

Date of Hearing: April 14, 2026

ASSEMBLY COMMITTEE ON JUDICIARY  
Ash Kalra, Chair  
AB 1857 (Aguiar-Curry) – As Amended April 9, 2026

As Proposed to be Amended

**SUBJECT:** UNLAWFULLY RESTRICTIVE COVENANTS: GROCERY STORES AND SUPERMARKETS

**KEY ISSUE:** SHOULD COVENANTS, CONDITIONS, AND RESTRICTIONS IN A PROPERTY DEED PREVENTING A PROPERTY FROM BEING UTILIZED AS A GROCERY STORE BE DEEMED VOID IF THE PROPERTY WAS EVER PREVIOUSLY USED AS A GROCERY STORE?

**SYNOPSIS**

*Food deserts, generally defined as the inability to access fresh and nutritious food within one to ten miles of a person's home, are a growing problem across the country. Some estimates suggest that upwards of 23 million Americans live in a food desert. As many grocery store chains consolidate and close locations to obtain economies of scale, this problem is only growing across the country. Even more troubling, when a grocery store closes and the property is left with a restriction on its future use as a grocery store, it becomes impossible for communities to advocate for the return of healthy food options.*

*This bill would hold all covenants, restrictions, or conditions in property deeds or contracts that prohibit the site of a former grocery store from once again being utilized as a grocery retailer void and unenforceable. This bill would permit the removal of such covenants utilizing the existing law's covenant removal process. The bill also clarifies that nothing in this measure will supersede local land use and zoning policies.*

*This bill is co-sponsored by the California Food and Farming Network and Economic Security California Action and enjoys support from a host of advocates for low-income Californians and those supporting healthier food options for all Californians. The proponents of the bill highlight the need to end food deserts across California. This bill is opposed unless amended by the California Business Properties Association who express concerns it will interfere with commercial business relations. The California Chamber of Commerce, California Grocers Association and the California Land Title Association all express concerns with the measure. Although several stakeholder concerns have already been addressed by recent amendments as well as those slated to be adopted by this Committee, the author commits to continuing the stakeholder process.*

**SUMMARY:** Prohibits, and provides a process for the removal of, any covenant, restriction, or condition that restricts a property from functioning as a grocery store if a grocery store ever existed on the property previously. Specifically, **this bill:**

- 1) Deems any covenant, restriction, or condition contained in any deed, contract, security instrument, lease, or other recorded or unrecorded instrument affecting the transfer or sale of any interest in real property that effectively prohibits or restricts the use of that property as a

grocery store or supermarket void and unenforceable against an interested party if both of the following conditions are met:

- a) A grocery store or supermarket previously operated on the property and has ceased operations; and
  - b) An approved restrictive covenant modification document has been recorded in the public record, as specified in 3) through 7).
- 2) Entitles an interested party to establish that an existing restrictive covenant is unenforceable by submitting a restrictive covenant modification document pursuant to the existing covenant modification process prescribed in the Government Code that modifies or removes any existing restrictive covenant language that restricts or prohibits the use of the property as a grocery store or supermarket, to the extent necessary to allow the grocery store or supermarket development to proceed under the existing declaration of restrictive covenants.
  - 3) Requires the interested party seeking to modify a covenant utilizing the covenant modification process to submit to the county recorder a copy of the original restrictive covenant and any documents the owner believes necessary to establish that a grocery store or supermarket previously operated on the property and that those documents are to be submitted prior to, or simultaneously with, the submission of the request for recordation of the restrictive covenant modification document, and may include, but are not limited to, business license records, health department permits, Alcoholic Beverage Control Act license records, or county assessor records.
  - 4) Requires a county recorder, before recording a restrictive covenant modification document, to within five business days of receipt, submit the documentation provided to the county recorder by the owner and the modification document to the county counsel for review.
  - 5) Requires, upon receiving the documents specified in 4), the county counsel to determine whether the original restrictive covenant document restricts the property in a manner prohibited by 1) and whether the owner has submitted documents sufficient to establish that the property qualifies as a grocery store or supermarket development under this bill, whether any notice required under this bill has been provided, whether any exemption provided in 14) applies, and whether the restriction may no longer be enforced against the owner of the grocery store or supermarket development and that the owner may record a modification document pursuant to this bill.
  - 6) Requires the county counsel to return the documents in 4) and inform the county recorder of the county counsel's determination within 15 days of submission to the county counsel, as specified.
  - 7) Requires, upon being notified that the county counsel has authorized the county recorder to record the modification document, the interested party to either mail, by certified mail to anyone who the interested party knows has an interest in the property or in the restrictive covenant, as specified, or to publish a notice in a newspaper of general circulation.
  - 8) Prohibits a county recorder from recording the modification document if the county counsel finds that the original restrictive covenant document does not contain a restriction prohibited

by 1) or if the county counsel finds that a grocery store or supermarket did not previously operate on the property.

- 9) Requires a modification document to be indexed in the same manner as the original restrictive covenant document being modified.
- 10) Provides that if an interested party causes to be recorded a modification that modifies or removes a restrictive covenant that is not authorized by this bill, the county is not liable for recording the document.
- 11) Provides that if the property is utilized in any manner that violates the terms of the restrictions required by this bill, the city or county may, after notice and an opportunity to be heard, record a notice of that violation, as specified.
- 12) Requires any lawsuit challenging the validity of a recorded covenant modification to be filed within 35 days of the notice specified in 7).
- 13) Authorizes a prevailing party in an action brought pursuant to 12) to receive litigation costs and reasonable attorney's fees.
- 14) Provides that for restrictions that are otherwise compliant with all applicable laws, this bill does not invalidate local building codes, fire codes, health and safety regulations, or other rules regulating commercial uses of property, including, but not limited to, any of the following:
  - a) The size, height, setback, or design of commercial structures;
  - b) Parking, traffic circulation, loading, or access requirements;
  - c) Signage, lighting, noise, or hours of operation; and
  - d) Health department permitting, food safety, or sanitation requirements applicable to food retail establishments.
- 15) Clarifies that nothing in this bill is to be interpreted to authorize any use of property that is not otherwise consistent with the local general plan, zoning ordinances, and any applicable specific plan, conditional use permit, or other land use entitlement that applies to the property, and that nothing in this bill exempts a grocery store or supermarket from obtaining any permit, license, or approval otherwise required by state or local law.
- 16) Provides that the bill is not to be construed to invalidate or render unenforceable, any of the following:
  - a) An exclusive-use provision, radius restriction, or similar covenant contained in a lease or sublease between a landlord and a tenant, to the extent that the provision restricts the landlord from leasing other premises within the same commercial project or shopping center to a competing grocery store or supermarket, provided that at least one grocery store or supermarket is in actual operation within the commercial project or shopping center at the time enforcement of the provision is sought;

- b) A covenant or restriction that limits the number of grocery store or supermarket tenants within a single commercial project or shopping center, but does not prohibit all grocery store or supermarket use of the property;
  - c) A covenant or restriction that limits the number of grocery store or supermarket tenants within a single commercial project or shopping center, but does not prohibit all grocery store or supermarket use of the property;
  - d) A covenant, condition, or restriction that relates to purely aesthetic objective design standards, fees or assessments for the maintenance of common areas, or other obligations that do not have the purpose or effect of prohibiting or restricting the use of the property as a grocery store or supermarket.
- 17) Clarifies that any covenants invalidated by this bill are not to impact otherwise lawful covenants applying to the property.
- 18) Defines “grocery store” or “supermarket” to mean any retailer that sells food items.
- 19) Defines “interested party” to mean any of the following:
- a) The owner or current lessee of the property;
  - b) A person or entity that holds a right to acquire the property under an option agreement, purchase and sale agreement, or similar agreement;
  - c) A person or entity that has submitted a complete application for a business license, conditional use permit, or other land use entitlement to a city or county for the purpose of operating a grocery store or supermarket; or
  - d) A party under contract to lease the property for the purpose of operating a grocery store or supermarket.
- 20) Makes various findings and declarations.

**EXISTING LAW:**

- 1) Prohibits enforcement of any recorded covenants, conditions, restrictions, or private limits 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 in real property 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 Code Section 714.6 (a).)
- 2) Authorizes the owner of an affordable housing development to establish that an existing restrictive covenant is unenforceable by submitting a restrictive covenant modification document, as specified, that modifies or removes any existing restrictive covenant language that restricts the number, size, or location of the residences that may be built on the property, or that restricts the number of persons or families that may reside on the property, to the extent necessary to allow the affordable housing development to proceed under the existing declaration of restrictive covenants. (Civil Code Section 714.6 (b)(1).)

- 3) Outlines the process whereby the owner of an affordable housing development works with county officials, including the county counsel and county recorder, to remove the prior covenant restricting affordable housing. (Civil Code Section 714.6 (b)(2).)
- 4) Exempts from the prohibition on restrictive covenants related to affordable housing the following:
  - 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. (Civil Code Section 714.6 (g).)
- 5) Defines “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 the residences that may be built on the property or that restricts the number of persons or families who may reside on the property. (Civil Code Section 714.6 (j)(6).)
- 6) Provides that any property owner of a property subject to an unlawfully restrictive covenant based on race, color, religion, sex, familial status, marital status, disability, national origin, or ancestry may submit for recordation a document striking out the unlawfully restrictive covenant. (Government Code Section 12956.1.)
- 7) Provides that a county recorder may record the document, specified in 6), if all other requirements of recordation are met, or may direct the person to obtain a determination from the Department of Fair Employment and Housing. (*Ibid.*)
- 8) Permits a person with an ownership interest in a property to file a "Restrictive Covenant Modification" form in order to remove any void or unenforceable covenant, condition, or restriction, as specified, and permits, but does not require, the county recorder to waive any fees for filing the modification. (Government Code Section 12956.2.)
- 9) 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, their officers or employees are concerned or are parties, as specified. (Government Code Section 27645.)
- 10) Provides that whenever any law requires that publication of notice is to be made pursuant to a designated section of this law, such notice must be published in a newspaper of general circulation for the period prescribed, the number of times, and in the manner provided in that section. (Government Code Section 6060.)

**FISCAL EFFECT:** As currently in print this bill is keyed fiscal.

**COMMENTS:** Food deserts are areas that lack access to nutritious or fresh foods within a one to ten mile radius of a person’s home, depending on the urban or rural nature of the area. The Food Empower Project suggests that upwards of 23 million Americans live in an area designated as a food desert. ([https://foodispower.org/access-health/food-deserts/.](https://foodispower.org/access-health/food-deserts/)) This issue is being

compounded by consolidation within the grocery industry, which leads to stores being strategically closed to generate better returns for a chain's other locations. One pernicious practice by some grocery chains is to install a restrictive covenant in a closed store's property documents immediately prior to listing the property for sale, thus prohibiting the site from being used as a grocery store in the future. This ensures that another grocer cannot come along and compete with the original owner.

While such practices may make business sense for the original grocer owning the property, these covenants are anti-competitive and exacerbate the food desert crisis plaguing the state. This bill would prohibit such covenants and provide for a means of removing those currently in existence. In support of the bill, the author states:

When a grocery store closes and leaves behind a restrictive covenant, it blocks another grocery store from operating in that space for years or even decades. Any new store looking to move into an area would have to start completely from scratch instead of being able to take advantage of existing infrastructure. As a result, communities can lose access to a full-service grocery store, or residents are forced to rely on smaller stores that often lack the capacity to provide fresh produce and other healthy foods. Smaller stores stock fewer healthy options at higher prices, contributing to poor nutrition and higher consumer costs. Given that nearly 3 million low-income Californians live in food deserts, this practice undermines food access, affordability, and community health. AB 1857 prohibits grocery stores from using restrictive covenants that prevent new grocery stores from opening, helping reduce food deserts and restore access to healthy, affordable food in communities across California.

***What is a food desert?*** As noted above, a food desert is an area without access to fresh and nutritious food within one to ten miles of one's home depending on how urbanized the area is. According to the United States Department of Agriculture, food deserts predominantly impact low-income or very rural communities. Unsurprisingly, these areas share significant overlap with formerly redlined areas for housing. (<https://www.ers.usda.gov/amber-waves/2011/december/data-feature-mapping-food-deserts-in-the-u-s>.) A Tulane University study found that more than 750,000 people living in New York City and a half million residents of Chicago live in food deserts. (<https://socialwork.tulane.edu/blog/food-deserts-in-america/>.)

Food deserts are largely created by two causes. The first cause is a general lack of investment in a neighborhood. If a grocer does not believe it can make a profit in an area, it will not invest. This is particularly problematic for underserved, low-income communities. The second factor creating food deserts is anti-competitive behavior within the grocery industry. As grocery chains have merged and the industry consolidated, economies of scale spurred many stores to close locations and centralize operations nearby. However, for the residents in the immediate vicinity of the closed location this can create a food desert. Even more troubling, prior to selling the closed location, some grocers are adding restrictive covenants to the property to ensure a competitor cannot open a location on the vacated site. While this monopolistic behavior may make business sense, it further exacerbates a food desert as a community has no hope of luring a grocer back to the vacated location.

***Although commercial covenants do not have the same troubling historic connotations as residential covenants, they are still frustrating affordable housing development.*** Like much of America, California has a long and troubling history of utilizing real estate covenants to discriminate against minorities. In fact, racially restrictive covenants were tacitly endorsed by the

federal government as the Federal Housing Administration gave higher loan scores to homes with racially restrictive covenants. (Rothstein, *The Color of Law* (2017) pp. 78-81.) The United States Supreme Court eventually ruled these covenants were unenforceable as they violated the Equal Protection Clause of the Fourteenth Amendments. (*Shelley v. Kramer* (1948) 334 U.S. 1.) However, such covenants remain in housing deeds across California.

As racially restrictive covenants were banned, developers and neighborhood associations found new ways to subvert the *Shelley* ruling. Many developers and homeowners' associations began adopting covenants that restricted the number or size of the residences that may be built on a property, or that restricted the number of persons who may reside on the property. Although race-neutral on their face, these covenants had the practical effect of maintaining white, single-family hegemony in California's burgeoning post-war suburbs. Because these covenants remained valid without modification, in 2021, the Legislature enacted AB 721 (Bloom) Chap. 349, Stats. 2021, to adopt a formal process for removing those covenants.

Similar covenants were added to business properties to prevent them from being converted into housing or to ensure that only the "right" type of business could enter a neighborhood. Last year the Legislature enacted AB 1050 (Schultz) Chap. 504, Stats. 2025 to begin lifting some business-related covenants but others remain. As noted above there are presently no restrictions on limiting a property's use as a grocery store.

***This bill would prohibit covenants restricting a site from being used as a grocery store if a grocery store previously occupied the property.*** Building on prior bills to remove racially restrictive covenants and housing affordability restrictions, this bill would utilize the existing covenant modification process to permit an interested party to remove a restrictive covenant related to grocery stores. The bill outlines the process where a covenant modification form is submitted to the county recorder, reviewed and approved by the county counsel, and recorded if legally compliant. The bill adopts notice requirements for interested parties to contest the modification and provides those parties 35 days from the receipt of the notice to file suit. The bill clarifies that the county is not liable for any improperly recorded covenant modification stemming from the interested parties' errors or omissions. Finally, the bill clarifies that the covenant process does not alter local land use rules, public health and safety laws, or conditions contained within commercial leases.

***Proposed amendments clarify who is an "interested party" for the sake of filing a covenant modification document.*** This bill provides that an "interested party" may commence the covenant removal process. The existing definition seeks to capture both those who currently own a property that is or contains a grocery store as well as those seeking to buy or lease a store. Several stakeholders contend the existing definition may be too narrow to capture the full universe of persons seeking to operate a grocery store and may need to trigger the covenant removal process. Accordingly, the existing definition of "interested party, found in subdivision (h) of the proposed Civil Code Section 714.8 will be stricken and replaced as follows:

- (h) For the purpose of this section, an "interested party" shall mean any of the following:
- (1) The owner or current lessee of the property.***
  - (2) A person or entity that holds a right to acquire the property under an option agreement, purchase and sale agreement, or similar agreement.***

*(3) A person or entity that has submitted a complete application for a business license, conditional use permit, or other land use entitlement to a city or county for the purpose of operating a grocery store or supermarket.*

*(4) A party under contract to lease the property for the purpose of operating a grocery store or supermarket.*

***Ongoing discussion surrounding the definition of a grocery store.*** In addition to the overly narrow definition of “interested party” discussed above, stakeholders fear the present definition of “grocery store” is too broad. That definition provides that a grocery store is “any retailer that sells food items.” This indeed may encompass any store from a gas station convenience store, to a pharmacy that also sells candy, to a big box retailer that sells food. The author concedes this point and notes to the Committee that discussions with all stakeholders to refine this definition remain ongoing.

Given that recent amendments adopted the now battle-tested covenant removal process from existing law into this bill, and the above amendments address the issue related to the “interested party,” it is clear that stakeholders are continuing to work on and improve this bill. While the definition of “grocery store” may not be settled within the timelines set by the legislative calendar, the Committee notes that the author is committed to working on the issue and, given the successful agreements between stakeholders reached on other issues in the bill, sees no reason not to provide the parties additional time.

***ARGUMENTS IN SUPPORT:*** This bill is co-sponsored by the California Food and Farming Network and Economic Security California Action and enjoys support from a host of advocates for low-income Californians. A coalition letter in support of the bill states:

AB 1857, which would prohibit restrictive covenants that prevent or limit grocery stores and supermarkets from locating in otherwise suitable commercial properties. Restrictive covenants are clauses in property deeds or leases that prevent a grocery store from opening at a site. These covenants act as private land-use restrictions and anti-competitive tools that suppress market entry and reduce food access, contributing to the creation of food deserts, higher costs of food, limited consumer choice, and negative health impacts.

AB 1857 is a necessary and timely step toward addressing the structural drivers of hunger and food affordability across the state. California produces more than half of the vegetables and nearly two-thirds of the fruits and nuts grown in the United States, yet more than one in five Californians—approximately 8.8 million people—experience food insecurity. This contradiction is not due to a lack of food, but to persistent barriers to physical and economic access to food, particularly in communities with low income and communities of color. Corporate practices, including grocery chains' use of restrictive covenants, reinforce these barriers by limiting where stores can open, creating and sustaining food deserts, reducing competition, and keeping affordable and healthy food out of reach. For example, after a grocery store in Vallejo closed and placed a restrictive covenant on the property, the community went 15 years without a full-service grocery store—until the restriction expired.

Food insecurity is shaped by long-standing economic and racial inequalities. Black and Latino households are more than twice as likely to experience food insecurity as white households. In the Klamath Basin, 92 percent of Native American households experience food insecurity, and Pacific Islander communities in southern California also face disproportionately high rates of hunger. Historic redlining, racial segregation, and

disinvestment continue to shape where food retailers locate today. Food deserts, areas with limited access to affordable, healthy food, are not naturally occurring, but are the product of decades of policy decisions, land-use planning, and corporate practices that restrict grocery competition and concentrate food access in wealthier neighborhoods. As a result, an estimated 2.7 million low-income Californians live in areas with limited geographic access to full-service grocery stores.

AB 1857 addresses this problem by voiding restrictive covenants that block grocery and supermarket uses, clearing a path for new food retailers to serve communities that have been left without options. By allowing new food retailers to open in previously restricted sites, the bill promotes competition, helps lower prices, improves access to healthy food, supports local jobs and investment, and advances public health and racial equity in communities most affected by these practices. While this bill will not solve food insecurity on its own, it removes a clear and preventable barrier to grocery access.

***ARGUMENTS IN OPPOSITION:*** This bill is opposed, unless amended, by the California Business Properties Association. They write:

As drafted, AB 1857 would broadly invalidate privately negotiated commercial property agreements between businesses. Restrictive covenants, lease provisions, and other land use controls are common tools used by property owners and tenants to structure retail centers, secure financing, and maintain stable tenant mixes. By voiding these agreements, the bill would insert the state into routine business-to-business lease negotiations and disrupt longstanding contractual arrangements relied upon by property owners, developers, and retailers that are protected under Article 10 of the U.S. Constitution.

Additionally, the bill would apply to both recorded and unrecorded property instruments and defines “grocery store” broadly enough to create uncertainty for many types of retail businesses and shopping centers.

For these reasons, we must respectfully oppose AB 1857 unless amended and welcome the opportunity to continue working with the author and stakeholders to address food access concerns while preserving the integrity of private commercial agreements.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

Economic Security California Action (co-sponsor)  
California Food and Farming Network (co-sponsor)  
Acterra: Action for a Healthy Planet  
Agricultural Institute of Marin  
Alchemist CDC  
American Economic Liberties Project  
Asian Pacific Islander Forward Movement  
Californians for Disability Rights INC  
Cameo Network  
Casa Visco  
Ceres Community Project  
Community Alliance With Family Farmers

Economic Security Project Action  
End Child Poverty California Powered by Grace  
FAACTS  
Farm2People  
Food Access LA  
Food Bank of Contra Costa and Solano  
Food Empowerment Project  
Food for People  
Foodshed Coop  
Fresh Approach  
Fullwell  
Glide Foundation  
Health Right 360  
Institute for Local Self-reliance  
Los Angeles Community Action Network  
Los Angeles Food Policy Council  
National Right to Food Community of Practice  
Native American Environmental Protection Coalition  
Nextgen California  
Nourish California  
Nutrition and Fitness Collaborative of the Central Coast  
Pesticide Action & Agroecology Network  
Roots of Change  
Sacramento Food Policy Council  
San Diego Food System Alliance  
San Francisco-Marin Food Bank  
Second Harvest Food Bank of Orange County  
Shalom Farms  
Sierra Harvest  
Sola Food Co-op  
Sustainable Economies Law Center  
Techequity Action  
Women Advancing Nutrition Dietetics and Agriculture  
World Be Well Organization  
Yolo Food Hub Network

**Opposition**

California Business Properties Association (unless amended)

**Concerns**

California Chamber of Commerce  
California Grocers Association  
California Retailers Association

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