

AMENDED IN ASSEMBLY APRIL 21, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2026

Introduced by Assembly Member Stone

February 20, 2014

An act to amend Sections 798.73.5 and 798.74 of the Civil Code, relating to mobilehome parks.

LEGISLATIVE COUNSEL'S DIGEST

AB 2026, as amended, Stone. Mobilehome parks: sales.

Existing law authorizes the management of a mobilehome park, in the case of a sale or transfer of a mobilehome that is sold and that will remain in the park, to require repairs or improvements to the mobilehome, its appearances, or any accessory structure only if specified conditions are met, including that the repair or improvement based upon or required by a local ordinance or state statute or regulation relating to mobilehomes.

This bill would require a determination following an inspection by the appropriate enforcement agency that the repair or improvement is required by the local ordinance or state statute or regulation in order for the management to require the repair or improvement.

Existing law authorizes the management of a mobilehome park to require prior approval of a purchaser of a mobilehome that will remain in the park. Existing law also prohibits management from withholding approval if the purchaser has the ability to pay the rent and charges of the park, except as specified. Existing law authorizes management to require the purchaser to document the amount and source of his or her gross monthly income or other means of support but prohibits management from requiring personal income tax returns as evidence.

Existing law requires management, upon request of any prospective homeowner who proposes to purchase a mobilehome that will remain in the park, to inform that person of the information that management will require to determine if the person will be acceptable as a homeowner in the park. Existing law permits the management or owner to be held liable for all damages if the approval of a prospective homeowner is withheld for any unauthorized reason.

This bill would delete the authorization to require documentation of financial support and would require the purchaser to be presumed to have the financial ability to pay the rent and charges of the park if he or she has been approved for a loan to purchase the mobilehome, mobilehome that the purchaser intends to occupy, or if the purchaser has not been approved for a loan, based upon consideration of all information provided by the purchaser regarding his or her assets and ability to generate income demonstrating sufficient monthly income that meets or exceeds the income standard disclosed by management. The bill would prohibit that income standard from exceeding a multiplier of 3 times the purchaser's income over the projected housing-related expenses to be paid by the purchaser in connection with the proposed mobilehome tenancy. The bill would prohibit management from withholding approval on the basis that the prospective purchaser will not comply with the rules and regulations of the park. The bill would also prohibit management from withholding approval solely because the purchaser owns another mobilehome or real property residence and from requiring that the mobilehome being purchased be the sole residence of the purchaser. The bill would require management, upon request, to provide a prospective purchaser with a list of information that management will require in order to determine if the person will be acceptable as a homeowner in the park and a copy of the current written procedures, standards, or requirements that will be used by management to evaluate the purchaser's application. This bill would require the management, if a prospective homeowner is denied approval and if requested, to meet with the purchaser or homeowner at which time the management would be required to reconsider the denial based upon any additional information provided by the prospective homeowner. This bill would permit the management or owner to be held liable for damages to either the selling homeowner or the prospective homeowner if the approval is withheld for any unauthorized reason.

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

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

1 SECTION 1. Section 798.73.5 of the Civil Code is amended
2 to read:
3 798.73.5. (a) In the case of a sale or transfer of a mobilehome
4 that will remain in the park, the management may only require
5 repairs or improvements to the mobilehome, its appurtenances, or
6 an accessory structure that meet all of the following conditions:
7 (1) Except as provided by Section 798.83, the repair or
8 improvement is to the mobilehome, its appurtenances, or an
9 accessory structure that is not owned and installed by the
10 management.
11 (2) The repair or improvement is based upon or is required by
12 a local ordinance or state statute or regulation relating to
13 mobilehomes, or a rule or regulation of the mobilehome park that
14 implements or enforces a local ordinance or a state statute or
15 regulation relating to mobilehomes, as determined following an
16 inspection by the appropriate enforcement agency, as defined in
17 Section 18207 of the Health and Safety Code.
18 (3) The repair or improvement relates to the exterior of the
19 mobilehome, its appurtenances, or an accessory structure that is
20 not owned and installed by the management.
21 (b) The management, in the case of sale or transfer of a
22 mobilehome that will remain in the park, shall provide a
23 homeowner with a written summary of repairs or improvements
24 that management requires to the mobilehome, its appurtenances,
25 or an accessory structure that is not owned and installed by the
26 management no later than 10 business days following the receipt
27 of a request for this information, as part of the notice required by
28 Section 798.59. This summary shall include specific references to
29 park rules and regulations, local ordinances, and state statutes and
30 regulations relating to mobilehomes upon which the request for
31 repair or improvement is based.
32 (c) The provisions of this section enacted at the 1999–2000
33 Regular Session of the Legislature are declarative of existing law
34 as they pertain to allowing park management to enforce park rules
35 and regulations; these provisions specifically limit repairs and

1 improvements that can be required of a homeowner by park
2 management at the time of sale or transfer to the same repairs and
3 improvements that can be required during any other time of a
4 residency.

5 SEC. 2. Section 798.74 of the Civil Code is amended to read:

6 798.74. (a) The management may require the right of prior
7 approval of a purchaser of a mobilehome that will remain in the
8 park and that the selling homeowner or his or her agent give notice
9 of the sale to the management before the close of the sale. Approval
10 shall not be withheld if the purchaser has the financial ability to
11 pay the rent and charges of the park unless the management
12 reasonably determines that, based on the purchaser's prior
13 tenancies, he or she will not comply with the rules and regulations
14 of the park. *In determining whether the purchaser has the financial*
15 *ability to pay the rent and charges of the park, the management*
16 *shall not require the purchaser to submit copies of any personal*
17 *income tax returns in order to obtain approval for residency in*
18 *the park. However, management may require the purchaser to*
19 *document the amount and source of his or her gross monthly*
20 *income or means of financial support.*

21 (b) For purposes of determining the prior approval of a purchaser
22 pursuant to this section, all of the following shall apply:

23 (1) A purchaser shall be presumed to have the financial ability
24 to pay the rent and charges of the park if the purchaser has been
25 approved by a state or federally chartered financial institution for
26 a loan to purchase the mobilehome that the purchaser intends to
27 occupy and written documentation confirming this fact has been
28 provided to management.

29 (2) *If the purchaser has not been approved for a loan to*
30 *purchase the mobilehome pursuant to paragraph (1), the*
31 *management shall determine the purchaser's financial ability to*
32 *pay the rent and charges of the park based upon consideration of*
33 *all information provided by the purchaser regarding his or her*
34 *assets and ability to generate income, including, but not limited*
35 *to, savings accounts, certificates of deposit, stock portfolios, trust*
36 *interests of which the purchaser is the beneficiary, real property,*
37 *and similar financial assets that can be liquidated or sold. A*
38 *purchaser who demonstrates sufficient monthly income from all*
39 *sources that meets or exceeds the income standard disclosed by*

1 *management pursuant to subdivision (d) shall be presumed to have*
2 *the financial ability to pay the rent and charges of the park.*

3 ~~(2)~~

4 (3) Management shall not withhold approval on the basis that
5 the purchaser will not comply with the rules and regulations of the
6 park unless management provides the purchaser with documentary
7 evidence that the purchaser has failed to comply with the rules and
8 regulations during a previous tenancy within the three years
9 preceding the purchaser's application for tenancy.

10 (c) Management shall not withhold approval solely because the
11 purchaser owns another mobilehome or real property residence.
12 Management shall not require that the mobilehome that is the
13 subject of the purchase be the sole residence of the purchaser as a
14 condition of granting approval.

15 ~~Upon request~~ *Upon request* of any prospective homeowner
16 who proposes to purchase a mobilehome that will remain in the
17 park, management shall provide that person with a list of the
18 information management will require in order to determine if the
19 person will be acceptable as a homeowner in the ~~park~~ *park, and*
20 *a copy of the current written procedures, standards, or*
21 *requirements that will be used by management to evaluate the*
22 *purchaser's application, including, but not limited to, minimum*
23 *income standards that will be used to determine the purchaser's*
24 *financial ability the rent and charges of the park pursuant to*
25 *paragraph (2) of subdivision (b). The income standard shall not*
26 *exceed a multiplier of three times the purchaser's income over the*
27 *projected housing-related expenses to be paid by the purchaser*
28 *in connection with the proposed mobilehome tenancy.*

29 (e) Within 15 business days of receiving all of the information
30 requested from the prospective homeowner, the management shall
31 notify the seller and the prospective homeowner, in writing, of
32 either acceptance or rejection of the application, and the specific
33 reason or reasons, if rejected. During this 15-day period the
34 prospective homeowner shall comply with the management's
35 request, if any, for a personal interview. If a prospective
36 homeowner is denied approval, within five business days of
37 receiving the denial, the selling homeowner and the prospective
38 homeowner may request an in-person meeting with management.
39 If requested, the meeting shall take place within 10 days, at which
40 time the management shall reconsider its denial based upon any

1 additional information provided by the prospective homeowner.
2 If the approval of a prospective homeowner is withheld for any
3 reason other than those stated in this article, the management or
4 owner may be held liable for all damages to the selling homeowner
5 and the prospective homeowner proximately resulting therefrom.
6 (f) If the management collects a fee or charge from a prospective
7 purchaser of a mobilehome in order to obtain a financial report or
8 credit rating, the full amount of the fee or charge shall be credited
9 toward payment of the first month's rent for that mobilehome
10 purchaser. If, for whatever reason, the prospective purchaser is
11 rejected by the management, the management shall refund to the
12 prospective purchaser the full amount of that fee or charge within
13 30 days from the date of rejection. If the prospective purchaser is
14 approved by the management, but, for whatever reason, the
15 prospective purchaser elects not to purchase the mobilehome, the
16 management may retain the fee, or a portion thereof, to defray its
17 administrative costs under this section.