



CITY OF HUNTINGTON BEACH

Department of Community Development

July 2, 2026

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

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

Dear Judge Sheila F. Hanson,

The City of Huntington Beach has reviewed the Orange County Grand Jury Report, *California Housing Mandates, The Unintended Reshaping of Orange County Neighborhoods*. In compliance with California Penal Code Sections 933.05(a) and (b), the City has responded to each of the findings and recommendations directed to the City in this report. Each finding and recommendation is listed below, 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.

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.

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.

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.



The City agrees with this finding. The complexities of the RHND/RHNA statutes, their respective processes, and politicization of those processes significantly contribute to the generalization that the total RHNA for Orange County was questionable. SCAG provided data and input during HCD's RHND process regarding multiple factors and filed a written objection with HCD contending that HCD violated state law in developing the RHND. HCD rejected SCAG's objection, which resulted in a significantly higher RHND for the region than previous planning periods. SCAG then allocated the RHND units to each jurisdiction in the region via its regional housing needs assessment (RHNA) methodology process. Throughout the RHNA process, the City raised multiple issues regarding the development of the draft RHNA methodology, including requesting that SCAG's Regional Council reject the substitute motion RHNA methodology brought forward by former Riverside Mayor Rusty Bailey that was not part of the extensive public outreach and engagement that SCAG's three other draft RHNA methodologies were subject to. This alternative was submitted extremely late in the RHNA process, demonstrated that the process can be politically manipulated, and the Regional Council's adoption of this methodology ultimately resulted in a significant shift in RHNA units from Riverside County to Orange County and Los Angeles County.

The City found flaws in several RHNA methodology factors, including those related to population projections and jobs centers. Specific information regarding each RHNA methodology factor is available in the City's RHNA appeal submitted to the SCAG Regional Council RHNA Subcommittee.

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 partially disagrees with this finding, noting that these issues exist along with significant economic and market factors cities cannot predict or 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 this finding.

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 disagrees with this finding, noting that the City lacks knowledge and sufficient information to reach this conclusion. Land acquisition and construction (labor and materials) costs are among the most significant costs for developing in the City of Huntington Beach.

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 disagrees with this finding, noting that the City lacks knowledge and sufficient information to reach this conclusion as it pertains statewide.



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 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.

The City partially disagrees with this finding, noting that the City lacks knowledge and sufficient information to reach this conclusion.

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 this finding. The City found flaws in data it was able to independently verify. Specific information for each RHNA methodology factor is available in the City's RHNA appeal submitted to the SCAG Regional Council RHNA Subcommittee.

F18: The City of Huntington Beach has been unsuccessful in its attempts to contest Housing Mandates. To date, Huntington Beach lacks an approved General Plan Housing Element related to RHNA Allocation.

The City partially disagrees with this finding, noting that the City Council has approved a "General Plan Housing Element related to RHNA Allocation."

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 City is willing to participate in any discussions held by the County or OCCOG on this issue.

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 City is willing to participate in this process with the County and other cities on this topic if feasible based on the availability of financial and staff resources. More importantly, HCD, in determining the regional housing need, should consider the availability and capacity of



infrastructure systems within the region's jurisdictions. Aligned action by the state could also assist supporting the level of housing growth required under state law. Increased funding for infrastructure improvements commensurate with the RHNA for each subregion would lower development costs and meaningfully assist in the production of new housing. Additionally, SCAG, in developing the RHNA methodology, should consider the availability and capacity of infrastructure systems as provided in state law. Instead, during the 6th cycle RHNA process, SCAG consistently recommended denial of RHNA appeals submitted by jurisdictions based on the lack of available water and sewer capacity.

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 City is willing to provide data and input to the County and OCCOG in support of 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.

This recommendation is partially implemented. City staff regularly attends OCCOG TAC meetings. During the 6th cycle RHNA process, the City participated in SCAG public meetings and processes and regularly provided input and comment letters during the RHNA methodology process. The City also submitted input and comment letters during SCAG and HCD's separate RHNA Reform public comment periods. The City intends to be an active participant in the 7th cycle.

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.

This recommendation is partially implemented. The City already assigns a single staff person to participate in OCCOG TAC meetings. City staff with relevant subject matter knowledge provide support to the City Council SCAG representatives on various SCAG related topics. The City will assign a staff person for participation in RHNA-related SCAG 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 from planned capacity to issued permits and completed units, ensuring that County and city-determined capacity assumptions remain aligned with actual production.

This recommendation is partially implemented. The City currently has this information publicly available through various sources, including in the adopted (June 2026) General Plan Housing Element and the Housing Element Annual Progress Report. The City will consolidate this information into a monitoring dashboard when feasible based on the availability of financial and staff resources.



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.

This recommendation is partially implemented. During the 6th cycle RHNA process, City staff provided regular status updates and presentations on the RHNA methodology during public City Council meetings. The City will provide public updates and education during the 7th cycle RHNA process.

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.

This recommendation is partially implemented. City Housing Division staff maintain communication with non-profit affordable housing developers with projects in the City. The City will continue to maintain and enhance these relationships on an ongoing basis particularly when the City has funding available for affordable housing development opportunities.

R17: By September 1, 2026, the City of Huntington Beach should evaluate submitting an appropriate Housing Element to reduce potential exposure to HCD penalties.

This recommendation is already implemented.

Please reach out if you have any questions on the contents of this letter.

Sincerely,

Travis Hopkins
City Manager