

Date of Hearing: March 25, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Matt Haney, Chair

AB 2035 (Dixon) – As Introduced February 17, 2026

SUBJECT: Common interest developments: declarations: amendments

SUMMARY: Allows a court to approve a change to the governing documents (CC&Rs) in a homeowners association (HOA), meeting specified criteria, if the change is approved by 37% of the owners, rather than 50%. Specifically, **this bill:**

- 1) Adds an option for HOA members to approve amendments to their governing documents with 37% of the vote of the owners, rather than the standard 50% threshold, by petitioning a superior court, but only for HOAs that meet all of the following criteria:
 - a) They are a senior citizen housing development;
 - b) They contain more than 6,000 separate interests (units);
 - c) More than 25% of the units are occupied by owners for less than 6 months in a year;
 - d) More than 25% of the units are tenant occupied; and
 - e) The declaration has not been amended in at least 35 years.

EXISTING LAW:

- 1) Provides that an HOA or member may petition the superior court to reduce the percentage of affirmative votes required to amend the declaration when the declaration requires more than 50% approval of the membership (or of multiple voting classes). (Civil Code (CIV) 4275).
- 2) Establishes that the petition must include documentation such as the governing documents, the full amendment text, solicitation materials, vote results, and an explanation of the amendment. (CIV 4275)
- 3) Provides that the court may approve the amendment if it finds that:
 - a) Proper notice of the hearing was given (at least 15 days);
 - b) The balloting complied with governing documents and applicable law;
 - c) The HOA made a reasonably diligent effort to obtain votes;
 - d) More than 50% of the votes actually cast supported the amendment, including a majority of each required voting class; and
 - e) The amendment is reasonable and approval is not otherwise improper. (CIV 4275)

- 4) Authorizes the court to confirm the amendment as valid based on the votes actually received and to waive quorum or higher voting thresholds required by the governing documents. (CIV 4275)
- 5) Requires that after recordation, the HOA must deliver a copy of the amendment to all members with notice that it has been recorded. (CIV 4275)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "AB 2035 provides a commonsense solution to allow large, senior citizen common interest developments to amend significantly out of date declarations when they are unable to reach quorum requirements established by their CC&Rs. Some HOAs, such as Third Laguna Hills Mutual, are unable to meet quorum requirements for amendments to their CC&Rs and the current statutory alternative to reduce quorum requirements to 50% is insufficient. AB 2035 creates an additional alternative to reduce quorum requirements to 37% when the common interest development meets specified conditions. Specifically, the common interest development is required to be a senior citizen housing development, must contain at least 6,000 separate interest, more than 25% of those interests are occupied by non-owner residents, and that the development's declaration has not been amended in 35 years.

This alternative will allow large, senior citizen developments to amend their CC&Rs when they are unable to meet quorum requirements while maintaining strong guardrails to ensure an equitable outcome. By maintaining the existing court petition process used for quorum reduction requests, AB 2035 ensures that this exception will only be used in specific, unique and necessary situations."

Common Interest Developments: There are over 50,000 CIDs in the state that range in size from three to 27,000 units, with the average CID having 286 residents. CIDs make up roughly 4.7 million housing units, and 36% of Californians (over 14 million Californians) live in a CID. These rates are even higher for homeowners, with approximately 65% of homeowners living in a CID. CIDs include condominiums, community apartment projects, housing cooperatives, and planned unit developments. They are characterized by a separate ownership of dwelling space coupled with an undivided interest in a common property, restricted by covenants and conditions that limit the use of common area, and the separate ownership interests and the management of common property and enforcement of restrictions by an HOA. CIDs are governed by the Davis-Stirling Common Interest Development Act (the Act) as well as the governing documents of the association (Covenants, Conditions, and Restrictions, or CC&Rs), including bylaws, declaration, and operating rules.

Davis-Stirling Common Interest Development Act: The Davis-Stirling Act (Act) went into effect in 1986 and is the primary body of law governing CIDs in California. The Act provides the legal framework for the creation and management of HOAs, including rules related to governance, assessments, dispute resolution, maintenance responsibilities, and member rights. The law aims to balance the authority of HOAs with the rights of individual property owners, ensuring that communities are managed efficiently and fairly.

Over time, the Davis-Stirling Act has been amended to address the evolving needs of CIDs and to increase transparency, accountability, and consumer protections. Key provisions include

requirements for open meetings, financial disclosures, election procedures, and architectural review processes. The Act also provides mechanisms for resolving disputes, including internal dispute resolution and alternative dispute resolution before certain legal actions can proceed. As CIDs continue to represent a significant portion of California's housing stock, the Davis-Stirling Act plays a critical role in shaping the living environment and governance of millions of residents across the state.

CC&Rs: CC&Rs are essentially the constitution of any given HOA community. They establish the rules, restrictions, and rights that bind all owners, covering everything from architectural standards to pet policies to how the association itself is governed. Because CC&Rs are recorded against the property, they run with the land, binding future owners to the governing documents as well as the current owners. CC&Rs often require amendments to address the changing needs of any given community. However, amending an HOA's CC&Rs is intentionally difficult. Most declarations require approval from a supermajority of all members, often ranging from 50-75% of all HOA members, not just all voting members. In a large HOA development, this can mean thousands of individual owners must affirmatively cast ballots. This can present logistical challenges even under the best circumstances, as HOA voting rates tend to be low.

Under the Act, there is an existing process through which HOA members can seek to address this difficulty in obtaining a majority of votes of all HOA members: if an amendment to the HOA's CC&Rs falls short of the voting threshold required by the HOA documents, an HOA or member can petition a superior court to approve the amendment anyway, so long as the court finds the process was fair, the effort to reach members was diligent, and the amendment is reasonable. But even under the court petition process in existing law, at least 50% of members must have voted in favor of the proposed amendment.

This bill adds a new pathway for a narrow category of developments where achieving even 50% of the HOA members voting in favor of an amendment may be infeasible. This bill would provide large senior communities with more than 6,000 homes, where a significant share of owners are part-time residents or have rented out their units, and who have not updated their CC&Rs in the past 35 years, with an alternative pathway to amending their governing documents. For those communities, a court could approve an amendment with as little as 37% approval from the HOA membership. This could provide them with a mechanism to modernize CC&Rs that have not been amended in over three decades.

One such community that this bill would apply to is the Third Mutual of Laguna Hills, the largest HOA in Laguna Woods, California. This HOA has been unable to amend its CC&Rs since 1988. Under its CC&Rs, it would need to achieve a 67% affirmative vote from all households to update its CC&Rs, and it is subject to the same 50% threshold as all HOAs in the state in order to petition a superior court to approve the amendment anyway. According to the author, this HOA has spent hundreds of staff hours and over \$100,000 to try to turn out voters in order to meet this requirement. However, to date, the highest turnout percentage the HOA has achieved in these types of elections was about 40% of their membership. This has left the HOA and its residents in a situation where their CC&Rs are not reflective of modern governance practices and the current requirements of the Act. This bill would lower the threshold for the superior court to approve amendments to the CC&Rs for Third Mutual of Laguna Hills to 37%, rather than the statewide 50%.

Arguments in Support: The Third Mutual of Laguna Hills writes in support: “AB 2035 offers a very precise approach designed to provide Third Mutual the opportunity to update our 38-year-old CC&Rs. It does so by lowering to 37% the affirmative vote required to petition the court for approval of the CC&R amendments. The bill sets the following criteria for an HOA to qualify for this provision:

- The development must be a senior citizen housing development
- There must be more than 6,000 separate homeowner interests
- More than 25% of the separate interests must be occupied by non-owner tenants
- The development’s CC&R declarations cannot have been amended in at least 35 years

In addition to updating Third Mutual’s CC&Rs to reflect statutory changes to the Davis-Stirling Act over the last 38 years, we wish to update our CC&Rs to reflect current circumstances reflective of modern technology and policy changes that have occurred over the decades, such as the introduction and use of electric vehicles and the correlating need for EV chargers.

AB 2035 is a fair and common-sense solution for Third Mutual of Laguna Hills to provide our homeowners with the ability to approve updated rules, and to provide the necessary and appropriate clarity and accountability with respect to our oversight and governance.”

Arguments in Opposition: None on file.

Double-Referred: This bill was also referred to the Assembly Committee on Judiciary where it will be heard should it pass out of this Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

Third Laguna Woods Mutual

Opposition

None on file.

Analysis Prepared by: Dori Ganetsos / H. & C.D. / (916) 319-2085