

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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March, 23, 2026

Michael Forbes
Director of Community Development
City of Beverly Hills
Via: mforbes@beverlyhills.org
455 N Rexford Drive
Beverly Hills, CA 90210

Dear Michael Forbes:

**RE: City of Beverly Hills – 8844 Burton Way – Notice of Potential Violation
(Follow-Up)**

The California Department of Housing and Community Development (HCD) sent a Letter of Technical Assistance to the Beverly Hills Planning Commission ahead of its consideration of the proposed project at 8844 Burton Way ("Project") on October 29, 2025. Despite HCD's guidance, the Planning Commission recommended denial of the Project. HCD then sent a Notice of Potential Violation (NOPV) on November 20, 2025, to remind the City of its obligations under the Housing Accountability Act (HAA) and specifically the requirements for making findings of denial ahead of the City Council hearing for the Project. This follow-up NOPV serves to inform the City of further obligations under state law that were not mentioned in the November letter, including the burden of proof for conditions of approval under the HAA and potential fines under Government Code section 65914.2, which took effect on January 1, 2026.

Background

HCD understands that the proposed Project includes 200 units, of which 22 units will be restricted to low-income households. The project site is located within the City's R-4, Multiple Residential Zone, and has a General Plan designation of Multi-Family Residential – High Density. The preliminary application for the Project was filed pursuant to the Builder's Remedy provisions of Government Code section 65589.5, subdivision (d)(5)¹, as the City did not have a compliant housing element when a preliminary application was submitted on December 23, 2023. A full development

¹ Pursuant to Assembly Bill 1893 (2024), Chapter 268 (Cal. Stat. 2024) this provision is now Gov. Code, § 65589.5, subd. (d)(6).

application was then submitted on March 25, 2024. The original application submittal was deemed complete on January 10, 2025, with a revised version deemed complete on July 31, 2025. The revision did not change the overall unit count but did include modifications to height (expanding from 20 to 26 stories) and number of affordable units (reducing from 40 to 22 units). The reduction in affordable units is consistent with the updated affordability requirements under Assembly Bill 1893 (2024), Chapter 268 (Cal. Stat. 2024).² The Project also qualified under State Density Bonus Law (SDBL) and applied for several waivers and concessions, including reduced setbacks and parking dimensions, as well as the aforementioned increase in height.

A previous Notice of Violation (NOV) dated December 2, 2024, was sent to the City on this project – and several others – but highlighted separate issues.³ The City ultimately adhered to guidance provided in the NOV. An NOPV was sent to City Council on November 20, 2025, which addressed the burden of proof needed to make the denial findings under the HAA, including the topics of affordable unit dispersal and specific adverse impacts to health and safety.⁴ This letter highlights two additional considerations for City Council ahead of the March 4, 2026, appeal hearing.

Conditions of Approval

HCD understands that the City may be considering implementation of conditions of approval. Specifically, HCD understands the City may be requiring certain architectural details that, per the developer, may impact the cost and viability of the project. HCD reminds the City of its obligations under the HAA, which state that conditions should not have a “substantial adverse effect on the viability or affordability of a housing development for very low, low-, or moderate-income households” and if the imposition of conditions is challenged under a court action the burden of proof shall be on the legislative body.⁵

Government Code section 65914.2

Additionally, HCD would like to inform the City of AB 712 (Chapter 496, Statutes of 2025) which went into effect on January 1, 2026, under Government Code section 65914.2. AB 712 provides that, in a suit brought by an applicant, a court shall impose a fine on a local government if the local government was advised in writing prior to the

² Gov. Code, § 65589.5, subd. (h)(3)(C).

³ These issues included the inability for the City to require a General Plan Amendment and Zone Change for an application qualifying under Gov. Code, § 65589.5, subd. (d)(5), as well as the ability for an application to maintain vesting through multiple 90-day review periods as defined in Gov. Code, § 65941.1, subd. (d)(2).

⁴ <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/HAU/beverly-hills-hau-2581-nopv-112025.pdf>

⁵ Gov. Code, § 65589.5, subd. (i)

commencement of a lawsuit brought by the Attorney General or HCD that the local government's decision, action, or inaction would represent a violation of specified state housing laws. AB 712 specifies that fines are to be multiplied by a factor of five if the jurisdiction has previously violated the same housing reform law during the same planning period, as supported by a successful lawsuit by the applicant.⁶ HCD reminds the City of the successful lawsuit by the applicant regarding the project located at 125-129 S. Linden Drive ("Linden Project") on August 12, 2025. If any of the violations of the HAA or Permit Streamlining Act (PSA) found by the Superior Court of California for the Linden Project are also made for this Project, the fine multiplier may be applied. The minimum fine per housing unit is set at \$10,000 per unit, or \$50,000 per unit if repeat violations are found as noted above.

Conclusion

The City Council should be mindful of the specific requirements for making findings of denial under the HAA as it considers the Project. If the City Council is unable to make such findings, HCD urges the City Council to approve the Project at the proposed density, with the proposed concessions and waivers. Conditions of approval should not significantly affect the feasibility or viability of the Project.

Additionally, HCD reminds the City of its enforcement authority over the HAA and SDBL, among other state housing laws. Accordingly, HCD may review local government actions to determine consistency with these laws. If HCD finds that a jurisdiction's actions do not comply with state law, HCD may notify the California Office of the Attorney General that the local government is in violation of state law. The City should also be aware of the potential for fines under Government Code section 65914.2

If you have any questions regarding the content of this letter or would like additional technical assistance, please contact Bentley Regehr at bentley.regehr@hcd.ca.gov.

Sincerely,



Melinda Coy
Housing Accountability Chief

⁶ Gov. Code, § 65914.2, subd. (b)(2)(A)(ii)(I).