

**Joint Hearing on Mobilehome Park Maintenance Inspection Program – Extend or Die
January 25, 2006, 2-4 p.m., Rm. 112, State Capitol**

BRIEFING PAPER

Purpose

The hearing's purpose is to take testimony from interested and affected organizations, agencies, and the general public on renewing the Department of Housing and Community Development's Mobilehome Park Maintenance inspection program or letting it sunset after December 31, 2006. Later, the committees will publish a transcript and joint report of the testimony at the hearing.

Background

There are approximately 4,850 mobilehome parks and manufactured housing communities in California providing spaces for an estimated 675,000 or more residents. The state Department of Housing and Community Development (HCD) and designated local agencies, under agreement with HCD, are responsible for inspecting these parks for health and safety violations. The state's Mobilehome Park Inspection (MPM) Program, administered by HCD, provides a complete inspection of a mobilehome park, as contrasted with a complaint driven inspection, which is normally only an inspection of specified issues that are a subject of the complaint.

Health and Safety Code requirements for mobilehome parks, such as set back requirements for mobilehomes from lot lines, park utilities and utility connections, the width of park roadways, or specifications for storage sheds and park lighting, among others, are like local building code requirements for conventional structures. Mobilehome park code requirements are not subject to local building codes but are uniform statewide as provided by the Mobilehome Parks Act and spelled out by department regulations, commonly known as "Title 25" (California Code of Regulations). These regulations are enforced by inspection at the time of the construction of the park as a condition of granting the initial permit to operate, and subsequently upon a complaint, or, since 1991 (AB 925, 1990) through a scheduled full (MPM) inspection of the park. Both park owners and homeowners are subject to citation. Although HCD conducts about 70% of the inspections statewide, the department also has agreements with approximately 90 local jurisdictions to carry out the inspections within parks in their communities (Attachment 1).

The first phase of MPM inspections was conducted between 1991 and 1999. Originally a 5-year timeline, due to various exigencies, including state budget problems in the early 1990's and the demands of the Northridge earthquake clean-up, the program was legislatively expanded to 8 years. The program is self-supporting with an annual \$4 per space fee assessed against parks, half paid by homeowners, to fund the inspection effort. During the 1991-99 phase, HCD or local agencies conducted one full inspection of every mobilehome park in the state.

When the issue of extending the MPM program was reviewed in the late 1990's by the Legislature, funding was a major issue. HCD contended that an increase as high as \$13 a space per year was needed at that time to continue the full 5-year program. Although one homeowner group was willing to consider a \$1 per space increase, both mobilehome park owners and

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mobilehome owners generally opposed fee increases, and some park owners championed the idea of privatizing the inspection program. The Legislature made various fine tuning efforts with the inspection program, such as extending compliance schedules and eliminating citations for minor violations, but the basic problem of under funding was not addressed. Instead, the renewal of the MPM program (SB 700, 1999) for 2000-2006 changed the focus of the inspections to a 7-year cycle and limited them to 40% of the parks with the worst record of violations during the first inspection cycle (1991-1999) or the most number of complaints, rather than all parks, as determined by the enforcement agency. Citations for "Title 25" violations, depending on the nature of the violation, either must be corrected immediately or within 90 (later changed to 60) days. Lesser C & D violations were deleted as items subject to remedy or repair, although they still are reflected on the record. HCD produced a video that is available to parks and residents subject to MPM inspections explaining what to expect from homeowners and the park manager in such an inspection. HCD also set up an SB-700 Task Force every 6 months to report to and take input from groups interested in the MPM program, including park owner, mobilehome owner, local government and legislative representatives. An HCD report to the Legislature required prior to the 2006 sunset of the program included in the bill was deleted by later legislation. But as the result of the MPM program, HCD reports that tens of thousands of health and safety violations, both park and homeowner, have been cited and remedied since 1991, some of which arguably may not otherwise have been found or fixed (Attachments 2 & 3).

In 2005, the Senate Select Committee on Mobile and Manufactured Homes created a Working Group of park owners, mobilehome owners, HCD and local government representatives to make recommendations concerning renewal of the MPM program after 2006. The primary issue the Working

Group reviewed was whether fees supporting the program should be increased, as HCD staff had suggested (\$14 a space), or by how much. Local governments had also complained that the fee structure to support mobilehome park code enforcement in general is inadequate. In fact, citing costs and other considerations, an increasing number of locals have opted out of the program in recent years, adding to HCD's burden at a time of increasing personnel shortages. HCD also claimed it did not have enough funding to run even the existing 40% program for a full fiscal year, but had to scale it back during the last few months of the '04-05 fiscal year.

The chair, Senator Dunn, requested HCD's director to provide information to the Working Group about what level of funding would be required to operate a 5-year program inspecting every park, as well as the level of funds needed to continue the current program of inspecting 40% of the parks – the “worst” parks. The director responded that an \$18 space fee per year (\$14 increase) would be required for a full 5-year program, and a \$6 space fee per year (\$2 increase) would be required to continue the so-called 40% program (Attachment 4).

Ultimately Working Group members could not agree. One park owner and one homeowner organization supported the \$14 per space fee increase. But other park owner and homeowner groups would not support a fee increase or could agree only to a \$2 increase. As such, Senate Bill 106 (Dunn) was passed to increase the fee by \$2 and to extend the MPM sunset until January 1, 2008, in order to give the Legislature more time to consider and legislate a permanent solution for a long-range MPM program. However, SB 106 was vetoed by the Governor (Attachment 5).

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The Senate Select Committee on Mobile and Manufactured Homes has held a number of hearings on park inspection and park code enforcement issues since 1997. Although funding has always been a major concern, a number of other issues have also arisen. Some park residents are unhappy with enforcement of Title 25 on a number of accounts – perceiving that enforcement agencies are too slow to respond to complaints, do not communicate or follow-through with complainants, take too long to require that violations are corrected, are not able to enforce correction of violations at all, even where cited, or in some cases side with park managers in citing homeowners while ignoring park violations. On the other hand, park owners have complained that under the 40% MPM program operated since 2000, the “good” parks pay the same annual fee for enforcement as the “problem” parks, yet “good” parks never get the benefit of an inspection. Some park owners also complain that HCD is more focused on park violations and does little to prosecute homeowner/space violations. But critics also point out

that HCD is basically a ticket writer and has no real authority to fine violators, relying on local district attorneys or city attorneys to follow through with actual criminal prosecution or civil abatement.

Recent Enforcement Legislation

Over the last several years, there have been a number of legislative attempts to address Health and Safety Code enforcement issues in mobilehome parks. Recent bills have included:

- Senate Bill 1627 (Dunn, 2000) requires HCD to adopt and enforce maintenance standards and annual inspection of fire hydrants in mobilehome parks and, upon certain findings, allows local governments to enforce more stringent fire prevention standards for hydrants for mobilehome parks than the state's Mobilehome Parks Act. Signed into law.
- Senate Bill 339 (Dunn, 2001), among other provisions, required HCD and local enforcement agencies to follow-through with complainants by informing them of the date they would inspect and let the complainant know the result of an inspection. This bill passed the Senate but died in the Assembly Appropriations Committee.
- Assembly Bill 1648 (Salinas, 2001) permitted HCD inspectors to impose fines of \$100 to \$250 for citations that were not fixed within 30 days of a final notice. This bill died in the Assembly Appropriations Committee.
- Assembly Bill 2382 (Corbett, 2002), in addition to district attorneys authorized by prior law, permits county counsels, city attorneys, and the Attorney General to pursue civil abatement actions for Title 25 violations constituting a public nuisance. Signed into law.
- Senate Bill 54 (Dunn, 2003) requires that before a lot line in a mobilehome park can be moved or altered, a permit be obtained from the enforcement agency. Signed into law.
- Senate Bill 40 (Dunn, 2005) as an enforcement tool authorized HCD to have standing to seek a court appointed receivership of mobilehome parks that have substantial and uncorrected code violations. Passed by Legislature but vetoed by the Governor.
- Senate Bill 106 (Dunn, 2005) extended the sunset for the MPM inspection program by one year to January 1, 2008 and increased the annual per space fee by \$2 for the program. Passed by the Legislature but vetoed by the Governor.
- Senate Bill 765 (Dunn, 2005) expanded HCD enforcement authority over sewer spill clean-up in mobilehome parks. Passed by the Legislature but vetoed by the Governor.

Selected Issues

Among others, issues that members of the committees or witnesses may wish to consider in evaluating whether to extend the MPM program include:

1. Proof in the Pudding: Is the MPM program worth continuing? What will the system of park inspections look like without the MPM program? Should time certain health and safety inspections be required of parks (every 5 or 7 years, for example) or are inspections on a complaint basis adequate to deal with most violations in parks, as was the case prior to 1991?
2. Dollars and Sense: Should fees be increased on both park owners and homeowners to support a renewed MPM program and to what extent?
3. What is Adequate? What level of inspection is adequate? On a time certain basis (every 5 or 7 years, for example), should every mobilehome park and every space in those parks be inspected, or only those parks with the worst record of violations or most complaints?
5. More Bang for the Buck: What changes could be made in the MPM program to make it more cost-effective?
6. More than a Ticket Writer: Should HCD be given more or better Title 25 enforcement tools, such as citation fine authority, standing to petition for a court appointed receivership, or even standing to file civil abatement actions in the most serious cases?
7. Redirection: Is there adequate funding for even a basic complaint-based inspection program? If the MPM is not renewed, should the \$4 fee that supports it be retained, rather than sunsetted, to improve the 'complaint inspection' process, follow-up and customer service related thereto?
8. Offering the Carrot: Should locals be given the option to increase their own enforcement fees up to a certain limit, on a vote of the local elected body, as an incentive to individually assume Title 25 enforcement of parks by agreement with HCD?
9. Local Control?: Would MPM inspections be more efficient if the inspection program was turned over completely to local governments, leaving HCD in a supervisory role, rather than continuing a program where HCD must send state inspectors many miles in some cases to conduct MPM inspections

in different communities over widespread areas? Or if the MPM is a state program, why should locals be involved at all, even on an individual basis by agreement?

10. Preserving Parks: Many mobile parks provide a form of affordable housing. If turned over to local control, what mechanism could be established to provide that locals don't simply condemn mobilehome parks to close them and dislocate poorer residents in their communities?

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