

Changes in Law Affecting MHPs

| California Code | Existing Law | Change in Law | Comment/To Do |
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| <p>AB 1084</p> <p>Military and Veterans Code Section 985 et seq.</p> | <p>Existing law regarding the Cal Vet program defines “cooperative housing corporation” for purposes of this program to mean a real estate development in which membership in the corporation, by stock, is coupled with the exclusive right to possess a portion of the real property.</p> | <p>Effective 9-30-11:</p> <p>Expands the California Veteran Home Loan Program’s (CVHLP) definition of cooperative housing corporation to include a shared equity cooperative. This bill permits CVHLP to make loans for shared equity cooperatives.</p> | <p>Only for new loans. Cannot refinance an existing loan through CalVet.</p> |
| <p>AB 771</p> <p>Civil Code Section 1368</p> | <p>The Davis-Stirling Common Interest Development Act requires an owner of a separate interest in a common interest development to provide specified documents to a prospective purchaser of that interest. Existing law requires a homeowners’ association to provide these documents to the owner of the separate interest within 10 days of the mailing or delivery of the request, and limits the amount of fees charged for the provision of the documents to the association’s actual costs to procure, prepare, and reproduce the requested documents.</p> | <p>Effective 10-2-11:</p> <p>Clarifies and expands seller and association disclosure obligations. The seller must also provide a copy of specified minutes of the meetings of the association’s board of directors, if requested by the prospective purchaser. If such minutes are requested of the association, they must provide to the seller a written or electronic estimate of the fees for providing these documents. Those fees must be based on the approximate actual costs to the association (can include procuring, preparing, reproducing, and delivering). The association may contract with any person or entity to provide the documents on behalf of the association. At the time of the delivery of the documents to the recipient authorized by the owner of the separate interest, the association is required to also provide a billing disclosure in</p> | <p>All common interest developments should become familiar with the form prescribed in 1368.2 and should determine general policy of whether to directly provide the documents to prospective buyers or have their management company do so. Only need to provide documents to prospective purchaser if authorized to do so by seller.</p> |

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| | | the form specified in 1368.2. | |
| SB 150 Civil Code Sections 1360.2, 1368, 1373 | <p>(1) The Davis-Stirling Common Interest Development Act, requires the declaration of a common interest development recorded on or after January 1, 1986, to contain a legal description of the development and the restrictions on the use or enjoyment of any portion of the development. Existing law also provides that the covenants and restrictions in the declaration of a common interest development shall be enforceable equitable servitudes, unless unreasonable.</p> <p>(2) Existing law requires the owner of a separate interest, except as specified, to provide specified documents and information to a prospective purchaser as soon as practicable before transfer of title to the separate interest or execution of a real property sales contract.</p> | <p>Effective 1/1/2012:</p> <p>(1) Restricts an association from subjecting the owner of a separate interest in the common interest development to a provision in a governing document, or a provision in an amendment to a governing document, that prohibits the rental or leasing of all or any of the separate interests in that common interest development to a renter, lessee, or tenant unless that governing document, or amendment thereto, was effective prior to the date the owner acquired title to his or her separate interest or unless the owner expressly consents to be subject to a governing document or amendment thereto with that specified prohibition.</p> <p>(2) In addition to providing a prospective purchaser with the previously required documents, the owner of a separate interest is required to provide a statement describing any provision in the governing documents that prohibits the rental or leasing of any of the separate interests in the common interest development.</p> | |
| SB 209 Civil Code 1353.9 | - | <p>Effective 1/1/2012:</p> <p>This addition to the law provides that any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting</p> | |

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| | | <p>the transfer or sale of any interest in a common interest development, or any provision of the governing documents of a common interest development, that effectively prohibits or restricts the installation or use of an electrical vehicle charging station is void and unenforceable.</p> <p>The new law provides authorization to an association, to impose reasonable restrictions on those stations, and imposes requirements with respect to an association’s approval process for those stations. If the station is to be placed in a common interest area or an exclusive use common area, the homeowner would be responsible for various costs associated with maintaining and repairing the station, as well as costs for damage to common areas and adjacent units resulting from installation and maintenance of the station. It also imposes other responsibilities on the homeowner, including maintaining an umbrella liability coverage policy of \$1,000,000 that names the common interest development as an additional insured. An association that violates the law’s provisions would be liable for damages and a civil penalty.</p> | |
| <p>SB 563</p> <p>Civil Code Sections 1363, 1363.05, and 1365.2</p> | <p>(1) Existing law requires that a common interest development be managed by an association that may or may not be incorporated. Existing law prescribes requirements for meetings of the board of</p> | <p>Effective 1/1/2012:</p> <p>(1) Requires notice for a meeting that will be held solely in executive session to be given to members of the association at least two days prior to the</p> | <p>Very important changes regarding meetings. All members of common interests developments should become familiar with these changes.</p> |

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| | <p>directors of the association that manages the development, and requires notice of the time and place of a meeting of the board of directors to be given to the members of the association at least four days prior to the meeting, with little exception.</p> <p>(2) Existing law requires an association to make available specified association records, but excludes from those requirements agendas for meetings of the board of directors that are held in executive session.</p> | <p>meeting, except as specified.</p> <p>Provides that, if a member consents, notice may be given to the member electronically, and would also delete provisions that generally allow the board of directors to consider any proper matter at a meeting even if it has not been noticed as an action item for the meeting.</p> <p>Permits meetings of the board of directors of a common interest development association to be conducted by teleconference, as specified, by revising the definition of a meeting for these purposes.</p> <p>Requires that a teleconference meeting be conducted in a manner that protects the rights of members of the association and otherwise complies with other requirements governing common interest developments.</p> <p>Requires that the notice of a teleconference meeting identify at least one physical location so that members of the association may attend and would require that at least one member of the board of directors be present at that location.</p> <p>Prohibits the board of directors from taking action on any item of business outside of a meeting. Prohibits the board from conducting a meeting via a series of electronic transmissions, such as electronic mail, except to</p> | |
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| | | <p>conduct an emergency meeting, as specified.</p> <p>Establishes a definition of an item of business to mean any action within the authority of the board, except those actions that the board has validly delegated to any other person or persons, managing agent, officer of the association, or committee of the board comprising less than a majority of the directors.</p> <p>(2) Requires an association to make available agendas for meetings held in executive session.</p> | |
| <p>SB 837</p> <p>Civil Code Section 1102.6</p> | <p>Existing law requires that a transferor of real property of 1 to 4 dwellings provide disclosures regarding certain characteristics of the property by means of a prescribed form. Existing law requires that, on or before January 1, 2017, a single-family residential property built and available for use on or before January 1, 1994, be equipped with water-conserving plumbing fixtures.</p> | <p>Effective 1/1/2012:</p> <p>Revises the form to require that a transferor of real property of 1 to 4 dwellings disclose whether or not the property is equipped with water-conserving plumbing fixtures.</p> | <p>Update with revised form found in 1102.6 if association is planning to sell as FSBO any units it may acquire.</p> <p>This revision in the law also serves as a reminder to individual owners of residences built before 1/1/1994 of the need to install water conserving plumbing if not already installed.</p> |
| <p>AB 1211</p> <p>Corporations Code Sections 1113, 5211, 5212, 5213, 5222, 5235, 5913, 6010, 6019.1, 6321, 6324, 6615, 6716, 7211, 7212, 7213, 8010, 8019.1, 8324, 8615, 9211, 9212, 9213, 9250, 9640, 12311, 12351,</p> | <p>(1) Existing law provides for the formation and operations of nonprofit corporations. Existing law provides for establishing a quorum of a board of directors to take action at a meeting and allows the articles of incorporation or bylaws to require the presence of specified directors in order to constitute a quorum. Existing law provides that the death of a director excuses requiring the</p> | <p>Effective 1/1/2012:</p> <p>Regarding non-profit corporations:</p> <p>(1) Provides that death or nonexistence of a director excuses requiring the presence of a specified director to establish a quorum.</p> <p>(2) Also, under specified circumstances, excludes</p> | <p>Very important that directors become familiar with the new provisions regarding voting.</p> |

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| <p>12352, 12353 7914, 9634, 18122</p> | <p>presence of that director to establish a quorum. Existing law authorizes a board of directors to take action by unanimous written consent in lieu of a meeting without the consent of an interested director, as defined.</p> <p>(2) Existing law excludes interested directors, as defined, from the directors required to consent in order to take action without a meeting.</p> <p>(3) Existing law provides that a director has only one vote on any action at a meeting and prohibits a director from voting by proxy at a meeting.</p> <p>(4) Existing law requires all public benefit corporations to obtain a waiver from the Attorney General's office in order to file dissolution documents with the Secretary of State and requires those corporations to obtain the consent of the Attorney General to a proposed merger, except as specified.</p> <p>(5) Existing law requires certain charitable corporations and unincorporated associations holding property for charitable and certain other purposes to file specified reports with the Attorney General. Existing law requires a corporation to furnish an annual report to its members regarding transactions with interested persons.</p> | <p>common directors, as defined, from the directors required to consent in order to take action without a meeting.</p> <p>(3) Allows directors to vote by unanimous written consent in lieu of a meeting.</p> <p>(4) Exempts public benefit corporations that are not otherwise subject to the supervisory authority of the Attorney General from having to obtain a waiver for filing dissolution paperwork or consent to merge.</p> <p>(5) Allows a corporation to furnish to its members a copy of a report filed with the Attorney General in lieu of an annual report when the report to the Attorney General includes the information required in the annual report.</p> | |
| <p>SB 332</p> | <p>-</p> | <p>Effective 1/1/2012: Authorizes a landlord of a</p> | <p>Update leases and notices if desire to prohibit smoking in</p> |

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| <p>Civil Code Section 1947.5</p> | | <p>residential dwelling unit to prohibit the smoking of tobacco products on the property, in a dwelling unit, in another interior or exterior area, or on the premises on which the dwelling unit is located.</p> <p>Makes requirements on notices and leases executed on and after, and on and before, January 1, 2012, regard smoking being prohibited at the subject property.</p> <p>Requires that a landlord who prohibits smoking pursuant to this authority be subject to specified federal, state, and local requirements governing changes to the terms of a lease or rental agreement for tenants.</p> <p>This law's provisions do not preempt local ordinances in effect on or before January 1, 2012, or a provision of a local ordinance on or after January 1, 2012, that prohibits the smoking of cigarettes or other tobacco products.</p> | <p>rental property.</p> |
| <p>SB 337 Civil Code Section 1940.4</p> | <p>Existing law regulates the terms and conditions of residential tenancies, and prohibits a landlord from interfering with a tenant's quiet enjoyment of the premises. Existing law also prohibits the governing documents of a common interest development from prohibiting the posting or displaying of noncommercial signs, posters, flags, or banners on or in an owner's separate interest, with some exceptions.</p> | <p>Effective 1/1/2012:</p> <p>Prohibits a landlord from prohibiting a tenant from posting or displaying political signs relating to an election or legislative vote, the initiative, referendum, or recall process, or issues before a public body for a vote, except under certain circumstances.</p> <p>Requires a tenant to comply with the time period</p> | |

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| | | established by the local ordinance for the posting and removal of political signs or, in the absence of those provisions, by reasonable time limits, as specified, established by the landlord. | |
| <p>SB 674</p> <p>Public Utilities Code Sections 739.5, 8380, and 8381</p> <p>Repeals Public Utilities Code Section 709.7 of the</p> | <p>Under existing law, the commission has regulatory authority over public utilities, including electrical corporations. An electrical corporation is defined as including every corporation or person owning, controlling, operating, or managing any electric plant for compensation within this state, except where electricity is generated on or distributed by the producer through private property solely for its own use or the use of its tenants and not for sale or transmission to others. Existing law requires that, when gas or electric service is provided by a master-meter customer to users who are tenants of a mobilehome park, apartment building, or similar residential complex, the master-meter customer charge each user a rate not to exceed the rate that would be applicable if the user were receiving gas or electricity, or both, directly from the gas or electrical corporation. Existing law creates further requirements for master-meter customers and for the corporations that provide service to them, including a requirement that a master-meter customer of a gas or electrical corporation who receives any rebate from the corporation to distribute to, or credit to the account of, each</p> | <p>Effective 1/1/2012:</p> <p>Excludes from the definition of “rebate” the award of a monetary incentive under the California Solar Initiative for a solar energy system that provides electrical generation to a mobilehome park, thus said awarded incentive need not be distributed to individual users of the solar energy in the master metered community.</p> | |

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| | current user served by the master-meter customer a specified portion of the rebate. | | |
| SB 221 Code of Civil Procedure Sections 116.221 and 116.224 | Existing law specifies that the jurisdiction of the small claims court includes various actions in which the demand does not exceed \$7,500, with specified exceptions. | Effective 1/1/2012: Increases the jurisdiction of the small claims court to actions for up to \$10,000 except for automobile accident cases where the limit will remain at 7,500. | |
| Federal - Consumer Product Safety Commission regarding Virginia Graeme Baker Pool and Spa Safety Act | Regarding public pools: in addition to the drains rated as unblockable, existing law included in its definition of an unblockable drain, a small single main drain that is covered by a large drain cover. | Will begin being enforced May 28, 2012: If a complex has a drain that is single main drain other than one rated as unblockable, then it will need to get an additional layer of protection such as an automatic pump shut off, a safety vacuum release system, a drain disablement, a suction-limiting vent system, or a gravity drainage system. | |