
THIRD READING

Bill No: SB 749
Author: Allen (D), et al.
Amended: 5/6/25
Vote: 21

SENATE HOUSING COMMITTEE: 8-2, 4/22/25

AYES: Wahab, Arreguín, Cabaldon, Caballero, Cortese, Durazo, Gonzalez,
Padilla

NOES: Seyarto, Ochoa Bogh

NO VOTE RECORDED: Grayson

SENATE JUDICIARY COMMITTEE: 11-2, 4/29/25

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

NOES: Niello, Valladares

SENATE APPROPRIATIONS COMMITTEE: 5-1, 5/23/25

AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab

NOES: Seyarto

NO VOTE RECORDED: Dahle

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

SOURCE: Author

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

ANALYSIS:

Existing law:

- 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 request change of use permits from a local agency.

- 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 or closure of a park, the individual or entity proposing the change submit a report to the local agency that includes a replacement and relocation plan to mitigate the impact on displaced residents. If a displaced resident is unable to relocate to another park, they shall be paid the market value of the mobilehome, as specified.
- 4) Requires a legislative body, prior to approving any change of use of a park, to make a finding as to whether the park closure and conversion to new use will result in or contribute to a shortage of housing opportunities for low- and moderate-income households within the local jurisdiction.
- 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 or offer to sell the park, as specified. This is only required if the resident organization has provided specified contact information and notification of interest in purchasing the park, as specified.
- 6) Provides that if a park is destroyed due to a natural disaster, and the manager elects to rebuild the park, they shall offer residents who previously lived in the park the right to return, as follows: the offer shall be on substantially the same terms as the prior rental agreement, except for adjustments to reflect costs of rebuilding the park, as specified; the offer shall be made at least 240 days (8 months) before the park reopens, as specified and residents shall have 60 days to accept the offer; and the offer shall not be transferable. Requires the park manager to provide any park resident, upon request, a statement of the costs and expenses incurred in rebuilding the park and how these costs relate to any adjustments in the rental agreement terms.
- 7) Establishes the Preservation Notice Law (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, 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:

- 1) Requires the park manager, at least 12 months and at least 6 months prior to the anticipated date of a closure or change of use of a park, to provide notice 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 affected public entities, as well as providing a copy of these notices to any prospective tenant, as specified.
- 3) Requires the state Department of Housing and Community Development (HCD) to approve forms to be used by park management.
- 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 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 park, local nonprofit organizations and public agencies, regional or national nonprofit organizations, and regional or national public agencies. Requires HCD to establish a process to certify qualified entities, as specified.
- 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 specified.
- 7) Requires a qualified entity that elects to purchase a park to make a bona fide offer to purchase it at market value, as specified. This offer shall be submitted within 270 days of the notice of the opportunity to submit an offer, 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. Requires the market value of the property to be determined by negotiation and agreement between the parties, as specified.
- 9) 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 park management may: sell the property to any buyer; maintain ownership of the property and continue its operation as a mobilehome park; or pursue closure, cessation, or change of use of the park pursuant to the requirements of this bill and existing law.
- 10) Requires HCD to maintain a form outlining the rights and obligations under this bill and make that information available to park owners, resident organizations, and other entities, as specified; provide the park manager with a list of qualified entities; monitor park owner compliance; and refer violations to the Attorney General. If HCD does not supply the list of qualified entities, the park owner must only send the notice of opportunity to submit an offer to qualified entities who directly contact them, and to post the notice in a common area of the park.
- 11) Provides that specified entities have standing to enforce the provisions of this bill. The court may waive any bond requirement and may award attorney's fees and costs to a prevailing plaintiff.
- 12) Provides that nothing in this bill shall override a local government ordinance, rule, regulation, or initiative measure that provides equal or greater protection to affected tenants.
- 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, the park manager shall provide previous park residents with notice in the same manner as current park residents, as specified. Also provides that residents are not obligated to pay rent during the period they are unable to live in the park following a wildfire or other natural disaster.

Background

Mobilehome parks. 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. 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 standards has improved dramatically, making them a viable affordable housing option.

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 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 between 1998 and 2019. To address concerns about losing mobilehomes – an important form of affordable housing – AB 2782 (M. Stone, Chapter 35, Statutes of 2020) aimed to strengthen the process for approval of mobilehome park conversion as follows: requiring park owners to pay market value for the mobilehome of a park resident who is unable to successfully relocate to another park; requiring a local jurisdiction, prior to approving a proposed change in use for a mobilehome park, to make a finding as to whether the change in use will result in a reduction in affordable housing within the

jurisdiction; and extending, from 15 to 60 days, advance notice of the public hearing about a park closure that park owners must give their before 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, Statutes of 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 now 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 monitors compliance, and the PNL allows affected tenants and local governments the right to enforce the law via legal remedies.

- 4) *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 mitigation report with the local agency and has the right to request a hearing. 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 along with the termination of tenancy notices. When an owner is planning to sell a park, they must provide notice of intent to sell, at least 30 days prior to listing, to resident organizations and other specified entities.

This bill aims to further protect mobilehome parks that are at risk of closure or conversion by basically establishing a PNL for mobilehome parks. 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 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 eliminated, but so was any right to return, even if the park was rebuilt. Under recent legislation (SB 274, Dodd, Chapter 504, Statutes of 2019), a park that chooses to rebuild after a natural disaster must 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, except for adjustments 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 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 prohibits park residents from being charged rent during the period they are unable to live in the park before it is rebuilt.

According to Senate Appropriations Committee:

- 1) HCD estimates ongoing costs of approximately \$405,000 annually for 2.0 PY of staff workload to implement and administer the bill, including creation of

new form, factsheets, and guides, establishing and administering a new certification process for qualified entities, and expanding compliance monitoring activities within the PNL team's jurisdiction. There may be additional costs to the extent additional inquiries and complaints are referred to legal service providers under the Mobilehome Residency Law Protection Program. (General Fund)

- 2) Unknown court workload cost pressures, to the extent additional enforcement actions are filed for noncompliance with notification requirements and other provisions of the bill that would be subject to enforcement actions and injunctive, legal, and equity relief, as specified. (Trial Court Trust Fund, General Fund)

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

SUPPORT: (Verified 5/23/25)

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

OPPOSITION: (Verified 5/23/25)

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

ARGUMENTS IN SUPPORT: The Golden State Manufactured-Home Owners League states that recent disasters have destroyed dozens of mobilehome parks, a source of affordable housing for Californians, and that a majority of these have not been rebuilt.

ARGUMENTS IN OPPOSITION: The Western Manufactured Housing Communities Association, the California Association of Realtors, and the California Mobilehome Parkowners Alliance state that this bill effectively reduces the value of the land in a park and would result in an unconstitutional taking of a park owner's property.

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