

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

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May 8, 2026

Chloe Chen, Principal Planner  
Community Development Department  
City of Beverly Hills  
455 North Rexford Drive  
Beverly Hills, CA 90210

Dear Chloe Chen:

**RE: Review of the City of Beverly Hills Enacted Senate Bill 79 Transit-Oriented Development Alternative Plan**

Thank you for submitting the City of Beverly Hills (City) enacted Senate Bill (SB) 79 Transit-Oriented Development Alternative Plan, which was received for review on February 11, 2026, along with the draft ordinance received on January 22, 2026. HCD reviewed the following documents in Table 1 that were submitted by the City:

**Table 1 Submittal Documents**

|   | Filename                                                            | Document Description                                             | Received Date     |
|---|---------------------------------------------------------------------|------------------------------------------------------------------|-------------------|
| 1 | Adopted Transit-Oriented Development HCD Submittal Cover Letter     | Description of the Transit-Oriented Development Alternative Plan | February 11, 2026 |
| 2 | Beverly Hills City Council Agenda Packet dated January 21, 2026     | City Council/Planning Commission Staff Report and Exhibits       | February 11, 2026 |
| 3 | Excel Spreadsheet of SB 79 Site Inventory                           | Capacity Analysis                                                | February 11, 2026 |
| 4 | PDF Map of Scenario Three – La Cienega TOD stops                    | Identified TOD stops                                             | February 11, 2026 |
| 5 | Excel Spreadsheet of SB 79 Inventory – 65912.161(a)(3) verification | Capacity Analysis of each TOD Zone                               | March 19, 2026    |

While the enacted ordinance addresses many statutory requirements, revisions will be necessary to substantially comply with the SB 79 Transit-Oriented Development Alternative Plan as described in Government Code section 65912.161, as follows:

- 1. Government Code, Section 65912.161, subdivision (a)(1):** *“A local transit-oriented development alternative plan shall maintain at least the same total net zoned capacity, in terms of both total units and residential floor area, as provided for in this chapter across all transit-oriented development zones within the jurisdiction.”*

In the City’s proposed alternative plan, the “import” sites will receive twice the amount of density allowed in SB 79, but the height and Floor Area Ratio (FAR) limits would remain the same. This would result in housing development projects on those “import” sites potentially being smaller in average unit size than the average unit size the statute anticipated. Therefore, the proposed densities in the City’s alternative plan would not meet the statutory requirements of maintaining the same total net zoned capacity, in terms of both units and residential floor area.

However, HCD understands the City is considering a methodology that would adjust the heights on “import” and “export” sites proportionately to their respective densities so that the proposed housing developments maintain the overall number of units and residential floor area required by the law and ensure that transit-oriented housing development projects have the capacity needed to account for densities that are redistributed across both of their Transit Oriented Development (TOD) zones. HCD finds this proposed methodology would meet statutory requirements and address this finding, statutory requirements of an alternative plan. Please note, the City will need to adjust the residential floor area on the respective “import” and “export” sites to ensure compliance with statute.<sup>1</sup>

- 2. Government Code Section 65912.157, subdivision (h):** *“A development proposed pursuant to this section shall not be located on either of the following: (1) A site containing more than two units where the development would require the demolition of housing that is subject to any form of rent or price control through a public entity’s valid exercise of its police power that has been occupied by tenants within the past seven years.(2) A site that was previously used for more than two units of housing that were demolished within seven years before the development proponent submits an application under this section and any of the units were subject to any form of rent or price control through a public entity’s valid exercise of its police power.”*

On page 2 of 17 in the Staff Report dated 12/11/2026 presented to the Planning Commission, staff wrote: “SB 79 provisions do not apply to properties with at least two dwelling units to which the rent stabilization ordinance applies and that have been occupied in the last seven years, and such properties in the ¼ and ½ mile radii have not been included on the maps showing impacted properties.” It is HCD’s understanding that the City’s capacity analysis for each TOD zone did not include

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<sup>1</sup> Gov. Code, § 65912.161, subd. (a)(1)(B).

sites (i.e., parcels) that have units on them that are subject to the rent stabilization ordinance (RSO). Government Code section 65912.157, subdivision (h), does not state that such sites may be excluded from the overall SB 79 capacity, only that SB 79 developments that require demolition of such units, or where such units were demolished, may not be located on them. Because both provisions include a seven-year lookback window, eligibility under SB 79 is dependent on the date a particular application is filed. Once seven years have passed, such developments would be eligible. Therefore, otherwise eligible sites with more than two units subject to local rent or price control must be included in the overall SB 79 capacity. Therefore, the City's sites capacity analysis must include the total units and residential floor area that would have been eligible for SB 79 on the excluded RSO sites and demonstrate that the TOD alternative plan shall maintain the same total net zoned units and residential floor area, pursuant to Government Code section 65912.161, subdivision (a)(1).

HCD reserves the right to request additional information to ensure substantial compliance with SB 79 and may update its findings if new information comes to light. In addition, the Southern California Association of Government's (SCAG) map shall have a rebuttable presumption of validity for use by project applicants and local governments<sup>2</sup> and therefore the City's ordinance and map should be at least as inclusive as SCAG's map when made available.

### **Next steps**

The City has until Tuesday, July 7, 2026 (60 days from this letter) to respond to these written findings.<sup>3</sup> Pursuant to Government Code section 65912.160, subdivision (d)(5), the City must consider the findings provided here and must either amend the ordinance to comply with HCD's findings or enact the ordinance without changes. If the City chooses to enact the ordinance without changes, it must include findings in its resolution adopting the ordinance that explain the reasons the City believes the ordinance complies with Government Code section 65912.161 despite the findings provided by HCD.

Please be advised, if the City does not amend its ordinance in response to HCD's findings or does not adopt a resolution with findings explaining the reason the ordinance complies with this section and addressing HCD's findings, HCD shall notify the City and may notify the Attorney General that the City is in violation of SB 79 pursuant to Government Code section 65912.160, subdivision (d)(6).

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<sup>2</sup> Gov. Code, § 65912.160, subd. (f).

<sup>3</sup> Gov. Code § 65912.160, subd. (d)(4).

HCD appreciates the cooperation of the City of Beverly Hills staff during the course of our review. HCD is committed to assisting the City in addressing all statutory requirements of SB 79. If you have any questions or need additional technical assistance, please contact Xjvirr Thomas, at [Xjvirr.Thomas@hcd.ca.gov](mailto:Xjvirr.Thomas@hcd.ca.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Melinda Coy", followed by a long, sweeping horizontal stroke.

Melinda Coy  
Housing Accountability Unit Chief