



Recommendations to Improve & Advance Adaptive Reuse Citywide

*An initiative of the AIALA Government Outreach Committee
w/ the Leadership & Support of [Omgivning](#)*

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Dear Mayor Bass,

The people of Los Angeles believe in your leadership skills and ability to transform our City of Los Angeles (City) positively. Additionally, we also acknowledge that tackling the unhoused crisis is, as you've deemed it "an emergency." While we understand that solving the crisis is daunting, a community of design and building professionals is eager to work with you to achieve your housing goals.

Our letter focuses on all the benefits of Adaptive Reuse (AR). AR can significantly impact housing creation and, at the same time, support sustainability by reusing buildings, revitalizing our city by enlivening our underutilized buildings, and supporting our cultural heritage by recycling and not tearing down our buildings.

While the City has been a true success story regarding urban revitalization thanks to the City's AR Program, the current AR Program has become outdated. Therefore, a new AR Program must address today's challenges in converting existing buildings to new housing units. With bold reforms, we can avoid the City falling well short of the State's housing production number of more than 455,000 housing units by 2029.¹

Over the last decade, US Cities have seen a consistent increase in office vacancy, leaving many existing office buildings underutilized or, at times, entirely vacant. The glut of existing office building stock has been exacerbated due to the pandemic as workers have significantly shifted to a hybrid "work from home" office culture. The current vacancies will only increase as leases come up for renewal and office tenants decide to reduce their office footprint or leave altogether. As a result, we will continue to experience an increased risk to public safety as fewer office tenants lessen the demand for ground-floor activation, leaving our streets vulnerable to increased crime.

While the housing crisis is felt during our daily activities, as we continue to see our streets filled with

makeshift housing, the climate crisis is also upon us. It can take up to 80 years to offset the negative carbon impact associated with the demolition and construction of a new building even if a new building is constructed using the most energy-efficient technologies.² **Additionally, the building construction industry accounts for 48% of America's energy emissions; therefore, we must do everything in our power to find new uses for our existing building stock.**³

AR Projects' Greatest Challenges: Time and Money

The lengthy timeline for AR development projects in the City, from concept to building occupancy, is interminable. Unfortunately, the protracted development timeline has forced many Developers to sit on the sidelines and wait for change, or they have given up entirely and moved their focus to other cities, where jurisdictions are more willing to work with Developers to expedite the approval process.

It has become less financially feasible to adaptively reuse an existing office or industrial building to create more housing units. Per Omgivning's historical data, we have observed that the construction cost for AR housing projects has doubled from \$150/sf to \$300/sf at a minimum since the AR Ordinance was first released. As a result, fewer Developers are willing to take on the risk associated with an AR conversion project.

While the two central issues of Time and Money are commonly intertwined, our outline below attempts to identify the challenges and opportunities for solutions into two categories. First is Policy Reform, which will have the most significant impact on increased housing production. The second is Administration Reform. However, even with successful policy reform, the opportunity for AR to help address the housing crisis will only be fully realized once we address the challenges in both categories.

Policy Reform

While we agree that implementing AR amendments currently in Article 9 of the Downtown Los Angeles (DTLA) 2040 Community Draft Plan is a big step in the right direction, it needs to go further.⁴ **The people of Los Angeles need an Adaptive Reuse Program that is citywide, and we need it now. Given the state of emergency, we can't afford to wait for a Citywide AR Program to be rolled out independently throughout the 35 individual community plans.**⁵

1. AR Building Eligibility

While the DTLA 2040 Community Draft Plan seeks to increase the eligibility of existing buildings to include post-1974 buildings, it stops short by implementing a 25-year rolling clock.

Furthermore, the DTLA 2040 Community Draft Plan seeks to rezone some existing Industrial (M) Zones to a new zone designation that would allow for residential use. Unfortunately, the DTLA 2040 Community Draft Plan stops short by restricting residential uses to live-work, does not allow for existing manufacturing buildings to be converted to housing, and sets requirements on the number of commercial spaces.

Recommendation:

Increase the number of eligible buildings by reducing the 25-year rolling clock to a 10-year rolling clock and allow AR housing conversions in M Zones.

2. Inclusionary Housing Provisions

While the DTLA 2040 Community Plan seeks to increase the viability of AR housing conversions, it curtails those efforts by implementing a mandate for a minimum amount of affordable units to be included in each AR project, as noted in the Citywide AR Program.⁶

According to one Consultant's Report, the challenge with mandating affordable units for AR projects is that it burdens already financially challenged projects.⁷

Recommendation:

The City should explore incentivizing AR projects to include affordable housing units. The current 2023 California State Budget carves \$410 million in State funds to encourage affordable housing within AR development.⁸

Let the lenders of such funds attach affordability requirements for AR housing projects.

3. Mandatory Seismic Provisions

The City is only one of a few jurisdictions in California that takes the California Existing Building Code and amends it via the Los Angeles Building Code. Los Angeles' amendment mandates that any conversion to residential uses be analyzed per today's seismic resistance standards.⁹

Once the analysis is complete, not all buildings require a comprehensive structural seismic strengthening scheme. However, the mandate allows Plan Check Engineers to scrutinize the Structural Engineer of Record's design solution, creating a lengthy plan check review.

The possibility of seismic strengthening scares away most Developers, and the mandate eliminates the potential of a partial AR housing conversion project.

Recommendation:

We recommend that the City assemble a Multidisciplinary Task Force to study how to reduce construction costs and the plan check approval period associated with the Mandatory Retrofit analysis triggered by the Change of Use from Office to Residential. A Multidisciplinary Task Force is necessary as it will assist the Engineering Community in understanding the total cost associated with a Mandatory Seismic Upgrade. It's important to note that a significant amount of the cost is the collateral cost involved with seismically upgrading a building, especially when a goal of a conversion project is to maintain partial occupancy during construction.

4. Lack of Financial Incentives

A current conundrum with eligible AR conversion projects is that many buildings are not entirely vacant, but many are underutilized. An underutilized building may remain that way for many years, and its opportunity for a new use, such as housing, will remain unrealized.

Unfortunately, many buildings, including ground-floor storefronts, have been empty for years. While some vacancies are a sign of the market, others are intentional. For example, a long-term property owner may not carry a high mortgage and can let part or the entire building sit empty rather than spend money on building upgrades.

Furthermore, an underutilized building is a risk to public safety. We should discourage a building from becoming entirely vacant as it will add to blight.

Recommendation #1:

The City can make some quick changes to offset the financial burden of converting these buildings to make them more viable as an AR housing project.

For example, School Fees associated with constructing new AR residential units for AR projects can be reduced or waived. A fee waiver incentive was applied to earlier AR conversions and should be revisited as it was successful.

Additionally, delaying the property tax increase associated with the property purchase until after a certificate of occupancy will encourage more AR residential conversions. Any reduction in carrying costs for AR properties should be explored. Furthermore, this would remove the barrier faced by smaller, newer development firms looking to jump into the AR market that is currently reserved for large investors with an abundance of capital.

Recommendation #2:

The City of Calgary is becoming a true success story in subsidizing AR housing production. The City of Calgary provides a \$75/sf rebate upon issuing a Certificate of Occupancy.¹⁰ The City could promote AR by tapping into the \$10 billion American Rescue Plan funding already committed to public safety and violence prevention¹¹ or the \$55 billion Bipartisan Infrastructure Law.¹²

The concept of subsidies can be further expanded to ground-floor retail spaces. So often, Building Owners are willing to wait for an ideal tenant instead of offering the space to the retail tenant that cannot pay the required rent “to make the deal pencil.” Instead, occupying ground floor retail space should be considered a community benefit and should be given the opportunity to be subsidized to increase public safety.

Recommendation #3:

Vacancy is best discouraged by incentivizing development. However, a vacancy tax for unused buildings may promote more AR housing unit production if incentives fail to work. Therefore, we recommend the City look into the City of Vancouver’s Vacancy Tax Law¹³ and see how to craft a policy that works for the City.

Administration Reform

5. Appointed AR Liaison

The Building and Safety plan check process can include up to 32 interdepartmental clearances. This often requires the Architect of Record to meet with all departments independently. As a result, each department evaluates the project from a limited understanding. In addition, the process can sometimes put departments at odds with each other as they try to enforce conflicting codes, regulations, and interpretations.

Recommendation:

A Plan Check Liaison with consistent support staff through the Mayor's Office is recommended to assist all AR projects through the plan check process.

Additionally, early plan check support for Consultants is needed to allow Design Professionals to present ideas to LADBS before committing significant resources to go through plan check. The earlier plan

check support should provide Consultants with formal agreement and direction from LADBS and Plan Check Engineers with the authority to make decisions.

6. Cultural Shift

Often Plan Check Engineers state that to grant code modifications for historical buildings, the Architect or Engineer must prove their proposed code modifications are equivalent to the current code.

A shift in the approach needs to occur where Plan Check Engineers are willing to understand the Architects' and Engineers' solutions for challenges related to historical and even existing non-historical buildings.

Recommendation:

The California Historical Building Code states, “The CHBC requires enforcing agencies to accept solutions that are reasonably equivalent to the regular code when dealing with qualified historical buildings.”

A cultural shift at Los Angeles Building and Safety (LADBS) and Los Angeles Fire Department (LAFD) Plan Check and Inspection Divisions can occur by connecting and collaborating with outside professional groups such as the Los Angeles Chapter of American Institute of Architects (AIA/LA) and Structural Engineers Association of Southern California - Existing Building Committee (SEAOSC EBC). Working with these outside organizations can allow the departments to share their concerns freely in hopes of meeting a common understanding and interpretation of the code.

7. Requests for Modifications (RFM)

As described in Opportunity #8 - reasonable code equivalency is often required when conformance with today's code cannot be met. However, the current process for obtaining RFM approval or denial is often delayed until the construction documentation is nearly complete. In addition, the acceptance of an RFM can often have conditions of approval. Therefore, the conditions of approval can often negatively impact the construction documentation coordination. Similarly, if an RFM is denied, this often causes significant reworking of the construction documents.

Due to the lengthy approval process, Developers often lock in their agreements with a General Contractor to build projects during the final stages of the permitting phase. **These “late hit” design changes expose the developer to change orders, often creating significant project delays, and financial harm to the project.**

Recommendation:

Approval of RFMs early in the design phase or during the review of the first Parallel Design - Permitting Process (PDPP) submission is recommended for both LADBS and LAFD plan review processes. **LAFD does not participate in the PDPP process, and this plan check process must be restructured.**

While it's inevitable that not all RFMs can be identified, reviewed, and approved during the early design phases, the RFMs associated with primary fire life and safety systems can be and should be. During the first PDPP submission, the building program and exiting systems are established. **Changes to the primary fire life and safety systems must be avoided when projects are nearing the final stages of the permitting phase to avoid delays and construction cost increases.**

8. Consistent Personnel (LADBS and LAFD)

Once the staff at LADBS and LAFD gain enough experience to review plans and move through the plan check verification process expeditiously, the staff is often relocated to another department or location. **The loss of LADBS and LAFD staff's institutional knowledge slows the opportunity to generate more housing units.** Furthermore, at times Plan Check Engineers are relocated to different departments during an active plan check verification process for a project. Once a new Plan Check Engineer is assigned, they generally bring a unique way to interpret and enforce code requirements for existing buildings.

Recommendation:

Maintaining consistent LADBS and LAFD personnel, especially at the leadership level, is recommended to carry forward and keep persistent interpretations and direction related to AR projects.

Let's get to work

Your campaign has inspired us, and we look forward to working with your administration to help solve our affordable housing and homelessness crisis while creating resilient, sustainable, and equitable housing for all Angelenos.

Best,
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About the Author:



Roberto Vazquez, AIA – [Project Director, Omgivning](#)

Roberto Vazquez joined Omgivning at its founding and focuses on some of the firm’s most significant adaptive reuse projects in downtown Los Angeles. He has successfully managed various large-scale adaptive reuse projects. He enjoys blending his creativity and design talents with his strong technical skills. His experience with existing buildings and Los Angeles City, County, and California codes has made him one of the most knowledgeable resources at the firm. In addition, Omgivning has a long history of advocacy efforts tied to adaptive reuse policy. Roberto has led those efforts with Legislators, Developers, Planners, Engineers, and fellow Architects.

Endnotes:

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