# SENATE SELECT COMMITTEE ON MOBILE AND MANUFACTURED HOMES

SENATOR WILLIAM A. CRAVEN CHAIR

## TRANSCRIPT AND REPORT OF HEARING II ON

## THE MOBILEHOME PARK INSPECTION PROGRAM



**NOVEMBER 17, 1997** 

VETERANS MEMORIAL BUILDING PISMO BEACH, CALIFORNIA

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## California Legislature

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Senate Select Committee on Mobile and Manufactured Homes

SENATOR WILLIAM A. CRAVEN

TRANSCRIPT OF HEARING II ON

## THE MOBILEHOME PARK INSPECTION PROGRAM

VETERANS MEMORIAL BUILDING PISMO BEACH, CALIFORNIA

**NOVEMBER 17, 1997** 

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NOVEMBER 17, 1997

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## **Background Paper**

The Mobilehome Park Inspection Program
Hearing II
November 17, 1997
Pismo Beach, California

### Purpose

Mobilehome parks in California currently undergo a complete health and safety code inspection at least once every seven years under a program which began in 1991 but sunsets at the end of 1998. The purpose of the November 17, 1997 hearing is to take up where the previous February 18, 1997 hearing left off in considering issues concerning extension of the Mobilehome Park Inspection Program in one form or another beyond 1998 and to discuss the provisions of Senate Bill 485, the only legislation now pending which would extend the program.

### Historical Introduction

As far back as 1920, state regulations governed health and safety in auto camps, the predecessor of mobilehome parks. The modern Mobilehome Parks Act was adopted by the Legislature in 1967, giving the Commission (now Department) of Housing and Community Development (HCD) authority to regulate the construction, use, maintenance, and occupancy of mobilehome parks and the installation, use, maintenance and occupancy of mobilehomes located in those parks.

Specific health and safety requirements, such as set back requirements for mobilehomes from their lot lines, the height of mobilehome stairway risers, or the length of gas connectors, for example, are spelled out, not in statute, but by department regulations, commonly known as "Title 25" (Chapter 2, Division 1, Title 25 of the California Code of Regulations). See the addendum for areas specifically covered by regulation.

Inspection of mobilehome parks is carried out by either HCD or by local governments, where the local agency has agreed to assume the inspection duties from the Department. HCD retains the largest share of inspection responsibilities, however, with over 2/3rds of the state's parks. 85 local agencies have opted to assume park enforcement duties.

HCD has about 38 inspectors statewide operating in conjunction with 6 district offices and two main offices, one in Sacramento and one in Riverside, who perform a variety of tasks, including farm worker housing as well as park and installation inspections. Enforcement agencies issue some 5,070 mobilehome parks, with about 376,000 spaces or lots, annual permits to operate. Regulations are enforced by inspection at the time of the construction of the park and as a condition of granting the initial permit to operate. A statutorily set \$25 fee per park, plus \$2 per space, is charged for the annual permit to operate. Prior to

1974, regular inspections of existing mobilehome parks were carried out on a biennial basis, but with the repeal of that provision in 1973 most inspections, prior to enactment of the Mobilehome Park Inspection Program, have been carried out only on a complaint basis. Complaints to HCD normally are required to be filed on forms provided by the Department, or, in a life threatening or emergency situation complaints are taken by phone. HCD complaints are reviewed at the field office level where they are prioritized as to urgency and then assigned to an inspector, who makes an appointment with the park manager to inspect the park. A complaint inspection is normally limited to the matter addressed by the complaint and is not an inspection of the whole park.

## Mobilehome Park Inspection Program

Due to increasing complaints about code violations in mobilehome parks and the lack of a regular inspection program, in 1990, the Legislature passed AB 925 (O'Connell), which established the Mobilehome Park Inspection Program. The new program mandated that HCD and local enforcement agencies, during a five year period, inspect every mobilehome park and the mobilehome lots in those parks at least once to assure that code requirements for parks and the installation of mobilehomes in those parks were being met.

Priority of inspection was to be given to parks where the enforcement agency believed the most serious violations existed. An additional \$4 per space per year was added to the annual permit to operate fee to support the program, \$2 paid by the park owner and \$2 permitted to be passed through to homeowners. The program originally was sunsetted on January 1, 1997.

Later, due to complaints about enforcement, the Legislature modified the program to give enforcement agencies the discretion not to issue a notice of violation where they determined the violation was not a matter of health or safety. Due to various delays in inspecting parks under the program, due to exigencies created by the Northridge Earthquake, the Legislature also extended the one-time inspection program to seven years, with a new sunset date of January 1, 1999.

## **Program Implementation**

Implementation of the Mobilehome Park Inspection Program began in 1992, with HCD developing a process known as the "pre-inspection conference". The inspector sets up a appointment with the park owner or manager up to 60 days prior to the formal inspection date to explain the inspection process, provide notices to be posted in the park, and deliver inspection booklets for the park operator to distribute to residents informing them of the upcoming inspection and what is required.

Initial inspections are normally conducted no sooner than 30, or later than 60, days of the date posted on the notice. Inspectors wear blue vests with the Department insignia and carry HCD identification cards. Inspectors record all conditions in the park which don't comply with the law or regulations. Each mobilehome space and all park common areas are inspected, including recreational facilities, pools, lighting systems, streets, utility

systems and homes. Inspections are, however, to the exterior of the home, and inspectors do not go inside. Regulations are not retroactive, so a park or installation built in accordance with regulations in effect at the time of construction are grandfathered in, unless there is a hazard to health and safety, in which case compliance with current regulations will be required.

Whenever a violation requiring correction is discovered, a notice of violation is issued to park owners and managers for park violations, and to homeowners for mobilehome violations with a copies to the park. Normally, 30 days are allowed to correct a violation. There are 4 violation categories:

<u>Category A</u>: Imminent hazards requiring immediate correction - will be issued on the spot and may require disconnection of electrical, gas, or other utilities. The inspector will return to verify correction. An example is bare electrical wiring or leaky gas connections. <u>Category B</u>: Unreasonable risks to health and safety requiring correction within 30 days - will be issued by mail through HCD's automated notice system. The inspector will return to verify correction. An example is a faulty staircase riser or handrail.

<u>Category C</u>: Risks to health and safety for which there is no time limit for correction and the inspector will not return to verify correction. An example is a home or accessory structure which encroaches 2 inches over a setback requirement.

<u>Category D</u>: Technical violations which are recorded but for which no notice is issued. An example is an accessory which was installed without a permit 10 years ago, but which does not present a health and safety hazard.

Re-inspections for categories A and B are conducted as soon as practical after the expiration of the time for correction of the violation. If re-inspection reveals that previously cited violations are still uncorrected, a second notice of violation is issued.

Where the park owner or a homeowner disputes a citation, an informal conference is held at their request with the enforcement agency's supervisory personnel concerning the violation, failure to correct or granting of additional time to correct the violation. Within 5 days, the enforcement agency renders a decision to the disputing party to either enforce, modify, or eliminate the disputed notice of violation. Where a park owner or homeowner refuses to correct a Category A or B violation, after several notices and time to correct has expired, ultimately the enforcement agency may refer the violation to the local district attorney for prosecution as a misdemeanor.

## Program Problem Areas

Six years into the program, it is mostly mobilehomeowners from whom the vast majority of complaints to legislators' offices about inspections have been received. Perhaps, this is because the majority of violations relate to the mobilehome installations and lots as opposed to the park common areas. Problem areas and complaints can be broken down as follows:

<u>Double Standard</u>: Some homeowners point out that they would not be subject to an inspection (except pursuant to a complaint or their own request for a building permit) if

they lived in a conventional home. Unless there is a complaint involving a serious health and safety problem, they say an owner's mobilehome should be just as much his/her castle as the owner of a conventional home, and inspectors should mind their own business. Mobilehome owners are discriminated against, and the inspection program has created a double standard.

Inspector Harassment: Some homeowners contend that inspectors have nailed them for inconsequential technicalities (leaves accumulated near the home, a loose stairway railing, dented skirting), citing them with notices that threaten criminal prosecution unless they fix or correct the violations. Some inspectors are allegedly belligerent. One woman complained she was cited for having a pile of leaves which had not yet been picked up and put in her garbage. She subsequently cleaned them up, but the day before the inspector returned a windstorm brought down more leaves, and she was cited a second time and verbally berated by the inspector for not having corrected the problem the first time. Others complain that some inspectors play favorites - ignoring some violations while citing other homeowners for the same thing.

<u>Park Owner Harassment:</u> Some homeowners claim that park inspectors are sometimes in collusion with the park manager - that the inspector meets with the manager for coffee, the manager briefs the inspector on the "trouble makers" in the park, and the inspector subsequently picks on them and ignores the manager's friends. Lastly, many homeowners object to HCD's policy of giving the park owner a copy of the homeowner's violations, so that in some cases management can harass, intimidate or even threaten the homeowner with eviction. They point out the homeowner doesn't get a copy of the park owner's violations and enforcement should be a matter between the homeowner and the enforcement agency.

Program Cost: Over the years, a number of homeowners have objected to the \$2 per space fee which they pay to support the Mobilehome Park Inspection Program. Those who have been cited for violations are particularly angry that they have to continue to pay for a program which "singles" them out. Others object to the fact that their parks have never been inspected and they are paying for the cost of other park inspections, while nothing is done about the problems in their park. Recently, with the current debate over SB 485, HCD has contended that the program does not pay for itself, and the current \$4 (\$2 from homeowners and \$2 from park owners) fees are inadequate, but HCD does not indicate how much the fees would have to be increased to plug the "deficit."

Cost of Correcting Violations: Another bone of contention is the cost to the homeowner of correcting violations which are cited. In some cases, carports which jut over the lot line or oversized storage sheds have been cited and have to be removed and/ or rebuilt. Stairways with incorrect risers have to be rebuilt, or awnings or skirting replaced. In some cases, this can run into hundreds if not thousands of dollars, money which some residents, particularly seniors on fixed income, are hard pressed to find. There are no state rehabilitation or loan programs for which mobilehome owners in this predicament can qualify, and there are very few local housing programs which provide assistance for inspection repairs. Many mobilehome owners, especially those who have recently

purchased a used mobilehome, also believe it is unfair that they are stuck with the cost of repairing code violations, of which they were not aware when they purchased the home.

Local vs. State Control: Although the Department of Housing has ultimate responsibility for the inspection of California's mobilehome parks, HCD is actually the enforcement agency for 2/3rds of these parks. The rest have either been retained or assumed by local governments. Some local agencies, such as San Diego County, have had such enforcement authority over mobilehome parks since the beginning, some pre-dating the creation of HCD. A few, like the City of Oceanside, have agreed to assume jurisdiction more recently, due to disagreements over how HCD was operating the program. But many more local jurisdictions - 30 in number - such as the City of San Jose, gave up jurisdiction because they claimed the program was too costly to operate with the inspection program.

Inspection fees, annual permit to operate fees, and other fees associated with the installation of mobilehomes, parks and their inspection, are set by state regulation. Local governments cannot charge a higher fee to operate their programs than the state allows. Representatives of some local governments claim they can do a better job than the state. According to a 1994 HCD report, however, generally local governments issue fewer violations, have fewer appeals, and many have no statistics or keep no records on which to report findings on the inspections. The question, then, is the adequacy of the inspections. In any case, constituents are often baffled at which agency - state or local - has jurisdiction in their community, and those not happy with the way the agency is conducting inspections favor shifting the inspection responsibility to another level.

Too Slow to Inspect: Some mobilehome owners have criticized enforcement agencies as being to slow to inspect mobilehome parks. Some mobilehome owners are particularly critical of the fact that they pay \$2 extra per year for the program and have yet to see an inspector in their park. In 1990, HCD had more than 50 inspectors statewide working out of 10 field or regional offices. Today, there are only 38 state inspectors operating out of 8 offices. The inspectors not only conduct AB 925 park inspections but also re-inspections of violations cited and repaired, inspect farm worker housing, RV parks, and new mobilehome installations, among other duties. Appeals by those cited for violations exceeded HCD's expectations and necessitated additional time re-inspecting violations in parks which had already been inspected.

In 1994, the Northridge Earthquake required HCD to shut down the Mobilehome Park Inspection Program in Southern California for a number of months, and either shut it down or slow in down in other parts of the state, in order to divert inspectors to Los Angeles and Ventura counties to inspect and issue permits for the re-installation of more than 4,000 mobilehomes which fell off their support structures or foundation systems during the earthquake. The result was that the inspection program fell further behind the eight ball. Not even 30% of the parks under HCD jurisdiction had been inspected at the end of 1994, as the program had already passed its halfway mark. This is one of the reasons the Legislature had to extend the sunset from 5 to 7 years, to ensure there would be sufficient time to inspect all of California's parks in one cycle as the Legislature had originally intended.

## Earlier Hearing & New Legislation

On February 18, 1997, the Senate Select Committee held a hearing in Sacramento concerning the Park Inspection Program and its extension after 1998. As a result, Senate Bill 485 (Craven) was introduced February 20, 1997 to extend the program one additional 7 year cycle until 2007. But HCD, claiming a \$1/2 million deficit in the program, indicated it would oppose the bill unless SB 485 included sufficient authority for a fee increase above the \$4 level to make the program pay for itself. The Department did not indicate how the deficit had been plugged in previous years or in what amount the fees should be increased. Because of concerns expressed by the Department of Housing and Community Development and the Department of Finance, the bill was amended May 23, 1997 to make the 7 year cycle a 10 year cycle, in order to reduce costs, and the bill passed the Senate on a vote of 38-0.

Meanwhile, in order to assuage mobilehome park residents, many of whom remained critical about the program, SB 485 was also amended in the Assembly on June 24, 1997 to respond to some issues they brought up at the February hearing. Specifically the amendments provide more time to correct citations, eliminate the copy of resident violations from being automatically provided by the enforcement agency to the park owner, delete reference to "misdemeanor" in the initial notices, and provide for a pre-inspection conference or orientation for homeowners by the enforcement agency. Subsequently, HCD announced official opposition to SB 485, and the hearing on SB 485 in the Assembly Housing Committee was put over until 1998. SB 485 is now a 2 year bill.

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## The Mobilehome Park Inspection Program November 17, 1997 Hearing Pismo Beach, California

## Hearing Addendum: Title 25

Generally, Title 25 regulations cover the following areas relating to mobilehome parks:

- 1. Administration and Enforcement: plans, applications, permits, fees, local enforcement.
- 2. Park General Requirements: lot identification, lot lines, park roadways, lighting, etc.
- 3. <u>Electrical Requirements</u>: distribution systems, lot service equipment, grounding, high voltage, voltage drop, design requirements, feeder assemblies and receptacles, etc.
- 4. <u>Fuel Gas Requirements</u>: pipe size, meters, mechanical protection, shut-off valves, connectors, LPG, etc.
- 5. <u>Plumbing Requirements</u>: drains, traps, venting, pipe size, sewage disposal, shut-off valves, lot water service outlets, etc.
- 6. <u>Fire Protection Standards</u>: interface with local regulations, lot installations, hydrants, hose couplings, etc.
- 7. <u>Home Installations and Facilities</u>: foundation systems, pier structures, tie-downs, roof load, wind load, leveling, utility connectors, set-back requirements, exit facilities, certificate of occupancy, etc.
- 8. <u>Earthquake Resistant Bracing Systems:</u> permits, installation requirements, calculation and test procedures, inspection, etc.
- 9. <u>Permanent Buildings in the Park:</u> construction, electrical, plumbing, fire protection, local regulations, etc.
- 10. <u>Mobilehome Accessory Structures:</u> location, cabanas, awnings, carports, porches, stairways, ramadas, storage cabinets, fences, etc.
- 11. <u>Maintenance, Use and Occupancy Requirements:</u> manager to be available, animals, lot occupancy, lot identification, driveway access, roadways, rubbish, substandard homes and accessories, emergency information, abatement, hearings, inspection, notice, etc.
- 12. <u>Conferences & Appeals</u>: informal conferences, appeals, review of local agency enforcement orders.

## SELECTED ISSUES ADDRESSED

<u>FOR</u>

## **HEARING II**

NOVEMBER 17, 1997

## The Mobilehome Park Inspection Program November 17, 1997 Hearing Pismo Beach, California

## Selected Issues Addressed at the Hearing

Among others, the following are selected issues which witnesses or others <u>may</u> wish to address before the committee on the Mobilehome Park Inspection Program:

- 1. Is the Park Inspection Program worth continuing? Should a time certain health and safety inspection be required of every park (every 5, 7, 10 years), such as the current Park Inspection Program, or are inspections on a complaint basis adequate to deal with the most serious violations in mobile parks, as was the status of inspections prior to 1991?
- 2. What is an adequate inspection? Should there be more specific legislative standards for both HCD and local agencies to follow in terms of the level of inspections?
- 3. Should jurisdiction for inspections continue to be split between local governments and the state? Is the level of enforcement the same? Are mobilehome owners and mobile park owners getting equal treatment in different jurisdictions in terms of response time, adequacy of inspections, appeals, etc.? Should local governments even be involved in the Program?
- 4. SB 485, as amended, would prohibit the enforcement agency from continuing to provide park owners with automatic copies of citations against homeowners. Why should park owners receive automatic copies of homeowner citations, which are sometimes used by unscrupulous managers to harass homeowners? Shouldn't HCD deal directly with homeowners for homeowner violations and park owners for park owner violations, rather than trying to get park owners to enforce compliance for HCD?
- 5. Should the enforcement agency provide homeowners with better notice and assistance? Should homeowners receive direct notice of the impending inspection, rather than through the park owner? Should the enforcement agency conduct park or community forums, as envisioned by SB 485, prior to the inspections to make homeowners aware of their responsibilities and the enforcement agency's procedures?
- 6. What steps can be taken by the enforcement agency to make inspections less intimidating and threatening for the mobilehome homeowner, a common complaint heard by legislators?
- 7. How can lower income mobilehome owners correct violations when they cannot afford to do so? Will these people end up being evicted because they cannot repair code

Issues re: Park Inspections November 17, 1997 Hearing

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violations? What programs or sources of funds are or could be made available for rehabilitation and repair (grants or loans) for those who have no other means to make these repairs?

- 8. Should mobilehome park owners and mobilehome owners be given a longer period of time than the initial 30 days and one or two 30 day extensions to correct citations, such as SB 485 would envision? Should the financial burden to the homeowner be taken into consideration in granting such allowances?
- 9. What suggestions do you have for designing alternative programs? Is seven years or ten years too long or short a period for an inspection cycle (the number of years it takes to inspect all parks once within the state). Should older parks or parks with a record of problems be inspected more frequently (perhaps every 3 years) while newer parks or those with a good record be inspected less frequently (perhaps every 10 years)? Could or should park inspections be "contracted out" to private inspectors, as an option?
- 10. Currently, some local agencies keep no records of park inspections. Other agencies, including the state, purge their records periodically. Should records of park inspection violations and corrections be kept by all enforcement agencies to document the health and safety history of particular parks for at least 10 years?
- 11. Currently the annual per space fee to support the Mobilehome Park Inspection Program is \$4 (\$2 park owner, \$2 homeowner). If the program cannot continue to be operated at this level of funding, do you support a fee increase on park owners / homeowners, and how much should the increase be?
- 12. A number of mobilehome owners complain that they are cited for the same kind of violation which exists next door, yet that neighbor is never cited, and that in this fashion inspectors sometimes at the invitation of the park manager pick and choose favorites for harassment. How can the problem of alleged inspector "harassment" of homeowners be addressed?

## TRANSCRIPT OF TESTIMONY FOR HEARING II

NOVEMBER 17, 1997

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## TRANSCRIPT OF HEARING II OF THE SENATE SELECT COMMITTEE ON MOBILE & MANUFACTURED HOMES

### THE MOBILEHOME PARK INSPECTION PROGRAM

Veterans Memorial Building, Pismo Beach, CA November 17, 1997

SENATOR O'CONNELL: We will begin, the hour of 10 o'clock having arrived. My name is Jack O'Connell and I represent this area in the California State Senate, and I certainly want to welcome all of you today. This is the Select Committee on Mobilehomes for the California State Senate and it's very, very nice to be here, certainly a beautiful day. We are being joined by our co-hosts, Councilmembers Halddin and Reiss, who do a great job representing the City of Pismo Beach. Welcome, glad to have you here. We are just getting started.

I want to, again, welcome everyone and thank you for coming. This is a very important committee hearing. We had a similar hearing in Sacramento at the State Capitol in February, earlier this year, chaired by our chairperson, Senator Bill Craven who is just really the guru of mobilehome issues in Sacramento. Unfortunately, Senator Craven is ill and is not able to attend, but he did ask me to convene this hearing and to extend his appreciation to all of you for the work in the past that you have done on key mobilehome issues. He will be receiving a report, actually later today, from John Tennyson, who is the chief consultant to our committee, and I will be introducing John later today. Senator Ralph Dills, who is also a member of the committee, asked me to extend his regrets. He, too, is ill and is unable to make it here today.

Our hearing is being recorded. There will be a transcript that will be available in about three or four weeks, and if you would like a copy, please let Mr. Tennyson know, upon conclusion of the hearing today. But, I tell you that we are being recorded by State Senate personnel, who are here with us today -- Kent Oliver, who is over at the side, and also Lucio Lopez in the back. They are State Senate Sergeants, who act as security and are the official recorders for our hearing today. So, it is important that you speak up. We have one microphone that will help you more than it will help any of us up here. And, it is also important that we keep the noise down to a minimum because one of the problems with electronic recording -- and that is why courts still use the court reporters -- is the microphone will pick up other conversations. So, if you need to talk, we will ask you to please step outside and if you are speaking here, it is very important that you identify yourself early on for the people that are transcribing. John brought some good mobilehome information -- current regulations which have recently been promulgated by Housing and Community Development, mobilehome legislation that's pending that Senator Craven has surrounding the whole issue of park inspections, and we have some good information at the back table. And, any other information that you desire, you can let John know, you can let me know. I have a couple of staff people here, as well. So, that's good background information, I think, for us.

About ten years ago, the mobilehome interests, the GSMOL, the park owners and I started meeting with Senator Craven to try to put together a home inspection program. The result was that in 1990 we had legislation signed which put together a game plan, a framework, really, for

#### **SENATOR O'CONNELL**

inspections to occur. We had, initially, thought or conceived that we would have every mobilehome park in the state of California inspected at least once over a five year period of time. The inspections could be done either by local inspection authorities or they could be conducted by HCD. It would be financed by a fee - \$2 per mobilehome resident per year, and also the park owner would pay \$2 per space times the number of spaces he or she might have. We had the bill signed, as I mentioned, in 1990. We realized that it was unrealistic after a couple of years because of the Northridge earthquake. All the HCD people had to help repair parks that had been damaged by the Northridge earthquake. We had other problems around the state, and we realized that the five year program was unrealistic and we ultimately extended it to a seven year program, as a result of Senator Craven's legislation a couple of years ago.

So, in 1999 the program is due to sunset. Something we need to discuss today is the cut off date. I know that talking with people like Senator McPherson and Assemblyman Granlund and others who have been really in the forefront of mobilehome issues, our offices have received many concerns and complaints surrounding the program. And, so part of the issue of what we want to discuss today is how we can improve, and if we should try to improve, the mobilehome inspection program. Senator Craven has the bill that most of us have been trying to provide input with and hopefully this hearing today will result in a game plan where we can put together a bill that will be a compromise bill. My definition of the perfect political compromise is one where no one leaves perfectly happy, and so, we are trying to see what issues -- kind of a wish list, if you will, from both the residents, the park owners, the inspection agencies. It is really going to be a difficult task but one from which we hopefully can make some suggestions to Senator Craven.

I know there are some issues concerning the level of funding, and HCD has said that the current funding mechanism is now inadequate. The length of the program might need to be adjusted so that what initially started as a five year program and then became a seven year program, may need to go up to ten years before every park can be inspected. So, those are some of the things we need to talk about. The main bill has passed the Senate. It's in the Assembly, so that's what we need to try to address. We tried to invite the key players, actually the key players throughout the state of California on mobilehome issues are in this room today, so we are hopeful that over the next two and a half hours we can reach, if not consensus, at least get some ideas and further flush out some of the issues. We want to try to see what improvements we can make. Who should do the inspections? If we can redesign the program. If it is a program that was well intended, but simply has outlived its usefulness, we need to hear that as well. So, there is no preconceived agenda. We're here to learn. This is not a lynch mob mentality committee. If you know Senator McPherson, and you know me and you know Mr. Tennyson, and others, that's not our style. So, if you came here to hang anybody, you are at the wrong meeting. But we do want to try to engage people in thoughtful, analytical dialogue so you'll be able to help us as much as possible.

Let me ask some of the other members here on the committee if they'd like to make some preliminary comments before we get into our agenda. To start with, a member of the committee and a real leader in the state Senate on education issues and local government issues and he represents an area, rather a low income area just north of here - Monterey, Carmel, the Salinas area - a very, very good friend of mine, a member of the political party the same as my mother, a

## **SENATOR O'CONNELL:**

Republican, a member who is very thoughtful, served in the Assembly with great distinction for a number of years, Bruce McPherson. Senator McPherson.

SENATOR McPHERSON: Thank you. I just very briefly want to say this is a coming home week for me in a sense. My in-laws live in Los Osos and my wife of thirty years and I graduated in 1965 and 1966 from Cal Poly in San Luis, so it's very nice to be back here. We have a lot of mobilehomes in my district. That includes all of Santa Cruz, Monterey, San Benito and part of Santa Clara Counties. So, I just want to say it is nice to be here. I'm anxious to hear your comments, and I am sure that we can work a good compromise, a good plan of attack in this hearing, and I look forward to doing that, and I appreciate the opportunity to be here. Thank you.

<u>SENATOR O'CONNELL</u>: Thank you, Senator McPherson. We also have, as I mentioned earlier, two council members who do yeoman work here in the five cities area representing the city of Pismo Beach. Because of their commitment to mobilehome issues, this city has formed a subcommittee of the Council on mobilehome issues. They attend numerous hearings on mobilehome issues, as well, and we have Council members Halddin and Reiss here. Do you have any comments?

## **COUNCIL MEMBERS**: No comments.

<u>SENATOR O'CONNELL</u>: Great, well thank you for your hospitality and for hosting this as well. And then, representing Assemblyman Granlund is Burrel Woodring who takes the lead on Assembly issues for us. I think I mentioned Senator Craven's measure is in the Assembly so having Assemblymember Granlund's chief of staff here on these issues is very key. Burrel, do you have any comments?

**BURREL WOODRING**: Assemblyman Granlund is very interested in this subject, and he is out of the area and he asked me to come up and represent him. Thank you.

<u>SENATOR O'CONNELL</u>: Thank you for being here. And, I think everyone knows the mobilehome guru in the state, John Tennyson, who is here. John, is our chief consultant. John.

<u>JOHN TENNYSON</u>: Thank you very much. I, also, am originally a local boy. My parents used to live in Paso Robles, and I'm a Cal Poly graduate. It is good to be back, and we look forward to having some constructive comment today. Thank you.

<u>SENATOR O'CONNELL</u>: We'll ask our first witnesses to please come forward. If Paul Deiro, who is the assistant director for legislation with the Department of Housing and Community Development and Travis Pitts, deputy director of the Division of Codes and Standards with the Department of HCD. I understand you got up about 4 in the morning to get here today. You're lucky we're not meeting in San Diego. You'd have to have left about 10 last night to get here. Welcome, thank you for coming.

<u>PAUL DEIRO</u>: Paul Deiro representing the Department of Housing and Community Development. Thank you very much. Thank you for inviting us. I want to thank you all for coming out. We have a great turnout. We look for this hearing to be very constructive and productive, and we hope that we can provide the committee and everyone else here with the information to make a very good choice as to the continuation of the program and how it is continued. I want to thank Senator O'Connell, Senator McPherson and Council members for being here as well.

As you may know, our current position on this bill is oppose, unless amended. We opposed the bill for fiscal reasons and not for policy reasons. In 1995 and 1996, the \$4 fee generated for our department, \$940,000. Our inspection costs were \$1.5 million, so we are currently experiencing approximately \$600,000 annual deficit. I want to make it clear that we are not opposed to the continuation of the program. We believe, as a public policy issue, it is a good thing.

Prior to Senator O'Connell's legislation, there was an accumulation over a 17 year period of mobilehomes that were not inspected, and through our experience, through this inspection program, found a lot of severe health and safety problems with not only the mobilehome units, but the parks as well. Since the beginning of the program, I would like to also point out, 32 local enforcement agencies have given back their enforcement authority to our department, thus increasing our responsibility immensely. Right now, we are responsible for 481 parks totaling, almost 45,000 spaces which gives us the enforcement authority in parks of almost 70% statewide.

Again, we believe there are some public policy benefits in continuing the program. For us to continue our inspection program we would need an additional \$4 per space, totaling \$8 and that is through automation. Travis Pitts, our deputy director for Codes and Standards, is currently implementing an automation system for our inspectors where they will carry something hand-held so they can issue the citation, do all of the paperwork on site, as opposed to having to travel back to the office and do the paperwork and then mail out citations, things like that. So, I think that will save us an enormous amount of time on how much time we spend per space on the inspections. Mr. Pitts is here to give you an historical perspective of the program and how successful it has been. Travis.

TRAVIS PITTS: Senator, Travis Pitts, Department of Housing, Division of Codes and Standards. I just have some numbers that would help you put this in perspective. We have been at the inspection program since 1991. As Mr. Deiro said, we have taken back, unfortunately, 32 local jurisdictions and several thousand spaces from local governments who chose not to participate in this program. However, today we have 237,998 spaces under state jurisdiction, nearly a quarter of a million. We have inspected about 75% of those or almost 200,000. We have found during those inspections 150,843 violations in the park common areas. That averages about 59 per park. Resident violations have totaled 351,428 or an average of two per space. So, this is what we are finding.

More importantly, however, is what is being corrected. Eighty three per cent of those park violations have been corrected since the program started. Eighty three per cent of the resident violations that we have cited have been corrected since the program started. We have just over

## **TRAVIS PITTS:**

50% of the parks we've inspected in compliance. We are working with the rest of them. We have taken several legal actions where we have a receptive District Attorney, and in fact, one park owner in Los Angeles was even placed in prison for failure to make corrections. So, not that we are really pleased about the legal actions or the fact that someone had to go to prison. What we're pleased about is that nearly a quarter of a million health and safety violations have been corrected as a result of this program. Now, I will be happy to answer any questions that you or the committee may have.

SENATOR O'CONNELL: Mr. Pitts, one question that I have, do you have a breakdown, a further breakdown of the violations in terms of the seriousness, which I believe you refer to as "Classification A," and then the somewhat serious, would be "B" according to my recollection, and then a little bit serious is "C", and "D" would be a problem or a concern? Do you have a further breakdown in terms of A, B, C, D of both your, roughly, 150,000 violations in the common area and the 350,000 for the mobilehome residents?

<u>TRAVIS PITTS</u>: Senator, I don't have it with me, but if I may I'll provide it to Mr. Tennyson. I just took gross numbers, and I don't have that.

<u>SENATOR O'CONNELL</u>: Ok. With respect to the cost in order to make this, by your numbers, financially solvent, you are looking at \$4 from the residents per year and \$4 from the park owners? Or, you don't care where it comes from, you just need more money.

TRAVIS PITTS: A total of \$8, yes sir.

**SENATOR O'CONNELL**: So, it would be \$4 from the owners of the parks and \$4 from the residents.

**TRAVIS PITTS**: That is correct, Senator.

<u>SENATOR McPHERSON</u>: May I ask a question? Can you categorize that the \$4 that is being collected now has gone toward mobilehomes? I mean, there is some question from constituents that I have that are concerned that maybe it went someplace else under HCD, some of the \$4 that was collected. In other words, is the \$4 that is collected now, is it going entirely to mobilehome inspections?

<u>TRAVIS PITTS</u>: It is going entirely toward our cost of performing the inspections. There is administration of the program. There are state vehicles that we have to lease to transport the inspectors over substantial distances to get to some of the parks that we have taken back from locals. The fee is associated with the inspection although it does include the administration of the program.

<u>SENATOR McPHERSON</u>: To follow up, if you are a half a million dollars short now, where have the extra funds come from to cover that at this time?

TRAVIS PITTS: Two answers, Senator. The half million dollars shortage or the money that it would take to do the program properly is primarily a projection. Last year, we had to cut off the inspections late in the fiscal year to avoid running a deficit. So, based upon the nine months of inspections that we were able to perform without restraint, we can project what our annual cost would be, and I will admit that within the mobilehome park's program, there are other fees that we collect. We collect what is called "a state fee" from the park operators to administer the program, and we have used considerable amount of our administrative money used for the overall administration of mobilehome parks program to supplement the inspection program.

<u>SENATOR O'CONNELL</u>: Are you pursuing any additional legislation besides Senator Craven's bill to try to make up the short fall or have you requested any General Fund money from the Department of Finance or ...

TRAVIS PITTS: We have not requested General Fund money. The mobilehome parks program is a special fund program. It doesn't have any General Fund money in it today, and we have not requested any. We are interested in this piece of legislation as a matter of public policy or the policy of the Legislature because it will dictate what the mobilehome parks program is or is not in the future. So, what we are here to tell you is to continue this program, Senator, it would be at a cost of about \$8 per space per year. If we do not continue this program, then we would want to know what kind of a mobilehome parks program we want to have in the state of California and from that we can project our costs, but we haven't tried to do it the other way around by telling the members and the home owners what the program should be and what it would take to run it. So contingent upon this piece of legislation, the future of the mobilehome park program rests and whatever the future of the program is we could come up with what it would cost to operate it.

When this legislation sunsets, we will go back to the \$2 per space fee that was established in 1974 and that was adequate in 1974. Today, it will buy me about one inspector for each 650 parks in the state of California. So, there will not be much of a parks program if we don't have the inspection program or if we are going to redesign the program, we are still going to have to come back to you to finance that program.

<u>SENATOR O'CONNELL</u>: Don't you actually have fewer inspectors today than you did five years ago and fewer regional offices today than did five years ago?

TRAVIS PITTS: Yes, Senator, we do. We have fewer inspectors every year because as our costs go up and our revenue stays flat, that is the only method that we have of staying within our budget. As inspector positions become vacant, we have to leave them vacant because we don't have the dollars to fill them. We are in a very difficult situation with the fees for this program being statutory and static. The fees, until your legislation, Senator, were \$2 per space and had been for 17 years. So, what had happened over the 17 years, is, as Mr. Deiro said, we had accumulated a few violations in the park that weren't being seen to, but more importantly, we were seeing a dramatic reduction in our staff because \$2 each year buys less than it did the year before. And, unfortunately, that's true today. We do have fewer inspectors.

<u>SENATOR McPHERSON</u>: As Chairman O'Connell mentioned about the four categories, when you look at the cost of inspection, and all, and I want to hear this from the owners and the

#### **SENATOR McPHERSON:**

residents, certainly, about how valuable has it turned out that "C" and "D" are and how much of that budget pie does that take? I mean, if you only had to do the major infractions or categories, shall I say, "A" and "B", do you have any projection of how much, if you didn't do "C" and "D" that would save or would it save anything? You are going to inspect anyway, so I don't know that you can say...you're not going save half, I wouldn't think, but I don't know. Do you have any guesstimate of what it might be?

TRAVIS PITTS: Senator, it would be my position that if we tried to get our inspectors to overlook "C" and "D" violations, we would save very little. The majority of those "C" and "D" violations costs are associated with writing them up, in the first place. By March of 1998, we hope to have this program automated, so very much like the United Parcel man, our inspectors will be walking around with a pen-based computer, and it will just be pressing a button as opposed to today, sitting and writing in long hand. The two things that are of major cost today are having to physically write the reports which then have to be entered by a clerical person in the office into a computer system that generates a letter. All that could be done in one stroke. The second most difficult problem for us is geography. We are traveling enormous distances with our few inspectors to cover all the parks in the state.

<u>SENATOR McPHERSON</u>: Even with this automation you are talking about, or computerization, you still see the half million dollar short fall with that, you are saying?

TRAVIS PITTS: Projection of our costs, Senator, without automation was \$12 per space. We have been able to negotiate greater support for the automated program, and this particular measure by using the automated program which we are still pursuing and \$8 per space to come forward with because our cost of doing it manually would be \$12.31, I believe, per year per space.

<u>SENATOR McPHERSON</u>: One other question, and I'm not sure you are the ones to answer this, but what are the projections for additional mobilehomes in the state? Is there a big push now for new parks in the state? I mean, are you going to be looking at more and more units? I'm sure there are going to be additional, to some degree, but do you see a real spike going upward?

<u>TRAVIS PITTS</u>: Senator, I don't see a spike in spaces within mobilehome parks, not in the near future. Most manufactured homes today are not going into parks. They are going on private property outside the parks. There haven't been any number of new parks built in recent years, so there would just be new manufactured homes going into existing parks to fill vacant spaces, but I don't see any spike.

## **SENATOR McPHERSON**: Ok.

<u>SENATOR O'CONNELL</u>: Can you give me an example, like you are in Pismo Beach today, your inspectors would come from which one of your offices? Would it be Riverside?

TRAVIS PITTS: The inspectors are based in Riverside. In this particular case, we do have an inspector in this area. I do not recall exactly where he lives, but he is within a few miles of here. What, for example, Senator, is most damaging, I do not have an inspector who is based or lives in Los Angeles County. So, the inspections that we have done to date have been leaving a great void in Los Angeles County, one of the largest concentrations of manufactured homes in the state. So, now, my cost of inspecting Los Angeles County, since I can't hire an inspector who lives there, is to bring inspectors in from Riverside, Fresno, Bakersfield and all of those at substantial additional cost because they have to be there on per diem to make those inspections. We have exercised all the economies, up to this point, we could. The inspections are now getting more expensive because of the geography.

<u>SENATOR O'CONNELL</u>: But, overall, you would give the program high marks? Do you think that you have saved lives and saved fires?

TRAVIS PITTS: Senator, we believe so. Reasonable people would differ because many people would argue that it never caused a problem the 20 years it was there, and the fact that we got them to fix it is of no consequence. We believe otherwise. It has been our history and experience in mobilehome parks that the serious hazards are caused by these same types of violations -- leaking gas lines, exposed sewers, a rash of folks, for security reasons, putting burglar bars on their fire escapes. We believe that we are saving lives, although it is conjecture.

SENATOR O'CONNELL: I've heard some stories. I've talked with Senator McPherson. We've heard some complaints from some of our mobilehome residents about some of the inspectors not giving notice when they are coming into the park. Perhaps being too friendly with the particular residents of the park, or even the park owner and not with others. Can you give me a brief rundown on what training your inspectors have? Do you hire them from Skid Row or are they actually law enforcement personnel? The criteria for your inspectors.

TRAVIS PITTS: The criteria for hiring one of our district representatives is a background in building technology or building construction. Most typically these are folks that are from local building departments or from a manufactured home manufacturing facility where they are used to the building standards. This is our base. We, also, have an internal training program for apprentices where we grow our own, if you will, Senator. We have taken clerical personnel, put them through a three year program of on the job plus college training and received some of our inspectors from there. So, it is varied, but to get on our list for hire you have to have a building construction background.

With respect to the complaints, we receive them, too, virtually the same. Our inspectors have, in the past, been accused of being friendly with the park operators. By training, the first thing that we tell our folks to do when they go into a mobilehome park is to touch base with the mobilehome park operator. We used, up until a year ago, we used the park operator as our vehicle for getting the word out that the inspection was coming. We gave them the booklets to hand out to the residents. So, we rely on the park operator a great deal to decrease our costs. When you go through an inspection on a park, as a matter of policy, we would like to have the park operator go along with us, because it is easier to explain the violations that we find in the common area than it is to explain what the inspector wrote on a piece of paper, so we do that.

### TRAVIS PITTS:

We have had them being accused of being friendly with some residents. The trouble is, Senator, we know some of the residents. We have dealt with them time and time again, and I know several folks here in this room, and I think we are on a friendly basis. That certainly doesn't mean that I have anything against the folks I don't know. But, inspectors are just people, Senator. They meet people. They come to know people over the years.

**SENATOR O'CONNELL**: The last question I think that I have is that if there is no change in the funding mechanism, when do you think you will have every park inspected at least once through the entire cycle, common area and the residential homes?

TRAVIS PITTS: We have, today, not given up on having all the parks under our jurisdiction inspected by January, 1999, although I personally believe that we will fail to do that by about 10%. So, we will not be able to complete the 7-year cycle based on my projections of our cost and time per space. However, there is an argument that with automation coming soon, that we will pick up the pace. There is also the argument that we have inspected most of the worst parks and are now coming to parks where we are typically finding far fewer violations -- they are the newer parks -- so, the crystal ball of some says that we can still make it. Dollars and time, to me, appears it will be about 10% short of making the 7-year cycle.

**SENATOR O'CONNELL**: And, you've inspected about two-thirds of all the parks?

TRAVIS PITTS: Seventy-five per cent of them.

**SENATOR O'CONNELL**: And, that constitutes how many spaces, is that also roughly 75% of the spaces?

TRAVIS PITTS: Not quite 75%. The percentage is a little bit off. It is about 70% of the spaces. We have 238,000, roughly, spaces.

<u>SENATOR O'CONNELL</u>: And, you just defer to the local governmental entity that might have the code enforcement officers, if they so choose?

<u>TRAVIS PITTS</u>: The statutes provide for a local government enforcement option, and the state does the inspection only where the locals do not exercise the option.

**SENATOR O'CONNELL**: Who inspects in Pismo Beach? Do you have your own local?

**COUNCILMEMBER HALDDIN**: I don't really know. I think the state does it.

**BURREL WOODRING**: Senator, Assemblyman Granlund is interested in one question. Are the local jurisdiction people getting the same benefits of the state? Should local jurisdictions even be involved in the inspections? Are the park owners and the home owners getting equal treatment from locals and state? He is very interested in that.

<u>TRAVIS PITTS</u>: That's a difficult question to answer because we, too, have heard the argument that the treatment is differential.

**BURREL WOODRING**: Should they even be involved in this?

TRAVIS PITTS: Philosophically? From my perspective, the closer you can get the inspection and the government to the people it serves, the better we are. That would mean that the local jurisdictions would do all of the inspections. They have a tremendous benefit of geography because they live there. They are not bringing people in from Riverside at our costs, so philosophically I would have to say it would be best be done by the local governments. On the other side of that, we have heard several complaints that they are either more restrictive than we are or less restrictive than we are, but all I have are those complaints.

<u>PAUL DEIRO</u>: I would like to add to that conclusion. There are a variety of reasons why local governments have returned the enforcement authority to us and these are 32 local governments. Two of the reasons that I can think of are that the program does not pay for itself. The other reason is that why would they want to be the bad guy when the bad guy can be the state? What good is it to go to a resident, perhaps a senior citizen, give them a citation, require them to pay the bill to fix whatever the problem was on the mobilehome? So, the inspection agency takes a lot of heat. So, I think that is part of the reason -- one of the many -- that local governments return this authority or this responsibility back to the state.

## **SENATOR O'CONNELL**: Mr. Tennyson.

<u>JOHN TENNYSON</u>: I have a couple of questions for Mr. Pitts with regard to the fees and the fact that the program is now underfunded. I think you stated something to the effect that when you get a certain number of inspections completed, for the amount of funding you now have, the \$950,000 or whatever it was, that basically it is not a matter of taking money from other programs, it is just a matter of ceasing and desisting. Is that, more or less, correct? And, if so, with the additional \$4, what level of inspection would we be talking about with the new program?

<u>TRAVIS PITTS</u>: Mr. Tennyson, with respect to the first question, we are not taking money from any other program. We are taking money internally to the mobilehome parks program that was collected for administration of the program. We're to do regulations, we respond to folk's complaints, these are administrative issues. We have spent some of that money to continue the inspection program.

<u>JOHN TENNYSON</u>: But, you also stated that when you run out of money, you just don't do as many inspections this year. You wait till next year.

TRAVIS PITTS: That's correct. We have an annual income from the \$4 per space that produces about \$950,000, as you said, and we do \$950,000 worth of inspections and then I can no longer work in the program. I have broken my budget. So, what would this buy? Last year, we had to slow down the inspections, bring them to a halt because we had expended our budget in April. So, for the months of partial April, May, and June, we weren't able to do park inspections because we had exhausted all our revenue base. What this would provide is that we

#### TRAVIS PITTS:

could complete the inspections, and we could complete bringing them into compliance. In one respect, I am talking to you about apples and oranges here. It is one thing to inspect a park. That's not difficult. To go back and get the violations corrected and get the park into compliance, is difficult. That costs more than the initial inspections. The money that we are talking about, the \$8 per space, would do the entire picture. It does the inspection and the necessary reinspections to make sure the park is in compliance.

**JOHN TENNYSON**: Ok. And, if this program were spread over 10 years rather than 7, how much would it cost you? Do you have any projections on that?

TRAVIS PITTS: I don't have a projection, Mr. Tennyson. The difficulty I have is looking at the period in the past, from 1991 when we said we could do it for \$4 per space and 1997, when I am asking for twice that to cover the same amount of ground that we agreed to in the 1990 legislation. Three years, to continue the inspection program out at the current rate of cost increase that we are facing with respect to the state vehicles and everything else, a pending raise for the employees is now being talked about with the unions, I doubt there would any difference at all, by extending it for three years. It appears to me that I am being eaten up by increased costs as we go down the line.

<u>JOHN TENNYSON</u>: One other question with regard to some of the complaints that we have heard about the program which Senator Craven has attempted to address in SB 485 as a result of the February hearing, do you have any comment concerning two major issues -- one is a provision in the bill which does not provide for the automatic receipt by the park owner of the homeowner violations, and two, the idea of providing some kind of a pre-conference, or at least an orientation, where possible, for not just the park management but all the homeowners in the park. At least they'd have the opportunity, that doesn't mean they would necessarily come. Any ideas, any comments on those two concepts?

TRAVIS PITTS: The first concept, Mr. Tennyson, to eliminate the additional copy of the notice of violations and not give it to the park operator would be a significant cost savings for us. We spend a great deal of money on postage because under the current legislation we are mailing copies of our inspection notices all over the state. So, to remove one, would be a substantial benefit. It would also be a benefit, and most likely reduce the number of complaints that we get that are based on the park operator having a copy of individual homeowner's inspection notices.

Whatever we could save with that, would be virtually lost in attempting the orientation program. We are developing, have been for some time, a video presentation that is designed for homeowners to show them visually what it is we look for and what we find. The difficulty in many of the parks, we do not have a place to assemble the folks to show them or to conduct the training seminar. The question is, then, would we be obligated to rent the Veterans Memorial building and conduct the training session, at great cost? So, I don't know what the cost of that would be, but it would be costly.

<u>SENATOR O'CONNELL</u>: Anything else? Can you stick around a little while if we have questions and maybe you can learn something? Thank you for being here and thanks for sticking around, we may need to ask you to respond.

Next on our agenda would be the park owner perspective with respect to the inspection program and I will ask Ms. Tami Miller, legislative representative for Western Mobilehome Association or WMA and Russ Wright, a mobile park owner, of WMA. Please come forward. Welcome. Nice to have you here. Thank you very much for coming.

TAMI MILLER: Thank you. Good morning, I'm Tami Miller representing the Western Mobilehome Park Owners Association. At the outset, let me say that WMA is generally supportive of continuing the program. We do have a few concerns with the amendments that were currently put into SB 485, which I will address later. But, first, I would like to introduce Russ Wright, who is a park owner from Fresno. He is currently a member of the Board of Directors of WMA. Russ.

RUSS WRIGHT: Thank you, Tami. Thank you for having us before you. It is a pleasure to be here. I am presently in the middle of this inspection in Fresno, right now. The inspector has been very pleasant, very cordial, but I think there are some areas that we need some improvement on, and one is that we need to educate the tenants prior to them receiving this notice in the mail. It has caused some concern. It has caused some widows to be very, very anxious about this development. Of course, as far as the mobilehome park is concerned I am not a bit opposed to helping out all we can, in any way we can. But, there is no need to scare the tenant to the degree that is going on here. I think that this idea of the pre-inspection meeting is very good. I think the video is an excellent idea. I think that anything that we can do to alleviate the pressure off the widow that is in a mobilehome who is not familiar with all the codes and gets this very official letter in the mail that is referring to different codes that she has never heard of, would be helpful.

I think that, maybe, the letters that are sent out are too official, the language too strong, and not understandable. Most of these letters are cookie cutter paragraphs that come out stating a code that is in violation and frankly, even as a park owner, I have no way of knowing how to resolve many of the problems that are stated on these letters, either to the park or to the tenant. The tenants rush to the club house and then they try to resolve all their problems with the manager, and the managers don't have the answers either. So, we need to clarify. We need to be able to express in clear language how one can resolve the problems prior to these tenants being so concerned. And, I think that pre-inspection meeting is probably...

<u>SENATOR O'CONNELL</u>: Just if I may interrupt, Mr. Wright, to make sure I understand. Your primary concern is the letters that go out after the inspection citing the individual homeowners for potential violations, that's your concern?

**RUSS WRIGHT**: That's correct.

**SENATOR O'CONNELL**: Too legalistic, too complex, a little threatening?

**RUSS WRIGHT**: Very much so.

### SENATOR O'CONNELL: Ok.

RUSS WRIGHT: You have to put yourself in the tenants' position where they are thinking about their lifestyle. They have no idea what this violation is and it has some strong teeth in it and it is scary. I don't think there are many people that don't wish to comply with the state, we just want to know how to comply with the state. I think that is my biggest concern. The other concern that I would point out is that the \$2 per space on the park side, \$2 per space on the tenant's side, if you had an average park of 200 sites and you get inspected once a year, that would be equal to \$25,000 per inspection. I understand that there are some costs that aren't visible and that goes with any problem that you may have to solve. But, \$4 per space times 200 sites, after 5 years of the inspection program would equal out to \$25,000, unless my mathematics is wrong. I see some quizzical looks on some faces. \$4 times 200 sites...

**SENATOR O'CONNELL**: Ok, you are at \$800 a year, Ok.

RUSS WRIGHT: So that is \$800...

SENATOR McPHERSON: \$800 a year, \$5600 over a 7-year period.

RUSS WRIGHT: Well, mine sounds more destructive. I still think that for the amount of time in this inspection, that can't be a ton of money spent for the residents as well as the park owners because all that does is just continue to inflate the cost of living in a mobilehome park, and I don't think any of us care to do that. I believe that is all I have here. I just want to reiterate that I think the softer the language in these letters...there seems to be a volume of letters going out that may or may not be necessary, but if you could soften the language and make it so the tenant can understand it, I think we will have far less problems.

<u>SENATOR O'CONNELL</u>: Mr. Wright, I don't want to get too personal, but how large a park is yours?

**RUSS WRIGHT**: I have two parks. Both of them are about 185 sites.

SENATOR O'CONNELL: And, one of your parks is undergoing the inspection right now?

**RUSS WRIGHT**: Yes, in fact the final inspection will be the day after tomorrow.

<u>SENATOR O'CONNELL</u>: And, how long has the inspection taken since they first came on site?

**RUSS WRIGHT**: The initial inspection, approximately 3 days.

**SENATOR O'CONNELL**: Three days? And, is this the first time you have been inspected?

<u>RUSS WRIGHT</u>: Yes, and the inspector asked that our park manager not go with him. I instructed my manager to help the inspector, to facilitate him in any way. But, he asked that we not accompany him so when we got everything in the mail, we were very confused as to all the

## **RUSS WRIGHT:**

language that was involved and it lead to further confusion. I think that the park manager should accompany the inspector, to be a help in any way. And, the manager could also understand some of the problems that the inspector may be viewing.

SENATOR O'CONNELL: Is it a state inspector, HCD, or a local...

**RUSS WRIGHT**: A state inspector.

**SENATOR O'CONNELL**: State inspector. Senator McPherson.

SENATOR McPHERSON: Just in your example, before the inspector came to your park, did the residents have an idea that they were coming, what they were going to be looking for and so forth, or is that where the problem starts when they don't know what to anticipate is coming let alone what their inspection notice criteria may be later? Do you feel that there is good lead time for the residents to be aware of what is coming from the inspector, what that inspector is going to be looking for?

RUSS WRIGHT: If I understand your question, you are wondering if there is a way that they could be given notice as to the inspection day? We, personally, had no notification. The inspector did call my manager, said he would be by next week and so, I had the manager, the assistant manager and myself waiting and he drove through and gave us a bunch of booklets to hand out. And, he had to get on to another park. I think that maybe a couple of hours...if we had been notified, well, if I'd known the process better, I would have arranged for notification of all tenants that the inspector would be in the park and to meet in the club house to clarify questions that they may have. And, now, the first time through, there probably wouldn't be any residents coming because they are not familiar with this problem. But, now that we have had the inspections, I would bet you that a good portion of those residents would show up.

<u>SENATOR McPHERSON</u>: It is my feeling that if people knew they were coming and just had an idea before hand that this was coming about, I think that would solve a lot of fears. There should be some kind of criteria we have so people have a fair, anticipated notice of their coming, I think. We'll hear from the residents, I know, about that, but I think that would solve a lot of problems for everybody. Fear of the unknown is...

<u>RUSS WRIGHT</u>: You have to envision a retired person that is not really familiar with many codes and it is easy for them to become frightened by such legal notices that really, really, these notices are...everyone wants to comply. It is just a matter of using softer language, kinder language, and maybe communicating before they meet them.

<u>SENATOR O'CONNELL</u>: I might ask Mr. Pitts, since he is here, in Senator Craven's bill that we are working on I might just read -- Senator McPherson picked up on a key part and I might ask Mr. Pitts to comment. It's page 5 of Senator Craven's bill. "Where practicable as determined by the enforcement agency, a pre-inspection conference or orientation shall be conducted by the

## **SENATOR O'CONNELL:**

enforcement agency 30 to 60 calendar days in advance of the initial inspection with a park owner or operator or designated management and mobilehome owners residing in the park to explain the inspection process, the responsibilities of the park owner, the operator, management and mobilehome owners. Mailed notices may be provided to the mobilehome park manager and the mobilehome owners or residents association." And, so this would be a requirement. Mr. Pitts, is that something that...Mr. Pitts, can you...is that a good part of the bill? Is that something you guys like? Can you do that now, even without the bill?

TRAVIS PITTS: Senator, Travis Pitts, HCD. Personally, I think this would be the greatest thing in the world and it would reduce the number of violations we would find. When I spoke about it before, my concern was for the cost. I have not been able to do this, so I have no numbers as to the cost benefit. I personally believe that this could substantially reduce the number of violations that we cite, and actually save us time and money later. I have no way to prove that or to project the cost.

**SENATOR O'CONNELL**: Difficult to quantify.

<u>SENATOR McPHERSON</u>: Let me just follow...you know the phrase "where practical." Where is it or where is it not? Where is it difficult? Why can't it be done?

TRAVIS PITTS: Well, Senator, I have a different problem with the words "where practical" because it usually is determined sometime later by someone other than myself at a budget hearing. But, where practical, would be if we have a local club house or a place where we can bring the homeowners together we could certainly conduct this with very little cost, just bringing the inspector in, conducting the program. Where we have a park that doesn't have such a facility, I have no place to conduct it, reasonably, it is not practical and then I have a differential treatment between the folks over here that had a club house and the folks over here that didn't. It's problematic, Senator.

<u>SENATOR O'CONNELL</u>: Mr. Wright, you heard the comments earlier, particularly from Mr. Pitts, on the fee increase potential from the current \$2 responsibility that you have to \$4 -- I am always nervous asking a question I don't think I know the answer to -- would WMA have a position on increasing the current fee from \$2 responsibility on the park owners side to \$4?

**RUSS WRIGHT**: I think Tami would be best to answer that as I am just a park owner.

<u>TAMI MILLER</u>: Currently, WMA does not have a position on the fee increase. However, we would like to see more accountability as to the reason that there needs to be an increase. Right now, we haven't seen much justification for that, and I believe it is the general feeling of our park owners that the current fee should be enough to conduct the program. However, if there does need to be an increase, we do want to see some facts and figures to back that up.

SENATOR O'CONNELL: Well, you heard the earlier testimony? Ok. Great. Anybody?

COUNCILMEMBER HALDDIN: I do have a couple comments. I think the idea of having a list of frequently asked questions by tenants when they have the meeting or before the meeting would enable the inspectors to save a lot of time answering questions that they answer to every person that asks them. Another thing, relative to the cost. It seemed to me that it was indicated that the present amount of income was about a million dollars a year and this past year, to inspect about three-fourths of the number of units was about a million and a half dollars. To do the whole thing at the same level would take about two million dollars and for roughly 250 spaces, that would be a total of about \$8. So, if we want to inspect the units that we plan to, it seems to me that it is going to cost the \$8 a space and that's just about double what they are doing right now.

TAMI MILLER: Also, WMA feels that perhaps one of the things that could take away some fear and intimidation is if HCD could possibly print out what the code violations are and what those violations mean because many times the homeowners come to management and say, "What does this violation mean? I don't even understand what this code means." So, perhaps we could have a written explanation what the code is and then maybe an example of how to correct that violation, because many times the residents don't even know how to go about correcting the violations.

SENATOR McPHERSON: I know it might change from one section of the state to another, if there could be some kind of a cost factor, an estimate of what it might cost or a range, maybe a resident might feel that, "I'm not getting ripped off." It can't be, I don't think, double Southern California, Northern or one place to the other, but I think there is a concern that...they want to have an idea of how much the correction of the code violation is going to cost. I think that would be very helpful. I would like to hear from residents about that, but I don't think they know the range. I don't know the range when somebody comes out to my house.

TAMI MILLER: Right. And, WMA agrees with that. Park management most of the time doesn't know the range of what it is going to cost, either. One of the concerns WMA does have with the bill as currently drafted is the deletion of the park operator from receiving the notices of violation. We agree that we probably don't need to receive all notice of violations, however, the serious Health and Safety Code violations, the category A and B. Park owners and management do feel that they need to receive those notices of violations because if there is a imminent health and safety hazard that is occurring on their park property they should be entitled to know about that violation, and as the bill is currently drafted, it removes park owners from receiving copies of those violations. So, we do have a concern with that. And, I am available for any further questions, and that would be about the close of our testimony.

## SENATOR O'CONNELL: Ok. John.

<u>JOHN TENNYSON</u>: One question. What constitutes sufficient evidence that a fee increase is needed? I presume it is something more than Mr. Pitts' testimony today?

<u>TAMI MILLER</u>: I would need more than Mr. Pitts' testimony to take it back to WMA to get a support position on a fee increase, yes, it would need to be some kind of documentation that I could take back to our park owners to justify the need for a fee increase.

SENATOR O'CONNELL: Will you be able to stick around for a while? Thank you very much for coming. Ok, next we have the homeowner perspective and we have the president of GSMOL here, Lucille Jones. Ms. Jones, please come forward. Nice to see you again. The last time I saw you was on the Senate floor, I think. Maybe we will also ask Clay Harrison to come forward. The regional manager for GSMOL and Mary Ann Stein, the California Mobilehome Resources & Action Association. Welcome. Nice to have you here. President Jones.

<u>LUCILLE JONES</u>: Senator O'Connell and members of the Senate Select Committee on Mobile and Manufactured Homes, my name is Lucille Jones. I am the state president of the Golden State Mobilhome Owners League, representing the Board of Directors and the members of GSMOL.

The question before us today is whether or not to continue this inspection program beyond the sunset date of January 1, 1999. The original concept of this program, as introduced under AB 925 in 1991, was to provide long overdue inspections of mobilehome parks. This program has cleaned up many parks which were in terrible condition, due both to homeowners and park owners actions. The GSMOL Board of Directors is not in agreement as to continuing this program, however, we are in full agreement that if this program continues changes must be made.

The following comments, not in any particular order, are the consensus of the Board of Directors:

This program should be state-wide. Cities and counties must be removed from the inspection duties. Before 1991, many cities and counties provided for inspections of new homes. Many deficiencies were permitted that were never corrected thereby compounding problems within the parks. Generally, city or county employees were not adequately trained.

Management should have nothing to do with inspections. Management should not get copies of homeowner deficiency notices. The process should be: HCD inspects, second inspection, and a third inspection, if necessary. The next step, those who do not comply can be turned over to the District Attorney and last, as originally proposed, to management. Depending upon the infraction, time between inspections could be extended an additional 30 days.

One of the complaints heard from homeowners is that the park owner knows the deficiency for specific spaces, however, the homeowner does not know of the citation or citations issued to the park owner for the common areas. It is important for the health and safety of the homeowners that they know what is wrong with the common areas. It is suggested the common area citations be posted at the office, the clubhouse and throughout the park.

Increasing the annual fees will cause a hardship upon some homeowners who are dependent upon only their Social Security income. I have heard, and it was confirmed today, that the proposal is to increase the fee to \$8 per space per year with \$4 permitted to pass through to the homeowners. \$4 may not seem like much, but for some, that amount could provide food for a person living alone for a few days. Some areas provide funds to correct violations. However, this is not uniform throughout the state. Mobilehome parks are excluded from receiving funds in some areas.

## **LUCILLE JONES:**

There must be accountability provided. There should be yearly reports published on the number of homes and parks inspected, the number of citations by category and subsequent actions. Before any increase in the fees for this inspection program is permitted, there should be an audit of Housing and Community Development. This agency, at this year's budget hearings, tried to "borrow" \$1.3 million from the Mobilehome Park Purchase Program (MPROP) and \$600,000 from the Mobilehome Recovery Fund, money that mobilehome owners have paid into these funds. This money was to be used to rescue the registration and titling program, and they were six months behind in their work. Through efforts of our members sending letters and cards and making telephone calls, we were able to stop the \$1.3 million coming out of MPROP funds, but the \$600,000 from the Mobilehome Recovery Fund was approved. We all know the possibility of this amount being repaid is very slim.

Is HCD the proper agency to conduct inspection program? After almost seven years, this program is not what was envisioned back in 1991. If the actual operating costs were disclosed, then it might be well to consider if an outside group could conduct these inspections at a lower cost. The inspectors would not be state employees, which would reduce the distrust that homeowners have for state inspectors.

If an inspection is performed, let's have an inspection. Check under the homes, do some measuring of steps, the space between the railings. Show the homeowners what you are doing. We need quality inspectors performing their duties. Inspectors are looked upon with distrust by mobilehome owners. They wonder if an unbiased inspection will be performed. They know the inspection is coming up. Inspectors go first to the manager and visit them. They have coffee. They chit-chat and all the while homeowners are sitting home on pins and needles waiting to see what citations they will receive. There is a feeling of collusion between the managers and inspectors, with preferential treatment given to the manager's friends. Now, whether this is true or not, this is the reaction of the homeowners.

A ten year program as proposed, is too long between inspections. The parks with the most citations should be on a reinspection cycle every three years. Five years should be sufficient time to inspect the approximately 375,000 spaces in the state using the inspectors now employed. Subsequent inspections should require less time than the first go-around. One complaint homeowners have is that some park owners are conducting yearly, independent inspections of the homes in the park, even including upgrades, such as painting of the home. If state inspections were conducted within the five-year period, there would be no need to have homeowners subjected to these independent inspections for which there is no enforcement provision.

This is the position of the Golden State Mobilhome Owners League. All we ask is if this program continues, that homeowners and park owners be treated equally. I thank you for permitting me to appear before you on behalf of the Board of Directors of GSMOL and our members throughout the state of California.

SENATOR O'CONNELL: Thank you, Ms. Jones. Mr. Harrison, she left you a lot to say.

<u>CLAY HARRISON</u>: Good morning, and thank you very much, Senators. I appreciate you giving us this opportunity and providing the facilities of your fair city.

To begin, I speak here only as a resident of the Rock Creek Mobilehome Park which is in Auburn, Placer County and also from my experience gained by meeting with other mobilehome residents and independent research.

On November 6, about the same time that baseball star, Jose Conseco, was arrested for spousal abuse and given royal treatment by the arresting officers, a judge put a disabled American veteran, mobilehome owner, on the street. This miscarriage of justice, this travesty, occurred only because this judge allowed an enforcement agency, the state Department of Housing and Community Development, to abrogate their responsibility. A summary of the case reveals that because the homeowner, due to his disability and lack of funds, did not comply with an HCD notice of violation in a timely manner. HCD had not signed off on the violations, after compliance was made, allowing the park owner to invoke a "for cause" eviction which the judge upheld. It is interesting to note that this park owner publicly stated that she would get this resident out of the park if it was the last thing she did. But, the judge, apparently, saw no significance in this.

The program appears to be working against the homeowners. This is most prevalent in citations being issued to residents on issues that are not of their making. It is not uncommon for lot lines to be ill defined, non-existent, or arbitrarily established, resulting in citations requiring the relocation of the home. Mobilehome owners should not be held accountable for conditions over which they have no control or that pre-existed their possession of the home.

On page three of the Background paper, that was provided for this hearing, is a statement to the effect that conditions that met code at the time of installation, are grandfathered in. HCD inspectors appear to be ignoring this statement.

In responding to the suggestion of addressing the provided "Selected Issues," the following is offered:

In response to the remarks made under issue no.:

- 1. Given the age of most parks that I am acquainted with and the declining condition of the infrastructure, there will be a need of accelerating the inspections.
- 2. There is a definite need of legislative standards for the level of inspections.
- 3. With all due respect, I confess to not exactly be enamored of HCD. In that regard, I strongly agree with Terry Johnson, Oceanside City Councilman. You may recall his testimony on February 18 in which he said, "...the level of service received from HCD was unacceptable...HCD had quite simply dropped the ball..." If HCD had been on the ball, the aforementioned veteran may not have been evicted. With or without the inspection program, I am a strong advocate of local authority because of the lack of service we received from HCD and because local jurisdictions can best handle local issues.

20.

## **CLAY HARRISON:**

4. Speaking as a homeowner, I support SB 485 as it now reads, particularly the provision that will not give management a copy of the citations. If any of the amendments are deleted or watered down, that were inserted to, "...assuage mobilehome park residents..." I will not be able to support it.

In regard to HCD's opposition to SB 485, I ascribe to the position taken by GSMOL, as reported in the November "Californian", to wit: "...before consideration of a fee increase is made, the Department's operation should be closely reviewed...HCD should provide the numbers on the inspection program including operational costs before any increase is considered..."

- 5. My response is "yes" to all three questions.
- 6. My experience with an HCD inspector is similar to what I have heard from other homeowners, the inspector displayed an attitude. The enforcement agency should take whatever steps necessary to insure that the inspectors are not unduly influenced by management.
- 7. The Placer County Commission on Aging has passed a resolution that urges the supervisors to adopt a Mobilehome Rehabilitation Program. Funding is available for such programs that provide for low interest loans to qualified homeowners. Funds are available through two federal programs: Community Development Block Grants (CDBG) and Home Investment Partnership Program (HOME).
- 8. This is covered in SB 485 which I have commented on in number 4.
- 9. Parks with a record of problems most assuredly should be monitored very closely. Privatizing the inspections is an option of which I have heard nothing about. I withhold an opinion on the subject pending additional information.
- 10. I have no problems with the record keeping of local jurisdictions other than my own. Constituents of these entities can best deal with this issue. But, I would hold HCD accountable for the keeping of accurate records.
- 11. The full cost of providing an inspection program should be adequately funded, with the stipulation that the inspection by conducted fairly. As to who bears the cost, park owners or homeowners, realistically it is the homeowners who will pay. There is not a single expenditure for the operation of a mobilehome park that is not borne by the homeowners. And I submit, there is much that the homeowners pay for which the park owners claim as a deduction on their income tax.
- 12. The question is "How can the problem of alleged inspector 'harassment' of homeowners be addressed?" This is closely related to number 6 above. The enforcement agency, be it HCD (God forbid!) or local, should be required to provide the inspectors with people interaction training, with emphasis on the special needs of the elderly and disabled.

### **CLAY HARRISON:**

To conclude: If the inspection program is to continue, whether under HCD or local authority, it must in the name of all that is right, be conducted on a level playing field. Neither side, park owners or homeowners, should enjoy an advantage over the other. Thank you very much.

<u>SENATOR O'CONNELL</u>: Great. Questions of Mr. Harrison? (Applause) Ms. Stein, welcome.

MARY ANN STEIN: Mr. Chairman, my name is Mary Ann Stein. I am the vice-president for California Mobilehome Resource and Action Association. I am here today to represent our president, Dave Hennessy, our officers and the members of CMRAA. We have had several meetings in parks throughout the state discussing the inspection program. We would like to thank Senator McPherson for taking the time to listen to our president who at our request presented our views on the park inspection program. To make sure these views are presented to you today in the proper context, I would like to read a letter from our president, Dave Hennessy.

"Mr. Chairman and members of the Committee:

Please let me begin with a word of introduction. I am here today at the request of the Board of Directors of the California Mobilehome Resource & Action Association. You may remember it as CMRAA. Our organization is a new and growing one. CMRAA has been in existence since May, 1996, but we already have thousands of members throughout California. The leadership of CMRAA is a veteran group of long-time leaders in the mobilehome community, most of who have been involved in one way or another with the HCD park inspection program. CMRAA Directors, such as Mr. Hennessy, were actually involved when the program was begun in the early 1990's. Thus, CMRAA is a qualified and interested participant in this process.

We shall be hearing today much opposition to the HCD park inspection program. However, if you listen closely, the complaints have to do with specific aspects of the program, rather than its overall objective. That objective, as CMRAA understands it, is the state-wide elimination of health and safety code violations in parks occupied by our members. CMRAA is not interested in perpetuating substandard conditions in mobilehome parks. Hazardous and unsafe conditions must be eliminated. I'm sure HCD would agree when we say that the State can and must do a better job of policing conditions in the parks. But, if the State does not do it, then who will? Are you ready to turn this task over to several hundred local government entities, many of whom do not have the incentive or the finances to do the job? This was tried in the past, and it did not work.

CMRAA urges this special hearing committee not to forget the objective of the program and the reason for its existence. We should not let criticism as to how the program is implemented destroy the very existence of the program itself. To do so is to "throw the baby out with the bath water." Several mobilehome residents may have forgotten why park residents supported the 1990 legislation that initiated these inspections. Rather than argue why, or why not, park residents should be in favor of continued inspections, if only for the following reasons:

### **MARY ANN STEIN:**

On July 1, 1974, new legislation took effect requiring the inspection of each installation of a manufactured home (mobilehome) and the park inspection requirement was eliminated. Other than inspections in response to complaints, there were no park inspections from 1974 to 1991, a period of 17 years.

Since 1991, HCD has inspected over 2,445 of the 3,503 parks under HCD jurisdiction. That's 70%. Of the parks inspected, 126,902 park operator violations were cited, or approximately 52 violations per park. Of the operator violations cited, 105,329 have been corrected. That's 83%. Since 1991, HCD has inspected 169,093 of the 237,998 spaces under HCD jurisdiction, 71%. Of the spaces inspected, 317,262 residents violations were cited or approximately 2 violations per space. Of the residents violations cited 264,165 have been corrected, 83%. Of all the parks inspected, 1,225 are in compliance. That's 50%. District Attorneys filed 46 actions against park operators with 17 resolved by legal action, and one park owner has been imprisoned. Twenty nine cases are still pending legal action.

On January 1, 1999, the primary revenue source for our Mobilehome Parks Program will revert to the \$2 per space permit to operate fee. This was established in the 1973 legislation. That revenue source will not support enough inspection staff to respond to anything but life-threatening complaints or one inspector for each 650 parks.

In the view of CMRAA, we feel this special committee should call for an audit of the entire inspection program. Let's pinpoint the financial problem and adjust accordingly. However, if HCD is not prepared to present today to this special committee just what the specific financial problems are, then perhaps they can do this and we can all work on solving the problem.

CMRAA believes that the continuance of the inspection program will provide value in making mobilehome parks everywhere in California a safe and healthy place to live. We are mindful of the complaints of individual residents that violation notices can be and are used against them by park owners to harass or even attempt to evict them. The recommended amendments contained in SB 485, which extends the period for compliance and addresses the issue of financial hardship, will solve many of these complaints. In addition, the law should provide that park operators couldn't use violation notices to harass residents even before the period of compliance has expired. A section should also be added which specifies that a resident may not suffer a termination of tenancy in the event of a class "C" or "D" violation; in fact, a park owner need not even be given these notices.

A logical consideration of the big picture, which combines the overall benefits of the program described above, the amendments already included in SB 485, the additional protections mentioned above, together with the new disclosure law which will help to solve many a repair problem, yields only on conclusion. If the program is financially supported, it should be contained with those changes. On behalf of our members, I thank you, Dave Hennessy."

Personally, I would like to add one thing. I have been to many parks and we purposely brought up this issue at meetings. I have coordinated with other people from Riverside County, San

## **MARY ANN STEIN:**

Diego County, all the way up north. And, I can tell you one thing, you talk about the fear of the people today and these inspections. They are much more afraid of no inspections. I thank you very much for hearing me, today, and listening to our presentation. I do have one copy of Mr. Hennessy's letter and I would like to give it to you.

**SENATOR O'CONNELL**: Bottom line is, continue the inspection program.

MARY ANN STEIN: Absolutely.

**SENATOR O'CONNELL**: And we need to justify any potential fee increase.

MARY ANN STEIN: Absolutely.

SENATOR McPHERSON: I would like to make one observation. It is interesting to me that in using the numbers and percentages you have, both the operators and residents corrected 83% of the violations so maybe people can get together after all. I think that most of you have done it very well. I would hope that this disclosure issue that we hope to have done by a year from now or January of '99, we can come to some agreement on that. And, I know that is another whole different subject.

MARY ANN STEIN: I think, first of all, we need to hold meetings. We need to make people aware of this inspection. Many of them have no idea it is going on and even if it is going on, they have no idea what it is about. And, I think most parks have homeowners associations. I think they should be educated, and I think that people should understand that this is not something to be afraid of, but the violations must be corrected. Now, I understand that it is a financial hardship for a lot of people in the park, but we feel that there are grants and other places where these people can get help. So, I think the big thing is educating the people, and of course, reducing the violations.

SENATOR McPHERSON: Sometimes in government, when they don't have an answer to a question, they always say well let's form a committee to do it, to get the answer, which can go on and on in the eternal circle. I might be a little naive, but is there a good chance to have the operators and the residents really get together with some of the representation we've seen here to get a tape put together so they can agree upon this is what we need to do? Or is that been really tried in earnest?

MARY ANN STEIN: I don't think we would have a problem with that.

<u>SENATOR O'CONNELL</u>: As the author of the original legislation in '91 we actually had the support of the both the park residents and the park owners for our bill. That's how we were able to get Governor Wilson to sign my bill back in 1991. So, my sense is the same as Senator McPherson. That is exactly what we are going to have to do to reform this program in a positive, constructive manner. And, I will go back to my original statement, "The perfect political

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compromise is one where not every body is exactly happy." But, we are seeing the thread, I think, woven through. If you could answer a question, and Ms. Jones and Mr. Harrison, as well? Have you seen the citation letters that have gone back to the residents and do you share an earlier comment that they do seem to be a little threatening, perhaps, the violations, they could be written in more easy to understand language and be less threatening? Have you seen these? I have not, so I was requesting...

LUCILLE JONES: The fact that the mobilehome owner is subject to a misdemeanor just scares the heck out of a lot of older people. They can see the Sheriff coming and taking them off to jail. I think it's true, it is a misdemeanor, but there must be some other way to say it. And, the fact that just the numbers show, even though the people have the booklet, that is the cause of a lot of concern with the mobilehome people. But, I would like to question why this information provided to CMRAA has not been provided to other organizations? This information on the number of inspections and all, has not been forthcoming.

**SENATOR O'CONNELL**: Well, I heard HCD reference those same figures.

**LUCILLE JONES**: Right, but we have never seen them.

SENATOR O'CONNELL: Well, I'm sure if you ask. It's public information, is it not? Yes.

**LUCILLE JONES**: But, if they are provided to one agency, they should be sent to all.

MARY ANN STEIN: Not without asking. We asked for...

SENATOR O'CONNELL: If you go to the back of the room, and ask Mr. Deiro, I have a feeling it will be faxed to you by the time you get home tonight. Then, you will have no trouble getting to sleep tonight.

CLAY HARRISON: Senator O'Connell, in answer to your question about what's contained in the violation notices, they are very vague, very vague. As an example, I have seen violation notices that say that the awning support is out 2" of being vertical. First of all, I do not know if that inspector got a ladder and climbed up to the top of the support and dropped a plumb bob, and measured to see how far out of vertical that support is, but it does not say which support and all of the awnings have at least three or more supports. And, as a consequence, I know mobilehome owners that rushed out, hired a contractor to replace all the supports. This is the way these violation notices are written. They are very, very vague.

SENATOR O'CONNELL: I notice the department in the back is taking notes. I might just also point out that Mr. Tennyson pointed out to me on page 4 of the bill that we are working on with Senator Craven, one of the amendments would delete all references to the term "misdemeanor or punishment." And simply be more constructive in making those suggestions. Any other questions for our distinguished group here? Thank you very much for coming. I appreciate it. Will you be around for a while in case we have other questions? Good. Our next panel. We'll

## **SENATOR O'CONNELL;**

ask people to come forward: Gerald Lenhard, a mobilehome owner, Leola Rubottom, a mobilehome owner here in San Luis Obispo County and very prominent in the community, and Marvin J. Rezac, Associate Member, Homeowners Coalition of Mobilehome Parks of Tuolumne County. And, we might ask that you, please, not restate anything that has been said earlier and be concise. Thanks for coming.

GERALD LENHARD: Good morning. My name is Gerald Lenhard, and my address is 955-63 Howard Avenue, in Escondido. And, before I start my presentation, I would like to make one remark here. I heard a park owner up here who was so concerned about residents being afraid and everything, and it has been my experience up and down the state, that residents fear park owners and managers a lot more than inspectors.

I am representing, today, the Escondido Mobilehome Positive Action Committee (EMPAC) and the San Diego County Mobilehome Positive Action Committee (COMPAC). These two organizations represent over 80,000 mobilehome owners in San Diego County. I was president of EMPAC from 1987 through 1996, and as you know, Escondido is the proud victor in the Yee vs. Escondido - United States Supreme Court 9-0 decision. I am also the co-founder of COMPAC and it's first President. I have included letters of authorization from both organizations in the packet that I presented to John Tennyson, for the committee. And, this packet also includes documentation to support everything that I am going to say here.

Passage of AB 925 was a long overdue piece of legislation whose specific purpose is to protect the health and safety of hundreds of thousands of homeowners throughout the state. As you are aware, the vast majority of these homeowners are self supporting seniors and the elderly. Like many other protections, it had it's start-up problems. However, with the subsequent passage of AB 423, (thank you, Mr. O'Connell), I believe most of the bumps that occurred in AB 925 were straightened out. That is, if both these laws are interpreted for the obvious reason they were written, to protect mobilehome residents and prospective home purchasers. With the passage of AB 925, it became immediately obvious that many unscrupulous park owners would try to use this law to harass and intimidate homeowners and even make financial gain from it. I have seen this attempted first hand in Escondido. However, EMPAC quickly stopped this despicable effort in the Escondido area. Other resident protective organizations around San Diego County, working in unison, have more or less eliminated all harassment of homeowners.

In August, 1992, I presented HCD Bulletin 91-03 to our city attorney and explained that this memo made it crystal clear to me that park owners could not use AB 925 inspection violations against residents. It was my interpretation that park owners have no legal right to enforce any violation until all remedies by the enforcement agency are exhausted. This is clearly stated in HCD Bulletin MP 91-03, which was signed by John Ellis, the Chief of HCD, at that time.

In a heated discussion in Escondido with the city attorney and the head of code enforcement, they disagreed with us. At the instruction of our city council, they wrote a letter to Mr. Ellis for clarification, to Community Development Agency John Ellis and asked for clarification of the bulletin. Paragraph two of Epp's letter, who is our city attorney, reads, "In a meeting with me on

### **GERALD LENHARD:**

August 20, the president of Escondido Mobilehome Positive Action Committee expressed his belief the intent of the law and information bulletin MP 91-03 was to avoid action by a park owner directly against a resident until the city had exhausted all available administrative and legal recourse against the park resident." In the answer from HCD, Travis Pitts, (who is here today and his letter is in there) Deputy Director of HCD, dated September 25, Mr. Pitts states in paragraph two, and I'm quoting, "Mr. Lenhard has correctly portrayed the position of law and our Information Bulletin, MP 91-03, on the issue of park operators attempting to enforce governmental requirements." Mr. Pitts ended the letter stating, "We believe our information bulletin 91-03 is a definitive interpretation of law and legislative intent."

While this solved the problem in Escondido, harassment and intimidation continued around the state, and you heard Mr. Harrison tell you today about a guy who was a disabled veteran, who was evicted. I found that out on Veterans' Day, how nice. I have enclosed a letter from a park owner attorney in which the attorney notes to a resident the recent violation and suggests to the resident that the park owner has a list of repair experts available. The attorney even suggests the park owner has a subsidy program to help those who may not be able to afford repairs. Of course, a lien will be placed on the home. The notice ends stating, "Please do not wait for further notices from HCD, if you are financially challenged. The park is prepared to assist you so that you can remain in the park." Is there anyone in this room who thinks this is not a deliberate attempt by an unscrupulous person to scare seniors and elderly? Attached to the letter is a notice of violation from HCD. It is not signed. In the last paragraph on page one, the letter states (from HCD), "Your failure to provide corrective action however may subject you to civil penalties and other enforcement action by the park operator." -- which sounds to me like they are in collusion. On page two of the letter, it states, "As required by Section 18420 of the Health and Safety Code, a copy of this notice has been sent to your park operator and manager." To me, Senators, this letter strongly indicates HCD and the park owner are working in concert to scare the hell out of seniors and the elderly who have no where to turn.

In the background paper provided by John Tennyson, in the packet today, it is reported on page three that homeowners produce the vast majority of complaints. With many park owners using the law to harass, threaten and intimate, this is no surprise. I'm sure park owners hope residents complain and legislators let the law sunset. This will allow park owners to make much more profit by not maintaining their parks.

HCD claims they need more money to continue this program. We wonder where the money goes. The \$4 fee paid by residents and park owners "shall be used exclusively (and I repeat 'exclusively') for the inspection of mobilehome parks and mobilehomes." I am quoting AB 423. Your background paper indicates these funds are being used for other HCD purposes, on page 5. I firmly believe an "outside" audit of these funds is needed, to verify the law is being followed in their exclusive use for park inspections.

I would suggest the following be considered: we need an outside audit of the Park Inspection Fund. There are less spaces in the state every year. And, there should be less violations every year, so the cost should go down every year, not go up, if they are doing their job. We should

## **GERALD LENHARD:**

encourage resident homeowner association leaders, and there are about 50 or 60 associations around the state --you know, GSMOL, CMRAA, aren't the only ones. We have about 10 down in San Diego County -- we should encourage resident homeowner association leaders around the state to confirm alleged inappropriate HCD inspection problems by sworn affidavit, if necessary. We can do that. You can amend the law requiring mobilehomes to be inspected and brought up to code, if necessary, upon resale. That would raise a lot of money. About 10% of the homes are sold every year. This could be a condition of escrow. 4. And, I haven't got this in yours, I just wrote it down here before. You could contract out the park inspections, which I think has already been mentioned. San Marcos did this a couple of years ago, and their cost was about 50% of what it was when the city inspectors did it.

Finally, I will close by saying that the information you hear today is, in my opinion, the tip of the iceberg. The law firm of Endeman, Lincoln, Turek and Heater, whom we all have heard of, win over \$30 million per year in awards against mobilehome park owners by winning lawsuits for non-maintenance of parks. If these minimum protections are allowed to sunset, this firm will get richer and tens of thousands of seniors and elderly will be forced to live under third world conditions. In a case in Vista, several years ago, homeowners in an Escondido park sued through this firm and were awarded almost \$1.5 million. Upon leaving the court, reporters asked the park owner how she felt about paying the award. Her answer? It isn't going to cost me anything. My insurance will pay. We all know the residents pay the insurance premiums through rent increases. The monetary award could not pay for the several years that many elderly widows spent having their toilets and bathtubs overflow with raw sewage in the middle of the night.

I implore you to make the necessary adjustments to stop the harassment and intimidation of the elderly that some unscrupulous park owners and their unscrupulous attorneys use this law for. I do not believe any of my suggestions will cost the state anything and will probably save the taxpayers money. Thank you.

SENATOR O'CONNELL: Thank you, Mr. Lenhard. Any questions? Ok. Ms. Rubottom, welcome.

LEOLA RUBOTTOM: My name is Leola Rubottom. I am an associate manager of Region 8. I didn't come here today with a great big long list of things, but I would like to say that Lucille Jones, our president, and the Board of Directors have worked very hard and I certainly back everyone of those. I do have a couple of things I would like to have you take back to Sacramento. One of them is, I don't feel that we have enough teeth in the Mobilehome Residency Law. I realize there has been put in there \$500 per violation, but it isn't enough to entice lawyers to get involved. It is awfully hard to get a lawyer to defend the mobilehome owner. And, we need to some encouragement in this way. However you do it, I'm not sure of all the words to put into it. That would be up to you.

I think that the pass throughs, most of them, are unjustified. Some parks don't even have pass throughs. But, I really don't think that a park owner should be allowed to pass through things -- most of them are against the Mobilehome Residency Law -- in order to raise the rent. Another

### **LEOLA RUBOTTOM:**

way they raise the rent is when we sell the mobilehome. They add a 10% increase in the rent. They don't do anything for that. They don't earn it in any way. You can have two mobilehomes sitting side by side. One of them has to pay 10% more because it has been sold. I think they should be treated equally. This causes lack of sales, loss of sales. I've had real estate sales agents call me wanting to know what they can do about it. Another thing it causes is lowering the value of your mobilehome. You have to make up the difference when it comes time to sell for at least a year's added rent. It's very unfair.

And, as far as the inspections in the parks, we need more inspections. As far as I know, the park owner doesn't have to inspect his water pipes, his electrical conduits, especially those that are underground. There should be inspections that see that these are adequate and make sure that the lead pipes are no longer used or at least are new enough so they are not shedding lead. There should be some kind of test, so you would know if this is healthy or not. They also should have their meters checked. There has been a lot of discrepancy as to whether meters are accurate in more than one...I am in a position where other parks call me. There are other people here, the same thing, and there is no way to know whether or not these meters are accurate. So, there should be some way that this is put into the inspection. The meters should be tested for the water, the electric and the gas. At least I haven't seen any of these during an inspection. And, that's all I have. I sure appreciate your asking me here.

**SENATOR O'CONNELL**: Thanks. Has your park been inspected?

LEOLA RUBOTTOM: Yes, it has and I wanted to say that we did have a notice that it was going to be done. That is one thing our park owner did I really liked. And, he explained it, somewhat. There was a diagram of the steps and things like that. We had the opportunity to do our own inspection, as you say, and fix it up. We had some that received notice that they should fix something up, but I don't really think it was threatening. None of them that I know of was threatening. However, when you get a notice that you need to fix something in your mobilehome area, this frightens a lot of people just like Mrs. Jones said. If it is going to cost more money, this means an awful lot to somebody on a limited income, a lot.

SENATOR O'CONNELL: Perhaps Mr. Pitts would correct me, but I think that the Weights and Measures, the County Department of Weights and Measure would look at your utilities to make sure that it is properly...HCD, I don't think, has that responsibility, but the local county Weights and Measures...if you suspect the meters, either your individual or the park, that's a fair request of San Luis Obispo County Weights and Measures. Any other questions? Thank you for being here. Mr. Rezac.

MARVIN REZAC: Thank you, Senator O'Connell, and members of the committee. I appreciate the opportunity to come and speak to you. I am a little bit different than the other people sitting here. My name is Marvin Rezac. I live at 18960 Sugar Pine Road, in Twain Harte, CA., up in the Sierra Nevadas, which is my home and it is not in a mobilehome park. I am an associate member of the Homeowners Coalition, Mobilehome Parks, Tuolumne County. I am also an associate member of GSMOL. I have been working with and on behalf of mobilehome

## **MARVIN REZAC:**

park homeowners for approximately four and a half years. I don't have a prepared statement. I have excerpts from a November 10th letter sent to you, the committee, by Rosemary Tomai, President of the Homeowners Coalition.

"Dear Senator Craven: Your proposed legislation, SB 485, to extend the Housing and Community Development Department's mobile/manufactured home park inspection program must be enacted. The program is needed to ensure that the provisions for the Mobilehome Parks Act and the Health and Safety Code and other laws are complied with to protect the health and safety of park tenants. Without this program, I firmly believe many more parks will deteriorate and that could adversely affect the surrounding areas which could become like inter-city slums. This situation already exists in some areas.

The infrastructure and facilities provided by the park owner make possible a place where people 55 and older, seniors and let's not forget young families with low or moderate incomes can live in their own homes by renting a dirt space. This type of housing is absolutely essential in our state because housing costs are much higher than in most other parts of the country.

The Homeowners' Coalition (A California Non-Profit Public Benefit Corporation) is an organization representing mobilehome owners in 48 parks, many of which are small, located in Tuolumne County. The Tuolumne County Building and Safety Department administers the program here. It does an outstanding job. We work very closely with the building and safety department. Individual home owners who have complaints work with the Coalition president or Board who in turn works with the building and safety department to give to get these complaints rectified. If the inspection program is not extended, I fear, like many others who are sitting here, and I know I am repeating myself, that many park owners would reduce maintenance even further to save money. As a result, not only will the health, safety and welfare of their tenants could be jeopardized, but the value of their homes will be reduced causing mobilehome owners to lose the major part of their investment in them.

Most mobilehome owners don't have the financial means to pay for litigation to force a park owner to comply with the laws when they are violated. And, many District Attorneys don't have the resources, the funding or the manpower, to prosecute non-complying landlords due to heavy workloads imposed by criminal prosecutions. Such is the case in our county."

Additionally, I would like you to know, as I said, our county's building and safety department follows up on these complaints from the individuals and works to get them rectified when they involve the park owner. Lastly, we feel that if the funding is increased, the cities and counties must receive their fair share of the increase, since the state, as you will recall has taken a lot of the property tax money from the cities and counties to fund schools and other expenses at the state level. Our county is adversely affected because it costs more to administer the program than it currently receives.

I haven't heard the word "consumer price index" mentioned. Of course, I'm not privy to the studies made by HCD, but it sounds like it has gone up at least 100% since the program has

## **MARVIN REZAC:**

started, if they are going to double the fees. I don't think that has been the case in the state of California so, therefore, I think I agree with everybody else that we need to look at those cost structures very carefully to make sure that they are justified. The last thing I would like to say is let's not forget the mobilehome owners pay property taxes, their personal property tax on their home, they pay sales tax in the state, they pay income taxes and they pay the park owners property taxes through the rents they pay to the park owner. And, I feel that some of the general state funds ought to be used to help fund this program. I thank you very much for your time.

SENATOR O'CONNELL: Great. Questions? Thank you very much for coming. It was a long drive. Our next panel I would ask to come forward would be Jim Gullion, Treasurer, Homeowners Coalition of Mobilehome Parks of Tuolumne County, Ray Niemesh, a mobilehome owner, and Betty Lovell. Again, if you could be succinct and brief. We have a long list of folks that want to still testify and people asking for a public comment period and it always gets more difficult when you are further down the agenda. Welcome, and Jim, would you start?

<u>JIM GULLION:</u> I am the treasurer of the Homeowners Coalition of Tuolumne County, and I reside in a mobilehome park in Tuolumne County and didn't come here prepared to say a whole lot, except to comment on some of the things I have heard.

It is my experience having lived in a mobilehome, first in Morgan Hill and now in Sonora, and I think mentioned by HCD and WMA and I know it would be in our park, we would like to cut down on our postage expenditures. Well, if there is a homeowners association that is concerned, or perhaps a homeowners coalition like we have which represents 48 parks, I would like for these people who are going to make the inspection, whoever they may be, to contact either the association that is in the park or the homeowners coalition and let us notify the residents because we are on the same wave length. We're not going to be intimidated by one another because we all live in a mobilehome. One of the worst things in my park is to send the manager around because he has a strong vocabulary, four letter words, especially toward women. And, unfortunately, our park owner doesn't do anything about that. But, as far as the inspections are concerned, somehow, whether it be on a local basis or whatever, and I am only speaking especially from what I see in our county because I am close to it, it is very, very necessary somewhere.

And as far as having the locals, HCD, rather, have them perhaps reviewed or audited, to find out what has happened to the money or is happening to it, perhaps is a very good idea. But, by the same token, in the time that Mr. Rezac said, the thing that we fear the most that if the inspections go away, a lot of the homes of the mobilehome people are going to be devalued. And, if you ever have a chance to come up in the mountains where we live, a lot of that is rural. You have a lot of trees and we do have and, as Mr. Lenhard said, we have a lot of sewage backup in homes and the park owner will flatly tell you, "I have no control over roots." But, the sewer system is theirs. And, without having the money to take these people to task like we need to, and having more enforcement in the Mobilehome Residency Law that gives us a little bit more muscle without having to always go to the District Attorney, it makes it very hard for us to handle these kinds of situations. And, they are serious. And talking about people who are intimidated easily, it is the

## JIM GULLION:

ladies who have lost their spouses and they are frail to start with. They have never handled a lot of these things, and all of a sudden somebody knocks on your door and gets rather rough and demanding, it frightens them. And, that's why I stay involved in this situation. I'm not a young man, myself. I'm 73. But, I will be fighting for these people as long as the Lord lets me stay here. And, only for the rights of the laws that pertain to us. We're not trying to create any new laws or anything like this, we're just wanting to be treated like first-class citizens. I don't know too many mobile parks in California where people are treated 100% like they ought to be. I can't speak for Pismo Beach, here, because when I lived in San Jose, one of my wife's and my favorite places to stay here was the Tides. We liked Pismo Beach a lot, when we lived in the Morgan Hill area. I said San Jose, but I meant Morgan Hill.

But, above all, whether it's HCD or it is some other name that handles these inspections they are a must and as far as speaking as the vice-president of our homeowners association, we started a situation within our park of recycling to get funds into our kitty. If this thing went up to \$4 and there are folks in our park that can't afford it, we certainly can help out of our homeowners association. It would be nice if park owners, who really make the pay out of this thing, could be as compassionate. Thank you.

<u>SENATOR O'CONNELL</u>: You like the idea of the pre-inspection meeting that Mr. Wright talked about earlier today?

JIM GULLION: Yes, I'm glad you mentioned that. We have no club house at our place. However, there is one church in our area that has permitted us to use their hall, that we use. And, Tamaron Park, a mobile park in the area, also lets us use their facilities, so that's where we get together and congregate and have our pot lucks and stuff like that. It is off the premises and we have to offer transportation to some of the people because they don't drive at night, but that's no problem. We have plenty of helpers. The tenants, themselves, we can make it happen. All we want to do is get the monkey off our back from some of the mistreatment that happens.

<u>SENATOR O'CONNELL</u>: Great, we appreciate you and Mr. Rezac coming. It is a long way. Welcome. Next on our list is Mr. Ray Niemesh.

RAY NIEMESH: Good morning, Senator, and panel. I am a park resident and in 1992 I went to the GSMOL convention, and we were told that there would be a team of inspectors what would go through your park and inspect each mobilehome outside. They wouldn't go inside, unless they found something wrong and then only with the resident's consent. They would also inspect the park facilities. An inspector inspected our park. There was only one inspector. I asked the park manger where the rest of the inspectors were. He told me that the inspector told him that the state took the money from the inspection fund to help pay for the deficit. It took the inspector one day to inspect 215 mobilehomes and the park facilities. It seems to me that the fee would be sufficient if it was used for park inspectors. I don't think an increase at this time is appropriate. I thought according to AB 925 the park owner would be allowed to pass through \$2 of the \$4 fee. In our park, we are paying \$3.84 of the \$4 and the park owner is paying 16 cents. I don't think that AB 925 has enough teeth in it to help the resident out in pursuing these things.

## **RAY NIEMESH:**

Our park has been inspected and the inspector was very nice. Before the inspection we were notified what was going to be inspected, and everything else, like that. The only thing is, I think, after the park was inspected, that the residents should be advised what were the violations in the common areas, which we weren't given any information, if there were any, we don't know, but there should have been something posted on the bulletin boards or else a notice going out to each individual resident. Thank you.

<u>SENATOR O'CONNELL</u>: Thank you very much for your testimony today. Next is Betty Lovell.

BETTY LOVELL: Thank you very much. My name is Betty Lovell. I am a homeowner holding a tenancy at Orcutt Ranch Mobilehome Estates, in Orcutt. The HCD mobilehome park inspection program not only should be extended, the actual inspections should be accelerated with an emphasis on the area of park owner responsibility. The Mobilehome Residency Law mandates that it is management's duty to maintain the facilities and improvements of the park and management may be given a time frame for repairs when a breakdown is sudden or unforeseeable. Also, management shall be given a pre-determined period of time to fix health and safety violations as soon as possible, all others, 30 days, before a violation of Mobilehome Residency Law 798.15 by management is deemed to have occurred. None the less, many park owners ignore this mandated responsibility with impunity. Excuses given are many and varied. Some even laughable. One of my favorites is that we can't afford to replace burned out 150 watt bulbs in the Rec. Hall. He can only afford 60 watt. Consequently, it is a strain on senior eyes, especially at night or on cloudy days.

Mobilehome parks have rules and regulations that homeowners must abide by or face the threat of eviction, home and all. There is no threat to the park owner if he fails to follow the state standards or laws. Homeowners are at a disadvantage. Law suits are expensive, stressful and time consuming, and let's face it, mobilehome park issues are not a priority with city and county governments. I don't want to add "state" to that. The park owner is in the driver seat.

Here are just a few examples of problems encountered in the park where I reside, with pictures: streets - disrepair; street and common area lighting - inadequate and in disrepair, some rusted and laying on the ground; wash houses - machines in disrepair; electric lines - tree limbs laying across the lines, wires laying on the ground from fallen street lights. I do have to clarify that. Before I got the picture taken they had removed the one light that had fallen, but they left the wires laying on the ground. I did get a picture of that. Also, one that had fallen, they did prop it up with a broomhandle with wire and I did get a picture of that. Restrooms - locked and/or unusable; swimming pool and area - pool inadequately heated, no restrooms or showers; trees - diseased, dying or dead. These are huge pine trees, some over 40 years old. They are not maintained, never trimmed, enormous limbs crack and fall. Sewer lines - tree root invasion; driveways - tree root invasion; mobilehomes uplifted by tree root invasion; drainage - improper to non-existent; drainage ditches - not maintained.

## **BETTY LOVELL:**

As parks age, park owners are trying to shift their responsibility on to the homeowners as evidenced by the crying need for passage of AB 1227. The mobilehome lifestyle is being threatened by park owners who get away with violating the law. As the parks deteriorate, our home value decreases. In a few years, you have a slum park. The one thing that will increase is the rent. The HCD mobilehome park inspection program is needed now more than ever and should be vigorously pursued. Thank you for the opportunity to speak on this issue.

**SENATOR O'CONNELL**: Ms. Lovell, has your park been inspected?

**BETTY LOVELL**: I have lived there for 22 years, and to my knowledge, it has never been inspected.

**SENATOR O'CONNELL**: Have these situations been addressed, or?

BETTY LOVELL: Oh, yes. Yes.

**SENATOR O'CONNELL:** Fixed?

**BETTY LOVELL**: No, no. I mean have been addressed to management, but, by various homeowners. But, this is what I'm saying. They just let things go and go and go.

<u>SENATOR O'CONNELL</u>: Have you complained to HCD or the local enforcement agencies? Or, has anybody in your park complained to these agencies?

**<u>BETTY LOVELL</u>**: Not that I know of. Everybody is waiting for an inspection, I think, is what it is.

SENATOR O'CONNELL: Well, you might want to leave your address with the HCD people in the back of the room. Prior to our inspection process, it was primarily a complaint-only process. And, so, what our bill tried to do six, seven years ago, now, was to get a more standardized, uniform, regular inspection process. So, it has worked to some degree, not as a purist like myself and Senator McPherson had envisioned it. But, it has worked to some degree. But, prior to the inspection for your particular park, and I have been out there, I know where you are, you might want to touch base with the HCD people in the back of the room.

<u>BETTY LOVELL</u>: Yes, that sounds like a good idea. When you look at those pictures just separately in the park, it doesn't form a picture. But, I took those pictures Wednesday and when I got them in the album, then it all comes together.

**SENATOR O'CONNELL:** Yes, those are illuminating pictures.

**BETTY LOVELL**: Thank you.

(APPLAUSE)

<u>SENATOR O'CONNELL</u>: Thank you, Ms. Lovell. Next we have Wayne Waters. Ask Wayne to come forward. Betty Henson, please come forward. Again, we'll ask that you not repeat anything, if possible. Welcome. Mr. Waters, if you would like to go first.

<u>WAYNE WATERS</u>: My name is Wayne Waters. I am a 17 year mobilehome owner in the unincorporated area of Santa Barbara County. I purchased my home new in a new park. I support periodic mobilehome park inspections, but the present system and procedures need to be reviewed and revised.

My park began as an adult-over 18 park and eventually converted to a 55 and over park. The residents are mostly retired people looking for a comfortable, relaxed, peaceful atmosphere to enjoy their sunset years. Most are not interested in engaging in adversarial confrontations of any kind and so have been reluctant to act in any manner that could be construed as "rocking the boat."

As time goes on, more and more singles, mostly widows, make up the park population. Being a single is a lonely existence easily subject to intimidation, ostracism and abuse. Residents are provided almost no information by management relating to anything other than the collection of money. There have been only three management/homeowner meetings in the 17 years, and these were less than satisfactory from an informational standpoint. Most residents have no idea that there are HCD regulations that apply to the park or even to them.

Inspections are viewed by residents as just another bureaucratic power play designed to irritate people. Park owners tend to reinforce this view. Santa Barbara County assumed responsibility for conducting mobilehome inspections and enforcing HCD regulations applying to mobilehomes. Our park was not inspected during the first 5-year inspection period. Later, management notified homeowners of a scheduled inspection and provided a listing of items subject to inspection which were the responsibility of the homeowners. There was no information provided relative to those items to be inspected which were the responsibility of the park owner. It came as a thing like, "The inspectors are coming, the inspectors are coming." Almost in a threatening manner.

After several postponements, the inspection finally took place. I was told by the park manager that a two-man team took two days to make the inspection. I did not see them in the park. Later, I asked the manager about the inspection report and was told that there was no report as there were no discrepancies. Unbelievable! Did they leave their seeing eye dogs at home?

I recommend that random, unannounced spot inspections relating to only one or two regulation areas be conducted rather than scheduling full-blown inspections. That a penalty schedule be adopted for violation of regulations. That homeowners be provided with information by HCD concerning those HCD regulations for which the homeowners are responsible and that have a direct application to their mobilehomes. Incidentally, as a side comment, on this thing, if you read the data base of HCD regulations relating to mobilehomes, you will spend a week looking at those things, and most of them are in a language that I'm sure the ordinary person couldn't understand. And, I think it would be a very good idea if something was reduced to basic English in telling homeowners what their responsibilities are and it should tell the homeowners, also, what the responsibilities of the park owners are.

## **WAYNE WATERS:**

Ok, to continue. That homeowners be contacted by HCD for input regarding these regulations on a regular basis, similar to what the last person testified regarding Orcutt. Our park is right close to Orcutt's park, and I think that you've got to go to the homeowner and find out what is necessary. Those are the people, those are the grass roots people who are suffering under this thing that need help. That both park owners and homeowners be provided with a report of inspection showing discrepancies found and the corrective action required. Finally, the whole operation must be conducted in a professional manner, all contacts to be open and above board with complete, unimpeachable honesty. It's not being done now. There is evidence of collusion between the park managers and the inspectors, or the person responsible for the inspectors, at least in Santa Barbara County. And, this has happened to me and I continue here, saying the latter statement reflects a continuing three-year experience I have had with park owner/management, the County and HCD personnel involving HCD regulations. This experience has been characterized by dishonesty and deliberate concealment of facts and an uncaring attitude at all levels.

I will provide supporting information to those persons who are in a position to and are willing to take corrective action. And, I might say, I wish I had, before I prepared my statement, the items that were provided here, issues to be addressed at this hearing. I'll cover those in additional correspondence to you, Senator and to Senator Craven. Thank you very much.

**SENATOR O'CONNELL**: Great. Thank you very much for coming. Ms. Henson?

BETTY HENSON: My name is Betty Henson and I live in Laguna Lake Mobile Park in San Luis Obispo. It seems as though mobilehome owners are forced into adversarial positions too often and the older you get the more difficult it is to face this constant war and so I certainly hope we are not going to have a war with HCD. I think one of the problems here is that there are a number of parks which are in compliance with almost every regulation and those parks are usually ones that have the strong GSMOL and maybe a strong homeowners association because people come to you and ask about various things, "Well, is this Ok that I'm doing?" or whatever. Also, if you had a pile of filthy, oily rags around your house, I'm sure that one of your neighbors would either say something to you or to the park manager, and so consequently, if they can't get to some of the parks, I think that those parks which are very strong with organizations could be skipped. I really do.

The last time we had an inspection...somebody had hit one of the supports on our carport, and my husband was going to fix this, but in the meantime, we had the inspection and so, we get a letter, sort of threatening to get this fixed. And, so somebody had gone to all the trouble to send us a letter for something that we already were going to do. So, you know, it was certainly a minor thing to have a dent in your support for your carport, so it is this sort of thing that I think is very irritating to homeowners. You feel like, "Is this all they have to do is to look at my carport support?," and so I would just like to suggest that the parks that are very old and do not have organizations would be inspected regularly. And, others, why couldn't they just wait for a complaint from that park? If the park owner is doing something that he shouldn't or letting a condition exist that he shouldn't, to complain to HCD and then have an inspection, and then we

## **BETTY HENSON:**

wouldn't need...I don't know if this is a practical suggestion or not, but I'm trying to do something constructive and if this would work, it certainly would save an awful lot of money. I don't think anyone minds paying \$2 per year, but I don't like the idea of having that raised. I don't like having anything raised, hardly. And, I think I have a lot of company on that. So, that is one thing I really did want to cover, unnecessary inspections. Because, I think you can count on hearing complaints if there is something wrong.

So, anyway, I wanted to thank everyone for sitting here. I don't know whether you are as stiff as I am. I appreciate it very much that you are giving of your time and listening to us complain. But, another thing that I wanted to mention, was AB 1462 and that one is a bill about a park owner having to pay the expenses of a lawsuit in the event that he losses against the city. Because, I believe that this is something that the park owners use because they know that the city does not want to get into a lawsuit because it costs the city whether they win or lose. It is an easy thing to make a threat, and I know that recently we are certain that we lost something that we asked for from the city and I really believe it was because WMA is now using...they aren't putting on gloves, they are using iron fists against us. So, consequently, a reasonable request that we made was denied because WMA convinced our city that they were going to sue. I don't know of any city that has a whole bunch of money that they feel that they want to use for a lawsuit. And, so, they backed down on granting us something that we deserved to get.

And, so, I would like to appeal to the Senators, here, to think about this and help us get this particular bill through. I believe it is a 2-year bill. And, I just cross my fingers that this one will go through because I think it could make a tremendous difference in the lives of mobilehome owners and perhaps we won't be in such adversarial conditions. It is a horrible thing to have this happen when you're a little old lady or a little old man. It is bad enough when you are young, but when you are up in years and to have this kind of a life, which is not what you had planned for your retirement, that we could reduce some of this friction. And, I want to also add that until 1988, I believe that is when WMA was born, we didn't have this kind of friction. It has increased 100 fold and I really attribute it to the fact that WMA tries to justify its existence by keeping the park owners as unhappy and riled up as they can. So, if we can curb some of this, I would appreciate it so much. Anybody that has any influence at all and can do something, I would appreciate it. And, thank you very much for listening.

<u>SENATOR O'CONNELL</u>: Thank you, Ms. Henson, and thank you for being so articulate. Any questions from the committee? Great. And then for the last formal comments we'll ask that Marilyn and Dale Cheesman, mobilehome owners, come forward. And, also Alexandra Pataraka and Linda Miller. We'll take a minute recess to stand and stretch.

Alexandra Pataraka is here, and we will ask Charlene Hall to please come forward. Mrs. Hall? And Richard Anderson is also on our list, and Sally Minor. If you can be brief, we have a list of people who wish to comment under our public comment period. Something that Councilman Halddin and Councilmember Reiss know more about than I do. So, we'll keep moving. Alexandra, welcome. Nice to have you here.

ALEXANDRA PATARAKA: Good afternoon, dignitaries, ladies and gentlemen. My name is Alexandra Pataraka. I almost a six year resident of Hilltop Mobile Manor in Atascadero. I am also disabled. I will be reading a portion of a letter from Don and Caroline Hamlin of the same park in Atascadero. It's dated May 23, 1997 to the Honorable Walter Capps. In the summer of '96, the HCD inspector inspected our whole park and found numerous violations. For some reason, the HCD inspector treats this park differently than others in the area, allowing park violations to go unchallenged.

We have constant problems with the septic system. There are electrical violations, romex wire buried directly in the ground, gas leaks that have to be turned into the city fire department before the owner has corrected them. The present owner has failed to maintain the large oak trees that have threatened to break and crush any home in their path, except for the one in line with number 46. That has been done and thanks to her, very much. There was an incident of a tree crashing into two mobilehomes and one storage shed about 3 years ago and one lady was almost crushed to death, but she happened to be in her living room at the time of the falling of the tree and it feel on her bed and went right down to the bedstead. So, thank God, she is alive. Recently, the owner locked some of the RV renters out of the restroom so they had no where to relieve themselves but on the ground or at a service station a mile away.

We are asking you to intervene because our problems are overwhelming us and no one else seems to care or be able to enforce any action. Because of the laxness of the HCD inspector's rules and enforcement of park violations we feel that there may be a problem with his procedures when it comes to this park. Clearly, he knows the rules, if we judge his adherence to them in other parks. Recently, a complaint was filed by several of the homeowners, here, with the state Attorney General's Office. The complaint alleged corruption within the HCD and conspiracy between the owner of the park and the state inspector. Some owners have filed complaints with the Ombusman's Office, and at least three are suing the park owner in Small Claims Court for monetary damages resulting from violations on the part of the owner and of the California State Civil Codes. We need your help. When the owner was contacted regarding the locking of the RV restrooms, she refused to comply with the code and open them to the RVers. The owner knows that these are Civil Code violations, and no one here in the park has the money to take her to court. Something must be done. Please help in what has become an unbearable situation. Thank you.

And, I just have three comments, here. My comments are: there has been a septic problem that we have had for the last six months. It has been repaired and we thank our owner for repairing it. At the moment, there seems to be a septic problem in #4 while the green grass is growing around it. There is a solution here and the solution which was in the past done by all other managers, since I lived here almost 6 years, was to have the big septic tank truck come in once a month and suck the level of septic down and then it also puts a digestor in after that. I feel this is so important because if the predicted El Nino is as bad as they say it could be, there will be nothing but septic in many places, if it rains as hard as they think it might really rain. So, I think that would be a great suggestion to our owner. I hope that she really looks into it. The next to last thing is that I feel that our owner needs to invite our fire department to come in and inspect our whole park. That hasn't been done under her ownership. I have some information here that I

## **ALEXANDRA PATARAKA:**

want to leave with you all, and I want to thank you all very much for your time. Thank you and God bless you. Bye.

<u>SENATOR O'CONNELL</u>: Do you also have a copy of that initial letter? You sent it to a federal representative, and I think it would be more appropriate with the state. I would be happy to look into that for you.

ALEXANDRA PATARAKA: Ok. It is all in here.

<u>SENATOR O'CONNELL</u>: Ok, great. Thanks again. Ok, next we have Ms. Hall. Ms. Hall do you wish to make a brief comment?

CHARLENE HALL: I have some pictures here. I have taken some of them this morning. The film I bought wasn't any good, but I would like for you to see what we are up against. We have problems where the tree limbs are 12" across and hanging over the edge of the mobilehomes and are absolutely rubbing against the roofs of the mobilehomes across the front, and the park says they don't have to take care of them. If you want them taken care of, you pay for it. And, there are dead limbs on some of those trees. And, there's going to be a death, if we have winds and storms like they are claiming we are going to have. Some of those big limbs are going to fall on the bedrooms of those mobilehomes. Now, I have taken those pictures this morning and yesterday. They are still there.

**SENATOR O'CONNELL**: What's the name of your park?

CHARLENE HALL: Rancho Del Arroyo in Oceano. And, another thing - well, there are several things - most of the things have been covered that I want to talk about. We are being harassed. Well, there are quite a few of us who are elderly in there. And, we are being harassed. Every time you start to improve your property, you get a notice from the park management, it comes from the owner, stating that you are in violation of this or that. Like, I got a notice that one of my piers on my awning is loose. It got bent. So, I am in violation there. They are going to send that to the attorney and all this and that. I have my skirtings fixed by a professional and they get knocked in. Next morning, go out, and it's knocked in again. It's about four or five times this has happened. But, these are just slight problems as far as I'm concerned. I get them fixed and they are back again, but that's no problem there, as far as I'm concerned. They can fuss at me all they want. But, what I'm complaining about, this owner has had this park since 1979. He has never had the sewer lines flushed out like they are supposed to be once a year, that's what the Civil Code says. They have never been flushed. They back up into people's mobiles. There have been several mobiles where the sewer has backed up into the bathtub, even. And, I live in space 1, as you come into the park, and that's right where the sewer goes out into the street. Naturally, I get all of the smell, and I have to keep the stoppers in my sinks and in my bathtub and even when I did my washing the other day, I went to take the clothes out of the washer. All I could smell was the sewer. Clean clothes it was suppose to have been, and I could smell the sewer. And, he's never cleaned it. He says he doesn't have to. And, he's never, never had the meters - water meters, gas meters, and electric meters - calibrated or inspected.

## **CHARLENE HALL:**

This is not just only my park, but other parks, too. And then, we have a park across the street from where I live, the sewer is running into the streets and into people's property and the way he does it, he sticks something down in the hole and he puts a tin coffee can over the top of the opening of the sewer and then when it back up, it runs into the street again. Now, these are problems that we have and they are supposed to be inspected, the mobilehomes are supposed to be inspected. Where are the inspectors? The one inspector they say, "Oh, well, he's a friend of the owner of the park. They are drinking buddies, so we don't have to worry about him getting inspected." And then, we have these electric meters. In one other park, my best friend died October 1. I had to call the police to get an ambulance into the mobile to take her out, and Ruben Morales told me that road is supposed to be a fire lane there. They closed it off, but the city won't do anything about it. And, the ambulance had to come in and back out. And, she passed away. Four days later she was dead. Well, we don't want to talk about that. But, anyhow, she was dead. And her son gave me power of attorney to take over her personal things and her mobile, and things. We went in, turned off the electricity and the gas. And, I received a bill - I had it in my purse. I thought I had brought it. I made a copy of it, but I left it on the table when I left. Her gas and electric bills were enormous, and the things were turned off. Twenty-three dollars for an electric bill. Nobody had been in there since in September. And, the gas bill was \$9 and something. How do these things happen?

And, then I get another notice from the lady in her park where the electric meter was burning. actually on fire. And, the park owner said, "You have to repair it. You have to pay for it." Another one where in the park the meter fell on the ground and they told she had to pay for that, and her bill was \$68 and no electricity going through it? That's ridiculous. And, these are the kinds of things that we need something done about. We need these meters taken care of and why do they allow this kind of stuff? We paid for the full inspection. In our park, we had to pay for the full inspection. The park owner did not pay his share of the inspection. We paid it. And, it's right on our bill saying here is the inspection, our inspection and we paid it. It's on our bill. And, we have to pay his taxes and we have to pay his insurance. We have to pay all of these things even with our rent stabilization. And, it's time that we did have some proper inspections. I think it is the best thing in the world if we had inspections of the park and had them done right, not half way. And, it's disgusting and the poor people, an old lady, her husband is 83 and she is 83 and because of this wind and rain, she wanted some ripple stuff put along her driveway so that when she would take him out to take him to the dialysis, she has to go three times a week, they insisted she cannot have it because you have just passed a law in the state Legislature saving you can't put that enclosure on your awning because it's against the law. You just passed the law last month. And, so, we can't have it and we are going to make everybody take it down off their mobilehome. It isn't true. No, it didn't happen, but this is what they threaten these old, 80 and 90 year old people with.

<u>SENATOR O'CONNELL</u>: Ms. Hall, we're starting to run out of time. I am glad you are there. If you will let me know, either give me a call at my office later today or drop me a note with some of the problems in your area. There is no requirement that the park owner, that I'm aware of, needs to flush out some of the sewer systems.

**CHARLENE HALL**: They don't have to flush them?

SENATOR O'CONNELL: Unless there is an imminent health or safety factor to the public...

CHARLENE HALL: Well, that's a health and safety thing.

SENATOR O'CONNELL: We'll work with people and try to get that done. We'll contact County Weights and Measures for you. They'll come out, if I have to drive them out, to look at the meters and make sure they are accurate for you. But, they'll come out. But, if you'll let me know what some of your requests are, either call or just drop me a little note, I'll get them out there for you this month so we can look at it.

<u>CHARLENE HALL</u>: Well, we need something done because it isn't just one park. I've been an associate director of GSMOL.

**BURREL WOODRING**: AB 1226, which will be heard in the Senate on January 7, is going to deal with whose going to be responsible for trees and everything.

**SENATOR O'CONNELL**: Good. Is that the Valerie Brown bill?

**BURREL WOODRING**: No, it's by Assemblyman Granlund.

<u>SENATOR O'CONNELL</u>: Good. Well, you have some relief on the way, legislatively. So, that's good. Burrel's boss is working on that. Great. Thank you for coming, Ms. Hall. I think next we have Sally. Sally, nice to see you.

SALLY MINOR: Senator O'Connell and panel, thank you for being here. I support that we have some sort of inspection. I don't want to be in a park where there is no inspection at all. I live at Willow Creek Estates. We have management, the Star Management Company, and we aren't seeing enough money being spent on our upkeep. My park has been inspected and Ruben was one of them. He was very cordial and he explained what I was being cited for. And, he explained I have wood around mine and I didn't have enough vents. He told me why. I am a member of GSMOL and have been an associate. I do have the books and I got them out. Yes, you are supposed to have them 12 inches apart and he explained to me that I would be receiving the form and he was very cordial. He had a badge. Everything.

What I'm hearing here I don't quite understand. And, I would say to the mobilehome park owner that when you call us senior citizen women old and frail, etc., I don't think you have spoken to Leola lately because she is not by any means frail, and she know all about where we are as mobilehome owners and what they have to comply with. The problem is that we don't have enough bite in the law to make the mobilehome park owners comply and so, in our particular park they wanted to slurry our streets and they were going to charge us \$50 a driveway for us to have it. I thought it was a bargain. I'm tired of living in a so called "other side of the track" mobilehome park. So, I found out from Leola that they can't charge us. Silver City does theirs every two years and her park does theirs every two years. Ours is yet to be done and I've been there nine years.

### **SALLY MINOR:**

Maybe for a mobilehome park, maybe one year...I'm confident that you will re-write these rules. Maybe you should put a bonus plan in for mobilehome park owners who really do care about who we are and what we are about. And that they only have to be inspected once in every 5 years if they are in compliance. And maybe the fellows like she has, and the others, that they are taken to task more often. And a \$500 fine, why not \$5000? We, as owning our mobilehomes, are there sometimes as a captive audience as to what happens. In our park, this minute, today, we have no manager on duty, we have no assistant manager on duty and we can't even get into our own rec hall. We have a problem that is imminent. I haven't been able to talk to Leola about it, but I knew I needed to be here first. So, I'm glad you are here and I know you will be listening to us and, Senator O'Connell, thank you for remaining in the state of California.

SENATOR O'CONNELL: Well, thanks for those kind words. A couple of things, just quickly. The carrot and stick approach is something that Senator Craven is very interested in so that those parks that don't have a good track record are inspected more frequently, more intensely and those parks that do have a good record, less frequently. And, please keep in mind that these inspections, it's the first time in all these parks, these types of comprehensive issues, that's why we asked Mr. Pitts and others earlier if it is possible to save money as we come through for a second round of inspections, that many of these parks that are 30, 40 or 50 years old, had never seen a comprehensive inspection like we've asked HCD and local agencies to do. And, then, I don't recall hearing Mr. Wright mention that people were frail or elderly. I think his point was that many of the letters from HCD were more complicated for many of the residents. That is what I heard him say.

<u>SALLY MINOR</u>: I heard him say it and I don't believe it because I have the letters, and from where I'm sitting we all have a general consensus, and it wasn't intimidating. I think what you are hearing and just because I've been associated with Leola is a lack of information.

<u>SENATOR O'CONNELL</u>: That was his point. Mr. Wright's here to speak for himself, but he's the one that said that these pre-meetings are going to be important.

SALLY MINOR: I will say that he...but I just kinda of chuckled when he said mobile park owner. Our owners aren't...but our biggest problem is the Star company that manages it. They won't put money in our park. The roads look terrible. We don't have the upkeep.

**SENATOR O'CONNELL**: That's why we need the mobilehome inspection program of some type.

<u>SALLY MINOR</u>: So, I'm going home and I'm going to get a camera and take pictures, and I'll give you a set of pictures. Thank you, sir.

**SENATOR O'CONNELL**: Thank you, Sally.

<u>CHARLENE HALL</u>: I've been associate manager and a manager of GSMOL and have been with it since '73, and I've lived in the park where I live right now since 1979. I've never had my

## **CHARLENE HALL:**

driveway fixed. He will not fix it and he says I have to pay for it and everyone else has to pay for it.

<u>SENATOR O'CONNELL</u>: Well, I'm looking forward to your letter, Ms. Hall. And, that's Assemblyman Granlund's bill. You want to write a letter in support of Assemblyman Granlund's bill. Mr. Anderson.

RICHARD ANDERSON: I'm glad that I get to speak to you a little bit today. I just want to make a couple of quick comments I have heard here today. I'm Richard Anderson. I'm president of the La Sage Mobilehome Park Association. If I'd have known when I retired that I would be living in a mobilehome park under the conditions that we live in, I would never have bought a mobilehome. But, we are a little bit different in our park due to the fact that we kept writing Sacramento and the health department and it would go down to Riverside and the man who does not have to drive from Riverside up here. The inspector for this area lives in this area. And, I think we should know that.

SENATOR O'CONNELL: That was represented. They said that.

RICHARD ANDERSON: So, we got to the point where we had to do something about it because every time the inspector came out he would say, "We can't do anything about it." We can't do this and we can't do that. It finally worked out that we sued our park owner and of course it cost her a lot of money, but that's the only way we got the thing resolved. We didn't get anything done working through channels in Sacramento, whatsoever. Also, there is no seal of approval on any of the meters in San Luis Obispo County. And, you have been stating that the Weights and Measures have done this. They have not done this. I have checked with them numerous times. They have not come out. They have not checked the meters. There is no system in San Luis Obispo County of checking these meters. Where I came from in Riverside County in my business, I had a little tiny weight...you know the old fashioned thing you used to weigh bananas and things in, it weighed up to 2 lbs. The Weights and Measures came out every year and put a seal on that stating that that was correctly measured.

SENATOR O'CONNELL: That's something that we'll work on as a result of this hearing.

RICHARD ANDERSON: That's all I have to say.

SENATOR O'CONNELL: Thank you very much for coming. We want to ask - unfortunately, this is all we are going to have time for - Mel Olson and Brent Knowles, George Kyler and Pat Devick, if you have something new or different and would like to take about 90 seconds, please come forward. This will be our last panel. If you have something new or something else that we can try to help with, we need to close down.

GEORGE KYLER: I'm George Kyler. There are quite a few mobilehomes out there and I think one thing we need is better quality on the construction of new ones, especially the roofs and the electrical. We get all the mobilehomes when we pull them out of the park. You go out in the

## **GEORGE KYLER:**

rural area probably one third of the mobilehomes in the counties are in rural areas. And, there is no organization whatsoever. Another thing is that there is no control over it. There has never been any...in the last eight years there has been one mobilehome park built in this county. We don't have much control over it and...

SENATOR O'CONNELL: You are right, but you have some people here who do.

GEORGE KYLER: I understand the inspectors hear all sorts of stuff. I talked to them. And, I guess that is about it.

SENATOR O'CONNELL: Thank you, Mr. Kyler. And, for our record, you are?

PAT DEVICK: My name is Pat Devick and I'm from Hacienda del Pismo, in Pismo Beach. My suggestion to the HCD would be that after they make the original inspection, we had been notified, of course, it's going to take place, and after they have the original inspection, they let us whether we have been in compliance and whether we have come up to the standard that we were supposed to, because we never heard. We were inspected, but we never heard whether we did what we were supposed to do or not. I think it would be nice. I know there are problems with stationery and stamps, but maybe you could let the management of the park know that we had taken care of our little duties that you asked us to do. Another thing that I would like to, maybe, suggest is that somewhere, and I think maybe this was addressed but I'm not sure, that the things that the park owners were not in compliance with could be listed somewhere. I mean I think it's fair that they let the park owners know what our problems are, but I also think it would be nice for the home owners to let them know what the park owners need to do to bring the park up to code. I think that was it.

## SENATOR O'CONNELL: Ok, great. Next.

CHERYL KNOWLES: I'm glad to be here. My name is Cheryl Knowles, and I am a park manager. I am here to support HCD and what they do. Not because I'm friends with any one inspector or anything. I, myself, got a list of violations as well as other park home owners. The thing I would like to see HCD do is actually enforce the violations that they gave everybody. They cited people in the park and then I have a copy of the letter of citations and also they rescinded the violations and said that they were, "deemed technical in nature and is not required to be corrected at this time." And, if they are going to come out and inspect the park and give citations they should enforce them. I had sent various letters regarding decks years in advance before the inspections were coming to our parks. An inspector named Lyle Curry came out and told me that there was nothing wrong with them. And, when you look in the booklet they send out, this booklet, it's an information booklet given to all tenants before the inspection, it states what decks should be in the park. People built decks in my park without permits. And, I have underground utilities. And, if a water leak brakes open, one of the pipes, we have to fix it. Therefore, we have to tear up the deck. And, this is a problem for park owners, so that is what I'd like to address to you today.

# SENATOR O'CONNELL: Great. Thank you. And you are Linda Williams?

LINDA WILLIAMS: I'm Linda Williams and I am an owner of a mobilehome park in Atascadero. And I want to let everybody in the room know I have put \$350,000 in improvements into the park. I have been there two and one half years, and I am a park owner and I have not pulled one cent out of the park for myself yet. So, there are not all bad park owners. I am a reasonable and sensible person and I think everyone in the room has to understand that when prices go up, be it inspections, taxes, weights and measures, whatever, your rents will go up. That is just normal economics with society. I wanted to let you know that I had an HCD inspection approximately one year ago. The pamphlet that was given out, was given out by the park. I thought it was an excellent pamphlet. I thought that it gave the people that wouldn't be available because of work hours, or whatever, it gave them a chance to read the material, reread it, to call the office to ask questions. I don't think anybody was intimidated by it. The inspectors were very, very good. The notices that went out, I feel are very professional. They put down the violation code, which you actually need. They actually tell you how to fix it. Mr. Morales was available to show them what he wanted if they couldn't read. They were extremely good and professional.

I do think that the office, owners and the park residents need to get the notices of everything that is going on. And, the reason for this is that I am not the owner of this park. We are a partnership. These people own their property on my land. So, it is a partnership. It is not a one-person ownership. I am not the demon in this whole thing. It is a dual relationship. It is like any other partnership. You have to give and take and work together. No one should be intimidated. I live in my park. If there is a violation in my park, it affects me, it affects the market value of my home and it affects my neighborhood, so I want to make sure that the park is in compliance and that everything is done to inspections and that everything is kept clean and neat and safe. You know, I want everyone to be safe. I love my neighbors. They are my neighbors. I am not this horrible demon

The one thing I will say about HCD. We did get the violation. The park was in compliance with all the common areas. I have one person that is not in compliance. He actually has to move his mobilehome over three feet because he built too close to the fence, which is going to be a fire violation. I talked to HCD and they are still trying to help me, but if the DA in your area will not prosecute these people to comply with the law, basically HCD has no teeth. So, the one thing I would say to the committee is maybe we can look at some way that HCD would have teeth and not have to depend on local DA people because the DA in San Luis Obispo County apparently does not think that a fire hazard exists or that it is imperative for this unit to be moved, and they would like me to take care of moving the thing over, and I don't care to do that. I did buy the park with a lot of deferred maintenance, with a lot of things done without permits. I have done that, corrected them. Every park has idiosyncrasies. But, basically, I think HCD had done a really, really good job for me. They have taken complaints from my residents. They have come to me and talked to me about it. I think I have gotten one notice about a sewer pipe broken and I fixed it. They have been great. I want to let you know that as it exists right now, I think we need the inspections. We need the help from HCD. I don't like to see costs go up, so if they can really trim their costs, I would appreciate it. That's all I wanted to say.

SENATOR O'CONNELL: Good. Well, Ms. Williams, I think that is appropriate. I want to really thank everybody for coming and my little summary is that this has really been educational. I hope a little bit for you and I know it has been for me and the other people here on the committee, this has been very educational. It has also been a good, integrated meeting so that we had all the key players here - the leadership of the park owners, leadership for the residents, the chief enforcement agency. You were able to hear them, meet them. You can visualize. If you need to contact these people they are all still here. They all have business cards. They all have phone numbers. Maybe not home phone numbers. They are too smart for that, but they will share with you their office numbers.

We raised, I think, the key issues that Senator Craven wants to address, to try to follow up on our inspection program. And, again, we tried to keep this limited to the inspection program. We, also, want to make sure that the policy and the changes are not what we call the worse-case scenario driven. For example, ten years ago - Senator McPherson will remember - we gave school districts the ability to impose developer fees to help build new schools. And, there was one school district - not around here, that was in the Inland Empire - that decided to start collecting this fee on chicken coops and barns, and they met on January 1, the first day you could start collecting. And the last time I checked, chicken coops and barns don't produce kids. But, then, of course, the next day there was a bill introduced in the Legislature to abolish the whole program. So, we want to make sure that we are not worse-case driven but real stories, real numbers and facts, which is very helpful.

And we've helped some groups even access some of that information. I heard a clear majority want to continue some type of inspection program. You want to have a level playing field so that if information is shared with park owners at least serious violations, any serious violation of the parks themselves, should be shared in some manner with the residents. Either everybody should share the information or nobody should share the information and just get the thing fixed. We heard 83% compliance rate with both the residents and the homeowners. We heard, and I saw the HCD people, very appreciative, taking copious notes at the response that these citations should be less threatening and more easy to understand for those of us who are non-lawyers. The frequency of the inspections. Certainly, if we have mobilehome inspection program round two, we ought to look at the stick and carrot approach so that those more serious violators should be inspected more frequently. And less so with the timeliness issue to correct some of the issues as addressed in Senator Craven's measure. And we also heard concern here, locally, with Weights and Measures which I will be contacting this afternoon, in terms of their policies on many of the meters. Let me just ask Senator McPherson if he wishes to make any concluding comments, and Bruce, thank you very much for coming. Senator McPherson came all the way down from Monterey today.

SENATOR McPHERSON: I appreciate the presenters and the directness that they had. They made their points very well. And, believe me, we do appreciate that here. We all sat here for three hours, now, but I do appreciate it. I think it was very well done. There is no question in my mind that everybody wants this inspection process to continue with equality in the application both to the individual resident and to the common areas. We want to find out how thorough should those inspections be in the A, B, C, D list. I think that the fact of communication, like just about everything else in life, if we can get some good communication before the inspection takes

#### **SENATOR McPHERSON:**

place and then maybe have an annual report of some type of what happened last year to see did we accomplish what needed to be done. That's going to be very important. As far as rates go, that's going to be a big issue for us to answer. And, did we have a right base at that \$4 figure years ago? And, is the \$8 that has been proposed, is that necessary? Do we need to go that far? Do we need to go anywhere at all? I don't think we want to go back to making the inspection process a longer period of time. We want to have our parks as good as they can be and as safe as they can be. I just, again, want to thank you for your direct presentations, I appreciate it very much, and it is nice to be here.

SENATOR O'CONNELL: Thanks. Our host city has been great. Councilmember Reiss.

<u>COUNCILMEMBER REISS</u>: I want to thank this committee for holding this hearing here in Pismo Beach. It was educational for me, too. And, to all those in the audience, thank you for being here, and Hal and I are both on the sub-committee for mobilehome parks, so we are reachable. Councilman Halddin?

COUNCILMEMBER HALDDIN: I do feel that what is needed is for the homeowners to know where they can complain about the park owners. There seem to be some people who didn't know what they could do. Also, there was some criticism of the inspectors, and I can tell you as a former city engineer and chief building official that I heard these same kinds of complaints relative to the inspectors of homes and commercial developments. Again, the owners must complain to someone in order to get better, more competent inspections. And, I certainly think that that can happen, but it is only going to happen if the owners take action themselves and write letters. It has been a great meeting and I hope you all enjoyed your stay in Pismo Beach.

SENATOR O'CONNELL: And Assemblyman Granlund sent Burrel. Thank you, Burrel.

<u>BURREL WOODRING</u>: Thank you, Senator O'Connell for allowing me to represent my boss here. I took a lot of notes and will be taking them back to him to help him make his decision on this bill. Thank you.

**SENATOR O'CONNELL:** Very good. Perfect. John.

<u>JOHN TENNYSON</u>: Thank you, Senator. On behalf of Senator Craven, we'll continue to work on this bill with Senator O'Connell and Senator McPherson's assistance and hopefully we can fashion some kind of a program for phase two that will work out better for the residents, as well as the park owners because that's what the program is all about. It is a program to help the mobilehome parks be better living places for the residents. Thank you.

<u>SENATOR O'CONNELL</u>: And, we appreciate the security personnel, Ken & Lucio. Thank you very much. Thank you. We're adjourned.

# SUMMARY AND CONCLUSIONS FOR HEARING II

NOVEMBER 17, 1997

#### **HEARING SUMMARY & CONCLUSION**

In summary, most of the speakers at the November 17 hearing, including park owners, homeowners and Department of Housing and Community Development (HCD) representatives, indicated they would favor continuation of a mobilehome park inspection program.

But, how that program will operate in the future is not a matter of consensus. Some of the major issues which arose at the hearing, which elicited different opinions, included the following:

Fees - the Bane of Our Existence: HCD representatives strongly emphasized that, due to inflation, unanticipated costs and an inadequate fee structure from the start, the program is underfunded. HCD can therefore not support any legislation, including Senate Bill 485, which does not put the inspection program on a "self-supporting basis." HCD representatives indicated that because of the shortfall, 10% of the parks in the state will not have been inspected when the current program sunsets at the end of 1998. HCD is suggesting \$8 per space per year, a doubling of the current fee. Although some mobilehome owners opined that, like death and taxes, a fee increase might be inevitable, most expressed the belief that a doubling of the fees was unnecessary or too much, especially in view of their problems with the program. Several homeowners called for more HCD accountability or even an audit of the program. Park owner representatives likewise were not supportive of fee increases, at least without a detailed account of program revenues and expenditures.

Speak Plainly and Don't Tread on Me: A few disagreed, but both park owner representatives and most homeowners who testified spoke in favor of making the notice of violations easier to understand and less threatening. They contend notices warn of misdemeanor or criminal punishment for failure to correct and that the notices are often legalistic and not always written so lay persons and homeowners can understand what the violation is and how it can be corrected. Rather than being treated in an intimidating "fix it or else" manner, residents would like enforcement agencies to be more "user friendly" in telling them specifically what is wrong, how to fix it and how much the fix may cost.

Noticing Equal Treatment: Most residents object to the enforcement agency mailing the park owner/management copies of their homeowner violations, particularly before the homeowner has been given an opportunity to correct the problem(s). HCD indicated they could save considerable money if they didn't have to mail copies to park owners, but park owners say that since the homes are on their property they have a need to know and a right to receive the copies of homeowner violations. Homeowners claim that some park owners simply use these notices as an excuse to harass them, citing at least one case where a homeowner was evicted on the basis of such a notice by the park owner, even before time had expired for the resident to fix the violation. Homeowners point out that they are not made privy to park owner violations and that both parties should be

treated equally - either homeowners and park owners should receive all notices including notice of park owner violations, or park owners should not receive copies of homeowner violations.

Some Public Relations, Please: Eventhough one speaker felt the inspections should be conducted on a surprise basis, many speakers complained that they received no notice of the inspection of their lot and that inspectors were often accompanied by, and in some cases perceived to be too cozy with, the park manager when some homeowners were "picked on" while others with similar violations (who might be more friendly with the management) were ignored by the inspector. Some testified that the inspectors were cordial and did a good job, while others claimed in their experience the inspectors do only a cursory job, often overlooking both park owner and homeowner violations. Many felt there was no opportunity to ask the inspector questions or obtain suggestions for fixing problems. Several suggested that a pre-conference or orientation for residents and the park management alike, prior to an inspection, would be helpful in solving some problems before the inspection begins. HCD representatives indicated that they are developing a video tape which could be distributed to park owners or homeowner groups to help answer their questions, but because of cost they are lukewarm on the idea of providing live inspectors or HCD personnel to conduct an orientation meeting.

Carrot & Stick: The frequency of inspections was addressed by some. Most believe that there is an inverse relationship between cost of enforcement and the frequency of inspection, but some speakers said 10 years was too long a cycle. Several favored the concept of focusing future inspections where they will do the most good - on older parks or parks with a record of continuing health and safety violations and complaints, while putting parks with a good track record on a complaint inspection basis only, or putting problem parks on a 3 or 5 year inspection cycle, while the better parks could go to a 10 year cycle. HCD representatives raised the question of unequal treatment, however, pointing out that while everyone would be paying an annual fee for inspections, some parks would be inspected more than others during the inspection cycle, with no assurance from HCD that it would make any difference in saving money.

Other Issues which arose included whether local governments should be able to opt to enforce the inspection program, automation and other inspection cost savings, such as whether private contract inspectors could do the job cheaper, the need to provide funds for lower income homeowners who cannot afford to correct violations cited, complaints about park-owner conducted "private" inspections required of homeowners in some parks, the lack of HCD teeth to enforce corrections of some park violations, and specific instances of park sewer, septic and other health and safety problems.

In conclusion, as the result of the November 17th hearing, representatives of homeowners, park owners, HCD, Senator Craven, Senator O'Connell, and legislative staff will be meeting during December and January to see if differences can be worked out on some of the above-mentioned issues in Senate Bill 485. With some parties calling for an audit, however, the fee increase issue will be the most difficult to resolve, and an

audit, in any case, may not be able to be completed in time for the Legislature to act on renewal of the program by August, 1998.

With regard to the fee issue, the Legislature could consider several alternatives:

- Extend program now contingent on subsequent funding: The program could be extended another 7 years, or to a 10 year cycle as proposed by SB 485, with whatever changes or reforms that are agreed to for redesigning the program, at current funding levels, subject to an agreement by the parties to revisit the fee increase issue after an audit or other accounting in 1999 and enactment of a new fee structure for the program in the 1999-2000 session. This would assure continuation of the inspection program and serve as a warning to potential violators that parks and spaces will continue to be inspected and laws enforced, while allowing more time for the fee issue to be resolved;
- 2) Phase it in! The program could be extended another 7 years, or to a 10 year cycle as proposed by SB 485, with whatever changes or reforms that are agreed to for redesigning the program, and with phased-in fee increases a \$2 fee increase starting in 2000 and another \$2 fee increase in 2003, for example, subject to higher or lower adjustments in those fee increases based on subsequent findings or audits. This alternative presumes that a fee increase is inevitable, but by phasing it in does not provide HCD with the full amount they are looking for to run the program;
- Two shots at it: In view of the fact that HCD projects it will not be able to complete inspections in 10% of the parks, mostly in Los Angeles County, by the end of the current inspection cycle (Dec. 31, 1998), whatever changes or reforms that are agreed to for redesigning the inspection program could be enacted in a bill in 1998 which simply extends the current inspection cycle one more year. This would give HCD more time to complete the first cycle inspection of all mobilehome parks at existing funding levels while allowing program changes and reforms to be tested during that one year period. Pending an audit and/or negotiations, another new bill could be introduced in 1999 to extend the program and a new fee structure for a second cycle of how ever many years is deemed appropriate in terms of what the fee will support.

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# APPENDIX

(Related Materials and Information)

# $\underline{FOR}$

# **HEARING II**

NOVEMBER 17, 1997

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# AMENDED IN ASSEMBLY JUNE 24, 1997 AMENDED IN SENATE MAY 23, 1997 AMENDED IN SENATE MARCH 31, 1997

## SENATE BILL

No. 485

## **Introduced by Senator Craven**

February 20, 1997

An act to amend Sections 18400.1, 18424, and 18502 of the Health and Safety Code, relating to mobilehome parks, and making an appropriation therefor.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 485, as amended, Craven. Mobilehome parks: inspections.

(1) Existing law, known as the Mobilehome Parks Act. contains various provisions with respect to the inspection of mobilehomes, including provisions requiring certain local enforcement agencies to enter and inspect all mobilehome parks once every 7 years, as specified, and to submit a report to the Department of Housing and Community Development on the status of the mobilehome park inspection program prior to January 1, 1994. Existing law requires that report to include specified information, including the number of parks and spaces that are scheduled for inspection. Existing law further requires the department to submit a similar report on the inspection program containing the same categories of information, to the Senate Committee on Local Government. the Senate Select Committee on Mobilehomes, and the Assembly Committee on Housing and Community

Development, by January 1, 1995. Existing law provides that these provisions shall remain in effect only until January 1, 1999, unless a later enacted statute, enacted before January 1, 1999, deletes or extends that date.

This bill instead would require the local enforcement agencies to enter and inspect all mobilehome parks once every 10 years, to submit the required report to the Department of Housing and Community Development after completion of the program's first 7-year cycle and prior to January 1, 1999, and would delete the requirement that the report include information about the number of parks and spaces that are scheduled for inspection. The bill would require the department to submit its status report to the Senate Committee on Housing and Land Use, the Senate Select Committee on Mobile and Manufactured Homes, as well as the Assembly Committee on Housing and Community Development, by March 1, 1999, and, correspondingly, would delete the requirement that the department include information about the number of parks and spaces that are scheduled for inspection in its report. The

Existing law provides that mobilehome park owners or operators are responsible for the correction of any violations with regard to the 7-year inspection requirement for which a

notice of violation has been given.

This bill provides that the enforcement agency shall not look to mobilehome park owners or operators to enforce violations by mobilehome owners of the inspection requirement, which, as mentioned above, this bill would increase to 10 years, and that notices of those violations shall not be sent to mobilehome park owners or operators.

Existing law provides that, except in the case of imminent hazards, notices of violations of the inspection requirement shall include a date to cure the violation at the earliest feasible time, and that the notice shall include a description of any penalty provided by law for failure to make timely correction.

This bill provides that violations of the inspection requirement, except in the case of imminent hazards, shall be corrected within 90 calendar days, and that the enforcement agency may extend that time up to an additional 120 days. This bill also prohibits the initial notice of violation of the

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inspection requirement from referencing "misdemeanor" and "punishment." This bill also provides for a preinspection conference or orientation which may be held at the mobilehome park community hall or clubhouse, if any, between the enforcing agency, mobilehome park owners, operators, or management, and resident mobilehome owners.

The bill also would extend the last date these provisions are effective to January 1, 2009, unless a later enacted statute, enacted before January 1, 2009, deletes or extends that date.

(2) The Mobilehome Parks Act sets specified fees relating to annual operating permits with regard to incidental camping areas of mobilehome parks. These fees are paid to the Department of Housing and Community Development and deposited in the continuously appropriated Mobilehome Parks Revolving Fund. A provision of the Mobilehome Parks Act, operative until January 1, 1999, sets an annual fee of \$4 per lot and requires the revenues derived from this fee to be used exclusively for the inspection of mobilehome parks and mobilehomes to determine compliance with the act.

This bill would provide that the provision requiring payment of the annual fee of \$4 per lot would remain operative until January 1, 2009. Because the bill would, by extending the period during which payment of this fee would be required, cause additional fees to be paid into the continuously appropriated Mobilehome Parks Revolving Fund, the bill would make an appropriation.

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Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 18400.1 of the Health and Safety Code is amended to read:

18400.1. (a) The enforcement agency shall enter and inspect all mobilehome parks, as required under this part, at least once every 10 years, to ensure enforcement of this part and the regulations adopted pursuant to this part. Any notices of violation of this part shall be issued pursuant to Chapter 3.5 (commencing with Section 18420).

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(b) In developing its program for inspections, the enforcement agency shall give first priority to inspections of those mobilehome parks which it believes may have

the most serious violations of this part.

(c) Nothing in this part shall be construed to allow the enforcement agency to issue a notice for a violation of existing laws or regulations which were not violations of the laws or regulations at the time the mobilehome park received its original permit to operate or at the time the manufactured home or mobilehome received its original installation permit, unless the enforcement agency determines that a condition of the park, manufactured home, or mobilehome endangers the life, limb, health, or safety of the public or occupants thereof.

(d) In issuing the initial notice of a violation, the enforcement agency shall make reference to the fact that there is a violation of the Mobilehome Parks Act but shall not make reference in the notice to a "misdemeanor" or

19 "punishment." 20

(e) This section shall remain in effect only until January 1, 2009, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1,

2009, deletes or extends that date.

(f) Notwithstanding Section 18420, or subdivision (a), the enforcement agency shall not look to the mobilehome park owner, park operator, or park management to enforce a violation by a mobilehome owner discovered pursuant to this section. Notices of violations shall be served by first-class mail or personal delivery by the enforcement agency to individual mobilehome owners or mobilehome park owners who are responsible for their respective violations, but copies of notices of violations by mobilehome owners discovered pursuant to this section shall not be furnished by the enforcement agency to the mobilehome park owner, operator, or management.

(g) Notwithstanding any other provision of law, with the exception of a violation that constitutes an imminent hazard, defined as an immediate risk to life, health, or safety and requiring immediate correction, in issuing a 40 notice of a violation, the enforcement agency shall

1 provide that the correction of the violation shall be made within 90 calendar days of the postmarked date of the notice. Other than for imminent hazards, the enforcement agency may extend the time for correction

up to 120 days after the initial 90-day period.

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(h) Where practicable, as determined by the enforcement agency, a preinspection conference or orientation shall be conducted by the enforcement agency, 30 to 60 calendar days in advance of the initial 10 inspection, with the park owner or operator, or 11 designated management, and mobilehome owners 12 residing in the park, to explain the inspection process and 13 the responsibilities of the park owner, operator, or 14 management, and the mobilehome owners. Mailed 15 notices may be provided to the mobilehome park 16 manager and to the mobilehome owners' or residents' 17 association, if any, in the park of the conference or 18 orientation meeting. Pursuant to Section 798.51 of the 19 Civil Code, the conference may be held in the 20 mobilehome park community hall or clubhouse, if any. 21 <del>(e)</del>

(i) Any local enforcement agency that relinquishes enforcement authority over to the department shall remit to the department fees collected pursuant to paragraph (2) of subdivision (c) of Section 18502 that have not been expended for purposes of that paragraph.

(j) Each local enforcement agency that has assumed enforcement authority and has collected fees pursuant to paragraph (2) of subdivision (b) of Section 18502, shall provide the department, prior to January 1, 1999, with a status report on its specific inspection program after completion of the program's first seven-year cycle. The 34 report shall include information on the number of parks and spaces in its jurisdiction, the number of parks and 36 spaces that have been inspected, the number and types of notices of violations issued against the parks, the number and types of notices of violations issued against the residents, the number of notices of violations appealed, the amount of fees collected and expended for

the purpose of the inspection program, and any program deviations that exist between the local enforcement agency and the department.

(k) The department shall, prior to March 1, 1999, 5 submit a report to the Senate Committee on Housing and Land Use, the Senate Select Committee on Mobile and Manufactured Homes, and the Assembly Committee on Housing and Community Development on the status of 10 the mobilehome park inspection program completion of the program's first seven-year cycle. The report shall include information on the total number of 13 parks and spaces in the state, the number of parks and spaces that have been inspected, the number of notices of violations issued against the parks, the number of 16 notices of violations issued against the residents and the number of notices of violations appealed, and the amount 18 of fees collected and expended for the purpose of the 19 inspection program. The report shall separate the 20 information according to parks inspected by local enforcement agencies, parks inspected by department, and total program activity. The report shall also include a discussion of any program deviations that exist between the local enforcement agency and the department, obstacles encountered while implementing the program and any recommendations for change to 27 make it operate more efficiently and effectively after 28 January 1, 1999. 29

SEC. 2. Section 18424 of the Health and Safety Code

30 is amended to read:

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18424. This chapter shall remain in effect only until January 1, 2009, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1. 2009, deletes or extends that date.

35 SEC. 3. Section 18502 of the Health and Safety Code, as amended by Section 2 of Chapter 674 of the Statutes of 36

37 1994, is amended to read:

18502. Fees as applicable shall be submitted for 38 permits:

(a) Fees for a permit to conduct any construction 1 subject to this part as determined by the schedule of fees adopted by the department.

(b) Plan checking fees equal to one-half of the construction, plumbing, mechanical, and electrical permit fees, except that the minimum fee shall be ten

dollars (\$10).

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(c) (1) Except for a temporary recreational vehicle park, an annual operating permit fee of twenty-five 10 dollars (\$25) and an additional two dollars (\$2) per lot or 11 two dollars (\$2) per camping party for the maximum number of camping parties to be accommodated at any one time in an incidental camping area.

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(2) Except for a special occupancy park, an additional 15 annual fee of four dollars (\$4) per lot shall be paid to the 16 department or the local enforcement agency, as appropriate, at the time of payment of the annual 18 operating fee. All revenues derived from this fee shall be used exclusively for the inspection of mobilehome parks 20 and mobilehomes to determine compliance with the Mobilehome Parks Act (Part 2.1 (commencing with Section 18200)) and any regulations adopted pursuant to the act.

(3) The Legislature hereby finds and declares that the health and safety of mobilehome park occupants is a matter of public interest and concern and that the fee paid pursuant to paragraph (2) shall be used exclusively 28 for the inspection of mobilehome parks and mobilehomes to ensure that the living conditions of mobilehome park occupants meet the health and safety standards of this part and the regulations adopted pursuant thereto. Therefore, notwithstanding any other provisions of law or local ordinance, rule, regulation, or initiative measure to 34 the contrary, the holder of the permit to operate the mobilehome park shall be entitled to directly charge one-half of the per lot additional annual fee specified herein to each homeowner, as defined in Section 798.9 of 38 the Civil Code. In that event, the holder of the permit to operate the mobilehome park shall be entitled to directly charge each homeowner for one-half of the per lot

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SB 485

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additional annual fee at the next billing for the rent and other charges immediately following the payment of the additional fee to the department or local enforcement 4 agency.

(d) Temporary recreational vehicle park operating permit fee of twenty-five dollars (\$25), with no additional

fee for the lots.

(e) Change in name fee or transfer of ownership or possession fee of ten dollars (\$10).

(f) Duplicate permit fee or amended permit fee of ten

dollars (\$10). 11

(g) This section shall remain in effect only until January 1, 2009, and as of that date is repealed, unless a 13 later enacted statute, which is enacted before January 1, 2009, deletes or extends that date. 15

SEC. 4. Section 18502 of the Health and Safety Code, as amended by Section 3 of Chapter 674 of the Statutes of

1994, is amended to read:

18502. Fees as applicable shall be submitted for 19 20 permits:

(a) Fees for a permit to conduct any construction subject to this part as determined by the schedule of fees

adopted by the department.

(b) Plan checking fees equal to one-half of the construction, plumbing, mechanical, and electrical permit fees, except that the minimum fee shall be ten dollars (\$10).

(c) Except for a temporary recreational vehicle park, an annual operating permit fee of twenty-five dollars (\$25) and an additional two dollars (\$2) per lot or two dollars (\$2) per camping party for the maximum number of camping parties to be accommodated at any one time in an incidental camping area.

(d) Temporary recreational vehicle park operating permit fee of twenty-five dollars (\$25), with no additional

36 fee for the lots.

(e) Change in name fee or transfer of ownership or possession fee of ten dollars (\$10).

(f) Duplicate permit fee or amended permit fee of ten dollars (\$10).

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SB 485

1 (g) This section shall become operative on January 1, 2 2009.

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LEGISLATIVE UNIT 1800 THIRD STREET, Suite 410

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P.O. BOX 952053

# STATE OF CALIFORNIA - BUSINESS, TRANSPORTATION AND HOUSING AGENCY

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT** 

PETE WILSON, GOVERNO

(E)

July 10, 1997

The Honorable William Craven California State Senate State Capitol Sacramento, California 95814

Dear Senator Craven:

The Department of Housing and Community Development must respectfully Oppose your bill, SB 485, which would extend the Mobilehome Park Inspection Program until January 1, 2009, at which time the program would be reevaluated to determine if it should be continued.

This Department is supportive of continuing the inspection program.

Unfortunately, the current \$4 per mobilehome space fee that was established to fund the initial AB 925 inspections does not cover the Department's actual costs.

In 1995-96, the \$4 fee generated approximately \$940,000 in revenue while the Department's actual inspection costs were \$1.5 million. The current year's revenues and expenditures are projected at roughly the same level. Expenses exceed the amount of revenue collected. Therefore, it is not feasible to continue the program without an increase in the per space fee. Information provided to the Department in 1994 by local enforcement agencies also indicates that many local agencies are experiencing the same problem as this Department. Extending the program over a ten-year period does not address this concern.

Since a dialog has not been established regarding important issues pertaining to the continuation of the Mobilehome Park Inspection Program, we would suggest that a meeting take place between all interested parties prior to the bill being heard in the Assembly Housing and Community Development Committee. We, therefore, respectfully request that the bill not be heard in committee until this meeting has taken place and these important issues discussed.

The Honorable William Craven Page Two

If you have any questions regarding our position on this bill, please call me at (916) 445-4775.

Sincerely,

dighard E.

Direc

cc: The Honorable Tom Torlakson, Chair, Assembly Housing and Community Development Committee

Liz West, Consultant, Assembly Housing and Community Development Committee

John Tennyson, Consultant, Senate Select Committee on Mobilehomes Melissa Deiro, Golden State Mobilhome Owners League Dave Hennesey, California Mobilehome Resource and Action Association Tami Miller, Western Mobilehome Park Owners Association California Mobilehome Parkowners Alliance



July 9, 1997

Honorable William Craven California State Senate P.O. Box 942848 Sacramento, CA 94248-0001

RE: SB 485, Relating to the Mobilehome Park Inspection Program

Dear Senator Craven:

On behalf of WMA, the trade association representing manufactured housing communities throughout the state, I wish to inform you of WMA's concerns with SB 485, relating to the mobilehome park inspection program.

WMA has reviewed the June 24th amended version of SB 485 and is concerned with several of its provisions specifically relating to the distribution of violation notices and subsequent enforcement ability to correct such violations.

It is our understanding that SB 485 is a two-year bill. Therefore, WMA fails to see the urgency to hear SB 485 on July 16th in the Assembly Housing Committee. We would respectfully request the affected parties to meet with you and your staff to address these and other concerns prior to hearing the bill in the Assembly Housing Committee.

Please do not hesitate to contact me if you have any questions.

Sincerely,

Tami Miller

Legislative Advocate

cc: Melissa Deiro, The Gualco Group
Paul Deiro, Department of Housin

Paul Deiro, Department of Housing & Community Development John Tennyson, Consultant, Senate Select Committee on Mobilehomes Liz West, Consultant, Assembly Housing Committee

1007 7th Street, Third Floor • Sacramento California 95814 • 916.448.7002 Fax 916.448.7085





Grant H. Kenyon Alan L. Edelstein Shannon K. Micallef

TO:

Members of the Senate Appropriations Committee

FROM:

Grant Kenyon, Alan Edelstein and Shannon Micallef

RE:

SB 485 (CRAVEN) - SUPPORT

DATE:

April 17, 1997

Our client, the California Travel Parks Association (CTPA), an association of RV park and campground owners, supports SB 485 by Senator William Craven, which will be heard in the Senate Committee on Appropriations. SB 485 would extend the Mobilehome Parks Inspection Program sunset date from 1998 to January 1, 2006.

Once every seven years, mobilehome parks in California currently undergo a complete health and safety code inspection under a program which began in 1991 but sunsets at the end of 1998. SB 485 would extend that program until the beginning of 2006. CTPA strongly endorses the state inspection program and supports such an extension of the sunset date.

Park inspections are important to this industry where the homes and the "great outdoors" are intertwined more closely than in traditional housing. Park visitors travel from place to place and travelers should be able to expect the same health and safety conditions no matter where they may be. Tourists and Californians alike depend upon similarity in their utility hookups, sewage treatment, emergency exits, and park density limits. These inspections ensure that these standards are met for the traveling public. For the reasons stated above, CTPA requests your AYE vote on SB 485.

cc: The Honorable William Craven

Maureen Brooks, Consultant, Senate Appropriations Committee

#### SEISMIC SAFETY COMMISSION

1900 K STREET, SUITE 100 SACRAMENTO, CA 95814 (916) 322-4917 (916) 322-9476 FAX SSCbass@aol.com INTERNET



July 7, 1997

The Honorable William A. Craven 3070 State Capitol Sacramento, CA 95814

Dear Senator Craven:

The Seismic Safety Commission is in support of your SB 485, a measure that would extend the mobilehome inspection program until January 1, 2006.

The Commission believes it is critical that these inspections continue because they provide a reasonable level of assurance that mobilehomes are in compliance with the applicable health and safety codes. Prior to the program's inception in 1990, cities and counties received numerous complaints regarding problems such as fire hazards and poor building conditions. Since the program has been in existence, many violations have been detected and remedied.

The one concern that the Commission would like you to consider pertains to the current fee schedule. The current annual fee of four dollars has been insufficient to cover the costs of the inspection program, and has not been increased since the program's inception in 1990. The Commission believes the measure can be improved by adding an amendment requiring a fee increase to cover the costs of the program, which will ensure that more thorough inspections of the mobilehomes will continue.

Thank you for your consideration of this request. Should you have any questions regarding the Commission's position, please do not hesitate to contact me.

Sincerely,

Richard J. McCarthy
Executive Director

cc: Members, Assembly Housing and Community Development Committee Chief consultant, Carrie Cornwell

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## <del>DEP</del>ARTMENT OF FINANCE

OFFICE OF THE DIRECTOR STATE CAPITOL, ROOM 1145 SAC RAMENTO, CA 95814-4998



APR 1 7 1997

Honorable William A. Craven Member of the Senate State Capitol, Room 3070 Sacramento, CA 95814

Dear Schator Craven:

Our office has reviewed SB 485, and on the basis of our attached analysis of available information, we regret that we must oppose your legislation. If you feel that we may have overlooked factors that may be important in evaluating your legislation, please call me at 445-9862 and we will arrange any assistance necessary.

Sincerely,

DIANE M. CUMMINS

Deputy Director

Attachment

March 31, 1997

POSITION: Oppose

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BILL NUMBER: SB 485

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## BILL SUMMARY

This bill would change the Mobilehome Parks Act with respect to mobilehome inspections. Specifically, the bill would: 1) revise reporting requirements, 2) impose a new 7 year inspection cycle for mobilehome parks until January 1, 2006 unless a later enacted statute deletes or extends the date, and 3) maintain the existing \$4 annual inspection fee.

# FISCAL SUMMARY

Existing law sets an annual fee of \$4 per lot for mobilehome inspections and requires the revenues derived from the fee be used exclusively for mobilehome and mobilehome park inspections. This law sunsets on January 1, 1999. This bill proposes to continue the existing fee level until January 1, 2006. Currently, the \$4 fee generates \$940,000 annually. However, HCD expends \$1.5 million annually to accomplish the required 7 year inspection cycle. HCD can no longer absorb the costs not covered by the existing fees. Due to insufficient revenues. HCD is unable to meet the 7 year inspection cycle as required by statute.

## **COMMENTS**

Finance is opposed to SB 485 because it proposes to continue a fiscally insolvent program. We believe the required 7 year inspection program should not be continued unless fees are restructured to make the program self-financing.

|                               | S() (Fiscal Impact by Fiscal Year) |            |    |                        |    |              |         |           |              |
|-------------------------------|------------------------------------|------------|----|------------------------|----|--------------|---------|-----------|--------------|
| Code/Department               | LA                                 |            |    | (Dollars in Thousands) |    |              |         |           | - ,          |
| Agency or Revenue Type        | CO<br>RV                           | PROP<br>98 | FC | 1996-1997              | FC | 1997-1998    | FC      | 1998-1999 | Fund<br>Code |
| 1256/Othr Reg Fee<br>2240/HCD | RV<br>SO                           | No<br>No   |    |                        |    | Fiscal Summa | P<br>ry | \$940<br> | 0245<br>0245 |

| Analyst/Principal<br>(0744) J. Keating        | Date M  | Program Budget Manager<br>Walks I., Clark<br>Walks 2 Clark | Date 4//7/5>  |
|---|---------|--|---|
| Department Deputy Dire                        | ector   | •  | Date /  |
| Governor's Office:                            | By:     | Date:  | Position Noted Position Approved Position Disapproved |
| BILL ANALYSIS<br>BTH:SB485-393.doc 04/17/97 1 | 1:02 AM | \ \  | Form DF-43 (Rev 03/95 Buff)                           |

SENATOR WILLIAM (BILL) CRAVEN
38Th. Senatorial District
State Capitol Room 3070 Sacramento, California 95814
916-445-3814

11/16/97

Subj: MOBILEHOME PARK INSPECTION PROGRAM

This program, as presently implemented, is a total waste of time and money. The program is supposedly targeted at Mobilehome Residents and Mobilehome Parks to force some sort of compliance with a law which no one knows about and which an effort, on the part of Park management, is made not to disclose any part of it to any potential buyer or current owner. Only piece-meal is it disclosed to an owner of an Mobilehome and then it is used as a vague threat against the Mobilehome owner.

I have lived in The Paradise Ranch Mobilehome Park for thirteen years and have still not been made aware that a Law exists which can put my tenancy at risk. Only when the state made its inspection was this made evident.

This law, or whatever it is, is not implemented correctly nor is it disclosed to the fee payer as to what is done with the monies collected for this inspection. Are we to believe that there is not enough money collected, when no inspections are held for almost fourteen years! or twice the stated interval required?

You inform us that the Department of Housing and Community Development wishes to charge a higher fee for this program. The city of Los Angeles just enacted a regulation fee of \$1.00 per tenant for the purpose of inspecting Apartments for the vary reason this law was enacted. I do not believe more than a dollar should be charged for this purpose. Factually speaking the Department should have obtained funding from the general fund before embarking on this program, not from a special tax.

Lastly, I fail to see the requirement for this program when, as I have done, one needs only to call the County or City Health department and they will come out and investigate any complaints a person may have.

In this age of ever increasing cost of Governance we do not need this sort of an incentive to create another black hole for our tax dollars.

Robert R. Smith 36200 Paradise Ranch Road #33 Castaic, Ca. 91384 805-257-4099 25 October 1997

Louise Cherry
Secretary Senate Select Committee
Mobile and Manufactured Homes
State Capital Room 3070
Sacramento, CA 95814

Subject: November 17th Mobilehome Hearing

Pismo Beach

Dear Ms. Cherry:

I am a member of Golden State Mobilehome Owners League (GSMOL) and will be unable to attend the subject meeting. However I want to register my support for the continuation of the Mobilehome Park Inspection Program.

This a vital part of the mobilehome living life style. Because the parks are under the jurisdiction of the Department of Housing and Community Development, as homeowners we have no recourse with local government entities to monitor the condition of the various parks throughout the state of California. Although I have recently moved, the park I was living in was inspected in 1996, and the inspection revealed several faulty electrical connections that were the responsibility of the park owner. If these connections had gone undetected there could have been a disaster. The point here is the inspections are necessary and must be continued.

Please make this letter available to the committee.

Sincerely,

Kenneth G. Nelson

1201 Monument Blvd., #35

Concord, CA 94520

510 689-7870

## LEGAL SERVICES OF NORTHERN CALIFORNIA

MOTHER LODE REGIONAL OFFICE



#### Auburn

190 Reamer Street Auburn, CA 95603 (530) 823-7560 (fax) 823-7601 (800) 660-6107 Grass Valley
714 W. Main Street, Ste. 8

Grass Valley, CA 95945 (530) 274-3554 (fax) 274-0352

November 14, 1997

Hon. William A. Craven, Chair California State Senate Select Committee on Mobile and Manufactured Homes 1020 "N" St., Room 520 Sacramento, CA 95814

Re: November 17, 1997 Hearings

Dear Sen. Craven:

At the request of Clay Harrison, the GSMOL Region 11 representative I am submitting this letter, and will submit additional written information at a later time, with respect to the issue of what changes if any should be made to the Housing and Community Development agency's statutory authority to conduct inspections of individual mobilehomes located within licensed mobilehome park facilities. It is my understanding from the materials that you have sent to me that HCD's authority to conduct inspections is based on a local option program and is paid for by fees charged to licensed mobilehome parks which may be passed on to the residents and tenants of the licensed facility.

The Motherlode Regional Office of Legal Services of Northern California serves qualifying low-income residents of six north eastern California counties. In two of these counties, Placer and Nevada, our office receives specific funding from Area IV Agency on Aging to provide legal assistance to persons over the age of 60 without regard to income eligibility. This means that we serve a large number of low income individuals, many of whom are elderly and disabled, and for whom mobilehome park residency is a primary form of affordable housing, especially for individuals and couples with fixed incomes of \$1000 per month or less.

A few weeks ago our efforts to resolve problems involving a disabled veteran who had been a mobilehome park resident in Nevada County for approximately eight years resulted in a court trial in an eviction matter. Our client was originally cited in September 1996 for several violations of Title 25 by HCD inspectors. Within weeks of the citation, the owner of the mobilehome park served our client with a 60-day notice terminating his tenancy as a resident of the mobilehome park. I should explain that the facility is older, in somewhat poor condition and was acquired by the current owner following a foreclosure sale. The owner had indicated publicly that her intention was to convert the facility to recreational use.

Hon. William Craven November 14, 1997 Page 2

Our client attempted to respond to the September HCD notice, and no further action was taken on the basis of the October 1996 60-day notice. However a second HCD inspection occurred in January 1997 which resulted in two additional citation letters that identified sixteen problems. A reinspection with senior HCD staff was made at the client's request. This resulted in the determination that there were only four citable violation, one of which was entirely technical. The three remaining matters concerned a chimney cap, a leaking hot water heater and rubbish located on the lot where the mobilehome was located. The client was given until May 23, 1997 to resolve these three matters.

Because of weather, an accident and on-going problems with his military service connected disabilities, our client was unable to resolve all three of the matters prior to the reinspection. He did within a month of the late May inspection replace the wood stove and have the chimney cap installed and replace the leaking hot water heater. A service organization providing labor to clean up the exterior of the lot. However HCD staff, although requested to perform another inspection to confirm these actions by our client, chose not to do so. Also, HCD staff never issued our client a final notice of violation or any other form of notice as to the status of the unresolved citations. This fact, primarily, was used by the municipal court judge, in sustaining the landlord's claim for possession of the premises at the unlawful detainer trial. Our client was given the opportunity to remain on the property for an additional 60 day, essentially by a delay in the issuance of a writ of possession, if he agreed to forego his rights to appeal the eviction decision. We were able to reach an agreement that will result in the dismissal of the case if the mobilehome park resident agrees to vacate and surrender the mobilehome to the owner within the 60-day period.

I find this result extremely unfair. Unfortunately the language of Civil Code Sec. 798.5(a) appears to authorize the issuance of a 60-day notice terminating tenancy on the basis of a mobilehome park resident's receipt of a citation from HCD and failure to comply within a "reasonable time." The statute makes no provision for the fact that HCD may not have issued a "Final Notice of Violation" or that HCD may have taken some other action to resolve the citation short of notifying the mobilehome park resident/ tenant that the citation will not be enforced. Currently our office is representing other elderly and disabled mobilehome park residents in other licensed facilities who are at risk of receiving 60 day notices for citations that have either been resolved informally or for which HCD has not apparent plans to enforce through any other means.

I believe that the problems faced by our clients, chiefly as a result of the HCD inspection procedures, could be clarified if HCD were required to provide along with any citation an explanation of the mobilehome owner/tenant's appeal rights and procedures and the opportunity for a mobilehome owner/tenant to provide written notice of his or her opposition to the citation or correction of the cited issues to both HCD and the mobilehome park owner/operator.

While we appreciate the need to bring mobilehome park housing up to a level comparable to that of traditional "in-place or stick" housing, we are also concerned that the only housing that is affordable to many disabled and elderly individuals may be lost when enforcement procedures do

Hon. William Craven November 14, 1997 Page 3

not adequately provide appeal and reinspection notice information. In the case I have discussed, no consideration was given to physical condition of the home owner, a disabled veteran, nor was any consideration given to the fact that while unkempt, there was no indication that the condition of his mobilehome lot posed a health and safety hazard.

We appreciate your consideration of this information and the other materials that we will be submitting for the Select Committee's report.

Respectfully submitted.

LEGAL SERVICES OF NORTHERN CALIFORNIA

DAPHNE L. MACKLIN

Staff Attorney

cc: Clay Harrison
Franklin Dalton
Gary Smith, LSNC
Michael R. Bush, LSNC
W.H. Whitaker, LSNC

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December 1 1997

Senate Select Committee
on
Mobile & Manufactured Homes
State Capitol
Sacramento, CA. 95814
Senator William A. Craven, Chairman

Honorable members of the committee,

Thank you for scheduling the hearing in Pismo Beach, November 17. Special thanks to Senators Jack O'Connell and Bruce McPherson for attending and to John Tennyson for ably filling in for Senator William A. Craven, who could not attend due to illness. Also, I wish to thank Mr. Burrel Woodring for representing the office of Assemblyman Brett Granlund and Mr. Granlund for sending him.

I have been very active in Escondido, San Diego County and around the state in mobilehome resident representation since 1986. I have donated my full time efforts to this group mainly because I was appalled in 1986 and ever since finding out the intimidation and abuse heaped on captive elderly homeowners in these parks by many predatory park owners and management. It is inconceivable that this condition is allowed to go on year after year, at great cost to all taxpayers, by our elected officials.

In 1991, I moved into a resident owned park, where I still reside today. My homeowner fee is now \$85 per month. This pays all park expenses and includes sewer, water & trash. Money "left over" is put into an emergency fund which is now over \$100,000. I tell you this to put into perspective how things could/should be in these parks. My homeowner fee was \$81 when I moved in six years ago. In comparison, most homeowners around the state pay over \$300 monthly rent for the dirt their home sits on and are completely at the mercy of mostly merciless management. Contrary to the notion these type managements are in the minority, I assure you this is the rule & not the exception.

Don't you find it interesting that where you go in the state for committee hearings, local park owners are rarely in attendance? If most park owners are decent people, why don't they get up in front of their residents at hearings and tell the committee how well they get along with residents?

I am including a list of comments, questions & recommendations in answer to material I received at the Pismo Beach Hearing, i.e. "Background Paper", dated November 17,1997, "Selected Issues Addressed at the Hearing", dated November 17, 1997, and the "Transcript & Report of Hearing on THE MOBILEHOME PARK INSPECTION PROGRAM", dated February 18, 1997, held in the state capitol.

(Senate Select Comm. Dec.1, p-2)

#### COMMENTS ON BACKGROUND PAPER

Page 2, par 1&2: Inspections stopped in 1973 & started again in 1990. This program was re-started due to increase in number of complaints, indicates only park owner neglect.

My understanding is that AB 925 was subsequently amended by AB 423, which allowed inspectors to use discretion in not issuing citations where no threat to life or limb existed. This has been abused by some inspectors, as testimony clearly shows by Norma Gray, Donna Matthews, Councilman Terry Johnson & others.

Suggestions: Inspection booklets should be passed out by resident homeowner reps if requested by a Homeowner Association. Homeowner Association Rep to be informed that he/she has the right to accompany inspector if manager does.

> No resident citations should go to park management. Attempts by park management to enforce before required should be punishable by fine of \$500 per space violated, as this action is interference of policing authority.

If a C or D violation is cured by a licensed contractor, the contractor must notify HCD within 30 days, making re-inspection unnecessary. Falsification by contractor shall result in loss of contractor license, fine or both.

page 4 INSPECTOR HARASSMENT, is an obvious result of poor training & Suggestion: Make supervisors accountable for actions of supervision. inspectors. Keep records of complaints of harassment. Discipline inspectors who show a tendency to be rude, intimidating, threatening or who obviously are doing "selective enforcement."

page 3 PROGRAM PROBLEM AREAS. Homeowner's groups were in the forefront of lobbying for inspections because of numerous health & safety problems and code violations. After five years of AB 925 the vast majority of complaints still come from homeowners. This is because AB 925 has never been implemented properly by HCD. Park owners use AB 925 inspections to threaten, harass, intimidate and even evict homeowners; all with no comment from HCD. Park owner strategy is working obviously, as some misled resident leaders are calling for sunsetting the law instead of demanding enforcement of the law.

page 4 PARK OWNER HARASSMENT' Present law clearly states park management has no enforcement authority until the citing authority has exhausted all remedies. THIS MUST BE ENFORCED by fines and/or jail. Park management enforcement attempts are illegally interfering with enforcing agencies as proven in testimony.

page 5 LOCAL vs STATE CONTROL. Local enforcement must enforce per state guidelines: There are few known problems in San Diego County as compared to the rest of the state. Residents and park owners are not harassed by inspectors. Complaints are handled much faster at the local level. San Marcos city contracted outside licensed inspectors a reported savings of 50% and has no ongoing reports of harassment collusion etc.

(Senate Select Comm: Dec. 1, p-3)

#### COMMENTS ON BACKGROUND PAPER

page 5 TOO SLOW TO INSPECT. Much discussion on Northridge earthquake. FEMA hired hundreds of inspectors to assess damage and file claims. Was the state reimbursed for state inspectors used? AB 925 mandated oneinspection every five years. At the end of 1993, HCD should have had 60% inspections complete (20% per yr = 100% in 5 yrs). The earthquake happened in 1994. Why blame the earthquake when HCD was 50% behind before the earthquake. With the two years extension HCD still hasn't met it's quota. Now, funding is their excuse.

#### COMMENTS ON "QUESTIONS", Page 7 of FEBRUARY 18 REPORT

Question 2: I submit the level of inspections is higher & faster, with less resident & management complaints, when performed locally. Harassment is not allowed locally and quickly investigated if/when encountered. HCD is seen as impotent on enforcement by park owners.

Question 1: The Department of HCD can not continue to conduct adequate cyclical inspections, as it does not do it adequately now. It must be brought up to an acceptable standard by present personnel or their replacements.

Question 3: Enforcement Agency must deal directly. The law already calls for this but is unenforced by HCD. Make interference subject to a huge fine first and jail thereafter.

Question 4: HCD should not conduct forums. A local or area resident organization should conduct the forums. If no local or area organization is available, GSMOL should be contracted to provide forum instructors, just as the U.S. Government contracts with AARP to administer many senior programs. GSMOL & park owners could provide local/area volunteers to be trained by HCD. This training would be minimal.

Question 5: Inspection codes must be brought into reality: A stair that is 1/4 inch off should not require steps be replaced. This should be a category C or D & could require brought to code on sale:

Question 6: Older parks should be inspected more and should pay extra for continued violations that are "repeats". Older mobilehomes, like older wooden homes are not susceptible to violations just because of age. When properly cared for they will last as long as standard homes.

Question 7: Over time inspections will become much cheaper. Less & less violations result in faster & faster inspections. HCD leadership should put more managers, supervisors & administrative personnel into the field immediately. As inspections become more & more routine (faster), these managers, supervisors & administrative employees will return to oversight positions and should be more qualified to investigate and eliminate complaints. There should not be levels of inspection. This is ludicrous.

(Senate Select Comm: Dec: 1, p-4)

#### COMMENTS ON "QUESTIONS" Page 7 of FEBRUARY 18 REPORT

Question 8: No person shall ever be evicted for not being able to "afford" to comply. Those who refuse should understand eviction is the final answer. There are agencies, churches etc., who will help people budget. These can be handled on a case by case basis. To even suggest people might be allowed to continue living in an unhealthy & unsafe environment, because of personal finance, is a sign of a kindergarten mentality. This would not be a consideration anywhere but in a third world country.

Everything in Addendum #1 is the initial responsibility of the park owner and HCD.

Park owner abuse is rampant in many areas of the state and has been for years. HCD enforcement is biased throughout this report along with apparent glaring inefficiency and/or incompetence at most levels. A transcript of the Pismo Beach hearing will show more of the same.

It is time for legislators to recognize abuse and incompetence when and where it is encountered. Saying that residents perceive abuse and incompetence in the face of overwhelming evidence is unconscionable.

THE LAW IS NOT AT FAULT! It is not only unenforced by HCD, it is even abused by HCD. Where the law (AB 423) states "an annual fee of \$4 per lot for special occupancy parks which shall be used exclusively for the inspection of mobilehome parks and mobilehomes", HCD clearly uses these funds for other purposes.

Where HCD Policy MP 91-03 clearly states "Under no circumstances is the enforcement agency to put a park owner/operator in the <u>position of evicting</u> a resident who fails to correct cited violations, unless the enforcement agency has <u>exhausted</u> all available administrative and legal recourse against the resident", HCD violates their own policy: Proof of this was presented by GSMOL Region 11 Mgr., Clay Harrison, and others at the Pismo Beach hearing.

Time and time again testimony, both written and oral, is documented which shows HCD and HCD inspectors work in concert with park owners and managers to threaten, intimidate and harass senior & elderly park homeowners.

The "Catch 22" position on page 22 of the transcribed report is a green light to park owners, to not comply. The fact is there are change—of—use laws, which protect homeowners when a park owner closes a park. I understand the courts found several years ago in a Mono County decision, that closing a park "is a change of use" and the residents have relocation protection when it happens: I have never seen a park closed because of not making a profit and I would challenge anyone to show me one.

(Senate Select Comm; Dec. 1, p-5)

On page 13 of the transcribed report, resident Paul Henning reports on HCD memo MP 91-03 "... and if things were handled according to this letter, this was back in 1991 when this letter was published, it would work beautifully." Henning is exactly right. The fact is HCD put out a policy memo, written by it's highest officer and never enforced it. Any other conclusion, in my opinion, would be a cover-up for a department sadly failing in it's mission.

I have tried to offer suggestions which if considered, should go a long way in clearing up the inspection problems:

Unless we investigate HCD to see where the money goes and unless we admit there are serious abuses by park owners and inspectors, we will get nowhere. Of every dollar that goes into Social Security, less than 1% goes for administration. What percent of every dollar we pay HCD for park inspections goes toward actual inspections?

Sincerely,

Gerald Lenhard

955-63 Howard Ave. Escondido, CA. 92029

760-745-3734

President, Escondido Mobilehome Positive Action Committee 1989-1997 Co-Founder & 1st President County Mobilehome Positive Action Committee. Vice-President, Zone "S", GSMOL, 1996-1997.

Board of Directors member, Congress of California Seniors, Present Legislative Key Person, 51st Cong. Dist., AARP, Present

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

Administrative Office 1800 THIRD STREET, Suite 260 P.O. BOX 1407 SACRAMENTO, CA 95812-1407 (916) 445-9471 FAX (916) 327-4712



RECEIVED SEP 2 5 1992

September 18, 1992

City Assumey's Office

Jeffrey R. Epp, Assistant City Attorney City of Escondido 201 North Broadway Escondido, CA 92025-2798

Dear Mr. Epp:

Thank you for your August 21, 1992 letter concerning actions by mobilehome park operators against park residents who are cited by a governmental agency for some violation or ordinance, regulation or statute. Your letter indicates that, in Escondido, these actions range from harassment to eviction park residents.

Mr. Lenhard has correctly portrayed the position of law and our Information Bulletin MP 91-03 on the issue of park operators attempting to enforce governmental requirements. A number of years ago the Mobilehome Parks Act held park operators responsible for all violations within their parks, including violations of government ordinances, regulations and laws either committed or allowed by residents of the park. Enforcement agencies cited only the park operators and depended upon the park operators to enforce the citations against residents. This practice created a great deal of friction between park operators and residents and the Western Mobilehome Association sought legislation to have enforcement agencies cite residents directly for resident violations.

The Mobilehome Parks Act was amended to require enforcement agencies to cite resident violations independently from violations pertaining solely to the park. This policy of separating park operators from responsibility to enforce government ordinances, regulations and laws was reinforced by the Legislature in Chapter 1175 of the 1990 Statutes (AB 925, O'Connell) requiring mobilehome park inspections by enforcement agencies. Section 18420 of the Health and Safety Code, added by AB 925, contains a subdivision (a) prescribing the method of citing park violations and subdivision (b) prescribing the method of citing resident violations.

Both the Mobilehome Parks Act and the Civil Code are silent on any authority of a park operator to enforce citations of residents by a governmental agency for violations of ordinances, regulations and laws. However, Civil Code section 798.56 (a) provides that a park operator may terminate the tenancy of a resident who fails to comply within a

Mr. Jeffrey R. Epp September 18, 1992 Page 2

reasonable time with a notice of noncompliance issued by a governmental agency. Our interpretation of the "reasonable time" provisions of this Civil Code provision is that it is the time allowed by the governmental agency for compliance with their notice of noncompliance.

In response to your specific requests for clarification:

- 1. If a park owner is prohibited from taking direct action against a resident while the City proceedings are underway, we would like to be able to reference some authority in so advising park owners and residents.
- 2. Alternatively, if there is nothing in the law or the information bulletins that prohibits park owners from taking such independent action, we would like to know as much so we can seek the necessary changes.

Other than our Information Bulletin MP 91-03 there is no regulatory or statutory authority to cite that would specifically prohibit a park operator's actions against a resident. There is also no authority in regulations or statute to permit park operator actions against a resident.

We believe that our Information Bulletin, MP 91-03, is a definitive interpretation of law and legislative intent. Please let us know if we can provide additional information or assistance.

Sincerely.

Travis Pitts

Deputy Director

## City of Escondido

CITY ATTORNEY'S OFFICE CIVIC CENTER PLAZA 201 North Broadway, Escondido California 92025-2798 (619) 741-4608 FAX (619) 741-7541



August 21, 1992

John Ellis, Chief Department of Housing and Community Development Division of Codes and Standards P.O. Box 1407 Sacramento, California 95812-1407

Re: Information Bulletin MP 91-03

Dear Mr. Ellis:

On August 12, 1991, you issued Information Bulletin MP 91-03 regarding the responsibility for abating and correcting mobilehome park tenant violations. In that Informational Bulletin, you observed that the enforcement agency is required to provide the mobilehome park owner with a copy of any citations issued to a park resident. You observed that "it is the responsibility of the enforcement agency to exhaust all administrative and legal recourse against a resident who fails to correct violations before looking to the mobilehome park owner . . . for corrective action . . ." You also stated that "under no circumstances is the enforcement agency to put a park owner . . . in a position of evicting a resident who fails to correct cited violations, unless the enforcement agency has exhausted all available administrative and legal recourse against the park resident."

In a meeting with me on August 20, 1992, the president of the Escondido Mobilehome Positive Action Committee, Jerry Lenhard, expressed his belief that the intent of the law and Information Bulletin MP 91-03 was to avoid action by a park owner directly against a resident, until the City had exhausted all available administrative and legal recourse against the park resident.

Mr. Lenhard's concern, and I believe it is a legitimate concern, is that upon receiving the copy of the park resident's citation from the City, the park owner may independently choose to take action. Such action against the resident might range from personal contacts or letters to actual eviction of the resident.

John Ellis

August 21, 1992
Page 2

As a matter of fact, following my meeting with Mr. Lenhard on August 20, Mr. Lenhard contacted Tab Berg of Assemblywoman Tricia Hunter's office. Mr. Berg confirmed that it is the intent of the law to prohibit all harassment or interference from a park owner/manager until the City has exhausted all available administrative and legal recourse against the resident. This prohibition would include independent actions of a park owner/manager. Mr. Berg advised also that when a similar situation arose in his (Mr. Berg's) own area, Phil Vernon of HCD confirmed this view.

Information Bulletin MP 91-03 makes it clear that the City cannot force the park owner to take such actions. But, Information Bulletin MP 91-03 is entirely silent on the subject of a park owners <u>independent</u> action against a park resident. Stated more simply, the resident may be harassed or evicted even though the City does nothing more than give the park owner a copy of the citation, as required by law.

I would appreciate your clarification of this matter:

- 1. If a park owner is prohibited from taking direct action against a resident while the City proceedings are underway, we would like to be able to reference some authority in so advising park owners and residents.
- 2. Alternatively, if there is nothing in the law or the information bulletins that prohibits park owners from taking such independent action, we would like to know as much so we can seek the necessary changes.

In advance, I thank you for your courtesy and cooperation in looking into this matter.

Assistant City Attorney

cc: Senator William Craven
Assemblyman Robert Frazee
Assemblywoman Tricia Hunter
Honorable Mayor and Members of the City Council
Jerry Lenhard, EMPAC
Michael Harrington
Tab Berg

## City of Escondido

CHARLES D. GRIMM Director of Planning & Building CODE ENFORCEMENT DIVISION
CIVIC CENTER PLAZA
201 North Broadway, Escondido
California 92025-2798
(619) 741-4650



August 7, 1992

Jerry Lenhard, President EMPAC 955-63 Howard Avenue Escondido, CA 92029

SUBJECT: H.C.D.INFORMATION BULLETIN MP 91-03

Dear Jerry,

Thank you for your letter of July 23, 1992 regarding the concerns you have with the enforcement agency's responsibility in dealing with resident violations. I agree that park owners and managers have a need to know about this directive from H.C.D. and the changes AB 423 brought about in the Mobilehome Parks Act and procedures regarding resident violations. In the past the enforcement agency could pursue the resident and the park owner simultaneously to abate violations that the residents were responsible for. We have been bringing these changes to the attention of park owners and managers during the pre-inspection meetings we conduct prior to the mandatory maintenance inspections of their parks.

To insure that all park owners and managers are aware of this directive from the State, I have asked Dwayne Frazier to write a cover letter that will be attached to a copy of Information Bulletin MP 91-03 and sent to each park owner and manager. I hope this will clear up any confusion that they may have regarding the enforcement process dealing with resident violations and the enforcement agencies responsibility to exhaust all administrative and legal recourse against the resident prior to looking to the park owner/operator for corrective action. I have enclosed a copy of Information Bulletin MP 91-03 for your records. Please not that all mobilehome park operators were suppose to have received a copy of this from H. C. D. when it was first published.

The Bulletin is clear that the enforcement agency can not put the park owner/manager in the position of evicting a resident, who fails to abate a violation, without first exhausting all administrative and legal recourse available. However, it does not preclude the park owner/manager from enforcing any park rules or rental agreements if they wish. That is a civil matter between the resident and the park owner/manager.

LENHARD LETTER AUGUST 7, 1992 PAGE TWO

To answer your questions regarding the possibility of prosecution under the law, and if the City will prosecute. The law does not hinder prosecution and the City will take enforcement action to include prosecution when the degree of violation and lack of correction dictate it.

Thank you again for your letter Jerry. I know that the residents in the parks rely on you and appreciate your diligence on their behalf. I hope that, between you bringing this to our attention and the letter and copy of MP 91-03 that will be sent the owners and managers, we will clear up any confusion regarding this issue.

Sincerely,

MICHAEL A. HARRINGTON Code Enforcement Manager

**ATTACHMENT** 

cc: Jeff R. Epp, Assistant City Attorney
Martin A. Grover, Deputy City Attorney
Sandra J. Embick, Administrative Analyst

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

**Aministrative Office** J THIRD STREET, Suite 260 P.O. BOX 1407 **SACRAMENTO, CA 95812-1407** (916) 445-9471 FAX (916) 327-4712

COMMUNITY SERVICES

JUL 3 0 1992

RECEIVED

August 12, 1991

INFORMATION BULLETIN MP 91-03

MOBILEHOME PARK - LOCAL ENFORCEMENT TO:

MOBILEHOME PARK - OPERATORS

MOBILEHOME PARK - INTERESTED PARTIES

DIVISION STAFF

SUBJECT: RESPONSIBILITY FOR ABATING AND/OR CORRECTING MOBILEHOME PARK TENANT VIOLATIONS

Following the issuance of Information Bulletin MP 91-02, same subject as above, the Department received numerous inquiries related to the park owner/operator's responsibility for violations attributed to park residents and identified through an inspection by the enforcement agency.

In Information Bulletin MP 91-02 we responded to the questions of enforcement agencies requesting clarification of the ultimate responsibility for correcting violations of the Mobilehome Parks Act (Act) and the regulations implementing the Act. Information Bulletin MP 91-02 correctly states that the ultimate responsibility for correction lies with the mobilehome park owner/operator. However, by not clarifying the due process procedure required of the enforcement agency prior to holding the mobilehome park owner/operator responsible, some enforcement agencies have concluded that they are not required to handle park resident

Violations of either mobilehome park owner/operators or residents are required by the Act to be addressed separately. enforcement agency is required to issue citations to park residents identifying violations which the residents are responsible to correct. Likewise, the enforcement agency is required to provide the mobilehome park owner/operator with a citation for violations that they, as owner/operator, are responsible for correcting, along with a copy of any citations issued to a park resident (registered owner of mobilehome and occupant, if not the registered owner).

At the time a copy of a resident citation is provided to a mobilehome park owner/operator, no responsibility or authority to correct resident violations is conveyed to the mobilehome park owner/operator. It is the responsibility of the enforcement agency



83.

INFORMATION BULLETIN MP 91-03 Page Two August 12, 1991

to exhaust all administrative and legal recourse against a resident who fails to correct violations <u>before</u> looking to the mobilehome park owner/operator for corrective action; only then is the enforcement agency to request action by the park owner/operator to abate the cited violations.

In most instances the only course of action available to a park owner/operator to abate resident violations is through eviction of the resident. Under no circumstances is the enforcement agency to put a park owner/operator in the position of evicting a resident who fails to correct cited violations, unless the enforcement agency has exhausted all available administrative and legal recourse against the park resident.

Any questions concerning this Information Bulletin should be directed to Chris Anderson, Mobilehome Parks Program Manager, (916)

hief

#### CITY OF ESCONDIDO

#### memorandum

September 28, 1992

TO: Councilman Elmer Cameron

Councilman Richard Foster Mobilehome Subcommittee

FROM: JEFFREY R. EPP, Assistant City Attorney

RE: Title 25 Inspections/Information Bulletin MP 91-03

For your information, I provide a copy of a letter which I sent to the Department of Housing and Community Development on August 21, 1992, and their reply to me dated September 18, 1992.

I believe the letter is self-explanatory, in that it confirms a park owner may not take action against a park resident who has received a citation from the City, until the period of time allowed by the City to comply has expired. More specifically, I call your attention to the following excerpt from the letter:

"However Civil Code §798.56(a) provides that a park operator may terminate the tenancy of a resident who fails to comply within a reasonable time with a notice of noncompliance issued by a governmental agency. Our interpretation of the "reasonable time" provisions of this Civil Code provision is that it is the time allowed by the governmental agency for compliance with their notice of noncompliance."

JRE/jls

cc: City Council

'Jerry Lenhard, EMPAC

Michael Harrington, Code Enforcement Manager

attachments

85.

Presentation of Donna Matthews
GSMOL Associate Manager, Region Nine
GSMOL Chapter #1613 President
Mobilehome Owner in Plantation On the Lake Park

MOBILEHOME PARK INSPECTION PROGRAM
Senate Select Hearing
Pismo Beach, California
November 17, 1997

BACKGROUNG PAPER AND THE SELECTED ISSUES ADDRESSED AT HEARING.

I received these copies and the problem areas were listed, but they neglected to add the problem of lack of enforcement by the state enforcement agency (HCD) of Park Owner's cited code violations.

Listed in the transcript report of the Senate Select Committee hearing in Sacramento, February 18,1997, was my testimony covering this problem, pages 18-24, and I presented a note book of documented facts showing that for over ten (10) years the Park Owners have received citations for not having the proper permits (#1014) to fill lots after receiving final grading approval (#1054) and install mobilehomes (MH) in a low profile manor without having proper drainage (#1601 (b) and (c).) There has never been any enforcement to correct these violations.

By law, the Health & Safety Code assures MH owners a healthy, Safe environment which protects our general welfare, after we place our MH investment in a park. (18250) It is HCD's responsibility to see these laws are carried out. (18020 &18400) It is the Park Owners responsibility to see that all code violations are abated. (18401-18404) If the Park Owner does not abate the nuisance, there are penalties and subject to suspension or revocation of his Permit to Operate. (18020.5 & 18700) Or the District Attorney should file a civil action. These laws are very clear but never enforced? WHY? Unfortunately the Park Owners seem to have the finances and political clout to see that code violation citations, they receive, are overlooked.

Park Owners pay \$2.00 a space and each MH owner pays \$2.00 a year for this inspection, we are entitled to a good enforcement program for existing code violations., so that all parks are in compliance with state laws.

An expensive booklet, for park inspections, is not needed. Many MH owners do not read it and others are intimidated by the language. The added expense of having inspectors called back again and again, because of Park Owners not compling with the citations is ridculous. If this is the result of the inspection program you could raise for over and over again and accomplish nothing, except complaints against the program.

Presentation of Donna Matthews Page 2, con't.

If there was a good, fair, impartial inspection and strict enforcement of code violations, the Park Owner would have peace of mind because it would ease his threat of litigation (as was testified at the Sacramento hearing) and the MH owner would appreciate knowing if there was potential danger around his mobilehome.

It is not easy watching your friends suffer, over the years, with acute arthritis and having to undergo serious operations, or having a friend have reoccurring bronchitis which has gone into pneumonia, or almost lose a frien as she stands on her lot an a section cascades down a ravine or because the grading has caused a gas leak which could have exploded. I could go on and on, as I have been traying every way I could to get these code violations corrected.

A Riverside County Health report, dated Jan.1998 listed 43 MH. where water or moister was observed beneath the MH. Nothing was done. Two years later, May 1991, HCD made an inspection and reported 217 MH were installed without the proper permits or graded properly to provide drainage from beneath the MH. Also there were numerous other electrical and sewage code violations. There is no documentation that the proper permits have been obtained or that these code violations have been corrected.

In Sep. 1997 another HCD inspection was completed, which consisted of the HCD inspectors walking aroung the mobilehome and on to the next one. Never checking to see if the 217 Lots with code violations listed on the last inspection report had been corrected. When tenants called the inspectors attention to park grading violation they were told, that is not our jurisidiction. What is an inspection for? The law states that it is HCD's responsibility to enforce all code violation.

#### MY RECOMENDATION:

- If this inspection program is to continue, it should be made effective
- 1. Park Owners should be given a notice of an inspection—managers in turn would alert tenants.
- 2. No expensive booklets, which confuse and intimidate seniors and not read.
- 3. There should be a good, fair, and impartial inspection done by HCD inspectors only, no park employees along.
- 4. MH Owners would receive their code violations.
  - a. If serious and not corrected a notice should be given to the Park Owner.
  - b. If tenant is unable to financially correct the violation, there should be a fund—it is cheaper than having to pay for alternate lodging.
- 5. If there are Park owner health & Safety code violations which are not corrected as per law, there should be no going back and back, or ignoring the lack of correction. Revoket the permit to operate, impose the fines designated by law. Or have the District Attorney start a civil action.
  - If not corrected the tenant has the right to be notified.

87.

Presentation of Donna Matthews Page 3, con't.

California law states, Mobilehome Owners are entitled to a safe and healthy environment which protects their investments. Whether there is an inspection program or not, HCD must enforce these laws. These laws are useless unless there is a good enforcement policy. If the enforcement agency is not enfocing as per the laws the MH owners should have some recourse to protect their health and their investment.

Sincerely,

Donna Matthews

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Donna matthews

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