

McMillan, Acquanette (Netta)

Subject: FW: City Council Agenda (9/30) - Adaptive Reuse

From: Ana Soulriver

Sent: Saturday, September 28, 2024 1:57 PM

To: Hall, Melanie <mhall@cityofpasadena.net>; Potter, Martin <mpotter@cityofpasadena.net>; Mikaelian, Jason <jMikaelian@cityofpasadena.net>; Márquez, Miguel <miguelmarquez@cityofpasadena.net>

Subject: City Council Agenda (9/30) - Adaptive Reuse

[⚠] CAUTION: This email was delivered from the Internet. Do not click links or open attachments unless you *know* the content is safe. Report phish using the Phish Alert Button. For more information about the Phish Alert Button view article "KB0010263" on the DoIT portal.

Good afternoon,

While the adaptive reuse ordinance looks good for the most part my concern remains with the lack of Financial Incentives. Projects do not start because they are not financially feasible for the developer. How do we allocate money for sustainable development by promoting the carbon reduction the developer is doing through adaptive reuse.

Could the housing department, economic development or some other department come up with a combination of tax credits, grants and development funds to jump start development activities? Perhaps the city can be compensated at the end of the project, when it is cash flowing thereby saving the risk taker, the developer, from depleting their cash reserves.

Most developers cannot touch a building unless the building cost of acquisition is close to \$0 PSF because of the amount of money necessary to convert the building. The problem ultimately remains with the funding of projects and that takes financial support. Thoughts?



The staff report

https://ww2.cityofpasadena.net/2024%20Agendas/Sep_30_24/AR%206.pdf

Ana Soulriver | Senior Associate

225 S. Lake Ave., Suite #M270, Pasadena, CA 91101
asoulriver@naicapital.com | Cal DRE Lic # 02042495

Direct 626-204-1524 | Office 626-564-4800 x1524
Mobile 626-399-5283 | Fax 626-564-4801

Bio | vCard | Research | Investments Services Group | Follow Us   

naicapital.com | NAI Global | 5,800 Professionals | 325+ Offices | 65 Countries | 1.1 Billion+ SF Property Managed



If this email is with regards to a transaction, information and/or opinions expressed herein have been provided by a principal(s) in the transaction, their representative(s), or other third-party sources. No warranty as to the accuracy or completeness of the information and/or opinions or capability of the individual providing such information and/or opinions is intended. Such information and/or opinions should be independently investigated and evaluated and may not be a basis for liability of NAI Capital Commercial, Inc. or its agents. Cal DRE Lic # 02130474



September 30, 2024

Mayor Gordo and Members of the City Council
City of Pasadena
100 North Garfield Avenue
Pasadena, California 91101

RE: SUPPORT FOR ADAPTIVE REUSE ZONING AMENDMENTS

Dear Mayor Gordo and City Council Members:

Pasadena Heritage strongly supports the concept of Adaptive Reuse and urges the Council to approve the recommendations before you this evening to amend the Zoning Code.

Encouraging the reuse of historic and non-historic buildings is a proven practice that is ecologically and historically beneficial. Pasadena should use every tool available to facilitate the reuse of existing structures, and the recommended code amendments are essential to revitalizing older buildings and making them viable again.

As mentioned in the staff report, Pasadena Heritage partnered with the City Planning Department last year to host a seminar on Adaptive Reuse, which was well attended by local and regional developers, architects, planners and real estate professionals. We are pleased that many of the insights gleaned at the session are incorporated into the staff recommendations.

Adaptive reuse projects seem so logical but they can be very challenging. Financing is often one of the greatest obstacles. A simplified review process and modified standards, as proposed, will help with costs, but any additional financial incentives would be of great help in seeing these projects realized. We urge further exploration of incentives in the future, but for the present, adoption of the code revisions proposed will be of considerable value in saving and reusing existing buildings.

Thank you for considering our comments.

Sincerely,

Bridget Lawlor

Bridget Lawlor, Ph.D.
Preservation Director



RECEIVED

2024 SEP 30 PM 4: 29

CITY CLERK
CITY OF PASADENA

September 30, 2024

Pasadena City Council
100 N Garfield Ave.
Pasadena, CA 91101

RE: ZONING CODE AMENDMENTS RELATED TO THE ADAPTIVE REUSE OF EXISTING NONRESIDENTIAL BUILDINGS, INCLUDING CHANGES RELATED TO PARKING AND VARIANCES FOR (2024-09-30 City Council Agenda Item 6)

Dear City Council Members:

I am writing to express my support for the City's adaptive reuse ordinance, which is a commendable step toward increasing housing availability and promoting sustainability. However, I remain concerned about the lack of financial incentives necessary to make these projects feasible for developers. While the ordinance offers a solid foundation, without meaningful financial backing, many adaptive reuse opportunities will remain untapped.

The primary challenge facing adaptive reuse projects is their financial feasibility. Developers often face significant upfront costs in acquiring and converting buildings. Without sufficient incentives, these projects struggle to get off the ground. To address this, I encourage the City to look at successful examples from other cities that have leveraged financial tools to stimulate adaptive reuse and sustainable development.

For instance, Los Angeles' Adaptive Reuse Ordinance has been highly successful, in large part due to the financial incentives provided to developers. The ordinance included fee reductions, streamlined permitting, and tax abatements that have transformed historic buildings into thriving residential and mixed-use spaces. Another example is New York City's Industrial and Commercial Abatement Program (ICAP),¹ which provides property tax abatements for the conversion of non-residential buildings into residential use, particularly in designated zones. These financial mechanisms have been critical in turning vacant or underutilized properties into much-needed housing and commercial spaces.

Additionally, cities like Philadelphia have offered a combination of tax credits, grants², and low-interest loans to developers undertaking adaptive reuse projects. The financial support has made a significant difference in revitalizing neighborhoods and preserving historic structures, all while addressing housing shortages and reducing the city's carbon footprint.

¹ <https://www.nyc.gov/site/finance/property/benefits-industrial-and-commercial-abatement-program-icap.page>

² <https://hiddencityphila.org/2024/07/pennsylvanias-historic-tax-credit-increased-to-20-million/>

9/30/2024
Item 6



I urge the City of Pasadena to consider creating a similar package of financial incentives, such as tax credits, grants, and revolving development funds, to support adaptive reuse projects here. The City could also explore a repayment model where developers repay the City once a project becomes cash-flow positive, reducing the initial financial burden while still recouping public funds over time.

As most developers cannot touch a building unless the acquisition cost is low, particularly given the substantial investment required for conversion, financial support is essential. Without it, the projects we envision will remain purely theoretical.

I hope the City will take these examples into account and adopt a more aggressive approach to incentivize adaptive reuse, allowing Pasadena to lead in sustainable urban development while addressing our housing needs.

Thank you for your consideration.

Sincerely,

Ana Soulrivier
225 S Lake Ave, Suite M270
Pasadena, CA 91101
asoulrivier@naicapital.com | anasoulrivier@gmail.com
626.399.5283