SAN DIEGO LAFCO EST. 1963
Local Agency Formation Commission
Regional Service Planning | Subdivision of the State of California

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AGENDA REPORT
Consent | Information

September 17, 2026

TO: Cities Advisory Committee

FROM: Joelle Burila, Analyst I

SUBJECT: Legislative Report

SUMMARY

The Cities Advisory Committee (Committee) will receive an update on legislation relevant to the Commission's oversight and related interests that was being tracked by LAFCO staff during the 2025–2026 State Legislative Session. With the Legislature having adjourned on August 31, legislative activity has slowed considerably, with the primary focus now shifting to the Governor's consideration of remaining legislation. The Governor has until September 30, 2026, to sign or veto bills passed by the Legislature. This report is for information only.

BACKGROUND

San Diego LAFCO staff actively monitors pending and proposed legislation affecting the Commission's regulatory and planning responsibilities, consistent with the adopted workplan. Staff's monitoring efforts are supported through the Commission's membership in the Alliance of LAFCOs (Alliance) including its contracted lobbyist, Politico Group, and government affairs consultant Patrick Bouteller.

California State Legislature | 2025–2026 Final Recess

The California Legislature reconvened in January 2026 for the second year of the 2025–26 Legislative Session. The most recent key legislative deadlines included August 14, 2026, for fiscal committees to pass bills; August 21, 2026, to amend bills on the floor; and August 31, 2026, as the final day for each house to pass legislation. With the Legislature having adjourned on August 31, legislative activity has slowed considerably, with the primary focus now shifting to the Governor's consideration of remaining legislation.

The Governor has until September 30, 2026, to sign or veto bills passed by the Legislature. The Legislature will officially end its 2026 session on November 30, 2026. The next legislative session will begin on December 7, 2026, and laws passed during the 2026 session will take effect on January 1, 2027.

DISCUSSION

This item presents legislative items of interest to San Diego LAFCO. A total of fourteen (14) bills were being tracked and categorized as follows:

- Five (5) Assembly Bills
  - Two advanced to the Governor's office.
- Four (4) Senate Bills
  - Two advanced to the Governor's office.
- Five (5) "Monitor Only" Bills
  - Three advanced to the Governor's office.
  - One additional bill is pending advancement to the Governor.

The item is presented for information with an opportunity to pull for discussion and provide input. A summary and status of each bill is provided in Attachment One.

Amicus Brief Update | Monterey Peninsula Water Management District v. Monterey LAFCO

San Diego LAFCO is participating as amicus curiae in Monterey Peninsula Water Management District v. Monterey LAFCO, a case involving the denial of the Monterey Peninsula Water Management District's request to activate latent powers to provide retail water service within a portion of Monterey County. The appeal centers on the appropriate judicial standard of review under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) and has broader implications for LAFCO decision-making statewide.

On behalf of CALAFCO and the LAFCOs of Los Angeles, Marin, Orange, Placer, Sacramento, San Bernardino, San Diego and San Joaquin counties, outside counsel Nossaman LLP finalized and submitted an amicus brief on July 28, 2026 supporting Monterey LAFCO. The brief urges the appellate court to reaffirm that judicial review of LAFCO decisions is limited to determining whether substantial evidence supports the action and to reject a separate "rational connection" inquiry that could invite courts to independently reassess LAFCOs' quasi-legislative policy determinations.

The appellate court also recently approved requests from the California Water Association and California Special Districts Association to submit a joint amicus brief supporting the Monterey Peninsula Water Management District. Their brief takes the opposing position, arguing that the traditional arbitrary-and-capricious standard – including review for a rational connection between the relevant factors, the decision made, and the purposes of the governing statute – applies to LAFCO decisions.

ANALYSIS

None.

RECOMMENDATION

This item is presented to the Committee for information only.

ALTERNATIVES FOR ACTION

None.

PROCEDURES

This item has been placed on the Committee's agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on staff recommendation unless otherwise specified by the Committee.

On behalf of LAFCO staff,

Joelle Burila

Joelle Burila
Analyst I

Attachment:

1) LAFCO Tracked CA Legislative Bills as of September 11, 2026

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CALIFORNIA STATE LEGISLATURE | 2025-2026 REGULAR SESSION							
	Bill Number [1]	**Author**	**Title**	**Summary / Notes**	**Current Status**	**Introduced / Last Amended**	**Last Action**
ASSEMBLY BILLS							
1	AB 259	Rubio, Blanca	Open Meetings and Continued Access to Teleconferences	This bill is of statewide interest and would extend the authorization for legislative bodies of local agencies – including LAFCOs – to use modified teleconferencing procedures during declared emergencies through January 1, 2030. It preserves existing requirements related to public notice and agenda posting. San Diego LAFCO adopted a support position in March 2025. The bill passed the Assembly in 2025 and remains in the Senate Local Government Committee with no new hearing scheduled at this time.	Senate Local Government Committee - **Dead**	Introduced in January 2025; Last amended in April 2025	6/27/2025 In committee: Hearing postponed by committee and did not advance by legislative deadlines.
2	AB 356	Patel, Darshana	Healthcare Districts in Northern San Diego County	This bill is of local interest and was initially introduced to establish a state-directed working group to assess healthcare access in northern San Diego County, with a focus on the Palomar Healthcare District's service area. In response to the Commission taking a support-if-amended position in June 2025, the bill has been amended to include LAFCO as a listed stakeholder, and in doing so connecting to the Commission's oversight of Palomar and current municipal service review activities. LAFCO Consultant Adam Wilson provided supportive testimony for the author in conjunction with them accepting the Commission's amendments. The bill passed the Assembly in 2025 and remains in the Senate Committee on Local Government with no new hearings scheduled at this time.	Senate Local Government Committee - **Dead**	Introduced in February 2025; Last amended in June 2025	7/10/2025 Re-referred to Com. on L. GOV and did not advance by legislative deadlines.
3	AB 1600	Arambula, Joaquin	Disadvantaged Communities: Farmworker Communities	This bill is of statewide interest and would expand the definition of "disadvantaged communities" to include qualifying farmworker communities, and require CalEPA, in consultation with relevant state departments, to update screening tools and guidance to ensure their inclusion in eligibility determinations and benefit calculations. For LAFCOs, this change would affect municipal service reviews and sphere of influence updates by requiring evaluation of service needs for these newly included farmworker communities. The bill was read for a third time and passed the Senate on August 27, 2026. The Assembly approved the changes made to a bill by the Senate, and the bill is now moving to receive its final official copy before going to the governor.	Governor	Introduced in January 2026; Last amended in August 2026	9/9/2026 Enrolled and presented to the Governor at 1 p.m.

[1] Bill numbers are hyperlinked to their respective legislative information pages

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4	AB 1821	Pacheco, Blanca	California Public Records Act: Agency Response Time	This bill is of statewide interest and would extend the deadline for public agencies to provide an initial response to a public records request, by converting the current "calendar day" deadlines to a "business day" standard. The rationale is to give agencies – particularly smaller ones with limited staff – additional time to properly respond to requests. The bill passed the Assembly on May 27, 2026 and was sent to the Senate, where it passed on August 25, 2026. The Assembly approved the changes made to a bill by the Senate, and the bill was enrolled on August 31, 2026. The bill awaits final Governor approval.	Governor	Introduced in February 2026; Last amended in June 2026	8/31/2026 Enrolled and presented to the Governor at 4 p.m.
5	AB 2083	Jackson, Corey	Moreno Valley-Perris Childcare Special District	This bill is locally focused with statewide implications and, as the Moreno Valley Perris Childcare Special District Act, would establish a new special district covering the Cities of Moreno Valley and Perris and their spheres of influence for the purpose of expanding childcare capacity and operating universal childcare programs. The district would be governed by a five-member board appointed by the two cities and other designated entities. The board would develop a plan of services for LAFCO and oversee district operations, including authority to hire staff and operate or contract for childcare facilities. Notably, the bill would establish the district directly by statute, with LAFCO oversight applying thereafter. After being placed on the Assembly Appropriations suspense file in late April, the committee held the measure under submission during its May 14, 2026 fiscal review hearing, halting its advancement for the remainder of the legislative session.	Assembly Appropriations Committee – **Dead**	Introduced in February 2026; Last amended in April 2026	5/14/2026 In committee: Held under submission.

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SENATE BILLS							
6	SB 802	Ashby, Angelique	Sacramento Area Housing and Homelessness Agency	This bill is locally focused with an original focus to restructure the joint powers authority currently operating as the Sacramento Housing and Redevelopment Agency into a new Sacramento Area Housing and Homelessness Agency, centralizing housing and homelessness services across Sacramento County under a single regional entity. The bill passed the Senate in 2025. In its original form, the bill mandated that Sacramento LAFCO form and appoint an independent task force to facilitate the consolidation of multiple entities into the new agency, representing a bill-specific expansion of LAFCO duties into regional housing and homelessness governance. Mentions of Sacramento LAFCO were omitted from the bill on April 30, 2026. The bill passed the Assembly on August 26, 2026. The Senate approved the changes made to a bill by the Assembly, and the bill was enrolled on August 30, 2026. The bill awaits final Governor approval.	Governor	Introduced in February 2025; Last amended in August 2026	9/2/2026 Enrolled and presented to the Governor at 3 p.m.
7	SB 910	Seyarto, Kelly	Municipal Water Districts Water Service: Indian Lands	The bill is of statewide interest with local implications and would extend, from January 1, 2027 to January 1, 2032, the sunset on existing authority for municipal water districts to apply to LAFCO for authorization to provide water service to eligible Indian lands located outside district boundaries. If approved, the extension preserves an existing pathway utilized on multiple occasions by tribes in San Diego County. Following the cancellation of its March 18 hearing at the author's request, the bill remained in the Senate Committee on Local Government with no additional action taken. It did not return for further consideration and did not advance out of committee prior to the legislative deadline.	Senate Local Government Committee – **Dead**	Introduced in January 2026	3/12/2026 March 18 set for first hearing canceled at the request of author.

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8	SB 994	Cabaldon, Christopher	Local Government: Nondisclosure Agreements	This bill is of statewide interest with direct LAFCO applicability and would prohibit local government officials and their staff from entering into nondisclosure agreements relating to public business that restrict information sharing among fellow officials. After being ordered to second reading under Senate Rule 28.8 on May 14, 2026 the bill passed the Senate on May 19, 2026. It has since moved to the Assembly, where it passed on August 17, 2026. The Senate approved the changes made to a bill by the Assembly, and the bill was enrolled on August 19, 2026. The bill awaits final Governor approval.	Governor	Introduced in February 2026; Last amended in August 2026	8/21/2026 Enrolled and presented to the Governor at 3 p.m.
9	SB 1291	Gonzalez, Lena	Mutual Water Companies	This bill is of statewide interest and would strengthen transparency and accountability for mutual water companies (MWCs) operating public water systems by requiring larger MWCs to offer teleconference meeting access, post notices and documents online at no charge, and annually distribute consumer confidence reports to customers. It also directs the State Water Resources Control Board to assess MWC governance and compliance by December 31, 2027, with a focus on disadvantaged communities, and recommends governance alternatives if current structures are found inadequate. After being placed on the suspense file in early May, the bill was taken up during the May 14, 2026 Senate Appropriations fiscal review hearing. The committee held the measure in committee and under submission, halting its advancement for the remainder of the legislative session.	Senate Appropriations Committee – **Dead**	Introduced in February 2026; Last amended in March 2026	5/14/2026 May 14 hearing: Held in committee and under submission.

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MONITOR ONLY (ASSEMBLY AND SENATE BILLS)							
10	AB 1383	McKinnor, Tina	Public Employees' Retirement Benefits	This bill modifies elements of the Public Employees' Pension Reform Act of 2013 (PEPRA), lowering the maximum retirement benefit factor age from age 57 to age 55 for all Safety PEPRA retirement formulas and redefining the compensation cap established under PEPRA for Miscellaneous and Safety PEPRA members. For employees first hired on or after January 1, 2026, AB 1383 establishes new formulas: 2.5% at age 55, 2.7% at age 55, or 3% at age 55, replacing the previous PEPRA formulas of 2%, 2.5%, or 2.7% at age 57. The bill is expected to impact the pension contribution rates of public agencies. The bill passed the Assembly on January 29, 2026 and moved to the Senate, where it passed on August 30, 2026. The Assembly approved the changes made to a bill by the Senate. The bill is in process to prepare, verify, and finalize official language before officially being enrolled.	Governor	Introduced in February 2025; Last amended in August 2026.	9/9/2026 Enrolled and presented to the Governor at 1 p.m.
11	AB 2296	Papan, Dianne	Planning and Zoning: Housing Element: Regional Housing Needs Allocation	This bill extends various timelines in the Regional Housing Needs Determination and Allocation (RHNA) process and requires the Department of Housing and Community Development (HCD) to provide specific analysis or recommended language to local governments to remedy deficiencies in their General Plan housing elements. The bill passed the Assembly on May 27, 2026 and moved to the Senate, where it passed on August 26, 2026. The Assembly approved the changes made to a bill by the Senate and the bill was enrolled on August 30, 2026. The bill awaits final Governor approval.	Governor	Introduced in February 2026; Last amended August 2026	9/3/2026 Enrolled and presented to the Governor at 4 p.m.

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12	AB 2433	Alvarez, David	Housing Development: Density Bonus	This bill makes numerous amendments to Density Bonus Law (DBL), including establishing a by-right ministerial review process for infill housing development projects, providing additional incentives for homeownership projects, and amending floor area ratio (FAR) provisions. After passing out of Assembly Appropriations on May 13, 2026, the bill advanced to the Assembly Floor, where it passed on May 27, 2026. The bill passed the Senate on August 27, 2026. The Assembly approved the changes made to a bill by the Senate, and the bill was enrolled on September 3, 2026.	Assembly	Introduced in February 2026; Last amended August 2026	8/30/2026 Senate amendments concurred in. Enrolled on 9/3/2026 and awaiting presentation to Governor.
13	SB 866	Blakespear, Catherine	Planning and Zoning: Annual Report: Emergency Shelter	For local governments that do not receive Homeless Housing, Assistance, and Prevention (HHAP) program funding, this bill would require the General Plan Housing Element to include data on the unhoused population and a description of key actions the jurisdiction will take to reduce homelessness. The bill passed the Senate on May 27, 2026 and was read for the first time by the Assembly. On August 5, 2026, the bill was set for its first hearing and was placed on suspense file. By August 13, 2026, the bill was held in committee and under submission.	Assembly Committee on Appropriations – **Dead**	Introduced in January 2026; Last amended June 2026	8/13/2026 August 13 hearing: Held in committee and under submission.
14	SB 1085	Durazo, Maria	Water Supply Planning: Housing Developments	This bill streamlines CEQA water supply assessment requirements for certain housing development projects by triggering earlier identification of public water systems, cutting the submission deadline from 90 to 45 days, and waiving the public meeting approval requirement. This bill passed the Senate on May 18, 2026, and then passed the Assembly on August 26, 2026. The Senate approved changes made to a bill by the Assembly and the bill was enrolled on August 30, 2026. The bill awaits final Governor approval.	Governor	Introduced in February 2026; Last amended August 2026	9/3/2026 Enrolled and presented to the Governor at 3 p.m.

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PENDING LEGISLATION						
15	UC Berkely Report Legislation		Developed under the Commission's current adopted workplan and informed by a University of California, Berkeley report, the proposal sought to strengthen LAFCO authority and accountability in addressing water and wastewater-related public health and safety concerns, while expanding transparency requirements for affected agencies and mobile home park community water systems. Although the bill did not advance this legislative session, the item has been continued to the upcoming workplan, and LAFCO staff will continue refining the proposal with stakeholders for potential introduction in 2027.			

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