

**SENATE JUDICIARY COMMITTEE**  
**Senator Thomas Umberg, Chair**  
**2023-2024 Regular Session**

AB 2399 (Rendon)  
Version: March 21, 2024  
Hearing Date: June 4, 2024  
Fiscal: No  
Urgency: No  
ID

**SUBJECT**

Mobilehome park residences: rental agreements: Mobilehome Residency Law  
Protection Program

**DIGEST**

This bill requires a notice regarding the Mobilehome Residency Law Protection Program, and how to contact the program, to be included in a specified notice of a mobilehome owner and mobilehome park's rights and responsibilities that the mobilehome park must provide to all mobilehome owners on an annual basis and as part of the rental agreement

**EXECUTIVE SUMMARY**

Mobilehomes and the mobilehome parks in which most mobilehome owners reside represent an important source of affordable housing in California. However, mobilehomes are unique among housing options in the state, as mobilehome residents often own their mobilehome, but rent the land on which it sits from the mobilehome park in which it resides. Moreover, despite their name, mobilehomes are actually incredibly difficult and expensive to move. Accordingly, the Legislature enacted the Mobilehome Residency Law (MRL) to regulate the relationship between mobilehome parks and park residents, and to establish the various rights, responsibilities, and limits of both groups. The MRL is enforced through the court system by a civil cause of action. To help mobilehome residents receive legal representation and legal assistance with their claims of MRL violations and ensure that the MRL is complied with, the Legislature created the Mobilehome Residency Law Protection Program (MRLPP) in 2018. The MRLPP accepts complaints from mobilehome residents of violations of the MRL, screens complaints, and refers meritorious complaints to legal services providers or an appropriate enforcement agency. However, reports suggest more outreach and awareness of the MRLPP is needed. AB 2399 proposes to increase mobilehome residents' awareness of the MRLPP by requiring that mobilehome parks provide specified information regarding the MRLPP and how to contact it to all mobilehome

owners as part of an annual notice that mobilehome parks must provide owners regarding their rights, and as an exhibit to all rental agreements. AB 2399 is author sponsored, is supported by the Golden State Manufactured-home Owners League, Inc., and is opposed by the Western Manufactured Housing Communities Association.

### **PROPOSED CHANGES TO THE LAW**

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. (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 homeowner receives notice of noncompliance; conduct of the resident that amounts to a substantial annoyance of other homeowners 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. Code § 798.56.)
- 3) Requires that a rental agreement between a mobilehome park and a mobilehome owner for a mobilehome lot include specified information, including:
  - a) The term of the tenancy, and the rent for the lot;
  - b) The rules and regulations of the park;
  - c) A copy of the text of the MRL;
  - d) A provision specifying that it is the responsibility of management to provide and maintain physical improvements in the common facilities in good working order and condition, and the management must repair sudden or unforeseeable breakdowns of the improvements within 30 days;
  - e) A description of the physical improvements that the park will provide to the homeowner during the tenancy;
  - f) A provision listing those services which will be provided to the homeowner, and any fee that will be charged for these services;
  - g) A provision stating that management may charge a reasonable fee for services relating to the maintenance of the land and premises;
  - h) All other provisions of law governing the tenancy; and
  - i) A specified notice regarding the MRL and the rights and responsibilities of homeowners and mobilehome parks under the MRL, including that:
    - i. management must give the homeowner written notice of any increase in rent at least 90 days before the date of the increase;
    - ii. no rental or sales agreement may waive any of a homeowner's rights under the MRL;

- iii. management may terminate or refuse to renew a homeowner's tenancy only for one of the reasons specified in the MRL, but that a homeowner must pay rent, utility charges, and reasonable incidental service charges in a timely manner or risk grounds for eviction;
  - iv. homeowners, residents, and their guests must comply with the rental agreement or lease, including the reasonable rules and regulations of the park and all applicable local ordinances and state laws and regulations;
  - v. homeowners have the right to peacefully assemble and communicate with respect to mobilehome living and social and educational purposes, the right to meet in the park at reasonable hours and manner, for any lawful purpose, as specified;
  - vi. a homeowner is entitled, under certain circumstances, to sell their mobilehome in place in the park, as specified;
  - vii. management has the right to enter the space upon which the mobilehome rests for maintenance of utilities, trees, and driveways, and for other maintenance purposes;
  - viii. a homeowner may not make any improvements or alterations to their space or mobilehome without following the rules and regulations of the park and all applicable local ordinances and state laws and regulations;
  - ix. mobilehome owners must pay annual property tax to the county tax collector, or a fee to HCD in lieu of taxes; and that
  - x. HCD may be contacted for more information on registration, titling, and taxes at their website and phone number, as provided. (Civ. Code § 798.15.)
- 4) Requires that mobilehome park management provide all mobilehome owners with a copy of the MRL prior to February 1 of each year if a significant change was made to the MRL by legislation enacted in the prior year. Requires mobilehome park management provide all mobilehome owners with the notice of rights described in (3)(i) above, before February 1 of each year. (Civ. Code § 798.15.)
- 5) Establishes the MRLPP within HCD to receive complaints from mobilehome park residents regarding violations of the MRL and refer certain, meritorious valid complaints to a Legal Service Provider or appropriate enforcement agency. Sunsets the MRLPP on January 1, 2027. (Health & Saf. Code § 18800 *et seq.*)

This bill:

- 1) Requires that, as part of the notice required to be included in the rental agreement for a mobilehome site and provided to a mobilehome owner prior to February 1

each year, mobilehome park management provide the following specified statement regarding the MRLPP:

- a) "The mobilehome Residency Law Protection Program (MRLPP), found in Section 18800 et seq. of the Health and Safety Code, protects and safeguards mobilehome homeowners and residents by affording them an additional avenue to enforce violations of the MRL. The Department of Housing and Community Development (HCD) administers the program by providing assistance in taking complaints and helping to resolve and coordinate the resolution of those complaints from homeowners and residents relating to the MRL. The HCD contracts with nonprofit legal service providers and refers complaints of alleged MRL violations to these legal service providers. The HCD may not arbitrate, mediate, negotiate, or provide legal advice in connection with mobilehome park rent disputes, lease or rental agreements, or disputes arising from lease or rental agreements, but may provide information on these issues to the complaining party, management, or other responsible party. The MRLPP is funded by an annual registration fee of \$10.00 for each permitted mobilehome lot, collected from management, which management may pass on and collect from the homeowner at the time of rent payment. The annual MRLPP registration fee must appear as a separate line item on the rent bill and be accompanied by a clear written description of the purposes of the charge, along with contact information for the HCD. For questions regarding the fee or the MRLPP, contact: the HCD at [MHAssistance@hcd.ca.gov](mailto:MHAssistance@hcd.ca.gov) or by calling (800) 952-8356."
- 2) Makes non-substantive changes to the relevant section of the Civil Code to use gender neutral terms and pronouns.

### COMMENTS

#### 1. Author's statement

According to the author:

Californians who live in mobile homes tend to be older, low-income, and people of color. These populations are especially vulnerable to violations of their housing rights, including illegal rent increases and unlawful evictions. Mobile home residents deserve a greater level of protection, and stronger housing rights. [This bill] would make sure that every year, California's mobile home residents are provided information about what legal services are available to them through the state's Mobilehome Residency Law Protection Program. By notifying tenants of their rights and services, California can afford a stronger level of protection for mobile home residents most in need of support.

## 2. Mobilehomes are a vital source of affordable housing in California

There are an estimated 508,589 mobilehome units in California.<sup>1</sup> Mobilehomes are pre-fabricated homes that are designed to be able to be transported and moved between locations. Thus, mobilehomes are unique among all residential options. However, while they are technically mobile, mobilehomes often require a significant amount of time, effort, and money to actually be moved between locations. Costs for moving a mobilehome range from a few thousand to tens of thousands of dollars. Mobilehomes are also unique because many mobilehome residents own their mobilehome, but lease from a mobilehome park the land upon which their home is located. In this arrangement, the mobilehome sits on a lot within a park of mobilehomes and common space. The mobilehome park and the lots on which the mobilehomes sit are usually privately owned and managed by a mobilehome park company.

Under this relationship, while residents technically own their mobilehome, they pay rent to the park management, are subject to the rules of the mobilehome park set by the ownership of the park, and they often rely on the park for the provision of utilities. If a resident falls behind on their rent payments to the park for their mobilehome's lot, or if they violate a rule of the park, they can be evicted from the park. Considering they may have paid considerable amounts of money to buy the mobilehome that they can no longer live in, they could lose the equity they've accumulated in their mobilehome upon eviction by the park, either by having to sell the mobilehome quickly, or spending thousands of dollars to move their mobilehome elsewhere.

While most mobilehome parks are owned by a private company separate from the mobilehome owners, some mobilehome parks are organized in arrangements where the mobilehome residents and owners are part-owners of the entire park. These arrangements include a subdivision of mobilehomes, a cooperative, a condominium for mobilehomes, and resident-owned mobilehome parks.

Mobilehome residents in California tend to be poorer and older than the average California renter, for which mobilehome ownership is an important option for affordable housing. In fact, the median price of a mobilehome in 2022 was \$82,600, making mobilehome ownership one of the most significant, un-subsidized sources of affordable housing.<sup>2</sup> While mobilehome park residents are generally older than the general population, there are still many young and middle-aged individuals and families living in mobilehome parks. As housing in California continues to become more expensive, mobilehomes will likely become an even more attractive option for low-income Californians looking for affordable home ownership.

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<sup>1</sup> U.S. Census Bureau, 2021 American Community Survey 1-Year Estimates (2021), available at <https://data.census.gov/>.

<sup>2</sup> U.S. Census Bureau, Manufactured Housing Survey (Jun. 2022), available at <https://www.census.gov/data/tables/time-series/econ/mhs/annual-data.html>.

### 3. The Mobilehome Residency Law

In light of the unique nature of mobilehome parks and the issues mobilehome park residents face, the Legislature passed the Mobilehome Residency Law (MRL) in 1978 to regulate the relationship between mobilehome park management and park residents and establish the various rights, responsibilities and limits of both groups. (Civ. Code § 798 *et seq.*) Over time, the MRL has been amended to include additional protections for residents and limits on charges mobilehome parks can bill residents.

The MRL covers a variety of areas, including: permissible rental and lease contract terms; permissible park rules and mandatory notices to residents; limits on fees and charges, as well as increases to them; and conditions and limits related to mobilehome park evictions. The MRL also requires that the rules and the regulations of the park be included in the rental agreement for the mobilehome site, and specifies the procedures that a park must follow to change the park rules. (Civ. Code § 798.15.) Mobilehome owners, residents, and guests must comply with the rental agreement, and any reasonable rule or regulation of the park that are part of the agreement. (Civ. Code § 798.56.) Not complying with these rules, or applicable local ordinances or state laws and regulations relating to mobilehomes can be grounds for eviction from the park. The provision of the MRL relating to eviction specifies that a park may evict a resident only for: failing to comply with a local or state law or regulation on mobilehomes within a reasonable time after the homeowner receives notice of noncompliance; conduct of the resident that amounts to a substantial annoyance of other homeowners or residents; conviction of certain crimes; failure to comply with a reasonable rule of the park; or for nonpayment of rent, utilities, or another reasonable incidental service charged by the park. (Civ. Code § 798.56.) Additionally, a mobilehome owner may not make improvements or alterations to their space or home without following the rules and regulations of the park, and all applicable local ordinances and state laws and regulations relating to the improvement or construction, including any that require obtaining a permit. (Civ. Code § 798.56.) If the park rules require it, a mobilehome owner may have to obtain prior written approval from the park management for any alterations or improvements. (*Id.*)

The MRL includes a variety of provisions that require mobilehome parks to provide certain information to park residents regarding the MRL and residents' rights and responsibilities. The MRL requires that mobilehome parks provide a copy of the text of the MRL to residents as an exhibit to all rental agreements for mobilehome lots, and that parks must provide a copy or a specified notice of the change to residents at the beginning of the year and whenever the Legislature makes significant changes to the MRL during the prior year. (Civ. Code § 798.15.) In addition, mobilehome parks must include with the rental agreement provisions describing the park's responsibility to maintain physical improvements in the common facilities of the park in good working order, the physical improvements and services to be provided the resident, and a statement regarding the rights and responsibilities of park management and

mobilehome owners. This statement includes notice of various provisions of the MRL, including: that management must give a homeowner written notice of any increase in their rent at least 90 days before the date of the increase; that no rental or sales agreement may contain a provision waiving a homeowner's rights under the MRL; that homeowners and their guests must comply with the rental agreement and all reasonable rules and regulations of the park; and that park management may not terminate a resident's tenancy except for one or more of the reasons authorized in the MRL. (Civ. Code § 798.15(i).) This statement of rights and responsibilities under the MRL must also be provided by the park management to all homeowners before February 1 of each year. (*Id.*)

The Department of Housing and Community Development (HCD) is the agency that oversees a variety of areas relating to mobilehome parks, including health and safety standards, the registration and titling of mobilehomes and parks, and the inspections of parks for health and safety issues. HCD must annually inspect five percent of parks for compliance with health and safety requirements under the Health and Safety Code, and must accept and respond to health and safety complaints. (Health & Saf. Code §§ 18200-18700.) HCD also houses the Mobilehome Ombudsman, who assists the public with questions or issues related to various aspects of mobilehome law. However, neither HCD nor the ombudsman have enforcement authority for the MRL, and cannot provide legal advice or arbitrate or mediate park disputes. Instead, residents and mobilehome owners must go to court over a violation of the MRL. This fact creates a few practical limitations on mobilehome park residents enforcing their rights and the MRL: going to court can be costly, can be a lengthy process, and usually requires an attorney. Moreover, if the recoverable amount for the violation is not significant, private attorneys may not be willing to take on the case for the resident, leaving the resident without many options of representation.

#### 4. The Mobilehome Residency Law Protection Program

In 2018, AB 3066 (Stone, Ch. 744, Stats. 2018) established the Mobilehome Residency Law Protection Program (MRLPP) to create a process through which mobilehome residents could file complaints with the HCD relating to violations of the MRL, and receive assistance for resolving their complaints. (Health & Saf. Code §§ 18800-18806.) The premise of the MRLPP is to protect and safeguard the most vulnerable mobilehome homeowners by affording them an avenue to enforce violations of the MRL. (Health & Saf. Code § 18800.) The MRLPP helps mobilehome residents obtain enforcement of the MRL and redress for violations without necessarily requiring an attorney or going through the often complex, drawn-out, and expensive court system. It also ensures that residents can be assisted through the court process, if needed, by connecting credible complaints with legal services providers that provide free legal representation paid for through the program.

According to the author of AB 3066, when it was before the Legislature in 2018:

This bill will create the Mobilehome Residency Law Protection Act, a 5-year pilot program within HCD set to expire in December 2023. The program will give homeowners the opportunity to file a MRL complaint; while the department will have the authority to assess such complaints, collect data regarding the complaints, and refer the substantiated claims to a contracted nonprofit legal services organization.

For homeowners, many of them low income or fixed income seniors, the ability to submit a claim rather than pursue litigation is momentous. Not only is litigation typically out of the price range of homeowners, mobilehome owners are at an even greater disadvantage since it can cost even more money to move their home and leave the park.

Funded through willing homeowners, this pilot program creates a process in which California can alleviate a power imbalance between mobilehome owners and mobilehome park owners.

Under the MRLPP, the HCD receives complaints, assesses each complaint, and refers substantiated complaints to contracted nonprofit legal services organizations or to an appropriate enforcement agency to assist the resident in resolving the issue with the mobilehome park. The MRLPP is funded through a \$10 annual fee charged to the mobilehome park for each mobilehome lot within the park. (Health & Saf. Code § 18804.) The park may collect all or a portion of the \$10 fee from the homeowner of each lot. (*Id.*) In 2023, the Legislature enacted AB 318 that made slight adjustments to the MRLPP and extended its sunset provision to January 1, 2027. (AB 318 (Addis), Ch. 736, Stats. 2023.)

In 2022, HCD released a report on the MRLPP in its annual report for the 2021-22 fiscal year.<sup>3</sup> In the first three years of the program, the MRLPP collected \$10,878,986 in total program revenue and had at the time of reporting expended \$3,763,703. The HCD noted that nearly 69 percent of complaints referred to a Legal Services Provider (LSP) were either in the complaint intake stage or still receiving assistance, leaving cases open and more expenses to be incurred before the program's end. The HCD also reported that the total number of allegations of MRL violations received under the MRLPP were 3,561. Of those complaints, the MRLPP processed 2,999, referring 409 to another enforcement agency and 579 to a LSP for legal assistance. Of the types of complaints received, the most were for violations of the rules on rental agreements (444), violations related to a termination of tenancy (398), and for violations of MRL provisions on park rules and regulations (661). The MRLPP also received a significant number of allegations relating to trees and driveways (149), notices of rent increases (146), utility service billing and

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<sup>3</sup> Cal. Dept. of Housing & Community Dev., *Annual Report: Fiscal Year 2021-22*, Cal. Bus., Consumer Svcs. & Housing Agency (Jun. 30, 2022), available at <https://www.hcd.ca.gov/policy-and-research/plans-and-reports>.



rate schedules (145), fees charged for unlisted services without notice (144), the application of rules and regulations to park owners and employees (136), and relating to allegations involving housing discrimination (124). The MRLPP also received 409 allegations that fell under another enforcement agency's jurisdiction and not under the MRL. As part of its report, HCD included a number of recommendations for the program, which included extending the sunset for the program and conducting more outreach and education to increase awareness and utilization of the program.

5. AB 2399 Requires that mobilehome parks provide mobilehome owners with a specified notice regarding the MRLPP and how to file a complain

AB 2399 proposes to include information regarding the MRLPP and how to contact the program in the annual notices of a mobilehome owner's rights that mobilehome parks must provide to the mobilehome owners in their parks. The required notice describes the program, the process through which HCD takes and processes complaints, that complaints are referred to LSP's with which HCD contracts, that HCD itself may not arbitrate, mediate, or negotiate resolutions or provide legal advice with regard to disputes, and that the MRLPP is funded by the annual fee assessed upon mobilehome parks. The notice also provides the email and phone number for contacting the MRLPP for questions regarding the program or its annual fee. This notice is also currently required to be included with the rental agreement.

The author asserts that AB 2399 will increase awareness of the MRLPP so that the program may be fully utilized by mobilehome park residents experiencing issues with park management. The author points to HCD's 2022 report on the MRLPP to support this assertion, as HCD concluded that mobilehome residents often do not know about the MRL or the MRLPP. Currently, no part of the MRLPP or the MRL require that homeowners be notified or made aware of the MRLPP, unless the park passes some part of the annual MRLPP fee onto the mobilehome owner. Thus, AB 2399 will ensure that mobilehome owners are provided information about the program every year, and it does so by requiring the inclusion of this information in the annual notice of a mobilehome resident's rights that a mobilehome park must provide every resident every year.

6. Arguments in support

According to the Golden State Manufactured-Home Owners League, Inc., which supports AB 2399:

In 2018, the state enacted the Mobilehome Residency Law Protection Act, which amended the Health and Safety Code to establish the Mobilehome Residency Law Protection Program (MRLPP), a program housed within the Department of Housing and Community Development (HCD), to help coordinate resolution of

complaints from mobilehome residents relating to the Mobilehome Residency Law (MRL). It was the first time in California's history.

The MRLPP was developed for and is funded by mobilehome residents to protect mobilehome residents from park owners who violate the Mobilehome Residency Law.

In their 2021-22 annual report, the state Department of Housing and Community Development highlighted the need for education and outreach to mobilehome homeowners regarding the Mobilehome Residency Law Protection Program. Ensuring mobilehome residents receive notice of the MRLPP program is a critical first step to this outreach.

## 7. Arguments in opposition

According to the Western Manufactured Housing Communities Association, which opposes AB 2399:

[ . . . ] As of December 2023, the MRLPP operating fund had a surplus of \$7,988,433. When the MRLPP was implemented, HCD estimated approximately 4,500 complaints to be received and forwarded to a Legal Services Provider (LSP) each year, but since the program was implemented on January 1, 2019, a total of 5,671 complaint allegation have been received, and 5,047 of these allegations were processed with 1,235 complaint allegations referred to another enforcement agency or to an LSP - only 18.2% of the number expected.

The Mobilehome Residency Law (MRL) already requires a notice be provided to residents about the 10 most common issues involving complaints to the Department of Housing and Community Development (HCD) about the rights and responsibilities of tenants and park owners. AB 2399 adds another item to the list by requiring notice about the MRLPP. Currently, many park owners choose not to pass on the \$10 fee to residents as a \$10 charge will create many questions to park managers that will take time away from the manager that could be better spent dealing with their other responsibilities. If AB 2399 becomes law, it is very likely that all park owners will begin to collect the \$10 annual fee from residents.

If the current list required by the MRL of ten rights and responsibilities is expanded to include the MRLPP, WMA may wish to add other items, like guest use of common areas and how many pets a tenant may have, to name a couple. Expanding this list opens the door to an overload of information provided in summary form but which is already included in the existing MRL.

Further, if AB 2399 is signed into law this year, it would be virtually impossible for HCD to provide the appropriate language for notification in 2025. Given that the MRLPP is set to expire on January 1, 2027, this means the notice provided to tenants would effectively only be in effect for 2026.

Also, WMA is curious about the intent of AB 2399. Since the MRLPP has an operational surplus of nearly \$8 million, why not just require HCD to send a notice directly to tenants about the program? WMA has argued that the MRLPP is duplicative of other divisions within HCD to receive complaint allegations as there is already the Mobilehome Assistance Center and the Ombudsman. We believe measures like AB 2399 will make it more confusing for people to know which entity to lodge complaints.

Finally, a material change to the MRL often triggers a new, full copy to residents – the entire 30 pages to every resident on an annual basis. AB 2399 would add another page bringing it to 31 pages in all. Having HCD simply use the MRLPP funds available to notify residents directly may be more impactful and reviewed by residents. The volume of park manager notices required by law to distribute that end up in trash cans and as litter in the common areas or on the streets of mobilehome parks may surprise you.

### **SUPPORT**

Golden State Manufactured-Home Owners League, Inc.

### **OPPOSITION**

Western Manufactured Housing Communities Association

### **RELATED LEGISLATION**

#### **Pending Legislation:**

AB 2291 (Alanis, 2024) would require HCD to conduct regular surveys of complainants referred to a nonprofit legal services provider, and monitor updates from a nonprofit legal services provider to detect any inappropriate denial of services. Would require HCD to respond immediately to correct any wrongful denials. AB 2291 is currently in the Senate Rules Committee.

SB 1052 (Seyarto, 2024) would require a nonprofit legal services provider contracted with HCD to provide legal services for the MRLPP to provide HCD full access to information regarding the status of cases and the services provided to complainants through the MRLPP, would require HCD to conduct regular surveys of complainants referred to an LSP, and would authorize HCD to collect the annual registration fee of

\$10 if HCD and the Department of Finance determine that MRLPP's fund can only cover 6 months of expenditures. SB 1052 failed passage in the Senate Judiciary Committee.

Prior Legislation:

AB 318 (Addis, Ch. 736, Stats. 2023) extended the Mobilehome Residency Law Protection Program administered by HCD until January 1, 2027, and made various changes to the requirements of eligible mobilehome resident complaints and the process for the referral of such complaints to appropriate legal services providers or enforcement agencies.

AB 3066 (Stone, Ch. 774, Stats. 2018) established the Mobilehome Residency Law Protection Act.

**PRIOR VOTES:**

Assembly Floor (Ayes 57, Noes 4)

Assembly Housing and Community Development Committee (Ayes 7, Noes 1)

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