

THE PROPERTY LINE

DANIEL E. ANGIUS †
PAUL P. TERRY, JR. †
BRADLEY J. EPSTEIN *
JOHN J. STANDER *
JULIE M. MOUSER
MICHAEL HARDY
MELISSA BYBEE Δ
KEVIN C. CANTY
SUSANA C. CENDEJAS
ZER IYER
WILLIAM PAUL WRIGHT Δ
SAM Y. CHON
TROY R. DICKERSON Δ
M. CATHERINE GARCIA
RICHARD V. DE GRUCCIO
ASMARA S. TARAR **
JIMMY SANH L. LY

† Also admitted in Nevada and Colorado

* Also admitted in Nevada

Δ Admitted in Nevada

** Admitted in Nevada & New Jersey

1990 N. California Blvd.
Suite 950
Walnut Creek, CA
94596
Tel 925.939.9933
800.680.4001
Fax 925.939.9934

Sacramento, CA
Newport Beach, CA
Las Vegas, NV
Reno, NV

www.angius-terry.com

ANGIUS
& TERRY

L L P

ATTORNEYS

Effective January 1, 2012: New Limitations on HOA Rental Restrictions – Prompt Action Required to Avoid Adverse Impact

Michael Hardy, Esq.
mhardy@angius-terry.com



On July 7, 2011, Governor Brown signed into law Senate Bill 150, which among other things, limits the ability of a homeowners association to restrict the number of rentals within the development. The law will become effective on January 1, 2012 and will apply to all governing documents or amendments to governing documents adopted after that date.

The bill creates a new addition to the Davis-Stirling Act: Civil Code Section 1360.2. Subsection (a) of the new section exempts all owners of a separate interest in a common interest development from any rental restriction in the governing documents if that restriction was adopted after the owner took title to the separate interest. In effect, the statute “grandfathers” all current owners at the time a lease restriction is adopted and exempts them from the effect of the restriction, even if the owners were not leasing their separate interest at the time the restriction was adopted. Owners who purchase their separate interest after the adoption of the lease restriction would be subject to the restriction, with certain exceptions.

Since the new law only applies to governing documents or amendments to governing documents adopted after January 1, 2012, any board considering adoption of a lease restriction may want get it in place prior to January 1, 2012. Please contact us if you would like a proposal for preparing the necessary documents to adopt a lease restriction.

Thank You,

Michael Hardy, Esq.
ANGIUS & TERRY LLP