



Agenda Item

Orange City Council

Item #: 8.3.

5/12/2026

File #: 26-0257

TO: Honorable Mayor and Members of the City Council

FROM: Jarad Hildenbrand, City Manager

1. SUBJECT

Public Hearing to discuss and consider a draft City Charter

2. SUMMARY

On March 10, 2026, the Orange City Council reviewed the processes to adopt a city charter while also reviewing a sample charter for policy discussion purposes. Following discussion, the City Council directed staff to proceed with the process to consider adoption of a city charter, including the required public hearings. This public hearing serves as the first of two required public hearings before the City Council may consider placing a charter measure on the November 2026 General Municipal Election ballot.

3. RECOMMENDED ACTION

1. Conduct and close the Public Hearing.
2. Review and discuss the draft City Charter.
3. Provide direction to City staff for the second public hearing scheduled for June 23, 2026.

4. FISCAL IMPACT

Adoption of a City Charter does not create an immediate fiscal impact; however, charter city status may provide future fiscal flexibility related to procurement, contracting, local governance, and municipal affairs.

As the City continues evaluating long-term fiscal sustainability, service delivery expectations, and future revenue options, charter city status provides an opportunity to preserve local decision-making authority and improve flexibility in municipal operations.

5. STRATEGIC PLAN GOALS

Adoption of a City Charter could support or affect multiple goals outlined in the Fiscal Years 2025-2030 Citywide Strategic Plan.

6. DISCUSSION AND BACKGROUND

On March 10, 2026, the City Council reviewed a sample charter for policy discussion purposes and discussed the advantages, limitations, and procedural requirements associated with transitioning from a general law city to a charter city. The City Council reviewed the process outlined in California Government Code Sections 34450 through 34462 and provided direction to proceed with preparation of a draft "Home Rule Charter" for further consideration.

A charter city derives its authority directly from the California Constitution and has greater local control over municipal affairs, while a general law city operates primarily under the general laws established by the State Legislature. Charter city authority is most commonly exercised in areas such

as municipal contracting, public works procurement, local elections, and internal governance structures.

The proposed draft charter for the City of Orange is intentionally structured as a simple and flexible Home Rule Charter. It preserves the existing Council-Manager form of government while providing the City with greater authority over municipal affairs, particularly in procurement, contracting, fiscal administration, and local governance.

Importantly, the draft charter does not attempt to alter state law requirements related to housing law compliance, land use consistency, tax voter approval thresholds, or public utility disposition requirements where state law controls. Instead, the draft charter preserves general law treatment in those areas unless otherwise permitted by law.

Timeline

California Government Code Sections 34450 through 34462 require that the City hold at least two public hearings before the City Council may vote to place a charter measure on the November 2026 ballot. Additionally, state law requires at least 30 days between the first and second public hearing, followed by at least 21 days after the second public hearing before the City Council may take formal action to place the measure on the ballot.

To meet the Orange County Registrar of Voters deadlines for inclusion in the November 3, 2026 General Municipal Election, the City must adhere to the following schedule:

Step	Deadline
Conduct First Public Hearing	May 12, 2026
Conduct Second Public Hearing	June 23, 2026
Conduct Vote to Place Charter Measure on November 2026 Ballot	July 14, 2026
Signed Resolutions Sent to Orange County Registrar of Voters	July 17, 2026
Last Day to Submit Direct Arguments and Impartial Analysis	July 31, 2026
Election Day	November 3, 2026

The May 12, 2026 public hearing serves as the first of the two required public hearings. Staff requests City Council direction regarding any revisions to the draft charter prior to the second required public hearing scheduled for June 23, 2026.

Draft Charter Analysis

The proposed draft charter has been structured as a straightforward Home Rule Charter focused on preserving local control while avoiding unnecessary complexity or provisions that would create legal uncertainty. The charter can generally be grouped into six major policy areas:

1. Incorporation of Powers and Municipal Affairs (Articles I and II)

- Establishes the City's authority as a charter city under the California Constitution
- Confirms all powers available to charter cities over municipal affairs
- Preserves all existing ordinances, resolutions, contracts, and obligations
- Declares that the charter shall be broadly interpreted in favor of municipal self-governance
- Maintains compliance with general law land use requirements, including General Plan consistency, zoning regulations, subdivision laws, and housing law compliance unless

otherwise modified by lawful ordinance

2. Form of Government and City Council Structure (Articles III and IV)

- Preserves the existing Council-Manager form of government
- Confirms all municipal powers remain vested in the City Council except where otherwise provided by law
- Maintains the Mayor as the presiding officer of the City Council
- Preserves flexibility regarding district elections, at-large elections, and future lawful adjustments to election methods
- Maintains eligibility requirements for elected office

3. Term Limits and Vacancy Procedures (Articles V and VII)

- Establishes a two-term lifetime limit for Mayor
- Establishes a three-term lifetime limit for City Council Members
- Clarifies treatment of partial terms for term limit purposes
- Establishes procedures for filling permanent vacancies pursuant to Government Code
- Provides procedures for temporary suspension of elected or appointed officers facing felony criminal proceedings

4. Procurement, Contracting, and Local Control (Article VI)

- Provides the City full authority over municipal contracting procedures and public works procurement
- Establishes authority for best-value procurement, design-build authority, alternative project delivery methods, and professional services selection
- Clarifies the City's authority to establish exemptions from state public contracting statutes where permitted to charter cities
- Preserves local authority over prevailing wage procedures where constitutionally permitted
- Includes liberal construction language to maximize municipal authority over local affairs

5. City Assets, Public Utilities, and Eminent Domain (Article VI)

- Restricts the use of eminent domain for transfer of private property to another private party without owner consent
- Preserves the City's authority to purchase, lease, hold, and dispose of City-owned real and personal property
- Clarifies that disposition of City-owned public utilities remains subject to all applicable state law requirements, including voter approval where required

6. Fiscal Responsibility and Legal Provisions (Articles VIII and IX)

- Requires adoption of a balanced annual budget
- Requires an independent annual audit presented publicly
- Preserves constitutional voter approval thresholds for taxes
- Requires a two-thirds vote of the full City Council before placing a City-sponsored tax measure on the ballot
- Includes severability, amendment procedures, violations, definitions, and effective date provisions

Staff requests City Council direction regarding any desired revisions to the draft charter prior to the second required public hearing scheduled for June 23, 2026.

7. CONCLUSION

The proposed draft City Charter is intended to provide the City with greater local control over municipal affairs, administrative flexibility, and long-term fiscal and operational flexibility available to charter cities under the California Constitution.

This first public hearing provides the City Council an opportunity to review the draft charter, discuss policy direction, and identify any revisions prior to the second required public hearing scheduled for June 23, 2026.

Staff requests City Council direction regarding any desired modifications to the draft charter so those revisions may be incorporated for further consideration before potential placement of a charter measure on the November 2026 General Municipal Election ballot.

8. ATTACHMENTS

- Draft City Charter