



2024 ORANGE COUNTY CHARTER REVIEW COMMISSION (CRC)

Sustainable Growth & Charter Cleanup Committee

Fiscal Sustainability Analysis Amendment Final Report and Recommendation to the Charter Review Commission

May 1, 2024

Committee Members:

Eric R. Grimmer, Chair
Rishi Bagga
Dick Batchelor
Tom Callan
Chuck O'Neal
Eugene Stoccardo

Summary of Recommendation

The Sustainable Growth & Charter Cleanup Committee recommends that the CRC place the Committee's recommended Fiscal Sustainability Analysis Amendment (attached as Exhibit "A") on the 2024 General Election ballot for consideration by the voters of Orange County.

Overview of Charter Amendment

The proposed charter amendment requires that no later than October 2025, the County shall adopt a fiscal sustainability analysis methodology and process to enable the County to evaluate the impacts of proposed Urban Service Area expansions, and the impacts of proposed development in Rural Settlements and the Rural Service Area, on the County's capacity to efficiently provide and maintain infrastructure and services over the Orange County Comprehensive Plan's longest-range planning period.

Overview of Committee Process

At its January 30, 2024 meeting, the 2024 Orange County Charter Review Commission ("CRC") referred to the Sustainable Growth & Charter Cleanup Committee (the "Committee") a charter amendment topic proposed by Member O'Neal, initially framed as a proposal requiring a financial analysis for requests for development orders and amendments to the County comprehensive plan.

At its March 25, 2024 and April 5, 2024 meetings, the Committee discussed the proposal, with a particular focus on Policy FLU1.2.8 of the Orange County Comprehensive Plan, adopted in May 2013, which reads as follows:

FLU1.2.8 Orange County will develop a fiscal sustainability analysis tool. In addition, the County will include policies to support fiscally sustainable development patterns in the Future Land Use and Capital Improvements elements. The methodology and policies will further the County's effort to evaluate the impacts of proposed Urban Service Area expansions, as well as the impact of proposed development in Rural Settlements and in the Rural Service Area, on the County's capacity to efficiently provide and maintain infrastructure and services.

The Committee was advised that Commissioner Bonilla has expressed deep concerns that this comprehensive plan policy has not been implemented in the 11 years since its adoption.

Member O'Neal provided initial draft charter amendment language based on the aforementioned comprehensive plan policy, and the Committee requested that General Counsel Vose prepare formal ballot and charter language for the Committee's review.

The draft charter language omits one sentence of Policy FLU1.2.8 that appears to direct the County to include certain types of policies in the Future Land Use and Capital Improvements elements of the County's Comprehensive Plan, in order to avoid conflict with statutory provisions prohibiting referenda requiring amendments to a comprehensive plan.

At the Committee's direction, the draft charter language replaced most references to "tool" with the phrase "methodology and process", and also added a deadline by which the County must accomplish the development of the methodology and process. The draft charter language also includes language clarifying that the County may amend the methodology and process after adoption.

At its April 24, 2024 meeting, the Committee spoke with two representatives of the Orange County Planning Division: Olan Hill, Assistant Manager of the Division, and Jason Cheberenchick. Planning staff advised that the County was actively pursuing implementation of Policy FLU1.2.8 and the development of a fiscal sustainability analysis tool. In the course of the conversation, planning staff advised that, in general, present practice is to evaluate the infrastructure needs of new development over a 5-year planning horizon, in order to evaluate and update the County's 5-year capital improvement plan ("CIP").

At its April 26, 2024 meeting, the Committee discussed a desire to include a time period for which the contemplated fiscal sustainability methodology and process would evaluate the County's capacity to efficiently provide and maintain infrastructure and services, with a request to General Counsel Vose to investigate appropriate language for a planning period tied to the County's comprehensive plan.

At its April 30, 2024 meeting, the Committee spoke with Philip Walters and Heather Worthington of Urban3, a planning and consulting firm that models the long-term public revenues, and long-term public costs of infrastructure, maintenance, and services, of existing and new development for local governments throughout the United States. Urban3 specializes in summarizing and depicting the results of this modeling in intuitive and quantifiable ways to empower local government decisionmakers to make decisions based on otherwise complicated or voluminous data and analysis. Jason Cheberenchick of the Orange County Planning Division was also in attendance, and advised the Committee that the County planning staff was actively looking at procurement options with respect to the implementation of Policy FLU1.2.8 and the development of a fiscal sustainability analysis tool, and that they had been in communication with Urban3 about their services.

At that same meeting, the Committee discussed the addition of language to the charter amendment specifying that the contemplated fiscal sustainability methodology and process would evaluate the County's capacity to efficiently provide and maintain infrastructure and services "over the County Comprehensive Plan's longest-range planning period". Vision 2050, the County's new comprehensive plan expected to be adopted this year, implements a planning period through 2050. However, as the years pass and the comprehensive plan goes through its periodic evaluation and appraisal review, that planning period will be extended through subsequent decades. The added language allows the charter requirement to stay current with appropriate planning periods into the future.

At that same meeting, the Committee reviewed and revised the prepared charter amendment language, and by a 3-2 vote recommended the placement of the Fiscal Sustainability Analysis Amendment attached as Exhibit "A" on the November 2024 ballot.

Exhibit “A”

Ballot Proposal: The ballot title and ballot summary for this question are as follows:

**ORANGE COUNTY CHARTER
AMENDMENT REQUIRING ADOPTION OF A
FISCAL SUSTAINABILITY ANALYSIS TOOL**

Amending the County Charter to require that no later than October 2025, the County shall adopt a fiscal sustainability analysis methodology and process to enable the County to evaluate the impacts of proposed Urban Service Area expansions and proposed development in Rural Settlements and Rural Service Area on the County's capacity to efficiently provide and maintain infrastructure and services over the County Comprehensive Plan's longest-range planning period.

_____ Yes
_____ No

Text Revisions: Upon approval of this question at referendum, the following portions of the Orange County Charter are amended to read as follows:

Sec. 506¹. – Fiscal Sustainability Analysis Tool.

No later than October 2025, the county shall adopt a fiscal sustainability analysis methodology and process to enable the county to evaluate the impacts of proposed Urban Service Area expansions, and the impacts of proposed development in Rural Settlements and the Rural Service Area, on the county's capacity to efficiently provide and maintain infrastructure and services over the Orange County Comprehensive Plan's longest-range planning period. The county may amend the methodology and process after adoption.

¹ If any other charter amendment is adopted as Section 506 of the Orange County Charter at the November 2024 general election, this section shall be codified as Section 507.