

**SENATE SELECT COMMITTEE ON MOBILE AND MANUFACTURED HOMES**  
**Chair, Senator Joseph L. Dunn**

**2004 MOBILEHOME & RELATED BILLS**  
**October 1, 2004**

**Final Bill List\***

HOMEOWNER RIGHTS

**AB 2351 (Corbett) – Mobilehome Owner Rights**

Makes a number of changes in the rights of mobilehome owners in rental or resident-owned parks. 1) Requires the management of a mobilehome park to return an executed copy of the rental agreement to the homeowner within 15 business days after the management has received the rental agreement signed by the homeowner; 2) prohibits the park management of a resident-owned park from entering a mobilehome without the prior written consent of the resident, except in specified or emergency circumstances; 3) prohibits management from removing a vehicle from the homeowner's or resident's driveway or designated parking space for 7 days in violation of a park rule unless a specified notice regarding violations of park rules is posted on the windshield of the vehicle, unless the vehicle poses a specified danger. 4) prohibits park management from requiring a homeowner to purchase goods or services from any third party for remodeling or maintenance. Status: Passed and signed by the Governor, Chapter 302.

CONVERSION OF PARK TO OTHER USES

**AB 2581 (Lieber) – Suspension of Park's Permit to Operate**

State law provides that when a mobilehome park is closed or converted to another land use, the park must file a report with local government on the impact that the park closure will have on the ability of displaced residents to relocate. The local agency must hold a hearing and can require the park to take steps to mitigate the displacement, including the reasonable costs of relocation. Where an enforcement agency suspends the park's permit to operate the park, often the result of the park's repeated failure to fix major health and safety violations, this bill would also subject the park to these impact report and displacement mitigation requirements. Status: Passed and signed by the Governor, Chapter 680.

### TERMINATION OF TENANCY

#### **AB 2023 (Nakano) – Eviction of Mobilehome Owners for Substantial Annoyance**

The Mobilehome Residency Law authorizes a park to evict a homeowner for specified reasons, including “substantial annoyance to other homeowners or residents.” This measure defines “substantial annoyance” to mean use or threatened use of force, willful threats, or menacing conduct against any person creating an apprehension of harm to a reasonable person.

Status: Passed Assembly but held in Senate Judiciary Committee – bill is dead.

### MOBILEHOME DEALERS & SALES

#### **SB 1090 (Dunn) – Mobilehome Dealer & Sales Practices**

This bill has several provisions: 1) requires mobilehome dealers to disclose to their client sellers the effect of a net listing agreement and disclose the amount of a buyer’s offer on the seller’s home and the dealer’s commission. 2) provides that where a mobilehome park manager is a licensed dealer or salesperson, Mobilehome Residency Law provisions relating to home resales in the park, such as the provision prohibiting a manager from charging a fee to the homeowner as a condition of selling the home in the park, shall also be unlawful acts under dealer licensing laws. 3) prohibits park managers from requiring homeowners to use a park-approved dealer or real estate broker as an agent in the sale of their home and as a condition of reselling the home in the park. 4) modifies various advertising requirements for dealers in the sale of mobilehomes and manufactured homes. Status: Passed and signed by the Governor, Chapter 567.

#### **SB 1777 (Ducheny) - Dealer Fines**

Among a number of other provisions relating to housing, this bill provides that fines levied against mobilehome and manufactured home dealers by the Department of Housing and Community Development (HCD) must be issued no later than 6 months to one year after discovery of the violation, rather than the current 6 months after discovery. This provision was originally part of SB 1778 (Ducheny) that was amended to use for a charter school issue.

Status: Passed and signed by the Governor, Chapter 818.

#### **AB 1572 (Lieber) – Manufactured Home Recovery Fund (MHRF)**

The MHRF permits consumers, who have judgments against mobilehome dealers based on fraud and other illegal acts that cannot be collected, to file their claims for up to \$40,000 each against the fund. This bill streamlines eligibility requirements and makes other changes to make it easier for consumers to process their claims.

Status: Passed and signed by the Governor, Chapter 236.

### MASTER-METER UTILITIES

#### **SB 1163 (Dunn) – PUC Enforcement**

Most mobilehome parks are master-meter utility providers that own, operate and maintain their own gas and electric distribution systems within the park, read the meters and bill the 2004

homeowners. Although the Public Utilities Code requires that a master-meter provider must charge residents or tenants at the same rate as the serving public utility, the California Public Utilities Commission (CPUC) does not regulate parks and in many cases has been unwilling to take complaints about park utility charges or disputes. This measure requires the CPUC to take and respond to complaints relating to master-meter utility providers. The bill also requires parks that use a third-party billing agent to prepare utility bills to disclose to residents in their billings the name, address and phone number of the billing agent.

Status: Passed and signed by the Governor, Chapter 728.

#### RESIDENT-OWNED PARKS

##### **SB 740 (Kuehl) - Right of 1<sup>st</sup> Refusal**

This bill provided that mobilehome owners in parks who have formed associations to buy the park, and where the park includes at least 30% low income residents, would have a 45-day right of first refusal to purchase the park in order to convert it to a resident-owned park, prior to closure of a sale of the park to another third party. Status: Assembly Housing – failed passage – bill is dead.

##### **AB 3022 (Lowenthal) – MPROP Loan Ratio**

This bill changes HCD's Mobilehome Park Resident Ownership Program (MPROP), that makes loans to residents or non-profit organizations to buy mobilehome parks, by expanding the definition of non-profit organizations eligible for funding to include a limited partnership where all general partners are nonprofit mutual or public benefit corporations. The bill also permits HCD to expand MPROP's loan-to-value ratio from 95% to 100% plus, as specified. A similar bill, SB 1610 (Ducheny) was dropped. Status: Passed and signed by the Governor, Chapter 473.

#### MOBILEHOME REPAIR/REHABILITATION LOANS

##### **AB 1462 (Salinas) - CalHome Program - Mobilehome Rehabilitation Funds**

HCD's CalHome Program authorizes funds, provided through local public agencies or nonprofit corporations as grants for programs that assist individual households or as loans for multiple homeownership development projects, to be used to enable low- and very low-income persons to become or remain homeowners. Among other provisions this bill would authorize financial assistance to be provided in the form of a secured forgivable loan to an individual household to rehabilitate, repair, or replace manufactured housing located in a mobilehome park, not permanently affixed to a foundation. This provision was previously found in AB 2838 (Salinas) amended for another purposes. But AB 1462 would limit 10% of CalHome funds to be used for this purpose in any fiscal year. Status: Passed and signed by the Governor, Chapter 672.

#### MISCELLANEOUS MOBILEHOME

##### **SB 1176 (Dunn) – Citation Corrections, Snowload Requirements, Rule Change Notice**

This is a 3-part bill measure, which would: 1) authorize the Department of Housing and

Health and safety code violations to be corrected within 60 days, rather than the current 90 days, under the 7-year Mobilehome Park Maintenance inspection program; 2) provide a 2-year moratorium on new administrative regulations relating to snow-load roof requirements for mobilehomes installed at elevations of 5,000 feet and above; 3) require only a 60-day notice when a park rule change is required due to a change in the law, if the notice includes a code or section reference to the law triggering the rule change. Status: Passed and signed by the Governor, Chapter 622.

**AB 162 (Cohn) Mobilehome Park Revolving Fund**

Makes a technical clarification in the law relating to the Revolving Fund.  
Status: Passed and signed by the Governor, Chapter 56

**RV PARKS**

**AB 1964 (Leslie) – Eviction of RV Guests beyond Check-out Time**

Allows RV park management to take possession of an RV and property of occupants and guests who stay less than 30 days if they do not leave by check-out time and the space has been contractually rented by another customer or guest. Status: Passed and signed by the Governor, Chapter 530.

**LANDLORD-TENANT**

The following are selected bills relating to conventional landlord-tenant law. Some of these bills affect mobilehome park tenancies, particularly in cases where tenants rent mobilehomes owned by the park owner or park management.

**SB 115 (Torlakson) - Cash Payments for Rent**

This measure provides that a landlord or manager may not demand or require cash as the exclusive form of rent payment or security deposit payment, as opposed to checks, money orders or other forms of rent payment, unless the tenant's rent check has bounced or tenant has stopped payment on the check. Status: Passed and signed by Governor, Chapter 76

**SB 1145 (Burton) - Deletion of Sunset on 3 Tenant Protections**

In the last several years, tenant protections have been added to state law prohibiting landlords from discriminating against prospective tenants because of source of income (sunsets 1/1/05) and requiring landlords to give tenants a 60-day, rather than 30-day, notice of a rent increase that is more than 10% in a one-year period (sunsets 1/1/06). This bill, among other provisions, deletes these sunset provisions, making these laws permanent. Status: Passed and signed by the Governor, Chapter 568.

**SB 1634 (Alarcon) – Building Code Inspection Grading System**

This measure requires owners of substandard apartments and other buildings to register with and provide specified information to local building code enforcement agencies; provides that local enforcement agencies may impose citation fines for such violations; provides for notices to  
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tenants, lenders and insurers of code violations that are not corrected, and encourages local enforcement agencies to develop a web site of substandard buildings with such violations in its jurisdiction. Status: Passed Senate but failed passage in Assembly Housing, bill is dead.

**AB 2582 (Lieber) – Disclosure of Environmental Hazards**

This bill requires landlords with knowledge of substances, materials or products that are or are potentially environmental hazards on the property to provide written notice to prospective 2004 tenants prior to execution of a rental agreement. Status: Assembly Floor inactive file, bill is dead.

**AB 2583 (Lieber) – Personal Tenant Information**

Except for verifying information required by law, this proposal would prohibit a landlord from demanding private or personal information from existing tenants as a condition of continuing residency, unless necessary to complete an application process and the agreement to furnish the information was entered into before the time the tenant's lease was signed.

Status: Assembly Floor, failed passage, bill is dead

**COMMON INTEREST DEVELOPMENTS (CIDs)**

(may affect resident-owned mobilehome parks)

**AB 1836 (Harman) – Alternative Dispute Resolution**

Enacts recommendations of the California Law Revision Commission to reorganize and extend the current alternative dispute resolution (ADR) process under the Davis-Stirling CID law by creating a two-tier process before the association or a homeowner may sue in court for declaratory relief, injunctive relief, or relief in conjunction with a claim of damages of less than \$5,000. The first tier informal process must be developed by homeowner associations and their homeowners to encourage communication between them. The second tier expands the ADR process to actions arising out of the association's own CC&R's, bylaws, or the Nonprofit Mutual Benefit Corporation Law, in addition to provisions of the Davis-Stirling Act.

Status: Passed and signed by the Governor, Chapter 784.

**AB 2376 (Bates) Reasonable Process for Architectural Review**

The governing documents of many homeowner associations require approval of the community association before a homeowner can make a physical change in his/her unit, such as adding a room or choosing the color of exterior paint. Currently, a homeowner association board's approval of these homeowner requests may seem arbitrary or capricious. This bill incorporates the California Law Revision Commission's recommendations for statewide standards for architectural review in CID's, providing the association must provide the homeowner with a fair, reasonable and expeditious procedure for making its decision, including disapproval of a proposed physical alteration in writing, with an explanation of the association's reason for disapproval, and the right of a homeowner to appeal management disapproval to the board.

Status: Passed and signed by the Governor, Chapter 346.

**AB 2598 (Steinberg) – Non-Judicial Foreclosure**

In common interest developments, including many resident-owned mobilehome parks, the  
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management may use non-judicial foreclosure against homeowners for their failure to pay assessments, regardless of how small. There have been notable cases where homeowners, who failed to pay assessments as little as \$130 on time, have lost their homes within 6 months at non-judicial foreclosure auctions and were only able to recoup a fraction of their equity. This bill, among other provisions, exempts assessment disputes of \$2,500 or less from non-judicial foreclosure proceedings, requires that to protect the homeowner's equity auction bids must meet a minimum of 90% of the appraised value, and impose various redemption requirements and other procedural reforms. A similar bill, SB 1682 (Ducheny) was dropped.  
Status: Vetoed by the Governor.

*\*This list mostly represents those bills directly related to mobilehomes and manufactured homes known at the time of publication and may not include every bill that indirectly affects mobilehomes or manufactured homes in some fashion.*