

SENATE JUDICIARY COMMITTEE
Senator Thomas Umberg, Chair
2025-2026 Regular Session

AB 1857 (Aguiar-Curry)
Version: June 15, 2026
Hearing Date: June 23, 2026
Fiscal: Yes
Urgency: No
ID

SUBJECT

Unlawfully restrictive covenants: grocery stores and supermarkets

DIGEST

This bill makes void and unenforceable a restrictive covenant that effectively prohibits or restricts the use of property as a grocery store or supermarket, if a grocery store or supermarket previously operated on the property and has ceased operations, and an approved restrictive covenant modification document has been recorded, and provides a process by which an interested party can record a restrictive covenant modification document, as specified.

EXECUTIVE SUMMARY

Food insecurity and food deserts are significant issue for California, particularly in low-income and minority communities. Exacerbating the problem are restrictive covenants that grocery store chains sometimes add to the properties they leave when they close a grocery store, as these restrictive covenants prohibit the property from being used as a grocery store after the grocery store has left. This anti-competitive behavior prevents communities previously served by the grocery store from getting another grocery store, and can create or exacerbate a food desert for the community the grocer is leaving. To help prevent this and combat food deserts, AB 1857 makes restrictive covenants that prohibit the operation of a grocery store on the applicable property unenforceable when the property was previously utilized as a grocery store, the owner plans to operate a grocery store or supermarket on the property, and a restrictive covenant modification document is recorded with the county recorder. AB 1857 also provides a process by which an interested party can submit a restrictive covenant modification document pursuant to these provisions for recordation by the county recorder.

AB 1857 is sponsored by the California Food and Farming Network and

Economic Security California Action, and is supported by a large number of nonprofits and social justice organizations. It is opposed by the California Business Properties Association.

PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Prohibits enforcement, against the owner of a housing development, of any covenants, conditions, restrictions, reciprocal easement agreements, or private limits on private or publicly owned land that restrict or prohibit the residential uses of the land, the number, size, or location of the residences that may be built on the property, or the number of persons or families who may reside on the property, if an approved restrictive covenant housing modification document has been recorded in the public record, as specified. (Civ. Code § 714.6(a).)
- 2) Authorizes the owner of a housing development to modify or remove a covenant restricting the number or size of the residences that may be built on a property or the number of persons who may reside on the property to the extent necessary to allow the housing development to proceed, by submitting a restrictive covenant modification document to the county recorder. (Civ. Code § 714.6(b)(1).)
- 3) Outlines the process for obtaining a modified covenant, in which the county counsel reviews for eligibility the covenant modification document submitted by the owner, and approves if eligible. Requires the county recorder to submit the modification document and accompanying documentation received with the application to the County Counsel within five business days of when the county recorder received them. Requires the County Counsel to determine within 15 days whether the restrictive covenant document restricts the property by residences or residents as specified in (1), whether the owner has shown that they qualify as a housing developer, whether any required notice has been provided, whether an exemption applies to the restrictive covenant, and whether the restrictive covenant may no longer be enforced against the owner applicant. (Civ. Code § 714.6(b)(2).)
- 4) Permits an owner who requested a restrictive covenant modification, upon notification that the county counsel has approved the modification document, to mail by certified mail the modification document, a copy of this section, and a written explanation of the modification and if it was approved to anyone whom the owner knows has an interest in the property or the restrictive covenant, or who may publish a notice of the approved modification. Specifies that notice shall be deemed to have been given if the notice is actually received by the interested party or is mailed to them as specified, or in the case of a published notice, to anyone whose interest does not appear of record or for whom no mailing address is available or reasonably ascertainable. (Civ. Code § 714.6(b)(2)(D).)

- 5) Provides that a restrictive covenant invalidated under this section will be enforceable if the property in question is utilized in a manner that violates the terms relating to housing, and provides a process through which a city or county may provide notice of a violation of the terms of this section relating to affordable housing when an owner who obtained a covenant modification under this section fails to utilize the property for housing. (Civ. Code § 714.6(b)(4)-(5).)
- 6) Requires any party that is deemed to have been given notice that wishes to file a suit challenging the validity of a restrictive covenant modification document described upon to file the suit within 35 days of receiving notice, and provides that, in any suit to enforce the rights provided by this section or to defend against any suit filed against those rights, a prevailing owner will be entitled to recover litigation costs and reasonable attorney's fees. (Civ. Code § 714.6(d).)
- 7) Defines, for the purposes of the sections above, the term "restrictive covenant" to mean any recorded covenant, condition, restriction, or limit on the use of private or publicly owned land contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of any interest that restricts the number, size, or location of residences that may be built on the property, or that restricts the number of persons or families who may reside on the property. (Civ. Code § 714.6(j).)
- 8) Authorizes the appointment of a county counsel by a county board of supervisors and vests the county counsel with the duties of a public prosecutor. (Gov. Code §§ 27640 et seq.)
- 9) Authorizes a county counsel to represent and advise the officers and employees of special districts organized within the county and to have exclusive charge and control of all civil actions and proceedings in which special districts or their officers or employees are concerned or are parties, as specified. (Gov. Code § 27645.)
- 10) Provides that specified notices must be published, as specified, in a newspaper of general circulation for the period prescribed, the number of times, and in the manner provided. (Gov. Code § 6060.)
- 11) Provides that any property owner of a property subject to an unlawfully restrictive covenant based on race, color, religion, sex, familial status, marital status, disability, national origin, or ancestry may submit for recordation a document striking out the unlawfully restrictive covenant. (Government Code Section 12956.1.)

This bill:

- 1) Makes various findings and declarations regarding food insecurity, restrictive covenants that prohibit the use of commercial property for food retail purposes, and the systemic barriers to food access.
- 2) Makes any covenant, restriction, or condition contained in any deed, contract, security instrument, lease, or other recorded or unrecorded instrument affecting the transfer or sale of any interest in real property that effectively prohibits or restricts the use of that property as a grocery store or supermarket void and unenforceable against an interested party if:
 - a) a grocery store or supermarket previously operated on the property, and has ceased operations, or is no longer in actual operation within a commercial project or shopping center; and
 - b) an approved restrictive covenant modification document has been recorded in the public record.
- 3) Permits an interested party to establish that an existing restrictive covenant is unenforceable by submitting a restrictive covenant modification document pursuant to Government Code section 12956.2 that modifies or removes any existing restrictive covenant language to the extent necessary to allow the grocery store or supermarket development to proceed. For this application, requires the interested party to submit to the county recorder a copy of the original restrictive covenant and any documents the interested party believes necessary to establish that a grocery store or supermarket previously operated on the property, which may include business license records, health department permits, Alcoholic Beverage Control Act license records, or county assessor records.
- 4) Requires the county recorder to submit the documentation and modification document provided by the interested party to the county counsel within five business days, and requires the county counsel to determine whether the original restrictive covenant restricts the property in the prohibited manner, whether the interested party has submitted documents sufficient to establish that the property qualifies as a grocery store or supermarket development, whether any notice required has been provided, whether any exemption applies, and whether the restriction may no longer be enforced against the interested party.
- 5) Requires, pursuant to Government Code section 12956.2, the county counsel to return the documents and inform the county recorder of their determination within 15 days of submission to the county counsel, and requires the county counsel to specify the documentation that is needed in order to make a determination if they are unable to do so. If the county counsel authorizes the county recorder to record the modification document, requires the authorization to be noted on the face of the modification or on a cover sheet, and requires the county recorder to notify the

interested party or submitting party of the county counsel's determination without delay.

- 6) Permits an interested party, upon notification that the county counsel has authorized the modification document to be recorded, to mail by certified mail a copy of the modification document and a written explanation of the modification and its approval to anyone who the interested party knows has an interest in the property or the restrictive covenant. Deems the notice given if it is actually received and is mailed by certified mail to any address for notice on the restrictive covenant and the recipient's address, and also permits the interested party to publish the notice pursuant to Government Code section 6061, as specified.
- 7) Prohibits the county recorder from recording the modification document if the county counsel finds any reason why the modification document is not appropriate under the terms of these provisions.
- 8) Requires the modification document to be indexed in the same manner as the original restrictive covenant being modified, and to contain a recording reference to the original restrictive covenant, as specified.
- 9) Specifies that, if an interested party causes to be recorded a modification document that is not authorized by these provisions, the county shall not incur liability for recording the document, and that the liability that may result is the sole responsibility of the interested party who submitted the unauthorized modification document for recordation.
- 10) Specifies that a restrictive covenant that was invalidated pursuant to these provisions shall become enforceable while the property subject to the restrictive covenant modification document is utilized in a manner that violates these provisions, and permits the city or county, after notice and an opportunity to be heard, to record a notice of that violation. Permits the interested party to apply for a release from this notice if they comply with these provisions.
- 11) Permits the county recorder to charge a standard recording fee to an interested party who submits a modification document pursuant to these provisions.
- 12) Specifies that its provisions only apply to restrictive covenants that restrict or prohibit the use of the property as a grocery store or supermarket.
- 13) Provides that any suit filed by a party deemed to have been given notice that challenges the validity of the restrictive covenant modification document must be filed within 60 days of the notice. Specifies that, in any suit to enforce the rights provided by these provisions or filed against them, a prevailing interested party and

any successors or assigns are entitled to recover litigation costs and reasonable attorney's fees, as specified.

- 14) Provides that for restrictions that are otherwise compliant with all applicable laws, this bill does not invalidate local building codes, fire codes, health and safety regulations, or other rules regulating commercial uses of property, including, but not limited to, any of the following:
 - a) the size, height, setback, or design of commercial structures;
 - b) parking, traffic circulation, loading, or access requirements;
 - c) signage, lighting, noise, or hours of operation; and
 - d) health department permitting, food safety, or sanitation requirements applicable to food retail establishments.
- 15) Clarifies that nothing in this bill is to be interpreted to authorize any use of property that is not otherwise consistent with the local general plan, zoning ordinances, and any applicable specific plan, conditional use permit, or other land use entitlement that applies to the property, and that nothing in this bill exempts a grocery store or supermarket from obtaining any permit, license, or approval otherwise required by state or local law.
- 16) Provides that the bill is not to be construed to invalidate or render unenforceable, any of the following:
 - a) an exclusive-use provision, radius restriction, or similar covenant contained in a lease or sublease between a landlord and a tenant, to the extent that the provision restricts the landlord from leasing other premises within the same commercial project or shopping center to a competing grocery store or supermarket, provided that at least one grocery store or supermarket is in actual operation within the commercial project or shopping center at the time enforcement of the provision is sought;
 - b) a covenant or restriction that limits the number of grocery store or supermarket tenants within a single commercial project or shopping center, but does not prohibit all grocery store or supermarket use of the property, provided that at least one grocery store or supermarket is in actual operation within the commercial project or shopping center at the time enforcement of the provision is sought;
 - c) a covenant or restriction that limits the number of grocery store or supermarket tenants within a single commercial project or shopping center, but does not prohibit all grocery store or supermarket use of the property; or
 - d) a covenant, condition, or restriction that relates to purely aesthetic objective design standards, fees or assessments for the maintenance of common areas, or other obligations that do not have the purpose or effect of prohibiting or restricting the use of the property as a grocery store or supermarket.

17) Clarifies that any covenants invalidated by this bill are not to impact otherwise lawful covenants applying to the property.

18) Defines, for the purposes of its provisions, the following:

- a) “grocery store” or “supermarket” to mean a retail store in this state that sells a broad range of perishable and nonperishable household food products for offsite consumption, such as fresh meat, poultry, and seafood, fresh produce, dairy products, frozen foods, canned foods, dry foods, baked goods, and beverages;
- b) “interested party” to mean any of the following:
 - i. the owner or current lessee of the property;
 - ii. a person or entity that holds a right to acquire the property under an option agreement, purchase and sale agreement, or similar agreement;
 - iii. a person or entity that has submitted a complete application for a business license, conditional use permit, or other land use entitlement to a city or county for the purpose of operating a grocery store or supermarket; or
 - iv. a party under contract to lease the property for the purpose of operating a grocery store or supermarket.

COMMENTS

1. Author’s statement

In support of this measure, the author states:

When a grocery store closes and leaves behind a restrictive covenant, it blocks another grocery store from operating in that space for years or even decades. Any new store looking to move into an area would have to start completely from scratch instead of being able to take advantage of existing infrastructure. As a result, communities can lose access to a full-service grocery store, or residents are forced to rely on smaller stores that often lack the capacity to provide fresh produce and other healthy foods. Smaller stores stock fewer healthy options at higher prices, contributing to poor nutrition and higher consumer costs. Given that nearly 3 million low-income Californians live in food deserts, this practice undermines food access, affordability, and community health. AB 1857 provides mechanisms to remove restrictive covenants that prevent new grocery stores from opening, helping reduce food deserts and restore access to healthy, affordable food in communities across California.

2. Food deserts and food insecurity are a major problem for California communities

Food insecurity, which is the limited, uncertain, or inconsistent access to food necessary for a healthy life, is a major problem in California. Estimates suggest that 22 percent of California households experience food insecurity, with higher rates experienced by households with children and low-income households.¹ Some estimates find that 47.2 percent of low-income California adults experience food insecurity.² Food insecurity also disproportionately affects people of color.³ Food insecurity has significant negative impacts on an individual's health, as well as children's physical development and health outcomes, as well as on educational and economic outcomes.⁴

One major contributor to food insecurity is food deserts. A food desert is defined by the U.S. Department of Agriculture (USDA) as an area where people live more than one mile from a grocery store or supermarket in urban areas, or more than 10 miles from one in rural areas.⁵ Food deserts predominantly impact low-income and racial and ethnic minority communities, and are correlated with areas of historic redlining and segregation.⁶ In 2015, the USDA estimated that 2.7 million Californians lived in low-income food deserts.⁷

When a person lives in a food desert, they have less access to affordable healthy food, and often must instead rely upon vendors of highly processed foods like liquor stores, or they must spend more time and money traveling to obtain healthy food. If an individual does not have a car and easy public transportation does not exist, they may be forced to rely upon the highly processed food options in their neighborhood. These options are often more expensive and are less fresh and healthy, and are often associated with higher rates of chronic health issues like heart disease, diabetes, stroke, and certain cancers.⁸

¹ Ca. Assoc. of Food Banks, "Food Insecurity Data," (accessed Jun. 7, 2026), <https://www.cafoodbanks.org/food-insecurity-data/>.

² Center for Health Policy Research, "Food Insecurity," UCLA (accessed Jun. 7, 2026), <https://healthpolicy.ucla.edu/our-work/food-insecurity>.

³ Ca. Assoc. of Food Banks, *supra* note 1.

⁴ Center for Health Policy Research, *supra* note 2.

⁵ Alana Rhone & David Marquardt, "Food access research atlas – State-level estimates of low income and low access populations," Economic Research Svc., U.S. Dept. of Ag. (Sept. 2015), <https://www.ers.usda.gov/data-products/food-access-research-atlas/state-level-estimates-of-low-income-and-low-access-populations>.

⁶ Chelsea Singleton et al, "Structural racism and geographic access to food retailers in the United States: a scoping review," *Health & Place* Vol. 83 (2023), available at <https://www.sciencedirect.com/science/article/pii/S1353829223001260>.

⁷ *Id.*

⁸ Sara Berg, "What doctors want patients to know about ultraprocessed foods," American Medical Assoc. (Nov. 8, 2024), <https://www.ama-assn.org/public-health/prevention-wellness/what-doctors-want-patients-know-about-ultraprocessed-foods>.

There are a number of contributors to food deserts. One is a lack of investment in communities, particularly underserved, low-income communities. In recent years, consolidation in the grocery store industry has exacerbated this affect and led to less choice for consumers. It has also resulted in major grocery store chains closing local stores to centralize operations at one or a few stores. To ensure that a competitor does not fill the space left by the grocer when they close, some grocery store chains are adding restrictive covenants to the properties they leave that prohibit the property from being used as a grocery store. This anti-competitive behavior prevents communities previously served by the grocery store from getting another grocery store, and can create or exacerbate a food desert for the community the grocer is leaving.

3. Restrictive Covenants and their discriminatory history

Restrictive covenants are legally binding restrictions within real property deeds that limit the property owner's use of the land. Restrictive covenants can require that any development on the property follow certain architectural styles, limit the types of uses or development on the property, or even limit the number of people who may reside on the property. Thus, a covenant is essentially an agreement of the property owner or purchaser not to use their property, or to only use their property, in certain ways, to the benefit of adjacent or surrounding properties. Such covenants are recorded with the real property deed and "run with the land," as in they can remain on the property's title through successive owners. These restrictions can then be enforced through legal action by anyone who has an interest in the compliance with the covenant, such as a neighboring property owner.

Historically, restrictive covenants have been used in California and throughout the nation to exclude and discriminate against minorities. In the most explicit examples, covenants prohibited non-white owners from purchasing or owning a property throughout entire neighborhoods. Such racially-restrictive covenants were promoted and encouraged by the Federal government through the process of "red-lining" sections of cities as too risky for underwriting mortgage guarantees and giving higher loan scores to properties that included racially-restrictive covenants.⁹

The United States Supreme Court eventually ruled that such covenants were unenforceable because they violated the Equal Protection Clause of the Fourteenth Amendment. (*Shelley v. Kramer* (1948) 334 U.S. 1.) Yet these covenants still exist in many housing deeds, even though they are unenforceable. Recognizing this, a process was created in state law through which a property owner can remove a discriminatory covenant from the title of their land. (Gov. Code § 12956.2.)

⁹ Farrell Evans, "How Neighborhoods Used Restrictive Housing Covenants to Block Nonwhite Families," History (Dec. 15, 2022), <https://www.history.com/news/racially-restrictive-housing-covenants> (accessed on Jun. 25, 2025).

However, as racially-restrictive covenants were banned, developers and neighborhood associations found other ways to subvert the *Shelley* ruling. Many developers and homeowners associations began adopting covenants that restricted the number or size of the residences that may be built on a property, or that restricted the number of persons who may reside on the property. Although race-neutral on their face, these covenants had the practical effect of maintaining white, single-family neighborhoods in California's affluent suburban communities.

4. AB 721's restrictive covenant modification process

To combat the negative effects that covenants restricting residential density have on the production of affordable housing, the Legislature passed AB 721 (Bloom, Ch. 349, Stats. 2021). Under AB 721, any covenants, conditions, restrictions, or private limits on private or publicly-owned land that restrict the number or size of the residences that may be built on the property, or that restrict the number of persons who may reside on the property, would be unenforceable against a property owner developing the land for housing composed exclusively of affordable units.

To facilitate that end, AB 721 allowed an affordable housing developer to request the county recorder remove the covenant from the property deed, using much the same process that property owners can currently use to remove discriminatory restrictive covenants. An owner of an affordable housing project must first submit a covenant modification document to the county recorder, who then has five business days to submit the documentation and modification document to the county counsel for review. The county counsel is required to determine if the request for modification meets the requirements under AB 721 to have the covenant removed within 15 business days of receiving the documents from the county recorder. If it does, the county recorder notifies the owner so that they may provide notice to interested parties, and records the modification.

The AB 721 process was recently amended by a number of bills that expanded its scope to include all proposed housing developments for property that restricts the building or density of housing and to include restrictive covenants on commercial property that restrict or limit the construction of housing (AB 1050 (Schultz, Ch. 504, Stats. 2025)). A variety of other state statutes similarly limit restrictive covenants that limit a property owner's ability to install solar panels or accessory dwelling units, among other things.

5. AB 1857 proposes to utilize the restrictive covenant modification process for covenants that restrict the operation of grocery stores

AB 1857 proposes to use a process similar to the process created by AB 721 to allow the removal of a restrictive covenant that restricts a property's use as a grocery store when that property was previously used as a grocery store. It would permit the current owner or lessee of the property, a person or entity that holds a right to acquire the property, a

person that has submitted an application to operate a grocery store, or a party under contract to lease the property as a grocery store, to submit a restrictive covenant modification document and documentation showing that a grocery store previously operated on the site. The county recorder would then have to provide this documentation to the county counsel within five days to determine whether a restrictive covenant exists, that the property is being used as a grocery store, and that the other requirements are met.

The county counsel would have to inform the county recorder of their determination within 15 days. If the county counsel is unable to make a determination, they must specify the documentation needed in order to make the determination. If the county counsel authorizes the county recorder to record the modification document, the recorder will record the document and notify the owner. The owner would then be required to provide notice of the modification to anyone whom they know has an interest in the property or the restrictive covenant.

AB 1857 also includes a variety of enforcement provisions. It specifies that a restrictive covenant that was invalidated through a modification document becomes enforceable again if the property is not used for a grocery store, and permits a city or county to record a notice of violation if the property is not used for a grocery store, though the owner may apply to release this notice if they comply with the bill's requirements. In addition, AB 1857 permits a party with an interest in the property who was given notice of the modification to sue to challenge the modification within 60 days of that notice. In any such suit, a prevailing interested party is entitled to recover their litigation costs and reasonable attorney's fees.

6. Arguments in support

According to the California Food and Farming Network, which is the sponsor of AB 1857:

Restrictive covenants contained in deeds, leases, and other land-use documents prohibit the use of commercial property for food retail purposes, preventing food retailers from establishing at a site, and therefore operating as a private land-use barriers that reduce food access, limit consumer choice, suppress competition, create conditions for the high cost of food, and allow corporate entities to dictate the accessibility of food in a community. In some instances, these clauses leave communities without a grocery store for decades. For example, a Safeway in Vallejo closed and placed a restrictive covenant on the site, leaving the community without a grocery store for 15 years until the covenant expired and a Grocery Outlet was able to open, meaning some children in that neighborhood went their entire childhood without a grocery store nearby. Areas like these without immediate access to fresh foods are known as food deserts/food apartheid.

Corporate and consolidated grocers often use restrictive covenants to maximize their profits. As large grocery chains have merged and consolidated over the last fifty years, they have created profit incentives to close stores and place grocery restrictive covenants within property contracts that would restrict other food retailers from renting or leasing spaces associated with the property owners, often in the same plaza or vicinity. This way, consolidated grocers can force customers with cars to travel farther to their other store locations, bypass the operating costs of the now-closed store, and offer themselves a guarantee that competitor stores will fail to replace the presence of the store they have already closed. This and other anti-competitive tactics are used by consolidated grocers to maintain market control and charge consumers the highest prices possible.

AB 1857, which aims to ban and nullify the anti-competitive practice of grocery restrictive covenants, would begin to disrupt the creation of food deserts/food apartheid throughout California and ensure that a community's will to have a grocery store is not obstructed by private land use restrictions with no public benefit.

7. Arguments in opposition

According to the California Business Properties Association, which opposes AB 1857:

As drafted, AB 1857 would broadly invalidate privately negotiated commercial property agreements between businesses. Restrictive covenants, lease provisions, and other land use controls are common tools used by property owners and tenants to structure retail centers, secure financing, and maintain stable tenant mixes. By voiding these agreements, the bill would insert the state into routine business-to-business lease negotiations and disrupt longstanding contractual arrangements relied upon by property owners, developers, and retailers that are protected under Article 10 of the U.S. Constitution.

Additionally, the bill would apply to both recorded and unrecorded property instruments and defines "grocery store" broadly enough to create uncertainty for many types of retail businesses and shopping centers.

SUPPORT

California Food and Farming Network (co-sponsor)

Economic Security California Action (co-sponsor)

Acterra: Action for a Healthy Planet

Agricultural Institute of Marin

Alameda County Community Food Bank

Alchemist CDC

American Economic Liberties Project

Asian Pacific Islander Forward Movement
Californians for Disability Rights INC
Cameo Network
Casa Visco
Ceres Community Project
City of Escondido
Community Alliance With Family Farmers
End Child Poverty CA Powered by Grace
Faacts (food and Agriculture Action Coalition Toward Sovereignty)
Farm2people
Food Access LA
Food Bank of Contra Costa and Solano
Food Empowerment Project
Food for People
Foodshed Coop
Fresh Approach
Fullwell
Glide Foundation
Health Right 360
Institute for Local Self-reliance
Los Angeles Community Action Network
Los Angeles Food Policy Council
National Right to Food Community of Practice
Native American Environmental Protection Coalition (NAEPC)
Nextgen California
Nourish California
Nutrition and Fitness Collaborative of the Central Coast
Pesticide Action and Agroecology Network
Roots of Change
Sacramento Food Policy Council
San Diego Food System Alliance
San Diego Hunger Coalition
Second Harvest Food Bank of Orange County
Shalom Farms
Sierra Harvest
Sola Food Co-op
Techequity Action
Women Advancing Nutrition Dietetics and Agriculture (WANDA)
World Be Well Organization
Yolo Food Hub Network

OPPOSITION

None received

RELATED LEGISLATION

Pending Legislation:

AB 1385 (Petrie-Norris, 2026) permits an owner of a property subject to a restrictive covenant that limits the size or density of housing on the property and that is located in a county subject to the state of emergency declared by the Governor in January 2025 related to the Palisades Fire to record a restrictive covenant modification document making those restrictive covenants unenforceable. AB 1385 is currently pending before the Senate Appropriations Committee.

AB 782 (Quirk-Silva, 2026) narrows the housing developments that qualify for removing use restrictions on existing commercial property that restrict or limit residential housing on the property, by excluding a development project within a charter city that has a population of between 200,000 and 400,000, has a housing element that is in substantial compliance with the housing element law, and has issued a specified number of residential building permits, as specified. AB 782 is currently pending before this Committee and will be heard at the same hearing as this bill.

Prior Legislation:

AB 1050 (Schultz, Ch. 504, Stats. 2025) permitted owners of commercial properties who wish to redevelop the property to include residential units to utilize the existing legal process to remove restrictive covenants on the property that limit the number, size, or location of residences on the property or the number of persons or families who may reside on the property.

AB 911 (Schiavo, Ch. 750, Stats. 2023) amended the AB 721 process by creating an optional notice process whereby a property purchaser can provide notice to interested parties that they intend to remove the covenant, by creating a 35-day timeline for parties that received notice to file a lawsuit objecting to the covenant's elimination upon the providing of such notice, and by clarifying that affordable housing developers may request the covenant be removed before they have finalized a purchase of the property in question.

AB 1466 (McCarty, Ch. 359, Stats. 2021) required the county recorder of each county to establish a restrictive covenant program to assist in the identification and redaction of unlawfully restrictive covenants, and made other changes regarding the modification of unlawfully restrictive covenants.

AB 721 (Bloom, Ch. 349, Stats. 2021) made any recorded covenants, conditions, restrictions, or limits on the use of private or publicly owned land contained in any deed, contract, security instrument, or other instrument affecting the sale that restricts the number, size, or location of residences on the property or the number of persons or

families who may reside on the property unenforceable against the owner of an affordable housing development if an approved restrictive covenant affordable housing modification document has been recorded, and creates a process by which such a restrictive covenant affordable housing modification document may be approved by the county counsel and recorded.

PRIOR VOTES:

Assembly Floor (Ayes 72, Noes 0)

Assembly Appropriations Committee (Ayes 14, Noes 0)

Assembly Judiciary Committee (Ayes 12, Noes 0)
