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HEALTH AND SAFETY CODE - HSC

DIVISION 31. HOUSING AND HOME FINANCE [50000 - 54913] (*Division 31 repealed and added by Stats. 1977, Ch. 610.)*

PART 2. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT [50400 - 50899.7] (*Heading of Part 2 amended by Stats. 1981, Ch. 996.)*

CHAPTER 11. Mobilehome Park Purchase Fund [50780 - 50787] (*Chapter 11 added by Stats. 1984, Ch. 1692, Sec. 2.)*

50780. (a) The Legislature finds and declares as follows:

(1) That manufactured housing and mobilehome parks provide a significant source of homeownership for California residents, but increasing costs of mobilehome park development and construction, combined with the costs of manufactured housing, the costs of financing and operating these parks, the low vacancy rates, and the pressures to convert mobilehome parks to other uses increasingly render mobilehome park living unaffordable, particularly to those residents most in need of affordable housing.

(2) That state government can play a role in addressing the problems confronted by mobilehome park residents with available financing that makes it possible for mobilehome park residents to acquire the mobilehome parks in which they reside and convert them to resident ownership.

(3) That a significant number of older mobilehome parks exist in California, the residents of which may collectively lack the experience or other qualifications necessary to successfully own and operate their parks; that these parks provide low-cost housing for their residents that would be difficult to replace if the parks were converted to other uses; and that these parks are more likely than other parks to be threatened by physical deterioration or conversion to other uses.

(b) Therefore, it is the intent of the Legislature, in enacting this chapter, to encourage and facilitate the conversion of mobilehome parks to resident ownership or ownership by qualified nonprofit housing sponsors or by local public entities, to protect low-income mobilehome park residents from both physical and economic displacement, to obtain a high level of private and other public financing for mobilehome park conversions, and to help establish acceptance for resident-owned, nonprofit-owned, and government-owned mobilehome parks in the private market.

(Amended by Stats. 2022, Ch. 70, Sec. 24. (SB 197) Effective June 30, 2022.)

50781. Unless the context otherwise requires, the following definitions given in this section shall control construction of this chapter:

(a) "Affordable" means that, where feasible, low-income residents should not pay more than 30 percent of their monthly income for housing costs.

(b) "Costs" includes all of the following:

(1) The cost of the acquisition, conversion, rehabilitation, reconstruction, and replacement of a mobilehome park, including costs for planning and processing, increasing space capacity, and any expenditures required by a governmental agency or lender for the project. Costs may also include funds to ensure the long-term sustainability of the mobilehome park.

(2) If the condition of a mobilehome park jeopardizes the health and safety of its residents or the mobilehome park has had its permit to operate suspended or revoked, or both, the cost of repairs necessary to restore the permit to operate or to restore the minimum health and safety standards in the park, including on-site and off-site work, as needed.

(3) In the case of individual mobilehome owners:

(A) The cost to repair, correct health and safety deficiencies, make accessibility and energy efficiency upgrades, or replace the mobilehome.

(B) In the case of individual mobilehomes or mobilehome spaces, the cost of an individual interest in the mobilehome park.

(c) "Department" means the Department of Housing and Community Development.

(d) "Fund" means the Mobilehome Park Rehabilitation and Purchase Fund created pursuant to Section 50782.

(e) "Housing costs" means the total cost of owning, occupying, and maintaining a mobilehome and a lot or space in a mobilehome park. The department's guidelines shall specify the factors included in these costs and may, for the purposes of calculating affordability, establish reasonable allowances.

(f) "Individual interest in a mobilehome park" means any interest that is fee ownership or a lesser interest that entitles the holder to occupy a lot or space in a mobilehome park for a period of not less than either 15 years or the life of the holder. Individual interests in a mobilehome park include, but are not limited to, the following:

(1) Ownership of a lot or space in a mobilehome park or subdivision.

(2) A membership or shares in a stock cooperative, as defined in Section 11003.2 of the Business and Professions Code, or a limited equity housing cooperative, as defined in Section 817 of the Civil Code.

(3) Membership in a nonprofit mutual benefit corporation that owns, operates, or owns and operates the mobilehome park.

(g) "Low-income resident" means an individual or household that is a lower income household, as defined in Section 50079.5. However, personal assets shall not be considered in the calculation of income, except to the extent that they actually generate income.

(h) "Low-income spaces" means those spaces in a mobilehome park operated by a resident organization, a qualified nonprofit housing sponsor, or a local public entity that are occupied by low-income residents.

(i) "Mobilehome park" means a mobilehome park, as defined in Section 18214, or a manufactured home subdivision created by the conversion of a mobilehome park, as defined in Section 18214, including a senior park, to resident ownership or ownership by a qualified nonprofit housing sponsor or local public entity.

(j) "Program" means the Manufactured Housing Opportunity and Revitalization (MORE) Program.

(k) "Qualified nonprofit housing sponsor" means a nonprofit public benefit corporation, as defined in Part 2 (commencing with Section 5110) of Division 2 of the Corporations Code, that (1) has received its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code, (2) is not affiliated with or controlled by a for-profit organization or individual, (3) has extensive experience with the development and operation of publicly subsidized affordable housing, (4) the department determines is qualified by experience and capability to own and operate a mobilehome park that provides housing affordable to low-income households, and (5) has formal arrangements for ensuring resident participation or input in the management of the park that may include, but not be limited to, membership on the board of directors. "Qualified nonprofit housing sponsor" also means a limited partnership where all of the general partners are nonprofit mutual or public benefit corporations that meet the requirements of paragraphs (1) to (5), inclusive.

(l) "Resident organization" means a group of mobilehome park residents who have formed a nonprofit corporation, cooperative corporation, or other entity or organization for the purpose of acquiring the mobilehome park in which they reside and converting the mobilehome park to resident ownership. The membership of a resident organization shall include at least two-thirds of the households residing in the mobilehome park, or in each park of a combination of parks where the residents of two or more parks combine to form a single resident organization. The two-thirds of households in the resident organization at the time of funding the park need not be the same households that were residing in the park when the application for assistance was submitted to the department. A household's membership in the resident organization when the application was submitted to the department shall not be a requirement for that household to receive a loan or assistance under this chapter.

(m) "Resident ownership" means, depending on the context, either the ownership by a resident organization of an interest in a mobilehome park that entitles the resident organization to control the operations of the mobilehome park for a term of no less than 15 years, or the ownership of individual interests in a mobilehome park, or both.

(Amended by Stats. 2022, Ch. 70, Sec. 25. (SB 197) Effective June 30, 2022.)

50782. (a) The Mobilehome Park Rehabilitation and Purchase Fund is hereby created in the State Treasury and, notwithstanding Section 13340 of the Government Code or any other law, is continuously appropriated to the department for the purpose of providing loans pursuant to this chapter and for related administrative costs of the department. Notwithstanding Section 16305.7 of the Government Code, any moneys received by the department pursuant to this chapter, and any other sources, repayments, interest, or new appropriations, shall be deposited in the fund. Except as described in subdivision (b), moneys in the fund shall not be subject to transfer to any other fund pursuant to any provision of Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code, except the Surplus Money Investment Fund. The department may require the transfer of moneys in the fund to the Surplus Money Investment Fund for investment pursuant to Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of

Division 4 of Title 2 of the Government Code. Notwithstanding Section 16305.7 of the Government Code, all interest, dividends, and pecuniary gains from the investments shall accrue to the fund.

(b) Notwithstanding any other law, the Controller may use the moneys in the fund for loans to the General Fund as provided in Sections 16310 and 16381 of the Government Code. However, interest shall be paid on all moneys lent to the General Fund from the fund. Interest payable shall be computed at a rate determined by the Pooled Money Investment Board to be the current earning rate of the fund from which lent. This subdivision does not authorize any transfer that will interfere with the carrying out of the object for which the fund was created.

(Amended by Stats. 2022, Ch. 70, Sec. 26. (SB 197) Effective June 30, 2022.)

50783. (a) (1) The department may make loans from the fund to resident organizations, qualified nonprofit housing sponsors, and local public entities for the purpose of financing mobilehome park acquisition, conversion, rehabilitation, reconstruction, and replacement.

(2) Loans provided pursuant to this subdivision shall be for a duration, interest rate, and other terms, as determined by the department to be equitable and necessary. Interest rates shall be no more than 3 percent per annum, and the department shall allow loan repayments to be deferred for the full term of the loan, with principal and accumulated interest due and payable upon completion of the term of the loan.

(3) Loans provided pursuant to this subdivision shall be for the minimum amount necessary to enable a resident organization, qualified nonprofit housing sponsor, or local public entity to acquire, convert, rehabilitate, reconstruct, or replace, or any combination thereof, the mobilehome park. To the extent possible, the loan amount shall not exceed 50 percent of the approved costs. However, the loan amount may be for up to 95 percent of the approved costs attributable to the low-income households in the park when approved by the department.

(4) The department may grant approval to exceed 50 percent of the approved costs only if both of the following are demonstrated:

(A) That the applicant has made an effort to secure additional funds from other sources and these funds are not available.

(B) That the project would not be feasible, as determined by the department, without a waiver of the 50-percent financing limitation.

(5) The total secured debt in a superior position to the department's loan plus the department's loan shall not exceed 115 percent of the value of the collateral securing the loan plus the costs related to the acquisition, conversion, rehabilitation, reconstruction, or replacement, or any combination thereof, of the project.

(6) Funds provided pursuant to this subdivision may be used to finance the costs of reestablishing a mobilehome park, including relocating mobilehomes, to a more suitable site within the same jurisdiction if the department determines that the cost of the reestablishment, including any and all relocation costs to the affected households, is a more prudent expenditure of funds than the costs of needed or repetitive repairs to the existing park. Funds provided pursuant to this section shall not be used to relieve a park owner of any responsibility for covering the costs of mitigating the impacts of a park closure, as may be provided for by local ordinance or pursuant to Section 65863.7 or 66427.4 of the Government Code.

(b) (1) Upon appropriation by the Legislature of funding for this purpose, the department may make loans from the fund to mobilehome parks to correct health and safety deficiencies and to mobilehome parks that have received a notice of revocation or suspension of their permit to operate or do not currently have a permit to operate in order to make repairs necessary to obtain or restore the permit to operate, including any on-site or off-site needs for utility connections or other essential health and safety purposes. Mobilehome parks owned by resident organizations, qualified nonprofit housing sponsors, local public entities, and private park owners shall be eligible for loans for the purposes of this subdivision. For purposes of this subdivision, the department may make loans from the fund to private mobilehome park owners if the owner owns only the mobilehome park for which they are applying for a loan and no other mobilehome park, and if the department determines both of the following:

(A) The loan will have a substantial benefit for lower income residents.

(B) The park owner does not have access to other financing or resources necessary to complete the repairs.

(2) Loans provided pursuant to this subdivision shall be for the minimum amount necessary to restore the park to a condition meeting all health and safety standards and shall be subject to other requirements specified in the guidelines.

(3) For loans made pursuant to this subdivision, the borrower shall agree to use restrictions, affordability restrictions, and displacement protections, as specified in the guidelines.

(4) (A) Notwithstanding any applicable local rent control ordinances, parks shall be subject to affordability restrictions at a housing cost affordable to households making less than 80 percent of the area median income or where rents charged are 30 percent below market rents for a comparable unit, whichever results in the lowest monthly rents charged, for no less than 30 years, subject to the following park sizes:

(i) Parks with 10 spaces or fewer shall not be subject to this paragraph, except that local rent control ordinances shall apply.

(ii) Parks with 11 to 25 spaces shall restrict at least 10 percent of their units to affordable rents.

(iii) Parks with 26 to 50 spaces shall restrict at least 25 percent of their units to affordable rents.

(iv) Parks with 51 spaces or more shall restrict at least 50 percent of their units to affordable rents.

(B) For loans made pursuant to this subdivision, the borrower shall agree to offer resident organizations, nonprofit housing sponsors, and public entities the option to purchase before any other purchasers for a period of no less than 60 calendar days. If no resident organizations, nonprofit housing sponsors, or public entities demonstrate a desire to purchase, then the borrower may sell the park without regard to this subparagraph.

(C) The department shall specify borrower commitments in guidelines. In specifying borrower commitments, the department may vary borrower commitments for different levels of funding, and may require more rigorous standards for use and may restrict rents at deeper affordability levels to be commensurate with larger public investments.

(5) Loans provided pursuant to this subdivision shall be for a duration, interest rate, and other terms, as determined by the department to be equitable and necessary, and shall not jeopardize the financial stability of the fund, as specified in the guidelines.

(c) (1) The department may make loans from the fund to nonprofit corporations and local public entities for the purpose of financing the purchase or rehabilitation of mobilehomes, subject to affordability restrictions and other conditions, as specified in the guidelines.

(2) Loans provided pursuant to this subdivision shall be for a duration, interest rate, and other terms, as determined by the department to be equitable and necessary, as specified in the guidelines. Any interest rate established pursuant to this paragraph shall not exceed 3 percent per annum.

(d) If, six months following the issuance of the first notice of funding availability, 55 percent or more of funds remain uncommitted, the department may revise eligibility requirements in paragraph (1) of subdivision (b) by increasing the number of mobilehome parks a private park owner may own to no more than three.

(Amended by Stats. 2023, Ch. 770, Sec. 19. (AB 1764) Effective January 1, 2024.)

50784. (a) The department may make loans from the fund to individual low-income residents of mobilehome parks to finance any individual interest in the mobilehome park. The purpose of providing loans pursuant to this section is to reduce the monthly housing costs for low-income residents to an affordable level.

(1) Loans provided pursuant to this section shall be for a duration, interest rate, and other terms, as determined by the department to be equitable and necessary, and shall not jeopardize the financial stability of the fund, as specified in the guidelines. Any interest rate established pursuant to this paragraph shall not exceed 3 percent per annum.

(2) The department shall establish flexible repayment terms for loans provided pursuant to this section to reduce the monthly housing costs for low-income residents to an affordable level, provided that the terms do not represent an unacceptable risk to the security of the fund.

(3) Loans provided to low-income residents pursuant to this section shall be for the minimum amount necessary to reduce the borrower's monthly housing costs to an affordable level. All of the following shall apply to loans to finance individual interests pursuant to this section:

(A) To the extent possible, loan amounts shall not exceed 50 percent of the acquisition costs of the individual interests in the mobilehome parks. However, the loan amounts may be for up to 100 percent of the acquisition costs of the individual interests in the mobilehome parks when approved by the department.

(B) The department may grant approval to exceed 50 percent of the acquisition costs of the individual interests only if both of the following are demonstrated:

(i) That the low-income resident has made an effort to secure additional funding from other sources and these funds are not available.

(ii) That the low-income resident would be unable to purchase an individual interest without a waiver of the 50-percent financing limitation.

(C) The total indebtedness of the loan provided pursuant to this section plus any senior debt upon individual interests shall not exceed 100 percent of the value of the collateral securing the loan, plus the amount of costs incidentally, but directly, related to the acquisition, conversion, rehabilitation, reconstruction, and replacement.

(b) (1) The department may make loans or grants to a resident organization, qualified nonprofit housing sponsor, or local public entity from the fund for the purpose of assisting lower income homeowners to do any of the following:

(A) Make repairs to their mobilehomes.

(B) Make accessibility upgrades to their mobilehomes.

(C) Make energy efficiency upgrades to their mobilehomes.

(D) Replace their mobilehomes.

(2) Loans and grants made pursuant to paragraph (1) shall require the applicant entity to demonstrate sufficient organizational stability and capacity to manage a portfolio of individual loans over an extended time period. This capacity may be demonstrated by substantial successful experience performing similar activities or through other means acceptable to the department.

(3) For loans issued to an individual, lower income homeowner pursuant to this section, loan repayments, interest rates, and other terms shall be as specified in the guidelines.

(4) The department may require annual loan payments in the minimum amount necessary to cover the costs of project monitoring.

(c) The department may make loans or grants from the fund to mobilehome owners whose income is at or below 60 percent of area median income to correct health and safety conditions and make accessibility or energy efficiency upgrades, or both, to restore the condition of the mobilehome, including replacement of a mobilehome.

(1) For loans issued to an individual, lower income homeowner pursuant to this section, loan principal and accrued interest shall be forgiven over a period of time, as specified in the guidelines, provided that an eligible household remains in compliance with the loan agreement.

(2) Loans or grants pursuant to this section may be administered by a local public entity or nonprofit corporation, as approved by the department.

(Amended by Stats. 2022, Ch. 70, Sec. 28. (SB 197) Effective June 30, 2022.)

50784.5. (a) The department may make loans from the fund to a qualified nonprofit housing sponsor or a local public entity pursuant to subdivision (a) of Section 50783, provided the following conditions are satisfied:

(1) No less than 30 percent of residents at the time that the loan application is filed are low income.

(2) Loans may be provided pursuant to this section if either of the following applies:

(A) The park has significant outstanding violations of the Mobilehome Parks Act (Part 2.1 (commencing with Section 18200)) that threaten the long-term viability of the park and that will be remedied by the purchaser.

(B) The department determines that the loan will have a substantial benefit to low- and moderate-income homeowners and that the nonprofit housing sponsor or local public entity agrees to maintain rents at levels affordable to lower income households.

(b) If a resident organization, qualified nonprofit housing sponsor, or local public entity purchased a mobilehome park in advance of the availability of funds in order to maintain affordability of rents the cost of the purchase may be reimbursed, provided an application for funds is submitted within a timeframe deemed reasonable by the department, as further specified in the guidelines or notice of funding availability.

(c) If a resident organization, qualified nonprofit housing sponsor, or local public entity expended funds to address health and safety issues in advance of the availability of funds, the costs may be reimbursed, provided the costs would otherwise have been eligible costs under this chapter and an application for funds is submitted within a timeframe determined reasonable by the department, as further specified in the guidelines or request of notice of funding availability.

(d) All of the following shall apply to loans provided pursuant to this section:

(1) Loan amounts shall be for up to 95 percent of the costs attributable to the low-income spaces.

(2) Funds shall not be used to assist residents who are not of low income or to reduce monthly housing costs for low-income residents to less than 30 percent of their monthly income.

(e) In determining the eligibility for and amount of loans pursuant to this section, the department shall take into consideration, among other factors, all of the following:

- (1) The current health and safety conditions in the park and the likelihood that conditions would be remedied without the loan.
- (2) The degree to which the loan will benefit lower income homeowners.
- (3) The age of the park and the age of the infrastructure that will be rehabilitated with the loan proceeds.

(f) Before providing financing pursuant to this section, the department shall require provision of, and approve, at least all of the following:

- (1) Verification that either no park residents shall be involuntarily displaced as a result of the purchase or that the impacts of the displacement shall be mitigated as required under state and local law. For purposes of this requirement, compliance with Section 66427.5 of the Government Code shall be conclusively presumed to have mitigated economic displacement.
- (2) Projected costs and sources of funds for all purchase and rehabilitation activities.
- (3) Projected operating budget for the park after the purchase.
- (4) A management plan for the operation of the park.

(Amended by Stats. 2022, Ch. 70, Sec. 29. (SB 197) Effective June 30, 2022.)

50784.6. (a) The department may make loans from the fund to a qualified nonprofit housing sponsor, resident organization, or a local public entity for the acquisition and construction of a new mobilehome park or a part of a mobilehome park if all of the following apply:

- (1) The mobilehome park or part of the mobilehome park is to replace a mobilehome park or part of a mobilehome park that was destroyed by a natural disaster and is located on the site of the partially or wholly destroyed mobilehome park or within 20 miles from the destroyed mobilehome park.
- (2) The low-income residents of the destroyed mobilehome park that were displaced by the natural disaster are provided the right of first refusal to occupy mobilehomes in the new mobilehome park. The applicant shall provide notice to the former residents in a manner most likely to provide actual notice to the displaced residents. The right of first refusal shall be at least for a 180-day period following written notice to the former resident of their right of first refusal prior to the offering of spaces at the newly constructed mobilehome park to the public. The terms and conditions of the right of first refusal shall be subject to department approval to protect displaced residents.
- (3) The low-income residents of the new mobilehome park are provided lease or rental terms that are affordable or, to the extent possible, equivalent to those in effect at the destroyed mobilehome park.
- (4) No less than 50 percent of the spaces in the new mobilehome park will be made affordable to and occupied by households with incomes not exceeding 80 percent of the area median income of the county in which the destroyed mobilehome park was located. The department may establish more restrictive provisions in guidelines.

(b) Loans issued pursuant to this section shall be for a duration, interest rate, and other terms, as determined by the department to be equitable and necessary, as specified in the guidelines. Interest rates shall be no more than 3 percent per annum, and the department shall allow loan repayments to be deferred for the full term of the loan, with principal and accumulated interest due and payable upon completion of the term of the loan. Loan amounts shall be for an amount reasonable and necessary to ensure project feasibility as determined by the department, not to exceed 95 percent of the costs attributable to the low-income spaces.

(c) Before providing financing pursuant to this section, the department shall require verification that the qualified nonprofit housing sponsor or local public entity shall comply with all state and local laws protecting mobilehome park residents, including, but not limited to, any local rental control ordinances and Section 65863.7 of the Government Code.

(d) "Natural disaster" means a natural disaster for which a state of emergency is declared by the Governor, pursuant to Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code.

(Amended by Stats. 2022, Ch. 70, Sec. 30. (SB 197) Effective June 30, 2022.)

50785. (a) In determining the eligibility for and amount of loans pursuant to this chapter, the department shall take into consideration, among other factors, all of the following:

(1) The reasonableness of the costs relating to repairs, rehabilitation, construction, or other costs.

(2) Any administrative and security factors affecting the department's program operation and administration.

(3) Whether or not the projects complement the implementation of a local housing program to preserve or increase the supply of housing for persons and families of low or moderate income.

(4) Whether or not state funds are utilized in the most efficient and effective manner.

(5) In the case of a loan to a qualified nonprofit housing sponsor or to a local public entity, evidence of resident participation in the conversion and management of the park, in the form of either resident participation on the board of directors of the entity that acquires ownership of the park, or the establishment of, and consultation with, a permanent resident advisory board.

(b) To the extent consistent with requests for assistance, the department shall allocate funds available for the purposes of this chapter throughout the state in accordance with identified housing needs, including seeking to allocate not less than 20 percent to rural areas.

(Amended by Stats. 2022, Ch. 70, Sec. 32. (SB 197) Effective June 30, 2022.)

50786. (a) The department may adopt, amend, or repeal guidelines for the administration and implementation of this chapter, in consultation with stakeholders. Any guidelines adopted to implement this chapter shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(b) The department may offer one or more types of loans or activities authorized by this chapter through a notice of funding availability.

(c) The department shall obtain the best available security for loans made pursuant to this chapter. The security may include a note, deed of trust, assignment of lease, or other form of security on real or personal property that the department determines is adequate to protect the interests of the state. To the extent applicable, these documents and any regulatory provisions shall be recorded or referenced in a recorded document in the office of the county recorder of the county in which the mobilehome park is located.

(d) The degree of continuing regulatory control with respect to park operations and resident loans exercised by the department in making loans pursuant to this chapter shall be commensurate with the level of financial assistance provided and in all cases shall be adequate to protect the state's security interest and ensure the accomplishment of the purposes of the program authorized by this chapter. The regulatory requirements shall be set forth in a regulatory agreement, deed of trust, or other lien, and any violation of these requirements shall be considered a violation of a security document. If loans are made to a qualifying nonprofit housing sponsor or local public entity, a regulatory agreement shall be recorded against the mobilehome park. This regulatory agreement shall contain provisions limiting occupancy, rents, and park operation for the entire loan term. The department may release individual spaces from the regulatory agreement only if they are purchased by residents who occupy them.

(e) Before providing financing to a resident organization pursuant to subdivision (a) of Section 50783, the department shall require provision of, and approve, at least all of the following:

(1) Verification at the time of application and prior to funding that at least two-thirds of the households residing in the mobilehome park support the plans for acquisition and conversion of the park.

(2) Verification that either no park residents shall be involuntarily displaced as a result of the park conversion or the impacts of the displacement shall be mitigated as required under state and local law. For purposes of this requirement, compliance with Section 66427.5 of the Government Code shall be conclusively presumed to have mitigated economic displacement.

(3) Verification that the conversion is consistent with local zoning and land use requirements, other applicable state and local laws, and regulations and ordinances.

(4) Projected costs and sources of funds for all conversion activities.

(5) Projected operating budget for the park during and after the conversion.

(6) A management plan for the conversion and operation of the park.

(7) If necessary, a relocation plan for residents not participating that is in compliance with Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the Government Code.

(f) The department shall, to the greatest extent feasible, do all of the following:

(1) Require participation by cities and counties in loan applications submitted pursuant to this chapter.

(2) Contract with private lenders or local public entities to provide program administration and to service loans and grants made pursuant to this chapter.

(3) Give priority to applications for resident-owned parks.

(g) The department may provide technical assistance to loan applicants, or may contract with a qualified nonprofit entity to provide that technical assistance, and may include the reasonable costs of the technical assistance as a part of the loan principal.

(Amended by Stats. 2022, Ch. 70, Sec. 33. (SB 197) Effective June 30, 2022.)

50786.5. Notwithstanding any other provision of this chapter, where a city, county, or other local governmental entity has acquired a mobilehome park for the purpose of converting the park to resident ownership, and the department has entered into a binding agreement for the commitment of funds to the project, the department shall not require that more than a simple majority of households residing in the park actually purchase, or have opened escrow to purchase, interests or spaces in the park as a condition of disbursement of funds for loans made pursuant to Section 50784 to qualified individual households.

(Amended by Stats. 1999, Ch. 473, Sec. 7. Effective January 1, 2000.)

50787. (a) In addition to the other uses of the fund and activities authorized by this chapter, the department may contract directly with nonprofit corporations that have significant experience working with mobilehome park residents, or acquiring, rehabilitating, and preserving affordable housing, and have statewide or regional capacity to deliver technical assistance to mobilehome park residents or community-based nonprofit corporations in order to assist them in acquiring, financing, operating, and improving mobilehome parks occupied by low- and moderate-income households, including reasonable administrative costs for the grant recipient or recipients. Notwithstanding any other provision of this chapter, moneys in the fund may be used for grants to provide services for initial terms of no more than three years.

(b) No funds provided pursuant to subdivision (a) shall be used for the purposes of taking a mobilehome park by the state, county, or city by eminent domain pursuant to Section 19 of Article I of the California Constitution.

(c) The department may contract directly with one or more nonprofit lenders to administer loans or grants authorized by this chapter.

(d) Notwithstanding any other provision of law, a contract entered into pursuant to this section shall be deemed to be for local assistance.

(Amended by Stats. 2022, Ch. 70, Sec. 34. (SB 197) Effective June 30, 2022.)