



City of Laguna Woods

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July 15, 2026

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

SUBJECT: City of Laguna Woods' Response to the 2025-2026 Orange County Grand Jury Report, "California Housing Mandates: The Unintended Reshaping of Orange County Neighborhoods"

Dear Judge Hanson:

Thank you for the report and for the time and effort involved in preparing it.

Per the Orange County Grand Jury's request, and in accordance with California Penal Code Section 933, please find the City of Laguna Woods' response to the subject report attached. The response was approved by the Laguna Woods City Council on July 15, 2026.

If you have any questions or would like any additional information, please contact Christopher Macon, City Manager, at (949) 639-0525 or cmacon@lagunawoods.gov.

Sincerely,

Annie McCary
Mayor

Attachment: A – City of Laguna Woods' Response to the 2025-2026 Orange County Grand Jury Report, "California Housing Mandates: The Unintended Reshaping of Orange County Neighborhoods"

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

ATTACHMENT A

City of Laguna Woods' Response to the 2025-2026 Orange County Grand Jury Report, "California Housing Mandates: The Unintended Reshaping of Orange County Neighborhoods"

FINDINGS

F1. In recent years, the California Legislature has enacted an unusually large and burdensome volume of housing-related laws intended to strengthen compliance with State Housing Mandates.

Response: The City of Laguna Woods agrees with this finding, but notes that its affirmative response to the term "burdensome" relates only to the time, resources, and challenges of complying with housing-related laws. This response is not intended as commentary on the purpose or intent of such laws.

F2. Housing Mandates are implemented through a RHNA process that often lacks transparency and relies on complex methodologies that are difficult for local officials and the public to understand or meaningfully challenge.

Response: The City of Laguna Woods agrees with this finding.

F4. Meaningful participation by Orange County cities in both OCCOG and SCAG meetings is critical to ensuring that local perspectives are represented during the development and implementation of Housing Mandates policies.

Response: The City of Laguna Woods disagrees partially with this finding. While the City of Laguna Woods believes that participation in OCCOG and SCAG is valuable, most "housing mandates" are acts of the California State Legislature that occur irrespective of whether cities participate in OCCOG or SCAG meetings.

F5. SCAG's 6th Cycle RHNA assigned Orange County a questionable total of 183,861 housing units for the 2021–2029 planning period, with higher allocations concentrated in cities with major population and employment centers.

Response: The City of Laguna Woods agrees with this finding.

F6. RHNA allocations are unrealistic and not attainable within the current planning cycle due to limited available land, built-out urban conditions, infrastructure constraints, environmental factors, and public health and safety requirements.

Response: The City of Laguna Woods disagrees partially with this finding with regard to its own jurisdiction and notes that it lacks the information and first-hand knowledge to opine on other jurisdictions. For the City of Laguna Woods, the factors referenced in this finding are generally true; however, a lack of mutual interest amongst property owners and developers in pursuing housing development at particular locations is also a factor. The City of Laguna Woods also notes that the State of California's requirement for it to establish minimum development densities (i.e., minimum numbers of dwelling units that can be constructed per acre) has deterred at least one developer from pursuing housing development due to that

developer's stated desire to construct housing at a density lower than the minimum.

F7. Residents in Orange County consistently express a desire for local planning decisions to reflect community priorities, including but not limited to neighborhood character, safety considerations, the environment and open-space preservation.

Response: The City of Laguna Woods disagrees partially with this finding. While some residents in Orange County share the sentiments identified in this finding, others do not. There is a diversity of opinion regarding the extent to which "community priorities" should factor into housing-related planning decisions.

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

Response: The City of Laguna Woods disagrees with this finding with regard to its own jurisdiction and notes that it lacks the information and first-hand knowledge to opine on other jurisdictions. The City of Laguna Woods does not believe that its permitting fees and other regulatory construction costs can be reasonably foreseen to present substantial challenges for private housing developers. The City of Laguna Woods has completed relevant analysis as part of its most recent General Plan Housing Element Update and in connection with the most recent amendment of its inclusionary housing ordinance.

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.

Response: The City of Laguna Woods disagrees with this finding but only because it lacks the information or first-hand knowledge to independently assess the stated conclusions.

F10. Prior to their dissolution in 2012, redevelopment agencies served as a primary mechanism for cities and counties to finance affordable housing and related infrastructure. The loss of redevelopment has reduced cities' ability to support construction of affordable units.

Response: The City of Laguna Woods agrees with this finding, but notes that while some redevelopment agencies may have supported the construction of affordable housing, robust evidence exists regarding consequences of redevelopment agencies (e.g., the creation and exacerbation of local fiscal challenges due to property tax diversion and debt issuance).

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

Response: The City of Laguna Woods disagrees with this finding but only because it lacks the information or first-hand knowledge to independently assess the stated conclusions.

F12. The 6th Cycle RHNA methodology included numerous technical inputs published by SCAG and HCD; however, these inputs were highly complex and difficult for cities to interpret or independently verify.

Response: The City of Laguna Woods agrees with this finding.

RECOMMENDATIONS

R7. OCCOG, all Orange County cities and the County of Orange should reassess the current dues structure, by September 30, 2026, to ensure that OCCOG has the resources necessary to effectively represent Orange County jurisdictions in SCAG processes, including RHNA methodology development and appeals. (F3, F15)

Response: This recommendation will not be implemented because it is not reasonable due to the City of Laguna Woods lacking sufficient authority for implementation. While the City of Laguna Woods is willing to reassess the current OCCOG dues structure for the purposes recommended, the City of Laguna Woods lacks the authority to commit OCCOG, the County of Orange, or other cities to doing so. The City of Laguna Woods expects that if such a reassessment is necessary, it would be initiated by OCCOG.

R8. By December 31, 2026, the Orange County Board of Supervisors should partner with cities to evaluate countywide infrastructure capacity—including water, wastewater, flood control, transportation, and public-safety systems—and develop a coordinated regional plan capable of supporting the level of housing growth required under state law. (F6)

Response: This recommendation will not be implemented because it is not reasonable due to the City of Laguna Woods lacking sufficient authority for implementation. While the City of Laguna Woods does not object to the concept of developing a coordinated regional plan for the purposes recommended, it lacks the authority to commit the County of Orange or other cities to doing so.

R9. By September 30, 2026, the Orange County Board of Supervisors should strengthen its engagement with OCCOG and increase staff support to develop a shared, countywide database of potential housing sites and key development-feasibility factors. (F15)

Response: This recommendation will not be implemented because it is not reasonable due to the City of Laguna Woods lacking sufficient authority for implementation. The City of Laguna Woods lacks the authority to commit the Orange County Board of Supervisors to implementing the recommendation. The recommendation also appears to be duplicative of the State of California's existing Housing Open Data Tools, which are currently available at <https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools>.

R11. The County of Orange and each city should ensure consistent participation in SCAG and OCCOG committees by September 30, 2026, including the Technical Advisory Committee (TAC), to strengthen regional representation during RHNA-methodology development. (F3, F4, F15)

Response: This recommendation will not be implemented because it is not warranted. The City of Laguna Woods participates in SCAG and OCCOG meetings as necessary, but also values the collective expertise of the individuals who have been appointed to serve on each agency's respective committees.

R12. The County of Orange and each city should designate a single technical representative, by

September 30, 2026, along with an alternate, for all RHNA-related SCAG and OCCOG committees to ensure continuity of participation and eliminate gaps in representation across multiple decision-making bodies. (F4)

Response: This recommendation was implemented prior to receiving this report. The City Manager is the primary technical representative for SCAG and OCCOG meetings. The Planning & Environmental Services Director is the alternate technical representative.

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)

Response: This recommendation will not be implemented because it is not warranted. The City of Laguna Woods provides robust annual reporting of a variety of metrics to the State of California each year as part of its General Plan Annual Progress Report. Annual Progress Reports are available on both the State of California and City of Laguna Woods' websites.

R15. By September 30, 2026, and ongoing, the County Board of Supervisors and all city councils should make a coordinated and sustained effort to educate their constituents about the RHNA process—its requirements, its impact on local planning and community character, and the role residents can play in shaping outcomes. Public education efforts should also include guidance on how community members can effectively engage with the California Legislature and advocate for more realistic, data-driven housing policies. (F1, F7)

Response: This recommendation was implemented prior to receiving this report. During the 6th Cycle General Planning Housing Element Update, the City of Laguna Woods emphasized public education. The City of Laguna Woods continually assesses opportunities to engage the public and will continue to do so throughout future RHNA processes.

R16. By December 31, 2026, all cities should look to enhance their relationships with not-for-profit affordable housing developers to increase the opportunity to develop more affordable housing. (F8, F10, F12)

Response: This recommendation will not be implemented because it is not warranted. The City of Laguna Woods is committed to implementing the programs included in its General Plan Housing Element, which were developed with consultation from the State of California to satisfy legal obligations under State Housing Law.