



# California Housing Mandates

The Unintended Reshaping  
of  
Orange County Neighborhoods



Orange County Grand Jury 2025-2026

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## SUMMARY

California's perceived housing shortage has prompted the California Legislature to impose increasingly bureaucratic prescriptive State Housing Mandates (Housing Mandates) on local governments, with the stated goal of accelerating production across all income levels. Core frameworks such as the Housing Element and the Regional Housing Needs Allocation (RHNA) process require cities and counties to plan for significant increases in housing capacity. Many additional statutes have contributed to a streamlined development approval process and weakened local discretion with severe penalties for noncompliance. These measures are intended to overcome decades of the perceived underbuilding and restrictive zoning within cities, yet their cumulative effect has been to create unnecessary local government costs, confusion, inequity, and growing tension between state directives and local realities. All of these efforts have led to minimal housing being built.

In Orange County, a region defined by diverse cities, established neighborhoods, and distinct infrastructure constraints, as well as environmentally sensitive areas, these Housing Mandates operate as a one-size-fits-all system poorly suited to local conditions. Housing targets are derived from opaque formulas, that fail to account for land costs, land availability, funding limitations, labor shortages, construction costs, infrastructure capacity and accurate population projections. Without corresponding investments in transit, utilities, schools, parks, public safety, and affordable housing subsidies, the Housing Mandates themselves are largely impractical and difficult to achieve. In addition, because of the financial infeasibility of building low-income housing without subsidies, cities must approve developments with higher density to pay for and meet the affordable housing requirements. As a result, local cities face mounting pressure to comply with requirements that often lack economic and logistical feasibility.

The dissolution of local redevelopment agencies in 2012 eliminated a primary mechanism for financing and managing affordable housing at the local level. In response, the State layered new housing requirements through the Housing Mandates onto cities and counties without restoring comparable funding tools or infrastructure support. Although these laws are framed as solutions to homelessness and affordability, they have in fact caused unintended consequences that have not produced incremental housing production. This is primarily due to regulatory complexity, limited subsidies, and heavy reliance on private market forces. Over time, repeated legislative interventions to solve these challenges have only expanded state authority. This leaves local governments with fewer resources and diminished control.

Housing Mandates have significantly eroded local land-use authority, supplanting community-based planning with rigid, top-down rules. Residents experience a loss of

meaningful input; even as local officials remain legally responsible for compliance. Streamlined approvals frequently bypass public hearings and local design standards, shift liability to cities, and prioritize building over neighborhood character. The practical elimination of traditional single-family zoning and the widespread upzoning of existing neighborhoods threaten longstanding community character while limiting local oversight of height, density, parking, and environmental resilience.

The Southern California Association of Governments (SCAG) determines the RHNA housing allocation for most of Southern California. Within this framework, the Orange County Council of Governments (OCCOG) serves as the County's representative to SCAG in the RHNA process. The RHNA methodology and resulting allocations have been widely criticized as unrealistic, inequitable, and insufficiently transparent.<sup>1</sup> OCCOG's level of influence with SCAG is critical to regional planning outcomes. OCCOG needs substantial funding increases to better advocate in Sacramento and within SCAG to support OC jurisdictions.

Given the significant challenges and inequitable housing allocations experienced during the current RHNA 6<sup>th</sup> Cycle (2021-2029), it is imperative that Orange County begin strategic preparation for the upcoming 7<sup>th</sup> Cycle (2029-2037) process. Proactive planning will strengthen the County's ability to advocate within SCAG for fair, data-driven, and achievable housing allocations in the next cycle.

This report examines how Housing Mandates operate in practice within Orange County, and how well-intended legislation has produced unintended consequences for cities, neighborhoods, and local governance. It evaluates the feasibility, effectiveness, and equity of current state policies, and highlights the growing disconnect between mandated housing goals and the capacity of communities to absorb them responsibly. The report underscores the need for housing solutions that respect local conditions, restore meaningful public participation, and align development goals with infrastructure, funding, and community priorities.

## BACKGROUND

California continues to experience some of the highest housing prices and rents in the nation, while some say housing production has not kept pace with population and employment growth<sup>2</sup>. State policymakers have concluded that fragmented local decision-making, restrictive zoning practices, and lengthy approval processes, have

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<sup>1</sup> [New-Pathways-to-Encourage-Housing-Production-Evaluating-Californias-Recent-Housing-Legislation-April-2023-Final.pdf](#)

<sup>2</sup> [California Housing in 2025 - Advocacy - California Chamber of Commerce](#)

contributed to this imbalance<sup>3</sup>. In response, the California Legislature has pursued a more centralized and enforceable approach to housing policy such as Senate Bill (SB)9, SB10, SB35, SB79, SB131, SB330, and Assembly Bill (AB)1050, AB2011(see Appendix A), shifting significant authority from local jurisdictions to the State. Since 2017, the California Legislature has enacted more than one hundred housing-related bills designed to establish clearer production expectations, reduce procedural delays, and strengthen enforcement mechanisms for jurisdictions that do not comply with state housing requirements.

The Housing Element Law (Government Code 65580-65589.11), originally adopted in 1969, remains the foundation of California’s housing policy. The law requires every city and county to prepare a Housing Element as part of its General Plan that identifies how the jurisdiction will meet the housing needs of all income groups.<sup>4</sup> The RHNA process implements these Housing Mandates by assigning each jurisdiction a specified number of housing units—categorized by income level. Compliance is tied to eligibility for state housing and transportation funding, creating substantial financial implications for the County of Orange and its 34 municipalities.

*Zoning has long been a cornerstone of local government authority, guiding development, and shaping the physical form of cities.*

First introduced in the late nineteenth and early twentieth centuries to address public safety concerns, zoning has since expanded into a sophisticated regulatory system governing land use, building height, setbacks, lot coverage, density, and numerous other development standards. These tools enable local governments to align growth with infrastructure capacity, environmental constraints, and long-term planning objectives, while simultaneously delivering broad public benefits. In addition to protecting public health and safety by distancing residential areas from heavy industrial activities and ensuring reliable emergency access, zoning helps preserve neighborhood character and property values. It also supports community cohesion by balancing residential, commercial, and civic uses, and guides growth in ways that correspond with available public services and facilities. Moreover, zoning plays a vital role in safeguarding environmentally sensitive areas and reducing exposure to wildfire risks, underscoring its enduring importance as a foundational instrument of urban planning.

In recent years, traditional zoning practices have been subject to increasing scrutiny. Critics argue that low-density zoning and land-use restrictions have contributed to housing shortages, affordability challenges, socioeconomic segregation,

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<sup>3</sup> [In California, statewide housing reforms brush against local resistance | Brookings](#)

<sup>4</sup> [New-Pathways-to-Encourage-Housing-Production-Evaluating-Californias-Recent-Housing-Legislation-April-2023-Final.pdf](#)

automobile-dependent development, and exclusionary housing patterns.<sup>5</sup> Housing advocates, civil rights organizations, and some policymakers have cited these concerns as justification for significant state intervention and reform of local land-use authority.<sup>6</sup>

State leaders have relied on these critiques to support a series of Housing Mandates that expand the State's role in local planning decisions. These measures prioritize increased housing production as the central response to the State's affordability challenges. The underlying assumption is that a significant increase in supply will help reduce housing costs. However, historical data reviewed by the 25-26 Orange County Grand Jury (OCGJ) indicate that periods of high housing production in Orange County, including during the 1990s, did not consistently result in improved affordability.<sup>7</sup> This suggests that housing affordability is influenced by multiple factors other than housing supply, including land values, construction costs, wages, and regional economic conditions.

The dissolution of redevelopment agencies in 2012 further altered the local housing landscape. Redevelopment agencies had served as a significant source of financing for affordable housing and community revitalization projects through tax-increment financing and state-authorized planning powers. Their elimination removed a key funding mechanism for cities and counties.<sup>8</sup> In subsequent years, the State imposed additional Housing Mandates without restoring revenue sources, leaving jurisdictions and builders responsible for meeting expanded obligations with reduced financial capacity.

The current generation of State Housing Mandates (6<sup>th</sup> Cycle) reflects multiple statewide policy objectives. Early legislative proposals referenced a goal of constructing approximately 3.5 million new housing units; later that figure was reduced to approximately 2.5 million units.<sup>9</sup> Despite these goals, statewide production continues to fall short of identified need. To address this, state housing legislation has emphasized increased zoning density, reduced discretionary review, expanded ministerial approval pathways, strengthened density bonus incentives, and increased requirements for jurisdictions to facilitate affordable housing in lieu of government subsidies. Additional measures focus on locating new housing near employment centers and transit corridors to reduce commute times and greenhouse gas emissions.<sup>10</sup>

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<sup>5</sup> [National Low Income Housing Coalition - Land Use Restrictions and Affordable Housing](#)

<sup>6</sup> [Fixing California's housing shortage requires new policy and new politics - Berkeley Economy & Society Initiative](#)

<sup>7</sup> [Court Agrees Anaheim Violated State Law. Decision is a Big Win for Fair Housing in California | California Department of Housing and Community Development](#)

<sup>8</sup> [California Post-RDA Affordable Housing Developer Survey: Analysis of Results - San Francisco Fed](#)

<sup>9</sup> [New-Pathways-to-Encourage-Housing-Production-Evaluating-Californias-Recent-Housing-Legislation-April-2023-Final.pdf](#)

<sup>10</sup> [California State Senate Recent Legislative Actions](#)

Collectively, these policies mark a significant shift in California’s approach to land-use governance. While intended to address housing shortages and affordability concerns, they have also raised questions regarding feasibility, infrastructure capacity, public engagement, and the long-term effects on established communities. These issues are particularly relevant in Orange County, where many cities are fully built out, constrained by environmental concerns, geography, and infrastructure limitations, and seeking to balance statutory obligations with community priorities and public expectations. The impact on Orange County and its 34 cities in meeting these Housing Mandates deserves intense scrutiny.

## REASON FOR STUDY

The expansion of Housing Mandates has provoked public awareness and challenged local governments. Media coverage has grown, reflecting divergent viewpoints regarding the Housing Mandates’ effectiveness, equity, and long-term consequences. Cities across Orange County have responded in a variety of ways, adopting compliance strategies that differ widely in breadth, transparency, and community engagement. Residents have expressed a similarly broad range of perspectives, from support for expanded housing opportunities to concerns regarding neighborhood impacts, infrastructure strain, loss of local control, and limitations on public participation in land-use decision-making.

*Housing Mandates have the potential to significantly reshape the character of Orange County Communities.*

Beyond requiring increased zoning density and higher residential densities, the Housing Mandates influence demographic patterns, neighborhood character, transportation systems, public services, and environmental concern. Local jurisdictions must absorb these impacts without corresponding state investment in infrastructure, affordable housing subsidies, or restoration of tools previously used to manage growth, such as redevelopment agency financing.

Given these conditions, this report attempts to evaluate both the intended and unintended consequences of Housing Mandates as they are applied within Orange County. It will identify where state requirements may conflict with local capacity and community needs and assess how recent legislative changes have shifted the balance between state authority and local governance. In addition, this report seeks to establish a strategic framework for influencing future housing allocations within SCAG by strengthening the role and effectiveness of OCCOG as we move into the next planning phase.

## METHOD OF STUDY

In conducting this study, the OCGJ employed a multi-method approach designed to gather information from a broad range of governmental, professional, construction industry, and community perspectives. The methodology included research, interviews, observational site visits, document review, surveys, and participation in relevant public forums. This comprehensive approach allowed the OCGJ to evaluate how Housing Mandates are interpreted, implemented, and experienced across Orange County jurisdictions.

### Research

The OCGJ conducted extensive background research using publicly available sources, including:

- Governmental and agency websites
- Online news and media sources
- Local and Community news outlets

### Interviews

The OCGJ conducted interviews with representatives from the following organizations and groups:

- City leadership from multiple Orange County cities
- Sitting and former city officials
- Orange County Council of Governments (OCCOG)
- Orange County Public Works – Development Services
- Orange County Housing & Community Development
- Local housing program administrators
- American Institute of Certified Planners (AICP) – housing specialists
- Private-sector builders and development professionals

### Observations and Site Visits

OCGJ members conducted guided site visits and observations of housing and mixed-use developments, including:

Multiple retail and housing developments (market rate, affordable and low income) in:

- Huntington Beach
- Midway City
- Anaheim
- Santa Ana
- Westminster
- Irvine

- San Juan Capistrano

## Public Forums and Events

The Members of the OCGJ attended:

- The 2025 Chapman Economic Forecast
- Newport Beach Community Forum
- Foothills Neighborhood Association Town Hall

## Government Meetings

The Members of the OCGJ attended:

- Orange County Board of Supervisors
- Orange County Council of Governments (OCCOG)
- Technical Advisory Committee (TAC), a subcommittee of OCCOG
- Monitored City Council meeting within the County

## Document Review

- Complaints and correspondence submitted by Orange County residents.
- Community Development Records from applicable jurisdictions

## City Survey

The OCGJ developed and distributed written survey questions to Orange County cities to gather information concerning:

- Housing Element compliance strategies
- Local responses to Housing Mandates
- Community engagement processes
- Infrastructure and resource constraints

# INVESTIGATION AND ANALYSIS

## State Housing Mandates and Local Implementation

The Housing Mandates, through the laws approved by the California Legislature, have pursued a more centralized and enforceable approach to housing policy (Appendix A), shifting significant authority from local jurisdictions to the State. Since 2017, the California Legislature has enacted more than one hundred housing related bills, designed to establish clearer production expectations, reduce procedural delays, and strengthen enforcement mechanisms for jurisdictions that do not comply with state housing requirements.

California’s housing statutes are not aspirational guidelines; they carry the force of law and impose affirmative legal obligations on local jurisdictions. Cities are therefore required to plan for, accommodate, and in many cases, approve housing development consistent with Housing Mandates, regardless of local political preferences, historic planning practices or public consensus.

According to California State policy guidance, the Housing Mandates are intended to address decades of housing underproduction that state policymakers identify as contributing to rising housing costs, overcrowding, displacement, reduced economic mobility and a lack of affordable housing.<sup>11</sup> From the State’s perspective, reliance on regional and local discretion has not consistently generated housing at levels necessary to improve affordability, particularly for lower and moderate-income households.<sup>12</sup> In response, the California Legislature and HCD have adopted a compliance driven model designed to ensure that every jurisdiction contributes to meeting statewide housing needs.

Orange County cities differ significantly. Th OCGJ’s investigation focused on areas where the state’s rapidly evolving legislative requirements conflicted with local zoning practices, infrastructure constraints, and past practices. It also examined how recent statutory reforms shifted authority away from local jurisdictions toward state oversight and enforcement, reshaping the governance methodology and altering both the practical and legal responsibilities of cities.

Within this context, this report does not question whether cities must comply with state housing law—they must—but rather this report’s objective is to assist Orange County jurisdictions and the public in understanding the framework within which they operate and enhance the possibility of good planning practices and design. During interviews, city officials and builders described to the OCGJ the benefits of citizen engagement, proactive and early coordination on planning, realistic site inventories, and timely engagement with state agencies to avoid punitive actions.

Public communication and civic education is essential. Several Orange County cities reported undertaking efforts to engage residents and explain how the Housing Mandates affect local decision-making authority, including reductions in traditional zoning discretion. Transparent public outreach was identified as an important practice for maintaining community trust and managing expectations in an era of constrained local control.

Through interviews, document review, site observations, and comparative analysis, several key themes emerged and are expanded on below:

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<sup>11</sup> [Statewide Housing Plan](#)

<sup>12</sup> [California Legislative Analyst's Office - California Housing](#)

- Environmental Context and CEQA
- RHNA Process
- RHNA Challenges
- Penalties of Not Having an Approved HCA Housing Element
- Penalties for Not meeting Approved Housing Plan
- Feasibility of Housing Mandate in Orange County
- One Size Does Not Fit All
- California and OC Population Trends
- 6<sup>th</sup> Cycle Housing Allocations in OC
- City Challenges
- 7<sup>th</sup> Cycle Concerns

## Environmental Context and CEQA

In 1970, California enacted the California Environmental Quality Act (CEQA) with broad legislative support. These are the broad body of environment laws that attempt to protect California’s environment<sup>13</sup>. Its core purpose is to ensure that state and local government agencies identify and publicly disclose the environmental impacts of proposed projects before approving them.<sup>14</sup> Importantly, CEQA does not prohibit development; it ensures development is done responsibly, with environmental protections, public notice, and accountability. It has played a key role in shaping California’s environmental standards for over five decades. Yet recent housing laws are chipping away at these hard-won environmental protections and may put our environment at risk.

Over time, the California Legislature has adopted amendments intended to streamline housing projects. Several interviewees asserted that recent statutes—including A130 and SB131—have the effect of narrowing CEQA’s environmental review for qualifying housing projects by expanding ministerial or exempt pathways<sup>15</sup>. Before CEQA and the Federal Clean Air Act, Southern California experienced severe air pollution, with the region enduring over 200 days each year of unhealthy ozone levels.<sup>16</sup> In the 1970s, this led to frequent smog alerts and restrictions on outdoor activity for vulnerable residents<sup>17</sup>. Longtime residents recall this period as one when smog was so persistent it regularly obscured visibility and affected daily life. Today, air quality in Southern California is dramatically improved, with far fewer unhealthy-air days due to decades of

<sup>13</sup> [PPIC Statewide Survey: Californians and the Environment - Public Policy Institute of California](#)

<sup>14</sup> [South Coast Air Quality Management District - CEQA](#)

<sup>15</sup> [California Lawmakers Approve Major Overhaul of Landmark Environmental Law | KQED](#)

<sup>16</sup> [How Los Angeles Began to Put its Smoggy Days Behind | History & Society | PBS SoCal](#)

<sup>17</sup> [Los Angeles Historical Air Quality Analysis: AQI, PM, CO, SO2, NO2, O3](#)

CEQA measures that have collectively transformed the air basin and made local conditions significantly cleaner and healthier than during the smog-filled 1970's.<sup>18</sup>



*A smoggy aerial view of downtown Los Angeles in January 1975.*

Polling in California consistently shows strong public support for environmental protection, though some surveys also indicate support for regulatory changes aimed at increasing housing production and lowering costs.<sup>19</sup>

Recent laws have made it simpler to construct housing by scaling back environmental controls.<sup>20</sup> While this may accelerate development, it also threatens to weaken important environmental protections that California has relied on for decades. And importantly, there is no guarantee that these streamlined projects will provide affordable homes or meaningfully improve the housing crisis.

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<sup>18</sup> [How Los Angeles Began to Put its Smoggy Days Behind | History & Society | PBS SoCal](#)

<sup>19</sup> [PPIC Statewide Survey: Californians and the Environment - Public Policy Institute of California](#)

<sup>20</sup> [In California, statewide housing reforms brush against local resistance | Brookings](#)

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## Regional Housing Needs Assessment Process

RHNA is the State mandated process that determines the number of new housing units across various income levels that each city and county must plan for each 8-year cycle.<sup>21</sup> It requires local governments to zone adequate land to meet projected regional housing needs.<sup>22</sup> RHNA is implemented through the HCD whose mission statement emphasizes safe, affordable homes and sustainable communities.<sup>23</sup>

The RHNA process begins with HCD's review of household growth projections to estimate future housing needs by region. The California Department of Finance shares demographic projections with regional planning bodies known as Councils of Governments (COGs). These projections form the basis for RHNA determinations among California regions, and each COG then develops suballocations for counties and cities within its jurisdiction. Each city is required to update a Housing Element as part of its General Plan, describing objectives, programs, and housing sites consistent with RHNA goals. In recent years, the California Legislature has enacted statutes expanding HCD's authority in reviewing and enforcing RHNA related plans.<sup>24</sup>

SCAG is the largest COG in the State which includes Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties. SCAG represents 197 jurisdictions across more than 38,000 square miles. SCAG develops RHNA allocations for its member jurisdictions and also engages at the state level on issues relevant to regional planning, including housing legislation.<sup>25</sup>

OCCOG, established as a joint power's agency in 1996, serves as a representative of Orange County to SCAG on RHNA planning (and other issues, i.e., transportation). The organization emphasizes collaboration, transparency, and consistent advocacy to ensure Orange County's interests are effectively represented in regional planning, areas where the OCGJ has identified deficiencies.<sup>26</sup>

OCCOG's charter describes it as a voluntary advisory association of local governments seeking sub regional and regional planning, coordination, and technical assistance on issues of mutual concern. OCCOG has an Executive Director and minimal staff. A member of the Orange County Board of Supervisors serves on the OCCOG Board and is the SCAG representative for the County of Orange.<sup>27</sup>

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<sup>21</sup> [California Housing Element Law Explained – Legal Clarity](#)

<sup>22</sup> [The California State of Real Estate - Realtor.com Economic Research](#)

<sup>23</sup> [Welcome to HCD! | California Department of Housing and Community Development](#)

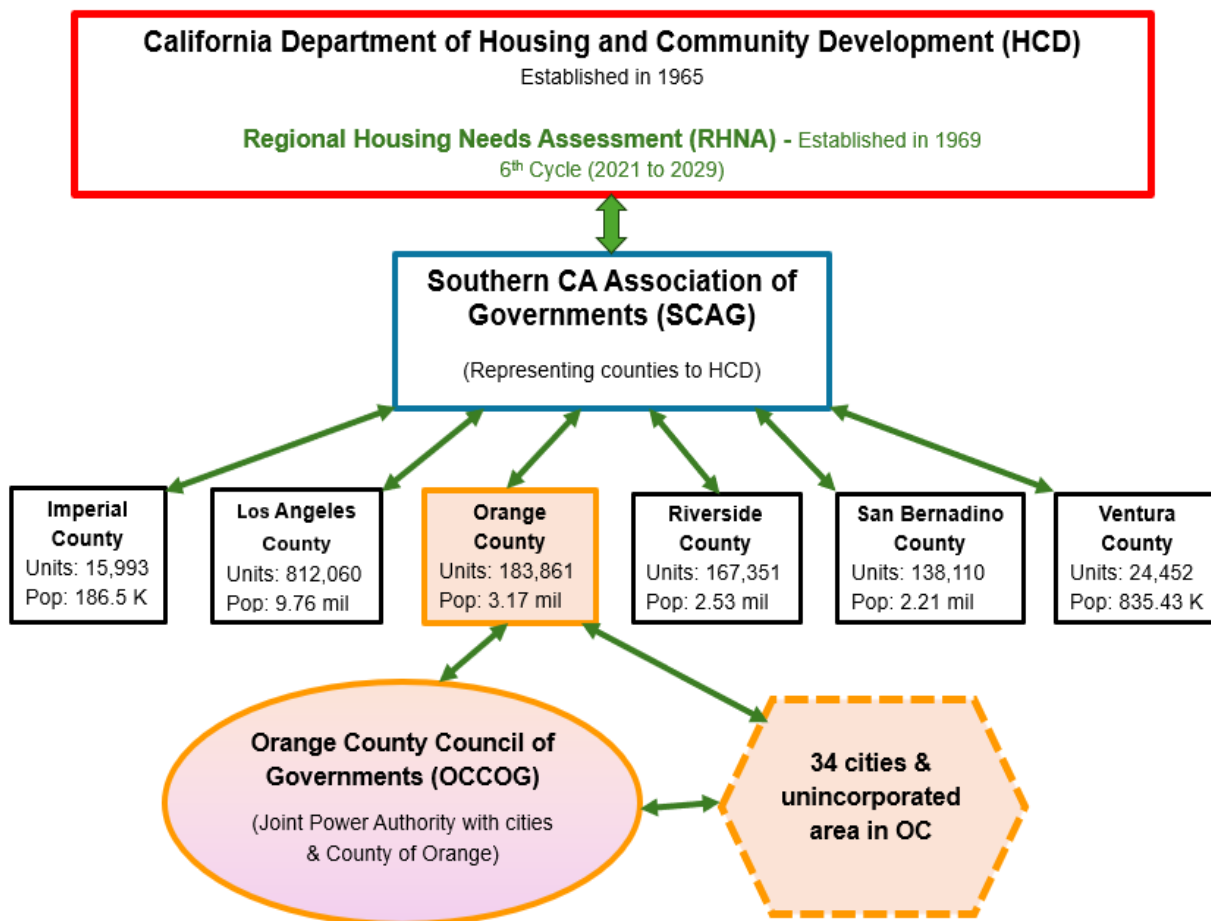
<sup>24</sup> [Enforcement Authority | California Department of Housing and Community Development](#)

<sup>25</sup> [About us | Southern California Association of Governments](#)

<sup>26</sup> [Orange County Council of Governments](#)

<sup>27</sup> [Orange County Council of Governments](#)

## RHNA PROCESS



SCAG adopted its 6th Cycle housing allocation plan for the period of October 2021 through October 2029. The plan assigns 1,341,827 additional housing units across the SCAG region—which includes most of Southern California—and distributes those units among cities and unincorporated areas, including those in Orange County.<sup>28</sup>

Stakeholders reported that the 6th Cycle methodology resulted in a significant housing unit increase compared with the 5th Cycle allocation to SCAG of 411,953 units; representing approximately a 300% increase. The dramatic increase prompted the municipalities to request reviews and appeals of their assigned housing requirements. In response, HCD cited multiple reasons for the regional increases including unit overcrowding, affordability indicators, the ongoing effects of previously unbuilt housing units during the 2008 recession and the statutory adjustment factors under California Government Code § 65584.01 (statutory formula)<sup>29</sup>

<sup>28</sup> [Southern California COG Regional Housing Need Determination](#)

<sup>29</sup> [Southern California COG Regional Housing Need Determination](#)

Summarized are the five objectives that the COGs (i.e. SCAG) must further in their allocation methodology (Gov. Code § 65584(d)).<sup>30</sup>

- Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, resulting in allocations for low and very low-income households, and providing for extremely low and acutely low-income allocations within the range prescribed by statute
- Promoting infill development and socioeconomic equity, protecting environmental and agricultural resources, encouraging efficient development patterns, and achieving greenhouse gas reduction targets pursuant to Government Code section 65080.
- Improving the intraregional relationship between jobs and housing, including balance between low wage jobs and housing affordable to low wage workers.
- Allocating a lower proportion of housing need to an income category where a jurisdiction already has a disproportionately high share of households in that category relative to the countywide distribution.
- Affirmatively furthering fair housing.

These objectives are intended to support more economically diverse communities by assigning housing to high resource, job rich areas and by encouraging infill development while protecting environmental resources (CEQA).<sup>31</sup> RHNA assigns targets to each jurisdiction by income category. For the 6<sup>th</sup> Cycle, the four income categories are: Very Low ( $\leq 50\%$  of county median income), Low (50–80%), Moderate (80–120%), and Above Moderate ( $\geq 120\%$ )<sup>32</sup>. Through HCD and RHNA, California instructs and enforces compliance with specific housing targets.

## Regional Housing Needs Analysis Challenges

The cities' leadership in Orange County offered multiple critiques of RHNA, including: (1) allocation methodology at SCAG does not reflect local housing need, (2) concerns of fairness in allocation across jurisdictions, (3) the appeal process to SCAG by local governments were consistently denied, and (4) assigned housing goals do not consistently translate into actual permitting, especially for lower income households.<sup>33</sup> HCD has stated that RHNA goals should not be interpreted as a production forecast but

<sup>30</sup> [California Department of Housing and Community Development |](#)

<sup>31</sup> [The 5 Statutory Objectives of the RHNA Methodology](#)

<sup>32</sup> [State Housing Law Program | California Department of Housing and Community Development](#)

<sup>33</sup> [Best Practices for Allocating & Evaluating RHNA](#)

as a planning objective.<sup>34</sup> Even with this planning objective, Orange County jurisdictions reported significant operational and fiscal challenges associated with implementation.

Jurisdictions described resource constraints that affect their ability to implement the Housing Mandates consistent with legislative intent, including staffing limitations, the need for specialized consultant support, and budget constraints. Several cities characterized RHNA determination and compliance as complex and costly. Some cities reported spending hundreds of thousands of dollars (sometimes reaching close to \$1,000,000) to meet the reporting mandate. Taxpayer money spent on planning does not directly result in the construction of housing units.

Interviewees also reported that SCAG's approved methodology is complex and difficult for elected officials to communicate their housing allocation and ultimate Housing Element to their constituents. HCD and SCAG should take steps to improve the RHNA processes, including enhancing communication transparency and simplifying data driven methodologies. Additionally, recognizing the compliance costs to taxpayers cannot be left unaddressed even as the 7<sup>th</sup> Cycle planning is currently underway.

In October 2021, the California State Joint Legislative Audit Committee approved an emergency audit of HCD's regional determination process, citing limited public visibility of calculation methods and a need for independent review.<sup>35</sup> Further, the audit identified errors in certain data calculations and raised concerns<sup>36</sup>. The California State Auditor subsequently issued findings that criticized aspects of HCD's methodology indicating potential inflation of requirements by a substantial number of housing units.<sup>37</sup> Some of the cited errors included the use of very outdated and inaccurate vacancy factor rates<sup>38</sup>. One report even suggests base information used was from the 1980's<sup>39</sup>. Others reported that HCD relied on population projections that differed from California Department of Finance forecasts, which generally show relatively modest long-term growth, and instead used assumptions that resulted in significantly higher projected housing needs.<sup>40</sup> HCD's response, to the California State Auditor, and on their website, acknowledged there was room for improvement and addressed the allocation criticisms in very general terms but did not mention that the numbers had been or would be corrected.<sup>41</sup>

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<sup>34</sup> [New-Pathways-to-Encourage-Housing-Production-Evaluating-Californias-Recent-Housing-Legislation-April-2023-Final.pdf](#)

<sup>35</sup> [California Auditor Report 2021-125](#)

<sup>36</sup> [California Auditor Report 2021-125](#)

<sup>37</sup> [More Homes, Hardly Any Population Growth—So Why Is California Still So Expensive?](#)

<sup>38</sup> [CA Auditor Bashes State's Mandated Housing Numbers, Says Process Is Flawed, Lacks Oversight](#)

<sup>39</sup> [CA Auditor Bashes State's Mandated Housing Numbers, Says Process Is Flawed, Lacks Oversight](#)

<sup>40</sup> [Court: 'Regional Housing Need' Determinations Aren't Judicially Reviewable - Davis Vanguard](#)

<sup>41</sup> [California State Auditor - Report 2021-125 Recommendation 3 Responses](#)

Separately, in June 2021, OCCOG, on behalf of the Orange County cities, filed a judicial challenge to HCD's regional housing determination, arguing that HCD failed to follow statutory requirements in developing the RHNA allocation.<sup>42</sup> The trial court dismissed the petition in November 2021, and the Second District Court of Appeal affirmed that dismissal in July 2023, holding that neither OCCOG nor its member cities could challenge HCD's methodology.<sup>43</sup> On August 24, 2023, the OCCOG Board authorized counsel to petition the California Supreme Court for review, but the Court denied the petition on October 11, 2023, effectively ending OCCOG's legal challenge.<sup>44</sup> During the 6<sup>th</sup> Cycle process, SCAG received 48 appeals from cities challenging their housing allocation within their 45-day appeal period. After SCAGs review, they quickly denied 47 of them.<sup>45</sup> This demonstrates limited jurisdictional influence over the allocation and appeal process. This series of rulings confirms that HCD's statutory authority has been upheld by the courts, and that any changes sought by local jurisdictions may be addressed better through the legislative process rather than litigation.

### **Penalties for Not Having an HCD-Approved Housing Element**

A city that fails to obtain certification of its Housing Element from the HCD is considered out of compliance with state Housing Element Law and becomes subject to a range of escalating enforcement actions.<sup>46</sup> HCD's Housing Accountability Unit (HAU) has authority to initiate enforcement, including referral to the California Attorney General for legal action when a jurisdiction does not meet statutory planning requirements.<sup>47</sup> When a city is out of compliance, it can be exposed to severe statutory penalties, such as lawsuits by the Attorney General or outside entities, court-imposed fines ranging from \$10,000 to \$600,000 per month, and court orders that may mandate project approvals, require rezoning, suspend a city's authority to issue building permits, or even strip the city council of land-use authority until compliance is achieved.<sup>48</sup>

The most concerning and widely known consequence of noncompliance is the Builder's Remedy, which restricts a city's ability to deny qualifying housing projects even when they conflict with the city's General Plan or zoning rules.<sup>49</sup> Under this provision, developers may propose larger, denser projects that bypass local zoning controls if at least 20% of the units are affordable to low-income households or if the project is 100%

<sup>42</sup> [OCCOG Press Release HCD](#)

<sup>43</sup> [Orange Cnty. Council of Gov'ts. v. Velasquez - vLex United States](#)

<sup>44</sup> [Orange County Council of Governments](#)

<sup>45</sup> [Orange County Council of Governments](#)

<sup>46</sup> [Analysis Finds Davis Not on Track to Meet Housing Requirements without Approval of Two Voter Projects - Davis Vanguard](#)

<sup>47</sup> [Analysis Finds Davis Not on Track to Meet Housing Requirements without Approval of Two Voter Projects - Davis Vanguard](#)

<sup>48</sup> [Housing Open Data Tools | California Department of Housing and Community Development](#)

<sup>49</sup> ["Builder's Remedy" Reform Bill Approved by Governor Newsom | Allen Matkins](#)

moderate-income.<sup>50</sup> Cities without a compliant Housing Element lose their ability to regulate these projects through their typical zoning constraints unless they can demonstrate specific, adverse health or safety impacts.<sup>51</sup> Additional consequences include loss of access to key state funding sources and being placed on a shorter four-year Housing Element update cycle rather than the standard eight-year schedule.<sup>52</sup>

As of this writing, some Orange County cities—such as Huntington Beach and Seal Beach—have not yet obtained certification of their Housing Elements for the 6th Cycle or have been subject to enforcement actions related to noncompliance, while others, such as Costa Mesa, have only achieved compliance after delays and state intervention.<sup>53</sup>

### **Penalties for Not Meeting Housing-Plan Construction Goals**

While RHNA production targets are planning requirements, not actual construction mandates – cities may face meaningful consequences if they fail to implement the programs and rezoning commitments included in their certified Housing Elements. HCD’s HAU monitors compliance with both Housing Element commitments and state housing laws, and violations may prompt enforcement letters, monitoring actions, or legal referrals to the Attorney General.<sup>54</sup> Courts have shown a willingness to override local discretion when a city’s failure to implement its Housing Element prevents the jurisdiction from accommodating its assigned RHNA allocation.<sup>55</sup> In some cases, courts may mandate rezoning, invalidate local development restrictions, or require approval of specific projects to ensure that adequate housing capacity is created.<sup>56</sup>

### **Feasibility of Housing Mandate in Orange County**

The feasibility of California’s Housing Mandates in Orange County raises significant practical concerns. HCD, during the 6<sup>th</sup> Cycle, has allocated 183,161 housing units to Orange County to be constructed by 2029 with 30% being considered ‘affordable’. However, according to the US Census Bureau, Orange County is only producing an average of 5,000 units a year over the past 5 years.<sup>57</sup> Clearly this is a dilemma for the County. While it is relatively easy for the California Legislature to pass ambitious housing laws, the actual construction of these units is far more challenging. The Housing Mandates may be well-intentioned but translating them into real-world development is complex, due to constraints in land availability and costs, infrastructure

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<sup>50</sup> [Builder’s Remedy Primer](#)

<sup>51</sup> [The Builder’s Remedy and Housing Elements](#)

<sup>52</sup> [Housing Elements | California Department of Housing and Community Development](#)

<sup>53</sup> [Appeals Court Orders Huntington Beach to Comply with State Housing Law - Davis Vanguard](#)

<sup>54</sup> [Enforcement Process | California Department of Housing and Community Development](#)

<sup>55</sup> [Appeals Court Orders Huntington Beach to Comply with State Housing Law - Davis Vanguard](#)

<sup>56</sup> [Appeals Court Orders Huntington Beach to Comply with State Housing Law - Davis Vanguard](#)

<sup>57</sup> [Index of /programs-surveys/popest/tables](#)

capacity, high construction and labor costs, community acceptance, and capital formation.

Capital formation for housing development in Orange County faces significant challenges. The cost of capital remains high, and the long timeline required to entitle, build, and eventually generate revenue increases financial risk for developers. Interest-rate volatility further complicates financing, affecting both equity investment and construction loan terms. At the same time, affordable housing projects often struggle to qualify for limited government subsidies, leaving many developments financially infeasible. These pressures are intensified in Orange County, which has some of the highest land and construction costs in California, making lower-income housing especially difficult to deliver without substantial public support.<sup>58 59 60 61</sup>

Most parts of Orange County are already built out, leaving limited land available for new development. Substantial portions of the remaining undeveloped areas are further constrained by coastal regulations, floodplains, wildfire-prone zones, steep hillsides, protected open space, and other environmentally sensitive lands. These physical and regulatory barriers significantly reduce the amount of land that can realistically be developed. At the same time, the County faces substantial infrastructure limitations—including constraints on water and sewer systems, road capacity and traffic circulation, parking availability, schools, parks and recreation space, transit corridors, and even utilities such as electricity and natural gas. Taken together, these constraints sharply limit how much additional housing can be accommodated, even when zoning or Housing Mandates call for higher densities.

High construction costs remain a major obstacle to new housing production, driven by escalating prices for essential building materials such as lumber, steel, concrete, and electrical components. Persistent labor shortages across skilled trades further compound these costs, as limited labor supply leads to higher wages and project delays. Appliance costs have also risen significantly, especially for energy-efficient or higher-end models now commonly required by building codes or market expectations. Additionally, the desired level of luxury or finish, such as premium flooring, countertops, fixtures, and community amenities, can substantially increase overall project budgets, making even modest housing developments expensive to deliver.

Reports indicate it cost approximately \$500,000 to \$800,000 to build a one-bedroom low-income rental unit in Orange County. Low Income units require rental subsidies.

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<sup>58</sup> [Turner Center UC Berkeley Development Math](#)

<sup>59</sup> [Interest Rates Impact Construction Project Funding](#)

<sup>60</sup> [CHP State Housing Needs Report](#)

<sup>61</sup> [The High Cost of Producing Multifamily Housing in California: Evidence and Policy Recommendations | RAND](#)

With declining federal, state, and local funding subsidies, it is difficult to build affordable housing. Developer interest therefore is focused on market rate housing production.

In short, Housing Mandates are legally binding, yet remain extraordinarily difficult for many cities to achieve. While RHNA serves a key role as a planning tool, requiring cities to zone for additional housing and align local policies with statewide objectives, meeting the full scale of assigned housing targets, especially for lower-income households, is often unrealistic without sustained public funding, expanded infrastructure, and ongoing State support. In practice, the Housing Mandates alone do not produce homes. Achieving HCD/SCAG goals in Orange County ultimately depends on market-responsive policies, and complementary funding strategies. It is not simply higher numerical requirements or punitive measures.

*In practice, Housing Mandates alone do not build homes.*

### **One Size Does Not Fit All**

California's statewide Housing Mandates are intended to address a persistent and perceived shortage of housing.<sup>62</sup> However, the OCGJ found that the uniform statutory framework governing the RHNA process can function as a blunt instrument when applied across jurisdictions with widely differing conditions. City leadership consistently noted that a one-size-fits-all approach may not fully account for the unique character, environmental, infrastructural, economic, demographic, and geographic circumstances facing individual communities.

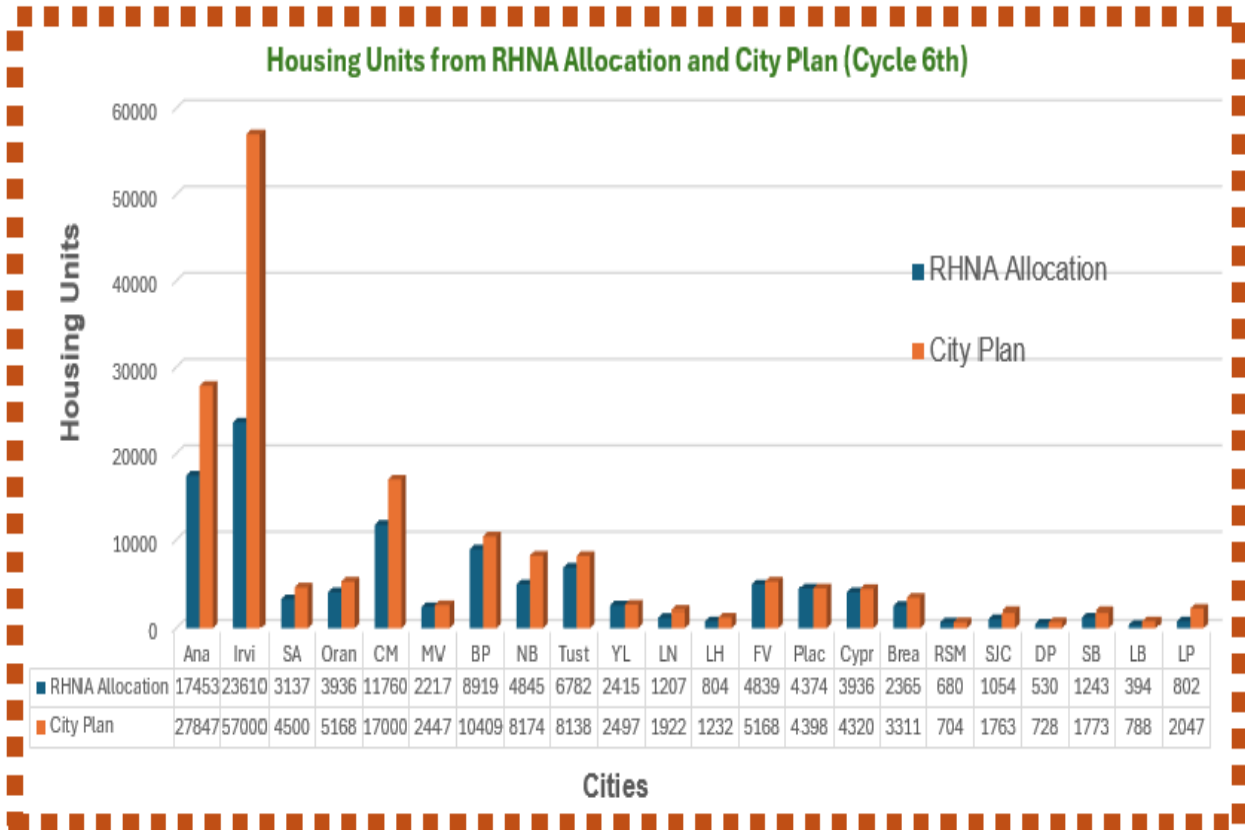
Several stakeholders noted that the RHNA process does not adequately differentiate among jurisdictions with varying levels of infrastructure capacity, longstanding physical or environmental constraints, or distinct development patterns. In particular, it fails to account for older, largely built-out cities—such as Garden Grove, Westminster, La Habra, and Fountain Valley, where available land is minimal and new housing can occur primarily through infill development. In these contexts, construction is typically more complex and costly, further challenging feasibility. As a result, some local governments face disproportionate burdens in accommodating housing allocations that do not fully reflect on-the-ground constraints and local conditions.

The OCGJ notes that perspectives on this issue varied considerably. Interviewees from fast-growing or infrastructure-rich areas were more likely to support uniform standards, arguing that consistent requirements prevent jurisdictions from avoiding their fair share of housing obligations. Others expressed the view that Housing Mandates are necessary to overcome decades of underproduction and local resistance to growth.

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<sup>62</sup> [California Department of Housing and Community Development | California Department of Housing and Community Development](#)

Ultimately, comments on the adequacy and fairness of California’s uniform approach depended heavily on local context and a jurisdiction’s capacity to absorb additional housing.



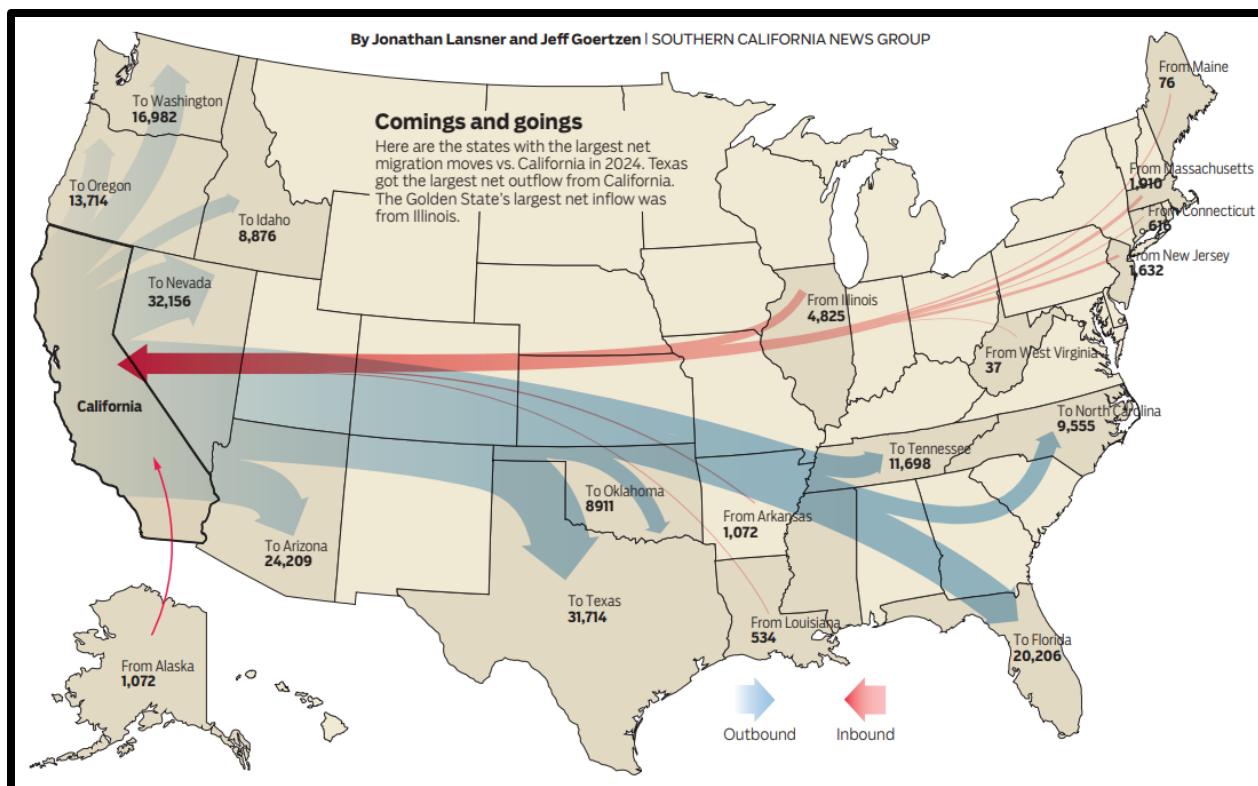
Data source: Cities’ responses to the 2526 Grand Jury’s survey

### California and Orange County Population Trends

Over the past three decades, California has undergone a profound demographic shift. After more than a century of rapid population expansion (growing from under 20 million in 1970 to nearly 40 million by 2020) the State’s growth has slowed dramatically, and in recent years has turned negative.<sup>63</sup> According to the Public Policy Institute of California, California lost 322,000 residents between July 2020 and July 2022 due largely to emigration, declining births, and reduced immigration.<sup>64</sup> And although modest growth resumed between 2022 and 2025, the overall trend remains flat and well below historical norms. As previously noted, this validates the California State Auditor’s criticism of HCD, and its projections based on population.

<sup>63</sup> [CSUF - Center for Demographic Research](#)

<sup>64</sup> [California's Population - Public Policy Institute of California](#)



Source Orange County Register <sup>65</sup>

Historically, one of California’s fastest-growing regions, Orange County, exhibits similar trajectories – population stagnation and decline. The U.S. Census Bureau has documented recent population decreases, noting that Orange County's long-standing growth pattern began to reverse in the early 2020's due in part, to an aging population, and reduced international migration and increased outmigration.<sup>66</sup> These trends challenge long-held assumptions about continuous growth in Orange County and suggest that future planning should incorporate demographic stabilization rather than expansion.

Despite these emerging realities, population projections used during the 6<sup>th</sup> Cycle (2021–2029) relied on pre-pandemic models that assumed continued growth.<sup>67</sup> HCD's 6<sup>th</sup> Cycle regional determination began with population forecasts from the Department of Finance and applied upward adjustments for overcrowding, cost burden, and vacancy— factors that significantly inflated the region’s housing need calculation. However, by 2020–2025, many of these underlying drivers shifted in the opposite direction as

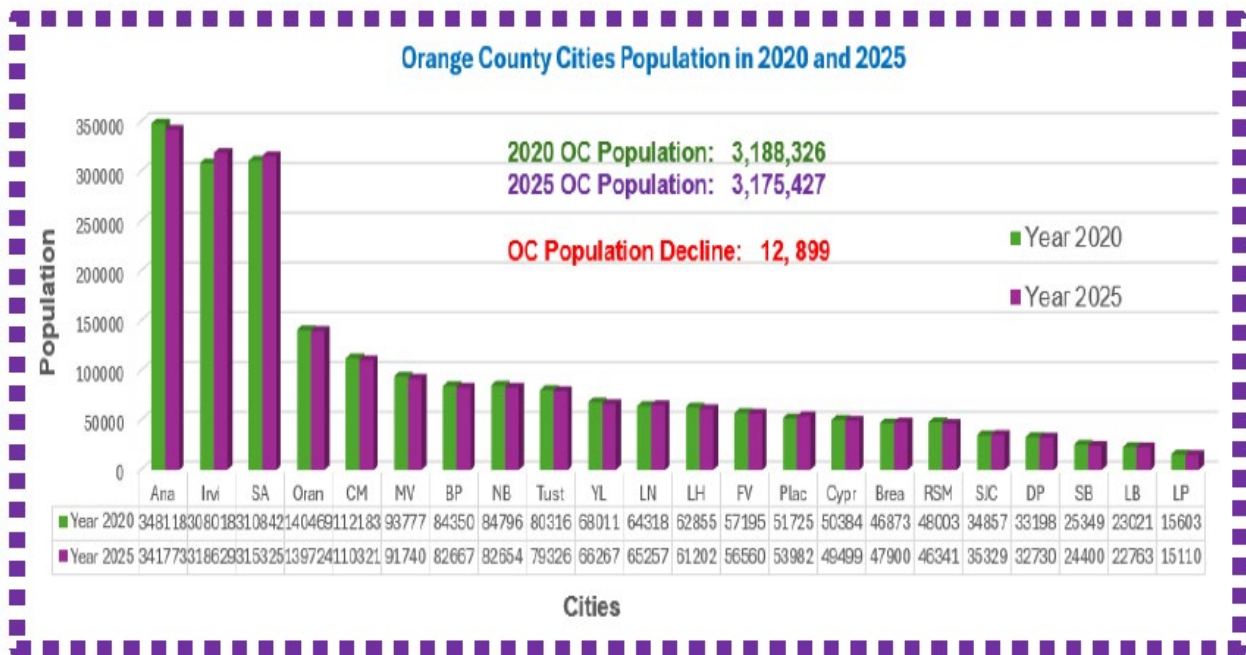
<sup>65</sup> [Infographic: Are people leaving California? Here's what the numbers show us – Orange County Register](#)

<sup>66</sup> [Infographic: Are people leaving California? Here's what the numbers show us – Orange County Register](#)

<sup>67</sup> [Presentation: Overview of Regional Growth Forecasting, Modeling Task Force May 25, 2022 Meeting](#)

California entered a period of population decline, raising questions about the accuracy of the assumptions embedded in the 6<sup>th</sup> Cycle projections. SCAG has acknowledged concerns from stakeholders regarding the appropriateness of the population and household growth assumptions used during the 6<sup>th</sup> Cycle and has initiated discussions with HCD to reform the methodology.<sup>68</sup>

Looking ahead to the 7<sup>th</sup> Cycle, California’s demographic outlook is markedly different from the 6<sup>th</sup> Cycle. The Department of Finance’s newest long-range projections (2024 baseline) show significantly slower statewide and county-level growth through 2070, with some regions, including Orange County, projected to experience prolonged stagnation or decline.<sup>69</sup> These updated projections, combined with post-2020 population losses, underscore the necessity for HCD and SCAG to recalibrate their methodologies so that the next RHNA Cycle reflects a more accurate and data-driven assessment of true housing need. Without incorporating the State’s new demographic trajectory, RHNA risks overestimating future household growth and imposing planning obligations disconnected from both California’s and Orange County’s actual population realities.



Data source: Orange County Progress Report 2025

Notes: This chart includes only cities, who responded to the 2526 Grand Jury’s survey.

### 6<sup>th</sup> Cycle (2021–2029) Housing Allocations in OC

California’s Housing Element Law requires every city and county to plan for its share of regional housing need. For the 6<sup>th</sup> Cycle (October 2021–October 2029), SCAG

<sup>68</sup> [PowerPoint Template for SCAG Presentations](#)  
<sup>69</sup> [Projections | California Department of Finance](#)

assigned the Orange County subregion a total of 183,861 housing units, allocated across four income categories: Very Low, Low, Moderate, and Above Moderate.<sup>70</sup>

While RHNA establishes the minimum number of units each jurisdiction must plan for, this OCGJ finds that cities seeking to meaningfully expand affordable housing production must adopt local housing targets that exceed their RHNA assignment. This is largely because the cost of constructing deed-restricted affordable units—often approaching \$700,000 per unit—is rarely economically feasible without substantial public subsidy, layered financing, and other creative development strategies. As a result, cities increasingly rely on density bonus incentives, allowing developers to build additional market-rate units in exchange for providing affordable units, to help close funding gaps and meet lower-income housing obligations.

The RHNA process begins with the HCD determining the amount of housing needed for each region, including affordability levels, and continues with a regional agency (here, SCAG) dividing that need among counties and cities. SCAG’s final 6<sup>th</sup> Cycle plan assigns Orange County jurisdictions a combined 183,861 total units for 2021–2029.<sup>71</sup>

SCAG’s allocation plan further distributes Orange County’s total to each city (and to the County’s unincorporated area). The largest allocations go to major employment and population centers, with substantial totals assigned to, among others:

<b><u>City</u></b>	<b><u>Units</u></b>	<b><u>City</u></b>	<b><u>Units</u></b>
Irvine	23,610	Huntington Beach	13,368
Garden Grove	19,168	Costa Mesa	11,760
Anaheim	17,453	OC Unincorporated	10,340

These totals reflect the regional policy judgment—guided by state objectives—that jurisdictions must plan for additional housing capacity across income categories.

In summary, RHNA 6<sup>th</sup> Cycle allocations establish minimum planning obligations, but they do not, by themselves, overcome the structural feasibility barriers that constrain low-income housing delivery. This higher target is justified by (1) the anticipated attrition between zoning capacity and constructed projects, and (2) the necessity of leveraging private development to be incentivized to build affordable housing in a market where restricted rents cannot reliably support new construction without layered public assistance.

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<sup>70</sup> [Regional Housing Needs Assessment | Southern California Association of Governments](#)

<sup>71</sup> [Regional Housing Needs Assessment | Southern California Association of Governments](#)

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## City Challenges

California's increasingly prescriptive Housing Mandates have placed substantial pressure on local governments in Orange County, requiring cities to plan for significantly higher levels of housing capacity. The cumulative effect has been added local government costs, uncertainty in interpreting evolving state requirements, inequities among jurisdictions, and escalating tension between state directives and the longstanding expectation of local control over planning and zoning.

While the State has articulated policy goals and methodology behind its Housing Mandates, the top-down framework often overlooks the essential role of local communities in electing officials to ensure that planning and zoning decisions reflect the values and priorities of the electorate—the very reason most cities incorporated in the first place. This disconnect has contributed to considerable tension, community frustration, and political instability in many Orange County cities, not to mention the constituents' lack of confidence that their elected officials are representing their interests.

To successfully meet the requirement of the Housing Mandates cities must file a Housing Element with HCD every eight years to meet the aggressive targets being mandated. Many local cities lack the internal expertise and staff time to draft such housing submissions and thus must hire costly external consultants to prepare appropriate legal documents. As previously noted, the costs to cities have been between \$100,000 and over \$1,000,000 for some of the larger cities. With 34 cities in Orange County and the County also required to provide a housing plan, the administrative costs are in the millions of dollars just to comply. With many local cities having budgetary challenges, this administrative burden is just another unfunded liability. These taxpayer dollars are spent to comply with the law and have no commensurate direct beneficial outcome for the community.

In Orange County, the Housing Mandates have substantially narrowed local land use discretion while increasing administrative, legal, and compliance risks for cities. Although framed as a planning requirement, the Housing Mandates have expanded residential density and embedded enforceable state oversight into what were traditionally local planning functions. As a result, compliance and enforcement mechanisms have begun to reshape municipal governance and materially influenced developmental patterns across the county. The result of these impacts in Orange County includes but are not limited to the following:

- Reduced local land-use authority
- Administrative and staffing burdens
- Financial expense
- Infrastructure limitations

- Increased legal exposure
- Political and community conflict
- Unfair RHNA housing allocations across the cities

Each city in Orange County has had a variety of challenges based upon differences in geography, fiscal capacity, land availability, funding availability, development interest and conditions, local policy decisions and community responses. The impact of the Housing Mandates has had dramatic impacts and cannot be ignored.

For example:

**Anaheim:** As the largest (population) city in Orange County, Anaheim has a strong fiscal base, including significant tourist-based revenue, and has already permitted and constructed a large number of housing units especially in light of their massive OC Vibe residential, retail and entertainment district. This is not to say, however, that they do not have their challenges with developers pushing to increase density within Anaheim Hills and the City's concern of density and building into a designated high-fire risk area. Due to its population of over 300,000, unlike most Orange County cities, Anaheim does have access to state and federal dollars, to assist in meeting the affordable housing requirements.

**Costa Mesa:** Costa Mesa is one of only three Orange County cities still without a compliant Housing Element. Its continued effort to defend local regulations on sober living homes—rules that HCD does not formally recognize—has already cost the city access to certain state low-income housing funding. The situation worsened when one of the City's largest developers withdrew all of his properties from Costa Mesa's Housing Element inventory, slashing projected housing capacity from roughly 17,000 units to the bare minimum of about 11,750 units needed to meet state requirements.<sup>72</sup> This leaves the City with virtually no buffer to achieve compliance.

**Fountain Valley:** Fountain Valley is largely built out, with approximately 90% of its land already utilized. Limited available land and constrained financing capacity present major hurdles in Fountain Valley ever being able to meet the state requirements.

**Huntington Beach:** Huntington Beach has adopted a totally different strategy to address the Housing Mandates. They have aggressively pursued litigation in an effort as a "charter city" to preserve local land-use authority. This approach has resulted in substantial legal costs and financial exposure for the City for noncompliance. The City's

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<sup>72</sup> [Planning Commission Bombshell: Housing Element Update Crisis in Costa Mesa](#)

legal challenges have all been denied including a final appeal to the US Supreme Court.<sup>73</sup> Consequences for non-compliance are pending.

**Irvine:** Irvine's response to the Housing Mandates differs from other Orange County cities. Being very progressive with available land currently under development, and two major developers active, the master planned community of Irvine has substantial flexibility. They have submitted to the State committing to build 56,000 additional units even though their allocation is approximately 26,000 units, the highest in Orange County. The original vision of Irvine being a residential community with commercial and residential balance runs the risk of being seriously eroded with high density apartments being vigorously constructed. This suggests Irvine might ultimately be more of an urban versus suburban community in the future. Residents are starting to be concerned as to the impact on traffic, parks, and schools. Furthermore, the current City council's recent move to rezone past open space commitments has created voter activism and resistance.

**Newport Beach:** Newport Beach has faced difficulty implementing the Housing Mandates due the concerns regarding community character, coastal constraints, and local values, contributing to resistance to higher density residential development. While elected officials worked hard at engaging and educating the community on the Housing Mandates, as development projects started to come on-line, major public resistance ensued. A recent ballot initiative was just approved to push back on the City's approved Housing Element.<sup>74</sup>

**Mission Viejo:** In March 2026, hundreds of Mission Viejo residents rallied in opposition to a proposed expansion of the Vista Del Lago apartment complex off Marguerite Parkway. The developer's plan called for demolishing 68 existing units and replacing them with 418 new units, resulting in a net increase of 350 units, as well as constructing a new parking structure. The expansion would bring the total number of units on the 33-acre property to 958 units, dramatically increasing density in an area surrounded primarily by single-family homes.

After hours of heated public testimony and debate, the City Council voted 3–2 to advance the project. A majority of councilmembers stated they felt they had no choice but to approve the development due to the Housing Mandates, which require cities to zone and plan for significantly higher housing densities regardless of local neighborhood opposition.<sup>75</sup>

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<sup>73</sup> [Attorney General Bonta Celebrates U.S. Supreme Court's Denial of Huntington Beach's Challenge to State Housing Laws | State of California - Department of Justice - Office of the Attorney General](#)

<sup>74</sup> [Newport Beach may dump state mandate as residents prep to vote on plan for far fewer housing units | LAist](#)

<sup>75</sup> [Editorial: Mission Viejo's needless angst over apartments – Orange County Register](#)

**San Juan Capistrano:** Due to its historical significance and geographic characteristics, the City has been challenged to meet the Housing Mandates. It is a tale of two communities – residents of great wealth and a large lower socioeconomic population requiring the need for more affordable housing. To date, City leadership appear to have built partnerships with low-income developers to build projects that maintain the community's heritage and meet the needs of the City. As high-end development takes place, a "fee in lieu" is assessed that generates funds for affordable housing. Superb planning and design have led to across-the-board community support for well designed, low-income redevelopment projects completed or underway.

**Santa Ana:** Santa Ana is already considered by HCDs' RHNA process to be a densely populated, lower socioeconomic community, and it has the lowest housing target in Orange County with only 3,137 units. Like Anaheim due to its population size, it has access to more federal and state housing dollars to meet its low-income housing compliance obligations.

**The County of Orange:** The County also has a RHNA requirement for its unincorporated areas. The County struggled to obtain certification of its Housing Element in 2025; it required multiple revisions due to the nature of small pockets of unincorporated areas it serves. Its largest development area in South Orange County, Rancho Mission Viejo of over 6,000 acres was entitled by the County before the Housing Mandates became law – few were affordable units. In addition, the largest track of undeveloped land is owned by the Federal Government (Cleveland National Forest) and not available for development.

The impacts of the Housing Mandates have disrupted governance and local control. In some communities it has created fierce resistance. The loss of local control impacts the traditions and norms within many Orange County cities. Community heritage, rightly or wrongly, is being seriously eroded.

The one-size-fits-all Housing Mandates has serious repercussions economically and politically only now coming into focus for the voters of Orange County as the implementation goes forward.

*Community political activism has increased as housing projects move from approval to construction, but this engagement is often narrowly focused on individual developments rather than broader policy impacts. Cities should take a more proactive role in engaging residents in a comprehensive discussion about how RHNA implementation is affecting neighborhood character, infrastructure, and social cohesion. In addition, local elected officials have a responsibility to clearly communicate how state-directed housing policies, originating in Sacramento, shape local land-use decisions and limit municipal discretion.*

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## 7<sup>th</sup> Cycle (2029-2037) Concerns

The 7<sup>th</sup> Cycle of the RHNA planning process has already started, addressing the period from 2029-2037. The OCGJ identified significant concerns related to transparency, data integrity, governance, and Orange County's ability to competitively represent itself within the broader SCAG region. These concerns stem from documented issues in the 6<sup>th</sup> Cycle, particularly the lack of clarity of the allocation methodology, the complexity of the decision-making structure, and inadequate procedural safeguards to ensure that Orange County's unique conditions are fully acknowledged.

The 6<sup>th</sup> Cycle methodology relied on numerous questionable inputs—including projected population, transit accessibility, job growth, vacancy adjustments, cost burden, and subjective social equity factors—derived from HCD and SCAG's adopted methodology.<sup>76</sup> These inputs were published but remained difficult for local jurisdictions to interpret due to their subjectivity, complexity and technical nature and the failure of HCD to clearly identify their methodology.<sup>77</sup>

Given these findings, Orange County cities face a recurring risk, because the statewide RHNA determination feeds directly into SCAG allocations, any methodological deficiencies at the state level immediately cascade into subregional planning and ultimately influence the allocations assigned to Orange County jurisdictions.

Experiences from the 6<sup>th</sup> Cycle highlight several issues that continue to shape Orange County's concerns heading into the 7<sup>th</sup> Cycle. The previous allocation process was marked by complexity, questionable data, late-stage modifications, and an overall lack of transparency. For example, SCAG's 6<sup>th</sup> Cycle allocation was adopted in March 2021 and then modified only a few months later<sup>78</sup>, fueling confusion about how final numbers were determined. The process felt unfair to many local jurisdictions because the appeals window was extremely compressed, the methodology was difficult to replicate, and the relationship between data inputs—such as overcrowding, cost burden, or future transit accessibility—and final allocations was not easily understood. The appeals process was also futile and was not open to cities concerns.

Governance also played a role. SCAG and OCCOG rely on a large network of committees, working groups, and advisory bodies, which ensures broad participation but diffuses responsibility. With so many entities involved, accountability for data accuracy, timely inputs, and interpretation of the methodology becomes fragmented, making it difficult for any single entity to ensure the process is both rigorous and transparent.

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<sup>76</sup> [SCAG Final RHNA Methodology, March 5, 2020](#)

<sup>77</sup> [Best Practices for Allocating & Evaluating RHNA](#)

<sup>78</sup> [Regional Housing Needs Assessment | Southern California Association of Governments](#)

The upcoming 7<sup>th</sup> Cycle is expected to be even more data-intensive.<sup>79</sup> New state guidance calls for clearer and more prescriptive methodology factors, improved appeals procedures, new income categories, and stronger alignment with greenhouse-gas and transportation planning.<sup>80</sup> Transit definitions are also being standardized statewide, meaning all Orange County Transportation Authority (OCTA) transit routes, frequencies, and hub locations must be fully validated and published early in the process. Without early coordination, the County risks being disadvantaged compared with regions that already have well-organized transit datasets.

Transparency remains a central concern. Orange County jurisdictions need access to all datasets used to calculate their allocations, ranging from growth projections to transit accessibility metrics, and must be able to replicate the calculations that lead to their assigned numbers. The California State Auditor has previously flagged gaps in how HCD documented its factors, reinforcing the need for a system that jurisdictions can audit and verify.

## CONCLUSION

*“We shape our buildings; thereafter they shape us.” (Winston Churchill)*

Housing Mandates and the RHNA allocation process are highly consequential for Orange County jurisdictions, particularly because the construction of low-income housing is rarely feasible without substantial subsidy. Interviewees consistently reported that funding streams to support deed-restricted housing remain limited, leaving cities responsible for planning large numbers of units that may never be financially viable without additional state or federal assistance. This gap between planning obligations and realistic development capacity has heightened local concern about the fairness and practicality of the current RHNA framework not to mention wasted tax dollars.

Against this backdrop, a recurring theme in interviews was the need for stronger regional coordination. Per the Joint Powers Agreement, OCCOG members pay dues to support operations, based on a 2009 adopted formula tied partly to each city’s share of the county population. However, dues have not been adjusted in many years, leading several stakeholders to question whether current funding levels adequately support OCCOG’s ability to coordinate subregional planning, respond to SCAG, and represent Orange County interests on matters as significant as RHNA. SCAG likewise uses population factors in its own dues structure, meaning jurisdictions with growing populations carry greater financial responsibility. Stakeholders noted that the overall

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<sup>79</sup> [California’s Housing Future 2040: The Next Regional Housing Needs Allocation | California Department of Housing and Community Development](#)

<sup>80</sup> [California’s Housing Future 2040: The Next Regional Housing Needs Allocation | California Department of Housing and Community Development](#)

resource base may still be insufficient for the level of technical engagement required. Many jurisdictions expressed that increased support for OCCOG, both financial and participatory, would improve transparency around RHNA inputs and allow for more robust review of the assumptions that drive housing allocations.

The OCGJ believes that OCCOG is an underutilized regional asset that could play a significantly larger role in promoting equity, transparency, and public understanding of the RHNA process. Interviewees emphasized that consistent, proactive participation by city and county representatives in OCCOG and SCAG meetings is critical, especially early in the methodology-setting phase, when data inputs, assumptions, and distribution formulas are still in development. Without regular engagement, jurisdictions risk losing opportunities to influence decisions that later become binding obligations. Several interviewees suggested that cities consider enhancing their financial contributions so OCCOG can expand its analytical capacity, conduct independent research, and engage more effectively in SCAG's technical and policy committees and at the state level.

As work begins on the 7<sup>th</sup> Cycle, the need for collaboration is more urgent than ever. Cities cannot afford to be passive observers. Even if cities cannot directly change the final numbers issued by HCD or SCAG, their active involvement is essential to ensuring that Orange County's unique circumstances are understood and represented. Meaningful engagement can also help jurisdictions align their local planning strategies, clarify shared concerns, and coordinate responses to proposed methodological changes before they become final. A more empowered and better-resourced OCCOG would strengthen Orange County's collective voice, improve regional planning outcomes, and ensure local governments are not navigating the California's housing requirements in isolation.

Finally, the OCGJ notes that collaboration must extend beyond government agencies to the residents they serve. As Sacramento lawmakers continue to enact significant housing legislation, much of it with direct consequences for zoning, density, local control and neighborhood character development standards, the public must be informed and involved. Cities, working through OCCOG and SCAG, have an important role in educating residents about new laws, explaining their local impacts, and encouraging constituents to register their views with State Representatives. Improving public awareness not only strengthens transparency and trust but also ensures that community perspectives are included in shaping future housing policy.

*By working together, jurisdictions, regional agencies, and the public, Orange County can more effectively navigate the challenges of Housing Mandates and advocate for a clearer, more equitable, and more locally responsive RHNA process.*

## FINDINGS

In accordance with California Penal Code §933 and §933.05, the 2025-2026 Orange County Grand Jury requires (or, as noted, requests) responses from each agency and city affected by the “Findings” presented in this section. Responses are to be submitted to the Presiding Judge of the Superior Court.

Based on its investigation “California Housing Mandates” the 2025-2026 Orange County Grand Jury has arrived at 22 findings as follows:

- 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.
- 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.
- F3** OCCOG coordinates RHNA regional planning in partnership with the SCAG for Orange County. OCCOG lacks adequate influence with SCAG.
- 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.
- 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.
- 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.
- 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.
- F8** California’s regulatory construction costs (i.e. permitting fees) present substantial challenges for private housing developers—particularly those delivering affordable units.

- 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.
- 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.
- 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.
- 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.
- F13** The California State Auditor's 2022 review found significant deficiencies in HCD's regional determination process—including inadequate documentation, data-entry errors, and insufficient justification for key assumptions—raising concerns that similar issues may affect the 7<sup>th</sup> Cycle process.
- F14** OCCOG's current resources and organizational structure are insufficient to fully advocate for Orange County jurisdictions during RHNA methodology development, especially when compared with larger or more heavily resourced regional councils of governments that also influence SCAG.
- F15** Demands on HCD are anticipated to materially alter methodology for the 7<sup>th</sup> Cycle, but Orange County jurisdictions have not yet received clear guidance on how these allocations will be translated into SCAG policy or local impacts.
- F16** The reliance on transit accessibility as a major RHNA consideration requires high-quality, early-released datasets from OCTA; however, these datasets are not currently consolidated or formally adopted for use in the 7<sup>th</sup> Cycle methodology.
- F17** The large number of committees, subcommittees, and advisory groups involved in SCAG and OCCOG's RHNA processes promotes broad participation but diffuses accountability, making it difficult to determine who is responsible for specific analytic inputs or process decisions.

- 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.
- F19** The City of Irvine has been progressive in submitting a housing plan that calls for twice the number of units mandated (56,000). However, this threatens the historical nature of a master plan community with substantial infrastructure challenges.
- F20** Cities and other stakeholders encounter difficulty explaining RHNA outcomes to elected officials and the public due to a lack of clear, consolidated documentation describing how allocation decisions are derived from the underlying data.
- F21** The absence of a clearly articulated and easily understandable description of the RHNA allocation algorithm contributes to perceptions that discretionary or political considerations may influence outcomes, even when allocations are made in compliance with state housing laws.
- F22** Improved transparency and communication regarding RHNA methodology would enhance public confidence in the process and reduce misunderstandings among member jurisdictions.

## RECOMMENDATIONS

In accordance with California Penal Code §933 and §933.05, the 2025-2026 Orange County Grand Jury requires (or, as noted, requests) responses from each agency and city affected by the “Recommendations” presented in this section. Responses are to be submitted to the Presiding Judge of the Superior Court.

Based on its investigation described herein, the 2025-2026 Orange County Grand Jury makes the following 20 recommendations:

- R1** OCCOG should expand its technical-assistance and training programs, by September 30, 2026, to ensure that all Orange County jurisdictions understand RHNA methodology, statutory obligations, and the implications of noncompliance. (F1, F2, F3, F4)
- R2** OCCOG should coordinate a countywide review of sites identified in local Housing Elements, by December 31, 2026, to evaluate whether each site meets state requirements for realistic capacity and development feasibility, supported by a standardized, version-controlled change log. (F3, F4)

- R3** OCCOG should develop and publish a comprehensive RHNA Inputs Catalog, by April 30, 2027, prior to drafting the 7<sup>th</sup> Cycle methodology, documenting all datasets used, their sources, methodological assumptions, and a version-controlled record of changes. (F3, F4)
- R4** OCCOG should create a public-facing RHNA Accountability Dashboard, by April 30, 2027, displaying deadlines, responsible agencies, dataset readiness, and upcoming SCAG decision points, to ensure transparency and timely action by jurisdictions. (F16)
- R5** OCCOG should request that SCAG and HCD, by December 31, 2026, provide written guidance explaining how HCD’s recommendations will be applied in shaping the 7<sup>th</sup> Cycle RHNA methodology so that jurisdictions can prepare proactively. (F16)
- R6** OCCOG should convene a 7<sup>th</sup> Cycle Technical Working Group, by December 31, 2026, composed of planners, data analysts, and transit experts to pre-evaluate methodology scenarios and deliver unified, countywide recommendations to SCAG. (F3, F6, F15)
- 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)
- 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)
- 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)
- R10** By June 30, 2027, the Orange County Board of Supervisors should evaluate whether the County should pursue its own independent Metropolitan Planning Organization (MPO) designation for purposes of regional housing planning. (F5, F6, F7, F15)

- 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)
- 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)
- R13** OCTA should provide an official, data-frozen countywide transit dataset (GTFS + GIS), by September 30, 2026, to meet OCCOG’s analytical needs for 7<sup>th</sup> Cycle RHNA planning. (F17)
- 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)
- 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)
- 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)
- R17** By September 1, 2026, the City of Huntington Beach should evaluate submitting an appropriate Housing Element to reduce potential exposure to HCD penalties. (F18)
- R18** By September 1, 2026, the City of Irvine should ascertain the level of community support for its housing element submission and its impact on the character of its master plan. (F19)

- R19** By September 1, 2026, SCAG should conduct a formal review of its RHNA allocation methodology and clearly document, in understandable language, the inputs, assumptions, weighting, and decision points used in the allocation algorithm. This documentation should be publicly released and designed to improve transparency, reduce perceptions of political influence, and enhance public understanding of how allocations are determined. (F21)
- R20** By September 1, 2026, SCAG should revise its RHNA appeals process to improve procedural transparency and responsiveness by clearly defining appeal criteria, documenting staff analyses and recommendations, providing written explanations for appeal decisions, and ensuring jurisdictions have meaningful opportunities to present and respond to staff findings. (F22)

## RESPONSES CODE

The following excerpts from California Penal Code provide the requirements for public agencies to respond to the Findings and Recommendations of this Grand Jury's report:

### **Penal Code §933**

*(c) No later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body, and every elected county officer or agency head for which the grand jury has responsibility pursuant to Section 914.1 shall comment within 60 days to the presiding judge of the superior court, with an information copy sent to the board of supervisors, on the findings and recommendations pertaining to matters under the control of that county officer or agency head and any agency or agencies which that officer or agency head supervises or controls. In any city and county, the mayor shall also comment on the findings and recommendations. All these comments and reports shall forthwith be submitted to the presiding judge of the superior court who impaneled the grand jury. A copy of all responses to grand jury reports shall be placed on file with the clerk of the public agency and the office of the county clerk, or the mayor when applicable, and shall remain on file in those offices. One copy shall be placed on file with the applicable grand jury final report by, and in the control of the currently impaneled grand jury, where it shall be maintained for a minimum of five years.*

### **Penal Code §933.05.**

*(a) For purposes of subdivision (b) of Section 933, as to each grand jury finding, the responding person or entity shall indicate one of the following:*

- (1) The respondent agrees with the finding.*
- (2) The respondent disagrees wholly or partially with the finding; in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.*

*(b) For purposes of subdivision (b) of Section 933, as to each grand jury recommendation, the responding person or entity shall 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 therefor.*

*(c) However, if a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county agency or department headed by an elected officer, both the agency or department head and the board of supervisors shall respond if requested by the grand jury, but the response of the board of supervisors shall address only those budgetary or personnel matters over which it has some decision-making authority. The response of the elected agency or department head shall address all aspects of the findings or recommendations affecting his or her agency or department.*

## RESPONSES

The Orange County Grand Jury requires (or, as noted, requests) the following responses:

OCCOG Findings Recommendations	90 Day Response Required F3, F4, F5, F12, F13, F14, F15, F17 R1, R2, R3, R4, R5, R6, R7, R9, R11, R13
County of Orange, Board of Supervisors Findings Recommendations	90 Day Response Required F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12 R7, R8, R9, R10, R11, R12, R14, R15, R16
OCTA Findings Recommendations	90 Day Response Required F16 R13
SCAG Findings Recommendations	90 Day Response Required F3, F4, F5, F12, F13, F14, F15, F17, F20, F21, F22 R5, R11, R19, R20
City of Aliso Viejo Findings: Recommendations:	90 Day Response Required F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12 R7, R8, R9, R11, R12, R14, R15, R16
City of Anaheim Findings: Recommendations:	90 Day Response Required F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12 R7, R8, R9, R11, R12, R14, R15, R16
City of Brea	90 Day Response Required

Findings:	F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12
Recommendations:	R7, R8, R9, R11, R12, R14, R15, R16
City of Buena Park	90 Day Response Required
Findings:	F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12
Recommendations:	R7, R8, R9, R11, R12, R14, R15, R16
City of Costa Mesa	90 Day Response Requested
Findings:	F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12
Recommendations:	R7, R8, R9, R11, R12, R14, R15, R16
City of Cypress	90 Day Response Requested
Findings:	F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12
Recommendations:	R7, R8, R9, R11, R12, R14, R15, R16
City of Dana Point	90 Day Response Requested
Findings:	F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12
Recommendations:	R7, R8, R9, R11, R12, R14, R15, R16
City of Fountain Valley	90 Day Response Requested
Findings:	F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12
Recommendations:	R7, R8, R9, R11, R12, R14, R15, R16
City of Fullerton	90 Day Response Requested
Findings:	F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12
Recommendations:	R7, R8, R9, R11, R12, R14, R15, R16
City of Garden Grove	90 Day Response Requested
Findings:	F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12
Recommendations:	R7, R8, R9, R11, R12, R14, R15, R16
City of Huntington Beach	90 Day Response Requested
Findings:	F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12, F18
Recommendations:	R7, R8, R9, R11, R12, R14, R15, R16, R17
City of Irvine	90 Day Response Required
Findings:	F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12, F19
Recommendations:	R7, R8, R9, R11, R12, R14, R15, R16, R18
City of La Habra	90 Day Response Required
Findings:	F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12
Recommendations:	R7, R8, R9, R11, R12, R14, R15, R16
City of La Palma	90 Day Response Requested
Findings:	F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12
Recommendations:	R7, R8, R9, R11, R12, R14, R15, R16

City of Laguna Beach Findings: Recommendations:	90 Day Response Required F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12 R7, R8, R9, R11, R12, R14, R15, R16
City of Laguna Hills Findings: Recommendations:	90 Day Response Required F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12 R7, R8, R9, R11, R12, R14, R15, R16
City of Laguna Niguel Findings: Recommendations:	90 Day Response Required F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12 R7, R8, R9, R11, R12, R14, R15, R16
City of Laguna Woods Findings: Recommendations:	90 Day Response Required F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12 R7, R8, R9, R11, R12, R14, R15, R16
City of Lake Forest Findings: Recommendations:	90 Day Response Required F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12 R7, R8, R9, R11, R12, R14, R15, R16
City of Los Alamitos Findings: Recommendations:	90 Day Response Requested F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12 R7, R8, R9, R11, R12, R14, R15, R16
City of Mission Viejo Findings: Recommendations:	90 Day Response Required F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12 R7, R8, R9, R11, R12, R14, R15, R16
City of Newport Beach Findings: Recommendations:	90 Day Response Required F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12 R7, R8, R9, R11, R12, R14, R15, R16
City of Orange Findings: Recommendations:	90 Day Response Required F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12 R7, R8, R9, R11, R12, R14, R15, R16
City of Placentia Findings: Recommendations:	90 Day Response Requested F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12 R7, R8, R9, R11, R12, R14, R15, R16
City of Rancho Santa Margarita Findings: Recommendations:	90 Day Response Required F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12 R7, R8, R9, R11, R12, R14, R15, R16

City of San Clemente  
Findings: 90 Day Response Required  
F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12  
Recommendations: R7, R8, R9, R11, R12, R14, R15, R16

City of San Juan Capistrano  
Findings: 90 Day Response Required  
F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12  
Recommendations: R7, R8, R9, R11, R12, R14, R15, R16

City of Santa Ana  
Findings: 90 Day Response Required  
F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12  
Recommendations: R7, R8, R9, R11, R12, R14, R15, R16

City of Seal Beach  
Findings: 90 Day Response Requested  
F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12  
Recommendations: R7, R8, R9, R11, R12, R14, R15, R16

City of Stanton  
Findings: 90 Day Response Requested  
F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12  
Recommendations: R7, R8, R9, R11, R12, R14, R15, R16

City of Tustin  
Findings: 90 Day Response Required  
F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12  
Recommendations: R7, R8, R9, R11, R12, R14, R15, R16

City of Villa Park  
Findings: 90 Day Response Required  
F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12  
Recommendations: R7, R8, R9, R11, R12, R14, R15, R16

City of Westminster  
Findings: 90 Day Response Requested  
F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12  
Recommendations: R7, R8, R9, R11, R12, R14, R15, R16

City of Yorba Linda  
Findings: 90 Day Response Required  
F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, F12  
Recommendations: R7, R8, R9, R11, R12, R14, R15, R16

## GLOSSARY AND ACRONYMS

<b>ADU</b>	Accessory Dwelling Unit (ADU) is a secondary, independent housing unit located on the same lot as a primary residence. ADUs are sometimes called granny flats, in-law units, casitas, or backyard homes.
<b>Builder’s Remedy</b>	Builder’s Remedy is a provision in California’s Housing Accountability Act (HAA) that limits a city or county’s ability to deny certain housing projects when the jurisdiction does not have a State-compliant Housing Element.
<b>Charter City</b>	Charter City is a city governed by its own locally adopted charter rather than solely by California general law. Under the California Constitution, charter cities have greater authority over municipal affairs, including land use and zoning. However, this authority may be limited when the State determines that a matter, such as housing, is of statewide concern and subject to state law.
<b>COG</b>	Council of Governments (COG) is a regional planning body made up of elected officials from cities and counties within a defined geographic area.
<b>Deed-Restricted</b>	Deed-Restricted refers to a property that is subject to legally recorded limitations or conditions placed on its use, occupancy, or resale. In the housing context, deed restrictions are commonly used to ensure long-term affordability by limiting resale prices, rental rates, or eligible occupants based on income thresholds for a specified period, often several decades or longer.
<b>Deed-in-Lieu</b>	Deed-in-Lieu (of foreclosure) is a voluntary transaction in which a property owner transfers ownership of a property to a lender to satisfy a mortgage debt and avoid foreclosure. While commonly used in the private lending context, the term may appear in discussions of property disposition, distressed assets, or redevelopment-related transactions.
<b>Density Bonus Incentives</b>	Density Bonus Incentives are benefitting that California law (primarily Government Code § 65915) provides to housing developers in exchange for including affordable housing units within a residential or mixed-use project. These incentives make it easier and financially feasible to build affordable housing by allowing developers flexibility beyond local zoning limits.
<b>Equity Component</b>	Equity Component is the requirement that housing need to be allocated in a way that promotes socioeconomic equity, reduces

segregation, and balances disproportionate household income distributions across jurisdictions.

**Fee-in-Lieu**

Fee-in-Lieu refers to a payment made as an alternative to fulfilling a low income housing requirements.

**Federal Clean Air Act**

Federal Clean Air Act (CAA) is the primary U.S. federal law that regulates air pollution to protect public health and the environment. It authorizes the federal government, principally the U.S. Environmental Protection Agency (EPA), to set and enforce standards that limit harmful air pollutants from industrial facilities, power plants, and motor vehicles.

**GIS**

Geographic Information System (GIS) is a type of software and data system used to map, analyze, and visualize geographic information. Examples: ArcGIS, QGIS which integrates layers of spatial information such as: Parcels, Zoning maps, Transit lines (often imported from GTFS), Flood zones, Environmental constraints, Income and demographic data, RHNA site inventories.

**Grand Jury**

Grand Jury (GJ) is a legal body empowered to conduct official proceedings to investigate potential criminal conduct and determine whether criminal charges should be brought.

**Green State**

Green State generally refers to a government or jurisdiction, often a U.S. state, that prioritizes environmental protection, sustainability policies, and climate-focused governance. The term is descriptive, not legal.

**GTFS**

General Transit Feed Specification (GTFS) is a standardized, machine-readable data format used to describe public transit systems, including Bus routes, Rail lines, Station and stop locations, Service schedules.

**General Plan**

In California, a city General Plan is a comprehensive, long-term policy document that serves as the legal and policy foundation for all local land-use and development decisions within a city. Adopted by the city council pursuant to California Government Code § 65300 et seq., the General Plan expresses the community's vision for physical development and conservation over time and guides zoning, public investment, and regulatory actions.

**HAU**

Housing Accountability Unit (HAU) is a specialized enforcement and oversight unit within the California Department of Housing and Community Development created to ensure local governments comply with state housing and homelessness laws and to hold

jurisdictions accountable for meeting their Housing Element commitments.

**HCD**

Housing and Community Development (HCD) is California state agency responsible for housing policy, building standards, and the administration of affordable housing and community development programs. It operates under the California Business, Consumer Services and Housing Agency (BCSH).

**Housing Element Law (65580-65589.11)**

Housing Element Law is California’s foundational land-use law requiring every city and county to plan for the housing needs of all economic segments of the community. It is part of each jurisdiction’s General Plan and must be regularly updated on a state-mandated cycle.

**Joint Powers Authority**

A Joint Powers Authority (JPA) is a legal structure used in California (and some other states) that allows two or more public agencies to jointly exercise their powers through a separate, shared entity.

**Layered Financing**

Layered Financing (sometimes called capital stacking) is a funding approach in which a project—most commonly a real estate or affordable housing development—is financed through multiple sources of capital, each with different requirements, risk levels, repayment terms, and priorities.

**Ministerial approval**

Ministerial approvals are a type of land-use or development approval in which a government agency must issue the permit automatically once an application meets all the objective, pre-established standards. Because the approval is non-discretionary, officials do not exercise judgment or interpretation, hold public hearings, or evaluate subjective criteria such as neighborhood character or compatibility.

**MPO**

Metropolitan Planning Organization (MPO) is a regional transportation-planning agency required by federal law in every urbanized area with 50,000 or more people.

**OCGJ**

Orange County Grand Jury (OCGJ) refers 2025-2026 Orange County Grand Jury.

**OCTA**

Orange County Transportation Authority (OCTA) is the county transportation planning commission, responsible for funding and implementing transit and capital projects for a balanced and sustainable transportation system.

**RHNA**

Regional Housing Needs Allocations (RHNA) works with the California Department of Housing & Community Development (HCD) to allocate each jurisdiction’s share of required housing across income levels.

**RTP** Regional Transportation Plans (RTP) are utilized to coordinate regional transportation, land-use planning, and climate-related planning (e.g., reducing vehicle miles traveled). Data, forecasts, and long-range planning. They provide demographic forecasts, economic analyses, and collaborative regional policies.

**State Housing Mandates** State Housing Mandates (Housing Mandates) are legal requirements specifically the Housing Element Law in California, obligating local governments (cities/counties) to adopt plans facilitating the construction of housing across all income levels. These mandates require compliance with Regional Housing Needs Allocation (RHNA) targets forcing localities to zone for rather than necessarily build.

**SCS** In California, a Sustainable Communities Strategy (SCS) is a regional land-use, housing, and transportation planning framework prepared by a Metropolitan Planning Organization as part of its Regional Transportation Plan. Required by Senate Bill 375 (2008), the SCS is designed to integrate transportation investments, housing patterns, and land-use policies in a way that reduces greenhouse gas emissions from passenger vehicles while supporting economic development and public health.

**Vacancy Factor Rates** Vacancy Factor Rates refer to the percentage of housing units within a defined geographic area that are assumed to be vacant at any given time. In state housing planning, vacancy rates are used as an analytical adjustment to account for normal turnover in the housing market and to ensure availability for new households. Assumed vacancy rates directly affect housing need calculations and can influence required housing production targets.

**5<sup>th</sup> Cycle,  
6<sup>th</sup> Cycle,  
7<sup>th</sup> Cycle** The 5th, 6th, and 7th Cycles refer to sequential eight-year planning periods of the Regional Housing Needs Allocation (RHNA) process mandated by California housing law.

- The 5th Cycle generally covered the period from 2013 to 2021 (with timing varying by region).
- The 6th Cycle generally covers the period from 2021 to 2029 and includes significantly higher housing allocations statewide.
- The 7th Cycle will be the next allocation period following the 6th Cycle and is expected to further shape long-term housing planning requirements for cities and counties.

Each cycle establishes projected housing needs that jurisdictions must plan for through their Housing Elements.

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# APPENDIX

## APPENDIX A: Major Housing Laws & What They Tried to Do<sup>81</sup>

### **Surplus Land Act (1968; strengthened by AB 1486 in 2019)**

**Problem addressed:** Local agencies often disposed of valuable public land without prioritizing affordable housing.

**Solution:** The Surplus Land Act requires local agencies to offer surplus sites to affordable housing developers first; AB 1486 (2019) expanded who must comply, added reporting, and created enforceable penalties. HCD now issues binding guidelines and may impose fines.

**Role:** A siting tool that converts public land near jobs/transit into affordable housing at scale (HCD reports thousands of units proposed/approved under SLA).

### **Housing Element Law & RHNA (1969; RHNA made mandatory by 1980 AB 2853; repeatedly strengthened)**

**Problem addressed:** Cities historically under-planned for growth or zoned exclusionary, constraining supply across income levels.

**Solution:** Every city/county must adopt an 8-year Housing Element showing adequate, zoned sites to meet its RHNA allocation by income tier; HCD issues regional need determinations and certifies elements. Enforcement has tightened (HCD's Housing Accountability Unit; fines; referrals to the AG).

**Role:** The spine of California housing policy—other laws (HAA, SB 35, SB 330, AFFH) enforce or operationalize these plans.

### **Density Bonus Law (1979; expanded often, incl. AB 1287 in 2023)**

**Problem addressed:** Mixed-income projects often do not pencil without zoning flexibility.

**Solution:** Grants extra units, incentives/waivers, and reduced parking in exchange for deed-restricted affordable homes; AB 1287 (2023) added a “stackable” bonus on top of the 50% base, enabling up to ~100% bonus with additional very-low/moderate units.

**Role:** A ubiquitous feasibility lever to deliver affordability in market-rate projects.

### **Housing Accountability Act (HAA) (1982; strengthened 2017–2019)**

**Problem addressed:** Cities used subjective discretion (e.g., “neighborhood character”) to deny otherwise compliant housing.

**Solution:** Limits denial, density reduction, or infeasible conditions for projects meeting objective standards, unless the city makes specific, evidence-based health/safety findings. 2017–2019 updates raised the burden of proof, added fees/attorney's fees, and clarified “objective standards.”

**Role:** A litigation-backed guardrail ensuring code-compliant housing moves forward—the State's classic “anti-NIMBY” tool.

### **Redevelopment Agencies (RDAs): Termination and Loss of Local Affordable Housing Funds (2011–2012)**

**Problem addressed (pre-2012):** RDAs used tax-increment financing with a 20% housing set-aside to fund affordable housing; the State later sought budget relief.

**Solution:** The Legislature passed ABx1 26 (2011); the California Supreme Court affirmed dissolution

<sup>81</sup> Housing Statutes were summarized Microsoft Co-Pilot May 2025 version

effective Feb 1, 2012, shifting property-tax increment, and creating successor agencies to wind down obligations.

**Role:** Ended a major local funding stream, increasing reliance on density bonus, public land, tax credits, and state programs.

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### **SB 375 (2008) & SB 743 (2013; statewide VMT implementation 2020)**

**Problem addressed:** Sprawl drove VMT and GHGs; CEQA's **Level of Service (LOS)** metric discouraged infill.

**Solution:** **SB 375** requires Sustainable Communities Strategies (SCS) aligning land use and transportation to cut GHGs; **SB 743** replaced LOS with VMT in CEQA, favoring infill and multimodal access, with statewide implementation by 2020.

**Role:** Climate + housing siting framework; housing near jobs/transit faces fewer CEQA hurdles than sprawl.

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### **ADUs (2016–2025 waves): Legalizing “Gentle Density”**

**Problem addressed:** Single-family-only rules and local barriers (parking, minimums) impeded backyard cottages/garage conversions near jobs.

**Solution:** Successive bills created 60-day ministerial approval, broad parking relief, and standardized rules; HCD's 2025 ADU Handbook consolidates guidance and updates.

**Role:** A distributed, lower-cost production engine—large, scalable homeowner-led supply statewide.

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### **HCD Law §16884.01 (2017): Establishes Housing Element Compliance Consequences and State Enforcement Authority**

**Problem addressed:** For decades, many cities and counties failed to adopt or maintain HCD-compliant Housing Elements, resulting in chronic under-production of housing, exclusionary zoning practices, and resistance to RHNA obligations. Prior housing law lacked clear, enforceable consequences for noncompliance, allowing jurisdictions to delay, obstruct, or ignore housing planning requirements with minimal risk. This undermined statewide housing policy, fair housing objectives, and public accountability.

**Solution:** HCD Law §16884.01 clarifies and operationalizes the legal consequences of Housing Element non-compliance, explicitly linking failure to adopt or implement a compliant Housing Element to loss of local land-use discretion and enhanced state oversight. The law affirms HCD's authority to make formal findings of noncompliance and triggers statutory remedies under related housing laws, including limits on down-zoning, exposure to the Housing Accountability Act, and eligibility for “builder's remedy” projects when required conditions are met. It strengthens the enforceability of Housing Element Law by making compliance legally consequential rather than aspirational.

**Role:** A state enforcement backbone for California's housing planning system, §16884.01 functions as a compliance-triggering provision that gives real effect to RHNA and Housing Element Law. It shifts housing policy from a negotiation-based model to a rule-of-law framework, ensuring that local governments that refuse to plan for housing face predictable, uniform consequences while compliant jurisdictions retain local control. The statute is central to California's modern “Yes In My Backyard” enforcement regime.

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### **SB 35 (2017): Streamlined Ministerial Approval**

**Problem addressed:** Lengthy discretionary review and CEQA litigation stalled production, especially where jurisdictions lagged RHNA.

**Solution:** Creates a ministerial (CEQA-exempt) pathway in cities not meeting RHNA progress for qualifying infill projects that meet objective standards, affordability, and labor provisions; HCD issued binding guidelines.

**Role:** A fast lane that translates zoning into approvals within 90–180 days; HCD publishes which jurisdictions are subject.

**AB 686 (2018): Affirmatively Furthering Fair Housing (AFFH)**

**Problem addressed:** Persistent segregation and unequal access to opportunity despite fair-housing statutes.

**Solution:** Requires all public agencies to affirmatively further fair housing and adds new Housing Element duties (analysis of segregation, access to opportunity, displacement risk, equitable siting).

**Role:** Embeds civil-rights obligations into RHNA/Housing Elements, pushing lower-income housing into high-opportunity areas.

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**SB 330 (2019; extended by SB 8 to 2030): Housing Crisis Act**

**Problem addressed:** Moving goalposts (new subjective standards), downzoning, unlimited hearings, and loss of protected units increased entitlement risk.

**Solution:** Freezes new subjective design rules, caps hearings, creates preliminary application vesting, and requires replacement/relocation when protected units are impacted.

**Role:** Stabilizes entitlements, preserves capacity, and protects renters.

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**SB 9 (2021): Duplexes & Urban Lot Splits**

**Problem addressed:** Large single-family parcels constrained capacity; owners lacked simple legal paths to add units.

**Solution:** Requires ministerial approval of up to two units on most single-family lots and allows urban lot splits (with guardrails). Implementation and litigation have been mixed, but SB 9 continues to operate statewide.

**Role:** Incremental densification in high-opportunity areas (uptake has been modest vs. ADUs).

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**SB 10 (2021): Local Rezoning for “Missing Middle” Housing**

**Problem addressed:** CEQA-exposed rezonings and voter-approved limits made modest upzoning slow and risky.

**Solution:** Voluntary tool letting cities zone up to 10 units/parcel on transit-rich or urban infill sites with the rezoning action itself exempt from CEQA; may override local initiative restrictions with a 2/3 council vote.

**Role:** A local-option upzoning mechanism; note it does not streamline the project approvals that follow.

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**AB 2011 (2022): Affordable Housing and High Road Jobs Act**

**Problem addressed:** Vast commercially-zoned land sat underused while housing faced discretionary review and CEQA.

**Solution:** Creates ministerial, CEQA-exempt approvals for qualifying multifamily on commercial corridors via two paths: 100% affordable or mixed-income meeting corridor, site, and labor standards. Effective July 1, 2023.

**Role:** A production-focused pathway converting retail/office/parking sites into housing statewide.

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**SB 6 (2022): Middle Class Housing Act (Companion to AB 2011)**

**Problem addressed:** Housing often not allowed on commercial parcels absent a rezoning.

**Solution:** Allows residential use in many commercial zones (by right as a permitted use) with labor standards; not ministerial/CEQA-exempt on its own (but can combine with other tools). Effective July 1, 2023.

**Role:** Opens more sites to housing when AB 2011 is not available.

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### **AB 2097 (2022): Eliminating Parking Minimums Near Transit**

**Problem addressed:** Mandatory parking minimums near transit raised costs and reduced housing feasibility.

**Solution:** Prohibits minimum parking requirements for most projects within ½ mile of a major transit stop (with narrow exceptions); HCD issued a 2025 Technical Advisory for implementation.

**Role:** Lowers costs and removes a common barrier to infill housing.

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### **SB 423 (2023): Extends & Expands SB 35 Through 2036**

**Problem addressed:** SB 35's 2026 sunset and exclusions (e.g., much of the Coastal Zone) limited reach; many cities still failed RHNA or lacked certified elements.

**Solution:** Extends SB 35 to 2036, applies streamlining to more jurisdictions and sites (incl. parts of the Coastal Zone), ties eligibility to Housing-Element compliance, and updates affordability/labor standards; allows DGS to administer on State-owned land.

**Role:** A statewide production accelerator, making the SB 35 fast lane broader and longer-lived.

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### **SB 131 + AB 130 (2025): CEQA & Housing Streamlining (Budget Trailer Bills)**

**Problem addressed:** Infill housing still faced CEQA delays, litigation risk, and inconsistent timelines.

**Solution:** Establishes new CEQA exemptions for qualifying infill housing (e.g., up to 20 acres, or 5 acres for builder's-remedy sites), streamlined review, and—via the broader package—a temporary freeze on code updates to improve predictability. Effective June 30, 2025.

**Role:** A modernized CEQA framework that complements HAA/SB 330/SB 35 to speed compliant housing.

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### **Builder's Remedy under HAA (codified/updated 2024–2025)**

**Problem addressed:** Some cities delayed or adopted **non-compliant Housing Elements** to preserve restrictive zoning.

**Solution:** AB 1893 (2024) and AB 1886 (2024) formalize and clarify the Builder's Remedy: where a jurisdiction lacks a certified element, qualifying projects with required affordability may proceed (with new standards and protections effective Jan 1, 2025).

**Role:** A blunt enforcement backstop—if a city does not plan properly, it loses discretion to reject compliant affordable projects.

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### **SB 79 (2025): Overrides Local Zoning to Enable Higher-Density Housing Near Transit**

**Problem addressed:** Local zoning caps on height and density near transit stops prevented production of transit-oriented housing even in regions with extensive rail and bus networks.

**Solution:** Preempts local zoning within ½ mile of qualifying transit stops to legalize multi-story multifamily housing, allowing substantially greater height and density. Creates a statewide TOD framework that can be combined with SB 35, SB 330, the Housing Accountability Act, and the State Density Bonus Law to streamline approvals at lower affordability thresholds.

**Role:** A land-use preemption tool establishing “as-of-right” higher density near transit so state streamlining laws (e.g., SB 35) can actually deliver buildable transit-oriented projects. It operationalizes California's TOD objectives and supports pro-housing production goals.

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### **AB 507 (2025): Establishes Adaptive Reuse as Use-by-Right With Streamlined Approval**

**Problem addressed:** High commercial vacancy rates and slow, discretionary local approval processes made it difficult to convert underutilized office/retail buildings into housing—despite acute statewide housing shortages.

**Solution:** Declares adaptive reuse a use-by-right in all zones except non-residential industrial areas and provides ministerial, streamlined approval for eligible projects in existing buildings (generally <50 years old or meeting historic-preservation requirements). Requires income-restricted units (e.g., 8% very low + 5% extremely low, or 15% lower-income for rentals) and allows mixed-use conversions if ≥50% of floor area is residential. Waives parking for portions of buildings without existing on-site parking.

**Role:** A conversion-focused production tool enabling rapid, CEQA-bypassed adaptive reuse of commercial buildings into housing. Pairs with local incentive programs (e.g., tax-increment-funded Adaptive Reuse Investment Funds starting FY 26-27) to subsidize affordability and unlock large-scale urban reuse.

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**AB 648 (2025): Exempts Community College Housing from Local Zoning**

**Problem addressed:** Community college districts (CCDs) face severe barriers building student, faculty, and staff housing because local zoning ordinances—unlike UC/CSU—block or delay projects, worsening housing insecurity for the 2M+ community college students, over half of whom experience housing instability.

**Solution:** Exempts CCD-built student, faculty/staff, and university housing projects on CCD-owned or leased property from local city/county zoning regulations. Requires certain projects with faculty/staff units to include extremely low- and lower-income affordable units. Declares the exemption a matter of statewide concern applying to all cities, including charter cities.

**Role:** A state-level preemption tool enabling rapid production of student and workforce housing on community college land, eliminating local zoning barriers and aligning CCD authority with UC/CSU to address student homelessness and workforce affordability.

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**AB 1021 (2025): Expands and Streamlines Workforce Housing on School District Property**

**Problem addressed:** High housing costs prevent school districts from recruiting and retaining teachers and staff; thousands of acres of school-owned land remain underutilized due to zoning barriers, procedural hurdles, and limits on allowable uses.

**Solution:** Revises and expands the law deeming workforce housing an allowable use on any property owned by a local educational agency (LEA). Requires qualifying projects (≥10 units) to prioritize renting to school employees and the public under a set hierarchy, with a majority of units deed-restricted for lower- or moderate-income households. Applies Housing Accountability Act protections, enables density bonuses, and extends the program to 2036.

**Role:** A major workforce-housing production tool that cuts red tape, activates school district land for affordable educator housing, and strengthens school staffing stability—particularly in high-need communities where housing costs drive turnover.

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**AB 253 (2025): Creates a Private Pathway to Speed Up Residential Permit Plan-Checking**

**Problem addressed:** Local building departments often take more than 30 days to complete residential plan checks, creating permitting backlogs that slow housing production, increase project costs, and leave small-scale infill projects stalled.

**Solution:** Establishes the *California Residential Private Permitting Review Act*, requiring cities/counties to publish residential permit fee schedules and provide applicants with estimated plan-check timelines. If the estimated timeframe exceeds 30 business days (or if no determination is provided within 30 days), applicants may hire a licensed private professional (“private professional provider”) to perform the plan check. Applies to 1–10 unit projects ≤40 ft tall and allows private reviewers to certify compliance via affidavit.

**Role:** A post-entitlement acceleration tool that cuts through municipal bottlenecks by letting homeowners and builders use certified private reviewers, moving small-scale housing through permitting faster while maintaining local agency oversight.

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### **AB 1308 (2025): Imposes an Inspection “Shot Clock” and Allows Private Inspectors**

**Problem addressed:** Unpredictable and months-long delays in final inspections—framing, electrical, plumbing, final occupancy sign-off—prevent newly built or renovated homes from being occupied, increasing holding costs and slowing the delivery of small-scale housing.

**Solution:** Requires local building departments to conduct inspections for 1–10-unit projects (≤40 ft) within 10 business days after receiving notice of completion. If the estimated inspection window exceeds 30 days—or no inspection occurs within 30 days—applicants may hire a licensed private professional inspector to complete the inspection and submit an affidavit attesting to code compliance. Also requires cities/counties to post residential permit fee schedules.

**Role:** A post-entitlement enforcement and delivery tool that ensures housing is not delayed at the final inspection stage. Speeds up occupancy, adds accountability to local inspection offices, and allows builders to default to vetted third-party inspectors when jurisdictions are too slow.

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### **AB 712 (2025): Strengthens Enforcement of State Housing Laws Against Noncompliant Cities**

**Problem addressed:** Local agencies routinely delay, obstruct, or illegally deny housing projects despite state housing reform laws; enforcement is weak, costly for applicants, and slow, enabling jurisdictions to continue violating State Mandates without consequence.

**Solution:** Creates a robust enforcement framework requiring courts to award attorney’s fees and costs to prevailing housing applicants and to impose mandatory fines on violating local agencies. Extends statutes of limitation by 60 days when applicants issue a notice of intent to sue, and bars agencies from requiring applicants to indemnify them for litigation arising from the agency’s own violations. Defines “housing reform law” broadly to cover laws protecting housing applicants or limiting local discretion.

**Role:** A statewide compliance tool that finally gives housing applicants meaningful remedies—and gives local governments financial and legal consequences for ignoring state housing law, thereby enabling real enforcement of the State’s pro-housing framework.

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### **SB 808 (2025): Fast-Tracks Judicial Review of Housing Permit Denials**

**Problem addressed:** Cities continue denying compliant housing projects, forcing applicants into a slow judicial review process where litigation delays—often lasting years—kill projects, escalate costs, or allow permits to expire.

**Solution:** Establishes an expedited writ-of-mandate process for housing permit denials. Requires:

- Local agencies to compile and certify the administrative record within 15 days.
- Courts to set hearings within 45 days and issue decisions within 30 days of submission (or 75 days from filing, whichever comes first).
- Priority scheduling for appeals.  
Allows the applicant, Attorney General, or HCD to file the petition; authorizes temporary judicial assignments to meet deadlines.

**Role:** A litigation-acceleration tool that prevents local agencies from using procedural delay to kill housing projects, ensuring that California housing laws have immediate, enforceable consequences. Complements AB 712 by enforcing housing rights on the judicial side.

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**SB 786 (2025): Clarifies Housing Element Law and Strengthens Court Remedies Against Noncompliant Cities**

**Problem addressed:** Conflicts between General Plan elements, vague housing-element rules, and slow litigation processes create uncertainty for cities, courts, and developers—leading to delays, stalled rezoning, and litigation bottlenecks that block housing production.

**Solution:** Establishes clear hierarchy rules: when General Plan elements conflict—including quantified development standards—the most recently adopted, HCD-certified Housing Element controls. Tightens judicial timelines in Housing-Element challenges:

- Limits continuances to 60 days,
  - Requires temporary relief whenever continuances occur,
  - Requires HCD to conduct substantial-compliance reviews when local jurisdictions miss required Housing-Element deadlines,
  - Extends rezoning compliance timelines to 120 days and mandates sanctions if jurisdictions fail to comply.
- Applies general-plan challenge rules to charter cities.

**Role:** A statewide governance-and-compliance tool ensuring that Housing Elements actually function as the controlling document, reducing litigation gamesmanship, and compelling jurisdictions to implement rezoning and Housing-Element obligations on enforceable timelines. Complements AB 712 and SB 808 as part of the Attorney General’s statewide enforcement strategy.

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**SB 340 (2025): Expands Emergency Shelter Requirements in Housing Elements**

**Problem addressed:** Emergency shelter planning requirements were outdated and limited, failing to reflect modern shelter models (e.g., navigation centers, recuperative care) and the full range of onsite supportive services needed for effective homelessness response.

**Solution:** Updates the definition of “emergency shelter” to require housing *with supportive services* (not minimal services) and requires Housing Elements to account for all onsite services consistent with written, objective standards. Imposes new obligations on cities/counties in shelter planning and broadens the Emergency Housing and Assistance Program definition.

**Role:** A homelessness-response modernization tool ensuring jurisdictions plan realistically for service-rich shelter models within their Housing Elements and zoning designations.

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**AB 610 (2025): Requires Disclosure of New Local Governmental Constraints in Housing Elements**

**Problem addressed:** Cities and counties were adopting new land-use constraints (fees, ordinances, zoning rules) during Housing-Element cycles without disclosure, undermining RHNA compliance and increasing barriers to housing production.

**Solution:** Requires a governmental constraints disclosure statement in each Housing Element (7<sup>th</sup> Cycle onward), identifying all new or amended constraints adopted since the last Housing Element. Prohibits adoption of new constraints unless they were disclosed and the jurisdiction has completed all required programs to remove past constraints (except when mandated by state/federal law). Applies to charter cities.

**Role:** A transparency and anti-backsliding tool ensuring local governments cannot quietly increase barriers to housing once RHNA obligations are set.

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**AB 670 (2025): Allows Converted Affordable Units to Count Toward RHNA Reporting**

**Problem addressed:** Cities lacked credit in their Annual Progress Reports (APRs) for preserving or converting multifamily buildings into long-term deed-restricted affordable housing, despite this being a major preservation strategy.

**Solution:** Expands APR reporting starting in 2027 to allow units converted to affordable housing—with 55-year covenants for low, very low, extremely low, or acutely low income households—to count toward a jurisdiction’s RHNA-creditable progress, if they meet specified criteria. Includes detailed new reporting requirements for demolitions, replacement units, and affordable conversions.

**Role:** A preservation-credit tool aligning RHNA reporting with long-term affordable housing conversion strategies, encouraging cities to preserve expiring-affordability stock.

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### **AB 726 (2025): Allows Cities to Count Substantial Rehabilitation of Affordable Units in APRs**

**Problem addressed:** Deeply affordable older units (often 15+ years old) need major rehabilitation but cities receive *zero RHNA/APR credit* for investing in repairs—causing cities to prioritize new construction instead of preserving aging stock.

**Solution:** Allows jurisdictions to include substantially rehabilitated deed-restricted affordable units (≥15 years old, ≤45% AMI average affordability, ≥\$60k local investment per unit) in APRs. These units cannot be counted toward eligibility for streamlining under SB 35. Updates references to the Office of Land Use and Climate Innovation.

**Role:** A preservation-incentive tool enabling cities to earn APR credit for rehabilitating deeply affordable units, helping maintain long-term housing quality and prevent affordable-stock losses.

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### **AB 1275 (2025): Extends RHNA Timelines and Aligns Housing Needs with Transportation Plans**

**Problem addressed:** Regional Housing Needs Determinations (RHND) were rushed due to tight timelines (2-year lead time), leading to disputes, insufficient data review, and disconnects between transportation planning and housing allocations.

**Solution:** Extends RHND timeline from 2 to 3 years before a Housing-Element update (with special rules for 2027–2029 cycles), requires earlier consultation between HCD and councils of governments (COGs), and mandates that RHNA methodology be informed by Sustainable Communities Strategy (SCS) patterns in regional transportation plans. Strengthens integration of job-housing balance, mobility patterns, and fair housing objectives.

**Role:** A regional-planning alignment tool ensuring RHNA allocations better reflect transportation, climate, and job-housing realities, improving the planning accuracy of future housing cycles.

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### **SB 233 (2025): Requires Earlier State–Regional Consultation for RHNA Determinations**

**Problem addressed:** During prior RHNA cycles, HCD provided regional housing need numbers too late (26-month timeline), leaving councils of governments (COGs) and cities with insufficient time to plan, contributing to widespread late Housing-Element adoption.

**Solution:** Requires HCD to meet and consult with each COG at least 38 months before a Housing-Element revision (one year earlier than prior law), with special rules for the 7<sup>th</sup> Cycle. Ensures earlier agreement on RHNA assumptions, methodologies, and data inputs.

**Role:** A regional-planning coordination tool that expands the planning window for local governments, reducing delays, improving RHNA accuracy, and increasing likelihood of timely Housing-Element compliance.

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### **AB 920 (2025): Requires Centralized Online Portals for Housing Permit Applications**

**Problem addressed:** Local permitting processes were opaque, slow, and inconsistent across cities; applicants could not easily track housing development permits, resulting in delays, confusion, and high administrative burdens.

**Solution:** Requires cities/counties with populations ≥150,000 to create a centralized online application portal for housing development projects, allowing electronic submissions and real-time status tracking.

Jurisdictions may delay implementation until 2030 only if they begin procurement by 2028. Applies to charter cities.

**Role:** A statewide digital-permit modernization tool that increases transparency, reduces processing delays, and standardizes how applicants navigate housing approvals.

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**SB 358 (2025): Reduces Traffic Impact Fees for Transit-Oriented Housing**

**Problem addressed:** Traffic impact fees—often 20% of project cost—were applied using outdated auto-trip assumptions, inflating costs for infill and transit-oriented housing that generates fewer vehicle trips.

**Solution:** Reforms the Mitigation Fee Act to:

- Require at least 50% fee reductions for qualifying transit-oriented housing,
- Update eligibility criteria (parking maximums, proximity to ≥3 amenities, transit-priority locations),
- Require fee-denial findings to be supported by substantial evidence,
- Remove outdated convenience-retail requirements and proportional-fee provisions.

**Role:** A cost-reduction and TOD-incentive tool that aligns traffic fees with actual impacts, supporting infill and climate-oriented housing production.

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**AB 752 (2025): Makes Child Daycare Centers in Multifamily Housing a Use-by-Right**

**Problem addressed:** Cities treated daycare centers co-located with multifamily housing as commercial uses—triggering zoning barriers, business license fees, CEQA review, and inconsistent local requirements, reducing childcare capacity near where families live.

**Solution:** Makes daycare centers co-located with multifamily housing or community amenities a residential use by right; prohibits business license fees; exempts such centers from CEQA; bars stricter standards on them than those applied to the co-located housing or amenity. Maintains all California licensing and safety requirements.

**Role:** A childcare-access and land-use integration tool that reduces barriers to collocated daycare centers, supporting housing-adjacent amenities and family-serving communities.

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**SB 415 (2025): Refines Statewide Warehouse & Logistics Development Standards**

*(Not a housing production bill but affects land-use and zoning environments related to freight-adjacent communities.)*

**Problem addressed:** AB 98 (2024) established statewide warehouse standards but included ambiguous definitions and inconsistent requirements, creating confusion for local governments, developers, and environmental-justice communities in logistics-heavy regions.

**Solution:** SB 415 clarifies key definitions (“logistics use development,” “sensitive receptor”), narrows exemptions, updates siting and truck-route standards, refines buffer requirements, and ensures 21st-century warehouses meet applicable sustainable-design standards at permit issuance. Also clarifies where warehouse concentration regions apply.

**Role:** A land-use-governance and environmental-mitigation tool improving clarity and enforceability of statewide logistics-facility regulations—reducing conflicts between freight operations, housing, and community health.

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**AB 98 (2024–2025): Establishes Statewide Design, Siting & Environmental Standards for Logistics Facilities**

**Problem addressed:** Warehouse and logistics developments—especially in the Inland Empire—were producing severe air-quality, noise, traffic, and public-health impacts on nearby residential areas, schools, and other sensitive receptors, while local regulations were inconsistent or ineffective.

**Solution:** Creates California’s first statewide design, siting, and operational standards for logistics facilities, including:

- Mandatory buffers (500–900 feet) from sensitive receptors,
  - Truck-route and loading-bay orientation requirements,
  - Anti-idling measures and cold-storage plug-ins,
  - Title 24–level building efficiency standards (solar, EV-readiness),
  - 2:1 replacement requirement for recently occupied affordable units demolished,
  - Applicability to large new facilities and expansions  $\geq 20\%$  of floor area.
- Compliance required for applications submitted after Sept. 30, 2024, with most standards fully effective Jan. 1, 2026.

**Role:** A statewide environmental-mitigation and freight-land-use tool aimed at protecting communities while aligning logistics growth with sustainability and public-health goals. AB 98 is foundational to later cleanup legislation (SB 415).

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### **AB 1007 (2025): Cuts Responsible-Agency Permit Deadlines in Half**

**Problem addressed:** Even after cities approved housing projects, state and regional “responsible agencies” (e.g., air districts, water boards) could take months to issue secondary permits, causing ballooning timelines and costs. Shot-clocks for these agencies (90 days) were much longer than those for lead agencies.

**Solution:** Amends the Permit Streamlining Act to require responsible agencies to approve/disapprove residential, mixed-use, supportive, or farmworker housing permits within 45 days of project approval or application completeness—cutting the prior 90-day deadline in half. Applies statewide, including charter cities.

**Role:** A permitting-acceleration tool ensuring faster post-entitlement approvals and reducing interagency delays that frequently stall housing construction.

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### **AB 1050 (2025): Allows Removal of Private Covenants Blocking Housing on Commercial Properties**

**Problem addressed:** Commercial parcels often have old CC&Rs and reciprocal easement agreements (REAs) that prohibit residential uses or limit density, preventing commercial-to-housing adaptive-reuse projects—even when allowed under State housing laws like AB 2011.

**Solution:** Expands existing restrictive-covenant-modification law (previously limited to affordable housing) to **all** qualifying housing developments located on commercial sites, allowing developers to:

- Invalidate covenants that restrict residential use, density, unit count, or occupancy,
- Apply the process to REAs as well as CC&Rs,
- Record a Restrictive Covenant Modification Document after county counsel review.

Does not authorize projects inconsistent with state housing laws.

**Role:** A statewide barrier-removal tool enabling adaptive reuse of commercial corridors and shopping centers into housing by preempting private land-use restrictions.

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### **SB 92 (2025): Closes Loopholes in the Density Bonus Law for Mixed-Use Projects**

**Problem addressed:** Developers exploited the Density Bonus Law to exceed commercial FAR and build oversized hotel-heavy or visitor-serving mixed-use projects with minimal housing (e.g., San Diego “Project Vela”).

**Solution:** Reforms Density Bonus Law by:

- Limiting commercial FAR increases under DBL to  $\leq 2.5\times$  base zoning,
- Prohibiting incentives/waivers for transient lodging (hotels, motels, B&Bs) except residential hotels,

- Requiring  $\geq 2/3$  of mixed-use square footage to be residential to qualify,
- Maintaining full affordability thresholds for bonus eligibility.  
Effective Jan. 1, 2026 (with grandfathering for pre-application projects).

**Role:** A guardrail tool ensuring Density Bonus Law is used to build actual housing—not oversized hotel or commercial space leveraged through affordable-unit “tokenism.”

**AB 87 (2025): Prevents Density Bonus Incentives for Hotel Components of Mixed-Use Projects**

**Problem addressed:** Developers were using DBL concessions (height, FAR, parking waivers) to benefit hotel components of mixed-use projects, diluting the State’s housing incentives and enabling visitor-serving developments that undermined local zoning.

**Solution:** Clarifies that DBL incentives may not be applied to hotel/motel/visitor-serving portions of a mixed-use project. Makes parallel conforming amendments to align with SB 92 if both bills are enacted. Applies statewide, including charter cities.

**Role:** A housing-priority tool reinforcing that density bonuses are for residential production—not for hospitality or tourism development.

**APPENDIX B: Orange County Housing Mandate Survey Questions**

- Q1** What is your city’s 6th-cycle RHNA allocation, and does your Housing Element plan exceed that number? If so, by how much, and what factors influenced the decision to exceed the allocation?
- Q2** If the RHNA mandate were not in place, how would your housing plan differ? Would it still meet the demand for low-income housing?
- Q3** What strategies has your city used to inform and engage residents about the state housing mandate? How do you measure the effectiveness of these outreach efforts?
- Q4** What are the implications of recent state legislation on R-1 single-family zoning for your city’s land-use policies and community character?
- Q5** What are the most significant challenges your city faces in meeting RHNA requirements? In what ways has OCCOG supported your efforts to overcome these challenges?
- Q6** Do you anticipate achieving your approved Housing Element goals by the end of the 6th cycle in 2030? What factors will most influence your success or shortfall?
- Q7** What additional information would you like to provide us regarding this topic?

**APPENDIX C: Responsibilities**

**Responsibilities of OCCOG**

**Mission Statement:**

The Orange County Council of Governments (OCCOG) convenes jurisdictions throughout Orange County to collaboratively address land use, housing, mobility, energy, air quality, and water issues, and to ensure that Orange County is effectively represented in regional and state decision-making. Through sound governance, impartial analysis, and regional coordination, OCCOG delivers value to its member agencies and the residents of Orange County.

Core Responsibilities:

1. Sub-Regional Planning and Coordination
  - a. Serves as Orange County’s official sub-regional planning organization within the six-county SCAG region.

- b. Leads the preparation of required regional and sub-regional planning documents that allow Orange County jurisdictions to compete for state and federal funding. [occog.com], [occog.com]
2. Regional Representation and Advocacy
  - a. Ensures Orange County's interests are represented in regional policy development by coordinating the county's representation on the SCAG Regional Council and committees.
  - b. Works to align countywide perspectives on policy issues affecting transportation, housing, sustainability, and infrastructure.
3. Housing, Transportation, and Sustainable Communities Planning
  - a. Supports housing and transportation planning coordination, including RHNA-related activities and implementation discussions.
  - b. May serve as the lead agency for a sub-regional Sustainable Communities Strategy if Orange County elects to pursue one under SB 375, consistent with SCAG's Regional Transportation Plan.
4. Technical Analysis, Studies, and Data Support
  - a. Conducts countywide and sub-regional studies, prepares technical reports, and provides data-driven analysis to support policymaking by member agencies.
  - b. Develops best-practice guidance (e.g., Complete Streets, mobility and infrastructure tools) for voluntary adoption by cities and the County.
5. Intergovernmental Collaboration and Consensus-Building
  - a. Functions as a forum for cooperation among cities, the County, and special districts on issues of shared concern.
  - b. Facilitates coordination on funding strategies, infrastructure planning, and policy alignment without supplanting local land-use authority.<sup>82</sup>

## Responsibilities of SCAG

### Mission Statement

The Southern California Association of Governments (SCAG) serves as the regional planning agency for Southern California, coordinating among local, regional, state, and federal partners to advance transportation, housing, land-use, and environmental planning that supports sustainable growth, economic vitality, social equity, and improved quality of life for the region's diverse communities.

SCAG's mission is to lead collaborative regional planning by developing and implementing integrated transportation, housing, and sustainability strategies; allocating regional housing needs; ensuring compliance with state and federal planning requirements; and providing data, technical assistance, and policy guidance to its member jurisdictions to address Southern California's long-term growth challenges.<sup>83</sup>

## Responsibilities of HCD

### Mission Statement (Primary)

The California Department of Housing and Community Development (HCD) works to ensure safe, affordable, and sustainable housing opportunities for Californians by administering housing programs,

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<sup>82</sup> [Orange County Council of Governments](#)

<sup>83</sup> [Home | Southern California Association of Governments](#)

shaping statewide housing policy, and enforcing housing laws to promote equity, environmental quality, and community stability across the state.

HCD's mission is to lead and implement California's housing policy by determining regional housing needs, reviewing and enforcing Housing Element compliance, administering state and federal housing funds, and holding local jurisdictions accountable for fulfilling their obligations under state housing law.<sup>84</sup>

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<sup>84</sup> [California Department of Housing and Community Development](#)