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**SENATE COMMITTEE ON HOUSING**  
**Senator Nancy Skinner, Chair**  
**2023 - 2024 Regular**

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<b>Bill No:</b>	AB 2387	<b>Hearing Date:</b>	6/18/2024
<b>Author:</b>	Pellerin		
<b>Version:</b>	5/16/2024		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Erin Riches		

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

**DIGEST:** This bill creates a streamlined permitting process for a mobilehome park owner to add lots to a park, not to exceed 10% of the previously approved number of lots in the park.

**ANALYSIS:**

*Existing law:*

- 1) Defines “manufactured home” to mean a structure that was constructed on or after June 15, 1976, is transportable in one or more sections, is eight body feet or more in width, or 40 body feet or more in length in traveling mode, is built on a permanent chassis and designed to be used as a single-family dwelling with or without a foundation when connected to the required utilities.”
- 2) Defines “mobilehome” to mean a structure identical to 1) that was constructed prior to June 15, 1976.
- 3) Defines “multifamily manufactured home” to mean a structure transportable under permit in one or more sections that is designed and equipped to contain two dwelling units, or is designed to be used with a foundation system for three or more dwelling units.
- 4) Declares it to be unlawful for any person to do any of the following unless they have a valid permit issued by an enforcement agency:
  - a) Construct a mobilehome park;
  - b) Construct additional buildings or lots, or alter buildings, lots, or other installations in an existing park;

- c) Operate, occupy, rent, lease, sublease, let out, or hire out for occupancy any lot in a park that has been constructed, reconstructed, or altered without having obtain a permit; or
  - d) Operate a park or any portion thereof.
- 5) Requires an application for a construction permit to be accompanied by a description of the grounds, plans, and specifications of the proposed construction, a description of the water supply and sewage, appropriate fees, and evidence of compliance with all valid local planning, health, utility, and fire requirements.
  - 6) Requires the Department of Housing and Community Development (HCD) to establish a schedule of fees relating to all construction, mechanical, electrical, plumbing, and installation permits, which must be paid to the enforcement agency. Requires these fees to be reasonably consistent with specified building codes.
  - 7) Requires HCD to issue an operating permit following notification by the local enforcement agency of completion of construction of a new park or additional lots to an existing park. In approving the application for an operating permit, the local enforcement agency authorizes occupancy of the newly constructed facilities.
  - 8) Requires the enforcement agency to issue an operating permit for a 12-month period, and forward a copy of each operating permit to HCD. Prohibits an operating permit from being issued for a park where the previous operating permit has been suspended by the enforcement agency until the violations, which were the basis for the suspension, have been corrected.
  - 9) Authorizes an enforcement agency to suspend the operating permit of any person who violates the permit or the Mobilehome Parks Act (MPA), subject to specified notice, timeline, and due process hearing requirements.

**This bill:**

- 1) Authorizes the owner of an existing mobilehome park to add the following types of lots to the park, not to exceed 10% of the previously approved number of lots in the park:
  - a) A lot for a single-family manufactured home; or
  - b) A multifamily manufactured home, on a lot previously occupied by a single-family mobilehome or manufactured home; or
  - c) Any combination of (a) and (b).

- 2) Provides that a lot occupied by a multifamily manufactured home shall not be considered new construction for purposes of local rent control ordinances under existing law.
- 3) Provides that the conversion of a portion of single-family manufactured home lots into multifamily manufactured home lots shall not be the basis for closing or converting that portion of the park into another use, or for terminating the tenancy of a park resident to facilitate the change of use of the park, or of any portion of the park.
- 4) Requires a mobilehome park owner, prior to adding any lot, to obtain from the enforcement agency all required permits necessary to increase park occupancy and, upon approval from the enforcement agency, to complete all necessary processes to update the operating permit for the park.
- 5) Requires the enforcement agency, prior to issuing the permits, to require all reasonable information to ensure that the additional lots do not substantially impact the provision of services to the existing or new lots, including water, sewage, electrical, gas, and other utilities. Authorizes the enforcement agency to require evidence of compliance with all local health, utility, and fire requirements as it deems necessary.
- 6) Provides that lots added to a mobilehome park pursuant to this bill shall not be subject to any business tax, local registration fee, use permit fee, or other fee, other than those that are applicable to existing lots in the park.
- 7) Authorizes a local agency to impose local property taxes, fees for water and sewer services and garbage collection, fees for normal inspections, local bond assessments, and other fees, charges, and assessments that apply to the existing lots in the park.
- 8) Provides that lots added to mobilehome parks under this bill shall be deemed to comply with zoning and land use approvals of the existing mobilehome park, including any special use permit and prohibits the enforcement agency, city, or county from requiring a conditional use permit, zoning variance, or other zoning approval for any lots added pursuant to this bill.
- 9) Prohibits a mobilehome park owner, in adding lots pursuant to this bill, from reducing the size of, or otherwise interfering with, any in-use pools, dog parks, clubhouses, playgrounds, sports facilities, exercise rooms, libraries, boat or recreational vehicle storage, laundry facilities, community meeting spaces, or

any existing occupied mobilehome spaces without first complying with existing law requirements for creating, moving, shifting, or altering lot lines.

- 10) Provides that a lot added to a mobilehome park pursuant to this bill shall be considered new construction for purposes of local rent control ordinances under existing law.
- 11) Provides that a lot added to a mobilehome park pursuant to this bill shall not increase, revise, or change the number or percentage of lots within the park which are deemed to be, and shall not cause any existing lots within the park to become, exempt from any local rent control ordinances.
- 12) Excludes mobilehome parks located in specified areas of the coastal zone from this bill.

#### COMMENTS:

- 1) *Author statement.* “Mobilehome parks provide hundreds of thousands of housing units, often at more affordable prices than other options. However, in some areas local permitting processes and excessive fees charged for adding spaces in existing mobilehome parks—which can reach the tens of thousands of dollars per space being added – make mobilehomes cost-prohibitive. These disincentives make it far less likely that the potential for mobilehome parks to assist in increasing the state’s housing stock will be realized. AB 2387 allows California’s existing mobilehome park owners to apply to add no more than 10% of the previously approved number of spaces in the mobilehome park for manufactured homes. As was done with ADUs, adding a limited number of spaces to existing mobilehome parks will help increase California’s housing supply on existing residential property.”
- 2) *Background.* More than 700,000 people live in California's approximately 4,700 mobilehome parks. Mobilehomes are not truly mobile because it is often cost prohibitive to relocate them. The cost to move a mobilehome ranges from \$2,000 to upwards of \$20,000, depending on the size of the home and the distance traveled. A mobilehome owner whose home is located in a mobilehome park does not own the land the unit sits on, and must pay rent and fees for the land and any community spaces.
- 3) *Mobilehome Parks Act (MPA).* The MPA requires HCD to regulate mobilehome parks to assure protection of the health, safety, and general welfare of all mobilehome park residents. Local agencies have the option of assuming enforcement authority of the MPA within their jurisdiction through agreement

with HCD. Enforcement duties include performing health and safety inspections of parks. The MPA also requires each mobilehome park to pay an annual fee, and obtain a permit to operate, from either HCD or the local enforcement agency. Operating permits are valid for one year and the enforcement agency has the ability to suspend an operating permit in the event of substandard conditions at the park or other violations of the MPA. HCD's website lays out the required steps a park owner must take when seeking either to construct a new mobilehome park or to construct additional spaces or facilities within an existing park.

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

Cities and counties use their police power to enact zoning ordinances that shape development, such as setting maximum heights and densities for housing units, setbacks to preserve privacy, lot coverage ratios to increase open space, and others. Through this authority, they can zone for residential, commercial, industrial, or other areas at specific intensities, and can even zone areas where they specifically designate mobilehome parks may be built or operate. For example, the County of San Mateo in 2017 adopted a “Mobilehome Park Zoning District” ordinance to govern how and where mobilehome parks can exist and to change the general plan land use designation of six existing parks already operating in the county. Prior to the adoption of the county ordinance, those six existing parks had various general plan land use designations ranging from “High Density Residential” to “General Industrial” to “Industrial Mixed Use” and others, and their zoning was largely commercial.

The practice of zoning special mobilehome park areas is relatively uncommon, so new parks in areas zoned for other uses would require a discretionary rezone, zoning variance, conditional use permit (CUP), and/or a special use permit from the local government. This is also the case in instances where an existing park wants to add spaces but does not conform to the existing land use designation or zoning (*i.e.*, the park has been granted permission to operate via a zoning variance or CUP, or the zoning ordinance conforms to the existing use but with specific intensity restrictions or other requirements). Like most new development, the local government also often requires the owner to pay

development impact fees on the new proposed spaces, which in one example provided by the bill's supporters, equals \$50,000 per new space.

- 5) *New, streamlined process.* This bill would create a streamlined process to allow an owner of an existing mobilehome park to increase the number of lots by 10% without a CUP or zoning variance. Prior to any expansion, the park owner would have to demonstrate to HCD or the local enforcement agency that the additional spaces would not substantially impact the provision of water, sewer, electrical, or other utility services to the existing park residents or to the new spaces. The park owner would also have to obtain all required permits from the enforcement agency, and update its operating permit, prior to adding any lot. Local agencies would be allowed to impose local property taxes, fees for utility services, inspection fees, and other assessments that generally apply to the existing spaces in the park, but would be prohibited from charging any new or additional impact or permit fees for the additional spaces. The sponsor of this bill, the California Manufactured Housing Institute, states that by removing the administrative burdens and fees tied to local permitting processes, this bill will help incentivize park owners to add more lots to existing parks, thereby helping add mobilehomes and manufactured homes – which are often more affordable than other forms of housing – to the state's scarce housing supply.
- 6) *Rent control provisions.* Many rent control laws, both state and local, include an exception for newly constructed housing; this helps ensure that developers will not be discouraged from building new rental housing units for fear of rent control limiting the return they can get for their investment. Existing law provides that local rent control ordinances do not apply to new spaces in mobilehome parks that are first held out for rent after January 1, 1990, for the first 15 years; in addition, local rent control ordinances do not apply to any spaces in mobilehome parks established on or after January 1, 2023, for the first 15 years after at least half the spaces in the park are initially held out for rent. This bill protects existing rent-controlled lots by providing that if a single-family mobilehome or manufactured home on a rent-controlled lot is replaced with a multifamily manufactured home, the lot would remain rent-controlled; in addition, newly added lots would not affect the rent-controlled status of existing lots. This bill incentivizes park owners to add lots by exempting added lots from rent control for 15 years.
- 7) *Additional park resident protections.* In addition to rent control protections, this bill requires a mobilehome park owner to comply with existing law requirements for creating, moving, shifting, or altering lot lines before attempting to reduce the size of or otherwise interfere with existing facilities such as pools, clubhouses, or existing occupied mobilehome spaces. These

existing law requirements specify that a park owner must obtain written authorization from the registered owner or owners of the mobilehome or manufactured home, if any, located on the affected lot or lots, and must submit a written application, as specified, to the enforcement agency for a lot line alteration permit.

- 8) *Coastal zone exemption.* This bill does not apply to mobilehome parks in certain areas of the coastal zone. Specifically, it does not apply to parks located in areas between the sea and the first public road paralleling the sea or within 300 feet of the inland extent of any beach or of the mean high tideline of the sea where there is no beach, whichever is the greater distance. It also exempts environmentally sensitive areas. The author states that these exemptions address concerns about mobilehome park expansions that could potentially negatively impact sensitive areas, such as forested areas and near estuaries.
- 9) *Trying again.* AB 1334 (Pellerin) of 2023, which was held on suspense in the Senate Appropriations Committee last year, was similar but not identical to this bill. Most notably, it did not include the provisions outlined in (6) and (7) above.
- 10) *Double-referral.* This bill has also been referred to the Local Government Committee.

#### **RELATED LEGISLATION:**

**AB 1334 (Pellerin, 2023)** — would have created a streamlined process for an owner of an existing mobilehome park to add new spaces to the park, not to exceed 10% of the previously approved number of spaces in the park. *This bill was held on suspense in the Senate Appropriations Committee.*

**SB 940 (Laird, Chapter 666, Statutes of 2022)** — preempted the imposition of local mobilehome rent control ordinances on mobilehome space rent for the first 15 years after a mobilehome space or park is initially held out for rent, as defined.

**FISCAL EFFECT:** Appropriation: No    Fiscal Com.: Yes    Local: No

**POSITIONS:** (Communicated to the committee before noon on Wednesday, June 12, 2024.)

#### **SUPPORT:**

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

**OPPOSITION:**

None received

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