

Appendix C: Housing Resources

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An important component of the Housing Element is the identification of sites for future housing development, and evaluation of the adequacy of these sites in accommodating the City's share of the Regional Housing Needs Allocation (RHNA). This "Housing Resources" section describes the resources available for development, rehabilitation, and preservation of housing in Beverly Hills including land available for new housing construction, and financial and administrative resources that the City can use to facilitate housing production and housing-related services. The final part of this section is an overview of energy conservation and green building resources available to the City and its residents.

A. Sites Inventory

The assumptions and methodology for the residential sites inventory are provided below.

Methodology for the Sites Inventory Analysis

The City's residential sites inventory ([Exhibit A attached to this Appendix](#)) is comprised of ~~threeseven~~ components: ~~(or tabs):~~ 1) ~~approved projects;~~ 2) underutilized (non-vacant) sites with potential for additional residential development or redevelopment; ~~and 3)~~ [potential conversion/adaptive reuse sites;](#) 3) [developer interest list of projects;](#) 4) [approved projects;](#) 5) [submitted projects that are not yet approved;](#) 6) [City-owned sites for affordable housing projects;](#) and 7) potential accessory dwelling units (ADUs).

Potential sites for residential development during the 2021-2029 planning period are summarized in Table C-1. As shown in this table, adequate capacity is available to accommodate the City's RHNA allocation in all income categories. Additional analysis to support this finding is provided in the discussion below.

Table C-1
Residential Sites Summary

Site Category	Income Category				
	VL	Low	Mod	Above Mod	Total

Tab 1: Underutilized sites	442	374	1600	1239	3655
Tab 2: Conversion/Adaptive Reuse sites	190	140	307	110	747
Tab 3: Developer Interest (Table C-3)	110	32	40	29	211
Tab 4: Approved projects (Table C-24)	420	-32	2	540-584	549608
Tab 5: Submitted Projects (Table C-5)	30	12	12	290	344
Underutilized Tab 6: City-owned sites (Table C-37)	982303	621254	4,5790	2,6760	5,758557
Tab 7: Potential ADUs (Table C-8)	25	6365	89	5451	150
Total sites inventory RHNA 2021-2029	1208	79	1,589970	3,4172303	6,427272
Adequate Sites?	Yes	Yes	Yes	Yes	Yes

Source: City of Beverly Hills, 2023

Parcel listing by income category. Parcel-level data for the MU Overlay area lists parcels within the MU Overlay Zone that could potentially accommodate more than 5,000 new housing units based on development standards. However, the total amount of units within the MU Overlay Zone in the sites inventory reflects a lower number of units due to screening of sites with criteria that has been applied to reflect realistic capacity. This total also does not include density bonus units that would be allowed when affordable units are provided consistent with State density bonus law and the City's Inclusionary Housing Ordinance. For each parcel, the income category is shown consistent with criteria established in State law. The allowable density in the overlay is higher than the applicable "default density" of 30 units/acre (79.2 units/acre are permitted in the MU Overlay Zone), which allows sites to be considered suitable for lower-income housing.

Small sites. In determining site capacity, State law provides that sites smaller than ½ acre are not deemed adequate to accommodate lower-income housing need unless the locality can demonstrate that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower-income housing units as projected for the site or unless the locality provides other evidence that the site is adequate to accommodate lower income housing. It should be noted that most of the sites within the MU Overlay could be consolidated with one or more adjacent parcels to create building sites of at least ½ acre. The properties within the MU Overlay

Zone include a number of parcels that are less than ½ acre. All mixed use projects would be required to comply with the City's inclusionary housing ordinance, which requires in the provision of deed restricted affordable units (or payment of in lieu fee for certain types of projects). Currently, the City is processing entitlements for three mixed use projects in the MU Overlay Zone that are on properties less than ½ acre in size, and all such projects are providing very-low income units within these proposals. This provides evidence that these sites are adequate to accommodate lower income housing. Therefore, the City has allocated certain percentages of lower income units on sites less than ½ acre in the MU Overlay Zone.

Sites used in a prior planning period. None of the sites in the MU Overlay were relied upon to satisfy the RHNA allocation in a prior planning period.

Potential for displacement of existing residents. There are currently no existing residential uses in the MU Overlay area; therefore, no existing residents would be displaced as a result of mixed-use development in this area.

Realistic capacity of non-vacant sites. State law¹ requires that for non-vacant sites, the inventory must include a description of the existing use of each property, and if a site is owned by the city or county, the description shall also include whether there are any plans to dispose of the property during the planning period. Information regarding existing uses on each parcel is provided in Exhibit A.

The inventory must specify for each site the number of units that can realistically be accommodated on that site considering factors including the extent to which existing uses may constitute an impediment to additional residential development, the City's past experience with converting existing uses to higher density residential development, the current market demand for the existing use, an analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites.²

In addition, when a city is relying on non-vacant sites to accommodate 50 percent or more of its housing need for lower-income households, the methodology used to determine additional development potential shall demonstrate that the existing use does not constitute an impediment to additional residential development

¹ [Government Code Sec. 65583.2\(b\)\(3\)](#)

² [Government Code Sec. 65583.2\(g\)\(1\)](#)

during the period. An existing use shall be presumed to impede additional residential development, absent findings based on substantial evidence that the use is likely to be discontinued during the planning period.³

Factors that constitute substantial evidence that existing uses do not constitute an impediment to additional residential development during the period include the following:

- The underlying zoning designation for the MU Overlay is Commercial, which does not allow residential use. Therefore, the MU Overlay creates significant new opportunities for residential development.
- Development of residential units within the MU Overlay Zone does not require demolition and reconstruction because existing non-residential space can be converted to residential use at much lower cost than new construction.
- Existing commercial vacancies within the MU Overlay Zone generate financial incentives for residential development or conversion of existing non-residential space to new housing.
- Exceptionally high residential property values in Beverly Hills create significant financial incentives for residential development or conversion of existing non-residential space to new housing.

New Commercial Development Trends

The development trends in the City in recent years reflects a low demand for the development of new commercial buildings, with no residential component. The trend also shows that if possible, new commercial developments are proposing to include some type of residential use. Since 2020, (the Mixed Use Overlay Zone (MUOZ) was adopted in November 2020), the following projects for new commercial (100% non-residential) construction have been approved for entitlement or have submitted applications for entitlement:

Applications Submitted:

- 9600 Wilshire Blvd - submitted application on 7/1/2022 for a specific plan request new 6-story office building, 7-story office building, two 6-story multi-family residential buildings with 70 units, and a private social club with 40 hospitality suites and a spa use

Approved Projects:

³ Government Code Sec. 65583.2(g)(2)

~~Table C-2 summarizes residential developments that have received some form of approval and will become available for occupancy during the planning period. The income levels for these projects are based upon the expected sales prices or rents.~~

Table C-2

- Approved 8633 Wilshire Boulevard (Skanska)- new commercial building originally approved for entitlement in 2020 (prior to adoption of the MUOZ), amended in 2023

As shown above, there are only two new commercial projects that are located within the MUOZ since 2020: 8633 Wilshire Blvd. and 9600 Wilshire Blvd. The 8633 Wilshire Blvd. project was originally entitled in 2020, at which time the MUOZ did not exist, and was recently amended in 2023. At the recent public hearing to amend this entitlement, the developer indicated that while they are moving forward with updating the previously approved commercial project, they did seriously contemplate moving forward with a mixed use project instead given the current attractiveness of mixed use development. 9600 Wilshire Blvd. includes residential uses within the overall project proposal, which demonstrates that there has been a shift towards commercial projects including some component of residential if so permitted on the site. However, the 9600 Wilshire Blvd. project is proposing other uses that require a specific plan proposal, such as the office buildings that exceed the applicable height limit for the underlying commercial zoning. This data demonstrates that for properties located in the MUOZ, the trend is largely skewed towards projects that include a residential component. However, there have been other recent 100% commercial developments (both with approved entitlements and entitlements under review) located in the City's commercial core, known as the Business Triangle area, where there is a concentration of high-end retail and commercial businesses. Thus, the commercial development trend in recent years has generally been to develop or renovate commercial properties that are not located in the MUOZ, but are rather located in the commercially zoned areas outside of the MUOZ where housing is not permitted by-right.

For comparison, recently submitted projects in the MUOZ, and multi-family residential projects that are currently under review are shown below:

Mixed Use Projects in the MUOZ Under Review:

Project / Location	Income Category				
	VL	Low	Mod	Above Mod	Total

City of Beverly Hills General Plan
2021-2029 Housing Element

250 North Crescent Drive	1			7	8
149-159 S. Maple Drive	4	2		23	29
154-158 North La Peer Drive				16	16
457 North Oakhurst Drive	1			5	6
425 North Palm Drive				20	20
340 South Rexford Drive				3	3
462 South Rexford Drive				7	7
9900-9908 South Santa Monica Boulevard				25	25
8600 Wilshire Boulevard			2	16	18
9200 Wilshire Boulevard				54	54
9876 Wilshire Boulevard				140	140
9900 Wilshire Boulevard				193	193
Total Units	6	2	2	510	519

Source: City of Beverly Hills, 2023

- [8800 Burton Way](#)
- [177 S Robertson Blvd](#)
- [105 N Robertson Blvd](#)
- [8811 Wilshire Blvd](#)
- [9229 Wilshire Blvd](#)

Multi-Family Residential Projects Under Review:

- [244-256 N Clark Dr](#)
- [232 S Doheny Dr](#)
- [9937-9945 Durant Drive](#)
- [412 N Oakhurst Dr](#)
- [444-446 N Oakhurst Dr](#)
- [227-231 N Swall Dr](#)
- [137 S Rexford Dr](#)

The preceding data demonstrates that the overall trend for new development projects in the City skews heavily towards either mixed use residential or multi-family residential projects, especially since the adoption of the MUOZ regulations. The data also reflects that new 100% non-residential projects are rare in the City in general, and if they are proposed, they are more likely to be located in the commercial core area (Business Triangle area), where housing is not permitted as a by-right use.

Existing Use Data for Recent Mixed Use Residential Projects

In addition to the general commercial development trends that show a trend towards less interest and investment in the development of new commercial-only buildings, the City has recently seen a large number of multi-family residential and mixed use residential projects

proposed. Many multi-family residential sites (in the R4-zoned areas) are currently proposed to be redeveloped with new multi-family residential projects. However, there are several other mixed use residential projects that have been submitted on commercially zoned properties, as described below:

In 2023, there were 9 applications submitted to construct mixed-use residential projects in the City, both on properties located in the MUOZ and outside of the MUOZ. The existing or previous uses on these sites include the following uses:

- Car rental dealer
- Religious institution (demolished at this time)
- Commercial offices – law offices
- Preschool and playground
- Retail and commercial offices (2 projects)
- Commercial office and surface parking lots
- Commercial offices – medical offices (2 projects)

In addition, there has been one mixed use residential project application submitted in 2024, on a site with an existing car dealership and surface parking lot use. In 2022, an application for a project that includes residential uses (the project proposes both new commercial buildings and multi-family residential buildings) on a site that was previously developed with a national department store brand (Saks Fifth Avenue). The City also approved a project in the MUOZ in 2023 on a site that was previously developed with a restaurant use and surface parking lot. These projects demonstrate that these types of existing commercial uses, while they may be viable commercial uses, do not act as impediments to redevelopment because they have been deemed to be less valuable than a proposal to redevelop the site with a mixed use residential project.

Looking further back, the City has also approved several mixed use residential projects prior to the development of the MUOZ regulations. These sites were previously developed with commercial uses that include restaurant uses, commercial offices, and a private membership club. These projects demonstrate that prior to the availability of the MUOZ that allows many commercially zoned sites in the City to redevelop with a mixed use residential use, it was still deemed valuable to redevelop commercial sites with mixed use residential projects and the existing commercial uses did not act as a significant impediment to this redevelopment proposal.

The data shows that a wide range of existing commercial uses have been redeveloped into projects that include residential uses in the last 10 years, and have not acted as impediments to redevelopment. Many of the properties in the MUOZ that are identified as potential sites in the Underutilized Sites (Tab 1) category, or the Conversion/Adaptive Reuse (Tab 2) category contain existing uses such as: commercial offices (including medical or law offices), retail uses, car dealership or car rental uses, and religious or educational uses. As demonstrated by the redevelopment data, such uses have not acted as roadblocks for redevelopment, as new mixed use residential projects been proposed on sites containing these uses.

In addition to the trends shown in the City's recent development data regarding the redevelopment of sites with certain commercial uses, there are several generalized trends affecting retail and commercial uses as a result of changes to lifestyles and products, especially after the COVID-19 pandemic. These trends demonstrate a movement towards lower demand for auto-related uses, and physical stores for certain types of commercial or retail uses, and higher demand for online services and on-demand services.

Auto-Related Uses: One general trend is a lower demand for auto-related uses, such as car rentals, physical car dealerships, auto repair shops, and gas stations. This trend can be attributed to recent changes in the ways that cars are used for transportation, changes to car technology and manufacturing, and changes to the ways cars are sold. With increased use and availability of on-demand car and transportation services such as Uber and Lyft, and on-demand electronic scooter services such as Bird and Lime, the overall demand for car rentals has been lowered. In addition, alternative modes of transportation are becoming more available and accessible in the greater Los Angeles area, with the development and extension of additional Metro lines, bus routes, and bike-share services. Changes to car manufacturing and state law mandates have made electric vehicles more popular, which has also led to a decrease in value of gas station uses. While gas stations could be converted to electric vehicle charging stations in the future, many new commercial and residential developments already include vehicle charging infrastructure.

Furthermore, the car sales business model has shifted from a need for physical car dealerships (with large parking lots or structures for car

inventory storage) to a remote and online model, where cars are bought and sold directly to the consumer's location (e.g. Carvana). Several car manufacturers have eliminated the need for car storage, and now only maintain a physical presence with a showroom for the vehicles, where test drives may or may not be available. Such showrooms have more flexibility as far as located, and can even be located within shopping centers (such as the Lucid and Tesla showrooms in the Century City Westfield Mall, and Lucid showroom on Wilshire Boulevard in the City), whereas previously they may have required a larger physical presence for both a showroom and inventory storage. Since cars are also manufactured to be more reliable and more electronic vehicles are on the market, the demand for generalized auto repair shops has been lessened, as vehicles may require less ongoing maintenance (especially with electric vehicles), or may require more specialized maintenance directly through the car manufacturer. All of these factors have resulted in a lower demand for auto-related uses, and this trend is evident in the City, as two recent applications for mixed use residential developments have been submitted on sites with a car rental use and a car dealership use. This trend could indicate that there are opportunities for redevelopment of sites that currently contain auto-related uses, as these uses may be reasonably expected to be discontinued during the planning period. There are several sites in the MUOZ that contain such uses, including car rental businesses, car dealerships, auto repair shops, and gas stations.

Bank Uses: Another notable generalized trend is that retail banks have a lower demand for physical branch locations as compared to before. The increased use of online banking options has lowered the need for physical banks for services such as depositing checks or transferring money into other accounts. For example, Bank of America has notably been closing many of their physical locations in California, which opening more branches in other parts of the United States. For each of these new locations in other areas, Bank of America has indicated that they will close two existing branch locations. In addition, Wells Fargo Bank has been closing many of its physical branch locations, and closed 17 offices nationwide in May of 2023. Furthermore, even if banks do choose to maintain physical branch offices, the trend appears to be that such offices will have a smaller footprint because of the lower demand for consumer services that would be provided at these offices. This trend could indicate that there are opportunities for redevelopment of sites that currently

contain bank uses, as these uses may be reasonably expected to be discontinued during the planning period. There are several sites in the MUOZ that contain bank uses, including both retail branches and offices.

General Retail and Commercial Use Trends: Another general trend in commercial uses is a general lower demand for physical retail spaces. This can potentially be attributed to the slowdown of retail shopping concurrent with the COVID-19 pandemic shutdown, combined with the growing trend for online shopping as a more convenient consumer option. More specifically in the City of Beverly Hills, several local retail stores (non-national brands) closed during the pandemic, and were not often replaced by retail uses, but more often were replaced by restaurant or café uses. In addition, large national retail brands such as Barneys New York closed during the pandemic, and Saks Fifth Avenue has contemplated a redevelopment of their anchor location in the City (Saks has submitted an application to redevelop the site with new commercial buildings and a new multi-family residential building). However, most if not all of the City's high-end retail stores (international brands such as the fashion houses on Rodeo Drive, including Louis Vuitton, Gucci, Cartier, Dior, etc.) are concentrated within the City's downtown Business Triangle area, and are not located within the MUOZ. The Business Triangle area is generally known as the area bordered by North Santa Monica Boulevard to the north, Wilshire Boulevard to the south, and Crescent Drive along the east. While these national and international retail brands may be less susceptible to a downturn in retail demand since they cater to a specific demographic, these uses are not generally located in the MUOZ, and are located in the commercial zones of the City that do not permit multi-family residential uses by-right.

With regard to the commercial uses that are located in the MUOZ, the vast majority of these uses are commercial office uses (with a variety of occupants, including law offices, medical offices, professional or administrative services, creative professionals, etc.), with some retail uses on the ground floor. The MUOZ contains commercial areas of the City that are arguably less desirable in comparison to the Business Triangle area, which commands the highest rents and demand for space, as a result of high visibility throughout the community and the greater Los Angeles area, and translating to high foot traffic and number of patrons. Often, such retail uses in the MUOZ may be a small pharmacy, café or coffee shops, and are often occupied by local

brands that are not franchised or national brands. Since these smaller, local retail brands may not have access to additional capital loans or funding, they may be more susceptible to economic downturns, and thus, these commercial spaces may experience higher rates of turnover. Additionally, local brands that are not franchised chains or national brands may be less likely to have long-term leases, and may also turnover in the space more often as a result. Another trend has been for larger anchor tenants, such as CVS Pharmacy, Rite Aid, LA Fitness, etc., to close duplicative locations within a geographic region. Since these national brands have more latitude to relocate or already have multiple locations in one metropolitan area, there may be more flexibility as far as where they can be located or may be more able to move to other locations. Larger gyms with memberships have also become less popular and less necessary as the options for fitness classes online or more specialized fitness classes becomes more popular (e.g. yoga studios, pilates studios, etc.).

Since there are many of these types of uses in the MUOZ, this indicates the presence of opportunities for redevelopment of sites currently occupied with a combination of offices and local or national brand retail or restaurant uses, as these uses may be reasonably expected to be discontinued during the planning period. Furthermore, the data presented above regarding existing uses on sites submitted for redevelopment in the MUOZ indicate that these types of commercial uses have already been discontinued during the planning period and deemed less valuable than the redevelopment of the site with a mixed use residential project. There are many sites in the MUOZ that contain both commercial office and local retail or restaurant uses, which are all uses that have already been discontinued on sites that are currently undergoing redevelopment. Therefore, these sites can be considered appropriate for redevelopment and the data supports that these uses could reasonably be discontinued during the planning period and do not present an impediment to redevelopment.

In view of all of the trends affecting new development and commercial uses, it is reasonable to anticipate redevelopment of sites located in the MUOZ with mixed use residential projects. The general trends for redevelopment in the City point to a marked increase in proposals for multi-family residential and mixed use residential developments, with a low demand for new commercial-only developments. The trends also support a movement away from physical retail stores and that the types of commercial uses located in

[the MUOZ do not present an impediment for the redevelopment of these sites.](#)

[Further detail is provided in each section below for each of the categories of the sites inventory, including the selection of sites in each.](#)

Tab 1: Underutilized Sites

Underutilized sites with potential for additional residential development or redevelopment are listed in [Table C-3, the first tab of Exhibit A](#). The most significant opportunities for additional housing development are within the Mixed Use (MU) Overlay Zone.

In 2020, the City adopted the MU Overlay Zone that encompasses over 109 acres (Figure C-1). The overlay zone adds mixed use development as a permitted use within the designated areas. Maximum residential density within the overlay zone is 79.2 units per acre and height limits range from three to five stories depending on location. A summary of the mixed use regulations is posted on the City's website to assist property owners, developers and other interested parties in understanding the new mixed use regulations.⁴

The regulations for the MU Overlay Zone have been written to encourage and ease development of mixed-use projects as much as possible. The stated purpose of the MU Overlay Zone is to "encourage vibrant, walkable neighborhoods and increase the availability of housing in the City, while preserving the vitality of existing commercial corridors and minimizing displacement of existing residents". This includes a provision allowing the conversion of existing commercial buildings to mixed use buildings, without requiring compliance with standards related to parking, loading facilities, outdoor living space, setbacks, and height limits, if such buildings do not currently comply with these standards or if the building would become structurally defective by complying with these standards. This means that the MU Overlay Zone regulations provides opportunity for both the redevelopment of vacant or underutilized sites, and developed sites. Moreover, there are some larger commercial sites that have been

⁴ Mixed Use Overlay Guideline Document:
<http://www.beverlyhills.org/cbhfiles/storage/files/1108659042674523311/BeverlyHillsMixedUseGuideFeb2021.pdf>

General Mixed Use Overlay Information Page: www.beverlyhills.org/mixeduse

flagged as not likely to be redeveloped by a public comment letter provided. However, these commercial buildings would not necessarily need to be demolished and redeveloped, given the regulations allowing the conversion of existing commercial buildings to mixed use projects. The commercial office vacancy rate in the city was 16.8% for April, May, and June of 2021⁵, and 17.8% as of September 2021⁶, and in August 2023, the current office average vacancy rate for the Beverly Hills submarket was at 17.2%. which also points to a potential incentive to convert an existing commercial building or portion of a commercial building to a mixed-use project. Similarly, the vacancy rate for the commercial retail sector has increased recently to 7.1% as of September 2021⁷, which may indicate further incentives for commercial property owners to explore redevelopment or conversion of existing properties to mixed use projects. ~~It should be noted that the recent vacancy rates may be slightly higher than normal conditions, due to the COVID-19 pandemic. The emerging trends of online shopping and remote working have accelerated as a result of COVID. Communities across the State are reimagining its nonresidential properties by introducing residential uses on site.~~

~~The~~The underutilized sites category (Tab 1) of the sites inventory was developed by evaluating all of the parcels included in the MU Overlay Zone against criteria that was developed to determine the potential for each site to be redeveloped or converted to residential housing. ~~Notes regarding why a parcel was removed or remained based on field observations and evaluation of the site are included in the column called "Field Notes/Existing Conditions & Analysis for Keeping/Removing". These notes were the result of a windshield survey of the sites, as well as a close review of the existing uses and conditions on each site, and a review of any available data online regarding the site. The criteria were developed by analyzing development trends for mixed use projects located in West Hollywood, Santa Monica, and Pasadena, which are cities where land costs are comparable to Beverly Hills. The development trend data was then used to create the following thresholds that indicate whether a parcel was more likely to be redeveloped, due to certain site conditions and factors present. The development trend data is included as Exhibit B, attached to Appendix C. Parcels that met 3 out~~

⁵ Source: <https://beverlyhillscourier.com/2021/08/28/commercial-vacancy-rate-remains-high-in-beverly-hills/>

⁶ Source: CoStar Report

⁷ Source: CoStar Report.

of 6 criteria were kept in the sites inventory, as parcels that are most likely to be redeveloped. The density applied to the underutilized sites is consistent with the maximum density allowed per the MU Overlay Zone, which is 1 dwelling unit per 550 square feet of lot area, and is consistent with the density calculations in recently submitted mixed use projects in the MU Overlay Zone. The thresholds established for these criteria are conservative in order to provide realistic estimates on potential capacity.

Parcels that were considered to not be likely to be redeveloped or converted met one or more of the following evaluation criteria:

- Parcels with existing commercial buildings that were more than 3 stories tall (not including parking levels that are above ground) because such parcels may have a high improvement-to-land value ratio⁸ and therefore may not be as likely to be redeveloped due to their economic value, and some buildings may be taller than what is currently allowed under development regulations;
- Parcels with existing commercial buildings that were recently renovated or looked more modern (indicating they were constructed more recently) because such parcels may have a high improvement-to-land value ratio and therefore may not be as likely to be redeveloped due to their economic value;
- Parcels with existing commercial buildings that contained medical uses, especially larger buildings and those containing surgery centers or are occupied by prominent medical groups (i.e. Cedars-Sinai, UCLA Health, etc) because such uses typically require expensive tenant improvements and therefore may not experience high turnover or vacancies as often;
- Parcels with existing commercial buildings that contained uses unlikely to be discontinued due to their rarity or the restrictions related to establishing this type of use, such as certain types of car dealerships and vehicle service centers, schools or educational institutions, gas stations, religious uses, etc.; and
- Parcels for which entitlements were recently approved or are under review because such site may be redeveloped in the future with a specific alternative project.

⁸-An improvement-to-land value (I/L) ratio looks at the value of any site improvements (such as any structures or construction) to the value of the land. Previous research by the University of California, Berkeley to identify potential infill development opportunities in California utilized an I/L ratio for commercial and multi-family residential properties. The authors of that study noted that the methodology "...has a strong theoretical and empirical basis: urban parcels for which improvement values are less than land values are widely considered to be economically underutilized. Indeed, many, if not most, market-rate infill housing projects are currently built on refill sites."

Similarly, parcels that were considered likely to be redeveloped or converted met one or more of the following evaluation criteria:

- Evidence of a lack of investment in the property, such as lack of maintenance, or lack of recent upgrades and improvements on the property because such conditions may indicate that a property has a lower improvement to land value ratio and therefore may be more likely to be redeveloped;
- For lease or for sale signs or advertisements online that indicate a higher rate of vacancies and/or turnover of spaces because this may create an economic incentive for property owners to explore redevelopment options for the property;
- Parcels with underutilized improvements, such as those with 1- or 2-story buildings (not including any above ground parking levels) that do not cover the entire lot, and may include surface parking lots because these properties may have a lower improvement to land value ratio and therefore may be more likely to be redeveloped;
- Large parcels that would not require lot assemblage in order for a developer to convert or redevelop the site, even if these parcels contain buildings that are greater than 3 stories because the adaptive reuse regulations in the mixed use overlay zone that allows existing commercial buildings to be converted to residential uses without complying with otherwise applicable multi-family zoning standards;
- Parcels with existing commercial buildings that are higher than 3 stories, but have the potential to be converted to residential uses as a result of their regular floor plan development, and regular window patterns because such a layout may lend itself better to residential unit development; and
- Parcels that are narrow but located adjacent to other underutilized parcels that could be reasonably combined for one unified development because there may be a greater economic incentive to redevelop combined parcels.

- **Criteria A: Improvement to Land (I/L) Value Ratio:** This criteria was calculated based on development trend data from West Hollywood, Santa Monica, and Pasadena for mixed use projects. The data used (improvement and land values) was pulled from the from the LA County Assessor site. Based on the project trend data, the average I/L value of sites that are being redeveloped is **0.42**. Any parcel that has an I/L ratio of 0.42 or less has been highlighted with color on the table.

- **Criteria B: Age of Building:** This criteria was calculated based on development trend data from West Hollywood, Santa Monica, and Pasadena for mixed use projects. The data used (date built or

effective date built) was pulled from the from the LA County Assessor site. Based on the project trend data, the median age of buildings being redeveloped is **76 years old**. Any parcel with a building that is 76 years or older has been highlighted with color on the table.

- **Criteria C: Existing FAR:** This criteria was calculated based on development trend data from West Hollywood, Santa Monica, and Pasadena for mixed use projects. The data used (existing building square footage and parcel size) was pulled from the from the LA County Assessor site. Based on the project trend data, the average existing FAR for sites that are being redeveloped is **0.95**. Any parcel that has an existing FAR of 0.95 or less has been highlighted with color on the table.
- **Criteria D: Existing Building Height (Stories):** This criteria was calculated based on development trend data from West Hollywood, Santa Monica, and Pasadena for mixed use projects. The data used (height of existing buildings) was estimated from Google maps/street view images. Based on the project trend data, the percentages of the 30 existing buildings being redeveloped as part of 27 proposed projects, **43% are 1 story, 37% are 2 story, and 20% are 3 or more stories**. As a result, any parcel with a building that is estimated between 0 to 2 stories has been highlighted with color on the table.
- **Criteria E: Lot Coverage (Percentage):** Data from the LA County Assessor and the SCAG Regional Data Platform was used to calculate this, which is the building footprint divided by the lot area, and expressed as a percentage. The proposed threshold cutoff for this is **50% of lot coverage or lower**, as this could indicate that there is potential for added value if the site is redeveloped, given that there are no or small setback requirements for development in the mixed use zone, and no minimum lot coverage requirements.. Any parcel with 50% of lot coverage or lower has been highlighted with color on the table.
- **Criteria F: ½ Mile of Planned Metro Station:** This measure was calculated with data provided by the City's GIS team, and has identified parcels that are within ½ mile of a planned Metro station (Wilshire/La Cienega station, Wilshire/Rodeo station, and Avenue of the Stars/Constellation station). This will be used as an additional criteria that supports the likelihood that a site will redevelop, given the

general assumption that the metro stations will help spur development activity as well as provide an amenity for the area. In addition, the proximity to metro stations will support residential development further, as projects can take advantage of reduced parking requirements for housing development projects (AB 2097). Any parcel within ½ mile of a planned Metro station has been identified with a "Y" and highlighted with color on the table.

- **Affordability Level Unit Allocation:** Within the category of underutilized sites (Tab 1 of the Sites Inventory), potential units have been allocated to the lower income category based on the City's existing inclusionary housing requirement, which requires 1 deed restricted affordable unit for projects with 5 to 9 total units (or the payment of an in lieu fee), and 10% of the total units are required to be deed restricted affordable units for projects with 10 or more total units. Since this inclusionary housing requirement would be applied to any of these projects, this allocation notes the actual number of affordable units that will be required to be provided in such a mixed use project. Based on the inclusionary housing requirement, the number of lower income units allocated for sites that resulted in a total of 5 to 10 units reflects this requirement of 1 unit. For sites that resulted in a total number of units between 11 and 19 units, a total of 2 lower income units were allocated, based on the 10% inclusionary housing requirement, which is rounded up. For sites that resulted in a total number of units between 20 to 40 units, a 15% calculation of lower income units has been applied because this reflects both the inclusionary housing requirement and the actual percentage of affordable units seen in housing project applications recently processed by the City (calculated by taking the total number of affordable units divided by the maximum number of units allowed by the zoning on the project site). The remaining number of units on these properties (if any) were allocated to the moderate income category, which also includes the market rate units. For sites that are greater than ½ acre, state law allows the total number of units to be allocated to the lower income category because the underlying density exceeds the default density required by the law. For these sites that are greater than ½ acre on this list, the total number of units allowed have been allocated to the lower income category, as permitted by law. However, in no instance did this allocation exceed 100 units, which is consistent with the threshold applied to the list of adaptive reuse/conversion properties on Tab 2 of the sites inventory.

To illustrate the demand for mixed-use development in the City, Table C-42 shows recently entitled or constructed mixed-use buildings in Beverly Hills. These buildings were all entitled prior to the establishment of clear zoning regulations or an entitlement process for mixed-use projects, which illustrates that there has been notable demand from developers to construct mixed-use buildings along commercial corridors, even before regulations for the MU Overlay were established. All of the mixed-use buildings previously constructed or entitled contain one floor of commercial uses with the remaining floors developed for housing, illustrating that it is profitable for developers to devote the majority of the floor area in mixed-use buildings as housing. Previously approved mixed-use buildings range in density from 30 units per acre to 59 units per acre. The MU Overlay allows for up to 79.2 units per acre, which exceeds the density that has previously proven to be profitable and desirable for developers to construct.

Table C-2

Approved Mixed Use Projects

<u>Address</u>	<u>Number of Units</u>	<u>Residential & Commercial Floor Area Total</u>	<u>Units per Acre</u>
<u>55 N. La Cienega Blvd</u>	<u>105</u>		
<u>9908 S. Santa Monica Blvd.</u>	<u>25</u>	<u>90,005 SF</u>	<u>30</u>
<u>8600 Wilshire Blvd.</u>	<u>23</u>	<u>47,781 SF</u>	<u>39</u>
<u>9200 Wilshire Blvd.</u>	<u>54</u>	<u>157,630 SF</u>	<u>57</u>

Source: City of Beverly Hills, 2021

Furthermore, the sites contained in ~~Table C-3~~ Exhibit A include a significant number of vacant sites or sites used only as surface parking lots, as well as parcels that are partially occupied by surface parking lots. In the previous Housing Element planning period (2014-2021), there were a total of 190 multi-family units approved. Already since the beginning of this current Housing Element planning period (2021-2029), there are a total of ~~444~~ 407 housing units proposed in multi-family ~~units or mixed use projects~~ either currently under review in the entitlement process, or in concept review (~~260~~ 239 units currently under review and ~~184~~ 168 units in concept review). This demonstrates that there is significant interest in the current market in multi-family housing development, and that the City's regulations are not precluding this type of development, but are encouraging such projects. In addition, there are already more multi-family residential projects under review now than during the past planning period.

The City also has a number of projects under review at this time that are either multi-family or mixed-use projects:

Tab 2: Adaptive Reuse / Conversion Sites

Currently, the Mixed Use Overlay Zone allows any existing commercial building within the overlay to be converted (or adaptively reused) into residential housing units, which was not previously allowed prior to the creation of the Mixed Use Overlay Zone in 2020. The conversion regulations also allow a conversion application to request relief from certain mixed use standards if it would not be physically feasible for the existing commercial building to comply with such standards. The standards from which relief may be granted by the reviewing authority include requirements for: parking (which may not apply in cases where state law pre-empts the City from imposing or requiring minimum parking requirements), loading facilities, outdoor living space, commercial-residential transitional setbacks (if the building has legally nonconforming setbacks), and height limits (if the building has legally nonconforming heights). The City will also consider a Zone Text Amendment by the end of 2023 to allow the maximum density for an adaptive reuse/conversion in the Mixed Use Overlay Zone to be calculated with the minimum unit size of 500 SF (with no upper limit on density resulting from this calculation), rather than a calculation based on the lot size. This calculation will be based on the existing building square footage available for conversion, instead of the currently applicable calculation based on the lot size. This calculation is more appropriate for an adaptive reuse/conversion project because it would help determine the maximum number of units that can reasonably fit within the existing building envelope, rather than basing the maximum density on the size of the lot when the building has already been developed on such lot.

Adaptive Reuse / Conversion Criteria

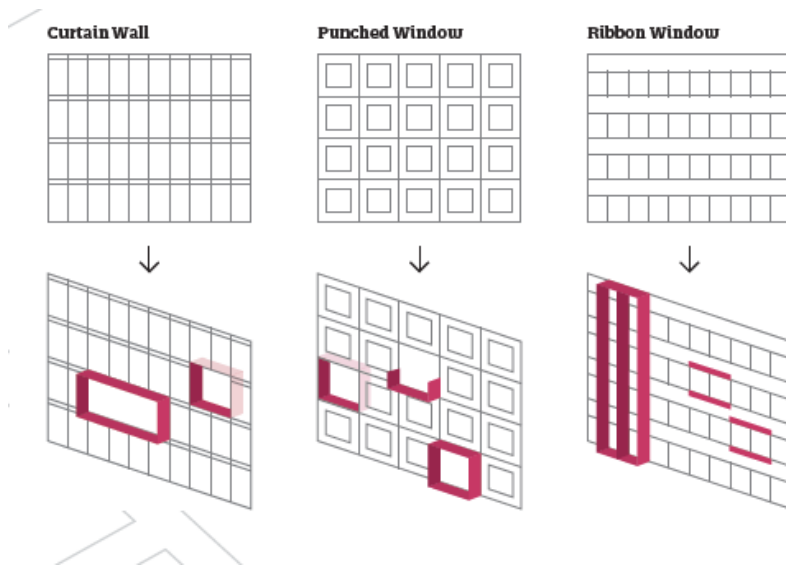
In the conversion (adaptive reuse) category (Tab 2) of the sites inventory, certain existing properties within the Mixed Use Overlay Zone have been selected based on the criteria listed below. A list of these properties with more detailed descriptions of why they have been selected has also been provided in the next section. Properties with existing buildings and improvements that met at least 4 out of the 6 criteria have been kept in this category and allocated units as described.

- **Criteria 1 – Age of Building:** This list only includes buildings that were built on or before 1970 – at least 53 years or older. At this point, older

offices may be less desirable than newer buildings with more updated amenities and office spaces. This approach eliminates office buildings from 1980s-1990s that may have larger floor plates as this was an era when the use of fluorescent lighting became more widespread and allowed the use of larger floor plates without window access for every area of the building. Buildings constructed prior to this era were designed to have narrower corridor spans so that sufficient natural lighting is provided to all areas of the building.

- **Criteria 2 – Existing Building Height:** Buildings that are 6 or more stories and/or have a height that is 1 or more stories above the currently permitted height limit met this criteria because these are legally nonconforming heights that may not be easily achieved again under current code regulations. This means the building is potentially more valuable as an existing asset and would not be as likely to be redeveloped (because the same height would not be able to be achieved), and therefore may be more likely to be contemplated for alternative uses such as a conversion from commercial to residential/mixed use as a way to preserve the asset.
- **Criteria 3 – Qualifying Building Shape:** H, O, C, U, L, or oblong rectangle (rectangles that are narrow and have longer sides than they are wide) shapes – these buildings have increased window access and narrower interior spaces so there is not a lot of wasted space once units are created inside. In contrast, buildings that are square shaped will have more interior space without windows that will not be as easy to convert to a residential use. While it is possible for developers to create interior courtyards or lightwells (such as was done in the case study discussed in the NY Times article “How to Solve a 25-Story Rubix Cube”), this adds cost and may not be as feasible for structural reasons etc. and may depend upon the site-specific conditions. Square/cube shaped buildings may be suitable for conversion as long as the depth of the floor plate is not any greater than 60 feet (assuming that units are 40-50 feet deep) because this would allow for the use of most of the interior building space. Any building shape in which there is a narrower width is generally more suitable for residential conversion because this means that there is less interior space that does not have windows.
- **Criteria 4 – Window Access:** This criteria was applied if the building facades are comprised of windows on at least two sides of the building. Windows along facades are important features that allow conversion to residential more easily because this means that the building will already have windows for residential units. In particular,

windows with three different types of patterns are especially suitable for conversion: curtain walls (where the entire façade is made of windows), punched in windows (where there are slightly recessed windows with only borders separating them) and ribbon windows (where there are rows of windows separated by horizontal borders), according to an informational study performed by the Gensler Research Institute ("Design Parameters for Urban Office to Residential Conversion"). These types of windows may be more easily modified to become operable, or converted to balconies.



Source: Gensler Research Institute ("Design Parameters for Urban Office to Residential Conversion")

- **Criteria 5 – Building footprint < 30K: and/or maximum building dimension of 75 FEET** - Unit depths typically will have a maximum depth of 40-50 feet, and therefore, conversion of the building into residential is more feasible if the narrowest width of the building does not exceed 90 to 100 feet. A similar measure of this is the building footprint, which is correlated to the building floor plate size. A building footprint for an oblong rectangular shaped building of no more than 30,000 square feet would mean that if the maximum width dimension is not greater than 100 feet, that the remaining length is approximately 300 feet – or other combinations thereof – which are reasonable dimensions for a residential building. The 100-foot width can accommodate a double loaded corridor with units facing out on both sides of the building and a common interior hallway, and a

length of 300 feet can accommodate approximately 15 units (with a depth of 20 feet), for a total of 30 units per floor. In order to be more conservative with these criteria, the City has only identified buildings that both have a maximum building footprint of 30,000 square feet and a maximum width (on the narrowest side) of 75 feet.

- **Criteria 6 – 20+ Years Since Significant Renovation:** This criteria was met if the building has not undergone a significant renovation (as noted in CoStar and checked against City records) within the last 20 years. If no renovation was on file, then the years defaulted to the original building date. This particular criteria indicates a lack of recent, significant investment into the building, which could indicate that potential redevelopment of the site is more attractive. Buildings that have not undergone significant renovations could also become a liability if the building has not been update to accommodate ADA access. This criteria also indicates that the building could be less desirable for its current uses, as the amenities and features are more outdated and must compete with newer buildings for tenants.
- **Calculation of Potential Units in Conversion Projects:** The existing Mixed Use Overlay Zone regulations (BHMC section 10-3-1888), currently allow the conversion or adaptive reuse of existing commercial buildings to a mixed use development project. However, the Mixed Use Overlay Zone regulations currently calculate density based on the area of the lot, allowing a maximum density of 1 dwelling unit per 550 square feet of lot area (or 79.2 dwelling units per acre). The current density calculation is proportional to the lot size, rather than allowing an existing commercial building to create units within the existing building envelope. To address this, the City will be bringing forth a change to the density calculation applicable to conversion/adaptive reuse projects in September 2023, which will allow these types of projects to calculate maximum density based on a minimum unit size of 500 square feet of floor area. This calculation would take the existing building floor area above the first floor of the building (as that area is reserved for commercial uses per the Mixed Use Regulations) and divide it by 500 square feet (the minimum allowed unit size) to determine the maximum density allowed. The Planning Commission has recently reviewed this proposed change to the density calculation at their meeting of September 28, 2023, and adopted a resolution recommending the proposed change to the City Council, and this will be scheduled for review by the City Council by the end of 2023.

As such, the maximum density allowed for the list of conversion buildings have been calculated based on the proposed density change, however, in order to ensure that these calculations are more realistic, the existing building floor area is reduced by approximately 20% of the total floor area to account for common spaces, hallways, and elevators/stairwells or other non-rentable areas. In addition, instead of utilizing the minimum unit size of 500 square feet, which would provide the maximum density (and which will be allowable per the proposed change to the regulations), the maximum number of units on each property uses a unit size of 850 square feet, in order to account for the fact that differently sized units may be provided within a project. This figure of 850 square feet is also consistent with the unit sizes of recently proposed mixed use projects. The reduction of the floor area and the increase in the unit size used to calculate the maximum density and number of units allocated to each site provides a more conservative and realistic calculation of how many units might be able to "fit" within the existing building, though the maximum density would technically result in a greater number of units (once the proposed change is adopted).

- **Application of Adaptive Reuse Uptake Filter:** In recognition of the fact that the regulations related to adaptive reuse/residential conversion projects in the MUOZ is relatively new, and there has only been one adaptive reuse project approved, the total number of units allocated to these properties has been adjusted down with the application of a filter. While the 850 square foot-density calculation results in a total of 1,288 units that could be accommodated on the sites in the residential conversion category, the filter makes this total unit estimate more conservative by reducing the total unit calculation on each site by 42%. The application of this filter results in a reduction of the total unit count from 1,288 to 747 units on sites identified for potential residential conversion. This filter intends to reflect that, while the identified sites are strong candidates for adaptive reuse development, given the limited track record of adaptive reuse in Beverly Hills there may be some uncertainty in the redevelopment of these sites. This more conservative filter reduces the reliance of the sites inventory on these adaptive reuse sites to accommodate the City's RHNA allocation.
- **Affordability Level Unit Allocation:** The potential units calculated for the list of conversion sites have been allocated to either the lower income or moderate/market rate income categories based on the following. For sites that are greater than ½ acre, state law allows the total number of units to be allocated to the lower income category because the underlying density exceeds the default density required

by the law. For the sites that are greater than ½ acre on this list, a maximum of 100 lower income units have been allocated, with the remainder of units allocated to the moderate/market rate income category. This allocation is intended to reflect a mix of levels of affordability of units that might be provided within a mixed use project. The City's existing inclusionary housing requirement requires 1 deed restricted affordable unit for projects with 5 to 9 total units (or the payment of an in lieu fee), and 10% of the total units are required to be deed restricted affordable units for projects with 10 or more total units. The lower income unit allocation for sites that are less than ½ acre on this list reflects the inclusionary housing requirement calculation, and is noted in the "inclusionary less than ½ acre" column.

List of Buildings Identified for Potential Conversion (Adaptive Reuse) from Commercial to Mixed Use

The City has compiled a list of buildings that have been identified as potential candidates for conversion from commercial uses into mixed use developments, which meet criteria identified as supporting the likelihood of redevelopment and adaptive reuse into mixed use developments. These criteria are supported by research and previous adaptive reuse projects in the City or the greater Los Angeles region.

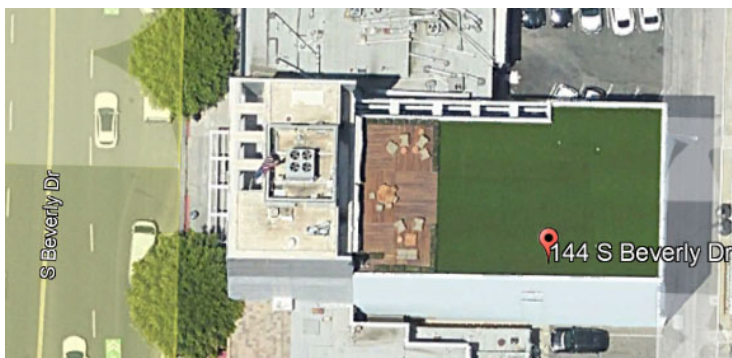
The below list provides more details on each of the properties in order to support the likelihood of redevelopment into adaptive reuse projects.

CoStar Ratings⁹ - According to CoStar, the 5-star rating system used in their data is designed to be a more universal rating system that assesses properties based on several features, including: architectural features, structural and systems specifications, amenities, site and landscaping treatments, third party certifications and detailed property type specifics. This information is collected by CoStar Research and is utilized across their national database of properties. This rating system is intended to provide a better comparison and understanding of building/property quality across markets, in contrast to the Class A, B, or C ratings, which may be more localized within the market region (comparative within the local market). Thus, the below

⁹ <http://buildingratingsystem.com/>

[list provides the CoStar 5-star rating, as well as the Class rating, in order to provide a more accurate picture of the property conditions.](#)

144 S Beverly Drive



- Built: 1962
- Renovated: N/A
- Class Rating: Class B
- Floor Area: approximately 35,235 SF
- Parcel Size: 6,069 SF
 - Existing tenants: a law firm, investment firm, architectural firm, skincare company, and entertainment company, fashion brand, and bank.
 - CoStar Rating: 2-stars out of 5 stars
 - Other conditions: this building is narrow and is an oblong rectangular shape, with a regular window pattern, and appears to have rooftop outdoor space and balcony areas that could become amenities for residential uses

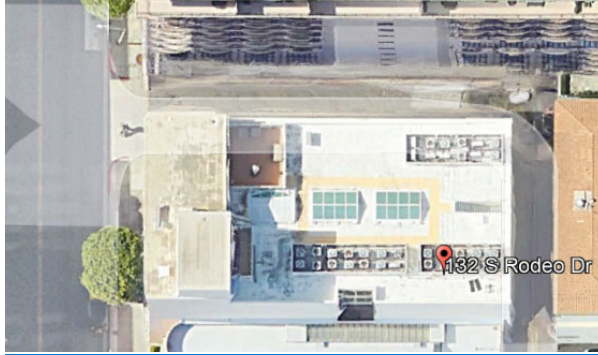
291 S. La Cienega Blvd





- [Built: 1956](#)
- [Renovated: 1990](#)
- [Class Rating: Class B](#)
- [Floor Area: approximately 35,248 SF](#)
- [Existing tenants: law firms, investment firms, a talent agency, a design firm, an insurance agency, and an acupuncture office.](#)
- [CoStar Rating: 3-stars out of 5 stars](#)
- [Other conditions: this building is a trapezoidal shape, but has an undulating, organic form on the first floor that provides a distinctive separation from the rest of the building. The upper floors have horizontal separations with setback windows, which lends to the conversion of these areas to balconies or open space. The building has good window coverage, with windows on several sides. The building is in very close proximity to the proposed La Cienega/Wilshire metro station, which may help spur redevelopment.](#)

132 S Rodeo Drive



- Built: 1962
- Renovated: 1994
- Class Rating: Class B
- Floor Area: approximately 42,000 SF
- Vacancy Rate: approximately 26% of the total building area
- Existing tenants: law firms.
- CoStar Rating: 3-stars out of 5 stars
- Other conditions: This building has a narrow, oblong rectangular shape, and has windows along all sides that are not abutting another building. The vertical window pattern is a ribbon window, which has

[been identified as a window pattern by Gensler Research as one that is apt for residential uses.](#)

[8383 Wilshire Blvd](#)



- [Built: 1971](#)
- [Renovated: 1993](#)
- [Class Rating: Class B](#)
- [Floor Area: approximately 426,106 SF](#)
- [Existing tenants: various professional and service uses, such as a charitable foundation, an exercise studio, entertainment companies, law firms, financial investment firms, real estate](#)

management firm, an insurance company, and a business management firm.

- CoStar Rating: 4-stars out of 5 stars
- Other Conditions: This building has been identified as potentially historic, which means that it may qualify for use of tax incentives and more flexibility with zoning and building code requirements. The building has an unusual shape, which is similar to a "Y", with three equal length arms that extend from the center. Although the building is large, the shape provides extensive window coverage on all sides of the building. In addition, there are open areas on the property that can be easily converted into private open space or other amenities for the building.

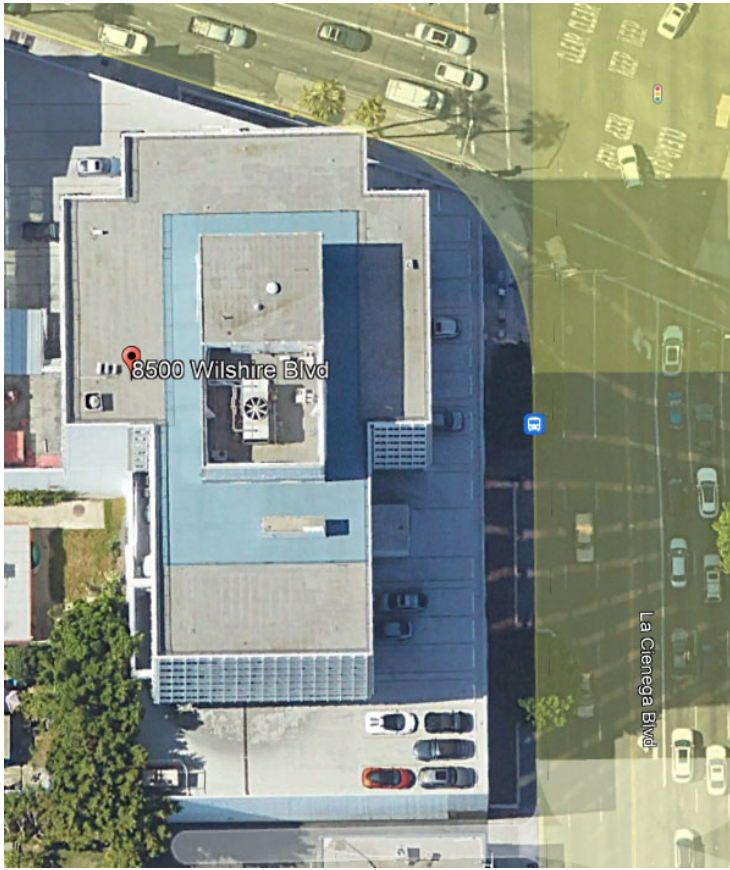
8447 Wilshire Blvd





- [Built: 1963](#)
 - [Renovated: 1963](#)
 - [Class Rating: Class B](#)
 - [Floor Area: approximately 96,355 SF](#)
 - [Existing tenants: talent agencies, entertainment companies, a real estate development firm, real estate agencies and investment firms, and a marketing agency.](#)
 - [CoStar Rating: 3-stars out of 5 stars](#)
 - [Other Conditions: This building has a shape that jogs along the front façade, with one portion protruding further towards the street. The window pattern is similar to a punched window or curtain wall, and there is extensive window coverage on the majority of the building. There also appears to be open rooftop areas that could be converted into private or shared open space.](#)
-

8500 Wilshire Blvd





- [Built: 1963](#)
 - [Renovated: 2008](#)
 - [Class Rating: Class A](#)
 - [Floor Area: approximately 210,021 SF](#)
 - [Existing tenants: a construction company, a cosmetic spa, a dental office, an audiologist office, and medical offices.](#)
 - [CoStar Rating: 3-stars out of 5 stars](#)
 - [Other Conditions: This building has been identified as potentially historic, which means that it may qualify for use of tax incentives and more flexibility with zoning and building code requirements. This building is a podium style, with ground story retail spaces along the entirety of the property area, and podium parking areas above, and an office tower with a narrower footprint. The office tower is in the shape of a "T", which provides more window coverage, and opportunities for the addition of balconies on the corner spaces. The podium is uniquely helpful for conversion into residential uses because the areas on top of the podium can be used for open space amenities, including a pool area, gym, lounge, etc. In addition, the podium parking will provide sufficient parking resources for residents.](#)
-

8530 Wilshire Blvd



- Built: 1959
- Renovated: 2002
- Class Rating: Class B
- Floor Area: approximately 47,872 SF

- Vacancy Rate: approximately 33% of the total building area
- Existing tenants: a law firm, a permanent makeup service, a visa application service, and medical offices.
- CoStar Rating: 3-stars out of 5 stars
- Other Conditions: This building has been identified as potentially historic, which means that it may qualify for use of tax incentives and more flexibility with zoning and building code requirements. This building has a narrow, oblong rectangular shape, with a regular window pattern on all sides not directly abutting another building. The building has an attractive façade with the windows projecting slightly, which could allow these areas to be converted into balconies.

8671 Wilshire Blvd



- Built: 1964
- Renovated: N/A
- Class Rating: Class B
- Floor Area: approximately 50,596 SF
- Vacancy Rate: approximately 44% of the total building area
- Existing tenants: an architectural firm, a mortgage company, a real estate investment firm, various retail companies, an insurance company, a marketing agency, and a radiology laboratory.
- CoStar Rating: 2-stars out of 5 stars
- Other Conditions: This building has been identified as potentially historic, which means that it may qualify for use of tax incentives and more flexibility with zoning and building code requirements. This building is very narrow with a rectangular shape, and has residential

characteristics, with an attractive tiled façade facing Wilshire Blvd. The building has three levels of podium parking, with offices above. The podium area could be used to provide parking for residents, or could also be converted to additional residential and shared amenities. There is sufficient window coverage, and areas that could potentially be converted to balconies.

8730 Wilshire Blvd





- Built: 1963:
 - Renovated: 1985
 - Class Rating: Class C
 - Floor Area: approximately 56,903 SF
 - Existing tenants: law firms, a radiologist office, a water generator business, entertainment companies, non-profit organization offices, and a brokerage company.
 - CoStar Rating: 3-stars out of 5 stars
 - Other Conditions: This building has been identified as potentially historic, which means that it may qualify for use of tax incentives and more flexibility with zoning and building code requirements. This building's window pattern is a ribbon window pattern, which has been identified as a window pattern that is favorable for residential uses, and provides extensive window coverage along multiple building sides. The building is generally a narrow rectangular shape, with a curved end along the façade facing Wilshire Blvd. In addition, this building is located adjacent to a surface parking lot, which could be acquired and consolidated to create a unified development.
-

8820 Wilshire Blvd



- [Built: 1952](#)
- [Renovated: N/A](#)
- [Class Rating: Class B](#)
- [Floor Area: approximately 28,217 SF](#)
- [Existing tenants: a bank, a commercial real estate agency, a fashion brand, a public relations firm, a marketing agency, and entertainment companies](#)
- [CoStar Rating: 3-stars out of 5 stars](#)
- [Other conditions: This building has an L-shape, with surface parking on the remainder of the property. The window pattern is similar to a punched window, which has been identified as a pattern that is favorable to residential uses. The L-shape provides opportunities for other uses to be developed on the surface parking area, including open space amenities, such as a courtyard, a swimming pool, and landscaped areas. In addition, the L-shape allows more window coverage along each of the sides of the buildings and allows for potential additions of balconies.](#)

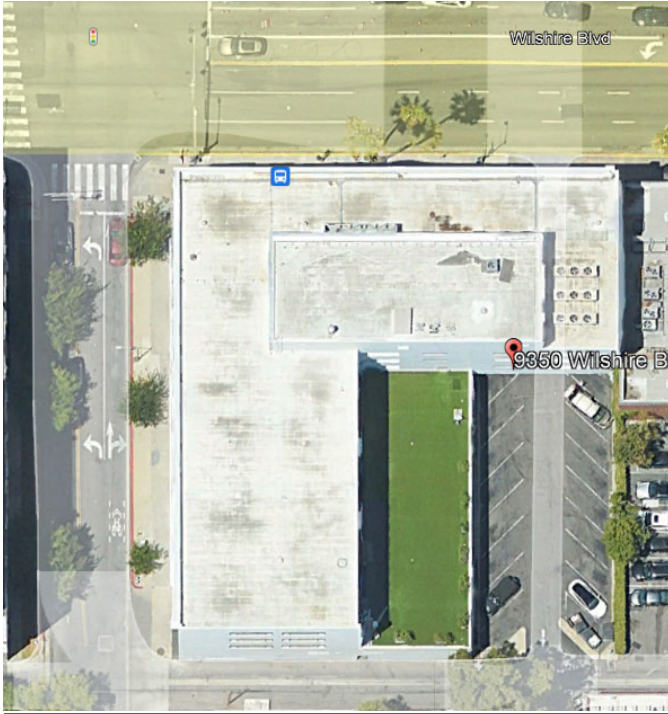
[9171 Wilshire Blvd](#)





- Built: 1968
- Renovated: 1997
- Class Rating: Class A
- Floor Area: approximately 111,806 SF
- Vacancy Rate: approximately 53% of the total building area
- Existing tenants: a real estate agency, a financial investment firm, an accounting firm, an entertainment company, an escrow company, an engineering firm, and a travel agency.
- CoStar Rating: 3-stars out of 5 stars
- Other Conditions: This building has been identified as potentially historic, which means that it may qualify for use of tax incentives and more flexibility with zoning and building code requirements. This building has a U-shape, which starts after the 3rd floor. This shape provides extensive window coverage on each side of the building, and also allows for the re-use of the interior space for open space amenities, and other building amenities. The interior areas could also be developed with private open space and balconies, and it appears that the rooftop also has available space for amenities. The façade provides a regular ribbon window pattern, which has been identified as a pattern that is favorable to residential uses. The building's first floor has a sunken retail space, which could easily be converted into other commercial uses.

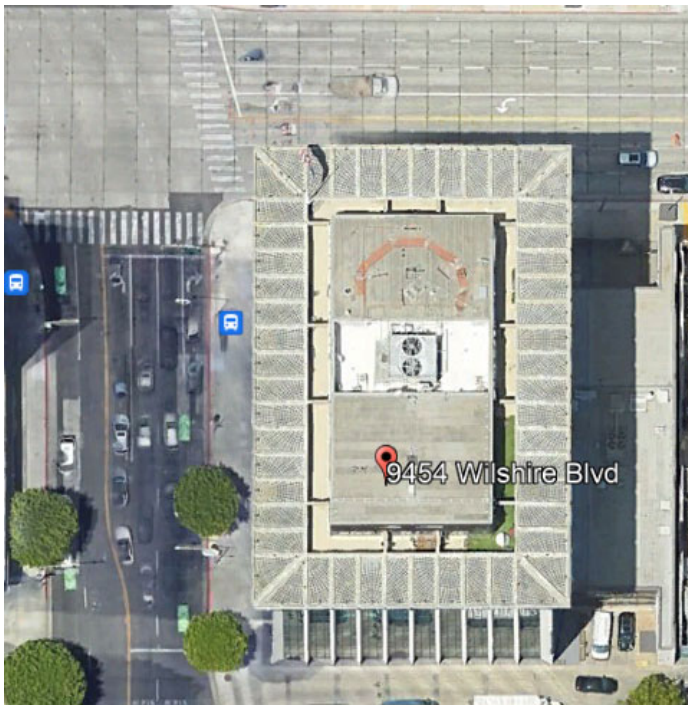
9350 Wilshire Blvd



- Built: 1957
- Renovated: 1999
- Class Rating: Class B
- Floor Area: approximately 61,032 SF
- Vacancy Rate: approximately 23% of the total building area

- Existing tenants: an escrow company, a bank, a real estate investment firm, various business offices, a jeweler, a media and production company, a law firm, and a therapist office.
- CoStar Rating: 4-stars out of 5 stars
- Other Conditions: This building has an L-shape, with an open space area above a portion of the first floor in the interior area of the "L" and surface parking areas. The L-shape provides extensive window coverage on each side of the building, and the interior areas of the L-shape can be repurposed for open space amenities and other building amenities. The surface parking areas could also be redeveloped with further amenities or could be used to create a "U" shaped building to provide additional housing and building area. The façade is attractive, and has a window pattern similar to a punched window, which can be converted easily into residential style windows.

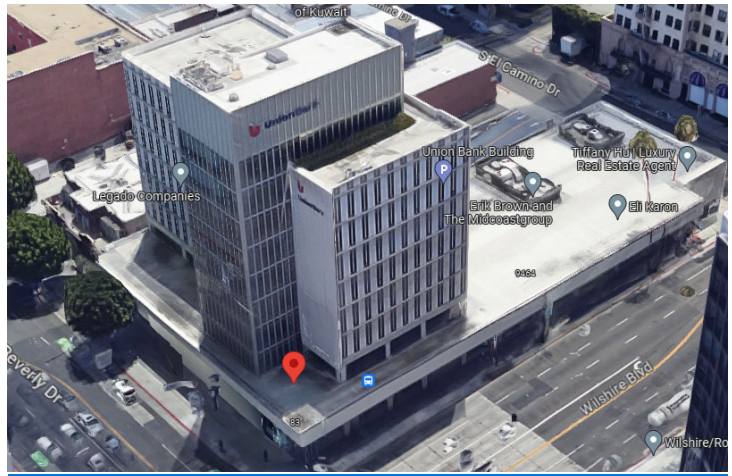
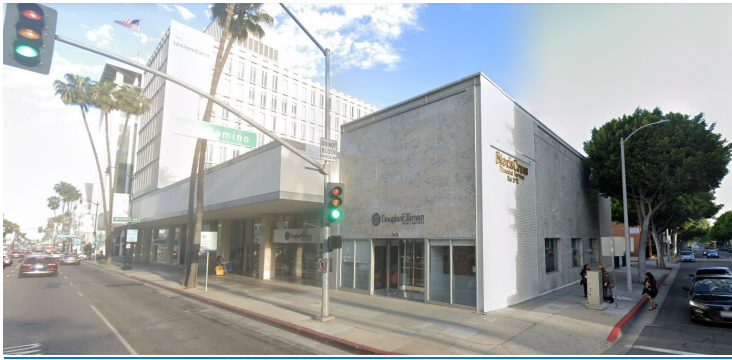
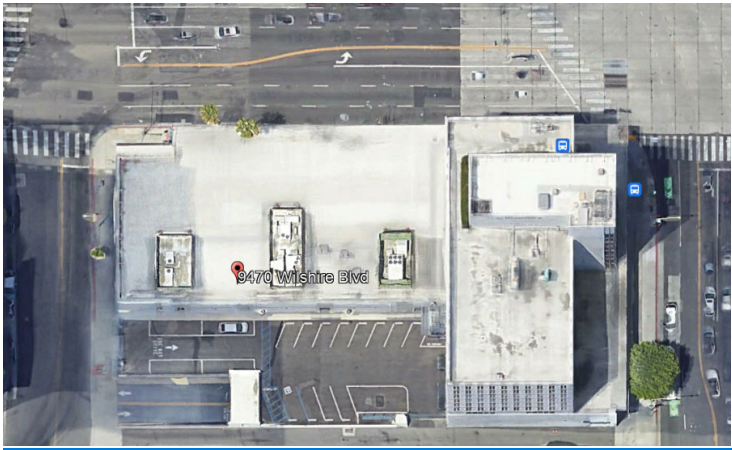
9454 Wilshire Blvd





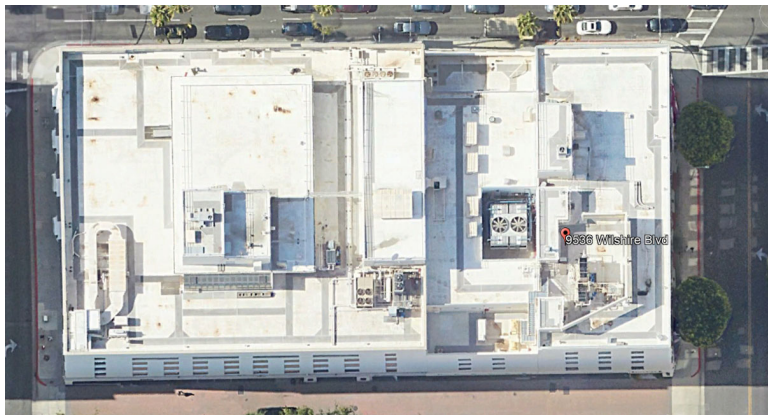
- Built: 1971
- Renovated: 1989
- Class Rating: Class A
- Floor Area: approximately 174,490 SF
- Existing tenants: a bank, an escrow company, law firms, a marketing agency, a plastic surgeon's office, a real estate agency, a weight loss company, and a mortgage company.
- CoStar Rating: 4-stars out of 5 stars
- Other Conditions: This building has been identified as potentially historic, which means that it may qualify for use of tax incentives and more flexibility with zoning and building code requirements. This building has a residential character, and has a regular window pattern. There is extensive window coverage on multiple sides of the building with a ribbon window, which is favorable to residential uses. The building appears to have some rooftop open space amenities, which could be used for residential purposes.

9460-9470 Wilshire Blvd



- [Built: 1959](#)
- [Renovated: 1990](#)
- [Floor Area: approximately 94,586 SF](#)
- [Class Rating: Class B](#)
- [Existing tenants: a bank, an entertainment company, a financial investment firm, an auto dealer's office, a cosmetic spa, and a talent agency.](#)
- [CoStar rating: 3-stars out of 5 stars](#)
- [Other Conditions: This building has been identified as potentially historic, which means that it may qualify for use of tax incentives and more flexibility with zoning and building code requirements. This building is a podium style, with a one-story structure across the entire footprint of the property, and a tower structure with a narrower footprint. The podium is uniquely helpful for conversion into residential uses because the areas on top of the podium can be used for open space amenities, including a pool area, gym, lounge, etc. In addition, the podium parking will provide sufficient parking resources for residents. There are three tower portions, with one taller rectangular portion in the middle, and two slightly shorter rectangular portions on each side. This provides ample window coverage along each side, and could also allow the addition of balconies at the corners of the buildings. One portion of the tower also appears to have open space amenities on the rooftop area. The windows have a ribbon window pattern, which has been identified as favorable to residential uses.](#)

[9536-9560 Wilshire Blvd](#)





- Built: 1935
- Renovated: 1984
- Class Rating: Class A
- Floor Area: approximately 181,711 SF.
- Vacancy Rate: approximately 67% of the total building area
- Existing tenants: a marketing agency, luxury retailers, a financial advisory firm, a capital investment firm, and a jeweler.
- CoStar Rating: 3-stars out of 5 stars
- Other Conditions: This building has been identified as potentially historic, which means that it may qualify for use of tax incentives and more flexibility with zoning and building code requirements. This building has a residential character to its façade, with existing retail stores on the first floor, and office spaces above. The building has an oblong rectangular shape, which provides greater opportunities for window coverage. The windows are similar to a punched window pattern, and have extensive windows along each side. There is one portion of the building that has a shorter height than the rest, which creates a valley feature on the rooftop. This area could be repurposed for open space amenities and other building amenities.

Support for the Adaptive Reuse / Conversion Trend

While there are many factors that may contribute to a decision for a property to either redevelop a property or adaptively reuse it, there are some distinct conditions that may make adaptive reuse/conversion projects more attractive options. These factors are briefly discussed below.

Legally Nonconforming Height - One reason that conversion or adaptive reuse of an existing commercial building might be an attractive option for a property owner is that there are many existing buildings in the Mixed Use Overlay Zone that have legally nonconforming heights, especially on Wilshire Boulevard. Since the current code regulations would not permit these building with legally nonconforming height to be built to the same height if they were to be redeveloped, there is a built-in incentive for the conversion of these buildings since they may be more valuable to maintain rather than demolish and re-build.

Potentially Historic Buildings- Additionally, some buildings constructed during the time period in which greater heights were permitted (around the 1950s-1980s) may be considered potentially historic structures. The conversion of these structures and the ability to request relief from certain Mixed Use Overlay standards could also help preserve historic building facades, and the historic fabric of the City. In addition, if buildings become historic landmarks, they may use an entitlement called a Historic Incentive Permit to request further deviations from the code standards if needed. Historic buildings may also be eligible for certain tax incentives, such as the Federal Historic Preservation Tax Incentive, CA Historic Tax Credit, Mills Act, etc, and may be able to benefit from more flexible building codes.

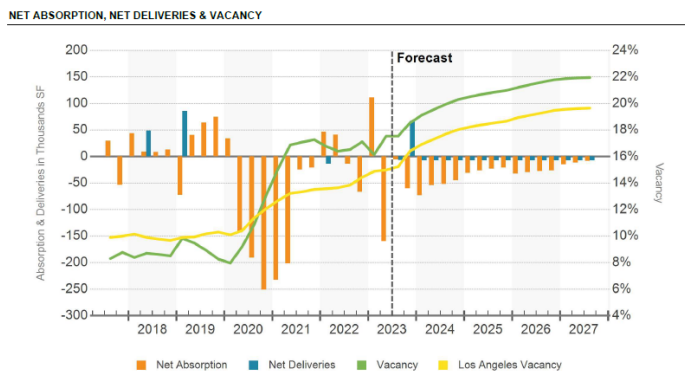
Construction Impact – Since adaptive reuse does not involve the demolition of an existing building and construction of a new building on a site, but rather utilizes an existing building for a new use, there may be fewer impacts related to construction. These impacts could include length of construction, noise, traffic, vibrations, dust, etc, which may be diminished depending on the extent of rehabilitation needed for the conversion. In addition, since the building already exists in the community, there could likely be less opposition to a project from neighbors or those who may be impacted by construction.

Sustainability – Adaptive reuse projects may be more environmentally sustainable because they do not involve ground-up construction and thus, create less demand for new building materials, etc. Many

buildings that could be adaptively reused within the City of Beverly Hills are also located in close proximity to transit, which could help reduce overall greenhouse gas emissions related to work commutes and other vehicle trips. In addition, adaptive reuse projects might result in the rehabilitation of existing buildings to upgrade certain systems such as window systems, insulation, and HVAC, which could result in a more energy-efficient building.

Market Conditions

- Office demand: The market conditions are ripe for conversions of existing commercial buildings, especially with the reduction of demand for commercial office space after the COVID-19 pandemic. For example, in the Beverly Hills market, office vacancy trends have shown significant increases in the past few years amongst all different types of office buildings: from 2018 to the present, vacancy rates for Class A office buildings have increased 6 percentage points, from 11% to 17%, and rates for Class B office buildings have increased 10 percentage points, from 6% to 16%. However, vacancy rates for Class C office buildings have mostly remained steady in this period at 7-8%.
- In a CoStar report from August 2023 with statistics for the Beverly Hills submarket, the current office average vacancy rate is at a record level of 17.2%. The submarket also presently has 3.2% of its office space available for sublease, above the 2.7% metrowide average. For 4-5-star rated buildings, the vacancy rate is 17.1%, for 3-star rated buildings, the vacancy rate is 19.2%, and for 1-2-star rated buildings, the vacancy rate is 11.3%. Occupancy losses continue to be considerable, with the past 12 months experiencing net absorption of -88,000 SF. Additionally, the percentage of office space available for sublease in the submarket is above metrowide averages. Vacancy rate changes have historically been around a 10.2% average, however, the forecasted average vacancy rate is 20.8%, and the submarket vacancy rate is expected to rise further in the next several years.



- [Effects of remote work:](#) In addition, physical office occupancy as a whole in the US has been low since the start of the pandemic in 2020, with only a gradual return to 47% occupancy by November 2022. According to a study published November 27, 2022 called “Work from Home and the Office Real Estate Apocalypse” that looked at the pandemic’s effect on the commercial office sector, the increase in remote working during the pandemic led to significant decreases in lease revenues, occupancy, lease renewal rates, and market rents. The study looked at lease-level data for 105 office markets throughout the US from January 2000 to May 2022, and showed a 16.89% decrease in lease revenue between December 2019 to May 2022, and the quantity of newly-signed leases dramatically dropped from 253 million square feet per year before the pandemic to 59 million square feet in May 2022. The results also showed a direct correlation between a company’s work from home policy that results in a lower demand for office space. The study also found that higher quality office buildings were somewhat buffered from the decrease in demand for commercial office space, while lower quality office buildings are becoming potential asset risks.

Beverly Hills Mixed Use Development Trend

[In addition to the mixed use development trend data for other similar jurisdictions, the City has a history of mixed use developments along Wilshire Boulevard and towards the western edge of the City prior to the adoption of the Mixed Use Overlay Zone. The following projects were approved through an extensive entitlement process, which consisted of a multi-year approval review process, legislative amendments, and costs \(environmental document \(EIR\) preparation, entitlement application fees, etc\). These projects show that even before mixed use developments were permitted uses, property owners were interested in developing mixed use projects that are](#)

consistent with the densities and heights currently permitted under the Mixed Use Overlay Zone. This supports the likelihood that a property owner would take advantage of the Mixed Use Overlay Zone because the creation of these regulations now allows a quicker and less costly review process for these types of projects. The projects include:

- **9908 S Santa Monica** – 4-story, 17-unit mixed use (condo) building and ground floor commercial (under construction)
- **8600 Wilshire** – 5-story, 18-unit mixed use building including 2 moderate rate income units and ground floor commercial (constructed)
- **9200 Wilshire** – 6-story, 54-unit mixed use building with ground floor commercial (constructed)

Blu Apartments Adaptive Reuse Case Study – As a case study example that supports the adaptive reuse of commercial office buildings to residential uses is the Blu Apartments located at 8601 Wilshire Boulevard. This project was required to apply for several entitlements that would allow the conversion of an existing legally nonconforming office building, the project was approved by the Planning Commission and the City Council in 2003.

The project converted an 11-story office building totaling approximately 44,550 square feet into 37 residential rental units, with a ground floor retail space of approximately 650 square feet on a 12,920 SF lot. The Blu Apartments adaptive reuse project has a residential unit density that is higher than the current mixed use density (calculated based on lot area), which would yield 23 units. The City is currently processing a Zone Text Amendment to instead base residential unit density on the existing floor area of a building being converted. The conversion density that was reviewed by the Planning Commission in September 2023 and will be reviewed by the City Council in 2023 would yield 63 dwelling units on the Blu Apartments site. Even under the density used for the Blu Apartments project, the project is proof that conversion projects will yield greater residential unit density on project sites in the MU Overlay Zone, and are financially feasible given that this density exceeds that which was constructed in this project. Therefore, the MU Overlay Zone will allow (upon City Council adoption of the proposed change) a density of units in adaptive reuse/conversion mixed use projects that is greater than the density allowed for this project. This project shows that conversion of existing commercial buildings may be an attractive option for property owners, and that this can be a financially feasible undertaking within the City of Beverly Hills, given that the density that

will be allowed for adaptive reuse/conversion mixed use projects will exceed the density allowed in this completed project.

Downtown LA Adaptive Reuse Case Study – Since 1999, the City of Los Angeles has allowed adaptive reuse projects in the downtown area. This program has largely been considered a success, as about 1/3 (12,000/37,000 units) of the new housing units created in Downtown LA were created through adaptive reuse. This program allowed buildings constructed before 1974 to be converted through a ministerial approval process. The maximum number of units were calculated through the use of a minimum unit size of 450 square feet, and an average unit size requirement of 750 square feet, with no upper density limit. In addition, there were no parking requirements, an additional story of height was allowed by-right (to allow the use of rooftop space, etc.), mezzanine floors that did not exceed 1/3 of the floor area of the space below were allowed by-right, and flexible interpretations of building codes were applied. In order to further incentivize adaptive reuse projects in LA, the Planning Department is currently in the process of updating the adaptive reuse ordinance, which proposes certain changes, including: extend eligibility for adaptive reuse to buildings constructed before 2008, to remove the minimum unit size and average unit size requirement, to allow the expansion of rooftop space and the use of basement area to be exempted from FAR limits, and to expand the scope of reuse building typology such as the use of parking structures for conversion.

Other Site and Building Conditions

- o Other notable conditions that can help make an existing site more suitable for an adaptive reuse project would be existing open space areas or areas that are not built up and can be converted to open space, existing balconies or rooftop areas that can become amenities for tenants, and potentially historic status, which can be helpful if the building can qualify for tax incentives or a Historic Incentive Permit (HIP) that allows for deviations from code regulations if the building is a local landmark.
- o Another helpful condition is podium parking in which the first few above ground levels of the building are constructed for parking. These levels can also be converted into residential uses (there is nothing in the BHMC that would preclude the use of the conversion section to apply to parking areas as well – including that there would be no parking required for many sites located in the Mixed Use Overlay Zone due to AB 2097), and have been counted towards the floor area

conversion calculations if the parking areas were known from building permit records.

- o The majority of buildings on this list also have either a Class A or B rating. Since these buildings currently have the highest office vacancy rates in the Beverly Hills submarket, this quality makes them more likely to be redeveloped. Class C office vacancy rates may remain more stable due to the fact that these have lower leasing rates. However, Class C buildings in the long term may have higher vacancy rates as compared to Class A or B buildings, given that they are older buildings with less modern amenities or located in less desirable locations (are not as close in proximity to amenities).

Tab 3: Developer Interest List

The City has a number of sites on which there is known developer interest, but the actual project has not yet been submitted. This means that the sites inventory counts these sites per the default mixed use overlay zoning, and counting towards low or moderate income categories as appropriate per the default density requirement. One item to note is that because 9740 Wilshire is interested in combining the site with 9754 Wilshire, these combined sites become over 1/2 acre, and so the units are counted towards the low income category. Similarly, 20 N La Cienega Blvd (two parcels) and 38 N La Cienega Blvd are intended to be combined and will be greater than 1/2 acre, and so will be counted towards the low income category.

Table C-3 Developer Interest List

Projects with Multi-Family Housing Under Review	Address	Lower	Moderate	Total
208 N Crescent Drive	4-story, 10-unit apartment (1 very low income unit)			

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332 <u>140</u> S. Doheny Drive	Development Plan Review, Density Bonus 5-story, 9 units (1 very low income unit) <u>39</u>	0	<u>39</u>
55 <u>20</u> N La Cienega Blvd (Parcel 1)	5-story, mixed use building with 105 units (11 very low income units) <u>10</u>	0	<u>10</u>
224-256 Clark Drive	55-unit Congregate Senior Housing project		

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Inserted Cells

City of Beverly Hills General Plan
2021-2029 Housing Element

444-446 N Oakhurst Drive 20 N La Cienega Blvd (Parcel 2)	Preliminary Housing Application—5-story, 27-unit multi-family building (3 very low income units)10	0	10
227-231 N. Swall Drive 38 N La Cienega Blvd	6-story 18-unit multi-family building19	0	19
227 Tower Drive 419 S Robertson Blvd	New 5-story, 10-unit building (1 very low income unit)0	34	34
9600 8555 Wilshire Blvd	Specific Plan request to allow a new 6-story office building, two new 6-story multi-family residential buildings with a total of 70 units, and the rehabilitation of the historic Saks Fifth Avenue building for various commercial uses0	35	35
9740 Wilshire Blvd	24	0	24
9754 Wilshire Blvd	40	0	40
TOTAL	142	69	211

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Concept Review Applications Submitted	
8800 Burton Way	5-story mixed use building with 20 units
244-256 N Clark Drive	6-story, 54-unit senior living facility
412 N Oakhurst Drive	50-unit multi-family building in BH and LA (along the border) (1 very low income unit)
137 S Rexford Drive	17-unit senior housing
132-144 Spalding Drive	renovation of 132 Spalding and partial demolition/new construction of 3-story, 5-unit multi-family building on 144 Spalding
8801 Wilshire Boulevard	6-story, 38-unit mixed use building (4 very low income units)

The following is a list of recently approved (from 2019 to 2022) entitlements for projects that include housing units, and the number of units included:

Approved Projects With Housing Units (2019-2022)	
9850, 9876, 9900, 9988 Wilshire Blvd	340 units
9908 S Santa Monica Blvd	17 units
149-159 S Maple Drive	29 units
457 Oakhurst Drive	6 units
9384 Olympic Blvd	1 unit
340 S. Rexford Drive	3 units
152 S. Camden Drive	4 units (conversion to condominium)

Tab 4: Approved Projects

Tab 4 of the sites inventory and Table C-2 summarizes residential developments that have received some form of approval and will become available for occupancy during the planning period. The income levels for these projects are based upon the expected sales prices or rents.

Table C-4 Approved Projects

Project / Location	Income Category					Net New Units
	VL	Low	Med	Above Med	Total	
208 N. Crescent Drive	1			9	10	9
250 N. Crescent Drive	1			7	8	8
332 N. Doheny Drive	1			8	9	8
55 N. La Cienega Blvd	11			94	105	105
154-158 N. La Peer Drive				16	16	14
149-159 S. Maple Drive	4	2		23	16	16
457 N. Oakhurst Drive	1			6	6	4
425 N. Palm Drive				20	20	2
340 S. Rexford Drive				3	3	3
462 S. Rexford Drive				7	7	1
9900-9908 S. Santa Monica Boulevard				25	25	25
227 Tower Drive	1			8	9	8
8600 Wilshire Boulevard			2	16	18	18
9200 Wilshire Boulevard				54	54	54
9876 Wilshire Boulevard				140	140	140
9900 Wilshire Boulevard				193	193	193
Total Units	20	2	2	629	653	608

Tab 5: Submitted Projects

The City also has a number of projects under review at this time that are either multi-family or mixed-use projects, for which entitlement applications or concept review applications have been submitted. These sites have been removed from the Tab 1 category of the sites inventory, so as to prevent duplication and because there is a known proposal on the site:

Table C-5 Submitted Projects

<u>Address</u>	<u>Existing Units</u>	<u>Proposed Units</u>	<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>	<u>Market Rate</u>	<u>Net New</u>
<u>8800 Burton Way</u>	<u>0</u>	<u>25</u>	<u>3</u>	<u>0</u>	<u>0</u>	<u>22</u>	<u>25</u>
<u>244-256 N Clark Dr</u>	<u>13</u>	<u>55</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>55</u>	<u>42</u>
<u>232 S Doheny Dr</u>	<u>1</u>	<u>8</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>7</u>	<u>7</u>
<u>9937-9945 Durant Drive</u>	<u>13</u>	<u>29</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>23</u>	<u>16</u>
<u>412 N Oakhurst Dr</u>	<u>6</u>	<u>9</u>	<u>1</u>	<u>2</u>	<u>0</u>	<u>6</u>	<u>3</u>
<u>444-446 N Oakhurst Dr</u>	<u>22</u>	<u>27</u>	<u>0</u>	<u>5</u>	<u>6</u>	<u>16</u>	<u>5</u>
<u>227-231 N Swall Dr</u>	<u>4</u>	<u>18</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>16</u>	<u>14</u>
<u>137 S Rexford Dr</u>	<u>4</u>	<u>11</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>9</u>	<u>7</u>
<u>177 S Robertson Blvd</u>	<u>0</u>	<u>59</u>	<u>3</u>	<u>6</u>	<u>6</u>	<u>44</u>	<u>52</u>
<u>105 N Robertson Blvd</u>	<u>0</u>	<u>42</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>37</u>	<u>42</u>
<u>8811 Wilshire Blvd</u>							
<u>9229 Wilshire Blvd</u>	<u>0</u>	<u>56</u>	<u>6</u>	<u>0</u>	<u>0</u>	<u>50</u>	<u>56</u>
<u>128 S Bedford Dr; 133 S Camden Dr; 9570, 9620, 9610, 9600 Wilshire Blvd</u>	<u>0</u>	<u>68</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>68</u>	<u>68</u>
TOTALS		407	30	12	12	353	344

In addition, the following is a list of projects that include housing units for which building permits have been recently issued (from 2019 to 2020), and the net new number of units included:

Multi-Family Residential Building Permits Issued (2019-2020)

**Table C-6 Multi-Family Residential Building Permits Issued
(2019-2020)**

340 S Rexford Drive	3 units
9384 Olympic Blvd	1 unit
425 N Palm Drive	20 units
250 N. Crescent Drive	8 units (1 very low income unit)
9200 Wilshire Blvd	54 units

Currently, the City has approximately ~~105344~~ net new housing units that are being proposed in ~~either~~ the mixed use overlay zone, ~~and an additional 58 net new units that have been submitted to~~ the City as part of mixed use projects that are in "concept review" (meaning that they are receiving preliminary comments from the City prior to formal submittal), ~~multi-family zones~~. These projects demonstrate a significant interest in the market for the construction of new multi-family and/or mixed-use residential projects, and provides support that the sites in the land inventory are likely to be redeveloped in the future. Due to the fact that this is a newer code provision, staff has identified the need to proactively provide information to property owners regarding the new mixed use zoning. Programs related to proactive outreach and consultation with property owners regarding mixed use provisions have been included in the housing plan in order to address the identified barrier of lack of information/knowledge regarding the mixed use regulations.

Regulatory Incentives

Certain policies and programs in the Housing Plan include incentives that may help encourage the redevelopment or conversion of parcels in the sites inventory to mixed use or multi-family residential housing projects. These include the following:

Imp. 10.4~~1~~ states:

- ~~The City shall Process a zone text amendment to~~ update the ~~ADU regulations to ensure they are consistent~~ density bonus code sections in conformance with ~~State~~ law by ~~2023, 2024~~ and will consider including changes to these regulations that will incentivize the construction of ADUs.
- ~~The City will provide pre-checked ADU plans for use by creation of a menu of incentives to help streamline the public by 2025, and will revisit processing of density bonus projects~~
- ~~Promote the ADU regulations in 2025 if production falls below the target set in the sites inventory analysis (in Appendix C).~~

Imp 11.1 states:

- Perform outreach to property owners of parcels located in the mixed use overlay zone to notify them of the ability to redevelop properties with or convert existing buildings to mixed use developments. This outreach will include a mailed notice and advertising on use of density bonus incentives through the City's social media accounts and website, and through an updated Affordable Housing Brochure, which will be performed published by 2023/2024.

Imp. 10.4 states:

- Adopt an ordinance by the first quarter of 2024 that updates code to comply with state law, and allows by-right approval of ADUs in single family zones that exceed state required minimums, including:
 - Explore increasing the by-right ADU size to further incentivize ADU creation
 - Consider allowance for an increase in the permitted height up to the height of the primary residence for ADUs built above a garage in single-family zones
 - Consider allowances for reduced setback requirements where privacy is not compromised
- Amend zoning code regarding ADUs in multi-family zones by 2025 to remove barriers to construction of units above existing garages and allowing additional height
- Adopt an ordinance by the end of 2024 to allow an additional ADU beyond state law requirements on single-family residential properties that are at least 13,000 square feet in size and deed-restrict at least one ADU on such property as a rental unit
- Provide ADU plan(s) created and pre-plan checked by the City by the end of 2025
- Monitor ADU production each year, by affordability level. if ADU production is not on track to achieve an average of 20 new ADUs per year by the end of 2025, including the affordability targets, the City will take appropriate actions depending on the magnitude of the gap in ADU production. Actions may include any of the following:
 - Revisit ADU regulations in 2026 to allow greater flexibility for ADU development
 - Adopt an ordinance by end of 2027 to allow an additional ADU beyond state requirements and the additional local ADU allowance for properties greater than 13,000 square feet with a requirement to include a deed-restricted affordable ADU for at least a 5-year period; or other development incentives on properties greater than 13,000 square feet in area
 - Adopt an ordinance by the end of 2026 to allow an additional ADU beyond state requirement on properties less than 13,000 square feet in size and deed-restrict at least one ADU on such property as a rental unit

- Identify additional sites or rezoning if necessary, to meet overall RHNA allocation
- Other strategies as appropriate to accommodate ADU capacity proportionate to any ADU production gap

Imp 11.1 states:

- Continue to provide adequately zoned sites for multi-unit housing in infill areas or commercial corridors in closer proximity to major transportation hubs for diverse housing types that include both rental and ownership opportunities through the implementation of the Mixed-Use Overlay Zone.
- Study and create additional incentives to promote the mixed use program, including promoting the ability to adaptively reuse existing commercial buildings, to facilitate the creation of new units in high opportunity areas.
- Continue to explore opportunities for the City to purchase or support the purchase of underutilized land for potential future affordable housing projects.
- Explore changes to the Mixed Use Overlay Zone regulations, including to allow the creation of work-live units.

Imp. 11.2 states:

- Incentivize the development of at least 250 units of senior housing by providing the following:
 - Flexible development standards (reduced parking requirements, modified setbacks, etc.)
 - Density bonuses
 - City support in affordable housing funding applications (priority to those that support deeper targeting to ELI households)
 - Deferral/reduction in development fees
 - Direct financial assistance through Housing Trust Fund
 - Project entitlement assistance

Imp 12.1 states:

- Replacing the current density calculation for multi-family projects in the Zoning Code with simplified units per acre measurement
- Reduce minimum unit size for multi-family buildings
- Modifying development standards for single-lot multi-family projects
- Allowing greater flexibility in the type and location of multi-family parking
- Amending the code to clarify that the same number of units can be rebuilt on properties that have more units than currently would be allowed

- Simplify modulation requirements for multifamily projects by 2025
- ~~Create an adaptive reuse program by 2028 to more easily allow the conversion of existing commercial structures to residential uses, especially existing legally nonconforming hotels in residential areas.~~
- Amend code sections 10-3-12.5 and 10-3-12.8 related to incentives for construction multiple-family housing for the elderly and disabled and multiple-family congregate housing for elderly and disabled persons to ensure code provisions are not inhibiting such development
- Adopt objective design standards for multi-family housing projects and create materials for multi-family applicants that clearly state design standards by 2026
- ~~Consider an ordinance~~Adopt code changes to streamline the approval process to allow Director-level approvals for Architectural Review of multi-family housing and mixed use projects with affordable housing; bring this topic forward for discussion by the Planning Commission by 2026-2024
- Adopt code changes to create specific and objective findings tied to imp. 12.2 states:
- ~~By 2026, the City shall conduct a Citywide fee study, and consider the adoption of modified development fees of objective design standards for Architectural Review approval of multi-family and mixed use projects~~
- Providing additional incentives for workforce housing over and above those contained in the provisions of the State Density Bonus
- Periodically update the adaptive reuse program through 2028 to more easily allow the conversion of existing commercial structures to residential uses, including existing legally nonconforming hotels in residential areas
- Amend the zoning code to remove constraints that include a certain percentage of may exist related to the redevelopment of commercial shopping centers into mixed use developments
- Review the mixed use overlay zone regulations by 2024 to assess how these regulations have been utilized by projects, and to determine whether further code changes are necessary to encourage housing and meeting housing production targets. The City will commit to funding a study with a budget of at least \$250,000 for FY 2024-25 to provide recommendations for potential changes to the mixed use overlay zone
- Based on the results of the mixed use overlay zone study conducted in 2024, the City will further modify the mixed use overlay zone regulations, which could include:
 - Changes to the mixed use regulations to address barriers to the utilization of the mixed use standards
 - Increases to density and height on specific sites located within ¼ mile of a major transit stop

- Expansions the mixed use overlay zone area to other commercially zoned areas of the City to accommodate any unit shortfalls
- Amend the mixed use overlay zone regulations related to conversion/adaptive reuse projects to clarify that such projects may calculate density with the use of the minimum unit size of 500 square feet by the end of 2023
- If the production of housing units through adaptive reuse is not on pace with the targets per the monitoring program by the end of 2026 to meet the overall production target, the City will take the following actions within 12 months:
 - Will amend the zoning code to allow ministerial approval of adaptive reuse projects in the Mixed Use Overlay Zone that do not add any material height to the existing building
 - Will modify the adaptive reuse regulations to allow the addition of mezzanine levels to existing buildings that are being converted
 - Amend the adaptive reuse regulations to provide more flexibility with regard to legally nonconforming uses and the location of uses within the building.
- If there is a shortfall of lower income (very low and low income) affordable housing (to be determined by the study)-units by the end of 2026 as a result of any of the above identified affordable housing projects or the adaptive reuse program, the City will complete actions by the end of 2028 to accommodate this shortfall that may include but are not limited to:
 - Identify additional sites that may accommodate lower income housing units, including other City-owned or City-controlled sites
 - Rezone sites to accommodate additional housing capacity, such as changing the allowable density on multi-family residential sites and/or mixed use overlay zoned sites
 - Expand the mixed use overlay zone to include additional commercially zoned areas of the City

Imp. 12.2 states:

- Utilize an economic consultant to prepare a comprehensive Citywide fee study, including an evaluation of the economic benefit of providing waivers or reductions of certain taxes and fees including certain project fees for developments containing very-low, low- and moderate-income housing units, as well as for housing developed under the City's modified standards for Multiple-family Residences for Elderly and Handicapped Persons (Deed Restricted) by 2026

These policies and programs will further facilitate the redevelopment and conversion of parcels in the sites inventory to mixed use or multi-family projects.

Table C-4

Tab 6: City-Owned Site Projects

The following projects are City-initiated projects on sites that the City currently controls or will in the near future. The affordable housing units proposed on these sites are shown below and are counted towards the total summary of sites. The specific program actions and milestones are included in Implementation Program 10.6 of the Housing Plan.

Credit Union Site (9268-9298 W. 3rd Street)

The City currently owns three parcels with two buildings located at the northeast intersection of W. 3rd Street and Foothill Road. One building (approximately 19,000 square feet) was previously leased to an office tenant, but has been vacant since 2020 in anticipation of future redevelopment. The other building (approximately 1,900 square feet) is leased to the Beverly Hills Employee Credit Union, under a month-to-month arrangement. The three parcels are often referred to as the "Credit Union Site". The City is actively working towards the development of this site with an affordable housing project. At their meeting on September 12, 2023, the City Council approved an exclusive negotiation agreement with the West Hollywood Community Housing Corporation in order to develop this site. The City believes the site could support 352 affordable housing units, which results in a density of 241.9 dwelling units/acre.

Gale Yard Site (8401-8423 Wilshire Blvd & 111 N. Gale Drive)

The City currently owns the three parcels with frontage on Wilshire Boulevard and has just closed escrow to acquire the additional property to the north (111 N. Gale Drive). These sites are currently utilized by the Los Angeles County Metropolitan Transit Authority (MTA or Metro) as a staging yard for the construction of the La Cienega Boulevard station, as part of the Purple Line Extension project. However, once the temporary construction easement for Metro's use of the sites expires in late 2025 and early 2026 (different parcels have different agreements), the City will begin the process of redeveloping the site with a project that includes at least 125 affordable housing units, which results in a density of 107.6 dwelling units/acre.

The City has previously conducted community outreach in 2022 to obtain feedback regarding the community's vision for the

redevelopment of the sites. This feedback included a desire for workforce and affordable housing, along with other community uses. The parcel furthest to the west is improved with the Clock Market Building, which is currently leased to O'Gara Coach, a luxury car dealership. The Clock Market Building is a local historic landmark (Landmark No. 31 on the City's Local Historic Register), and the building is an L-shape with vacant surface parking on the remainder of the site. While the Clock Market building may not be contemplated for demolition and reconstruction as part of the redevelopment project, the building could accommodate uses such as retail or commercial space, such as a market or food hall use, and would be incorporated into the overall redevelopment site programming. The City is the current lessor of this building, and the lease with O'Gara Coach currently runs through June 2027. However, the City will continue to move forward with the site redevelopment plan while the site is occupied, as noted in Imp. 10.6.

Reeves Metro Site (9430 Wilshire Blvd)

The Reeves Metro Site is located at the southwest corner of the intersection of S. Reeves Drive and Wilshire Boulevard, and is comprised of one parcel. This site is currently owned by Metro and is the location of the subterranean construction of the Reeves (Rodeo Drive) Station, which is part of Metro's Purple Line Extension project. The site will eventually be improved with the station portal, and Metro anticipates that construction will conclude in late 2025 or early 2026. The City has the right of first refusal to purchase this site once Metro finishes construction, and the City is actively discussing this option with Metro and intends to purchase it when it becomes available. The City anticipates that this site would be developed with 80 affordable lower

income housing units, which results in a density of 211.7 dwelling units/acre.

Table C-7 City-Owned Site Project

<u>Site Name</u>	<u>APN</u>	<u>Address</u>	<u>Site Area (SF)</u>	<u>Site Area (Acres)</u>	<u>Low Income Units</u>	<u>Moderate Income Units</u>	<u>Total Units</u>
<u>Credit Union Site</u>	<u>4342010901</u>	<u>9268 W. 3rd Street</u>	<u>51,283</u>	<u>1.17</u>	<u>352</u>	<u>0</u>	<u>352</u>
	<u>4342010904</u>						
	<u>4342010900</u>	<u>9298 W. 3rd Street</u>	<u>12,104</u>	<u>0.27</u>			
	<u>Total Site Area:</u>		<u>63,387</u>	<u>1.45</u>			
<u>Gale Yard Site</u>	<u>4334022063</u>	<u>111 N Gale Dr</u>	<u>6,500</u>	<u>0.14</u>	<u>125</u>	<u>0</u>	<u>125</u>
	<u>4334022061</u>	<u>8401 Wilshire Blvd</u>	<u>6,150</u>	<u>0.14</u>			
	<u>4334022900</u>	<u>8421 Wilshire Blvd</u>	<u>18,630</u>	<u>0.42</u>			
	<u>4334022060</u>	<u>8423 Wilshire Blvd</u>	<u>19,290</u>	<u>0.44</u>			
	<u>Total Site Area:</u>		<u>50,570</u>	<u>1.16</u>			
<u>Reeves Metro Site</u>	<u>4331001900</u>	<u>9430 Wilshire Blvd</u>	<u>16,461</u>	<u>0.37</u>	<u>80</u>	<u>0</u>	<u>80</u>
<u>COMBINED SITE TOTALS:</u>			<u>130,418</u>	<u>2.99</u>	<u>557</u>	<u>0</u>	<u>557</u>

Tab 7: ~~Approved Mixed Use Projects~~

Address	Number of Units	Residential & Commercial Floor Area Total	Units per Acre
9908 S. Santa Monica Blvd.	25	90,005 SF	30
8600 Wilshire Blvd.	23	47,781 SF	39
9200 Wilshire Blvd.	54	157,630 SF	57

~~Source: City of Beverly Hills, 2021.~~

~~Parcel listing by income category. Parcel level data for the MU Overlay area (Table C-3, included as Exhibit A of this Appendix) lists parcels within the MU Overlay Zone that could potentially accommodate more than 5,000 new housing units based on development standards. This total does not include density bonus units that would be allowed when affordable units are provided consistent with the City's Inclusionary Housing Ordinance. For each parcel, the income category is shown consistent with criteria established in State law. Because the allowable density in the overlay is higher than the "default density" of 30 units/acre, sites are considered suitable for lower income housing unless other factors apply, such as a restriction on small sites, discussed below.~~

~~Small sites. In determining site capacity, State law provides that sites smaller than 1/2 acre are not deemed adequate to accommodate lower income housing need unless the locality can demonstrate that sites of equivalent size were successfully developed during the prior planning period for an equivalent number of lower income housing units as projected for the site or unless the locality provides other evidence that the site is adequate to accommodate lower income housing. Although no small sites (i.e., less than 1/2 acre) are listed in the inventory as satisfying lower income need, it should be noted that most of the sites within the MU Overlay could be consolidated with one or more adjacent parcels to create building sites of at least 1/2 acre.~~

~~Sites used in a prior planning period. None of the sites in the MU Overlay were relied upon to satisfy the RHNA allocation in a prior planning period.~~

~~Potential for displacement of existing residents. There are currently no residential uses in the MU Overlay area; therefore, no existing residents would be displaced as a result of mixed use development in this area.~~

~~Realistic capacity of non-vacant sites. State law⁴⁰ requires that for non-vacant sites, the inventory must include a description of the existing use of each property, and if a site is owned by the city or county, the description shall also include whether there are any plans~~

⁴⁰ ~~Government Code Sec. 65583.2(b)(3)~~

~~to dispose of the property during the planning period. Information regarding existing uses on each parcel is provided in Table C-3.~~

~~The inventory must specify for each site the number of units that can realistically be accommodated on that site considering factors including the extent to which existing uses may constitute an impediment to additional residential development, the City's past experience with converting existing uses to higher density residential development, the current market demand for the existing use, an analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites.¹¹~~

~~In addition, when a city is relying on non vacant sites to accommodate 50 percent or more of its housing need for lower income households, the methodology used to determine additional development potential shall demonstrate that the existing use does not constitute an impediment to additional residential development during the period. An existing use shall be presumed to impede additional residential development, absent findings based on substantial evidence that the use is likely to be discontinued during the planning period.¹²~~

~~Because development decisions are affected by a wide variety of factors over which cities have no control, including property owner objectives and general market conditions, it is unlikely that a high percentage of the parcels within the MU Overlay Zone would be developed with mixed use projects during the planning period. However, since the development potential of the overlay area is nearly three times the City's RHNA allocation for the 2021-2029 planning period, the RHNA allocation can be satisfied through development of a portion of these sites.~~

~~Factors that constitute substantial evidence that existing uses do not constitute an impediment to additional residential development during the period include the following:~~

- ~~• The underlying zoning designation for the MU Overlay is Commercial, which does not allow residential use. Therefore, the MU Overlay creates significant new opportunities for residential development.~~
- ~~• Development of residential units within the MU Overlay Zone does not require demolition and reconstruction because existing non~~

¹¹ Government Code Sec. 65583.2(g)(1)

¹² Government Code Sec. 65583.2(g)(2)

~~residential space can be converted to residential use at much lower cost than new construction.~~

~~Existing commercial vacancies within the MU Overlay Zone generate financial incentives for residential development or conversion of existing non-residential space to new housing.~~

~~Exceptionally high residential property values in Beverly Hills create significant financial incentives for residential development or conversion of existing non-residential space to new housing.~~

~~As previously discussed in the 'Underutilized Sites' section above, the existing land uses and site conditions have been closely examined, and sites that met the following criteria were not included in the inventory, as they were determined to be less likely to be developed:~~

- ~~○ Parcels with existing commercial buildings that were more than 3 stories tall (not including parking levels that are above ground) because such parcels may have a high improvement-to-land value ratio¹³ and therefore may not be as likely to be redeveloped due to their economic value, and some buildings may be taller than what is currently allowed under development regulations;~~
- ~~○ Parcels with existing commercial buildings that were recently renovated or looked more modern (indicating they were constructed more recently) because such parcels may have a high improvement-to-land value ratio and therefore may not be as likely to be redeveloped due to their economic value;~~
- ~~○ Parcels with existing commercial buildings that contained medical uses, especially larger buildings and those containing surgery centers or are occupied by prominent medical groups (i.e. Cedars Sinai, UCLA Health, etc) because such uses typically require expensive tenant improvements and therefore may not experience high turnover or vacancies as often;~~
- ~~○ Parcels with existing commercial buildings that contained uses unlikely to be discontinued due to their rarity or the restrictions related to establishing this type of use, such as certain types of car dealerships and vehicle service centers, schools or educational institutions, gas stations, religious uses, etc.; and~~
- ~~○ Parcels for which entitlements were recently approved or are under review because such site may be redeveloped in the future with a specific alternative project.~~

¹³ An improvement-to-land value (I/L) ratio looks at the value of any site improvements (such as any structures or construction) to the value of the land. Previous research by the University of California, Berkeley to identify potential infill development opportunities in California utilized an I/L ratio for commercial and multi-family residential properties. The authors of that study noted that this methodology "...has a strong theoretical and empirical basis: urban parcels for which improvement values are less than land values are widely considered to be economically underutilized. Indeed, many, if not most, market-rate infill housing projects are currently built on refill sites."

- Similarly, parcels that were considered likely to be redeveloped or converted met one or more of the following evaluation criteria:
- Evidence of a lack of investment in the property, such as lack of maintenance, or lack of recent upgrades and improvements on the property because such conditions may indicate that a property has a lower improvement-to-land value ratio and therefore may be more likely to be redeveloped;
- For lease or for sale signs or advertisements online that indicate a higher rate of vacancies and/or turnover of spaces because this may create an economic incentive for property owners to explore redevelopment options for the property;
- Parcels with underutilized improvements, such as those with 1 or 2-story buildings (not including any above-ground parking levels) that do not cover the entire lot, and may include surface parking lots because these properties may have a lower improvement-to-land value ratio and therefore may be more likely to be redeveloped;
- Large parcels that would not require lot assemblage in order for a developer to convert or redevelop the site, even if these parcels contain buildings that are greater than 3 stories because the adaptive reuse regulations in the mixed use overlay zone that allows existing commercial buildings to be converted to residential uses without complying with otherwise applicable multi-family zoning standards;
- Parcels with existing commercial buildings that are higher than 3 stories, but have the potential to be converted to residential uses as a result of their regular floor plan development, and regular window patterns because such a layout may lend itself better to residential unit development; and
- Parcels that are narrow but located adjacent to other underutilized parcels that could be reasonably combined for one unified development because there may be a greater economic incentive to redevelop combined parcels.

Accessory Dwelling Units

Accessory dwelling units ("ADUs") provide the third component of the sites inventory. Current State law allows two ADUs – one "standard" ADU plus one "junior ADU" on most single-family lots, and there are approximately 5,700 single-family detached housing units in Beverly Hills according to the California Department of Finance. Therefore, more than 10,000 ADUs could be built under current law. However, a conservative estimate of 150 potential ADUs during the 8-year planning period is based upon permit trends over the past five years, as shown below. Moreover, a total of 19 ADUs have been permitted

in 2021, ~~and (as reported in the City's General Plan Annual Report submitted to HCD),~~ a total of 25 ADUs have been permitted in 2022, ~~and a total of 26 ADUs have been permitted in 2023 (as of October 2023)~~ demonstrating a further upward trend in ADU construction ~~(an increase of more than 50% from last year).~~ The City has seen an uptick in inquiries regarding ADUs, especially since recently enacted state law has changed ADU regulations in the City to be more permissive than in the past. The City has noticed a greater number of inquiries and higher interest in ADU construction since such regulations have gone into effect, and Imp. Program 10.4 of the Housing Plan seeks to further encourage the production of ADUs, for example by considering more changes to zoning regulations to remove barriers to construction of ADUs, and conducting more outreach regarding ADU regulations. The City has already conducted a survey in September 2021 to gauge community interest in constructing ADUs and to help identify potential barriers to construction. In 2022, ADU webpage was created to provide information regarding ADU regulations, including a guide summarizing regulations. On March 10, 2022 ~~and February 23, 2023,~~ the Planning Commission held ~~a study sessionsessions~~ to discuss potential changes to the City's ADU regulations. In addition, a community meeting was held on August 10, 2022 to discuss the potential changes to ADU regulations. The City plans to bring a draft ordinance to amend ADU regulations ~~later in 2022, with new regulations becoming effective by the end of~~ 2023.

Table C-8 Projected Accessory Dwelling Units (ADUs)

Year Very Low	2016 Low	2017 Mod erate	2018 Above Moderate	2019 I OTAL	20 20 20	20 24 22
No. of ADU Permits	0 6 5	0 7 6	9	19 51	25 1 50	26

Projected ADUs: The ADUs projected here are based on the approved SCAG Regional ADU affordability analysis and the income distribution noted for LA County.

In addition, the City's ADU permitting data supports this estimate, with 6 permits in 2019, 9 permits in 2020, 19 in 2021, 25 in 2022, and 26 in 2023 (year to date).

Table C-9 Accessory Dwelling Unit (ADU) Permitting Information

Year	2016	2017	2018	2019	2020	2021	2022	2023 (Year to Date)
No. of ADU Permits	0	0	7	6	9	19	25	26

Source: City of Beverly Hills, 2022

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Based on research compiled by the Southern California Association of Governments (SCAG),¹⁴ it is estimated that the majority of future ADUs will be affordable to low- and moderate-income households.

Affirmatively Furthering Fair Housing

AB 686 requires a jurisdiction's site inventory "...shall be used to identify sites throughout the community, consistent with..." its duty to affirmatively further fair housing.¹⁵ According to HCD's AFFH guidance¹⁶, the sites inventory should assess whether future development anticipated on the sites listed "...will either further entrench or help to ameliorate existing patterns of segregation and/or exclusion of members of protected categories."

Most of the new housing during the 2021-2029 planning period is expected to be built in the MU Overlay Zone in the central portion of the city (Figure C-1). The fair housing assessment contained in Appendix A shows that the entire city is designated "Highest Resource" in the TCAC/HCD opportunity map. In addition, the areas with the highest concentrations of racial minorities, households below the poverty line, and persons with disabilities are generally in or adjacent to the MU Overlay Zone. Therefore, the sites inventory addresses AFFH requirements by expanding housing opportunities at all income levels in high opportunity areas and in close proximity to locations where the highest numbers of protected categories of residents currently reside.

¹⁴ [SCAG Regional Accessory Dwelling Unit Affordability Analysis](#)

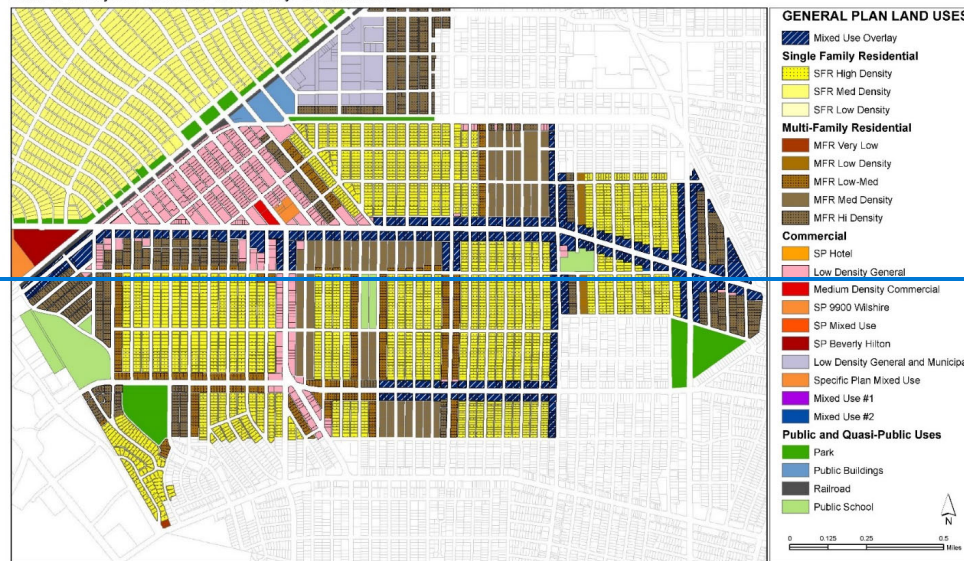
¹⁵ Gov. Code, §§ 65583.2, 65583, subd. (c)(10)(A), 8899.50

¹⁶ California Department of Housing and Community Development, [Affirmatively Furthering Fair Housing Guidance for All Public Entities and for Housing Elements](#), April 2021

Figure C-1

Mixed-Use Overlay Zone

General Plan Land Use Designations Map (MAP LU1)
Detail of Vicinity with new Mixed Use Overlay Zone Indicated



Note - This exhibit is for the purpose of illustrating where the Mixed Use Overlay will be applied and is not intended to supersede the underlying commercial designations.

General Plan Land Use Designations Map (MAP LU1)
Detail of Vicinity with new Mixed Use Overlay Zone Indicated



Note - This exhibit is for the purpose of illustrating where the Mixed Use Overlay will be applied and is not intended to supersede the underlying commercial designations.

B. Financial Resources

The ability of the City to achieve its housing goals and objectives will, to a large extent, depend on the availability of financial resources for implementation. The two primary sources of funds – Community Development Block Grant (CDBG) and Community Assistance Grant (CAGF) – are currently used to support housing activities in Beverly Hills, with a third new source – Housing Trust Fund – which became available during the current Housing Element planning period in Fiscal Year 2016-17. Each of these sources is described in the following section.

1. Community Development Block Grant (CDBG)

Through the CDBG program, the federal Department of Housing and Urban Development (HUD) provides funds to local governments to fund a wide range of housing and community development activities for low-income persons. The CDBG program provides formula funding to larger cities and counties, while smaller cities (less than 50,000 in population) generally compete for funding that is administered by the County. Each year, Beverly Hills receives approximately \$169,000 in CDBG funds through the Los Angeles County Development Authority. These funds are used to support the City's Handyworker Program (also known as the Residential Rehabilitation Program) for lower income tenants and homeowners, as well as the Senior Case Management programs.

2. Community Assistance Grant Funding (CAGF)

Through its annual Community Assistance Grant Funding application, the City allocates General Fund and Transit Occupancy Tax monies to a variety of service organizations that support the City's commitment to the provision of a social service safety net for the most vulnerable members of the community. In FY 2020/21, City Council allocated approximately \$1,417,500 in CAGF funds, with similar amounts allocated in prior years. The City utilizes its annual CAGF allocations to fund a variety of agencies and services, including:

- Step Up On Second - CLASP (Changing Lives and Sharing Places) Homeless Outreach Team
- Emergency shelter beds offered through PATH (People Assisting the Homeless)
- All Saints' Homeless Assistance Program
- Jewish Family Services Senior Care Management Program
- The Westside Food Bank

- Saban Community Clinic
- The Maple Counseling Center
- Bet Legal Services
- Tower Cancer Research
- Chiron Center
- ETTA
- The Miracle Project
- Beverly Hills CPR
- Beverly Hills Active Adult Club
- Beverly Hills Education Foundation
- The Wallis
- Theatre 40
- Affordable Living for the Aging
- Jewish Free Loan Association

In FY 2011/12, the City used Community Development Block Grants (CDBG) funds to secure an apartment unit in an affordable supportive housing project for homeless individuals in Los Angeles provided through Step Up On Second.

3. Housing Trust Fund

Until recently, Beverly Hills has not had [a Redevelopment Agency](#), an inclusionary housing in-lieu or commercial impact fees, and has therefore faced financial constraints in its ability to support the construction of affordable housing. To create a more viable funding source, the City created an Affordable Housing Trust Fund in FY 2016-17 to be used to construct or help leverage construction of affordable housing. Through development agreements on three large scale residential and mixed use projects, the City has negotiated approximately \$4.5 million in funding to be contributed to this Trust Fund. Currently only one of these developer contributions has been completed, for \$1.5 million. These funds are restricted for the purpose of promoting the provision of affordable housing [in](#) the City of Beverly Hills, or as otherwise may be permitted by State law. The Policy and Management Department, in coordination with the Community Development Department, continues to explore options for using City property for the development of affordable housing. In addition, in December 2019, the City enacted an interim urgency ordinance that created inclusionary housing requirements for certain types of multi-

family residential developments. For projects with 5-9 multi-family units, an in lieu fee is available to be paid instead of constructing the required affordable unit(s). The in lieu fees collected through this requirement are deposited into the Affordable Housing Trust Fund, and are used to provide affordable housing in the City through a variety of methods (i.e. development of affordable units, subsidies for construction of affordable units, partnerships with affordable housing developers, etc.). [This interim ordinance was subsequently made permanent in 2021.](#)

The City will continue to explore new funding sources and programs, and opportunities to partner with the private sector and local non-profit organizations. Examples of new funding opportunities include:

- The \$93 million Golden State Acquisition Fund (GSAF) was launched in early 2013 by State HCD in partnership with seven Community Development Financial Institutions (CDFIs), providing developers and public agencies with access to favorably priced funds for developing and preserving affordable rental and ownership housing.
- SB 391, The California Home and Jobs Act, is making its way through the State legislature, and would generate approximately \$525 million annually for affordable housing by imposing a \$75 recording fee on real estate documents.

4. COVID-19 Rent Subsidy

The City Council approved a Rent Subsidy program on September 15, 2020 in an effort to prevent tenants from being evicted during the COVID-19 Pandemic. The Rent Subsidy program was open to tenants who reside in multi-family rent-stabilized units, are at or below 80% AMI at the time of filing the application and can demonstrate that they were financially impacted by COVID-19. Priority was given to those households 65 or older and households with children registered in the Beverly Hills Unified School District. The City allocated \$1 million from the City's General Fund.

Qualified tenants will receive up to \$1,000 a month for three months, for a maximum rent subsidy of \$3,000. Rent Subsidy payments can be made for both back rent and prospective rent. Payment is made directly to the landlord once the landlord has agreed to continue to offer rental services to the tenant and not to evict the tenant for back rent. The City estimates it will be able to assist over 300 households.

Table C-[410](#) below identifies a variety of Federal, state, local, and private resources that may be available to carry out housing activities in Beverly Hills.

Table C-6: Financial Resources Available for Housing Activities

Table C-10: Financial Resources Available for Housing Activities

Program Name	Description	Eligible Activities
1. Federal Programs		
Community Development Block Grant (CDBG)	Grants awarded to City on a formula basis for housing and community development activities primarily benefiting lower income households. Beverly Hills receives approximately \$169,000 annually in CDBG funds from Los Angeles County.	Housing Rehabilitation Public Facilities – ADA Improvements Public Services
Section 8 Rental Assistance	Rental assistance payments to owners of private market rate units on behalf of low-income (50% MFI) tenants. Administered by the Los Angeles County Housing Authority.	Rental Assistance
HOME https://www.hcd.ca.gov/grants-funding/active-funding/home.shtml	Flexible grant program potentially available to the City through the County for housing activities benefiting lower income households.	New Construction Acquisition Rehabilitation Relocation Costs Tenant-based Rental Assistance
Section 202 https://www.hud.gov/pr ogram_offices/housing/ mfh/progdesc/eld202	Grants to non-profit developers of supportive housing for the elderly.	Acquisition Rehabilitation New Construction
Section 811 https://www.hud.gov/pr ogram_offices/housing/ mfh/progdesc/disab811	Grants to non-profit developers of supportive housing for persons with disabilities, including group homes, independent living facilities and intermediate care facilities.	Acquisition Rehabilitation New Construction Rental Assistance
2. State Programs		
Low-income Housing Tax Credit (LIHTC) https://www.treasurer.ca.gov/ctcac/tax.asp	State and Federal tax credits to enable sponsors/ developers of low income rental housing to raise project equity through the sale of tax benefits to investors. 4% and 9% credits available, with 4% credits often coupled with tax-exempt bonds.	New Construction Acquisition Rehabilitation
Multi-Family Housing Program (MHP)	Deferred payment loans to local governments, non-profit and for profit developers for new construction, rehabilitation and preservation of permanent and	New Construction Rehabilitation Preservation

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https://www.hcd.ca.gov/grants-funding/active-funding/mhp.shtml	transitional rental housing for lower income households. Includes separate Supportive Housing and Homeless Youth MHP components.	Conversion of nonresidential to rental Social services within project
CalHome https://www.hcd.ca.gov/grants-funding/active-no-funding/calhome.shtml	Grants to cities and non-profit developers to offer homebuyer assistance, including down payment assistance, rehabilitation, acquisition/rehabilitation, and homebuyer counseling. Loans to developers for property acquisition, site development, predevelopment and construction period expenses for homeownership projects.	Predevelopment Development Rehabilitation Acquisition Down payment assistance Mortgage financing Homebuyer counseling
Transit-Oriented Development Program https://www.hcd.ca.gov/grants-funding/active-funding/tod.shtml	Funding for housing and related infrastructure within one-quarter mile of transit stations.	Capital improvements for qualified housing developments, including enhancing pedestrian or bike access between project and transit Land acquisition
Affordable Housing Innovation Fund https://www.hcd.ca.gov/grants-funding/active-funding/iigp.shtml	Funding for pilot programs to demonstrate innovative, cost saving ways to create or preserve affordable housing. Under AB 1951 (2012), funding has been appropriated to the following activities: Local Housing Trust Fund Grant Golden State Acquisition Fund Innovative Homeownership Program	Varies depending on activity
Infill Infrastructure Grant Program https://www.hcd.ca.gov/grants-funding/active-funding/iigp.shtml	Funding of public infrastructure (water, sewer, traffic, parks, site clean-up, etc) that supports higher-density affordable and mixed-income housing in locations designated as infill.	Development of parks and open space Water, sewer or other utility improvements Streets, roads, parking structures, transit linkages, transit shelters Traffic mitigation Sidewalk and streetscape improvements

CalHFA Residential Development Loan Program www.calhfa.ca.gov/multifamily/special/rdlp.pdf	Low interest, short term loans to local governments for affordable infill, owner-occupied housing developments. Links with CalHFA's Downpayment Assistance Program to provide subordinate loans to first-time buyers. Two funding rounds per year.	Site acquisition Pre-development costs
3. Local Programs		
Community Assistance Grant Funds (CAGF)	Local funding to agencies who provide support services to community's at-risk population including the homeless, active and frail elderly, disabled and lower income residents. Annual funding process through City Human Relations Commissions and Charitable Solicitations Commissions - approximately \$1,400,000 allocated in FY 20/21.	Public services and housing for at-risk populations
Affordable Housing Trust Fund	Local fund in support of affordable housing. Approximately \$4.5 million to be contributed through development agreements to date.	Parameters for use of monies are established in the City's Municipal Code Title 10, Chapter 3, Section 4807
COVID-19 Rent Subsidy Program	City Council approved Rent Subsidy program in an effort to avoid tenants from being evicted during the COVID-19 Pandemic. The City allocated \$1 million dollars from the City's general funds.	Program open to tenants in multi-family RSO units, at or below 80% AMI at the time of filing the application and they were financially impacted by COVID-19. Priority was given to those households 65 or older and households with children registered in the Beverly Hills Unified School District.
4. Private Resources/Financing Programs		
Federal Home Loan Bank Affordable Housing Program	Direct subsidies to non-profit and for profit developers and public agencies for affordable low income ownership and rental projects.	New Construction

Savings Association Mortgage Company Inc.	Pooling process to fund loans for affordable ownership and rental housing projects. Non-profit and for profit developers contact member institutions.	New construction of rentals, cooperatives, self-help housing, homeless shelters, and group homes
Freddie Mac	HomeWorks-1st and 2nd mortgages that include rehabilitation loan; City provides gap financing for rehabilitation component. Households earning up to 80% MFI qualify.	Home Buyer Assistance combined with Rehabilitation

C. Administrative Resources

Described below are several non-profit housing providers active in Los Angeles and the Westside in particular. These agencies can serve as resources in helping to address Beverly Hills' housing needs.

1. Menorah Housing Foundation:

Established in 1969 as a non-sectarian non-profit corporation, Menorah Housing Foundation (MHF) develops and manages affordable rental housing for very low income senior citizens. MHF manages over 1,200 senior apartment units in eighteen buildings on the Westside and greater Los Angeles County. A comprehensive MHF Service Coordination program assists tenants to remain independent in their own homes as long as feasible and creates a supportive environment for the many MHF tenants who live alone. MHF developed Beverly Hills Senior Housing in 1988 located on North Crescent Drive above Whole Foods Market, providing 150 rental units for very low income seniors. The building is currently owned by the City, but operated via a contract between the City and MHF.



2. Alternative Living for the Aging (ALA):

ALA is a non-profit organization that assists older people in housing alternatives. ALA operates several types of affordable senior housing including private apartments, communal living, and permanent supportive housing. ALA also administers a senior home sharing program, and conducts periodic informational workshops on the program for potential home providers and tenants.

3. West Hollywood Community Housing Corporation (WHCHC):

WHCHC was founded in 1986 to buy, build, rehabilitate and manage affordable housing for lower-income people in West Hollywood and the greater Los Angeles area. WHCHC's 18 apartment communities serve seniors living on fixed-incomes, people living with disabilities including HIV/AIDS, and low-income working households. Additional housing is targeting units to individuals and households which are either formerly homeless or at risk for homelessness. WHCHC maintains 2-3 projects in predevelopment and construction.

D. Opportunities for Energy Conservation

As energy costs rise, increasing utility costs reduce the affordability of housing. Further, the potential environmental, economic, and public health benefits of achieving greater energy efficiency and the increased use of cleaner energy sources present significant opportunities for the City to promote sustainability and to reduce housing construction and operation costs. Greenhouse gases (GHGs) are components of the atmosphere that contribute to the greenhouse effect. The natural greenhouse effect allows the earth to remain warm and sustain life. Greenhouse gases trap the sun's heat in the atmosphere, like a blanket, and influence the climate. Examples of greenhouse gases include carbon dioxide, methane, nitrous oxide, and fluorinated gasses. The increased consumption of fossil fuels (wood, coal, gasoline, etc.) has substantially increased atmospheric levels of greenhouse gases. New housing development may contribute to greenhouse gas emissions, but careful site planning and design, and the selection of environmentally friendly building materials and equipment can significantly reduce these emission levels.

In recent years, California has experienced historic drought, heat waves, wildfires and significant rainfall. These significant weather patterns are attributed to climate change. California and many municipalities within the State are known to be leaders in protecting the environment such that many cities are members of the Climate Mayors National coalition where the goal is to demonstrate leadership on climate change through meaningful actions in their communities that accelerates climate progress. The City of Beverly Hills joined the Climate Mayors coalition in 2017.

California's climate policy centers on the statewide emission reduction goals established in AB 32, SB 32, and Executive Order B55-1-18. Since 2000, these laws have required state agencies to develop strategies to track and reduce the state's greenhouse gas emissions across all sectors. To support the state's greenhouse gas emission reduction mandate, the state publishes updated energy and green building standards that are enforceable by the City.

On September 27, 2006, AB 32 was adopted requiring the California Air Resources Board (CARB) to monitor and reduce greenhouse gas emissions. Subsequently, the state issued SB 32 which sets the GHG reduction goal by 40% by 2030 and EO B-55-18 that sets the state goal to be carbon neutral by 2045.

In addition, the City of Beverly Hills adopted a sustainability plan in 2009 that includes programs to encourage the use of clean energy

and reduction of air emissions. The City's Sustainable Living Program was developed to promote and achieve sustainability by helping residents and businesses integrate environmental responsibility into their daily lives. The program offers three levels of recognition (Silver, Gold, and Platinum) to residents and businesses that have implemented practices in the three areas of energy, solid waste & sustainable purchasing and water. In 2020, the City began holding sustainability workshops to further educate the community on the relationship between sustainability and economics. As a result of the Sustainable City Plan, the sustainability programs led a Citywide effort to join the Clean Power Alliance (CPA) which is a community choice aggregator that provides renewable electricity to residents and businesses. Currently, the majority of the City is using fifty percent (50%) renewable electricity and allows residents and business to elect to utilize up to 100% renewable electricity at a comparable cost to Southern California Edison (SCE) renewable electricity product. In addition to providing renewable electricity, residents and businesses are eligible for energy efficiency programs and incentives through the CPA, which supplements existing SCE incentives. The City is also a member of the Energy Upgrade California (EUA) campaign. The EUA provides day to day energy efficiency tips for residents to follow especially on high demand days.

Over the years, the City has completed numerous sustainability projects that help reduce energy consumption, increase use of alternative fuel and improve the quality of life in the City. The City is currently working with the community to develop a new Climate Action and Adaptability Plan to identify and implement additional opportunities for carbon neutrality through development of best practices for municipal operations, building standards, renewable energy sources, and resource management.

These efforts will continue as the City is committed to protecting the environment and becoming more resilient to the effects of climate change and include the following:

1. Energy Efficiency Standards (Title 24, Part 6 and 11)

California has a stringent energy efficiency code for new buildings and modernization projects, known as Title 24. California's energy code began in 1976 and is designed to reduce wasteful and unnecessary energy consumption in newly constructed and existing buildings. The California Energy Commission updates the Building Energy Efficiency Standards (Title 24, Parts 6 and 11) every three years by working with stakeholders in a public and transparent process to ensure requirements are efficient, practical, and cost effective.

The most recent edition of the 2019 California Energy Standards includes additional requirements for the installation of solar photovoltaics, and improvements for attics, walls, water heating, and lighting. Single-family homes built with the 2019 standards will use about 7 percent less energy due to energy efficiency measures versus those built under the 2016 standards. Once rooftop solar electricity generation is factored in, homes built under the 2019 standards will use about 53 percent less energy than those under the 2016 standards. This will reduce greenhouse gas emissions by 700,000 metric tons over three years, equivalent to taking 115,000 fossil fuel cars off the road.

The City continues to enforce the Energy Efficiency Standards for all residential and non-residential construction through its plan review and inspection programs.

2. Green Building Program

CALGreen is the first-in-the-nation mandatory green building standards code. In 2007, the state developed green building standards in an effort to meet the goals of AB 32, which established a comprehensive program of reductions of greenhouse gases.

The California Building Standards Commission updates CALGreen, the Building Energy Efficiency Standards (Title 24, Part 11), every three years by working with stakeholders in a public and transparent process to ensure requirements are efficient, practical, and cost effective.

In order to further promote the use of renewable energy and conservation of water, the City has amended the most recent edition of the 2019 CALGreen to include enhanced requirements for electric vehicle charging and water conservation.

The City continues to enforce CALGreen for all residential and non-residential construction through its plan review and inspection programs. To encourage compliance, the City offers streamlined permitting for solar photovoltaic and electric vehicle charging installations.

3. Sustainable City Plan

Beverly Hills has adopted a number of innovative measures to address environmental sustainability including energy efficiency, environmental protection programs, water conservation programs, environmentally friendly procurement policies, and a waste recycling program that accepts food and green waste. In February 2009, the City adopted a Sustainable City Plan which builds upon this

foundation and enhances the livability of Beverly Hills by providing a reliable infrastructure system, safe and clean environment and providing excellent service to its residents and businesses. The Plan establishes guiding principles, goals, objectives and policies which address the following topic areas:

- Community Participation & Civic Duty
- Climate Protection & Air Quality
- Energy
- Water
- Land-use, Transportation & Open Space
- Materials & Waste
- Environmental & Public Health
- Sustainable local Economy
- Social Equity

The Sustainable City Plan provides an implementation framework along with a means of prioritizing the order in which policies and programs should be advanced in order to meet the goals. The Plan identifies the following next steps upon its adoption:

- Development of an implementation and monitoring program
- Compilation of baseline information on City operations
- Standardization of reporting
- Identification of measures
- Modification of city activities, operations and programs
- Initiation of new activities, operations and programs
- Monitoring, periodically reporting and modifying City activities, operations and programs

As a landowner, employer, building manager, fleet operator, consumer, and service provider, the City has both the opportunity and the capacity to bring about significant improvements in environmental quality. By integrating environmentally sustainable practices into City policies, procedures, operations, and fostering collaboration across City government, the Sustainable City Plan will work to protect and enhance the quality of life for present and future generations in the City. Leading by example, the Plan is designed to promote responsible management and effective stewardship of the City's built and natural environments; transforming the City into a model government agency that is clean, healthy, resource-efficient, and environmentally conscientious.

Additionally, by calling for future improvements to City infrastructure, and new development projects to be designed for pedestrian and non-motorized mobility, implementation of the Sustainable City Plan will result in a street-level aesthetic that is walkable, with goods and

services necessary to daily living available a short distance from new housing. Ultimately, these infrastructure and site design changes will result in less reliance on automobiles and greater cost savings to the future occupants. Therefore, the Sustainable City Plan is not considered a constraint.

For example, the City is enjoying energy savings from the replacement of street and intersection lights with LED fixtures. The City is also working on a number of ongoing and new projects. This includes implementation of a Complete Streets Plan to address pedestrian, bicycle, transit, and automobile activity in the City, as well as developing the Burton Way Median into the City's first Green Street complete with a water efficient garden that will preserve existing trees and public art pieces and will support the City's overarching water conservation goals.

The City's Sustainable Living Program was developed to promote and achieve a sustainable Beverly Hills by helping residents and businesses integrate environmental responsibility into their daily lives. Sustainable practices promote healthy communities, which in turn is beneficial to all. The program recognizes residents and business that have implemented practices in three areas: Energy, Solid Waste & Sustainable Purchasing and Water. The program offers three levels of recognition (Silver, Gold and Platinum) to help residents take the next step on their sustainability journey no matter where they start. In 2020, as part of the Sustainability Program, the City launched the inaugural Sustainability Workshop Series. The three workshops focused on circular economics (sustainability and economics), food waste reduction and water resources. The City invites residents and businesses to attend these informative sessions and make Beverly Hills a model of sustainability and resiliency.

In addition, the City is developing a Climate Action Adaptability Plan (CAAP) to support the state goals and the Paris Climate Agreement of 2050. The CAAP will provide a Citywide GHG inventory, of which, program target goals (metric ton reduction of carbon emissions) can be formulated through implementation strategies, timelines and community input. The CAAP process will also provide GHG reductions analyses from completed capital projects (i.e. energy efficiency projects), the use of renewable natural gas and electricity for City operations, and expected reductions from adopted plans such as the Complete Streets, sustainability programs and adoption of the CALGreen and Energy Codes.

4. Energy Conservation Programs Offered through Local Utilities

The City also participates in, and disseminates information on State and local energy provider rebates and other energy conservation programs for high-demand response, weatherizing and improving energy efficiency in existing homes.

The Clean Power Alliance (CPA) provides a variety of rate reduction programs by incentivizing energy conservation and using renewable electricity. The CPA's Power Response Program allows residents and businesses to receive bill credits for enrollment and for participation during high demand days. High demand days are typically during the summer season and typically within the hours of 4:00 PM to 9:00 PM. The CPA also offers a Solar-Battery and Net Energy Metering program. Clean Power Alliance has partnered with EnergySage to help customers who are property owners make well-informed solar and battery storage decisions. Through the CPA's online Solar Marketplace, customers can receive free custom solar and battery storage quotes from local, pre-screened installation companies. The CPA also has a Net Energy Metering (NEM) Program. The NEM program allows customers with rooftop solar or other eligible generating systems to receive bill credits and even cash back when their systems produce more energy than they use over a 12-month period. The CPA has a separate NEM rate and overall provides a higher incentive rate than investor-owned utilities. Customers may also choose what percent of their power usage will come from renewable energy sources.

Southern California Edison (SCE) provides a variety of energy conservation services under its Energy Savings Assistance Programs (ESA). These services are designed to help low-income households, senior citizens, permanently disabled, and non-English speaking customers control their energy use. SCE also provides discounted rate programs known as California Alternate Rates for Energy (CARE) or Family Electric Rates Assistance (FERA) programs. California Alternate Rates for Energy (CARE) reduces energy bills for eligible customers by about 30% and Family Electric Rate Assistance (FERA) reduces electric bills for qualified households by 18%.

The SCE Energy Saving Assistance Program can help income-qualified homeowners and tenants that are SCE customers, to replace older, working appliances and services with new, energy-efficient models at no cost. In addition to ESA services, SCE can also provide additional measures such as lighting, HVAC, and pool pumps for tenant

common areas such as hallways, corridors, and pool areas for multi-family residential buildings that participate in energy benchmarking, are deed restricted, and have at least 65% of the tenants meeting the ESA Program income eligibility.

The Southern California Gas Company (So Cal Gas) offers energy conservation services known as the Energy Savings Assistance (ESA) and Residential Direct Install Programs. This service provides energy improvements such as weatherization and energy efficient appliances for the homes or apartments of low-income families, provided they meet the federally-established income guidelines. These services are provided to the low-income families free of charge while later being reimbursed by So Cal Gas.

Income-qualified SCE and So Cal Gas customers may be eligible for a bill discount through the California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) programs. Discounts under CARE range from 20-30% and 18% under FERA.

The City's water utility company also offers residents free water audits and has implemented a Water Savings Incentive Program that is available to residential large landscape customers. It provides financial incentives for customized water efficiency landscape projects. Rebates are provided for updating older toilets or urinals to water efficient devices. The City also offers free aerators for bathroom and kitchen sinks, as well as low flow shower heads.

EXHIBIT A
~~Table C-3~~
Sites Inventory

EXHIBIT B

Development Trend Data