



- 7) Establishes election and voting procedures for associations, including requirements related to member voting, notices, and balloting.

**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 the declaration does not specify the percentage of members who must approve the extension of the declaration, a declaration may be reinstated if approved by a majority of all members.
- 3) Requires the reinstatement vote to be conducted in accordance with the Act, the HOA's governing documents, and any other applicable law. Requires a reasonably diligent effort to allow all eligible members to vote.
- 4) Provides that reinstatement of the declaration is effective after all of the following requirements are met:
  - 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.

**Background**

*Davis-Stirling Act.* The Act went into effect in 1986 and is the primary state law governing CIDs and HOAs 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 HOAs, including increased transparency, accountability, and consumer protections. Key provisions of the Act 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 the majority of new housing construction in California is part of an HOA, the Act plays a critical role in shaping the environment and governance of these communities and the tens of millions of residents who reside in them.

*CC&Rs.* CC&Rs are the legally binding documents that establish the rules, restrictions, and rights that impact all HOA members, 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 current owners to the governing documents, as well as any future owners of a separate interest. 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 a 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 reflects that majority approval threshold to allow for the reinstatement of a declaration to proceed.

## Comments

- 1) *Author's statement.* "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 oversight, the Homeowners Association (HOA) Board is legally prevented from taking any action, including voting to rebuild or sell. Residents have remained displaced for over a year as the Board sits on \$41 million in insurance funds that cannot be spent without valid CCRs. 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.”

- 2) *The Aftermath of the Eaton and Palisades Fires.* On January 7<sup>th</sup>, 2025, the devastating Eaton and Palisades Fires ignited in Los Angeles County. The Eaton Fire ignited in Eaton Canyon, near Altadena, burning more than 14,000 acres and destroying over 9,400 structures. The Palisades Fire began in the Santa Monica Mountains, rapidly spreading across 23,000+ acres and destroying over 6,800 structures, primarily in the Pacific Palisades community of the City of Los Angeles. By the time the fires were fully contained on January 31<sup>st</sup>, 2025, more than 16,000 homes and other structures were destroyed, the vast majority of which were located in what is referred to as the wildland-urban interface, or WUI. The WUI is where human development meets or mixes with the undeveloped natural environment or wildlands.
- 3) *Once the fires settled, next came more issues.* The 2025 L.A. fires have revealed a narrow, but consequential gap in existing law governing HOAs, arising in the unusual circumstance where a development’s CC&Rs 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. Further, if an association’s CC&Rs do not spell out a specific voter threshold to extend the declaration, it is assumed it must receive unanimous approval – something which virtually no HOA will ever render on any issue, let alone a big decision like deciding the renew the association’s declaration.

This issue bore out in an 107-unit condo development (Via de la Paz) in Pacific Palisades, which 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 HOA to obtain unanimous approval, 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 HOA were approved for a \$150,000, zero-interest, 30-year loan from Habitat for Humanity, as well as an additional \$300,000 from the federal Small Business Administration. However, 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, receivership, or legally ambiguous territory, these families risk losing access to the funds designed to help them rebuild.

4) *A targeted solution.* 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, HOAs 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 HOAs and allow communities to access funding, coordinate rebuilding, and determine their path forward following disaster-related losses.

5) *Double-referral.* This bill is also referred to the Senate Judiciary Committee.

### **Related/Prior Legislation**

AB 2035 (Dixon, 2026) — would allow a Superior Court Judge to approve amendments to the governing documents in an HOA, as specified, if the change is approved by 37% of the owners, rather than 50%, and the association took reasonable measures to obtain the sufficient voting threshold. *This bill will be heard in the Senate Housing and Judiciary Committees.*

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, June 3<sup>rd</sup>, 2026.)

**SUPPORT:**

CAI-CLAC

**OPPOSITION:**

None Received.

**-- END --**