



Virtual Mobilehome Townhall with GSMOL attorney Bruce Stanton

Saturday, April 23, 2022

Bruce Stanton, GSMOL Corporate Attorney, introduced himself and provided a brief bio for those unfamiliar with his background. He has been an attorney since 1982 and since 1986, has specialized in mobilehome law, which has very specific consumer protection laws that differ substantially from other rental landlord-tenant laws. He represents mobilehome homeowners and some Resident Owned Parks, but not Park owners! He formerly lived in a mobilehome, and his dad was his park's GSMOL President in 1970 at a time when the MRL (Mobilehome Residency Law) was only a few pages. Now the MRL is a thick manual. Most of the laws in the MRL were added as the result of legislation that GSMOL members worked tirelessly to add over the years to increase our protections.

This Townhall meeting is a project of GSMOEF, commonly called the Ed Fund. The Ed Fund is a sister organization of GSMOL. The key task of the Ed Fund is to provide education to mobilehome homeowners, so they know their rights. By knowing their rights, they can stand up for those rights! The Ed Fund is a non-profit 501(c)(3) organization that has tax exempt status under the IRS code, which means 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. It cannot provide a tax deduction to contributors. If you appreciate the work we do, your donations are appreciated.

There are three bills that GSMOL is working to pass through the 2022 legislative session that will add additional protections for you and be codified in the MRL.

SB 869: If passed, this bill will require park managers to be licensed and trained. They will need to know the MRL and follow different laws for mobilehome residents than other rental properties. HCD would supply the program for ongoing CE or Continual Education credits. WMA is opposed to this bill.

SB 940: This is the “new-construction exemption” bill that fixes the exemption that excludes parks and homes built after 1990 from rent control. The original idea for the bill was to stimulate new construction of parks by exempting them from rent control to allow park owners to quickly recoup costs. But in the 32 years since the bill was enacted, only 1.5% of parks have been built in California since 1990, and none since 2013. If this bill is passed, it will provide a rolling 10-year exemption. And new ‘spaces’ added in a park will no longer be exempt from rent control once their lease expires. WMA is opposed.

AB 2031: Clarifies broader rights of a MH homeowner to request a meeting with park management and broadens the allowed scope of such meetings.

GSMOL is monitoring AB 2002, a WMA-sponsored bill that would prevent a park owner from losing his Permit to Operate if a park resident does not fix a code violation issued to him by HCD, the exception being a health and safety code violation.

Next Bruce Stanton discussed “Park interference with home sales” and the “Rights of Heirs when a homeowner dies”. Three civil codes are relevant.

MRL civil code 798.73 relates to the “*removal of a mobilehome upon resale*”. Prior rules stated that if a home was more than 17 years old, the park owner could require it be removed from the park when an owner wanted to sell his home. When 798.73 was added, it states that the only way a park owner could require removal was if the home was substantially run down or in a state of substantial disrepair – and, the burden of proof was on the park owner to prove that condition. This protection to sell your home “in-place” became known as the “17-Year Rule”.

MRL 798.73.5 governs “*upgrades or repairs needed when you sell*”. It limits the jurisdiction of the park when repairs are required. Management cannot require repairs *inside* your home – only outside. It is important to ask management for a written list of required upgrades and repairs when you decide to sell. They have 10 days to respond. Their list is limited to outside civil code of park rules violations. A legitimate list can be lengthy and include things like steps and handrails be safe and up to code and there are proper straps to secure a water heater etc. If there is a dispute, ask HCD to come out and inspect.

MRL 798.74 refers to “*management’s approval of a buyer*”. There are only two reasons management can deny a prospect: 1) lack of financial ability to pay the space rent, and 2) based on past tenancies, it is deemed they will likely not comply with park rules (example prior evictions etc.). The ability to pay rent is based on 2 components: income and credit score. Income is usually gross income (not net) and is a ratio defined as income that is 3 times over housing expenses as evidenced by pay stubs, a W2 or 1099. It is important to check your parks’ written rules to qualify a buyer. GSMOL recently strengthened the income requirement to include “other assets” that you can *choose* to disclose such as bank accounts, trust funds etc. Park has 15 business days to decide. If they deny a buyer, they must state in writing the reason/s for denial.

The MRL addresses the *rights of heirs to a mobilehome after the death of the homeowner*. MRL Civil Code 798.78 allows heirs choices. If they want to move in, they can apply for tenancy and if/when approved can move in. If they want to sell, they have the right to sell the home in-place. While up for sale, heirs must meet all responsibilities of the former owner such as paying rent, utilities, pulling weeds, maintaining the property etc. While an heir might want to move himself, or other relative, into the home so that it is occupied while it is for sale, that person does not have the right of tenancy and has no right to be there. The park management can give him a 5-day notice to leave and can claim he is not following the rules if he doesn't, then use it as an excuse to say he cannot sell the home in-place. It is important to stay on task, so the park owner does not say you have lost your rights.

Question and Answers

- 1. If a homeowner rents his home, can he claim a Homeowner's Exemption?**
No. A Homeowner's Exemption is only available if the home is the principal residence of the homeowner. **Can a homeowner buy a second home in the park and rent it out?** Yes, If the park owner rents homes, you can. But it is within the park owner's rights to write park rules that deny you becoming a landlord in his park but then he cannot rent homes in his park.
- 2. Can a park owner make it mandatory that all residents pay for cable tv?** No. A park owner cannot make you pay for a service that is not deemed essential. **How can I find out what the park owner pays for cable tv?** Ask the owner who should disclose it - or ask the cable company.
- 3. I have given the park my 60-day notice of intent to sell. The park manager has not yet given me a list of required repairs. What can I do?** The manager has 10 days to provide the list. You can argue that he has waived his right if he doesn't. The key is that you must *request* a written list of repairs.
- 4. Our park had a pickle ball court, which was shut down. Management is converting the courts to employee parking. Can management pass through the costs of the parking lot?** You must check your park rules and regulations to see if they allow a pass through for capital improvements and expenditures. Or is this maintenance? If this is new, it might require a vote of the residents. You can argue that improvements that do not benefit residents should not be paid by residents.
- 5. Is there a chance to pass rent control for the entire state of California?** GSMOL does not believe that rent control should be a state policy, but rather, it should be a local issue so it can be tailored to the demographics of the local population. Income levels and what residents can pay differs in different localities. There is greater protection if an ordinance is enacted by a local

jurisdiction where the local government is responsive to residents who live there and vote there.

6. **Can my rent increase every month if I have a month-to-month agreement?**
By law, you can get an increase every 90 days (unless you have rent control and then the increase is annual). But, this seldom happens because it “greases the skids to enact rent control”. Park owners are sensitive to the optics of how it looks if they ask too much, too often.
7. **A resident in my park is a hoarder. Her car port is unsightly and filled with cars and junk. Do homeowners have a right stop her?** You can ask the park management to enforce their rules. You can apply pressure by submitting a petition with multiple voices complaining about the situation. Management can get an injunction first, then evict her if she does not comply. You can ask HCD to inspect the hoarding situation and they can cite the park owner, who can lose his Permit to Operate, during which he is not allowed to collect rent.
8. **AB 1061 last year capped how much management can charge for water service fees in a sub-metered park. My park owner says he will not abide by the new law since he is already governed by CPUC, California Public Utilities Commission, and he can charge more than the \$4.74 cap that the bill allows. What can I do?** Complain to CPUC and to GSMOL who sponsored the bill. GSMOL is collecting data on such abuses.
9. **Prospective buyers are told they must sign a long-term lease in the park. Is this legal?** Yes. The MRL only protects park homeowners and not prospective buyers! Court cases have determined that a buyer is not yet an owner. This is a catch-22! You can check your rent stabilization ordinance to see if it has a “prospective buyer protection” clause, which some do. Remember that after January 1, 2025, long-term leases will no longer be exempt from rent control.
10. **Handicap ramps in my park are not up to code. Who makes the decision regarding codes and standards? The park or the State?** The State does. Title 25 is the State building codes and standards for mobilehome parks. If it is a code issue, the Park does not have the power to decide. Contact HCD, or your local jurisdiction if they have been given authority.
11. **My park uses only one credit card bureau to evaluate the credit worthiness of a buyer. Can the buyer ask the park to use a different agency if he thinks his score will improve?** Provide a printout of the other agencies’ scores and submit to management.
12. **Are Park Models, which are small homes, considered mobilehomes?**
No. See MRL 798.3 for definition of a mobilehome. But any RV, trailer or Park Model that is occupied by a resident for nine or more executive months gets all

the protections of a mobilehome under the MRL, with one exception: when you go to sell the Park Model, the park owner can require it to be removed.

13. **Is a previously owned park exempt from state conservation mandates?** No, park must follow conservation mandates.
14. **Is my mobilehome titled by DMV?** In 1978, HCD began taking over titling of mobile homes.
15. **How do I verify lot lines?** Look for evidence. In the front of the house, it is usually a notch in the concrete. In the back of the house, it is usually a stake, rebar, fence, post, or even a tree. Ask management for a plot map. The park owner cannot move lot lines without your consent.
16. **Is it reasonable for our swimming pool to be open for limited times only and we must get permission to use it other times?** That is a close call. Many parks do have seasonal rules, depending on climate, demand for use, what the park rules say etc. If your park rules or rental agreement say it must be open, you can argue it is a breach of contract if it is not. You could claim it is a service reduction which entitles you to a rent reduction.
17. **I am confused about whether violations fall within the MRL or Title 25? What is the difference?** Title 25 deals with regulations for MH park construction, maintenance, use, occupancy, and design. It deals with health and safety conditions. It is HCD who enforces violations of Title 25. The MRL is different. It deals with landlord-tenant laws relating specifically to mobilehomes. It spells out your rights as a MH park tenant. HCD does not enforce the MRL. But, HCD does receive complaints of violations of the MRL, triages them, and then refers them to the appropriate agency, which can include legal action by a non-profit legal firm, at no cost to you. You can also enforce the MRL by going to the DA, city attorney or a private attorney.
18. **What is the remedy if a park manager is verbally abusive, shouts at people, refuses to file the CARE discount etc.?** This is a perfect example of the need for our bill, AB 869 that requires manager training. We request that residents call GSMOL to document when this happens to provide factual evidence to support our bill. We cannot legislate morality, kindness, tone of voice etc. But we can govern threats, abuses that result in injury, assault and battery etc. Residents should band together and inform the park owner about what his manager is doing. Regarding the CARE discount, management must give it. If not, contact CPUC in San Francisco and your local serving utility, such as PG&E.
19. **Since the passage of AB 861 last year allowing residents to rent their homes if the park owner does, our park has established new rules regarding subleasing. Can we rent our homes at market rates or only to cover our expenses?** AB 861 states that if park owner rents, he cannot prohibit

residents from also renting. AB 861 does not address rules for doing so and left open interpretation of what they would be. A park owner is allowed to make “reasonable” rules for rentals, such as approving the tenant, requiring him to follow all park rules etc. The new law does not focus on details or profitability. Prior to passage of AB 861, the MRL 798.23.5 only allowed very limited renting of your MH for medical reasons, not to exceed 12 months and not to exceed to exceed actual expenses (mortgage, space rent, utilities etc.) and not for profit.

20. Management just sent over 20 residents a 7-day notice of rules violations but did not send a list of the rules that were violated. What should we do?

It is important to take a 7-day notice seriously and respond in one of 3 ways:

1) I admit the violation and agree to correct it, 2) I deny the violation, and 3) Ask for more specific information if you do not understand the violation. A 7-day notice is a precursor to a 60-day notice leading to eviction. Most park owners do not evict on a single 7-day notice. Rather they seek to create a paper trail of several violations that will stand up in court.

21. Our pickle ball court was shut down by the county of Santa Barbara for noise abatement reasons. We paid for that court via a pass-through. Are we entitled to a credit or refund?

I suggest you make a demand to the park owners to see if they will give you some compensation. If not, this would be a legal issue. If there was a code violation that shut it down, you would have a good case in either small claims court or Superior court.

22. Our manager is not helpful. He does not respond to phone calls. New residents are still waiting for documents etc.

First step is to contact upper management or the park owner to tell them that the manager is not doing his job. It is better to have a petition with multiple signatures or have your HOA ask rather than just one resident. Request a meeting with management. Have your GSMOL representative attend with you. Last remedy is going to the courts.

23. Our roads were rebuilt in 2013. Cracks appeared within 2 years. Now we have a bill for \$140,000. This seems like negligence on behalf of management. Do we have to pay?

Does your park allow for capital improvement expenditures to be passed through? Was the repair deficient? This might be an issue of deferred maintenance? Why did the park not prevent a catastrophic failure that you now have to pay for, when they could have maintained the roads with minimum expense over the years?

24. What taxes do we pay on our mobilehomes? Why are some different from others?

MH owners pay a registration fee to HCD, unless you are on the local county property tax roll and pay a personal property tax (ex: \$75-\$150). The tax calculation is based on the taxable value of the home which is different from the fair market value.

25. **What are the potential negative impacts if park is sold to a new owner?** The biggest risk is a pass-through of the increased property taxes on the land, which are reassessed due to the sale. The increase can be especially high if the prior owner owned the land for a long time under Prop 13 and was only raising taxes by 2% annually. The new owner must honor existing leases. The new owner might rewrite the park rules and regulations according to his operating standards.
26. **What happens to long-term leases after January 1, 2025?** Your lease will no longer be exempt from rent control if you live in a rent-controlled jurisdiction, or you enact rent control in the future. Your rent now increases according to the terms of the rent control ordinance. All other terms of the long-term lease continue to apply until they expire.
27. **My daughter is the executor of my estate and asked if I should put my children on the title to my home to avoid the death tax? Should I?** This is an estate planning question. If your estate is worth less than \$5 million, you are exempt from the tax. If you add your daughters' names to the title to your home, they become liable for whatever happens. You should consult an estate planner and consider creating a will or trust to give them the property.
28. **Our water, trash and sewer bills were bundled into our rent. Now the park owner has unbundled them and we receive a separate bill for each. We feel the credit he has given us on our space rent for the water portion is too low. What can we do?** A park owner is allowed to unbundle utilities and then give residents a reduction in rent. If he didn't, it would amount to a rent increase. What is your basis for believing the amount is too low? A question is how did the owner determine the reduction? If you believe it is not accurate, first step is to assemble data to come up with evidence (from many residents) to challenge the park owner's charges. You can file a complaint with the MRLPP or take the case to small claims court.
29. **Star Management returned a buyer's application saying it was incomplete. When does the 15 days begin for management to approve the application?** Management has 15 days to process the application after it receives the *complete* application from the buyer.
30. **Our park had a power outage for 36 hours. We contacted Edison and they said it was not their doing but was a problem in the park. Many people had loss of food, medicine etc. Management gave everyone a \$100 credit on the following month's rent, which many feel is inadequate. What can we do?** Residents can make a claim for more - unless you waived your rights to a further claim when you accepted the \$100. You can take the case to small claims court.
31. **Residents got a rent increase in January and were told the park was being sold. Escrow seems to be taking too long?** Escrow can take a long time because a new buyer must do his due diligence such as checking infrastructure,

utilities, potential lawsuits by residents, etc. If you are in a rent stabilization jurisdiction, make sure your rent increase complies with the ordinance. The way you protect your rights is to know the MRL and hold the new owner to it.

96 mobilehome residents attended this virtual Townhall meeting by Zoom or telephone.

If members would like to keep track of our legislative bills, go to gsmol.org and sign up for the Legislative Bulletin. To be on the Townhall email list, go to edfundacademy.blogspot.com and sign up.