



Southern California Association of Governments
November 6, 2025

To: Regional Council (RC)

From: Lucy Dunn, Ex-Officio Member; Business Representative

Subject: Business Report – November 6, 2025

Here are a few items that business and industry leaders have been engaged in which may also be of interest to regional public leaders:

1. **GLUE Council meeting** of business and industry folks has moved its November 3 previously scheduled meeting. GLUE Council's next meeting is scheduled for November 17, 2025 via Zoom at 10:00 am. We have a robust agenda in the works with an update on Prop 50 results and a California gubernatorial outlook, business impacts from the latest SCAG Demographic Workshop, and a discussion on SB375/473 reform efforts.
 2. **Insurance on the Slow Mend.** Building industry leaders report that Insurance Commissioner Lara is making some progress on insurance reforms. The insurance market is slightly better. The FAIR plan—California's backup insurance program—now includes condos. Some insurance companies are coming back into the market but State Farm is still hanging back and, as they are the largest, tend to drive the market. But the good news is that more condos are more likely to be insured. The Insurance Commissioner will hold a series of statewide virtual town halls this week on fire and flood insurance for the consumer. For more info: insurance.ca.gov.
 3. **SCAG'S Demographic Workshop—A Homerun.** On October 1, Dowell Myers, Ph.D., Population and Dynamics Research Group, USFC Sol Price School of Public Policy, led excellent panel discussions on demographic trends, housing trends, lifecycle sharing, and immigration, with challenges from some panelists to use SCAG's influence in "outside the box" advocacy. I highly recommend reviewing this material and commend Kevin Kane and team for an outstanding program. Business impacts—especially immigration deportation impacts—will be featured in the upcoming GLUE Council meeting. For more info: [SCAG Workshop](#). And on point, this editorial from OC Register's Sal Rodriguez: "[Trump can't deport them all, so then what?](#)"
 4. **So Cal Housing Notes from Randall Lewis.** The housing market especially for new homes remains sluggish. There is still activity but at much slower sales rates. Homebuilders are still subsidizing mortgage rates. Home shoppers seem encouraged that rates have come down a little, but many shoppers are still on the sidelines anticipating lower rates in the next 3 – 6 months. Homebuilders
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don't anticipate a big change for the rest of this year in home buying sentiment, unless interest rates come down another half percent.

The rate of AI usage is speeding up. It is now being embedded in almost every organization and is transforming how work is done. AI has gone from just being a smarter Google search engine. It's now a key way to increase productivity and effectiveness. Smart cities and counties are exploring how it can help the effectively and efficiently meet their goals.

5. **Energy Solutions from the Private Sector.** On October 27, 2025 at 7:30 pm at the Caltech Beckman Auditorium I will attend the screening of the documentary film "**Bright Harvest: Powering Earth From Space**" which follows the incredible journey of three Caltech professors who came together over a decade ago to solve a problem: How do you power Earth from space to provide an endless supply of clean sustainable energy?

The film features Caltech professors Harry Atwater, Ali Hajimiri, and Sergio Pellegrino, leaders of the Space-Based Solar Power Project, on a journey to the 2023 launch of the Space Solar Power Demonstrator and the success that followed. Their research was funded by philanthropist Donald Bren, Chairman of Irvine Company, who recalled reading about the potential for space-based solar energy as a boy in Popular Science magazine. In 2011 he approached Caltech with the idea of funding a bold research project with the hope of turning his childhood dream into a reality. After the screening, professors Atwater, Hajimiri and Pellegrino will discuss how they made space-based solar energy a reality. The film was produced by Brigitte Bren, a Caltech Board Trustee, and filmmaker Steven Reich.

ENERGY NEEDS FUN FACT: Citi published a thoroughly researched report recently, concluding that OpenAI will have to spend over \$1 trillion to deliver its promised computing power in the next five years. The amount of energy they will need to deploy is equal to 250 gigawatts of computing capacity (by 2033), which would cost at current prices over \$12.5 trillion (which is 40% of the total annual GDP of the entire American economy). [Citi report on data center powerplay.](#)

6. **News from BizFed LA.** GLUE Council member, Tracy Hernandez, and her team from BizFed LA share their findings from the business community:

- "Rent Stabilization Ordinances" (RSO) are causing more damage than solving home affordability.
 - ✓ The ultimate umbrella that Rental Stabilization Ordinances (RSO) are governed by is AB 1482, which is the Tenant Protection Act of 2019. AB 1482 applies to most rental units older than 15 years, and limits rent increases to the lesser of 10% total or 5% + CPI over a 12-month period.
 - ✓ The statewide law also must operate on the backdrop of the Costa Hawkins Act of 1995.

- ✓ What we are seeing in some local governments and cities like LA County and LA City challenge and ultimately seek to undo the Rental Stabilization Ordinance. For example, in LA County, led by Sup. Horvath, the Board of Supervisors recently voted 4-1 to enact a local state of emergency due to the Federal ICE raids with the expectation that the Board will later take up another Eviction Moratorium for as long as the duration of the emergency ordinance. This is similar to what was done during the COVID-19 pandemic.
 - ✓ In LA City, Councilmembers are debating undoing their RSO that would make it more restrictive and limit property owners' ability to cover their rising costs.
 - ✓ A report by Beacon Economics identified serious flaws in the city's adjustment study, concluding that the proposed changes are not supported by data and would worsen the housing crisis by discouraging investment and increasing turnover costs.
 - BizFed is looking at what SB79 actually does and how cities may include the new law in planning to achieve RHNA targets.
 - ✓ SB 79 overrides local density limits to allow high-density housing development within one-half mile of qualifying transit stops.
 - ✓ To allow for local flexibility in implementation, SB 79 includes provisions allowing local governments to exempt certain sites from SB 79 or bypass SB 79 by adopting alternative transit-oriented development (TOD) plans that allow at least as much overall development. However, these measures must be approved by California's Department of Housing and Community Development (HCD), which is charged with enforcing SB 79 and providing guidance for implementation.
 - ✓ SB 79's primary operative provisions – those allowing greater density near transit – will not apply to cities until July 1, 2026, unless the city, prior to that date, adopts an HCD-approved ordinance or local TOD alternative plan.
 - ✓ SB 79's operative provisions will not apply to unincorporated county areas until the seventh regional housing needs allocation cycle.
 - BizFed LA supports planning for an Olympics Water Taxi. LA Metro is currently working on the feasibility study. They will be presenting to the Board on December 4 and we are looking forward to the update. The goal of the Water Taxi is to use the service between San Pedro and Long Beach and be in time for the 2028 Olympics. The water taxi would be emissions free.
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7. **Travel for Me!** I'll be leaving for Barcelona this week and be off until November 19. I'll try to phone in from my international location for SCAG's Regional Council, knowing I can participate as a public member. But if you have any questions in the meantime, email me at lucettadunn@gmail.com.