ASSEMBLY THIRD READING
AB 768 (Ávila Farías)
As Amended January 14, 2026
Majority vote

SUMMARY

Limits the application of local rent control to mobilehome spaces that are not used as permanent housing by the homeowner or an approved tenant, and creates a rebuttable presumption in favor of a homeowner's statement to park management that the mobilehome space is being used as permanent housing unless management shows that the space is not being used as such.

Major Provisions

1) Exempts a mobilehome space within a mobilehome park from any ordinance, rule, regulation, or initiative measure adopted by any local jurisdiction which establishes a maximum amount that the landlord may charge a tenant from rent ("local rent control"), if the mobilehome space is not used as permanent housing by the homeowner or a tenant approved under specified law.

2) 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, excluding a seasonal vacation home or a short-term rental.

3) Deletes references to "principal residence" and deletes a provision requiring a mobilehome to be deemed to be the principal residence of a homeowner unless a review of state or county records demonstrates that the homeowner is receiving a homeowner's tax exemption for another property or mobilehome in this state, or unless a review of public records reasonably demonstrates that the principal residence of the homeowner is out of state.

4) Requires mobilehome park management, before modifying the rent or other terms of a 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.

5) Prohibits management from modifying the rent or other terms of tenancy if the homeowner provides a statement refuting management's claim that the mobilehome space is not being used as permanent housing, and establishes a rebuttable presumption in favor of the homeowner's statement and places the burden upon management to show that the space is not being used as permanent housing.

COMMENTS

Background: More than one million people live in California's approximately 4,500 mobilehome parks. Mobilehomes are not truly mobile, in that it is often cost prohibitive to relocate them. The cost to move a mobilehome ranges from thousands to tens of thousands of dollars depending on the size of the home and the distance traveled. A mobilehome owner whose home is located in a mobilehome park does not own the land the unit sits on, and must pay "space rent" and fees for the land and any community spaces. The mobilehome context is different from other rental housing because of this split in ownership between the structure and the land underneath. That

split means that mobilehome owners not only risk having to move if rent becomes unaffordable; they also risk losing a major asset – the mobilehome – which may be among the only assets they possess. Moreover, the in-place value of a mobilehome depends largely on the rental rate for the ground underneath it. The higher the rent for the space, the lower the sale value of the mobilehome. In that context, just a small percentage change in the rent may take on heightened significance.

The Mobilehome Residency Law (MRL) extensively regulates the relationship between landlords and homeowners who occupy a mobilehome park. A limited number of provisions also apply to residents who rent, as opposed to own, their mobilehome. The MRL has two parts: Articles 1 through 8 apply to most mobilehome parks and Article 9 applies to resident-owned parks or parks which are established as a subdivision, cooperative or condominium. The provisions cover many issues, including, but not limited to: 1) the rental and lease contract terms and specific conditions of receipt and delivery of written leases, park rules and regulations, and other mandatory notices; 2) mandatory notice and amendment procedures for mobilehome park rules and regulations; 3) mandatory notice of fees and charges, and increases or changes in them; and 4) specified conditions governing mobilehome park evictions. A dispute that arises pursuant to the application of the MRL generally must be resolved in civil court.

Removing Mobilehomes from Local Rent Control: 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.) Although mobilehome parks are not subject to the Costa-Hawkins Rental Housing Act, which restricts the use of rent control in other residential properties, the MRL itself imposes limitations on the application of rent control to mobilehome parks, and some park rentals not owned by a homeowner are also subject to the Tenant Protection Act of 2019.

Under existing law, local rent control ordinances governing space rent increases only apply to mobilehomes that are the principal residence of the owner or mobilehomes that the owner has rented to another party. This bill would remove references to "principal residence" and instead would limit the ability of management to remove a mobilehome space in a park from local rent control if the space is used as permanent housing by the homeowner or an approved tenant. The bill would create a new definition of "permanent housing" for purposes of these provisions, defined as a residence where there is clear evidence or intent for the occupancy to be indefinite or for an enduring, continuous period of time, excluding seasonal vacation homes and short-term rentals. If management seeks to modify the rent or tenancy terms because they have evidence that the space is not being used as permanent housing, the homeowner may provide a statement refuting management's claim and the bill creates a rebuttable presumption that the homeowner's statement is true unless management can show the space is not being used as permanent housing.

This bill preserves the application of local rent control in situations where a mobilehome owner is renting the home to another tenant, where the home is not permitted to be rented or subletted but is still being occupied as permanent housing, where the home is being actively held out for sale by the homeowner or a real estate broker, or where the owner has taken possession of the home through a surrender of ownership or a foreclosure. This is intended to ensure those homeowners who are truly using their mobilehome as a vacation or second home are not

accessing the benefits of local rent control, while preserving it in the various situations that may occur where a person is legitimately residing in the home on a long-term basis.

According to the Author
"AB 768 is about fairness and ensuring that rent control benefits those who need those most—working 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. This bill helps return rent-controlled units to the people they were designed to serve, supporting California's broader housing equity and affordability goals."

Arguments in Support
According to the Western Manufactured Housing Communities Association, "As amended, AB 768 closes a loophole in state law that allows people who lease or rent a space in a mobilehome park are not permitted to benefit from rent-control unless the home on the space is used as a full-time residence. The goal of rent-control is to provide relief for tenants unable to afford market-based rent, but many mobilehomes across the state in rent-controlled jurisdictions are owned by people with multiple residences and use their mobilehome as either an occasional vacation home or a short-term rental property. The amendments adopted in the Assembly Judiciary Committee reflect extensive negotiations that ensured rights granted to tenants in the Mobilehome Residency Law (MRL) are preserved. Park management must still prove a home in a mobilehome park is not occupied by someone full-time."

Arguments in Opposition
None on file for the current version of the bill.

FISCAL COMMENTS

None.

VOTES

ASM HOUSING AND COMMUNITY DEVELOPMENT: 7-2-3
YES: Haney, Patterson, Ávila Farías, Caloza, Quirk-Silva, Ta, Wicks
NO: Garcia, Lee
ABS, ABST OR NV: Kalra, Tangipa, Wilson

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

UPDATED

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