City of La Habra

ADMINISTRATION

"A Caring Community"

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August 18, 2026

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

RE: CITY OF LA HABRA'S RESPONSE TO THE 2025-2026 ORANGE COUNTY GRAND JURY REPORT: *"CALIFORNIA HOUSING MANDATES: THE UNINTENDED RESHAPING OF ORANGE COUNTY NEIGHBORHOODS"*

Dear Judge Hanson:

Please accept this letter as the City of La Habra's timely response to the 2025-2026 Orange County report entitled, "*California Housing Mandates: The Unintended Reshaping of Orange County Neighborhoods*," dated May 21, 2026. On August 17, 2026, the La Habra City Council reviewed the above-referenced Grand Jury Report and authorized this letter to be submitted as the City's response to the Grand Jury's findings and recommendations pursuant to California Penal Code Section 933. The City is required to respond to the findings and recommendations made in this report, identified in the report as F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12 (Findings) and R7, R8, R9, R11, R12, R14, R15, R16 (Recommendations).

Each of the findings and recommendations is listed below in italics, followed by the City's response. Please consider this letter as the City's official response to these findings and recommendations.

FINDINGS:

Pursuant to Penal Code Section 933.05, the following responses indicate either:

(1) The City agrees with the finding.

(2) The City disagrees wholly or partially with the finding, the specific portion of the finding that is disputed and an explanation of the reasons for the disagreement.

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 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 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 partially agrees with this finding. The City monitors both OCCOG and SCAG meetings. It is unclear how or if past, current, or future participation impacts Housing Mandates. These mandates are acts of the California State Legislature that occur irrespective of whether cities participate in OCCOG or SCAG meetings.

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 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 partially disagrees with this finding. The City was able to adequately plan to meet its RHNA obligation for the current planning cycle by identifying adequate sites to accommodate its RHNA allocation. While the City has taken steps to identify and reduce constraints to facilitate housing development, the timing and feasibility of actual housing production remain dependent on market conditions, financing, and property owner participation, which are outside of the City's control. Additionally, the City remains concerned that RHNA allocations may not fully account for other local constraints, including limited available land, built-out conditions, infrastructure capacity, environmental constraints, public health and safety requirements, and other factors that can affect the feasibility of housing development. Expecting construction of residential units, particularly at the scale assumed in the RHNA allocation, 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.*

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.*

Response: The City disagrees with this finding. The City's fees are set at the cost of providing the service pursuant to State law. In addition, regulatory costs are a relatively small component of a housing project's total costs. Housing development is primarily dependent on market conditions. Factors impacting market conditions include, but are not limited to, land acquisition costs, construction costs, labor costs, availability of materials, and availability of funding/financing, particularly for affordable housing, as well as anticipated sales prices and rents. If revenues from rents and sales prices support development costs, housing will be built if there is adequate demand and land available for development.

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 partially disagrees with this finding. The City lacks the information or first-hand knowledge to independently assess the cost of constructing affordable housing units across California, where costs vary depending on various factors, such as location, type of construction, and market conditions. The City's largest source of naturally occurring affordable housing (NOAH) for lower-income households comes from the construction of accessory dwelling units, for which the City does not provide a public subsidy.

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 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 partially disagrees with this finding. While this may be the case in other jurisdictions, during the 6th Housing Cycle, the City has only permitted one additional unit, above the number or density of units permitted by the City's General Plan and Zoning, due to a density bonus. The largest impact of State-mandated private development incentives and waivers of development standards is the development of projects that don't meet the City's objective design and development standards, particularly for parking. The units permitted by density bonus have not resulted in the City exceeding its RHNA allocation.

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 agrees with this finding.

RECOMMENDATIONS:

Pursuant to Penal Code Section 933.05, the following responses report one of the following actions:

(1) The recommendation has been implemented, with a summary regarding the implemented action.

(2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.

(3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.

(4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation for this response.

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 will not implement this recommendation. The dues structure for OCCOG is not under the City's purview. The City of La Habra is within SCAG District 22, which includes the cities of La Habra, Brea, Placentia and Yorba Linda. OCCOG uses the SCAG districts to elect representative to the OCCOG Board of Directors. Marty Simonoff, a councilmember for the City of Brea, represents District 22. Fortunately for the City of La Habra, Councilmember Espinoza, has been appointed to the OCCOG Board of Directors as the "Cities at Large" representative. While this does provide some representation, in this appointment Councilmember Espinoza must weigh the interests of La Habra with those of all of the cities in Orange County. Either way, only the OCCOG Board of Directors and not the City of La Habra can determine the dues structure. Furthermore, this recommendation requires additional analysis by OCCOG. No information has been provided about any proposed modified fee structure and how additional funding would allow OCCOG to more effectively represent the City in SCAG processes, including RHNA methodology development and appeals.

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 will not implement this recommendation. The City does not have jurisdiction over the Orange County Board of Supervisors.

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: The City will not implement this recommendation. The City does not have jurisdiction over the Orange County Board of Supervisors

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 City has implemented this recommendation. Community and Economic Development (CED) staff regularly attend OCCOG TAC meetings and monitor the agendas for SCAG committee meetings. Councilmember Espinoza attends OCCOG Board of Directors meetings as the "Cities at Large" representative and is appointed to and attends SCAG's Community, Economic, and Human Development (CEHD) Committee.

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: The City has implemented this recommendation. The Director of Community and Economic Development monitors these meetings with the Planning Manager or the Deputy Director as her alternate.

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: 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 including Annual Progress Reporting for the Housing Element. HCD compiles this information and provides a robust dashboard that provides extensive information to the public about each jurisdiction's housing production. 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)*

Response: This recommendation has been implemented. On an ongoing-basis, the City Council seeks to educate their constituents about State law requirements related housing mandates and the reductions of local control, including guidance on engaging with the California Legislature.

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 will not be implemented. The City does not develop or have any city-owned sites available for the development of housing. That said, on an on-going basis, City staff meets with and assists both not-for-profit and for-profit developers to facilitate and process housing development applications on privately-owned properties in accordance with State law and the City's municipal code. However, the development of private properties is highly dependent on the revenue goals of the property owner and the developer.

Thank you for the opportunity to provide responses to the report. Should you have any questions or need any additional information, please contact Susan Kim, Community and Economic Development Director, at 562-383-4100 or via email at skim@lahabraca.gov.

Respectfully,

José Medrano
Mayor

Cc:
Judy Howard, Foreperson, Orange County Grand Jury, 700 Civic Center Drive West, Santa Ana, CA 92701
La Habra City Council
Jim Sadro, City Manager, City of La Habra
Gabriella Yap, Assistant City Manager, City of La Habra
Susan Kim, Director of Community and Economic Development, City of La Habra