



CITY of YORBA LINDA

August 18, 2026

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

RE: Response to the 2025–26 Orange County Grand Jury Report, "California Housing Mandates: The Unintended Reshaping of Orange County Neighborhoods"

Dear Honorable Judge Sheila F. Hanson:

As required by California Penal Code §933 and 933.05, the City of Yorba Linda is responding to the findings and recommendations included in the report. Should you have any questions or need any additional information, please contact Peter Grant, City Manager, at (714) 961-7110, or via email at pgrant@yorbalinga.gov.

Respectfully,

Carlos Rodriguez
Mayor
City of Yorba Linda

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.

The City agrees with the finding. The volume and complexity of recent housing legislation have increased City staff workloads, legal review, consultant costs, reporting requirements, and administrative burdens. Furthermore, many of these laws have eroded local control, removed local input on planning and zoning, and have significantly impacted the character of local neighborhoods. The Legislature has taken a one-size-fits-all approach that does not account for the unique character of individual communities.

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.

The City agrees with the finding. The RHNA process is developed through consultation among HCD, SCAG, and local jurisdictions. However, that consultation occurs within a compressed Housing Element cycle, often without sufficient time or opportunity for cities to review and independently evaluate the data, assumptions, formulas, and methodology before decisions become final.

During the 6th Cycle, SCAG considered multiple methodologies and made significant changes during the development process. Those changes substantially affected individual city allocations, including Yorba Linda's. The complexity of the methodology, the number of technical inputs, and the timing of revisions made it difficult for cities and the public to understand how the final allocations were calculated or to meaningfully evaluate their impacts.

Although SCAG provided opportunities for public participation and appeal, the methodology remained difficult to independently verify, and cities had limited ability to challenge the assumptions underlying their allocations. The City supports a more transparent 7th Cycle process that provides jurisdictions with timely access to the underlying data, formulas, assumptions, methodology alternatives, and projected jurisdiction-level impacts before final decisions are made.

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.

The City agrees with the finding. Participation in OCCOG and SCAG is important for communicating local conditions and providing regional input. However, individual cities do not control state legislation, HCD determinations, or final regional decisions.

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.

The City partially agrees with the finding. Yorba Linda actively participated in the 6th Cycle RHNA process and formally appealed its allocation. The methodology initially recommended by SCAG's RHNA Subcommittee and supported by the Community, Economic and Human Development Committee would have resulted in an allocation of approximately 200 units for Yorba Linda. A different methodology was later adopted by the Regional Council, increasing the City's allocation to approximately 2,415 units.

The City's appeal raised concerns regarding the methodology's consistency with SCAG's Sustainable Communities Strategy, its treatment of local land-use constraints, and the population, vacancy, overcrowding, cost-burden, jobs-accessibility, and other assumptions used to distribute the regional housing need. The appeal was denied.

The City supports a transparent and technically sound RHNA methodology that appropriately considers local conditions.

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.

The City agrees with the finding. The City has adopted a compliant Housing Element and completed the required planning and zoning actions. Actual construction, however, depends on property-owner decisions, market conditions, financing, construction costs, infrastructure, and developer interest outside the City's control.

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.

The City agrees with the finding. The City actively participated in development of the 6th Cycle RHNA methodology and formally appealed its allocation. The methodology recommended by SCAG's RHNA Subcommittee and unanimously supported by the Community, Economic and Human Development Committee would have assigned Yorba

Linda approximately 200 units. A last-minute methodology change adopted by the Regional Council increased the City's draft allocation to approximately 2,415 units.

Yorba Linda's appeal asserted that the allocation was inconsistent with the development pattern in SCAG's Sustainable Communities Strategy. Yorba Linda had no designated Priority Growth Areas, nearly 80 percent of the City was identified as constrained, and the assigned RHNA was nearly three times the City's projected growth through 2045. The City also argued that SCAG applied a one-size-fits-all approach to the existing-need portion of RHNA without adequately considering local land-use constraints and that the COVID-19 pandemic warranted reevaluation of jobs-accessibility assumptions. Based on these concerns, the City requested that its allocation be significantly reduced.

The City continues to support a transparent and thoroughly evaluated RHNA methodology that is consistent with SCAG's adopted regional growth strategy and meaningfully accounts for local planning constraints.

F8: California's regulatory construction costs (i.e. permitting fees) present substantial challenges for private housing developers—particularly those delivering affordable units.

The City partially agrees with the finding. Permit and development-impact fees are only one component of overall housing costs. Land, construction, labor, financing, insurance, utilities, and other regulatory requirements are generally more significant.

City fees are established to recover the cost of processing and reviewing development applications and, where authorized, to fund infrastructure and public facilities needed to serve new development. Development impact fees help address a project's proportional share of impacts on facilities such as streets, traffic improvements, parks, public safety facilities, drainage, and other public infrastructure so that the cost of accommodating new growth is not borne entirely by existing residents.

These fees are intended to ensure that new development contributes toward the additional infrastructure and service demands it creates while maintaining appropriate levels of service for the existing community.

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.

The City partially agrees with the finding. Affordable housing is generally difficult to construct without subsidies, tax credits, favorable land terms, or development incentives. Actual per-unit costs vary significantly, and the City has not independently verified that the stated range applies uniformly throughout California.

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.

The City agrees with the finding. The dissolution of redevelopment agencies removed an important local source of affordable housing funding and land assembly authority. Later programs have not fully replaced those tools.

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.

The City partially agrees with the finding. Limited public funding may require affordable projects to rely on multiple funding sources, density bonuses, or other incentives. However, project feasibility is site-specific, and increased density does not guarantee affordable housing production.

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.

The City agrees with the finding. The 6th Cycle RHNA methodology relied on numerous demographic projections, housing-need adjustments, planning assumptions, datasets, weighting factors, and distribution formulas developed by HCD and SCAG. Although information was published throughout the process, the volume and complexity of the material made it difficult for jurisdictions to determine how individual inputs affected their final allocations.

Yorba Linda reviewed the methodology and raised concerns regarding population projections, vacancy assumptions, overcrowding and cost-burden adjustments, jobs accessibility, local land-use constraints, and consistency with SCAG's Sustainable Communities Strategy. However, the City did not have access to all underlying information in a form that allowed staff to independently reproduce or verify the allocation calculation.

The methodology also changed during the process, substantially increasing Yorba Linda's allocation from the level anticipated under the methodology recommended by the RHNA Subcommittee. Cities were given limited time to evaluate these changes and their jurisdiction-specific impacts before the methodology and allocations were finalized.

The City supports providing complete datasets, formulas, assumptions, methodology alternatives, and jurisdiction-level calculations early enough for cities to independently review and meaningfully comment on the 7th Cycle methodology.

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.

The recommendation requires further analysis. The City supports OCCOG evaluating whether it has sufficient resources to represent Orange County effectively. Any proposed dues change should identify staffing needs, services, benefits, fiscal impacts, and an equitable allocation of costs. The City will participate in OCCOG's review of this matter.

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.

The recommendation will not be implemented by the City because it is outside the City's unilateral authority. A countywide infrastructure plan would need to be initiated by the County and involve the agencies responsible for water, wastewater, transportation, utilities, schools, flood control, and public safety. Yorba Linda would participate in an appropriately scoped County-led 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.

The recommendation will not be implemented by the City because the principal action is assigned to the County. The City would cooperate with a County- or OCCOG-led

database effort, provided it avoids duplicating information already reported to HCD and other agencies.

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.

The recommendation has been implemented. The City participates in OCCOG and relevant regional planning activities and will continue to assign appropriate elected officials and staff to represent Yorba Linda.

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.

The recommendation has been implemented. The City designates appropriate staff to serve as its primary and alternate technical representatives for RHNA-related regional coordination.

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.

The recommendation requires further analysis. The City already submits the required Housing Element Annual Progress Report. The City will evaluate whether existing information can be made more accessible without creating duplicative reporting, software, or staffing 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.

The recommendation has been implemented. The City provides public information through workshops, public notices, Planning Commission and City Council reports, and its website. The City will continue providing information regarding housing laws, RHNA, and opportunities for public participation.

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.

The recommendation has been implemented. The City communicates with affordable housing developers and maintains Housing Element programs intended to facilitate affordable housing. The City will continue engaging qualified developers when viable sites, funding, and project opportunities are available.