

Date of Hearing: May 7, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Matt Haney, Chair

AB 456 (Connolly) – As Introduced February 6, 2025

SUBJECT: Mobilehome parks: sales or transfers: prospective purchasers of mobilehomes

SUMMARY: Modifies rules relating to the sale or transfer of a mobilehome that will remain in the park and provides that if management fails or refuses to notify sellers or prospective purchasers of specified information, certain rights for management to require repairs or improvements to mobilehomes or to approve tenancy applications of prospective purchasers are waived. Specifically, **this bill:**

- 1) Prohibits management from requiring any of the following in the case of a sale or transfer of a mobilehome that will remain in the park:
 - a) Repairs or improvements to the interior of the mobilehome;
 - b) Preapproval of repairs or improvements to the interior of a mobilehome, except where a local or state permitting authority requires the consenting signature of the management in order to issue a requested permit for the work; or
 - c) A homeowner to obtain or provide an inspection of any portion of the interior of a mobilehome, as a condition of approving a sale or transfer of a mobilehome that will remain in the park.
- 2) Increases the length of time that management has to provide a homeowner with a written summary of repairs or improvements that management requires to the mobilehome, its appurtenances, or an accessory structure that is not owned and installed by the management from no later than 10 business days following the receipt of a request for this information to no later than 15 business days following receipt of such a request.
- 3) Provides that in the event management fails or refuses to provide a homeowner a written summary of repairs and improvements under 2) above, the management shall be deemed to have voluntarily waived any and all rights to require repairs or improvements to the mobilehome, its appurtenances, or an accessory structure, as a condition of the sale or transfer of a mobilehome, other than a repair or improvement that is required by local ordinances and statutes and regulations due to or based upon health and safety.
- 4) Provides that if management fails or refuses to notify the seller and prospective purchaser of a mobilehome that will remain in the park in writing of either acceptance or rejection of the prospective purchaser's tenancy application pursuant to specified law, the management shall be deemed to have approved the application of the prospective purchaser.

EXISTING LAW:

- 1) Regulates, pursuant to the Mobilehome Residency Law (MRL), the rights, responsibilities, obligations, and relationships between mobilehome park management and park residents. (Civil Code (CIV) Section 798, *et seq.*)

- 2) Establishes the Mobilehome Parks Act (MPA) to prescribe standards and requirements for construction, maintenance, occupancy, use, and design of mobilehomes and mobilehome parks to guarantee park residents maximum protection of their investment and a decent living environment. Provides the Department of Housing and Community Development (HCD) with authority over enforcement of the MPA unless a local enforcement agency has elected to take responsibility. (Health and Safety Code (HSC) Section 18400, *et seq.*)
- 3) Requires an enforcement agency, if it determines upon inspection that a manufactured home, mobilehome, accessory building or structure, or lot is in violation of specified MPA provisions, to promptly issue a notice to correct the violation to the registered owner of the manufactured home or mobilehome, and with a copy to the occupant thereof, if different from the registered owner. (HSC 18420(b)(1))
- 4) Prohibits management from requiring the removal of a mobilehome from the park in the event of the sale of the home to a third party during the term of the homeowner's rental agreement or in the 60 days following the initial notice required when a homeowner vacates their tenancy. (CIV 798.73)
- 5) Allows management, in the event of a sale to a third party under 4) above, in order to upgrade the quality of the park, to require that a mobilehome be removed from the park where:
 - a) The home is not a "mobilehome" as defined;
 - b) The home is more than 20 years old, or more than 25 years old if manufactured after September 15, 1971, and is 20 feet wide or more, and does not comply with specified health and safety standards and regulations, as determined following an inspection by the appropriate enforcement agency;
 - c) The mobilehome is more than 17 years old, or more than 25 years old if manufactured after September 15, 1971, and is less than 20 feet wide, and the mobilehome does not comply with specified construction and safety standards and regulations, as determined following an inspection by the appropriate enforcement agency; or
 - d) The home is in a significantly rundown condition or in disrepair, as determined by the general condition of the mobilehome and its acceptability to the health and safety of the occupants and to the public, exclusive of its age. Management must use reasonable discretion in determining the general condition of the mobilehome and its accessory structures, and shall bear the burden of demonstrating that the mobilehome is in a significantly rundown condition or in disrepair. Management is prohibited from requiring repairs or improvement to the park space or property owned by the management, except for damage caused by the actions or negligence of the homeowner or an agent of the homeowner. (CIV 798.73)
- 6) Prohibits management from requiring a mobilehome to be removed from the park under 5) above unless the management has provided to the homeowner notice specifying the condition that permits the removal of the mobilehome. (CIV 798.73(e))

- 7) Allows management to require repairs or improvements to a mobilehome, its appurtenances, or an accessory structure in the case of a sale or transfer of a mobilehome that will remain in the park, if the repairs or improvements meet all of the following conditions:
 - a) The repair or improvement is to the mobilehome, its appurtenances, or an accessory structure that is not owned and installed by management, except as allowed for cases of damage to the park space or property owned by management caused by the actions or negligence of the homeowner or an agent of the homeowner;
 - b) The repair or improvement is based upon or is required by a local ordinance or state statute or regulation relating to mobilehomes, or a rule or regulation of the mobilehome park that implements or enforces a local ordinance or a state statute or regulation relating to mobilehomes; and
 - c) The repair or improvement relates to the exterior of the mobilehome, its appurtenances, or an accessory structure that is not owned and installed by management. (CIV 798.73.5(a))
- 8) Requires management to provide a homeowner a written summary of repairs or improvements that management requires to the mobilehome, its appurtenances, or an accessory structure that is not owned and installed by management no later than 10 business days following receipt of a request for this information, as part of the 60-day minimum notice required when a homeowner vacates their tenancy. (CIV 798.73.5(b))
- 9) Requires the summary of repairs or improvements under 9) above to include specific references to park rules and regulations, local ordinances, and state statutes and regulations relating to mobilehomes upon which the request for repair or improvement is based. (CIV 798.73.5(b))
- 10) Allows management to require the right of prior approval of a prospective purchaser of a mobilehome that will remain in the park. (CIV 798.74(a))
- 11) Requires a selling homeowner or their agent to give notice of a sale of a mobilehome that will remain in the park to management before the close of the sale. Requires management to provide the seller and prospective purchaser, within 15 days, both of the following upon receiving such notice:
 - a) The standards that management customarily utilizes to approve a tenancy application, including the minimum reported credit score from a consumer credit reporting agency that management requires for approval; and
 - b) A list of all documentation that management will require to determine if the prospective purchaser will qualify for tenancy in the park. (CIV 798.74(b))
- 12) Prohibits management from withholding approval from a prospective purchase of a mobilehome unless any of the following apply:
 - a) Management reasonably determines that, based upon the purchaser's prior tenancies, they will not comply with the rules and regulations of the park;

- b) The purchaser does not have the financial ability to pay the rent, estimated utilities, and other charges of the park; or
 - c) The purchaser has committed fraud, deceit, or concealment of material facts during the application process. (CIV 798.74(c))
- 13) Requires management to notify the seller and prospective purchaser within 15 business days of receiving all of the information requested from the prospective purchaser of either acceptance or rejection of the application, in writing. Requires a prospective purchaser to comply with management's request, if any, for a personal interview during this 15-day period. (CIV 798.74(e)(1))
- 14) Requires management, if it rejects the application for tenancy, to state the reason for the rejection in accordance with 13) above. (CIV 798.74(e)(2))
- 15) Requires management to provide a prospective homeowner with specified information, including the monthly space rent and other information, within two business days of receiving a request from a prospective homeowner for an application for residency for a specific space within the park, if management has been advised that the mobilehome occupying that space is for sale. (CIV 798.74.5(a))
- 16) Requires an escrow, sale, or transfer agreement involving a mobilehome located in a park at the time of sale, where the mobilehome is to remain in the park, to contain a copy of either a fully executed rental agreement or a statement signed by the park's management and the prospective homeowner that the parties have agreed to the terms and conditions of a rental agreement. (CIV 798.75(a))
- 17) Prohibits an occupant of a mobilehome from being considered an unlawful occupant and prohibits them from being subject to unlawful detainer proceedings if the occupant is the registered owner of the mobilehome, none of the conditions in 12) above apply, and management failed or refused to offer the occupant a rental agreement. (CIV 798.75(d))

FISCAL EFFECT: Unknown. This bill is keyed non-fiscal by Legislative Counsel.

COMMENTS:

Author's Statement: According to the author, "It is essential for California to protect mobile home owners by increasing clarity and transparency within the mobile home selling process by providing a larger window that will give mobile homeowners necessary time to repair their home before selling. This is a common sense transparency measure that gives mobile home owners the necessary information to sell their homes in a timely manner. Furthermore, this bill will remove arbitrary internal home inspections that act as additional barriers to the sale of mobile homes and leaves mobile homeowners vulnerable to 'bad actor' park managers."

Background: More than one million people live in California's approximately 4,500 mobilehome parks. Mobilehomes are not truly mobile, in that it is often cost prohibitive to relocate them. The cost to move a mobilehome ranges from thousands to tens of thousands of dollars depending on the size of the home and the distance traveled. A mobilehome owner whose home is located in a mobilehome park does not own the land the unit sits on, and must pay rent and fees for the land and any community spaces.

The MRL extensively regulates the relationship between landlords and homeowners who occupy a mobilehome park. A limited number of provisions also apply to residents who rent, as opposed to own, their mobilehome. The MRL has two parts: Articles 1 through 8 apply to most mobilehome parks and Article 9 applies to resident-owned parks or parks which are established as a subdivision, cooperative or condominium. The provisions cover many issues, including, but not limited to: 1) the rental and lease contract terms and specific conditions of receipt and delivery of written leases, park rules and regulations, and other mandatory notices; 2) mandatory notice and amendment procedures for mobilehome park rules and regulations; 3) mandatory notice of fees and charges, and increases or changes in them; and 4) specified conditions governing mobilehome park evictions. A dispute that arises pursuant to the application of the MRL generally must be resolved in a civil court of competent jurisdiction.

HCD oversees several areas of mobilehome law, including health and safety standards, registration and titling of mobilehomes and parks, and, through the Mobilehome Ombudsman, assists the public with questions or problems associated with various aspects of mobilehome law. The Mobilehome Ombudsman provides assistance by taking complaints and helping to resolve and coordinate the resolution of those complaints. However, the Ombudsman does not have enforcement authority for the MRL, and cannot arbitrate, mediate, negotiate, or provide legal advice on mobilehome park rent disputes, lease or rental agreements, but may provide general information on these issues. In 2018, the Mobilehome Residency Law Protection Program (MRLPP) was created to help mobilehome park residents better resolve issues and violations of the MRL. The program requires HCD to receive complaints from mobilehome park residents regarding violations of the MRL and refer complaints to a Legal Service Provider or appropriate enforcement agency.

HCD also inspects parks and mobilehomes for health and safety issues. HCD annually inspects 5% of parks for compliance with health and safety requirements under the MPA and Title 25. The program is funded through a \$4 fee, of which the property owner may charge half (\$2) to the homeowners. HCD also responds to health and safety complaints under the MPA. If a mobilehome park or an individual park resident is found to be in violation of the MPA, the law requires the enforcement agency to promptly issue a notice to correct the violation or violations identified in the agency's inspection to the park owner or operator, or to the registered owner of the mobilehome. If homeowners do not fix these violations within certain timeframes, park management may initiate eviction proceedings.

Mobilehome Sales and Applications for Tenancy: As mentioned above, it is uncommon for mobilehomes that have already been installed on a park lot to be relocated from one property or park to another. Typically when a mobilehome owner seeks to move, they offer their mobilehome for sale or transfer "in-place," meaning the home remains on the space and a new owner purchases the in-place unit. Because owning a home in a mobilehome park incorporates the dual role of homeowner and park tenant, prospective purchasers of mobilehomes can be required by park management to submit the equivalent of a tenancy application and may have to interview with management before receiving approval (or rejection) to close the sale and assume tenancy in the park.

If a mobilehome is for sale and management is aware the home is for sale, current law requires management to provide specific information within two business days of receiving a request from a prospective homeowner for an application for residency for that space. This information includes the monthly rent for the space in question, the park's schedule of other fees or charges,

and notice that a fully executed lease or rental agreement or a signed statement that the person and management have agreed to the terms and conditions of a rental agreement is required to complete the sale or escrow process of the home (CIV 798.74.5). Once a sale is in process, the seller must provide notice to park management of the pending sale and management has 15 days to provide the seller and prospective purchaser with the standards that management customarily utilizes to approve a tenancy application, and a list of all documentation that management will require to determine if the prospective purchaser will qualify for tenancy in the park. Within 15 business days of receiving all the information requested from the prospective purchaser, management must notify the seller and prospective purchaser of approval or rejection of the tenancy application.

The strict existing timelines for when these notices and other decisions must be delivered reflect the importance of sales closing on time and in cases where financing is involved, for escrow to be completed on the terms and timelines of the financing institution. The author and sponsors describe issues with buyers and sellers not receiving a response or receiving delayed or very late responses from management on pending tenancy applications in ways that have jeopardized sales. This bill would provide that if management fails or refuses to follow the timelines in existing law for accepting or rejecting a tenancy application, they are deemed to have approved the application of the prospective buyer.

Repair Requests During Mobilehome Sales: For similar reasons as described above, there are also timelines and restrictions in existing law regarding what types of repairs or improvements park management can require to be made to a mobilehome or accessory structure during a sale. Management is only permitted to require a homeowner to make repairs or improvements to the mobilehome, its appurtenances, or an accessory structure, and existing law stipulates that those repairs or improvements have to “relate to the exterior of the” structure in question (CIV 798.73.5(a)(3)). There is a significant exemption provided for cases of very old homes that have been inspected by the relevant enforcement agency and been found out of compliance with certain health, construction, and safety standards, as well as homes that are “in a significantly rundown condition or in disrepair, as determined by the general condition of the mobilehome and its acceptability to the health and safety of the occupants and to the public, exclusive of its age” (CIV 798.73). In these cases, management can require these homes to be completely removed from the park rather than sold, freeing up the space for a new mobilehome.

The MRL prohibits management from entering the interior of a person’s mobilehome without the homeowner or resident’s permission. As mentioned, existing law also already prohibits management from requiring repairs or improvements to be made to the interior of a mobilehome as a condition of a sale moving forward. This bill would reinforce that prohibition and would also specify that management cannot require a homeowner to obtain or provide an inspection of any portion of the interior of the mobilehome as a condition of approving a sale or transfer. It stands to reason that any issues with the condition of the interior of the home can already be addressed either through the existing process for filing complaints of suspected violations of the MPA with the appropriate enforcement agency, or as a matter more appropriately handled during negotiations between the seller and prospective buyer or buyers.

Furthermore, this bill would actually increase the length of time provided in current law for management to provide the seller with the list of external repairs or improvements from 10 business days to 15 business days after receiving a request. Similar to the “deemed approved” tenancy provision, this bill would provide that if management fails or refuses to provide the

homeowner with such a list within the extended 15 business day window, then management is deemed to have waived any rights to require those repairs, unless there is a repair that must be made to comply with specified laws or for health and safety reasons.

Arguments in Support: According to the Golden State Manufactured-home Owners League (GSMOL), the bill's sponsor, "The bill continues to allow park management to require certain repairs or upgrades to the exterior of a mobilehome at time of an 'in place' sale in a park. Upon request of the selling homeowner, park management must provide a written summary of those items to the seller within 10 business days. Despite making such requests, selling homeowners often receive multiple delayed responses from park management and sometimes no response at all. As a result, sales transactions are delayed or unable to close on time, resulting in significant damage to the parties. Park management is known to disrupt sales to allow management to buy the home at a much lower price and then rent it at a significantly higher price. In addition, park managers are requiring an inspection of the interior of the mobilehome as a condition of sale, intruding into an area that does not fall within management's authority under existing law. Any interior inspections are to be left between a seller and buyer and to the statutory authority of existing health and safety laws or permit requirements. Finally, once a sales contract is finalized and the sale is in escrow, mobilehome buyers often do not receive approval for their tenancy in the park, which is a condition of the sale. Interference with the sale of a home is not legal anywhere in California. AB 456 ensures that is also true for the sale of mobilehomes."

Arguments in Opposition: According to the Western Manufactured Housing Communities Association (WMA), "If a potential buyer of a home with suspected mold or interior structural damage wants to forego an inspection, that is up to the buyer. It is also up to the seller not to agree to an inspection, and the seller is well within his or her rights to refuse to sell to someone who insists on an inspection and instead search for another buyer who will not ask for a review of the home's interior. The problem with this is that it discourages improvements in the safety of homes and this results in an increased risk to the entire park if the interior condition of the home is reasonably likely to create a fire that could spread to other homes in the park. WMA further understands preventing a home inspection conducted by management would make it easier for a homeowner to sell his or her home to a buyer unaware of the poor conditions. But why is it a good idea to allow a homeowner to sell something that is dangerous to another individual? ... Again, WMA understands why the sponsors would want to prevent management from requiring an inspection for health and safety issues, but the health and safety of the other tenants in the park should outweigh the desire of a homeowner to sell a home in place that poses a risk to the entire community and preventing management from requiring an inspection."

Committee Amendments: Staff recommends the bill be amended as follows, to clarify existing provisions of the MRL that protect buyers who have executed a sale when management has failed or refused to offer them a rental agreement:

CIV 798.75 (d) The occupant of the mobilehome shall not be considered an unlawful occupant and shall not be subject to the provisions of subdivision (c) if all of the following conditions are present:

- (1) The occupant is the registered owner of the mobilehome.
- (2) The management has determined that the occupant has the financial ability to pay the rent and charges of the park; will comply with the rules and regulations of the park, based on the occupant's prior tenancies; and will comply with this article, **or otherwise has failed or refused**

to timely notify the occupant of either acceptance or rejection of a tenancy application pursuant to section 798.74 (e) (3) such that the occupant is deemed to have been approved for tenancy.

(3) The management failed or refused to offer the occupant a rental agreement.

Related Legislation:

AB 806 (Connolly) of the current legislative session would prohibit management or ownership of mobilehome parks from restricting a homeowner's ability to install a cooling system in their mobilehome, and requires mobilehome parks to provide cooling for a common area when the external temperature exceeds specified extreme heat warning standards. This bill recently passed this committee on a vote of 9-0 and is currently pending before the Assembly Committee on Judiciary.

AB 2247 (Wallis), Chapter 387, Statutes of 2024: Extended the sunset date on the MPA from January 1, 2025 to January 1, 2030, and required HCD to add local recipients of loans from the Manufactured Housing Opportunity and Revitalization Program to the list of local agencies that have home repair or rehabilitation programs to be provided to mobilehome owners who receive a notice of violation.

REGISTERED SUPPORT / OPPOSITION:

Support

Golden State Manufactured-home Owners League (Sponsor)

AARP

Bay Federal Credit Union

California Alliance for Retired Americans

Sonoma County Mobilehome Owners Association

Opposition

Western Manufactured Housing Communities Association

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