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

Bill No:	AB 2247		Hearing Date:	6/24/2024
Author:	Wallis			
Version:	6/17/2024	Amended		
Urgency:	No		Fiscal:	Yes
Consultant:	Max Ladow	1		

SUBJECT: Mobilehome Parks Act: enforcement: notice of violations: Manufactured Housing Opportunity and Revitalization (MORE) Program: annual fee

DIGEST: This bill extends the sunset date on the Mobilehome Parks Act (MPA) from January 1, 2025 to January 1, 2030, and requires a notice of violation to include information about organizations that have received a loan from the Manufactured Housing Opportunity and Revitalization (MORE) Program.

ANALYSIS:

Existing law:

- 1) Requires the Housing and Community Development (HCD), or a local government that assumes responsibility for the enforcement of the MPA, to enter and inspect mobilehome parks, with a goal of inspecting at least five percent of the parks per year, to ensure enforcement of the MPA and subsequent regulations. The enforcement agency's inspection must include an inspection of the exterior portions of individual manufactured homes and mobilehomes in each park inspected.
- 2) Authorizes the officers or agents of an enforcement agency to enter and inspect all parks, wherever situated, and inspect all accommodations, equipment, or paraphernalia used in connection with the park, including the right to examine any registers of occupants to secure the enforcement of the MPA.
- 3) Requires the enforcement agency, in developing its mobilehome park maintenance inspection program, to inspect the mobilehome parks that the agency determines have serious health and safety complaints.
- 4) Requires an enforcement agency, if it determines upon inspection that a mobilehome park is in violation of any provision of the MPA or any rule or

regulation adopted under the MPA, to promptly issue a notice to correct the violation to the park owner or operator and to the responsible person, as defined.

- 5) Requires an enforcement agency, if it determines upon inspection that a manufactured home, mobilehome, accessory building or structure, or lot is in violation of specified MPA provisions, to promptly issue a notice to correct the violation to the registered owner of the manufactured home or mobilehome, and with a copy to the occupant thereof, if different from the registered owner.
- 6) Requires HCD to develop a list of local agencies that have home rehabilitation or repair programs for which registered owners or occupants of manufactured homes and mobilehomes residing in mobilehome parks may be eligible. Requires the list to be provided to registered owners or occupants who receive notices of violation and who reside in those jurisdictions that have rehabilitation or repair programs for which they may be eligible.
- 7) Provides that the MPA shall remain in effect until January 1, 2025.
- 8) Establishes the MORE Program, under which HCD may make loans to resident organizations, qualified nonprofit housing sponsors, and local public entities for the purpose of financing mobilehome park acquisition, conversion, rehabilitation, reconstruction, and replacement, and for the purpose of assisting lower income homeowners to do any of the following:
 - a) Make repairs to their mobilehomes;
 - b) Make accessibility upgrades to their mobilehomes;
 - c) Make energy efficiency upgrades to their mobilehomes; or
 - d) Replace their mobilehomes.

This bill:

- 1) Extends the sunset date of the MPA from January 1, 2024, until January 1, 2030
- 2) Requires HCD to develop a list of resident organizations, qualified nonprofit housing sponsors, and local public entities that have received a loan pursuant to the MORE Program.
- 3) Requires HCD to provide the list in 2) to registered owners or occupants of mobilehome parks who receive a notice of violation under the MPA and who reside in those jurisdictions that have rehabilitation or repair programs for which they may be eligible.

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COMMENTS:

- Author's Statement. "In the Summer of 2023 we had two serious fires in mobile home parks in my district. In meeting with residents who homes were lost and damaged in those fires, I learned that often residents don't know where to turn. Even when inspections find things wrong with their units they don't know that are places they can turn to receive assistance to repair their units so that they do not face the catastrophic losses that some of my constituents did. The state has invested significant resources in the MORE program, yet residents often don't know of its existence. The Mobilehome Parks Act gives the Department of Housing and Community Development the authority to inspect and cite mobilehome parks and owners for violations and should continue in law."
- 2) Background. More than 1 million people live in California's approximately 4,500 mobilehome parks. Mobilehomes are not truly mobile, in that 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 to their parkowner, unless the park is collectively owned by the residents, in which case the Resident Ownership (RO) operates like a homeowners association. According to the Mobilehome Park Homeowners Alliance, California currently has 183 resident-owned parks, with an estimated 33,564 mobilehome spaces and another 1,300 recreational vehicle spaces.¹

HCD oversees several areas of mobilehome law, including health and safety standards, registration and titling of mobilehomes and parks, and, through the Mobilehome Ombudsman, assists the public with questions or problems associated with various aspects of mobilehome law. The Mobilehome Ombudsman provides assistance by taking complaints and helping to resolve and coordinate the resolution of those complaints. However, the Ombudsman does not have enforcement authority for the MRL, and cannot arbitrate, mediate, negotiate, or provide legal advice on mobilehome park rent disputes, lease or rental agreements, but may provide general information on these issues.

3) *Mobilehome Parks Act.* 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.

¹ <u>https://mhphoa.com/ca/roc/</u>

Among these enforcement duties is 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 last for a 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. If a mobilehome park or an individual park resident is found to be in violation of the MPA, the law requires the enforcement agency to promptly issue a notice to correct the violation or violations identified in the agency's inspection to the park owner or operator, or to the registered owner of the mobilehome.

If the park owner or operator does not correct the violations or otherwise violates the terms of their operating permit, the enforcement agency must notify the permit holder of the specific terms or provisions they are violating, and provide a 30-day window for the permittee to come into compliance. If the 30-day period elapses with no compliance, the enforcement agency can suspend the permit to operate. Current law declares it unlawful for any person to operate a park or collect rents without a valid permit.

4) Legislative History of the MPM Inspection Program. HCD inspects parks and mobilehomes for health and safety issues. Under the Mobilehome Park Maintenance (MPM) program, HCD annually inspects 5% of parks for compliance with health and safety requirements under the MPA.. The program is funded through a \$4 fee, of which the property owner may charge half (\$2) to the homeowners. In addition to the MPM program, HCD also responds to health and safety complaints under the MPA. With HCD's approval, a city or county can also act as a local enforcement agency and can request authority to enforce the MPA and perform inspection activities for mobilehome parks within its jurisdiction. In 2019, HCD reported that 63 local enforcement agencies in the state were responsible for enforcing the MPA for 860 mobilehome parks.

There have been three additional extensions of the sunset date in the MPA and MPM statutes since 2012, most recently last year with AB 319 (Connolly, Chapter 737, Statutes of 2023). This bill extends the MPA until 2030.

5) *MORE Program.* The MORE program helps fund a variety of activities intended to keep mobilehome parks a safe and affordable homeownership option. MORE funds can be used for the acquisition, conversion to RO, rehabilitation, reconstruction and replacement of mobilehome parks, as well the remediation of health and safety items of both parks and individual

mobilehomes. These organizations or entities can use loan funds to assist lower income homeowners to make repairs, accessibility upgrades, or energy efficiency upgrades to their mobilehomes, or to replace the mobilehome entirely.

Funding priorities from the most recent Notice of Funding Availability were given to resident-owned parks applying for loans to address serious health, safety, or code violations or suspended permits to operate, and those with severe violations posing risks to life, health, and safety.²

6) *Notices of Violation*. If a mobilehome park or an individual park resident is found to be in violation of the MPA, the law requires the enforcement agency to promptly issue a notice to correct the violation or violations identified in the agency's inspection to the park owner or operator, or to the registered owner of the mobilehome. For violations issued to individual homeowners, and in recognition of the challenge many lower income mobilehome residents might face in paying for what could be costly repairs or code compliance efforts, the law requires HCD to develop a list of local agencies that have home rehabilitation or repair programs that the homeowner might be eligible for. The violation notice has to include the list of those programs to point homeowners toward resources that could possibly assist them in remedying the violation. If homeowners do not fix these violations within certain timeframes, park management may initiate eviction proceedings.

This bill would require HCD to also develop a list of any resident organizations, qualified nonprofits, and local public entities that have received funding from the MORE Program, and to deliver that list along with the home rehabilitation or repair programs list along with the violation notice. The author points out that after several fires in their community, many mobilehome park residents needed assistance making home repairs and were not aware of the MORE Program or resources that might be available.

RELATED LEGISLATION:

SB 1108 (Ochoa Bogh, 2024) — of the current legislative session would indefinitely extend provisions of the MPA relating to HCD enforcement authority of the health and safety standards for mobilehome parks, make changes requiring HCD to mail a copy of a first notice of violation for a resident's violation of the MPA or related regulations to the park's designated responsible person, increase the time allowed for correction of a violation from 60 to 90 days, and make HCD

 $^{^2 \ \}underline{https://www.hcd.ca.gov/about-hcd/newsroom/california-issues-first-awards-pioneering-program-designed-to-preserve-mobilehomes-safe-quality-option-affordable-homeownership$

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responsible for exhausting all administrative and legal recourse against a resident before requiring action by the mobilehome park. *This bill is currently pending before the Assembly Housing and Community Development Committee.*

AB 319 (Connolly, Chapter 737, Statutes of 2023) — extended the MPA and MPM inspection program until January 1, 2025.

SB 197 (Committee on Budget, Chapter 70, Statutes of 2022) — Established the MORE Program.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, June 19, 2024.)

SUPPORT:

Western Manufactured Housing Communities Association

OPPOSITION:

None received.

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