



2026 Edition

# NEW LEGISLATION FOR 2026 AND 2025 CASES HANDBOOK

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**Fiore Racobs & Powers**

A Professional Law Corporation

# The Recognized Authority In Community Association Law and Commercial/Industrial CID Law

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Fiore Racobs & Powers is honored to have earned the trust and confidence of our clients over the past five decades by providing quality legal services and guidance.

Fiore Racobs & Powers is a full-service law firm, providing complete representation of common interest developments including: CC&R and Architectural Enforcement, Governing Document Amendment, Corporate Counsel, Legal Opinions, Assessment Collection, Litigation, Appeals and General Legal Services.

Our Firm's ongoing mission is to "Provide quality legal services to our clients while setting the example for others to follow in the legal community. We are dedicated to the success of community associations through the practice of law, the education of our clients and industry professionals, and the advancement of public policy."

This handbook and other resources (including the Davis-Stirling Common Interest Development Act) are available for download on our website at [FIORELAW.COM](http://FIORELAW.COM).

We sincerely hope that you find this handbook useful.

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# NEW LEGISLATION FOR 2026 & 2025 CASES

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The Firm's Community Association Legal Webinar covering "New Legislation for 2026 & 2025 Cases" was held in November and December 2025. The following slides provide an outline of the legislation and cases affecting community associations, as presented at the webinar.

If you would like a link to the recorded webinar, please email Diane Weissberg, Manager of Client Relations, at [dweissberg@fiorelaw.com](mailto:dweissberg@fiorelaw.com).

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## COMMUNITY ASSOCIATION LEGAL WORKSHOP

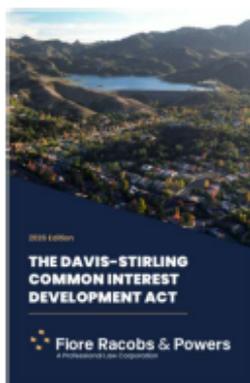
New Legislation for 2026  
& 2025 Cases

PRESENTED BY:



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### I. Updates to the Davis-Stirling Common Interest Development Act



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## AB 130. Committee on Budget Housing.

Effective July 1, 2025



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## AB 130. Committee on Budget Housing.

Amended Civil Code §§ 5850 and 5855

### Fine Penalties:

- Fines must be "reasonable"
- Maximum of \$100 per violation, with exceptions
- Late charges/interest not allowed on penalties
- Notice of discipline must be given within 14 days of the hearing



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## AB 130. Committee on Budget Housing.

### Health & Safety Exception:

- Higher fines allowed for violations with adverse health/safety impact on common area or another member's property
- Written findings specifying the adverse health/safety impact must be made in an open meeting



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## AB 130. Committee on Budget Housing.

### Opportunity to Cure a Violation:

- A member must have the opportunity to cure a violation prior to the disciplinary hearing
- No penalty can be imposed:
  - (1) if, by the time of the hearing, the violation was corrected; or
  - (2) curing the violation would take longer than the time between the notice and the hearing, and the member "provides financial commitment" to cure the violation



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## AB 130. Committee on Budget Housing.

### Civil Code § 714.3 (ADU & JADU Restrictions)

- Prohibits fees or other financial requirements for ADUs and JADUs
- As a result, HOAs are likely prohibited from imposing architectural fees and deposits for ADU or JADU projects



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## SB 410, Grayson. Common interest developments: association records: exterior elevated elements inspection.

Amends Civil Code §§ 4525, 4528, 5200, 5210 and 5551

- Adds the exterior elevated elements inspection report to the list of disclosures to be made available to a prospective purchaser and to the list of association records members have a right to inspect/copy
- Adds requirements for the exterior elevated elements inspection report



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## ***Inspection Reports Need to Also Include:***

- (A) The date of inspection
- (B) The total number of units in the condominium project
- (C) The total number of units in the condominium project with exterior elevated elements
- (D) The total number of exterior elevated elements in the condominium project
- (E) The total number of exterior elevated elements inspected
- (F) As of the stated date of inspection, the total number of inspected exterior elevated elements identified as posing an immediate threat to the safety of the occupants and the number of units impacted
- (G) A certification that the inspector has conducted a visual inspection and evaluated a statistically significant sample of the exterior elevated elements within the condominium project

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## **SB 770, Allen. Common interest developments: EV charging stations.**

### **Amends Civil Code §§ 4745**

- Section 4745 lists a series of conditions that, if an owner agrees to in connection with installing an EV charger on the common area or exclusive use common area, the Association is required to then approve installation of the EV charger.



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## SB 770, Allen. Common interest developments: EV charging stations.

- One of the conditions in the existing version of Section 4745 was that the owner agree to name the association as an additional insured on the owner's insurance policy.
- This additional insured requirement was removed from the list of conditions, easing the burden on an owner's ability to require an Association to approve installation of an EV charger on the common area or exclusive use common area.



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## SB 625, Wahab. Housing developments: disasters: reconstruction of destroyed or damaged structures.

### Adds Civil Code §§ 4752 and 4766

- Streamlines architectural approval for reconstruction of "substantially similar structures" after disasters
- CC&Rs provisions that prohibit (or have the effect of prohibiting) substantially similar reconstructions are void
- Adds a prevailing party legal fees provision



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## SB 625, Wahab. Housing developments: disasters: reconstruction of destroyed or damaged structures.

### Timelines for Architectural review:

- Determine if application is complete/incomplete and provide written notice of determination within 30 days
- Must review the proposed modifications within 45 days and provide approval or written comments/request for revisions
- If a complete application is noncompliant, must explain how it can be fixed within 30 days



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## SB 625, Wahab. Housing developments: disasters: reconstruction of destroyed or damaged structures.

- Caution – the 45-day deadline for providing approval or comments/ request for revisions does not automatically extend a CC&Rs provision stating that if an application is not approved or denied within less than 45 days, the application will be deemed approved.



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## Minor Changes to the Davis-Stirling Common Interest Development Act

### AB 1170: Maintenance of the codes.

- Civil Code § 5115(d)(2): "For an election of directors of an association, and in the absence of meeting a quorum as required ..."



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## Minor Changes to the Davis-Stirling Common Interest Development Act

### GRP-1: Governor's reorganization plan: reorganization of executive branch of state government.

- Dissolves the Business, Consumer Services, and Housing Agency and creates two new agencies, the *Business and Consumer Services Agency* and the *California Housing and Homelessness Agency* effective July 1, 2026
- References in Civil Code § 5405 were updated to reflect the updated agency names

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## II. Other California Legislation



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## SB 547, Pérez. Commercial property insurance cancellation and nonrenewal.

### Adds § 675.55 to the Insurance Code

- Existing law prohibited an insurer from canceling or refusing to renew a policy of residential property insurance for a property located within or adjacent to the fire perimeter for one year after the declaration of a state of emergency, with exceptions
- This bill extends that prohibition against cancellation or nonrenewal to a policy of commercial property insurance, including those for residential CIDs

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## SB 543, McNerney. Accessory dwelling units and junior accessory dwelling units.

- Tightens the timing and process for governmental review of ADU or JADU permit applications
- It makes it harder for Cities and Counties to bog down the application review



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## AB 1154, Carrillo. Junior accessory dwelling units.

- Amends Government Code § 66333 to remove the owner-occupancy requirement for JADUs with their own bathrooms
- Owner-occupancy is still required if the JADU shares a bathroom with the main house
- Local jurisdictions can also prohibit short-term rentals for JADUs and require rentals to be longer than 30 days



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## AB 1050, Schultz. Housing developments.

- Expands the ability of an owner of a commercial property located within a development that includes authorized and permitted residential uses to redevelop the commercial property into a housing development.



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## 2025 CASE LAW



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## Woolard v. Regent Real Estate Services, Inc. (2024) 107 Cal.App.5th 783.

- Tenants occupying one unit had an altercation (punching, kicking, stabbing) with the tenants occupying the neighboring unit.
- Litigation between the tenants ensued and one set of tenants filed a negligence cross complaint against the HOA and the HOA management company.



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## Woolard v. Regent Real Estate Services, Inc. (2024) 107 Cal.App.5th 783.

- The Court of Appeal ruled that the tenants failed to establish that the HOA owed the tenants a duty to stop/prevent the altercation.
- The opinion states:  

[W]e ... decline to recognize a new duty of care requiring a homeowners association or its management company to involve itself in disputes between homeowners outside the confines of the governing documents.

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## Woolard v. Regent Real Estate Services, Inc. (2024) 107 Cal.App.5th 783.

- The Court of Appeal noted that the HOA had properly responded to complaints about violations of its governing documents, which apparently consisted of letters to the landlord owners about violations of the governing documents by their tenants.



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## Bird Rock Home Mortgage, LLC v. Breaking Ground, LP (2025) 114 Cal.App.5th 492

- Bird Rock had the highest bid at the non-judicial foreclosure sale (on an HOA assessment lien).
- Under Civil Code Section 2924m, if the purchaser at the sale is not a prospective owner-occupant, there will be an extended bidding period after the sale



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## Bird Rock Home Mortgage, LLC v. Breaking Ground, LP (2025) 114 Cal.App.5th 492

- Breaking Ground made a higher bid during the extended bidding period and was deeded the property.
- Bird Rock sued everyone asserting Section 2924m did not apply to foreclosure of an HOA lien.
- The Court of Appeal ruled the foreclosure sale was conducted property and that Section 2924m did apply to extend the bidding period.



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## Ridley v. Rancho Palma Grande Homeowners Association (2025) 114 Cal.App.5th 788

- The common area crawl space underneath the Ridley unit flooded.
- The HOA took more than 19 months to remove the water and begin making repairs.
- Several experts opined that the cause of the water intrusion was an underground spring or abandoned well. The HOA ignored the advice of multiple experts and opted to try a cheaper fix that did not work.



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## Ridley v. Rancho Palma Grande Homeowners Association (2025) 114 Cal.App.5th 788

- While in the process of covering up a sinkhole that had developed in the residence, the construction workers accidentally found the underground abandoned well.
- Even by the time of the trial, six years after the initial flooding, the HOA had not restored the homeowners' unit to a livable condition.
- The CC&Rs contained an exculpatory clause limiting the HOA's liability, unless it was "grossly negligent."
- After a 67-day bench trial, the trial court found in favor of the owners on all claims.



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## Ridley v. Rancho Palma Grande Homeowners Association (2025) 114 Cal.App.5th 788

- The HOA failed to conduct a reasonable investigation and did not act in good faith.
- The HOA acted with gross negligence.
- Court of Appeal affirmed the lower court's decision.
- The court awarded damages for restoration costs, lost rent, utilities, and emotional distress, in addition to ordering the HOA to perform specified work to finally correct the continuing issues.
- Award included \$250,000 in punitive damages against the HOA and \$25,000 against the former President.



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## Calusian v. Alpine Meadows Homeowners Assoc. (2025 WL 999175).

- A tenant died in a garage fire while living in a condominium he and his family leased.
- The surviving family members sued the homeowner and HOA for negligence, premises liability, and wrongful death.



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## Calusian v. Alpine Meadows Homeowners Assoc. (2025 WL 999175).

- The HOA asserted it could not be held liable to the surviving family members since they were tenants, not owners. The HOA relied on cases tending to establish that tenants and other non-members do not have standing to pursue legal claims based on enforcing the CC&Rs, including cases about enforcing CC&Rs repair and maintenance provisions.

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## Calusian v. Alpine Meadows Homeowners Assoc. (2025 WL 999175).

- The Court of Appeal ruled that while the tenants could not pursue a claim based strictly on enforcement of the CC&Rs repair and maintenance provisions, the Association still owed a general duty to act with ordinary care in its management of the portions of the community for which the Association is responsible.
- Thus, the fact that the plaintiffs were tenants did not preclude the potential for the plaintiffs to establish the Association breached a general duty of care.



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## Slotkin v. Ten Five Sixty Wilshire Condo. Assoc. (2025 WL 258131).

- The condo development is a 108 unit building on the Wilshire corridor in Los Angeles.
- HOA purportedly ceased providing homeowner with bellman services.
- Homeowner sued the HOA and management for Breach of Contract and FEHA Violation.
- Court of Appeal held the Homeowner had adequately pled a claim for disability discrimination and sent the case back to the trial court level to be tried.



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## Rancho San Joaquin Homeowners Assoc. v. Aulisio (2024 WL 5114980).

- HOA filed 2 lawsuits against homeowner for delinquent assessments. HOA was awarded a money judgment in both lawsuits.
- Homeowner satisfied the money judgment for first lawsuit.
- Homeowner claims he mailed a check in the amount of \$16,432.89, but the check was never cashed.
- Check was never received by HOA, but homeowner contended that his debt was extinguished by the act of mailing the check.



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## Rancho San Joaquin Homeowners Assoc. v. Aulisio (2024 WL 5114980).

- Because HOA did not specify a particular method for how to send the check, the loss of the check in the mail was not HOA's fault, so homeowner lost this case.
- Be cautious when communicating how payments need to be made/delivered.



### Best Practice:

Provide a number of payment delivery options from which the debtor can choose.



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