

TO CITY CLERK FOR PLACEMENT ON NEXT  
REGULAR COUNCIL AGENDA TO BE POSTED

#53

## RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies, proposed to or pending before a local, state or federal governmental body or agency, must have first been adopted in the form of a Resolution by the City Council; and

WHEREAS, the COVID-19 pandemic spurred a significant shift in the way people work, reducing the amount of time spent working in offices and increasing the amount of work done on a hybrid schedule or entirely remotely; and

WHEREAS, converting vacant commercial space into residential housing, through adaptive reuse, could greatly reduce underutilized and vacant buildings that have been decreasing in value, thereby helping to stabilize the commercial real estate market and filling those spaces with more valuable tax generating uses; and

WHEREAS, adaptive reuse projects can also increase activity and foot traffic in neighborhoods across the state which help support local businesses and enhance the cultural life of cities and towns; and

WHEREAS, adaptive reuse projects create new construction jobs, preserve historic structures, and are more environmentally friendly than new construction, repurposing existing materials, reducing transportation emissions, and preserving embodied carbon; and

WHEREAS, although adaptive reuse projects provide many benefits, they are technically complex and face financial feasibility challenges; and

WHEREAS, the California State Legislature enacted the Mills Act in 1972, which enables participating local governments to incentivize – through a property tax abatement – significant investment in historic preservation; and

WHEREAS, the Mills Act empowers participating local governments to enter into contracts with owners of “qualified historic properties” who actively participate in the restoration and maintenance of their historic properties while receiving property tax relief; and

WHEREAS, the City of Los Angeles administers the largest Mills Act Program in the State of California, which has already demonstrated the ability to facilitate adaptive reuse projects in the City of Los Angeles and has the potential to spur commercial to residential conversions across California; and

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WHEREAS, in 2022 the Department of City Planning published an Assessment and Equity Analysis Report, which include a number of recommendations to strengthen the City's Mills Act Program, including prioritizing new Mills Act applications from multi-family properties and Adaptive Reuse Ordinance projects that include affordable or rent-stabilized housing in communities facing higher barriers to opportunity; and

WHEREAS, currently pending before the Legislature is AB 2909 (Santiago), which would expand the definition of "qualified historic properties" under the Mills Act to include buildings that are at least 30 years old and located in commercial zones within the City of Los Angeles, making these properties eligible for Mills Act contracts. Contracts pertaining to this expanded definition require that property tax savings be reinvested in retrofitting and repurposing existing buildings to create new residential rental units; and

WHEREAS, also pending before the Legislature is AB 2910 (Santiago), which would enable the City of Los Angeles to adopt alternative building regulations to facilitate the conversion of commercial buildings to residential; and

WHEREAS, AB 2909 and AB 2910 will enable the City to reduce financial barriers to adaptive reuse and give the City the flexibility and nuance needed to amend local building codes to better enable conversion projects.

**NOW, THEREFORE, BE IT RESOLVED**, that by adoption of this Resolution, the City of Los Angeles hereby includes in its 2023-2024 State Legislative Program sponsorship and/or support of AB 2909 (Santiago) and AB 2910 (Santiago).

PRESENTED BY:



NITHYA RAMAN  
Councilmember, 4th District



KATY YAROSLAVSKY  
Councilwoman, 5th District

SECONDED BY: \_\_\_\_\_



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