

## CONCURRENCE IN SENATE AMENDMENTS

AB 754 (Connolly)

As Amended June 12, 2025

Majority vote

**SUMMARY**

Original Committee of Reference: E.S. & T.M.

Modifies an existing state floating home rent cap and certain fee provisions for floating homes in marinas in the County of Marin, until January 1, 2038.

**Senate Amendments**

Current Committee Recommendation: Concur

Delete the Assembly version of the bill and instead:

- 1) Prohibit management of a floating home marina in the County of Marin from increasing, over any 12-month period, the gross rental rate for a tenancy for a floating home berth more than the percent change in the cost of living, and provides that if the rent is increased, the increase must be a minimum of 3% up to a maximum of 7.5%.
- 2) Provide that if the annual percent change in the cost of living exceeds 5%, only one-half of the percent change in cost of living that is in excess of 5% may be used to increase the rent up to the maximum allowable increase of 7.5%.
- 3) Apply the modified rent cap in 1) and 2) above to all rent increases occurring on or after July 1, 2025.
- 4) Provide that, in the event management has increased the rent by more than the amount permissible under this bill between July 1, 2025 and January 1, 2026, both of the following apply:
  - a) The applicable rent on January 1, 2026 shall be the rent as of July 1, 2025, plus the maximum permissible increase under 1) above; and
  - b) Management shall not be liable to a homeowner for any corresponding rent overpayment.
- 5) Require management to provide notice of any increase in the rental rate under this bill to each homeowner in accordance with specified law.
- 6) Allow management, in the event a qualifying in-place transfer of a floating home involves the sale of a floating home either subject to an existing lease with a 10-year or longer term or that was offered a lease with a 10-year or longer term between two years and six months prior to the time of the home sale, to establish a new initial rental rate for a prospective homeowner consistent with the following:
  - a) Prohibits the new initial rental rate from exceeding the lesser of either of the following:

- i) A 25% increase over the rental rate prior to the sale; or
    - ii) 0.15% of the sale price of the home;
  - b) If the formula in 6) a) above results in a new initial rental rate that is less than a 3% increase over the rental rate immediately prior to the time of the home sale, the new initial rental rate shall not exceed the rental rate immediately prior to the time of the home sale plus the most recent percent change in the cost of living, with a minimum increase of 3% and a maximum increase of 5%;
  - c) Requires the final sale price of the home provided to the marina owner to be certified and substantiated in writing by the buyer to be true under penalty of perjury, as specified;
  - d) Requires lease terms offered after an in-place transfer to be at least 10 years;
  - e) Provides that, in the event a floating home sold pursuant to 6) a) above is sold again within five years, the new total monthly initial rental rate shall not exceed the lesser of either of the following:
    - i) A 15% increase over the rent prior to the sale; or
    - ii) 0.15% of the sale price of the home; and
  - f) Applies the provisions of 6) above 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 term or was offered a lease with a 10-year or longer term between two years and six months prior to the time of the home sale.
- 7) Exempt from 1) to 6) above 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 persons and families of very low, low, or moderate income, 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; and
  - b) A floating home berth subject to any ordinance, rule, regulation, or initiative measure that allows annual increases in the rental rate up to an amount less than that provided in this bill.
- 8) Declare any waiver of the rights under this bill as void and contrary to public policy.
- 9) Provide that nothing in the modified rent cap provisions above 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 this bill. However, 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 this bill, the modified rent cap shall apply.

- 10) Provide that this bill is not 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 of this bill.
- 11) Define, for purposes of the bill, the following terms:
- a) "Consumer Price Index for All Urban Consumers for All Items" or "CPI-U" to mean the Consumer Price Index for All Urban Consumers for All Items for the San Francisco-Oakland-Hayward metropolitan area, or any successor metropolitan area index;
  - b) "Percentage change in the cost of living" to mean the percentage change in the applicable CPI-U, and computed as specified; and
  - 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.
- 12) Apply 1) to 11) above only to floating home marinas in the County of Marin, and sunsets and repeals these provisions on January 1, 2038.
- 13) Apply the following fee provisions to floating home marinas in the County of Marin, and sunsets and repeals these provisions on January 1, 2038:
- a) Requires fees for utilities and incidental reasonable charges for services actually rendered to a homeowner to reflect actual costs;
  - b) Requires a marina owner to demonstrate for all fees charged to a homeowner that the service was or is currently being actually rendered; and
  - c) Prohibits a marina owner from charging a homeowner a fee for enforcement of a marina's rules and regulations.

Find and declare that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances of floating home marinas in the County of Marin that have been operating with 10-year or longer leases, as specified.

## COMMENTS

*Background on Floating Home Marinas:* Floating homes are stationary waterborne residential dwellings that do not have an independent power source and require continuous utility and sewer connections to onshore sources. Floating homes are governed by the Floating Home Residency Law (FHRL) which specifies various aspects of the relationship between floating home owners and marinas (Civil Code Section 800 *et seq.*). The FHRL includes terms of leases, termination of a floating home tenancy, and procedures for the sale and transfer of floating homes. Under the FHRL, a floating home marina is defined as any area with at least five floating home berths that rents out more than 10% of the berths.

There are an estimated 500 floating homes in the San Francisco Bay Area with marinas located in the cities of Sausalito, Alameda, and Richmond. The first floating homes in Sausalito appeared in the early 20th century, though the number of floating homes on the city's waterfront increased dramatically during World War II to accommodate the influx of workers who came to fill jobs in the area's shipyards. Like mobilehome owners who own the unit but not the land underneath, owners of floating homes own the vessel but pay rent to the marina for use of the berth. Another parallel between mobilehomes and floating homes is that both tend to be cost prohibitive or impossible to move from their current location.

Even when a unit can be moved, there are a very limited number of berths available in floating home marinas. Rent increases on floating homes, again similarly to mobilehomes, can also negatively impact a homeowner's equity and the potential resale value of their home since future owners will be required to bear the cost of increased monthly rents.

*Floating Home Rent Cap:* In 2022, in response to rent increases at floating home marinas, AB 252 (Bonta), Chapter 633, limited allowable berth rent increases in marinas in the counties of Alameda, Contra Costa, and Marin to no more than 3% plus the change in the cost of living (CPI) up to a maximum increase of 5% per year. As with the limits on rent increases for certain renters under the Tenant Protection Act of 2019 [AB 1482 (Chiu), Chapter 59] and certain mobilehome owners under AB 978 (Quirk-Silva), Chapter 125, Statutes of 2021, the rent cap in AB 252 (Bonta) will sunset on January 1, 2030.

Under AB 252 (Bonta), marina management can issue up to two rent increases per 12 month period as long as the same tenant continues to rent the berth from the marina during that time period. The law also prohibits the management of a floating home from increasing the rent on a homeowner who purchases a floating home through an in-place transfer. An in-place transfer means the home continues to be docked at the berth and is not towed to a new location. However, if a floating home is towed to a new location and the berth becomes vacant, then the marina owner could increase rent as much as they desire unless there is a local city or county policy in place that limits increases between tenancies. This contrasts with state laws governing rent control in apartments and homes under the Costa-Hawkins Rental Housing Act (Civil Code Section 1954.50 *et seq.*), which preempts any local effort to regulate the amount of rent that can be charged between tenancies ("vacancy control").

*AB 252 and Impacts to Marin County:* While intended to prevent sudden rent hikes, the framework in AB 252 (Bonta) did not account for Marin County's longstanding use of multi-decade CPI-based leases (10-30 years) and its reliance on modest vacancy adjustments at the time of sale to fund critical infrastructure investments in marinas. As a result, AB 252 led to unintended consequences in Marin, including higher year-over-year rent increases (5% vs. historic CPI averages of 2-3%), fiscal strain on marina operators, the erosion of long-term leases, and introduction of ancillary fees. These impacts threatened both affordability for residents and the financial viability of marinas, which need to invest in sea level rise adaptation and dock infrastructure.

Over the past two years, the County of Marin convened marina owners, the Floating Homes Association (FHA), and residents in a series of facilitated negotiations, dockside meetings, and surveys to address these unintended consequences. According to the author and sponsor, this collaborative process included more than a dozen in-person dock meetings, outreach to all 425 floating homes in Marin, and formal input from the FHA Legislative Action Committee. A

countywide survey conducted in spring 2025 achieved a two-thirds response rate, with 93% of residents supporting the final negotiated framework.

The resulting bill, AB 754 (Connolly), reflects this consensus. AB 754 proposes to revise the Floating Home Residency Law for Marin County in the following ways:

- 1) Replaces the current 3-5% rent increase cap with a CPI-based formula, with a 3% floor and 7.5% ceiling, halving any CPI increase above 5%;
- 2) Allows a limited rent adjustment at the time of sale, but only when 10+ year leases are in place or offered, and with formula-based rent increase caps of the lesser of 25% above prior rent or 0.15% of sale price, with a lower 15% cap on resales within five years;
- 3) Prohibits arbitrary or unrelated marina fees, requiring all charges to reflect actual costs;
- 4) Provides a transition period through January 2026 to ensure fairness for transactions underway; and

Extends the sunset date for Marin County's floating home rent framework to January 1, 2038 from its original sunset date of January 1, 2030.

### **According to the Author**

According to the author, "AB 754 is a community-driven solution to protect Marin's floating home residents while ensuring the long-term viability of our marinas. In 2022, the Legislature acted with AB 252 to establish rent stabilization protections for floating homes in Alameda, Contra Costa, and Marin counties after sudden rent hikes in Alameda County. Those provisions created unintended consequences in Marin, where residents have historically relied on long-term CPI-based leases and marina owners have depended on modest turnover adjustments to finance infrastructure. The result was higher annual increases for many homeowners, fewer long-term leases, and growing financial uncertainty for marina operators tasked with maintaining critical utilities and adapting to sea level rise. Over the last two years, Marin's marina owners, the Floating Homes Association, and the County of Marin worked together in an unprecedented collaborative process to design a better framework. AB 754 preserves strong protections for residents – guaranteeing annual CPI-based rent caps, restoring long-term 10+ year leases, and extending these safeguards through 2038—while also providing marinas the financial tools to reinvest in docks, pilings, utilities, and shoreline resiliency. With support from 93% of the more than two-thirds of residents surveyed – in addition to all of Marin's floating home marina owners, this bill represents a consensus approach that balances affordability, stability, and sustainability for one of California's most unique housing communities."

### **Arguments in Support**

According to the Floating Homes Association, "The agreement, now formalized in AB 754, will make a number of changes to the AB 252 framework that will be of benefit to our residents including a shift to annual rent increases based on CPI, with a floor and a ceiling, and elimination of additional fees not clearly linked to actual expenses. It will also allow marina owners to raise rents upon sale, although there are constraints on the potential increase linked both to the sales price and the current rent. Importantly, this agreement will extend the framework to 2038, providing stability and economic security for many years to come."

### **Arguments in Opposition**

None on file.

## FISCAL COMMENTS

According to the Assembly Committee on Appropriations: No state costs. This bill creates a state mandate only because it expands the crime of perjury and, therefore, is not reimbursable by the state.

## VOTES

### ASM ENVIRONMENTAL SAFETY AND TOXIC MATERIALS: 7-0-0

**YES:** Connolly, Ellis, Bauer-Kahan, Castillo, Lee, McKinnor, Papan

### ASSEMBLY FLOOR: 69-0-10

**YES:** 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

**ABS, ABST OR NV:** Arambula, Boerner, Carrillo, Flora, Gallagher, Jeff Gonzalez, Irwin, Celeste Rodriguez, Sanchez, Wallis

### SENATE FLOOR: 38-0-2

**YES:** Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

**ABS, ABST OR NV:** Choi, Seyarto

### ASM HOUSING AND COMMUNITY DEVELOPMENT: 7-0-5

**YES:** Haney, Caloza, Garcia, Kalra, Quirk-Silva, Wicks, Wilson

**ABS, ABST OR NV:** Patterson, Ávila Farías, Lee, Ta, Tangipa

## UPDATED

VERSION: June 12, 2025

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