

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

SB 749 (Allen)
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ID

SUBJECT

Mobilehome parks: closure, cessation, or change of use

DIGEST

This bill creates a process by which, when a mobilehome park owner intends the closure, cessation, or change of use of the mobilehome park, park management provides qualified entities an opportunity to purchase the mobilehome park, and must accept a bona fide offer to purchase the park that is received within 270 days of the notice of the opportunity to purchase.

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. The disaster also had the effect of diminishing the city's limited affordable housing stock, including mobilehome parks. As mobilehome parks are an important source of un-subsidized affordable housing, SB 749 aims to preserve the state's mobilehome parks when park ownership intends to close, cease, or change the use of the park. It requires that park management provide a notice of opportunity to purchase the park to qualified entities and affected tenants in the park, and requires the park management to accept a bona fide offer to purchase the park at market price if the offer is received within 270 days of the notice of opportunity to purchase. If the park does not receive an offer within those 270 days, the park owner may sell the park to any buyer, continue to operate the park, or close, cease, or change the use of the park. SB 749 is author sponsored, and is supported by the California Community Land Trust and a variety of other nonprofits and housing organizations. It is opposed by the California Association of Realtors and mobilehome park owners associations. It passed out of the Senate Housing Committee by a vote of 8 to 2.

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 mobilehome owner receives notice of noncompliance; conduct of the resident that amounts to a substantial annoyance of other mobilehome owners 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) 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 mobilehome owners on substantially the same terms as the previous mobilehome owner'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 to until 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 mobilehome owner, 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 term in the rental agreement.
 - b) Requires the park management to send each previous mobilehome owner the offer at least 240 days before the park is reopened to the last postal address for the previous mobilehome owner, or to the mobilehome owner's email address or by telephone, if the park management has such contact information for the mobilehome owner.
 - c) Provides that a previous mobilehome owner may accept the offer by submitting a rental application and a required deposit, within 60 days from the date the mobilehome owner 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.)
- 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 in-place market value of their mobilehome, as specified. Before the approval, a local legislative 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.)

This bill:

- 1) Requires previous mobilehome owners in a mobilehome park to receive notice pursuant to the provisions of this bill and (3), above, and under various other provisions, in the same manner as a current mobilehome owner of the mobilehome park.
- 2) Specifies that mobilehome owners are not obligated to pay rent for their tenancy in a mobilehome park during the time at which they are unable to live in the mobilehome park following a wildfire or other disaster.
- 3) Requires, at least 12 months prior to the anticipated date of closure, cessation, or change of use of a mobilehome park, that park management provide a notice of the proposed change to each affected tenant and to the affected public entities, which shall include:
 - a) A statement that the owner intends to close, cease operations, or change the use of the mobilehome park;
 - b) The anticipated date of closure, cessation, or change of use;
 - c) A statement that a subsequent notice of the proposed change will be provided at least six months prior to the anticipated date of closure, cessation, or change of use; and
 - d) A statement that the notice of opportunity to submit an offer to purchase the mobilehome park, as provided below, has been sent to qualified entities, is attached to or included in the notice, and is posted in the common area of the mobilehome park.
- 4) Requires park management to provide a notice at least six months before the anticipated closure to each affected tenant and to the affected public entities containing the following:
 - a) The anticipated date of closure, cessation, or change of use;

- b) A statement that a copy of the notice will be sent to the city, county, or city and county in which the mobilehome park is located, to the appropriate local public housing authority, and to the Department of Housing and Community Development (HCD);
 - c) The name and telephone number of the city, county, or city and county, the appropriate local public housing authority, HCD, and a legal services organization that can be contacted to request additional written information about an owner's responsibilities and rights and the options of an affected tenant;
 - d) Specifies that, in addition to this information, a notice to the affected public entities must include information regarding the number of affected residents in the project, the number of spaces that are rent controlled or rent stabilized, the ages and income of the affected tenants, a brief description of the owner's plans for the park, the reason the owner seeks closure, and any contacts management has or is making with other governmental agencies in connection with the notice.
- 5) Requires a mobilehome park owner proposing a closure, cessation, or change of use to provide additional notice of any significant changes to the notice required above within seven business days to each affected tenant and to the affected public entities.
- 6) Specifies that the notice requirements above do not require park management to obtain or acquire additional information that is not contained in the existing tenant and mobilehome park records, or to update any information in the mobilehome park's records, and that management shall not be held liable for any inaccuracies contained in the records or from other sources, or to any party for providing such information.
- 7) Requires that service of the above-described notice to affected tenants be made by first-class, prepaid mail, and that service to the required local authorities and HCD may be made by either first-class mail with prepaid postage, or electronically if the agency provides an email address for that purpose.
- 8) Requires management to provide any of the above-described notices to prospective tenants at the time the tenant is interviewed for eligibility.
- 9) Requires HCD to approve forms for mobilehome park management to use for the required notice, and requires park management to use such forms once they are approved by HCD.
- 10) Allows affected tenants, including a group of affected tenants that meets the requirements to be a resident organization, and any affected public entity to seek injunctive relief, and specifies that the court may award attorney's fees and costs to a prevailing plaintiff.

- 11) Prohibits mobilehome park owners from pursuing closure, cessation, or change of use unless the park management has provided each qualified entity an opportunity to submit an offer to purchase the development, as provided.
- 12) Defines a qualified entity as one that is a resident organization of the mobilehome park, a local nonprofit organization or public agency, or a regional or national nonprofit organization or public agency.
- 13) Requires HCD to establish a process for certifying an entity as a qualified entity based on demonstrated relevant prior experience in California and current capacity as capable of operating the housing and related facilities for its remaining useful life, either by itself or through an agent. Requires HCD to maintain and update annually a list of entities that are certified pursuant to HCD's process.
- 14) Requires mobilehome park management to give notice of opportunity to purchase the mobilehome park to each qualified entity, as specified, as well as to those qualified entities that directly contact management, at least 12 months prior to the anticipated date of closure, cessation, or change of use. Requires management to contact HCD to obtain the list of qualified entities, and requires the notice to be sent by registered or certified mail, return receipt requested. Requires park management to post a copy of the notice in a conspicuous place in the common area of the park.
- 15) Requires the initial notice of opportunity to submit an offer to purchase to contain:
 - a) A statement that each of the type of entities qualified as qualified entities, or any combination, has the right to purchase the development;
 - b) A statement that management will make available to each qualified entity, within 15 business days of receiving a request for the information, itemized lists of monthly operating expenses for the property, capital improvements, the amount of project property reserves, copies of the two most recent financial and physical inspection reports on the property, the most recent rent roll for the property for each of the two preceding years, and the terms of assumable financing and proposed improvements, as specified.
 - c) A statement that management has satisfied all notice requirements, unless the notice of opportunity to submit an offer to purchase is delivered more than 12 months before the anticipated date of closure, cessation, or change of use.
- 16) Specifies that, if a qualified entity decides to purchase the mobilehome park, it must make a bona fide offer to purchase the park at the market value, as specified, within 270 days of the notice of opportunity to submit an offer. The offer must identify the type of entity the qualified entity is, and certify that it is a qualified entity.

- 17) Specifies that, if park management receives an offer from a qualified entity within the first 270 days after the notice of opportunity to submit an offer, the park management must notify HCD within 90 days and accept a bona fide offer to purchase and execute a purchase agreement.
- 18) Specifies that, if management does not receive a bona fide offer from one or more qualified entities within 270 days, as specified, or if after 270 days all bona fide offers are withdrawn, the mobilehome park's management may:
 - a) Sell the property to any buyer;
 - b) Maintain ownership of the property and continue its operation as a mobilehome park; or
 - c) Pursue closure, cessation, or change of use, pursuant to the requirements for such actions.
- 19) Specifies that the market value of the property must be determined by negotiation and agreement between the parties; however, if the parties cannot agree, it must be determined by an appraisal process in which an independent appraiser qualified to perform mobilehome park appraisals is selected and paid for by the requesting party, as specified.
- 20) Requires HCD to carry out a number of tasks, including maintaining a form summarizing the rights and obligations under this bill to be made available to park owners and resident organizations and other groups, making a list of qualified entities, monitoring compliance with these provisions by mobilehome park owners, and referring violations of these provisions to the Attorney General for appropriate enforcement action.
- 21) Defines, for the purposes of the above provisions:
 - a) "affected public entities" to mean the mayor of the city in which the mobilehome park is located, or if located in an unincorporated area, the chair of the board of supervisors of the county, the appropriate local public housing authority, and HCD;
 - b) "affected tenant" to mean a mobilehome owner who has tenancy in a mobilehome park at the time that notice is required, as provided;
 - c) "resident organization" to mean a group of tenants who have formed a nonprofit corporation, cooperative corporation, or other entity or organization;
 - d) "management" to mean the owner of a mobilehome park or an agent or representative authorized to act on their behalf in connection with matters related to the mobilehome park;
 - e) "offer to purchase" to mean an offer from a qualified or nonqualified entity that is non-binding on management;
 - f) "qualified entity" to mean an entity that HCD has certified as a qualified purchaser.

- 22) Specifies that these provisions may be enforced by an affected tenant, any qualified entity entitled to exercise the opportunity to purchase, a group of affected tenants that meets the requirements of a resident organization, or any affected public entity that has been adversely affected by an owner's failure to comply with these provisions, and permits a court to waive any bond requirement and award attorney's fees and costs to a prevailing plaintiff.
- a) Specifies that management may rely on the statements, claims, or representations of any person or entity that the person or entity is a qualified entity, unless management has actual knowledge that they are not a qualified entity.
 - b) Specifies that a person or entity that is not a qualified entity does not give rise to any claim against management for a violation of these provisions, unless management has actual knowledge.
- 23) Requires management to comply with any obligations under these provisions through the use of standards, forms, and definitions adopted by HCD, and provides that HCD may review, adopt, amend, and repeal the standards, forms, or definitions to implement these provisions.

COMMENTS

1. Author's statement

According to the author:

California has a housing affordability crisis. Mobilehomes are the largest source of unsubsidized affordable housing in the country and provide important homeownership opportunities for many Californians. Mobilehome owners tend to be older and poorer than the average renter. HCD acknowledges that preserving this housing option is critical to meeting the state's housing needs. Mobilehome parks are at increasing risk of closure, exacerbated by impacts of wildfires. To address the risk of conversion of at-risk units to market-rate, the state began to adopt affordable housing preservation laws starting in 1987. SB 749 adapts preservation notice law to apply to mobilehome parks, creating a pathway for residents and qualified nonprofits to offer competitive bids to preserve mobilehome parks and prevent their closure or conversion.

2. Palisades and Eaton Fires

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. 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 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 told, the January wildfires in Los Angeles were some of the most tragic and destructive wildfires in state history.

3. Mobilehomes are an important source of affordable housing in California

Numerous mobilehome parks were severely affected by the Palisades and Eaton fires. Mobilehomes are pre-fabricated homes that are designed to be able to be transported and moved between locations. Because mobilehomes are transportable, they are considered personal property instead of real property like traditionally built homes, and are not tied to the land on which they sit. Thus, mobilehomes are unique among all residential options. However, while they are technically mobile, a significant amount of time, effort, and money is often required to actually move a mobilehome. 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 the land upon which their home is located from a mobilehome park. 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 they fall 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 into buying the mobilehome that they can no

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

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

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) <https://www.latimes.com/california/story/2025-02-21/real-estate-losses-from-palisades-and-eaton-fires-top-30-billion#:~:text=Los%20Angeles%20Housing%20Department%20records,the%20city's%20rent%20stabilization%20ordinance>.

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 spend thousands of dollars to move their mobilehome elsewhere.

Mobilehome residents in California tend to be poorer and older than the average California renter, for whom 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.⁴ Given the state's ongoing housing crisis and shortage of affordable housing, mobilehomes and mobilehome parks are more important than ever for the state to meet its housing and affordability goals.

4. The Mobilehome Residency Law regulates mobilehomes and mobilehome parks

In light of the unique nature of mobilehomes and mobilehome parks, the Legislature passed the Mobilehome Residency Law (MRL) in 1978 to regulate the relationship between mobilehome park management and park residents, and to establish various rights, responsibilities, and limits of both groups. (Civ. Code §§ 798 et seq.) The MRL covers a variety of areas, including: permissible rental and lease contract terms; 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. Provisions of the MRL relating to eviction require park management to give written notice to the resident, and provide for at least 60 days for the resident to either sell their mobilehome or remove it from the park. (Civ. Code § 798.55.) This notice must set forth the reason for the termination, with facts sufficient for determining the exact circumstances for that reason. (Civ. Code § 798.57.) It also 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 mobilehome owners or residents; conviction for certain crimes; failure to comply with a reasonable rule of the park; condemnation of the park; a change of use of the park or any portion of it, as specified; or for nonpayment of rent, utilities, or other reasonable incidental service charged by the park. (Civ. Code § 798.56.) When a mobilehome park is destroyed by a wildfire or other natural disaster, and the park management elects to rebuild the park at the same location, the MRL also requires that management offer a renewed tenancy in the rebuilt park to all previous mobilehome owners on substantially the same terms. (Civ. Code § 798.62.)

When a mobilehome park plans to change the use of the park from a mobilehome park to something different, additional requirements also apply. A change of use is when the park or any part of it is changed to a use other than rental of two or more mobilehome

⁴ U.S. Census Bureau, Manufactured Housing Survey (Jun. 2022), available at <https://www.census.gov/data/tables/time-series/econ/mhs/annual-data.html>.

sites, and includes a change to a condominium, stock cooperative, planned unit development, or any form of ownership in which spaces within the park are to be sold. (Civ. Code § 798.10.) The park must first provide mobilehome owners 60 days' notice that park management will be appearing before a local government body to request the requisite permits to for the change of use, and once the permits are approved, the mobilehome park must give mobilehome owners six months' or more written notice of the termination of their tenancy. (Civ. Code § 798.56(g).) If no permits are required by the local government entity for the change of use, park management simply must provide 12 months' notice prior to the change of use. A mobilehome park may not terminate a park tenancy for a change of use of the park if the park does not have a valid permit to operate. (Civ. Code § 798.56(i).)

The park owner must also prepare and file with the local city or county government a report on the impact of the closure or cessation of use. (Gov. Code § 65863.7.) This report must be provided to every mobilehome owner in the park with the notice of termination. (Civ. Code § 798.56(h).) This report must include a replacement and relocation plan that adequately mitigates the impact of the closure on the ability of the displaced residents to find adequate housing in a mobilehome park. (Gov. Code § 65863.7(a)(1).) Before a local agency can approve the park's change of use, it must review and approve the report and make findings regarding whether or not approval of the closure and the conversion, considering the report and overall housing availability in the jurisdiction, will result in or materially contribute to a shortage of housing opportunities and choices for low- or moderate-income households. (Gov. Code § 65863.7(e).) The local agency may require the entity proposing the change in use of the mobilehome park to take steps to mitigate any adverse impact of the closure on the ability of the displaced residents to find adequate housing. In addition, if a displaced resident cannot obtain adequate housing in another mobilehome park, the entity proposing the change in use must pay the displaced resident the in-place market value of their mobilehome. (Gov. Code § 65863.7(a)(2).) This comprehensive process is meant to ensure that a closure, change of use, or cessation of a mobilehome park does not result in a loss of affordable housing or the loss of housing in a mobilehome park for the displaced residents.

5. The Preservation Notice Law

In order to warn tenants and local governments that affordable housing may soon be expiring and potentially prevent the loss of affordable housing, California enacted the state's Preservation Notice Law (PNL) in 1987. (Gov. Code §§ 65863.10 et seq.) The PNL applied to affordable housing developments where the affordability requirements for the development's units are imposed through covenants and deed restrictions, which typically require the units of the property to remain affordable for 45 years. Upon the expiration of the affordable housing restrictions, the owner may increase rents on current tenants to current market rates, even if this increase is greater than the limitation on annual rent increases currently in state law. Thus, for current tenants, the

need for notice and the need to maintain affordable housing are incredibly important. The purpose of the PNL is to give tenants of affordable housing projects sufficient time to prepare for having to move or for potentially significant rent increases, as well as to provide potential affordable housing purchasers and local government the opportunity to purchase the property and preserve its affordability restrictions.

Under the PNL, the owner of an affordable development must provide notice of the termination of the affordability restrictions to each affected tenant household, to the city or county, the local housing authority, and to the Department of Housing and Community Development (HCD), at least 12 months before the termination, if the owner is looking to convert the development to market rate housing. (Gov. Code § 65863.10.) The owner must also provide a notice to all affected tenants and housing departments six months prior to the anticipated termination of the affordable housing restrictions. (Gov. Code § 65863.10 (c).) The notice provided to affected tenants must include a statement of the current rent and the anticipated rent for the unit during the 12 months after the termination of the affordable housing restrictions, and the name and telephone number of the city or county, appropriate local housing authority, HCD, and a legal services organization that can be contacted to request information about an owner's responsibilities and the rights and options of an affected tenant. (Gov. Code § 65863.10 (c).) The owner's notice to affected public entities must contain information regarding the number of affected tenants and units, and other information. (Gov. Code § 65863.10 (c)(3).)

The PNL also specifies a process through which eligible entities may make bids to buy the affordable housing for the purposes of keeping the affordable housing restrictions. Before an owner of an assisted housing development terminates the affordability protections of the development, they are required to provide an opportunity for certain entities to submit offers to purchase the development. These entities are the tenant association of the development, local nonprofit organizations and public agencies, regional or national nonprofit organizations or public agencies, and profit-motivated housing organizations or individuals. They must also provide this opportunity to offer to entities provided by HCD. If a qualified entity decides to purchase the development at the market value, it must make a bona fide offer to purchase the development within 270 days of the notice of opportunity to submit an offer. (Gov. Code § 65863.11(i).) If the owner receives a bona fide offer within this 270 day time period, it must either accept the offer or record a new regulatory agreement to keep the development affordable for at least 30 more years. If the owner does not receive a bona fide offer from a qualified entity within 270 days of the notice of opportunity to purchase, or all such offers are withdrawn, the owner may then sell the property to any buyer, extend the affordability restrictions for any period of time, or maintain ownership of the property and let the affordability restrictions expire. (Gov. Code § 65863.11(k).)

The PNL also provides a number of avenues for ensuring its requirements are followed. It allows any affected tenant or public agency, or a group of affected tenants in a

legitimate tenant organization, a tenant association, or any affected public entity to sue for injunctive relief when the owner fails to provide the required notices of the termination of the affordability restrictions. (Gov. Code § 65863.10(j).) It also allows any affected tenant, qualified entity, a group of affected tenants in a legitimate tenant organization, a tenant association, or any affected public entity to enforce the requirements regarding bona fide offers through a civil action. (Gov. Code § 65863.11(o).)

6. SB 749 proposes a similar preservation law that exists for affordable housing for mobilehomes

SB 749 does a number of things meant to keep mobilehomes and maintain them as affordable housing. It first specifies that, when a mobilehome park is destroyed by a wildfire or other disaster and the park management decides to rebuild the park, previous mobilehome owners must receive specified notice in the same manner as a current mobilehome owner in the park. It also specifies that previous mobilehome owners of a park that was destroyed are not obligated to pay rent for their tenancy during the time in which they are unable to live in the mobilehome park following a wildfire or other natural disaster.

Most significantly, SB 749 creates a program that mirrors the bona fide offer process in the PNL. This program requires mobilehome park management to submit a notice of the proposed change of use to each affected tenant and affected public entity at least 12 months prior to the anticipated closure, cessation, or change of use. This notice must include a statement that the owner intends to close, cease operations, or change the use of the mobilehome park, the anticipated date for this change, a statement that subsequent notice will be provided at least six months before the change, and a statement that a notice of opportunity to submit an offer to purchase was sent to qualified entities and is provided. For the purposes of these provisions, an “affected tenant” is defined as a homeowner who has a tenancy in a mobilehome park at the time that the notice is required to be provided. An “affected public entity” is defined as the mayor of the city in which the mobilehome park is located, or if in an unincorporated part of the county, the chair of the board of supervisors, any local public housing authority, and HCD.

SB 749 also would require the park management to send another notice six months prior to the date of closure, cessation, or change of use to the affected tenants and affected public entities. This notice would include substantially similar information, though the notice affected public entities would also need to include information about the number of affected residents, the number of spaces that are rent controlled or stabilized, the ages and income of the affected tenants, and the owner’s plans and timelines for the park. Any significant change to the information in this second notice would require the owner to provide an additional notice within seven business days. SB 749 would require HCD to design forms for the providing of these notices. If an owner

fails to complete these notice requirements, an affected tenant or affected public entity may sue for injunctive relief.

In addition to these notice requirements, SB 749 would require a process for certain entities to make bona fide offers to purchase the mobilehome park. The park owner would be required to provide qualified entities the opportunity to submit an offer to purchase the development by sending an initial notice of a bona fide opportunity to offer to each qualified entity at least 12 months before the anticipated closure or change of use. This notice would need to specify that qualified entities have a right to purchase the development, and include a statement that the park management will make available at request certain data, including an itemized list of monthly operating expenses for the property and capital improvements made within the past two years. For its provisions, SB 749 defines as a qualified entity a resident organization of the park and local, regional, and national nonprofit organization and public agencies. To receive this notice and be certified to make a bona fide offer, a qualified entity would need to be certified by HCD, which would then maintain a list to provide to park owners for providing this notice.

If a qualified entity wishes to purchase the park, it must submit a bona fide offer for the park at the market value within 270 days of the notice of the opportunity to submit an offer. This offer must describe the type of qualified entity that the offeror is, and provide a certification that the offeror is certified as a qualified entity. Once an owner of the park receives a qualifying offer, it must notify HCD within 90 days and accept the offer. If the park owner receives no bona fide offer within the 270-day period, or if all offers are withdrawn, the park owner may sell the property to any buyer, maintain ownership of the property and continue it as a mobilehome park; or continue to pursue closure, cessation, or change of use of the mobilehome park.

SB 749 provides for enforcement of this bona fide offer process by an affected tenant, any qualified entity entitled to make a bona fide offer, a group of affected tenants that meets the requirements for a resident organization, or any affected public entity that has been adversely affected by the owner's failure to comply with the process. SB 749 specifies that, in any legal action, the court may waive any bond requirements and may award attorney's fees and costs to a prevailing plaintiff. However, SB 749 also specifies that an owner may rely on an entity's statement that it is a qualified entity, unless the owner actually knows that the entity is not a qualified entity.

7. Arguments in support

According to the California Community Land Trust, which supports SB 749:

SB 749 protects and preserves mobilehome parks as a source of affordable housing and homeownership by applying preservation notice laws to mobilehome parks. In 2024 alone, HCD received notice from 55 properties

regarding impending termination of rent restrictions. Unfortunately, preservation notice law currently only applies to certain government subsidized housing.

The 2018 Camp Fire resulted in the destruction of over 30 mobilehome parks in Paradise, a vast majority of which have not been rebuilt. Over 700 rent stabilized units were destroyed in the recent Palisades Fire, approximately half of which were located in two mobilehome parks. Communities across the state and country are recommending policy changes to protect affordability of mobilehomes and provide opportunities to resident organizations or other nonprofit entities to purchase and preserve the parks.

Previous attempts at resident purchasing of parks have taken many months to years to be successful. In February 2024, residents in a mobilehome park in Stockton – housing a community of mostly farm workers – succeeded in purchasing the park after a long, five-year negotiation with the latest owner who had increased rents by over 30 percent upon acquisition of the park. The financing and legal supports residents rely on to navigate this complex process take considerable time to coordinate.

SB 749 adapts preservation notice law to apply to mobilehome parks and clarifies the right of residents of a park after a disaster. Specifically, the bill would establish a 12-month timeline for noticing to residents, HCD, and local public entities of an owner's intent to close or change use of the park, require an owner to provide notice of opportunity to submit an offer to purchase to resident organizations and qualified entities certified by HCD, and clarify the notice requirements to homeowners of destroyed mobilehomes.

8. Arguments in opposition

According to the California Association of Realtors, which opposes this bill:

SB 749 effectively forces an owner of a mobilehome park destroyed in a natural disaster to re-open as a mobilehome park or sell the park to a resident organization of the park, a local nonprofit organization or public agency, or a regional or national nonprofit organization and regional or national public agencies. Limiting the number of qualified entities entitled to purchase a park up for sale effectively reduces the value of the land in the park which would result in an unconstitutional taking of an owner's property.

The owner of a mobilehome park has the constitutional right to go out of business, cease operations, close the park and change the use of his or her property. (*Keh v. Walters* (1997) 55 Cal.App.4th 1522, 1533 (“a park owner is entitled to convert property used as a mobilehome park to another use, or even

to hold it as vacant land”); Yee v. City of Escondido (1992) 503 U.S. 519, 528 (“ . . . the Mobilehome Residency Law provides that a park owner who wishes to change the use of his land may evict his tenants. . . ”).

SB 749 violates this constitutional right by requiring that the park owner sell the park to a third-party selected by the government.

Specifically, SB 749 enacts Government 15 which requires that the Department of Housing and Community Development (HCD) to compile a list of third-party buyers (consisting of resident organizations, nonprofit organizations and public agencies). HCD is also charged with preparing forms used in the sale process.

SB 749 then mandates that the park owner offer to sell its park to one of these third party buyers. The park owner is required to sell the park at an agreed upon price or by an appraiser whom the park owner has never met or retained.

If SB 749 is signed into law, the park owner would be forced to sell his or her property against his or her will. The park owner cannot “walk away” from an offer. The owner must sell its park to a third-party stranger – either at an agreed upon price or at a price which the park owner does not agree with but was decided by an unknown appraiser.

SUPPORT

California Community Land Trust Network
California Housing Partnership
California Rural Legal Assistance Foundation
Legal Aid of Sonoma County
Palisades Bowl Community Partnership
Public Interest Law Project
Tahitian Terrace HOA

OPPOSITION

California Association of Realtors
California Mobilehome Parkowners Alliance
Western Manufactured Housing Communities Association

RELATED LEGISLATION

Pending Legislation:

SB 610 (Wahab, 2025) makes various changes to landlord-tenant law, the Mobilehome Residency Law regarding mobilehome parks, and to the Subdivision Map Act to

provide additional protections to tenants and mobilehome owners during or related to disasters, including by providing mobilehome owners a right to return to the mobilehome park after a disaster. SB 610 is currently pending before this 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 awaiting referral in the Senate Rules Committee.

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 homeowner 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.

PRIOR VOTES:

Senate Housing Committee (Ayes 8, Noes 2)
