77 Fair Drive
Costa Mesa, CA 92626

CITY OF COSTA MESA

Agenda Report

File #: 26-334 **Meeting Date:** 8/4/2026

TITLE:

RESPONSE TO ORANGE COUNTY GRAND JURY REPORT-STATE HOUSING MANDATE

DEPARTMENT: **COMMUNITY DEVELOPMENT DEPARTMENT**

PRESENTED BY: **MELINDA DACEY, PRINCIPAL PLANNER AND ANNA MCGILL, PLANNING MANAGER**

CONTACT INFORMATION: **MELINDA DACEY, PRINCIPAL PLANNER, (714) 754-5611**

RECOMMENDATION:

Staff recommends the City Council review and approve the responses to the May 27, 2026, Orange County (OC) Grand Jury Report titled, “California Housing Mandates” and authorize staff to submit the response to the presiding judge.

BACKGROUND:

On May 27, 2026, the City of Costa Mesa received a copy of the 2025-2026 OC Grand Jury Report titled “California Housing Mandates” (Attachment 2). The report outlines how Housing Mandates operate in practice within Orange County, and how well-intended legislation has produced unintended consequences for cities, neighborhoods and local governance. The Grand Jury report was released to the public on May 27, 2026. California Penal Code sections 933 and 933.05 require the City Council, as governing body, to submit a response to the Presiding Judge of the Orange County Superior Court within ninety days (by August 25, 2026). Attached is a response to the Report for City Council review and approval (Attachment 1).

The Grand Jury report provides an overview of 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. Additionally, the report underscored the need for housing solutions that respect local conditions, restore meaningful public participation, and align development goals with infrastructure, funding and community priorities.

ANALYSIS:

The OC Grand Jury Report examined how recent statutory reforms shifted authority away from local jurisdictions toward state oversight and enforcement, reshaping the governance framework and altering the practical and legal responsibilities of cities, with respect to housing production and affordability. The report does not question whether cities must comply with state law, as they must, but rather aims to assist Orange County jurisdictions and the public in understanding the framework within which they operate and enhance the possibility of good planning practices. As part of the overall analysis, the report assessed the 6th cycle Regional Housing Needs Assessment (RHNA)

process and determined key themes, including its lack of overall transparency, questionable processes for data input, methodology used to derive the RHNA allocations, overall difficulty in explaining this process, and RHNA outcomes to the broader community and elected officials. Additionally, the report expanded upon the overall difficulties in housing production (particularly affordable housing), due to a range of factors including high construction costs, complex and competitive financing mechanisms and subsidies, and constrained existing conditions (e.g., limited available land, infrastructure constraints, and environmental factors). To this end, the Findings and Recommendations focus on these key themes and urge for greater transparency, participation, and education in the overall RHNA process.

The response letter (Attachment 1) for City Council consideration provides the statutorily required responses to both the Findings and Recommendations, with a summary of additional information, if warranted. Based upon the Grand Jury's analysis, a total of 22 findings and 20 recommendations were made with supporting facts. The response letter includes the City's draft responses to 11 of the 22 findings where City of Costa Mesa is identified in the Grand Jury's report (F1, F2, F4, F5, F6, F7, F8, F9, F10, F11, and F12). Additionally, the report includes targeted recommendations for Southern California Association of Governments (SCAG), Orange County Council of Governments (OCCOG), and the 34 jurisdictions within Orange County. The City of Costa Mesa is identified in the Grand Jury's report for eight recommendations (R7, R8, R9, R11, R12, R14, R15 and R16). Under the relevant Findings and Recommendations, additional detail is provided, including the key City efforts to date, such as overall countywide (e.g., SCAG, OCCOG) participation efforts, Measure K, the City's Housing Element and program efforts and Neighborhoods Where We All Belong (NWWAB). The responses are formatted to meet the requirements and instructions as required by California Penal Code section 933.05, as described in the introduction to the Grand Jury Report.

ALTERNATIVES:

The City Council may decline to approve the proposed responses. However, failure to provide responses by the August 25, 2026, deadline will result in violation of California Penal Code sections 933 and 933.05. Staff does not recommend this option. The City Council could propose modifications to the responses. Staff will incorporate City Council recommendations in the City's response to the Orange County Grand Jury Report.

FISCAL REVIEW:

There is no fiscal impact associated with this action.

LEGAL REVIEW:

The City Attorney's Office has reviewed the draft responses and approves them as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This item supports the following City Council Goals:

- Strengthen the public's safety and improve the quality of life.
- Diversify, stabilize and increase housing to reflect community needs.

CONCLUSION:

Staff recommends the City Council review and approve the responses to the May 27, 2026, Orange County Grand Jury Report titled, “California Housing Mandates” and authorize staff to submit the responses to the presiding judge.