

ARTICLE:**AB 130'S NON-CEQA HOUSING AMENDMENTS:
BRINGING TO LIFE CALIFORNIA'S ABUNDANCE
AGENDA**

*By Carolyn Nelson Rowan**

On June 30, 2025, Governor Newsom signed Assembly Bill 130¹ (“AB 130”) into law in service of California’s “Abundance Agenda.” As previously discussed at length in the September issue of this publication,² budget bills AB 130 and Senate Bill 131³ included significant California Environmental Quality Act (“CEQA”) reform, with the goal of improving affordability and accelerating the construction of needed housing.⁴

At the same time, AB 130 also made a number of additional and important changes to state housing laws, including the Housing Crisis Act of 2019 (“SB 330”),⁵ the Housing Accountability Act (“HAA”),⁶ and the Permit Streamlining Act (“PSA”).⁷ AB 130 also froze residential building codes, added limitations with respect to local authority over and private restriction of accessory dwelling units, added new restrictions on mortgage servicers with respect to the exercise of a power of sale under a subordinate mortgage, imposed a cap on common interest development fees, and subjected two categories of previously “exempt surplus land” to the requirements of the Surplus Land Act, as well as making a number of other housing-related changes. All of these changes were similarly focused on improving housing access and affordability in the state. This article focuses on some of the more significant non-CEQA changes.

The article is broken into three parts. First, it will begin with a discussion of relevant background principles, including a basic explanation of housing law in California, the current housing crisis, and the emergence of the “Abundance Agenda.” Next, the article will walk through the various categories of non-CEQA amendments. Finally, the article will examine the implications of AB 130 and assess its ability to bring “California’s Abundance Agenda” to life.

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Background: California Housing Law, the Housing Crisis, and the Abundance Agenda

When Governor Newsom signed AB 130 and SB 131 into law, he described the bills as “transformative measures” that “bring to life . . . California’s Abundance Agenda.”⁸ What is “California’s Abundance Agenda,” exactly? Understanding basic housing law principles, the housing crisis, and the Abundance Agenda helps shed light on AB 130.

Basic principles of housing law in California

In California, housing is traditionally an area within local control. Land use regulations are derived from the police power reserved to the states by the Tenth Amendment of the U.S. Constitution, and the California Constitution, in turn, confers on cities and counties the power to “make and enforce within [their] limits all local, police, sanitary and other ordinances and regulations not in conflict with general laws.”⁹ As a general rule, “a municipality has broad authority, under its general police power, to regulate the development and use of real property within its jurisdiction to promote the public welfare.”¹⁰ That authority is not exclusive. The state has enacted comprehensive laws governing the development of property; however, cities and counties may enact legislation so long as it is not preempted by state or federal law.¹¹

Cities and counties are generally authorized to prescribe zoning standards and uses to carry out the Planning and Zoning Law.¹² Consistent with the focus on local control, historically, there were only a few limited exceptions where state law required particular uses to be restricted or permitted under local zoning ordinances.

Restriction of local discretion as the housing shortage became a crisis

For decades, California has built less housing than needed to keep pace with its population growth. Recently, California’s housing shortage has continued to worsen. According to the California Department of Housing and Community Development, over the last decade, housing production has averaged fewer than 80,000 new homes each year, far below the projected need of 180,000 additional homes annually.¹³ According to the Governor’s Office, between 2014 and 2019, unsheltered homelessness in California rose by approximately 37,000 people.¹⁴

Scholars and policymakers have attributed the shortage to a number of causes. One frequently cited reason is that many cities and counties, exercising their discretion over land uses, have adopted zoning ordinances that make it difficult and expensive to build new housing.¹⁵

In response to the worsening crisis, the Legislature turned its focus to state law solutions, restricting local discretion in some areas. For example, the state has imposed numerous mandatory allowances for various types of housing, mandated specific zoning restrictions in the coastal zone and timberlands, and largely governed local general plan housing elements and required zoning in conformity with those housing elements.¹⁶

The “Abundance Agenda” emerges

Enter the “Abundance Agenda,” which became more widely known this past year following publication of the book *Abundance*, by Ezra Klein and Derek Thompson.¹⁷ In *Abundance*, Klein and Thompson make a case that problems like insufficient housing, high housing costs, and inefficient infrastructure are caused by a “self-imposed scarcity,” which results from government regulations and bureaucracy that make construction more costly and difficult. The proposed solution is to focus on expanding the supply of goods and services and implementing regulatory reform.¹⁸

When he signed AB 130 into law, Governor Newsom expressly cited the “Abundance Agenda,” explaining: “For decades, barriers have stood in the way of progress, blocking the urgency that would allow the state to address housing scarcity and better provide Californians with what they need: affordability and greater housing access.”¹⁹ Thus, AB 130 was intended to remove regulatory hurdles that slow down or stand in the way of new and affordable housing in the state.

The following discussion unpacks the non-CEQA changes effectuated by AB 130 with the Abundance Agenda in mind.

Changes Effectuated by AB 130

In addition to the CEQA amendments set forth in AB 130 and SB 131, the budget bills include a number of changes relating to housing availability and affordability. Some of the more significant non-CEQA changes are discussed in detail below.²⁰

Provisions of Housing Crisis Act of 2019 (“SB 330”) now permanent

In 2019, the Legislature amended the Housing Accountability Act by enacting the Housing Crisis Act (also referred to as SB 330).²¹ SB 330 created a new process for housing development projects²² that significantly limits the ability of local governments to inhibit, delay, disapprove, or improperly condition housing projects that meet certain objective requirements.²³ Among other things, the law generally requires a local agency to hold a public hearing on an application and imposes a five-hearing limit for housing development projects that comply with objective general plan and zoning standards in effect on the date the application was deemed complete.²⁴ The city, county, or city and county must consider and either approve or disapprove the proposed housing development project at any of the five hearings, consistent with the Permit Streamlining Act. Prior to AB 130, these provisions were to remain in effect until January 1, 2034.²⁵

AB 130 removed the 2034 repeal date and makes these provisions permanent, locking in provisions designed to reduce bureaucracy and remove barriers that can stand in the way of development and therefore housing availability.²⁶

Freeze of Residential Building Codes until June 1, 2031

In California, construction must be done in compliance with building codes and standards promulgated by the state and adopted by local authorities. Traditionally, these requirements are imposed primarily by state law,²⁷ but are administered primarily through locally adopted building codes and standards that may include variations from the state-promulgated standards if those variations are “reasonably necessary” because of certain local conditions.²⁸ In other words, cities and counties have had broad discretion to deviate from the state residential building standards.

AB 130 imposes a freeze on residential building codes, including “residential reach codes” related to energy efficiency, until June 1, 2031.²⁹ In many cases, this will prevent local governments from amending residential building standards on the basis of localized conditions. This freeze took effect on October 1, 2025. There are narrow exceptions for home hardening (i.e., wildfire mitigation), emergency standards to protect health and safety, modifications similar to a modification filed before the freeze took effect, modifications necessary to implement a local code amendment that aligns with a general plan approved on

or before June 10, 2025, and that permits mixed-fuel residential construction while incentivizing all-electric construction, and other administrative modifications.³⁰ AB 130 also prohibits state agencies from adopting any novel building standard between October 1, 2025 and June 1, 2031.

Together, these amendments will help create a more consistent set of rules across jurisdictions and give developers certainty regarding applicable standards for several years to come.

Extension of Permit Streamlining Act protections to ministerial housing approvals

The Permit Streamlining Act (PSA) requires local agencies to compile lists that specify in detail the information that will be required from any development project applicant. Upon receipt of a development project application, a local agency has 30 days to determine whether the application is complete. If no incompleteness determination is made within 30 days, the project is deemed complete. If the local agency determines the application is incomplete, the applicant has an opportunity to resubmit. For purposes of the PSA, “development project” is defined broadly, but before AB 130, ministerial projects were excluded.

AB 130 removes the exclusion for ministerial projects, except for postentitlement phase permits, as defined. It also imposes a deadline for local agencies to approve or disapprove a ministerial housing development project within 60 days of receiving a complete application. An agency’s failure to meet this new deadline is a violation of the Housing Accountability Act. With those amendments, ministerial projects will move through the application process more quickly, cutting costs and speeding production of new housing.

Additional limitations with respect to local authority and private restrictions on ADUs and JADUs

AB 130 also imposes additional limitations on local agency authority and private restrictions with respect to accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs). The Planning and Zoning Law authorizes local agencies to provide for the creation of ADUs in single-family and multifamily residential zones, and JADUs in single-family residential zones, by ordinance, but in response to the worsening housing crisis, the Legislature has imposed restrictions on local agency authority with respect to ADUs and JADUs.³¹

In addition, state law specifies that a local agency must ministerially approve, in accordance with the statute, an application for a building permit to create an ADU within a single-family residential or mixed-use zone if the local agency has not adopted an ADU ordinance,³² or if the unit is contained within a single-family residence and meets other access and safety requirements³³ or other specified variations of ADUs or JADUs are proposed.³⁴ Local agencies are also prohibited from imposing any objective development or design standard or requiring correction of nonconforming zoning conditions on one of the specified variations of ADUs or JADUs, with some exceptions.³⁵ Until AB 130 was enacted, one of those exceptions was a “grandfather” provision, which allowed a local agency to impose objective design, development, and historic standards on such units, with the exception of requirements on minimum lot size, if the agency had adopted an ordinance by July 1, 2018, providing for the approval of ADUs in multifamily dwelling structures.³⁶

The applicable statutes have been amended frequently in recent years, often to further restrict local control, e.g., to limit the local agency’s authority to require “owner occupancy” of ADUs in some instances, and to specify timeframes for approval or disapproval by the local agency and provide the unit is “deemed approved” if the local agency fails to act within that timeframe.³⁷ State law also limits a local agency’s discretion by requiring the agency to allow the conveyance of an ADU separately from the primary residence when certain conditions are met.³⁸

The California Department of Housing and Community Development has authority to review local permitting and approval processes, including the ministerial review and approval provisions for ADUs and JADUs discussed above, and is required to notify the local agency or state attorney general where it finds the local agency is not in compliance with specified state-mandated permit processing and approval requirements.³⁹

Further, a relatively recent state law, which became effective January 1, 2022, limited the enforceability of private restrictions on ADUs and JADUs on lots zoned for single-family use.⁴⁰ Any such “recorded covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting the transferor sale of any interest in real property that either effectively prohibits or unreasonably restricts the construction or use of an [ADU] or [JADU] on a lot zoned for single-family use that meets [specific] requirements . . . is void and unenforceable,” as contrary to public policy.⁴¹ However,

reasonable restrictions that “do not unreasonably increase the cost to construct, effectively prohibit the construction of, or extinguish the ability to otherwise construct” an ADU or JADU consistent with other statutory requirements are allowed.⁴²

AB 130 continues the trend of limiting the types of public and private restrictions that may be placed on the use or construction of ADUs and JADUs by making two changes. First, AB 130 removes the “grandfather” provision for local agencies that had adopted an ordinance by July 1, 2018, providing for the approval of ADUs in multifamily dwelling structures. Those agencies may no longer impose objective design, development, or historic standards on such units.⁴³ With this change, all local agencies will be subject to the same rules prohibiting the imposition of additional ADU standards beyond state law requirements.

Second, with respect to private restrictions contained in a recorded deed, contract, security instrument, or other instrument affecting the transfer or sale of an interest in real property, AB 130 additionally specifies that fees and other financial requirements may not be considered reasonable restrictions.⁴⁴ By eliminating such fees, AB 130 helps cut some costs associated with constructing ADUs and JADUs.

New restrictions on mortgage servicers with respect to the exercise of a power of sale under a subordinate mortgage

AB 130 also creates new borrower protections with respect to the exercise of a power of sale under a subordinate mortgage. Existing law imposes a number of requirements that must be met before a power of sale under a mortgage or deed of trust may be exercised.⁴⁵ These requirements are intended to balance the interest of the trustor (i.e., borrower) by protecting against the wrongful loss of their property, and the interest of the beneficiary by providing for a quick, inexpensive, and efficient remedy for default. The statutory scheme is designed to ensure that a properly conducted sale is final between the parties and conclusive as to a bona fide purchaser.⁴⁶

The first step in the nonjudicial foreclosure process is the recordation of a notice of default and intent to sell.⁴⁷ The purpose of the notice of default is to inform the trustor of the default and the nature of the default so that the trustor has an opportunity to reinstate the secured obligation.⁴⁸ The form and contents are specified by statute.⁴⁹ A trustee can proceed with the notice of sale when at

least three calendar months have elapsed after the recordation of the notice of default.⁵⁰ The contents of the notice of sale are also specified by statute.⁵¹ In some instances, when a beneficiary wrongfully commences a nonjudicial foreclosure, a trustor may bring an action to enjoin a sale. Material violations may be enjoined, and any trustee's sale may be enjoined until the court determines the violations have been corrected.⁵²

Adding to this framework, AB 130 imposes additional borrower⁵³ protections with respect to subordinate mortgages encumbering residential real property, sometimes referred to as “zombie” second mortgages. It adds Civ. Code, § 2924.13, which defines unlawful practices in connection with a subordinate mortgage,⁵⁴ and prohibits a mortgage servicer,⁵⁵ mortgagee, trustee, beneficiary, or other agent from engaging in specified conduct with respect to a nonjudicial foreclosure.

Under this new section, the following conduct in connection with a subordinate mortgage is considered an unlawful practice: (1) “[t]he mortgage servicer did not provide the borrower with any written communication regarding the loan secured by a mortgage for at least three years”;⁵⁶ (2) the mortgage servicer did not provide a transfer of loan servicing notice to the borrower when required by law;⁵⁷ (3) the mortgage servicer did not provide a transfer of loan ownership notice to the borrower when required by law;⁵⁸ (4) “[t]he mortgage servicer conducted or threatened to conduct a foreclosure sale after providing a form to the borrower indicating that the debt had been written off or discharged”;⁵⁹ (5) “[t]he mortgage servicer conducted or threatened to conduct a foreclosure sale after the applicable statute of limitations expired”;⁶⁰ and (6) the mortgage servicer did not provide a periodic account statement to the borrower when required by law.⁶¹

The new section also prohibits a mortgage servicer from conducting or threatening to conduct a nonjudicial foreclosure until the mortgage servicer: (1) simultaneously with the recording of a notice of default, records or causes to be recorded a certification, as specified, under penalty of perjury that either the servicer did not engage in an unlawful practice or the servicer lists all instances when it committed an unlawful practice; and (2) simultaneously with the recording of a notice of default, the servicer sends the recorded certification and a notice to the borrower as specified.⁶²

The consequences of violating these provisions are also laid out in the new

section. If a borrower petitions the court for relief before a foreclosure sale, “the court [must] enjoin a proposed foreclosure sale pursuant to the power of sale in a subordinate mortgage until a final determination on the petition has been made.”⁶³ And if the court finds a mortgage servicer engaged in any of the unlawful practices set forth above, the borrower has an affirmative defense in a judicial foreclosure proceeding.⁶⁴ The court has discretion to award equitable remedies in favor of the borrower, including, among other things, barring foreclosure, “depending on the extent and severity of the mortgage servicer’s violations.”⁶⁵ In addition, a borrower may petition the court to set aside a nonjudicial foreclosure sale when the requisite certification was never recorded or when the certification indicates that the mortgage servicer engaged in an unlawful practice or misrepresented its compliance history.⁶⁶ Still, protections for bona fide purchasers remain.⁶⁷

In other words, if a mortgage servicer engages in an unlawful practice in connection with a subordinate mortgage or fails to provide the requisite certification, the borrower may have grounds to enjoin, or even set aside, a sale. In this way, AB 130 adds to existing borrower protections.

Limitations on common interest development fees

AB 130 also makes changes to the Davis-Sterling Common Interest Development Act (the “Davis-Sterling Act”),⁶⁸ which governs the formation and operation of residential common interest developments in California. The Act specifies that a common interest development must be managed by an association, and the provisions regarding the operation and management of the association are contained in “governing documents.”⁶⁹ Typical governing documents include a declaration of covenants, conditions, and restrictions (CC&Rs), which regulate the use and operation of the common facilities, operating rules, articles of incorporation, articles of association, and/or bylaws.⁷⁰

When the governing documents so provide, the association has the authority to enforce the restrictions,⁷¹ and to discipline a member for a violation of the governing documents.⁷² When permitted by the governing documents, the board may impose monetary penalties for a violation.⁷³ Under the Act, if an association has a policy imposing any monetary penalty or fee on an association member for a violation of the governing documents, the board must adopt and distribute to each member a schedule of the monetary penalties that may be assessed for such violations.⁷⁴ That schedule may be supplemented to reflect

updated fees. The association is prohibited from imposing a monetary penalty on a member in excess of its schedule or supplement.

With respect to process, when a board plans to meet to consider or impose discipline on a member, the Davis-Sterling Act requires the board to notify the member at least 10 days prior to the meeting.⁷⁵ The minimum contents of such a notice are set forth in the statute.⁷⁶ If a decision is made to impose discipline, the board must provide the member with another written notification.⁷⁷

AB 130 amends this framework by expressly specifying that any monetary penalty included in the schedule of monetary penalties must be reasonable,⁷⁸ and limiting monetary penalties to either the amounts listed in the schedule of monetary penalties (or supplement) or \$100 per violation, *whichever is less*.⁷⁹ This essentially places a \$100 cap on fees for violations of the governing documents. There is an exception allowing a board to impose a greater-than-\$100 penalty where the penalty is stated in the schedule of monetary penalties (or supplement) that is in effect at the time of the violation, “if the violation may result in an adverse health or safety impact on the common area or another association member’s property.”⁸⁰ To take advantage of this exception, the board must make a written finding specifying the adverse health or safety impact in a board meeting open to the members.⁸¹ AB 130 also prohibits the association from imposing a late charge or interest on a monetary penalty.⁸²

In addition to the \$100 cap on fees for violations, AB 130 amends the rules regarding the disciplinary process to require that the board allow a member the opportunity to cure a violation prior to the meeting to consider or impose discipline. If the member cures the violation prior to the meeting, or if curing the violation would take longer than the time between the notice and the meeting but the member provides financial commitment to cure the violation, the board is prohibited from imposing discipline.⁸³ Also, if after the meeting the board and the member do not agree, the member is entitled to request internal dispute resolution in accordance with the statute.⁸⁴ If after the meeting they do not agree, the board must draft a written resolution, signed by the association and member, which binds the association and is judicially enforceable.⁸⁵ If the board imposes discipline, the board must notify the member of its action within 14 days, a reduction from the 15-day period in the previous version of the statute.⁸⁶

Thus, AB 130 caps potential penalties for violations of governing documents

and creates processes designed to limit the potential discipline for cooperating members.

Expansion of surplus land definition

AB 130 also specifies that certain land previously exempt is now subject to the Surplus Land Act.⁸⁷ The Act prescribes requirements for the disposal of surplus land by a local agency. The purpose of the Act is to “make locally owned public land that is no longer needed for government purposes available for building affordable homes” and other public purposes.⁸⁸

Before a local agency may take any action to dispose of land, it must declare the land either “surplus land” or “exempt surplus land,” and support that declaration with written findings.⁸⁹ “Surplus land” is “land owned in fee simple by any local agency for which the local agency’s governing body takes formal action in a regular public meeting declaring that the land is surplus and is not necessary for the agency’s use.”⁹⁰ “Exempt surplus land” is also defined in statute.

Before disposing of surplus land, a local agency must provide a written notice of availability, e.g., a notice of availability for developing low- and moderate-income housing to any local public entity.⁹² If an agency disposing of surplus land receives a notice of interest to purchase or lease land from one of the entities to which a notice of availability was given, the agency must give first priority to the entity(ies) that agree to use the site for housing that meets the specified affordability requirements.⁹³ If no entity submits a notice of interest, the local agency must comply with other affordability requirements.⁹⁴ None of these requirements apply to “exempt surplus land.”⁹⁵

AB 130 removes from the definition of “exempt surplus land” two categories of school district property:⁹⁶ real property that a school district is required to appoint a district advisory committee prior to the sale, lease, or rental of any excess real property and real property that a school district may exchange for real property of another person or private business firm.⁹¹ The disposal of such property must now comply with the requirements for surplus land disposal.

Other housing-related changes

In addition to the amendments highlighted above, AB 130 also made a number of other housing-related changes that promote housing availability and affordability.

For example, AB 130 also expands funding for seismic retrofitting of affordable multifamily housing. In 2022, the Legislature established the Seismic Retrofitting Program for Soft Story Multifamily Housing “for the purposes of providing financial assistance to owners of soft story multifamily housing for seismic retrofitting to protect individuals living in multifamily housing that have been determined to be at risk of collapse in earthquakes,”⁹⁷ to be developed and administered by the California Residential Mitigation Program (CRMP).⁹⁸ The Legislature appropriated \$250 million to carry out the program, to be available for a 10-year performance period, which may be extended by the CRMP on an annual basis until July 1, 2042.⁹⁹

AB 130 adds to this framework, directing CRMP, upon appropriation by the Legislature, to fund the seismic retrofitting of affordable multifamily housing.¹⁰⁰ Funding provided under the added section must be limited to affordable multifamily housing, and CRMP must prioritize affordable multifamily housing serving lower income households, as defined.¹⁰¹

AB 130 also helps borrowers facing foreclosure by expanding uses of the National Mortgage Special Deposit Fund (Fund). In 2012, the State of California entered into a national multistate settlement with the country’s five largest loan servicers. California’s share of the National Mortgage Settlement is estimated to be up to \$18,000,000,000 with \$410,000,000 coming directly to the state in costs, fees, and penalty payments.¹⁰² The same year, the Legislature created the Fund and directed that payments made to the State pursuant to the National Mortgage Settlement, other than those made as civil penalties, must be deposited into the Fund.¹⁰³ Existing law specifies how the funds must be allocated, for a variety of purposes.¹⁰⁴ Three hundred million dollars (\$300,000,000) are expressly allocated to be administered by the California Housing Finance Agency for the purposes of “[p]roviding housing counseling services that are certified by the federal Department of Housing and Urban Development to homeowners, former homeowners, or renters,” and “[p]roviding mortgage assistance to qualified California households,” including “borrowers who own residential properties with four or fewer units who face foreclosure.”¹⁰⁵

AB 130 expands the purpose of this specific allocation to include “[p]roviding legal services for home ownership preservation, including, but not limited to, foreclosure prevention.”¹⁰⁶

These are just a few examples of the more minor changes aimed at housing

availability and affordability. Practitioners should review the bill in its entirety to fully understand its scope.

Analysis of AB 130: Implications on Housing Access and Affordability

All this begs the question: Will the sweeping changes identified above bring “California’s Abundance Agenda” to life?

As discussed above, the Abundance Agenda advocates for removing regulatory hurdles that slow down or stand in the way of new housing and efficient construction, cutting red tape, and expanding the supply of affordable housing. The AB 130 amendments further these goals in several respects.

AB 130 promotes efficiency in the permitting process in several ways, including by reducing the instances where project applicants were previously subject to overlapping and shifting standards. In freezing residential building codes until June 1, 2031, AB 130 creates certainty for developers who, for the most part, will have set rules to work with for several years to come. For those applying to build ADUs, the removal of the “grandfather” provision for local agencies that had adopted an ADU ordinance by July 1, 2018, creates certainty and uniformity because all local agencies will apply the same rules based on state law requirements.

AB 130 further promotes efficiency by expanding protections designed to keep projects moving through the approval process. By making permanent existing Housing Crisis Act of 2019 rules, AB 130 ensures local agencies can hold no more than five hearings and must act on a proposed housing development at one of those hearings. And the extension of Permit Streamlining Act deadlines to ministerial housing development projects expands the class of projects that benefit from existing protections.

In addition to removing regulatory hurdles and promoting efficiency, AB 130 encourages expansion of housing supply by prohibiting affordable fees associated with the construction of ADUs. It also promotes expansion of affordable supply by reducing the categories of land exempt from the Surplus Land Act. The expansion of funding available for seismic retrofitting of affordable housing may also help the supply of affordable housing.

Though less directly correlated to the Abundance Agenda, AB 130 also addresses the housing crisis by implementing new homeowner/borrower protec-

tions that may help address housing instability and therefore access. The cap on fees homeowners associations can charge for violations of governing documents may make it less likely members will lose their homes in foreclosure based on crushing penalties. In terms of borrower protections, the new rules regarding the exercise of a power of sale under a subordinate mortgage and expansion of services for which the National Mortgage Special Deposit Fund may be expended may help reduce foreclosures.

While most, if not all, of the amendments in AB 130 can be traced to the Abundance Agenda, it remains to be seen whether they will usher in meaningful change. The building code freeze and permanent extension of the Housing Crisis Act of 2019 provisions may go far toward reducing regulatory hurdles, but many of the amendments seem to chip around the edges rather than implement sweeping change. For example, it is unclear how many more ADU projects will move forward in light of the removal of the grandfather provision or how much land is no longer exempt from the Surplus Land Act. Still, each change reduces red tape and the cost of construction or otherwise encourages home ownership, and in that sense, the non-CEQA provisions certainly further the Abundance Agenda.

That is not to say these amendments will not have other consequences. For example, the cap on homeowners association fees is quite low and, together with the other amendments to the process for imposing discipline on association members, may result in an increase in violations without consequences. Further, the freeze on building codes may mean that emerging technologies (e.g. technology for improving energy efficiency) are also put on hold. In a similar vein, the CEQA amendments are designed to improve efficiency but will result in less detailed environmental review. Some of these consequences, such as the cap on homeowners association fees, may be the subject of future clean-up, but in many respects they are necessary side effects of the legislation. The Legislature and Governor Newsom clearly felt the value of AB 130 lies in the promise it will increase housing affordability and availability, despite other potentially less desirable effects.

Conclusion

Combined with the significant CEQA reform discussed in the September issue, AB 130 does have the potential to encourage much needed construction and improve affordability of existing housing in the state. Whether the changes will make a dent in the ongoing housing crisis remains to be seen. Regardless,

real estate practitioners should take note and familiarize themselves with the numerous changes effected by this bill.

ENDNOTES:

¹Assemb. Bill No. 130 (2025-2026 Reg. Sess.).

²Mauricio, *Building for Abundance: The CEQA Reforms Behind AB 130 and SB 131*, published in Miller & Starr Real Estate Newsalert, Vol. 36, Issue 1 (Sept. 2025).

³Senate Bill No. 131 (2025-2026 Reg. Sess.).

⁴Gavin Newsom, Governor of California, Governor Newsom Signs into Law Groundbreaking Reforms to Build More Housing, Boost Affordability (June 30, 2025), <https://www.gov.ca.gov/2025/06/30/governor-newsom-signs-into-law-groundbreaking-reforms-to-build-more-housing-affordability/> (last accessed Sept. 18, 2025).

⁵Sen. Bill No. 330 (2019-2020 Reg. Sess.).

⁶Gov. Code, § 65589.5.

⁷Gov. Code, §§ 65920, et seq.

⁸Gavin Newsom, Governor of California, Governor Newsom Signs into Law Groundbreaking Reforms to Build More Housing, Boost Affordability (June 30, 2025), <https://www.gov.ca.gov/2025/06/30/governor-newsom-signs-into-law-groundbreaking-reforms-to-build-more-housing-affordability/> (last accessed Sept. 18, 2025).

⁹Cal. Const., art. XI, § 7; see also Miller & Starr, Cal. Real Estate (4th ed. 2025) § 21:1 (Legal basis for land use regulations).

¹⁰*California Building Industry Assn. v. City of San Jose*, 61 Cal. 4th 435, 455, 189 Cal. Rptr. 3d 475, 351 P.3d 974 (2015).

¹¹Cal. Const., art. XI, § 7; see also Miller & Starr, Cal. Real Estate (4th ed. 2025) § 21:2 (Municipal and government law principles affecting land use regulations).

¹²Gov. Code, § 65851.

¹³Cal. Dept. of Housing and Community Development, Addressing a Variety of Housing Challenges, <https://www.hcd.ca.gov/policy-and-research/addressing-variety-housing-challenges> (last accessed Sept. 19, 2025).

¹⁴Gavin Newsom, Governor of California, Californians Strongly Support the Governor's Strategy to Create More Housing (Aug. 26, 2025), <https://www.gov.ca.gov/2025/08/26/californians-strongly-support-the-governors-strategy-to-create-more-housing/> (last accessed Sept. 18, 2025).

¹⁵Hernandez, The Fair Housing Problem with Accessory Dwelling Units, 25 Chap. L. Rev. 415, 426-430 (Spring 2022); see also Jensen, Reforming Prop-

erty Taxation to Solve California's Housing Deficit, 61 Cal. W. L. Rev. 535, 549-555 (Spring 2025) (noting that research suggests zoning regulations are often "responsible for high housing costs," but "[t]he California Home Act and Senate Bill 10's limited success indicates zoning is not the main cause of California's housing production issues").

¹⁶Miller & Starr, Cal. Real Estate (4th ed. 2025) § 21:8 (Zoning).

¹⁷Klein & Thompson, *Abundance* (2025).

¹⁸*Id.*

¹⁹Gavin Newsom, Governor of California, Governor Newsom Signs into Law Groundbreaking Reforms to Build More Housing, Boost Affordability (June 30, 2025), <https://www.gov.ca.gov/2025/06/30/governor-newsom-signs-into-law-groundbreaking-reforms-to-build-more-housing-affordability/> (last accessed Sept. 18, 2025).

²⁰AB 130 also made a number of other housing-related amendments. Practitioners should review the bill in its entirety to fully understand its scope.

²¹Miller & Starr, Cal. Real Estate (4th ed. 2025) § 21:12 (The Housing Accountability Act and related limits on local discretion).

²²SB 330 applies to any "housing development project," which means "any use" consisting of only residential units, mixed-use developments with at least two-thirds of the square footage devoted to residential uses, or transitional or supportive housing. Gov. Code, § 65859.5, subd. (b)(2).

²³*Id.*

²⁴Gov. Code, § 65905.5, subd. (a); see also Miller & Starr, Cal. Real Estate (4th ed. 2025) §§ 20:20 (Expedited ministerial process and limits on local discretion for certain subdivisions), 21:12 (The Housing Accountability Act and related limits on local discretion), 21:14 (Time periods for approval or disapproval).

²⁵Former Gov. Code, § 65905.5, subd. (e).

²⁶2025 Stats., ch. 22 (AB 130).

²⁷See generally California Building Standards Code; Cal. Code of Regs., tit. 24; see also Miller & Starr, Cal. Real Estate (4th ed. 2025) § 25:1 (Building Codes—Introduction and overview).

²⁸See Miller & Starr, Cal. Real Estate (4th ed. 2025) § 25:5 (Local modification of state standards; effect of local conditions).

²⁹Health & Saf. Code, § 17958, subd. (b) (as amended, 2025 Stats., ch. 22 (AB 130)).

³⁰Health & Saf. Code, § 17958, subd. (b) (as amended, 2025 Stats., ch. 22 (AB 130)).

³¹Gov. Code, § 65852.2, subd. (a).

³²Gov. Code, § 65852.2, subd. (b).

³³Gov. Code, §§ 66323, subd. (a), 65852.2, subd. (e); see also Miller & Starr, Cal. Real Estate (4th ed. 2025) § 21:8 (Zoning).

³⁴Gov. Code, § 66323, subds. (a)(2)-(a)(4).

³⁵Gov. Code, § 66323, subds. (b), (c).

³⁶Former Gov. Code, § 66323, subd. (g).

³⁷Gov. Code, § 65852.2, subd. (e); see also Miller & Starr, Cal. Real Estate (4th ed. 2025) § 21:8 (Zoning).

³⁸Gov. Code, § 65852.26.

³⁹Gov. Code, §§ 65852.2, 65852.22; see also Miller & Starr, Cal. Real Estate (4th ed. 2025) § 21:12 (The Housing Accountability Act and related limits on local discretion).

⁴⁰Civ. Code, §§ 714.3, 4741; see also Miller & Starr, Cal. Real Estate (4th ed. 2025) § 21:11 (Affordable housing, inclusionary zoning, and the Density Bonus Law).

⁴¹Civ. Code, § 714.3, subd. (a).

⁴²Civ. Code, § 714.3, subd. (b).

⁴³Former Gov. Code, § 66323, subd. (g).

⁴⁴Civ. Code, § 714.3, subd. (b).

⁴⁵See Miller & Starr, Cal. Real Estate (4th ed. 2025) §§ 13:222, et seq. (Foreclosure by power of sale).

⁴⁶*Id.*

⁴⁷Civ. Code, § 2924; see also Miller & Starr, Cal. Real Estate (4th ed. 2025) § 13:224 (Notice of default—in general).

⁴⁸Miller & Starr, Cal. Real Estate (4th ed. 2025) § 13:224 (Notice of default—in general).

⁴⁹Miller & Starr, Cal. Real Estate (4th ed. 2025) § 13:225 (Notice of default—form and contents).

⁵⁰Civ. Code, § 2924; see also Miller & Starr, Cal. Real Estate (4th ed. 2025) § 13:242 (Notice of sale—contents of notice).

⁵¹Civ. Code, § 2924f; see also Miller & Starr, Cal. Real Estate (4th ed. 2025) § 13:242 (Notice of sale—contents of notice).

⁵²Civ. Code, § 2924.12.

⁵³“Borrower” is defined to include “the trustor under a deed of trust, or a mortgagor under a mortgage, where the deed of trust or mortgage encumbers real property security and secures the performance of the trustor or mortgagor under a loan, extension of credit, guaranty, or other obligation. The term includes any successor-in-interest of the trustor or mortgagor to the real property security before the deed of trust or mortgage has been discharged, reconveyed, or foreclosed upon.” Civ. Code, § 2924.13, subd. (a)(1) (cross-

referencing definition in Civ. Code, § 2929.5).

⁵⁴A “subordinate mortgage” is defined as a “security instrument in real property, including a deed of trust and any security instrument that functions in the form of a mortgage, that was, at the time it was recorded, subordinate to another security interest encumbering the same residential real property.” Civ. Code, § 2924.13, subd. (a)(3).

⁵⁵“Mortgage servicer” is defined to include current and prior mortgage servicers. Civ. Code, § 2924.13, subd. (a)(2).

⁵⁶Civ. Code, § 2924.13, subd. (b)(1).

⁵⁷Civ. Code, § 2924.13, subd. (b)(2).

⁵⁸Civ. Code, § 2924.13, subd. (b)(3).

⁵⁹Civ. Code, § 2924.13, subd. (b)(4).

⁶⁰Civ. Code, § 2924.13, subd. (b)(5).

⁶¹Civ. Code, § 2924.13, subd. (b)(6).

⁶²Civ. Code, § 2924.13, subd. (c).

⁶³Civ. Code, § 2924.13, subd. (d).

⁶⁴Civ. Code, § 2924.13, subd. (e).

⁶⁵Civ. Code, § 2924.13, subd. (f).

⁶⁶Civ. Code, § 2924.13, subd. (g).

⁶⁷Civ. Code, § 2924.13, subd. (h).

⁶⁸Civ. Code, §§ 4000, et seq.

⁶⁹Miller & Starr, Cal. Real Estate (4th ed. 2025) § 28:13 (Contents of governing documents for the management of a residential common interest development).

⁷⁰Civ. Code, § 4150; see also Miller & Starr, Cal. Real Estate (4th ed. 2025) § 28:13 (Contents of governing documents for the management of a residential common interest development).

⁷¹Miller & Starr, Cal. Real Estate (4th ed. 2025) § 28:109 (Enforcement of the restrictions—enforcement by homeowners association).

⁷²Miller & Starr, Cal. Real Estate (4th ed. 2025) § 28:112 (Enforcement of the restrictions—permitted discipline or sanctions).

⁷³Civ. Code, § 5850, subd. (a); see also Miller & Starr, Cal. Real Estate (4th ed. 2025) § 28:112 (Enforcement of the restrictions—permitted discipline or sanctions).

⁷⁴Civ. Code, § 5850, subd. (a).

⁷⁵Civ. Code, § 5855, subd. (a).

⁷⁶Civ. Code, § 5855, subd. (b).

⁷⁷Civ. Code, § 5855, subd. (f) (previously subd. (c)).

⁷⁸Civ. Code, § 5850, subd. (a) (as amended, 2025 Stats., ch. 22 (AB 130)).

⁷⁹Civ. Code, § 5850, subd. (c) (as amended, 2025 Stats., ch. 22 (AB 130)). The \$100 cap had previously been included in another bill, Senate Bill 681, but was incorporated into the budget bill instead.

⁸⁰Civ. Code, § 5850, subd. (d)(1) (as amended, 2025 Stats., ch. 22 (AB 130)).

⁸¹Civ. Code, § 5850, subd. (d)(2) (as amended, 2025 Stats., ch. 22 (AB 130)).

⁸²Civ. Code, § 5850, subd. (e) (as amended, 2025 Stats., ch. 22 (AB 130)).

⁸³Civ. Code, § 5855, subd. (c).

⁸⁴Civ. Code, § 5855, subd. (d).

⁸⁵Civ. Code, § 5855, subd. (e).

⁸⁶Civ. Code, § 5855, subd. (f) (as amended, 2025 Stats., ch. 22 (AB 130)).

⁸⁷Gov. Code, §§ 54220, et seq.

⁸⁸Cal. Dept. of Housing & Community Development, Public Lands for Affordable Housing Development, available at <https://www.hcd.ca.gov/planning-and-research/public-lands> (last accessed Oct. 1, 2025).

⁸⁹Gov. Code, § 54221, subd. (b).

⁹⁰Gov. Code, § 54221, subd. (b).

⁹²Gov. Code, § 54222.

⁹³Gov. Code, §§ 54222.5, 54227.

⁹⁴See, e.g., Gov. Code, § 54233.

⁹⁵Gov. Code, § 54222.3.

⁹⁶2025 Stats., ch. 22 (AB 130).

⁹¹Former Gov. Code, § 54221, subd. (f)(1)(L).

⁹⁷Gov. Code, § 8590.16, subd. (b).

⁹⁸Gov. Code, § 8590.17, subd. (a).

⁹⁹Gov. Code, § 8590.16.

¹⁰⁰Gov. Code, § 8590.15.5.

¹⁰¹Gov. Code, § 8590.15.5, subds. (a), (b). “Lower income households” includes “persons and families whose income does not exceed the qualifying limits for lower income families as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937 . . .,” (Gov. Code, § 8590.15.5, subd. (c)(1) (cross-referencing Health & Saf. Code, § 50079.5)), “except that up to 20 percent of the units in the development, including the total units and density bonus units, may be for moderate-income households.” Gov. Code, § 8590.15.5, subd. (c)(1). “Moderate-income households” means “persons and families of low or moderate income whose

income exceeds the income limit for lower income households.” Gov. Code, § 8590.15.5, subd. (c)(2) (cross-referencing Health & Saf. Code, § 50053, which in turn references § 50093).

¹⁰²Gov. Code, § 12531, subd. (a).

¹⁰³Gov. Code, § 12531.

¹⁰⁴Gov. Code, § 12531, subd. (e).

¹⁰⁵Gov. Code, § 12531, subd. (e)(1)(A).

¹⁰⁶Gov. Code, § 12531, subd. (e)(1)(A) (as amended, 2025 Stats., ch. 22 (AB 130)).