



# CITY OF WEST HOLLYWOOD

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## OFFICE OF THE CITY MANAGER

PAUL AREVALO  
CITY MANAGER

February 20, 2020

Kome Ajise, Executive Director  
Southern California Association of Governments (SCAG)  
Attention: RHNA  
900 Wilshire Boulevard, Suite 1700  
Los Angeles, CA 90017

Doug McCauley, Acting Director  
Department of Housing & Community Development (HCD)  
2020 W. El Camino Ave  
Sacramento, CA 95833-1829

### **CITY OF WEST HOLLYWOOD OBJECTIONS TO THE PROPOSED DRAFT METHODOLOGIES TO DETERMINE RHNA AND RESULTING ALLOCATION**

Dear Mr. Ajise and Mr. McCauley,

The City of West Hollywood appreciates all the work that the Southern California Association of Governments (SCAG) and the Department of Housing & Community Development (HCD), along with countless community stakeholders have done to develop a Regional Housing Need Allocation (RHNA). The draft RHNA methodology that has been recommended for approval and the resulting high allocation for the City of West Hollywood lack certain considerations, making the methodology inadequate and flawed. The following sections summarize the City's views on the methodology and the resulting RHNA allocation.

#### **BACKGROUND**

The City of West Hollywood has a long track record of working successfully to accommodate the growth of both local and regional populations, and housing needed to accommodate such growth. West Hollywood has adopted effective rent stabilization and tenant protections, successful inclusionary zoning requirements, and has a strong housing element to support local housing needs. We strongly believe that the current shortage of housing and the corresponding affordability crisis in California is unacceptable for a state that has led the nation on so many progressive fronts. California should be a shining example in the production and continuation of safe, affordable and sustainable housing.





**NO CONSIDERATION FOR PREVIOUSLY MET RHNA GOALS**

As mentioned above, the City of West Hollywood has been extremely proactive in accommodating growth to meet demand for housing. Such actions have resulted in the City meeting its RHNA numbers in all affordability categories and making it one of the only cities in the State to do so during the current cycle. Yet, the proposed allocation methodology does not take into consideration the number of units West Hollywood added to the state's housing stock. During the current RHNA cycle, West Hollywood has produced 2,182 units **above the assigned allocation of 77 units – a significant number given the size of our already built-out city, which also constrains the ability to accommodate the proposed allocation for the next cycle.** This happened while other cities in the region have failed, for various reasons, to meet their RHNA goals or even amend their housing elements and zoning ordinances to permit the construction of new housing. In addition, it is hard to view this as a fair allocation when the City is assigned a comparatively high RHNA while, some of the cities in the region that have not met their RHNA numbers were assigned significantly lower RHNA numbers. **We believe that any housing production in excess of the RHNA goals for the current cycle should count toward a 1-for-1 reduction in the upcoming RHNA cycle.** The graphic below further explains West Hollywood's achievements:

**Housing Production in West Hollywood (2014-2018)**  
(Building Permits Issued)

	Very Low	Low	Moderate	Above Moderate
RHNA (2014-2021)	19	12	13	33
<i>Total Housing Units Completed since 2014</i>	<i>145</i>	<i>91</i>	<i>81</i>	<i>1,942</i>

**Past Housing Production**

June 30, 2006 – October 15, 2013

	Very Low	Low	Moderate	Above Moderate
<b>West Hollywood</b>				
Prior RHNA Goal	142	91	99	252
<i>Housing Produced</i>	<i>195</i>	<i>26</i>	<i>12</i>	<i>603</i>

**CITIES THAT HAVE NOT MET THEIR CURRENT RHNA CYCLE NUMBERS OUGHT TO BE ALLOCATED HIGHER RHNA NUMBERS TO CATCH UP**

As stated above, several cities have not done nearly enough to permit the planning and construction of new housing units. Yet, while these cities have done little to expand housing opportunities, the new RHNA allocations do not include nearly enough units to make up for the missed opportunity to have







allowed for new housing units. On the other hand, good players like West Hollywood, which went above and beyond their shared responsibility and planned and permitted new housing projects, received comparatively high RHNA allocations. **HCD should review this practice and require that cities that have not met their RHNA numbers in the fifth cycle be allocated their own existing demand to make up for the unmet need.** Instead, existing demand is reallocated throughout the region.

### **NO CONSIDERATION FOR LAND AREA DIMENSIONS OF A CITY**

The City of West Hollywood is a highly dense, fully built out city with approximately 37,000 residents living in just 1.9 square miles. This is about 18,500 residents per square mile. New developments can only happen with the demolition of existing properties. While the City is just 1.9 square miles in land area, the assigned RHNA is not commensurate with its size when compared to other neighboring cities, which with more extensive land areas and similar High-Quality Transit Areas (HQTA), have been assigned comparatively lower RHNA numbers. More specifically, the City of West Hollywood has been assigned almost 4,000 units, about 2,000 units per sq. mile, on average, double the number of neighboring cities. **HCD should review and correct this discrepancy and assign higher RHNA numbers to cities that, within the same context, have more available land to develop.** Cities like West Hollywood find themselves in a conundrum. Due to the limited geographic/land area of the City, which is already fully built out, new developments can only occur by demolishing existing properties. West Hollywood's housing stock is mostly comprised of multifamily, rental units, most of which are regulated by the City's rent stabilization ordinance (RSO). Furthermore, existing state laws deter demolition of multifamily rental buildings, further complicating construction of new housing units.

### **NEED FOR CEQA REFORM**

Regardless of the final RHNA allocation, the City of West Hollywood will likely need to take actions to increase zoning capacity to accommodate these units. While this is beyond the purview of SCAG's RHNA Subcommittee, **the City advocates for enacting a CEQA Statutory Exemption for actions taken by a jurisdiction in an urban infill context to update General Plans, Specific Plans, zoning maps, or zoning ordinances in order to accommodate communities' RHNA allocations or other state-mandated housing requirements.** This limited exemption would have a high impact in producing needed units and will save jurisdictions considerable time, money, and reduce the legal vulnerability to be challenged under CEQA.





## IMPACT OF SHORT-TERM RENTALS ON CALIFORNIA HOUSING MARKET

The City of West Hollywood, as the rest of the state and the nation has seen an increase in the number of dwelling units that are being offered on short-term rental platforms. And even though the City prohibits short-term rentals of entire units, the enforcement of such prohibition has proven to be extremely difficult. This in turn, has led to the proliferation of units made available on these rental platforms and by extension, the number of units available to potential long-term tenants has proportionally declined, further worsening the housing crisis. **SCAG, HCD and the Legislature must acknowledge this problem and lead a discussion on potential solutions, so that the work to create new housing units is not substantially undermined by existing housing units being shifted from the long-term housing market to short-term rentals.**

The City of West Hollywood appreciates all the work SCAG and its RHNA Subcommittee have done to develop a well-thought out formula and look forward to continuing working together so all Californians have opportunities and options for housing they can afford.

If you have any questions or need additional information, please contact me at 323-848-6460 or via email at [Jleonard@weho.org](mailto:Jleonard@weho.org)

Sincerely,

John Leonard, Manager  
Community & Legislative Affairs Division

C: Hon Benjamin Allen, (SD-26)  
Hon Richard Bloom, (AD-50)

