

AMENDED IN ASSEMBLY JUNE 5, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 1542

Introduced by Assembly ~~Member Evans~~ *Members Evans and Leno*
(Principal coauthor: Senator Corbett)
(Coauthors: Assembly Members *Berg, Huffman, Laird, Lieber, and Richardson*)
(Coauthor: Senator Wiggins)

February 23, 2007

An act to amend ~~Section 66427.4 of, and to repeal Section 66427.5 of, the Government Code, and to amend Section 50786 of the Health and Safety of the Government Code~~, relating to mobilehome parks.

LEGISLATIVE COUNSEL'S DIGEST

AB 1542, as amended, Evans. Mobilehome parks: conversions.

(1) The Subdivision Map Act requires a subdivider, at the time of filing a tentative or parcel map for a subdivision to be created from the conversion of a rental mobilehome park to resident ownership, to ~~also file a report on the impact of the conversion upon the displaced residents of the mobilehome park to be converted, including the availability of adequate replacement space in mobilehome parks.~~ The act exempts from these requirements a subdivision that is created from the conversion of a rental mobilehome park to resident ownership *avoid the economic displacement of all nonpurchasing residents in accordance with specified provisions that apply to all tenants and specified provisions that apply to nonpurchasing residents who are not lower income households.* A violation of the act is a crime punishable as a felony or a misdemeanor. *That act also requires that the subdivider is subject to a hearing by the legislative body or the advisory agency, which is*

authorized by local ordinance to approve, conditionally approve, or disapprove the map, and that the scope of the hearing is limited to the issue of compliance with these provisions.

This bill would delete that exemption the hearing limitation, but would also require, notwithstanding the conversion, that local rent control measures remain applicable to any rental of mobilehome space within the park. Because the bill would expand the scope of an existing crime, it would impose a state-mandated local program.

The bill would also revise these provisions as to nonpurchasing residents who are not low- or moderate-income households where the conversion is not subject to local rent control.

(2) The act requires the legislative body, or an advisory agency that is authorized by local ordinance to approve, conditionally approve, or disapprove the map, to require the subdivider to take steps to mitigate any adverse impact of the conversion on the ability of displaced mobilehome park residents to find adequate space in a mobilehome park.

This bill would delete these requirements, and would make a conforming change.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

- 1 SECTION 1. Section 66427.5 of the Government Code is
- 2 amended to read:
- 3 66427.5. At the time of filing a tentative or parcel map for a
- 4 subdivision to be created from the conversion of a rental
- 5 mobilehome park to resident ownership, the subdivider shall avoid
- 6 the economic displacement of all nonpurchasing residents in the
- 7 following manner:
- 8 (a) The subdivider shall offer each existing tenant an option to
- 9 either purchase his or her condominium or subdivided unit, which
- 10 is to be created by the conversion of the park to resident ownership,
- 11 or to continue residency as a tenant.

1 (b) The subdivider shall file a report on the impact of the
2 conversion upon residents of the mobilehome park to be converted
3 to resident owned subdivided interest.

4 (c) The subdivider shall make a copy of the report available to
5 each resident of the mobilehome park at least 15 days prior to the
6 hearing on the map by the advisory agency or, if there is no
7 advisory agency, by the legislative body.

8 (d) (1) The subdivider shall obtain a survey of support of
9 residents of the mobilehome park for the proposed conversion.

10 (2) The survey of support shall be conducted in accordance with
11 an agreement between the subdivider and a resident homeowners'
12 association, if any, that is independent of the subdivider or
13 mobilehome park owner.

14 (3) The survey shall be obtained pursuant to a written ballot.

15 (4) The survey shall be conducted so that each occupied
16 mobilehome space has one vote.

17 (5) The results of the survey shall be submitted to the local
18 agency upon the filing of the tentative or parcel map, to be
19 considered as part of the subdivision map hearing prescribed by
20 subdivision (e).

21 (e) The subdivider shall be subject to a hearing by a legislative
22 body or advisory agency, which is authorized by local ordinance
23 to approve, conditionally approve, or disapprove the map. ~~The~~
24 ~~scope of the hearing shall be limited to the issue of compliance~~
25 ~~with this section.~~

26 (f) ~~The~~ *In the absence of local rent control, the* subdivider shall
27 be required to avoid the economic displacement of all
28 nonpurchasing residents in accordance with the following:

29 (1) As to nonpurchasing residents who are not lower income
30 households, as defined in Section 50079.5 of the Health and Safety
31 Code, the monthly rent, including any applicable fees or charges
32 for use of any preconversion amenities, may increase from the
33 preconversion rent to market levels, as defined in an appraisal
34 conducted in accordance with nationally recognized professional
35 appraisal standards, in equal annual increases over a four-year
36 period.

37 (2) As to nonpurchasing residents who are lower income
38 households, as defined in Section 50079.5 of the Health and Safety
39 Code, the monthly rent, including any applicable fees or charges
40 for use of any preconversion amenities, may increase from the

1 preconversion rent by an amount equal to the average monthly
2 increase in rent in the four years immediately preceding the
3 conversion, except that in no event shall the monthly rent be
4 increased by an amount greater than the average monthly
5 percentage increase in the Consumer Price Index for the most
6 recently reported period.

7 (g) *Notwithstanding the conversion, local rent control measures*
8 *shall remain applicable to any rental of mobilehome space within*
9 *the park.*

10 SECTION 1. ~~Section 66427.4 of the Government Code is~~
11 ~~amended to read:~~

12 ~~66427.4. (a) At the time of filing a tentative or parcel map for~~
13 ~~a subdivision to be created from the conversion of a mobilehome~~
14 ~~park to another use, the subdivider shall also file a report on the~~
15 ~~impact of the conversion upon the displaced residents of the~~
16 ~~mobilehome park to be converted. In determining the impact of~~
17 ~~the conversion on displaced mobilehome park residents, the report~~
18 ~~shall address the availability of adequate replacement space in~~
19 ~~mobilehome parks.~~

20 ~~(b) The subdivider shall make a copy of the report available to~~
21 ~~each resident of the mobilehome park at least 15 days prior to the~~
22 ~~hearing on the map by the advisory agency or, if there is no~~
23 ~~advisory agency, by the legislative body.~~

24 ~~(c) The legislative body, or an advisory agency that is authorized~~
25 ~~by local ordinance to approve, conditionally approve, or disapprove~~
26 ~~the map, may require the subdivider to take steps to mitigate any~~
27 ~~adverse impact of the conversion on the ability of displaced~~
28 ~~mobilehome park residents to find adequate space in a mobilehome~~
29 ~~park.~~

30 ~~(d) This section establishes a minimum standard for local~~
31 ~~regulation of conversions of mobilehome parks into other uses and~~
32 ~~shall not prevent a local agency from enacting more stringent~~
33 ~~measures.~~

34 SEC. 2. ~~Section 66427.5 of the Government Code is repealed.~~

35 SEC. 3. ~~Section 50786 of the Health and Safety Code is~~
36 ~~amended to read:~~

37 ~~50786. (a) The department shall adopt regulations for the~~
38 ~~administration and implementation of this chapter.~~

39 ~~(b) The department shall obtain the best available security for~~
40 ~~loans made pursuant to this chapter. The security may include a~~

1 ~~note, deed of trust, assignment of lease, or other form of security~~
2 ~~on real or personal property which the department determines is~~
3 ~~adequate to protect the interests of the state. To the extent~~
4 ~~applicable, these documents and any regulatory provisions shall~~
5 ~~be recorded or referenced in a recorded document in the office of~~
6 ~~the county recorder of the county in which the mobilehome park~~
7 ~~is located.~~

8 ~~(e) The degree of continuing regulatory control with respect to~~
9 ~~park operations and resident loans exercised by the department in~~
10 ~~making loans pursuant to this chapter shall be commensurate with~~
11 ~~the level of financial assistance provided and in all cases shall be~~
12 ~~adequate to protect the state's security interest and ensure the~~
13 ~~accomplishment of the purposes of the program authorized by this~~
14 ~~chapter. The regulatory requirements shall be set forth in a~~
15 ~~regulatory agreement, deed of trust, or other lien, and any violation~~
16 ~~of these requirements shall be considered a violation of a security~~
17 ~~document. Where loans are made to a qualifying nonprofit housing~~
18 ~~sponsor or local public entity, a regulatory agreement shall be~~
19 ~~recorded against the mobilehome park. This regulatory agreement~~
20 ~~shall contain provisions limiting occupancy, rents, and park~~
21 ~~operation for the original loan term. The department may release~~
22 ~~individual spaces from the regulatory agreement only if they are~~
23 ~~purchased by residents who occupy them.~~

24 ~~(d) Before providing financing pursuant to this chapter, the~~
25 ~~department shall require provision of, and approve, at least all of~~
26 ~~the following:~~

27 ~~(1) Verification at the time of application and prior to funding~~
28 ~~that at least two-thirds of the households residing in the~~
29 ~~mobilehome park support the plans for acquisition and conversion~~
30 ~~of the park.~~

31 ~~(2) Verification that either no park residents shall be~~
32 ~~involuntarily displaced as a result of the park conversion or the~~
33 ~~impacts of the displacement shall be mitigated as required under~~
34 ~~state and local law.~~

35 ~~(3) Verification that the conversion is consistent with local~~
36 ~~zoning and land use requirements, other applicable state and local~~
37 ~~laws, and regulations and ordinances.~~

38 ~~(4) Projected costs and sources of funds for all conversion~~
39 ~~activities.~~

1 ~~(5) Projected operating budget for the park during and after the~~
2 ~~conversion.~~

3 ~~(6) A management plan for the conversion and operation of the~~
4 ~~park.~~

5 ~~(7) If necessary, a relocation plan for residents not participating~~
6 ~~that is in compliance with Chapter 16 (commencing with Section~~
7 ~~7260) of Division 7 of Title 1 of the Government Code.~~

8 ~~(e) The department shall, to the greatest extent feasible, do all~~
9 ~~of the following:~~

10 ~~(1) Require participation by cities and counties in loan~~
11 ~~applications submitted pursuant to this chapter.~~

12 ~~(2) Contract with private lenders or local public entities to~~
13 ~~provide program administration and to service loans made pursuant~~
14 ~~to this chapter.~~

15 ~~(3) Give priority to applications for resident-owned parks.~~

16 ~~SEC. 4.~~

17 *SEC. 2.* No reimbursement is required by this act pursuant to
18 Section 6 of Article XIII B of the California Constitution because
19 the only costs that may be incurred by a local agency or school
20 district will be incurred because this act creates a new crime or
21 infraction, eliminates a crime or infraction, or changes the penalty
22 for a crime or infraction, within the meaning of Section 17556 of
23 the Government Code, or changes the definition of a crime within
24 the meaning of Section 6 of Article XIII B of the California
25 Constitution.