

SENATE JUDICIARY COMMITTEE
Senator Thomas Umberg, Chair
2025-2026 Regular Session

AB 1128 (Muratsuchi)
Version: June 10, 2026
Hearing Date: June 30, 2026
Fiscal: No
Urgency: No
ID

SUBJECT

Mobilehome parks: rent caps

DIGEST

This bill prohibits the management of a mobilehome park from increasing the gross rental rate for a mobilehome park tenancy over any 12-month period by more than three percent plus the percentage change in the cost of living, up to five percent.

EXECUTIVE SUMMARY

Mobilehome parks are an important source of affordable housing in California. Mobilehomes are pre-fabricated homes that are designed to be able to be transported and moved between locations, though transporting a mobilehome is incredibly difficult and expensive. Many mobilehome residents own their mobilehome, but lease the land upon which their home is located from a mobilehome park in which their mobilehome sits. The Mobilehome Residency Law (MRL) outlines various obligations, rights, and responsibilities between mobilehome park management and park residents. Current law prohibits, for mobilehomes located in and governed by two or more incorporated cities, the management of the mobilehome park from increasing the rental rate for a mobilehome lot by more than three percent plus the percentage change in the cost of living, up to five percent, of the lowest gross rental rate charged in the previous 12 months. AB 1128 proposes to expand this rent cap statewide, applicable to rent increases since January 5, 2026, as specified.

AB 1128 is sponsored by the Mobilehome Residents Association, and is supported by the Public Law Center. It is opposed by the Apartment Association of Southern California, the California Apartment Association, the California Mobilehome Parkowners Alliance, California Rental Housing Association, and the Western Manufactured Housing Communities Association.

PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Establishes the Mobilehome Residency Law (MRL), which regulates the rights, responsibilities, obligations, and relationships between mobilehome park management and park residents. (Civ. Code §§ 798 et seq.)
- 2) Requires mobilehome rental agreements to be in writing and to include certain information including the length of the tenancy, the rent, and the rules and regulations of the park. (Civ. Code §§ 798.15 et seq.)
- 3) Requires park management to provide a homeowner written notice of any increase in rent at least 90 days before the increase takes effect. (Civ. Code § 798.30.)
- 4) Prohibits a mobilehome park management from, over the course of any 12-month period, increasing the gross rental rate for a tenancy in the mobilehome park by more than three percent plus the percentage change in the cost of living, or five percent, whichever is lower, of the lowest gross rental rate charged in the past 12 months. (Civ. Code § 798.30.5.)
- 5) Permits, for a tenancy in which no homeowner from the prior tenancy remains in lawful possession of the mobilehome space, mobilehome park management to establish the initial rental rate for the space, unless a local agency or jurisdiction has adopted an ordinance, rule, regulation, or initiative measure that limits the allowable rental rate for a new tenancy. (Civ. Code § 798.30.5.)
- 6) Exempts from the provisions described in (4) and (5) a mobilehome space restricted by deed, regulatory restriction, or other recorded document as affordable housing, a mobilehome space constructed and maintained in connection with any higher education institution, a mobilehome space subject to any ordinance, rule, regulation, or initiative measure that restricts annual rent increases to a greater amount, and a mobilehome space within a resident-owned mobilehome park. (Civ. Code § 798.30.5(e).)
- 7) Limits the applicability of (4) through (6) to qualified mobilehome parks, defined as a mobilehome park that is located within and governed by the jurisdictions of two or more incorporated cities.
- 8) Sunsets the provisions described in (4) through (6) on January 1, 2030.

This bill:

- 1) Removes the limitation of the application of (4) through (6), above, to only those mobilehome parks located within and governed by the jurisdictions of two or more incorporated cities, thereby expanding those provisions statewide.
- 2) Specifies that the rent caps described in (4) and (5), above, apply to all rent increases of a mobilehome park occurring on or after January 5, 2026. Specifies that, for any rent increases above the permissible amount between January 5, 2026 and January 1, 2027, the applicable rent on January 1, 2027 must be the rent as of January 5, 2026, plus the maximum permissible increase. Specifies that management shall not be liable to a homeowner for any corresponding rent overpayment.
- 3) Permits the management of a mobilehome park that increased the rental rate for a tenancy on or after January 5, 2026 and before January 1, 2027 by an amount less than the maximum amount, to increase rent twice within 12 months of January 5, 2026, but to no more than the maximum rental rate increase.
- 4) Extends the sunset for these provisions from January 1, 2030, to January 1, 2036.

COMMENTS

1. Author's statement

According to the author:

AB 1128 helps preserve one of California's last remaining sources of naturally affordable housing – mobile homes. Many mobile home residents are seniors, retirees, and low-income families living on fixed incomes who face unique challenges because they own their homes but rent the land underneath them. When space rents increase beyond affordability, residents often cannot simply relocate. Many mobile homes are not easily movable, and available spaces in other parks are limited. Excessive rent increases can therefore place residents at risk of displacement, loss of home equity, and homelessness.

AB 1128 builds upon the protections established by AB 978 (Quirk-Silva, Chapter 125, Statutes of 2021) by applying a statewide cap on annual space-rent increases of three percent plus inflation, up to a maximum of five percent, whichever is lower. This bill helps keep vulnerable seniors and low-income families housed and protects one of California's most important affordable housing resources.

2. Mobilehomes are an important source of affordable housing in California

Mobilehomes represent an important source of affordable housing in California. There are an estimated 508,589 mobilehome units in California, providing housing to about 1.5 million Californians.¹ The median price of a mobilehome in 2022 was \$82,600, making mobilehome ownership one of the most significant, un-subsidized sources of affordable housing.²

Mobilehomes are pre-fabricated homes that are designed to be able to be transported and moved between locations. Because mobilehomes are transportable, they are considered personal property instead of real property like traditionally built homes, and are not tied to the land on which they sit. Thus, mobilehomes are unique among all residential options. However, while they are technically mobile, a significant amount of time, effort, and money is often required to actually move a mobilehome. Costs for moving a mobilehome range from a few thousand to tens of thousands of dollars. Mobilehomes are also unique because many mobilehome residents own their mobilehome, but lease the land upon which their home is located from a mobilehome park. In this arrangement, the mobilehome sits on a lot within a park of mobilehomes and common space. The mobilehome park and the lots on which the mobilehomes sit are usually privately owned and managed by a mobilehome park company.

Thus, while residents technically own their mobilehome, they pay rent to the park management, are subject to the rules of the mobilehome park set by the ownership of the park, and often rely on the park for the provision of utilities. If they fall behind on their rent payments to the park for their mobilehome's lot, or if they violate a rule of the park, they can be evicted from the park. Considering that they may have invested a large amount of money in a mobilehome that they can no longer live in, they could lose the equity they've accumulated in their mobilehome upon eviction by the park, either by having to sell the mobilehome quickly, or spend thousands of dollars to move their mobilehome elsewhere. These circumstances and the difficulty in moving a mobilehome often mean that mobilehome park owners hold an unequal bargaining position in relation to the mobilehome owners within their park.

In light of this and the unique nature of mobilehome parks, the Legislature passed the Mobilehome Residency Law (MRL) in 1978 to regulate the relationship between mobilehome park management and park residents, and to establish various rights, responsibilities, and limits of both groups. (Civ. Code §§ 798 et seq.) The MRL covers a variety of areas, including: permissible rental and lease contract terms; park rules and mandatory notices to residents; limits on fees and charges, as well as increases to them; and conditions and limits related to mobilehome park evictions.

¹ U.S. Census Bureau, 2021 American Community Survey 1-Year Estimates (2021), available at <https://data.census.gov/>.

² U.S. Census Bureau, Manufactured Housing Survey (Jun. 2022), available at <https://www.census.gov/data/tables/time-series/econ/mhs/annual-data.html>.

3. Rent control in mobilehome parks

Under the Costa-Hawkins Rental Housing Act of 1995 (Costa-Hawkins), the state limited the ability of local governments to enact rent control. In addition, Costa-Hawkins prohibited local governments from enacting ordinances that limited how much a landlord can increase rent for a new tenant upon a turnover of tenants, a policy known as “vacancy control.” The impact of Costa-Hawkins on rents across the state and local rent control measures has been sweeping. However, mobilehome parks were specifically exempted from Costa-Hawkins’ provisions. (Civ. Code § 1954.51.) As a result, local governments have been able to enact rent control ordinances for mobilehome parks in their jurisdictions, including rent controls that include vacancy control. As a result, about 106 cities and counties in California currently have some local ordinance providing rent control for mobilehome parks, covering a significant amount of the state’s mobilehomes.³ These local ordinances typically limit rent increases, often to just a percentage of the consumer price index, and include vacancy control provisions as well.

In 2021, the Legislature enacted AB 978 (Quirk-Silva, Ch. 125, Stats. 2021) to provide rent control protections for mobilehome parks. AB 978 capped annual rent increases for mobilehome lots at three percent the previous year’s rental rate plus inflation, to a maximum of five percent. (Civ. Code § 798.30.5.) AB 978 also permitted mobilehome parks to implement vacancy decontrol; that is, to set the initial rental rate for a mobilehome site upon a turnover of tenants. However, AB 978 was significantly amended in this Committee to only apply to mobilehome parks that are located in and governed by two or more incorporated cities. AB 978 also included a sunset of January 1, 2030.

4. AB 1128 would implement a statewide rent cap for mobilehome parks

AB 1128 proposes to expand AB 978’s rent caps statewide. It applies the rent cap to all rent increases, going back to January 1, 2026. In addition, it extends the sunset to its rent cap provisions from 2030 to January 1, 2036.

The author argues that this is necessary to protect mobilehome residents from large rent increases. Indeed, many mobilehome residents are seniors on fixed incomes and may not be able to afford large increases in their monthly rent. However, as previously mentioned, many mobilehome parks are already covered by local rent control ordinances, and these ordinances typically cap rent increases at significantly lower percentages than does this bill. They also often provide for vacancy control. Thus, while AB 1128 may help limit rent increases for some mobilehome park residents across the state, it does so less than local mobilehome rent cap ordinances do. Although it includes

³ Mobilehome Park Owners Alliance, “California Mobilehome Parks” (accessed Jun. 26, 2026) <https://mhphoa.com/ca/rso/>.

provisions that specify that it does not apply to jurisdictions with local rent control ordinances, it is possible that the bill ultimately results in local jurisdictions not passing or repealing more protective local ordinances. Moreover, AB 1128 does not include vacancy control provisions, which means that mobilehomes can simply reset the rental rates to much higher rates upon tenant turnover, and then increase rents on that tenant pursuant to AB 1128's standards.

5. Constitutional questions

The Takings Clause of the Fifth Amendment of the U.S. Constitution states that "no private property may be taken for public use, without just compensation." (U.S. Const., Amend. V.) It is applicable to the actions of state and local governments through the Fourteenth Amendment. (*Green v. Frazier* (1920) 253 U.S. 233, 238.) The purpose of the Takings Clause is to protect individuals from unjust confiscation of their property by the government, and was "designed to bar Government from forcing some people alone to bear public burdens which, in all fairness and justice, should be borne by the public as a whole." (*Armstrong v. United States* (1960) 364 U.S. 40, 49.)

Historically, a taking was considered to have occurred when the government physically took possession of or occupied one's property. When the government physically acquires private property in these ways, the Fifth Amendment requires the government to provide just compensation for that taking. (*Tahoe-Sierra Preservation Council, Inc. v. Tahoe Regional Planning Agency* (2002) 535 U.S. 302, 322.) This process, by which government takes a person's property for compensation, is called eminent domain. However, more recent caselaw on the Takings Clause developed the concept of a "regulatory" taking, in which the government restricts the owner's use of their property so much as to go too far. (*Penn. Coal Co. v. Mahon* (1922) 26 U.S. 393.) To determine whether such a restriction amounts to a taking, the Court has balanced a variety of factors, including the economic impact of the regulation, its interference with reasonable investment-based expectations, and the character of the government action. (*Penn. Central Transp. Co. v. New York City* (1978) 48 U.S. 104, 124.)

After AB 978 was enacted, a mobilehome park to which AB 978's rent cap applied challenged the state law as unconstitutional under the Takings Clause. While the mobilehome park initially won in the district court, the Fourth District Court of Appeal reversed the decision and found that, because the gross rental rate was not indefinitely frozen and the statute was not shown to be confiscatory in all or most cases by reason of the absence of a fair return adjustment mechanism, AB 978 did not violate the Takings Clause of the U.S. Constitution. (*Anaheim Mobile Estates LLC v. State of California* (2025) 113 Cal. App. 5th 602.)

6. Arguments in support

According to the Mobilehome Resident Coalition, which is the sponsor of AB 1128:

As introduced in June 2026, AB 1128 takes a necessary step forward by expanding rent cap protections to all California manufactured/mobile home communities unless they already have local rent control protections that offer more favorable rent increase caps. The bill also exempts mobilehome resident-owned communities because they set their own rents.

Many of our members are seniors on fixed incomes, veterans, people with disabilities, and working families who cannot afford the steep, arbitrary rent increases imposed by corporate park owners. By capping annual gross rental rate increases to the lower of 5% or 3% plus the percentage change in the cost of living, AB 1128 provides the housing stability necessary to prevent displacement and homelessness.

7. Arguments in opposition

According to the California Association of Realtors and a number of other groups that oppose AB 1128:

AB 1128 fails to align with the rent-increase caps for apartments as determined by AB 1482 (Chiu), which allows annual increases of 5% plus an inflation adjustment of up to 10%. Without explanation, AB 1128 imposes a far lower cap of 3% plus an inflation adjustment of only up to 5%, unfairly discriminating against all mobilehome parks in the state. Mobilehome parks are a critical part of California's rental housing inventory and deserve equal treatment, particularly as rising operating costs often exceed standard inflationary adjustments.

Unlike traditional homes, whose value is tied to land, mobilehomes are depreciating assets that lose value over time and eventually require replacement. Rent caps, while intended to protect residents, can perversely increase the sale prices of the homes themselves. In non-rent-controlled areas, identical mobilehomes often sell for roughly \$100,000, while in rent-controlled parks, prices can exceed \$400,000. This distortion disproportionately harms low- and moderate-income families who must pay inflated prices or secure loans above the home's actual value, reducing overall affordability. Overly restrictive caps lock both buyers and sellers into an unsustainable system, discouraging investment in maintenance and improvements, and ultimately making housing less attainable for those who need it most.

We, the signers of this letter, recognize the need to address rising costs, but rent control is a convenient band-aid over deeper structural issues. Mobilehome park rents are driven by real factors such as skyrocketing insurance costs, litigation over

unforeseen service disruptions, rising labor expenses, and higher property taxes. Imposing a 3% to 5% cap without any mechanism to account for capital improvements or essential expenditures and a reasonable rate of return, proper consideration of prior Executive Orders and local ordinances imposing rent freezes during emergencies, or parks operating with long term lease agreements with limited rent increases places owners under financial stress and threatens the long-term viability of these communities. Simply put, without procedural safeguards, AB 1543 punishes investment, imperils housing quality, and undermines the very affordability it claims to protect.

SUPPORT

Mobilehome Residents Association (sponsor)
Public Law Center

OPPOSITION

Apartment Association of Greater Los Angeles
California Association of Realtors
California Mobilehome Parkowners Alliance
California Rental Housing Association
Western Manufactured Housing Communities Association

RELATED LEGISLATION

Pending Legislation: AB 1543 (Quirk-Silva, 2025) is substantially similar to this bill, and implements a three percent cap, plus the change in the cost of living, up to five percent, on annual rent increases for mobilehomes. AB 1543 is currently pending before the Assembly Committee on Housing and Community Development.

Prior Legislation:

AB 2778 (Muratsuchi, 2024) would have capped mobilehome park rent increases to three percent of the previous year's rent, plus the percentage change in the cost of living, up to five percent. AB 2778 died in the Assembly Committee on Housing and Community Development.

AB 1035 (Muratsuchi, 2023) would have capped mobilehome park rents to three percent of the previous year's rent, plus the percentage change in the cost of living, as specified. AB 1035 died in the Assembly Committee on Housing and Community Development.

AB 978 (Quirk-Silva, Ch. 125, Stats. 2021) *See Comment 3.*

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AB 2895 (Quirk-Silva, 2020) would have capped mobilehome park rent increases to five percent plus the percentage change in the cost of living, up to ten percent. AB 2895 died in this Committee.

PRIOR VOTES:

Assembly Floor (Ayes 79, Noes 0)

Assembly Appropriations Committee (Ayes 14, Noes 0)

Assembly Education Committee (Ayes 9, Noes 0)
