

Date of Hearing: May 1, 2013

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Norma Torres, Chair

AB 253 (Levine) – As Amended: April 24, 2013

SUBJECT: Floating home marinas: conversion: subdivision map requirements.

SUMMARY: Extends various provisions of law that apply to the subdivision of mobilehome parks to the subdivision of floating home marinas. Specifically, this bill:

- 1) Extends to floating home marinas the same requirements that apply at the time of filing a tentative or parcel map for a subdivision to be created from the conversion of a mobilehome park to another use, as follows:
 - a) Requires the subdivider to file a report on the impact of the conversion upon the displaced residents of the floating home marina to be converted;
 - b) Requires the report to address the availability of adequate replacement space in other floating home marinas;
 - c) Requires the subdivider to make a copy of the report available to each resident of the floating home marina at least 15 days prior to the hearing on the map by the advisory agency or legislative body of the city or county in which the marina is located;
 - d) Allows the advisory agency or legislative body to require the subdivider to take steps to mitigate any adverse impact of the conversion on the ability of displaced floating home marina residents to find adequate space in another floating home marina;
 - e) Provides that a local agency may enact more stringent measures for the conversion of floating home marinas into other uses and establishes a minimum standard for local regulation of conversion of floating home marinas;
 - f) Specifies that these requirements constitute a minimum standard for local regulation of conversions of floating home marinas into other uses and do not prevent a local agency from enacting more stringent measures; and
 - g) States that these requirements are not applicable to a subdivision to be created from the conversion of a rental floating home marina to resident ownership.
- 2) Extends to floating home marinas similar requirements that apply at the time of filing a tentative or parcel map for the conversion of a rental mobilehome park to resident ownership, as follows:
 - a) Requires the subdivider to offer each existing tenant an option to either purchase his or her condominium or subdivided unit that will be created by the conversion or continue residency as a tenant;

- b) Requires the subdivider to file a report on the impact of the conversion upon existing residents;
 - c) Requires the subdivider to make a copy of the report available to each resident of the marina at least 15 days prior to the hearing on the map by the advisory agency or legislative body of the jurisdiction in which the marina is located;
 - d) Requires the subdivider to obtain a survey of support of residents of the marina for the proposed conversion, which must be done pursuant to a written ballot and conducted in accordance with an agreement between the subdivider and a resident homeowners' association, if any, that is independent of the subdivider or marina owner.
 - e) Requires that the results of the survey be submitted to the local agency upon the filing of the tentative or parcel map, to be considered in the agency's decision as to whether to approve, conditionally approve, or disapprove the map;
 - f) Allows the local agency to disapprove the map if it finds that the results of the survey have not demonstrated the support of at least a majority of the marina's homeowners;
 - g) Authorizes local legislative bodies to enact local regulations to implement the survey requirement; and
 - h) Requires that the subdivider be subject to a hearing by a legislative body or advisory agency, which is authorized to approve, conditionally approve, or disapprove the map.
- 3) Extends to floating home marinas the same requirements for avoiding the economic displacement of nonpurchasing residents that apply to the conversion of a rental mobilehome park to resident ownership, as follows:
- a) For nonpurchasing residents who are not lower income, the monthly rent, including any applicable fees or charges for use of any preconversion amenities, may increase from the preconversion rent to market levels, as defined in an appraisal conducted in accordance with nationally recognized professional appraisal standards, in equal annual increases over a four-year period; and
 - b) For nonpurchasing residents who are lower income, the monthly rent, including any applicable fees or charges for use of any preconversion amenities, may increase from the preconversion rent by an amount equal to the average monthly increase in rent in the four years immediately preceding the conversion, except that the monthly rent shall not be increased by an amount greater than the average monthly percentage increase in the Consumer Price Index for the most recently reported period.
- 4) Specifies that the requirement for a parcel map or a tentative and final map must be waived when at least two-thirds of the owners of floating homes who are tenants in the floating home marina sign a petition indicating their intent to purchase the marina for purposes of converting it to resident ownership, unless any of the following conditions exist:
- a) There are design or improvement requirements necessitated by significant health or safety concerns.

- b) The local agency determines that there is an exterior boundary discrepancy that requires recordation of a new parcel map or tentative and final map.
 - c) The existing parcels that exist prior to the proposed conversion were not created by a recorded parcel or final map.
 - d) The conversion would result in the creation of more condominium units or interests than the number of floating home berths that exist prior to conversion.
- 5) If a tentative or parcel map is required for a conversion to resident ownership, prohibits the local agency from imposing any offsite design or improvement requirements unless these are necessary to mitigate an existing health or safety condition, and prohibits the local agency from requiring any other dedications, improvements, or in-lieu fees.
- 6) Applies to floating home marinas the existing provision of the Subdivided Lands Act that exempts the purchase of a mobilehome park by a nonprofit corporation from the requirement to file a notice of intention to offer subdivided lands for sale when a majority of the shareholders or members of the corporation constitute a majority of the homeowners in the park, a majority of the members of the board of the corporation are homeowners of the park, and all members of the corporation are residents of the park.
- 7) Applies to floating home marinas the existing provision of the Subdivided Lands Act that requires the subdivider of a mobilehome park that is proposed to be converted to resident ownership to disclose to existing homeowners and residents of the park, by written notice, the tentative price of the subdivided interest proposed to be sold or leased.

EXISTING LAW

- 1) Establishes various requirements under the Subdivision Map Act related to the conversion of a mobilehome park to another use (Government Code Section 66427.4).
- 2) Establishes various requirements under the Subdivision Map Act related to the conversion of a rental mobilehome park to resident ownership, including requirements to avoid the economic displacement of residents who choose not to purchase their subdivided lot and to conduct a survey or resident support for the conversion (Government Code Section 66427.5).
- 3) Exempts from the requirement for a parcel map or tentative and final map the conversion of a mobilehome park to resident ownership where two-thirds of the homeowners sign a petition indicating their intent to purchase the park, under specified conditions (Government Code Section 66428.1).
- 4) Pursuant to the Subdivided Lands Act, requires any person who intends to offer subdivided lands within California for sale or lease to file with the Department of Real Estate an application for a public report consisting of a notice of intention and a completed questionnaire containing specified information (Business and Professions Code Section 11010).

- 5) Exempts from the notice of intention requirement the purchase of a mobilehome park by a nonprofit corporation whose members are the residents of the park (Business and Professions Code Section 11010.8).
- 8) Requires the subdivider of a mobilehome park that is proposed to be converted to resident ownership to disclose to existing homeowners and residents of the park, by written notice, the tentative price of the subdivided interest proposed to be sold or leased (Business and Professions Code Section 11010.9).

FISCAL EFFECT: Unknown

COMMENTS:

A floating home marina is similar to a mobilehome park in that residents typically own their homes but rent the spaces upon which their homes are installed. Similar to a mobilehome that has been installed in a park, once a floating home is installed in a berth it is nearly impossible to move it. Much like the vast majority of mobilehomes, floating homes are treated like real property and are subject to property tax. There are five floating home marinas in California, one small marina in Alameda County and four in Richardson Bay in Marin County. The Marin County marinas collectively have about 500 homes.

The Subdivision Map Act includes provisions that govern the conversion of a mobilehome park to resident ownership, as well as the conversion of a mobilehome park to another use. The Subdivided Lands Act also includes provisions related to the conversion of mobilehome parks to resident ownership. Despite the similarities between floating home marinas and mobilehome parks, none of these provisions applies to floating home marinas. Because the law is silent, local governments have no guidance on how to handle an application to subdivide a marina.

AB 253 applies both provisions of the Subdivided Lands act that relate to mobilehome park conversions and two of the three provisions of the Subdivision Map Act that relate to mobilehome park conversions to floating home marinas. The bill creates a new section of the Subdivision Map Act that applies exclusively to the conversion of floating home marinas to resident ownership. The section is nearly identical to the existing section of the Map Act that applies to the conversion of mobilehome parks to resident ownership, except that it allows a local government to disapprove a conversion if a survey of existing homeowners shows that less than a majority supports the conversion. For mobilehome parks, current law requires a survey of resident support, which the local government may consider in deciding on the conversion application, but provides no further direction on how the survey is to be used.

The author and sponsor argue that this bill will allow a homeowners' association to purchase a marina in the event that the owner wants to sell. Without the ability to subdivide the marina, it would be nearly impossible for marina residents to get financing to purchase the marina. Additionally, the author and sponsor note that the process created in the bill will treat existing homeowners fairly, whether they want to purchase their subdivided interest in the marina or remain as a renter.

Double-referral:

This bill was also referred to the Assembly Committee on Local Government, where it passed on April 10 by a vote of 9-0.

Proposed amendment:

On page 8, line 33, strike "park's" and insert "marina's."

REGISTERED SUPPORT / OPPOSITION:

Support

Floating Homes Association (sponsor)
Marin County Supervisor Kathryn Sears

Opposition

None on file

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