

Date of Hearing: April 19, 2023

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Chris Holden, Chair
AB 318 (Addis) – As Amended March 30, 2023

Policy Committee: Housing and Community Development Vote: 6 - 2

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill extends the repeal date on the Mobilehome Residency Law Protection Act (MRLPA), which establishes the Mobilehome Residency Law Protection Program (protection program), from January 1, 2024, to January 1, 2027.

FISCAL EFFECT:

Ongoing annual costs of approximately \$1 million (Mobilehome Dispute Resolution Fund) for the continued operation of the protection program beyond the January 1, 2024 sunset date. This fund is solvent and fully self-supporting with fee revenue. Per the MRLPA, the protection program is funded through an annual registration fee on mobilehome park management of \$10 for each permitted mobilehome lot within a mobilehome park.

COMMENTS:

1) **Purpose.** According to the author:

Mobilehomes are an underserved and often unsubsidized affordable housing for hundreds of thousands of Californians. Even so, California lacks many of the protections needed to preserve this type of housing for seniors, working families, veterans, and other community members on fixed incomes. [This bill extends the sunset date on] the successful [protection program], which protects and safeguards the most vulnerable mobilehome homeowners. Doing so will enable residents to express concerns, report violations, and seek fair and reasonable protections in their communities.

2) **Background.** The Mobilehome Residency Law (MRL) regulates the relationship between landlords and homeowners who occupy a mobilehome park. In 2018, AB 3066 (Stone), Chapter 774, Statutes of 2018, created the MRLPA and established the protection program, a five-year pilot program within HCD designed to help coordinate the resolution of complaints from homeowners relating to the MRL. The program sunsets on January 1, 2024.

Under the MRLA, HCD is charged with receiving, reviewing, and referring allegations of violations of the MRL to the appropriate resources, including nonprofit legal aid attorneys contracted with the protection program. To fund the protection program, the MRLPA imposes a \$10 annual fee on mobilehome park management for each permitted mobilehome

space within a mobilehome park, for deposit into the Mobilehome Dispute Resolution Fund. The MRLPA allows park management to pass on all or a portion of the fee to the homeowners within the mobilehome park.

HCD's October 1, 2022, sunset report on the protection program shows approximately \$9.9 million in revenue collections and approximately \$3.5 million in expenditures. The report also includes data on complaints received and recommendations for statutory and administrative changes to the protection program. The Legislature has not yet considered the recommendations.

On March 22, 2023, the Joint Legislative Audit Committee (JLAC) approved an audit of the protection program, Audit Request 2023-112. The audit will take several months to complete and will likely not be available until late this year.

This bill, as introduced, would have repealed the sunset date and made the protection program permanent. However, given the recent HCD report and pending audit, the bill was amended to extend the sunset date for three years. The extension is intended to give sufficient time for the Legislature and others to properly evaluate the protection program prior to a decision to make the protection program permanent.

- 3) **Arguments in Support.** Supporters, including manufactured-home owners groups and the California Commission on Aging, believe the protection program has been successful. According to the Golden State Manufactured-home Owners League (GSMOL):

Modeled after Washington State's Manufactured Housing Dispute Resolution Program, the MRLPA was the first time California enacted legislation to protect and safeguard the most vulnerable mobilehome homeowners by affording them an additional avenue to enforce violations of the MRL. HCD's most recent data regarding the [protection program] has highlighted the continued need of the program.

- 4) **Arguments in Opposition.** The Western Manufactured Housing Communities Association (WMA) and the California Mobilehome Parkowner's Alliance (CMPA) believe the protection program has not been successful and should expire. However, because JLAC has authorized the State Auditor to review the program, WMA and CMPA consider a one-year extension of the sunset to be appropriate.
- 5) **Prior Legislation.** AB 1269 (Stone), of the 2017-2018 Legislative Session, would have established the Mobilehome Residents and Senior Protection Act within the Department of Fair Employment and Housing (recently renamed the Civil Rights Department) to resolve disputes related to the MRL. AB 1269 was vetoed by Governor Brown.

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