

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

AB 754 (Connolly)
Version: June 12, 2025
Hearing Date: July 15, 2025
Fiscal: Yes
Urgency: No
ID

SUBJECT

Floating home marinas: rent caps: County of Marin

DIGEST

This bill limits increases, for floating home marinas in Marin county, in the gross rental rate for floating home berths within the marina to the percent change in the cost of living, not to exceed 7.5 percent, as specified, and permits a floating home owner to set an initial rental rate on a floating home berth upon the in-place transfer of the floating home, as specified.

EXECUTIVE SUMMARY

A floating home is a floating, stationary, and waterborne residential dwelling that has no mode of power of its own, depends on a continuous utility linkage to an onshore source, and that has a permanent continuous hookup to an onshore sewage system. Floating homes are a unique form of housing, as they must reside in a berth in a marina, and are reliant on the marina for utilities and sewage disposal. Floating home owners typically own the floating home, but pay rent to the marina to have their home docked in its floating home berth and be connected to utilities and sewage. Because floating homes are not easily moved, and vacant berths are uncommon, floating home owners often have a difficult time relocating when they have an issue with the marina or the rent being charged for their berth. In 2022, the Legislature passed AB 252 (Mia Bonta, Ch. 633, Stats. 2022) to enact rent caps and limits on increasing rent when a floating home owner sells their home and the home will remain in the marina. The provisions of AB 252 applied only to floating home marinas in Alameda, Contra Costa, and Marin counties.

AB 754 aims to adjust the rent cap limitation and the limitation on resetting rents upon a transfer in ownership of the floating home (vacancy control) only for floating home marinas in Marin county. AB 754 is sponsored by the Marin County Board of Supervisors, and is supported by multiple Marin floating home marinas, the Floating

Homes Association, the harbormaster of Yellow Ferry Harbor, and Commodore Marina and Seaplane investment. The Committee has received no timely letters of opposition.

PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Prohibits management of a floating home marina from increasing, over any 12-month period, the gross rental rate for a tenancy for a floating home berth in a floating home marina 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 changed for a tenancy at any time during the 12 months prior to the effective date of the increase. Prohibits the gross rental rate for a homeowner who maintains a tenancy over any 12-month period from being increased in more than two increments over the 12-month period. (Civ. Code § 800.40.5.)
- 2) Specifies that, for a new tenancy in a floating home marina berth in which no homeowner from the prior tenancy remains in lawful possession of the floating home berth, management may establish the initial rental rate, but that, if the applicable local agency or jurisdiction has adopted an ordinance, rule, regulation, or initiative measure that limits the allowable rental rate for a new tenancy, the ordinance, rule, regulation, or initiative measure shall apply. Specifies that the rent cap described in (1) applies to subsequent increases after the initial rental rate has been established. (Civ. Code § 800.40.5(b).)
- 3) Requires management of a floating home marina to provide a notice of any rental rate increase to each homeowner in the marina, as specified. (Civ. Code § 800.40.)
- 4) Specifies that the above provisions apply to all rent increases occurring on or after January 1, 2022, with the bill becoming operative January 1, 2023. Specifies that, if management has increased the rent by more than the amount permissible under (1) between January 1, 2022 and January 1, 2023, the rent on January 1, 2023 must be the rent as of January 1, 2022, plus the maximum permissible increase under (1), and that management shall not be liable to a homeowner for any corresponding rent overpayment. (Civ. Code § 800.40.5(e).)
- 5) Specifies that a waiver of the rights described in the above sections is void as contrary to public policy. (Civ. Code § 800.40.5(f).)
- 6) Specifies that the above-described provisions do not apply to a tenancy for any of the following:
 - a) a floating home berth restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for person and families of very low, low, or

moderate income, as defined, or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income, as defined;

- b) A floating home berth subject to any ordinance, rule, regulation, or initiative measure that restricts annual increases in the rental rate to an amount less than that provided in (1). (Civ. Code § 800.40.1(d).)
- 7) Specifies that the above-described provisions only apply to floating home marinas located in Alameda, Contra Costa, and Marin Counties. (Civ. Code § 800.40.5(i).)
- 8) Specifies that nothing in the above-described provisions affects the authority of a local government to adopt or maintain an ordinance, rule, regulation, or initiative measure that establishes a maximum amount that may be charged for rent or the rental rate for a new tenancy, including any ordinance, rule, regulation, or initiative measure adopted before the effective date of the above-described provisions. Specifies that, if a local ordinance, rule, regulation, or initiative measure allows for the rental rate for a new tenancy or a rental rate increase greater than that provided by (1), the above-described provisions shall apply. (Civ. Code § 800.40.5(h).)
- 9) Defines, for the purposes of the above-described provisions, the following terms:
- a) “percentage change in the cost of living” to mean the percentage change in the applicable Consumer Price Index for all Urban Consumers for All Items, and computed as specified;
 - b) “Consumer Price Index for All Urban Consumers for All Items” to mean the CPI-U for the San Francisco-Oakland-Hayward metropolitan area, or any successor metropolitan area index;
 - c) “in place transfer” to mean the sale of a floating home where the floating home is transferred by a homeowner to a subsequent homeowner and remains docked at the same berth. (Civ. Code § 800.40.5(g).)
- 10) Repeals the above-described provisions on January 1, 2030. (Civ. Code § 800.40.5(j).)
- 11) Requires management of a floating home marina to give a floating home owner written notice of any increase in their rent at least 30 days before the date of the increase, and to include in this notice the reason for the increase, including the basis for any calculation used to determine the amount of the increase. (Civ. Code § 800.40.)
- 12) Prohibits a floating home owner from being charged by a floating home marina a fee for other than rent, utilities, and incidental reasonable charges for services actually rendered, and prohibits a floating home owner from being charged a fee for obtaining a rental agreement on a floating home berth for either a term of 12 months or a lesser period as mutually agreed upon by both the homeowner and marina management. Permits a fee to be charged for a rental agreement of more than one

year if the fee is mutually agreed upon by both the homeowner and management.
(Civ. Code § 800.41.)

This bill:

- 1) Prohibits floating home marina management from increasing over any 12-month period the gross rental rate for a tenancy in a floating home berth by more than the percent change in the cost of living, and specifies that, if the gross rental rate is increased, the increase must be a minimum of three percent and a maximum of 7.5 percent.
- 2) Specifies that, if the annual percent change in the cost of living exceeds five percent, only half of the percent change in the cost of living beyond five percent may be used to increase the rental rate beyond five percent, up to the 7.5 percent maximum increase.
- 3) Specifies that, if floating home marina management has increased, between July 1, 2025 and January 1, 2026, the rent by more than the amount permissible under (1) and (2), above, the applicable rent on January 1, 2026 must be rent charged on July 1, 2025, plus the maximum permissible increase under (1) and (2).
- 4) Specifies that, for the purposes of the limitation for rent increases between July 1, 2025 and January 1, 2026, management may not be held liable to a homeowner for any corresponding rent overpayment.
- 5) Requires the floating home marina management to provide a notice of any rental rate increase to the floating home owner at least 30 days before the increase, pursuant to existing law.
- 6) Permits floating home marina management, in the event that ownership of a floating home is transferred and the floating home will remain in the marina, and the home was subject to an existing 10-year or longer lease, or that was offered a lease with a 10 year or longer lease term between two years and six months before the home sale, to establish an initial rental rate for the prospective homeowner that:
 - a) does not exceed the lesser of either a 25 percent increase of the previous rental rate, or fifteen-hundredths of one percent of the sale price.
- 7) Specifies that, if the formula in (6) results in a new initial rental rate that is less than a three percent increase over the previous rental rate, the new initial rental rate may not exceed the previous rental rate plus the percent change in the cost of living, at a minimum increase of three percent and a maximum increase of five percent.
- 8) Requires the final sale price of the floating home, for the purposes of (6) and (7), to be certified and substantiated in writing by the buyer under penalty of perjury.

- 9) Requires lease terms offered after an in-place transfer to be at least 10 years.
- 10) Specifies that, in the event that a floating home sold pursuant to (6) is sold again within five years, the new total monthly initial rental rate may not exceed the lesser of either a 15 percent increase over the prior rent, or fifteen-hundredths of one percent of the sale price of the home.
- 11) Applies the provisions in (6) through (10) to all in-place transfers occurring between July 1, 2025 and July 1, 2026, regardless of whether the floating home was subject to an existing lease with a 10-year or longer lease term, or was offered a lease with a 10-year term or longer between two years and six months prior to the sale.
- 12) Exempts its provisions from:
 - a) A floating home berth restricted by deed, regulatory restriction, or other recorded document as affordable housing for low-income individuals;
 - b) A floating home berth subject to an ordinance, rule, regulation, or initiative measure that allows annual increases in the rental rate up to an amount less than that provided.
- 13) Specifies that a waiver of the rights described above is void as contrary to public policy.
- 14) Specifies that nothing in these provisions affects the authority of local government to adopt or maintain an ordinance, rule, regulation, or initiative measure that establishes a maximum amount that may be charged for rent or rental rate for a new tenancy, as specified. However, specifies that, if a local ordinance, rule, regulation, or initiative measure allows for the rental rate for a new tenancy or rental rate increase greater than permitted under (6), these provisions apply.
- 15) Specifies that nothing in the section is intended to express any policy regarding the appropriate, allowable rental rate increase limitations imposed by ordinance, rule, regulation, or initiative measure regulating rent increases adopted before or after the effective date.
- 16) Specifies that the above-described provisions only apply to floating home marinas in Marin County, and that these provisions are repealed on January 1, 2038.
- 17) Specifies, for floating home marinas in Marin county:
 - a) Fees for utilities and incidental reasonable charges for services actually rendered to a floating home owner must reflect actual costs, and that the marina owner must demonstrate for all fees that the service was, or is, currently being rendered;
 - b) That a marina owner may not charge a homeowner a fee for enforcement of a marina's rules and regulations.

- c) That these provisions are repealed on January 1, 2038.

COMMENTS

1. Author's statement

According to the author:

AB 754 is the result of over two years of collaborative negotiations with both floating home residents and marina owners in Marin County. The thoughtful changes reflected in this bill are supported by both residents and marina owners and will resolve issues related to rental rates and home sales. Most importantly, AB 754 will allow floating home marinas to effectively finance infrastructure improvements to respond to climate change conditions like sea level rise and flooding.

2. Floating home marinas

A floating home is a floating, stationary, and waterborne residential dwelling that has no mode of power of its own, depends on a continuous utility linkage to an onshore source, and that has a permanent continuous hookup to an onshore sewage system. (Health & Saf. Code § 18075.55.) Floating homes are typically not easy to move, and need to float in a floating home berth within a marina in order to have hook ups for utilities and sewage. Nevertheless, they have long been a colorful presence in the Bay Area. There are an estimated 425 floating homes in Marin County, on the northern edge of the Bay Area, and a smaller number of floating homes in Alameda and Contra Costa Counties, on the eastern edge of the Bay Area, and in other parts across the Bay. Many of the Bay Area's floating home marinas grew after the end of World War II due to their proximity to military shipyards, and slowly became a community for artists, musicians, and many others in the decades since.¹

Floating homes are a unique form of housing, as they must reside in a berth in a marina, and are reliant on the marina for utilities and sewage disposal. Like mobilehomes within a mobilehome park, floating home owners typically own the floating home, but pay rent to the marina to have their home docked in its floating home berth and be connected to utilities and sewage. Because floating homes are not easily moved, and vacant berths are uncommon, floating home owners often have a difficult time relocating when they have an issue with the marina or the rent being charged for their berth. This can place floating home owners in a vulnerable position with regard to the floating home marina, creating a power imbalance between the two parties. If, for

¹ Jennifer Massoni Pardini, "Designer docks and rock-solid community among the floating homes of Sausalito," Nob Hill Gazette (Jul. 24, 2024)

https://www.nobhillgazette.com/style_and_design/interior_design/designer-docks-among-the-floating-homes-of-sausalito/article_3bdf5504-42d5-11ef-beee-17c2fbba2b0b.html.

example, the marina raises the rent more than the floating home owner can afford, the owner has little recourse, outside of selling their home altogether.

Recognizing this, floating home marinas are regulated by the state through the Floating Home Residency Law (FHRL), much in the same way that mobilehome parks are regulated. (Civ. Code §§ 800 et seq.) The FHRL regulates the relationship between floating home owners and marinas, including regarding the requirements and content of lease agreements for floating home berths, the rules of the marina, the permissible fees and rent that a marina may charge, the termination of a floating home tenancy in the marina, and the sale of floating homes in a marina or of the marina itself. The marina may not require a floating home that is sold during the owner's rental agreement to be removed from the marina, but because any new floating home owner is also a tenant within the marina, the marina may require that they approve any new purchaser of a floating home that will remain within the marina. (Civ. Code §§ 800.84; 800.85.) A floating home marina also may only terminate a floating home owner's tenancy in the marina for: a failure of the owner or resident to comply with a local ordinance or state law relating to floating homes after notice of noncompliance; conduct by the owner or resident that constitutes an annoyance to other floating home owners or residents; failure of the owner or resident to comply with a reasonable rule or regulation of the marina; non-payment of rent, utility charges, or reasonable incidental service charges, after being given notice and a five-day period to pay; condemnation of the floating home marina; or a change of use of the marina. (Civ. Code § 800.71.)

3. AB 252 and limitations on rent increases for floating home berths

In 2022, the Legislature passed AB 252 (Mia Bonta, Ch. 633, Stats. 2022) to regulate permissible rent increases by floating home marinas. AB 252 aimed to cap excessive rent increases in floating home marinas, and came about after floating home owners saw their rents increase considerably in some marinas. In one example, a marina in Alameda that had recently been sold to new owners increased one floating home owner's rent from \$625 to \$1,025 a month.² AB 252 capped rent increases in floating home marinas in Alameda, Contra Costa, and Marin counties at the lesser of three percent plus the percent increase in the cost of living, or five percent. (Civ. Code § 800.40.5.) It included some retroactive effect to help cover those floating home owners whose rent was raised during the period between the passage of the bill and when it went into effect.

AB 252 also partially instituted what is called "vacancy control," which specified that the marina can only charge a new owner of a floating home that is remaining within the marina what the marina was charging the previous owner, plus the cost of living-tied caps specified in the bill. (Civ. Code § 800.40.5(b)(2).) If the floating home berth became

² Rachel Swan, "Bay Area 'floating home' dwellers got rent control passed. Their landlord says many don't need it," San Francisco Chronicle (Dec. 9, 2022)

<https://www.sfchronicle.com/bayarea/article/floating-homes-rent-control-17638590.php>.

completely vacant, as in, the floating home was moved out of the berth, AB 252 allowed the marina to set the rent for any new floating home owner who comes to occupy the berth at any amount they wished. However, since floating homes are difficult to move and few vacant berths exist, this provision is likely hardly used. The inclusion of these vacancy control provisions was seen as essential to proponents of AB 252 because the sale price a floating home owner may be able to obtain for their floating home is directly tied to how much rent a potential buyer would have to pay the marina.

4. AB 754 adjusts the AB 252 limitations for Marin County

According to the author, there have been numerous adverse consequences as a result of AB 252 for floating home marinas and floating home owners in Marin. These consequences are a result, according to the author, of the unique nature of floating home marina arrangements in Marin. Marin marinas operate on a different model than those in other areas of the Bay Area, as most of Marin's floating homes are on long-term leases of 10 years or more that already limited rent increases to the percentage change in the cost of living. This arrangement already provided many floating home owners in Marin with stability and certainty, while allowing the Marin marinas to increase base rents when an owner sold their floating home.

According to the author, AB 252 thus locked Marin marina owners into rents set decades ago, since it enacted vacancy control and limited marinas' ability to reset rents when a floating home is sold. These increases, according to the author, helped Marin marinas receive some income they lost by having low rent increases and long-term leases, allowing for the financing of necessary capital improvements. AB 252 resulted in many Marin marinas switching their leases to shorter-term leases, and charging new ancillary fees to recoup the income the marinas would have received without vacancy control. It also, according to the author, resulted in higher rent increases for Marin floating home owners, since the permissible rent increases under AB 252 were higher than the limits on rent increases typically found in Marin floating home marina leases.

AB 754 attempts to provide a solution for Marin floating home marinas by changing the limits placed by AB 252. AB 754 prohibits marina management from increasing the gross rental rate over any 12-month period by more than the percentage change in the cost of living. If the rent is to be increased pursuant to the change in the cost of living, it may not be by less than three percent or more than 7.5 percent. AB 754 specifies that, if the annual percent change in the cost of living exceeds five percent, only half of any percent increase beyond five percent may be charged, up to the 7.5 percent maximum. AB 754 includes limited retroactive provisions that work similar to those in AB 252. They specify that, if the marina increases rent by more than what would be allowed under AB 754 between July 1, 2025 and January 1, 2026, the rent applicable on January 1, 2026 will reset to what the rent was on July 1, 2025, plus any permissible change in the cost of living. To make this retroactivity workable, AB 754 shields marina management from liability for any overpayment during that period.

AB 754 also changes the vacancy control provisions of AB 252. It specifies that, when a floating home that will remain in the marina is sold after January 1, 2026, and the floating home is subject to a 10-year or longer lease or was offered such a lease anytime between two years and six months before the sale, the new rental rate may only be increased by a specified formula. This formula allows for increases not to exceed the lesser of a 25 percent increase of the previous rental, or 0.15 percent of the sale price of the floating home. If this formula results in a new initial rental rate that is less than a three percent increase over the previous rental rate, AB 754 permits the rent increase to be the previous rental rate plus the percentage change in the cost of living of a minimum of three percent and a maximum of five percent. These limits would apply to any in-place sale that occurs between July 1, 2025 and July 1, 2026. AB 754 exempts from its requirements floating home berths that are subject to certain affordability restrictions.

Lastly, AB 754 places some limits on other fees that a floating home marina in Marin may charge. These limits require fees for utilities and incidental reasonable charges to reflect the actual costs of services actually rendered. It also prohibits a floating home marina owner from charging a floating home owner a fee for enforcement of a marina's rules and regulations.

Through these changes, AB 754 imposes potentially more restrictive rent increase limits as were imposed by AB 252, but weakens the vacancy control provisions. It also requires that new leases for an in-place transfer be for at least 10 years. These changes provide a give-and-take on the reforms enacted by AB 252. They help keep much of the low rent increases that Marin floating home owners enjoyed before AB 252 went into effect, along with the historical 10-year or longer leases, but also provide a marina more flexibility in increasing the base rent when a floating home owner sells their home. Importantly, AB 754 only applies to Marin county; the regime enacted under AB 252 will remain untouched for floating home marinas in Alameda and Contra Costa counties.

5. Arguments in support

According to the Marin County Board of Supervisors, who are the sponsors of AB 754:

AB 252 (Bonta, 2022) was enacted in response to significant berth rental rate hikes in Alameda County, but its one-size-fits-all provisions created unique challenges in Marin, where the vast majority of the Bay Area's floating homes are located. Marin County has 425 floating homes, compared with 42 in Alameda County and 11 in Contra Costa County.

In Marin, long-standing CPI-only lease structures and periodic rent realignments (pre-AB 252) tied to home sales had historically been in place to balance long-time homeowner rent stability with the infrastructure needs faced by marina

operators amidst sea level rise and flooding events. AB 252 unintentionally changed the landscape in Marin. The 2022 law's uniform rent cap of CPI plus 3% — up to 5% — often exceeded the lower CPI-based increases many Marin residents had experienced under existing long-term leases. At the same time, the prohibition on berth rent adjustments when homes changed hands (vacancy control) undermined marina owners' ability to fund essential capital improvements such as raising parking lots, and dock and utility upgrades. In response to AB 252, some marinas shifted from 10- or 20-year leases to 1-year terms and introduced new fees to recoup lost revenue.

In response to changes after AB 252, the FHA formed a Legislative Action Committee (LAC) composed of homeowners from all of Marin's floating home marinas. The LAC met regularly — often weekly — to explore Marin-tailored refinements to the existing state law.

At the same time, Marin's marina owners — all of whom were not aware of AB 252 before its passage — also reached out to County and state officials to share their perspectives. They expressed their concern being left out of the AB 252 process and emphasized the challenges the new restrictions posed to long-term planning and needed capital improvements. County officials have been engaging deeply with both groups over this time to understand AB 252's impacts in Marin and help facilitate a constructive path forward.

Recognizing their shared interest in the long-term viability of Marin's floating home communities, the LAC and Marin's marina owners came together in late 2024 for a series of direct, good-faith negotiations. Those efforts produced the balanced compromise now reflected in AB 754, which changes state law only for floating homes in the County of Marin.

The bill:

- Restores Balance in Annual Rent Caps: Replaces AB 252's fixed 5% cap with a CPI-based formula (3% floor, 7.5% ceiling). Any CPI increase above 5% is halved to reduce volatility.
- Allows Limited Vacancy Decontrol: Permits marina owners to adjust rent at the time of sale if the outgoing tenant had — or was offered — a 10+ year lease, and the new tenant is offered one as well. Increases on an "in-place transfer" are capped at the lower of 25% above the prior rent or 0.15% of the home's sale price. A lower 15% cap applies to homes resold within five years.
- Defines Allowed Fees: Requires that fees for utilities and services reflect actual costs and prohibits administrative enforcement charges.
- Extends Sunset Date: Replaces the 2030 sunset in AB 252 with a new expiration of January 1, 2038, providing significantly longer-term stability.
- Ensures a Smooth Transition: Applies to rent increases and lease turnovers occurring on or after July 1, 2025. Homes sold before January 1, 2026, may

remain under AB 252 terms, but marina owners are authorized to offer revised 10+ year leases starting in 2026 under AB 754's new rental rate limits.

Following the agreement reached between the LAC and marina owners, the LAC led a comprehensive outreach effort. [...] The results were overwhelmingly supportive: more than 400 floating home residents participated (a 67% response rate) and 93% voted in favor of the proposal. On the marina owner side, all of Marin's floating home marinas supported the provisions in the final agreement.

SUPPORT

Chris Tellis, Harbormaster, Yellow Ferry Harbor
Commodore Marina & Seaplane Investment
County of Marin
Floating Homes Association
Kappas Marina
Waldo Point Harbor

OPPOSITION

None received

RELATED LEGISLATION

Pending Legislation: None known.

Prior Legislation:

AB 252 (Mia Bonta, Ch. 633, Stats. 2022) prohibited a floating home marina from increasing rent on a floating home berth by more than three percent plus the change in the cost of living, or five percent, whichever is lower, in any 12-month period. AB 252 also placed "vacancy control" on applicable floating home berths, limiting the amount that the marina may increase rent when the floating home owner sells their home. AB 252 only applied to floating home marinas in Alameda, Contra Costa, and Marin counties.

AB 1482 (Chiu, Ch. 597, Stats. 2019) placed an upper limit on annual rent increases in residential real property to five percent plus inflation, up to a hard cap of 10 percent. To prevent landlords from engaging in rent-gouging by evicting tenants, the bill also required that a landlord have and state a just cause, as specified, in order to evict tenants who have occupied the premises for more than 12 months. Both the rent cap and the just cause provisions are subject to exemptions including, among others: housing built in the past 15 years and single family residences unless owned by a real

estate trust or a corporation. AB 1482 sunsets after ten years and does not preempt any local rent control ordinances.

AB 3139 (Filante, Ch. 1505, Stats. 1990) established the Floating Home Residency Law.

PRIOR VOTES:

This bill was amended on June 12, 2025 to completely change the bill's provisions, and therefore any prior votes are irrelevant.
