

Date of Hearing: May 7, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Matt Haney, Chair

AB 760 (Ta) – As Introduced February 18, 2025

SUBJECT: Mobilehome parks: rental restrictions: exemptions: emergencies

SUMMARY: Exempts certain mobilehome parks in areas under specified states of emergency from provisions prohibiting management from renting or subleasing park-owned mobilehomes if management also prohibits homeowners in the park from renting or subleasing their mobilehome or space. Specifically, **this bill:**

- 1) Exempts a mobilehome park from provisions of existing law that require management to be subject to, and comply with, all rules and regulations that prohibit a homeowner from renting or subleasing their mobilehome or space in the park, with limited exceptions, if the park is located in a jurisdiction that is any of the following:
 - a) Under a declared state of emergency proclaimed by the Governor;
 - b) Under a local emergency proclaimed by the governing body of a city, county, or city and county, or by an official designated by ordinance adopted by that governing body;
 - c) Within one year of the expiration of a declared state of emergency or local emergency pursuant to 1) a) or 1) b) above; or
 - d) Adjacent to a jurisdiction that meets any of the above conditions.
- 2) Provides that the exemption under 1) above applies for the duration of a tenancy in which the tenant is using the mobilehome as their person and actual residence.
- 3) Applies the provisions of this bill to all cities, including charter cities.

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) Requires management to be subject to, and comply with, all park rules and regulations to the same extent as residents and their guests, except for rules or regulations governing the age of any resident or guest, and acts that are undertaken to fulfill management's maintenance, management, and business operation responsibilities. (CIV 798.23(a)-(b))
- 3) Requires management to be subject to, and comply with, all rules and regulations that prohibit a homeowner from renting or subleasing the homeowner's mobilehome or mobilehome space. Prohibits management from directly renting a mobilehome if a rule or regulation has been enacted that prohibits either renting or subleasing by a homeowner, except as follows:

- a) Allows management to directly rent up to two mobilehomes within the park for the purpose of housing onsite employees;
 - b) Allows management, for every 200 mobilehomes in a park, to directly rent one or more mobilehome within the park, in addition to the mobilehomes allowed under 3) a) above, for the purpose of housing onsite employees. (CIV 798.23(c))
- 4) Notwithstanding 3) above, allows management to continue to directly rent a mobilehome to a tenant if both of the following apply:
- a) The tenancy was initially established by a rental agreement executed before January 1, 2022; and
 - b) A tenant listed on the rental agreement under 4) a) above continues to occupy the mobilehome. (CIV 798.23(d))
- 5) Exempts a park from 3) above if the park is owned and operated by a 501(c)(3) nonprofit and the property has been granted a property tax welfare exemption, or if the park is owned by a government agency or an entity controlled by a government agency and has an affordability covenant in place. (CIV 798.23(e))
- 6) Empowers the Governor to proclaim a state of emergency in an area affected or likely to be affected thereby when:
- a) They find the circumstances described in the definition of “state of emergency” exist, as specified; and either
 - b) They are requested to do so by specified local officials; or
 - c) They find that local authority is inadequate to cope with the emergency. (Government Code (GOV) Section 8625)
- 7) Authorizes a local emergency to be proclaimed only by the governing body of a jurisdiction or by an official designated by ordinance adopted by that governing body, and requires the governing body to review the need for continuing the local emergency at least once every 60 days until the governing body terminates the local emergency. (GOV 8630)
- 8) Defines “state of emergency” to mean the duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions such as air pollution, fire, flood, storm, epidemic, riot, drought, cyberterrorism, sudden and severe energy shortage, electromagnetic pulse attack, plant or animal infestation or disease, the Governor’s warning of an earthquake or volcanic prediction, or an earthquake, or other conditions, other than conditions resulting from a labor controversy or conditions causing a “state of war emergency,” which, by reason of their magnitude, are or are likely to be beyond the control of the services, personnel, equipment, and facilities of any single county, city and county, or city and require the combined forces of a mutual aid region or regions to combat, or with respect to regulated energy utilities, a sudden and severe energy shortage requires extraordinary measures beyond the authority vested in the Public Utilities Commission. (GOV 8558(b))

- 9) Defines “local emergency” to mean the duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the territorial limits of a jurisdiction, caused by conditions such as air pollution, fire, flood, storm, epidemic, riot, drought, cyberterrorism, sudden and severe energy shortage, deenergization event, electromagnetic pulse attack, plant or animal infestation or disease, the Governor’s warning of an earthquake or volcanic prediction, or an earthquake, or other conditions, other than conditions resulting from a labor controversy, which are or are likely to be beyond the control of the services, personnel, equipment, and facilities of that political subdivision and require the combined forces of other political subdivisions to combat, or with respect to regulated energy utilities, a sudden and severe energy shortage or deenergization event that requires extraordinary measures beyond the authority vested in the Public Utilities Commission. (GOV 8558(c))

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

COMMENTS:

Author Statement: According to the author, “AB 760 will allow mobile home parks to offer homes owned by park management for rent in a county or city declared to be under a state of emergency due to a natural disaster for one year and not be subject to the limits of Civil Code 798.23. By amending Civil Code Section 798.23 to include, for one year, counties and cities adjacent to counties and cities under a state of emergency, mobilehome owners who lose their homes in a natural disaster have more opportunities to move to a nearby mobilehome park not possible under current law.”

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 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.

The Applicability of Park Rules and Regulations to Management: Existing law states that the owner of a park, and any person employed by the park is subject to and must comply with all park rules and regulations. In 2021, AB 861 (Bennett), Chapter 706, clarified that park management must also follow park rules and regulations on renting and subleasing unless management is renting to an employee. In 2013, Attorney General (AG) Kamala Harris put forth a legal opinion after receiving a request from the Legislature on the applicability of mobilehome park rules and regulations. Specifically, Assemblymember Das Williams' request asked the AG the question: "If the management of a mobilehome park has enacted rules and regulations generally prohibiting mobilehome owners from renting their mobilehomes, is park management bound by these same rules and regulations?" The conclusion of AG opinion was as follows:

"With the possible exception of rentals to park employees under appropriate circumstances that satisfy certain statutory requirements, if the management of a mobilehome park has enacted rules and regulations generally prohibiting mobilehome owners from renting their mobilehomes, then park management is also bound by these same rules and regulations." (Attorney General Opinion Number 11-703)

In the AG's opinion, one narrow exception is provided for park owners to rent mobilehomes to employees of the park. Specifically, the opinion notes, "we acknowledge the view that, as a practical and economic matter, park owners must be able to rent their mobilehomes to park employees." With regards to the employee exemption, the opinion continues, "a genuine and demonstrated need for park management to rent its own mobilehomes to park employees may come within the exception provided in section 798.23(b)(2) for '[a]cts of a park owner or park employee which are undertaken to fulfill a park owner's maintenance, management, and business operation responsibilities.'"

Overall the AG concluded that the statute amended by AB 861 (Bennett), CIV 798.23, binds park management to follow enacted rules and regulations that prohibit renting in the park. The statute had not changed since the AG issued the opinion. However, mobilehome owners reported inconsistency in the enforcement of park rules and regulations related to renting and subleasing.

AB 861 (Bennett) specified three exceptions to the prohibition on management subleasing and renting units when mobilehome owners are also prohibited from renting or subleasing. First, there is an exemption in the case where management would be renting or subleasing to an employee. AB 861 allowed two mobilehomes to be rented to employees and, for larger parks, management may rent one additional unit to an employee for every 200 mobilehomes in the park. In other words, a park with 199 units could have two employee rentals, a park with 200 – 399 units could have three employee rentals, and so on. The second exception is for tenancies which were in effect prior to January 1, 2022. The bill allowed park-owned mobilehome rentals to continue as long as a tenant had a rental agreement in place prior to January 1, 2022. However, once the tenant moves out, the exception ends and management is prohibited from renting or subleasing if owners are prohibited from renting and subleasing. Finally, the third

exemption is for mobilehomes with affordability requirements that are owned by a government entity or which are owned and operated by a 501(c)(3) non-profit.

This Bill: This bill would create another exception to the prohibition on management subleasing and renting units when owners are also prohibited from renting or subleasing, for situations where a park is located in a city or county that is subject to a declared state of emergency issued by the Governor or a local emergency issued by a relevant local official or body. In addition, this bill extends the exemption for one year after the expiration of a declared emergency, and extends the exemption to any cities and counties that are adjacent to a jurisdiction described above. The exemption would be time-limited in that it would only apply for the duration of a tenancy in which a tenant is using the park-owned mobilehome rental as their personal and actual residence, and upon departure of the tenant, the mobilehome or space would return to being prohibited from being rented out by management if residents are so prohibited.

Arguments in Support: According to the Western Manufactured Housing Communities Association (WMA), the bill's sponsor, "This bill was conceived when a mobilehome park owner in Norwalk considered renting out several homes by the mobilehome park to fire victims instead of selling them. The homes were purchased by the mobilehome park to replace dilapidated homes that were left on the spaces after the prior tenant left. The original intent was to re-sell the homes to buyers looking for a new mobilehome. But due to unknown factors, the homes are not selling and are vacant. But when the wildfires in Los Angeles County struck, the park owner wanted to keep ownership of the homes and make them available to rent. But the prohibition against park owned rental homes under AB 861 prevented this option without allowing every homeowner in the park to sublease his or her own home at an unknown price. It [would] be prudent to allow the park owner to rent out the homes instead of remaining vacant."

Arguments in Opposition: None on file.

Committee Amendments: Staff recommends the bill be amended as follows:

- 1) Narrow the exemption to emergencies where there is a loss of housing units – for example, when the deadly Los Angeles fires happened in January, there was already a statewide emergency declaration for bird flu covering every county. As the bill is currently drafted, that emergency would have been a permitted emergency that would have triggered the exemption in the bill;
- 2) Remove the local emergency language from the bill;
- 3) Limit the duration after which the emergency could be expired from one year to six months, to better tailor the exemption to assisting people displaced by the disaster itself; and
- 4) Clarify that a tenancy under the bill has a reasonable limitation on the duration of the tenancy, so that long-term leases would not be allowed via the exemption, which would undermine the intent of a time limitation and the existing statute.

CIV 798.23 (3) A park shall be exempt from the provisions of subdivision (c), ***and shall be permitted to directly rent a mobilehome to a tenant on a limited emergency basis,*** if it is located in a city, county, or city and county that is any of the following:

(A) Under a declared state of emergency pursuant to Section 8625 of the Government Code and the disaster or conditions that caused the state of emergency resulted in housing units in the city, county, or city and county being damaged, destroyed, or otherwise rendered uninhabitable.

~~(B) Under a local emergency pursuant to Section 8630 of the Government Code.~~

~~(C)~~ Within ~~one year~~ six months of the expiration of a declared state of emergency ~~or local emergency pursuant to subparagraph (A) or (B).~~

~~(D)~~ Adjacent to a city, county, or city and county that meets any of the conditions in subparagraph (A), or (B), ~~or (C).~~

(4) The exemption in paragraph (3) applies for the duration of a limited emergency tenancy in which the tenant is using the mobilehome as their personal and actual residence, but in no event shall the tenancy exceed 36 months from the expiration of the declared emergency described in (A).

Related Legislation:

AB 299 (Gabriel) of the current legislative session would provide, until January 1, 2031, that a guest of a lodging shall not have their continued occupancy constitute a new tenancy and shall not be considered a person who hires for purposes of existing law governing tenancy and unlawful detainer proceedings if the guest is living in the lodging as a result of their prior housing being damaged, destroyed, or otherwise made uninhabitable by a disaster. This bill is currently pending in the Senate.

AB 768 (Ávila-Farias) of the current legislative session would limit the application of local rent control to mobilehome spaces that are not the only or principal residence of a homeowner, and deletes a presumption that a mobilehome is a homeowner's principal residence if they receive a homeowner's tax exemption for that mobilehome, among other changes. This bill recently passed this committee on a vote of 7-2 and is currently pending before the Assembly Committee on Judiciary.

AB 861 (Bennett), Chapter 706, Statutes of 2021: Required mobilehome park management to comply with any park rule or regulation which prohibits mobilehome owners from renting or subleasing unless management is renting or subleasing to an employee.

REGISTERED SUPPORT / OPPOSITION:

Support

Western Manufactured Housing Communities Association (Sponsor)

Opposition

None on file.

Analysis Prepared by: Nicole Restmeyer / H. & C.D. / (916) 319-2085