

- 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 applications 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 an owner of an existing mobilehome park who is subject to, or intends to qualify for, a valid permit to operate, as specified, to add either of the following types of spaces to the mobilehome park, not to exceed 10% of the previously approved number of spaces in the park:
 - a) A space for a single-family manufactured home;
 - b) A duplex multifamily manufactured home on a space previously occupied by a single-family mobilehome or manufactured home; or
 - c) Any combination of spaces under a) and b).

- 2) Requires the owner of the park to apply to the enforcement agency for all permits required by the MPA to increase the occupancy in the park before adding any space pursuant to 1).
- 3) Before issuing the permits, requires the enforcement agency to require from the mobilehome park all reasonable information to ensure that the additional spaces do not substantially impact the provision of services to the existing or new spaces, including water, sewage, electrical, gas, and other utilities. Allows the enforcement agency to require evidence of compliance with all local health, utility, and fire requirements, as it deems necessary.
- 4) Provides that spaces added under this bill are not subject to any business tax, local registration fee, use permit fee, or other fee, except those that are applicable to existing spaces in the park.
- 5) Allows 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 spaces in the park.
- 6) Specifies that, notwithstanding any law, the spaces added under this bill comply with the zoning and land use approvals of the existing mobilehome park, including any special use permit. Provides that, for the purposes of local ordinances, spaces added under this bill are not deemed a use that differs from the mobilehome park's existing land use approvals.
- 7) Prohibits the enforcement agency, city, or county from requiring a conditional use permit, zoning variance, or other zoning approval for any spaces added under this bill.

COMMENTS:

- 1) *Author's 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 1334 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, so long as the additional spaces do not substantially impact the provision of services to the existing or new spaces,

including water, sewage, electrical, gas, and other utilities. 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, 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.
- 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. 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.

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.

This bill would create a streamlined process allowing an existing park to increase the number of units by 10% without requiring a CUP or zoning variance, and would prohibit a local government from charging impact or permit fees for those spaces. Before this expansion would be allowed, the parkowner 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. In addition, while permitting fees would be capped to those applicable to the existing spaces, the bill provides that a local agency can still impose local property taxes, fees for utility services, inspection fees, and other assessments that generally apply to the existing spaces in the park.

- 5) *Double-referral*. This bill is also referred to the Senate Governance and Finance Committee.

RELATED LEGISLATION:

AB 318 (Addis, 2023) — extends by three years the Mobilehome Residency Law Protection Act. *This bill is also being heard at this hearing.*

AB 319 (Connolly, 2023) — extends the Mobilehome Park Maintenance program by one year and makes changes to how inspectors must report conflicts of interest. *This bill is also being heard at this hearing.*

AB 604 (Lee, 2023) — applies existing rules regarding mobilehome park management’s separate billing of water service provided via submeter to mobilehome parks whose water service is subject to the jurisdiction, control, or regulation of the CPUC, and makes other changes. *This bill is waiting to be heard in the Senate Judiciary Committee.*

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

POSITIONS: (Communicated to the committee before noon on Wednesday, June 14, 2023.)

SUPPORT:

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

OPPOSITION:

None received.

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