



# CITY OF FOUNTAIN VALLEY

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**City Manager:**

Maggie Le

August 18, 2026

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

Subject: Response to Orange County Grand Jury Report, *California Housing Mandates, The Unintended Reshaping of Orange County Neighborhoods*

Dear Judge Hanson:

The City of Fountain Valley has reviewed the 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 (a) and (b), the City of Fountain Valley is responding to the applicable findings and recommendations included within the Report. Each of the findings and recommendations is listed below, bold and 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 Fountain Valley 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 Fountain Valley 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 Fountain Valley partially disagrees with this finding. The City of Fountain Valley, as well as many other local OC cities, participated in both OCCOG and SCAG meetings in the previous RHNA process, provided local input, and did not receive any

tangible benefit from our participation. It is unclear how or if past, current, or future participation will impact Housing Mandates policies, especially those passed by the legislature.

***F5: SCAG's 6<sup>th</sup> 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 Fountain Valley 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 Fountain Valley agrees with this finding. While the City of Fountain Valley took great care and made effort in identifying opportunity sites and completing the related rezoning of said properties, these outcomes have strained City Staff resources, created issues related to infill development and skewed the balance needed between residential and non-residential uses.

***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 Fountain Valley 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 Fountain Valley partially disagrees with this finding. While any fees have the potential to impact housing development, those adopted by the City of Fountain Valley are reasonable and have not impacted housing production.

***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 state regulations. New low-income housing is generally not financially feasible without public subsidy.***

Response: The City of Fountain Valley partially disagrees with this finding. The city agrees that new low-income housing is generally not feasible without public subsidy however the City has not conducted a current analysis of the construction cost per unit for affordable housing, and so is not prepared to agree or disagree with the cost range provided.

***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 Fountain Valley 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 Fountain Valley agrees with this finding.

*F12: The 6<sup>th</sup> 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 Fountain Valley 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: This recommendation will not be implemented. No compelling evidence has been provided to indicate the necessity of a reassessment.

*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: This recommendation will not be implemented. A county-wide evaluation would be at the determination of the county. The City of Fountain Valley has our own jurisdictional analysis.

*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 recommendation will not be implemented by the City of Fountain Valley. It is a recommendation made to the County of Orange 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: This recommendation will be implemented. The City of Fountain Valley has previously participated in SCAG committee meetings, OCCOG meetings, and OCCOG TAC meetings and will strive for consistent future participation.

*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 will be implemented. A staff member will be assigned to monitor RHNA related committees by December 31, 2026.

***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 permit and completed units, ensuring that County and city-determined capacity assumptions remain aligned with actual production. (F13)***

Response: This recommendation will not be implemented as it is unnecessary. Most of this information is already available in the numerous state required reporting available on the city website.

***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. The City conducted extensive outreach and education during the 6th Cycle RHNA process and will continue to keep the public informed about the process going forward into the 7th RHNA 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 (F8, F10, F12)***

Response: This recommendation has been implemented. The City of Fountain Valley and its Staff, have maintained long established relationships with affordable housing developers and discuss opportunities frequently.

Should you have any questions or need any additional information, please contact Omar Dadabhoy, Deputy City Manager/Community Development Director, at 714-593-4426 or via e-mail [Omar.Dadabhoy@FountainValley.gov](mailto:Omar.Dadabhoy@FountainValley.gov).

Respectfully,



Jim Cuneen

Mayor

Cc: Orange County Grand Jury  
700 Civic Center West  
Santa Ana, CA 92701