Learning from Los Angeles

October 2013
About the Partnership

NATIONAL TRUST FOR HISTORIC PRESERVATION
The National Trust for Historic Preservation, a privately funded nonprofit organization, works to save America’s historic places. Launched by the National Trust in 2009, the Preservation Green Lab strengthens the fabric of communities by capitalizing on the inherent value of their irreplaceable built assets to improve social, environmental and economic performance.

URBAN LAND INSTITUTE
The Urban Land Institute (ULI) provides leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. ULI is an independent global nonprofit supported by members representing the entire spectrum of real estate development and land use disciplines. ULI Los Angeles is a district council of ULI, and carries forth the ULI mission as the preeminent regional real estate organization providing inclusive and trusted leadership influencing public policy and practice.

PARTNERSHIP FOR BUILDING REUSE
The National Trust for Historic Preservation and ULI created the Partnership for Building Reuse in 2012 to enhance opportunities for building reuse in major U.S. cities. Recognizing the environmental, economic and community benefits of reusing vacant and blighted property, the Partnership for Building Reuse brings together community groups, real estate developers, and civic leaders around the common goal of making it easier to reuse and retrofit these valuable assets. The Partnership for Building Reuse launched with a pilot project in Los Angeles in 2012 and is expanding to four additional cities in 2013-14. A national convening and publication summarizing the lessons learned through the Partnership for Building Reuse is planned for 2015.

*To download and view the complete report, click here.*
Executive Summary

Through innovative public policy and creative private development, Los Angeles is demonstrating how older and existing buildings can be repurposed to serve the new, creative economy and to help meet goals to reduce carbon emissions. The city’s downtown core contains one of the nation’s finest collections of early 20th-century architecture. Most of these buildings sat vacant for decades until a carefully targeted Adaptive Reuse Ordinance (ARO) removed regulatory barriers, provided incentives, and helped make it possible to repurpose more than 60 historic buildings as new apartments, lofts, and hotels.

Now Los Angeles is poised to write a new chapter in this story, one that builds on the remarkable success of the ARO. More than 10 million square feet remains vacant in buildings in the urban core, including downtown and the Wilshire Center/Koreatown redevelopment project area. With work beginning on the first rewrite of the city’s zoning ordinance since 1946, Los Angeles has an opportunity to modernize land use regulations to make it easier to recycle these and other existing buildings to provide much needed housing, live/work space, creative offices, retail outlets, educational facilities and cultural and entertainment venues.

Los Angeles is serving as the initial pilot city for the Partnership for Building Reuse, a national effort of the National Trust for Historic Preservation’s Preservation Green Lab and the Urban Land Institute. The goals of this initiative are to decrease rates of demolition, encourage building reuse, and foster sustainable community development in large cities across the country. Unfortunately, a variety of factors encourage the abandonment, underutilization or even demolition of buildings, resulting in needless environmental impacts and lost development opportunities. The Partnership for Building Reuse is designed to identify common barriers to reuse and to develop recommendations for solutions to overcome them.

Although more than 60 buildings in downtown Los Angeles have been rehabilitated since 1999, opportunities remain in many vacant and underused structures.

NTHP photo, Jim Lindberg
Led locally by the ULI Los Angeles (ULI LA) district council, the Partnership for Building Reuse has engaged more than 50 local real estate investors, developers, architects, contractors, historic preservation advocates, planners, neighborhood representatives, building code officials, and others. Through analysis of development trends, one-on-one interviews, and facilitated discussions, local stakeholders have identified numerous barriers to building reuse in Los Angeles. These include:

**MARKET BARRIERS**
- Unrealistic seller pricing of many existing buildings
- Fewer pre-World War II buildings suitable for reuse remaining

**FINANCIAL BARRIERS**
- Lender concerns about project complexity and delays
- Some areas of the city still considered too risky by lenders

**TECHNICAL BARRIERS**
- Functional challenges with reusing post-World War II structures
- Providing parking on site is often difficult

**REGULATORY BARRIERS**
- ARO does not facilitate commercial reuse
- Change of use is triggered too easily
- Permit review is uncertain and time-consuming

At the same time, the stakeholders pointed to market trends that are creating new opportunities to convert older buildings to new uses in Los Angeles. Downtown and other mixed-use districts along transit corridors are increasingly viewed as attractive places to live, work and shop. Demand for housing in these areas, including market rate and affordable units, continues to be very strong. While the office market is weaker in some areas, demand for “creative office” space is growing, particularly in older buildings with distinctive architectural character. With these opportunities as well as the barriers in mind, an action plan to realize the potential of building reuse in Los Angeles was developed by ULI LA, to be carried out in partnership with other organizations and community leaders. The plan includes three main strategies:

### Action Plan for Los Angeles

1. **Integrate building reuse** as a goal in the update of the Los Angeles zoning code to align land use regulations with the city’s vision for re-urbanization. Focus on the rewrite of the Unified Downtown Development Code as a policy model that can be adopted in other mixed-use areas in the city.

2. **Streamline the building permitting and approval process** by aligning three city departments (Planning, Building and Safety and Fire) to the goal of making building reuse easier.

3. **Create support for policy reforms and incentives that encourage building reuse** by documenting the environmental, economic, and social benefits of building reuse and by sharing success stories.

This plan offers a path to engage other stakeholders and community leaders in a constructive dialogue about how to make the market-driven reuse of older historic buildings in Los Angeles easier and more likely. With success of the ARO to build upon, Los Angeles has an opportunity to become a national leader in sustainable development through building reuse.