



**Golden State Manufactured-home Owners Education Fund**

**VIRTUAL TOWNHALL**

**Saturday, January 22, 2022**

**Featuring Bruce Stanton, GSMOL Corporate Counsel**

Bruce Stanton, GSMOL Corporate Attorney, introduced himself and explained the relationship of the meeting's host GSMOEF (commonly called the Ed Fund), to its companion organization, GSMOL. The Ed Fund is a non-profit 501(c)(3) organization that has tax exempt status under the IRS code. Deductions to the Ed Fund are tax deductible. GSMOL is a non-profit 501(c)(4) organization that is allowed to be involved with legislation, and thus cannot give a tax deduction to contributors. Donations to continue work supporting mobilehome residents are appreciated.

If you do not know your rights, you don't know how to protect your rights!

Stanton proceeded to explain our new rights and protections under two bills passed by the advocacy of GSMOL members in the 2021 legislative session that went into effect on January 1, 2022.

**AB 861** (Bennett) addressed issues simmering for decades concerning subleasing of homes. Our purpose was to codify a decision by Californian's former Attorney General, Kamala Harris, that allowed MH residents to sublease their homes if the park owner can. In other words, "what is good for the goose is good for the gander"! The park owner must follow his own rules. If they prohibit a resident from renting, then they cannot rent. An exception is when they rent a home to a park employee. Any existing subleases can continue until they expire. Park owners are allowed to make *reasonable* rules regarding subletting, such as restricting Airbnb rentals. A question arose whether someone could buy many homes and rent them? The answer is yes, but - parks must agree to that, and most parks prefer ownership over rentals. Another question asked if a person could rent a bedroom in his or her home? AB 861 does not address this question, but the answer is yes. An

existing “companion law” (Civil Code (MRL) 798.34) allows a homeowner living alone to share their home with one other person.

**AB 1061** (Lee) addresses the problem of park owners charging fees when water is sub-metered i.e., when residents pay for water to the park owner and not the water-serving company. It is the park owner’s responsibility to pay for the common areas such as the pool, landscaping, community center etc. Residents pay for their individual water consumption. A reasonable fee is allowed, and the law caps those fees at 25% of the amount charged for the resident’s volumetric usage, or \$4.75 whichever is less. It is **improper** for the park to charge residents a fee that **it** is not paying to increase profit. Nor can the park replicate the fixed charges paid to the water purveyor by the park and charge that same amount to every resident. Instead, they must pass through a proportional pro-rated amount. Billing should be posted. A question came up regarding how we would know what fees the park owner pays? Usually, a resident cannot request internal documents, but since residents are paying this charge, Stanton believes we can request this information. If the park owner refuses, go to the utility serving company and let them know the park refused to provide the information. If a bona fide request is made, the utility should comply. You can always go to California PUC, Public Utilities Company. A concern was raised about parks who do not currently charge a fee deciding to charge \$4.75 because of this bill. Potentially, that is possible. But in most parks there will be a reduction in fees, some as high as \$50, which is why the bill was necessary to curb the larger problem of abuses.

There are several issues that GSMOL is aware of.

- 1) One problem is the lack of training of park managers. Residents suffer under a management who does not know the mobilehome law, which is different from other tenant-landlord law.
- 2) Another is the exemption from rent control of new homes constructed after 1990. Originally intended to encourage new construction, the 1990 date is over 30 years **old** and no longer relevant.
- 3) A third problem is the narrow interpretation by some park owners regarding the right of a homeowner to meet with management. Some demand that the resident come alone or will only meet alone with a designated representative, but not with both.

4) Another issue is price gouging in which space rents were raised in areas with no RSO (rent stabilization ordinance) or MOU (Memorandum of Understanding). During any emergency declared by the Governor, price gouging is prohibited and limited to no more than 10%. GSMOL requested that mobilehome owners be omitted from a bill that capped space rent increases for other types of rental housing at 10% which was prohibitively high and could set a precedent if passed. Most RSOs allow increases that are much lower.

5) SB1383 passed in 2016 regarding disposal of organic waste to reduce landfills and greenhouse gases is finally taking effect this year. To implement this, local jurisdictions will have to provide receptacles for such waste. It will be 3 years before penalties can be assessed by the state. We are watching this rollout.

6) Parks must have a Disaster Preparedness Plan or HCD can cite them and take away their PTO or Permit to Operate (during which residents do not have to pay rent!). If there are over 50 spaces in a park, the park must have a designated person who resides in the park available for emergencies. That person does not need to have the title of “manager”. The park owner can designate another person to have knowledge of the ER plans and be willing to help, such as with a potential evacuation. Does a park have a responsibility to residents during an emergency? For insurance reasons it makes sense they do, but there is no law providing specifics.

### **Question and Answer Period**

1. ***Can a park manager charge a renter in a MHP to use the facilities?*** A: No.
2. ***Can management charge me for my daughter-in-law living with me since she is not a blood relative?*** A: Yes. Immediate family living with a homeowner cannot be charged a fee. But, that does not include a non-blood daughter-in-law, boyfriend etc. That law would need to be changed to allow that. Refer to MRL 798.34-35.
3. ***Is there a lemon law for MHs?*** A: No. I am not aware of a lemon law such as there is for automobiles. A mobilehome warranty is good for one year.
4. ***How can Park rules and regulations be changed?*** A: To amend the park rules, the park owner must meet with residents after written notice 10 days in advance that sets forth the amendments. The amendments go into effect 6

months later, unless they apply to recreational facilities and then they can go into effect in 60 days. If the resident signs, they can take effect immediately. See MRL 798.25. If posted rules such as swimming pool hours are not part of the Park Rules and Regulations, there might be no need to go through a rule-change procedure. Many parks change their pool hours in summer and again in winter.

5. ***Can a park owner make it difficult to use the Clubhouse as we did before?***

A: MRL 798.24 says each Common area facility shall be open or available to residents at all reasonable hours and the hours shall be posted at the facility. Therefore, a park owner cannot arbitrarily eliminate usage, especially if your rental agreement says you have use of the facilities. If they remove use of a facility, that is tantamount to a rent increase. It could be considered a breach of contract. It could be a service reduction which would justify a rent reduction. Some restrictions during Covid-19 based upon County health orders were “reasonable”.

6. ***Can a park owner demand that all communication with him be through the Resident Association board?***

A: No, that is not reasonable. Any single resident can meet with management. See MRL 798.25. But it makes sense to talk to your Resident Association first (if you have one), to see if they wish to make that communication.

7. ***Is the Park required to post pending maintenance and repairs to residents?***

A: No. The bigger question is IF park management is properly maintaining the park. If not, there can be issues of Failure to Maintain (FTM). ASK Law Group in San Diego specializes in FTM lawsuits.

8. ***Can the Park change our pool hours from 9 pm to 7 pm closure?***

A: If your rent agreement has provisions that state the pool hours, then that is a problem. But, if this is only a rules adjustment, they can do so with notification after 60 days. This is a tough call since it is a small reduction. Many parks have seasonal hours that differ in summer and winter. I suggest you call a meeting with your owner and ask why? You can always go to court or file an MRLPP complaint with HCD.

9. ***Is it legal to charge a new fee to store RVs?***

A: See MRL 798.31. Fees can be charged for services that are actually rendered. Most parks charge for a RV lot. It is a service you would pay for elsewhere. The fee amount must be reasonable.

10. ***What can we do if there is a drug addict living in our park and causing trouble?*** A: Management has full ability to evict him if he is a substantial annoyance per MRL 798.56. You should organize and put your complaints in writing. You might have to help management by testifying. If management does not protect residents, the park could be subject to liability for criminal acts. Your city or local jurisdiction may assist if it amounts to a public nuisance.
11. ***I did not get the “climate credit” refund due on my energy bill. Can the park keep the money and put it into improvements?*** A: Mobilehome parks are entitled to receive the climate credit refund, and must pass it on to their residents. Go to [cpuc.ca.gov/climatecredit](http://cpuc.ca.gov/climatecredit) to find out the amount of the refund and read the FAQs. Ask Park management for your refund. If you get no response, go to the utility provider company for assistance. If that does not work, contact the CA Public Utilities Commission (CPUC). I have no knowledge that parks can put that money into improvements.
12. ***If a park is sold, are the new owners obligated to honor current rental agreements?*** A: Yes.
13. ***Can my park manager delay me from renting my home pursuant to AB 861 by calling for a meeting about rule changes then make us wait 6 months for the rule change to become effective?*** A: No. AB 861 went into effect on January 1, 2022: if a park owner rents homes in the park, he must allow residents to rent homes. Nothing in the bill says you must wait. Many park owners knew this was coming and should have called meetings to announce rules regarding renting, which must be reasonable, such as no renting to Airbnb etc. Any rule change occasioned by a change in the law takes effect 60 days later per MRL 798.25.
14. ***Now that the subleasing and water bills are law, how will it be enforced?***  
A: Like any other state law! There is no MRL Police Force to make sure MH laws are followed. It starts with you. You can contact your management. If the park does not respond, hire an attorney, or file a complaint with the MRLPP through HCD.
15. ***How do you find out if your park owner is renting homes in his park?***  
A: By physically observing and watching for turnovers. Notice the comings and goings of new residents, with no “For Sale” signs up. You can simply

ask people! If you are in an RSO jurisdiction, your park owner must provide registration information on spaces in the park to the city, which should disclose rental spaces. The rent control ordinance does not apply to homes he owns (but first verify if the person in a home is a park employee).

16. ***If a person is just renting, does he need to be accompanied by the homeowner to use facilities?*** A: Guests must follow all rules and usually must be accompanied by the homeowner who knows the rules. You are accountable for your guests.
17. ***We have a RSO in Sonoma and were charged \$57 for sewer hookup. Now it is \$74. Is that reasonable?*** A: You must find out the basis for that charge. Is it part of his property tax bill? Go to city/county and ask them the charge for initial sewer hook-up and monthly fees. Park owner can only pass through what he actually pays. Is Park owner replicating his charge to every resident or is he prorating it?
18. ***My park owner does not rent homes in my park. Can I rent?*** A: Park owner is under no obligation to rent homes or to allow residents to sublease, other than the limited medical necessity. You can meet with him and request permission. MRL 798.23.5(a)(2) does allow residents to rent their homes for medical reasons up to one year.
19. ***We have a new lease that has provisions that are not great for homeowners. Does a new buyer have to sign the lease and are they bound by those laws?*** A: Prospective purchasers are not homeowners. The MRL only protects residents - and buyers are not residents yet. Court have ruled the MRL does not protect prospective buyers. Some local RSOs do protect new buyers, stipulating that a park owner cannot require a new buyer sign an agreement that exempts them from rent control.
20. ***Can management walk around the space and take pictures of the interior of my home?*** A: MRL 798.26 states management cannot enter a home except in emergencies. But they can enter the space for purposes related to their job but cannot invade your privacy. They cannot look inside your home.
21. ***Park manager wanted to tow cars before the “No Parking” sign was posted. Is this legal?*** A: MRL 798.28.5 describes ability of management to tow a vehicle pursuant to Section 22658 of the Motor Vehicle Code

**provided** there are signs posted at each entrance of the park. They cannot be towed without the signage. A notice of change of park rules is required first (see Q #4).

22. ***Manager is on site only two times a week and so washer and dryer rooms are closed most of the time. What can we do?*** A: This is a clear violation of 798.24 which states each common area must be open reasonable hours and the hours must be posted. Organize residents to sign a petition requesting the area be opened. A chorus of voices is more effective than one. If the park refuses, file a complaint with MRLPP. If this is a breach of your rental agreement, you can request a rent reduction **in** court. If you are under an RSO, this reduction in services is equivalent to a rent increase, and thus may be a violation of the RSO.
23. ***Are there guidelines that a park owner uses to determine “market rents” or “market value” when he justifies a rent increase?*** A: Market rent is anything the park owner says it is! It is the subjective creation of the park owner. Any appraiser he hires is biased to respond to the task assigned to him by the park owner who is paying him. Without an RSO or rent control, the park owner can raise rent as much as he wants, with no reason. But, if he raises it too high, the local jurisdiction/city might be motivated to act to protect its captive and vulnerable mobilehome residents. If an owner of a park under rent control tries to raise rents because “rents are not at market value”, he is not using a **proper** legal concept. Under rent control, he is entitled to “a fair return” which is very different than market value.
24. ***Park is unmetered and has outside water faucets. Will residents have to pay for plumbing to get water?*** A: It sounds like you have no sub-metered water service and are receiving a flat charge. You must look at your contract to see if you are losing a service? This could be a small claims court case. The amount of the cost will affect the court’s decision.
25. ***If we sublease our home, can we rent it for any dollar amount? Or does our RSO cap it?*** A: Until the park owner puts rules into effect to manage rentals, you can probably rent your home for any amount you want. Most RSOs do not affect rentals.
26. ***A new resident was in escrow when the park sold. New owners raised space rent very high. Is this legal?*** A: Probably. This is called a “resale rent

increase” or “vacancy decontrol”. Unless your jurisdiction has a cap on resale, the owner can raise rent any amount he wants.

**27. *Our park has 187 spaces and has had no resident manager for two years.***

***Do we need a resident manager?*** A: Not exactly. The code does not say you need a resident manager. It does say someone in the park that is familiar with emergency procedures must be designated by the park owner. That person does not need the title of resident manager.

**28. *Our management has no information on emergency procedures, or contact information of owners, or complaint forms available. Is this legal?***

A: The law does not require management to provide complaint forms. The law does require emergency information to be posted and the park must file an emergency preparedness plan with HCD in Sacramento. The law also requires the manager to provide the name and address of the park owners upon request. Refer to MRL 798.28. Additionally, listings of park owners can be found on HCD’s website at: [www.hcd.ca.gov](http://www.hcd.ca.gov). (Click on the MHP tab. Click on “Find a Park”. The right hand side column lists the contact information for the park permit holder.)

**29. *Regarding the subleasing law, is there a deadline to add amendments to park rules because of it?***

A: No. The law went into effect on January 1, 2022. Park owners are allowed to make *reasonable* rules regarding subletting, such as restricting Airbnb rentals. They must follow rules regarding amendments to the park rules, which would go into effect in 60 days. Refer to MRL 798.25. It would be unreasonable for the rules to state the homeowner must have lived in the park for one year before he can sublet. It might be unreasonable for the park owner to charge your tenant a security deposit. The rental agreement between the park owner and the homeowner has *not* changed because you lease your home.

**30. *Can the park owner refuse to allow a build-out for one resident and not another?***

A: Maybe. It depends on specific regulations on each space per Title 25. Ex: does the build-out exceed height limitations? A permit is required. But, if the park owner denies one and not the other *unequally*, then that is unfair. The park owner must have a legitimate reason for the denial. Otherwise, unequal enforcement can be called discrimination or retaliation.

**31. *Meters were installed two years ago but have not been activated. Once they are, does the park need to inform us in advance and provide the algorithm***

***to determine charges? How can I ensure that I am compensated by a rent reduction?*** A: Park must reduce lease rent by the same amount as they bill you. The park owner must provide calculations for the per space charge. The park owner should give 60 days' notice with the calculations. See MRL 798.41.

32. ***Our management company says they own everything in the clubhouse since they purchased the park, although some items were put there by residents.*** A: Unless items were purchased by residents with agreement of the park that states who owns an item, then probably own it. It was probably donated to become a part of the collective community unless there is something in writing that says otherwise.
33. ***We have renters in my park who are leaving. Can the park owner rent that space under AB 861?*** A: Yes, as long as he allows residents to also rent. The new law does not disturb existing tenants' tenancy established by a rent agreement before January 2022. Those Tenants may remain until their lease expires
34. ***If a homeowner subleases his home, is the rent subject to a local RSO?*** A: Probably not. Most local RSOs do not apply to rentals of both the space and home. The RSO protects homeowners not renters.
35. ***Are residents of a Resident Owned Park (ROP) subject to AB 861 regarding subleasing? We have renters in our park.*** A: No, an ROP is exempt from AB 861. If your park is governed by Davis-Sterling, there are restrictions. If not, you are subject to MRL 799 regulations. If the park is a 501(c)(3) non-profit, it is exempt.
36. ***What is the best organization to contact regarding getting an RSO or Rent Stabilization Ordinance?*** A: Go to the GSMOL website, [gsmol.org](http://gsmol.org), and read or download a copy of the RSO Handbook. It instructs you to organize, contact city council, find an ally who understands the captive market a MHP is, provide data (usually egregious rent increases) that shows the need for an RSO, speak at city council meetings during public comments time to educate the council. Put your comments in technicolor with a name and a face and a compelling story!

37. *Am I a profiteer if I decide to rent my home for a high rent above what I am paying? This is what my park owner is doing.* A: No. Subleasing is a market situation: if you charge too much, you will have no takers.
38. *If management leases homes, can we do the same and make our own contracts?* A: Yes, but management can create reasonable rules such as preventing Airbnb.
39. *Can management close our community center due to Covid-19?* A: Yes, if the County requires such as happened at the beginning of the pandemic. Currently there are no County lockdowns which would justify common area facility closures.
40. *Can a friend stay in a MH while the homeowner is in hospice?* A: Only in limited situations. MRL 798.23.5(a)(2) allows residents to sublease their homes for medical reasons up to one year. And AB 861 now allows you to rent if the park owner is renting. A new tenant cannot move in without management approval, and must disclose name, phone number, number of cars, etc. and consent to follow park rules.

**181 GSMOL members and friends attended this Townhall meeting.**

**If you do not know your rights, you don't know how to protect your rights!**

**The new 2022 MRL is now available.** The Senate Select Committee produces the MRL, the "bible" of tenancy laws which spells out the rights that are specific to Mobilehome residents. You can go to the GSMOL website, [gsmol.org](http://gsmol.org), look under Resources and download a copy. BTW, each new edition of the MRL lists the changes from the prior year in the last paragraph of the "Introduction" page.

GSMOEF, The Golden State Manufactured-home Owners Education Fund is GSMOL's partner nonprofit which educates mobilehome owners on their rights!

**Visit the Ed Fund website at <https://edfundacademy.blogspot.com>**