housing incentive program, in order to access additional incentives in combination with those granted by the Citywide Adaptive Reuse Program an incentive program established in Div. 9.3. (Citywide Housing Incentive Programs) or the Affordable Housing Incentive Program (Sec. 9.2.2.). Projects proposing a *unified adaptive reuse project* shall also be subject to the following supplemental procedures:
  - a) Applicants must have a building permit plan check application deemed complete for the entirety of the *unified adaptive reuse project* within ~~five~~ **seven** years of obtaining an Administrative Review approval for the *unified adaptive reuse project*, pursuant to Sec. 13B.3.1. (Administrative Review).
  - b) If the building permit plan check application is not deemed complete for the entirety of the *unified adaptive reuse project* within ~~five~~ **seven** years, all subsequent project phases will then be subject to a Class 1 Conditional Use approval process, pursuant to Sec. 13B.2.1 (Class 1 Conditional Use Permit).
- ii. Adaptive reuse projects involving any surveyed historic resources, provided that any proposed alteration of a surveyed historic resource complies with the Secretary of the Interior's Standards for Rehabilitation. Projects shall be subject to the following supplemental procedures:
  - a) Projects shall be reviewed by the Office of Historic Resources, prior to building permit issuance, and will thereby be eligible to utilize the California Historic Building Code.
  - a) Should the Director or their designee within the Office of Historic Resources determine, based upon substantial evidence, that the *surveyed historic resource* is not an historical resource, as defined by Public Resources Code Section 21084.1, such property will not be considered an historical resource.

- b) If proposed alterations to a surveyed historic resource do not meet the Secretary of the Interior's Standards for Rehabilitation to the satisfaction of the Office of Historic Resources, the project shall instead be reviewed pursuant to Sec. 9.4.6.D.1.d. (Designated Historic Resources Review) below.
- c. Class 1 Conditional Use Permit  
~~Adaptive reuse projects involving buildings constructed in accordance with building and zoning codes in effect at the time they were built and for which at least 10 years have elapsed since the date of permitted and completed construction meeting any of the following criteria~~ may be approved by the Zoning Administrator, pursuant to *Sec. 13B.2.1. (Class 1 Conditional Use Permit)*; if the *adaptive reuse project* complies with the requirements of *Sec. 9.4.6.B.C.1. (Eligibility)*, and the criteria described in *Sec. 9.4.6.C.2. (Standards)* and *Sec. 9.4.6-D.C.3. (Incentives)* are met. If the *adaptive reuse project* is approved, ~~and~~ the incentives described in *Sec. 9.4.6-D.C.3. (Incentives)* for which the project qualifies shall be granted.
- i. Adaptive reuse projects involving buildings constructed in accordance with building and zoning codes in effect at the time they were built for which at least 5 years and less than 15 years have elapsed since the date of permitted and completed construction
  - ii. Projects involving buildings for which at least fifteen years have elapsed since the date of permitted and completed construction that are also requesting additional incentives that are not listed in Sec. 9.4.6.C.3.a. (General Incentives) or Sec. 9.4.6.C.3.b. (Incentives for Affordable and Mixed-Income Adaptive Reuse Projects) above; or
  - iii. Unified adaptive reuse projects requesting floor area averaging, transfer of residential density, or both, that do not also provide on-site restricted affordable units, subject to the following supplemental requirements and procedures:
    - a) The Zoning Administrator shall determine that all site amenities provided, whether located in the existing buildings or new construction, shall be made accessible to

- all residents of the *unified adaptive reuse project*, which shall be constructed to link pedestrian circulation between buildings and site amenities. All such circulation pathways must be clearly delineated, through raised crosswalks, contrasting paving materials or surface treatments, enhanced lighting, directional or wayfinding signage, or other elements.
- b) The averaging of *floor area ratios* may be permitted even if *buildings* on each individual *lot* would exceed the permitted *floor area ratio*. However, the total *floor area* for the *unified adaptive reuse project*, when calculated as a whole, may not exceed the maximum permitted *floor area* allowed by the applied *Form Districts (Part 2B)*.
- c) If the Zoning Administrator approves the requested floor area averaging, transfer of residential density, or both, the project shall be subject to *Sec. 9.4.6.D.2. (Records & Agreements)* below.
- d) The Zoning Administrator may waive the public hearing required in *Sec. 13B.2.1. (Class 1 Conditional Use Permit)* if the owners of all *adjoining lots* have expressed in writing no objections to the *unified adaptive reuse project*.
- e) *Unified adaptive reuse projects* that include *restricted affordable units* in exchange for participation in an applicable housing incentive program, shall instead be reviewed and approved via *administrative review*, pursuant to ~~*Sec. 9.4.6.D.1.b. Subparagraph b.*~~ *(Administrative Review)*, above.
- iv. Supplemental Findings.
- In addition to the findings in *Sec. 13B.2.1. (Class 1 Conditional Use Permit)*, the Zoning Administrator shall also find that:
- a) ~~The eligible building is no longer economically viable in its current use or uses. In making this finding, the Zoning Administrator shall consider the building's past and current vacancy rate, existing and previous uses, and real estate market information. The Zoning Administrator may require~~

the applicant to submit independently verified documentation:

- ~~b) In approving a reduced parking incentive pursuant to Sec. 9.4.6.D.5. (Off-Street Automobile Parking), the Zoning Administrator find that the surrounding area will not be adversely affected by overflow parking or traffic congestion originating or terminating at the site of the adaptive reuse project.~~

d. Designated Historic Resources Review

Adaptive reuse projects involving designated historic resources shall be reviewed according to the following procedures:

- i. Adaptive reuse projects located within an Historic Preservation Overlay Zone (HPOZ) shall be reviewed pursuant to Division 13B.8 (Historic Preservation) and pursuant to Section 91.106.4.5 (Permits for Historical and Cultural Buildings) of Chapter IX of the LAMC and Section 22.171 (Cultural Heritage Commission) of the LAAC. The decision maker, including the Office of Historic Resources and/or the Cultural Heritage Commission, shall have the authority to approve, conditionally approve, or deny the request in order to conform with the Secretary of the Interior's Standards.
- ii. Rooftop additions to designated historic resources are only permitted for adaptive reuse projects providing restricted affordable units in compliance with Sec. 9.4.6.C.3.b. (Incentives for Affordable and Mixed-Income Adaptive Reuse Projects) above.

2. Records & Agreements

If the Zoning Administrator approves floor area averaging, transfer of residential density, or both for a proposed unified adaptive reuse project, then all owners of the property requesting floor area averaging, transfer of residential density, or both, and all owners of each lot contained in the unified adaptive reuse project shall execute and record a Covenant and Agreement. A copy of each executed and recorded Covenant and Agreement shall be filed with the Office of Zoning Administration. Each covenant shall run with the land, be approved by the Zoning Administrator prior to the issuance of any building permits, and shall guarantee the following:

- a. The use of any floor area converted to residential uses shall be maintained and not changed; and
- b. The number of such dwelling units approved by the Zoning Administrator shall not be increased; and
- c. The access for all residents of the unified adaptive reuse project to all site amenities, and the pedestrian circulation between buildings and site amenities shall be maintained and not reduced.

#### E. Relief

For requests for incentives other than those listed in Sec. 9.4.6.C.3.a. (General Incentives) of Sec. 9.4.6.C.3.b. (Incentives for Affordable and Mixed-Income Adaptive Reuse Projects) above, see Sec.9.4.6.C.3.c. (Additional Incentives) above. The Zoning Administrator may grant, modify or deny some or all of the incentives established in Sec. 9.4.6.D. (Incentives) pursuant to Sec. 13.B.2.1. (Class 1 Conditional Use Permit). Furthermore, the Zoning Administrator shall have the authority to grant any other incentives or relief from other zoning district standards required to permit adaptive reuse projects proposed pursuant to this Section, including but not limited to the authority to permit dwelling units and joint living and work quarters in adaptive reuse projects, regardless of the nonconforming provisions of Article 12. (Nonconformities).

#### F. Exceptions

None.

**Sec 2.** Amend Div.14.2. (Glossary) of Article 14 (General Rules) of Chapter 1A of the Los Angeles Municipal Code to read as follows:

**Active Space.** ~~For the purposes of Sec. 14.2.7.A.3. (Development Standards District 5)~~  
aActive space is defined as indoor occupiable spaces designed and intended for general commercial uses, public & institutional uses, or common indoor amenity spaces.

~~Adaptive Reuse Project (Use): Any change of use to dwelling, or joint living and work quarters, or any change in commercial use to another commercial use, in all or any portion of any eligible building according~~ Any project limited to the use conversion of any portion of an existing building from a non-residential use to another use permitted by the applied Use District (Part 5B) and that participates in and meets the requirements and rules of an adaptive reuse incentive program, pursuant to Sec. 9.4.5.B. (Applicability, Downtown Adaptive Reuse Program) or Sec. 9.4.6.B. (Applicability, Citywide Adaptive

Reuse Program), ~~as long as the commercial use is allowed in the zone. An adaptive reuse project includes a change of an existing use to new uses that are accessory to dwelling units, guest rooms, or joint living and work quarters, so long as the accessory uses are consistent with the definition of accessory use in this Division, and are permitted in the zone. See Sec. 5C.3.2. (Adaptive Reuse Project). Projects participating in the Citywide Adaptive Reuse Program, pursuant to Sec. 9.4.6. (Citywide Adaptive Reuse Program), shall only involve conversion to a *residential use*. For projects involving a mix of adaptive reuse and the *new construction* of new floor area, see *unified adaptive reuse project*.~~

Administrative Review: See Sec. 13.B.1. (Administrative Review)

Commercial Use: Any use listed and defined in Div. 5D.6. (General Commercial Uses) or Div. 5D. 7. (Heavy Commercial Uses).

Designated Historic Resource: A *building, structure, object, landscaping element, or natural feature* listed or designated as a historical resource, either individually, or as a contributor to a historic district, at the local, state, or national level, including but not limited to listing in the National Register of Historic Places or California Register of Historical Resources, or designation as a Historic-Cultural Monument or as an Historic Preservation Overlay Zone (HPOZ)

Historic Resources Survey: A document, officially recognized by a local, state, or federal agency, resulting from a process of systematically identifying and documenting buildings, structures, objects, cultural landscapes, natural features, and historic districts as potentially eligible for listing as either an individual resource or as a contributor to an historic district under a local, state or federal designation program, including but not limited to the National Register of Historic Places or California Register of Historical Resources, or designation as a Historic-Cultural Monument or as a Contributing Structure in an Historic Preservation Overlay Zone (HPOZ)

Housing Development Project: A project that results in the creation of ~~The construction of~~ 5 or more new *dwelling units*, including the *new construction* of 5 or more *dwelling units* or addition of 5 or more ~~residential units~~ *dwelling units* to an existing building or buildings, the ~~remodeling~~ *renovation* of a building or buildings containing 5 or more ~~residential units~~

dwelling units, or a mixed use development containing 5 or more residential units dwelling units. For the purpose of establishing the minimum number of 5 dwelling units, restricted affordable units shall be included, and density bonus units shall be excluded.

Legacy Small Business: Any business that is listed on the Citywide Legacy Business Registry or any business not listed on the Citywide Legacy Business Registry that has been in continuous operation within a 2 mile radius of the project site within the City for at least 20 years with no break in its operations exceeding two years, and meets at least two of the following four standards:

1. Has no more than 50 full-time equivalent employees;
2. Employs non English language speakers and posts a placard stating that non English languages are spoken in the establishment, written in the respective language offered. The placard shall be located within 5 feet of the entrance along the primary street lot line, and shall be a minimum of 8 ½” by 11” in at least a 12 point font;The business includes employees that can serve multi-lingual members of the community;
3. Accepts government issued assistance such as Electronics Benefits Transfer (EBT) and posts a placard stating acceptance of government issued assistance such as Electronic Benefit Transfer (EBT) within 5 feet of the entrance along the primary street lot line, and shall be a minimum of 8 ½” by 11” in a front size of at least a 12 point font;
4. Pays employees wages equivalent to or greater than those specified in Sec. 10.37.2 (Payment of Minimum Compensation to Employees) of Article 11 (Living Wage) of the Los Angeles Administrative Code.

Low-Income Household: Households with an annual income that does not exceed the amount designated for that category as defined in California Health and Safety Code, Sec. 50105 (Definitions)

Project Review: See Sec. 13B.2.4. (Project Review).

Residential Use: Any use listed and defined in Div. 5D.2. (Residential Uses).

Surveyed Historic Resource: Any building, structure, object, site, landscape, or natural feature identified through an historic resources survey as eligible for listing as either an

individual resource or as a contributor to an historic district under a local, state or federal designation program, including but not limited to listing in the National Register of Historic Places or California Register of Historical Resources, or designation as a Historic-Cultural Monument or as an Historic Preservation Overlay Zone. This term does not include a non-contributor to an eligible historic district.

Non-Residential Use: Any use not listed and defined in ~~Sec. 5C.1.1. Div. 5D.2.~~ (Residential Uses). Includes uses listed and defined in ~~Sec. 5C.1.2. Div. 5D.3.~~ (Public & Institutional Uses), ~~Sec. 5C.1.3. Div. 5D.4.~~ (Open Space & Recreation Uses), ~~Sec. 5C.1.4. Div. 5D.5.~~ (Transportation Uses), ~~Sec. 5C.1.5. Div. 5D.6.~~ (General Commercial Uses), ~~Sec. 5C.1.6. Div. 5D.7.~~ (Heavy Commercial Uses), ~~Sec. 5C.1.7. Div. 5D.8.~~ (Light Industrial Uses), ~~Sec. 5C.1.8. Div. 5D.9.~~ (Heavy Industrial Uses), and ~~Sec. 5C.1.9. Div. 5D.10.~~ (Agricultural Uses).

Unified Adaptive Reuse Project: An *adaptive reuse project* composed of the use conversion of existing *floor area* in an existing *building* from a *non-residential use* to a *residential use* in at least one existing *building* combined with *new construction* of new *floor area*, either attached to the existing *building*, detached from the existing *building*, or constructed as part of a *unified development*. ~~For the purposes of a unified adaptive reuse project, a unified development may include multiple lots within a 150-foot radius from the existing converted building, subject to the design and linkage requirements of a unified development.~~ Unified adaptive reuse projects must include restricted affordable units provided in exchange for participation in an incentive program established in Div. 9.3. (Citywide Housing Incentive Programs) or in the Affordable Housing Incentive Program (Sec. 9.2.2.), as described in Sec. 9.4.6. (Citywide Adaptive Reuse Program).

Unified Development: A ~~commercial, industrial, or mixed-use~~ development consisting of multiple *lots* which is unified by a combination of functional linkages, such as pedestrian or vehicular connections, include common architectural and landscape features which constitute distinctive design elements of the development, and when viewed from adjoining streets appears to be a consolidated whole. A unified development may include *lots* that *abut* or are separated only by an alley or are located across the street from any portion of each other.

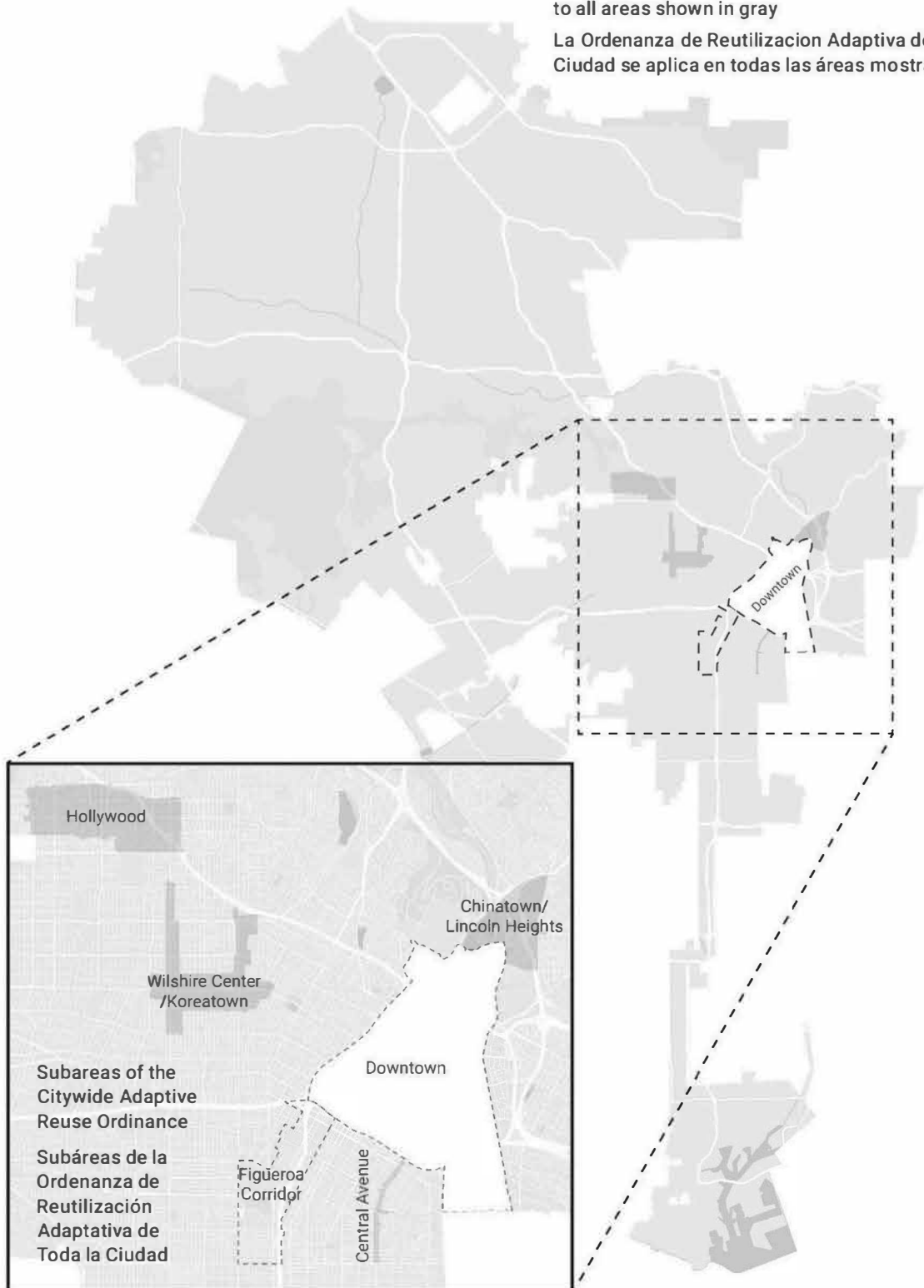


# **EXHIBIT B**

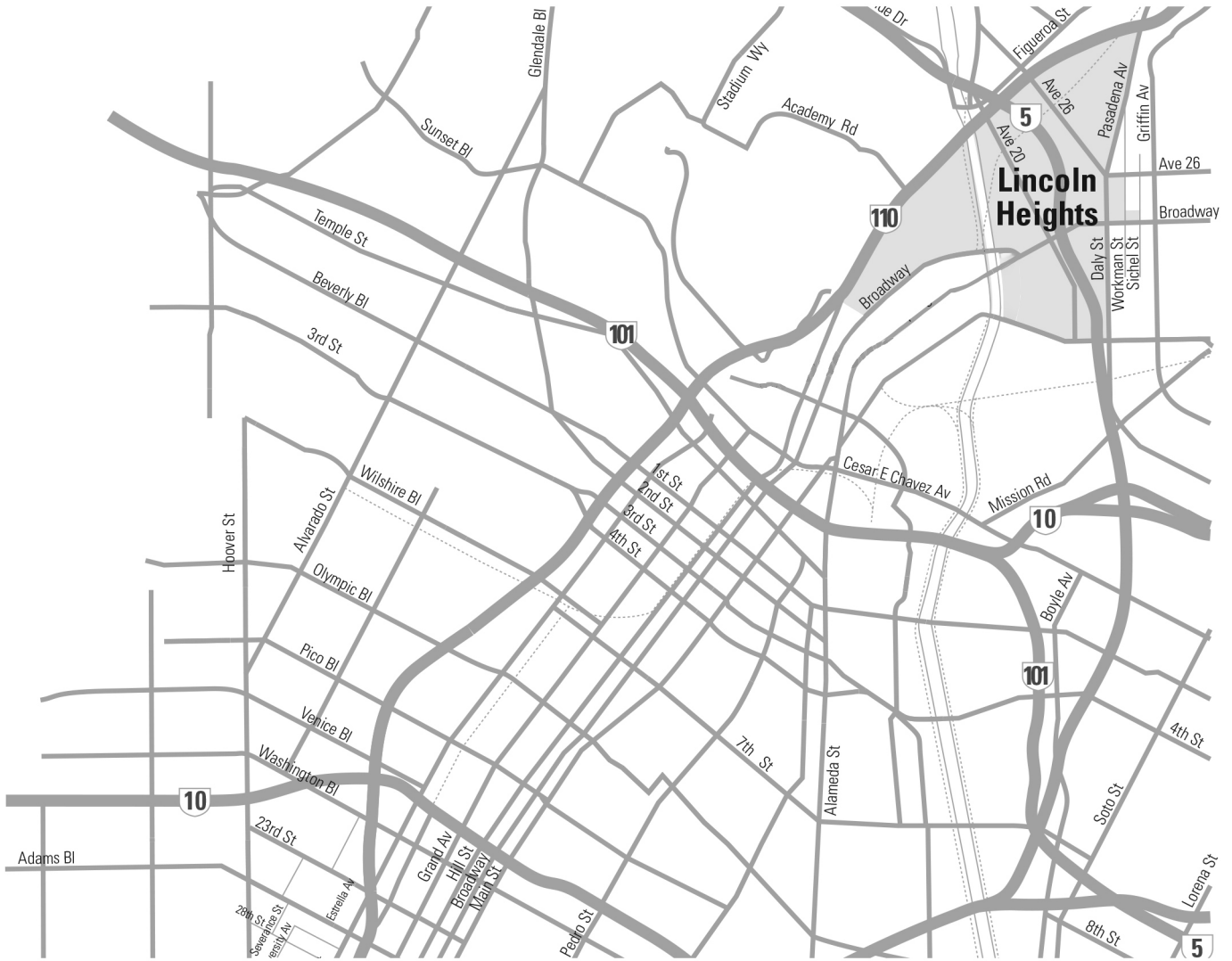
## **Adaptive Reuse Ordinance Maps**

The Citywide Adaptive Reuse Ordinance applies to all areas shown in gray

La Ordenanza de Reutilización Adaptativa de Toda La Ciudad se aplica en todas las áreas mostradas en gris



Adaptive Reuse Projects located within the Downtown Community Plan area are not eligible for the Citywide Adaptive Reuse Program but should refer to Sec. 9.4.5 of Ch. 1A



### Adaptive Reuse - Chinatown/Lincoln Heights Subarea

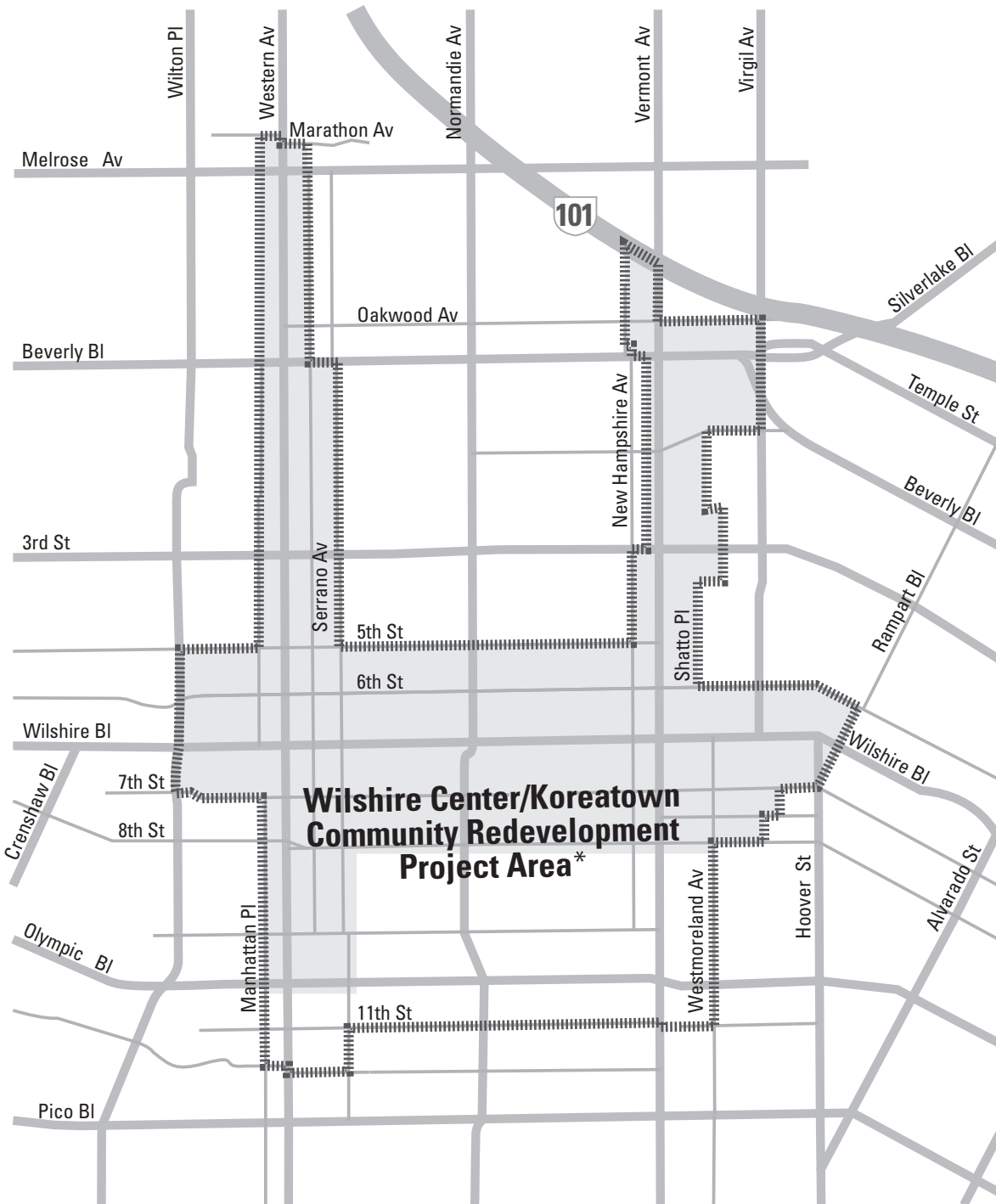
 Incentive Area



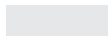

### Adaptive Reuse - Hollywood Subarea

■ Incentive Area

↑ N  
not to scale



## Adaptive Reuse - Wilshire/Koreatown Subarea

-  Incentive Area
-  Project Area Boundary

\* This adaptive reuse incentive area includes the shaded portion of the Wilshire Center/Koreatown Community Redevelopment Project Area.





## Adaptive Reuse - Central Avenue Subarea

Incentive Area

\* This adaptive reuse incentive area includes all real property with frontage on both sides of Central Avenue south of the Number 10 Freeway & north of Vernon Avenue.

# **EXHIBIT C**

## **AECOM Economic Analysis**

# Feasibility Analysis of Adaptive Reuse Projects Supported by the Proposed Citywide Adaptive Reuse Ordinance (ARO) Update

**Final Report**  
July 31, 2024

Los Angeles City Planning,  
City of Los Angeles



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## Assumptions and Limitations

Deliverables and portions thereof shall be subject to the following assumptions and limitations:

The Deliverables are based on estimates, assumptions, information developed by AECOM from its independent research effort, general knowledge of the industry, and information provided by and consultations with Client and Client's representatives. No responsibility is assumed for inaccuracies in data provided by the Client, the Client's representatives, or any third-party data source used in preparing or presenting the Deliverables. AECOM assumes no duty to update the information contained in the Deliverables unless such additional services are separately retained pursuant to a written agreement signed by AECOM and Client.

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The Deliverables may include "forward-looking statements". These statements relate to AECOM's expectations, beliefs, intentions or strategies regarding the future. These statements may be identified by the use of words like "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "project," "will," "should," "seek," and similar expressions. The forward-looking statements reflect AECOM's views and assumptions with respect to future events as of the date of the Deliverables and are subject to future economic conditions, and other risks and uncertainties. Actual and future results and trends could differ materially from those set forth in such statements due to various factors, including, without limitation, those discussed in the Deliverables. These factors are beyond AECOM's ability to control or predict. Accordingly, AECOM makes no warranty or representation that any of the projected values or results contained in the Deliverables will actually occur or be achieved. The Deliverables are qualified in their entirety by, and should be considered in light of, these assumptions, limitations, conditions and considerations.

# 1. Executive Summary

## 1.1 Introduction

The City of Los Angeles Department of City Planning (LACP) has engaged AECOM to prepare economic analysis to inform policy development for the Adaptive Reuse Ordinance (ARO). The purpose of the task is to:

- Explore the economic feasibility of the proposed Citywide ARO update by analyzing three prototypical development projects; and
- Test the capacity of the prototypical development projects to support a mandatory affordable housing requirement.

This study aims to provide policy makers with insights into the economic dynamics of the proposed update to the ARO. The study is based on estimates, assumptions, and other information developed by AECOM from its independent research effort, general knowledge of the industry, and information provided by and consultations with the Client and the Client's representatives.

Adaptive reuse projects are complex, with each project requiring a tailored response to the unique characteristics of the existing building and project site. The findings in this report therefore represent an illustration of project economics for the adaptive reuse projects considered. These illustrations provide insight into general economic dynamics, but do not represent a comprehensive view of the kinds of adaptive reuse projects that may result from application of the updated ARO.

In addition, for the illustrations themselves, actual and future results and trends could differ materially from those set forth here due to various factors, including, without limitation, those discussed in the report. These factors are beyond AECOM's ability to control or predict. Accordingly, AECOM makes no warranty or representation that any of the projected values or results contained in this study will be achieved.

## 1.2 Background & Policy Context

### 1.2.1 Current Adaptive Reuse Ordinance

The Adaptive Reuse Ordinance was first adopted in Los Angeles in 1999 and has since enabled the creation of more than 12,000 housing units in Downtown Los Angeles alone<sup>1</sup>. In the Downtown Los Angeles community, this has led to economic regeneration, housing opportunities, and preservation of part of the City's architectural legacy.

Key provisions of the current ARO include the following:

- Eligible area includes Downtown Los Angeles (expanded in 2003 to include Hollywood, Wilshire Center/Koreatown, Chinatown/Lincoln Heights, and the Central Avenue corridor in Southeast Los Angeles).
- Within these areas, all buildings constructed before July 1, 1974 are eligible.
- Projects are allowed to convert from commercial to residential uses, provided that the residential program maintains an average unit size of 750 square feet and minimum unit size of 450 square feet.
- Projects are granted permission to build mezzanine space.

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<sup>1</sup> "Adaptive Reuse: Reimagining Our City's Buildings to Address Our Housing, Economic, and Climate Crises," Central City Association of Los Angeles, [Link](#)

- Projects are exempted from the site plan review process.
- Projects are exempted from minimum parking requirements.
- Projects are permitted to retain existing but non-compliant floor area, height, and setback conditions.

## 1.2.2 Proposed Adaptive Reuse Ordinance

The proposed Citywide ARO update proposes to expand the incentive schedule in meaningful ways by:

- Enabling buildings aged 15 years or older to qualify for by-right review (while retaining Planning review for buildings between 5 and 15 years old and for historic resources).
- Expanding geographic eligibility beyond the 2003 boundaries to include the entire city, except for Downtown, which has its own adaptive reuse provisions.
- Eliminating unit size requirements (both average and minimum) and allowing more flexibility to construct full intermediate floor levels for optimization of floor space within the existing building envelope.
- Allowing a rooftop addition to be used for shared amenity space without counting towards FAR or overall building height.
- Creating greater flexibility for Unified Adaptive Reuse by leveraging infill development alongside adaptive reuse projects.

The table below summarizes the key provisions of the existing ARO and proposed update.

**Table 1. Comparison of Existing and Citywide ARO<sup>2</sup>**

Existing ARO		Proposed Citywide ARO
<b>Procedures</b>		
Version	Adopted 1999	June 2024 (Draft)
Eligible Buildings	<ul style="list-style-type: none"> <li>- Buildings built in 1974 or earlier</li> <li>- Buildings at least 5 years old with ZA approval</li> </ul>	<ul style="list-style-type: none"> <li>- Buildings at least 15 years old and parking structures and areas at least 5 years old: most eligible for a faster, by-right approval process</li> <li>- Eligible historic resources afforded protection through Administrative Review, conducted by Office of Historic Resources</li> <li>- Buildings at least 5 years old with Conditional Use approval (Sec. 13B.2.1. of Chapter 1A)</li> </ul>
Geographic Area	- Downtown LA (1999) and Adaptive Reuse Incentive Areas (2002)	- All areas outside of Downtown and new Community Plan areas subject to new Zoning Code (Chapter 1A) as they are adopted
Relationship to specific plans, supplemental use districts, [Q] and [D] conditions	- Adaptive reuse projects not subject to those overlays or regulations adopted prior to the effective date of the ordinance	<ul style="list-style-type: none"> <li>- Retained</li> <li>- Clarifications added that only provisions for designated historic resources or sign districts shall prevail over those of the ARO</li> </ul>
Project Review	- Exempt from Site Plan Review, Section 16.05	- Retained, updated to new nomenclature Project Review (LAMC Section 13.B.2.4 of Chapter 1A)
Mini-Shopping Center and Commercial Corner	- Exempt from Subdivision 12.22 A.23 regulations	- Retained
Affordable Housing Linkage Fee	- Adaptive Reuse conversions subject to Affordable Housing Linkage Fee ordinance	- Retained
<b>Incentives</b>		
Rooftop Amenity Areas	- Not addressed; all additions counted as new floor area	- One new story allowed and not counted as new floor area or height, as long as used for amenities accessible to all residents

<sup>2</sup> “Fact Sheet: Citywide Adaptive Reuse Ordinance,” Los Angeles City Planning, February 2024, [Link](#).

Existing ARO		Proposed Citywide ARO
Intermediate Levels	- Allowed and not counted as new floor area, as long as compliant with Mezzanine limitations	- In lieu of Mezzanines, intermediate levels are allowed and not counted as new floor area, if entirely within the building envelope and 8 feet minimum clear height between levels
Density	- New residential uses not subject to minimum lot area per unit requirements of their zone	- Retained
Minimum Unit Sizes	- Required 450 sq. ft. minimum, with all units to average 750 sq. ft	- Adaptive reuse projects exempt from any Zoning requirements for minimum unit size - Must meet minimum Building Code standards
Off-Street Automobile Parking	- Required parking spaces to be the number that existed on site, and maintained and not reduced	- Requirement for parking spaces unchanged but clarified, allows some reconfiguration of spaces without penalty - Reduction in number of spaces allowed if new residential use requires fewer spaces, or under AB2097
Floor Area	- Existing floor area allowed to be maintained	- Retained
Floor Area Reallocation	- Not addressed	- Adaptive reuse projects that remove internal spaces to create courtyards or light wells may add equivalent area on the site or adjacent lot
Height	- Existing height allowed to be maintained	- Unchanged, except new incentive for projects that include on-site affordable housing may add up to two stories that exceed the Zone's allowable height
Yards	- Existing yards allowed to be maintained	- Retained
Step-Backs and Transitional Height	- Not addressed	- Adaptive reuse projects not required to comply with any upper story or building mass provisions
Open Space and Landscaping	- Not addressed	- New open space and landscaping not required - Design standards added: 1) 50% of any existing outdoor open space areas must be retained 2) Public right-of-way street trees must be provided and any existing street tree canopy and landscaped parkways to be preserved
Loading Space	- New loading space not required; 12.21 C.6(h) compliance required for any existing spaces	- Existing loading space(s) allowed to maintain current dimensions, and exempt from standards in LAMC Section 12.21 C.6(h)

Existing ARO		Proposed Citywide ARO
Ground Floor Commercial Uses	- Not addressed	<p>Existing ground floor commercial uses may be converted to Residential Use. Design standards added:</p> <p>1) The first 15 feet of depth is limited to active uses such as Live/Work Units or common residential amenity spaces such as fitness rooms, lounges, lobbies or co-working space, to maintain active uses at the ground floor</p> <p>2) The new ground floor use shall maintain or may increase transparency, and shall not reduce the existing condition of exterior glazing on a ground floor fronting a public street</p>
Adaptive Reuse Projects Providing On-Site Affordable Housing	- Not addressed	<p>- As part of Unified Adaptive Reuse Projects, new construction may utilize unlimited density and such projects may request Floor Area averaging across the site as incentives</p> <p>- Unified Adaptive Reuse Projects providing on-site affordable housing are subject to Administrative Review; otherwise, must utilize Conditional Use Class 1 (Sec. 13B.2.1. of Chapter 1A)</p> <p>- Two additional stories, not considered as new floor area or height or the maximum height allowed by Zone or Height District, whichever is greater, may be added on top of existing buildings</p>

Source: City of Los Angeles, AECOM

## 1.3 Methodology

### 1.3.1 Typologies Tested

To illustrate the opportunity represented by the ARO update and the capacity of an ARO project to support an affordability requirement, AECOM tested the development economics of three potential adaptive reuse projects. The project typologies were developed with input from City Staff to represent key opportunities for adaptive reuse. The three project typologies include:



Typology 1:  
High-Rise Office Tower  
to Residential



Typology 2:  
Mid-Rise Suburban-Style Office  
to Residential



Typology 3:  
Legacy Low-Rise Retail  
to Residential

AECOM based the high-rise and mid-rise office-to-residential prototypes (Prototype 1 and Prototype 2) on project examples found in the Los Angeles area. The retail-to-residential prototype (Prototype 3) is based on a white-paper concept developed by Omgivning, a Los Angeles design firm specializing in adaptive reuse projects. Each prototype assumes site characteristics generally considered necessary for a feasible adaptive reuse project. These characteristics include:

- Sufficient structured parking for a fully parked residential project
- Floorplate depth of less than 100 feet

For each prototype, gross area remains the same between the initial and converted uses. All prototypes assume full conversion of the entire building to residential use. While some adaptive reuse opportunities may add gross area through additional stories or adjacent construction, such projects are not tested here, as they reflect non-standard, site-specific approaches. Note that while the tested typologies are examples of projects that might be enabled by the proposed Citywide ARO update, they do not represent the full range of potential projects.

More detailed descriptions of each prototype are provided below in Section 2.

### 1.3.2 Affordability Scenarios

Each project typology is tested as an all-market-rate project and under different affordable set-aside scenarios. The affordability scenarios reflect the minimum set-asides by affordability category to qualify for benefits under Tier 1 (Low) of the City's Transit Oriented Communities (TOC) program and for an exemption to payment of the Affordable Housing Linkage Fee (AHLF):

- 8% of units as extremely low income (ELI)
- 11% of units as very low income (VLI)
- 20% of units as low income (LI)



### 1.3.3 Unit Size Sensitivity Testing

The feasibility of each prototype was first tested under a **base case with standard unit sizes**. Under the current ARO, project units must average 750 square feet and be a minimum of 450 square feet. The base case feasibility models were developed with these requirements and comparable precedent projects in mind. In the base case, average unit size assumptions were 882 square feet for Typology 1, 789 square feet for Typology 2, and 857 square feet in Typology 3.

The proposed Citywide ARO update would eliminate these minimum and average unit size requirements. Sensitivity testing was performed with **reduced unit sizes** (average unit size of 600 square feet for each typology) to determine the impact of eliminating or reducing the minimum average unit size requirements on the feasibility of office to residential conversion programs.

### 1.3.4 Market Tiers

As with other similar analyses that AECOM has conducted for the City, each scenario is tested using assumed rents at four market tiers representing submarket strength, where Market Tier 1 represents the lowest area rents and home values across Los Angeles, and Market Tier 4 represents the highest rents and home values. More information regarding the Market Tiers and their underlying methodology can be found in the Appendix of this document.

## 1.4 Summary of Findings

Key findings from the analysis are summarized below.

### 1.4.1 Base Case Feasibility Testing Findings

The table below summarizes the findings of the feasibility analysis for all three prototypes under the base case with standard unit sizes. Projects were tested for feasibility using a pro forma model that estimates development costs, revenues, and return expectations. The measure of return used in the analysis is residual land value (RLV), or the amount that remains after estimated project cost is deducted from estimated project value. RLV represents that a developer should be willing to pay for land. Projects are considered feasible under this standard if the estimated RLV for a tested scenario is equal to or greater than typically observed market land values.

As shown, none of the tested projects are clearly feasible given current market conditions, and in all cases the 100% market-rate scenarios performed better than the scenarios that included affordable set-aside units. Some tested scenarios generated “borderline” feasible results in Market Tiers 3 and 4, meaning that the RLV was lower than the average market value observed, but higher than the minimum recent sales value.

The feasibility of adaptive reuse projects are highly dependent on factors that vary from project-to-project, such as achievable acquisition costs, floorplate efficiencies, required façade or building envelope modifications, required building systems upgrades, and other factors that impact the cost versus revenue equation. This high degree of variability and lack of clear feasibility among scenarios is likely reflective of several factors: high construction costs (including both labor and materials), high acquisition costs for all but the most vacant buildings, high interest rates, high cap rates, increased transfer tax burden resulting from Measure ULA, slowing rental rate growth stemming from an increase in housing production, and a lack of highly conversion-suitable buildings remaining in Los Angeles given the high volume of adaptive reuse projects in recent decades.

The high-rise office-to-residential and low-rise retail to residential prototypes (Typologies 1 and 3, respectively) generate borderline feasible results in some Market Tier 3 and 4 scenarios. Scenarios in lower market tiers and with affordable set-asides are generally infeasible.

The mid-rise, suburban-style office to residential typology (Typology 2) yields infeasible results except for the market-rate scenario in Market Tier 4, which is primarily a result of two factors that decrease the feasibility of Typology 2 in relation to Typology 1: higher estimated land costs based on recent comparable sales; and lower achievable rental rates based on rents generated by comparable residential properties.

The results of our feasibility testing reflect the general challenge presented by adaptive reuse projects, which typically must be undertaken and financed assuming the highest potential rents to account for risks inherent in converting an existing structure.

**Table 2. Base Case Feasibility Testing Findings (Standard Unit Sizes)**

	Market Rate	8% Extremely Low Income (ELI)	11% Very Low Income (VLI)	20% Low Income (LI)
<b>Typology 1: High-Rise Office to Residential</b>				
<b>Market Tier 1</b> <i>Low</i>	Infeasible	Infeasible	Infeasible	Infeasible
<b>Market Tier 2</b> <i>Med/Low</i>	Infeasible	Infeasible	Infeasible	Infeasible
<b>Market Tier 3</b> <i>Med/High</i>	Infeasible	Infeasible	Infeasible	Infeasible
<b>Market Tier 4</b> <i>High</i>	Borderline	Borderline	Borderline	Borderline
<b>Typology 2: Mid-Rise Office to Residential</b>				
<b>Market Tier 1</b> <i>Low</i>	Infeasible	Infeasible	Infeasible	Infeasible
<b>Market Tier 2</b> <i>Med/Low</i>	Infeasible	Infeasible	Infeasible	Infeasible
<b>Market Tier 3</b> <i>Med/High</i>	Infeasible	Infeasible	Infeasible	Infeasible
<b>Market Tier 4</b> <i>High</i>	Borderline	Infeasible	Infeasible	Infeasible
<b>Typology 3: Low-Rise Retail to Residential</b>				
<b>Market Tier 1</b> <i>Low</i>	Infeasible	Infeasible	Infeasible	Infeasible
<b>Market Tier 2</b> <i>Med/Low</i>	Infeasible	Infeasible	Infeasible	Infeasible
<b>Market Tier 3</b> <i>Med/High</i>	Borderline	Infeasible	Infeasible	Infeasible
<b>Market Tier 4</b> <i>High</i>	Borderline	Borderline	Infeasible	Infeasible
<b>Legend</b>				
	<b>Infeasible</b> <i>residual land value &lt; minimum market value</i>	<b>Borderline</b> <i>minimum market value &lt; residual land value &lt; average market value</i>	<b>Feasible</b> <i>residual land value &gt; average market value</i>	

### 1.4.2 Reduced Unit Size Sensitivity Testing Findings

In addition to the base case feasibility testing described in the previous section, AECOM conducted sensitivity testing to determine the impact of eliminating or reducing the minimum average unit size requirements.

As shown below, lowering the average unit size (to 600 square feet for each typology) has a substantial impact on feasibility, because smaller units typically command a higher rent per square foot than larger units. **Eliminating or reducing the unit size provisions can meaningfully improve feasibility of these types of projects.**

**Table 3. Reduced Unit Size Sensitivity Testing Findings (600 SF Average Unit Size)**

	Market Rate	8% Extremely Low Income (ELI)	11% Very Low Income (VLI)	20% Low Income (LI)
<b>Typology 1: High-Rise Office to Residential</b>				
<b>Market Tier 1</b> <i>Low</i>	Infeasible	Infeasible	Infeasible	Infeasible
<b>Market Tier 2</b> <i>Med/Low</i>	Infeasible	Infeasible	Infeasible	Infeasible
<b>Market Tier 3</b> <i>Med/High</i>	Borderline	Borderline	Borderline	Borderline
<b>Market Tier 4</b> <i>High</i>	Feasible	Feasible	Feasible	Feasible
<b>Typology 2: Mid-Rise Office to Residential</b>				
<b>Market Tier 1</b> <i>Low</i>	Infeasible	Infeasible	Infeasible	Infeasible
<b>Market Tier 2</b> <i>Med/Low</i>	Borderline	Infeasible	Infeasible	Infeasible
<b>Market Tier 3</b> <i>Med/High</i>	Borderline	Borderline	Borderline	Borderline
<b>Market Tier 4</b> <i>High</i>	Borderline	Borderline	Borderline	Borderline
<b>Typology 3: Low-Rise Retail to Residential</b>				
<b>Market Tier 1</b> <i>Low</i>	Infeasible	Infeasible	Infeasible	Infeasible
<b>Market Tier 2</b> <i>Med/Low</i>	Borderline	Borderline	Borderline	Borderline
<b>Market Tier 3</b> <i>Med/High</i>	Borderline	Borderline	Borderline	Borderline
<b>Market Tier 4</b> <i>High</i>	Borderline	Borderline	Borderline	Borderline
<b>Legend</b>				
	<b>Infeasible</b> <i>residual land value &lt; minimum market value</i>	<b>Borderline</b> <i>minimum market value &lt; residual land value &lt; average market value</i>	<b>Feasible</b> <i>residual land value &gt; average market value</i>	

### 1.4.3 Linkage Fee Sensitivity Testing Findings

In addition to the base case feasibility testing and unit size sensitivity analysis, AECOM conducted sensitivity testing to determine the impact of exempting adaptive reuse projects that create market rate housing units from paying the Affordable Housing Linkage Fee (AHLF). Adaptive reuse projects that include minimum affordable set-asides would already be exempt from the AHLF, but projects that produce market rate housing would have to pay the fee under current policy.

The impact of the AHLF is summarized below. As shown, removing the AHLF increases the residual land value but not significantly enough to move any of the tested projects from “infeasible” to

“borderline feasible” or from “borderline feasible” to “feasible” ranges. However, there may be circumstances where **an AHLF exemption could move projects into more feasible ranges**, for example for projects that are already on the cusp between “borderline feasibility” and “feasibility.”

**Table 4. Linkage Fee Sensitivity Testing Findings**

	<u>Base Case</u> <u>Unit Sizes</u>		<u>Reduced Unit Size</u> <u>(600 SF Average Unit Size)</u>	
	<u>Residual Land Value</u> <u>With AHLF</u>	<u>Residual Land Value</u> <u>Without AHLF</u>	<u>Residual Land Value</u> <u>With AHLF</u>	<u>Residual Land Value</u> <u>Without AHLF</u>
<b>Typology 1: High-Rise Office to Residential</b>				
<b>Market Tier 1</b> <i>Low</i>	-\$157	-\$151	-\$51	-\$45
<b>Market Tier 2</b> <i>Med/Low</i>	-\$41	-\$33	\$85	\$92
<b>Market Tier 3</b> <i>Med/High</i>	\$23	\$32	\$156	\$165
<b>Market Tier 4</b> <i>High</i>	\$186	\$202	\$346	\$362
<b>Typology 2: Mid-Rise Office to Residential</b>				
<b>Market Tier 1</b> <i>Low</i>	-\$92	-\$86	-\$36	-\$30
<b>Market Tier 2</b> <i>Med/Low</i>	\$44	\$51	\$110	\$118
<b>Market Tier 3</b> <i>Med/High</i>	\$76	\$85	\$145	\$154
<b>Market Tier 4</b> <i>High</i>	\$107	\$123	\$192	\$207
<b>Typology 3: Low-Rise Retail to Residential</b>				
<b>Market Tier 1</b> <i>Low</i>	-\$47	-\$41	\$37	\$43
<b>Market Tier 2</b> <i>Med/Low</i>	\$137	\$144	\$259	\$266
<b>Market Tier 3</b> <i>Med/High</i>	\$179	\$188	\$322	\$331
<b>Market Tier 4</b> <i>High</i>	\$210	\$226	\$359	\$375
<b>Legend</b>				
	<b>Infeasible</b> <i>residual land value &lt; minimum market value</i>	<b>Borderline</b> <i>minimum market value &lt; residual land value &lt; average market value</i>	<b>Feasible</b> <i>residual land value &gt; average market value</i>	

### 1.4.4 Conclusions & Implications

Based on this analysis, conclusions and implications for policy include:

- **Market dynamics would need to change significantly in order for a larger volume of office-to-residential adaptive reuse projects (Typologies 1 and 2) to be supported.** AECOM tested several market factor inputs to reflect the potential range in which these could vary in the near-to-mid-term. The market factor inputs include construction costs, operating expense ratio, construction loan interest, and residential capitalization rate. Only at the limits of several input

factors do the tested results improve upon the base case, indicating that market conditions would need to change significantly to materially affect the feasibility of the prototypes.

- Land costs for existing office properties would need to decrease more substantially in order to make more office-to-residential adaptive reuse projects feasible.**<sup>3</sup> This is unlikely to occur at-scale in the current office market, even with high market-level office vacancies, because office owners can usually achieve cash flows from office rents (which are higher than multifamily rents) to pay off existing debt without taking on the risk of conversion. As a result, existing office buildings need to have significant vacancy of 50-75% or higher (much higher than the 25.7% market average for buildings built before 2008) in order for land costs to decrease enough for residential conversion to become feasible. CoStar data suggests that just 5.2% of office buildings in Los Angeles built before 2008 have vacancy rates greater than 50%, suggesting that relatively few office buildings will have depreciated in value enough for residential conversions to occur at-scale. However, 20% of office loans in LA are due to mature by 2025<sup>4</sup>, suggesting that pricing could fall in the near-term for some buildings if office owners default on their loans. This would increase the potential for acquiring properties at lower \$/SF thresholds.
- The feasibility of converting an existing retail structure to residential (Typology 3) – in comparison to demolishing the existing commercial structure and replacing it with new construction – would be highly dependent on existing zoning and available development incentives.** In many cases, it may be more profitable for developers to redevelop the existing commercial structure by demolishing it and replacing it with a ground-up residential or mixed-use infill project of a higher scale. The relative feasibility of conversion versus redevelopment will depend on factors such as the use and density permitted under base zoning and/or under the City’s development incentive programs<sup>5</sup>.
- The most important element predicting success of an ARO project is the condition and characteristics of the existing building(s) and site improvements.** The building form should allow internal partitioning that yields units with marketable size, proportions, and amount of window area. The structure should require minimal amounts of reinforcement, and on-site parking should be sufficient to not require additional construction. Given these requirements for existing buildings to be deemed suitable for adaptive reuse, the pool of properties that are good candidates is limited. Consequently, the proposed Citywide ARO update provisions to expand the geographical area and age of eligible properties should also expand the supply of eligible properties meaningfully.
- The proposed incentives in the current draft Citywide Adaptive Reuse Ordinance, including the proposed elimination of minimum unit size and average unit size requirements, will provide greater flexibility and feasibility for adaptive reuse projects.** Adding smaller units to the mix can contribute to feasibility by increasing the share of higher-rent units and by allowing developers additional flexibility to creatively partition and program an existing structure. The other incentives and zoning exemptions included in the ordinance, though not tested in this analysis, may widen the universe of buildings that could feasibly be converted to residential by providing developers with greater flexibility.
- Given the challenges in finding suitable buildings for conversion, an affordable housing mandate would render even more potential sites infeasible for conversion.** There is a significant need for more affordable housing units in Los Angeles and AECOM’s feasibility testing

<sup>3</sup> Even in instances where the existing office property is converted by its current owner and no change in ownership occurs, there are almost always reasons why an “acquisition cost” would still need to be factored into the conversion feasibility equation. These reasons include 1) many office building owners specialize exclusively in the office ownership and asset management space, making it less likely that they would convert the building to another use and maintain exclusive ownership without engaging a more experienced development/ownership partner; and 2) many office buildings that are good conversion candidates are chronically underperforming properties (many of which may even be in receivership), making it likely that there is outstanding debt on the existing building that will need to be at least partially offset by some type of “acquisition” cost (whether from the current owner, or a new one) in order for the conversion to occur.

<sup>4</sup> “With Distress on the Rise, How Worried Should We Be?,” CommercialEdge, May 2023, [Link](#)

<sup>5</sup> “Strip Malls, Big-Box Stores Could be Used for Housing in LA,” Spectrum News 1, August 2020, [Link](#)

found that some affordability set-asides would likely be feasible for certain adaptive reuse projects with reduced unit sizes in Market Tier 4. However, adaptive reuse projects are already infeasible or on the borderline of feasibility in most instances. Adding affordable housing requirements further reduces the RLV that can be achieved. In general, there is a very small universe of commercial buildings which could feasibly be converted to residential uses. Requiring affordable housing set-asides would further shrink the universe of feasible adaptive reuse projects unless the requirement was coupled with more significant regulatory or financial incentives for such projects.

- **An exemption to the Affordable Housing Linkage Fee (AHLF) could promote feasibility for adaptive reuse projects that convert underutilized office space to market rate residential uses.** Adaptive reuse projects that include minimum affordable set-asides would already be exempt from the AHLF, but projects that produce market rate housing would have to pay the fee under current policy. An AHLF exemption for market rate units would not dramatically improve feasibility, but it could move a project from the “borderline feasible” to “feasible” category in some instances.

## 2. Detailed Analysis and Results

This section provides more detailed information on the analysis, organized by building typology. For each typology tested, the following sections describe the prototype, key program and model assumptions, and financial feasibility findings from the base case and reduced unit size scenarios.

### 2.1 Typology 1: High-Rise Office to Residential

#### 2.1.1 Prototype Description

AECOM research<sup>6</sup> suggests that an office building's **physical, locational, and performance characteristics** inform its potential for conversion to residential use. Key among these include:

- **Transit and Parking Proximity:** The current residential market requires approximately 0.8-0.9 spaces per bedroom, and many older office buildings are insufficiently parked to meet this standard. Parking demand can be reduced with proximity to sufficiently frequent and reliable transit service as well as a robust bike and pedestrian network. In addition, many previous adaptive reuse projects in Los Angeles opted to provide “un-bundled” parking (where parking spaces are not automatically paired with an apartment and included in rent, but rather rented separately from the apartment for an additional fee) to reduce parking demand.
- **Window Area:** Residential towers are typically organized around corridors to maximize window area for each unit, but office towers often utilize a square “point tower” form with large floor plates that have less window area and a larger inner core. This can result in office-to-residential conversions in units with very deep bays and too little window area to be marketable or directly competitive with purpose-built residential buildings.
- **Building Efficiency:** New residential developments typically have leasable area between 75% and 95% of gross area, whereas a typical office building configuration can lead to a lower rate of leasable to gross area in a residential conversion.
- **Minimum Floorplate Depth:** The existing office building floorplate would ideally have a floorplate depth of 100 feet or less in its narrowest extent.<sup>7</sup> This allows for amply efficient floorplates in which rentable square footage accounts for as high a share of gross square footage as possible, improving the feasibility of conversion.
- **Vacancy:** High existing office building vacancy of at least 50-75% is required to make the risk and cost of conversion worthwhile for a developer. In addition, office tenants remaining at the time of conversion may require lease buyouts from the developer, which would add cost and diminish conversion feasibility.
- **Quality:** Class B or lower-quality properties that are generating below-market average rents are more likely to be converted, as the potential upside in the “do nothing” scenario is more likely to be lower than that of a conversion scenario.
- **Size:** Properties smaller than 500,000 SF will lease-up at market rate within a reasonable time frame in high-demand markets like Los Angeles. Properties larger than 500,000 square feet may yield too many units that would compromise lease up periods and increase risk for the developer and lender, which may be detrimental to project feasibility.

<sup>6</sup> “Downtown Houston Office Conversion Study,” AECOM, November 2023, [Link](#)

<sup>7</sup> Theoretically, a building could be quite long in length (the longer extent, assuming a rectangular floorplate) and still be a good candidate for conversion to residential if its depth (shorter extent, 100 feet or less by this threshold) is short enough to allow for reasonable lease spans and air/light penetration.



Consequently, a relatively small subset of existing office towers is considered physically suitable for conversion. A 2022 Gensler study estimates that likely less than 25% of office buildings are appropriate candidates for conversion to residential.<sup>8</sup> In LA County specifically, a 2022 study from the Rand Corporation identified approximately 2,300 potential office-to-residential conversions.<sup>9</sup>

More recently, a White House “Commercial-to-residential Conversion” guidebook notes that recent studies indicate only 15% or less of commercial district office buildings across 105 of the country’s largest cities are suitable for conversion to residential.<sup>10</sup>

After researching existing high-rise office conversions, AECOM selected the Westmore on Wilshire at 3075 Wilshire Boulevard as an example to illustrate the financial feasibility of office-to-residential conversion. This project:

- Meets the feasibility characteristics noted above.
- Was redeveloped by an experienced adaptive reuse developer (Jamison Properties).
- Represents a defensible, real-world example of a risk-managed office-to-residential conversion.



Source: [Westmore on Wilshire | Jamison Properties \(jamisonproperties.com\)](https://www.jamisonproperties.com)

Key Site Characteristics of 3075 Wilshire Boulevard include:

- Former traditional office building converted to 127 rental dwelling units.
- Built in 1963 and converted in 2013.
- Located on a 0.85-acre parcel with a floor area ratio (FAR) of 3.6.
- 134,073 square foot building (gross) of which 106,426 square feet are net rentable as residential (79% efficiency), plus 12,000 net rentable square feet of retail.
- 110 parking spaces (0.87 parking ratio) including 66 covered and 44 surface spaces.

<sup>8</sup> “What We’ve Learned by Assessing More Than 1,300 Potential Office-to-Residential Conversions,” Gensler, October 2023, [Link](#)

<sup>9</sup> “Can Adaptive Reuse of Commercial Real Estate Address the Housing Crisis in Los Angeles?”, RAND, April 2022, [Link](#)

<sup>10</sup> “Commercial-to-Residential Conversion: Addressing Office Vacancies,” The White House, October 2023, [Link](#)



## 2.1.2 Key Program and Model Assumptions

Table 5. Key Assumptions

Primary Assumptions		Source
Construction Costs per Sq. Ft.	\$500	Underwriting Experience, Developer Interview, Project Research
Operating Expense Ratio	30.0%	Underwriting Experience, Developer Interview, Project Research
Vacancy	5.0%	CoStar & Other Market Research
Other Income <i>as % of Effective Gross Income</i>	2.1%	Underwriting Experience, Developer Interview, Project Research
Loan to Cost Ratio	65.0%	Underwriting Experience, Developer Interview, Project Research
Interest Rate	7.50%	Underwriting Experience, Developer Interview, Project Research
Avg. Loan Balance	50.0%	Underwriting Experience, Developer Interview, Project Research
Loan Fees	2.5%	Underwriting Experience, Developer Interview, Project Research
Exit Cap Rate	4.50%	CoStar & Other Market Research
Sales Commission	3.0%	Underwriting Experience, Project Research
Developer Return on Cost <i>Excluding Land</i>	12.0%	Underwriting Experience, Developer Interview, Project Research
Floorplate Efficiency Ratio	80.0%	Underwriting Experience, Project Research
Average Unit Size	882 SF	Underwriting Experience, CoStar, Project Research
Unit Count	127 units	Underwriting Experience, CoStar, Project Research

**Construction Costs:** Construction costs were estimated using developer interviews, AECOM project work, and project research. Conversion costs include hard costs, soft costs, and contingency:

- Hard costs include gutting the building, rebuilding walls, doors, MEP systems, and window replacement.
- Soft costs include contractor and developer fees, architectural, engineering, administrative, and marketing expenses.
- Contingency is used to cover unknowns, such as the potential for structural retrofits and asbestos.
- These costs also include upgrades and structural retrofit for parking.

**Linkage Fees:** Linkage fees are applied to the market-rate scenario only. The affordable scenarios provide enough covenanted affordable housing to be exempt under linkage fee requirements.

**ULA:** The ULA tax (effective in the City of Los Angeles 4/1/2023) is applied to all transactions valued at over \$5,000,000.<sup>11</sup>

**Market Rents:** Rent is based on observed market rent by market tier for high-rise residential tower projects. The market tiers and their underlying methodology are described in the Appendix.

<sup>11</sup> ULA tax rate for transactions at \$5,000,000 and less than \$10,000,000 is 4%, and for transactions equal to or greater than 10,000,000 5.5%. A project that includes land acquisition, improvements, and sale of the finished project incurs the ULA tax twice: first on the land sale and second on the finished project sale. For this analysis, we have assumed the seller pays the ULA tax and does not "pass it on" to the buyer. For example, on the initial transaction, the seller absorbs the tax. This results in an effectively lower value for the seller but not the buyer. Likewise, on the transaction of a finished project, the seller absorbs the tax, which effectively lowers project value for the seller.

**Table 6. Market Rent Assumptions (\$/SF)**

Typology and Unit Type	Market Tier 1	Market Tier 2	Market Tier 3	Market Tier 4
Studio	\$3.15	\$3.95	\$4.20	\$5.25
1-BR	\$2.90	\$3.70	\$3.95	\$5.00
2-BR	\$2.65	\$3.40	\$3.70	\$4.75
3-BR	\$2.35	\$3.15	\$3.40	\$4.45
4-BR	\$2.35	\$2.90	\$3.40	\$4.45

Source: CoStar; AECOM

**Affordable Rents:** As shown in the table below, are drawn from schedules provided by the California Department of Housing and Community Development (HCD)<sup>12</sup>, and utility allowance assumption comes from the Housing Authority of the City of Los Angeles (HACLA)<sup>13</sup>.

**Table 7. Affordable Rent Assumptions**

Supportable Affordable Rents (Monthly)				
	Extremely Low 30% AMI	Very Low 50% AMI	Low 80% AMI	Moderate 120% AMI
<b>Allocated Housing Cost<sup>1</sup></b>				
1-Person Household (Studio)	\$663	\$1,104	\$1,766	\$2,406
2-Person Household (1BR)	\$758	\$1,261	\$2,019	\$2,750
3-Person Household (2BR)	\$853	\$1,419	\$2,271	\$3,093
4-Person Household (3BR)	\$946	\$1,576	\$2,523	\$3,437
5-Person Household (4BR)	\$1,023	\$1,703	\$2,725	\$3,713
<b>Utilities<sup>2</sup></b>				
1-Person Household (Studio)	\$200	\$200	\$200	\$200
2-Person Household (1BR)	\$234	\$234	\$234	\$234
3-Person Household (2BR)	\$269	\$269	\$269	\$269
4-Person Household (3BR)	\$316	\$316	\$316	\$316
5-Person Household (4BR)	\$373	\$373	\$373	\$373
<b>Available for Rent Payment</b>				
1-Person Household (Studio)	\$463	\$904	\$1,566	\$2,206
2-Person Household (1BR)	\$524	\$1,027	\$1,785	\$2,516
3-Person Household (2BR)	\$584	\$1,150	\$2,002	\$2,824
4-Person Household (3BR)	\$630	\$1,260	\$2,207	\$3,121
5-Person Household (4BR)	\$650	\$1,330	\$2,352	\$3,340

(1) Area Median Income limits for Extremely Low , Very Low , Low income, and Moderate tiers from California Department of Housing and Community Development (HCD) - Land Use Schedule VI

(2) LACDA Utility Allowance Schedule, Effective 07/01/2023, [https://www.lacda.org/docs/librariesprovider25/public-documents/utility-allowance/utility-allowance-2022.pdf?sfvrsn=20242d03\\_2](https://www.lacda.org/docs/librariesprovider25/public-documents/utility-allowance/utility-allowance-2022.pdf?sfvrsn=20242d03_2)

**Land Cost:** To compare estimated residual land value to market values, AECOM assessed office transactions seen in Los Angeles over the last five years. The transactions were selected in accordance with the criteria below to assure the set is broadly comparable with the types of redevelopment opportunities sought by an adaptive reuse developer.

- Office product
- Located within Los Angeles County
- Sold since 2020
- Constructed in 2008 or earlier (i.e., within the 15-year range proposed in the updated ARO)
- 50,000 SF or larger
- 5 stories or taller
- 1-3 star ratings

<sup>12</sup> "Land Use Rent Income Schedules," Los Angeles Housing Department, April 2024, [Link](#)

<sup>13</sup> "City of Los Angeles Utility Allowances," HACLA, December 2022, [Link](#)

- At least 20% vacant at the time of sale

The resulting set totaled 19 unique projects. The values of these projects range from a minimum of \$93 per built square foot to a maximum of \$349 with an average of \$216.

### 2.1.3 Base Case Feasibility Testing Findings

The estimated residual value of the prototypical office-to-residential conversion across each tested scenario and market tier is shown in the table below. Scenarios that generate RLVs greater than average market values are feasible. Scenarios that generate RLVs that fall between minimum and average market values are considered borderline feasible. Scenarios that generate RLVs less than the minimum market value are considered infeasible.

As shown in the table below, all scenarios are infeasible in Market Tiers 1-3. In Market Tier 4, they are borderline feasible. Compared to the all-market rate scenario, ELI and VLI scenarios generate 20% less residual value, and the LI scenario 37% less.

**Table 8. Base Case Residual Land Values (\$/Built SF)**

	Market Rate	8% ELI	11% VLI	20% LI
<b>Market Tier 1</b> <i>Low</i>	-\$157	-\$178	-\$176	-\$173
<b>Market Tier 2</b> <i>Med/Low</i>	-\$41	-\$70	-\$71	-\$79
<b>Market Tier 3</b> <i>Med/High</i>	\$23	-\$8	-\$10	-\$22
<b>Market Tier 4</b> <i>High</i>	\$186	\$149	\$143	\$117
<b>Key:</b>	<b>Infeasible</b> <i>residual land value &lt; minimum market value (\$93)</i>	<b>Borderline</b> <i>minimum market value (\$93) &lt; residual land value &lt; average market value (\$216)</i>	<b>Feasible</b> <i>residual land value &gt; average market value (\$216)</i>	

### 2.1.4 Reduced Unit Size Sensitivity Testing Findings

The average unit size used in the base case, which is sourced from an existing completed ARO project, is 882 square feet. In a scenario where average unit size is 750 square feet (the current minimum), as shown in the table below, residual land value increases so that Market Tier 3 is borderline feasible in the market-rate case, and all affordability scenarios are feasible in Tier 4.

**Table 9. Residual Land Values (\$/SF) at Reduced Unit Size (750 SF/DU)**

	Market Rate	8% ELI	11% VLI	20% LI
<b>Market Tier 1</b> <i>Low</i>	-\$82	-\$106	-\$107	-\$102
<b>Market Tier 2</b> <i>Med/Low</i>	\$55	\$22	\$16	\$8
<b>Market Tier 3</b> <i>Med/High</i>	\$126	\$91	\$84	\$72
<b>Market Tier 4</b> <i>High</i>	\$317	\$274	\$261	\$232

In a scenario where average unit size is reduced to below the current minimum to 600 square feet, values improve further. As shown in the table below, residual land value increases so all of Market Tier 3 is borderline feasible, and all of Market Tier 4 is feasible.

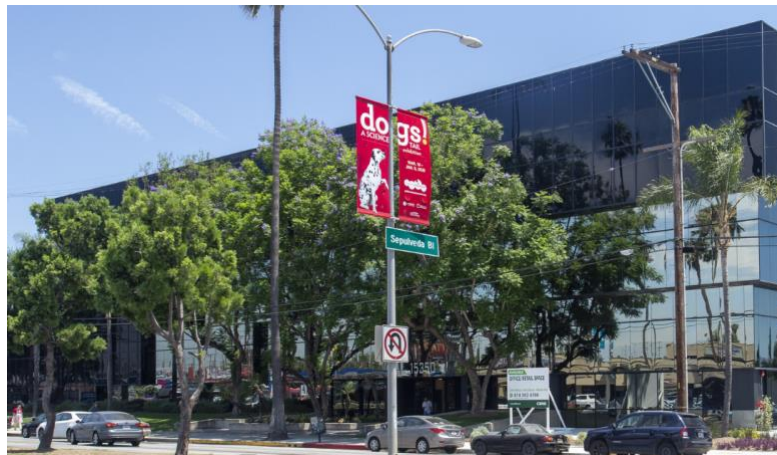
**Table 10. Residual Land Values (\$/SF) at Reduced Unit Size (600 SF/DU)**

	Market Rate	8% ELI	11% VLI	20% LI
<b>Market Tier 1</b> <i>Low</i>	-\$51	-\$79	-\$76	-\$66
<b>Market Tier 2</b> <i>Med/Low</i>	\$85	\$46	\$46	\$43
<b>Market Tier 3</b> <i>Med/High</i>	\$156	\$115	\$113	\$107
<b>Market Tier 4</b> <i>High</i>	\$346	\$297	\$290	\$266

## 2.2 Typology 2: Mid-Rise Office to Residential

### 2.2.1 Prototype Description

AECOM researched suburban-style midrise office conversions and found fewer examples compared to the high-rise, downtown office conversion typology. As one illustration of this, within CBRE’s database of 315 office-to-residential and office-to-mixed-use conversion projects nationwide, just 46 projects (14.6%) are listed when filtering for suburban-style projects with less than 150,000 square feet<sup>14</sup>. The prototypical office-to-residential conversion is based on an existing suburban-style office building in Los Angeles located at 15350 Sherman Way. This project meets many of the feasibility characteristics noted above in Section 2.1.1 and represents a potential future example of a risk-managed office-to-residential conversion.



Source: [CoStar](#)

Key site characteristics include:

- Existing suburban-style office building on a major thoroughfare.
- Built in 1983.
- Reinforced concrete construction.
- On a 4.3 acre parcel; 0.66 FAR; 120,000 Gross Building SF.
- On-site parking at a ratio of 3 Spaces / 1,000 SF.

<sup>14</sup> “U.S. Office Conversions,” CBRE, 2024, [Link](#)

## 2.2.2 Key Program and Model Assumptions

Table 11. Key Assumptions

Primary Assumptions		Source
Construction Costs per Sq. Ft.	\$375	Underwriting Experience, Developer Interview, Project Research
Operating Expense Ratio	30.0%	Underwriting Experience, Developer Interview, Project Research
Vacancy	5.0%	CoStar & Other Market Research
Other Income <i>as % of Effective Gross Income</i>	2.1%	Underwriting Experience, Developer Interview, Project Research
Loan to Cost Ratio	65.0%	Underwriting Experience, Developer Interview, Project Research
Interest Rate	7.50%	Underwriting Experience, Developer Interview, Project Research
Avg. Loan Balance	50.0%	Underwriting Experience, Developer Interview, Project Research
Loan Fees	2.5%	Underwriting Experience, Developer Interview, Project Research
Exit Cap Rate	4.50%	CoStar & Other Market Research
Sales Commission	3.0%	Underwriting Experience, Project Research
Developer Return on Cost <i>Excluding Land</i>	12.0%	Underwriting Experience, Developer Interview, Project Research
Floorplate Efficiency Ratio	80.0%	Underwriting Experience, Project Research
Average Unit Size	789 SF	Underwriting Experience, CoStar, Project Research
Unit Count	122 units	Underwriting Experience, CoStar, Project Research

**Construction Costs:** Construction costs were estimated using developer interviews, AECOM project work, and project research. Conversion costs include hard costs, soft costs, and contingency:

- Hard costs include gutting the building, rebuilding walls, doors, MEP systems, and window replacement.
- Soft costs include contractor and developer fees, architectural, engineering, administrative, and marketing expenses.
- Contingency is used to cover unknowns, such as the potential for structural retrofits and asbestos.

The cost of structured parking is not included in the cost assumption, as most suburban-style conversions will rely on existing parking.

**Parking:** Underwriting assumptions assume sufficient structured parking exists on site.

**Linkage Fees:** Linkage fees are applied to the market-rate scenario only. The affordable scenarios provide enough covenanted affordable housing to be exempt under linkage fee requirements.

**ULA:** The ULA tax (effective in the City of Los Angeles 4/1/2023) is applied to all transactions valued at over \$5,000,000.<sup>15</sup>

**Market Rents:** Rent is based on observed market rent by market tier for mid-rise residential podium projects, as follows:

<sup>15</sup> ULA tax rate for transactions at \$5,000,000 and less than \$10,000,000 is 4%, and for transactions equal to or greater than 10,000,000 5.5%. A project that includes land acquisition, improvements, and sale of the finished project incurs the ULA tax twice: first on the land sale and second on the finished project sale. For this analysis, we have assumed the seller pays the ULA tax and does not "pass it on" to the buyer. For example, on the initial transaction, the seller absorbs the tax. This results in an effectively lower value for the seller but not the buyer. Likewise, on the transaction of a finished project, the seller absorbs the tax, which effectively lowers project value for the seller.

**Table 12. Market Rent Assumptions (\$/SF)**

Typology and Unit Type	Market Tier 1	Market Tier 2	Market Tier 3	Market Tier 4
Studio	\$3.15	\$4.20	\$4.45	\$5.00
1-BR	\$2.90	\$3.95	\$4.20	\$4.45
2-BR	\$2.65	\$3.70	\$3.95	\$4.20
3-BR	\$2.35	\$3.40	\$3.70	\$3.95
4-BR	\$2.10	\$3.15	\$3.40	\$3.70

Source: CoStar; AECOM

**Affordable Rents:** As shown in the table below, are drawn from HCD schedules<sup>16</sup>, and the utility allowance assumption comes from HACLA<sup>17</sup>.

**Table 13. Affordable Rent Assumptions**

Supportable Affordable Rents (Monthly)				
	Extremely Low 30% AMI	Very Low 50% AMI	Low 80% AMI	Moderate 120% AMI
<b>Allocated Housing Cost<sup>1</sup></b>				
1-Person Household (Studio)	\$663	\$1,104	\$1,766	\$2,406
2-Person Household (1BR)	\$758	\$1,261	\$2,019	\$2,750
3-Person Household (2BR)	\$853	\$1,419	\$2,271	\$3,093
4-Person Household (3BR)	\$946	\$1,576	\$2,523	\$3,437
5-Person Household (4BR)	\$1,023	\$1,703	\$2,725	\$3,713
<b>Utilities<sup>2</sup></b>				
1-Person Household (Studio)	\$200	\$200	\$200	\$200
2-Person Household (1BR)	\$234	\$234	\$234	\$234
3-Person Household (2BR)	\$269	\$269	\$269	\$269
4-Person Household (3BR)	\$316	\$316	\$316	\$316
5-Person Household (4BR)	\$373	\$373	\$373	\$373
<b>Available for Rent Payment</b>				
1-Person Household (Studio)	\$463	\$904	\$1,566	\$2,206
2-Person Household (1BR)	\$524	\$1,027	\$1,785	\$2,516
3-Person Household (2BR)	\$584	\$1,150	\$2,002	\$2,824
4-Person Household (3BR)	\$630	\$1,260	\$2,207	\$3,121
5-Person Household (4BR)	\$650	\$1,330	\$2,352	\$3,340

(1) Area Median Income limits for Extremely Low , Very Low , Low income, and Moderate tiers from California Department of Housing and Community Development (HCD) - Land Use Schedule VI

(2) LACDA Utility Allowance Schedule, Effective 07/01/2023, [https://www.lacda.org/doc/librariesprovider25/public-documents/utility-allowance/utility-allowance-2022.pdf?sfvrsn=20242d03\\_2](https://www.lacda.org/doc/librariesprovider25/public-documents/utility-allowance/utility-allowance-2022.pdf?sfvrsn=20242d03_2)

**Land Cost:** To compare estimated residual land value to market values, AECOM assessed recent mid-rise office transactions seen in Los Angeles County. The transactions were selected in accordance with the criteria below to assure a set that is broadly representative of the redevelopment opportunities an adaptive reuse developer may pursue.

- Office transaction
- Located within Los Angeles County
- Transaction completed since April 1, 2020
- Constructed in 2008 or earlier (i.e., within the 15-year range proposed in the updated ARO)
- 50,000 SF or larger
- 4-6 stories 1-3 star ratings
- At least 20% vacant at the time of sale

<sup>16</sup> "Land Use Rent Income Schedules," Los Angeles Housing Department, April 2024, [Link](#)

<sup>17</sup> "City of Los Angeles Utility Allowances," HACLA, December 2022, [Link](#)



The comparable set resulting from these screening criteria totaled 11 separate projects. The values of these projects, shown on a \$/built square foot basis, range from a minimum of \$93 to a maximum of \$349 with an average of \$253.

### 2.2.3 Base Case Feasibility Testing Findings

The estimated residual value of the prototypical suburban-style midrise office-to-residential conversion across each tested scenario and market tier is shown in the table below. As shown, no Market Tier resulted in a feasible scenario with only the market rate scenario in Market Tier 4 yielding values on the borderline of feasibility. These results primarily reflect the fact that many mid-rise, suburban-style office properties (even those with relatively high vacancies) are still valued too highly by the market to justify an adaptive reuse conversion.

**Table 14. Base Case Residual Land Values (\$/Built SF)**

	Market Rate	8% ELI	11% VLI	20% LI
<b>Market Tier 1</b> <i>Low</i>	-\$92	-\$108	-\$106	-\$99
<b>Market Tier 2</b> <i>Med/Low</i>	\$44	\$18	\$15	\$11
<b>Market Tier 3</b> <i>Med/High</i>	\$76	\$49	\$46	\$38
<b>Market Tier 4</b> <i>High</i>	\$107	\$84	\$79	\$68
<b>Key:</b>	<b>Infeasible</b> <i>residual land value &lt; minimum market value (\$93)</i>	<b>Borderline</b> <i>minimum market value (\$93) &lt; residual land value &lt; average market value (\$253)</i>	<b>Feasible</b> <i>residual land value &gt; average market value (\$253)</i>	

### 2.2.4 Reduced Unit Size Sensitivity Testing Findings

The average unit size used in the base case is 789 square feet. In a scenario where average unit size is 750 square feet as shown in the table below, residual land value increases slightly, and more of the scenarios in Market Tiers 3 and 4 enter the borderline feasibility range. Further lowering average unit size to 600 square feet expands borderline feasibility to all affordability scenarios in Market Tiers 3 and 4, in addition to the market rate scenario in Market Tier 2.

**Table 15. Residual Land Values (\$/SF) at Reduced Unit Size (750 SF/DU)**

	Market Rate	8% ELI	11% VLI	20% LI
<b>Market Tier 1</b> <i>Low</i>	-\$79	-\$96	-\$95	-\$87
<b>Market Tier 2</b> <i>Med/Low</i>	\$60	\$33	\$30	\$26
<b>Market Tier 3</b> <i>Med/High</i>	\$93	\$65	\$61	\$54
<b>Market Tier 4</b> <i>High</i>	\$127	\$102	\$96	\$86

**Table 16. Residual Land Values (\$/SF) at Reduced Unit Size (600 SF/DU)**

	Market Rate	8% ELI	11% VLI	20% LI
<b>Market Tier 1</b> <i>Low</i>	-\$36	-\$56	-\$54	-\$42
<b>Market Tier 2</b> <i>Med/Low</i>	\$110	\$80	\$77	\$76
<b>Market Tier 3</b> <i>Med/High</i>	\$145	\$114	\$110	\$105
<b>Market Tier 4</b> <i>High</i>	\$192	\$162	\$157	\$148

## 2.3 Typology 3: Low-Rise Retail to Residential

### 2.3.1 Prototype Description

Previous studies suggest that retail-to-residential conversions may be more likely for projects with the following characteristics<sup>18</sup>:

- Minimum floorplate depths and existing circulation (e.g., stairwell, hallway) or other building infrastructure that allows strong efficiency ratios of 75%+
- High existing building vacancy
- Class B or lower quality properties that contain below-market average rent per square foot
- Close proximity to transit and/or sufficient existing parking ratios for the market; many projects will be “overparked” and may take advantage of removing extra parking for the addition of community amenity space or even additional residential construction
- Location that will command reasonable market rents to offset construction costs
- Properties with existing FAR that can provide a critical density of revenue-producing units to offset construction costs

AECOM researched strip retail conversions and found few examples, the most useful of which was that presented by the City to AECOM from Omgivning, an architecture/design/construction services firm. As a result, AECOM used the Omgivning example as a basis for underwriting and a template for identifying comparable projects and project values in the region. The Omgivning example is a potential conversion of 11901 Santa Monica Boulevard in West Los Angeles. This example meets many of the feasibility characteristics noted above and represents a potential future real-world example of a risk-managed strip retail-to-residential conversion.

<sup>18</sup> “Reimagining Spaces: Strip Malls are the Next Housing Opportunity,” Omgivning, August 2020, [Link](#)





Source: [Omgivning](#)

Key characteristics of this prototype include:

- Strip retail center on major thoroughfare
- Built in 1990s
- Reinforced concrete construction
- On a 0.52 acre parcel; 0.84 FAR; 20,000 Gross Building SF
- Sufficient parking to support residential uses (above and below grade)

## 2.3.2 Key Program and Model Assumptions

Table 17. Key Assumptions

Primary Assumptions		Source
Construction Costs per Sq. Ft.	\$350	Underwriting Experience, Developer Interview, Project Research
Operating Expense Ratio	30.0%	Underwriting Experience, Developer Interview, Project Research
Vacancy	5.0%	CoStar & Other Market Research
Other Income <i>as % of Effective Gross Income</i>	2.1%	Underwriting Experience, Developer Interview, Project Research
Loan to Cost Ratio	65.0%	Underwriting Experience, Developer Interview, Project Research
Interest Rate	7.50%	Underwriting Experience, Developer Interview, Project Research
Avg. Loan Balance	50.0%	Underwriting Experience, Developer Interview, Project Research
Loan Fees	2.5%	Underwriting Experience, Developer Interview, Project Research
Exit Cap Rate	4.50%	CoStar & Other Market Research
Sales Commission	3.0%	Underwriting Experience, Project Research
Developer Return on Cost <i>Excluding Land</i>	12.0%	Underwriting Experience, Developer Interview, Project Research
Floorplate Efficiency Ratio	90.0%	Project Research
Average Unit Size	857 SF	Underwriting Experience, CoStar, Project Research
Unit Count	21 units	Underwriting Experience, CoStar, Project Research

**Construction Costs:** Construction costs were estimated using developer interviews, AECOM project work, and project research. Conversion costs include hard costs, soft costs, and contingency:

- Hard costs include gutting the building, rebuilding walls, doors, MEP systems, and window replacement.
- Soft costs include contractor and developer fees, architectural, engineering, administrative, and marketing expenses.
- Contingency is used to cover unknowns, such as the potential for structural retrofits and asbestos.
- The cost of structured parking is not included in the cost assumption, as most retail conversions will rely on existing parking.

**Parking:** Underwriting assumptions assume appropriate surface parking on site already exists. (Note that comparable transactions also included existing surface parking.)

**Linkage Fees:** Linkage fees are applied in the market rate scenario only. The affordable scenarios provide enough covenanted units to be exempt.

**ULA:** The ULA tax (effective in the City of Los Angeles 4/1/2023) is applied to all transactions valued at over \$5,000,000.<sup>19</sup>

**Rent:** Rent is based on observed market rent by market tier for low-rise residential courtyard and stacked-flats projects, as follows.

**Table 18. Market Rent Assumptions (\$/SF)**

Typology and Unit Type	Market Tier 1	Market Tier 2	Market Tier 3	Market Tier 4
Studio	\$2.90	\$4.20	\$4.75	\$5.00
1-BR	\$2.65	\$3.95	\$4.20	\$4.45
2-BR	\$2.35	\$3.70	\$3.95	\$4.20
3-BR	\$2.10	\$3.15	\$3.40	\$3.70
4-BR	\$2.10	\$3.15	\$3.40	\$3.70

Source: CoStar; AECOM

**Affordable rents**, as shown in the table below, are drawn from HCD schedules<sup>20</sup>, and the utility allowance assumption comes from HACLA<sup>21</sup>.

<sup>19</sup> ULA tax rate for transactions at \$5,000,000 and less than \$10,000,000 is 4%, and for transactions equal to or greater than 10,000,000 5.5%. A project that includes land acquisition, improvements, and sale of the finished project incurs the ULA tax twice: first on the land sale and second on the finished project sale. For this analysis, we have assumed the seller pays the ULA tax and does not “pass it on” to the buyer. For example, on the initial transaction, the seller absorbs the tax. This results in an effectively lower value for the seller but not the buyer. Likewise, on the transaction of a finished project, the seller absorbs the tax, which effectively lowers project value for the seller.

<sup>20</sup> “Land Use Rent Income Schedules,” Los Angeles Housing Department, April 2024, [Link](#)

<sup>21</sup> “City of Los Angeles Utility Allowances,” HACLA, December 2022, [Link](#)

**Table 19. Affordable Rent Assumptions**

<b>Supportable Affordable Rents (Monthly)</b>				
	<b>Extremely Low 30% AMI</b>	<b>Very Low 50% AMI</b>	<b>Low 80% AMI</b>	<b>Moderate 120% AMI</b>
<b>Allocated Housing Cost<sup>1</sup></b>				
1-Person Household (Studio)	\$663	\$1,104	\$1,766	\$2,406
2-Person Household (1BR)	\$758	\$1,261	\$2,019	\$2,750
3-Person Household (2BR)	\$853	\$1,419	\$2,271	\$3,093
4-Person Household (3BR)	\$946	\$1,576	\$2,523	\$3,437
5-Person Household (4BR)	\$1,023	\$1,703	\$2,725	\$3,713
<b>Utilities<sup>2</sup></b>				
1-Person Household (Studio)	\$200	\$200	\$200	\$200
2-Person Household (1BR)	\$234	\$234	\$234	\$234
3-Person Household (2BR)	\$269	\$269	\$269	\$269
4-Person Household (3BR)	\$316	\$316	\$316	\$316
5-Person Household (4BR)	\$373	\$373	\$373	\$373
<b>Available for Rent Payment</b>				
1-Person Household (Studio)	\$463	\$904	\$1,566	\$2,206
2-Person Household (1BR)	\$524	\$1,027	\$1,785	\$2,516
3-Person Household (2BR)	\$584	\$1,150	\$2,002	\$2,824
4-Person Household (3BR)	\$630	\$1,260	\$2,207	\$3,121
5-Person Household (4BR)	\$650	\$1,330	\$2,352	\$3,340
(1) Area Median Income limits for Extremely Low , Very Low , Low income, and Moderate tiers from California Department of Housing and Community Development (HCD) - Land Use Schedule VI				
(2) LACDA Utility Allowance Schedule, Effective 07/01/2023, <a href="https://www.lacda.org/docs/librariesprovider25/public-documents/utility-allowance/utility-allowance-2022.pdf?sfvrsn=20242d03_2">https://www.lacda.org/docs/librariesprovider25/public-documents/utility-allowance/utility-allowance-2022.pdf?sfvrsn=20242d03_2</a>				

**Land Cost:** To compare estimated residual land value to market values, AECOM assessed strip retail transactions seen in Los Angeles County over the last five years. The transactions were selected in accordance with the criteria below to assure the set is broadly comparable with the types of redevelopment opportunities sought by an adaptive reuse developer:

- Retail (Strip Center) Transaction
- Los Angeles County
- Sold Last Five Years
- Vintage 2008 or Earlier
- 5,000 SF - 50,000 SF
- 2 Floors
- Existing Sufficient Parking

The comparable set resulting from this screening criteria totaled 21 separate projects. The values of these projects, shown on a \$/built square foot basis, range from a minimum of \$177 to a maximum of \$634 with an average of \$381.

### 2.3.3 Base Case Feasibility Testing Findings

The estimated residual value of the prototypical retail-to-residential conversion across each tested scenario and market tier is shown in the table below. As shown, only in Market Tiers 3 and 4, where market rents are highest, are the tested scenarios feasible.

**Table 20. Base Case Residual Land Values (\$/Built SF)**

	Market Rate	8% ELI	11% VLI	20% LI
<b>Market Tier 1</b> <i>Low</i>	-\$47	-\$64	-\$65	-\$57
<b>Market Tier 2</b> <i>Med/Low</i>	\$137	\$106	\$97	\$84
<b>Market Tier 3</b> <i>Med/High</i>	\$179	\$146	\$134	\$117
<b>Market Tier 4</b> <i>High</i>	\$210	\$180	\$167	\$146
<b>Key:</b>	<b>Infeasible</b> <i>residual land value &lt; minimum market value (\$177)</i>	<b>Borderline</b> <i>minimum market value (\$177) &lt; residual land value &lt; average market value (\$381)</i>	<b>Feasible</b> <i>residual land value &gt; average market value (\$381)</i>	

### 2.3.4 Reduced Unit Size Sensitivity Testing Findings

The average unit size used in the base case is 857 square feet. In a scenario where average unit size is 750 square feet as shown in the table below, residual land value increases, and many of the affordability scenarios become borderline feasible in Market Tiers 2 – 4 but remain infeasible in Market Tier 1. Further lowering average unit size to 600 square feet further increases residential land value but all affordability scenarios in Market Tiers 2 – 4 remain borderline feasible and Market Tier 1 scenarios remain infeasible.

**Table 21. Residual Land Values (\$/SF) at Reduced Unit Size (750 SF/DU)**

	Market Rate	8% ELI	11% VLI	20% LI
<b>Market Tier 1</b> <i>Low</i>	\$8	-\$10	-\$11	\$3
<b>Market Tier 2</b> <i>Med/Low</i>	\$218	\$188	\$178	\$177
<b>Market Tier 3</b> <i>Med/High</i>	\$267	\$234	\$223	\$217
<b>Market Tier 4</b> <i>High</i>	\$304	\$274	\$261	\$253

**Table 22. Residual Land Values (\$/SF) at Reduced Unit Size (600 SF/DU)**

	Market Rate	8% ELI	11% VLI	20% LI
<b>Market Tier 1</b> <i>Low</i>	\$37	\$17	\$19	\$39
<b>Market Tier 2</b> <i>Med/Low</i>	\$259	\$212	\$206	\$210
<b>Market Tier 3</b> <i>Med/High</i>	\$322	\$269	\$262	\$262
<b>Market Tier 4</b> <i>High</i>	\$359	\$309	\$300	\$297

## 3. Appendix

### 3.1 Pro forma Feasibility Analysis

This analysis uses pro forma models to describe the economic characteristics of ARO projects and to explore the impacts of affordable set-asides and other variables on project returns. A pro forma model is a representation of the development economics of a hypothetical real estate project. The pro forma model includes assumptions about development costs, revenue rates, and return expectations intended to simulate the financial considerations made by a profit-seeking developer considering development. By varying model assumptions, the impacts and financial feasibility of different incentive scenarios can be explored.

The ARO analysis employs a “static” pro forma approach. A static pro forma provides a snapshot of potential project value at an assumed point of project stabilization, i.e., when a for-sale project is fully sold out or a rental project achieves stabilized occupancy and can be transacted to an investor seeking the stabilized cashflows it produces. Static pro forma analysis is a commonly accepted approach to planning-level analysis, where comparisons between multiple projects and policy options must be made.<sup>22</sup>

### 3.2 Residual Land Value as a Standard of Feasibility

The measure of return used in the analysis is residual land value (RLV). Residual land value analysis is a common approach used in planning exercises to explore and compare financial outcomes of policy proposals. Residual land value is the amount that remains after estimated project cost is deducted from estimated project value and represents the amount a developer should be willing to pay to acquire a property.

The standard used to gauge feasibility in this analysis is whether the estimated RLV for a tested scenario is consistent with observed market land value:

- If the scenario generates RLV that is **equivalent to or greater than the market standard** (average), it is considered **feasible**.
- If the scenario generates RLV that is **less than the market standard but higher than the market minimum**, it is considered **borderline feasible**.
- If the scenario generates RLV that is **less than the market minimum**, it is considered **infeasible**.

### 3.3 Market Tiers

The analysis in this report considers the range of underlying residential market conditions found throughout Los Angeles. AECOM developed a methodology to establish four market tiers which range from low to high and are intended to represent the relative strength of the residential market in different geographies across the City.

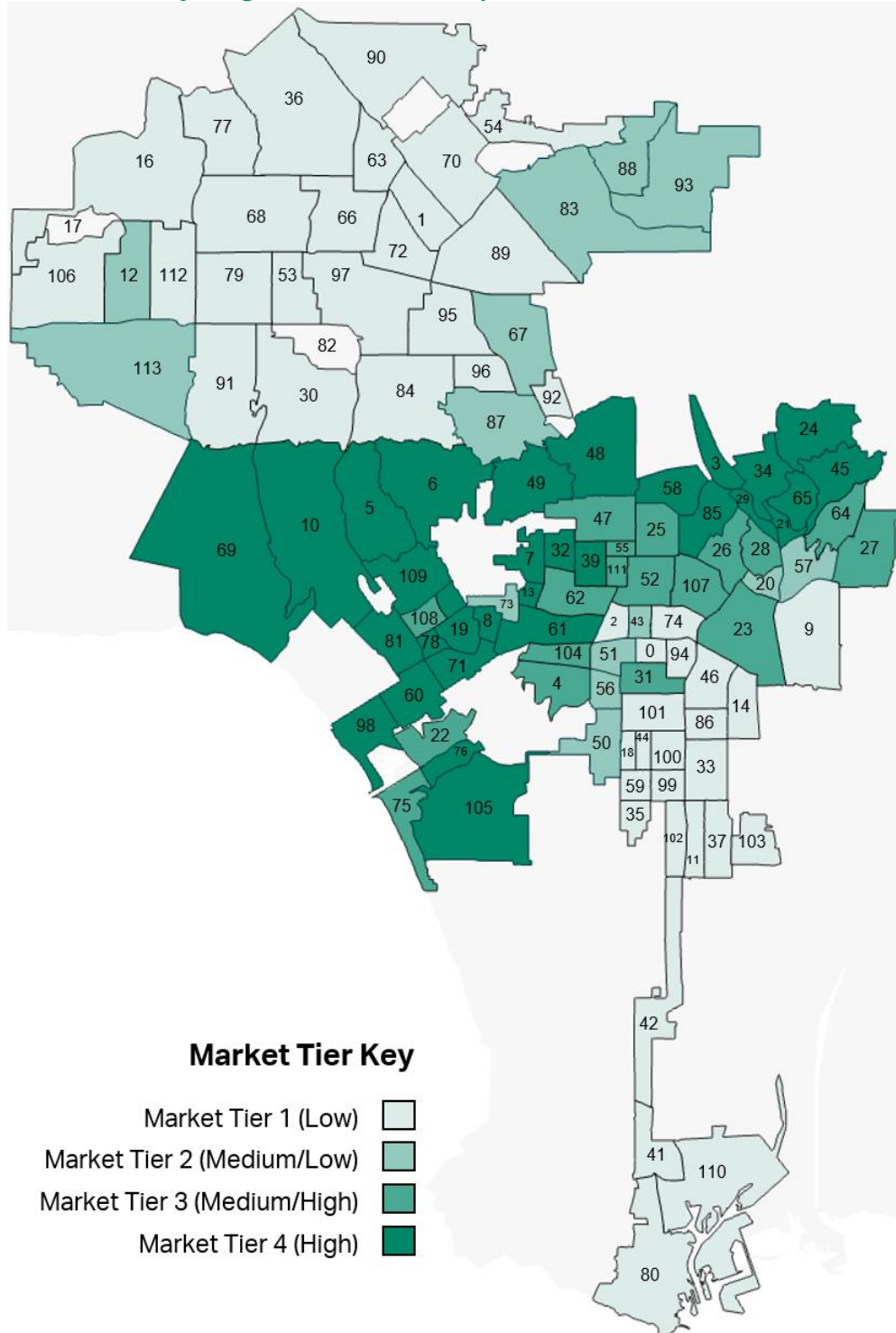
The market tier map used in the ARO analysis contained in this report is shown below. The legend below the map shows the name of each neighborhood that corresponds to the number labels used in

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<sup>22</sup> While a developer may use static proformas to do a first-pass assessment of a project opportunity, project underwriting by investors and lenders requires a cashflow approach, which estimates project costs and revenues over time up to and past the point of stabilization. A cashflow proforma allows different investor returns and return expectations as well as the time value of money factors to be considered. However, while necessary for investor decision-making, a cashflow model is too sensitive to investor-specific assumptions and in general too complex to allow for efficient comparison of policy options.

the map, as well as the Community Planning Area (CPA) that each neighborhood falls primarily within. Additional information about the market tier analysis including the geographic unit of analysis, underlying methodology used to define the market tiers, and key findings can be found in the Market Analysis report.<sup>23</sup>

### Market Tiers by Neighborhood Area Map



Source: Los Angeles Times, AECOM

<sup>23</sup> "Task 3: Market Analysis: Market & Economic Study for the Density Bonus Ordinance Update and RHNA Rezoning Program," May 2024



### Market Tiers by Neighborhood Area Key

#	Neighborhood	Primary CPA	#	Neighborhood	Primary CPA
0	Adams-Normandie	South Los Angeles	58	Los Feliz	Hollywood
1	Arleta	Arleta - Pacoima	59	Manchester Square	South Los Angeles
2	Arlington Heights	West Adams - Baldwin Hills - Leimert	60	Mar Vista	Palms - Mar Vista - Del Rey
3	Atwater Village	Northeast Los Angeles	61	Mid-City	West Adams - Baldwin Hills - Leimert
4	Baldwin Hills/Crenshaw	West Adams - Baldwin Hills - Leimert	62	Mid-Wilshire	Wilshire
5	Bel-Air	Bel Air - Beverly Crest	63	Mission Hills	Mission Hills - Panorama City - North Hills
6	Beverly Crest	Bel Air - Beverly Crest	64	Montecito Heights	Northeast Los Angeles
7	Beverly Grove	Wilshire	65	Mount Washington	Northeast Los Angeles
8	Beverlywood	West Los Angeles	66	North Hills	Mission Hills - Panorama City - North Hills
9	Boyle Heights	Boyle Heights	67	North Hollywood	North Hollywood - Valley Village
10	Brentwood	Brentwood - Pacific Palisades	68	Northridge	Northridge
11	Broadway-Manchester	Southeast Los Angeles	69	Pacific Palisades	Brentwood - Pacific Palisades
12	Canoga Park	Canoga Park - Winnetka - Woodland Hills - West Hills	70	Pacoima	Arleta - Pacoima
13	Carthay	Wilshire	71	Palms	Palms - Mar Vista - Del Rey
14	Central-Alameda	Southeast Los Angeles	72	Panorama City	Mission Hills - Panorama City - North Hills
15	Century City	West Los Angeles	73	Pico-Robertson	Wilshire
16	Chatsworth	Chatsworth - Porter Ranch	74	Pico-Union	South Los Angeles
17	Chatsworth Reservoir	Chatsworth - Porter Ranch	75	Playa del Rey	Westchester - Playa del Rey
18	Chesterfield Square	South Los Angeles	76	Playa Vista	Westchester - Playa del Rey
19	Cheviot Hills	West Los Angeles	77	Porter Ranch	Chatsworth - Porter Ranch
20	Chinatown	Central City North	78	Rancho Park	West Los Angeles
21	Cypress Park	Northeast Los Angeles	79	Reseda	Reseda - West Van Nuys
22	Del Rey	Palms - Mar Vista - Del Rey	80	San Pedro	San Pedro
23	Downtown	Central City	81	Sawtelle	West Los Angeles
24	Eagle Rock	Northeast Los Angeles	82	Sepulveda Basin	Encino - Tarzana
25	East Hollywood	Hollywood	83	Shadow Hills	Sunland - Tujunga - Lake View Terrace - Shadow Hills - East La Tuna Canyon
26	Echo Park	Silver Lake - Echo Park - Elysian Valley	84	Sherman Oaks	Sherman Oaks - Studio City - Toluca Lake - Cahuenga Pass
27	El Sereno	Northeast Los Angeles	85	Silver Lake	Silver Lake - Echo Park - Elysian Valley
28	Elysian Park	Silver Lake - Echo Park - Elysian Valley	86	South Park	Southeast Los Angeles
29	Elysian Valley	Silver Lake - Echo Park - Elysian Valley	87	Studio City	Sherman Oaks - Studio City - Toluca Lake - Cahuenga Pass
30	Encino	Encino - Tarzana	88	Sunland	Sunland - Tujunga - Lake View Terrace - Shadow Hills - East La Tuna Canyon
31	Exposition Park	South Los Angeles	89	Sun Valley	Sun Valley - La Tuna Canyon
32	Fairfax	Wilshire	90	Sylmar	Sylmar
33	Florence	Southeast Los Angeles	91	Tarzana	Encino - Tarzana
34	Glassell Park	Northeast Los Angeles	92	Toluca Lake	Sherman Oaks - Studio City - Toluca Lake - Cahuenga Pass
35	Gramercy Park	South Los Angeles	93	Tujunga	Sunland - Tujunga - Lake View Terrace - Shadow Hills - East La Tuna Canyon
36	Granada Hills	Granada Hills - Knollwood	94	University Park	South Los Angeles
37	Green Meadows	Southeast Los Angeles	95	Valley Glen	Van Nuys - North Sherman Oaks
38	Griffith Park	Hollywood	96	Valley Village	North Hollywood - Valley Village
39	Hancock Park	Wilshire	97	Van Nuys	Van Nuys - North Sherman Oaks
40	Hansen Dam	Arleta - Pacoima	98	Venice	Venice
41	Harbor City	Wilmington - Harbor City	99	Vermont Knolls	South Los Angeles
42	Harbor Gateway	Harbor Gateway	100	Vermont-Slauson	South Los Angeles
43	Harvard Heights	South Los Angeles	101	Vermont Square	South Los Angeles
44	Harvard Park	South Los Angeles	102	Vermont Vista	South Los Angeles
45	Highland Park	Northeast Los Angeles	103	Watts	Southeast Los Angeles
46	Historic South-Central	Southeast Los Angeles	104	West Adams	West Adams - Baldwin Hills - Leimert
47	Hollywood	Hollywood	105	Westchester	Los Angeles International Airport
48	Hollywood Hills	Hollywood	106	West Hills	Canoga Park - Winnetka - Woodland Hills - West Hills
49	Hollywood Hills West	Hollywood	107	Westlake	Westlake
50	Hyde Park	West Adams - Baldwin Hills - Leimert	108	West Los Angeles	West Los Angeles
51	Jefferson Park	West Adams - Baldwin Hills - Leimert	109	Westwood	Westwood
52	Koreatown	Wilshire	110	Wilmington	Wilmington - Harbor City
53	Lake Balboa	Reseda - West Van Nuys	111	Windsor Square	Wilshire
54	Lake View Terrace	Sunland - Tujunga - Lake View Terrace - Shadow Hills - East La Tuna Canyon	112	Winnetka	Canoga Park - Winnetka - Woodland Hills - West Hills
55	Larchmont	Wilshire	113	Woodland Hills	Canoga Park - Winnetka - Woodland Hills - West Hills
56	Leimert Park	West Adams - Baldwin Hills - Leimert			
57	Lincoln Heights	Northeast Los Angeles			

Source: Los Angeles Times, AECOM

## **EXHIBIT D**

### **Citywide Housing Incentive Program (CHIP) Ordinance (September 2024 draft)**

Please see the full text of the three Ordinances of the CHIP, in the Recommendation Report linked through the CPC agenda of September 26, at: <https://planning.lacity.gov/dcpapi/meetings/document/77464>

Or found on the Resources webpage of the Housing Element Rezoning Program, at: <https://planning.lacity.gov/plans-policies/housing-element-rezoning-program#resources>



# **EXHIBIT E**

## **Housing Element Environmental Impact Report (“EIR”) Number ENV-2020-6762-EIR (SCH No. 2021010130)**

Please see: [https://planning.lacity.gov/EIR/HEU\\_2021-2029\\_SEU/feir/files/Final%20EIR%20-%20October%202021.pdf](https://planning.lacity.gov/EIR/HEU_2021-2029_SEU/feir/files/Final%20EIR%20-%20October%202021.pdf)

## **Addendum Number 1 ENV-2020-6762-EIR-ADD1**

Please see: [https://planning.lacity.gov/odocument/23bb4628-cd19-4859-9484-48284bbdcd96/Exhibit\\_C\\_-\\_Addendum\\_to\\_Environmental\\_Impact\\_Report\\_\(ENV-2020-6762-EIR,\\_SCH\\_No.\\_2021010130\).pdf](https://planning.lacity.gov/odocument/23bb4628-cd19-4859-9484-48284bbdcd96/Exhibit_C_-_Addendum_to_Environmental_Impact_Report_(ENV-2020-6762-EIR,_SCH_No._2021010130).pdf)

## **Addendum Number 2 ENV-2020-6762-EIR-ADD2**

Please see: <https://docs.google.com/document/d/1ZZAktoZJBo3i-VZ0L445z8rogSK8AaYCIe03FMh6jZo/edit?usp=sharing>


# INITIAL SUBMISSIONS

The following submissions by the public are in compliance with the Commission Rules and Operating Procedures (ROPs), Rule 4.3a. Please note that “compliance” means that the submission complies with deadline, delivery method (hard copy and/or electronic) AND the number of copies. The Commission’s ROPs can be accessed at <http://planning.lacity.org>, by selecting “Commissions & Hearings” and selecting the specific Commission.

The following submissions are not integrated or addressed in the Staff Report but have been distributed to the Commission.

Material which does not comply with the submission rules is not distributed to the Commission.

## ENABLE BOOKMARKS ONLINE:

\*\*If you are using Explorer, you will need to enable the Acrobat  toolbar to see the bookmarks on the left side of the screen.

If you are using Chrome, the bookmarks are on the upper right-side of the screen. If you do not want to use the bookmarks, simply scroll through the file.

If you have any questions, please contact the Commission Office at (213) 978-1300.

September 11, 2024

Holly Harper  
 Planning Assistant  
 221 N Figueroa Street, Suite 1450  
 Los Angeles, California 90012  
 housingelement@lacity.org  
 (213) 847-3706

**Subject: City of Los Angeles - Citywide Adaptive Reuse Ordinance**  
**City Planning Case: CPC-2023-5986-CA**

Dear Ms. Harper,

We are an architecture firm with in-house specialists focused on repurposing existing and historic buildings. Over the years, we have analyzed hundreds of structures for adaptive reuse (AR) conversions. Our team includes experts who have contributed to AR policy, including advising on state measures such as AB-3068 (Haney), AB-2910 (Santiago), and AB-A529 (Gabriel). We have also participated in local AR working groups and served in advisory roles for cities like Santa Monica, Pasadena, and San Jose.

We recognize that successfully revitalizing business districts, addressing the housing crisis, and mitigating the climate crisis will require collaboration across federal, state, and local jurisdictions. Removing barriers and offering financial incentives—such as streamlining AR approvals—are essential steps toward achieving these goals.

At the same time, we understand the importance of tailoring policies to the distinct needs of individual neighborhoods. Therefore, we welcome the opportunity to support the expansion of the City of Los Angeles’ current Adaptive Reuse Ordinance (ARO) citywide, while continuing to evaluate and refine these policies at the more granular Community Plan level.

Below, we have provided our recommendations regarding the draft ARO (Chapter 1).

**DRAFT ADAPTIVE REUSE ORDINANCE (CHAPTER 1)**  
**JUNE 2024**  
**AXIS Recommendations**

**1. Expand the Rooftop Additions Incentive**

The current limitation of a one-story rooftop addition solely for amenity use is restrictive, especially when ample amenity spaces can often be accommodated within other parts of the building. Office buildings, in particular, often have deep floor plates, with significant distance from the windows to the central core spaces. These core areas—comprising redundant elevators, restrooms, and utility rooms—are prime candidates for conversion into amenity spaces, such as gyms, game rooms, or even more unconventional uses like wine cellars or saunas, which do not require natural light or natural ventilation.

By confining rooftop additions to one-story amenities, there is a risk of creating an oversupply of luxury units with excessive amenities, rather than prioritizing housing production. Rooftop amenities do not directly generate revenue for Developers but may lead to higher rents to offset the costs of providing these extensive spaces.

Instead, we believe that allowing rooftop additions to include both residential units and amenities would offer a more balanced and financially viable incentive. This flexibility would provide Developers with more options—either to increase revenue through higher rent or by increasing the number of residential units, both of which could help meet the city’s housing goals.

Moreover, this approach is more consistent with the previous ARO policy, which allowed one-story penthouses as long as they were accessible from within the existing building envelope and did not result in a net increase in floor area. By reinstating this flexibility, the policy would align more closely with the city’s stated goals of providing “greater design flexibility” and expanding “existing incentives to encourage converting underutilized buildings into new housing.”

**We respectfully urge Los Angeles City Planning (LACP) to reconsider the rooftop addition incentive to better reflect its vision and stated goals.**

**2. Clarify Affordable Housing Incentives**

As currently written, the DRAFT Ordinance appears unclear in its prioritization of “incentives.” A simple word strikeout could provide greater clarity, allowing for revisions that would better align the policies with LACP’s objectives.

Therefore, we recommend striking the following from the DRAFT language:

*“(h) Incentives for ~~Unified~~ Adaptive Reuse Projects Providing Affordable Housing.”*

Removing this word would allow the primary tools for incentivizing affordable housing to be more clearly defined, creating a more effective framework.

We also recommend further revisions to clarify and strengthen the incentives for adaptive reuse projects providing affordable housing:

*“(1) Type I ~~Adaptive Reuse Projects Providing Affordable Housing: Unified Adaptive Reuse Projects: Density Bonus for New Construction.~~”*

*“(2) Type II ~~Adaptive Reuse Projects Providing Affordable Housing: Unified Adaptive Reuse Projects: Density Bonus for Two Additional Stories.~~”*

These revisions would enable LACP to continue refining the DRAFT ordinance to ensure that incentives not only promote the reuse of existing buildings but also encourage affordable housing production. This aligns with the goals outlined in our recommendations 3 and 4, which follow in this letter.

**3. Expand the Affordable Housing Incentives**

While we understand that allowing all adaptive reuse projects a one-story residential addition may compete with affordable housing incentives, we propose extending the affordable housing incentive to include up to four stories (three stories for residential units plus one story for rooftop amenities). This approach would preserve the competitive advantage of affordable housing incentives by distinguishing them from market-rate adaptive reuse projects through the additional number of stories.

Additionally, we encourage LACP to reconsider the following language in the current DRAFT:

*“In addition to incentives in Subsection 12.22 A.26(g) (Incentives) of Chapter 1 of the Code, such Adaptive Reuse Projects providing affordable housing may select **one** of the following incentives:”*

**Rather than limiting Developers to select between Type I or Type II incentives, we recommend allowing them to choose both.** This change would provide adaptive reuse projects focused on affordable housing with a more substantial advantage over leaving office buildings underutilized, thereby increasing the incentive for Developers to pursue these projects and contribute to addressing the city’s housing crisis.

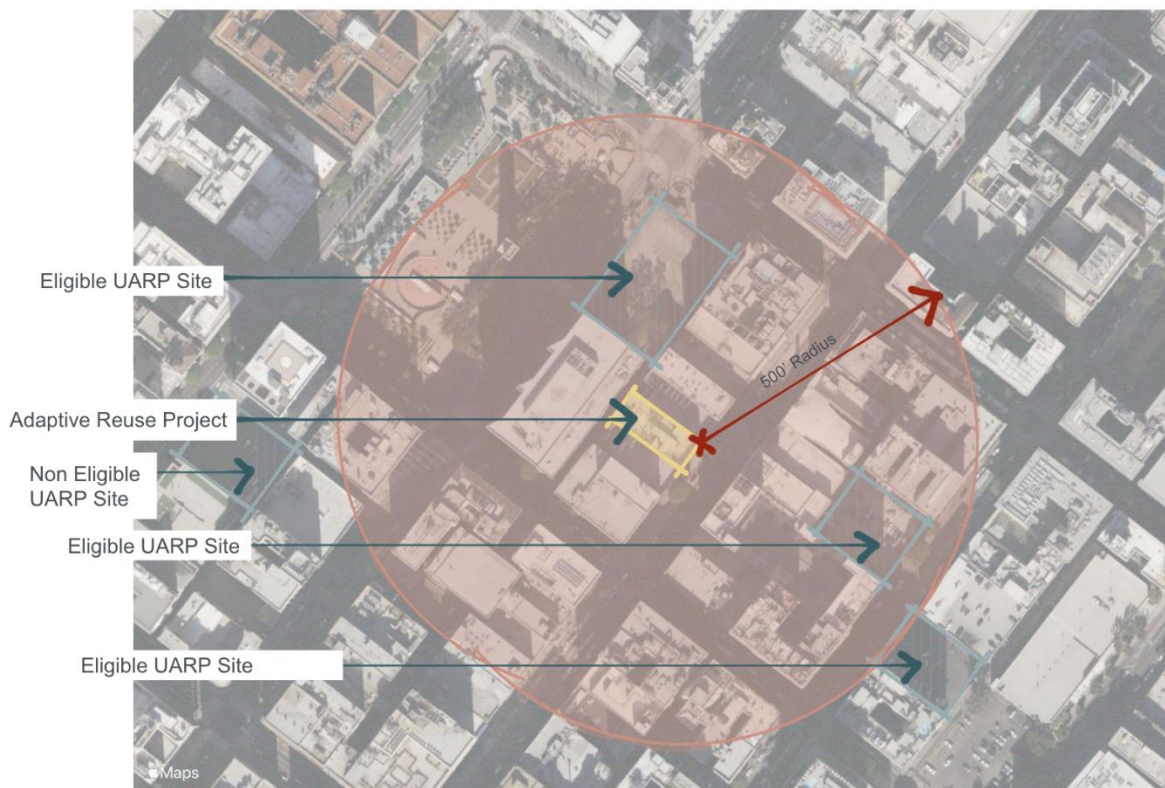
**4. Expand the Unified Adaptive Reuse Project (UARP) Incentives**

While we recognize the positive intentions behind the new Unified Adaptive Reuse Project (UARP) planning tool, we believe its current framework is overly prescriptive and may not effectively encourage building reuse or affordable housing production. The differentiation between UARP projects approved via “Administrative Review” for those including affordable housing, and those requiring a “Conditional Use Permit (CUP)” for projects without affordable housing, is a good start. However, further revisions are needed.

We propose the following changes to both the Administrative Review and CUP mechanisms:

**i) Expand UARP Radius:**

The current restriction that UARP projects must be located on the same site, or separated only by an alley or street, places too many limitations on potential developments. Expanding the allowable radius to 500 feet will increase opportunities for Developers. For example, our 537 S Broadway Case Study highlights how requiring projects to be on directly adjacent lots can lead to the unnecessary demolition of buildings, which directly conflicts with the Citywide ARO’s goal of reusing existing structures.



*Site Plan Image of 537 Broadway with 500’ radius of UARP opportunities.*

**Proposed revision:**

*“(i) Unified Adaptive Reuse Project may include development of portions of a lot shared with an Adaptive Reuse Project, or on lots **within or intersected by 500’-0” radius** that ~~abut or are separated only by an alley, or are located directly across the street from any portion of an Adaptive Reuse Project.~~”*

**(ii) Remove Overly Prescriptive Site Amenity Requirements:**

The current requirements for pedestrian circulation, shared site amenities, and pathways between buildings are unnecessarily restrictive. They impose design mandates that could complicate project development without adding meaningful value.

**Proposed revision:**

Remove:

*~~“(ii) All site amenities provided in the Unified Adaptive Reuse Project, whether located in the existing building(s) or expansion of new floor area, shall be made accessible to all occupants of the Unified Adaptive Reuse Project, which shall be constructed to link pedestrian circulation between buildings and site amenities. All circulation pathways must be clearly delineated, through raised crosswalks, contrasting paving materials or surface treatments, enhanced lighting, directional or wayfinding signage, or other elements; and”~~*

And remove:

*~~“(3) the access for all occupants of the Unified Adaptive Reuse Project to all site amenities, and the pedestrian circulation between buildings and site amenities shall be maintained and not reduced.”~~*

**(iii) Remove from the “X. Further Authority of the Zoning Administrator for Other Similar Quasi-Judicial” Section the following language:**

*“(i) For buildings listed as a Designated Historic Resource or a Surveyed Historic Resource that are incorporated as part of a Unified Adaptive Reuse Project, the existing floor area, up to a maximum of 50,000 square feet, shall be exempted from the maximum floor area limit for the lot or lots. This incentive shall not be utilized if the Unified Adaptive Reuse Project involves any demolition or facade alteration of any portion of a Designated Historic Resource or Surveyed Historic Resource which is not in conformance with the Secretary of the Interior’s Standards.”*

And allow it to be approved via “Administrative Review” for Affordable Housing projects and via “CUP” for non-Affordable Housing projects.

**(iv) Expand the incentive to include non-historic buildings to be able to utilize the “maximum of 50,000 square feet” incentive and increase the incentive to 65,000 square feet (sf) for Historic Resources.**

For reasons articulated in more detail in the previously issued [Council File 22-0617 Letter linked here.](#)

**5. Provide Clarification on Rooftop Addition Incentives for Conforming Adaptive Reuse Projects (existing conforming adaptive reuse projects in terms of both height and floor area)**

The current guidelines on incentives for additional stories and floor area are ambiguous, particularly regarding their application to existing conforming AR projects. The 445 S Broadway Case Study



illustrates this confusion: the existing four-story office building, when converted to residential use, would result in approximately 26,000 sf of floor area. In contrast, a new construction on the same site could achieve up to 61,000 sf at a 6:1 Floor Area Ratio (FAR) under current zoning regulations.

Given this discrepancy, the incentives like the “Type II Unified Adaptive Reuse Projects: Density Bonus for Two Additional Stories” allow for a development of only about 42,000 sf—significantly less than the zoning permits for new constructions. This underutilization of allowable floor area poses a disincentive rather than an incentive for Developers considering AR.

To address this, **we request that the LACP provide clear guidelines stating that rooftop addition incentives should apply specifically to existing non-conforming office-to-residential projects in terms of both floor area and height. Furthermore, existing conforming AR projects should be permitted “by right” to add additional floors up to the allowable maximum floor area and height district requirements, along with other AR benefits such as adjustments in yards, setbacks, and density.**

Without such clarifications, there is a real risk that these buildings might be demolished in favor of new ground-up developments, which typically face lower opportunity costs. AR projects, while more challenging and riskier due to potential unforeseen construction issues, play a critical role in preserving urban fabric and reducing environmental impact. It is essential that incentives are structured to truly encourage the retention and conversion of existing buildings.

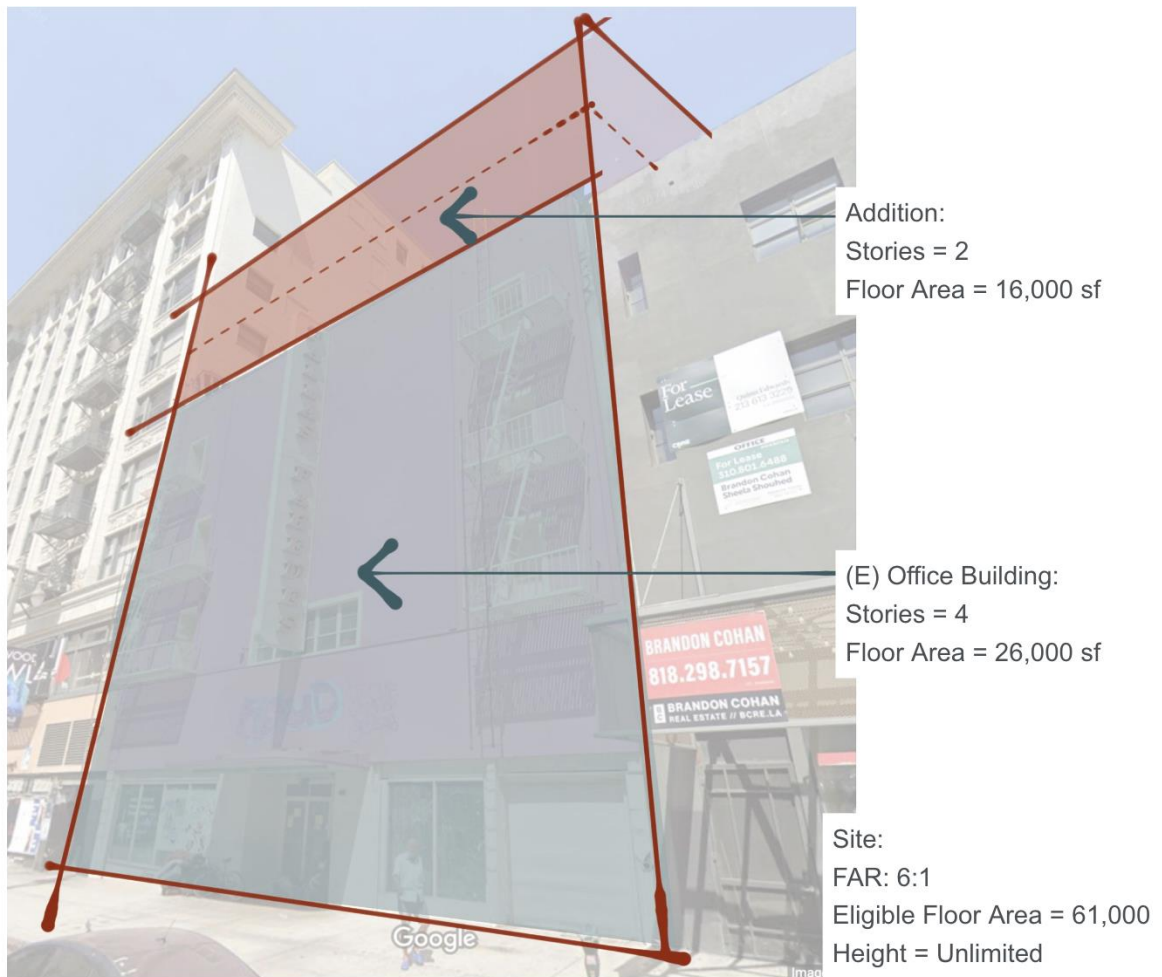


Image of 455 S Broadway Case Study

## 6. Revise Incentive Eligibility Criteria

AR projects should respect and reflect the intrinsic characteristics of existing buildings. For instance, some structures are better suited to house smaller, numerous units, while others are more conducive to fewer, larger units. The 537 S Broadway Case Study, [linked here](#), highlights that current Eligibility Criteria would disqualify this particular building from the ARO. This approach is not unique; similar configurations are successfully implemented in projects like the [Singer Lofts DTLA](#) and [Tomahawk Building](#) in Downtown Los Angeles (DTLA).

However, the current stipulation that *“Only Adaptive Reuse Projects resulting in the creation of five or more residential units shall be eligible for the incentives and procedures set forth in this Subdivision”* restricts the potential for such tailored adaptations. **We propose revising this requirement to allow projects resulting in the creation of two or more residential units to be eligible for these incentives.** This change will not only align more closely with the DTLA Community Plan 9.4.5, which states:

*“The provisions of this Section shall apply to adaptive reuse projects in all or any portion of the following buildings and structures in the Downtown community Plan Area,”*

but also provide greater flexibility in phasing AR conversion projects.

Implementing this revision will encourage a more diverse range of AR developments, accommodating various building types and market needs, thereby enhancing the vitality and character of our urban landscape.

## 7. Provide Refinement and Expansion of the Floor Area Reallocation Incentive

We commend the LACP for introducing the “Floor Area Reallocation” incentive, recognizing its potential to overcome some of the common barriers faced by AR projects. However, there are aspects of this incentive that require further refinement to ensure its practical utility and effectiveness.

The current framework of the incentive, which may necessitate the removal of 10% of the existing gross building area, inadvertently increases the effective acquisition cost per square foot. For example, a building purchased for \$115/sf at a total cost of \$23,000,000 (based on 200,000 sf) would effectively cost \$127.78/sf if required to reduce the gross area by 10%. This increase can render AR projects financially unfeasible.

Additionally, the provision to replace the removed floor area “within vacant areas of the project site or on an adjacent property” does not consider that many properties lack sufficient vacant space to accommodate new construction, as suggested by LACP’s own illustrations.

### Proposed Expansions:

1. **Expand Relocation Flexibility:** We recommend expanding the Floor Area Relocation incentive to allow the reallocated square footage to be added atop existing buildings, including non-conforming structures. This expansion should include the option to add floor area as a rooftop addition without being subject to the Affordable Housing Rooftop requirement.
2. **Radius for Floor Area Transfer:** For projects utilizing the UARP incentive, the reallocated floor area should be permitted to be transferred to any new building within a 500-foot radius of the original site. Furthermore, this transferred floor area should not count towards the total floor area of the receiving site, thus facilitating more flexible site planning and utilization.

These modifications will enhance the feasibility of AR projects by providing more practical and flexible options for Developers to meet both financial and regulatory challenges. By allowing for a broader application of the Floor Area Reallocation incentive, LACP can significantly contribute to the



preservation and AR of more buildings, aligning with broader urban development and sustainability goals.

### 8. Streamline the Adaptive Reuse Process for Seismically Vulnerable Buildings in M Zones

Since the City of Los Angeles passed the Mandatory Retrofit Ordinance for Non-Ductile Concrete (NDC) Buildings in October 2015, compliance has been low. As of now, only 12% of these buildings have met the 10-year compliance date for plan submission, and just 6% have completed the construction requirements within the 25-year compliance period. Notably, most of the projects that have complied were either change-of-use projects or were completed before the enactment of the NDC Ordinance.

Given this slow progress, there is a significant opportunity to strengthen our most vulnerable structures while also encouraging new housing developments. Thus, we recommend that the Citywide ARO be expanded to allow all seismically vulnerable buildings, even those in M Zones, to undergo AR “by-right” or via an Administrative Review process.

Currently, the process for converting seismically vulnerable buildings in M Zones to residential uses involves a discretionary review, which can deter building owners from pursuing AR projects due to the uncertainty, delays, and additional costs associated with such reviews:

*“(ii) A Zoning Administrator may, upon application, allow Adaptive Reuse Projects in the MR1, MR2, M1, M2 and M3 zones, subject to the procedures set forth in Subparagraph 12.22 A.26 (e)(4) of Chapter 1 of the Code.”*

*“(4) Class 1 Conditional Use The Zoning Administrator shall review the following Adaptive Reuse Projects pursuant to Subdivision 12.24 X.1 of Chapter 1 and Sec. 13B.2.1. (Class 1 Conditional Use Permit) of Chapter 1A of the Code.”*

To encourage more building owners to consider AR, transitioning to a “by-right” or Administrative Review process would eliminate the uncertainties and high costs associated with the current discretionary review process. This change would not only expedite the retrofitting and reuse of these critical structures but also help Los Angeles strengthen its housing stock and improve the resilience of its building infrastructure against seismic risks.

### 9. Revise the Intermediate Levels Incentive

One significant advantage for Developers considering AR projects is the potential to generate additional revenue by introducing intermediate floors for residential units in buildings where existing ceiling heights permit. Currently, implementing such features under the existing ARO requires obtaining approvals via a Conditional Use Permit (CUP), a process many Developers avoid due to the complexities and uncertainties outlined earlier in this letter.

The Citywide ARO draft thoughtfully includes incentives that do not count the addition of intermediate floors as new floor area, which could significantly enhance the viability of many AR projects. **However, the Intermediate Level incentives still require further refinement to fully unlock the potential of AR.**

Working within the constraints of existing building structures often makes it challenging to control the height of infill floors or mezzanines. For instance, in projects like the one located at 125 W 4th Street, intermediate floors often do not vertically align with upper units, necessitating complex adjustments such as horizontal transitions for plumbing lines and mechanical ducts. These adaptations frequently lead to the installation of dropped ceilings to enclose these transitions, thereby reducing the usable height even though other parts of the unit may offer expanded ceiling heights above the code minimum.

To better accommodate these realities and encourage more Developers to undertake AR projects, we propose the following revision to the Intermediate Levels Incentive:

*“An intermediate level may consist of either a partial or full floor, and the clear height above and below the intermediate level shall be not less than ~~8 feet~~ the building code minimum height 1208.2 Minimum Ceiling Heights.”*

This revision provides clearer guidance and greater flexibility for Developers, helping to simplify the regulatory process and enhance the feasibility of adding intermediate floors. By modifying this incentive, we can better support the unique challenges of AR, making these projects more attractive and financially viable.



Image of 125 W 4th St Case Study—featuring a [link](#) to the 125 W 4th St leasing website. This case study highlights the innovative solutions required to create livable and healthy units using intermediate floors. Flexibility and creative design approaches are essential.

## 10. Remove the Ground Floor Use Requirements in Adaptive Reuse Projects

We recommend that the LACP consider removing section (c)(4) from the current ARO due to its overly prescriptive nature, which may hinder housing production. Mandating specific uses such as Live/Work Units or common residential amenity spaces, as outlined below, is likely to increase costs and lead to underutilized or unoccupied ground-floor spaces compared to a more flexible ordinance:

*“(4) Existing ground floor commercial uses may be converted to Residential Use, provided that at least the first 15 feet of depth as measured from the street-facing facade shall be limited to such active uses as Live/Work Units, or common residential amenity spaces such as fitness rooms, lounges, lobbies or co-working space, to maintain active uses at the ground floor. The new ground floor use shall maintain or may increase transparency, and shall not reduce the existing condition of exterior glazing on any portion of a ground floor fronting a public street, unless such reductions*

~~are required for seismic reinforcement, fire/life safety concerns, or other upgrades to improve performance of the existing building.”~~

If section (c)(4) cannot be entirely removed, we alternatively propose that its requirements be carefully considered only for specific commercial zones. A revised version might state:

*“(4) Existing ground floor commercial uses may be converted to Residential Use, unless predetermined by a preceding CPIO, CDO, Specific Plans, etc., that required commercial uses. For such zones ~~provided that~~ at least the first 15 feet of depth as measured from the street-facing facade shall be limited to such active uses as Live/Work Units, or common residential amenity spaces such as fitness rooms, lounges, lobbies or co-working space, to maintain active ‘uses at the ground floor.’”*

Our concern is that adopting the DRAFT requirements citywide could have unintended consequences. For instance, in our [linked](#) Case Study Project, a market demand analysis determined that large units were desirable on the ground floor. By limiting the use to Live/Work Units—restricted by building code to a maximum of 3,000 sf—the project faces financial market challenges.

Moreover, this proposed change marks a regression from the current ARO, which is silent on ground floor uses and does not impose such restrictive requirements, thereby avoiding creating barriers to AR projects.

## 11. Expand the Citywide Adaptive Reuse Ordinance to Include Office-to-Hotel Conversions

We understand that the city’s Housing Element limits the Citywide ARO to be a housing initiative. Despite this, we believe it is critical to leverage this opportunity to expand the ARO’s scope to include office-to-hotel conversions, particularly since hotels are already covered under the current ordinance. As we consider expanding the ARO citywide, it logically follows that hotel conversions should also be encompassed to maximize the ordinance’s impact.

Recent trends, as highlighted in the article [“Beyond Tradition: Innovating Hospitality with Historic Reuse and Boutique Hotels”](#) show that the most common type of office conversion projects nationwide involves transitioning to hotel uses. This suggests a strong market viability for such conversions, which could subsequently be adapted for residential use, aligning with the city’s housing goals.

Moreover, evidence from the research report [“Can Adaptive Reuse of Commercial Real Estate Address the Housing Crisis in Los Angeles?”](#) supports this strategy by demonstrating the cost-effectiveness of hotel to residential conversions. The report indicates that AR projects, particularly those involving hotels, can reduce construction costs by approximately 48 percent compared to new builds. This substantial construction cost saving arises from the lower foundational and structural changes required in adapting existing hotel buildings for residential purposes.

By including hotel conversions within the Citywide ARO, we could not only increase the hotel supply but also provide a pathway for underperforming hotels to transition to residential uses at a significantly lower cost. This approach would undoubtedly help increase the housing supply and provide a sustainable solution to underutilized commercial real estate in the city.

**Therefore, we recommend that the Citywide ARO explicitly includes provisions for office-to-hotel conversions, ensuring that these projects can benefit from the same streamlined processes and incentives as other AR initiatives.** This expansion will better serve the city’s broader urban development and housing objectives by making AR more comprehensive and economically viable.

## In Closing

We commend LACP for all the hard work and dedication it has taken to craft such a comprehensive and thoughtful document. **At the same time, we agree that the most important thing is adopting the Citywide ARO.** We are hopeful that these recommendations will be considered and implemented. We believe minor adjustments are required to ensure its success, and success should be measured by the number of housing units generated using this new ordinance.

Sincerely,

Roberto Vazquez, AIA  
Associate Principal  
AXIS Architecture + Design



*As a sought-after adaptive reuse expert, Roberto has helmed some of the most significant adaptive reuse projects throughout Southern California.*