



John Gabbard
Mayor

Mike Frost
Mayor Pro Tem

Jamey M. Federico

Matthew Pagano

Michael Villar

August 1, 2026

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

RE: Response to 2025-2026 Orange County Grand Jury Report, "California Housing Mandates: The Unintended Reshaping of Orange County Neighborhoods"

Dear Honorable Judge Sheila F. Hanson:

The City of Dana Point has reviewed the 2025-2026 Orange County Grand Jury Report entitled, "California Housing Mandates: The Unintended Reshaping of Orange County Neighborhoods". As required by California Penal Code sections 933 and 933.05, the City of Dana Point is responding to the findings and recommendations included within the report. Each of the findings and recommendations is listed below in italics, 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.

Response: The City of Dana Point agrees with this finding.

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.

Response: The City of Dana Point agrees with this finding.

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.

Response: The City of Dana Point partially agrees with this finding. While the City actively participates in OCCOG and SCAG, the City is unsure participation materially influences policies passed by legislature regarding housing mandates.

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.

Response: The City of Dana Point agrees with this finding.

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.

Response: The City of Dana Point agrees with this finding.

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.

Response: The City of Dana Point agrees with this finding

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

Response: The City of Dana Point agrees with this finding.

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.

Response: The City of Dana Point agrees with this finding.

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.

Response: The City of Dana Point agrees with this finding.

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.

Response: The City of Dana Point agrees with this finding.

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.

Response: The City of Dana Point agrees with this finding.

Recommendations:

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)

Response: The City of Dana Point agrees with and is supportive of this recommendation, but because this is a fee initiative to be led by OCCOG, the City does not have the independent jurisdiction or authority to implement this recommendation.

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)

Response: The City of Dana Point is open to partnering on a study evaluating county-wide infrastructure capacity, should the County Board of Supervisors initiate such an endeavor. Because this is not a City led initiative, the City does not have the independent jurisdiction or authority to implement this recommendation.

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)

Response: This City does not have the independent jurisdiction or authority to implement this recommendation.

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)

Response: The recommendation has been implemented. The City of Dana Point participates in monthly OCCOG TAC meetings, and Mayor John Gabbard is the current Chair of OCCOG. Mayor Gabbard actively represents Dana Point at the Southern California Association of Governments (SCAG), serving on the Community, Economic, and Human Development Committee, the Executive/Administration Committee, the Regional Housing Needs Assessment (RHNA) Subcommittee, and participating in the SCAG General Assembly.

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)

Response: This recommendation has already been implemented. The City has a staff member assigned to monitor RHNA related meetings and committees.

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)

Response: This recommendation will not be implemented because the City of Dana Point complies with all HCD reporting and Housing Element Requirements. HCD provides a dashboard meeting this need and the City maintains a current development pipeline map on its website which tracks project status as under review, approved, under construction or under appeal.

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)

Response: This recommendation has already been implemented. The City conducted extensive public outreach on RHNA and the Housing Element through study sessions, in-person and virtual workshops, and community event pop-ups. The City has continued that outreach by holding two public meetings each year in conjunction with the annual Housing Element Progress Report.

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)

Response: This recommendation has already been implemented. Staff maintains relationships with many not-for-profit housing developers in conjunction with looking for infill housing development opportunities. Further, Mayor Pro Tem Mike Frost is currently serving on the Orange County Housing & Community Development Commission and Orange County Housing Finance Trust (OCHFT).

Should you have any questions or need any additional information, please contact City Manager Kelly Reenders at kreenders@danapoint.org or 949-248-3519.

Respectfully,



Mayor John Gabbard

Cc: Orange County Grand Jury
Dana Point City Council
Kelly Reenders, City Manager
Jonathan Lightfoot, Community Development Director