

Date of Hearing: August 20, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 749 (Allen) – As Amended May 6, 2025

Policy Committee:	Housing and Community Development	Vote:	7 - 4
	Judiciary		9 - 2

Urgency: No State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

This bill requires a mobilehome park owner to provide notice to tenants and affected public entities regarding the closure or change of use of a mobilehome park, and prohibits a park owner from proceeding with a change without first providing qualified entities an opportunity to purchase the park.

In addition, the bill specifies a mobilehome park resident is not obligated to pay rent during the time they are unable to live in the mobilehome park following a wildfire or other natural disaster.

Among its provisions, this bill:

- 1) Requires a mobilehome park owner to provide notice of a proposed closure, cessation, or change of use of the mobilehome park to each affected tenant, prospective tenant, and affected public entities, as specified, at least 12 months prior and again at least six months prior, to the anticipated date the proposed change.
- 2) Provides for injunctive relief to any affected public entity or affected tenant, including a resident organization, relating to a violation of the above provisions and allows the court to award attorney's fee and costs to a prevailing plaintiff.
- 3) Requires a park owner who decides to pursue closure, cessation, or change of use of a mobilehome park to first give notice of the opportunity to offer to purchase to each qualified entity, as defined, as well as to qualified entities that directly contact the park owner. Specifies the contents of the notice. This notice must be given before or concurrently with the notices specified above for a period of at least 12 months.
- 4) Requires HCD to establish a process to certify an entity as a "qualified entity," and to maintain and annually update a list of certified entities.
- 5) Requires a qualified entity that elects to purchase the mobilehome park to make a bona fide offer to purchase the park at market value within 270 days of the notice of the opportunity to submit an offer, as specified.
- 6) Requires a park owner to notify HCD within 90 days of any bona fide offers, and accept a bona fide offer from a qualified entity to purchase and execute a purchase agreement.
- 7) If no bona fide offers are received from a qualified entity within 270 days, or all offers are withdrawn, authorizes a park owner to sell the property to any buyer, maintain ownership and

continue its operation as a mobilehome park, or pursue closure, cessation, or change of use pursuant to this bill and existing law.

- 8) Requires HCD to maintain a specified form of rights and obligations under this bill, monitor park owner compliance with the bill's requirements, and refer violations to the Attorney General for appropriate enforcement action.
- 9) Provides any affected tenant, resident organization, qualified entity, or affected public entity, as specified, has standing to enforce the offer-to-purchase provisions of the bill. Allows the court to waive any bond requirement and to award attorney's fees and costs to a prevailing plaintiff.
- 10) Provides that a homeowner with a valid tenancy in a mobilehome park at the time of a wildfire or other natural disaster is not obligated to pay rent during the time they are unable to live in the mobile home park following a wildfire or other natural disaster.
- 11) Exempts HCD rulemaking for these purposes from the Administrative Procedures Act.

FISCAL EFFECT:

- 1) HCD estimates ongoing General Fund costs of approximately \$405,000 annually for two staff positions to implement and administer the bill, including developing new forms, establishing and administering a new certification process for qualified entities, expanding compliance monitoring activities, and referring violations to the Attorney General.
- 2) Cost pressures (Trial Court Trust Fund, General Fund) of an unknown but potentially significant amount to the courts 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. Actual costs will depend on the number of cases filed and the amount of court time needed to resolve each case. It generally costs approximately \$1,000 to operate a courtroom for one hour. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The fiscal year 2025-26 state budget provides \$82 million ongoing General Fund to the Trial Court Trust Fund for court operations.

COMMENTS:

- 1) **Purpose.** According to the author:

Mobilehomes are the largest source of unsubsidized affordable housing in the country and provide important homeownership opportunities for many Californians. 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 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. [This bill] 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) **Background. Notification Requirements.** Existing law requires the owner of a mobilehome park, prior to converting, closing, or changing the use of the mobilehome park, to submit a report to the local jurisdiction that includes 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. The park owner must provide notice to park residents at least 60 days prior to appearing before a local agency to request change of use permits. A local jurisdiction, prior to approving a proposed change in use for a mobilehome park, must make a finding as to whether the change in use will result in a reduction in affordable housing within the jurisdiction. Once all permits are approved, the park owner must provide at least six months' notice to park residents of termination of tenancy. If no permits are needed, the park owner must provide at least 12 months' notice to park residents. 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.

If a mobilehome park is destroyed by a natural disaster, and an owner elects to rebuild the park at the same location, existing law requires the owner to offer residents who previously lived in the park the right to return on substantially the same terms, taking into account the costs of rebuilding the park.

The Preservation Notice Law (PNL). PNL imposes requirements on the developers and owners of "assisted" (or subsidized) housing developments. These developments typically receive subsidies from a local government in exchange for agreeing to keep rents affordable for, typically, between 30 and 55 years. At the end of that period, the owner may elect to continue receiving subsidies and keep the rents at the affordable rates, or may decide to let the subsidy contract expire and begin charging market rates.

PNL requires owners who elect to convert to market rates to first give certain "qualified entities" – as designated by HCD – an opportunity to purchase the property at fair market value. The qualified entities, which may include nonprofit housing groups or public entities, may purchase the property and agree to maintain the affordable rent. Until last year, existing law permitted an owner to reject the offers from qualified entities and then convert the property to market rates after five years. AB 2926 (Kalra) Chapter 281, Statutes of 2024, required the seller of a subsidized housing development to accept a bona fide offer from a qualified entity or maintain the development as affordable housing. PNL also provides injunctive relief and civil action for affected tenants and public agencies and allows enforcement through civil action.

This bill establishes procedures similar to those prescribed in the PNL when a mobilehome park owner intends the closure, cessation, or change of use of a mobilehome park.

- 3) **Support and Opposition.** Supporters, primarily mobilehome park residents and low-income advocates assert this bill helps to preserve an important source of affordable housing. Opponents, park owner groups, assert the bill undermines a parkowner's property rights and results in an unconstitutional taking.