2006
Mobilehome/Manufactured Home
Final Bill Summary *
in the California State Legislature

Mobilehome Park Inspection Program Sunset

Background: The Department of Housing and Community Development (HCD) is responsible for enforcing health and safety code standards in California's 4,824 mobilehome parks. Under the Mobilehome Park Maintenance (MPM) program, HCD conducts full inspections of parks with the worst record of code violations and health and safety complaints. The program sunsets on January 1, 2007.

SB 1231 (Dunn) **- extends the 2007 sunset on the MPM program to 2012, including the $4 fee supporting the program, deletes requirements that HCD inspect parks under MPM every 7 years, and requires HCD to conduct MPM task force meetings of mobilehome industry and homeowners who provide advice to HCD on the program every 6 months rather than once a year. Status: Signed by the Governor. (Chapter 644).**

AB 2250 (Coto) **- extends the 2007 sunset on the MPM program to 2012, including the $4 fee supporting the program, deletes requirements that HCD inspect parks under MPM every 7 years and instead sets a goal of inspecting 5% of the parks per year, and requires HCD to report specified inspection statistics to the MPM task force. Status: Signed by the Governor (Chapter 858).**

Park Manager Training

Background: Current law requires a person (not specifically the manager) to be available in every mobilehome park by telephone or other means to respond to emergencies concerning operation and maintenance of the park, and in parks of 50 or more units that the person reside in the park and have knowledge of emergency procedures relating to the park's utility systems. Current law requires that for apartment complexes of 16 or more units, a manager, janitor, housekeeper or other responsible person shall reside upon the premises if the property owner does not reside there. Certain activities involving the sale and rental of real property are regulated by the Department of Real Estate (DRE), but an onsite manager of residential rental property is not required to have a license from DRE. In recent years, mobilehome owners and their organizations have pointed to a number of alleged incidents of park manager abuse, harassment, illegal acts, or incompetence in various parks, which adversely impact the residents. Generally, park residents have advocated that the state regulate park managers through some form of licensing, certification or at least training requirements.

***AB 1469 (Negrete-McLeod*) – amends the Mobilehome Parks Act to require mobilehome park managers to undergo at least 3 hours of continuing management education a year, with emphasis on the Mobilehome Residency Law (landlord tenant), Title 25 (health & safety code regulations) and handling resident disputes and complaints. Newly hired managers, starting on January 1, 2008, would have to undergo 5 hours of such training. HCD would be required to certify the training providers, who would pay a $500 fee to HCD and would have to be either professional or non-profit entities that have provided similar training for 10 years. Status: Passed by the Legislature but vetoed by the Governor.**

Homeowner Meetings

Background: The Mobilehome Residency Law gives homeowners residing in parks the right to meet and communicate with one another in the park for social and educational purposes, for purposes relating to mobilehome living, and for purposes of inviting public officials, candidates for public office and mobilehome owner association representatives to speak to them. In recent years, legislators have heard complaints from park residents that uninvited park managers or their agents sometimes attend these meetings to monitor the homeowners' activities and create an atmosphere of intimidation that makes some homeowners unwilling to air their complaints or grievances for fear of retaliation**.**

***AB 2106 (Lieber)* – except as provided by the bill, prohibits park managers or their agents from attending mobilehome owner association meetings in the park unless invited to attend by the association. Status: Died in the Assembly.**

Homeowner Fees

Background: The Mobilehome Residency Law regulates fees that parks can charge their homeowners. Other than rent or utilities, additional fees must be for services actually rendered by the park. Unless listed in the rental agreement, newly imposed fees for such services must be preceded by a 60-day written notice to homeowners. In recent years, more and more parks have imposed the use of fees for various services in the park, separate and apart from the rent and have imposed sometimes multiple increases on existing fees. Homeowners have objected to the fact that parks are not required to give them notice of an increase in an existing park fee.

***AB 2374 (Umberg)* – requires parks to give homeowners a 60-day notice of an increase in an existing park fee, if the increase is at the sole discretion of the park. If the fee increase is controlled by a third party, such as a refuse collection company or public entity, the park need only give a 60-day notice if the park received at least a**

90-day notice from the third party, or a 30-day notice if the park received a notice from 60 to 90 days. The notice requirement does not apply to gas and electric utilities that are indirectly regulated – for master meter parks – by the CPUC. Fee increases of a $1 or less would require public posting in 3 locations in the park, not individual notice. Status: Passed by the Legislature but vetoed by the Governor.

Mobilehome Sales & Installations

Background: The state Department of Housing and Community Development (HCD) establishes and regulates standards for the installation of mobilehomes and manufactured homes on foundation systems. Federal law requires mobile or manufactured home manufacturers and dealers to provide a one-year warranty on all major components of the home, including structural, electrical, heating, plumbing, appliances, etc. The dealer sale of a mobile or manufactured home is deemed complete and the one-year warranty period begins when the installation of the home is completed and a certificate of occupancy issued by HCD or the enforcement agency. Where the buyer, rather than the dealer, arranges to have the home installed by their own contractor, installation may be delayed and the warranty period may not begin until many months after actual close of escrow.

***AB 1203 (Mullin*) – deems a sale complete upon close of escrow, meaning upon disbursement of funds, delivery of the home to the buyer, and execution of a Declaration of Delivery Sale. For mobile or manufactured homes sold by a dealer but intended to be installed by the buyer on a foundation system on their own property, the one-year warranty would expire one year after either issuance of the certificate of occupancy by the enforcement agency or 120 days from the close of escrow, whichever occurs first. The bill requires execution of the Declaration of Delivery Sale to the buyer, providing buyers with disclosure and notice of the warranty period and foundation requirements. Status: Signed by the Governor (Chapter 80).**

***AB 2842 (Garcia)* – makes non-substantive changes re: mobilehome installation permits & the Mobile-Manufactured Home Revolving Fund. Status: Died in the Assembly.**

CARE Enforcement

Background: The California Alternate Rates for Energy (CARE) 20% discount program provides assistance to low-income electric and gas residential customers, including residents of master-meter mobilehome parks. Under a master-meter system, the serving utility provides electricity or gas to the park's master-meter, and the park management controls the distribution and billing of utilities for each residential space. The utility

calculates the percentage of residents who receive the CARE discount and applies the 20% discount to this percentage of master-meter electric or gas billed to the park master meter, but it is up to the park to pass through the CARE discount or rate to their sub-metered residents. There have been numerous complaints from mobilehome park residents about administration of the CARE program. Some utilities will not accept CARE applications or renewals directly from master-meter residents, who have to rely on their park management to verify residency and turn in the paperwork to the utility. Others claim some park managers are not passing the CARE discount through to them. Complaints received by the California Public Utilities Commission (CPUC) are usually referred to the serving utility or County Sealer (Dept. of Weights & Measures). In order to determine whether a sub-meter resident is eligible for CARE, a park must have a list furnished by serving utility. In order to determine whether a park is passing through the CARE rate, the Sealer must have a list of eligible CARE residents from the utility for that park. Some utilities have allegedly been unwilling to provide parks with eligibility lists or a County Sealer with lists for enforcement purposes.

SB 1496 (Dunn) **- requires the CPUC to adopt procedures by January 1, 2008, for utilities to provide lists of CARE and medical baseline qualified residents in master-meter communities upon request to enforcement agencies, such as County Sealers, for enforcement purposes only. Status: Died in the Assembly.**

AB 2104 (Lieber**) – requires the CPUC, by December 31, 2007, to improve the CARE application process for residents of a mobilehome park, apartment building, or similar residential complex receiving electric or gas service from a master-meter customer through a sub-metered system by developing processes whereby utilities are able to directly accept CARE applications from those residents and to directly notify and provide renewal applications to those CARE residents. The bill also requires the CPUC to develop processes whereby every electrical and gas corporation is required to timely provide each master-meter facility with a list of residents approved to receive the CARE rate, or who are added to or deleted from CARE eligibility since the previous billing cycle. Status: Signed by the Governor (Chapter 738).**

Megan's Law Liability

Background: California law requires persons who are convicted of certain sex crimes to register with local law enforcement agencies as sex offenders and since 1996 (Megan's Law) have been subject to public disclosure by name and residence – via telephone or since 2004 on the Attorney General's Megan's Law website. Current law requires that every rental agreement or lease contain a notice regarding availability of the Megan's Law information from a local law enforcement agency or the AG's website. Current law

also prohibits the use of information disclosed on the Megan's Law website for discriminatory purposes, including in housing accommodations, unless used only to protect persons at risk. The ease with which this information is available on the AG's website to the public has created demands by some residents or tenants, who learn a neighbor is a registered sex offender, that their landlords evict the offender. But landlords, including mobilehome park owners, are concerned they are in a proverbial "Catch-22." Under current law they may be liable for discrimination and damages to the registered or ex-offenders if they evict them, yet liable for any foreseeable harm committed by the known resident registered sex offender to other neighboring tenants and their children.

AB 2712 (Leno) - **provides that Megan's Law does not impose a duty on landlords to use information on the Megan's Law website to make decisions about housing accommodations (eviction, etc.), that delivery to residents or tenants is the only information the landlord is required to provide regarding the proximity of the registered sex offender, and no duty is created on the landlord to other tenants or residents because the landlord rents or continues to rent to a registered sex offender. These provisions are applicable to all landlords and lessors of rental property, including mobilehome parks. Status: Passed by the Legislature but vetoed by the Governor.**

Discrimination in Housing

Background: The Fair Employment and Housing Act (FEHA) prohibits discrimination or harassment in employment or housing on the basis of race, color, religion, sex, national origin, ancestry, marital status,. The Mobilehome Residency Law (MRL) provides that membership in any private club or organization that is a condition of mobilehome park tenancy shall not be denied on the basis of race, color, religion, sex, national origin, ancestry, or marital status.

AB 2800 (Laird) **amends the MRL provision and several other housing laws to conform with the Fair Employment and Housing Act, meaning that sexual orientation, familial status, source of income or disability, as well as any future changes in FEHA provisions, would also be incorporated by reference in this section. The bill would not affect the ability of a park to limit residency to seniors under the provisions of the Federal Fair Housing Amendments Act. Status: Signed by the Governor (Chapter 578).**

Methamphetamine Clean-up in Parks

Background. The manufacture of methamphetamine has a severe impact on the environment. The production of one pound of meth releases poisonous gases into the atmosphere and creates 5 to 7 pounds of toxic waste. Many lab operators dump the toxic waste down household drains, in fields and yards, or on rural roads. AB1078 (Keene) Chapter 570, 2005 enacted the Contaminated Property Clean-Up Act of 2005, which excluded until January 1, 2008, mobilehome or manufactured housing and recreational vehicles located in mobilehome parks.

AB 2587 (Liu) **– deletes exclusion of mobilehomes, RV's, and mobilehome parks from the Methamphetamine Contaminated Property Clean-up Act of 2005, thus making its provisions in terms of responsibility for meth clean-up effective in those parks on January 1, 2007. Status: Signed by the Governor (Chapter 789).**

Non-Profit Mobilehome Parks

Background: Non-profit organizations may purchase mobilehome parks to preserve affordable housing and ensure continued affordability for low-income residents. The Department of Housing and Community Development (HCD) offers the Mobilehome Park Resident Ownership Program (MPROP) which provides loans to mobilehome park resident organizations, qualified nonprofit corporations, or local public entities to finance the park purchase and ensure affordable housing costs for lower-income park residents. MPROP requires resident participation in the ongoing operation of the park while preserving the housing stock and providing affordable housing costs. In parks owned by a qualified nonprofit corporation, at least 30% of the households in the park must be low-income. Although non-profits are required to file various financial statements or reports with state and federal government agencies, information for which is available to the public, currently they are not required to provide a "financial report" to the park residents.

AB 2294 (Garcia) **– requires biennial financial reports to residents, upon request, by non-profits that own or operate a mobilehome park. The information would include salaries, commissions, fees, and other compensation the non-profit organization or its employees receive from the gross receipts of the park; outstanding debt on the property; average monetary reserves and bank account balances; average monthly revenue generated from rents at the park; and average monthly expenditures made to operate or improve the park. Status: Died in the Senate.**

Landlord-Tenant

Background: Current landlord-tenant law (conventional residential rental property – not mobilehome park tenancies governed by the Mobilehome Residency Law) allows termination of residential tenancies with a 30-day notice. In 2002, SB 1403 (Kuehl) was signed to provide, among other requirements, that until January 1, 2006 an owner of a residential dwelling had to give at least a 60-day notice of termination, or a 30-day notice if the tenant had resided in the unit for less than a year. The bill did not affect most mobilehome owners or parks, except parks that rent out mobilehomes they own to tenants, or mobilehome owners who sublet to tenants. However, this 60-day notice provision sunsetted on January 1, 2006.

AB 1169 (Torrico) **– for conventional residential tenancies (including the types of mobilehome park tenancies described above), increases the 30-day termination of tenancy notice to 60 days for a "no-fault" eviction notice – that is, where the landlord just wants to terminate the tenancy, not where the tenant fails to pay the rent or violates a park rule, for example. Status: Signed by the Governor (Chapter 842).**

Omnibus Housing Bill

Background: Some legislative committees sponsor annual legislation that includes only technical clean-up or non-controversial changes in their policy areas.

SB 286 (Lowenthal) **– the Senate Transportation and Housing Committee Omnibus Housing Bill which includes technical and non-controversial changes in various housing laws, including changes in laws affecting mobilehome parks, such as snow load requirements under the Mobilehome Parks Act. Status: Signed by the Governor (Chapter 890).**

* List as of October 2, 2006. Does not include common interest development legislation.