

Date of Hearing: April 28, 2026

ASSEMBLY COMMITTEE ON JUDICIARY
Ash Kalra, Chair
AB 2692 (Irwin) – As Amended March 19, 2026

PROPOSED CONSENT (As Proposed to be Amended Adding an Urgency Clause)

SUBJECT: COMMON INTEREST DEVELOPMENTS: REINSTATEMENT OF
TERMINATED DECLARATIONS: COUNTY OF LOS ANGELES

KEY ISSUE: SHOULD HOMEOWNER ASSOCIATIONS IMPACTED BY THE 2025 LOS ANGELES COUNTY WILDFIRES BE PERMITTED TO REINSTATE LAPSED COVENANTS, CONDITIONS, AND RESTRICTIONS VIA A VOTE OF THE MAJORITY OF THE MEMBERS OF THE ASSOCIATION?

SYNOPSIS

Common interest developments, while managed by the board of their homeowner association, are principally governed by the terms of the Covenants, Conditions, and Restrictions (CC&Rs) adopted at the creation of the development. Given their critical importance, CC&Rs are designed to be difficult to amend, especially when compared to the operating rules for the association adopted by the board. However, some associations recognized that over time, changes to the CC&Rs may be necessary. Accordingly, seeking to encourage the entire homeowner association to come together and revisit the CC&Rs, some of these documents were originally drafted to include provisions invalidating the CC&Rs after a set period of time. While lapsed CC&Rs are never good for homeowner associations, the association can largely operate in their absence for short period of time. Unfortunately for one homeowner association in the Pacific Palisades, their CC&Rs lapsed immediately before the development was destroyed in the 2025 Palisades Fire.

Seeking to help this association, Via de la Paz condominium development, as well as any other similarly situated homeowner association impacted by the 2025 Los Angeles County wildfires, this bill adopts a process to revive lapsed CC&Rs absent a unanimous vote of the association members. The bill would permit an association to revive CC&Rs using the original vote threshold and have the CC&Rs rerecorded with the county. Recognizing that most homeowner associations should not let CC&Rs lapse, the bill is limited to Los Angeles County and sunsets in 2028. Proposed amendments adopt an urgency clause and correct a technical error in the findings authorizing a specific statute.

This bill is supported by the Via de la Paz Homeowner Association as well as the Community Associations Institute - California Legislative Action Committee. The proponents highlight the need to help the 107 families living in the Via de la Paz development access the insurance funds necessary to rebuild. This bill has no known opposition and was approved by the Committee on Housing and Community Development on consent.

SUMMARY: Permits homeowner associations impacted by the 2025 Los Angeles County wildfires to revive lapsed Covenants, Conditions, and Restrictions to aide in the rebuilding process. Specifically, **this bill:**

- 1) Provides that, notwithstanding any other law, a declaration within a covenant, condition or restriction of a common interest development that has terminated by operation of the provisions that set forth the initial term of the declaration may be reinstated if approved by the percentage of members required by the declaration for extending the term of the declaration, or by a majority of the members if no such percentage exists.
- 2) Requires that balloting on reinstatement be conducted in accordance with the governing documents, Davis-Stirling Common Interest Development Act, and any other applicable law.
- 3) Requires when conducting the balloting specified in 2) the homeowner association to conduct a reasonably diligent effort to permit all eligible members to vote.
- 4) Provides that a reinstatement of the declaration is effective after all of the following requirements have been met:
 - a) The reinstatement of the declaration has been approved by the percentage of members specified in 1);
 - b) Approval by the members has been certified in a writing executed and acknowledged by the officer designated in the declaration by the association for that purpose or, if no one is designated, by the president of the association; and
 - c) The declaration has been recorded in the county recorder's office.
- 5) Requires, within a reasonable time after the reinstated declaration is recorded, the association to deliver to each member, by individual delivery a copy of the reinstated declaration, together with a statement that the reinstated declaration has been recorded.
- 6) Limits the bill's applicability to Los Angeles County and makes the appropriate findings for a special statute.
- 7) Adopts an urgency clause.
- 8) Adopts a sunset date of January 1, 2028.

EXISTING LAW:

- 1) Establishes the Davis-Stirling Common Interest Development Act and provides for the rules and regulations governing the operation of a residential common interest development and the respective rights and duties of the homeowner association and its members. (Civil Code Section 4000 *et seq.*)
- 2) Requires homeowner association election ballots and two preaddressed envelopes with instructions on how to return ballots to be mailed by first-class mail or delivered by the association to every member no less than 30 days prior to the deadline for voting, and requires associations to use procedures used by California counties for ensuring confidentiality of vote by mail ballots, as specified. (Civil Code 5115 (c).)
- 3) For incorporated associations, requires a quorum at a meeting of members to be one-third of the voting power, represented in person or by proxy. Authorizes corporation bylaws to set a different quorum subject to specified restrictions. (Corporations Code 7512.)

- 4) Authorizes a homeowner association or member to 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 4275 (a).)
- 5) 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. (*Ibid.*)
- 6) Provides that the court may approve the amendment if it finds that:
 - a) Proper notice of the hearing was given;
 - 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;
 - f) 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. (Civil Code Section 4275 (c).)
- 7) Requires that after recordation, the homeowner association must deliver a copy of the amendment to all members with notice that it has been recorded. (Civil Code Section 4275 (g).)

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

COMMENTS: On January 7, 2025 the massive urban conflagrations in Los Angeles County destroyed huge swaths of the Pacific Palisades, Altadena, and Pasadena. Combined, the Palisades and Eaton Fires destroyed more than 11,000 homes in a matter of hours. Given that 36 percent of homes in California are located within a common interest development governed by homeowner associations, it is unsurprising that several common interest developments were destroyed during the fires. One highly unlucky homeowner association, Via de la Paz condominium development in Pacific Palisades, had its Covenants, Conditions, and Restrictions (CC&Rs) expire by their own terms right before the fire. Given that CC&Rs essentially serve as the homeowner association's "constitution," lacking valid CC&Rs made is virtually impossible for Via de la Paz to rebuild. This bill aims to assist that community, as well as any other similarly situated homeowner association impacted by the 2025 wildfires, restore their CC&Rs and commence the rebuilding process. In support of the bill, the author states:

The 2025 LA Wildfires wreaked havoc on our communities—destroying homes, threatening retirement assets and leaving neighborhoods paralyzed. While some have been able to begin the process of rebuilding, others remain stuck due to a legal barrier.

One specific condominium complex in Pacific Palisades discovered their governing documents—referred to as Covenants, Conditions and Restrictions (CCRs)—expired shortly

before the fires wiped out over half of their 107 units. Because of this minor and simple oversight, the complex is no longer legally bound together, which prevents the Homeowners Association (HOA) Board from taking any action, including voting to rebuild or sell. Residents have remained displaced for over a year. Despite the Board acquiring \$41 million in FAIR Plan insurance, the community is unable to spend this money on repairs without valid CCRs.

Many of the affected residents are retired adults on fixed incomes who inherited their homes and rely on them as retirement vehicles. Via de la Paz remains one of the few naturally affordable housing options in Pacific Palisades and preserving this community is critical to addressing California's housing shortage.

AB 2692 provides a tailored legislative fix to allow these fire victims to reinstate their HOA's expired CCRs. This bill is only applicable to Los Angeles County for one year until January 1, 2028, providing displaced residents with a narrow window to take appropriate action and move forward with recovery.

CC&Rs are the foundation of homeowner association governance. While homeowner association boards set the day-to-day guidelines governing the association, the CC&Rs are the bedrock rules for the association. The CC&Rs are originally established by an association's developer and essentially function as the "constitution" for a common interest development. 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. Accordingly, CC&Rs are designed to be difficult to change and often require amendments to address the changing needs of any given community that must be approved by at least a majority of *all* association members, not just those choosing to vote.

Recognizing that some CC&Rs will eventually need updates, in order to spur agreement between homeowners, some CC&Rs are drafted in a manner that triggers an automatic expiration date. The rationale behind such provisions is that if the association members know the documents will expire, they will be forced to revisit the CC&Rs and (hopefully) achieve consensus as to how the documents should be updated. However, if the CC&Rs are permitted to lapse by operation of their own terms, it becomes nearly impossible to manage the affairs of a homeowner association. While an association can likely sneak by without CC&Rs during normal operations, in the event of an emergency, the lack of a CC&R can cause significant problems.

The 2025 Los Angeles County Wildfires and the tragic situation facing the Via de la Paz homeowner association. As noted, thousands of homes were damaged or destroyed during the January 2025 wildfires that struck Los Angeles County. Unfortunately, 67 units within the Via de la Paz condominium development in Pacific Palisades were among them. Beyond the 67 units destroyed, several units in the surviving portion of the development suffered extensive water damage. Thankfully, the homeowner association maintained adequate insurance to rebuild following a wildfire. However, when seeking to access the insurance funds, it was discovered that the association's CC&Rs, originally adopted in 1974, had lapsed in 2024 by operation of their own terms.

Without valid CC&Rs in place, legally, the homeowner association does not exist and therefore cannot access its insurance funds. Further compounding the issue, because the vote thresholds to modify the original CC&Rs technically no longer applied, the association needed unanimous consent of all members to reinstate the lapsed CC&Rs. Although 101 of the 107 homeowners in

the development voted to readopt the CC&Rs, absent all 107 voting in favor, the CC&Rs remain lapsed and the insurance funds inaccessible.

This bill. Seeking to assist the residents of the Via de la Paz condominium development, and any other similarly situated homeowner associations impacted by the 2025 wildfires, this bill adopts a targeted process to reinstate lapsed CC&Rs absent unanimous consent of all homeowners. The bill would permit a vote of the members of an association to reestablish the CC&Rs using the *original* threshold from the lapsed CC&Rs or a fifty percent vote of the membership if no such threshold existed. If the vote is successful, the CC&Rs would be executed by the association board president and rerecorded with the county recorder. The new CC&Rs would be sent to all association members and would be binding as of the date of the execution of the documents. Seeking to limit the scope of the bill, the provisions apply only to Los Angeles County and are slated to sunset in 2028.

Proposed amendments adopt an urgency clause. Recognizing the need to quickly help the residents of Via de la Paz, the author is proposing to adopt an urgency clause to this measure. Proposed amendments also correct a minor grammatical error in the provisions of the bill declaring a special statute for Los Angeles County related to the 2025 wildfires.

ARGUMENTS IN SUPPORT: This bill is supported by the Via de la Paz homeowner Association as well as the Community Associations Institute - California Legislative Action Committee. In support of this bill the residents of Via de la Paz write:

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.

The urgency of this legislation cannot be overstated. The Association has already secured approximately \$43 million from the California FAIR Plan — the maximum available for reconstruction — and architectural plans have been submitted to the City of Los Angeles for plan check. Construction estimates are within approximately plus or minus \$7 million of available proceeds. The funds are in hand, the plans are ready, and the community is prepared to rebuild. Every month of continued delay imposes mounting costs on our displaced residents in temporary housing, storage, and living expenses that are steadily depleting their personal resources.

Critically, this is not a contested governance dispute. An overwhelming 103 of the Association's 107 unit owners (96 percent) have already voted in favor of reinstating the CC&Rs. AB 2692 would simply allow the community to formalize and implement what its members have already clearly and decisively endorsed. The legislation would not impose CC&Rs on an unwilling membership — it would give legal effect to a vote that has already been taken and already reflects the near-unanimous will of the community.

The human cost of continued inaction falls disproportionately on the most vulnerable members of our community. Via de la Paz is the largest condominium building in Pacific

Palisades and plays a critical role in the local housing landscape, where the median single-family home price exceeds \$3.5 million. Our community includes many elderly residents on fixed incomes and families with young children who have no realistic alternative housing options. Stan Sarwar faces the prospect of homelessness or returning to a contaminated unit. Bettina Comey, a 50-year resident of the building, is recovering from major surgeries while living on a relative's couch. Keri White has cycled through more than a dozen temporary rentals during this prolonged displacement. The repopulation of our complex is also vital to the small, locally owned businesses in the Palisades that are truly suffering during the rebuilding period. AB 2692 provides a practical, narrow, and time-limited solution to allow communities like ours to recover and rebuild. We cannot overstate the importance of this legislation to the 107 families in our complex and to the broader Palisades community. We strongly urge the Committee's support.

REGISTERED SUPPORT / OPPOSITION:**Support**

Community Associations Institute - California Legislative Action Committee
Via De LA Paz Homeowner Association

Opposition

None on file

Analysis Prepared by: Nicholas Liedtke / JUD. / (916) 319-2334