

---

THIRD READING

---

Bill No: AB 1050  
Author: Schultz (D), et al.  
Amended: 9/5/25 in Senate  
Vote: 21

---

SENATE JUDICIARY COMMITTEE: 11-2, 7/1/25

AYES: Umberg, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Wahab,  
Weber Pierson, Wiener

NOES: Niello, Valladares

SENATE HOUSING COMMITTEE: 8-2, 7/15/25

AYES: Wahab, Arreguín, Caballero, Cortese, Durazo, Gonzalez, Grayson, Padilla

NOES: Seyarto, Ochoa Bogh

NO VOTE RECORDED: Cabaldon

SENATE APPROPRIATIONS COMMITTEE: 6-1, 8/29/25

AYES: Caballero, Cabaldon, Dahle, Grayson, Richardson, Wahab

NOES: Seyarto

ASSEMBLY FLOOR: 60-12, 6/2/25 - See last page for vote

---

**SUBJECT:** Unlawfully restrictive covenants: housing developments: reciprocal  
easement agreements

**SOURCE:** Author

---

**DIGEST:** This bill permits owners of commercial properties who wish to redevelop the property to include residential units to utilize an existing legal process to remove restrictive covenants on the property that limit the number, size, or location of residences on the property or the number of persons or families who may reside on the property.

*Senate floor amendments* of 9/05/25 include restricted covenants, conditions, restrictions, or private limits on private or publicly owned land that restrict or

prohibit the residential uses of the property among those restrictive covenants that may be removed, as specified.

### **ANALYSIS:**

Existing law:

- 1) Prohibits enforcement, against the owner of an affordable housing development, of any covenants, conditions, restrictions, or private limits on private or publicly owned land that restrict the number, size, or location of the residences that may be built on the property, or that restrict the number of persons or families who may reside on the property, if an approved restrictive covenant affordable housing modification document has been recorded in the public record, as specified. (Civil (Civ.) Code § 714.6(a).)
- 2) Authorizes the owner of an affordable housing development to modify or remove a covenant restricting the number or size of the residences that may be built on a property or the number of persons who may reside on the property to the extent necessary to allow the affordable housing development to proceed, by submitting a restrictive covenant modification document to the county recorder. (Civ. Code § 714.6(b)(1).)
- 3) Outlines the process for obtaining a modified covenant, in which the county counsel reviews for eligibility the covenant modification document submitted by the owner, and approves if eligible. Requires the county recorder to submit the modification document and accompanying documentation received with the application to the County Counsel within five business days of when the county recorder received them. Requires the County Counsel to determine within 15 days whether the restrictive covenant document restricts the property by residences or residents as specified in (1), whether the owner has shown that they qualify as an affordable housing developer, whether any required notice has been provided, whether an exemption applies to the restrictive covenant, and whether the restrictive covenant may no longer be enforced against the owner applicant. (Civ. Code § 714.6(b)(2).)
- 4) Permits an owner who requested a restrictive covenant modification, upon notification that the county counsel has approved the modification document, to mail by certified mail the modification document, a copy of this section, and a written explanation of modification and if it was approved to anyone who the owner knows has an interest in the property or the restrictive covenant, or may publish a notice of the approved modification. Specifies that notice shall be

deemed to have been given if the notice is actually received by the interested party or is mailed to them as specified, or in the case of a published notice, to anyone whose interest does not appear of record or for whom no mailing address is available or reasonably ascertainable. (Civ. Code § 714.6(b)(2)(D).)

- 5) Specifies that a county will not incur any liability for recording a covenant modification document that is not authorized by this section, and that liability for an unauthorized recording should be the sole responsibility of the owner that caused the unauthorized recordation. (Civ. Code § 714.6(b)(3).)
- 6) Provides that a restrictive covenant invalidated under this section will be enforceable if the property in question is utilized in a manner that violates the terms relating to affordable housing. (Civ. Code § 714.6(b)(4).)
- 7) Provides a process through which a city or county may provide notice of a violation of the terms of this section relating to affordable housing when an owner who obtained a covenant modification under this section fails to utilize the property for affordable housing. (Civ. Code § 714.6(b)(5).)
- 8) Specifies that this section only applies to restrictive covenants that restrict the number, size, or location of the residences that may be built on a property or that restrict the number of persons or families who may reside on the property, and does not apply to any other covenant, including covenants that related to purely aesthetic objective design standards, provide for fees or assessments for the maintenance of common areas, or that provide for limits on the amount of rent. (Civ. Code § 714.6(c).)
- 9) Requires any party that is deemed to have been given notice that wishes to file a suit challenging the validity of the restrictive covenant modification document to file the suit within 35 days of receiving notice. (Civ. Code § 714.6(d)(1).)
- 10) Provides that, in any suit to enforce the rights provided by this section or to defend against any suit filed against those rights, a prevailing owner will be entitled to recover litigation costs and reasonable attorney's fees. (Civ. Code § 714.6(d)(2).)
- 11) Specifies that this section may not be interpreted to authorize any development that is not otherwise consistent with the local general plan, zoning ordinances, or any applicable specific plan that applies to the housing development, including any requirements regarding the number or size of residential units or

any applicable zoning restriction. Specifies that this section does not invalidate local building codes or other rules regulating the number of persons who may reside in a dwelling or the size of a dwelling, provided that such restrictions are otherwise compliant with applicable laws. Specifies that this section does not prevent an affordable housing development from receiving any bonus or incentive pursuant to a specified statute or any related local ordinance. (Civ. Code § 714.6(f).)

12) Exempts the following from the prohibition on restrictive covenants related to affordable housing:

- a) specified conservation easements; and
- b) any interest in land comparable to a conservation easement that is held by any political subdivision and recorded in the office of the county recorder of the county where the land is situated. (Civ. Code § 714.6(g).)

13) Defines, for the purposes of the section above, the following terms:

- a) “affordable housing development” to mean a development located on the property subject to the restrictive covenant that either:
  - i. is subject to a recorded affordability restriction requiring 100% of units to be made affordable units rented by low income households for 55 years, as specified; or
  - ii. is owned or controlled by an individual or entity that has submitted a permit or application to develop a project that complies with (i), above.
- b) “restrictive covenant” to mean any recorded covenant, condition, restriction, or limit on the use of private or publicly owned land contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of any interest that restricts the number, size, or location of residences that may be built on the property, or that restricts the number of persons or families who may reside on the property. (Civ. Code § 714.6(j).)

14) Authorizes the appointment of a county counsel by a county board of supervisors and vests the county counsel with the duties of a public prosecutor. (Government (Gov.) Code §§ 27640 et seq.)

15) Authorizes a county counsel to represent and advise the officers and employees of special districts organized within the county and shall have exclusive charge and control of all civil actions and proceedings in which special districts or their officers or employees are concerned or are parties, as specified. (Gov. Code § 27645.)

- 16) Provides that specified notices must be published, as specified, in a newspaper of general circulation for the period prescribed, the number of times, and in the manner provided. (Gov. Code § 6060.)

This bill:

- 1) Includes recorded covenants, conditions, restrictions, or private limits on the use of private or publicly owned land contained in a reciprocal easement agreement that restrict the number, size, or location of residences that may be built on the property, or that limit the number of persons or families who may reside on the property, in the prohibition on enforcement against the owner of a housing development if an approved restrictive covenant housing modification document has been recorded.
- 2) Includes recorded covenants, conditions, restrictions, or private limits on the use of private or publicly owned land that restrict or prohibit the residential uses of the property, in the prohibition on enforcement against the owner of a housing development if an approved restrictive covenant housing modification document has been recorded.
- 3) Specifies that Civil Code Section 714.6 may not be interpreted to authorize any development that is not otherwise consistent with state housing laws, including any requirements regarding the number or size of residential units or any applicable zoning restriction.
- 4) Replaces “affordable housing development” with “housing development,” and includes in its definition a property owned or controlled by an entity or individual that has submitted a development project application to redevelop an existing commercial property, and the development project includes residential uses permitted by state housing laws or local land use and zoning regulations.
- 5) Amends the definition of “restrictive covenant” to include any recorded covenant, condition, restriction, or limit on the use of private or publicly owned land contained in a reciprocal easement agreement, and to specify that a restrictive covenant does not include an easement set forth in a reciprocal easement agreement or other recorded instrument.

**FISCAL EFFECT:** Appropriation: No   Fiscal Com.: Yes   Local: Yes

According to the Senate Appropriations Committee:

Costs (local funds, General Fund) to the counties of an unknown but potentially significant amount. This bill would require county counsel to review and evaluate specified restrictive covenant modification documents, and requires a county recorder to record covenant modification documents upon approval by county counsel. Costs for additional workload imposed on county counsel may be reimbursable by the General Fund if the Commission on State Mandates determines these duties constitute a reimbursable state mandate. Actual costs will depend on the number of requests for modification submitted and the amount of time it takes to evaluate each request. Costs for additional workload to county recorders are likely non-reimbursable because county recorders are authorized to charge fees to offset costs.

**SUPPORT:** (Verified 9/5/25)

Lieutenant Governor Eleni Kounalakis  
Abundant Housing LA  
Bay Area Council  
California Apartment Association  
Circulate San Diego  
Fieldstead and Company, Inc.  
Housing Action Coalition  
Inner City Law Center  
Institute for Responsive Government Action  
SPUR  
Zillow Group

**OPPOSITION:** (Verified 9/5/25)

None received

**ARGUMENTS IN SUPPORT:** According to Abundant Housing LA, which supports this bill:

A reciprocal easement agreements (REAs) is a private legal agreement among property owners in a real estate development. The agreements commonly set terms for various covenants and restrictions to ensure the development operates as one integrated commercial center.

The COVID-19 pandemic, along with inflation, have largely altered the economy and consumer preferences, leading to the closure of many

commercial spaces, all while Californians are struggling to find housing. Yet, efforts to repurpose these vacant spaces into housing are often halted by older, burdensome restrictions like REAs.

Recognizing the severity of California's housing crisis, the Legislature passed AB 721 (Bloom, 2021) and AB 911 (Schiavo, 2023) to institute a process for removing restrictive covenants from properties proposed for affordable housing developments. The Legislature also passed AB 2011 (Wicks, 2022) to support the redevelopment of vacant shopping centers by allowing mixed-income housing on properties zoned for commercial use. In addition, some jurisdictions allow residential development in commercial zones in their zoning code.

However, since these private agreements run with the land, they are still attached to the title deed, even after previous owners who originally entered into them no longer hold an ownership interest in the property. Thus, even though state housing laws and local zoning codes may allow housing development on commercial property, an existing REA can stop the redevelopment due to the potential threat of litigation.

Often, commercial properties are too large for affordable housing developers to purchase and develop solely with deed-restricted units. Therefore, legislation is necessary to get rid of these roadblocks to expand housing projects, such as mixed-use and mixed-income developments, across the state.

We support this bill since it would allow proposed mixed-use developments to provide notice to interested parties of the intent to remove reciprocal easement agreement and proceed to redevelop the property without exposure to the potential of litigation.

## **ARGUMENTS IN OPPOSITION:**

ASSEMBLY FLOOR: 60-12, 6/2/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez,

Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani,  
Valencia, Ward, Wicks, Wilson, Zbur, Rivas

NOES: Davies, DeMaio, Dixon, Ellis, Gallagher, Jeff Gonzalez, Hadwick,  
Lackey, Macedo, Sanchez, Tangipa, Wallis

NO VOTE RECORDED: Boerner, Castillo, Chen, Flora, Hoover, Patterson, Ta

Prepared by: Ian Dougherty / JUD. / (916) 651-4113

9/8/25 21:33:27

\*\*\*\* **END** \*\*\*\*