



CITY OF LAGUNA NIGUEL

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CITY COUNCIL

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August 21, 2026

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

The City of Laguna Niguel has reviewed the Orange County Grand Jury (OCGJ) Report "California Housing Mandates, The Unintended Reshaping of Orange County Neighborhoods". In accordance with California Penal Code 933 and 933.05, the City submits the following responses to the findings and recommendations.

Findings and Responses:

- 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 Laguna Niguel agrees with the finding.

- F2. Housing Mandates are interpreted 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 Laguna Niguel agrees with the 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 Laguna Niguel partially agrees with the finding. While the City has traditionally participated in OCCOG and SCAG, it's unknown how continued participation will directly/indirectly impact Housing Mandates policies, especially those enacted by the State legislature.

- 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 of Laguna Niguel agrees with the 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 Laguna Niguel agrees with the finding.

- 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 Laguna Niguel agrees with the 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 Laguna Niguel disagrees with the finding. In compliance with State law, the City's adopted fees in this area reflect the cost of providing the service. Larger costs that pose a challenge may include land acquisition, construction and materials, and labor.

- F9. The cost of constructing a single affordable 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 Laguna Niguel partially agrees with the finding. The City recognizes that constructing affordable housing in the state comes at a high cost and often with financial challenges; however, the costs necessary to construct affordable housing are variable depending on location, market conditions, and type of construction.

- F10. Prior to 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 Laguna Niguel agrees with the finding.

- F11. Because public subsidy is limited and highly competitive, cities seeking to produce meaningful quantities of low-income housing must rely on private development incentives, often resulting in higher overall development densities and unit counts than the RHNA allocation.**

Response: The City of Laguna Niguel partially agrees with the finding. Public funding for affordable housing is limited and highly competitive, often forcing cities to rely on development incentives to facilitate the successful production of affordable housing units. Whether or not this results in higher overall development densities and unit counts than the RHNA allocation is unclear because of project specific and city specific factors.

- 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 of Laguna Niguel agrees with the finding.

Recommendations and Responses:

- 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. OCCOG is responsible for setting and modifying their fee structure, not the City. Should OCCOG elect to reassess their fee structure, the City will participate in related discussions.

- 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. Should the Orange County Board of Supervisors elect to lead this initiative, the City can provide information on and participate in infrastructure inventorying and planning.

- 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. The City does not control the allocation of staffing resources or the communication relationship between the Orange County Board of Supervisors and OCCOG.

- 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 has been implemented. The City participates in OCCOG and SCAG meetings.

- 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 has been implemented. The City has designated representatives that participate in SCAG and OCCOG meetings.

- 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 for 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. The City remains in compliance with its adopted Housing Element requirements, and CA Department of Housing and Community Development requirements. Further HCD already provides a comprehensive online dashboard that adequately fulfills this need.

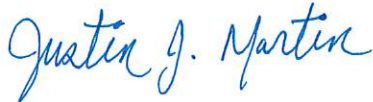
- R15. By September 30, 2026, and ongoing, the County Board of Supervisors and all city councils should make a coordinated effort to educate their constituents about the RHNA process – its requirements, its impact on local planning and community character, and the role residents can play in shaping outcomes. 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 utilized its robust communication platform to provide outreach and education materials to residents about the RHNA process and how to contact elected representatives regarding housing policy. The City intends to utilize these efforts in future RHNA cycles as well.

R16. By December 31, 2026, all cities should look to enhance their relationship 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's Housing Element program provides for this.

Respectfully submitted,



Justin J. Martin
Assistant City Manager