

AMENDED IN ASSEMBLY APRIL 12, 2004

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 2351

Introduced by Assembly Member Corbett

February 19, 2004

An act to ~~add Section 798.80.5 to~~ amend Sections 798.16, 798.26, 798.285, 798.37, and 799.1.5 of the Civil Code, relating to mobilehome parks.

LEGISLATIVE COUNSEL'S DIGEST

AB 2351, as amended, Corbett. Mobilehome parks: ~~sales of parks~~ rights of mobilehome owners and residents.

(1) Existing law, the Mobilehome Residency Law, requires the rental agreement between the management of a mobilehome park and the homeowner to be in writing and to contain specified terms and provisions.

This bill would require the management of a mobilehome park to return a signed copy of the rental agreement to the homeowner within 15 business days after execution by management.

(2) Existing law prohibits the ownership or management of a mobilehome park, subdivision, cooperative, or condominium for mobilehomes from entering a mobilehome without the prior written consent of the resident, except in specified circumstances.

This bill would make that prohibition applicable to the ownership or management of a resident-owned mobilehome park.

(3) Existing law authorizes the management of a mobilehome park to cause the removal of a vehicle parked in the park when certain conditions are satisfied.

This bill would require the management to provide a 24-hour notice before removing a resident's vehicle, except as specified, and would prohibit the removal of a resident's vehicle from the resident's parking space if the vehicle is licensed or has a valid certificate of nonoperation.

(4) Existing law prohibits management of a mobilehome park from requiring a homeowner to pay a fee as a condition of tenancy for landscaping, except as specified, or to purchase goods or services from any third party for landscaping.

This bill would additionally prohibit management from requiring a homeowner to pay such a fee or to purchase goods or services from any third party for remodeling or maintenance.

(5) Existing law imposes limits on a resident of a resident-owned mobilehome park with respect to the display of a sign advertising the sale or rental of his or her mobilehome.

This bill would modify and extend those limits by, among other things, making them applicable to any person who gains ownership of the mobilehome upon the resident's death, or any agent of the resident or owner, and by prescribing the maximum size, configuration, and location of the sign.

~~Existing law requires the owner of a mobilehome park who lists for sale or offers to sell the mobilehome park to any party, with certain exceptions, to provide written notice of his or her intention to sell, as specified, to any resident organization formed by homeowners as a nonprofit corporation, stock cooperative corporation, or other entity for purposes of converting the mobilehome park to cooperative or condominium ownership and for purchasing the park.~~

~~This bill would additionally provide that homeowners in a mobilehome park who have fulfilled certain requirements shall have a right of first refusal if a mobilehome park owner desires to sell the park. The bill would limit application of this right of first refusal to mobilehome parks in which 30% of the spaces are occupied by low-income residents or homeowners, as specified. To have the right of first refusal, the bill would require that: (1) the homeowners form a resident organization, as specified, which would be required to represent at least $\frac{2}{3}$ of the mobilehome owners of the park and be authorized to act on their behalf; (2) the resident organization contract with a specified 3rd party to represent the organization and facilitate the purchase; and (3) the resident organization provide notice of the residents' desire to purchase the park, in writing, as specified, to the park owner or manager. The bill would require the resident organization~~



~~to provide a specified notice in order to maintain the right of first refusal.~~

~~The bill would require a park owner to follow a specified procedure for informing the resident organization if the mobilehome park owner has received a bona fide offer from a 3rd party to buy the park, and desires to sell, including specifying the price and terms of the potential sale. The bill would require the resident organization to notify the park owner within 15 days of receiving notice from the owner, as specified, that it is considering the offer to purchase, or lose the right of first refusal. The bill would provide that, after notifying the park owner, as specified, the resident organization would have 30 days to exercise its right of first refusal by making a bona fide offer to meet the price and substantially the same terms. The bill would prohibit a sale to a third party at a price less, or on terms more favorable to the buyer, than those communicated to the resident organization. The bill would except from its provisions certain sales and transfers. The bill would also make a statement of legislative findings and declarations regarding housing.~~

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1.~~ The Legislature hereby finds and declares all of
2 *SECTION 1. Section 798.16 of the Civil Code is amended to*
3 *read:*

4 798.16. (a) The rental agreement may include such other
5 provisions permitted by law, but need not include specific
6 language contained in state or local laws not a part of this chapter.

7 (b) *Management shall return a signed copy of the rental*
8 *agreement to the homeowner within 15 business days after*
9 *execution by management.*

10 *SEC. 2. Section 798.26 of the Civil Code is amended to read:*

11 798.26. (a) Except as provided in subdivision (b), and
12 notwithstanding any other provision of law to the contrary, the
13 ownership or management of a park, subdivision, cooperative, or
14 condominium for mobilehomes, *or of a resident-owned*
15 *mobilehome park* shall have no right of entry to a mobilehome
16 without the prior written consent of the resident. The consent may
17 be revoked in writing by the resident at any time. The ownership
18 or management shall have a right of entry upon the land upon



1 which a mobilehome is situated for maintenance of utilities, trees,
 2 and driveways, for maintenance of the premises in accordance
 3 with the rules and regulations of the park when the homeowner or
 4 resident fails to so maintain the premises, and protection of the
 5 mobilehome park, subdivision, cooperative, ~~or~~ condominium, *or*
 6 *resident-owned mobilehome park* at any reasonable time, but not
 7 in a manner or at a time ~~which~~ *that* would interfere with the
 8 resident’s quiet enjoyment.

9 (b) The ownership or management of a park, subdivision,
 10 cooperative, or condominium for mobilehomes, *or of a*
 11 *resident-owned mobilehome park* may enter a mobilehome
 12 without the prior written consent of the resident in case of an
 13 emergency or when the resident has abandoned the mobilehome.

14 *SEC. 3. Section 798.285 of the Civil Code is amended to read:*
 15 *798.285. ~~The~~—(a) Except as otherwise provided in this*
 16 *section, the management may cause the removal, pursuant to*
 17 *Section 22658 of the Vehicle Code, of a vehicle other than a*
 18 *mobilehome ~~which~~ that is parked in the park when there is*
 19 *displayed a sign at each entrance to the park as provided in*
 20 *paragraph (1) of subdivision (a) of Section 22658 of the Vehicle*
 21 *Code.*

22 *(b) Before causing the removal of a resident’s vehicle pursuant*
 23 *to this section, management shall post a 24-hour notice of intent*
 24 *to remove on the windshield of the vehicle. This requirement does*
 25 *not apply if the car is parked in a designated fire lane or other “no*
 26 *parking” area.*

27 *(c) Management may not cause the removal of a resident’s*
 28 *vehicle from the resident’s designated parking space if the vehicle*
 29 *is legally licensed of has a valid certificate or nonoperation.*

30 *SEC. 4. Section 798.37 of the Civil Code is amended to read:*
 31 *798.37. A homeowner ~~shall~~ may not be charged a fee for the*
 32 *entry, installation, hookup, remodeling, maintenance, or*
 33 *landscaping as a condition of tenancy except for an actual fee or*
 34 *cost imposed by a local governmental ordinance or requirement*
 35 *directly related to the occupancy of the specific site upon which the*
 36 *mobilehome is located and not incurred as a portion of the*
 37 *development of the mobilehome park as a whole. However,*
 38 *reasonable landscaping and maintenance requirements may be*
 39 *included in the park rules and regulations. The management ~~shall~~*
 40 *may not require a homeowner or prospective homeowner to*



1 purchase, rent, or lease goods or services for landscaping,
2 remodeling, or maintenance from any person, company, or
3 corporation.

4 *SEC. 5. Section 799.1.5 of the Civil Code is amended to read:*

5 799.1.5. A resident, or an heir, joint tenant, or personal
6 representative of the estate who gains ownership of a mobilehome
7 in a resident-owned mobilehome park through the death of the
8 resident of the mobilehome who was a resident at the time of his
9 or her death, or the agent of any of those persons, may advertise
10 the sale or exchange of his or her mobilehome or, if not prohibited
11 by the terms of an agreement with the management or ownership,
12 may advertise the rental of his or her mobilehome by displaying
13 a sign in the window of ~~his or her~~ the mobilehome, or by a sign
14 posted on the side of the mobilehome facing the street, or by a sign
15 in front of the mobilehome facing the street, stating that the
16 mobilehome is for sale or exchange or, if not prohibited, for rent
17 by the owner of the mobilehome or his or her agent. Any such
18 person also may display a sign conforming to these requirements
19 indicating that the mobilehome is on display for an “open house,”
20 unless the park rules prohibit the display of an open house sign.
21 The sign shall state the name, address, and telephone number of the
22 owner of the mobilehome or his or her agent, ~~and may be at least~~
23 ~~12 inches in width and 12 inches in length.~~ The sign face may not
24 exceed 24 inches from in width and 36 inches in height. Signs
25 posted in from of a mobilehome pursuant to this section may be of
26 an H-frame or A-frame design with the sign face perpendicular to,
27 but not extending into, the street. Homeowners may attach to the
28 sign or their mobilehome tubes or holders for leaflets that provide
29 information on the mobilehome for sale, exchange, or rent.
30 ~~the following:~~

31 ~~(a) (1) Approximately 220,000 housing units need to be~~
32 ~~produced in California each year to meet demand. Yet only four~~
33 ~~times in the last 20 years has the production target been reached.~~

34 ~~(2) While the national homeownership rate has reached a~~
35 ~~record high, the rate in California is 10 percent below the national~~
36 ~~average, and ranks 48th in the nation.~~

37 ~~(3) There is an extreme shortage of rental housing in~~
38 ~~California, particularly for lower income renters.~~

39 ~~(4) Over one-third of all renter families statewide pay over half~~
40 ~~their incomes in rent.~~



1 ~~(5) More than 147,000 rental units built in this state prior to~~
2 ~~1980 under the Section 236, Section 221(d)(3), and Section 8~~
3 ~~programs of the United States Department of Housing and Urban~~
4 ~~Development and the Section 515 program of the federal Farmers~~
5 ~~Home Administration are at risk of conversion to higher rent~~
6 ~~housing or condominium units. Loss of this housing stock will~~
7 ~~displace thousands of elderly, disabled, and struggling families~~
8 ~~with no place to go.~~

9 ~~(6) The basic housing goal for state government pursuant to~~
10 ~~subdivision (b) of Section 50003 of the Health and Safety Code is~~
11 ~~to provide a decent home and suitable living environment for every~~
12 ~~California family.~~

13 ~~(b) (1) There is a critical need to protect and preserve~~
14 ~~affordable homes and rental housing in California, and seniors on~~
15 ~~fixed incomes and individuals and families of low and moderate~~
16 ~~income are particularly vulnerable to the escalating costs of~~
17 ~~housing, including increasing rents on mobilehome spaces upon~~
18 ~~which their mobilehomes are situated.~~

19 ~~(2) In 1984, the Legislature enacted the Mobilehome Park~~
20 ~~Resident Ownership Program to help facilitate the purchase of~~
21 ~~mobilehome parks by residents.~~

22 ~~(3) Mobilehome parks provide an affordable form of housing~~
23 ~~and homeownership for many Californians, and the conversion of~~
24 ~~parks to resident ownership is often undertaken to ensure~~
25 ~~continued affordability.~~

26 ~~(4) Increasing rents and low vacancy rates in mobilehome~~
27 ~~parks, as well as the pressure to convert mobilehome parks to other~~
28 ~~uses, increasingly make mobilehome park living insecure for~~
29 ~~mobilehome owners.~~

30 ~~(5) Therefore, it is the intent of the Legislature to encourage~~
31 ~~and facilitate the conversion of mobilehome parks to resident~~
32 ~~ownership in the event of a voluntary sale of a mobilehome park,~~
33 ~~and it is in the public interest to encourage mobilehome owners~~
34 ~~who are interested and financially motivated to collectively~~
35 ~~acquire the mobilehome parks in which they live.~~

36 ~~(e) (1) It is in the public interest to provide a right of first~~
37 ~~refusal to mobilehome owners to purchase the parks in which they~~
38 ~~live, in the event of a voluntary sale of the park, provided that~~
39 ~~certain conditions have been met by the mobilehome owners.~~



1 ~~(2) Recognizing the property rights of the park owner as well~~
2 ~~as the investment which mobilehome owners have made in their~~
3 ~~homes, the Legislature further finds and declares that:~~

4 ~~(A) In establishing this right of first refusal, the Legislature is~~
5 ~~not mandating that a park owner must sell if he or she does not want~~
6 ~~to sell, nor is the Legislature specifying the price or terms at which~~
7 ~~a park owner shall sell.~~

8 ~~(B) The sale of a rental mobilehome park to investors other than~~
9 ~~the park residents will likely lead to increasing costs to residents.~~

10 ~~(C) If a park owner who has decided to sell can receive his or~~
11 ~~her price and terms for the mobilehome park from the residents of~~
12 ~~the park, the public interests are best served if the resident~~
13 ~~organization is given the opportunity to purchase the park.~~

14 ~~SEC. 2.—Section 798.80.5 is added to the Civil Code, to read:~~

15 ~~798.80.5. (a) The homeowners who have fulfilled the~~
16 ~~requirements of this section shall have a right of first refusal to~~
17 ~~purchase the park as set forth in subdivision (d).~~

18 ~~(b) To have the right of first refusal for purchasing the~~
19 ~~mobilehome park, the homeowners shall satisfy all of the~~
20 ~~requirements of paragraphs (1) to (3), inclusive. The right of first~~
21 ~~refusal shall only apply to a listing, offer to sell, or third party offer~~
22 ~~to purchase that postdates the satisfaction of these requirements by~~
23 ~~the homeowners.~~

24 ~~(1) Form a resident organization as a nonprofit corporation,~~
25 ~~pursuant to Section 23701v of the Revenue and Taxation Code,~~
26 ~~stock cooperative corporation, or other entity for purposes of~~
27 ~~converting the mobilehome park to condominium, stock~~
28 ~~cooperative ownership interests, or other form of ownership and~~
29 ~~for purchasing the mobilehome park from its owner for the benefit~~
30 ~~of the residents of the mobilehome park.~~

31 ~~(A) The resident organization shall represent at least two-thirds~~
32 ~~of the mobilehome owners of the park as evidenced by an~~
33 ~~acknowledgment in writing by participating residents that the~~
34 ~~organization has the authority to act on their behalf.~~

35 ~~(B) The resident organization's bylaws and articles of~~
36 ~~incorporation or other provisions shall provide that the~~
37 ~~organization has the authority to negotiate, acquire, and operate~~
38 ~~the mobilehome park on behalf of the residents.~~

39 ~~(2) Contract with a housing consultant, nonprofit housing~~
40 ~~corporation, or real estate licensee to represent the resident~~



1 organization and to facilitate a purchase of the mobilehome park
2 from the park owner.

3 (3) Notify the park owner or manager in writing that the park
4 residents desire to purchase the mobilehome park and that the
5 residents have fulfilled the requirements of paragraphs (1) and (2).
6 The right of first refusal shall apply only to a written listing, offer
7 to sell, or a third party offer to purchase the mobilehome park that
8 postdates the initial receipt of this notice by the park owner or
9 manager. Any notice under this subdivision shall include the
10 names and addresses of the officers to whom a park owner shall
11 provide information concerning a possible sale of the mobilehome
12 park, as well as the name and address of the housing consultant,
13 nonprofit housing corporation, or real estate licensee who will
14 represent the residents with respect to a park purchase.

15 (e) (1) To maintain the right of first refusal, the resident
16 organization shall provide subsequent notice of its desire to
17 purchase the mobilehome park once within 12 months following
18 its last notice.

19 (2) Any notice under this subdivision shall include the names
20 and addresses of the officers to whom a park owner shall provide
21 information concerning a possible sale of the mobilehome park, as
22 well as the name and address of the housing consultant, nonprofit
23 housing corporation, or real estate licensee who will represent the
24 residents with respect to a park purchase.

25 (3) The resident organization shall furnish the park owner or
26 park manager a written notice of any change in the names or
27 addresses of the officers of the resident organization to whom the
28 notice of sale shall be given within five days of the change.

29 (d) (1) If the park owner has received a bona fide offer to
30 purchase from a third party, and desires to sell, the owner shall
31 inform the resident organization that has met the requirements of
32 this section and provide the organization with a copy of the offer
33 and any supporting materials.

34 (2) The park owner may not sell the park to a third party if,
35 within 15 days of receiving notification from the park owner, the
36 resident organization notifies the park owner that it is considering
37 an offer to purchase. If the resident organization notifies the park
38 owner that it does not wish to exercise its right to purchase the park,
39 or it fails to inform the mobilehome park owner within 15 days that
40 it is considering an offer to purchase, that right shall terminate.



1 ~~(3) The resident organization shall have 30 days after its~~
2 ~~expression of consideration within which to exercise its right of~~
3 ~~first refusal by making a bona fide offer to meet the price and~~
4 ~~substantially the same terms made by the third party.~~

5 ~~(4) The sale to the third party may not be made for a price less,~~
6 ~~or on terms more favorable to the buyer, than the price or terms~~
7 ~~communicated to the resident organization.~~

8 ~~(e) This section does not apply to:~~

9 ~~(1) A sale or other transfer by a park owner who is a natural~~
10 ~~person to any relation specified in Section 6401 or 6402 of the~~
11 ~~Probate Code.~~

12 ~~(2) A transfer by gift, devise, or operation of law.~~

13 ~~(3) A transfer by a corporation to an affiliate. As used in this~~
14 ~~paragraph, “affiliate” means any shareholder of the transferring~~
15 ~~corporation, any corporation or entity owned or controlled,~~
16 ~~directly or indirectly, by the transferring corporation, or any other~~
17 ~~corporation or entity controlled, directly or indirectly, by any~~
18 ~~shareholder of the transferring corporation.~~

19 ~~(4) A transfer by a partnership to any of its partners.~~

20 ~~(5) A conveyance resulting from the judicial or nonjudicial~~
21 ~~foreclosure of a mortgage or deed of trust encumbering a~~
22 ~~mobilehome park or any deed given in lieu of foreclosure.~~

23 ~~(6) A sale or transfer between or among joint tenants or tenants~~
24 ~~in common owning a mobilehome park.~~

25 ~~(7) The purchase of a mobilehome park by a governmental~~
26 ~~entity under its powers of eminent domain.~~

27 ~~(f) This section shall apply only if at least 30 percent of the~~
28 ~~spaces in the mobilehome park are occupied by low income~~
29 ~~residents, or homeowners, or both, whose income is 80 percent or~~
30 ~~less of the area median income.~~

