

Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Matt Haney, Chair

AB 2692 (Irwin) – As Amended March 19, 2026

SUBJECT: Common interest developments: reinstatement of terminated declarations: County of Los Angeles

SUMMARY: Allows a homeowner’s association (HOA) in Los Angeles County, until January 1, 2028, to reinstate a declaration via majority vote of all members. Specifically, **this bill:**

- 1) Establishes, notwithstanding any other law, a process to reinstate a terminated declaration for an HOA that expired pursuant to its stated term.
- 2) Authorizes reinstatement of the declaration upon approval of the HOA membership, as follows:
 - a) Requires approval by the percentage of HOA members specified in the declaration for extending its term; or
 - b) If no percentage is specified, requires approval by a majority of all HOA members.
- 3) Requires the reinstatement vote to be conducted in accordance with the Davis-Stirling Act (Act), the HOA’s governing documents, and other applicable law, and requires a reasonably diligent effort to allow all eligible members to vote.
- 4) Provides that reinstatement is effective only upon completion of specified steps, including:
 - a) Approval by the required percentage of members in 2);
 - b) Certification of that approval in a written, executed, and acknowledged document by the appropriate association officer; and
 - c) Recordation of the reinstated declaration in the county recorder’s office.
- 5) Requires the HOA to provide individual notice to all HOA members that includes a copy of the reinstated declaration, and a statement that the reinstated declaration has been recorded, within a reasonable timeframe of recordation.
- 6) Limits the applicability of these provisions to Los Angeles County.
- 7) Sunsets the reinstatement authority on January 1, 2028.
- 8) Makes legislative findings that a special statute is necessary due to the need to support rebuilding and prevent displacement in HOAs that were destroyed as a result of the 2025 Palisades and Eaton Fires.

EXISTING LAW:

- 1) Establishes the Act to govern the creation and operation of common interest developments (CIDs), including HOAs. (Civil Code (CIV) Section 4000 et seq.)
- 2) Defines a “declaration” as the recorded document that creates a CID and sets forth the covenants, conditions, and restrictions (CC&Rs) applicable to the development. (CIV 4135)
- 3) Provides that a declaration may be amended pursuant to the procedures specified in the declaration or as otherwise provided in the Act. (CIV 4270–4275.)
- 4) Requires approval of the HOA membership for certain amendments to the declaration, generally based on the percentage specified in the governing documents. (CIV 4270, 4275.)
- 5) Authorizes a court petition to approve amendments to a declaration when the HOA cannot obtain the required level of member approval, if specified statutory conditions are met. (CIV 4275.)
- 6) Requires that a declaration and any amendment be recorded in the county recorder’s office in order to be effective and enforceable. (CIV 4270)
- 7) Establishes election and voting procedures for associations, including requirements related to member voting, notice, and balloting. (CIV 5100 et seq.)

FISCAL EFFECT: Unknown.

COMMENTS:

Author’s Statement: According to the author, “AB 2692 provides a tailored legislative fix that will allow the members of the Via de la Paz HOA in Pacific Palisades to reinstate their expired CCRs. The bill specifies for reinstatement, approval is required by the percentage of members required to extend the term of their original declaration. If the declaration does not specify that percentage, the bill would require approval by a majority of all members. In the case of Via de la Paz, a 75% vote was required to extend the declaration.

AB 2692 is applicable to only the Los Angeles County and will be effective only one year until January 1, 2028. These limits are intended to ensure this bill’s provisions are only applicable to fire-affected HOAs in response to the 2025 wildfires. Additionally, reinstatement of the declaration requires the vote to be certified in writing and recorded with the county recorder’s office.

This bill is necessary to provide residents with certainty to move forward with their insurance claims and allow the board to take appropriate action, which they are currently not legally able to do.”

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 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 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.

Palisades and Eaton Fires: On January 7, 2025, two devastating wildfires, the Palisades Fire and Eaton Fire, both ignited in Los Angeles County. The Palisades Fire began in the Santa Monica Mountains, rapidly spreading across over 23,000 acres and destroying over 6,800 structures, primarily in the Pacific Palisades community of the City of Los Angeles.¹ The Eaton Fire ignited in Eaton Canyon near Altadena, burning more than 14,000 acres, destroying over

¹ <https://www.latimes.com/california/live/la-fire-updates-floods-mud-rain-closures-laguna-eaton-palisades>

9,400 structures.² Both fires were fully contained by January 31, 2025. Of the more than 16,000 homes and other structures destroyed, the vast majority were located in what is referred to as the wildland-urban interface, or WUI.³ The WUI is where human development meets or mixes with the undeveloped natural environment or wildlands.⁴

This Bill: The aforementioned wildfires in Los Angeles County have revealed a narrow but consequential gap in existing law governing CIDs, arising in the unusual circumstance where a development's CC&R's have expired pursuant to its own terms shortly before a disaster. Under the Act, declarations may be amended or extended by the HOA prior to expiration; however, existing law does not provide a mechanism to reinstate a declaration once it has terminated. In the rare case where a declaration expires without the HOA's knowledge, and a catastrophic event subsequently damages the property, the HOA may be left without a legally operative governance structure that is needed to coordinate rebuilding and disaster recovery.

The experience of a condominium association in Pacific Palisades illustrates this gap. There, a 107-unit development (Via de la Paz) lost a majority of its units in the 2025 wildfires, only to discover that its declaration had expired in January of 2024, approximately one year before the disaster. Of the 107 homeowners in the community, 101 voted to reinstate the governing documents, with four not voting, and two voting in opposition. A unanimous vote would be required to reinstate the CC&Rs without a legislative fix. Due to the inability of the CID to obtain unanimous consent, the community is unable to expend insurance funds or move forward with reconstruction. More broadly, the situation experienced in this condo community raises concerns about prolonged displacement of the residents and the potential long-term loss of housing in communities affected by disaster.

According to the author, compounding the crisis is the time-sensitive nature of recovery assistance. Some of the members of the CID were approved for a \$150,000, zero-interest, 30-year loan from Habitat for Humanity, as well as an additional \$300,000 from the Small Business Administration. Both programs require funds to be drawn down and construction to begin within strict post-disaster timelines, often within two years. If this recovery remains stalled in court or receivership or legally ambiguous territory, these families risk losing access to the funds designed to help them rebuild, turning temporary displacement into permanent loss.

This bill proposes a limited, targeted solution by establishing a statutory process to reinstate an expired declaration upon approval of the membership at the threshold required to extend the declaration, or, if unspecified, by a majority vote. This bill requires certification and recordation of the reinstated declaration and applies only in Los Angeles County, with a sunset date of January 1, 2028. While, ideally, CIDs would take proactive measures to prevent CC&Rs from expiring, in this instance, a retroactive measure may be necessary. In providing for this retroactive pathway, the bill seeks to restore governance to affected CIDs and allow communities to access funding, coordinate rebuilding, and determine their path forward following disaster-related losses.

² IBID.

³ <https://calmatters.org/environment/wildfires/2025/01/la-county-fires-wildland-urban-interface/>

⁴ IBID.

Arguments in Support: The Via De La Paz Association writes in support: “Our 107-unit condominium community was devastated in the fire, with over half of the units destroyed and the remaining units heavily smoke-damaged. As we began the recovery process, we discovered that our governing documents—Covenants, Conditions, and Restrictions (CC&Rs) originally recorded in 1974—had expired on January 1, 2024. Under current law, including the Davis-Stirling Common Interest Development Act, because the CC&Rs had already expired, there is no mechanism to reinstate them. We have sought judicial relief, and the courts have confirmed that they cannot provide the remedy we need. Our only avenue of relief is through this legislation.”

Arguments in Opposition: None on file.

Committee Amendment: The Committee may wish to consider the following amendment:

Sec. 2.

The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the need to prevent displacement and promote the rebuilding of common interest developments that were damaged or destroyed as a result of the 2025 Palisades and Eaton Fires in Los Angeles.

Related Legislation:

AB 2035 (Dixon) of this legislative session would allow 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%. AB 2035 passed this Committee with a 12-0 vote and is pending in the Assembly Committee on Judiciary.

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

REGISTERED SUPPORT / OPPOSITION:

Support

Via de la Paz HOA

Opposition

None on file.

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