SENATE JUDICIARY COMMITTEE Senator Thomas Umberg, Chair 2025-2026 Regular Session

SB 610 (Pérez) Version: April 21, 2025 Hearing Date: April 29, 2025 Fiscal: Yes Urgency: No ID

SUBJECT

Disaster assistance: tenants, mobilehome parks, and mortgages

DIGEST

This bill makes various changes to landlord-tenant law, to the Mobilehome Residency Law regarding mobilehome parks, and to the Subdivision Map Act to provide additional protections to tenants and mobilehome owners during disasters.

EXECUTIVE SUMMARY

In early January 2025, extremely dry conditions and high winds in Los Angeles resulted in two of the worst wildfires in state history: the Palisades and Eaton fires. The fires burned 37,469 acres and damaged or destroyed almost 18,000 structures, including 373 mobilehomes, and resulted in 29 fatalities. In addition, just under 13,000 households were displaced by the Palisades and Eaton fires, exacerbating Los Angeles' ongoing housing and homelessness crises. Even for tenants and mobilehome owners whose homes were not destroyed by the wildfires, the subsequent debris and ash left over continue to pose significant health risks. Despite that, many tenants and mobilehome owners have lacked clarity regarding their landlord's or the mobilehome park management's obligations to clean up debris, and many lack the resources and support to find alternative housing.

SB 610 aims to provide tenants and mobilehome owners with relief and rights to: require their landlords and mobilehome park management to clean up debris; return rent for any periods in which a tenant or mobilehome owner was unable to live in their home due to destruction from the disaster or an evacuation order; prevent a mobilehome park from raising rents above a specified amount for a year after a disaster; require mobilehome parks to offer homeowners of a destroyed park a vacancy in any other parks in the state owned by the park's management; and extend various notice periods related to terminations of tenancies and the unlawful detainer process when there has been a disaster, as specified. Lastly, SB 610 requires the Commissioner of the SB 610 (Pérez) Page 2 of 21

Department of Financial Protection and Innovation to, upon the declaration of a state of emergency due to wildfire, coordinate with mortgage lenders and servicers operating in the state for implementing mortgage forbearance, foreclosure prevention, and loss mitigation programs for borrowers financially affected by a wildfire emergency. SB 610 is part of the "Golden State Commitment" package of policy proposals aimed at strengthening the state's wildfire response and recovery in light of the Palisades and Eaton fires. SB 610 is supported by Public Advocates and the Golden State Manufactured-Home Owners' League and a variety of other tenants' rights groups and nonprofits, and is opposed by the California Apartment Association, California Association of Realtors, and the Western Manufactured Housing Communities Association.

PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Prohibits mobilehome park management from, over the course of any 12-month period, increasing the gross rental rate for a tenancy in a qualified mobilehome park, by more than three percent plus the percentage change in the cost of living, or five percent, whichever is lower, of the lowest gross rental rate charged for a tenancy at any time during the 12 months prior to the increase, as specified. Defines, for the purposes of that section, "qualified mobilehome park" to be a mobilehome park that is located within and governed by the jurisdictions of two or more incorporated cities. (Civ. Code § 798.30.5.)
- 2) Specifies that, if a mobilehome park is destroyed as a result of a disaster, and management elects to rebuild the park at the same location, park management must offer a renewed tenancy in the rebuilt mobilehome park to all previous homeowners on substantially the same terms as the previous homeowner's previous rental agreement as of the time of the disaster. Specifies that management may adjust the terms of the previous rental agreement to reflect costs and expenses to rebuild the park that it incurred from the time of the disaster up to the time park management received a final certificate of occupancy for all spaces in the park, including costs associated with demolition, reconstruction, environmental remediation, and taxes and interest expenses.
 - a) Requires park management to provide a previous homeowner, upon request, a statement listing the costs and expenses incurred in rebuilding the park and how the costs and expenses relate to the adjustment of terms in the rental agreement.
 - b) Requires the park management to send each previous homeowner the offer at least 240 days before the park is reopened to the last postal address for the previous homeowner, or to the homeowner's email address or by telephone, if the park management has such contact information for the homeowner.

- c) Provides that a previous homeowner may accept the offer by submitting a rental application and a required deposit, within 60 days from the date the homeowner receives the offer and signs a rental agreement.
- d) Specifies that park management must process applications for a renewed tenancy on a first-come-first-served basis. (Civ. Code § 798.62.)
- 3) Provides that a tenant has committed unlawful detainer when they continue in possession of the property without the landlord's permission after:
 - a) the tenant remains in possession of the premises after the expiration of the term of the tenancy without permission of the landlord or as otherwise not permitted by law;
 - b) the tenant's nonpayment of rent and service of a 3-day notice to pay or quit, stating the amount that is due;
 - c) the tenant has breached a covenant of the lease or failed to perform other conditions under the lease, and after service of a 3-day notice requiring performance of such covenants or conditions;
 - d) the tenant has breached a covenant of the lease prohibiting subletting, assignment, or waste; has committed or permitted a nuisance on the premises; or used the premises for an unlawful purpose; and
 - e) the tenant gives written notice of the tenant's intention to terminate the tenancy, but fails to deliver possession of the premises to the landlord at the specified time. (Code of Civ. Proc. § 1161.)
- 4) 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. Requires this report to include a replacement and relocation plan that adequately mitigates the impact upon the ability of the displaced residents to find adequate housing in a mobilehome park. 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 inplace market value of their mobilehome, as specified. Before the approval by a local legislative body, the body must 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. Code § 65863.7.)
- 5) Requires the lessor of a building intended for human occupation, in absence of an agreement to the contrary, to put the building in a condition fit for such occupation, and to repair all dilapidations that render the building untenantable, as specified. (Civ. Code § 1941.)

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6) Specifies that, any building or portion thereof, regardless of the zoning designation or approved used of the building, in which specified conditions exist that endanger the life, limb, health, property, safety, or welfare of the occupants of the building, nearby residents, or the public, must be deemed and declared a substandard building. (Health & Saf. Code § 17920.3.)

This bill:

- 1) Prohibits mobilehome park management from increasing, during the course of any 12-month period after a federal, state, or local state of emergency is first declared, the gross rental rate for a tenancy in a mobilehome park by more than three percent plus the percentage change in the Consumer Price Index, or five percent, whichever is lower, of the gross rental rate charged for the tenancy at any time during the 12 months prior to the increase.
 - a) Specifies that, if the same homeowner or successor in interest maintains a tenancy over any 12-month period, the total gross rental rate amount for the tenancy may not be increased by more than two increments over the 12-month period.
 - b) Permits a mobilehome park to establish the initial rental rate for a new tenancy in which no homeowner from the prior tenancy remains in lawful possession of the mobilehome space, unless the local agency or jurisdiction has adopted an ordinance or rule that limits rent for a new tenancy.
 - c) Prohibits a homeowner subject to this limitation from entering into a sublease that results in a total rent that exceeds the rent allowable under current law, as specified.
 - d) Requires mobilehome park management to provide notice of any increase of rent pursuant to current law, as specified.
 - e) Makes any waiver of these rights void and unenforceable as contrary to public policy.
- 2) Exempts from the requirements of (1), above, a mobilehome space that is: restricted by deed or other regulation or document as affordable housing; constructed and maintained in connection with any higher education institution for use and occupancy by students; subject to any ordinance, rule, regulation, or initiative measure that restricts annual increases in the rental rate less than provided in (1), above; or within a resident-owned mobilehome park, as defined.
- 3) Defines, for the purposes of (1), above, the following terms:
 - a) "Consumer Price Index for all Urban Consumers for All Items" (CPI-U) to mean the Consumer Price Index for All Consumers for All Items for the metropolitan area in which the party is located, as published by the United States Bureau of Labor Statistics, for:
 - i. The Los Angeles-Long Beach-Anaheim metropolitan area;

- ii. The Riverside-San Bernardino-Ontario metropolitan area;
- iii. The San Diego-Carlsbad metropolitan area;
- iv. The San Francisco-Oakland-Hayward metropolitan area; andv. Any successor metropolitan area index for those above.
- b) "Management" to mean the management of a qualified mobilehome park, as defined in current law.
- c) "Percentage change in the cost of living" to mean the percentage change in the applicable CPI-U, as described and computed. Specifies that, for rent increases before August 1 of any year, the percentage change shall be the percentage change in the CPI-U published for April of the previous year and the April the year before that. Specifies that, for rent increases after August 1 of any year, the percentage change must be the percentage change in the CPI-U published for April of that year and the April the year prior, as specified.
- 4) Specifies that nothing in its provisions may impair, preempt, or affect the authority of a local government to adopt or maintain an ordinance, rule, or other measure that establishes a maximum amount of rent that may be charged, or for other regulations for a tenancy, unless that ordinance or rule allows for a rental rate increase greater than provided by this bill. Specifies that this bill does not alter the application of other sections of law to any ordinance or rule that establishes a maximum amount that may be charged for rent.
- 5) Expands the requirement that the mobilehome park management of a mobilehome park that is destroyed by a disaster to offer a renewed tenancy in a rebuilt mobilehome park to a previous homeowner to include a mobilehome park that is damaged, and limits the adjustment of the terms of the previous tenancy for costs and expenses to rebuild the park to 10 percent of the previous rental rate.
- 6) Requires the mobilehome park management of a mobilehome park that is damaged or destroyed as the result of a disaster to offer any vacant space in another mobilehome park in the state that the management owns to previous homeowners of the mobilehome park that was damaged or destroyed at substantially the same terms as the previous homeowner's previous rental agreement, except that management may increase the rental rate to the extent legally permissible.
 - a) For the purposes of this provision, requires a mobilehome park to establish a roster of previous homeowners, and places on previous homeowners the duty to provide management with current contract information.
 - b) Specifies that, if there are more previous homeowners than vacancies, management must ensure a random selection of the previous homeowners for the offers for making offers.

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- 7) Defines, for the purposes of (5) and (6), above, the following:
 - a) "Disaster" to mean a natural or manmade emergency resulting from an earthquake, flood, fire, storm, drought, plant or animal infestation or disease, pandemic or epidemic disease outbreak, or other natural or manmade disaster for which a state of emergency has been declared by the President of the United States or the Governor, or for which a local emergency has been declared by an official or entity with authority to make such a declaration.
 - b) "Rebuild" to mean to re-establish or complete construction of any mobilehome space in California within 10 years of the disaster.
- 8) Specifies that, if a mobilehome park or mobilehome space has sustained damage as result of a disaster, whether or not the damage renders the property untenantable, it is the responsibility of the mobilehome park management to repair or remediate the damage, including: the removal of debris; the repair or restoration of any damaged structural, mechanical, or aesthetic elements; or the mitigation of hazards arising from the disaster.
 - a) Specifies that the presence of debris from the disaster, including ash, sludge, or runoff, is presumed to render the premises untenantable, until a determination has been made by a local public health agency or official that the debris does not contain toxic substances.
 - b) Requires management to complete the necessary cleaning, repairs, or remediation of debris within a reasonable time after the property sustains damage, taking into account the extent of the damage and the availability of materials and labor.
- 9) Specifies that, if mobilehome park management fails to clean up debris within a reasonable time pursuant to (8), above, a mobilehome owner may:
 - a) pursue specified remedies, including repairing the damage and deducting the cost of those repairs from rent, or notifying park management that they are electing to terminate the tenancy, vacate the premises, and be discharged from any further obligations under the tenancy;
 - b) reduce their rent in an amount proportional to the reduction in the use and enjoyment of the premises resulting from the damage, to apply immediately upon notification to management; and
 - c) pursue any other remedies available under law.
- 10) Specifies that, unless the tenancy is terminated by the mobilehome owner pursuant to (9)(a), above, the tenancy remains in effect and the mobilehome owner has a right to return to the mobilehome park or mobilehome space at the same rental rate as soon as it is safe and practicable.
- 11) Creates, in any unlawful detainer action by management to recover possession from a homeowner, a rebuttable presumption affecting the burden of producing evidence

that management is unlawfully retaliating against a homeowner for exercising their rights under this section if:

- a) the mobilehome park or mobilehome space sustained damage as a result of a disaster;
- b) park management failed to repair and remediate the damages within a reasonable time, as required; and
- c) the notice to terminate the tenancy was served on the mobilehome owner before the damage has been repaired and remediated, or within 180 days of the damage being repaired or remediated.
- 12) Specifies that the above provisions in (8) through (11), above, do not preempt any local ordinance from providing for additional protections for homeowners or imposing additional obligations on park management.
- 13) Requires park management to return to a mobilehome owner any advance rental payments received from the mobilehome owner that cover any period of time after the date of termination when a mobilehome tenancy is terminated due to the damage or destruction of the mobilehome park or any space as a result of a disaster. Requires that any such payment must be made within 21 days of the date of termination, and shall be sent to the address provided by the mobilehome owner, or the address where the mobilehome was located if the mobilehome owner does not provide an address.
 - a) Specifies that, for any period that a mobilehome owner was unable to occupy their mobilehome or mobilehome space due to a mandatory evacuation order pursuant to a disaster, the mobilehome owner's obligation to pay rent is discharged for the period during which the mobilehome owner was required to be evacuated. If the mobilehome owner had paid rent in advance, requires park management to return within 10 days any portion of the rent that covered the time period of the evacuation order, and alternatively allows the mobilehome owner to deduct that amount from the next month's rent.
- 14) Specifies that, if a residential rental property has sustained damage as a result of a disaster, whether or not the damage render the property untenantable, it is the landlord's responsibility to repair and remediate the damage, including by: removing debris; repairing and restoring any damaged structural, mechanical, or aesthetic elements of the property; and mitigating hazards arising out of the disaster, as specified.
 - a) Specifies that the presence of debris from the disaster, including ash, sludge, or runoff, is presumed to render the premises untenantable, until a determination has been made by a local public health agency or official that the debris does not contain toxic substances.
 - b) Requires the landlord to complete the necessary cleaning, repairs, or remediation of debris within a reasonable time after the property sustains

damage, taking into account the extent of the damage and the availability of materials and labor. Requires the landlord to follow any and all cleaning protocols issued by government officials, including contracting with licensed remediation companies, and requires the landlord to inform the tenant in writing about all cleaning, repairs, and remediation completed, including detailed descriptions of the work undertaken, the qualifications of any contracted services, and copies of any environmental studies, testing, or reports conducted.

- 15) Specifies that, if the landlord fails to clean up debris within a reasonable time pursuant to (14), above, the tenant may:
 - a) pursue specified remedies, including repairing the damage and deducting the cost of those repairs from rent, or notifying the landlord that they are electing to terminate the tenancy, vacate the premises, and be discharged from any further obligations under the tenancy;
 - b) reduce their rent in an amount proportional to the reduction in the use and enjoyment of the premises resulting from the damage, to apply immediately upon notification to the landlord; and
 - c) pursue any other remedies available under law.
- 16) Specifies that, unless the tenancy is terminated by the tenant pursuant to (15)(a), above, the tenancy remains in effect and the tenant has a right to return to the premises at the same rental rate as soon as it is safe and practicable.
- 17) Specifies that, in any unlawful detainer action by the landlord to recover possession from a tenant, a rebuttable presumption affecting the burden of producing evidence that the landlord is unlawfully retaliating against a tenant for exercising their rights under this section is created if:
 - a) the residential rental property sustained damage as a result of a disaster;
 - b) the landlord failed to repair and remediate the damages within a reasonable time, as required; and
 - c) the notice to terminate the tenancy was served on the tenant before the damage has been repaired and remediated, or within 180 days of the damage being repaired or remediated.
- 18) Specifies that the above provisions in (14) through (17), above, do not preempt any local ordinance from providing for additional protections for tenants or imposing additional obligations on the landlord.
- 19) Requires a landlord to return to the tenant any advance rental payments made by the tenant that cover any period after the tenancy is terminated due to the destruction of the rental property. Specifies that a landlord must return this payment within 21 days of the date of the termination of the tenancy, to be sent to

the address provided by the tenant, or to the address of the unit for which the tenancy was terminated when the tenant has not provided an address.

- a) Specifies for this provision that the date of termination must be either: the date that the tenant informs the landlord or landlord's agent of the tenant's intent to terminate the lease; or the date that the residential real property was destroyed, if the termination occurred as specified.
- b) Specifies that, during any period during which a tenant is unable to occupy their rental unit due to a mandatory evacuation order pursuant to a disaster, the tenant's obligation to pay rent is discharged for that period. Specifies that, if the tenant has already paid rent for the period of evacuation, the landlord must return the rent within 10 days, or the tenant may deduct the amount from the next month's rent.
- 20) Specifies that, in any county in which a state of emergency is declared by the President of the United States, or by the Governor pursuant to the California Emergency Services Act, various notice periods and deadlines related to the termination of a tenancy or the unlawful detainer process are extended, as specified. Specifies that the declaration of a federal, state, or local emergency automatically tolls for 15 days any notice period or deadline relating to termination of a tenancy or the unlawful detainer process that was pending at the time that the emergency was declared. Specifies that these provisions set the minimum timeline extension and tolling applicable to unlawful detainer proceedings during a declared state of emergency, but that they shall not be interpreted to prevent the establishment of longer timelines by rule of court.
- 21) Requires, upon a declaration of a state of emergency due to a wildfire, as provided, that the Commissioner of the Department of Financial Protection and Innovation to coordinate with mortgage lenders and servicers, including those that lend money related to the purchase of a mobilehome, operating in the state to facilitate and monitor the implementation and promotion of mortgage forbearance, foreclosure prevention, and loss mitigation programs for borrowers who experience a material decrease in household income or a material increase in household expenses due to the wildfire emergency.
- 22) Specifies that, before a mobilehome park's conversion to another use, closure, or cessation of use related to damage or destruction by a disaster, the required impact report to be filed with the local legislative body must include an assessment of the Department of Housing and Community Development (HCD) regarding the feasibility of reopening the park. Requires the mobilehome park management to be the person or entity required to take steps to mitigate the adverse impact of the change of use of the park.

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COMMENTS

1. Author's statement

According to the author:

The Eaton fire devastated my community, burning more than 14,201 acres, destroying 9,000 structures, and claiming 18 lives. In the midst of this disaster, I witnessed the best that humanity offers, with brave first responders and volunteers risking their lives to save others. Unfortunately, we also witnessed some of the bad that can arise in these events, with many renters left to fend for themselves without clarity in state law that their basic rights as tenants are ensured. During the 2025 LA County fires, renters relied on emergency regulations being adopted, and the mercy of property owners to work with them through these times. Unfortunately, the wildfire season has become a year-long threat to virtually every part of the state. While my community would have benefited greater from already having had these protections in place, I am committed to ensuring tenants in the event of future disasters have the necessary protections and assurance from the state they will be looked after.

2. <u>The Palisades and Altadena wildfires had a devastating impact on Los Angeles</u> residents and renters

In early January 2025, extremely dry conditions and high winds in Los Angeles resulted in two of the most destructive wildfires in state history. The Palisades fire, which started on January 7th, burned a total of 23,448 acres and damaged or destroyed almost 8,000 structures in the Pacific Palisades and Topanga State Park area of west Los Angeles.¹ That same day, other fires also broke out in the greater Los Angeles area: the Eaton and Hughes fires. The Eaton fire consumed 14,021 acres and damaged or destroyed more than 10,000 structures, including significant portions of the city of Altadena.² About half of all properties in the Pacific Palisades and Altadena were destroyed by the Palisades and Eaton fires, and both fires together tragically took the lives of 29 civilians and injured a dozen firefighters. All told, the January wildfires in Los Angeles were some of the most destructive wildfires in state history.

Beyond the significant human toll, the fires also have had a significant financial toll on residents and communities where they burned and throughout Southern California. Real estate losses have been estimated to be as high as \$30 billion, and just under 13,000 households were displaced by the Palisades and Eaton fires.³ An estimated 9,592 single

https://www.latimes.com/california/story/2025-02-21/real-estate-losses-from-palisades-and-eaton-

¹ CalFire, "Palisades Fire," (3/27/2025) <u>https://www.fire.ca.gov/incidents/2025/1/7/palisades-fire</u>. ² CalFire, "Eaton Fire," (3/04/2025) <u>https://www.fire.ca.gov/incidents/2025/1/7/eaton-fire</u>.

³ Doug Smith and Sandhya Kambhampati, "Real Estate losses from fires may top \$30 billion, from old mobile homes to \$23-million mansions," Los Angeles Times (Feb. 21, 2025)

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family homes and condominiums, 678 apartment units, 2,210 duplex and bungalow courts, and 373 mobilehomes were either heavily damaged or destroyed. Additionally, records show that about 770 rent-controlled units were destroyed in the Pacific Palisades.

All of this significant destruction displaced thousands of homeowners and tenants alike, so much so that rents and occupancy rates throughout the greater Los Angeles area spiked after the fires. Reports of landlords engaging in unlawful price gouging of tenants, prospective tenants, and short-term rentals abounded.⁴ The displacement of so many individuals and families caused a significant strain on Los Angeles and the surrounding area's already insufficient housing supply. Many displaced residents are struggling to find adequate temporary shelter, a reality that is exacerbating Los Angeles' ongoing housing and homelessness crisis.

In light of this, local and state government have passed various ordinances and rules to try to help Californians displaced by the fires and support tenants in surrounding areas dealing with added economic strain or increased rents. Governor Newsom declared a state of emergency, put into place protections against price gouging, and issued an executive order prohibiting landlords in Los Angeles from evicting tenants for violating their leases by providing shelter in their unit for residents displaced by the fires. The Governor also issued executive orders aimed at promoting and streamlining the construction of temporary shelters and the rebuilding of structures destroyed by the fires. At the city and county level, the Los Angeles County Board of Supervisors passed an eviction moratorium that prohibits landlords from evicting certain low-income tenants for unpaid rent until July 31, 2025, when the tenants lived in their units before the fires and lost income due to the wildfire.⁵ In addition, the City of Los Angeles passed an ordinance prohibiting evictions for one year due to tenants housing unauthorized persons and pets displaced by the wildfires in their units.⁶ However, the recovery from the wildfires is far from over, and many Los Angeles residents are still looking for answers and support.

The Palisades and Eaton fires were some of the most destructive and costly wildfires in state history, but they will likely not be the last. The occurrence of major wildfires have increased in the state in the last decade, in no small part due to the devastating impacts climate change is having on California's environment. Already, we know that climate

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<u>billion#:~:text=Los%20Angeles%20Housing%20Department%20records,the%20city's%20rent%20stabiliza</u> <u>tion%20ordinance</u>.

⁶ Los Angeles Mun. Code § 51.57 (Ord. No. 188486).

⁴ Dawn Chmielewski, "Los Angeles homeowners face price gouging after wildfires," Reuters (Jan. 17, 2025) <u>https://www.reuters.com/world/us/displaced-los-angeles-homeowners-face-price-gouging-after-wildfires-2025-01-17/</u>.

⁵ Los Angeles Board of Supervisors, Resolution of the County of Los Angeles Board of Supervisors Protecting Qualifying Income Eligible Tenants Directly Financially Impacted by the January 2025 Windstorm and Critical Wildfire Events (Feb. 25, 2025).

change itself was a major contributor to both the Palisades and Eaton fires.⁷ Thus, as global temperatures continue to rise due to climate change, the risks of more devastating wildfires, even in our cities, will also continue to increase.

SB 610 is part of the "Golden State Commitment" package of policy proposals announced by Senate leadership in February to strengthen the state's wildfire response and recovery. It makes various changes to landlord-tenant laws and the laws relating to mobilehomes in order to provide California's residents affected by disasters and wildfires greater protections and security.

3. <u>SB 610 provides mobilehome owners with rent protections and a right to return</u> when their mobilehome park is substantially damaged or destroyed by a disaster

The Palisades and Eaton fires destroyed numerous mobilehome parks. These mobilehome parks served as important sources of affordable housing amid Los Angeles' soaring home and rent prices, and when the parks were destroyed by the fires, many residents were left in limbo. This is because mobilehome owners typically own their mobilehome, but lease the ground upon which it sits from the park. Thus, unlike owners of single-family homes, mobilehome owners do not have a right to return to the site of their mobilehome after it is destroyed by a disaster. Mobilehome parks that rebuild after a disaster are required to provide previous mobilehome tenants of the park a right to return as tenants, but the park owner can increase rental rates to cover the cost of rebuilding. (Civ. Code § 798.62.) In addition, parks may simply decide not to rebuild, in which case the previous mobilehome residents of the park are out of luck, and the state loses vital affordable housing stock. Whether the mobilehome parks destroyed by the Palisades and Eaton fires will be rebuilt and will be affordable for their previous residents has created significant uncertainty for many mobilehome owners whose units were destroyed by the fires.⁸

SB 610 aims to provide mobilehome residents stronger protections for returning to a rebuilt mobilehome park. It specifies that, for any adjustments that a mobilehome park management may make to the rental rates to reflect the costs and expenses to rebuild the park for a renewed tenancy for a previous resident, these adjustments may not exceed 10 percent of the previous rental rate charged for the space.

⁷ Jeff Masters, "Climate change made deadly Los Angeles wildfires 35% more likely: new attribution study," Yale Climate Connections (Jan. 28, 2025), <u>https://yaleclimateconnections.org/2025/01/climatechange-made-deadly-los-angeles-wildfires-35-more-likely-new-attribution-study/</u>.

⁸ Felicia Mello, "Mobile homes are some of California's last affordable housing. Can they rebuild after LA fires?," CalMatters (Feb. 19, 2025), <u>https://calmatters.org/housing/2025/02/mobile-homes-la-fires/</u>; Hailey Branson-Potts, " 'We're all freaking out.' For mobile home residents, few answers after Palisades fire," LA Times (Feb. 13, 2025), <u>https://www.latimes.com/california/story/2025-02-13/la-me-palisades-fire-mobile-homes-limbo</u>.

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SB 610 also provides general rent increase protections for mobilehome owners in a mobilehome park when the jurisdiction in which the park sits is subject to a federal, state, or local state of emergency declaration. It specifies that, for 12 months after such a state of emergency is declared in the jurisdiction, mobilehome park management may not increase the gross rental rate for a park tenancy by more than three percent plus the percentage change in the Consumer Price Index, or by no more than five percent, whichever is lower. This would give mobilehome residents in disaster areas temporary reprieve from significant increases in the rent they pay for their mobilehome to reside within the park. This section of SB 610 mirrors current law that limits rent increases for mobilehome parks generally, but which only applies to a handful of mobilehome parks that are governed by two or more incorporated cities. (Civ. Code § 798.30.5.) However, while SB 610's rent increase limit would apply to any mobilehome park in the state, it only applies when there is a declared state of emergency, and only applies for 12 months following that declaration. Exempted from this limitation are mobilehome parks restricted as affordable housing, mobilehomes related to a higher education institution, a mobilehome space that is subject to a local ordinance or rule that restricts annual rent increases to a greater extent than SB 610 does, and a resident-owned mobilehome park.

SB 610 makes a number of other changes also meant to help and protect mobilehome residents in the context of a disaster. It requires, if a mobilehome park is substantially damaged or destroyed by a disaster, and the park management owns one or more other mobilehome parks in the state that have not been damaged or destroyed, that park management offer a vacant space in its other park to any previous mobilehome owners of the park that was substantially damaged or destroyed. The park management must offer this tenancy on substantially similar terms as the homeowner's previous tenancy in the destroyed park. To accomplish this process, SB 610 requires mobilehome park management to establish a roster of previous mobilehome owners and utilize a lottery system to determine which previous mobilehome owners. This requirement only applies while the damaged or destroyed park is being rebuilt.

Lastly, SB 610 provides for additional transparency when a mobilehome park is converted to a different use, or is closed. Under the Subdivision Map Act, prior to such conversion or closure, the person proposing the change in use must file a report on the impact of the conversion or closure, which must include a replacement and relocation plan to mitigate the impact of the conversion or closure on the ability of displaced residents to find adequate housing in a mobilehome park. (Gov. Code § 65863.7.) The Subdivision Map Act requires the entity proposing the change or closure to provide a copy of the report to the resident of each mobilehome affected. It also requires the local legislative body or advisory agency to review the report before any change of use or closure can take place and make findings related to whether the conversion or closure will result in or materially contribute to a shortage of housing opportunities and choices for low- and moderate-income households within the jurisdiction. (Gov. Code SB 610 (Pérez) Page 14 of 21

65863.7(e).) SB 610 specifies that, if the conversion or closure is related to damage or destruction by a disaster, this required impact report must also include an assessment by the Department of Housing and Community Development on the feasibility of reopening the park. SB 610 would require the park management to be the entity preparing and submitting the report. If a displaced resident of the park cannot obtain adequate housing in another mobilehome park, the entity proposing the change or closure must pay the displaced resident the in-place market value of their mobilehome. (Gov. Code § 65863.7(a)(2)(A).)

4. <u>SB 610 requires landlords and mobilehome park management to remediate damage</u> from a disaster, mitigate hazards arising from the disaster, and remove debris

For tenants and mobilehome residents whose homes managed to survive the wildfires, another nightmare has emerged: cleaning up the toxic debris and ash left in the fires' wake. Many tenants have reported being told to clean the toxic debris from their units themselves or simply to move out when they have asked their landlords to clean the debris.⁹ While state law specifies that a landlord is responsible for making leased units habitable for tenants, whether this applies to ash or debris from a wildfire is not clear in the law. State law specifies that, if a building does not meet the standards and the deficiency endangers the life, limb, health, property, safety, or welfare of the public or the occupants, it is considered substandard housing, and the deficiency must be corrected. (Health & Saf. Code § 17920.3.) However, among the listed standards in that law, ash or disaster-related debris is not listed. Thus, tenants have been without clarity, and city officials have provided tenants with conflicting information regarding whether they or their landlord must clean up ash.¹⁰ When a landlord does not clean up the ash, often a tenant's only recourse is to hire an attorney. While FEMA funds exist that can help a homeowner or renter cover the costs of cleaning their homes, these funds are substantially insufficient for the potentially thousands of dollars that clean up may cost, and can take a while to receive.

SB 610 clarifies that landlords and mobilehome park management are responsible for remediating damage to the property due to a disaster, mitigating hazards arising from the disaster, like smoke residue, and removing debris when the property has sustained damage from a disaster. The landlord or mobilehome park management must complete all necessary clean up and repairs within a reasonable time after the property sustained

⁹ David Wagner, "Tenants left in limbo after asking landlords and city official to fix smoke damage," LAist (Feb. 10, 2025), <u>https://laist.com/news/housing-homelessness/los-angeles-fires-rental-housing-smoke-damage-repairs-tenant-landlord-pasadena</u>; Ruben Vives and Andrea Castillo, "Their homes survived the Eaton fire. But living there has been hell, residents say," LA Times (Mar. 20, 2025), <u>https://www.latimes.com/california/story/2025-03-20/altadena-tenants-live-in-eaton-fire-burn-zone</u> ¹⁰ David Wagner, "LA housing officials now say landlords must clean up ask, contradicting earlier guidance," LAist (Feb. 26, 2025), <u>https://laist.com/news/housing-homelessness/los-angeles-city-</u> housing-landlord-tenant-palisades-fire-ash-smoke-remediation-clean-up. SB 610 (Pérez) Page 15 of 21

damage. SB 610 specifies too that the presence of disaster-related debris is presumed to render the unit untenantable.

If mobilehome park management or a tenant's landlord fail to clean up the debris within a reasonable time, the mobilehome owner or tenant may repair the damaged space and deduct the cost of doing so from their rent, vacate the premises and discharge their obligations under the lease, reduce their rent proportional to the reduction in use of the space, or pursue any other remedy in law. Under SB 610, unless a tenancy is terminated by the tenant due to the landlord's or mobilehome park management's failure to mediate damage from a disaster, the tenancy is considered to remain in effect and the tenant and mobilehome owner has a right to return to their unit at the same rental rate as before, as soon as it is safe and practicable. Finally, SB 610 specifies that, in an unlawful detainer action by mobilehome park management or the landlord, a rebuttable presumption is created that park management or the landlord is unlawfully retaliating against the tenant or mobilehome owner when: the mobilehome park or space or the rental property sustained damage from the disaster; management or the landlord failed to repair and mediate the damage within a reasonable time, as required; and the notice to terminate the tenancy was served on the mobilehome owner or tenant within 180 days after the damage was repaired or remediated. These provisions allow a tenant or mobilehome owner to enforce their rights to have damage from a disaster cleaned up by their landlord or the mobilehome park management, and protects the tenant or mobilehome owner from retaliation for asserting their right to have the damage fixed.

5. <u>SB 610 requires landlords and mobilehome park management to return rent to</u> <u>tenants and mobilehome owners when they can no longer live in their home due to</u> <u>a disaster or an evacuation order</u>

SB 610 creates protections for mobilehome owners and tenants to collect what they paid for their leases when a disaster makes them unable to reside in the space. It specifies that, when a mobilehome park tenancy is terminated due to damage or destruction of the mobilehome park as a result of disaster, park management must return to the mobilehome owner any advance rental payments paid for any period after the date of the termination. Mobilehome park management must return this payment within 21 days of the termination. SB 610 also requires park management to return any rent, or discharge a mobilehome owner from rent obligations, for any period during which a mobilehome owner is unable to occupy their mobilehome space due to a mandatory evacuation order because of a disaster. If a mobilehome owner has made a rent payment already, SB 610 requires that the portion of the rent related when the evacuation order was in place to be returned within 10 days.

For tenants, SB 610 provides a similar protection. It specifies that, when a residential lease is terminated because the property was destroyed, the landlord must return any advance rental payments to the tenant that cover any periods after the termination of

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the lease. Like with mobilehomes, this payment must be made back to the tenant within 21 days of the termination of the lease. A tenant is also discharged from paying rent for any period in which they are unable to occupy their unit due to a mandatory evacuation order, and SB 610 requires a landlord to return any amount of rent paid for a period in which the tenant could not live in the unit due to an evacuation order. This amount must be returned within 10 days.

6. <u>Tenants who are being evicted can contest their eviction through an expedited</u> judicial process called an unlawful detainer

Recognizing that evictions have significant consequences for residents and may be more difficult to defend against during a state of emergency, SB 610 also alters various timelines for the eviction process when there is a state of emergency. It specifies that, in any county in which a state of emergency has been declared by the President of the United States or the Governor, certain timelines must be extended. Specifically, it extends from three to fifteen days the timeline for a notice that a landlord must first provide a tenant requesting they pay their rent, comply with the terms of their lease, or mitigate waste or nuisance, or vacate the premises. Under current law, this notice must be given to a tenant, with three days provided to correct the violation or pay late rent, before the landlord may initiate an eviction proceeding. (Code of Civ. Procedure § 1161.) A similar extension of this timeline to fifteen days was implemented during the COVID-19 pandemic. This extension to fifteen days would also be applied to mobilehomes. SB 610 would also extend various timelines related to responding to an unlawful detainer claim, staying the enforcement of an unlawful detainer judgment, and for an unlawful detainer summons and notices of termination of tenancy. Any deadline that is running at the time that a state of emergency is declared would be tolled for 15 days. These extensions would give tenants and mobilehome park residents more time to respond to an unlawful detainer, correct any issues of nonpayment before being evicted, and better prepare for their lease to be terminated, when in the midst of a disaster.

7. <u>Mortgage forbearance and other programs are essential to help homeowners who</u> <u>have lost their homes due to wildfires</u>

The final piece of SB 610 aims to provide home owners with relief by requiring the Commissioner of the Department of Financial Protection and Innovation to coordinate with mortgage lenders and servicers for facilitating various relief efforts when a state of emergency has been declared due to a wildfire. This coordination must facilitate and monitor the implementation and promotion of mortgage forbearance, foreclosure prevention, and loss mitigation programs available to borrowers affect by the wildfire. When many homeowners lose their homes to wildfires, they seek mortgage forbearance from the servicer of their mortgage since they must find new housing in the interim and pay to rebuild their home. Many lose substantial value in their homes as well. This provision of SB 610 would help ensure homeowners facing foreclosure or potential default on their mortgages as a result of the wildfires can quickly and efficiently receive assistance from their mortgage servicers and the state.

8. <u>SB 610's provisions would not constitute a taking under the Constitution</u>

Opposition to SB 610 asserts that it is unconstitutional as an unlawful taking of a mobilehome park owner's property. Their argument is that, because SB 610 requires a mobilehome park owner of a park destroyed by a disaster to offer a vacancy in another park they own to a resident of the destroyed park at substantially similar rates, it unconstitutionally deprives the park owner of the higher value rent that vacant lot might have otherwise received.

The Fifth Amendment of the United States Constitution provides that private property may not be taken by the government without just compensation. Historically, a taking was considered to have occurred when the government physically took possession of or occupied one's property. When the government physically acquires private property in these ways, the Fifth Amendment requires the government to provide just compensation for that taking. (Tahoe-Sierra Preservation Council, Inc. v. Tahoe Regional Planning Agency (2002) 535 U.S. 302, 322.) However, more recent caselaw on the Takings Clause developed the concept of a "regulatory" taking, in which the government restricts the owner's use of their property so much as to go too far. (Penn. Coal Co. v. Mahon (1922) 26 U.S. 393.) To determine whether such a restriction amounts to a taking, the Court has balanced a variety of factors, including the economic impact of the regulation, its interference with reasonable investment-based expectations, and the character of the government action. (Penn. Central Transp. Co. v. New York City (1978) 48 U.S. 104, 124.) A taking "may more readily be found when the interference with property can be characterized as a physical invasion by government, (citations omitted), than when interference arises from some public program adjusting the benefits and burdens of economic life to promote the common good." (*Id.*)

Here, SB 610's provision requiring mobilehome park owners to offer previous mobilehome owners a tenancy in another of the park owner's parks would not likely constitute a taking. It does not require the government to invade the property of the mobilehome park; the government is not involved at all. Rather, it requires the park owner to offer a tenancy to a private party with whom the park owner had a previous relationship, and it limits this to the context of a disaster. It does not require that the park owner provide this tenancy for free, but simply on similar terms to the previous tenancy of the former mobilehome owner. Thus, the mobilehome park owner will still receive compensation for the tenancy. The mobilehome park would thus still receive the reasonable beneficial use of the leased space. Moreover, SB 610 does not require that the vacant space be leased to any party at all, just offered; a mobilehome owner may nonetheless decide not to accept the offer of tenancy. And if the mobilehome park owner's other parks have no vacancies, the mobilehome park owner is not required to do anything at all. Under these facts and the above-mentioned caselaw, SB 610 would not be considered a taking under the Fifth Amendment.

9. Arguments in support

According to the Golden State Mobilehome Owners' League, which supports SB 610:

Every year, Californians experience disasters. Many of these disasters such as fires, floods, earthquakes are not within the control of anyone.

When they strike, they are sudden and devastating to life and property. People tragically perish and those who survive, find themselves at a complete loss and entirely uprooted from their communities.

SB 610 gives people an opportunity to get back on their feet by assisting with mortgage payments, rental payments and other basic housing protections.

The relief and protections do not replace all that was lost, but it sure does help people, like ourselves, a lot.

SB 610 is focused and limited, triggered only when a government declares the emergency.

10. Arguments in opposition

According to the Western Manufactured Housing Communities Association, which opposes SB 610:

In cases where a mobilehome park owner owns more than one park, SB 610 would amend Civil Code 798.62 to allow tenants in a mobile home park destroyed by a natural disaster to be offered a space in the owner's other park at a similar rent to the destroyed park. This is a de facto unconstitutional taking of property under the Fifth Amendment of the United States Constitution. Essentially, if a home in a rent-controlled jurisdiction burns to the ground where the per space rent was \$1,000 per month and a park owner owns another park on the ocean in a jurisdiction without rent control where the space rent averages \$5,000 a month, SB 610 would require the owner to offer a vacant space where the market-rent is \$5,000 per month to a resident of the destroyed park at \$1,000 per month. This situation would deny a park's right to approve applicants for tenancy under Civil Code 798.74, and a resident who qualified for residency in a park destroyed by a fire may not also qualify for residency in another park due to differing financial requirements, age restrictions, inability to comply with park rules or other reasons for rejection of the application as articulated in 798.74.

A physical taking occurs when a government's regulation requires a physical presence on a property. It 'eviscerates the owner's right to exclude others from entering and using the [owner's] property – perhaps the most fundamental of all property interests.' (*Lingle v. Chevron* (2005) 544 U.S. 528, 539.) Any physical occupation authorized by the government is a compensable taking, regardless of the public interest allegedly being served. (*Loretto v. Teleprompter Monhattan* (1982) 458 U.S. 419, at 421-24, 426, 436-38, and n. 16.)

SUPPORT

Altadena Tenants Union California Rural Legal Assistance Foundation Glendale Tenants Union Golden State Manufactured-home Owners League, INC. (GSMOL) Housing and Economic Rights Advocates (HERA) Housing Now! Inclusive Action for the City Inland Equity Community Land Trusts Innercity Struggle LA Forward LA Voice Legal Aid of Marin Legal Aid Society of San Diego Long Beach Residents Empowered Pasadena Tenant Union Physicians for Social Responsibility - Los Angeles Public Advocates Public Counsel South Pasadena Tenants Union Southeast Asian Community Alliance Strategic Actions for a Just Economy **Tenants Together Tenants United Anaheim** Thai Community Development Center Western Center on Law & Poverty

OPPOSITION

California Apartment Association California Association of Realtors Western Manufactured Housing Communities Association SB 610 (Pérez) Page 20 of 21

RELATED LEGISLATION

Pending Legislation:

SB 749 (Allen, 2025) prohibits a mobilehome park from pursuing a closure, cessation, or change of use of the park unless management has provided specified resident and nonprofit organizations and public agencies with an opportunity to submit an offer to purchase the mobilehome park, as specified, and makes other changes relating to mobilehomes. SB 749 is currently pending before this Committee.

SB 625 (Wahab, 2025) makes a covenant, restriction, or condition in any deed or other instrument or governing document of a common interest development void and unenforceable to the extent that it prohibits a substantially similar reconstruction of a residential structure destroyed by a disaster, as specified, and specifies the process for requests to modify a separate interest to be approved, as specified. SB 625 is currently pending before this Committee.

SB 522 (Wahab, 2025) provides that the exemption from just-cause eviction protections for housing built within the last 15 years does not apply to housing built to replace housing substantially damaged or destroyed by a disaster, if the previous housing was covered by just-cause protections, and other requirements are met. SB 522 is currently pending before this Committee.

AB 311 (McKinnor, 2025) authorizes a tenant to temporarily permit a person at risk of homelessness to reside in their unit, regardless of the terms of the tenant's lease, and includes in the definition of a person at risk of homelessness a person who is displaced as a result of a disaster in an area in which a state of emergency has been declared. AB 311 is currently pending before the Senate Rules Committee.

AB 246 (Bryan, 2025) prohibits an owner of residential real property from increasing the rental rate for a dwelling unit that had a tenant in lawful possession of the unit on or before January 7, 2025, and that is located in Los Angeles County, by more than three percent of the rental rate charged for the unit on January 7, 2025, as specified. Authorizes the district attorney, county counsel, or city attorney to enforce its provisions and obtain a civil penalty of \$10,000 for a violation. AB 246 is currently pending before the Assembly Judiciary Committee.

AB 238 (Harabedian, 2025) authorizes a borrower experiencing financial hardship due to the wildfire disasters in Los Angeles in January 2025, to request forbearance on their residential mortgage loan, and requires a mortgage servicer to offer mortgage payment forbearance of up to an initial 90 days, up to 12 months. AB 238 is currently pending before the Senate Rules Committee.

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Prior Legislation:

AB 978 (Quirk-Silva, Ch. 125, Stats. 2021) limited mobilehome parks located in, and governed by, more than one incorporated city from increasing the space rent that mobilehome owners must pay by more than three percent plus inflation, up to a maximum cap of five percent, annually. AB 978 also extended to tenants renting park-owned mobilehomes the same protections against arbitrary eviction and rent-gouging that tenants in other types of residential rental housing possess.

SB 274 (Dodd, Ch. 504, Stats. 2019) required management of a mobilehome park to offer a previous mobilehome owner of the park a right of first refusal to a renewed tenancy in the park at similar rental terms as the previous tenancy when the park is destroyed due to fire or other natural disaster and management elects to rebuild the park.
