



STAFF REPORT
7/22/2026

TO: Honorable Mayor and City Council Members

FROM: Gustavo Romo, City Manager

PREPARED BY: Ryan Guiboa, City Attorney

SUBJECT: July 2026 Legislative Update

STAFF RECOMMENDATION:

Staff recommends that the City Council:

1. Receive and file the legislative update.
2. Provide direction to staff on frequency of future legislative updates.

EXECUTIVE SUMMARY:

This legislative update is intended to inform the City Council of key developments in Sacramento that may affect City operations, local policy, and residents' quality of life.

The attached July 2026 Legislative Update summarizes pending and recently enacted state legislation in several areas relevant to local government, including childcare and youth services, homelessness, the California Voting Rights Act, planning and zoning, development fees, emergency medical services, fire insurance and wildfire mitigation, taxation, and the state budget.

BACKGROUND:

During the current legislative session, several significant bills have advanced through the Legislature, including measures affecting childcare planning, homelessness reporting, voting rights, housing element procedures, accessory dwelling units, development impact fees, emergency medical services, and residential fire insurance. In addition, the Legislature passed, and the Governor signed, budget and tax-related legislation that may affect local agency costs and the broader fiscal environment.

Some of these measures may provide additional tools or support for local agencies. Others may impose new administrative requirements, constrain local discretion, or affect the financial landscape for public agencies, residents, and businesses.

Because many pending bills remain subject to amendment before final passage, staff will continue monitoring legislative developments and will return with additional updates as appropriate.

DISCUSSION/ANALYSIS:

Staff recommends that the City Council receive and file the attached July 2026 Legislative Update, which provides a comprehensive summary of key legislative initiative, including:

Housing and Homelessness

The Legislature is considering significant bills regarding housing, zoning, and homelessness. SB 866 has passed the Senate and is being considered by the Assembly to require cities to add extensive homelessness reporting requirements for cities above 50,000 people. AB 2296 and AB 956, on the other hand, have both passed the Assembly and are being considered by the Senate, and would amend the housing element review process to begin earlier and make the construction of Accessory Dwelling Units (ADUs) easier, respectively. Further, SB 1117 has passed the Senate and is being considered by the Assembly to require a development impact fee for certain ADUs as part of a state-mandated local program.

Emergency Medical Services and Disaster Preparedness

The Legislature has also considered notable legislation regarding emergency services and preparedness. AB 2405 has passed the Assembly and is being considered by the Senate to require a peace officer to take a person who is suffering from a mental disorder or is a danger to themselves or others to the nearest designated treatment facility to where the person was taken into custody. The Senate has passed and the Assembly is considering SB 1301, which would overhaul the notice requirement for insurance cancellations to limit the opaqueness of cancellations and give the State and policyholder a chance to correct the insurer before a catastrophic loss.

California Voting Rights Act

The Senate has passed and the Assembly is considering SB 1164, which would totally overhaul the CVRA. This would include significant new requirements and prohibitions regarding redistricting, notably a preapproval process for local agencies that have previously settled a CVRA suit in the last 10 years and would prohibit local agencies from employing any method of election that would dilute the vote of protected class members.

LOOKING FORWARD:

Many pending bills may be amended before final passage. However, several measures could be enacted in substantially similar form and may require future City action, including updates to local regulations, administrative procedures, reporting practices, or budget assumptions.

Staff will continue to monitor the pending legislation identified in the attached update and will provide additional information to the City Council as bills advance, are amended, or are signed into law.

ATTACHMENTS:

July 2026 Legislative Update