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**AGENDA REPORT**
Consent | Information

August 3, 2026

**TO:** Chair Becker and Commissioners

**FROM:** Meghan Traynor, Analyst I
Patrick Bouteller, LAFCO Consultant

**SUBJECT:** **Legislative Report**

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## SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive an update on legislative proposals germane to the Commission's oversight and related interests during the second year of the 2025-2026 State Legislative Session. This report is presented for information only with an opportunity to pull for discussion and provide general direction.

## 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. Staff provides the Commission with monthly legislative updates.

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## California State Legislature | 2025–2026 Regular Session

The California Legislature reconvened for the second year of the 2025–2026 Legislative Session in January 2026. The deadline for introducing new legislation passed in February 2026, and measures have since been referred to their respective policy committees for consideration. All legislation advancing through both houses must be passed by August 31, 2026, the statutory deadline for bill passage for the 2026 Legislative Session.

## DISCUSSION

This item presents legislative updates on proposals of interest to San Diego LAFCO for the Commission's receipt and consideration. A total of fourteen (14) bills are tracked: nine (9) measures that would directly affect LAFCO operations and five (5) measures that, while not directly impacting LAFCO, are of interest to the Commission.

Since the June legislative update, one bill was added that, while not directly affecting LAFCO operations, is of elevated interest to the Commission and future municipal service reviews: AB 1383, Public Employees' Retirement Benefits (McKinnor). This bill modifies elements of the Public Employees' Pension Reform Act of 2013 (PEPRA) by 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. It is expected to impact the pension contribution rates of public agencies.

A summary and status of each bill is provided in Attachment One. Commissioners may pull the item for discussion and provide general direction to staff.

## ANALYSIS

The current legislative session is on track to conclude without any measure that would substantively alter San Diego LAFCO's authority or core procedures. The July 2, 2026 policy committee deadline concluded consideration of several tracked measures. Of the nine bills directly affecting LAFCO, five remain active and four will not advance this session – including AB 259 and AB 356, on which the Commission adopted support and support-if-amended positions, respectively. The eight remaining tracked bills are pending consideration in the second houses. Final passage for all measures is August 31. Separately, and consistent with the adopted workplan, staff will resume work with stakeholders in the near term to refine the U.C. Berkeley proposal for potential introduction in 2027.

## RECOMMENDATION

This item is presented to San Diego LAFCO for information only.

## ALTERNATIVES FOR ACTION

None.

## PROCEDURES

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

On behalf of LAFCO staff,

Meghan Traynor
Analyst I

Attachment:

1) LAFCO Tracked CA Legislative Bills as of July 24, 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.<br><br>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 | Introduced in January 2025; Last amended in April 2025 | 6/27/2025<br>In committee: Hearing postponed by committee. |
| 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.<br><br>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 | Introduced in February 2025; Last amended in June 2025 | 7/10/2025<br>Re-referred to Com. on L. GOV. |
| 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.<br><br>After being lifted from the Assembly Appropriations suspense file on May 14, 2026, the bill advanced to the Assembly Floor, where it passed on May 26, 2026. It was read for the first time in the Senate on May 27, 2026. It passed the Senate Committee on Environmental Quality and was re-referred to the Senate Committee on Appropriations. | Senate Committee on Appropriations | Introduced in January 2026; Last amended in March 2026 | 7/2/2026<br>Re-referred to Com. on APPR. |

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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.<br><br>The bill passed the Assembly on May 27, 2026 and was sent to the Senate, where it was read for the first time on May 28, 2026. The bill was referred to the Senate Judiciary Committee where it was read a second time and amended. The bill passed and was re-referred to the Senate Committee on Appropriations. | Senate Appropriations Committee | Introduced in February 2026; Last amended in June 2026 | 7/1/2026<br>Passed Senate Com. on JUD. and re-referred to Com. on APPR. |
| 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.<br><br>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<br>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.<br><br>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. It is currently under review by the Assembly Committee on Appropriations. | Assembly Committee on Appropriations | Introduced in February 2025; Last amended in June 2026 | 7/1/2026 Passed Committee on L. GOV and re-referred to Com. on APPR. |
| 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.<br><br>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.<br><br>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 through the Assembly Judiciary Committee and Local Government Committee and was re-referred to the Appropriations Committee. | Assembly Appropriations Committee | Introduced in February 2026; Last amended in June 2026 | 7/1/2026 Passed Committee on L. GOV and re-referred to Com. on APPR. |
| 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.<br><br>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.<br><br>The bill passed the Assembly on January 29, 2026 and moved to the Senate. It passed Senate Com. on Labor, Public Employment and Retirement with amendments and was re-referred to the Senate Committee on Appropriations. | Senate Committee on Appropriations | Introduced in February 2025; Last amended in July 2026. | 7/1/26<br>Passed Senate Com. on L., P.E. & R. with amendments and re-referred to Com. on APPR. |
| 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 was read for the first time on May 28, 2026. It passed the Senate Housing Committee with amendments and was re-referred to the Committee on Appropriations on June 29, 2026. | Senate Committee on Appropriations | Introduced in February 2026; Last amended June 2026 | 6/29/2026<br>Referred to Com. on APPR. |

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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. This bill is now in the Senate, where it was read for the first time on May 28, 2026. It passed the Senate Committees on Housing and Environmental Quality with amendments and was re-referred to the Senate Committee on Appropriations on June 30, 2026. | Senate Committee on Appropriations | Introduced in February 2026; Last amended June 2026 | 6/30/2026 Re-referred to Com. on APPR |
| 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 and was then first read in the Assembly on May 27, 2026. It passed the Assembly Committee on Housing and Community Development and was re-referred to the Committee on Appropriations on July 1, 2026. | Assembly Committee on Appropriations | Introduced in January 2026; Last amended June 2026 | 7/1/26 Passed Com. on H & C.D. with amendments. Re-referred to Com. on APPR. |
| 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 was first read in the Assembly on May 19, 2026. The bill passed the Assembly Committees on Water, Parks and Wildlife and Local Government and was re-referred to the Committee on Appropriations on July 1, 2026. | Assembly Committee on Appropriations | Introduced in February 2026; Last amended June 2026 | 7/1/26 Passed Com. on L. GOV with amendments. Re-referred to Com. on APPR. |

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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.<br><br>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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