

Date of Hearing: March 20, 2024

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Christopher M. Ward, Chair

AB 2387 (Pellerin) – As Introduced February 12, 2024

SUBJECT: Mobilehome parks: additional lots: exemption from additional fees or charges

SUMMARY: Authorizes an owner of an existing mobilehome park to add new spaces to the park, not to exceed 10% of the previously approved number of spaces in the park. Specifically, **this bill:**

- 1) Authorizes an owner of an existing mobilehome park who has a valid, unsuspended permit to operate or intends to qualify for a permit issued pursuant to the Mobilehome Parks Act (MPA) to add either of the following types of spaces to the mobilehome park, not to exceed 10% of the previously approved number of lots in the park:
 - a) A lot for a single-family manufactured home;
 - b) A multifamily manufactured home on a lot previously occupied by a single-family mobilehome or manufactured home; or
 - c) Any combination of spaces under a) and b).
- 2) Requires the owner of the park to apply for and obtain from the enforcement agency all permits required by the MPA to increase the occupancy in the park before adding any lot pursuant to 1). Before issuing the permits, the enforcement agency must require all reasonable information to ensure the additional lots do not substantially impact the provision of services to the existing or new lots, including water, sewage, gas, electrical, and other utilities.
- 3) Allows the enforcement agency to require evidence of compliance with all local health, utility, and fire requirements, as it deems necessary.
- 4) Requires the mobilehome park owner to complete all necessary processes with the enforcement agency to update their permit to operate upon approval from the enforcement agency pursuant to 2).
- 5) Prohibits a local agency from charging any business tax, local registration fee, use permit fee, or other fee upon lots added under this bill, except those that are applicable to existing lots in the park.
- 6) Allows a local agency to impose local property taxes, fees for water and sewer services and garbage collection, fees for normal inspections, local bond assessments, and other fees, charges, and assessments that apply to the existing lots in the park.
- 7) Deems the lots added under this bill to be compliant with zoning and land use approvals of the existing mobilehome park, including any special use permit, notwithstanding any law. Prohibits a local government from deeming the lots added under this bill a use that differs from the mobilehome park's existing land use approvals.

- 8) Prohibits the enforcement agency, city, or county from requiring a conditional use permit, zoning variance, or other zoning approval for any lots added under this bill.
- 9) Prohibits an owner of a mobilehome park who adds lots from reducing the size of, or otherwise interfering with, any in-use pools, dog parks, clubhouses, playgrounds, sports facilities, exercise rooms, libraries, boat or recreational vehicle storage, laundry facilities, or community meeting spaces.

EXISTING LAW:

- 1) Defines “manufactured home” to mean a structure that was constructed on or after June 15, 1976, is transportable in one or more sections, is eight body feet or more in width, or 40 body feet or more in length in traveling mode, is built on a permanent chassis and designed to be used as a single-family dwelling with or without a foundation when connected to the required utilities.” (Health and Safety Code (HSC) Section 18007)
- 2) Defines “mobilehome” to mean a structure identical to 1) that was constructed prior to June 15, 1976. (HSC 18008)
- 3) Defines “multifamily manufactured home” to mean a structure transportable under permit in one or more sections that is designed and equipped to contain two dwelling units, or is designed to be used with a foundation system for three or more dwelling units. (HSC 18008.7)
- 4) Declares it to be unlawful for any person to do any of the following unless they have a valid permit issued by an enforcement agency:
 - a) Construct a mobilehome park;
 - b) Construct additional buildings or lots, or alter buildings, lots, or other installations in an existing park;
 - c) Operate, occupy, rent, lease, sublease, let out, or hire out for occupancy any lot in a park that has been constructed, reconstructed, or altered without having obtain a permit; or
 - d) Operate a park or any portion thereof. (HSC 18500)
- 5) Requires applications for a construction permit to be accompanied by a description of the grounds, plans and specifications of the proposed construction, a description of the water supply and sewage, appropriate fees, and evidence of compliance with all valid local planning, health, utility, and fire requirements. (HSC 18501)
- 6) Requires the Department of Housing and Community Development (HCD) to establish a schedule of fees relating to all construction, mechanical, electrical, plumbing, and installation permits, which must be paid to the enforcement agency. Requires these fees to be reasonably consistent with specified building codes. (HSC 18503)
- 7) Requires HCD to issue an operating permit following notification by the local enforcement agency of completion of construction of a new park or additional lots to an existing park. In

approving the application for an operating permit, the local enforcement agency authorizes occupancy of the newly constructed facilities. (HSC 18505)

- 8) Requires the enforcement agency to issue an operating permit for a 12-month period, and forward a copy of each operating permit to HCD. Prohibits an operating permit from being issued for a park where the previous operating permit has been suspended by the enforcement agency until the violations which were the basis for the suspension have been corrected. (HSC 18506)
- 9) Authorizes an enforcement agency to suspend the operating permit of any person who violates the permit or the MPA, subject to specified notice, timeline, and due process hearing requirements. (HSC 18510-18518)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "Mobilehome parks provide hundreds of thousands of housing units, often at more affordable prices than other options. However, in some areas local permitting processes and excessive fees charged for adding spaces in existing mobilehome parks—which can reach the tens of thousands of dollars per space being added—make mobilehomes cost-prohibitive. These disincentives make it far less likely that the potential for mobilehome parks to assist in increasing the state's housing stock will be realized.

AB 2387 allows California's existing mobilehome park owners to apply to add no more than 10% of the previously approved number of spaces in the mobilehome park for manufactured homes, so long as the additional spaces do not substantially impact the provision of services to the existing or new spaces, including water, sewage, electrical, gas, and other utilities. As was done with ADUs, adding a limited number of spaces to existing mobilehome parks will help increase California's housing supply on existing residential property."

Background: More than 700,000 people live in California's approximately 4,700 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 \$2,000 to upwards of \$20,000 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.

Mobilehome Parks Act: The MPA requires HCD to regulate mobilehome parks to assure protection of the health, safety, and general welfare of all mobilehome park residents. Local agencies have the option of assuming enforcement authority of the MPA within their jurisdiction through agreement with HCD. Among these enforcement duties is performing health and safety inspections of parks.

The MPA also requires each mobilehome park to pay an annual fee and obtain a permit to operate from either HCD or the local enforcement agency. Operating permits last for a year and the enforcement agency has the ability to suspend an operating permit in the event of substandard conditions at the park or other violations of the MPA.

HCD's website lays out the required steps a park owner must take when seeking either to construct a new mobilehome park or to construct additional spaces or facilities within an existing park:

“A construction permit is required when developing a new mobilehome park or special occupancy park or constructing additional spaces and/or facilities within an existing park. The following local government approvals and utility agency ‘will serve’ letters must accompany all park construction project permit applications:

- Written approval or a conditional use permit from the local planning agency. [HSC 18501(e)]
- Environmental impact reports, recommendations, and approval from the reviewing agency, normally the local planning department. [California Code of Regulations, title 25, section 1030]
- Permit from the Coastal Commission for developments within the permit area of a coastal zone.
- Written approval or stamp of approval from the local health department on all plans relating to water supply and method of sewage disposal. [HSC 18501(e)]
- Written approval or stamp of approval on all plans relating to fire protection provided in the mobilehome park from the local fire department. [HSC 18501(e) and California Code of Regulations, title 25, section 1032]
- Written approval or stamp of approval on all plans relating to the park surface or subsurface drainage systems from the local public works department, engineering department, flood control agency, or water quality control board. [HSC 18501(e)]
- Written approval or stamp of approval on all plans relating to park grading, pad elevation certificates, and storm water pollution prevention plans (SWPPPs) from the local building or engineering department. [HSC 18501(e)]
- Contact local water agencies and public utilities for availability of planned services. Provide letters stating services will be provided. [HSC 18501(e)]

Note: The required written approvals may be in letter form issued by the agency having authority to grant such an approval or simply a signature on the affected plans by the approving agency's authorized agent.”¹

Local Land Use Approvals: The permits required by HCD – construction, alteration, electrical, or operating permits, for example – are distinct from the local government's land use permits or zoning approvals for the park site or expansion, referenced in the first bullet above. The California Constitution provides cities and counties the authority to regulate behavior to preserve the health, safety, and welfare of the public. This provision – commonly called the police power – gives cities and counties broad authority to regulate land use and other matters, provided that the local policy is “not in conflict with general laws.”

Cities and counties use their police power to enact zoning ordinances that shape development, such as setting maximum heights and densities for housing units, setbacks to preserve privacy, lot coverage ratios to increase open space, and others. Through this authority, they can zone for residential, commercial, industrial, or other areas at specific intensities, and can even zone areas

¹ <https://www.hcd.ca.gov/manufactured-and-mobilehomes/mobilehome-parks/park-construction-and-alterations>

where they specifically designate mobilehome parks may be built or operate. For example, the County of San Mateo in 2017 adopted a “Mobilehome Park Zoning District” ordinance to govern how and where mobilehome parks can exist and to change the general plan land use designation of six existing parks already operating in the county. Prior to the adoption of the county ordinance, those six existing parks had various general plan land use designations ranging from “High Density Residential” to “General Industrial” to “Industrial Mixed Use” and others, and their zoning was largely commercial.²

The practice of zoning special mobilehome park areas is relatively uncommon, so new parks in areas zoned for other uses would require a discretionary rezone, zoning variance, conditional use permit (CUP), and/or a special use permit from the local government. This is also the case in instances where an existing park wants to add spaces but does not conform to the existing land use designation or zoning (i.e., the park has been granted permission to operate via a zoning variance or CUP, or the zoning ordinance conforms to the existing use but with specific intensity restrictions or other requirements). Like most new development, the local government also often requires the owner to pay development impact fees on the new proposed lots, which in one example provided by the bill’s supporters equals \$50,000 per new lots.

This bill would create a streamlined process allowing an existing park to increase the number of lots by 10% without requiring a CUP or zoning variance, and would prohibit a local government from charging impact or permit fees for those spaces. Before this expansion would be allowed, the parkowner would have to demonstrate to HCD or the local enforcement agency that the additional spaces would not substantially impact the provision of water, sewer, electrical, or other utility services to the existing park residents or to the new spaces. In addition, while permitting fees would be capped to those applicable to the existing spaces, this bill provides that a local agency can still impose local property taxes, fees for utility services, inspection fees, local bond assessments, and other charges that generally apply to the existing spaces in the park.

Arguments in Support: According to the California Manufactured Housing Institute, the bill’s sponsor, “Mobilehome parks already provide hundreds of thousands of housing units in the state and these options are often more affordable than other forms of housing. However, in some areas local permitting processes, excessive development fees, and other administrative burdens can drive the cost of increasing the number [of] spaces so high that doing so is not a viable option. Just as California has taken on streamlining the processes for other types of housing, this legislation takes the same approach for either single-family or duplex multifamily manufactured homes, while including important safeguards to maintain the quality of life and level of service provided to residents.”

Arguments in Opposition: None on file.

Committee Amendments: To ensure the bill applies to all cities, including charter cities, staff recommends the bill be amended as follows:

Government Code Section 65852.8. ***(h) The Legislature finds and declares that streamlining the addition of new mobilehome lots in existing parks is a matter of statewide concern and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this section applies to all cities, including charter cities.***

² <https://www.smcgov.org/housing/mobilehome-park-zoning-district>

Related Legislation:

AB 1334 (Pellerin) of 2023 was nearly identical to this bill. The bill was held in the Senate Appropriations Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

California Manufactured Housing Institute (Sponsor)
Western Manufactured Housing Communities Association

Opposition

None on file.

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