



## CITY OF BEVERLY HILLS

455 NORTH REXFORD DRIVE ■ BEVERLY HILLS, CALIFORNIA 90210

**Lester J. Friedman, Mayor**

November 4, 2020

The Honorable Rex Richardson, President  
Southern California Association of Governments  
900 Wilshire Boulevard, Suite 1700  
Los Angeles, CA 90017

RE: Request the Southern California Association of Governments President's Regional Housing Needs Allocation Litigation Study Team be Reconvened to Reassess the California Department of Housing and Community Development's Regional Housing Needs Allocation of 1.34 million Housing Units to Southern California

Dear President Richardson:

The City of Beverly Hills is deeply respectful of the Southern California Association of Governments (SCAG) Regional Housing Needs Allocation (RHNA) process; however, recent information released by both Freddie Mac and the Embarcadero Institute question the validity of the RHNA numbers issued by the California Department of Housing and Community Development (HCD). Therefore, our City is requesting the President's RHNA Litigation Team be Reconvened.

In analyzing the information provided in September 2020 by Freddie Mac and the Embarcadero Institute, it is clear HCD's determination of the overall housing shortage in California is flawed. The methodology used by HCD includes a double counting of the need for housing units throughout the state. This resulted in HCD allocating 1.34 million housing units to the SCAG region. However, in the two recent studies the total number of new residential units required for all of California is 820,000. This is significantly lower than the 1.34 million units assigned solely to the Southern California region by HCD.

The new data from these two very credible sources should be explored by members of the President's RHNA Litigation Study Team. Our City hopes that once this new data is examined then the President's RHNA Litigation Study Team could deliberate on options to require HCD to:

- 1) Consider this and any other new information from credible agencies regarding the need for new housing units in California;
- 2) Justify how HCD's 1.34 million housing determination for the SCAG region is defensible in light of the new information which concludes the entire state only requires 820,000 new units in this next RHNA cycle; and
- 3) Justify how the current HCD determination of 1.34 million housing units is consistent with State Statute provisions.

Furthermore, since March 2020, businesses throughout the state have come to a halt due to the COVID-19 pandemic. Eight months into this pandemic, many of the counties in the SCAG region are either in the purple tier (widespread category) or in the red tier (substantial category) where many of the non-essential indoor business operations are closed. The California Department of Public

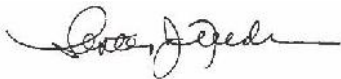
Health (CDPH) requires working remotely in the purple and red tier for most businesses. CDPH then encourages teleworking to continue in counties who reach the orange tier (moderate category) and yellow tier (minimal category). The SCAG region could potentially be in these tiers for another 12 to 18 months depending on how successful a vaccine program becomes and the development of therapeutic medications.

These unprecedented times have demonstrated telecommuting can be a viable, flexible work option. The interest in working remotely will not end once the pandemic is over, and while the long-term impacts of the COVID-19 pandemic will not be known immediately, there are indications the pandemic will have long-term impacts on how the workplace environment will be reimagined. Additionally, many companies are expanding their telework provisions such that employees may now move out of state while still teleworking for their company that previously required them to physically be in an office located in California.

As such, the pandemic represents an opportunity to proactively make adjustments that benefit the state's residents (less traffic, improved air quality), employees (increased productivity, higher employee satisfaction), businesses (reduced operational costs, improved recruitment and retention) and our environment (reduced greenhouse gas emissions, reduced fuel usage).

For these reasons, the City of Beverly Hills strongly disagrees with the determinations and mythology used by HCD in determining the 6th cycle RHNA allocations. Our City is opposed to HCD's RHNA allocation methodology and requests SCAG President's RHNA Litigation Study Team be convened to review these new studies and to pursue all available avenues to revise the 6th cycle RHNA allocations.

Sincerely,

A handwritten signature in black ink, appearing to read "Lester J. Friedman", written in a cursive style.

Lester J. Friedman  
Mayor, City of Beverly Hills