ASSEMBLY THIRD READING
AB 2238 (Blanca Rubio)
As Amended April 29, 2026
Majority vote

SUMMARY

Subjects an attorney who files a "failure to maintain" lawsuit that is meritless, as described, under the Mobilehome Residency Law (MRL) to liability for the park owner's attorney's fees and costs and other possible sanctions.

Major Provisions

1) Provides that if an action is filed alleging park management failed to maintain physical improvements in the common facilities in good working order or condition or alleged service regarding a physical improvement that is not actually present nor provided by, or under the control of, park management, then the management may move for an immediate dismissal of the claim with prejudice.

2) Provides that if the court grants the motion to dismiss pursuant to 1) above, management may petition the court and the court shall award the management, to be paid by the attorney filing the action and not the homeowner, the following:

   a) All reasonable attorney fees and costs.

   b) A civil penalty of $5,000 per dismissed claim.

   c) Any other sanctions the court deems appropriate.

COMMENTS

Background. According to most estimates, nearly one million people live in one of California's approximately 5,000 mobilehome parks. As such, mobilehome parks provide a critical source of affordable housing in the state. The Mobilehome Residency Law (MRL) regulates the relationship between mobilehome park owners and their residents, who typically own their mobile home but rent a space within the park. Similar to the Civil Code provisions that regulate the relationship between landlord and tenant, the MRL outlines the various rights and responsibilities of the park owners and residents, including notice requirements and the respective rights and duties of residents and park owners or management.

Rental agreements and failure to maintain the property. The MRL requires that every rental agreement contain a provision that makes management responsible for maintaining the property and common facilities in good working order and condition. These provisions specify that, with respect to a sudden or unforeseeable breakdown or deterioration, management shall have a reasonable period of time to make needed repairs. The law defines "a reasonable period of time" to mean as soon as possible in situations affecting a health or safety condition and not more than 30 days in any other case, except where exigent circumstances justify a delay. (Civil Code Section 798.15(d).)

"Failure-to-Maintain" (FTM) Lawsuits. If the problem is not resolved, the residents have the right under MRL to bring a "failure-to-maintain" (FTM) lawsuit against management for failing

to meet their contractual duty and denying residents of the full benefit of the bargain. However, Civil Code Section 798.84 prohibits a resident from filing an FTM lawsuit unless they have first presented management with notice of intent 30 days before commencing the action. Existing law requires this notice to be in writing and signed by the homeowner or homeowners making the allegations. The notice must notify the management of the basis of the claim, the specific allegations, and the remedies requested. Existing law expressly states that notice by one homeowner shall be deemed sufficient notice of the allegations.

According to the author and sponsors, some attorneys have been abusing the FTM process by providing residents with standard form letters that residents use to provide park management with the required 30-day notice of intent to commence an FTM action in court. Not only do these complaints raise "frivolous" demands, the author and sponsors contend, they sometimes allege failure to maintain facilities that do not exist (e.g. claiming failure to maintain a pool when there is no pool) or to maintain services that the park does not control (e.g. complaints about water quality when water is provided by a local government, not by the park).

This bill, therefore, seeks to forestall such frivolous suits by penalizing the attorney that brings them. Specifically, this bill would allow a park owner or manager to seek, and the court to grant, a motion to dismiss if the complaint alleges failure to maintain nonexistent facilities, or for services not provided by or under the control of the park owner or manager. If the court grants the motion to dismiss, the attorney filing the action may be liable for the park's reasonable attorney fees and costs, a civil penalty of $5,000, or any other sanctions the court deems appropriate.

According to the Author

> Manufactured housing communities currently house nearly a million people in California with over 4,500 parks and 363,000 spaces. Homeowners in these communities own their own homes and rent the spaces on which they are located, and their rent pays for streets, roads, park infrastructure, common area facilities that often include clubhouses, pools, workout facilities and small yards to plant gardens or simply provide open spaces to enjoy. These communities provide attainable housing options that are not multi-family apartment complexes or condominium developments with shared walls or ceilings that serve as the floor of units above them.
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> The recent increase in Failure to Maintain lawsuits is forcing park operators across the state to raise rents or cut back on amenities to pay for triple digit insurance premium increases resulting from insurance settlements generated by lawsuits filed by a few boutique law firms making threats of a multi-million-dollar lawsuits. AB 2238 still allows FTM lawsuits to be filed, and all it does is give park operators an opportunity to fix issues brought to their attention in a timely manner. The ultimate goal of AB 2238 is to keep housing affordable and residents in manufactured housing communities safe by discouraging frivolous and predatory lawsuits intended to simply secure huge insurance settlements.

Arguments in Support

The Western Manufactured Housing Communities Association (WMA), the sponsor, writes in support of the bill:

> A few boutique law firms around the state have discovered that they can find one resident in a park who is willing to send a notice to the park operator alleging the park

has failed to maintain the park's common areas or other park-owned property and inform the operator of an intent to file an FTM lawsuit. The allegations are often non-specific, nor do they identify other park residents seeking redress. Once a notice to file a lawsuit under Civil Code Section 798.84 is received, park operators inform their insurance company and the companies usually reach a significant financial settlement with the filer of the lawsuit, which normally includes very high fees for the law firm. As you know, insurance carriers would rather settle than go to court, even if a park operator knows there are no credible violations — essentially tying the hands of the operator from even contesting the allegations. These settlements mean there is no guilty verdict or plea against an operator

Unfortunately, these lawsuits have become so profitable for the law firms specializing in them that they have even created form letters instructing residents on how to file an FTM notice with an owner. These forms include lists of problems that a resident can cite as a reason for an FTM suit. In one case recently filed in Stockton, California, a resident alleged the park had cracked sidewalks and a poorly maintained hot tub. The allegation also stated that the electricity in the park was unreliable. What the allegation failed to mention was that the park did NOT have sidewalks. It did NOT have a hot tub. Residents received their electricity directly from the electric company, and the park did NOT operate the electric system in the park.

Arguments in Opposition
The Golden State Manufactured Home Owners League (GSMOL), which represents park residents, opposes *the bill as introduced*. It is uncertain whether GSMOL will oppose the bill as amended. Writing of the bill *as introduced*, however, GSMOL argued:

[This bill], "under the guise of procedural fairness, would effectively strip mobilehome residents of their most fundamental legal remedy – the right to hold park management accountable for failing to maintain the common facilities in which we live."

Civil Code Section 798.15(d) mandates that every mobilehome park rental agreement contain a provision affirming the responsibility of management to provide and maintain physical improvements in the common facilities in good working order and condition. This same section grants management an explicit right to cure where a sudden or unforeseeable breakdown occurs, and management is afforded a reasonable period of time to repair and restore the improvements after it knows or should have known of the deterioration.

Furthermore, Civil Code Section 798.84 already requires a homeowner to provide management with at least 30 days' written notice of the intention to commence a legal action for failure to maintain common facilities or for a reduction of services. That notice must be in writing, must identify the specific allegations, and must state the remedies requested. This 30-day pre-litigation notice period is, by its very nature, an additional statutory right to cure**.** It gives management a full month to address the problem and avoid litigation entirely.

AB 2238 would not strengthen the law but rather would weaponize procedure against mobilehome residents. The bill layers a new pre-notice requirement on top of the existing 30-day notice, requiring residents to first submit a written repair request and then wait for a response before they may even begin the clock on the existing 30-day

notice. Meanwhile the violations would continue**.** This creates a multilayered process that management can exploit simply by remaining silent or providing an incomplete response, indefinitely deferring the point at which a resident may seek legal redress.

The bill would also eliminate the longstanding provision that a notice signed by one homeowner constitutes sufficient notice on behalf of all homeowners in the park. In its place, AB 2238 would require that each homeowner sign the notice individually. This change is harmful in the context of parkwide failures – a broken water system, a deteriorating road, a non-functioning security gate – where the harm is collective but the burden of organizing every affected resident to sign a document is manipulating the process in favor of park management.

Finally, the bill would authorize management to hire a licensed contractor within 30 days of receiving the notice, allow that contractor 30 additional days to prepare a report, and then grant management another 30 days to complete the repairs. This creates a potential 90-day window — on top of the pre-notice period — during which residents have no legal recourse while management proceeds at its own pace. Under current law, a resident who has waited 30 days without a cure may file suit. Under AB 2238, that same resident could be forced to wait three months or more, while living in substandard conditions.

FISCAL COMMENTS

None

VOTES

ASM JUDICIARY: 12-0-0
YES: Kalra, Bauer-Kahan, Bryan, Connolly, Dixon, Harabedian, Johnson, Pacheco, Papan, Sanchez, Lee, Zbur

UPDATED

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CONSULTANT: Tom Clark / JUD. / (916) 319-2334 FN: 0002431