



August 4, 2026

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

RE: RESPONSE TO ORANGE COUNTY GRAND JURY REPORT, *CALIFORNIA HOUSING MANDATES, THE UNINTENDED RESHAPING OF ORANGE COUNTY NEIGHBORHOODS*

Dear Presiding Judge Hanson:

The City of La Palma has reviewed the Orange County Grand Jury Report, ***California Housing Mandates, The Unintended Reshaping of Orange County Neighborhoods***. In compliance with the California Penal Code sections 933.05(a) and (b), the City was requested and is responding to each of the findings and recommendations directed to the City in this report. Each finding and recommendation is listed below, followed by the City's response, which was approved by the La Palma City Council on August 4, 2026.

The Grand Jury Report outlined 22 findings, 11 of which applied to La Palma:

- *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 La Palma 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 La Palma 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 La Palma agrees with this finding.

- *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 La Palma agrees with this finding.

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

Response: The City of La Palma 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 La Palma 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 La Palma partially disagrees with this finding. The City's fees are set at or below the cost of providing services as allowed by law.

- *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 La Palma 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 La Palma 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 La Palma 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 La Palma agrees with this finding.

The Grand Jury Report also outlined 20 recommendations, eight of which applied to La Palma.

- *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.*

Response: This recommendation will not be implemented, but the City of La Palma is open to conversations regarding the current dues structure. The City is not aware of whether OCCOG will be able to evaluate the current dues structure by September 30, 2026. The City is committed to partnering with Orange County cities and the County of Orange to strengthen OCCOG's ability to represent Orange County effectively in SCAG processes, subject to available resources and further regional discussion.

- *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.*

Response: This recommendation will not be implemented unless the Orange County Board of Supervisors decides to move forward. However, the City of La Palma supports the concept of a coordinated regional infrastructure evaluation and would participate, as staffing and resources allow.

- *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.*

Response: This recommendation will not be implemented because it is not within the City of La Palma's control. The City of La Palma does support regional tools that reduce duplicative work for individual jurisdictions.

- *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.*

Response: This recommendation has been implemented. The City of La Palma actively participates in both SCAG and OCCOG committees.

- *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.*

Response: This recommendation has been implemented. The City has a designated representative serving on SCAG and OCCOG 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.*

Response: This recommendation will not be implemented. As required by the State of California, the City of La Palma submits an annual report on the City's progress in implementing its certified General Plan Housing Element, which includes information outlined in the recommendation. The City supports the goal of improving transparency around housing production and realistic development capacity. To the extent additional reporting or dashboard information is requested in the future, the City would welcome a coordinated approach that provides clear guidance, standardized reporting tools, and technical support to help small cities participate without creating duplicative or overly burdensome reporting obligations.

- *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.*

Response: This recommendation has been implemented as the City of La Palma continues to communicate with our residents about housing matters through Council Meetings, our electronic newsletter, *The Visionary*, and on social media. Educational efforts regarding the RHNA process will continue, especially as we approach the 7th Cycle.

- *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.*

Response: This recommendation has been implemented through the City of La Palma's Housing Element programs. The City is open to collaborating with the entire stakeholder community to enhance affordable housing options in Orange County, subject to available staffing, resources, and site opportunities.

The Honorable Sheila F. Hanson

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Thank you for the opportunity to comment on the Grand Jury Report. Should you have any questions or need any additional information, please contact Peter Kim, City Manager at (714) 690-3334 or via email at citymanager@lapalmaca.gov.

Sincerely,



NITESH P. PATEL

Mayor

City of La Palma

NPP:pk

cc: La Palma City Council
Orange County Grand Jury
Peter L. Kim, City Manager