
SENATE COMMITTEE ON HOUSING
Senator Scott Wiener, Chair
2021 - 2022 Regular

Bill No:	AB 2002	Hearing Date:	6/13/2022
Author:	Villapudua		
Version:	5/2/2022 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Mehgie Tabar		

SUBJECT: Mobilehome parks: enforcement: violations

DIGEST: This bill eliminates the ability of an enforcement agency to suspend a mobilehome park owner's permit to operate when specified resident violations are not addressed.

ANALYSIS:

Existing law:

- 1) Establishes the Mobilehome Residency Law, which regulates the rights, responsibilities, obligations, and relationships between mobilehome park management and park residents.
- 2) Establishes the Mobilehome Parks Act, governing mobilehome parks, and the Special Occupancy Parks Act, governing Special Occupancy Parks (such as RV parks), which establish requirements for the permits, fees, and responsibilities of park operators and enforcement agencies, including the Department of Housing and Community Development (HCD).
- 3) Gives HCD authority over mobilehome, special occupancy, and RV parks established by the aforementioned acts and laws. HCD's main enforcement is over the Mobilehome Parks Act and not the Mobilehome Residency Law.
- 4) Specifies that, following inspection, HCD must provide notice to correct any violation no later than 10 business days after the inspection.
- 5) Requires HCD to issue and serve upon the permittee a notice setting forth in what respect the provisions of the permit or this code have been violated, and notify the permittee that unless these provisions have been complied with within 30 days after the date of notice, the permit will be subject to suspension.

This bill:

- 1) Prohibits HCD from suspending a mobilehome park's permit to operate when provisions of the permit or specified code have been violated for any of the following:
 - a) The failure of a registered owner of a manufactured home or mobilehome to correct a violation for which notice has been given;
 - b) The failure of an owner of a recreational vehicle or a factory-built house occupying a lot within a mobilehome park to correct a violation for which notice has been given; and
 - c) The failure of a resident, as defined, to correct a violation for which notice has been given.
- 2) Establishes the Mobilehome Repair Grant Fund in the State Treasury, to be available to HCD, upon appropriation by the Legislature, to provide funding to registered owners or occupants of mobilehomes who are unable to afford the required repairs of their homes following notice of a violation.

COMMENTS:

- 1) *Author's statement.* According to the author, "Residents of mobilehome parks currently pay into the Mobilehome Repair Grant Program that helps eligible low-income residents pay for needed repairs such as roofing, painting, or handicap modifications. However, current law does not specify that residents can access these funds for violations cited to them by the Department of Housing and Community Development (HCD) or the responsible Local Enforcement Agency (LEA). These citations focus on violations that may threaten the health and/or safety of park residents such as broken handrails, faulty plumbing, or damaged electrical systems. AB 2002 would allow for mobilehome owners in need to access money from a fund they already pay into in order to correct a minor offense. AB 2002 will also protect parkowners from having their Permit to Operate suspended for uncorrected resident violations cited by the HCD or LEA. By clarifying that residents of mobilehome parks may access funds from the existing grant program in order to correct their violations, we can avoid unnecessary evictions while improving the health and safety of these parks."
- 2) *Background on Mobilehomes.* According to HCD, California has 4,656 mobilehome parks which contain 363,415 spaces for mobilehomes or manufactured homes. Mobilehome owners do not own the land the unit sits on and instead pay rent and fees to mobilehome park management for use of the lot

and any community spaces. Unlike traditional single-family homes, mobilehomes are considered chattel (personal) property and not real property. As such, purchasing a mobilehome is often much less expensive than traditional site-built housing and mobilehomes represent an important source of affordable housing in the state, especially for seniors and low-income households who are increasingly priced out of traditional rental housing.

Despite their name, mobilehomes are not truly mobile and it is often cost prohibitive (up to \$20,000) to relocate them. Additionally, some older homes may not be able to be moved at all due to structural concerns or the fact that parks often will not accept older mobilehomes. Recognizing this, the state has passed several laws governing the relationship between mobilehome owners and park management. For example, under California's Mobilehome Residency Law (MRL), mobilehome owners have protections against "no cause" evictions and can only be evicted from a park for a limited set of reasons including non-payment of rent, violation of park rules, or specified criminal activities.

- 3) *Inspections of mobilehome parks.* Every year HCD is required to inspect at least 5% of the mobilehome parks it oversees. These inspections are intended to ensure that the park and homeowners are in compliance with the state's health and safety laws. If an issue is found during a park inspection a notice of violation is sent either to the mobilehome owner, the park's management, or both. In cases where correcting the violation is the responsibility of the park, mobilehome park management is sent a notice detailing the violation. Such violations would include common area issues that are not on a lot with a mobilehome on it. When a resident violation is cited (e.g., loose handrail, a shed located too close to a lot line) HCD then sends a notice to the homeowner and provides 60 days to correct the issue. For serious violations that present an imminent hazard, resident violation notices are sent to both the homeowner and the park operator. In some parts of the state a local government handles mobilehome park inspections instead of HCD.

The State Auditor concluded in a 2020 audit of mobilehome park inspections that HCD had "not adequately communicated with residents during park inspections...HCD did not consistently notify residents of violations within required time frames, nor did it share all required information about the rights, responsibilities, and resources available to park residents. As a result, some

residents may have missed opportunities to obtain help in correcting violations before parks initiated steps to evict them.¹”

Timely correction of resident violations is particularly consequential for park owners because the park can lose its permit to operate if a resident violation is not fixed within the required timeframe. Residents generally have 60 days to correct any violations noted during the mobilehome park inspection. However, if a violation is not fixed by the end of that 60-day timeframe, park management receives a notice that the park’s permit to operate could be subject to suspension if the violation is not fixed within the next 30 days. When a park’s permit to operate is suspended management cannot collect rent. Additionally, if the permit to operate is restored at a future that the park owner cannot recoup the lost rental income for the time period during which the permit to operate was suspended. According to the last HCD mobilehome park maintenance task force meeting on March 11, 2022, there were 53 mobilehome parks in the state with a suspended permit to operate. HCD does not track the number of permit to operate suspensions attributable to uncorrected resident violations vs. park violations.

- 4) *Proposed change to when permits to operate can be suspended.* This bill proposes to narrow the circumstances when a mobilehome park owner’s permit to operate can be suspended. Currently if a local enforcement agency finds a resident violation, a mobilehome park’s permit to operate can be suspended if the violation is not corrected within 30 days of the date the notice is given to park management. This bill would instead allow that a park owner’s permit to operate could never be suspended due to a resident violation, including for violations cited on recreational vehicles or factory-built houses.

As noted above, inspections of mobilehome parks are intended to ensure that the community and individual homeowners are able to live in a safe, habitable park. There are many reasons why a homeowner or resident may fail to correct a violation that an inspection agency cites on their home or recreational vehicle. For example, language barriers may make it difficult for residents with limited or no English proficiency to understand the written notice of violation, particularly in cases where the homeowner is not present during the inspection and there is no translation of the notice. Other barriers to timely correction of resident violations include lack of financial resources or uncertainty about how to find appropriate assistance with correcting the violation (e.g., hiring an electrician or hauling company). In other cases, a homeowner may simply be

¹ California State Auditor. *Mobile Home Park Inspections: The Department of Housing and Community Development Must Improve Its Inspection Processes to Better Protect Park Residents.* (July 2020)
<https://www.auditor.ca.gov/reports/2019-111/index.html>

unwilling to make the necessary repairs or changes to satisfy the inspection agency's requirements.

This bill would, upon appropriation of the Legislature, create the Mobilehome Repair Grant Fund to assist homeowners and other residents in mobilehome parks who are unable to afford the repairs needed to correct resident violations cited by an enforcement agency. HCD would administer the fund and would provide grants or other forms of financial assistance to homeowners. A fund could help in cases where financial barriers prevent homeowners from making the necessary repairs to their homes, but there is no guarantee that such a fund would be created by the time the provisions of this bill become operational on January 1, 2023. Since HCD does not serve as the enforcement agency for the entire state, it may also be worth considering whether local enforcement agencies should be tasked with distributing funds in areas where they serve as the inspection entity for mobilehome parks.

Regardless of whether the Mobilehome Repair Grant Fund proposed by this bill is funded in the state budget, funding alone will not be helpful in situations where a homeowner refuses to take the steps necessary to correct a violation on their mobilehome, recreational vehicle, or factory-built house. In those cases, completely taking away the enforcement agency's ability to suspend a park owner's permit to operate could endanger health and safety if the violation is a serious one. For instance, resident violations involving exposed electrical wiring or flammable debris in fire-prone areas could prove disastrous if left uncorrected. Under the current statutory framework, mobilehome park owners have an incentive to assist homeowners with correcting resident violations since any violations that remain unaddressed for more than 30 days could mean the park's permit to operate gets suspended. And while resident violations are, by definition, due to conditions attributable to a homeowner or resident, at the end of the day, park management still owns the land on which mobilehomes are located.

If the intent of the bill is to protect homeowners and not take away the enforcement agency's authority, the committee may wish to consider amending the bill to just provide code violation support for homeowners and not eliminate HCD's ability to suspend permits to operate—the only tool HCD has to address these violations and only used as a last resort.

- 5) *Opposition concerns.* In an "oppose unless amended" letter, the California Building Officials (CALBO) express concerns that removing local building departments' ability to suspend a permit for failing to correct a code violation

could have severe health and safety implications for the public and residences in these places of living.

RELATED LEGISLATION:

SB 915 (Leyva, 2020) — would have prohibited mobilehome parks from evicting residents who notify park management of COVID-19 impacts to their ability to pay rent and requires parks to provide those residents with extra time to repay outstanding rent, utilities or other charges, or cure violations of park rules. *This bill died in the Senate.*

SB 1176 (Dunn, Chapter 622, Statutes of 2004) — reduced the time allowed to correct specific health and safety code violations of the Mobilehome Park Maintenance Program, and makes changes in the notice provisions for mobilehome park rule changes.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, June 8, 2022.)

SUPPORT:

California Mobilehome Parkowners Alliance
Western Manufactured Housing Communities Association

OPPOSITION:

California Building Officials

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