

CONCURRENCE IN SENATE AMENDMENTS

AB 2692 (Irwin)

As Amended June 25, 2026

2/3 vote

SUMMARY

Authorizes a homeowners' association (HOA) in Los Angeles County to reinstate a declaration that has terminated if approved by the requisite number of members in the HOA. Contains an urgency clause.

Senate Amendments

Specify that the extension of the terms of the declaration shall be equal to the number of years of the initial term of the declaration or 20 years, whichever is less.

COMMENTS

Davis Stirling Common Interest Development Act: Common interest developments (CIDs) are governed by the Davis Stirling Common Interest Development Act (Act) along with the governing documents of the HOA (Covenants, Conditions, and Restrictions, or CC&Rs), including bylaws, declaration, and operating rules. 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.

Eaton and Palisades fires: Climate change continues to pose significant risks to California, including more extreme heat events, larger wildfires, prolonged droughts, flooding, and other climate-related impacts. In early January 2025, extremely dry conditions and high winds in Los Angeles resulted in two of the most destructive wildfires in state history. The Palisades fire, which started on January 7th, burned a total of 23,448 acres and damaged or destroyed almost 8,000 structures in the Pacific Palisades and Topanga State Park area of west Los Angeles.¹ The Eaton fire also started on January 7th. It consumed 14,021 acres and damaged or destroyed more than 10,000 structures, including significant portions of the city of Altadena.²

This bill: The fires in Los Angeles County revealed a narrow but consequential gap in existing law governing CIDs, 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.

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 specifies that the extension of the terms of the declaration made pursuant to this bill must be equal to the number of years of the initial term of the declaration or 20 years, whichever is less. This bill requires certification and recordation of the reinstated declaration and applies only in Los Angeles County, with a sunset

¹ CalFire: Palisades fire. <https://www.fire.ca.gov/incidents/2025/1/7/palisades-fire>

² CalFire: Eaton fire. <https://www.fire.ca.gov/incidents/2025/1/7/eaton-fire>

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.

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."

Arguments in Support

According to the Via de la Paz HOA, "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."

According to the Community Associations Institute's California Legislative Action Committee, "The bill provides a commonsense solution by creating a defined pathway for associations to reinstate a previously terminated declaration. By clarifying procedures and requirements, the bill helps ensure continuity of governance, avoids costly legal disputes, and protects both associations and individual homeowners from unintended consequences."

Arguments in Opposition

None on file.

FISCAL COMMENTS

Unknown. This bill is keyed non-fiscal by the Legislative Counsel.

VOTES:**ASM HOUSING AND COMMUNITY DEVELOPMENT: 12-0-0**

YES: Haney, Patterson, Ávila Farías, Caloza, Garcia, Kalra, Lee, Quirk-Silva, Ta, Tangipa, Wicks, Wilson

ASM JUDICIARY: 12-0-0

YES: Kalra, Bauer-Kahan, Bryan, Connolly, Dixon, Harabedian, Johnson, Pacheco, Papan, Sanchez, Lee, Zbur

ASSEMBLY FLOOR: 66-0-14

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bryan, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Patel, Patterson, Pellerin, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Ward, Wilson, Zbur, Rivas

ABS, ABST OR NV: Arambula, Bonta, Chen, Flora, Gallagher, Hart, Hoover, Irwin, Papan, Petrie-Norris, Celeste Rodriguez, Valencia, Wallis, Wicks

SENATE FLOOR: 37-0-3

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ABS, ABST OR NV: Alvarado-Gil, Richardson, Rubio

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