
THIRD READING

Bill No: AB 754
Author: Connolly (D)
Amended: 6/12/25 in Senate
Vote: 21

SENATE JUDICIARY COMMITTEE: 13-0, 7/15/25

AYES: Umberg, Niello, Allen, Arreguín, Ashby, Caballero, Durazo, Laird, Stern, Valladares, Wahab, Weber Pierson, Wiener

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

ASSEMBLY FLOOR: 69-0, 5/8/25 (Consent) - See last page for vote

SUBJECT: Floating home marinas: rent caps: County of Marin

SOURCE: Marin County Board of Supervisors

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%, 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.

ANALYSIS:

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. (Civil (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%.
- 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% 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% 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% 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.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

SUPPORT: (Verified 8/19/25)

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

OPPOSITION: (Verified 8/19/25)

None received

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.

ARGUMENTS IN OPPOSITION:

ASSEMBLY FLOOR: 69-0, 5/8/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Bonta, Bryan, Calderon, Caloza, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Fong, Gabriel, Garcia, Gipson, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva,

Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz,
Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Ward, Wicks,
Wilson, Zbur, Rivas

NO VOTE RECORDED: Arambula, Boerner, Carrillo, Flora, Gallagher, Jeff
Gonzalez, Irwin, Celeste Rodriguez, Sanchez, Wallis

Prepared by: Ian Dougherty / JUD. / (916) 651-4113
8/20/25 23:22:44

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