

**ASSEMBLY BILL**

**No. 1542**

---

---

**Introduced by Assembly Member Evans**  
(Principal coauthor: Senator Corbett)  
(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 Code, relating to mobilehome parks.

LEGISLATIVE COUNSEL'S DIGEST

AB 1542, as introduced, 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. A violation of the act is a crime punishable as a felony or a misdemeanor.

This bill would delete that exemption. Because the bill would expand the scope of an existing crime, it would impose a state-mandated local program.

(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 66427.4 of the Government Code is  
2 amended to read:

3 66427.4. (a) At the time of filing a tentative or parcel map for  
4 a subdivision to be created from the conversion of a mobilehome  
5 park to another use, the subdivider shall also file a report on the  
6 impact of the conversion upon the displaced residents of the  
7 mobilehome park to be converted. In determining the impact of  
8 the conversion on displaced mobilehome park residents, the report  
9 shall address the availability of adequate replacement space in  
10 mobilehome parks.

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

15 (c) The legislative body, or an advisory agency ~~which~~ *that* is  
16 authorized by local ordinance to approve, conditionally approve,  
17 or disapprove the map, may require the subdivider to take steps to  
18 mitigate any adverse impact of the conversion on the ability of  
19 displaced mobilehome park residents to find adequate space in a  
20 mobilehome park.

21 (d) This section establishes a minimum standard for local  
22 regulation of conversions of mobilehome parks into other uses and  
23 shall not prevent a local agency from enacting more stringent  
24 measures.

1 ~~(e) This section shall not be applicable to a subdivision which~~  
2 ~~is created from the conversion of a rental mobilehome park to~~  
3 ~~resident ownership.~~

4 SEC. 2. Section 66427.5 of the Government Code is repealed.

5 ~~66427.5. At the time of filing a tentative or parcel map for a~~  
6 ~~subdivision to be created from the conversion of a rental~~  
7 ~~mobilehome park to resident ownership, the subdivider shall avoid~~  
8 ~~the economic displacement of all nonpurchasing residents in the~~  
9 ~~following manner:~~

10 ~~(a) The subdivider shall offer each existing tenant an option to~~  
11 ~~either purchase his or her condominium or subdivided unit, which~~  
12 ~~is to be created by the conversion of the park to resident ownership,~~  
13 ~~or to continue residency as a tenant.~~

14 ~~(b) The subdivider shall file a report on the impact of the~~  
15 ~~conversion upon residents of the mobilehome park to be converted~~  
16 ~~to resident owned subdivided interest.~~

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

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

23 ~~(2) The survey of support shall be conducted in accordance with~~  
24 ~~an agreement between the subdivider and a resident homeowners'~~  
25 ~~association, if any, that is independent of the subdivider or~~  
26 ~~mobilehome park owner.~~

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

28 ~~(4) The survey shall be conducted so that each occupied~~  
29 ~~mobilehome space has one vote.~~

30 ~~(5) The results of the survey shall be submitted to the local~~  
31 ~~agency upon the filing of the tentative or parcel map, to be~~  
32 ~~considered as part of the subdivision map hearing prescribed by~~  
33 ~~subdivision (e).~~

34 ~~(e) The subdivider shall be subject to a hearing by a legislative~~  
35 ~~body or advisory agency, which is authorized by local ordinance~~  
36 ~~to approve, conditionally approve, or disapprove the map. The~~  
37 ~~scope of the hearing shall be limited to the issue of compliance~~  
38 ~~with this section.~~

1 ~~(f) The subdivider shall be required to avoid the economic~~  
2 ~~displacement of all nonpurchasing residents in accordance with~~  
3 ~~the following:~~

4 ~~(1) As to nonpurchasing residents who are not lower income~~  
5 ~~households, as defined in Section 50079.5 of the Health and Safety~~  
6 ~~Code, the monthly rent, including any applicable fees or charges~~  
7 ~~for use of any preconversion amenities, may increase from the~~  
8 ~~preconversion rent to market levels, as defined in an appraisal~~  
9 ~~conducted in accordance with nationally recognized professional~~  
10 ~~appraisal standards, in equal annual increases over a four-year~~  
11 ~~period.~~

12 ~~(2) As to nonpurchasing residents who are lower income~~  
13 ~~households, as defined in Section 50079.5 of the Health and Safety~~  
14 ~~Code, the monthly rent, including any applicable fees or charges~~  
15 ~~for use of any preconversion amenities, may increase from the~~  
16 ~~preconversion rent by an amount equal to the average monthly~~  
17 ~~increase in rent in the four years immediately preceding the~~  
18 ~~conversion, except that in no event shall the monthly rent be~~  
19 ~~increased by an amount greater than the average monthly~~  
20 ~~percentage increase in the Consumer Price Index for the most~~  
21 ~~recently reported period.~~

22 SEC. 3. Section 50786 of the Health and Safety Code is  
23 amended to read:

24 50786. (a) The department shall adopt regulations for the  
25 administration and implementation of this chapter.

26 (b) The department shall obtain the best available security for  
27 loans made pursuant to this chapter. The security may include a  
28 note, deed of trust, assignment of lease, or other form of security  
29 on real or personal property which the department determines is  
30 adequate to protect the interests of the state. To the extent  
31 applicable, these documents and any regulatory provisions shall  
32 be recorded or referenced in a recorded document in the office of  
33 the county recorder of the county in which the mobilehome park  
34 is located.

35 (c) The degree of continuing regulatory control with respect to  
36 park operations and resident loans exercised by the department in  
37 making loans pursuant to this chapter shall be commensurate with  
38 the level of financial assistance provided and in all cases shall be  
39 adequate to protect the state's security interest and ensure the  
40 accomplishment of the purposes of the program authorized by this

1 chapter. The regulatory requirements shall be set forth in a  
2 regulatory agreement, deed of trust, or other lien, and any violation  
3 of these requirements shall be considered a violation of a security  
4 document. Where loans are made to a qualifying nonprofit housing  
5 sponsor or local public entity, a regulatory agreement shall be  
6 recorded against the mobilehome park. This regulatory agreement  
7 shall contain provisions limiting occupancy, rents, and park  
8 operation for the original loan term. The department may release  
9 individual spaces from the regulatory agreement only if they are  
10 purchased by residents who occupy them.

11 (d) Before providing financing pursuant to this chapter, the  
12 department shall require provision of, and approve, at least all of  
13 the following:

14 (1) Verification at the time of application and prior to funding  
15 that at least two-thirds of the households residing in the  
16 mobilehome park support the plans for acquisition and conversion  
17 of the park.

18 (2) Verification that either no park residents shall be  
19 involuntarily displaced as a result of the park conversion or the  
20 impacts of the displacement shall be mitigated as required under  
21 state and local law. ~~For purposes of this requirement, compliance~~  
22 ~~with Section 66427.5 of the Government Code shall be~~  
23 ~~conclusively presumed to have mitigated economic displacement.~~

24 (3) Verification that the conversion is consistent with local  
25 zoning and land use requirements, other applicable state and local  
26 laws, and regulations and ordinances.

27 (4) Projected costs and sources of funds for all conversion  
28 activities.

29 (5) Projected operating budget for the park during and after the  
30 conversion.

31 (6) A management plan for the conversion and operation of the  
32 park.

33 (7) If necessary, a relocation plan for residents not participating  
34 that is in compliance with Chapter 16 (commencing with Section  
35 7260) of Division 7 of Title 1 of the Government Code.

36 (e) The department shall, to the greatest extent feasible, do all  
37 of the following:

38 (1) Require participation by cities and counties in loan  
39 applications submitted pursuant to this chapter.

1 (2) Contract with private lenders or local public entities to  
2 provide program administration and to service loans made pursuant  
3 to this chapter.

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

5 SEC. 4. No reimbursement is required by this act pursuant to  
6 Section 6 of Article XIII B of the California Constitution because  
7 the only costs that may be incurred by a local agency or school  
8 district will be incurred because this act creates a new crime or  
9 infraction, eliminates a crime or infraction, or changes the penalty  
10 for a crime or infraction, within the meaning of Section 17556 of  
11 the Government Code, or changes the definition of a crime within  
12 the meaning of Section 6 of Article XIII B of the California  
13 Constitution.