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Public Law Update - AB 1490: Adaptive Reuse of Existing Buildings and Residential Conversion of Commercial Buildings for Affordable Housing

Assembly Bill 1490 ("AB 1490") was signed into law on October 11, 2023, and is intended to facilitate the adaptive reuse of existing buildings as well as residential conversion of commercial buildings. Beginning January 1, 2024, AB 1490 requires local governments, including charter cities, to permit and expand adaptive reuse of existing buildings that will create new low- and very-low-income housing. Adaptive reuse projects, defined under the law as an "extremely affordable adaptive reuse project," means a housing development that meets specified criteria, including, but not limited to:

- a multifamily housing development project;
- development that involves the retrofitting and repurposing of a residential building or commercial building that currently allows temporary dwelling or occupancy, to create new residential units (i.e., hotels and motels); and
- development entirely within the envelope of the existing building.

Additionally, AB 1490 allows local governments to impose objective design review standards, but may not include standards relating to:

- Any maximum density requirements;
- Any maximum floor area ratio requirements;
- Any requirement to add additional parking; or
- Any requirement to add additional open space.

Local governments must determine whether a project meets its design guidelines and AB 1490 requirements within 60 or 90 days, depending upon whether the project has more or less than 150 units. Failure to meet these deadlines results in the project being deemed approved. The law also makes extremely affordable adaptive reuse projects eligible for affordable housing funding.