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August 12, 2026

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CITY OF ORANGE

Office of Mayor

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August 12, 2026

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

RE: Grand Jury Report – California Housing Mandates

Dear Judge Hanson:

The City of Orange is pleased to submit this response to the Orange County Grand Jury Report, California Housing Mandates, the Unintended Reshaping of Orange County Neighborhoods (Report). The City Council reviewed and approved the response at its August 11, 2026 City Council meeting.

The City of Orange faces particular challenges when faced with state legislation and mandates given the high value it places on protecting properties within its Old Towne Orange National Register of Historic Places District, the largest historic district in California, and three other local Eichler Homes Historic Districts. Neighborhood housing demands associated with the student population at Chapman University also influence housing availability and cost. The City desires to address the housing needs of its residents and employers, while also continuing to place a high priority on the community characteristics that its residents value. While the City of Orange has identified a number of Candidate Housing Sites in its Housing Element, projects with entitlements have not moved forward to development due to financing constraints, or site redevelopment proposals have been slow to materialize. Since adoption and state certification of the City's Housing Element, the majority of residential development has come in the form of affordable senior and family housing supported by federal funding or former redevelopment agency set-aside funds.

The findings and recommendations of the Report applicable to the City of Orange are re-stated below followed by the City's responses in bold. Findings and Recommendations have not been included for which no response was required from the City of Orange.

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.

City's Response: The City 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.

City Response: The City agrees with this finding, and has direct experience with an attempted appeal effort that involved significant preparation and use of staff time with only brief consideration before the appeal board involving lack of any discussion and ultimate denial.

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.

City's Response: The City 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.

City's Response: The City 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.

City's Response: The City largely agrees with this finding, with the additional experience that project financing and grant funding requirements represent significant impediments to housing development.

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.

City's Response: The City 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.

City's Response: The City agrees, in part, with this finding. While permitting fees contribute to challenges faced by housing developers, equally or more important factors that influence private housing developers are land cost, compliance with stringent Building Code standards, and development impact fees.

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.

City's Response: The City 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.

City's Response: The City 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.

City's Response: The City agrees with this finding, and notes that the application of private development incentives are common among affordable housing projects in Orange, along with government funding programs.

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.

City's Response: The City 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)

City's Response: The City of Orange is willing to participate in 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)

City's Response: The City of Orange is willing to participate in this Recommendation, however staff resources may be limited to devote to this effort. Additionally, the City of Orange does not have financial resources to contribute to this effort.

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)

City's Response: The City of Orange is willing to participate in this Recommendation, however staff resources may be limited to devote to this effort.

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)

City's Response: The City of Orange is willing to participate in this Recommendation.

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)

City's Response: The City of Orange is willing to participate in this Recommendation, however staff resources may be limited to devote to this effort should it become prolonged and time-intensive.

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)

City's Response: The City of Orange is willing to participate in this Recommendation, however staff resources may be limited to devote to this effort should it become prolonged and time-intensive.

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)

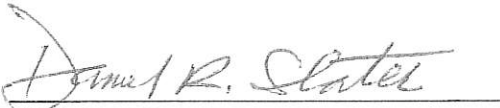
City's Response: The City of Orange is willing to participate in this Recommendation.

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)

City's Response: The City of Orange is willing to participate in this Recommendation.

The City of Orange appreciates the opportunity to provide a response to the Findings and Recommendations of the Report in an effort to improve the RHNA process in the future, and work toward a methodology that reflects population and employment trends, financial constraints facing local government and the development community, and reflects the distinctive qualities, character, and influencing factors of individual Orange County cities.

Sincerely,

A handwritten signature in cursive script, reading "Daniel R. Slater", written in dark ink over a horizontal line.

Daniel R. Slater
Mayor, City of Orange

cc: The Orange County Grand Jury
700 Civic Center Drive West
Santa Ana, CA 92701

Bcc: Jarad L. Hildenbrand, City Manager
Nathalie Adourian, City Attorney