

# AB 978: MOBILE HOME PARKS: RENT CAPS (ASSEMBLYMEMBERS QUIRK-SILVA AND CHIU)

## SUMMARY

AB 978 would provide rate increase protections for Californians who own a mobile home but rent the land that the home resides on from the "land or park" owner. The bill also provides the protections to those who rent a mobile home from an owner.

## BACKGROUND

California is grappling with a housing shortage, a growing homeless population and a poverty rate that is one of the largest in the nation. Rents have increased at an unprecedented rate with the highest percentage increase at almost 25%. Homeownership has also become unattainable for millions of Californians.

Mobile homes, one of the last options for affordable housing has felt the effects of the crisis. There are approximately 517,000 mobile homes and a little over 4,000 mobile home parks in California. Mobile home laws are different than laws related to renting homes and apartments. The vast majority of mobile home owners rent the land that the home occupies. Just as rents have dramatically increased, mobile home owners are also faced with drastic rent increases from the land owners.

However, the impact is unlike those who rent homes or apartments and mobile home residents that are experiencing rents increases, find themselves in very difficult situations. For example, mobile homes are not as "mobile" as the name suggest. They are homes that have to be built into the ground as permanent structures. Even if the mobile home owner wants to move the home to a more affordable "park", the cost of relocating the structure is costly.

In addition, if the land or "park" owner raises rents on the space above Fair Market Rates (FMRs), the owner of a mobile home will see a depreciation in the value of their home (loss of equity), while the land value appreciates. The industry estimates that for every \$10 per month space rent increase, the mobile home owner loses \$1,000 in equity.

Current law, known as the Mobile Home Residency Law (MRL), establishes the rights and responsibilities of homeowners as well as park owners/management and includes a number of protections including, but not limited to evictions and lease as well as sale agreements.

In an effort to provide rent increase relief and protection, the Governor signed into law, the Tenant Protection Act of 2019. The law limits rent-gouging in California by placing a limit on annual rent increases. The law also requires that a landlord have and state a just cause, if they try to evict tenants who have occupied the premise for a year. Unfortunately, mobile home owners that rent space were not included.

The housing crisis and homeless issue our state faces has only become worse since the COVID-19 pandemic. Many Californians are on the verge of losing their home. Now, more than ever, we need to provide equal protections to mobile home owners who rent the land their home sits on.

## SOLUTION

AB 978 would prohibit management of a mobile home park from increasing the rental rate for a tenancy more than 5 percent plus percentage change in the cost of living, or 10 percent, whichever is lower, of the lowest gross rental rate charged for the immediately preceding 12 months. Additionally, management of a mobile home park would be prohibited from increasing the gross rental rate for a tenancy in more than 2 increments over a 12-month period; as long as **both increases combined** does not exceed 5 percent plus percentage change in cost of living or 10 percent, whichever is lower.

AB 978 would also protect mobile home renters by extending the Tenant Protection Act of 2019 to any person, including an owner or operator, who rents a mobile home.

AB 978 clarifies and declares that provisions in this bill does not prevent local governments in establishing a local ordinance or affects any existing local government ordinances, which adopt or maintain rent stabilization for mobile park home owners and provides tenancy protection provisions as long as they are more protective.

## CONTACT

Dawn Adler, Principle Consultant  
Office of Assemblywoman Quirk-Silva  
(916) 319-2065  
[Dawn.adler@asm.ca.gov](mailto:Dawn.adler@asm.ca.gov)