## 2026 GAD Report

Legislative Update

AB 739 (Jackson) Homeowner Association (HOA) Management Fee Transparency – As introduced, C.A.R. supported AB 739, which would have required HOA managers to obtain and maintain a real estate license. The bill was amended to remove that provision and now seeks to require greater transparency and disclosure from HOA management companies about the fees and charges the HOA management companies are charging the HOA boards and effectively the HOA members. C.A.R continues to support the bill as such transparency improves the HOA's ability to evaluate the services of the HOA management companies. AB 739 passed out of the Assembly and is now awaiting referral to the appropriate committee in the Senate.
Position: Support

AB 939 Housing Development: density bonuses- AB 939 would sharply limit homeownership and wealth-building by imposing restrictive resale rules on deed-restricted housing. These changes would disproportionately harm communities already facing barriers to homeownership and eliminate future ownership opportunities created under the Density Bonus law. C.A.R. opposes AB 939 because it undermines existing law that was sponsored by C.A.R. in 2023 to ensure owner occupants have a chance at buying pricecontrolled homes. If enacted, AB 939 eliminates seller and buyer representation in deedrestricted home sales, favoring developers who lock families into restrictive purchase contracts, ensuring owner occupants can never fully own the home they have paid for and maintained during their term of homeownership. It allows nonprofit entities to control transactions without licensing or fiduciary duties, creating risks of predatory lending and unfair sales practices that would not be allowed in unrestricted housing. Centralizing control in perpetuity of these homes with nonprofit corporations, weaken property rights, deny buyer representation, and effectively turn ownership into long-term leasing with financial windfalls being returned to the holder of the deed restriction upon resale. AB 939 was passed out of the Assembly and is pending referral to a committe in the Senate.

Position: Oppose

AB 1406 (Ward) Attached residential condominium sales: liquidated damages- C.A.R strongly opposes AB 1406, as amended earlier this year, this bill would have more than tripled the statutory cap on liquidated damages in transactions where a buyer is purchasing a newly constructed owner-occupied condominium from a developer. The cap
would have increased from 3 to 10 percent of the purchase price. The bill was heard on January 13, 2026, in the Assembly Judiciary Committee, where it passed with very slim margins and has subsequently been amended twice after that. The amendments now decrease the proposed cap from 10 to 6 percent of the purchase price. C.A.R. continues to
oppose AB 1406 because it dismantles strong, long-standing consumer protections for buyers, putting their savings — life-changing sums of money — at risk for developers' stated purpose of utilizing the funds to help finance the condominium project. C.A.R. issued a Red Alert on AB 1406. The bill passed by one vote in the Assembly and is now pending referral in the Senate.
Position: Oppose

Federal
Shutdown Ends, Government Funded for the Year
The brief partial federal government shutdown has come to an end. Congress has now passed a funding package, and the President has signed it into law, providing full-year funding for most federal agencies through the end of the fiscal year on September 30. Importantly for REALTORS®, this includes continued funding for key housing-related programs and agencies such as HUD and the National Flood Insurance Program (NFIP), minimizing any disruption to housing, lending, and real estate transactions.

The only exception is the Department of Homeland Security (DHS), which received a short-term funding extension as negotiations continue around immigration enforcement policy. While that discussion remains ongoing, the broader takeaway is that the rest of the federal government is now funded for the remainder of the year, significantly reducing uncertainty and avoiding prolonged impacts to housing programs, economic reporting, and federal services.