



July 16, 2026

The Honorable Sheila F. Hanson
Presiding Judge of the Superior Court
Orange County Grand Jury
700 Civic Center Drive West
Santa Ana, CA 92701

Subject: Response to Grand Jury Report *California Housing Mandates*

Dear Honorable Judge Hanson:

The City of Aliso Viejo has reviewed the Orange County Grand Jury's Report entitled *California Housing Mandates*. In compliance with California Penal Code sections 933 and 933.05, the City has responded to each of the findings and recommendations included in the report. Each finding and recommendation is listed below, followed by the City's response.

FINDINGS

F1 In recent years, the California Legislature has enacted an unusually large and burdensome volume of housing-related laws intended to strengthen compliance with State Housing Mandates.

The City partially agrees with this finding. Some of the housing related laws have increased the administrative burden, local resources, complexity, and administrative burden in implementing the General Plan and the zoning code. While housing laws have streamlined certain housing development projects, some have reduced local control. Consequently, this forces the city to take proactive steps to adopt ordinances and programs to at minimum, maintain some level of local control, such as objective design standards. Absent of these efforts, the city must approve projects that meet minimum land use and zoning standards, which may not be desirable or meet the needs of our community.

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- F2 Housing Mandates are implemented through a RHNA process that often lacks transparency and relies on complex methodologies that are difficult for local officials and the public to understand or meaningfully challenge.**

The City partially agrees with this finding. While transparency may not be an issue, the RHNA process is based on complex methodologies that local officials and the public alike find it difficult to understand, especially in built-out communities.

- F3 OCCOG coordinates RHNA regional planning in partnership with the SCAG for Orange County. OCCOG lacks adequate influence with SCAG.**

The City partially disagrees with this finding. OCCOG coordinates and provides an avenue for cities to engage, shares data, and prepares collective input to SCAG.

- F4 Meaningful participation by Orange County cities in both OCCOG and SCAG meetings is critical to ensuring that local perspectives are represented during the development and implementation of Housing Mandates policies.**

The City agrees with this finding. Participation by Orange County cities are critical as the resulting housing mandates policies will directly impact the cities.

- F5 SCAG's 6th Cycle RHNA assigned Orange County a questionable total of 183,861 housing units for the 2021-2029 planning period, with higher allocations concentrated in cities with major population and employment centers.**

The City partially agrees with this finding. The City focuses on addressing its assigned RHNA allocation, which increased substantially from the prior planning cycle despite no significant changes in the City's underlying land use patterns, infrastructure capacity, or growth characteristics. The City has no comments on other cities' allocations.

- F6 RHNA allocations are unrealistic and not attainable within the current planning cycle due to limited available land, built-out urban conditions, infrastructure constraints, environmental factors, and public health and safety requirements.**

The City partially agrees with this finding. The City is largely built out as a planned community characterized by small lots and limited vacant land. Opportunities for new residential development are primarily limited to the redevelopment or intensification of already-developed sites. While the City has taken steps to identify and reduce constraints to facilitate future redevelopment potential, the timing and feasibility of actual housing production remain dependent on market conditions, financing, and property owner participation. Expecting construction of residential units, particularly at the scale assumed in RHNA allocations, is not realistic under current conditions.

- F7 Residents in Orange County consistently express a desire for local planning decisions to reflect community priorities, including but not limited to neighborhood character, safety considerations, the environment and open-space preservation.**

The City agrees with this finding. Each city has its own unique character and priorities. Residents expect balanced development that is compatible with existing character, scale, density, and aesthetics, while respecting community priorities such as preserving open space, maintaining neighborhood quality, and sustaining the overall planned environment.

- F8 California's regulatory construction costs (i.e. permitting fees) present substantial challenges for private housing developers—particularly those delivering affordable units.**

The City disagrees with this finding. Regulatory costs, such as permit processing and development impact fees, are a relatively small component of a housing project's total costs when compared to the larger land acquisition, labor, construction and materials, and financing costs.

- F9 The cost of constructing a single affordable housing unit in California typically ranges from approximately \$500,000 to \$800,000 per unit when fully complying with current state regulations. New low-income housing is generally not financially feasible without public subsidy.**

The City neither agrees or disagrees with this finding as the cost to construct affordable housing can vary depending on various factors, such as location, type of construction, and market conditions.

- F10 Prior to their dissolution in 2012, redevelopment agencies served as a primary mechanism for cities and counties to finance affordable housing and related infrastructure. The loss of redevelopment has reduced cities' ability to support construction of affordable units.**

The City neither agrees nor disagrees with this finding. While the former redevelopment agencies did provide one source of funding, the cost to construct affordable housing can vary depending on various factors, such as location, type of construction, and market conditions. It is difficult to determine whether the dissolution of former redevelopment agencies has affected the ability to provide affordable housing at state-wide level.

- F11 Because public subsidy is limited and highly competitive, cities seeking to produce meaningful quantities of low-income housing must rely in part on private development incentives, often resulting in higher overall development densities and unit counts than the RHNA allocation.**

The City partially agrees with this finding. Affordable housing projects may be financed through private funds, public funding sources, tax credits, or a combination thereof. However, the project feasibility is primarily based on factors such as land availability, market conditions, and local housing needs. While public subsidies can support projects, they are not the primary driver of projects.

- F12** The 6th Cycle RHNA methodology included numerous technical inputs published by SCAG and HCD; however, these inputs were highly complex and difficult for cities to interpret or independently verify.

The City agrees with this finding. The methodologies were highly complex and challenging to understand, making it difficult to validate any data.

- F13** The California State Auditor's 2022 review found significant deficiencies in HCD's regional determination process—including inadequate documentation, data-entry errors, and insufficient justification for key assumptions—raising concerns that similar issues may affect the 7th Cycle process.

The City neither agrees nor disagrees with this finding. The City is only familiar with its own experience with HCD.

- F14** OCCOG's current resources and organizational structure are insufficient to fully advocate for Orange County jurisdictions during RHNA methodology development, especially when compared with larger or more heavily resourced regional councils of governments that also influence SCAG.

The City agrees with this finding. While OCCOG provides an avenue for cities to engage, shares data, and prepares collective input to SCAG, re-evaluating the current resources and organizational structure for sufficiency is necessary as its influence is likely less compared to larger heavily resourced organizations.

- F15** Demands on HCD are anticipated to materially alter methodology for the 7th Cycle, but Orange County jurisdictions have not yet received clear guidance on how these allocations will be translated into SCAG policy or local impacts.

The City agrees with this finding. The City has not received any guidance for the 7th Cycle.

- F16** The reliance on transit accessibility as a major RHNA consideration requires high-quality, early-released datasets from OCTA; however, these datasets are not currently consolidated or formally adopted for use in the 7th Cycle methodology.

The City agrees with this finding. The City has not received any datasets for the 7th Cycle.

- F17** The large number of committees, subcommittees, and advisory groups involved in SCAG and OCCOG's RHNA processes promotes broad participation but diffuses accountability, making it difficult to determine who is responsible for specific analytic inputs or process decisions.

The City disagrees with this finding. SCAG determines the RHNA allocation with HCD input. While there are many participating groups in the RHNA process, accountability ultimately rests with the entities that make the decisions.

- F18** The City of Huntington Beach has been unsuccessful in its attempts to contest Housing Mandates. To date, Huntington Beach lacks an approved General Plan Housing Element related to RHNA Allocation.

The City neither agrees nor disagrees with this finding. The City does not monitor the status of the Huntington Beach Housing Element, its compliance with housing mandates or its certification with HCD.

- F19** The City of Irvine has been progressive in submitting a housing plan that calls for twice the number of units mandated (56,000). However, this threatens the historical nature of a master plan community with substantial infrastructure challenges.

The City neither agrees nor disagrees with this finding. The City is not familiar with the historic nature of Irvine's master plan community or the specifics of its housing plan.

- F20** Cities and other stakeholders encounter difficulty explaining RHNA outcomes to elected officials and the public due to a lack of clear, consolidated documentation describing how allocation decisions are derived from the underlying data.

The City agrees with this finding.

- F21** The absence of a clearly articulated and easily understandable description of the RHNA allocation algorithm contributes to perceptions that discretionary or political considerations may influence outcomes, even when allocations are made in compliance with state housing laws.

The City neither agrees nor disagrees with this finding. Regardless of public perception and understanding that RHNA allocations are established in compliance with state laws, the absence of a clear and easily understood explanation of RHNA methodology makes it difficult to understand the RHNA allocation.

- F22** Improved transparency and communication regarding RHNA methodology would enhance public confidence in the process and reduce misunderstandings among member jurisdictions.

The City disagrees with this finding. The issue is not transparency or communication. The complexity of RHNA allocation and the absence of a simplified explanation make it difficult to understand how the housing allocations are calculated for jurisdictions.

RECOMMENDATIONS

- R1.** OCCOG should expand its technical-assistance and training programs, by September 30, 2026, to ensure that all Orange County jurisdictions understand RHNA methodology, statutory obligations, and the implications of noncompliance. (F1, F2, F3, F4)

The City will not implement this recommendation as it is not applicable.

- R2** OCCOG should coordinate a countywide review of sites identified in local Housing Elements, by December 31, 2026, to evaluate whether each site meets state requirements for realistic capacity and development feasibility, supported by a standardized, version-controlled change log. (F3, F4)

The City will not implement this recommendation as it is not applicable.

- R3** OCCOG should develop and publish a comprehensive RHNA Inputs Catalog, by April 30, 2027, prior to drafting the 7th Cycle methodology, documenting all datasets used, their sources, methodological assumptions, and a version-controlled record of changes. (F3, F4)

The City will not implement this recommendation as it is not applicable.

- R4** OCCOG should create a public-facing RHNA Accountability Dashboard, by April 30, 2027, displaying deadlines, responsible agencies, dataset readiness, and upcoming SCAG decision points, to ensure transparency and timely action by jurisdictions. (F16)

The City will not implement this recommendation as it is not applicable.

- R5** OCCOG should request that SCAG and HCD, by December 31, 2026, provide written guidance explaining how HCD's recommendations will be applied in shaping the 7th Cycle RHNA methodology so that jurisdictions can prepare proactively. (F16)

The City will not implement this recommendation as it is not applicable.

- R6** OCCOG should convene a 7th Cycle Technical Working Group, by December 31, 2026, composed of planners, data analysts, and transit experts to pre-evaluate methodology scenarios and deliver unified, countywide recommendations to SCAG. (F3, F6, F15)

The City will not implement this recommendation as it is not applicable.

- R7** OCCOG, all Orange County cities and the County of Orange should reassess the current dues structure, by September 30, 2026, to ensure that OCCOG has the resources necessary to effectively represent Orange County jurisdictions in SCAG processes, including RHNA methodology development and appeals. (F3, F15)

The City will not implement this recommendation as OCCOG should be able to assess their own resourcing needs.

- R8** By December 31, 2026, the Orange County Board of Supervisors should partner with cities to evaluate countywide infrastructure capacity—including water, wastewater, flood control, transportation, and public-safety systems—and develop a coordinated regional plan capable of supporting the level of housing growth required under state law. (F6)

The City will not implement this recommendation. While the City supports regional coordination efforts, the infrastructure areas identified in the recommendation are managed by a variety of agencies and do not warrant additional evaluation at this time. Water and wastewater services are provided by the Moulton Niguel Water District; flood control infrastructure does not have identified capacity constraints; transportation infrastructure is either privately owned, maintained by the City, or under the jurisdiction of Caltrans; and public safety services are continuously evaluated by the City with its service providers.

- R9** By September 30, 2026, the Orange County Board of Supervisors should strengthen its engagement with OCCOG and increase staff support to develop a shared, countywide database of potential housing sites and key development-feasibility factors. (F15)

The City will not implement this recommendation as it is not applicable.

- R10** By June 30, 2027, the Orange County Board of Supervisors should evaluate whether the County should pursue its own independent Metropolitan Planning Organization (MPO) designation for purposes of regional housing planning. (F5, F6, F7, F15)

The City will not implement this recommendation as it is not applicable.

- R11** The County of Orange and each city should ensure consistent participation in SCAG and OCCOG committees by September 30, 2026, including the Technical Advisory Committee (TAC), to strengthen regional representation during RHNA-methodology development. (F3, F4, F15)

This recommendation has been implemented as the City consistently participates in SCAG and OCCOG meetings, including the TAC.

- R12** The County of Orange and each city should designate a single technical representative, by September 30, 2026, along with an alternate, for all RHNA-related SCAG and OCCOG committees to ensure continuity of participation and eliminate gaps in representation across multiple decision-making bodies. (F4)

This recommendation has been implemented as the City has a designated representative that participates in SCAG and OCCOG meetings.

- R13** OCTA should provide an official, data-frozen countywide transit dataset (GTFS + GIS), by September 30, 2026, to meet OCCOG's analytical needs for 7th Cycle RHNA planning. (F17)

The City will not implement this recommendation as it is not applicable.

- R14** By April 30, 2027, the County of Orange and each city should publish annual monitoring dashboards showing (a) entitlement pipeline conditions, (b) realistic site yield, (c) assembled funding sources for affordable units, and (d) conversion rates from planned capacity to issued permits and completed units, ensuring that County

and city-determined capacity assumptions remain aligned with actual production. (F13)

The City will not implement this recommendation. The City already submits numerous reports and data sets to HCD and other agencies to satisfy a variety of requirements. Establishing an additional reporting requirement would increase administrative burden with repeated information that is already collected and reported. Rather than creating another reporting requirement, efforts should be made to consolidate and/or replace existing requirements to streamline the process.

- R15** By September 30, 2026, and ongoing, the County Board of Supervisors and all city councils should make a coordinated and sustained effort to educate their constituents about the RHNA process—its requirements, its impact on local planning and community character, and the role residents can play in shaping outcomes. Public education efforts should also include guidance on how community members can effectively engage with the California Legislature and advocate for more realistic, data-driven housing policies. (F1, F7)

The City will not implement this recommendation. The City supports the intent of improving public understanding and transparency regarding the RHNA process. However, OCCOG, not individual city councils, should provide education through public workshops and other outreach efforts, and distribute related guidance, educational materials, and explanatory information to all cities for consistency.

- R16** By December 31, 2026, all cities should look to enhance their relationships with not-for-profit affordable housing developers to increase the opportunity to develop more affordable housing. (F8, F10, F12)

The City will not implement this recommendation. This recommendation is not applicable as the City does not own any land available for housing development.

- R17** By September 1, 2026, the City of Huntington Beach should evaluate submitting an appropriate Housing Element to reduce potential exposure to HCD penalties. (F18)

The City will not implement this recommendation as it is not applicable.

- R18** By September 1, 2026, the City of Irvine should ascertain the level of community support for its housing element submission and its impact on the character of its master plan. (F19)

The City will not implement this recommendation as it is not applicable.

- R19** By September 1, 2026, SCAG should conduct a formal review of its RHNA allocation methodology and clearly document, in understandable language, the inputs, assumptions, weighting, and decision points used in the allocation algorithm. This documentation should be publicly released and designed to improve transparency, reduce perceptions of political influence, and enhance public understanding of how allocations are determined. (F21)

The City will not implement this recommendation as it is not applicable.

- R20** By September 1, 2026, SCAG should revise its RHNA appeals process to improve procedural transparency and responsiveness by clearly defining appeal criteria, documenting staff analyses and recommendations, providing written explanations for appeal decisions, and ensuring jurisdictions have meaningful opportunities to present and respond to staff findings. (F22)

The City will not implement this recommendation as it is not applicable.

Thank you for the opportunity to respond to the Grand Jury's Report.

Respectfully submitted,



Max Duncan
Mayor

cc: Orange County Grand Jury
Aliso Viejo City Council
Brett Channing, City Manager
So Kim, Director of Community Development