

What's New in 23, 24, and 25… [and what may be coming in 26]

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DON’T SHOOT!!!!



New in ‘25

Electronic voting

Civil Code 5105

- **Notice requirements**
- **Technical requirements**
- **Members can opt out**
- **Governing document votes – can send documents electronically!**

New in ‘24

Purely virtual meetings

Civil Code 4926

- **Notice requirements**
- **Board meetings only**
- **Must give option of telephone participation**
- **All votes by roll call**
- **[Some tips on virtual meetings generally….]**

New in ‘24

Reduced Membership Quorum – Board votes only

Civil Code 5115(d)

- **Board votes only**
- **After failure to meet quorum “association” <u>may</u> announce a reconvened meeting at least 20 days later**
- **Reduced quorum is 20% (unless documents have a still lower quorum)**
- **WHO decides on the reduced quorum**
- **Tip – plan ahead**

The Corporate Transparency Act

[R.I.P.]

- **Back and forth**
- **Court challenges**
- **Pending congressional legislation**
- **Now, CTA not to be enforced against domestic corporations**

Appellate case 2023

Email DISCUSSIONS

Are OK

LNSU #1 v. Alta Del Mar Coastal Collection

- **Deliberation vs. Action**
- **Discussion without decision is not action**
- **HOWEVER…**
- **It's a bad idea**
- **AB 21 Seeks to overturn case… and there will be other bills**

Balcony Inspections

Civil Code 5551

- **Only applies to condominiums with 3+ attached units**
- **Only balconies, stairways, bridges OUTSIDE of main structure**
- **Only what is HOA responsibility**
- **Lots of over inspections, major renovations resulting**
- **Now, what about the REPORT? Who gets it?**

The Corporate Transparency Act

[R.I.P.]

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SB 9 and 10 – the death of HOAs? [no]

- **SB 9** – allows lot splits of lots 2,400 square feet or larger, and each lot to have 2 dwellings on it. Over the counter approval – no public hearings.
- Does NOT mention common interest developments
- Author issued public letter expressing her belief the law doesn't override CID CC&Rs.
- Planned developments should make sure their CC&Rs recite "single family" usage of lots.

- **SB 10** –allows cities and counties to establish special zoning areas to allow up to 10 units on a single lot
- Not mandatory, just permissive
- No reference to common interest developments – no override of private covenants is indicated in the law

Another reminder that housing supply is a high [if not the highest] priority in Sacramento



COMING ATTRACTIONS

WHAT'S IN DISCUSSION IN 2025… and maybe Coming in 2026

Topics in discussion

AB 21 – "We don't trust HOA governance"

AB 739 – Require HOA managers to hold broker license

SB 410 – Civ. 5551 ("balcony inspection") reports disclosure

SB 546 – repeal Civ 5501 (requiring financials review by entire Board)

SB 770 – remove requirement that EV charging station owner name HOA as insured

SB 625 – protects rebuilding of destroyed homes in HOA

SB 282 – protects right to install heat pumps in HOA

SB 677 – bans prohibition on "urban lot splits"

Amending Governing Documents (or even reviving an expired HOA)

- Don’t do it yourself.
- Avoid controversial amendments
- Participation is the problem

- Court assistance –
  - CC&Rs – 51% of owners say “yes”
  - Bylaws – for “good cause”

- Treat it like a political campaign
- Educate the community – abstentions = nays

- Reviving an expired HOA

Disciplinary Hearings

- Give notice at least ten calendar days of the hearing
  - Cite the rule or CC&R violated it yourself
  - Note – in closed session
  - Member has the right to attend at the noticed time and place.
- The Hearing -
  - Give the member a reasonable but not unlimited time to speak
  - Attorneys should not be involved
  - The complaining party should not be present
  - Don’t argue or deliberate in front of the member
  - You CANNOT suspend voting rights
- After the hearing –
  - Notice in writing no later than 15 days after the hearing
- Failure to comply with notice requirements – Discipline is VOID

When disaster strikes

- Don’t be too quick to hire public adjustors
- If somebody is rushing you, resist…
- Triage the immediate vs. the eventual
- Review your insurance policy – get coverage counsel if necessary
- Check your governing documents
- Get expert design help
- Project manager
- Develop a communication plan
- Be realistic
- Watch for carpetbaggers and other opportunists

Thanks RPVCHOA for having me!

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