

Conversion and Collocation: Viable Tools for Increasing Housing Supply

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“Conversion” of industrial properties to residential use, and “collocation” of residential units near industrial or commercial uses, has attracted concern from some industrial users and environmentalists.

Yet given the housing crisis and the scarcity of residential land available, urban infill and other “smart growth” developments are vital -- and, by their nature, are often located near other uses, including industrial.

Conversion and collocation can have many benefits, including providing the very workforce housing industrial employers say is crucial to their business. It also avoids urban sprawl, preserves habitat, reduces traffic congestion and saves energy, among others benefits.

Nonetheless, industrial groups like the Industrial Environmental Association (IEA) argue that moderately priced industrial land is in short supply and that new homeowners will likely complain about existing industrial operations. Environmental groups like the Environmental Health Coalition (EHC) argue that conversion and collocation expose residents to health risks and therefore should be strictly limited, and buffer zones should be established between industrial and other uses.

The concerns of these groups have a great deal of validity in many cases -- clearly, collocation and conversion

present substantial and difficult issues. This article suggests a few ideas as to how these issues might be resolved in some cases.

Applicable policies and strategies

Housing crisis

San Diego has a housing shortage that continually seems to get worse, in part due to a shortage of suitable land. That, plus traffic congestion and habitat loss from suburban sprawl, has put much of the focus of new housing on “urban infill” projects.

Infill projects, by their nature, are near other uses and often must address issues ranging from contaminated property to neighborhood opposition, among others. An industrial land use adjacent to a proposed development is yet another potential issue -- but one that must be resolved, if San Diego is going to make meaningful progress toward alleviating its housing crisis.

Industrial land

Other general policies encourage preserving existing industrial-zoned property to allow for future economic growth, as scarcity of industrial land may, like lack of work force housing, affect a region’s ability to attract new businesses, and result in loss of future jobs.

However, it is important to recognize that potential industrial land is not only vacant land already zoned industrial, but also commercial or other currently underutilized properties that could be rezoned to industrial; land recovered from existing industrial processes or operations; and industrial land in nearby communities.

Also, existing industrial buildings and properties could be used more efficiently, for example by dividing up large warehouse buildings into multiple light manufacturing or research and development (R&D) uses, or using more vertical space or condensed parking.

Smart growth/mixed use

The smart growth strategy calls for clustering development for higher densities and better integrating mixed-use neighborhoods of industrial, commercial and residential elements, to reduce automobile dependency. Collocation advances smart growth.

The need to commute, the number of vehicle trips and the resulting traffic congestion can be reduced when enough jobs are available locally to balance the community’s employment demands, and commercial is located convenient to residential. By placing units near employment uses like industrial, collocation allows workers to live closer to jobs.

Proposed restrictions: problems and solutions

Several jurisdictions have been developing policies that would restrict collocation and conversion to address industrial and health concerns. For example, the city of San Diego is drafting a Collocation and Conversion Policy that, in its current form, would establish hurdles to conversion and collocation proposals, including barring them in certain areas and establishing minimum distance buffers in others.

Likewise, the State Air Resources Board (ARB) has promulgated guidelines that encourage the use of buffer zones of specified distances between residential development and freeways or industrial uses.

However, both these policies are overly broad, and fail to account for mitigation and other steps that can be implemented to minimize health risks and address industry's other concerns, as detailed below.

Mitigation measures

Some measures to reduce concerns associated with collocation/conversion are:

Walls and landscaping that reduce noise and odors from industrial operations and enhance views.

In appropriate cases, separation between industrial and residential uses, the size of which should be determined in part by factors such as topography and prevailing winds.

Enhanced construction standards, including sound-proofing and sealed windows to reduce off-site emissions entering houses, and air filtering systems in residential units to help remove pollutants found inside.

Disclosures

Appropriate disclosures to new buyers or renters of residential property located near industrial areas could help resolve the objections raised by industrial groups to collocation/conversion proposals, by making it harder for residents to challenge industrial operations.

The disclosures could inform residents, among other things, that they are living in an urban setting, that industrial and commercial land uses are located nearby (with specifics as to the nature of existing uses), that such uses could change at any time (subject to compliance with law), and that there may be emissions, noise, dust and/or odors relating to industrial operations at these properties.

Title statement

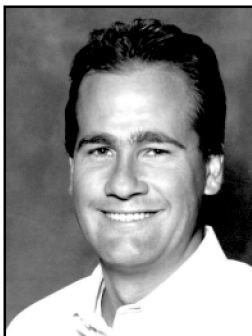
Homeowners also could be put on notice about industrial uses in their area by recordation of a statement regarding such uses on title for each property sold. This would ensure that subsequent purchasers of a unit would be on notice that these uses were permitted so long as they continue their existing operations (or are changed in a manner that involves reduced emissions levels) in accordance with law.

Other considerations

Any restrictions imposed on collocation and conversion developments should be implemented on a case-by-case basis, and should take into account all available information relating to the local site and any mitigation measures imposed by the applicant.

Any such restrictions should be based upon objective science, not assumptions -- in particular, any required buffer zones should be set by reference to specific air quality standards and risk thresholds that are linked to the particular industrial use from which protection is needed.

Finally, any proposed policies for collocation should account for the substantial analysis already performed under CEQA.



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