



To: All GSMOL Leaders/Members

Fr: Bruce Stanton, Corporate Counsel

Re: Questions and Answers Re: Assembly Bill 2782 (Stone, Umberg, Limon, Voepel)

Introduction: AB 2782, sponsored by GSMOL, was approved by the Governor on August 31, 2020, and takes effect January 1, 2021. It contains a number of important changes in the law that benefit mobilehome residents, including changes to the park closure/conversion laws and the long-term lease exemption from mobilehome rent stabilization ordinances (RSO) contained in the MRL. These are summarized as follows:

Q: How does AB 2782 change the park closure/conversion laws?

A: Current law provides that local governments may require a park owner to mitigate the impact of a park conversion/closure by purchasing the resident’s home via a fair market value “buyout” when the resident cannot be relocated to new housing (which commonly is the case). AB2782 will now require park owners to compensate displaced residents by paying fair market value for their homes where the resident(s) cannot be relocated to another mobilehome park. The right to be compensated for one’s home equity is thus made a guaranteed provision in State law, which pre-empts any local conversion ordinance to the contrary.

Q: What does AB 2782 newly add to the law?

A: Two important provisions have been added:

1. Prohibits a local jurisdiction (City or County) from approving a change of use of the park unless there is a finding that the closure or conversion will not result in a shortage of affordable housing within the local jurisdiction; and
2. Requires the park owner to pay for, and include in any Conversion Impact Report, an appraisal of the resident’s mobilehome prepared by a state-certified appraiser that determines its market value for purposes of calculating the fair market value “buy out”.

Q: Can local governments adopt more stringent protections if they wish to do so? A: YES

Q: Does AB2782 change the law re: long-term lease exemption from local RSO?

A: YES. Currently Civil Code 798.17 provides that leases which exceed 12 months in length are exempt from RSO protection. AB 2782 ends this exemption, and provides as follows:

1. All leases of any length signed on or after February 13, 2020 shall no longer be exempt from local RSO, and the local RSO rent limitations will apply to protect those residents regardless of what the lease provisions might say. The local RSO will effectively pre-empt the lease.
2. All leases with a term 12 months or longer signed prior to February 13, 2020 will remain exempt from RSO until they expire, or until January 1, 2025, whichever occurs first.

Q: When does AB 2782 take effect?

A: The law does not take effect until January 1, 2021, which means that leases signed on or after February 13, 2020 will still be exempt from local RSO rent protection until that date.