



2025 STATE ISSUE BRIEFS



ECONOMIC DEVELOPMENT & TOURISM

ACC-OC supports legislation and regulatory relief that drives economic growth and enhances tourism in Orange County. Through collaboration with local businesses and tourism agencies, ACC-OC collaborates with the county's leaders and business community to develop strategies and programs that attract investment, create jobs, and boost the region's economic vitality.

By leveraging Orange County's unique assets and attractions, including its cultural offerings and entertainment venues, ACC-OC aims to position the region as a premier destination for visitors and businesses alike. Committed to inclusive growth, ACC-OC prioritizes initiatives that benefit all communities within Orange County and play a vital role in shaping the region's economic future.

Economic development initiatives attract investments, create job opportunities, and stimulate business growth, leading to increased prosperity and improved quality of life. By attracting businesses and industries, cities can diversify their economies, reduce dependency on specific sectors, and enhance resilience against economic downturns. Economic development also fosters innovation and entrepreneurship, providing a conducive environment for startups and encouraging research and development activities. Furthermore, the revenue generated from thriving businesses can be reinvested into enhancing public services, infrastructure, and social programs, benefiting residents, and creating a positive cycle of advancement.

In addition, addressing important public safety issues in local communities is critical to ensuring the future economic viability of cities. A lack of confidence in the safety of a community can discourage investment, deter businesses from establishing or expanding operations, and lead to a decline in tourism and visitor spending.

RECOMMENDATIONS

- Promote job growth and economic development in order to increase our competitiveness as a tourism destination.
- Ensure economic development programs consider current workforce trends, including emphasizing training for health care, tourism, and bio- and high-technology careers.
- Support new business creation and the expansion of existing businesses through incentives and programs, including Opportunity Zones, California Competes Tax Credits, Manufacturing/R&D/Biotech Sales & Use Tax Exemption, and the New Employment Credit.
- Identify new and ongoing funding sources for economic and workforce development centered on inclusive growth, support for small businesses, family-supporting jobs, access to capital, and entrepreneurship.
- Collaborate with local agencies to implement public safety reforms approved by voters at the November 2024 election, which are designed to reduce the impacts of retail theft on local cities, help address the fentanyl crisis and allow cities to respond to the impacts of homelessness.
- Reduce burdens and costs on the tourism industry, which is still struggling to recover from the pandemic.



TECHNOLOGY AND ARTIFICIAL INTELLIGENCE (AI)

Artificial Intelligence (AI) is pervasive in many industries today and is seen as increasingly valuable as a governance tool. It is of paramount importance for local, state and federal officials to adopt policies and practices that ensure responsible and ethical use of this technology, which can greatly improve areas such as public safety, transportation, and service delivery. However, AI also comes with potential risks, including privacy and criminal applications. By establishing clear guidelines and standards, local governments can safeguard against these risks and ensure that AI is deployed in a manner that benefits and respects their communities. Additionally, it is vital to promote transparency and accountability in AI systems, allowing citizens to understand how these systems work, have a say in their implementation, and protect their interests and well-being.

RECOMMENDATIONS

- Support policies that provide reasonable protections for public safety and privacy while supporting economic development and improving service delivery.
- Advocate for broadband infrastructure to support future technology needs.
- Develop policies that improve public broadband access and affordability.
- Increase education to increase public awareness and safe use of AI-enabled technologies and applications to support future workforce needs.
- Ensure adequate public disclosure when using AI-automated systems and augmented critical decision processes.



ENERGY, ENVIRONMENT AND WATER

ACC-OC is dedicated to promoting sustainable practices and ensuring responsible management of energy, environmental, and water resources in Orange County. As our cities plan for the future, ensuring sufficient resources needed to support the county and state's growing population is paramount. In addition, as drought, flood, and wildfire-related events increase, it is important to set aside funding to build reliable and sustainable infrastructure. Finally, the California Environmental Quality Act (CEQA) has not been substantially evaluated or updated since its adoption in 1970. CEQA reform must be adopted to achieve state mandates for housing, transit, Electric Vehicle infrastructure, water resources, and other municipal and state policy priorities.

RECOMMENDATIONS

- Create a task force on CEQA modernization to comprehensively review potential reforms for all infrastructure types. The task force must include local agencies from across the state who represent various industry areas.
- Prioritize communities challenged by weather-related disasters.
- Significantly expand water storage and reclamation projects to capture critical water supply during heavy rains and storm events to reduce drought-related impacts on cities.
- Streamline permitting to accelerate proactive electric grid build-out, ensuring timely delivery of electric infrastructure grid development.
- Coordinate the actions of state agencies to reduce delivery of major electric infrastructure projects.
- Support legislation to increase the amount of renewable hydrogen used in California.
- Support pathways to convert organic waste to pipeline biomethane and organic waste to hydrogen.



HOUSING AND HOMELESSNESS

California's housing crisis worsens each year. In Orange County, cities are tackling the issue locally while navigating growing regulations, litigation, and unfunded mandates that drive up costs and delays. Despite these challenges, our cities have achieved historic levels of housing production over the past decade.

In fact, Orange County's annual housing production increased by over 300% between 2011 and 2021. Orange County cities, much like other cities across California, are challenged by the 6th cycle Regional Housing Needs Assessment (RHNA), which would require significantly increased production levels (nearly 23,000 new units annually, up from almost 7,000 annually in 2021). This is required in a truncated period compared to the 5th cycle, in which the numbers were more achievable. Without additional state support, resources, and reforms needed to build state mandated housing, many cities across the state may continue to fall short.

RECOMMENDATIONS

- Partner with cities to provide incentives and flexibility to help increase housing production, including RHNA reform, CEQA reform, tax credits, and grants.
- RHNA Reform:
 - Increase transparency by establishing procedures for the Department of Housing and Community Development (HCD) to publicize its data sources, analyses, and methodology prior to finalizing the regional determination and require HCD to establish and convene a panel of experts that would advise HCD on its assumptions, data, and analyses prior to issuing its final determination to a region.
 - Allow local jurisdictions to trade housing unit allocations or allow smaller jurisdictions to partner together to meet a subregional housing allocation.
 - Define “substantially compliant” in simple and easily understood terms to ensure objective criteria requirements are clearly understood by local cities as they create their Housing Elements.
 - Expressly allow local jurisdictions and councils of government (COGs) to have legal standing to appeal HCD's RHNA methodology and assumptions. Without an opportunity to have HCD decisions reviewed by an external entity, significant risks remain during the review and approval process for local agencies.
- CEQA Reform:
 - Reduce barriers and burdens to building affordable housing, quality homeless shelters, and temporary/permanent supportive housing. Provide long-term, stable funding for all types of housing, including home ownership.
- Collaborate with cities to provide additional tax revenues consistent with increased housing production.
- Protect investments made in the Regional Early Action Planning Grant (REAP 2.0) program as we work to meet ambitious climate, housing, and mobility goals.
- Provide resources to help cities build and maintain the infrastructure needed to expand services that new housing and population growth will require, including schools, sustainable water supplies, streets, roads, sewers, public transit, parks, and utilities.
- Allow for maximum flexibility for counties and cities to implement effective programs with Proposition 1 funding, particularly related to supporting homelessness, behavioral health services, and sober living homes—with local permitting and oversight of for-profit providers.



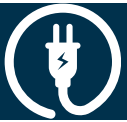
TRANSPORTATION

With over three million residents, Orange County is the third most populous county in California and the sixth most populous county in the nation. Orange County is served by one of the nation's busiest transit systems and provides highway and rail corridors that facilitate the increasing level of international trade entering the Southern California ports.

Transportation plays a vital role in the climate discussion both regionally and at the state level as transportation agencies work to comply with state climate programs and goals including SB 375 (2008), the California Air Resources Board Scoping Plan, SB 743, and Cap-and-Trade. ACC-OC is committed to working with our transportation agencies to maintain local flexibility in the funding and selection of projects that help Orange County cities to ensure transportation policies are in line with city needs.

RECOMMENDATIONS

- Support transportation funding investments and policy alignments, such as national toll interoperability, which allow transportation agencies to provide essential, multimodal mobility improvements and services to meet the mobility needs of Orange County.
- Encourage policies and guidance that incentivize public transit ridership.
- Seek funding and administrative solutions, such as permit streamlining to support adaptation and resiliency efforts throughout Orange County's coastal rail corridor and other critical transportation infrastructure.
- Support funding and regulatory efficiencies to address sea level rise, beach erosion, landslides, and other environmental impacts along Orange County's coastal rail corridor.
- Support efforts to maximize the county's share of transportation and transit funding, especially through distribution formulas and more equitable competitive funding processes.
- Support efforts to improve modeling tools, metrics, and methodologies for the use of vehicle miles traveled (VMT) analysis for transportation-related projects.
- Oppose linking, reprioritizing, or realigning local and state transportation funding in ways that would significantly hinder delivery of transportation programs and projects.
- Support efforts to ensure local control is maintained in policy decisions and project selection by local transportation agency boards to deliver, fund, and operate transportation programs and projects.
- Support CEQA streamlining for transportation and transit projects.
- Ensure existing transportation planning processes are reliably making progress towards meeting state climate mandates.
- Continue to engage local transportation agencies in future policy proposals related to transportation funding and project selection/prioritization.



ELECTRIC VEHICLE (EV) MANDATES

State agencies are working to meet the Governor's Executive Order requiring all new vehicle sales in California be zero emission by 2035. Local agencies are also evaluating the infrastructure needed to support these efforts. Strategic planning is vital to ensure the state and cities can successfully meet the objectives of this mandate.

RECOMMENDATIONS

- Fund critical local EV infrastructure to accommodate a significant increase in zero-emission vehicles.
- Evaluate and invest in expanded grid capacity at the local and state level to ensure the sustainability and feasibility of current systems and make improvements and augmentations needed to meet this mandate.
- Provide financial assistance for low-income individuals unable to afford the higher price of an electric vehicle.
- Evaluate impacts on how the transportation system is funded as the State transitions to zero-emission vehicles.
- For transit agencies working to shift their fleets to zero emission vehicles, support efforts to reduce the costs of compliance associated with zero-emission mandates.



SB 375 REFORMS

As California continues to lead the nation in climate action, a critical reexamination of Senate Bill 375 (2008) is underway. This landmark legislation, which pioneered the integration of regional transportation planning with greenhouse gas reduction goals, is poised for strategic updates as the California Air Resources Board (CARB) undertakes a comprehensive review of its GHG reduction targets and Sustainable Communities Strategy (SCS) guidelines. After more than 15 years of implementation, the proposed reforms aim to strengthen the bill's effectiveness in meeting California's increasingly ambitious climate objectives while addressing the evolving challenges of sustainable urban development, transportation infrastructure, and regional planning coordination.

RECOMMENDATIONS

- Support a cooperative and partnership-based approach to SB 375 reforms.
- Support funding for implementation programs that help regions meet GHG and vehicle miles traveled (VMT) reduction goals.
- Support the development of a mechanism to reconcile competing state goals of GHG reductions, housing production, VMT reductions, social equity, and climate resilience within Sustainable Communities Strategy (SCS) plans.
- Oppose accountability measures being placed on Metropolitan Planning Organizations (MPOs) and Councils of Governments (COGs) that focus on outcomes outside of the MPOs/COGs control.
- Oppose efforts to increase the California Air Resources Board's (CARB) ability to approve or disapprove an SCS.



PROPOSITION 1 IMPLEMENTATION

Approved by the voters in November 2024, Proposition 1 amended the Mental Health Services Act (MHSA) of 2004 and seeks to streamline the state's behavioral health system. With \$6.38 billion in general obligation bonds approved to finance the construction of supportive housing and behavioral health treatment settings, it will be critical to collaborate with local agencies and service providers to ensure that the bond funding is maximized to provide services in a geographically balanced manner across the state. ACC-OC urges the legislature and administration to ensure that implementation of Prop. 1 provides maximum flexibility and oversight for local agencies to implement programs under this measure, ensuring patients quality health care and treatment services.

RECOMMENDATIONS

- Advocate through administrative and legislative channels for Prop. 1 implementation language that provides increased local control, oversight, and zoning authority of behavioral, sober living, and recovery treatment facilities.
- Support proposed legislation to enhance oversight, regulation, and investigative review when violations occur of behavioral, sober living, and recovery treatment facilities to ensure the health and welfare of patients in these facilities.



PUBLIC SAFETY

ACC-OC supports initiatives that strengthen community-based law enforcement strategies, improve training to effectively and compassionately respond to those dealing with homelessness, addiction, and behavioral health, enact reforms to combat retail theft and the fentanyl crisis, and empower cities to address the ongoing homeless crisis. Simultaneously, our organization opposes legislation or regulations that jeopardize access to disaster response and recovery assistance.

Fentanyl is driving a surge in drug-related deaths across the U.S. In California, fentanyl-related fatalities rose from 239 in 2016 to 6,095 in 2022—a nearly 2,500% increase. From 2017 to 2021, the state's overdose rate climbed 130%, the highest jump nationwide. Combined with a lack of mental health resources and limited housing, this crisis continues to strain public safety systems. By prioritizing these issues, Orange County can strengthen its public safety infrastructure and better protect its residents.

RECOMMENDATIONS:

- Advocate for public safety reforms to combat retail and residential theft, address the fentanyl crisis, and support solutions to address homelessness, while considering economic and fiscal impacts on cities and counties.
- Secure increased funding for Proposition 36's Treatment-Mandated Felony program.
- Support legislation ensuring violent offenders receive sentences that reflect the severity of their crimes.
- Update laws to hold individuals accountable for technology-based crimes.



STATE BUDGET

A balanced state budget is crucial for effective governance and sustainable public services. As California faces multiyear deficits in Fiscal Year 2025-26, ACC-OC emphasizes the need to protect local revenue and higher education funding. The Governor's budget proposes a \$375 million cut to CSU funding, deferring compact funding, and reducing Cal State Fullerton's budget by \$28.5 million. It also includes a \$396.6 million cut to UC funding with similar deferrals. These reductions threaten student enrollment, extend degree completion times, and hinder workforce development essential to California's future.

ACC-OC recognizes that maintaining robust local funding is crucial for implementing programs that help municipalities and regional agencies achieve critical state objectives. By working collaboratively with state officials, ACC-OC aims to safeguard these vital revenue sources, understanding that local governments play an indispensable role in turning state-level goals into tangible community benefits.

RECOMMENDATIONS

- Sustain funding for housing and homelessness programs to address local service needs.
- Support local transit and highway maintenance funding.
- Prevent regulatory barriers on housing mandate funds.
- Ensure adequate state funding for zero-emission vehicles and infrastructure.
- Safeguard local tax revenues from reallocation.
- Oppose unfunded state mandates.
- Urge the State to balance deficits without diverting local agency funds.
- Protect CSU, UC, and higher education funding to support student success and workforce development.



HEALTHCARE & COMMUNITY SERVICES

A strong healthcare system is the backbone of resilient communities, not only providing essential medical care but also serving as a pillar of social and economic stability. In addition to quality, full-service hospitals and local clinics, effective healthcare must integrate wraparound services, such as mental health care, preventive medicine, senior and disability support, and access to nutrition and wellness programs. These services are especially critical for at-risk populations, including individuals experiencing or at risk of homelessness, seniors, and veterans, ensuring they receive comprehensive, coordinated care. Expanding healthcare access and strengthening community-based support improves quality of life, promotes long-term stability, and drives economic growth through job creation and increased community engagement.

RECOMMENDATIONS

- Expand funding and resources for comprehensive support, ensuring access to healthcare, housing, and essential services for all residents, including veterans, seniors, and at-risk populations.
- Advocate for policies that enhance equitable access to mental healthcare, affordable housing, and workforce development in Orange County.
- Promote integrated care models that combine healthcare, housing, and support services, including transitional and permanent supportive housing.