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TO: Gubernatorial and Legislative Candidates

SUBJECT: Replacing RHNA

The South Bay Cities Council of Governments (SBCCOG) maintains a legislative agenda which we share with our state representatives quarterly. RHNA replacement legislation is at the top of our list for 2026. Replacement is necessary as the basic relationship between the state and the cities must be redefined in light of current conditions. RHNA establishes the framework for that relationship.

We are seeking to collaborate with state agencies in order to more effectively improve access to housing by our low income residents. Some may characterize this proposal as resistance to growth often labeled a form of “not in my backyard” policies. However, residents of Los Angeles County voted to tax themselves in order to provide local funds to support housing production and preservation. The SBCCOG has formed a housing trust to direct those funds in the most effective manner. These actions indicate our willingness to build, but also, we want to incorporate a broader tool kit.

Most important, we want to be able to manage the process locally because it will result in more affordable housing and less homelessness. The Regional Housing Needs Assessment (RHNA) is a 57 year old policy of state government one-size-fits-all direction which turns control over the local development pattern to a community of developers. Today local planners have the ability to surgically site housing construction, understand their infrastructure capability such as matching the density with an appropriate mobility strategy, use data tools and models not previously available, deploy a range of tools such as addressing vacancies and subsidizing rents, besides just construction which is the only strategy being required. Using all of these strategies would generally protect the interests of longtime residents and businesses who have earned the right to have a voice in quality of life decisions while documenting and addressing housing needs.

For example: The current state mandates result in a neighborhood mini mall or parking lot being replaced by a 300 or 400 DU corporate owned apartment building and a population of tenants. Existing residents are aware that streets will become more congested and lines at the grocery store will get longer.

No evaluation is being made of water resources, outdated sewer lines or other infrastructure needs. Such evaluation and infrastructure improvements used to be a requirement for the developer of the property but now cities bear the responsibility to make sure that their infrastructure can accommodate these new dwelling units. And no matter what the evaluation, state mandates do not allow these critical issues to be considered. We do not want to wait for one or more of those systems to break down in order to realize that this is a recipe for disaster.

LOCAL GOVERNMENTS IN ACTION

Carson El Segundo Gardena Hawthorne Hermosa Beach Inglewood Lawndale Lomita
Manhattan Beach Palos Verdes Estates Rancho Palos Verdes Redondo Beach Rolling Hills
Rolling Hills Estates Torrance Los Angeles District #15 Los Angeles County

The RHNA is a good example of the limits to central planning divorced from facts on the ground:

- The rents will not be affordable except for those few below market dwelling units that the community pays for by even higher densities than would otherwise occur due to the density bonus provision of the RHNA program. Data show development cost of a dwelling unit in the South Bay was estimated to be over \$650,000 before the shocks from tariffs, labor deportation, and now disruption to the energy supply.
- Congestion will worsen. The stated remedy is that the new residents will use transit, walk and bike. The data show that this is not a realistic expectation. Using the LA Metro “Locus” data base, we know that the bicycle mode share in the South Bay is less than 1% and public transit mode share averages less than 3% across cities (transit peaks at around 7% in Inglewood). That means around 95% of those new residents will drive around mostly alone and in an internal combustion powered vehicle. These numbers are not a South Bay anomaly. Mode share is much lower than 10% in most areas of LA County which has more transit than most areas of the state.

We think that the gubernatorial and legislative elections are a good time to let people know that facts matter and working together and not through mandates from the state, we need to find strategies that allow everyone to have a chance for housing that they can afford without destroying the wonderful communities that have been established throughout the state.

The basic idea of a large, centralized bureaucracy using an opaque black box of data and algorithms is divorced from actual market data forecasting “need”. And making projections for up to 10 years into the future without any mid-course corrections is obviously inconsistent with the world of today being pounded by extreme weather, AI impacts on the job market, and an unpredictable economy.

Local jurisdictions today must be nimble and able to adapt. They must be responsible for directing their own future in this turbulent world. RHNA allocates housing construction minimums to every local jurisdiction in the state and defies good practice by failing to collect data on progress toward increased affordability and not including any evaluation of policy performance.

The idea that the reason for unaffordability comes down to a single factor – the need for more supply – has not and will not meet the goal of more affordable housing options. Housing markets are complex with rent levels having many causes, land value in particular. Land values increase when density increases, undermining the prospect for apartment construction producing lower rents. Affordable housing is best built on affordable land.

The idea that housing affordability is by itself a crisis when products in every sector – food, energy, insurance, health care, medical insurance, home insurance, etc. – have become unaffordable to an increasing number of people is obviously wrong. Yet all of that is predictable in a bar bell economy where a small percentage owns the vast majority of wealth and captures the largest percent of GNP growth. The economic crisis permeates the entire economic system which means it is a crisis of capitalism, not housing. In other words, the condition of unaffordability is nothing that we can just build our way out of.

RHNA and related state policies focus entirely on supply missing the point that affordability means that there is a gap between price and income. Income must be a part of any affordability strategy.

Without it, increased construction will result in gentrification. Addressing affordability by strategies to increase incomes without gentrification is one component of the role of local governments.

In closing, the SBCCOG's legislative agenda for this election year will include a proposal for a new collaborative relationship between local and state jurisdictions. The outline of that proposal is that each sub-region (consisting of cities represented by a joint powers authority aka council of governments) and/or the County or metropolitan city will commit to authorizing a number of affordable dwelling units subject to: 1) consideration of the demographics of California's present and future population; 2) what it can afford to subsidize; 3) ability to manage within its carrying capacity; 4) a plan to address density with an effective mobility strategy; and 5) with sites consistent with the principle of complete neighborhoods, essentially adding housing adjacent to dense clusters of essential destinations.

We understand that there is legislation to re-authorize and fund another round of REAP projects and we request that this funding be available for a growth feasibility analyses.

It is not helpful to demonize cities and their city councils who are elected by their communities to represent them. We want to partner with the state and look for solutions, not receive unrealistic mandates.

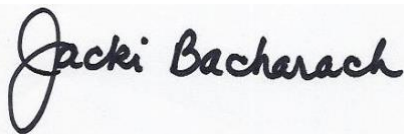
Our voters may not understand the complex policies that force them to adjust to a 400 DU apartment on their corner, but they will support a candidate with the courage to stop it and replace it with something like the rational process we are proposing. They want to participate through city hall, not a distant bureaucracy.

We are confident that there are grassroots organizations that will actively support a candidate taking on this issue.

We welcome the opportunity to have further discussions with you and your staff to describe our vision of a sustainable region, the basis for our South Bay Sustainability Strategy (SBSS). It matches complete neighborhoods with complete streets promoting the broad family of "micro-options" for local travel. The SBCCOG Board also has a formal policy of local land use control as a realistic strategy for meeting affordability and carbon reduction goals.

If you are interested in continuing this dialogue, we would welcome further discussion – possibly via zoom. We hope to hear from you.

Sincerely,

A handwritten signature in black ink that reads "Jacki Bacharach". The signature is written in a cursive, flowing style.

Executive Director
South Bay Cities Council of Governments