



San Clemente

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**OFFICE OF THE MAYOR
AND CITY COUNCIL**

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August 11, 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: 2025-2026 Report of the Orange County Grand Jury –
"California Housing Mandates: The Unintended Reshaping of
Orange County Neighborhoods"

Dear Presiding Judge Hanson,

The City of San Clemente (City) appreciates the time and effort the Grand Jury spent on the development of their report, "California Housing Mandates: The Unintended Reshaping of Orange County Neighborhoods."

The City Council has reviewed the report and authorized the attached response to the findings and recommendations noted in the report. The City values the opportunity to respond to the report, share our perspective, and provide firsthand knowledge to each of the issues requested by the Grand Jury.

If the City of San Clemente can provide additional information or clarification of our response, please do not hesitate to contact City Manager Andy Hall at HallA@san-clemente.org.

Sincerely,

Rick Loeffler, Mayor
City of San Clemente

Enclosure: City of San Clemente's Response to Findings and
Recommendations

cc: City of San Clemente Council Members
Andy Hall, City Manager

"The Spanish Village
by the Sea"

City of San Clemente Responses to Findings and Recommendations: 2025-2026 Orange County Grand Jury Report, "California Housing Mandates: The Unintended Reshaping of Orange County Neighborhoods."

City responses to the Grand Jury Report "California Housing Mandates" Findings are as follow:

F.1 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: **Agree.**

F.2 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: **Agree.**

F.4 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: **Agree.**

F.5 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: **Agree.**

F.6 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: **Agree.**

F.7 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: **Agree**, however, the City of San Clemente has not conducted an independent survey to confirm this finding.

F.8 California's regulatory construction costs (i.e. permitting fees) present substantial challenges for private housing developers—particularly those delivering affordable units.

Response: **Agree**, however, the City of San Clemente has not conducted an independent survey to confirm this finding.

F.9 The cost of constructing a single affordable housing unit in California typically ranges from approximately \$500,000 to \$800,000 per units when fully complying with current State regulations. New low-income housing is generally not feasible without public subsidy.

Response: **Agree**, however, the City of San Clemente has not conducted an independent survey to confirm this finding.

F.10 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: **Agree**.

F.11 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: **Agree**, however, the City of San Clemente has not conducted an independent survey to confirm this finding.

F.12 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: **Agree**.

City responses to the Grand Jury Report "California Housing Mandates" Findings are as follow:

R.7 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 Recommendation will not be implemented because it is not warranted** at this time. This Recommendation should not be implemented until OCCOG provides analysis of resource requirements for effective representation.

R.8 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 Recommendation will not be implemented because it is not warranted.** Such partnership will also require participation from private and public utilities which may have different incentives and mandates than local agencies. San Clemente Public Works staff advised that even including additional housing development, the demand for water, wastewater, and electricity is generally decreasing year over year due to State and local appliance efficiency requirements.

R.9 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: **The Recommendation will not be implemented because it is not warranted.** Individual cities are not in a position to implement this Recommendation, and it is not clear what the City's role in this process would be.

R.11 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.** City staff regularly and consistently engage with SCAG and OCCOG committees, including the Technical Advisory Committee (TAC).

R.12 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: **The Recommendation has been implemented.** The City has a designated single technical representative for all RHNA-related SCAG and OCCOG committees to ensure continuity of participation.

R.14 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: **The Recommendation will not be implemented because it is not reasonable.** This is an unfunded recommendation that the City of San Clemente and smaller cities may not be able to comply with unless additional funding sources are identified.

R.15 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: **The Recommendation has been implemented.** The City commits to make a coordinated and sustained effort to educate its constituents about the RHNA process including guidance on how community members can effectively engage with the California Legislature and advocate for more realistic, data-driven housing policies.

R.16 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: **The Recommendation has been implemented.** The City's current Housing Element includes Program 7: Affordable Housing Development, part of the Housing Action Plan, which requires City staff to periodically meet with non-profit developers and housing organizations to evaluate projects for acquisition and rehabilitation/new construction of affordable housing.