California State Assembly

HOUSING AND COMMUNITY DEVELOPMENT

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MATT HANEY
CHAIR

AGENDA

Wednesday, July 1, 2026
9:30 a.m. -- State Capitol, Room 437

HEARD IN FILE ORDER

1.	SB 866	Blakespear	Planning and zoning: annual report: emergency shelter.
2.	SB 996	Padilla	Manufactured housing: classification as real property.
3.	SB 1090	Pérez	Planning and zoning: housing development projects: urban lot splits: subdivisions: 2025 Eaton Wildfire: Altadena.
4.	SB 1388	Durazo	Affordable Housing Risk Reduction Program.

RECONSIDERATION AND VOTE ONLY

5.	SB 1092	Allen	Mobilehome parks: resident organizations: option to purchase.

Date of Hearing: July 1, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
SB 866 (Blakespear) – As Amended June 23, 2026

SENATE VOTE: 26-9

SUBJECT: Planning and zoning: annual report: emergency shelter

SUMMARY: Requires a local government to submit, beginning with the first annual progress report (APR) submitted after the due date for the seventh cycle revision of the housing element, the following information regarding the special housing needs of families and persons in need of emergency shelter. Specifically, **this bill**: Requires the following information to be included in the APR:

1) A list of any federal, state, or local funding to address the housing needs of families and persons in need of emergency shelter, including the amount of funding, if any, received from the Homeless Housing, Assistance, and Prevention program (HHAP);

2) A description of any actions taken to conduct outreach to individuals who are unhoused to inform them about the resources available to them;

3) The current point-in-time (PIT) count data provided by the continuum of care, if available;

4) Any action taken to assist in the development of adequate housing to meet the needs of extremely low-income households in accordance with Housing Element Law;

5) Any action taken to coordinate with cities in the region, counties, or council of governments, including identification of the specific roles and responsibilities regarding outreach, shelter, interim, and permanent housing options, and services; and

6) Identification of programs that seek to prevent individuals from becoming unhoused and other actions taken that seek to prevent vulnerable populations from becoming unhoused, such as current and former foster youth, veterans, persons exiting the judicial system, and persons with special housing needs.

EXISTING LAW:

1) Requires a planning agency to provide an APR to the legislative body, the Office of Planning and Research, and the HCD by April 1 of each year that includes all of the following:

    a) The status of the general plan and progress in its implementation;

    b) The progress in meeting its share of the regional housing needs allocation (RHNA), including the need for extremely low-income households, and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing included in the housing element;

c) The number of housing development applications received in the prior year, including whether each housing development application is subject to a ministerial or discretionary approval process;

d) The number of units included in all development applications in the prior year;

e) The number of units approved and disapproved in the prior year, disaggregated into income subcategories within opportunity areas, as specified;

f) The degree to which the approved general plan complies with the guidelines developed in existing law for addressing specified matters, including environmental justice matters, collaborative land use planning of adjacent civilian and military lands, consultation with Native American tribes, and road and highway safety;

g) A listing of sites rezoned to accommodate that portion of the city or county's share of the RHNA for each income level that could not be accommodated on sites identified in the housing element's site inventory and any sites that may have been required to be identified under the No Net Loss Zoning law;

h) The number of housing units demolished and new units of housing, including both rental housing and for-sale housing, that have been issued a completed entitlement, a building permit, or a certificate of occupancy, thus far in the housing element cycle, and the income category by AMI that each housing unit satisfies;

i) Certain information regarding funding that may have been allocated via the Local Government Planning Support Grants Program;

j) The progress of the city or county in adopting or amending its general plan or local open-space element in compliance with its obligations to consult with California Native American tribes and to identify and protect, preserve, and mitigate impacts to tribal places, features, and objects;

k) Specified information related to density bonus law applications, including the number of units in a student housing development for lower income students for which the developer was granted a student housing density bonus;

l) Specified information related to Affordable Housing and High Road Jobs Act of 2022 applications; and

m) A list of all historic designations listed on the National Register of Historic Places, the California Register of Historic Resources, or a local register of historic places by the city or county in the past year, and the status of any housing development projects proposed for the new historic designations. (Government Code (GOV) 65400)

2) Requires HCD to post APR reports on its website within a reasonable time of receiving the reports. (GOV 65400)

3) Established HHAP to provide jurisdictions with one-time grant funds to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges, informed by a best-practices framework focused on moving homeless individuals

and families into permanent housing and supporting the efforts of those individuals and families to maintain their permanent housing. (Health and Safety Code Section (HSC) 50216)

4) Requires HHAP to be used for evidence-based solutions that address and prevent homelessness among eligible populations, including any of the following:

   a) Rapid rehousing, including rental subsidies and incentives to landlords, such as security deposits and holding fees;

   b) Operating subsidies in new and existing affordable or supportive housing units, emergency shelters, and navigation centers. Operating subsidies may include operating reserves;

   c) Street outreach to assist persons experiencing homelessness to access permanent housing and services;

   d) Services coordination, which may include access to workforce, education, and training programs, or other services needed to promote housing stability in supportive housing;

   e) Systems support for activities necessary to create regional partnerships and maintain a homeless services and housing delivery system, particularly for vulnerable populations, including families and homeless youth;

   f) Delivery of permanent housing and innovative housing solutions, such as hotel and motel conversions;

   g) Prevention and shelter diversion to permanent housing, including rental subsidies; and

   h) Interim sheltering, limited to newly developed clinically enhanced congregate shelters, new or existing noncongregate shelters, and operations of existing navigation centers and shelters based on demonstrated need. Demonstrated need for purposes of this paragraph shall be based on the following:

      i) The number of available shelter beds in the city, county, or region served by a Continuum of Care (CoC);

      ii) The number of people experiencing unsheltered homelessness in the homeless Point-in-Time (PIT) count;

      iii) Shelter vacancy rate in the summer and winter months;

      iv) Percentage of exits from emergency shelters to permanent housing solutions; and

      v) A plan to connect residents to permanent housing. (HSC 50220.7)

5) Requires, beginning with the third round of HHAP, applicants to provide the following information for all rounds of program allocations through a data collection, reporting, performance monitoring, and accountability framework:

   a) Data on the applicant's progress towards meeting their outcome goals, which must be submitted annually on December 31 of each year through the duration of the program;

b) If the applicant has not made significant progress toward their outcome goals, the applicant must submit a description of barriers and possible solutions to those barriers;

c) Applicants that do not demonstrate significant progress towards meeting outcome goals must accept technical assistance from Cal-ICH and may also be required to limit the allowable uses of these program funds, as determined by the council;

d) A quarterly fiscal report of program funds expended and obligated in each allowable budget category approved in their application for program funds; and

e) If the applicant has not made significant progress toward their outcome goals, then the applicant must report on their outcome goals in their quarterly report. (HSC 50220.7)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "California continues to face a homelessness crisis, with more than 123,000 Californians living unsheltered on any given night. Addressing homelessness requires coordination across cities, counties, and regional partners, yet information about local funding, outreach, housing efforts, and regional collaboration is not consistently reported statewide. SB 866 addresses this gap by requiring cities and counties to include additional homelessness information in their existing Annual Progress Reports submitted to the Department of Housing and Community Development. Rather than creating a new reporting process, the bill builds on the existing Annual Progress Report by adding targeted information on local homelessness funding, outreach, regional coordination, and prevention efforts. By leveraging an existing reporting framework, SB 866 provides policymakers and communities with more consistent information to strengthen regional coordination and support informed decision-making in addressing homelessness while minimizing administrative burden on local governments."

The High Cost of Housing: The high cost of housing is the cause of homelessness in California. Other states with higher rates of overdose but lower costs of housing report much lower rates of homelessness. West Virginia leads overdose deaths per capita but has one of the lowest homelessness rates in the country. A study by the National Low Income Housing Coalition found that West Virginia has 50 affordable and available rental homes for every 100 extremely-low-income households, more than double the number that California has. A family in West Virginia can afford a two-bedroom rental on less than $17 an hour – the second-lowest figure in the nation. In California, a family would need more than $40 per hour to be able to afford an average two-bedroom rental.

California needs an additional 2.5 million units of housing to meet the state's need, including 643,352 for very low-income households and 394,910 for lower income households. Since 2018, California has permitted 890,000 units of new housing, with 126,000 of those being low- and very low-income units. The Legislature has passed major legislation in recent years to allow affordable housing to be built on almost any site in the state. However, the lack of housing overall and, in particular, the continued lack of sufficient affordable housing is a problem that is decades in the making. Millions of Californians, who are disproportionately lower income and people of color, must make hard decisions about paying for housing at the expense of food, health care, child care, and transportation—one in three households in the state doesn't earn

enough money to meet their basic needs. Currently, according to HDIS data, for every five individuals who access homelessness services in California, only one is housed each year, leaving four unhoused.

California Statewide Study of People Experiencing Homelessness (CASPEH): The University of California, San Francisco Benioff Housing and Homelessness Institute conducted the CASPEH, the largest representative study of homelessness since the mid-1990s and the first large-scale representative study to use mixed methods (surveys and in-depth interviews). They administered questionnaires to nearly 3,200 participants and conducted in-depth interviews with 365 participants. Their report provides evidence to help shape the state's policy response to homelessness. The median age of participants was 47 (range 18-89). Participants who report a Black (26%) or Native American or Indigenous identity (12%) were overrepresented compared to the overall California population. Thirty-five percent of participants identified as Latino/x.

The report found that people experiencing homelessness in California are Californians. Nine out of ten participants lost their last housing in California; 75% of participants lived in the same county as their last housing. The median monthly household income in the six months prior to homelessness across all CASPEH participants was $960. Almost all participants met criteria to be considered "extremely low-income" or making less than 30% of the Area Median Income. Participants' inability to afford housing was both the underlying cause of homelessness and the primary barrier to their returning to housing. Evidence and interviews with people who are experiencing homelessness show that a small amount of shallow subsidy could keep people from falling into homelessness. This finding was true throughout California, not only in the high-cost coastal regions.

***HHAP*:** Beginning in 2018, in response to a growing number of people experiencing unsheltered homelessness, the state began investing significantly in the local homelessness response system through HHAP. HHAP provides one-time grants to cities with populations over 300,000 (big cities), CoCs, and counties to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges. Investments are informed by a best-practices framework focused on moving homeless individuals and families into permanent housing and supporting the efforts of those individuals and families to maintain their permanent housing. Big cities, CoCs, and counties can use HHAP for operating subsidies for shelters and supportive housing; construction of shelter, interim housing, supportive housing, landlord incentives, rental assistance, rapid rehousing, homelessness prevention, shelter diversion; street outreach, and services coordination. The program has received 7 rounds of funding totaling $5.45 billion from 2019-2025, of that. $3.9 billion has been awarded. and $2.3 billion has been expended. Round 6 of HHAP is available to applicants and an additional $500 million was included in this year's budget, contingent on more accountability, with a commitment that funds would go out in an expedited fashion. Homelessness in California has gone down by 9% since the state started investing in the homelessness response system though HHAP. Data shows that HHAP has helped 100,000 people be permanently housed from January 2023 to September 2025.

HHAP funding has significant accountability measures attached to it. Applicants must submit monthly fiscal reports and regular reporting on metrics designed to move people experiencing homelessness into permanent housing. Applicants must develop regional plans that identify how multiple sources of funds can be used to support a best-practices framework to move homeless individuals and families into permanent housing. Local Action Plans require HHAP recipients to

set outcome goals that prevent and reduce homelessness over a three-year period, informed by the findings from a local landscape analysis and the jurisdiction's base system performance measure from 2020 calendar year data in the Homeless Data Integration System (HDIS). The outcome goals included defined metrics, based on HUD's system performance measures, to do the following:

- Reduce the number of people experiencing homelessness;
- Reduce the number of people who become homeless for the first time;
- Increase the number of people exiting homelessness into permanent housing;
- Reduce the length of time people remain homeless;
- Reduce the number of people who return to homelessness after exiting homelessness to permanent housing; and
- Increase successful placements from street outreach.

Small Jurisdictions and HHAP: Big cities, CoCs, and counties are required to develop a regionally coordinated homelessness action plan and sign Memorandums of Understanding (MOUs) agreeing to participate and comply with the action plan. Smaller jurisdictions in the region may also sign the MOU and commit to participate in and comply with the regionally coordinated homelessness action plan. Counties are encouraged to allocate resources from program funding to smaller jurisdictions that participate in and commit to complying with the regionally coordinated homelessness action plan. If HHAP recipients are not making progress toward meeting their performance metrics listed above, HCD may require them to develop a system performance and improvement plan. If smaller jurisdictions participate in the regional plan, they would be part of the system performance and improvement plan, which requires the applicants to develop a timeframe for steps and completion of each key action, the methods of measuring the success of each key action, and related system performance measures that will demonstrate success of the key action.

PIT and Housing Inventory Count (HIC): The PIT is a count of sheltered and unsheltered people experiencing homelessness on a single night in January. The Department of Housing and Urban Development (HUD) requires that CoCs conduct an annual count of people experiencing homelessness who are sheltered in emergency shelter, transitional housing, and Safe Havens on a single night. CoCs also must conduct a count of unsheltered people experiencing homelessness every other year (odd-numbered years). Each count is planned, coordinated, and carried out locally.

The HIC is a point-in-time inventory of provider programs within a CoC that provide beds and units dedicated to serving people experiencing homelessness (and, for permanent housing projects, where homeless at entry, per the HUD homeless definition), categorized by five program types: Emergency Shelter; Transitional Housing; Rapid Re-housing; Safe Haven; and Permanent Supportive Housing. Data for the PIT count and HIC are submitted to HUD via the online data submission Homelessness Data Exchange (HDX). The definitions of emergency shelter and permanent housing are almost identical to the federal definitions in the HIC, which should make it easier for local jurisdictions to report data as part of the APR.

RHNA and Housing Elements: The RHNA process is used to determine how many new homes, and the affordability level of those homes, each local government must plan for in its housing element to cover the duration of the next planning cycle. The state is currently in the sixth housing element cycle. The seventh RHNA cycle will begin for some COGS in 2027. The

RHND is assigned at the COG level, while RHNA is suballocated to subregions of the COG or directly to local governments. RHNA is currently assigned via four income categories: very low-income (0-50% of AMI), low-income (50-80% of AMI), moderate income (80-120% of AMI), and above moderate income (120% or more of AMI). Beginning with the seventh cycle, two new income categories will be incorporated for acutely low-income (0-15% of AMI) and extremely low-income (15-30% of AMI).

Annual Progress Reports: Current law requires all local jurisdictions to provide housing information annually to HCD via the APR, including the following information from the current housing element cycle:

- The number of housing development applications received, and whether those applications are subject to ministerial or discretionary approval;
- The number of units included in all development applications;
- The number of units approved and disapproved;
- For each income category, the number of net new units of housing, including both rental housing and for-sale housing, that have been issued a completed entitlement, a building permit, or a certificate of occupancy;
- A unique site identifier (such as assessor's parcel number) for each entitlement, building permit, or certificate of occupancy; and
- The overall progress in meeting its share of regional housing needs.

It is important to note that APR submission has become a lengthy and involved process for city and county planning staff to undertake each year, and changing components can also prompt HCD to need to reconfigure its existing APR data collection and visualization tools to account for different categories of information. Adding new components to APRs should be considered carefully in light of the additional workload that will be placed on planning staff or consultants as well as HCD.

This bill would add additional reporting requirements to the APR for cities and counites. Jurisdictions would be required to report a list of any federal, state, or local funds they allocate toward addressing homelessness, including funds from HHAP. In addition, any available PIT data for the jurisdiction. This data may not be available for smaller cities. The CoC conducts the PIT count and may not break down data by jurisdiction. Additionally, local jurisdictions must provide a description of any actions taken to reach out to people who are unhoused to inform them of the resources available to them, actions to develop housing for extremely low-income households, prevention activities, and actions to coordinate regionally with other jurisdictions. These requirements would apply to the 7th and subsequent housing element cycles.

Arguments in Support: None on file that reflect the current version of the bill.

Arguments in Opposition: None on file that reflect the current version of the bill.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file for the current version of the bill.

Opposition

None on file for the current version of the bill.

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

Date of Hearing: July 1, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
SB 996 (Padilla) – As Amended June 16, 2026

SENATE VOTE: 37-0

SUBJECT: Manufactured housing: classification as real property

SUMMARY: Creates a new pathway for certain manufactured homes, mobilehomes, and commercial modular units to be classified as real property, under specified conditions, for the purposes of titling and the perfection of real property security interests. Requires the Department of Housing and Community Development (HCD) to develop a new form related to this new pathway of real property classification and requires local enforcement agencies to accept applications for reclassification as real property. Specifically, **this bill**:

Provisions related to Qualifications for Real Property Classification

1) Specifies that a manufactured home, mobilehome, or commercial modular may be classified as real property for purposes of titling and the perfection of real property security interests, even if the unit is not installed on a permanent foundation system, if all of the following conditions are satisfied:

    a) The unit is delivered and installed in or on any of the following:

        i. A mobilehome park or manufactured housing community whose primary owner is a 501(c)(3) organization or a municipal government;

        ii. Land owned by a community land trust (CLT), owned by a resident-owned community, or owned by a cooperative housing corporation (cooperative), including a limited-equity cooperative; and

        iii. Land that has full ownership or financed ownership that is the same as the ownership of the manufactured home, mobilehome, or commercial modular.

    b) Any of the following apply to the homeowner:

        i. The homeowner holds an exclusive, transferable occupancy right to the homesite that is either: a) a lease or proprietary occupancy agreement with a remaining term of not less than 15 years and the term of the lease is not revocable at the discretion of the lessor, except for cause as specified, that is only transferable with the sale of the manufactured home, mobilehome, or commercial modular; or, b) an occupancy agreement with a perpetual right to occupy the homesite.

        ii. The homeowner has full, independently financed, or jointly financed with the home, ownership of the land underneath the homesite.

iii. The homeowner holds an exclusive and renewable lease to the homesite in which the homeowner possesses no ownership of the land underneath the homesite, and which is not terminable except for cause, as specified.

c) The unit is installed, anchored, and skirted consistent with applicable construction and safety standards under specified federal regulations and any additional state or local health and safety requirements, as verified by the applicable enforcement agency through permit and inspection.

d) The local enforcement agency issues a certificate of occupancy for the unit and records with the county record a notice of installation on the form HCD 433X.

e) HCD cancels any certificate of title or registration for the unit upon receipt of a certified copy of the recorded form HCD 433X and notifies the county assessor of the cancellation.

i. Requires the homeowner to provide written evidence acceptable to HCD that the registered owner owns the manufactured home or mobilehome free of any personal property liens or encumbrances prior to the cancellation of any certificate of title or registration for the unit; or,

ii. In the event that the legal owner is not the registered owner or personal property liens and encumbrances exist on the manufactured home or mobilehome, written evidence provided by the legal owner and any lienors or encumbrancers that the legal owner, lienor, or encumbrancer consents to the classification of the manufactured home or mobilehome as real property upon discharge of any personal lien, that may be conditioned upon the satisfaction by the registered owner of the obligation secured by the lien prior to the cancellation of any certificate of title or registration for the unit.

f) Requires, for units placed on homesites that are in a mobilehome park, manufactured housing community, or commercial modular housing community whose primary owner is a 501(c)(3) organization or a municipal government, the homeowner to demonstrate that their homesite has an individually metered utility connection to either water or electric infrastructure.

g) For units qualifying under a)i) or a)ii) above, prior to or concurrent with the recording of any form HCD 433X, the landowner, owner or operator of the park, community, CLT, or cooperative, as applicable, shall have provided, to each homeowner requesting reclassification as real property for the purposes of titling, a copy of the plot map, as specified.

h) For units qualifying under b)i) above, the lease or proprietary occupancy agreement shall be recorded with the country recorder prior or concurrent with the recording of the form HCD 433X.

2) Provides that the deed of trust or mortgage encumbering a manufactured home, mobilehome, or commercial modular classified as real property pursuant to 1) above shall constitute a lien upon the unit and the leasehold or other occupancy interest described in b)i) or b)iii) above.

a) Specifies that a manufactured home, mobilehome, or commercial modular classified as real property pursuant to 1) above is a separate estate in real property and may be encumbered by a mortgage or deed of trust recorded in the official records of the county.

b) Provides that a manufactured home classified pursuant to 1) above may be treated as a fixture solely for the limited purpose of perfecting and enforcing a mortgage or deed of trust against the home itself and shall not be deemed to accede to the underlying real property or to authorize removal upon foreclosure, except as expressly provided by statute or recorded agreement.

c) Provides that a mortgage, deed of trust, or other lien recorded against the manufactured home, mobilehome, or commercial modular shall only encumber the manufactured home, mobilehome, or commercial modular, including any transferable occupancy right appurtenant to the home, and shall not attach to, or encumber, the mobilehome park owner's fee or leasehold estate absent the mobilehome park owner's separate and express consent.

3) Specifies that classification as real property pursuant to 1) above does not alter, waive, or diminish any rights and obligations under the Mobilehome Residency Law (MRL) when the manufactured home, mobilehome, or commercial modular is located in a mobilehome park.

4) Requires HCD, on or before January 1, 2028, to adopt or update regulations, forms, and guidance to implement this pathway to classification as real property, including the creation of the form HCD 433X and instructions for those submitting the form and applicable enforcement agencies.

Provisions related to Notice of Homesite Designation

5) Requires the owner, park owner, CLT, or cooperative, concurrent with the recording of form HCD 433X for any homesite subject to 1) above, to cause to be recorded with the county recorder a Notice of Homesite Designation, which shall do all of the following:

a) Identify the property by assessor's parcel number;

b) Identify the specific homesite to which the notice applies;

c) State that the homesite is configured pursuant to a plot plan or site map approved or filed with HCD under Title 25 of the California Code of Regulations; and

d) Incorporate by reference the applicable plot plan or site map.

6) Requires a copy of the applicable plot plan or site map to be attached to the Notice of Homesite Designation as an informational exhibit, but specifies the notice shall not be required to be recorded as a stand-alone instrument.

7) Allows a site map or diagram containing equivalent information to 5)a) through 5)d) above to be used in lieu of a plot plan for nonpark communities.

8) Requires the owner, park owner, community, CLT, or cooperative to cause to be recorded with the county assessor form HCD 433B for any homesite subject to 1) above.

9) Requires the recording party, upon submission of form HCD 433X for recordation by the county recorder, to include, as part of the recordable instrument, a location certification identifying the specific area, space, or lot within the subject property to which that form applies, as specified.

Provisions related to the development of form HCD 433X and other responsibilities of HCD

10) Requires HCD, on or before January 1, 2028, to create the form HCD 433X, which shall be titled "Notice of Manufactured Home Installation – Real Property Classification Without Permanent Foundation," for classification pursuant to 1) above.

    a) Specifies that form HCD 433X shall include all of the following:

        i. Name HCD as the "when recorded mail to" party;

        ii. Specify that the classification of real property under 1) above is for titling purposes only;

        iii. Require the terms under which the manufactured home was classified as real property, including evidence regarding an ownership structure in accordance with 1)a) above; and

        iv. Require evidence of the lease terms between the homeowner and landowner, in accordance with 1)a)i) or 1)a)ii) above.

11) Requires HCD, on or before January 1, 2028, to update the form HCD 433A and related instructions to clarify acceptable land tenure evidence, including long-term leases and proprietary occupancy agreements.

12) Requires local enforcement agencies to accept applications for mobilehome and manufactured housing installations on both permanent and semi-permanent foundations that meet the requirements of 1) above and record the applicable notice upon issuance of a certificate of occupancy.

13) Requires HCD to cancel registration of the manufactured home, mobilehome, or commercial modular and notify the county assessor upon recordation of a form HCD 433A or HCD 433X.

Provisions related to public posting

14) Requires HCD to produce and publish on its internet website a one-page "Before You Retitle" notice explaining all of the following information:

    a) The voluntary nature of retitling;

    b) The nonreversion of real property to personal property;

    c) A comparison of state programs accessible or inaccessible under real property titling versus personal property titling; and

    d) That there is no guarantee a retitled home will not be reassessed by the assessor.

Provisions related to the existing process for reclassification as real property:

15) Modifies the eligibility requirements for obtaining a permit to affix a unit to real property by removing provisions deeming certain long-term leases and resident ownership interests in converted mobilehome parks sufficient evidence of an ownership interest in the underlying real property.

16) Authorizes a manufactured home, mobilehome, or commercial modular installed on a nonpermanent foundation system to be installed as either chattel property or real property, subject to approval by HCD, rather than solely chattel.

EXISTING LAW:

1) Establishes the Manufactured Housing Act of 1980 (Health and Safety Code (HSC) 18000 *et seq.*)

2) Establishes the titling and registration requirements for all manufactured homes, mobilehomes, commercial coaches, truck campers, and floating homes. Authorizes HCD to adopt regulations to implement and interpret those titling and registration requirements (HSC 18075 *et seq.*)

3) 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 HCD with authority over enforcement of the MPA unless a local enforcement agency has elected to take responsibility. (HSC 18200 *et seq.*)

4) Authorizes a manufactured home or mobilehome to be installed on a foundation system as either a fixture or improvement to the real property if certain conditions are met. (HSC 18551)

5) Requires a manufactured home or mobilehome owner or licensed contractor to obtain a building permit from the appropriate enforcement agency before installing the unit on a foundation system by, among other things, submitting written evidence acceptable to the enforcement agency that the manufactured homeowner or mobilehome owner owns, holds title to, or is purchasing the real property where the mobilehome is to be installed on a foundation system. (HSC 18551(a)(A) – (F))

FISCAL EFFECT: According to the Senate Appropriations Committee, as amended May 14, 2026, "The Department of Housing and Community Development (HCD) estimates costs of $886,000 in 2027-28 and $811,000 annually thereafter (Mobilehome-Manufactured Home Revolving Fund) as follows:

- One-time costs of approximately $75,000 in the first year to update internally systems, database functionality, and data reporting mechanisms.

- Ongoing costs of approximately $811,000 annually for 4.0 PY of new staff to develop and adopt program regulations, update internal systems, develop specified forms, coordinate with county assessors and stakeholders statewide, develop data reporting standards, revise related contracts, and for ongoing administration of the program.

HCD indicates that these additional program expenses may require fee increases to cover the costs of these changes.

Unknown state-mandated local costs for local enforcement agencies to accept applications to classify manufactured homes on permanent and semi-permanent foundations that meet the requirements of this bill as real property, and to record applicable notices. These activities are not likely to be state-reimbursable because local enforcement agencies can charge application and inspection fees to offset any increased costs. Furthermore, any local costs are likely to be minor. Ultimately, however, any determination of state-reimbursement would be made by the Commission on State Mandates, to the extent a local enforcement agency incurs costs and files a claim for reimbursement. (General Fund)"

COMMENTS:

***Author's Statement*:** According to the author, "Expanding access to homeownership is a vital step in supporting affordability and wealth building for low and moderate income households. Manufactured homes are a low cost and underutilized form of housing, but currently a legal technicality has made affordable financing on manufactured homes unnecessarily difficult. SB 996 would address this discrepancy by creating a process for owners of manufactured homes to title their home as real property. This would allow access to more favorable financing and make owning a manufactured home much more affordable for Californians."

***Mobilehomes in California*:** Mobilehomes are pre-fabricated homes that are designed to be able to be transported and moved between locations. In practice, however, significant costs associated with relocation make it much more difficult to move a mobilehome. Because of their method of construction, mobilehomes are one of the most affordable types of housing, both as a pathway to homeownership and for tenants renting park-owned mobilehomes. In the latter arrangement, the relationship between a park resident and park management is similar to that of a traditional landlord-tenant relationship in other housing types. The resident leases the park-owned mobilehome and the park management maintains the mobilehome and other facilities in the park. However, in the former example, the relationship is unique in that a resident may own their mobilehome yet still pay rent to park management to lease the space upon which the unit rests. More than one million people live in California's approximately 4,500 mobilehome parks.

***Registration and Titling*:** HCD maintains a statewide system to register and title mobilehomes and manufactured homes. This system applies to homes that are not converted to real property and serves as the official record of ownership and lien interests. HCD keeps a permanent title record for each home, which identifies the registered owner, any legal owner such as a lender, and key information about the unit.

When a mobilehome or manufactured home is first sold, brought into the state, or otherwise transferred, the new owner or dealer must apply to HCD for registration and title. Existing law requires submission of appropriate documents, fees, and, when a dealer is involved, a report of sale. The report of sale allows the transaction to be recorded while the full registration and titling process is completed. HCD reviews the application materials and, once complete, establishes or updates the permanent title record for the home.

After processing the application, HCD issues two primary documents. First, it issues a certificate of title, which reflects legal ownership and any secured interests recorded against the home. HCD also issues a registration card showing the registered owner and basic identifying

information. Registration must be renewed annually with payment of fees, while the certificate of title remains in effect until there is a change in ownership or a lien is added or released.

Existing law also requires that ownership changes, lien recordings, and other title-related transactions be promptly reported to HCD using signed title documents and supporting paperwork. HCD then updates the permanent title record and issues revised documents as needed.

Existing Process for Reclassification: Under the MPA, a manufactured home, mobilehome, or commercial modular may be converted from personal property into a fixture and improvement to real property. To do so, an owner must install a unit on an approved foundation system, obtain a building permit, demonstrate ownership, purchase, or a qualifying leasehold interest in the underlying property, submit the required foundation plans and installation specifications, and obtain a certificate of occupancy. Following issuance of a certificate of occupancy, the local enforcement agency records a notice that the unit has been affixed to the real property, HCD cancels the unit's title and registration, and the unit is deemed a fixture and improvement to the real property. The affixed unit is then treated as real property for purposes of taxation, financing, and transfer.

***Personal Property vs. Real Property*:** Under existing law, a manufactured home becomes real property only when it is installed on a permanent foundation on land owned by the homeowner. Many manufactured homeowners, however, own their own homes but lease the homesite in a resident-owned community, CLT, nonprofit development, or other long-term lease arrangement. In those situations, the home is often treated as personal property, which can limit financing options and result in higher-cost loans.

Classifying a manufactured home, mobilehome, or commercial modular as a real property affects how the property is taxed, how the ownership transfers are recorded, and whether the structure is financed through a conventional mortgage or personal property loan. Homes titled as personal property are ineligible for mortgages, which can limit access to homeownership opportunities for one of the most affordable types of housing. Prospective purchasers are often left with personal loan financing as their only eligible option. These "home-only" loan options can be more costly to the borrower and generally have fewer consumer protections than traditional mortgages. According to an analysis conducted by The Pew Charitable Trusts, the median interest rate on a home-only loan was 8.5% between 2018 and 2024, compared to a median of 5.4% for manufactured home mortgages.[1] In addition, home-only loans are generally ineligible for government-backed loan programs.[2] Shorter repayment periods, typically 23-year terms as compared to 30-year mortgage repayment periods, can also increase borrowers' monthly expenses. With higher interest rates and shorter loan terms, Pew estimated a mortgage borrower with a $100,000 loan would pay $562 per month, compared with $826 per month for a home-only loan borrower.

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[1] "States Hold the Keys to Greater Mortgage Access for Manufactured Home Buyers," Rachel Siegel, The Pew Charitable Trusts, February 17, 2026, https://www.pew.org/en/research-and-analysis/issue-briefs/2026/02/states-hold-the-keys-to-greater-mortgage-access-for-manufactured-home-buyers.

[2] "Data Shows Lack of Manufactured Home Financing Shuts Out Many Prospective Buyers," Linlin Liang, Rachel Siegel, and Adam Staveski, The Pew Charitable Trusts, December 7, 2022, https://www.pewtrusts.org/en/research-and-analysis/articles/2022/12/07/data-shows-lack-of-manufactured-home-financing-shuts-out-many-prospective-buyers.

***This Bill*:** This bill authorizes certain manufactured homes, mobilehomes, and commercial modulars to be classified as real property for titling and financing purposes, even when the homeowner does not own the underlying land. This bill allows classification as real property when the homeowner has a qualifying long-term exclusive, transferable right to occupy the homesite, such as through certain long-term leases, resident-owned communities, CLTs, or similar arrangements. This bill would also establish rules for deeds of trust and mortgages so that lenders can secure a lien against both the home and the homeowner's leasehold or occupancy interest and would require local enforcement agencies to accept applications for mobilehome and manufactured housing installations on both permanent and semi-permanent foundations that meet specified conditions.

One consideration raised by this bill is whether ownership of the land and traditional permanent-foundation requirements should continue to be the primary determinants of real property classification and accompanying benefits and liabilities. Importantly, this bill does not eliminate installation requirements. Instead, it would allow certain homes installed on qualifying foundations and located on qualifying leasehold interests or resident-controlled land arrangements to be treated as real property even though the homeowner does not hold title to the land.

***Arguments in Support*:** According to a coalition of housing advocates, equity organizations, consumer groups, and mobilehome resident organizations, "SB 996 updates California law to allow a manufactured home or mobile home to be titled as real property for purposes of mortgage lending and consumer protections, even if it is not affixed to a permanent foundation, so long as it falls into one of the following categories:

1. Homes on self-owned land

Common in rural communities where residents often face limited access to contractors, materials, or financing needed for $40,000+ permanent foundation project. Titling these homes as real property will offer access to better financing without forcing costly construction.

2. Homes in Resident-Owned Communities (ROCs)

Residents in ROCs hold an exclusive and transferable right to occupy the land beneath their homes. SB 996 will help more residents transition into and sustain home ownership in ROCs by unlocking mortgage access and real-property protections.

3. Homes in non-ROC parks with nonprofit or municipal ownership and individual meters

This ensures that homeowners in the most stable forms of park ownership can access real-property loans while we work to clarify additional financial factors that may impact other classes of park owners.

Why This Matters:

Moving a manufactured home is extremely costly, often around $10,000 per section, requiring a California Highway Patrol escort. In practice, these homes function as permanent housing and serve as one of the last naturally occurring sources of affordable home ownership in the state. Recognizing them legally as a real property will:

- Expand access to mortgage financing with lower interest rates and fairer terms.
- Provide stronger consumer protections, including foreclosure safeguards not available under chattel lending.
- Unlock disaster relief programs that currently exclude homes titled as personal property.
- Protect and preserve homeownership opportunities for low-income and fixed-income Californians.
- Align California with national leaders like New Hampshire and Washington in modernizing manufactured housing finance laws.

Importantly, SB 966 preserves the rights and interests of manufactured housing community owners while giving residents a fairer and more stable path to financial security."

***Arguments in Opposition*:** According to the California Assessors' Association, "Under current law a manufactured home may only be classified as real property if it is on a permanent foundation, the owner holds the land or a qualifying long-term lease, and the unit becomes part of the real estate. The proposal in 18551.05 removes all of these requirements, while Revenue & Taxation Code 5830 still mandates that manufactured homes classified as real property must be assessed on the secured roll. This results in a new classification – non-affixed property treated as secured real property – which does not align with the criteria used for any existing secured property category. Some have noted that California tax law already accommodates complex ownership structures, such as possessory interests or leasehold improvements. However, these operate differently:

- Possessory interests are placed on the unsecured roll because they represent a right to use land rather than real property connected to land.
- Leasehold improvements are secured real property only when they are physically affixed and function as part of the real estate.

No existing structure parallels the treatment proposed in SB 996, which combines real-property status with the absence of affixation, land ownership, or integration into title. This mismatch would create significant challenges for valuation, enrollment, system configuration, and long-term administrative consistency."

REGISTERED SUPPORT / OPPOSITION:

Support

Neighborhood Partnership Housing Services INC (Co-Sponsor)
ROC USA (Co-Sponsor)
California Coalition for Community Investment
California Coalition for Rural Housing
California Community Land Trust Network
California Rural Legal Assistance Foundation
California YIMBY
Cameo Network

Casita Coalition
Community Vision Capital and Consulting
Enterprise Community Partners, INC.
Excite Credit Union
Five Rivers Loan Fund, INC.
Habitat for Humanity California
Housing California
Housing Trust Silicon Valley
Inland Equity Community Land Trusts
Inland SoCal Housing Collective
Lift to Rise
Mobile Home Resident Coalition
National Consumer Law Center
National Housing Law Project
Neighborhood Housing Services of Los Angeles County
Palisades Bowl Community Group
Parkview Legacy Foundation
Puente De LA Costa Sur
Rural Community Assistance Corporation
Self-help Enterprises
UnidosUS

Opposition

California Assessors' Association (unless amended)

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

Date of Hearing: July 1, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
SB 1090 (Pérez) – As Amended June 22, 2026

SENATE VOTE: 30-9

SUBJECT: Planning and zoning: housing development projects: urban lot splits: subdivisions: 2025 Eaton Wildfire: Altadena

SUMMARY: Exempts, from January 7, 2025 through January 7, 2030, the ZIP codes of 91001 and 91003 from the duplex and urban lot split requirements of SB 9 (Atkins), Chapter 162, Statutes of 2021, and the 10-unit subdivision and approval provisions of the Starter Home Revitalization Act (SHRA), established by SB 684 (Caballero), Chapter 783, Statutes of 2023, as specified. Specifically, **this bill**:

1) Provides that, from January 7, 2025 through January 7, 2030, the streamlined, ministerial approval provisions for the following project types are void in the ZIP codes of 91001 and 91003:

   a) SB 9 duplexes in single-family zoning districts;

   b) SB 9 urban lot splits in single-family zoning districts;

   c) SHRA housing development projects of up to 10 units; and

   d) SHRA subdivisions resulting in up to 10 parcels.

2) Provides that the provisions of this bill do not apply to an application for a proposed housing development for which the property rights have vested.

3) Makes findings and declarations that a special statute is necessary in order to address the disparity in protection from predatory development practices following the Los Angeles fires for communities in the unincorporated area known as Altadena in the County of Los Angeles that are excluded from the scope of the Governor's Executive Order N-32-25.

EXISTING LAW:

1) Requires, pursuant to SB 9, a local agency to ministerially approve an urban lot split creating up to two parcels, and to ministerially approve up to two residential units on a parcel, if specified criteria are met. (Government Code (GOV) Sections 66411.7, 65852.21)

2) Authorizes local agencies to apply objective zoning, subdivision, and design standards to SB 9 projects, but prohibits standards that would physically preclude the construction of up to two units per parcel or otherwise conflict with state law. (GOV 66411.7, 65852.21)

3) Exempts parcels in very high fire hazard severity zones from the requirements of 1) and 2), unless the sites have adopted fire hazard mitigation measures pursuant to existing building standards or state fire mitigation measures applicable to the development. (GOV 66411.7, 65852.21)

4) Provides that a local agency is not required to permit more than two units on a parcel created through an SB 9 urban lot split, including units created through SB 9, ADUs, or JADUs. (GOV 66411.7)

5) Requires the ministerial approval of qualifying SHRA subdivisions of up to 10 parcels and associated housing development projects of up to 10 units, subject to objective standards and specified eligibility criteria, including the requirement that the lot is substantially surrounded by qualified urban uses. (GOV 66499.41, 65852.28)

6) Requires local agencies to ministerially approve qualifying SHRA housing development projects on subdivided lots within specified timeframes and limits the ability of local agencies to deny such projects except upon a written finding of a specific, adverse impact on public health and safety. (GOV 65852.28)

7) Requires local agencies to issue building permits for qualifying SHRA housing development projects of 10 or fewer units on subdivided lots, subject to compliance with applicable standards and conditions related to subdivision approval. (GOV 65913.4.5)

8) Prevents the use of the SHRA within a high or very high fire hazard severity zone. (GOV 66499.41)

9) Establishes the California Emergency Services Act (CESA) to ensure that preparations within the state will be adequate to deal with the effects of natural, manmade, or war-caused emergencies that result in conditions of disaster or in extreme peril to life, property, and the resources of the state, and generally to protect the health and safety and preserve the lies and property of the people of the state. (GOV 8550 *et seq.*)

10) Authorizes the Governor to make, amend, and rescind orders and regulations necessary to carry out the provisions of CESA, and provides that any orders and regulations issued during a state of emergency shall take effect immediately. (GOV 8567)

11) Authorizes the Governor, during a state of emergency, to suspend any regulatory statute, or statute prescribing the procedure for conduct of state business, or the orders, rules, or regulations of any state agency, where the Governor determines and declares that strict compliance with any statute, order, rule, or regulation would prevent, hinder, or delay the mitigation of the effects of the emergency. (GOV 8571)

12) Establishes CalOES, within the office of the Governor, and makes CalOES responsible for the state's emergency and disaster response services for natural, technological, or man-made disasters and emergencies, including the responsibility for activities necessary to prevent, respond to, recover from, and mitigate the effects of emergencies and disasters to people and property. (GOV 8585)

FISCAL EFFECT: This bill has been keyed non-fiscal by the Legislative Counsel.

COMMENTS:

Author's Statement: According to the author, "The people of Altadena are demanding protections from speculators who are purchasing property from distressed fire survivor's and seeking to exploit laws that were not intended for communities recovering from a disaster of this

magnitude. While I have supported many policies aimed at increasing California's housing supply, those laws were designed to encourage urban infill development under normal circumstances, not for a community that suffered the level of disaster experienced by the Eaton Fire. Allowing up to ten homes on a lot that was previously zoned for a single-family residence is overwhelming Altadena's existing infrastructure and destabilizing the community's long-term recovery. Recognizing these concerns, the Palisades community that was also devastated by a major fire was granted a temporary exemption from these laws through an executive order. Altadena deserves the same protections. SB 1090 would provide disaster-impacted survivors with the stability and certainty they need to focus on rebuilding their homes and lives. By extending the protections provided under the Governor's executive order to the entirety of Altadena for five years, this measure helps ensure that residents are not pressured into selling their property at a vulnerable moment and that the community can recover on its own terms."

California's Housing Crisis: California's housing crisis is a half-century in the making.[1] After decades of underproduction, supply is far behind demand, and housing and rental costs are soaring. As a result, millions of Californians must make hard decisions about paying for housing at the expense of food, health care, child care, and transportation, directly impacting the quality of life in the state.[2] One in three households in the state doesn't earn enough money to meet their basic needs.[3] In 2024, over 187,000 Californians experienced homelessness on a given night.[4]

To meet this housing need, HCD determined that California must plan for more than 2.5 million new homes, and no less than one million of those homes must be affordable to lower-income households, in the 6th Regional Housing Needs Allocation (RHNA) cycle. By contrast, housing production in the past decade has been under 100,000 units per year – including less than 10,000 units of affordable housing per year.[5] Increasing the overall supply of housing, both market-rate and deed-restricted affordable, is essential to reducing upward pressure on rents and home prices, and to creating a more stable, accessible housing market for Californians across income levels.

The state's housing crisis is not equally experienced by all Californians. Testimony by the UC Berkeley Terner Center to this Committee showed that the impacts of the housing crisis are significantly more severe for lower-income individuals, single-earner households, Black and Latino Californians, younger and older populations, and those who reside in, or aspire to live and work in, the state's highest-cost regions.[6] As it pertains to homeownership, homeownership rates have fallen to historic lows. The median home price in California now exceeds $800,000, effectively locking out many working families from the ownership market.

Recent State Efforts to Address the Housing Crisis: In recent years, the Legislature has enacted numerous laws intended to increase housing production by reducing regulatory barriers and expanding opportunities for residential development. Many of these measures shift housing approvals from discretionary processes to ministerial approvals governed by objective standards,

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[1] California Department of Housing and Community Development, *A Home for Every Californian*: 2022 Statewide Housing Plan. March 2022, https://storymaps.arcgis.com/stories/94729ab1648d43b1811c1698a748c136
[2] IBID.
[3] IBID.
[4] U.S. Department of Housing and Urban Development, Point in Time Counts. https://www.huduser.gov/portal/datasets/ahar/2023-ahar-part-1-pit-estimates-of-homelessness-in-the-us.html
[5] https://www.hcd.ca.gov/policy-research/housing-challenges.shtml
[6] UC Berkeley Terner Center Testimony by Ben Metcalf, Managing Director, at the State Housing Production Legislation: Actions, Outcomes, and Opportunities Informational Hearing, February 12, 2025

increase allowable residential density, and limit the ability of local governments to deny or reduce the density of qualifying housing developments. The Legislature has also sought to preserve existing development capacity through the Housing Crisis Act of 2019, which generally prohibits affected local governments from downzoning residential property or otherwise reducing a site's residential development capacity, commonly referred to as the Act's "anti-downzoning" provisions. Collectively, these reforms include expanding accessory dwelling unit (ADU) production, reforming single-family zoning, streamlining the approval of qualifying housing developments, facilitating office-to-residential conversions, and increasing allowable residential density in certain locations.

A key legislative strategy to address the housing crisis has been to promote “missing middle” housing typologies in existing neighborhoods. Missing middle housing refers to a range of small-scale, multiunit housing types, such as duplexes, triplexes, fourplexes, townhomes, and cottage courts, that are compatible in scale with single-family neighborhoods while providing more homes at moderate densities, sometimes also referred to as “gentle density.” Two of the Legislature's significant missing middle housing reforms are SB 9 (Atkins), Chapter 162, Statutes of 2021, and the SHRA, both of which are directly affected by this bill.

SB 9: SB 9 established a ministerial process allowing qualifying property owners to create up to four residential units on parcels zoned for single-family residential use. Specifically, SB 9 authorizes urban lot splits creating up to two parcels and permits up to two primary dwelling units on each resulting parcel, subject to specified objective standards and eligibility requirements. The law was intended to increase missing middle housing opportunities by allowing modest increases in density within existing single-family neighborhoods. SB 9 also incorporated environmental and public safety siting criteria, including restrictions on development within very high fire hazard severity zones unless specified statutory fire hazard mitigation requirements are satisfied.

Utilization of SB 9 has been relatively limited since its enactment. Some observers attribute the slow uptake to financing challenges, owner-occupancy requirements, and broader market conditions, including higher interest rates. In response, SB 450 (Atkins), Chapter 286, Statutes of 2024, strengthened and clarified SB 9 by establishing a 60-day approval timeline, limiting local discretion over qualifying projects, and providing HCD with explicit enforcement authority. Those amendments became effective January 1, 2025

Starter Home Revitalization Act: The SHRA established a ministerial pathway for qualifying small-scale subdivisions and associated housing development projects intended to facilitate missing middle housing opportunities. The law requires local agencies to ministerially approve qualifying subdivisions of up to 10 parcels and associated housing developments of up to 10 units on eligible multifamily-zoned or vacant single-family-zoned properties, subject to specified objective standards related to site eligibility, environmental constraints, and development standards. Notably, one of the requirements in the SHRA is that the lot is substantially surrounded by qualified urban uses, as defined. Unlike SB 9, the SHRA prohibits projects located within high and very high fire hazard severity zones and does not include a statutory fire hazard mitigation exception. The SHRA also coordinates subdivision approvals and vertical development under the Subdivision Map Act (SMA), allowing housing development to proceed on newly created lots through a streamlined approval process.

Eaton and Palisades Fires: On January 7, 2025, two devastating wildfires, the Eaton Fire and Palisades Fire, both ignited in Los Angeles County. The Eaton Fire ignited in Eaton Canyon near Altadena in Los Angeles County, burning more than 14,000 acres, destroying over 9,400 structures.[7] The Palisades Fire began in the Santa Monica Mountains, rapidly spreading across more than 23,000 acres and destroying over 6,800 structures, primarily in the Pacific Palisades community of the City of Los Angeles.[8] Both fires were fully contained by January 31, 2025. Of the more than 16,000 homes and other structures destroyed, placing these fires among the most destructive in California's history. The vast majority of the damage occurred in what is referred to as the wildland-urban interface, or WUI.[9] The WUI is where human development meets or mixes with the undeveloped natural environment or wildlands.[10]

Governor's Executive Orders Following the Los Angeles Fires: Immediately following the Eaton and Palisades fires, Governor Newsom issued a series of executive orders intended to expedite rebuilding and housing recovery efforts in Los Angeles County. Collectively, these orders suspended or streamlined numerous state and local permitting requirements, including specified California Environmental Quality Act (CEQA) review and California Coastal Act permitting requirements for the reconstruction of damaged structures and related infrastructure, facilitated temporary housing and mobilehomes, extended permit timelines, directed state agencies to identify additional regulatory barriers to recovery, encouraged expedited local permitting processes and preapproved plans, and committed the Administration to pursuing longer-term statutory changes to support rebuilding efforts.

Executive Order Suspending SB 9: On July 30, 2025, Governor Newsom issued Executive Order N-32-25, which temporarily suspended the operation of SB 9's ministerial duplex and urban lot split provisions (GOV 65852.21 and 66411.7) within fire-affected areas located in very high fire hazard severity zones, as identified by the State Fire Marshal, in Los Angeles County. The order cited concerns raised by local officials and residents that widespread SB 9 development in neighborhoods recovering from catastrophic wildfire could complicate evacuation planning, strain infrastructure, and interfere with rebuilding efforts in areas already facing heightened wildfire risks. The order initially suspended SB 9 in affected very high fire hazard severity zones through August 6, 2025, and thereafter authorized local governments to exercise broader discretion over SB 9 projects in those areas.

Executive Order N-32-25 had different practical effects in the Pacific Palisades and Altadena. Because nearly all of the Pacific Palisades is located within designated very high fire hazard severity zones, the executive order effectively suspended SB 9 throughout the community. Similarly, because of the fire risk mapping in the Pacific Palisades, the SHRA largely did not apply in that community. By contrast, substantial portions of the Eaton Fire burn area in Altadena lie outside designated very high fire hazard severity zones. As a result, many fire-affected properties in Altadena remained eligible to utilize SB 9 and the SHRA, while similarly situated properties in the Pacific Palisades could not.

The differing effect of Executive Order N-32-25 also affected communities with distinct demographic and socioeconomic characteristics. Altadena has long been recognized for its racial

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[7] IBID.
[8] https://www.latimes.com/california/live/la-fire-updates-floods-mud-rain-closures-laguna-eaton-palisades
[9] https://calmatters.org/environment/wildfires/2025/01/la-county-fires-wildland-urban-interface/
[10] IBID.

and economic diversity and as a historic center of Black homeownership. According to researchers at UCLA's Latino Policy and Politics Institute, drawing from U.S. Census data, approximately one-quarter of Altadena households earned less than $65,000 annually before the Eaton Fire, despite a median household income of approximately $129,000, reflecting significant economic diversity within the community.[11] By contrast, Pacific Palisades has a median household income exceeding $200,000, substantially higher home values, and a less diverse population, with a predominantly white population according to Census data.[12] These differences have prompted concerns that rebuilding challenges and displacement pressures may differ significantly between the two communities.

According to testimony presented at the Altadena Town Council Meeting on June 16, 2026, community representatives requested that the Governor extend Executive Order N-32-25 to all fire-affected portions of Altadena so that the community would receive treatment comparable to the Pacific Palisades.[13] According to testimony at that meeting and the author's office, representatives of the Administration declined that request.[14]

There were mixed reactions to Executive Order N-32-25. Los Angeles Mayor Karen Bass strongly supported the Governor's action and, on the same day the order was issued, signed Emergency Executive Order No. 9 declaring that the City of Los Angeles "will not accept or process applications under Government Code Sections 65852.21 and 66411.7 for any project within a Very High Fire Hazard Severity Zone within the boundaries of the Palisades Fire area."[15] Mayor Bass argued that SB 9 "was never intended to be applied to communities recovering from a natural disaster of this scale" and expressed concern that additional SB 9 development could "drastically further challenge ingress and egress in a Very High Fire Hazard Severity Zone."[16] As a result, the City elected not to permit new SB 9 projects within the affected portions of the Pacific Palisades in accordance with the Governor's executive order.

The Governor's executive order and subsequent local action generated opposition from housing advocates and pro-housing organizations. Critics argued that SB 9 could provide an important rebuilding tool for homeowners who were uninsured or underinsured by allowing them to generate rental income, create multigenerational housing, or sell a portion of their property to help finance reconstruction. In December 2025, the nonprofit organization YIMBY Law filed a lawsuit against Governor Newsom, Mayor Bass, Los Angeles County, and several affected local jurisdictions, alleging that the suspension of SB 9 exceeded the Governor's emergency authority and unlawfully restricted homeowners' ability to rebuild.[17] According to the lawsuit, the Legislature had already considered wildfire risks when enacting SB 9 and chose to allow qualifying projects in fire-prone areas subject to applicable safety requirements.[18] Supporters of the suspension, however, maintained that additional density in very high fire hazard severity zones could worsen future evacuation challenges and strain infrastructure in communities recovering from catastrophic wildfires.

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[11] https://latino.ucla.edu/research/underserved-and-overlooked/
[12] U.S. Census Bureau release *2019–2023 American Community Survey (ACS) 5-year estimates*.
[13] June 16 Altadena Town Council Meeting: https://www.youtube.com/live/ROy6FSHFP6o?si=_zXBtw3Geu-umr9Y&t=1852
[14] IBID.
[15] City of Los Angeles Emergency Executive Order No. 9, *Return and Rebuils*, Issued July 30, 2025.
[16] https://mayor.lacity.gov/news/mayor-bass-issues-statement-impact-senate-bill-9-palisades-rebuilding
[17] https://www.yimbylaw.org/sb-9-lawsuit
[18] https://www.yimbylaw.org/sb-9-lawsuit

Legislative Response to the Los Angeles Fires: Following the Eaton and Palisades fires, the Assembly, under the leadership of Speaker Robert Rivas, advanced and enacted a package of wildfire-related bills in 2025 intended to support recovery and rebuilding efforts in affected communities. These measures addressed a range of issues, including efforts to expedite rebuilding and permitting, facilitate temporary housing arrangements, provide mortgage and property tax relief, enhance wildfire resilience, promote home hardening and vegetation management, and provide additional support for emergency response personnel.[19] Notably, these legislative efforts were primarily focused on helping homeowners rebuild more quickly and removing governmental barriers to reconstruction. In 2026, members of the Senate Republican Caucus introduced a separate legislative package focused on wildfire risk reduction, recovery, and housing affordability.[20] These efforts reflect an ongoing legislative focus on facilitating recovery in fire-affected communities while also addressing broader policies related to wildfire resilience, rebuilding, and housing supply and affordability.

Rebuilding in Altadena: Approximately 5,936 parcels and 6,746 housing units were damaged or destroyed in the Eaton Fire burn area. According to the Los Angeles County Permitting Progress Dashboard, as of June 19, 2026, the County had received 3,443 rebuild applications for properties impacted by the Eaton Fire. Of those applications, 3,172 zoning reviews had been cleared, 2,809 parcels had submitted full building plans, 3,177 building plans had been approved, and 2,845 building permits had been issued.[21] The dashboard further reports that 1,665 new residential units are currently under construction, while 89 new residential units have completed construction.[22] The County reports that the average rebuild permit took 125 business days from application to issuance, with applicants spending an average of 92 business days preparing and responding to requests, and County review accounting for an average of 33 business days.[23]

Los Angeles County has implemented numerous rebuilding initiatives, including expedited like-for-like rebuilding, preapproved plans, AI-assisted plan review through its eCheck pilot, building plan self-certification, temporary housing permits, manufactured and factory-built housing, and a bundled projects pilot program intended to streamline review of multiple homes. The County also offers fee deferrals and refunds for qualifying owner-occupied rebuilds, technical assistance through One-Stop Permit Centers, disaster case management services, resiliency and rebuilding guides, contractor resources, and the creation of an infrastructure financing district to support recovery-related infrastructure improvements.

With regard to the use of SB 9 and the SHRA in Altadena, while the Committee does not have complete data on permits filed, some letters of support cite that these types of applications represent a small percentage of overall permits filed by property owners. According to testimony presented by Los Angeles County at the Altadena Town Council Meeting on June 16, 2026, the County determined that SHRA applications received after the Eaton Fire would be voided because, following the fire, the affected properties were no longer "substantially surrounded by qualified urban uses," one of the statutory eligibility requirements for the SHRA.[24] However,

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[19] https://speaker.asmdc.org/news/20250917-these-are-wildfire-related-bills-california-legislature-okd-year
[20] https://sr32.senate.ca.gov/content/senate-republicans-introduce-wildfire-risk-reduction-and-affordability-legislation
[21] https://recovery.lacounty.gov/rebuilding/permitting-progress-dashboard/
[22] IBID.
[23] IBID.
[24] https://www.youtube.com/live/ROy6FSHFP6o?si=_zXBtw3Geu-umr9Y&t=1852

many community members maintain that the SHRA particularly poses a threat to neighborhood character once more properties in Altadena are rebuilt, potentially making more sites "substantially surrounded by qualified urban uses" and therefore eligible for the SHRA.

One opponent of this bill notes that Los Angeles County previously maintained a brochure on its recovery website titled *Housing Options for Eaton Fire Survivors* that identified both SB 9 and the SHRA as tools available to support homeowners rebuilding after the Eaton Fire, though that brochure has since been removed from the County's website. The brochure identified SB 9 as a tool to create additional housing units and subdivide lots and identified the SHRA as a tool that could allow eligible properties to be subdivided into up to ten lots, characterizing these laws as opportunities to "expand options for fire survivors looking to rebuild."

The opponent states that it relied on the County's promotion of the SHRA when acquiring fire-affected properties in Altadena and structured its partnerships, infrastructure plans, and affordability commitments around development authorized by the SHRA. According to the opponent, it paid premiums for affected properties based on the expectation that the SHRA would allow multiple homes to be developed on each site, including paying more than $1 million above the estimated pre-fire single-family value of one parcel. The opponent contends that suspending the SHRA after developers have acquired properties in reliance on it could lower the prices that fire survivors are able to obtain when selling affected properties.

This Bill: This bill would temporarily exempt properties located within ZIP Codes 91001 and 91003, which encompass much of the Eaton Fire-affected area in Altadena, from two missing-middle housing streamlining laws, SB 9 and the SHRA. Specifically, for applications submitted on or after January 7, 2025, and before January 7, 2030, for which the property rights have not vested, this bill would suspend the applicability of SB 9's ministerial duplex and urban lot split provisions, as well as the SHRA's ministerial approval process for qualifying housing development projects and subdivisions of up to 10 units or parcels, within those ZIP codes. As a result, property owners in the affected area would not be entitled to utilize those streamlined approval pathways established by state legislation during the specified period. This bill would not apply to projects for which property rights have vested, though that term is not defined, and it is unclear which projects in the pipeline would benefit from this exemption, especially since this bill is retroactive to January 7, 2025. This could potentially mean SB 9 and SHRA projects that have received either entitlements (planning approval) or building permits from the LA County Planning Department could still proceed, but the term is undefined. It includes findings and declarations that a special statute is necessary to address a disparity in protections for portions of Altadena that were not covered by Executive Order N-32-25 following the Los Angeles fires.

Gutted. This bill was gutted and amended into a new policy in June of 2026.

Policy Considerations: The Committee may wish to consider the following:

1) **Equal Treatment of Fire-Affected Communities.** The stated purpose of this bill is to extend to Altadena restrictions similar to those imposed in the Pacific Palisades under Executive Order N-32-25. Supporters argue that homeowners whose properties were damaged by the Eaton Fire should receive the same treatment as those impacted by the Palisades fires, regardless of whether their property happened to fall within a state-designated very high fire hazard severity zone. The Committee may wish to consider whether equalizing treatment between the two communities is an appropriate legislative objective, or whether the distinctions drawn by Executive Order N-32-25 based on very

high fire hazard severity zones, and the existing statutory language governing the use of SB 9 and the SHRA in fire hazard severity zones, remain relevant following the fires.

2) **Consistency with Existing State Housing Policy.** The Committee may wish to consider how the bill aligns with the Legislature's prior policy decisions regarding housing production in fire-prone areas. When enacting SB 9 and later the SHRA, the Legislature established eligibility criteria and geographic limitations intended to account for wildfire hazards. The Committee may wish to consider whether the circumstances presented by the Eaton Fire justify departing from those statewide policy judgments by imposing additional restrictions on the use of those laws in Altadena.

3) **Impacts on Property Owners.** This bill has received vocal support from more than 650 Altadena residents, and one local elected official, representing a base of homeowners who would like to see Altadena rebuilt to its prior neighborhood character and to curb speculative investor pressures on Altadena residents who lost their homes and are navigating the rebuilding process. However, not all former Altadena residents may wish to rebuild due to a wide variety of factors, and some may wish to take advantage of state laws to build back with additional density to offset construction costs, sell the resulting lot(s), or generate rental income. The Committee may wish to consider the potential impacts of this bill on property owners who do not intend to rebuild their homes in Altadena or who may wish to use SB 9 or the SHRA to rebuild, as advertised by the LA County Planning Department. To the extent that SB 9 and SHRA development opportunities increase the value of affected parcels, temporarily suspending those laws could reduce redevelopment potential and affect the market value of properties owned by individuals who choose not to rebuild, and could preclude homeowners who may otherwise be interested in using these state housing tools in the rebuilding process from doing so.

4) **Vesting Considerations.** The Committee may wish to consider this bill's proposed effective dates and protections for projects already in the pipeline. This bill would exempt two zip codes in Altadena from SB 9 and the SHRA with a retroactivity date of January 7, 2025 (the date that the Eaton Fire began). While this bill does provide an exemption for proposed housing developments “for which the property rights have vested,” that term is undefined. It is unclear whether the intent was to allow projects with formal local approval (e.g., issued entitlements or building permits) to proceed to construction. If some sort of formal local approval is the threshold for vesting, then there is the potential that Los Angeles County could withhold approval from projects in the pipeline until this bill becomes law, in which case those applications for SB 9 and SHRA projects submitted under the regulations at the time, as publicized by the LA County Planning Department, could become nullified. To the extent the Legislature intends to extinguish development rights that property owners or applicants have already acquired under existing law, this bill may raise questions regarding vested rights and, in some circumstances, potential takings claims. Clarifying which projects are intended to proceed notwithstanding this bill could reduce uncertainty for local governments, property owners, and applicants.

5) **Length of the Moratorium.** The Committee may wish to consider whether the January 7, 2030 sunset appropriately balances the stated goals of preserving neighborhood character during recovery and restoring the statewide housing laws once rebuilding has

stabilized. It is unclear why the bill selects a five-year operative period from the date of the Eaton Fire, or whether a shorter sunset tied to rebuilding progress or another objective benchmark would accomplish the bill's stated purpose.

6) **Impacts on Community Efforts Underway.** The Committee may wish to consider whether this bill would inadvertently affect nonprofit and community-led rebuilding efforts that rely on SB 9. A coalition of Altadena-based organizations, including community land trusts, affordable housing developers, tenant advocates, and community organizations, argues that while SB 1090 is intended to curb speculative acquisition of fire-affected properties, it would also prevent survivor-led affordable housing projects that rely on SB 9 from moving forward unless the bill is amended. Organizations, including the Altadena Community Land Trust and Greenline Housing Foundation, are currently pursuing community-led rebuilding projects that utilize SB 9 to create permanently affordable (for those earning incomes up to 150% of the area median income) housing for returning fire survivors and displaced Altadena renters. The coalition contends these projects provide the type of "gentle density" that existed in Altadena before the Eaton Fire and differ substantially from the speculative acquisition of burned lots that this bill seeks to address. The coalition further argues that nonprofit and community land trust projects often require longer planning and financing timelines than market-rate developments and that suspending SB 9 without an exemption for qualifying community-led affordable housing projects could halt projects already in predevelopment before they have an opportunity to proceed.

Committee Amendments: The Committee may wish to consider the following amendments to address the aforementioned policy considerations:

1) Removing the retroactivity provisions and having the moratorium be effective from January 1, 2027, through January 7, 2030, to allow SB 9 and SHRA applications that were submitted under the existing law at the time and before January 1, 2027, to proceed.

2) Allowing development proponents who submit a preliminary application for an SB 9 or SHRA housing development project prior to January 1, 2027, to utilize SB 9 and the SHRA, so long as they submit a complete application within 180 days, pursuant to existing law regarding preliminary and complete applications.

3) Exempting deed-restricted 100% affordable housing development projects for lower and moderate income households, proposed by nonprofit housing developers or community land trusts, from the SB 9 and SHRA moratorium.

Arguments in Support: Supporters of this bill, including Los Angeles County Supervisor Kathryn Barger (bill sponsor), the California Association of Realtors, the Altadena Town Council, local nonprofit and community organizations, service providers, and hundreds of wildfire survivors and Altadena residents, argue that SB 1090 provides a temporary and narrowly tailored response to the unique circumstances facing Altadena following the Eaton Fire. They contend that thousands of residents remain displaced and continue to navigate insurance claims, financing challenges, permitting, and rebuilding efforts, and that allowing the use of SB 9 and the SHRA during this period could encourage speculative acquisition of fire-damaged properties and accelerate redevelopment before former residents have an opportunity to return.

Supporters argue that the bill would help prevent displacement, preserve community stability, and provide residents with additional time to recover and make long-term decisions about their properties. Several letters assert that laws intended to promote incremental infill housing are being used by outside investors to pursue higher-density projects in fire-impacted neighborhoods, potentially altering neighborhood character and increasing pressure on infrastructure, evacuation routes, and public services during recovery. Supporters further contend that Altadena did not receive the same protections from the Governor's post-fire executive orders as Pacific Palisades, despite experiencing similar devastation, and that SB 1090 would create parity between the two communities. They emphasize that the bill is temporary, does not prevent homeowners from rebuilding or adding ADUs, and is intended to balance the state's housing goals with the need to prioritize disaster recovery and the return of displaced residents.

Arguments in Opposition: Opponents, including housing advocacy organizations and housing industry groups such as the California Apartment Association, California YIMBY, Abundant Housing LA, YIMBY Action, the Casita Coalition, the Council of Infill Builders, BuildCasa, Southern California Obtainable Housing, as well as builders in LA County, argue that SB 1090 would slow Altadena's recovery by removing tools that many fire survivors can use to rebuild, finance reconstruction, or sell their properties. They contend that SB 9 and the SHRA provide homeowners with additional options to generate value from their lots, such as creating additional homes, subdividing property, or selling to buyers who can build more housing, which can help close insurance and financing gaps following the Eaton Fire.

Opponents argue that restricting these tools would reduce property values, limit housing production, and make it more difficult for displaced residents to return to Altadena. Several letters assert that the bill would disproportionately harm underinsured homeowners, seniors, and longtime Black homeowners whose primary asset is their property. Opponents further contend that SB 9 and the SHRA can facilitate the production of starter homes, deed-restricted affordable homes, and other "missing middle" housing types that would otherwise not be feasible. They argue that suspending ministerial housing approvals in a community already facing a severe housing shortage conflicts with the state's housing goals, creates uncertainty for property owners and builders, and establishes a precedent for exempting individual communities from statewide housing laws. Rather than restricting housing options, opponents argue that the Legislature should preserve flexibility for property owners and pursue policies that accelerate rebuilding and housing production in the fire-impacted area.

Related Legislation:

AB 2005 (Ahrens) of this legislative session would establish a new owner-occupancy pathway for SB 9 developments.

AB 2601 (Lee) of this legislative session would require local governments to concurrently process the entitlement and subdivision components of SB 9 and SHRA development projects.

SB 1116 (Caballero) of this legislative session further revises the streamlined and ministerial approval framework created by SB 684/1123, including replacing the requirement that SHRA projects are substantially surrounded by qualified urban uses with a new infill requirement.

SB 450 (Atkins), Chapter 286, Statutes of 2024. Amended the process established by SB 9 (Atkins), Chapter 162, Statutes of 2021 for the ministerial approval of a duplex in a single-family zone and the lot split of a parcel zoned for residential use into two parcels.

SB 9 (Atkins), Chapter 162, Statutes of 2021. Required the ministerial approval by a local agency of a duplex in a single-family zone and the lot split of a parcel zoned for residential use into two parcels.

SB 1123 (Caballero), Chapter 294, Statutes of 2024. Expanded SB 684 (Caballero) to vacant single-family sites and made other changes.

SB 684 (Caballero), Chapter 783, Statutes of 2023. Created a streamlined, ministerial approvals process for the construction of up to 10 residential units on multifamily parcels.

Double-Referred: This bill was also referred to the Committee on Local Government, where it will be heard should it pass out of this Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

Kathryn Barger, Supervisor, 5th District, Los Angeles County (Sponsor)
Altadena Heritage
Altadena Town Council
California Association of Realtors
Integrated Community Options
Los Angeles County Board of Supervisors
Pasadena-foothills Association of Realtors
Sustainable Community Development Corporation
Individuals (654)

Support If Amended
Altadena Community Land Trust
Altadena Tenants Union
Beacon Housing
Beautiful Altadena
California Community Land Trust Network
Coalition for Humane Immigrant Rights
Day One
Greenline Housing Foundation

Opposition

Abundant Housing LA
Abundant Housing Pasadena
Alhambra Urbanists
Bow West Capital
BuildCasa
California Apartment Association
California YIMBY
Casita Coalition
Council of Infill Builders
Home Ownership Made Easy
Inner City Law Center

LISC San Diego
Nova Cottage Co.
South Pasadena Residents for Responsible Growth
Southern California Obtainable Housing
Southland HVAC & Construction
The Two Hundred for Homeownership
YIMBY Action

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

Date of Hearing: July 1, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
SB 1388 (Durazo) – As Amended June 18, 2026

SENATE VOTE: Not relevant.

SUBJECT: Affordable Housing Risk Reduction Program

SUMMARY: Establishes the Affordable Housing Risk Reduction Program (AHRRP) at the Department of Housing and Community Development (HCD) to provide technical assistance and supportive resources to affordable housing providers to help them mitigate risk in their portfolio and secure more affordable insurance options. Specifically, **this bill**:

1) Makes various legislative findings.

2) Defines "alternative risk financing entities" to mean entities that manage risk outside of traditional commercial insurance lines, including, but not limited to, captives, risk retention groups, and joint powers authorities (JPAs).

3) Requires HCD to develop technical assistance to support affordable housing providers that are preparing to join alternative risk financing entities by doing all of the following:

   a) Analyzing risk and identifying the most impactful risk mitigation measures;

   b) Assisting affordable housing providers to implement risk mitigation measures, including, but not limited to, locating necessary funding; and

   c) Identifying alternative risk financing entities and approaches and assisting during the application process.

4) Requires HCD to provide loans or grants to affordable housing providers for all of the following:

   a) To facilitate affordable housing providers in implementing risk mitigation measures identified through technical assistance; and

   b) To fund upfront costs, including, but not limited to, capital contributions, required for an affordable housing provider to join an alternative risk financing entity.

5) Authorizes HCD to hire a third-party consultant to develop, implement, and administer technical assistance and to administer loans and grants for the AHRRP.

6) Requires HCD to submit a letter of support for a housing development project that is applying for low-income housing tax credits (LIHTC) to the California Tax Credit Allocation Committee (TCAC) if a housing credit applicant determines that it cannot receive one from the applicable local agency in time to apply for LIHTC.

7) Requires HCD to adopt emergency regulations in consultation with stakeholders to implement the AHRRP. Provides that emergency regulations shall stay in effect until nonemergency regulations become effective.

EXISTING LAW:

1) Establishes the affordable housing risk retention pool that authorizes affordable housing entities to join in an arrangement that provides for the pooling of self-insured claims or losses against tort liability, liability to officers and employees for their acts or omissions, and physical damage to motor vehicles, personal property and real property of the affordable housing entity. Specifies that the pooling arrangement is not to be considered insurance, and will not be subject to regulation by the Insurance Commissioner. (Insurance Code, Section 13900)

2) Defines "affordable housing" as housing developments in which some of the dwelling units may be purchased or rented, with or without government assistance, on a basis that is affordable to persons or families of low or moderate income, as defined in Section 50093 of the Health and Safety Code. (Insurance Code, Section 13906)

3) Defines "affordable housing entity" as the following:

    a) A housing authority created under the laws of this state or another jurisdiction and any agency or instrumentality of a housing authority, including, but not limited to, a legal entity created to conduct a self-insurance program for housing authorities;

    b) A nonprofit corporation organized under the laws of this state or another state that is engaged in providing affordable housing;

    c) A partnership, general or limited, or limited liability company that is engaged in providing affordable housing and that is affiliated with a housing if the housing authority or nonprofit corporation has one or more of the following:

        i) A financial or ownership interest in the partnership or limited liability company or the right to acquire that interest;

        ii) The power to direct the management or policies of the partnership or limited liability company; and

        iii) Contract to lease, manage, or operate the affordable housing owned by the partnership or limited liability company. (Insurance Code, Section 13907)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "SB 1388 establishes the Affordable Housing Risk Reduction Program and provides affordable housing providers with technical assistance and supportive resources to help them secure more affordable insurance options than available in the current insurance market. This will support affordable housing developers in producing and preserving essential affordable housing, particularly for low-income communities of color.

California's insurance crisis is presenting significant challenges to affordable housing providers. Many are facing limited availability of insurance coverage, significant premium and deductible cost increases, and reductions in the scope and quality of coverage. Some have reported insurance premium increases of up to 500 percent. Providers have limited options to manage increased insurance costs and experience challenges in joining existing or starting new alternative risk financing entities due to cost and access barriers. These escalating costs place additional financial strain on providers and pose challenges in addressing California's affordable housing crisis. By helping affordable housing providers pursue alternative risk financing options, SB 1388 will help California meet its housing affordability and supply needs."

Affordable Housing Finance: The state finances affordable multifamily rental housing using a combination of loans, tax credits, and private activity bonds. Unlike market rate housing, affordable housing does not have enough cash-flow from rents to support conventional financing. Affordable housing is provided to tenants whose household income is below the area median income (AMI). To qualify, very low-income tenants must make 60% or less of the AMI, and lower-income tenants must make only 80% or less of AMI. Tenants in affordable housing are only required to pay 30% of their income toward rent, so the state provides enough long-term subsidy to reduce the overall debt service on a development. HCD loans serve as the permanent financing that comes in once a development is complete to take out the predevelopment and construction loans a developer took on to construct the development. HCD loans are secured with a lien in first position on the property. Developments are also subject to a 55-year recorded regulatory agreement, which runs with the project.

Challenges Facing Affordable Housing Developments: Due to several factors, including the depletion of operating reserves resulting from the COVID-19 rent moratorium and unprecedented increases in insurance rates, affordable housing developments are facing financial challenges. Enterprise Community Partners recently conducted a survey of 130 affordable properties and found that on average the developments were experiencing insurance cost increases of 70%, with some providers reporting increases up to 500%. Because rents are capped, these properties have fewer options to cover these increases. In some cases, the situation is made worse because the project's operating reserves have not recovered from the rent moratoriums. Due to these financial pressures, some properties are at risk of foreclosure or becoming market-rate developments, which would eliminate vital affordable housing units.

Alternative Risk Financing Entities: This bill defines alternative risk financing entities as entities that manage risk outside of traditional commercial insurance lines including captives, risk retention groups, and JPAs. Alternative risk financing refers to strategies that enable companies or groups to manage financial risk without having to rely on conventional insurance carriers. A captive is an insurance company owned by the parent organization to insure its own risks. A risk retention group is a liability company owned by its members who are also policyholders. JPAs are exercised when public officials of two or more agencies agree to establish a joint approach or create another legal entity to work on a common problem, fund a project, or act as a representative body for a specific activity.

Risk retention financing is a valuable option for affordable housing due to the need for long-term financial stability. Self-insurance pools can offer lower premiums, higher coverage limits, custom coverage, and rate stability. The Housing Authorities Risk Retention Pool (HHARP) is a JPA formed by public housing authorities from California, Nevada, Oregon, and Washington that provides risk coverage.

This bill would establish the AHRRP at HCD to provide technical assistance to developers to access alternative risk retention pools. HCD would also provide grants to developers to implement risk mitigation measures and to fund the upfront costs to join alternative risk financing entities. No funding was included in this year's budget for this program.

Arguments in Support: According to the Enterprise Community Partners Inc, "Affordable housing providers across California continue to face limited availability of insurance coverage, significant premium and deductible cost increases – with some facing increase as high as 500%, and reductions in the scope and quality of coverage. The highly regulated nature and thin operating margins of affordable housing make it difficult to weather the dynamic private insurance market, putting these properties, their residents, and billions of dollars of state investment at risk. Alternative risk financing options present an opportunity to address the challenges facing the sector.

Many of our affordable housing provider partners have demonstrated an interest in alternative risk financing options but face challenges joining existing or starting new alternative risk financing entities due to cost and access barriers. SB 1388 would address these barriers by providing the necessary resources and technical assistance to support affordable housing providers in accessing these alternative models. Such programs enable entities to collectively assume, manage, and finance their own risks, rather than seeking insurance on the private market. These models can help increase availability of coverage and stabilize pricing for providers in California."

Arguments in Opposition: None on file.

Committee Amendments*:* This bill allows HCD to use emergency regulations to implement the program and provides that the regulations take effect until the date that nonemergency regulations are implemented but does not specify when those regulations will be in effect. To ensure that the regulations are properly vetted by the Administrative Procedure Act the committee may wish to set a date by which permanent regulations are adopted.

(b) Notwithstanding Section 11346.1 of the Government Code, emergency regulations adopted pursuant to this section shall remain in effect until the date that nonemergency regulations to implement this chapter become effective. ***The department shall adopt permanent regulations for the operation of the program by January 30, 2029.***

Author's Amendments: The author has requested that the committee strike provisions in the bill that allow the HCD to submit a letter to the TCAC if a housing credit applicant determines that it cannot receive one from the applicable local agency in time to apply for LIHTC.

50899.16.

(a) Upon appropriation by the Legislature for purposes of the program, the department shall do all of the following:
~~*(1) Provide technical assistance pursuant to Section 50899.17.*~~
(2) Provide supportive resources through loans or grants pursuant to Section 50899.18.
(3) Provide support for nonprofit housing developers applying for low-income housing tax credits pursuant to Section 50899.19.
(b) In carrying out the functions of the program, the department may enter into and perform all necessary contracts.

(c) In carrying out the functions of the program, the department shall consult, at a minimum, the California Tax Credit Allocation Committee and the California Debt Limit Allocation Committee.

50899.19.

~~*The department may submit a letter of support for a housing development project that is applying for low-income housing tax credits to the California Tax Credit Allocation Committee if a housing credit applicant determines that it cannot receive one from the applicable local agency in time to apply for low-income housing tax credits pursuant to Chapter 3.6 (commencing with Section 50199.4) of Part 1.*~~

REGISTERED SUPPORT / OPPOSITION:

Support

Enterprise Community Partners, INC. (Co-Sponsor)
Housing California (Co-Sponsor)
Burbank Housing Development Corporation
Downtown Women's Center
Homes & Hope
Little Tokyo Service Center
Southern California Association of Non-profit Housing
Supportive Housing Alliance
The Unity Council

Opposition

None on file.

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

Date of Hearing: June 24, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
SB 1092 (Allen) – As Amended June 15, 2026

SENATE VOTE: 29-7

SUBJECT: Mobilehome parks: resident organizations: option to purchase

SUMMARY: Requires management of a mobilehome park to provide notice to residents and other specified entities of management's intent to sell, lease, or transfer a mobilehome park and establishes a right-to-purchase a mobilehome park for a resident organization associated with the park, as specified. Specifically, **this bill**:

1) Provides that a "triggering event" for purposes of notice requirements of a management's intent to sell, lease or transfer a mobilehome park include any time mobilehome park management does any of the following:

    a) Signs a contract with a real estate broker or brokerage firm to list the park for sale or to sell or transfer the park;

    b) Signs a letter of intent, option to sell or buy, or other conditional written agreement with a potential buyer for the sale or transfer of the park, which includes the estimated price, terms, and conditions of the proposed sale or transfer, even if such price, terms, or conditions are subject to change;

    c) Signs a contract with a potential buyer's real estate broker or brokerage firm related to the potential sale or transfer of the park;

    d) Accepts an earnest money promissory note or deposit from a potential buyer for the sale or transfer of the park;

    e) Responds to a potential buyer's due diligence request for the park;

    f) Provides a signed property disclosure form for the park to a potential buyer;

    g) Lists the park for sale;

    h) Receives an offer for the sale or transfer the park that management intends to accept;

    i) Conditionally accepts an offer for the sale or transfer of the park; and

    j) Takes any other action demonstrating an intent to sell the park.

2) Requires, no later than 14 days following a triggering event demonstrating management's intent to sell, management of a mobilehome park to give notice to the following entities:

    a) To each resident household in the park by first-class certified mail with return receipt requested and by email, if provided by the resident.

b) The mayor of the city in which the mobilehome park is located, or, if located in an unincorporated area, the chair of the board of supervisors, by first-class certified mail with return receipt requested and by email, if available, with tracking.

c) The appropriate local public housing authority, if any, by first-class certified mail with return receipt requested and by email, if available, with tracking.

d) The Department of Housing and Community Development by first-class certified mail with return receipt requested and by email, if available, with tracking.

e) The officers of a resident organization associated with the mobilehome park.

3) Requires the notice in 2) to include:

a) A statement expressing the owner's intent to sell the mobilehome park; and

b) A statement detailing the triggering event that required this notice.

4) Provides that if the triggering event is the receipt of an offer for the sale or transfer the park that management intends to accept or the conditional acceptance of an offer for the sale or transfer of the park, the notice required in 2) shall also include:

a) A statement from management that it has received an offer for the sale, lease, or transfer of the mobilehome park that it intends to accept.

b) A statement of the homeowners' rights under this bill.

c) A statement of the price, terms, and conditions of any offer management has conditionally accepted or plans to accept concerning the park, or a copy of that offer or purchase contract. Provides that in the case of a proposed sale of more than one park, or a park and one or more other nonrelated properties, in a single transaction, the notice shall state both the aggregate price and the price of the park in which the homeowners receiving the notice reside.

5) Provides that no later than 120 days after a notice from management complying with 4) above is sent, a resident organization or its assignee may deliver a good faith, written purchase agreement or offer to management of the park, along with a statement that more than 50% of the homeowners in the park support the purchase offer.

6) Specifies that a homeowner may indicate support for submitting a purchase offer by signing a petition or any other document that so states.

7) Provides that if a purchase offer from a resident organization or its assignee is not received by management during the 120-day period in 5) above, management has no further duties under this bill for the proposed sale, lease, or transfer of the park.

8) Requires management, if it receives a written purchase offer as specified in 5) above, to consider the purchase offer and negotiate with the resident organization, in good faith, to determine whether a mutual agreement can be reached that results in the resident organization purchasing the park.

9) Requires management to make the same information available to a resident organization that it has or would have been provided to another prospective purchaser.

10) Requires management to provide a good faith reason in writing to the resident organization with three days of the date of rejection if the management rejects the resident organization's proposed purchase offer.

11) Establishes the right of a resident organization to purchase the park at the price, terms, and conditions stated in its proposed purchase agreement if a resident organization or its assignee or agent delivers a proposed purchase agreement in writing to management in compliance with 5) above and its proposed purchase agreement matches the price and substantially the same terms and conditions as the offer management has conditionally accepted or plans to accept.

12) Provides that if the proposed purchase agreement complies with 11) above, the right to purchase established in 11) shall apply rather than 8), 9), and 10) above.

13) Prohibits management from unreasonably refusing to enter into or unreasonably delaying the execution or closing on a purchase agreement with a resident organization which has proposed a bona fide purchase agreement to meet the price and substantially equivalent terms and conditions of an offer for which notice is required to be given pursuant to 4) above.

14) Prohibits management from rejecting a proposed purchase agreement solely on the basis of its inclusion of a financing contingency, the type of financing or payment method, or the time period for closing.

15) Specifies that, if a resident organization and management enter into a purchase agreement for the park, a resident organization shall have 120 days from the date of the agreement to arrange all necessary financing, and a commercially reasonable time to close on the sale.

16) Provides that if a resident organization fails to arrange all necessary financing during the 120-day period in 15) above, or a longer period as the parties may agree to, or fails to close on the sale in compliance with the purchase agreement executed by the parties, management has no further duties under this bill with respect to the proposed sale, lease, or transfer of the park.

17) Requires HCD to establish a process for certifying qualified entities that can be designated by a resident organization to operate a mobilehome park and its communal facilities for its remaining life.

18) Provides that an entity shall be one of the following to be eligible for designation as a qualified entity:

    a) A local nonprofit organization or public agency.

    b) A regional nonprofit organization or public agency.

    c) A national nonprofit organization or public agency.

19) Requires the certification process in 17) to be based on an entity's demonstrated relevant experience in California, as well as its current capacity.

20) Requires HCD to maintain and update the list of qualified entities annually.

21) Requires HCD to make the list of qualified entities created pursuant to 17) above available to management upon receipt of a notice from management pursuant to 2) above.

22) Specifies that after management receives the list of qualified entities from HCD pursuant to 21) above, management shall send a written copy of the notice it distributed pursuant to 2) above to any qualified entity that requests it.

23) Provides that a resident organization that has rights under this bill may, at its election, assign those rights to the municipality in which the resident organization is located, a housing authority located in the municipality, a state agency, or a qualified entity for the purpose of continuing the use of the property as a park.

24) Provides that, upon assignment in 23), the assignee shall be entitled to exercise the rights that this bill grants to the assignor resident organization.

25) Specifies that a resident organization may rescind any rights it assigned at any time.

26) Specifies that 24) shall not apply if a resident organization represents less than 50% of the homeowners in the park.

27) Makes the following exempt from the notice requirements and right-to-purchase provisions of this bill:

    a) A lease of a lot within the park to a person who will live in manufactured home on that lot.

    b) A conveyance of an interest in the park that is incidental to the financing of the park.

    c) A sale or transfer pursuant to eminent domain.

    d) An initial offer for sale, lease, or transfer from a resident organization that represents at least 50% of the homeowners of the mobilehome park.

28) Provides that to qualify for an exemption in 27), a transaction shall not be made in bad faith, shall be made for a legitimate business purpose or a legitimate familial purpose, and shall not be made for the primary purpose of avoiding the opportunity-to-purchase provisions, as specified.

29) Authorizes a resident organization to bring a civil action against management who sells, leases, or transfers a park and fails to comply with the provisions of this bill.

30) Requires management that violates the provisions of this bill to be subject to a civil penalty in the amount of $100,000, or 20% of the total sales price, whichever is greater.

31) Specifies that actions for relief pursuant to this bill may be brought in the name of the people of California by the Attorney General, or by the district attorney, county counsel, or city attorney of the location in which the violation occurred.

32) Authorizes any court of competent jurisdiction to grant relief that it finds necessary to enforce the provisions of this bill, including the issuance of an injunction.

33) Provides that lack of knowledge of the provisions of this bill shall not be deemed to be a defense to an action under 30) or 31).

34) Requires the provisions of this bill to be liberally interpreted to achieve this bill's purpose of preserving affordable housing and expanding the opportunities for owners of mobilehomes and manufactured homes to purchase the community in which their homes are located.

35) Repeals existing notice requirements related to an owner of a mobilehome park entering into a written listing agreement with a licensed real estate broker for the sale of the park, or offering to sell the park.

36) Defines a "resident organization" to mean a group of homeowners who have formed a nonprofit organization pursuant to Revenue and Taxation Code Section 23701(v), a cooperative cooperation, or other entity or organization.

EXISTING LAW:

1) Establishes the Mobilehome Residency Law (MRL) to regulate the relationship between mobilehome park management and park residents, and establishes various rights, responsibilities and limits of both groups. (Civil (CIV) Code 798 *et seq.*)

2) Specifies that a mobilehome park may only evict a resident for: failing to comply with a local or state law or regulation on mobilehomes within a reasonable time after the mobilehome owner receives notice of noncompliance; conduct of the resident that amounts to a substantial annoyance of other mobilehome owners or residents; conviction for certain crimes; failure to comply with a reasonable rule of the park; or for nonpayment of rent, utilities, or other reasonable incidental services charged by the park. (CIV 798.56)

3) Requires, not less than 30 days or more than one year before entering into a listing agreement with a licensed real estate broker for the sale of the park or offering to sell the park to any party, a mobilehome park owner to provide written notice of their intent to sell the mobilehome park to the president, secretary, and treasurer of any resident organization formed by the mobilehome owners in the mobilehome park, as specified. Specifies that an offer to sell the park is not construed as an offer unless it is initiated by the park owner or their agent. Specifies that an owner of a mobilehome park is not required to provide this notice unless the resident organization first furnishes the park owner or the park manager with a written notice of the name and contact information for the president, secretary, and treasurer of the resident organization, notifies the park owner or manager that the park residents are interested in purchasing the park, and furnishes the park owner or manager with notice of any change in the name or address of the officers of the resident organization within five days of any change. Exempts certain transfers or sales, as specified. (Civ. Code § 798.80.)

4) Specifies that nothing in the provisions described in (3) affects the validity of title to real property transferred in violation of those provisions, but that such a violation shall subject the seller to civil action by mobilehome residents of the park or the resident organization. (Civ. Code § 798.80(c).)

5) Requires, prior to the conversion of a mobilehome park to another use, closure, or cessation, the person or entity proposing the change to report on the impact of the conversion, closure, or cessation. [Government (GOV) Code 65863.7(a)(1)(A)]

6) Requires this report to include a replacement and relocation plan that adequately mitigates the impact of the closure, change of us, or cessation upon the ability of the displaced residents to find adequate housing in a mobilehome park. (GOV 65863.7(a)(1)(A))

7) Specifies that, if a displaced resident cannot obtain adequate housing in another mobilehome park, the person or entity proposing the change must pay the displaced resident the in-place market value of their mobilehome, as specified. (GOV 65863.7(a)(2))

8) Requires, before the approval, a local legislative body to review the impact report and any additional relevant documentation and make a finding as to whether the approval, taking into consideration both the impact report and the housing availability within the local jurisdiction, will result in or materially contribute to a shortage of housing opportunities and choices for low- and moderate-income households in the jurisdiction. (GOV 65863.7(e))

9) Establishes the Preservation Notice Law (PNL), which requires an owner of an assisted housing development to provide notice of the proposed termination of a subsidy contract, the expiration of rental restrictions, or prepayment to each affected tenant, as well as affected public entities, at least 12 months and at least six months prior to the anticipated date of the termination, expiration, or prepayment, as specified. (GOV 65863.10)

FISCAL EFFECT: According to the Senate Appropriations Committee, as amended April 23, 2026, "Estimated cost to the Department of Housing and Community Development (HCD) of up to $200,000 annually for technical expertise; up to $120,000 one time for information technology upgrades (General Fund)."

COMMENTS:

***Author's statement*:** According to the author, "California has a housing affordability crisis. Mobilehomes are the largest source of unsubsidized affordable housing in the country and provide important homeownership opportunities for many Californians. Mobilehome owners tend to be older and less wealthy than the average renter. The California Department of Housing and Community Development acknowledges that preserving this housing option is critical to meeting the state's housing needs. Across the country, private equity firms are buying mobilehome parks, significantly hiking rents and fees, and minimizing maintenance care. The financing and legal supports residents rely on to navigate or challenge these threats to affordability take considerable time to coordinate. SB 1092 creates a real pathway for residents to offer competitive bids to preserve their communities and stay in their homes."

Mobilehomes in California: 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.

***Preserving Mobilehome Parks*:** Existing law outlines a process for mobilehome park owners to apply for approval from local authorities to close a park or convert the property to another use. Despite this requirement, hundreds of mobilehome and recreational vehicle parks in California were closed or converted to another use between 1998 and 2019. To address concerns about losing mobilehomes – an important form of affordable housing – AB 2782 (Stone, Chapter 35, Statutes of 2020) aimed to strengthen the process for approval of mobilehome park conversion. First, park owners must pay in-place market value for the mobilehome of a park resident who is unable to successfully relocate to another park. Prior to approving a proposed change in use for a mobilehome park, a local jurisdiction must now make a finding as to whether the change in use will result in a reduction in affordable housing within the jurisdiction. Finally, AB 2782 extended, from 15 to 60 days, the advance notice of the public hearing regarding a park closure that park owners must give their residents as a precondition for terminating tenancy.

Last year, SB 610 (Perez), Chapter 547, Statutes of 2025, added additional responsibilities of park management if a proposed change of use or closure is related to damage or destruction by a disaster. SB 610 required a technical service inspection report from HCD that identifies the conditions within the park to be included within the impact report.

Additionally, under existing law, when a mobilehome park owner plans to sell a park, the owner must provide advance notice to any resident organization established by park residents at least 30 days, but no more than one year, before entering into a listing agreement or offering the park for sale to another party. This notice requirement applies only if the resident organization has previously informed park management of its leadership and expressed an interest in purchasing the park. The purpose of the notice is to give residents an opportunity to organize and potentially acquire the park themselves, thereby helping preserve an important source of affordable housing. These protections recognize that mobilehome owners typically own their homes but lease the land beneath them, placing them in a unique housing arrangement that warrants additional safeguards.

***Preserving Assisted Housing Developments*:** Since the 1960s, developers have constructed at least 425,000 units of affordable rental housing in California with the assistance of federal, state, and local subsidies Owners are required to maintain rents at affordable levels for typically 30 to 55 years, depending on the type of subsidy a development received. Once affordability obligations expire, owners may preserve the affordability of the units by renewing assistance or by refinancing with new public subsidies, or they may convert the development to market rate. Preserving affordable housing is a key strategy for protecting the state's limited affordable housing stock and preventing displacement of lower income tenants.

California's Preservation Notice Law (PNL) requires owners of affordable housing looking to convert to market rate to give notice of the opportunity to submit a purchase offer at full market value, one year in advance, to potential buyers interested in preserving affordability. PNL also requires owners to notify tenants, as well as the state and local governments, of the impending affordability expirations. Recent legislation, AB 2926 (Kalra), Chapter 281, Statutes of 2024, strengthened PNL by deleting the option for an owner to hold on to a property that is subject to affordability expiration, and potentially convert it to market rate in five years. Instead, an owner must either sell the property to a qualified preservation buyer at fair market value, or re-restrict the development as affordable housing for at least another 30 years. HCD is obligated to monitor compliance with the law, and the PNL allows affected tenants and local governments the right to enforce the law via legal remedies. SB 1092 similarly requires HCD to establish a process for certifying qualified entities that can be designated by a resident organization to operate a mobilehome park and its communal facilities for its remaining useful life.

***This Bill*:** This bill seeks to strengthen the existing notice obligations of a park owner intending to sell or transfer a park and establishes a right-to-purchase the park for a resident organization of the park. As noted previously, existing law requires the owner of a mobilehome park to provide notice of intention to sell the park no less than 30 days, but no more than one year, before entering into a written listing agreement with a real estate broker. The notice must be delivered to specified officers of any resident organization formed by homeowners in the park. The existing notice requirement is only triggered if a resident organization has notified park management of its leadership and its interest in purchasing the park. Despite this existing requirement in statute, the author has provided the committee with materials demonstrating the intent of one park owner in the author's district to quietly sell the mobilehome park.[1] Following the destruction of the Palisades Bowl mobilehome park as a result of the Palisades fire in early 2025, residents of the park discovered the park was listed on a real estate company's website as an opportunity to convert the lots into single family homes.[2] This bill broadens the list of events that would trigger notification of an intent to sell or transfer a park. These 10 triggering events range from any time management signs a contract with a real estate broker to list the park for sale to any time management responds to a potential buyer's due diligence request for the park, and to any time management receives an offer for the sale or transfer of the park that management intends to accept.

This bill establishes a 120-day shot clock for a resident organization, or its assignee, to deliver a good faith, written purchase agreement offer to management of the park after management has provided notice of receipt of an offer for the sale or transfer of the park that management intends to accept. An owner is not required to negotiate with the resident organization under existing law. This bill requires an owner to consider the purchase offer and negotiate with the resident organization, in good faith, to determine whether a mutual agreement can be reached that results in the resident organization purchasing the park. An owner would not be required to accept the offer after good faith negotiations with the resident organization, though the owner would be required to provide a good faith reason for the rejection in writing within three days of the

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[1] David Wagner, "Their mobile homes burned down in the Palisades fire. Now the property is quietly up for sale," LAist (Mar. 5, 2026), https://laist.com/news/housing-homelessness/pacific-palisades-bowl-mobile-estates-home-park-fire-sale-residents-displaced.

[2] Haggerty, Noah, "Owners of fire-destroyed Palisades mobile home park seek to displace residents for development deal," Los Angeles Times (March 5, 2026), https://www.latimes.com/environment/story/2026-03-05/fire-destroyed-mobile-home-park-seeks-development-deal-displacing-residents.

rejection. Only in the instance when the resident organization delivers a proposed purchase agreement that matches the price and substantially the same terms and conditions as the non-resident organization offer that management conditionally accepts or plans to accept would this bill establish a right-to-purchase the park for residents. Management would be prohibited from refusing to enter into or unreasonably delaying the execution or closing on a purchase agreement with a resident organization which has proposed a bona fide purchase agreement to meet the price and substantially equivalent terms and conditions of an offer from a non-resident organization. This bill would then establish, if a resident organization and management enter into a purchase agreement for the park, another 120 days from the date of the agreement for the resident organization to arrange all necessary financing, and a commercially reasonable time to close on the sale. Unless the resident organization and management agree to a longer period, management would have no further responsibilities under this bill if a resident organization failed to arrange the necessary financing during that 120-day window.

This bill intends to balance residents' opportunity to preserve their community through resident ownership with the right of park owners to receive the same economic value they would otherwise obtain from a willing third-party buyer.

***Covered events*:** The notice requirements in this bill are triggered by specified events demonstrating park management's intent to sell or transfer a mobilehome park. One of the triggering events is the receipt of an offer for the sale or transfer that management intends to accept or the conditional acceptance of an offer for the sale or transfer of the park. In that instance, management would be required to provide additional information (e.g., a statement of the price, terms, and conditions of an offer) in the notice to residents and other specified recipients. One of those additional requirements is a statement from management that it has received an offer for the sale, lease, or transfer of the mobilehome park that it intends to accept. As currently drafted, it is unclear whether an offer to lease the park that management intends to accept would be a triggering event. Previous versions of this bill made clear offers to lease would trigger notice requirements of park management. *The Committee may wish to clarify, consistent with the author's intent, that offers to lease a park that management intends to accept would constitute a triggering event.*

***Arguments in Support*:** According to the California Coalition for Rural Housing, ROC USA, and Neighborhood Partnership Housing Services, the sponsors of this bill, and other coalition organizations, "California's 4,500 manufactured home communities are some of the last souces of affordable homeownership opportunities in the state. However, they are under threat. Investors are aggressively targeting parks with the aim of raising rents and redeveloping the land. The result is the displacement of lower-income families and the loss of naturally occurring affordable housing. Between 2016 and 2025, 102 parks closed, representing the loss of an estimated 4,553 manufactured housing lots, or about 500 lots each year." "SB 1092 would give park residents a fair opportunity to purchase their communities by ensuring that homeowners receive advance notice of sale and a chance to match third party offers. The law would not require park owners to sell to park residents, but rather give residents the right to participate in a transparent sale process. Without legislative action, the current trend of corporate consolidation of the manufactured housing market will continue, and we can expect to see more park closures and more families priced out by rising lot rents. By giving manufactured homeowners the opportunity to compete for their communities, SB 1092 will help prevent displacement and homelessness while making sure that manufactured housing provides badly needed affordable homeownership opportunities."

***Arguments in Opposition*:** According to the Western Manufactured Housing Communities Association (WMA), "As drafted, the bill would allow a nonprofit organization to delay the sale of a privately owned manufactured housing community and diminish its market value by injecting lengthy delays into current and future transactions. Because the right to dispose of property is a fundamental constitutional right, legislation that burdens that right without just compensation raises serious concerns." "The bill also restricts a seller's ability to evaluate essential deal terms. It provides that management may not reject a proposed purchase agreement solely because of a financing contingency, the type of financing or payment method, or the proposed closing timeline. Yet those are among the most important considerations in any property sale. WMA is also concerned that SB 1092 appears to impose no meaningful consequence if a resident organization expresses interest in purchasing a park but later fails to secure financing or close. In a typical right-of-first- refusal arrangement, a buyer provides a nonrefundable deposit that is forfeited if the buyer cannot perform. Under SB 1092, it is unclear what recourse a park owner would have if a resident organization cannot complete the transaction or simply walks away."

According to the California Mobilehome Parkowners Alliance, "SB 1092 established a layered notice and purchase framework that applies to the sale of mobilehome parks. Under the bill, parkowners are required to engage in a prolonged process with a resident organization or its designee prior to completing a sale, including extended timelines, and a right for residents or a 'qualified entity' – as determined by the Department of Housing and Community Development (HCD) to match the terms of a third-party offer and supersede it." "Given the nature and size of these transactions, prospective purchasers often must invest significantly to do their 'due diligence' in understanding the investment they are considering and the value of the park. These costs are not recoverable. Any versions of a right of first refusal requires a prospective buyer to risk losing these funds. It is likely that the net impact of this policy is to benefit large institutional investors that can view this loss, which could easily range into six figures, as the cost of doing business."

***Related Legislation*:**

SB 1093 (Allen, 2026), requires management of a mobilehome that was damaged or destroyed by a disaster to provide regular status updates to residents of the park; prohibits park management from denying residents access to the park after seven days have passed since evacuation orders have been lifted or downgraded; requires park management to conducted specified evaluations and testing when pursuing cessation, closure, or change of use of the park due to disaster; and requires a mobilehome park pursuing a closure or change of use of the park related to a disaster to pay a displaced resident the in-place market value of their leasehold interest. *SB 1093 is pending consideration in this Committee*.

SB 749 (Allen, 2025), would have enacted new notice and purchase offer requirements that mobilehome park management must comply with when a park is closing, ceasing operations, or converting to another use. *SB 749 was held on the Assembly Appropriations Committee's Suspense File*.

SB 610 (Perez), Chapter 547, Statutes of 2025, imposed new requirements on a mobilehome park owner or a landlord of a residential property if a property is damaged or destroyed by a declared emergency or disaster, including applying existing requirements governing the closure, cessation, or conversion of a mobilehome park to another use to situations where the closure or

change of use is a result of damage or destruction of the mobilehome park by a disaster, including provisions requiring the entity proposing the change to file impact reports with specified entities and residents, create replacement and relocation plans for displaced residents, and restricting the local government's ability to approve a change of use unless certain requirements are met.

AB 2926 (Kalra), Chapter 281, Statutes of 2024, made several changes to the PNL, including requiring an owner of an assisted housing development to accept a bona fide offer from a qualified entity to purchase and to execute a purchase agreement, or to record a new regulatory agreement with a term of at least 30 years that meets specified requirements, and deleting the option for an owner to decline to sell the property.

SB 274 (Dodd) Chapter 504, Statutes of 2019, created an opportunity for mobilehome residents to return when a mobilehome park is destroyed by natural disaster and subsequently gets rebuilt; provided a required structure for a park's determination of whether it must accept a prospective mobilehome buyer; and provided mobilehome residents the opportunity to designate at least three "companions" in each calendar year with whom to share the mobilehome.

Double-Referred: This bill was also referred to the Assembly Judiciary Committee, where it will be heard should it pass out of this Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

California Coalition for Rural Housing (Co-Sponsor)
Neighborhood Partnership Housing Services, INC. (Co-Sponsor)
ROC USA (Co-Sponsor)
All Home
California Center for Cooperative Development
California Coalition for Community Investment
California Community Land Trust Network
California Housing Partnership
California Rural Legal Assistance Foundation
Center for Community Action & Environmental Justice
Center for Community Action and Environmental Justice
Central Coast Alliance United for a Sustainable Economy
Consejo De Federaciones Mexicanas
East Bay Housing Organizations
Friends Committee on Legislation of California
Golden State Manufactured-home Owners League
Health in Partnership
Housing California
Leadership Counsel for Justice and Accountability
Legal Aid of Sonoma County
Lift to Rise
MHAction
Mobile Home Resident Coalition
National Consumer Law Center

National Housing Law Project
Pacific Palisades Community Council
Palisades Bowl Community Group
Public Interest Law Project
Public Law Center
Rise Economy
Starting Over INC.
Starting Over Strong
Tenants Together
Tenants United Anaheim
Thai Community Development Center
Urban Habitat
Western Center on Law and Poverty

Opposition

California Association of Realtors
California Mobilehome Parkowners Alliance
Western Manufactured Housing Communities Association

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