



CITY OF BEVERLY HILLS

455 NORTH REXFORD DRIVE ▪ BEVERLY HILLS, CALIFORNIA 90210

Lester J. Friedman, Mayor

March 30, 2021

Governor Gavin Newsom
1303 10th Street, Suite 1173
Sacramento, CA 95814

Re: State Budget Proposal to Create A Housing Accountability Unit within HCD
City of Beverly Hills OPPOSED/STRONG CONCERNS

Dear Governor Newsom:

The City of Beverly Hills must respectfully OPPOSE your proposal in the 2021-22 Proposed State Budget to create a Housing Accountability Unit within the State Housing and Community Development Department. Your proposed budget includes many laudable elements including:

- Proposals to spend \$1.75 billion to purchase additional motels,
- Developing short-term community mental health facilities,
- Purchasing and preserving housing dedicated to seniors,
- Allocating \$500 million in low income housing tax credits, and
- \$250 million for infill infrastructure intended to facilitate housing.

Your proposed state budget includes resources to create a Housing Accountability Unit at the Department of Housing and Community Development (“HCD”) to further facilitate affordable housing production through monitoring, technical assistance, and enforcement of existing housing production laws such as the Density Bonus Law and Housing Accountability Act. This includes \$4.3 million General Fund for HCD to provide technical assistance to help local governments meet planning and zoning requirements and provide proactive engagement before enforcement becomes necessary.

We are especially concerned about your remark that the goal of this budget proposal is to monitor city council and other local government proceedings to hold them accountable to increase housing production “before articles are written.”

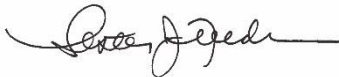
“Let me just make this clear to all my friends, this is to monitor city council meetings. This is to monitor board of supervisors meetings, planning commission meetings. We’re not going to wait for an article to be written to be proactive in terms of holding local government accountable to increasing housing production.”

We are concerned that your budget proposal to “hold local governments accountable for meeting their obligations under existing housing laws” takes an unnecessarily punitive approach when state and local jurisdictions should be working together to address this shared challenge to shape the future of our communities in California. State resources would be better channeled to provide assistance to local governments, especially as many cities have reduced revenues and strained resources due to the COVID-19 pandemic.

Additionally, while cities can plan for affordable housing to be built, cities cannot afford to build the housing. This is solely left to developers, many of whom would prefer to build market rate housing as it is more profitable. The state should be looking for ways to help cities incentivize building affordable housing rather than looking for ways to fund a new government accountability unit that is meant to be punitive.

For these reasons, the City of Beverly Hills opposes your proposal in the 2021-22 Proposed State Budget to create a Housing Accountability Unit within the State Housing and Community Development Department.

Sincerely,

A handwritten signature in black ink, appearing to read "Lester J. Friedman", with a long horizontal flourish extending to the right.

Lester J. Friedman
Mayor, City of Beverly Hills

cc: The Honorable Ben Allen, 26th Senate District
The Honorable Richard Bloom, 50th Assembly District
Andrew K. Antwih, Shaw Yoder Antwih Schmelzer & Lange