Date of Hearing: January 13, 2026

ASSEMBLY COMMITTEE ON JUDICIARY
Ash Kalra, Chair
AB 768 (Ávila Farías) – As Amended January 5, 2026

As Proposed to be Amended

SUBJECT: MOBILEHOME PARKS: RENT PROTECTIONS: LOCAL RENT CONTROL

KEY ISSUE: SHOULD MOBILEHOME PARK SPACES USED FOR VACATION HOMES OR SHORT-TERM RENTALS BE EXEMPT FROM LOCAL RENT CONTROL ORDINANCES, CONSISTENT WITH THE INTENT OF EXISTING LAW?

SYNOPSIS

Existing law exempts from local rent control ordinances any mobilehome space that is not the principal residence of the homeowner or not rented out to another party for a prolonged period of time. The apparent policy rationale for this exemption was to ensure that rent control protections benefited those who used the property as permanent and affordable housing, but not those who used the property as a vacation home or short-term rental. According to the author and sponsor, however, a "loophole" in the existing law permits a homeowner to designate the mobile as a principal residence, and thereby reap the benefit of rent control, even though the mobilehome space is, in fact, used as a vacation home or short-term rental. This bill seeks to clarify and restore the original purpose of the existing statute.

Specifically, as proposed to be amended, the bill provides that a mobilehome space is exempted from local rent control laws only if it is not being used as "permanent housing" by the homeowner or an approved subtenant. The bill defines "permanent housing" to mean a "residence where there is clear evidence or intent for the occupancy to be indefinite or for an enduring, continuous period of time." The bill defines "permanent housing" to expressly exclude a "seasonal vacation home or a short-term rental." Making it clear that properties that are truly vacation homes or short-term rentals appears to meet the stated objectives of the author and sponsor. Moreover, to protect permanent residents from unjust increases in rent, the bill places the burden on park management to prove that the mobilehome is not being used as permanent housing.

A prior version of this bill – after passing out of the Assembly Housing Committee on a 7-5 vote – was not heard in this committee last year because the language of the bill went far beyond a clarification and restoration of the intent of existing law. For example, the bill would have exempted the mobilehome space from rent control even if the space was being used as permanent housing by a subtenant. The prior version of the bill also problematically removed a provision of existing law that would not have permitted the exemption if the park owner had rules that prevented a homeowner from subletting the space or mobilehome. For this reason, last year's bill was strongly opposed by affordable housing advocates and the major association representing mobilehome owners. The bill, as proposed to be amended, appears to address most of the concerns raised by the opposition. The Golden State Mobilehome Owners League (GSMOL), for example, has indicated to the Committee that it will remove its opposition if the proposed amendments are accepted. The bill summary below reflects the proposed amendments.

SUMMARY: Clarifies that a mobilehome space not used as permanent housing by the homeowner or an approved subtenant shall be exempt from local rent control laws. Specifically, **this bill**:

1) Provides that if a mobilehome space within a mobilehome park is not being used as permanent housing by the homeowner or an approved subtenant, as specified, it shall be exempt from any ordinance, rule, or regulation which establishes a maximum amount that the landlord may charge a tenant.

2) Requires park management, before modifying the rent or terms of tenancy as a result of learning that the mobilehome space is not used as permanent housing, to notify the homeowner, in writing, of the proposed changes and provide the homeowner with an explanation of its determination and a copy of the documents upon which management relied in making its determination.

3) Provides that the homeowner shall have 90 days from the date of the required notice described in 2) above to provide a statement refuting management's claim that the mobilehome space is not being used as a permanent housing. Specifies that there shall be a rebuttable presumption in favor of the homeowner's statement and the burden shall be on management to show that the space is not being used as permanent housing.

4) Specifies that the exemption described in 1) above does not apply if the homeowner is unable to rent or lease the mobilehome because the owner or management of the mobilehome park does not permit subletting the mobilehome space.

5) Defines "permanent housing" for purposes of the above to mean a residence where there is clear evidence or intent for the occupancy to be indefinite or for an enduring, continuous period of time. "Permanent housing" does not include a seasonal vacation home or a short-term rental.

EXISTING LAW:

1) Regulates, pursuant to the Mobilehome Residency Law (MRL), the rights, responsibilities, obligations, and relationships between mobilehome park management and park residents. (Civil Code Section 798 *et seq.* Subsequent citations refer to the Civil Code.)

2) Exempts mobilehomes from local rent control if the mobilehome is not the principal residence of the homeowner and the homeowner has not rented the mobilehome to another party. (Section 798.21(a).)

3) Deems a mobilehome to be its owner's principal residence unless a review of public records demonstrates that the homeowner receives a homeowner's tax exemption on another property in California or a review of public records reasonably demonstrates that the principal residence of the homeowner is out of state. (Section 798.21(c).)

4) Requires park management to provide a homeowner 90 days' notice before modifying the rent or other terms of tenancy for a mobilehome based on a determination that the mobilehome is exempt from local rent control under 3) above. Provides a homeowner 90 days to dispute the management's finding. (Section 798.21(c)-(e).)

5) Provides that the exemption from local rent control under 2) above does not apply under any of the following conditions:

   a) The homeowner is unable to rent or lease the mobilehome because the owner or management of the mobilehome park in which the mobilehome is located does not permit, or the rental agreement limits or prohibits, the assignment of the mobilehome or the subletting of the park space.

   b) The mobilehome is being actively held available for sale by the homeowner, or pursuant to a listing agreement with a real estate broker, as specified, or a mobilehome dealer, as specified. Requires a homeowner, real estate broker, or mobilehome dealer attempting to sell a mobilehome to actively market and advertise the mobilehome for sale in good faith to bona fide purchasers for value to remain exempt under this provision.

   c) The legal owner has taken possession or ownership, or both, of the mobilehome from a registered owner through either a surrender of ownership interest by the registered owner or a foreclosure proceeding. (Section 798.21(f).)

FISCAL EFFECT: As currently in print this bill is keyed non-fiscal.

COMMENTS: According to the author, "AB 768 is about fairness and ensuring that rent control benefits those who need it the most – work families, seniors on fixed incomes, and individuals who rely on mobile homes as their primary residence. Across California, especially in high-cost coastal and resort communities, a growing number of rent-controlled mobile home spaces are being occupied by second or vacation homeowners who can afford to live elsewhere. This undermines the original intent of rent control: to provide affordable housing and housing stability for vulnerable populations. . . By closing this loophole, AB 768 restores integrity to local rent control ordinances and ensures that affordable housing is not misused by individuals with the financial means to maintain multiple properties."

Background. According to most estimates, nearly one million people live in one of California's nearly 5,000 mobilehome parks. As such, mobilehome parks provide a critical source of unsubsidized affordable housing in the state. Over 100 jurisdictions in California have enacted some form of rent control applicable to mobilehome parks. Those rent control ordinances are a proper exercise of the local government's police power if their provisions are "reasonably calculated to eliminate excessive rents and at the same time provide landlords with a just and reasonable return on their property." (*Birkenfeld v. Berkeley* (1976) 17 Cal.3d 129, 165.)

Existing law exempts from local rent control ordinances any mobilehome space that is not the principal residence of the homeowner or not rented out to another party. The apparent policy rationale for this exemption was to ensure that rent control protections benefited those who used the property as permanent and affordable housing, but not those who used the property as a vacation home or short-term rental. According to the author and sponsor, however, a "loophole" in the existing law permits a homeowner to designate the mobilehome as a principal residence, and thereby reap the benefit of rent control, even though the mobilehome space is, in fact, used as a vacation home or short-term rental.

This bill seeks to clarify and restore the original purpose of the existing statute. Specifically, as proposed to be amended, the bill provides that a mobilehome space is exempted from local rent

control laws only if it is not being used by as “permanent housing” by the homeowner or an approved subtenant. The bill defines “permanent housing” to mean a “residence where there is clear evidence or intent for the occupancy to be indefinite or for an enduring, continuous period of time.” The definition of “permanent housing" expressly excludes a “seasonal vacation home or a short-term rental.” To better protect mobilehome owners from possible abuse, the bill requires park management to provide the homeowner with an explanation, with supporting documentation, of why they believe that the home is not being used as permanent housing. The bill creates a rebuttable presumption in favor of the homeowner’s statement that the home is, in fact, used as permanent housing, thereby placing the burden on park management to prove otherwise.

A prior version of this bill – after passing out of the Assembly Housing Committee – was not heard in this committee last year because the language of the bill went far beyond a clarification and restoration of the intent of existing law. For example, the bill would have exempted a mobilehome space from rent control even if the space was being used as permanent housing by a subtenant or other third party. The prior version of the bill also problematically removed a provision of existing law that would not have permitted the exemption if the park owner had rules that prevented a homeowner from subletting the space or mobilehome. For this reason, last year’s bill was strongly opposed by affordable housing advocates and the major association representing mobilehome owners and mobilehome park residents. The proposed amendments seek a middle ground, consistent with the spirit of existing law, that exempts vacation homes and short-term rentals, while at the same time ensuring that the exemption is not abused.

Proposed Amendments. The author has agreed to take the following amendments in this committee:

798.21. (a) If a mobilehome space within a mobilehome park is ~~not the only or principal residence of a homeowner,~~ ***not being used as permanent housing by the homeowner or an approved subtenant pursuant to section 798.23.5*** it shall be exempt from any ordinance, rule, regulation, or initiative measure adopted by any city, county, or city and county, which establishes a maximum amount that the landlord may charge a tenant for rent.

(b) Nothing in this section is intended to require a homeowner to disclose information concerning the homeowner’s personal finances. Nothing in this section shall be construed to authorize management to gain access to any records which would otherwise be confidential or privileged.

(c) Before modifying the rent or other terms of tenancy as a result of learning~~, through a review of state or county records,~~ that the mobilehome space is not ***used as permanent housing, as provided in subdivision (a),*** ~~only or principal residence of a homeowner,~~ the management shall notify the homeowner, in writing, of the proposed changes and provide the homeowner with ***an explanation of their determination and*** a copy of the documents upon which management relied ***in making their determination***.

(d) ***(1)*** The homeowner shall have 90 days from the date the notice described in subdivision (c) is mailed to review and respond to the notice. Management may not modify the rent or other terms of tenancy prior to the expiration of the 90-day period or prior to responding, in writing, to information provided by the homeowner.

(2) Management may not modify the rent or other terms of tenancy if the homeowner ~~provides documentation reasonably establishing that~~ ***provides a statement refuting management's claim that the mobile home space is not being used as permanent housing by the homeowner or an approved subtenant. There shall be a rebuttable presumption in favor of the homeowner's statement and the burden shall be upon the management to show that the space is not being used as permanent housing.*** ~~information provided by management is incorrect or that the homeowner is not the same person identified in the documents. However, nothing in this subdivision shall be construed to authorize the homeowner to change the homeowner's exemption status of the other property or mobilehome owned by the homeowner.~~

~~(c) This section does not apply if the mobilehome is being actively held available for sale by the homeowner, or pursuant to a listing agreement with a real estate broker licensed pursuant to Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, or a mobilehome dealer, as defined in Section 18002.6 of the Health and Safety Code. A homeowner, real estate broker, or mobilehome dealer attempting to sell a mobilehome shall actively market and advertise the mobilehome for sale in good faith to bona fide purchasers for value in order to remain exempt pursuant to this subdivision.~~

(e) This section does not apply under any of the following conditions:

(1) The homeowner is unable to rent or lease the mobilehome because the owner or management of the mobilehome park in which the mobilehome is located does not permit, or the rental agreement limits or prohibits, the assignment of the mobilehome or the subletting of the park space.

(2) The mobilehome is being actively held available for sale by the homeowner, or pursuant to a listing agreement with a real estate broker licensed pursuant to Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, or a mobilehome dealer, as defined in Section 18002.6 of the Health and Safety Code. A homeowner, real estate broker, or mobilehome dealer attempting to sell a mobilehome shall actively market and advertise the mobilehome for sale in good faith to bona fide purchasers for value in order to remain exempt pursuant to this subdivision.

(3) The legal owner has taken possession or ownership, or both, of the mobilehome from a registered owner through either a surrender of ownership interest by the registered owner or a foreclosure proceeding.

(f) For purposes of this section "permanent housing" means a residence where there is clear evidence or intent for the occupancy to be indefinite or for an enduring, continuous period of time. "Permanent housing" does not include a seasonal vacation home or a short-term rental.

ARGUMENTS IN SUPPORT*:* The Western Manufactured Communities Housing Association (WMA) writes in support of the bill as proposed to be amended:

AB 768's intent is to increase the number of homes that are used as permanent housing for individuals, especially in high-cost areas that are in communities often visited by people on vacation or on weekends and discourage those that take advantage of rent control for their vacation homes. AB 768 closes a loophole and modifies the law to remove the ability of vacation homeowners form getting the benefit of rent control when no one lives permanently in the home.

The original version of AB 768 was modeled after several local ordinances that discourage people with more than one home from purchasing a mobilehome in a rent-controlled jurisdiction when they aren't using it for permanent housing. The rationale for this concept embraced by several large cities such as Los Angeles and San Francisco are based on a belief that rent controlled homes should for someone who cannot afford to live in a community in which he or she works. If these people were able to purchase a mobilehome and find a space under rent-control in a manufactured housing community, more people would be able to find housing than if the current practice of wealthy individuals who own one or more homes around the nation taking up a scarce inventory of affordable housing in rent-controlled jurisdictions simply for vacation purposes.

The proposed amendments to AB 768 that WMA has agreed to embrace would only remove rent control protection from people who own a mobilehome and use that home exclusively for vacations or weekends. We are aware of many cases (primarily in desirable coastal communities, California wine country and desert communities near Palm Springs and Rancho Mirage) where homes in rent control communities sit entirely vacant for several months each year.

AB 768 would remove rent-control protection from spaces not used for permanent or long-term housing. If a home is occupied by a relative of the homeowner on a full-time basis or the home is otherwise being used as a full-time residence for more than 30 days, rent control will still apply to the space. WMA has agreed to these amendments as a show of good faith to close the loophole that allows people that own second homes used for vacation purposes from taking advantage of rent control.

ARGUMENTS IN OPPOSITION: Bay Federal Credit Union opposed the prior version of AB 768 "because it will unfairly eliminate affordable housing and make it extremely risky for Bay Federal and other lending institutions to continue offering mobilehome purchase loans in the low-and moderate-income housing market." Bay Federal believes this is so for the following reasons:

First, AB 768 vastly expands Civil Code Section 798.21's statewide rent control exemption from only applying to mobilehomes that are not the "principal residence" of a mobilehome owner to those that are not the only residence of a mobilehome owner . . . as "learned through a review of state or county records." Often, a homeowner will be forced to temporarily change where they reside, from their primary permanent residence to a temporary residence, for example, for the reasons of employment or to care for a sick relative or friend. . . Under AB 768 they would lose local rent control on their primary residence, causing them to lose their mobilehome and their investment in it when they cannot afford to pay their new rent. Under AB 768, the only way to avoid this is to sell their primary residence- mobilehome, even when their circumstances will change again and require them to return to it. This will not only be devastating to these mobilehome owners; it makes it impossible for Bay Federal and other lending

institutions to ensure our mobilehome purchase loans are secure because any homeowner may, at some point, be required to temporarily relocate under the above, or similar, circumstances that are not within their control.

Second, Civil Code section 798.21 currently excludes, from its rent control exemption, a legal owner of a mobilehome who has taken possession or ownership of the mobilehome from a registered owner through either surrender of ownership interest by the registered owner or a foreclosure proceeding. This exclusion is crucial to enabling lenders, such as Bay Federal, to continue providing mobilehome purchase loans in California. AB 768 eliminates this exclusion and will significantly harm our ability to protect and continue to make mobilehome purchase loans.

Likewise, Civil Code 798.21(e)(1) provides an exception to its rent control exemption when a mobilehome park does not permit a homeowner to rent out their mobilehome. This exception is needed to enable a mobilehome owner who is forced to relocate temporarily to save their mobilehome. AB 768 eliminates this exception, creating additional risk to lending institutions wishing to continue our mobilehome lending programs in California. Civil Code section 798.21 is stringent enough to accomplish any of its legitimate purposes. The new changes to it in AB 768 are not needed; they go too far, and they could be the final straw that breaks the camel's back on the availability of reasonably priced mobilehome purchase loans for low and moderate-income families seeking affordable housing in California.

Amendments appear to address concerns in prior opposition letters. It is not clear whether the proposed amendments address the concerns raised by Bay Federal Credit Union or other opponents of the prior bill. However, it should be noted that the amendments address each of the points listed in the letter above by (1) not making a "principal residence" designation the trigger for the exemption; (2) restoring the existing law provision relating to the surrender of ownership interest; and (3) restoring the existing law provision providing that the exemption does not apply if the park does not permit subleasing.

REGISTERED SUPPORT / OPPOSITION:

Support

Western Manufactured Communities Housing Association

Opposition (to prior version of the bill)

Bay Federal Credit Union
California Rural Legal Assistance Foundation
City of Malibu
City of Watsonville
Golden State Manufactured-home Owners League
Justice in Aging
Western Center on Law & Poverty

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