

AB 2026 (Stone) Mobilehome Sales Transparency

BACKGROUND

More than 700,000 people live in California’s 4,734 mobilehome parks. The cost to move a mobilehome ranges from \$2,000 to upwards of \$20,000 depending on the size of the home and the distance traveled.

A mobilehome owner whose home is located in a mobilehome park does not own the land the unit sits on, and he or she must pay rent and fees for the land and any community spaces. In order to sell a mobilehome located in a park, potential buyers must be approved by park management. Home owners trying to sell their home are therefore reliant on park management to approve the buyer so that the sale can be completed. Park management are not limited in the number of potential buyers they can reject, which places pressure on home owners to find a buyer that qualifies under the standards set in place by park management. Most standards are not set or regulated by the state and can vary widely from park to park. As a result, responsible and trustworthy potential buyers can be unfairly turned away.

EXISTING LAW

Existing law allows park management the right to approve or deny a potential buyer of a mobilehome. A buyer cannot be denied if they have the financial means to pay rent. Determination of adequate financial means depends on the qualifications set in place by the individual park management. Management may also deny a potential buyer if it determines that, based on prior tenancies, the buyer will not comply with park rules and regulations.

Current law also requires park management to credit the payment of an application fee toward the first month's rent if the purchaser is approved or refund the full amount if the purchaser is rejected for whatever reason. Park management may require repairs or improvements to a mobilehome that has been sold or transferred if certain conditions are met.

SUMMARY

AB 2026 defines the phrase “financial ability to pay” in the approval process for a potential buyer. The bill would require the purchaser to be presumed to have the ability to pay if they have been approved by a state or federally chartered financial institution for a loan to buy the mobilehome. Park management must provide documentary evidence that the buyer has not complied with rules and regulations in a housing unit within the last three years in order to deny them on those grounds. A buyer cannot be denied solely because they own another mobilehome or residence.

AB 2026 also requires that management, upon request from a potential buyer, provide a list of information that will be used to decide eligibility for residency in the mobilehome park. If the potential buyer is denied, management must provide them with the specific reason for their denial and upon request, meet with the buyer to reconsider the denial based upon any additional information available at that time.

The bill requires that park management may require repairs or improvements to a sold or transferred mobilehome if such repairs are needed, as determined by an inspection by the appropriate enforcement agency.

STATUS

To be heard in Assembly Housing and Community Development Committee April 30th

SUPPORT

- Golden State Manufactured-Home Owners League (Sponsor)
- California Senior Legislature
- County of Santa Cruz
- City of Capitola
- Senior Citizens Legal Services
- California Rural Legal Assistance Foundation

OPPOSITION

Western Manufactured Home Owners
Association (WMA)

FOR MORE INFORMATION

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