Golden State Manufactured-home Owners Education Fund (GSMOEF)
VIRTUAL TOWNHALL
featuring
BRUCE STANTON, GSMOL Corporate Counsel

Friday, February 19, 2021

Topic: New State legislation related to MH parks and
COVID-19 issues impacting MH owners.

Bruce Stanton began the Townhall by thanking the 100 attendees for their participation and stated the goal of the Ed Fund was to provide education and empowerment through knowing your rights in both the MRL (the MH landlord-tenant laws) and Title 25 (the building codes for MH health and safety).

SB 91 extended the sunset of AB 3088, which was last year's eviction moratorium during Covid-19. Rent relief is extended to June 30, 2021. If a tenant is impacted by Covid and declares an economic hardship and pays 25% of his rent, he cannot be evicted for non-payment of rent. The tenant is responsible to notify the landlord/park owner/management in writing.

AB 2782 was a seminal legislative accomplishment that protects MH home owners. It did two things. It declared that long term leases (i.e., those with a term longer than one year) are no longer exempt from local rent regulations if the lease was first signed after February 13, 2020. Additionally, after January 1, 2025, ALL leases, no matter when they were signed, will be no longer be exempt from rent stabilization ordinances (RSO). In other words, rent limitations contained in local RSO's will supersede the rent provisions in the lease. This bill does not invalidate the entire lease, just the rent terms. The second part of the bill provides that if a park closes, residents will receive in-place value for their homes as determined by a licensed appraiser. It also states that a MH park can only be closed, or change its use, if it does not negatively impact affordable housing in its jurisdiction.

Three GSMOL bills are pending for 2021.

SB 91 by Senator Connie Leyva is a Covid-19 relief package specific to mobilehome tenancies. Current Covid relief legislation only applies to rent issues and not 7-day notices which are specific to mobilehomes. Civil Code 798.56 names the 7 grounds for termination of tenancy (i.e. eviction), one of which (798.56 (d) is failure to comply with reasonable rules and regulations of the park. One problem for MH homeowners during the pandemic has been the inability to timely comply or make repairs within 7 days after receiving a 7-day notice from management. This bill provides residents up to one-year additional time to make repairs if the resident shows hardship due to the pandemic. Exceptions are health and safety violations, such as a fire hazard. The moratorium on notices would last until the emergency order is lifted.

AB 861 will codify the "opinion" of former California Attorney General, Kamala Harris, relating to park owners who rent or sublet homes in their park, but refuse to allow residents to do the same. In other words, "what is good for the goose is good for the gander" (Civil Code 798.23). Some park owners have tried to get around the law by saying that since they own the home, they are "renting" the home, not "subletting" it. This law, if passed, states that if a park owner has adopted a rule that prohibits subletting (which most parks do) then management is subject to the same rule and cannot rent or sublet a home – unless it is to a park employee.

AB 1061 tackles problems with water service charges when a park submeters its water service. It is proper that residents pay for their water consumption, but some parks also charge a "water service charge", beyond what they are charged by the water utility. This bill states that park owners can only charge service charges and pass them on to defer costs they actually are paying.

Half of what GSMOL does in the legislature is pass bills that protect us: the other half is to defeat bills that are detrimental to us. AB 2895 last year hoped to solve a problem two parks faced and was well intentioned, but if passed, it would have been harmful to the large majority of other MH homeowners. It would have put in place rent caps that were prohibitively expensive and would have challenged existing (and future) rent control ordinances.

Bruce opened up the meeting to questions.

Q: MH Common areas during Covid?
A: In spite of MRL 798.24 which says common areas shall be open for reasonable times, it is reasonable that they be closed for safety reasons during the pandemic. It is also reasonable to expect the park owner to open the facilities with precautions in place when the local government guidelines say it is safe. If a park owner continues to close the common areas, residents should send a letter to management, referring to local directives that permit opening and request that the facilities be opened with safety precautions. Re-opening is not dependent upon the manger's whimsey, but what your local county health department says is allowed. If necessary, go over the manger's head to the park owner. You can find out who owns your park on the HCD website, hcd.ca.gov in the "Find a Park" tab. Go to the "business entity" page on the Secretary of State website to find out the address of the owning corporation or legal entity.

Q: Does a resident have to pay for cable services they do not use?
A: No. You can opt out with a written notice per the decision in the Greening vs Johnson court case. The MRL does not authorize a park owner to charge residents for a non-essential service that the resident does not use or does not want.

Q: Can a park owner require a homeowner to pay rent by electronic payment only?
A: No. Such a rule is prejudicial to those who do not have a computer. Civil Code 1947.2 states they shall allow payment of rent by at least one form of payment that is neither cash nor electronic (such as a check).

Q: If a resident sells his MH that has a long-term lease, can the buyer benefit from rent control?
A: It depends on the provisions of the lease. Does the lease say a buyer is bound by the lease? Most leases do require a buyer to assume the lease. But remember, AB 2782 states that after January 1, 2025, the rent-control exemption goes away.

Q If a city approves rent control, but refuses to defend it in court, will GSMOL defend it?
A: If a city is sued, the city must defend itself and their municipal code. Residents can put pressure on a city to defend its laws by speaking up at

council meetings, going to the media etc. If the city does not follow or properly implement the provisions of its RSO as written, then residents do have legal “standing” to pursue that issue in court
Q: If a park manager does not know the MRL, do we have any recourse?
A: You can go over the manager’s head and contact the park owner and let him know the manager is not doing his job. If there is a violation of the MRL, you can submit your complaint through the MRLPP. If management realizes you know your rights and know the law, they usually are less intimidating and respond differently.

Q: Distinction between the MRL and Title 25.
A: If HCD cites a violation, it is not a MRL violation but a Title 25 health and safety code violation. If there is a violation of the MRL, you can submit the complaint to the MRLPP that HCD handles by triaging the complaints and then referring them to the appropriate agency. The most serious violations are sent to local legal entities at little or no cost to the resident.

Q: Can a lease be paid by credit card?
A: There is no law requiring that. Some park owners might not like it due to service changes on credit cards.

Q: Who pays for driveway repairs?
A: It depends on who “installed” the driveways - you or the park? MRL 798.37.5 (c) (January 2001) states that management has the sole responsibility for all driveways originally installed by management (which many are). The homeowner is responsible if a homeowner originally installed the driveway - or if the homeowner caused the damage. You might need to research original drawings, building permits and records. If you cannot find such records, there is likely a rebuttable presumption that the park installed it, especially if all the driveways appear to be the same age and “look” the same.

Q: If water meters were recently installed causing us to be billed separately, is it reasonable to get a rent adjustment or credit to my space rent since water charges will no longer be included in the rent.
A: Yes. It is a legal requirement per Civil Code 798.41.

Q: Are standing water issues a park or individual problem?
A: Standing water issues are usually the park’s responsibility. The park owner owns the land and is responsible for it, ex: setting up retaining walls,

proper drains etc. Management should prevent running water collecting beneath a home for health reasons: prevent mosquitos, affect the stability of the home, affects the piers, causes mold etc. If the resident caused the problem by overflowing plumbing etc., he is responsible. Water table issues usually are the responsibility of the park owner who should know the natural condition of the land on which his park is built.

Q: I got a $7 new charge for meter services. Do I have to pay?
A: A park owner can only charge you what they pay for services. Ask the park owner where the fee is coming from. Check with the utility company if it is legal. Note: Park owners are permitted to buy gas wholesale and sell it for to us retail. The difference is called a differential discount with the differential being used for maintenance costs. This differential is different from service charges.

Q: Fences?
A: An old fence does not need to be changed and is grandfathered in. Rules can’t be applied retroactively unless the law changes.

Q: How long can a complaint remain in a resident’s file”
A: There is no law regarding a time limit. It is prudent business practice to retain such information on file to determine if there is a pattern of conduct?

Q: Can a park owner make a new buyer take over a lease?
A: Yes, if lease says it is assignable. Buyer must be given a copy of the lease.

Q: Will 7-day notice protections in SB 64 be retroactive?
A: Yes, they should be retroactive since it will apply during the period of the declared state of emergency