

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF CODES AND STANDARDS**


2020 W. El Camino Avenue, Suite 200, Sacramento, CA 95833
P.O. Box 1407, Sacramento, CA 95812-1407
(916) 445-9471 / FAX (916) 263-3383
From TDD Phones 1-800-735-2929
www.hcd.ca.gov



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INFORMATION BULLETIN 2018-04 (MP, MH)

TO: **Local Enforcement Agencies
Mobilehome Parks
State Agencies and Departments
Interested Parties**

FROM:  **Richard Weinert, Deputy Director
Department of Housing and Community Development (HCD)
Division of Codes and Standards**

SUBJECT: **Manufactured Housing
Assembly Bill 1943 (Chapter 254, Statutes of 2018)**

This Information Bulletin provides notice of legislative amendments to [Health and Safety Code](#) (HSC) [Section 18551](#), which affects the legal character of a Manufactured Housing/Mobilehome (MH) when the MH is installed on a foundation system within a resident-owned subdivision¹, stock cooperative, or MH condominium project such as a Mobilehome Park (MP).

Under current law, a MH is typically characterized as personal property or "chattel²." When a MH is purchased, the character of the MH does not change upon installation except when the MH becomes a fixture improvement to the underlying real property³, as provided for by HSC Section 18551.

In order for a MH to become a fixture and an improvement to the underlying real property and thus recognized as real property⁴, an owner must obtain a building permit from the appropriate enforcement agency and install the MH on an approved foundation system⁵. To obtain a building permit, the owner must provide the enforcement agency acceptable written evidence that they own, hold title to, are purchasing, or have a lease for the exclusive use of the real property for at least 35 years, or another mutually

¹ Formed pursuant to Section 11010.8 of the Business and Professions Code

² See Civil Code, Section 663

³ See Civil Code, Section 660

⁴ See Civil Code, Section 658

⁵ Health and Safety Code, Section 18551 and California Code of Regulations, Title 25, Section 1333.

agreed upon time frame, for the land where the MH is to be installed.

To convert a MH from personal property to a fixture and improvement to the underlying real property, the enforcement agency must inspect the MH installation, sign and complete an HCD form known as a 433A ([form HCD 433A](#)), verify that all MH legal owners have signed and released their legal interest in the MH, and then file and record the 433A with the County Recorder. Once recorded, the MH legal character is changed from personal property to a fixture improvement to real property and is thus deemed real property.⁶

Previously, HSC [Section 18555](#) established a process by which a MH within a resident-owned subdivision, stock cooperative, or condominium project, may be voluntarily converted to a fixture and an improvement to the underlying real property *without* installing the home on a foundation system as required by subdivision (a) of Section 18551, through the use of a [Form HCD 433C](#), which must be submitted to HCD to complete this process and recorded with the County Recorder.

Prior to [Assembly Bill 1943](#) (AB 1943), the HSC did not permit a MH to be installed within a resident-owned subdivision, stock cooperative, or MH condominium project MP pursuant to the HSC Section 18551 and HCD 433A process without a lease or a fee-simple deed to the property. After the passage of AB 1943, as of September 5, 2018, a MH registered owner who is a participating member in a resident-owned subdivision, stock cooperative, or MH condominium MP conversion, is permitted to install a MH within the MP as a fixture and an improvement to the underlying real property through the 433A process. The conversion from personal property to a fixture improvement to the underlying real property occurs after the installation is complete and upon the MH owner submitting to HCD acceptable written evidence of both (1) MH ownership with the MH registered in the applicant's name free from liens or encumbrances, and (2) ownership in the resident-owned subdivision, stock cooperative, or condominium MP that complies with the written evidence requirements of HSC [Section 18551](#). Written evidence can include a copy of a real property purchase and sales contract, a grant deed or deed of trust.

If you have any questions regarding this Information Bulletin, please contact the Mobilehome Parks Program at 1-800-952-8356 or MHassistance@hcd.ca.gov.

Attachment – HSC Section 18551

Attachment – Updated Form HCD 433A

⁶ Health and Safety Code, Section 18551

ATTACHMENT

Health and Safety Code Section 18551 (As Amended):

The department shall establish regulations for manufactured home, mobilehome, and commercial modular foundation systems that shall be applicable throughout the state. When established, these regulations supersede any ordinance enacted by any city, county, or city and county applicable to manufactured home, mobilehome, and commercial modular foundation systems. The department may approve alternate foundation systems to those provided by regulation if the department is satisfied of equivalent performance. The department shall document approval of alternate systems by its stamp of approval on the plans and specifications for the alternate foundation system. A manufactured home, mobilehome, or commercial modular may be installed on a foundation system as either a fixture or improvement to the real property, in accordance with subdivision (a), or a manufactured home or mobilehome may be installed on a foundation system as a chattel, in accordance with subdivision (b).

(a) Notwithstanding any other law, prior to a manufactured home, mobilehome, or commercial modular being deemed a fixture or improvement to the real property, the installation shall comply with all of the following:

(1) Prior to installation of a manufactured home, mobilehome, or commercial modular on a foundation system, the manufactured home, mobilehome, or commercial modular owner or a licensed contractor shall obtain a building permit from the appropriate enforcement agency. To obtain a permit, the owner or contractor shall provide the following:

(A) Written evidence acceptable to the enforcement agency that the manufactured home, mobilehome, or commercial modular owner owns, holds title to, or is purchasing the real property where the mobilehome is to be installed on a foundation system. A lease held by the manufactured home, mobilehome, or commercial modular owner, that is transferable, for the exclusive use of the real property where the manufactured home, mobilehome, or commercial modular is to be installed, shall be deemed to comply with this paragraph if the lease is for a term of 35 years or more, or if less than 35 years, for a term mutually agreed upon by the lessor and lessee, and the term of the lease is not revocable at the discretion of the lessor except for cause, as described in subdivisions 2 to 5, inclusive, of Section 1161 of the Code of Civil Procedure. Notwithstanding Section 18555, a registered owner of a manufactured home or mobilehome in a mobilehome park that is converted or proposed to be converted to a resident-owned subdivision formed pursuant to Section 11010.8 of the Business and Professions Code, stock cooperative, as defined in Section 4190 of the Civil Code, or condominium project, as defined in Section 4125 of the Civil Code, may submit written evidence of that owner's resident ownership in the mobilehome park in order to comply with this paragraph.

(B) Written evidence acceptable to the enforcement agency that the registered owner owns the manufactured home, mobilehome, or commercial modular free of any liens or encumbrances or, in the event that the legal owner is not the registered owner, or liens and encumbrances exist on the manufactured home, mobilehome, or commercial modular, written evidence provided by the legal owner and any lienors or encumbrancers

that the legal owner, lienor, or encumbrancer consents to the attachment of the manufactured home, mobilehome, or commercial modular upon the discharge of any personal lien, that may be conditioned upon the satisfaction by the registered owner of the obligation secured by the lien.

(C) Plans and specifications required by department regulations or a department-approved alternate for the manufactured home, mobilehome, or commercial modular foundation system.

(D) The manufactured home, mobilehome, or commercial modular manufacturer's installation instructions, or plans and specifications signed by a California-licensed architect or engineer covering the installation of an individual manufactured home, mobilehome, or commercial modular in the absence of the manufactured home, mobilehome, or commercial modular manufacturer's instructions.

(E) Building permit fees established by ordinance or regulation of the appropriate enforcement agency.

(F) A fee payable to the department in the amount of eleven dollars (\$11) for each transportable section of the manufactured home, mobilehome, or commercial modular, that shall be transmitted to the department at the time the certificate of occupancy is issued with a copy of the building permit and any other information concerning the manufactured home, mobilehome, or commercial modular that the department may prescribe on forms provided by the department.

(2) (A) Within five business days of the issuance of the certificate of occupancy for the manufactured home, mobilehome, or commercial modular by the appropriate enforcement agency, the enforcement agency shall record a document naming the owner of the real property, describing the real property with certainty, and stating that a manufactured home, mobilehome, or commercial modular has been affixed to that real property by installation on a foundation system pursuant to this subdivision. The document shall be recorded with the county recorder of the county where the real property, upon which the manufactured home, mobilehome, or commercial modular that has been installed, is situated.

(B) When recorded, the document referred to in subparagraph (A) shall be indexed by the county recorder to the named owner and shall be deemed to give constructive notice as to its contents to all persons thereafter dealing with the real property.

(C) Fees received by the department pursuant to subparagraph (F) of paragraph (1) shall be deposited in the Mobilehome-Manufactured Home Revolving Fund established under subdivision (a) of Section 18016.5.

(3) The certification of title and other indicia of registration shall be surrendered to the department pursuant to regulations adopted by the department providing for the cancellation of registration of a manufactured home, mobilehome, or commercial modular that is permanently attached to the ground on a foundation system pursuant to this subdivision. For the purposes of this subdivision, permanent affixation to a foundation system shall be deemed to have occurred on the day a certificate of occupancy is issued to the manufactured home, mobilehome, or commercial modular owner and the document referred to in subparagraph (A) of paragraph (2) is recorded. Cancellation shall be effective as of that date and the department shall enter the cancellation on its records upon receipt of a copy of the certificate of occupancy. This subdivision shall not be

construed to affect the application of existing laws, or the department's regulations or procedures with regard to the cancellation of registration, except as to the requirement therefor and the effective date thereof.

(4) Once installed on a foundation system in compliance with this subdivision, a manufactured home, mobilehome, or commercial modular shall be deemed a fixture and a real property improvement to the real property to which it is affixed. Physical removal of the manufactured home, mobilehome, or commercial modular shall thereafter be prohibited without the consent of all persons or entities who, at the time of removal, have title to any estate or interest in the real property to which the manufactured home, mobilehome, or commercial modular is affixed.

(5) For the purposes of this subdivision:

(A) "Physical removal" shall include, without limitation, the unattaching of the manufactured home, mobilehome, or commercial modular from the foundation system, except for temporary purposes of repair or improvement thereto.

(B) Consent to removal shall not be required from the owners of rights-of-way or easements or the owners of subsurface rights or interests in or to minerals, including, but not limited to, oil, gas, or other hydrocarbon substances.

(6) At least 30 days prior to a legal removal of the manufactured home, mobilehome, or commercial modular from the foundation system and transportation away from the real property to which it was formerly affixed, the manufactured home, mobilehome, or commercial modular owner shall notify the department and the county assessor of the intended removal of the manufactured home, mobilehome, or commercial modular. The department shall require written evidence that the necessary consents have been obtained pursuant to this section and shall require application for either a transportation permit or manufactured home, mobilehome, or commercial modular registration, as the department may decide is appropriate to the circumstances. Immediately upon removal, as defined in this section, the manufactured home, mobilehome, or commercial modular shall be deemed to have become personal property and subject to all laws governing the same as applicable to a manufactured home, mobilehome, or commercial modular.

(b) The installation of a manufactured home or a mobilehome on a foundation system as chattel shall be in accordance with Section 18613 and shall be deemed to meet or exceed the requirements of Section 18613.4. This subdivision shall not be construed to affect the application of sales and use or property taxes. No provisions of this subdivision are intended, nor shall they be construed, to affect the ownership interest of any owner of a manufactured home or mobilehome.

(c) Once installed on a foundation system, a manufactured home, mobilehome, or commercial modular shall be subject to state-enforced health and safety standards for manufactured homes, mobilehomes, or commercial modulares enforced pursuant to Section 18020.

(d) No local agency shall require that any manufactured home, mobilehome, or commercial modular currently on private property be placed on a foundation system.

(e) No local agency shall require that any manufactured home or mobilehome located in a mobilehome park be placed on a foundation system.

(f) No local agency shall require, as a condition for the approval of the conversion of a rental mobilehome park to a resident-owned park, including, but not limited to, a

subdivision, stock cooperative, or condominium project for mobilehomes, that any manufactured home or mobilehome located there be placed on a foundation system. This subdivision shall only apply to the conversion of a rental mobilehome park that has been operated as a rental mobilehome park for a minimum period of five years.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
 DIVISION OF CODES AND STANDARDS
 MANUFACTURED HOUSING PROGRAM



NOTICE OF MANUFACTURED HOME/MOBILEHOME (MH) OR COMMERCIAL MODULAR
 INSTALLATION ON A FOUNDATION SYSTEM

<p><u>RECORDING REQUESTED BY:</u></p> <p><u>WHEN RECORDED MAIL TO:</u></p> <p>NAME:</p> <p>ADDRESS:</p> <p>CITY, STATE, ZIP CODE:</p>	<p>THIS SPACE FOR RECORDER USE ONLY</p> <p>ONLY THE ENFORCEMENT AGENCY MAY RECORD THIS DOCUMENT</p>
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Recording of this document by the enforcement agency indicates compliance with California Health and Safety Code section 18551(a). This document is evidence that the enforcement agency has inspected the installation and issued a Certificate of Occupancy, form HCD 513C, for the unit described herein, upon the real property described with certainty below, as of the date of recording. When recorded, this document shall be indexed by the county recorder to the named owner of the real property and shall be deemed to give constructive notice as to its contents to all persons thereafter dealing with the real property.

ALL INFORMATION BELOW MUST BE ENTERED BY THE ENFORCEMENT AGENCY

PROPERTY INFORMATION

REAL PROPERTY OWNER NAME(S) _____

MAILING ADDRESS _____

CITY _____ COUNTY _____ STATE _____ ZIP CODE _____

INSTALLATION ADDRESS (If different) _____

CITY _____ COUNTY _____ STATE _____ ZIP CODE _____

IDENTIFY THE TYPE OF LAND OWNERSHIP:

FEE-SIMPLE DEED TO THE PROPERTY LONG-TERM LEASE

RESIDENT-OWNED MH SUBDIVISIONS MH STOCK COOPERATIVES

MH CONDOMINIUM MOBILEHOME PARKS

ENFORCEMENT AGENCY INFORMATION

ENFORCEMENT AGENCY ISSUING PERMIT and CERTIFICATE OF OCCUPANCY _____

MAILING ADDRESS _____

CITY _____ COUNTY _____ STATE _____ ZIP CODE _____

BUILDING PERMIT NO. _____ () TELEPHONE NUMBER _____

EVIDENCE OF UNIT LIENHOLDER(S) RELEASE, OR CONSENT TO INSTALLATION PROVIDED/ATTACHED – SEE REVERSE NOTE #2 (Check if Applicable)

SIGNATURE OF ENFORCEMENT AGENCY OFFICIAL _____ **DATE** _____

OWNER INFORMATION

UNIT OWNER (If also property owner, write "SAME") _____

MAILING ADDRESS _____

CITY _____ COUNTY _____ STATE _____ ZIP CODE _____

DEALER INFORMATION

DEALER NAME (If not a dealer sale, write "NONE") _____

DEALER LICENSE NUMBER _____

DEALER BUSINESS ADDRESS _____

CITY _____ COUNTY _____ STATE _____ ZIP CODE _____

MANUFACTURED HOME/MOBILEHOME/COMMERCIAL MODULAR UNIT DESCRIPTION

MANUFACTURER'S NAME _____ MODEL NAME / NUMBER _____ MANUFACTURE DATE _____

SERIAL NUMBER(S) _____

LENGTH X WIDTH _____ CA INSIGNIA(S)/HUD LABEL NUMBER(S) _____

ASSESSOR'S PARCEL NUMBER _____ HCD REGISTRATION DECAL NUMBER _____ MCO NUMBER (New MH only) _____

REAL PROPERTY LEGAL DESCRIPTION

**NOTICE OF MANUFACTURED HOME, MOBILEHOME, OR COMMERCIAL MODULAR
INSTALLATION ON A FOUNDATION SYSTEM**

GENERAL GUIDE AND INSTRUCTIONS

A building permit is required from the enforcement agency to construct a foundation system (under new units or retrofits to existing units). To apply for a building permit the owner, dealer or contractor must comply with certain provisions of the California Health and Safety Code, as follows:

- 1) Provide evidence that the registered owner of the unit(s) to be installed either holds title or is purchasing the real property on which the installation is to be made, or written evidence of ownership in a resident-owned subdivisions, stock cooperatives, or manufactured home/mobilehome condominium mobilehome parks, or holds a transferable lease on the property with a term of 35 years or more. If the term of the lease is less than 35 years, the term must be mutually agreed to by the lessor and lessee and may not be revocable by the lessor, except for cause. Written evidence must specify the type of land ownership.
- 2) Provide written evidence that the registered owner owns the unit(s) free of any liens or if there is a lienholder(s), that lienholder(s) has consented to the placement of the unit(s) on a foundation system as an improvement to the underlying property.

If HCD's registration and title records for the unit do not match the name of the applicant, the applicant shall correct the recorded information with HCD before the enforcement agency can approve the ownership interest, the unit installation or record this form with the county recorder's office.

Note: An enforcement agency may obtain a title search from the Department of Housing and Community Development (HCD), Registration and Titling Program. The information on the title search may be compared to the information shown on the surrendered HCD Certificate of Title or Department of Motor Vehicle (DMV) pink slip(s) and registration card(s) (see below). This will ensure that the most recent ownership and registration documents have been submitted to the enforcement agency and that the registered owner owns the unit(s) free of any liens or encumbrances. Where the title search indicates a recorded legal owner or junior lienholder, or both, evidence should be provided to the enforcement agency that the legal owner or junior lienholder, or both, have been paid in full or that the legal owner or junior lienholder, or both, consent to the attachment of the unit(s) upon the satisfaction of their liens by the registered owner.

- 3) Provide plans and specifications required by HCD regulations.
- 4) Provide the approved manufacturer's installation instructions or plans and specifications signed by a licensed California architect or engineer covering the installation of the unit(s).
- 5) Pay building permit fees as required by the local jurisdiction issuing the building permit.
- 6) Complete an original and three copies of the form HCD 433A with all information available at the time the building permit is issued for the installation of a manufactured home, mobilehome, or commercial modular unit(s).
- 7) Pay a state fee of eleven dollars (\$11.00) per transportable section and submit with form HCD 433A.

After installation is complete and prior to issuance of a form HCD 513C, Certificate of Occupancy, the following requirements must be met:

- 1) If the unit(s) has(have) been sold to the owner by a dealer, all information not originally available to complete the form HCD 433A [*i.e., manufacturer name, serial number(s), date of manufacture, dealer's license number and HCD insignia(s)/HUD label number(s)*] must be completed. Incomplete forms will be returned for completion.
- 2) If the unit(s) is(are) owned by the individual requesting installation, the following items are required to be surrendered to the local building department prior to issuance of a Certificate of Occupancy:
 - o Certificate of Title and Registration issued by either HCD or DMV.
 - o Any license plates or decals issued by either HCD or DMV.

CAUTION: DO NOT REMOVE THE HCD INSIGNIA(S)/HUD LABEL(S) THAT CERTIFY THE COMPLIANCE OF THE UNIT(S).

- 3) When the form HCD 433A is completed, with all required information and all titles, certificates, plates or decals (*if required*) surrendered, a Certificate of Occupancy, may be issued and the form HCD 433A recorded with the county recorder. The owner is to be provided with a copy of the form HCD 433B, Notice to Assessor, by the local building department. The owner is required to complete and submit the Notice to Assessor to the county assessor.
- 4) Within five (5) business days of the issuance of the Certificate of Occupancy, the enforcement agency shall record this document with the county recorder's office.
- 5) Once recorded, the enforcement agency shall transmit all of the following: the recorded copy of the form HCD 433A; a copy of the Certificate of Occupancy; fees collected in the amount of eleven dollars (\$11.00) per transportable section; and, *if unit currently titled as personal property*, all applicable titles, certificates, license plates or registration decals to:

Department of Housing and Community Development
Division of Codes and Standards
Registration and Titling Program
PO Box 2111
Sacramento, CA 95812-2111

For information on establishing a requestor account for obtaining title search printouts online, or for general information call (800) 952-8356 or submit a request via email to ContactRT@hcd.ca.gov.