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**SENATE COMMITTEE ON HOUSING**  
**Senator Aisha Wahab, Chair**  
**2025 - 2026 Regular**

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<b>Bill No:</b>	SB 749	<b>Hearing Date:</b>	4/22/25
<b>Author:</b>	Allen		
<b>Version:</b>	3/25/2025 Amended		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Erin Riches/Alison Hughes		

**SUBJECT:** Mobilehome parks: closure, cessation, or change of use

**DIGEST:** This bill establishes additional protections for mobilehome owners who live in a mobilehome park (park residents) in cases of a park being sold, closed, converted to another use, or destroyed by a natural disaster.

**ANALYSIS:**

*Existing law relating to mobilehome parks that are converted to another use:*

- 1) Requires a park manager, in the case of a change of use of the park or any portion of the park, to provide the park residents at least 60 days' written notice that the management will appear before a local agency to request change of use permits.
- 2) Requires a park manager, after all required change of use permits have been approved, to give park residents 6 months or more written notice of termination of tenancy. If the change of use does not require a local government permit, notice shall be given 12 months or more prior to a park manager's determination that a change of use will occur.
- 3) Requires that, prior to the conversion, closure, or cessation of use of a mobilehome park, the individual or entity proposing the change submit a report to the local agency. This report must include a replacement and relocation plan to mitigate the impact on displaced park residents and support their ability to secure adequate housing in another mobilehome park. Provides that if a displaced park resident is unable to relocate to another mobilehome park, the person or entity proposing the change of use shall pay the displaced resident the market value of the resident's mobilehome, as specified. Requires copies of the impact and mitigation report be provided to park residents.

- 4) Requires a legislative body, prior to approving any change of use of a mobilehome park, to review the report and make a finding as to whether the park closure and conversion to new use will result in, or materially contribute to, a shortage of housing opportunities for low- and moderate-income households within the local jurisdiction.

*Existing law relating to mobilehome parks that are sold:*

- 5) Requires a park owner to provide written notice, not less than 30 days and not more than 12 months prior to entering into a written listing agreement with a licensed real estate broker, of the intent to sell the park or of an offer to sell the park. This notice shall be provided to a nonprofit resident organization formed by park residents, a stock cooperative corporation, or other entity, as specified.
- 6) Provides that a park owner shall not be required to provide this notice unless:
  - a) The resident organization has first provided the park owner or manager specified contact information.
  - b) The resident organization has first notified the park owner or manager in writing that the park residents are interested in purchasing the park, as specified.
  - c) The resident organization has provided the park owner or manager written notice, within five days, of any change in contact information.

*Existing law relating to mobilehome parks that are destroyed by a natural disaster:*

- 7) Provides that if a mobilehome park is destroyed as a result of a wildfire or other natural disaster, and the park manager elects to rebuild the park at the same location, the park manager shall offer mobilehome owners who previously lived in the park the opportunity to return for a renewed tenancy in the rebuilt mobilehome park, in accordance with the following:
  - a) The offer shall be on substantially the same terms as the park resident's rental agreement that was in place prior to the disaster, except that the park may adjust the terms to reflect costs and expenses of rebuilding the park, as specified.
  - b) The offer shall be made at least 240 days (8 months) before the park reopens, as specified, and park residents shall have 60 days to accept the offer before it expires.

- c) The offer shall not be transferable.
- 8) Requires the park manager to provide the park resident, upon request, with a statement detailing the costs and expenses incurred in rebuilding the park and explaining how these costs relate to adjustments in the rental agreement terms.
- 9) Requires the offer to include an application to accept the renewed tenancy, the terms of the renewed tenancy, the deposit required to secure the renewed tenancy, and a clear statement of when the offer expires.

*Existing Preservation Notice Law (PNL):*

- 10) Establishes the PNL, which requires an owner proposing the termination or prepayment of government assistance on an assisted housing development to provide notice of the proposed change to each affected tenant in the assisted housing development, as well as affected public entities, at least 12 months and at least six months prior to the anticipated date of the termination, expiration, or prepayment, as specified.

**This bill:**

*Relating to mobilehome park closure or change of use:*

- 1) Requires the park manager, at least 12 months and at least 6 months prior to the anticipated date of a closure, cessation, or change of use of a mobilehome park, to provide a notice of the proposed change to each affected tenant and to the affected public entities, as specified.
- 2) Requires the park manager, within 7 business days, to provide additional notice of any significant changes to each affected tenant and to the affected public entities, as specified. Requires all of these notices to be provided by first-class mail postage prepaid, other than notices to public entities that have provided email addresses. Requires a park manager to also provide a copy of these notices to any prospective tenant at the time the prospective tenant is interviewed for eligibility.
- 3) Requires the state Department of Housing and Community Development (HCD) to approve forms to be used by park management to comply with this bill and requires park management to use these approved forms.

- 4) Requires injunctive relief to be available to any affected public entity or affected tenant, including resident organizations, relating to violations of these provisions. Authorizes a court to award attorney's fees and costs to a prevailing plaintiff in a judicial action.
- 5) Prohibits a park owner from pursuing closure, cessation, or change of use unless it has provided each qualified entity an opportunity to submit an offer to purchase the park, as specified. Defines a qualified entity as the resident organization of the mobilehome park, local nonprofit organizations and public agencies, and regional or national nonprofit organizations and regional or national public agencies. Requires HCD to establish a process to certify qualified entities, as specified, and to maintain and annually update a list of certified entities.
- 6) Requires a park owner who decides to pursue closure, cessation, or change of use to first give notice of the opportunity to make a purchase offer to each qualified entity, as well as to any qualified entities that directly contact park management, as specified. Requires the initial notice of a bona fide opportunity to submit an offer to purchase to include specified information.
- 7) Requires a qualified entity that elects to purchase a mobilehome park to make a bona fide offer to purchase the park at market value, as specified. This offer shall be submitted within 270 days of the notice of the opportunity to submit an offer; identify whether the qualified entity is a resident organization, public agency, or for-profit organization or individual; and certify under penalty of perjury that it is a qualified entity, as specified.
- 8) Requires a park manager to notify HCD within 90 days of any bona fide offers made within the first 270 days and to accept a bona fide offer from a qualified entity to purchase and execute a purchase agreement.
- 9) Requires the market value of the property to be determined by negotiation and agreement between the parties, as specified.
- 10) Provides, if the park manager does not receive a bona fide offer from one or more qualified entities within 270 days, or if all bona fide offers are withdrawn after 270 days, that the park management may do any of the following:
  - a. Sell the property to any buyer.
  - b. Maintain ownership of the property and continue its operation as a mobilehome park.

- c. Pursue closure, cessation, or change of use of the park pursuant to the requirements of this bill and applicable existing law.
- 11) Requires HCD to:
- a. Maintain a form outlining the rights and obligations under this bill and make that information available to park owners, resident organizations, local nonprofit organizations, regional or national nonprofit organizations, public agencies, and other entities, as specified. Provide the park manager with a list of qualified entities. If HCD does not supply this list, the park owner is only required to send the notice of opportunity to submit an offer to purchase to qualified entities that directly contact management, and to post a copy of the notice in a common area of the park.
  - b. Monitor park owner compliance with these requirements.
  - c. Refer violations to the Attorney General for appropriate enforcement action.
- 12) Provides that the following parties have standing to enforce the provisions of this bill: any affected tenant, any qualified entity entitled to exercise the opportunity to purchase and right of first refusal, a group of affected tenants that meets the requirements of a resident organization, or any affected public entity that has been adversely affected by an owner's failure to comply, as specified. The court may waive any bond requirement and may award attorney's fees and costs to a prevailing plaintiff.

*Relating to mobilehome parks destroyed by a disaster:*

- 13) Provides that if a mobilehome park is destroyed as a result of a wildfire or other natural disaster, and the park manager elects to rebuild the park at the same location:
- a. The park manager shall, in addition to all other existing law requirements, provide previous park residents with notice in the same manner as current park residents, as specified.
  - b. Park residents are not obligated to pay rent for their tenancy in a mobilehome park during the period they are unable to live in the park following a wildfire or other natural disaster.

## Background

*Mobilehome parks.* More than 1 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 \$2,000 to upwards of \$20,000, 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 rent and fees for the land and any community spaces. HCD oversees several areas of mobilehome law, including health and safety standards, registration and titling of mobilehomes and parks, and assisting the public with questions or problems. The Mobilehome Parks Act requires HCD to regulate mobilehome parks to assure protection of the health, safety, and general welfare of all mobilehome park residents

Mobilehomes and manufactured homes are a significant source of affordable housing and homeownership for many Californians. According to the Manufactured Housing Institute, manufactured homes cost up to 50% less per square foot than conventional site-built homes.<sup>1</sup> The Urban Institute additionally notes that manufactured homes can help mitigate the impact of aging housing stock, providing a practical solution for very old or unsafe homes with overly expensive repair needs. The Urban Institute notes that the quality and appeal of manufactured homes built to US Department of Housing and Urban Development (HUD) standards has improved dramatically, making them a viable affordable housing option.<sup>2</sup>

## Comments

- 1) *Author statement.* “California has a housing affordability crisis. Mobilehomes are the largest source of unsubsidized affordable housing in the country and provide important homeownership opportunities for many Californians. Mobilehome owners tend to be older and poorer than the average renter. HCD acknowledges that preserving this housing option is critical to meeting the state’s housing needs. Mobilehome parks are at increasing risk of closure, exacerbated by the impacts of wildfires. To address the risk of conversion of at-risk units to market-rate, the state began to adopt affordable housing preservation laws starting in 1987. SB 749 adapts preservation notice law to apply to mobilehome parks, creating a pathway for residents and qualified

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<sup>1</sup> Manufactured Housing Institute, *2023 Manufactured Housing Facts* (June 2023), [2023-Industry-Overview.pdf](https://www.manufacturedhousing.org/2023-Industry-Overview.pdf) ([manufacturedhousing.org](https://www.manufacturedhousing.org))

<sup>2</sup> Urban Institute, *The Role of Manufactured Housing in Increasing the Supply of Affordable Housing* (July 2022), [The Role of Manufactured Housing](https://www.urban.org/publications/411811) ([urban.org](https://www.urban.org)).

nonprofits to offer competitive bids to preserve mobilehome parks and prevent their closure or conversion.

- 2) *Preserving mobilehome parks.* Until recently, state law outlined a process for mobilehome park owners to apply for approval from local authorities to close a park or convert the property to another use. Despite this requirement, hundreds of mobilehome and recreational vehicle parks in California were closed or converted to another use between 1998 and 2019. To address concerns about losing mobilehomes – an important form of affordable housing – AB 2782 (M. Stone, Chapter 35, 2020) aimed to strengthen the process for approval of mobilehome park conversion. First, park owners must pay market value for the mobilehome of a park resident who is unable to successfully relocate to another park. Second, a local jurisdiction, prior to approving a proposed change in use for a mobilehome park, must now make a finding as to whether the change in use will result in a reduction in affordable housing within the jurisdiction. Finally, AB 2782 extended, from 15 to 60 days, the advance notice about the public hearing regarding a park closure that park owners must give their residents as a precondition for terminating tenancy.
- 3) *Preserving assisted housing developments.* Since the 1960s, developers have constructed at least 425,000 units of affordable rental housing in California with the assistance of federal, state, and local subsidies that require owners to maintain rents at affordable levels for specified periods of time. The affordability restrictions on assisted units typically last 30 to 55 years, depending on the program. Once affordability obligations expire, owners may preserve the affordability of the units by renewing assistance or by refinancing with new public subsidies, or they may convert the development to market rate. Preserving affordable housing is a key strategy for protecting the state's limited affordable housing stock and preventing displacement of lower income tenants. Such preservation typically occurs when these units are purchased by a government entity or nonprofit that then extends the affordability covenant

California's PNL requires owners of affordable housing looking to convert to market rate to give notice of the opportunity to submit a purchase offer at full market value, one year in advance, to potential buyers interested in preserving affordability. PNL also requires owners to notify tenants, as well as the state and local governments, of the impending affordability expirations. Recent legislation (AB 2926, Kalra, Chapter 281, 2024) strengthened PNL by deleting the option for an owner to hold on to a property that is subject to affordability expiration, and potentially convert it to market rate in five years. Instead, an owner must either sell the property to a qualified preservation buyer at fair market value, or re-restrict the development as affordable housing for at least

another 30 years. HCD is obligated to monitor compliance with the law, and the PNL allows affected tenants and local governments the right to enforce the law via legal remedies.

- 4) *PNL for mobilehome parks.* This bill aims to further protect mobilehome parks that are at risk of closure or conversion by basically establishing a PNL for mobilehome parks.

Under current law, when a manager or owner plans to convert, close, or change the use of a mobilehome park, they must provide notice to park residents at least 60 days prior to appearing before a local agency to request change of use permits. Once all permits have been approved, the manager must provide at least six months' notice to park residents of termination of tenancy. If no permits are needed, the manager must provide at least 12 months' notice to park residents prior to determining change of use. In addition, the owner must file a specified mitigation report with the local agency and has the right to request a hearing on it. If a hearing occurs, the owner must provide copies of the report to park residents at least 60 days prior to the hearing. If no hearing occurs, the owner must provide copies of the report to park residents at the same time as the termination of tenancy notices. When an owner is planning to sell a mobilehome park, they must provide notice of intent to sell, at least 30 days prior to listing, to resident organizations and other specified entities.

Similar to PNL, this bill would prohibit a park owner from pursuing closure, cessation, or change of use unless they have first provided each qualified entity (defined as a resident organization, local nonprofit organization, or regional or national public agency) an opportunity to submit an offer to purchase the park. Also similar to PNL, this bill requires HCD to establish a process to certify qualified entities and to maintain and annually update a list of certified entities. Finally, it strengthens notice requirements to park residents.

- 5) *Preserving mobilehome parks destroyed by a natural disaster.* California's recent, unprecedented spate of wildfires has struck the wildland urban interface especially hard. Many mobilehome parks in these areas have been destroyed. Until recently, the destruction of a mobilehome park rendered the lease agreement void: the park resident's duty to pay rent was extinguished, but so was any right to return, even if the park was rebuilt. Recent legislation (SB 274, Dodd, Chapter 504, 2019) created a procedure, applicable only when a natural disaster destroys a mobilehome park and the park owner decides to rebuild it. SB 274 requires a park that chooses to rebuild, to offer tenancies to the former residents at least 240 days (8 months) prior to reopening, on substantially similar terms as prior to the natural disaster, though the park may



adjust the terms to reflect the cost of the rebuild. The park must make this offer through specified procedures intended to help ensure that former residents will receive actual notice of the offer. The offer would expire 60 days after being made, unless accepted or rejected prior to that date.

This bill would additionally require the park manager to provide notice to previous park residents in the same manner as current park residents. (The author notes that this provision is intended to ensure that residents who are in limbo during the rebuilding of the park are reached.) It also provides that park residents are not obligated to pay rent during the period they are unable to live in the park before it is rebuilt.

- 6) *Opposition concerns.* The Western Manufactured Housing Communities Association (WMA) and the California Association of Realtors (CAR) oppose the bill, stating that “Limiting the number of qualified entities entitled to purchase a park up for sale effectively reduces the value of the land in the park which would result in an unconstitutional taking of an owner’s property.” WMA and CAR state that not only will this bill lead to increased litigation and costly delays to rebuild parks, particularly in the case of parks that were recently destroyed by natural disasters, but it would have the unintended consequence of encouraging existing mobilehome parks in fire prone areas to exit the market and pursue a change of use to avoid future potential losses resulting from a natural disaster. Opponents also note that while rents in many mobilehome parks are considered affordable, mobilehomes in parks such as Palisades Bowl and Tahitian Terrace, two parks that were destroyed in the Palisades Fire, have sold for millions of dollars.

- 7) *Double referral.* This bill will be heard next by the Committee on Judiciary.

## RELATED LEGISLATION:

**AB 2926 (Kalra, Chapter 281, Statutes of 2024)** – (1) amends PNL to require an owner of an assisted housing development to accept a bona fide offer from a qualified entity to purchase and execute a purchase agreement or record a new regulatory agreement with a term of at least 30 years that meets specified requirements; (2) deletes the option for an owner to decline to sell the property; and (3) makes other clarifying changes.

**AB 2782 (M. Stone, Chapter 35, Statutes of 2020)** – among other provisions, modified the conditions that must be met when converting a mobilehome park to another use.

**SB 274 (Dodd, Chapter 504, Statutes of 2019)** – among other provisions, creates a procedure for mobilehome park residents to return when a mobilehome park is destroyed by natural disaster and subsequently gets rebuilt.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 16, 2025.)

**SUPPORT:**

California Community Land Trust Network  
California Housing Partnership  
California Rural Legal Assistance Foundation  
Golden State Manufactured-home Owners League, INC. (GSMOL)  
Legal Aid of Sonoma County  
Palisades Bowl Community Partnership  
Public Interest Law Project

**OPPOSITION:**

California Association of Realtors  
California Mobilehome Parkowners Alliance  
Western Manufactured Housing Communities Association

**-- END --**