

Date of Hearing: April 29, 2015

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Ed Chau, Chair

AB 682 (Williams) – As Amended March 26, 2015

SUBJECT: Mobilehome park: electric and gas service: master-meter customers

SUMMARY: Authorizes a person to have specified alterations, conversions, and repairs made to a mobilehome without filing an application with the Department of Housing and Community Development (HCD). Specifically, **this bill:**

- 1) Authorizes a person to, without filing an application for an alteration or conversion with HCD, alter or convert, or cause to be altered or converted, the structural, fire safety, plumbing, heat-producing, or electrical systems and installations or equipment of a mobilehome in order to extend a gas line and/or electrical feeder line from a utility-owned service line to the electrical subpanel or gas inlet of a mobilehome only for the purpose of a natural gas and/or electric service utility upgrade within a mobilehome park that is subject to or consistent with the requirements of a specified Public Utilities Commission (CPUC) Decision.
- 2) Authorizes a defect in the mobilehome relating to the heat-producing or electrical systems or installations or equipment to be repaired or replaced without filing an application for an alteration or conversion with HCD if the following conditions are met:
 - a) The repair or replacement is necessary to correct the defect;
 - b) The repair or replacement is made promptly; and
 - c) HCD approves the repair or replacement.

EXISTING LAW:

- 1) Requires HCD to enforce various laws pertaining to manufactured housing, mobilehomes, park trailers, commercial coaches (Health and Safety Code Section 18000 et seq.).
- 2) Requires construction permits, issued by HCD, for alterations or conversions to the structural, fire safety, plumbing, heat-producing, or electrical systems and installations or equipment of a mobilehome (Health and Safety Code Section 18029).
- 3) Requires a mobilehome owner to have documentation certifying they own their unit in order to apply for a construction or alteration permit with HCD (Health and Safety Code Section 18029).
- 4) Provides that HCD may establish a schedule of fees to pay the costs of work related to administration and enforcement of mobilehome and manufactured home standards, including applications for alterations or conversions, and the fees collected must be deposited in the Mobilehome-Manufactured Home Revolving Fund (Health and Safety Code Section 18031).

- 5) Prohibits HCD from issuing a duplicate or new certificate of title or registration card or amending the permanent title record of the mobilehome when specified fees and penalties have not been paid (Health and Safety Code Sections 18116.1, 18092.7).
- 6) Provides that residents of mobilehome parks constructed after January 1, 1997, must be individually metered and served by gas and electric distribution facilities owned, operated, and maintained by the gas or electric corporation providing the service in the area where the park is located (Public Utilities Code Sections 2791).
- 7) Provides a statutory framework for transferring master-metered mobilehome parks to utilities that provide direct service in the area where the park is located (Public Utilities Code Sections 2791-2799).
- 8) Establishes a three-year Mobilehome Park Utility Upgrade Program (MHP Pilot Program) authorizing each California investor-owned utility to convert 10%, approximately 40,000, of master-metered gas and/or electric mobilehome park spaces within its operating territory to direct utility service (CPUC Decision 14-03-021).

FISCAL EFFECT: Unknown.

COMMENTS:

MHP Pilot Program: Existing law establishes the procedure for transferring master-metered mobilehome parks to utilities that provide direct service. However, due to a variety of reasons, few transfers have actually occurred since the law took effect in 1997. In 2014, the CPUC initiated a voluntary three-year pilot program to encourage park owners to transfer master-meter and submeter service to direct utility service.

The MHP Pilot Program is a voluntary three year program which authorizes each California investor-owned utility to convert 10%, approximately 40,000, of master-metered gas and/or electric mobilehome park spaces within its operating territory to direct utility service. Each participating utility is authorized to fully recover in distribution rates the costs of the pilot program, subject to reasonableness review. There are numerous benefits to converting to direct utility service, including safety inspections by the utilities and local agencies, as well as infrastructure upgrades. The pilot program involves the replacement of utility lines and installation of new meters for new locations, and existing service inlets. It also requires new service lines from the new meters to the existing service inlets for the mobilehomes which will be accompanied by installing new gas and/or electric lines to the underside of mobilehomes in the park. It requires extensive plan reviews and inspections of contractor work.

According to the CPUC, "in February 2011, following a petition filed by the Western Manufactured Housing Communities Association (WMA), the CPUC opened a rulemaking proceeding (R.11-02-018) to examine what could be done to encourage owners of mobilehome parks and manufactured housing communities (both referred herein as MHPs) to upgrade aging gas and electric distribution systems in an effort to enhance both public safety and service reliability for MHP residents.

"On March 13, 2014, the CPUC issued Decision 14-03-021, establishing a three-year pilot program authorizing each California investor-owned utility to convert 10% of master-metered gas and/or electric MHP spaces within its operating territory to direct utility service."

The MHP Pilot Program will run for three years, beginning January 1, 2015 and continuing through December 31, 2017. There was a 90-day open enrollment period, between January 1 - March 31, 2015, in which the CPUC's Safety and Enforcement Division (SED) accepted initial applications from park owners interested in participating in the program. The SED is responsible for prioritizing and selecting parks for the upgrade program. Selected parks will be notified by May 2015, and would then need to meet additional requirements to go through with the pilot program.

Once the park is converted to direct utility services, current residents will become new customers of the local serving CPUC regulated utility, and will be "grandfathered" into the program so as to avoid the normal credit check and service deposit requirements. Generally, residents should not see a significant change in their rates.

Need for this bill: According to the author, "the law requires construction permits for alterations made to a mobilehome, and a permit can only be issued if a homeowner has the title or proper paperwork certifying they own their unit. However, it's not uncommon for a mobilehome owner to lack the title or appropriate paperwork for their mobilehome, due to multiple title transfers.

"AB 682 provides a narrow exemption to the permit requirements for alterations to mobilehomes thereby ensuring the smooth implementation of the Mobilehome Park Utility Upgrade Program. The narrow exemption would allow a utility to upgrade the electric and gas system to mobilehome park tenants who may or may not have up-to-date paperwork. Mobilehome tenants would be able to participate in the pilot program without a current title or appropriate paperwork. The pilot program's successful implementation means upgrading aging gas and electric distribution systems in an effort to enhance both public safety and service reliability for the state's mobilehome residents.

"AB 682 will address the issue of the utility transfer pilot program not being implemented due to lack of current and proper documentation, while expediting the utility upgrades."

Related legislation:

AB 999 (Daly): Establishes due process requirements for mobilehome park owners (park management) seeking to dispose of an abandoned mobilehome without first being required to pay any unpaid property taxes on the mobilehome. AB 999 is currently pending hearing in the Assembly Committee on Housing and Community Development.

AB 587 (Chau): Creates a tax abatement program for mobilehome owners who cannot transfer title into their names due to delinquent taxes and fees that may have been incurred by prior owners. AB 587 is currently pending hearing in the Assembly Judiciary Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

Western Manufactured Housing Communities Association (sponsor)

Opposition

None on file

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