

- POLICY HE-EJ-7 – DEVELOPMENT PROCESS: Facilitate a development process that promotes the design and rehabilitation of housing that is responsive to the needs and desires of the residents of environmental justice communities; and
- POLICY HE-5 – REGULATIONS: Reduce and remove government barriers, where feasible and legally permissible, to reduce costs of housing production and facilitate both ownership and rental opportunities for all residents.

In June 2022, the Southern California Association of Governments (SCAG) approved the REAP 2.0 Program Development Framework which outlined the Programs to Accelerate Transformational Housing (PATH) program. The PATH program provides funding for projects which accelerate infill development and facilitate housing supply, choice, and affordability, and included technical assistance funds distributed to subregional Councils of Government to assist local jurisdictions with housing policy implementation.

In 2025, the City and the Western Riverside Council of Governments (WRCOG) coordinated a technical assistance request to support the development of an Adaptive Reuse Ordinance. City staff worked closely with SCAG and WRCOG on approving a scope of work (SOW) that meets the requirements of the REAP 2.0 guidelines and fulfills key objectives of the City's 6th Cycle Housing Element. The City selected a proposal submitted by WRCOG technical assistance panelist Placeworks Inc. (prime consultant) and Studio 111 (subconsultant) to support various technical and community outreach tasks. As a matter of information, the City has no contractual relationship with either firm for this project, and the City's receipt of technical assistance is governed solely by a memorandum of understanding with WRCOG.

In June of 2025, the project team held a project kick-off initiating various community outreach and technical tasks. Due to the nature of the project grant, all grant fund expenditures and the project must be completed by June 30, 2026.

On December 8, 2025, staff provided the City Council Land Use Committee with an update on the Adaptive Reuse Ordinance including an overview of the project, barriers to adaptive reuse, and next steps for the project, including presenting the ordinance to the Planning Commission

On May 21, 2026, staff presented the Adaptive Reuse Ordinance to the City Planning Commission for consideration. The Planning Commission voted to recommend approval of the Zoning Code amendments by the City Council.

Adaptive Reuse

Adaptive reuse refers to the process of repurposing existing non-residential structures such as vacant offices, industrial spaces, or commercial buildings, into new land uses, including standalone residential units, mixed-use developments, or other commercial uses. Adaptive reuse provides a strategic tool to revitalize underutilized properties, activating vacant spaces and fostering vibrant neighborhoods that better serve evolving community needs. While the City does not have a formal adaptive reuse ordinance in place, the City has a long history of adaptively reusing historic structures. Examples include the Farmhouse Collective, a former motel turned into a unique dining & retail destination; and the Cheech Marin Center for Chicano Art & Culture Museum, a former library turned into a Chicano art museum. Attachments 1 and 2 contain a matrix and memorandum comparing various ordinances across the state which were evaluated as part of this project.

Implementation of adaptive reuse projects is often limited by financial, development, and regulatory barriers. One of the most significant challenges involves compliance with modern building, fire, and accessibility codes. These buildings often do not meet current seismic, life-safety, or energy efficiency standards making conversion challenging and costly, frequently exceeding the cost of new construction.

From a zoning perspective, adaptive reuse projects can be constrained by zoning regulations that limit the allowable uses, heights, or densities for a particular parcel. In the City, most commercial or retail buildings are located in zoning districts that do not permit residential or mixed-use development. This means that if an otherwise acceptable commercial building wanted to adaptively reuse the interior into mixed-use or residential development, the project would need to go through a rezoning or general plan amendment process (and environmental review, if necessary). Minimum parking requirements and site development

standards also pose obstacles, as many older buildings are located on constrained parcels with little room to expand or modify parking areas.

Adaptive Reuse Ordinance – Project Scope

The following list outlines the key project tasks that guided the ordinance's preparation and implementation; however, it is not intended to represent an exhaustive list of all project activities.

Technical Tasks

- Suitable Sites Analysis (Attachment 3)
 - The project team identified two test-fit sites within the City to evaluate the feasibility of adaptively reusing existing buildings to serve as case studies to help identify potential barriers within the City's existing development code in different geographical contexts and for different types and ages of building. The insights gained from these test fits informed policy recommendations and guided the development of the ordinance.
- Land Inventory Analysis (Attachment 4)
 - The project team completed a land and building inventory survey to evaluate the City's existing building stock and identify areas of the City with the greatest potential for adaptive reuse. This analysis provides a foundation for understanding where adaptive reuse could be most effectively implemented.
- Barriers in Current Development Processes
 - The project team reviewed the City's current development processes including case intake, project review processes, the Zoning Code, and the Building Code to identify any barriers in the development processes, incentives, remedies to the barriers, and tools the City may want to consider in order to promote adaptive reuse.

Community & Stakeholder Outreach

- Interviews with Developers and Industry Professionals
 - The project team interviewed industry experts and developers with a breadth of experience in adaptive reuse projects. The focus of these interviews was to gauge lessons learned from other cities' adaptive reuse ordinances and solicit feedback on how the City's ordinance can address common barriers or incentives to adaptive reuse.
- Roundtables with Local Property Owners and Local Partners
 - The project team led a series of three discussions with local property owners, real estate professionals and developers to keep local partners informed throughout the preparation of the ordinance. The roundtable discussions also served as valuable mechanism to obtain feedback throughout key stages of the project.
- Public Openhouse
 - A public open house took place on April 22, 2026, to present the draft ordinance for community feedback.

A summary of the community outreach efforts is provided in Attachment 5.

DISCUSSION:

ADAPTIVE REUSE ORDINANCE

The adaptive reuse ordinance is implemented in a new chapter within Title 19 and a new section within Title 16. Chapter 19.540 incentivizes the conversion of underused non-residential buildings into multi-family or mixed-use development by providing flexibilities like modified development standards for eligible buildings.

Attachment 6 contains the full ordinance for review.

The following is a summary of the ordinance organized into sections.

ELIGIBILITY

To be eligible for the incentives of the adaptive reuse ordinance, eligible buildings must be nonresidential and be located within eligible project areas such as commercial and office zones. The project must also involve the conversion of the interior space of the eligible building in order to qualify for the incentives. Table 1 below provides an overview of the types of non-residential buildings which are eligible for the incentives and the eligible project areas as denoted by Zoning.


Adaptive reuse projects involving the conversion of an existing eligible building into a stand-alone multifamily or mixed-use development are permitted by right and do not require discretionary entitlement approval, unless otherwise specified.

Eligible Buildings	Eligible Project Areas
Non-residential buildings including: <ul style="list-style-type: none"> • Parking structures • Buildings which do not contain any portion of legally occupied residential dwelling units • Buildings which received a Certificate of Occupancy at least 15 years prior (on a rolling basis) • Buildings designated as a cultural resource per Title 20 	<ul style="list-style-type: none"> • Commercial and Offices Zones • Multi-Family Residential Zones (R-3 & R-4) • Mixed-Use Zones • Industrial Zones (Business Manufacturing Park or BMP) • Similar zoning designations as designated within Specific Plans

DEFINITIONS

Chapter 19.540 provides various definitions that are particularly important for the incentives and development standards for adaptive reuse projects. Table 2 below provides an overview of key terms.

Term	Definition	Picture Example
Bonus Floor Area	Additional floor area constructed within or as an extension of height of the existing building envelope.	
Existing Building Envelope	The total amount of 3D building space that exists at the time of the project application without any additions or alterations.	

<p>New Construction</p>	<p>New ground up construction that takes place outside of the existing building envelope. Including parking.</p>	 <p>LA PLACITA CINCO, SANTA ANA</p>
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DEVELOPMENT STANDARDS

The following development standards will apply to all adaptive reuse projects. This includes new construction, adaptive reuse of the existing building envelope, and any bonus floor area.

<p>Table 3. Development Standards</p>	
<p>Development Standard</p>	<p>Ratio</p>
<p>Parking</p>	<p>No additional parking beyond the existing parking stalls for the building is required for conversion of the existing building envelope.</p> <p>New construction will abide by parking requirements of underlying zone or of zone which most closely matches density of project.</p> <p>Excess parking spaces may be converted to other uses.</p>
<p>Open Space</p>	<p>100 sq. ft. of any combination of private and common usable open space per dwelling unit or that of the underlying zone, whichever is less.</p> <p>At least 25% of the usable open space is required to be shared or common space.</p>

New Construction

To help make adaptive reuse projects more financially feasible, the ordinance allows new ground-up construction that is separate from the existing building envelope. Examples of new construction include multi-family apartment buildings, townhomes, lofts, and condominiums. To qualify for new construction:

1. The existing eligible building must be adaptively reused, and
2. The new construction must be located on the same project site as the eligible building.

The applicable development standards for the new construction depend on the project site’s zoning designation. If the site is zoned for residential use (such as R-3-1500, R-3-4000, or Mixed-Use Village (MU-V)), the new construction must comply with the standards of that underlying zone.

In most cases, project sites will be zoned for non-residential uses such as Office or Commercial. In these instances, the new construction must comply with the development standards of the residential or mixed-use zone that most closely matches the proposed project’s density.

For example, if a site is zoned Commercial General (CG) and proposes a multi-family development at a density of 14.5 dwelling units per acre, the project would follow the standards of the R-3-3000 zone. This is because the CG zone does not include residential development standards, and R-3-3000 most closely aligns with the proposed density.

PROJECT INCENTIVES

To encourage adaptive reuse projects, the ordinance provides a range of development incentives that apply only to the conversion or expansion of an existing building envelope. These incentives do not apply to new construction separate from the existing building envelope.

Table 4. Adaptive Reuse Incentives

Incentive	Standard	Benefit
Floor Area & Bonus Floor Area	<p>If a building is already larger than what current zoning allows, it may remain as is.</p> <p>Any new floor space inside or built on top of the existing building will not count against the maximum allowable floor area or height.</p>	<p>This incentive does not penalize existing buildings which do not conform to the current zoning standards and allows flexibility to build additional space inside or on top of existing buildings.</p>
Floor Area Reallocation	<p>In the event that a portion of the building is removed to create courtyards, light wells, or balconies that bring in more light and air, the lost floor space may be reallocated to building additions.</p>	<p>Allowing the reallocation of floor area grants project design flexibility.</p>
Height	<p>In the event that the existing building is taller than what the current code allows, the building will be considered legal non-conforming.</p> <p>Bonus floor area may be constructed on top of the existing building envelope. Additional height as follows:</p> <ul style="list-style-type: none"> • Buildings 49 feet in height or less may add an additional 15 feet in height. • Buildings 50 feet in height or greater may add an additional 30 feet in height. 	<p>Buildings that already exceed the height limit of the Zone aren't penalized, making reuse feasible instead of forcing demolition.</p> <p>Vertical floor additions maximize existing sites, especially in built-out areas where expanding outward isn't possible. The height limits help protect neighborhood character.</p>
Density	<p>The adaptive reuse of the building may exceed the permitted density so long as the project complies with the height provisions.</p>	<p>Allowing projects to increase the density makes adaptive reuse projects more financially feasible by allowing additional dwelling units.</p>
Minimum Unit Size	<p>No minimum unit size is required.</p>	<p>No minimum unit size grants flexibility in terms of project design with varying dwelling unit types.</p>
Setbacks & Stepbacks	<p>Existing building setback will remain legal non-conforming and any additions to the building envelope as part of a floor area reallocation may continue so long as the addition does not increase degree of nonconformity.</p> <p>Building stepbacks will apply only to buildings designated as cultural resources.</p>	<p>Most eligible adaptive reuse buildings do not conform to the setback requirements of residential zones because the building was built to commercial/office standards.</p>
Parking, Open Space,	<p>No additional parking is required for converted uses in the building.</p>	<p>Minimum parking and landscaping requirements often have the effect</p>

<p>Loading and Landscaping</p>	<p>Projects which yield 5 units or less are exempt from open space requirements; distance to publicly accessible parks may also reduce open space requirements.</p> <p>Landscaping and new loading zones are not required.</p>	<p>of making adaptive projects infeasible. Requiring no additional parking for converted uses within the building and no additional landscaping addresses this potential barrier.</p>
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TITLE 16 – ALTERNATIVE BUILDING STANDARDS

As part of the ordinance, a new section within Title 16 (Buildings and Construction) grants the City Building Official and Fire Marshall the authority to adopt alternative building standards in the form of a technical manual to provide guidance on alternative design, methods of construction, and address challenges associated with adaptive reuse projects. The technical manual may be updated from time to time as determined by the Building Official and Fire Marshall.

Attachment 7 contains the full text of the Adaptive Reuse Technical Guidance.

PUBLIC OUTREACH AND COMMENT:

Notice was published in the Press Enterprise on June 10, 2026. As of the writing of this report, Staff has not received public comments regarding this project.

FISCAL IMPACT:

There is no fiscal impact associated with this report.

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 Attachment: Ordinance