

Date of Hearing: August 3, 2022

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Chris Holden, Chair

SB 869 (Leyva) – As Amended June 30, 2022

Policy Committee: Housing and Community Development Vote: 6 - 2

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

SUMMARY:

This bill requires, by May 1 2025, the Department of Housing and Community Development (HCD) to develop and administer a program requiring managers of mobilehome parks and recreational vehicle (RV) parks to complete initial and annual training.

Among its provisions, this bill:

- 1) Requires HCD, by May 1, 2025, to adopt regulations to require at least one person per mobilehome park or RV park employed as or acting as an onsite manager to receive appropriate training.
- 2) Requires the training consist of at least six hours, and no more than eight, during the initial year, including completion of an annual end-of-year online examination, which must occur within one year of the person’s hiring date or by May 1, 2026, whichever occurs later. For each year thereafter, requires the training to consist of at least two hours, and no more than four, of follow-up training coursework, followed by an online examination.
- 3) Directs HCD, in developing the training, to review complaints, offer the training in an online format and, if it elects to, offer the training in other formats and consult with the Department of Consumer Affairs.
- 4) Requires the training to be undertaken by HCD staff and contracted persons who have experience and knowledge in connection with specified required subject matters.
- 5) Establishes the Mobilehome and Recreational Vehicle Park Training Fund within the State Treasury for the purposes of carrying out the requirements of this bill, and specifies moneys in the fund are available upon appropriation of the Legislature to HCD for these purposes.
- 6) Authorizes HCD to establish, by regulation, a fee-based structure to cover its costs. Specifies fees are not reimbursable to park management by homeowners.
- 7) Authorizes HCD, if the management is out of compliance with the requirements of this bill, to impose a civil penalty and suspend the management’s permit to operate the park, upon first providing written notice to management and an opportunity to be heard prior to suspension.
- 8) Exempts from the bill’s requirements a person licensed under the Real Estate Law, as specified.

FISCAL EFFECT:

- 1) HCD estimates ongoing administrative costs of approximately \$1.16 million annually for seven additional staff to develop and administer a new mobilehome/RV park manager training, examination, and certification program. Staff duties include development and adoption of program regulations, including a fee schedule, managing certifications and renewals, tracking permits to operate invoicing functions, conducting complaint inspections and onsite enforcement, and managing and supervising program staff (General Fund and Mobilehome and Recreational Vehicle Park Training Fund, established by this bill).
- 2) HCD estimates one-time automation costs of \$650,000 to make necessary changes to the Codes and Standards Automated Systems (CASAS) to aid in the planning and implementation of the management training program, as well as ongoing CASAS operation and maintenance costs of approximately \$80,000 annually (General Fund and Mobilehome and Recreational Vehicle Park Training Fund, established by this bill).
- 3) HCD estimates one-time automation costs of approximately \$100,000 to make necessary changes to the Learning Management System for training course and examination development, as well as ongoing maintenance costs of approximately \$50,000 annually (General Fund and Mobilehome and Recreational Vehicle Park Training Fund, established by this bill).

COMMENTS:

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

California currently has no requirements for the training or education of mobilehome park managers. Many residents who own or rent mobilehomes are low income residents or seniors who rely on the management of their mobilehome parks to be properly trained to ensure that residents live in safe and quality housing. The lack of park manager training has led to cases of discrimination, unlawful evictions, and overall poor living conditions for residents. Other states, such as Arizona, Oregon and Nevada, already mandate mobilehome park management to undergo training and licensing. [This bill] would create a mobilehome park manager training and certification program for any person who is responsible for managing a mobilehome park.

- 2) **Background.** According to HCD, California has 4,656 mobilehome parks which contain 363,415 spaces for mobilehomes or manufactured homes. Mobilehome owners do not own the land the unit sits on and instead pay rent and fees to mobilehome park management for use of the lot and any community spaces. Purchasing a mobilehome is often much less expensive than traditional site-built housing and mobilehomes represent an important source of affordable housing in the state, especially for seniors and low-income households who are increasingly priced out of traditional rental housing.

Existing law, the Mobilehome Residency Law (MRL), extensively regulates the rights, responsibilities, obligations, and relationships between mobilehome park owners or management and park residents. Existing law, the Recreational Vehicle Park Occupancy

Law, similarly governs the terms and conditions of RV park tenancies. Existing law requires mobilehome park managers to send a notice to all homeowners by February 1 of each year that includes a statutory summary of the rights and responsibilities of homeowners and park management.

This bill requires at least one person per mobilehome park or recreational vehicle park acting in a management capacity to complete training on mobilehome and recreational vehicle laws, rules, and regulations. HCD would be required to develop the training and offer it no later than May 1, 2025 and every park would have one year to come into compliance.

- 3) **Arguments in Support.** The bill’s sponsor, the Golden State Manufacture Home Owners League (GSMOL), writes in support, “The state has no requirements for training or education of a mobilehome park manager. In many instances, the park manager may be responsible for the health and safety of over 200 residents.” GSMOL further notes they have “received complaints over many years of instances where mobilehome park management does not know the applicable laws.”
- 4) **Arguments in Opposition.** Writing in opposition, the California Mobile Home Park Owners Alliance (CMPA) calls for third-party training options and notes, “Other states have allowed private associations to provide park manager training. This is appropriate given that those associations are familiar with the law and capable of working with their members to maximize the value of training.”
- 5) **Prior Legislation.** AB 2150 (Atkins), Chapter 478, Statutes of 2012, required every rental agreement in a mobilehome park to include a statutory summary of the rights and responsibilities of homeowners and park management under the Mobilehome Residency Law, and required park management to distribute the statutory notice to all homeowners each year, as specified.

AB 1469 (Negrete McLeod), of the 2005-06 Legislative Session, was similar to this bill and would have required a mobilehome park manager to complete at least three hours of educational programs every year and would have required HCD to approve each provider. The bill was vetoed by Governor Schwarzenegger.

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