

CALIFORNIA LEGISLATURE
SENATE SELECT COMMITTEE
ON
MOBILEHOMES

Transcript of Hearing on
IN-PARK MOBILEHOME RESALES

CARLSBAD SAFETY CENTER
CARLSBAD, CALIFORNIA

OCTOBER 19, 1987

CHAIRMAN: SENATOR WILLIAM A. CRAVEN

MEMBERS: SENATOR RALPH C. DILLS
SENATOR JOHN DOOLITTLE
SENATOR DAN McCORQUODALE
SENATOR HENRY MELLO
SENATOR ROBERT PRESLEY

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TRANSCRIPT OF HEARING

ON

IN-PARK MOBILEHOME RESALES

October 19, 1987

CARLSBAD SAFETY CENTER

Carlsbad, California

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SECTION III

BACKGROUND PAPER

WILLIAM A. CRAVEN
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Senate Select Committee on Mobilehomes

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BACKGROUND PAPER IN-PARK MOBILEHOME RESALES HEARING October 19, 1987

Although owners of mobilehomes located in a rental park are homeowners in the sense of having title to and possession of their mobilehomes, they are also tenants in that they rent the land on which their homes are located from the park owner.

As such, mobilehome owners, who are tenants or residents in mobilehome parks, enjoy certain rights and are subject to certain restrictions, by virtue of the Mobilehome Residency Law and the park owner's rules and regulations, in selling their home.

RESALE RIGHTS AND OBLIGATIONS UNDER THE MOBILEHOME RESIDENCY LAW

1. Management Rights

a. Removal from Park: Section 798.73 provides that mobilehomes less than ten feet wide, which fail to meet construction and safety standards of state law, or which - in the reasonable discretion of the management - are in significantly rundown condition - may be required to be removed from the park upon sale to another party.

b. Prior Approval: Under Section 798.74, the park management may require the right of prior approval of a buyer and require that the selling homeowner give notice to management of the sale before close of escrow.

c. Rental Agreement Requirement: Additionally, 798.75 provides that a buyer of a mobilehome, who fails to execute a park rental agreement, shall not have any rights of tenancy. This requires that any escrow agreement contain a provision signed by the purchaser stating that he/she has signed a rental agreement in the park. By signing the agreement, the buyer agrees to abide

by any park rules and regulations, such as restrictions on pets or children, if any.

2. Homeowner Rights

a. Listing: On the homeowner side of the equation, Section 798.71 prevents the management from listing or showing a mobilehome for sale in the park without obtaining the mobilehome owner's written permission.

b. For Sale Sign: The park management under 798.70 cannot prevent the homeowner from placing a sign up to 24 inches wide and 18 inches high on either the window or side of the mobilehome facing the street, stating the mobilehome is for sale and indicating the name, address and telephone number of the owner.

c. Fee: Management cannot charge a homeowner a fee as condition of selling the mobilehome in the park unless management performs a service in connection with the sale, requested by the homeowner in writing, per Section 798.72.

d. Removal from Park: Under Section 798.73 management cannot require removal of a mobilehome from the park upon sale to a third party which is more than 10 feet wide if it meets state health, safety and construction standards of state law and is not deemed to be in significantly rundown condition or disrepair - in the "reasonable discretion" of management (management bearing the burden of proving a rundown condition).

e. Rejection of Buyer: The management, in rejecting a purchaser, must give the selling homeowner written reasons for rejection within 30 days under Section 798.74. For a purchaser who otherwise has the ability to pay the rent and charges, management can only reject him/her if management reasonably determines the purchaser cannot abide by the rules and regulations of the park.

These are the most important code sections governing the rights and obligations of the parties--both the park owner and homeowner-tenant--with regard to the resale of a mobilehome in the park.

MOBILEHOME OWNER COMPLAINTS

Increasingly committee members and other legislators have been receiving letters, calls and inquiries about problems of mobilehome in-park resales. The complaints vary, but in the main concern park managers, who in some cases are alleged to interfere with the ability of the owner to resell his/her mobilehome.

1. Credit Check

One of the most frequent problems brought to the attention of the committee is the concern of mobilehome owners that prospective purchasers are dissuaded by park managers because of extensive information required of them, some of it personal, before approving them as prospective tenants in the park. Sometimes the information required on an application goes beyond a simple credit check to require that a buyer list all assets and liabilities, including personal possessions such as jewelry or silver in some cases, as well as the tenant's mother's maiden name, health history and the like. Such extensive questioning may deter prospective tenants who then back out of the deal. One sample form, the Western Mobilehome Association's "Application for Residency", is attached.

2. Increased Rents and Lease Requirements

Complaints have also focused on increased rents charged prospective buyers when the mobilehome changes hands. This is policy in many mobilehome parks, where, although rents are increased on an annual or biannual basis, they may also be increased at the time of a change of tenancy. A number of mobilehome owners report that prospective buyers are warned by managers that their rents will be increased after they move in, thus discouraging them from buying.

Additionally, where long-term leases have been offered to park tenants, some parks require that new tenants or purchasers of mobilehomes resold in the park sign, not a month-to-month rental agreement, but long-term leases as a prerequisite for tenancy, despite Section 798.18 of the Code, which provides that a homeowner be offered either a rental agreement of 12 months or a lesser period as the homeowner may request. This, too, discourages some would-be buyers.

3. Upgrading Requirements

Many parks require a seller of a mobilehome remaining in the park, by virtue of park rules and regulations, to make any number of improvements on the mobilehome as a condition of being permitted to resell the mobilehome in the park. These may include requirements for painting, re-roofing, re-siding, re-landscaping, or the replacement of various accessories, such as skirting, awnings and patio covers. Of course, this adds to the expense of selling the mobilehome, or the cost to the purchaser of buying the home.

4. Park Manager As Seller's Agent

Even though the Mobilehome Residency Law provides that park owners/managers cannot do so without written authorization, some park tenants claim that a park manager can make it difficult for them to sell their mobilehomes unless they permit the manager to act as their agent in the sale. Of course, there is a fee, sometimes above the 6% charged by other brokers, for the privilege of having the manager act as the agent in the sale of the mobilehome. Since management is in a position to approve or deny buyers, they may also be able to manipulate the sale.

These are some of the problems brought to the attention of the committee, and on which the committee will hear testimony.

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SECTION IV

T R A N S C R I P T

OF

T E S T I M O N Y

SENATE SELECT COMMITTEE ON MOBILEHOMES
TRANSCRIPT OF HEARING ON IN-PARK MOBILEHOME RESALES
CARLSBAD, CALIFORNIA; OCTOBER 19, 1987

SENATOR CRAVEN: Good morning, ladies and gentlemen, and welcome to our second hearing of the Senate Select Committee on Mobilehomes, dealing with in-park mobilehome resales. Today, we want to hear from a number of witnesses about various issues involved with the resale of mobilehomes in mobilehome parks. Up front, if you haven't picked up one, are copies of the background paper for the hearing, as well as the agenda and other miscellaneous material. The background paper outlines the rights and obligations of the parties under the Mobilehome Residency Law; and frames some of the issues on which we heard testimony in Sacramento last July and may discuss this morning.

The committee has received numerous complaints from mobilehome owners, and some from dealers and Real Estate agents as well, concerning problems with park management in the resale of mobilehomes in the park. These complaints have come both directly to the committee, as well as through offices of other legislators and from their constituents. The committee held a hearing in Sacramento this past July where some twenty witnesses, mostly park residents, but also park owners and dealers, testified. Now we want to hear from you as well.

The background paper lists some of the more frequently heard complaints in this area, including extensive questioning, and in

some cases, alleged interrogation by management of prospective buyers; the imposition of the long-term leases on new buyers; inconsistent requirements for upgrading or removal of a mobilehome upon resale in the park; and pressures on homeowners to let park management act as an agent in the sale. These are just some of the problems.

Certainly, we recognize that there are others. Basically, the problem is this: In the normal sale of a home, you have two parties - the buyer and the seller. But in the situation of a home in a mobilehome park, you actually have three parties involved - the buyer, the seller and the park owner or management. This is because the resident of the mobilehome park is both an owner and tenant. He or she owns the mobilehome and is a homeowner in that sense, but is also a tenant, in that he/she rents the land on which the mobilehome sits from the park owner. Hence, the buyer and seller may agree to terms for the sale of the mobilehome, but the park owner or manager may deny the buyer entree into the park, thus squelching the sale. This is where the problems arise.

To resolve these conflicts, we have to figure out how to reach a just and equitable solution for all the parties involved - the buyer, the seller and the park owner. Often, as with many of the problems on which we have heard testimony, the solution revolves around how reasonable the parties want to be. Some

mobilehome owners feel that the park owner or manager should not be able to say who can buy their mobilehome. On the other hand, some park owners or managers feel, in fact, that they should ultimately decide who may buy a mobilehome in the park. What we need, of course, is to move from the extremes to formulate some middle-ground solutions. If sellers and buyers, as well as park managers, can agree to be reasonable, I think most of these problems can be solved.

We have a number of witnesses scheduled to be heard this morning. The issues today involve problems with the resale of mobilehomes in the parks, such as some of the issues which I have mentioned and which are outlined in the background paper. I might say, actually, we don't want to hear about the removal of a trash dumpster, the imposition of speed bumps in the park, or the fact that the management has stopped heating the pool. These are very pertinent issues, but not issues which we are going to discuss today. I would ask, please, that you limit your testimony to five minutes, because we have a lot of people to be heard. If you have a tendency to stray in your testimony, we are going to be forced to try to bring you into the mainstream, and we will warn you accordingly.

When you come forward, please state your name, and who you represent, if an organization other than yourself, and the city from which you come. Speak directly into the microphone as this

hearing is being recorded for later transcription. If you have any conversations that you want to carry on, it may be well to take them outside, because I'll tell you, in the past, we've had problems on the pick up of our transcription. We were getting a lot of exchange of conversations, and they were interfering with the sound of the words. So for that reason, I just ask you to cooperate.

Certainly, we appreciate the fact that you're here, and if we can answer any questions following the hearing for you, we'll be happy to do so. So, with that, let's go to business.

I should introduce to those of you, who do not know him, the gentleman on my left, who is the Consultant for the Senate Select Committee on Mobilehomes. He is, of course, John Tennyson, who is beyond question of a doubt, the most knowledgeable person in this field in the state government.

Next, we will call upon our witness, William Krevoy, at this time. I don't know if I've pronounced that name properly. Have I Bill?

MR. WILLIAM KREVOY: I am William Krevoy, and I'm from Vista, and I manage a park named Corona del Vista. This is my first meeting, and I'm very concerned about sales in a park. I've lived in a park for 15 years. We've managed three, and in all that time, I can honestly say that the parks that I've been associated with, have not raised their rents when there's somebody

who's come into the park. We have only asked residents that are selling their coaches to upgrade their coaches to the extent where a buyer will be interested in them. There have not been outlandish demands on a buyer. I have never been known to coerce, harass or intimidate a buyer or a seller. The park owner that I am associated with now has owned the park for 17 years. We've had people just move in; their rent is not raised; he is on a two-year remaining lease of a ten-year lease. The only requirement that I ask is that anyone selling or buying a home will come into the office and make out a proper application. There are no restrictions on anyone moving into the park. I'm open to any questions. That's about all I'd like to say.

SENATOR CRAVEN: Very well, Bill, I think that's fine. We thank you very much.

MR. KREVOY: Thank you.

SENATOR CRAVEN: Next is Ms. Jane Mowery from Costa Mesa.

MS. JANE MOWERY: Yes. We have been the legal owners of a mobilehome in Woodland Hills Mobile, Woodland Park Mobile Estates in Woodland Hills for some years. It was occupied....

SENATOR CRAVEN: Hold on a minute, Jane.

VOICE: Can't hear her.

SENATOR CRAVEN: You can't hear her?

VOICE: Can't hear her back here.

SENATOR CRAVEN: All right, well, try to speak up a bit, Jane, if you can.

MS. MOWERY: We have been the legal owners of a mobilehome in Woodland Park Mobile Estates in Woodland Hills for a number of years. The coach was occupied by my husband's stepmother, I mean, stepfather, and his wife. We had known both of them for some 40 years and had taken care of them during illnesses. Management had our name on file, and was asked to call if they didn't pay the rent or if anything serious happened to them. But in - his stepfather died several years ago. His wife was hospitalized in March and died subsequently, without anyone calling us. And we learned of her death by virtue of a letter that says, Mrs. Travis hasn't paid her rent this month, including a late fee. No normal billing at all. We learned that this late notice was sent while the manager was on vacation; which certainly indicates that he knew it was going to be late. He had signed the letter, and he was in Tahoe. We came to the office, and couldn't pay because he was gone - and we discovered he was gone. We discovered the coach was chain bolted from the inside, and we peeked in and we could see that there had been ransacking of the coach and the furniture was all removed. We returned after he came back from vacation, on the 16th of April, no, the 14th of April; and took him in the check, said we objected to the late notice, but he insisted we pay it. And with the check still in hand, he

said, "Now I have to tell you that you will have to remove your coach immediately." And we said, "Why?" He said, "It isn't up to code." We said, "What code, what are you talking about? Would you be more specific?" He said, "It isn't up to code! You'll have to remove it. You can't go on the property."

We, of course, proceeded to go over early, cut the bolts, and the utilities were restored, our own utilities. We went home and got some things to begin to clean up. We were in the coach on the 16th and the meter reader came by and apparently reported to the office. The office came out and shut the utilities off again, and he said, "You will have to get out of this property. You can't have the utilities on. You can't go into the coach. Get out of here, or I'll have you arrested." He then called the Malibu Sheriff's office and had the Sheriff come out and try to arrest us. We couldn't figure out what was wrong and neither could the Sheriff. He had to call his Sergeant to apparently calm the owner and Anderson down. And we showed him our rent receipts and our certificate of ownership and so forth, and he said, "I just don't know what the fuss is about. Take our cards, and if you have any problems in court, please call us."

We continued to try to clean up. Every time we left, though, we came back and the utilities were shut off. And he harassed us. And my husband and I were thinking of moving on the property because he has a heart condition; and we wanted to simplify our

lives. We were trying to fix it up, and we were readying our place for sale in Costa Mesa. But this, this went on and on, and he said, "You can't live here. You can't.." And I said, "Well.." My husband was outside one day, and he approached him and said - my husband said good morning - and he said, "Good morning. When are you going to get this mobilehome off this property? It has to go." My husband said, "I don't understand." And he said, "You just have to leave." And a half an hour later, he brought a letter back to the coach, which said that - this is on the 16th. No, this is on the 21st, yes, the 21st. And it said that we would have to put up a \$150 utility deposit by the first of the month. The first of the month came, and we received a billing for the \$150 deposit and \$85 rent increase, which was 24%, and for utilities during the month that no one was supposed to be in the coach. Mrs. Travis had died. We had not occupied it yet and had not come in, yet; and there was a substantial utility bill. We don't know for sure who incurred that bill, or why it was that much. Someone must have lived there, and I can't figure out why he wouldn't know that.

At any rate, he continued to harass us, so my husband started to have pains, which he hadn't had before. We got desperate. We tried then to contract dealers, and offered to sell it for a cash out at a distressed price. Some of the dealers were interested and offered us a price, but they wanted to talk to Anderson. And

the minute they talked to Anderson, they said, "We can't do anything with it. We have someone in the office, someone who said that they would like to occupy it. We could sell it, but we can't bring our clients in and subject them to the kind of thing, that apparently they're going to be subject to in the office." We didn't know what to do. We received then an eviction notice, based on our refusal to pay this \$150 and the increase in rent.

Then, out of the blue, we received a call from a Mr. Kelly, who said he would like to pull it out and move it to Piru, California for farmworker occupants. We were pretty desperate at the time, and we agreed to sell it to Mr. Kelly for \$1,690. We went out to meet Mr. Kelly, and Anderson came to the side window and harassed us again, and said, "I understand you're going to sell this to someone named Pat Kelly. You'll have to pay the full amount of the rent, before he can take over ownership." So, Mr. Kelly said, "I don't want any hassle with him." We went in and we paid that exorbitant amount of rent, and sold the coach to Kelly, who paid for it in cash, coming out all in pocket money. And Mr. Kelly then didn't seem to be interested in it further. He didn't pull the coach off, and I called him several times, and said, "Mr. Kelly, how come you haven't done anything with it?" And he said, "I sold it to a man in Canyon County." Now, Delaquane, who owns the park, I'm told, lives in Canyon County. I don't know. I said, "Could I have the name of the buyer? And

why did you sell it?" He said there was too blank, blank much paper work. And as to who bought it, C. Anderson, that's the park manager. At that point, we stopped payment on the last check because we began to smell something really wrong with the purchase of it. The coach has since, just basically disappeared. No one knows where it went. No one knows who bought it. It was pulled out, we were told, by the neighbors someplace around the late part of June or early July, and we don't - I couldn't find a record of it. Apparently, they don't have to get a permit for each individual moving of a coach, if they move it in 12 foot segments. They get an overall permit, so I find a record that way. No one reported the sale to HCD, other than us. No one reported it to the tax collector's. And it was on the tax collector's bills.

That's basically what happened to us, and except that we went through an awful lot of harassment that I didn't get into detail about - verbal harassment, and the utilities being repeatedly turned off. They used the utilities as a weapon, as a club. Thank you.

SENATOR CRAVEN: Thank you very much. Next, Mrs. Rudell Sweet.

MRS. RUDELL SWEET: I'm Rudell Sweet from 1380 Oak Hill Drive, Escondido, California. My husband and I signed a sales contract, June 1984, with CMC Homes dealer, who is also Caster

Management Corporation, from Escondido Terrace where our mobile-home is located. Rent started August 1984. We moved into the coach, October 5, 1984; but we didn't receive the title on the coach until November of 1986. This is still a mystery to me. I don't know how long it took. We financed our coach for two months, until we sold our home up north, and the loan was paid off, so I don't know what that problem was. The contract clearly stated that the furnace, air conditioner, roof, and all appliances would be checked by a licensed technician. October 20, 1984, the gas and electric company - I lit my furnace and it wouldn't stay on, so I called the gas company. They came out and they turned off the gas because the furnace had a cracked fire box; and my husband has respiratory problems, so I went along with them trying to work with them. And the early part of December, CMC Homes, or Caster Management Corporation, a Judy at the office said, "Burt is in a conference. Could I take a message?" I said, "Yes, you can. I'm going to tell you, if my husband ends up in the hospital, I'm going to blank sue you."

So, anyway, we did get the furnace fixed. This is in December and the harassment really started two weeks after we moved into the coach. HCD was no help to get problems solved until we got a state official and attorney involved. And this took two and a half years because I tried very hard, several times to work the situation out with HCD. I sent them a letter with a \$3.00

check in it, my first attempt. And I waited a month, and I didn't get a response, so I called. They said, "Mrs. Sweet, we didn't receive your letter." I said, that's strange because the \$3.00 check - I mailed the letter on the 3rd of June, and the check was paid on the 10th, so that told me that they did receive my letter. In December of 1986, after the two and a half years, Mr. Caster appeared at my door one morning at 9:00, and he wanted to come in and talk the situation over. He said that he was willing to pay for the drop-in stove and all these little extra things. The icing on the cake was, standing in my kitchen with my husband and I, he said, "What can I do, Mrs. Sweet, to satisfy you?" This hit a nerve. I'm an honest person, and I tried to be honest in all my dealings, and I expect other people to be likewise.

In the first place, we had to force it in writing when we bought our coach, because we were told the move-in rent was going to be a certain amount of money. My lease was supposed to be in the mail. It would be in the mail - it would be in the mail before they left for Florida. And finally three days before we was going to sign the final papers on our coach, I called Burt Caster's agent, who was Rally, at the time, and I said, "Rally, unless I have something in my hand in black and white what my move-in rent is going to be, you can forget about the coach." So this happened to be on a Sunday night, and he said, "Rudy, I'm

sorry. I thought this had already been taken care of." So Burt Caster called me ten minutes later, and knowing him, I can almost visualize when he said, "You know, Mrs. Sweet, I understand you're upset." And I said yes, and I told him the same story. So he said, "I'll send you a mailgram tonight stating your move-in rent." It didn't come, telegram. It didn't come. The next morning, I said to my husband, "You know, honey, we're going to live in Castor Valley the rest of our lives. This is another one of their stories." But when the mail was delivered, we did get a mailgram. So, anyway, we proceeded along with, you know, with our deal.

What I should have done right then was have been wise enough to realize that we were getting into trouble. CM Homes now are, one by one, buying up coaches in Escondido Terrace because of hardships cases when there is a death, or a need for an elderly person to go into the Masonic Home, or whatever. And it looks like that there's several more cases that's going to end up in the position because we do have a large number of elderly people that are going to make it, have to make a change in their living, you know, where they're going to live. Mobilehome people in rental parks are in a monopolistic situation. We are being told, if you don't like it, move! You know, and I know, there's no place to move. There are no mobile, rental mobilehome parks. In the second place, no new park is going to accept our older homes,

which in my opinion, are very nice. I love mobilehome living, and I'm willing to do what I can to assist other people in resolving this problem.

As late as December 1986, when a coach was put up for sale, every three months the buyer had to go to the office and get a sheet of paper stating what the new rent would be to the new buyer. Also on the new application, that we have in our park for residency, they want to know how many cars, how many credit cards, your bank accounts, where they are, their number. And, in my opinion, this is, is not the way that our parks should be run. I have been harassed by management and CM, Castor Management Corporation, you might say from day one because I stood up to him.

And I think that's all I have pertaining to me. I would like to give you this. I also have a letter from Millie Atkinson, who chooses to give a written statement. I have one from Virginia Pierce, that she would like for me to read. But if there's somebody else here that would, you know, like the space, I mean, I'll give this to you.

SENATOR CRAVEN: Very well.

MS. SWEET: I have one here from Helen Hayson, who was told that her rent was going to be so much, and it was something else. I have one here from Barbara Merenda, who management has stopped the sale of her coach. I have one here from Gladys and Newton

Noble, from our park; they are elderly people. They are not maintaining our park. She fell in a depression where the black top was all cracked and that as she went down, she tripped her husband and he fell on top of her. She has a broken hip and is doing quite well, but her husband has Parkinson's disease very bad.

The thing I want to impress here is that our rent is continually going up and the park is continually going down. I would like to present this, and thank you.

SENATOR CRAVEN: Thank you.

MS. SWEET: I also would like to enclose this and any of those where the rent, every three months up to December, goes up.

SENATOR CRAVEN: Barbara Merenda.

MS. BARBARA MERENDA: I pass.

SENATOR CRAVEN: All right. Don Olmstead, Vista, California.

MR. DON OLMSTEAD: Yes, as Associate Director of the Golden State Mobilehome Owners League, I receive considerable requests for assistance from people. I furnished you a complete report in your previous hearings in Sacramento on a lot of these particular issues. There was one I particularly would like to highlight for you, related to the closure of mobilehome parks. As you know, all over the whole state of California now, there are a considerable number of parks that are closing. The state law is not very specific requiring mitigation for the homeowners when this

occurs. Some of the communities now are starting to catch up to speed, to try to develop local regulations that require specific mitigation when a park closes. And so, a considerable amount of the park management firms, and so forth, are developing evasive processes for that mitigation. I can pretty near clue you in when a park is going to close before any official announcement is coming, because I will receive requests for advice and assistance from homeowners when they want to sell, and no one moves into this park without an \$18,000 a year or more income, and many of these particular kind of harassing processes take place. And finally when they reduce their price for a distress sale, then the park management takes it over, buys it at a dime on the dollar, rents it until they get ready to close the home and escape all of their mitigation responsibilities. That is becoming a major problem, and it is probably one of the most heart rendering problems that I run across trying to advise and help people throughout this particular region of the state of California.

I'm sure that we're all aware of this particular problem relating to closure and I would hope that there will be further and more specific legislation coming forward next year that may more specifically address mitigation related to the closure of mobilehome parks, too. That's all I have to say, besides my written testimony. Thank you.

SENATOR CRAVEN: Thank you, Don.

I'd like to interject one thought, that is to welcome my colleague, Bill Bradley - Assemblyman Bill Bradley - to the meeting today. Assemblyman Bradley has been very, very interested in the mobilehome field. He's carried legislation effectively which happily benefit the residents of mobilehome parks, and I am delighted to have him here with us today.

ASSEMBLYMAN BILL BRADLEY: Thank you.

SENATOR CRAVEN: Next, Virginia Pierce.

VOICE: She has a letter.

SENATOR CRAVEN: Also a letter, okay. Millie has a letter, too, right?

VOICE: Yes.

SENATOR CRAVEN: Albert Muller.

VOICE: Can I give this to you?

SENATOR CRAVEN: Sure.

VOICE: All right.

SENATOR CRAVEN: Newton Noble. Also? It's just like a book. Constance Sullivan. Constance... you're here.

MRS. CONSTANCE SULLIVAN: Yes, I'm Connie Sullivan, and I'm from 15 Canyon Crest Lane in Escondido, California. My complaint is that I have presented three full-fledged... Does this raise up? Okay. ...three full-fledged buyers to my park's manager, and he has ruined all of them. The first was a man who even

presented papers to him, showing that he had the money to pay cash for the mobilehome and has adequate resources to pay the monthly rent, even presented his very ample income to this man. And the second buyer, when I was about to introduce him to the park's manager, they met me as I arrived up at the clubhouse, and I said, I started to make the introduction, and the park's manager wife said, "Well, didn't we tell you that if you're going to sell, you have to move it off the property?" Or she says, "You know what," excuse me, she says, "You know what you have to do if you're going to sell."

And so, I went up with a witness, later, as my attorney had suggested and said, "Did you mean that I would have to go off the, move off the property?" And she said, "Yes."

I think I had better backtrack. On the first buyer, when I presented him, they said, "Well, you know what you have to do if, ah, you have to move it off the property if you're going to sell." And I said, "No, I didn't know that." And I said, "Can you do that?" And they said, "Oh, yes, we can do anything we wish."

That's the second time I heard "We can do anything we want to because we're the owners." Originally, when I went up to talk to Glen, a few months before that, he was in the process of tearing down a double-wide mobile, and I said, "Glen, what are you doing?" And he said, "Well," he said, "I'm tearing this down."

And I said, "Why? It's beautiful." And he said, "Well, because," he said, "I'm the manager, and I can do anything I want." And I said, "Well, what is it that you want to do?" And he says, "Well, I want to pull a new one on to it." And I said, "Oh," I said, "well, you wouldn't do that to me, would you?" And he says, "Oh, no," he says, "we're brothers and sisters in the Lord," he says, "I've got you covered." And I said, "Oh," I said, "well, can we pray on that?" And so we joined, we joined hands in prayer, and we prayed that I would find a buyer.

So five days later, I had a buyer.

SENATOR CRAVEN: Be careful of people like that...

(Laughter)

...The next thing, they'll take up a collection.

MRS. SULLIVAN: And, well. As a matter of fact, my attorney, my first attorney, thought that was real cute, too. When I told him, he said, "Well, what are your complaints?" I said, "Well, this man doesn't honor his prayer." And he says, he said, "Well, listen," he says, "I can tell you of 15 rules off the top of my hat that this man has broken - GSMOL laws," he said, "but his prayer life is not one of the things that we can sue him on, Mrs. Sullivan." And I said, "Well, if it weren't for his prayer life, I wouldn't be here." Because I think that, you know, when you pray on something, you ought to honor your prayer. This is pretty serious in my particular book of life.

But to go on, let's get to... So I had three buyers, and the third buyer decided he did not, he kept trying to hack me over, and I'm writing counter offers, and it's taking a lot of my time. He's at my full price and all, but he never got any further than that he could have a final walk-through the day before. And so I stopped negotiations for a few days, tried to open them again, and he said, "No," he said, "because I'm really concerned that if my mother should die," - who he's buying the property for - "that I wouldn't be able to sell it in view of the fact that you're having problems selling it and have to have a lawsuit at this time."

So I've had three buyers turned down. One of my complaints is the many, many things that he said in a deposition to my attorney concerning my personal character. I don't know which ones I particularly want to bring up. I think the cutest one he mentioned was that I sort through people's mail at 3:30 in the morning, and this is really cute. We have drop-through mailboxes. If I know old people, they're like me, they get their mail within the first five minutes it's delivered, and I'm always, most always in bed at nine o'clock - very dull life.

Anyway, on the other hand, though, talking about mail - and speaking about mailboxes - he always manages to put, drop my rental into the mailbox and I think this is against the law to put anything into somebody's mailbox.

He gave me a false eviction notice immediately after my first buyer. I called up, his wife had a smile on her face when she said this, and I called up and asked when she got home from shopping what is this eviction notice about. And she said, "Oh," she said, "nothing," she said, "it's just protection against you, protection for you and your buyer and for us." And I said, "Well, protection like that I don't need. Can you write me a withdrawal?" I said this later, and they said, "Yes." But they never did.

So I'd never been given a lease. This is one of the things that my lawyer brought up, and he says, "Why hasn't she been given a lease?" And he says, "Well," he says, "because I'm not renting to her." I've been there since 1983 paying rent every month, and I have four people in on my case, and he asked, "Well, why haven't you given Dee any lease?" And he says, "Well, I'm not renting to her, either." So Dee and I always laugh as the month's rent's due. You know, what are we doing, we're paying this, this amount again, but he's not renting to us.

Anyway, and the other person that's in the case with us received, oh, \$1500 for her \$17,000 property when it was pulled off. Dee has recently had a buyer move in, pay \$2,000 to have the property upgraded, had not given Dee the money yet because the money was still in escrow. Glen came down after having accepted them with open arms, said, "Have you paid Dee yet? And

they said, "No." He said, "Are you still in escrow?" And he says, "Well, why don't you just hold up on that and wait awhile?" The people had good intention of buying. I met them and spoke with them, and they put \$2,000 in the property, only to decide recently under the circumstances that perhaps they didn't want to buy, because Glen has a way of really discouraging people.

So, I think that is about it. I can't think of anything else offhand. Just, you know, I guess my main complaint is that I'm a captive buyer, I mean, I'm a captive resident in my own home. I wake up in the mornings and I say, "God, you've got to get me out of here. I don't like living here." And so he pulled that answer and we came up with a motorhome, and I'm having a great time as I'm waiting on the case to come to trial.

Thank you.

SENATOR CRAVEN: Thank you very much.

Yes, Mr. Bradley has a question.

MRS. SULLIVAN: Yes.

ASSEMBLYMAN BRADLEY: Was he, that manager, a hired manager, or is he the owner?

MRS. SULLIVAN: He's the owner and manager, Glen DeYoung.

ASSEMBLYMAN BRADLEY: Thank you.

MRS. SULLIVAN: Oh, and another complaint. He doesn't live on the property which is one of the GSMOL laws. He's built a million dollar home in back of the property. I guess; I don't know the price of the home. Erase that.

SENATOR CRAVEN: Okay, next it's Rachel Heller, California Multiple Listing.

MS. RACHEL HELLER: My name is Rachel Heller, and I'm a mobilehome dealer in Fullerton in Orange County. I'm here today to represent the California Multiple Listing, Incorporated, consisting of 82 mobilehome dealerships, 460 licensed salespersons, servicing approximately 1270 mobilehome parks in the counties of Orange, Riverside, San Bernardino and Los Angeles.

I have read the transcript of the hearing in Northern California. The abuses and violations of the law cited in that text are compatible with those in the Southern Area.

In ten years of selling mobilehomes exclusively, I've probably seen it all. And having served on the board of directors of Multiple for years, I've probably heard it all. Not all park owners are bad - a lot of good ones. The gentleman sitting on my right, here, Mr. Norm McAdoo - lived in one of his parks for three and a half years. Fine park owner; gives a good lease; treats his residents right; doesn't ask for security deposits; makes no unnecessary or unfulfilling demands that I ever experienced with him.

There are good park managers. Bill Krevoy, who testified here first today. I've had experience with him when he had a park he was managing in LaHabra. Bill's the kind of guy that if you went in there and offered him a couple hundred dollars to let

you get somebody in that wasn't the right age or something, he'd throw you out of the park, on your ear, right now.

Managers, by and large, though are not shy. I've had, I've long lost count of the number of managers that when I call to tell them I have listed a certain home and I want to verify the space rent to a new buyer and find out if there's any upgrades that need to be done, their first comment is, "My fee is \$500."

In family parks, I've had managers tell me they charge a hundred dollars per leg to approve a child.

SENATOR CRAVEN: Will you say that again, please?

MS. HELLER: In family parks I have had some managers tell me they charge a hundred dollars per leg per child.

SENATOR CRAVEN: Per leg did you say?

MS. HELLER: Per leg. So that's \$200 per child, unless you have a child with an amputation, you know.

SENATOR CRAVEN: That's (indiscernible) anatomical idiocy.

MS. HELLER: I can give you names, Senator Craven.

In some parks more than one interview is required - one prior to acceptance and one after acceptance. Park interviews are done during normal business hours, never done - very few parks - in the evenings or on weekends. So this means that your buyer's got to take off work twice. However, the two interviews don't apply to all sales. It depends on who's selling the home. Now, if the park manager's selling the home, they don't have to do that.

They can come in in the evening, or they can come in on Saturday or Sunday.

I've had many buyers who, after going through a park interview filled with intimidation, invasion of privacy and insults to their integrity, have cancelled. As a result, some of these consumers have been so turned off, they wouldn't consider any mobilehome park, and where the travesty of it all is that this person is now denied home ownership in the State of California because they don't qualify for a site-built home.

The law provides that a park rental agreement be signed prior to close of escrow. And yet many parks, and I would like to say the majority in this instance, won't allow a rental agreement to be signed until after the close of escrow. They have the interview and they give their approval, but the resident may not sign the rental agreement till after close of escrow.

Now that means that we, as dealers, have to explain to the buyer that they must sign this form that goes into escrow stating that they have signed a rental agreement, when in fact they haven't. And we would go into long dissertations, and then the buyer sometimes gets the feeling something shady's going on. I've talked to park owners about this, why they feel so strongly about not signing a rental agreement until after close of escrow. I have had park owners say to me, "If I enter a rental agreement with that person and something happens and the escrow doesn't

close, then they've got a legal, binding document that I have leased them that space." I disagree. The rental has got to be contingent on the successful close of the escrow, but this is the reason given to me by many park owners.

The law provides a park owner post his name and place of contact in the clubhouse, and yet many don't and won't. My feeling is these owners don't know, or maybe don't want to know, what their park managers are doing. I've talked to many dealers that would like to discuss manager activities with the owner, but to no avail. Managers refuse to give the information when asked for it.

Security deposits, which I like to refer to as no-interest working capital, in some parks are in excess of a thousand dollars. There's a family park in Riverside County, the security deposit is \$990 approximately. Almost impossible for a little young couple with a little baby - after they've scrounged everything they could get together for their down payment, their points, their appraisal - to come up with this for a security deposit. So what's happening, the sellers, in order to be able to sell their home, are having to concede to paying these deposits.

Ladies and gentlemen, I could go on for hours. Between the Northern California testimony and testimony here today, anything more I would say would be redundant. I'm here at the request of

the board of directors of California Multiple to have entered into testimony today as California Multiple Listing, Incorporated will give full support to any legislation that will assist control of the abuses and discriminations practiced by some, not all, mobilehome park managers and owners.

Thank you, gentlemen.

SENATOR CRAVEN: Thank you. Next is Silas W. Bass, Jr.

MR. SILAS W. BASS, JR.: On your agenda, that is Silas Bass. I live in Carlsbad, Lonicai Lane, and thank you for listening, Senator and Mr. Tennyson.

I have four different papers I'll give you, Mr. Tennyson, prior to leaving. One of which is a letter, a \$600 letter from my attorney to the owners of the lease of our park, indicating several Civil laws that are being broken. I have another paper here, and this won't take but a couple of moments over all, indicating that in the last seven years, there's been a 65-point-something increase in rent, whereas the CPI was 32-point-something. In a seven-year average, 9.4 % our rents have gone up, where CPI is 4.7. We see a correlation between these, we think it ought to be closer to the CPI.

Our increases, I have the statistics here of quite a few people in the park. And the increases, Senator, on resale up to \$75, and then a couple of months later in January, another rent increase of approximately 10%.

Two points all of this boils down to. Number one, no protection. We, as citizens have no protection. God forbid they, the people ever decide to double our rent. We have no protection, that's point number one.

Point number two is it absolutely hurts at resale. I've put in approximately \$10,000 remodeling and modifications in the last ten years, and I hold little hope for recouping. I'm like everybody else, if I ever sell, I'd like to make a little profit.

This has, the letter to my attorney has been put in the hands of Mark Patina on our city council. He in turn has given it to the city attorney, Mr. Biando, and I am asking for an ordinance to at least have some sort of arbitration, perhaps binding arbitration. We, I would go along with something like that. That's one of our solutions, we'd like to have the state take a very close scrutiny of this, and I think, of course you are, sir.

Any questions? Yes, sir?

ASSEMBLYMAN BRADLEY: The park ownership hasn't changed while you, in the last few...

MR. BASS: No, sir. We're in a unique position, sir, that the park is leased - our owners, so to speak, have a lease that goes into the early two thousands.

SENATOR CRAVEN: Thank you very much.

Ladies and gentlemen, we're going to take a break right now. Come back a little after 11:00 o'clock.

- BREAK IN TESTIMONY AND DISCUSSION -

SENATOR CRAVEN: We'll resume if we may. If I may, would you please take your seats, and we'll get going here again.

Next person on our list is Irene Hyde of J & R Mobilehomes. Is Irene here? (Affirmative answer) All right, Irene.

MS. IRENE HYDE: I'd like to just defer my time over to Rod Wikle.

SENATOR CRAVEN: Say that again.

MRS. HYDE: I would like to defer my time over to Rod Wikle.

SENATOR CRAVEN: All right, very good. Is Mr. Wikle going to do that now?

MR. ROD WIKLE: If you would like.

SENATOR CRAVEN: Fine, you might as well just replace, if you will, state your name, please.

MR. WIKLE: Yes, Senator Craven. My name is Rod Wikle. I am president of Equity Mobilehomes, Incorporated. I've been operating a new and resale mobilehome company in Riverside County and Los Angeles County for the past three and a half years.

SENATOR CRAVEN: Rod, would you spell your last name, please?

MR. WIKLE: Yes. W-I-K-L-E.

SENATOR CRAVEN: Very good. We would never have come up with that.

MR. WIKLE: I understand. I've been called a lot of things, Senator, as I'm sure you have, as well.

SENATOR CRAVEN: Me, too.

MR. WIKLE: My company currently employs 20 salespersons, 2 sales managers, a complete finance and insurance department with 4 employees and a construction company that currently employs 15 permanent employees and 10 piece workers. Our gross sales at retail were in excess of \$10 million in 1986 and will be in excess of \$14 million in 1987, strictly in the mobilehome business in the resale and new business in-park.

It is our business to work in our general marketing areas of Riverside County, San Bernardino County, Orange County and South Los Angeles County. Equity Mobilehomes, Inc. is a member in good standing with the United States Chamber of Commerce, the Chamber of Commerce of the City of Riverside, the City of Morongo Valley, the City of Fontana, Orange County, City of Cerritos, Los Angeles County and the City of San Bernardino. We also belong to all the Better Business Bureaus located in those local municipalities. Industry organizations--Equity Mobilehomes, Incorporated are members of California Multiple Listing Service and California Manufactured Housing Institute.

Carol Wikle, my wife and vice-president of the corporation serves on the board of directors of California Multiple Listing Service. She is also chair for Consumer Awareness Committee for California Manufactured Housing Institute. Personally, I saw her serve on the legislative committee for California Multiple

Listing. I also am on the nominating committee for the new board of directors for California Multiple Listing Service, and I serve as one of five arbitrators for the grievance committee with California Multiple Listing.

Needless to say, we have had a lot of experience in the business over the past three and a half years and are interested in preserving the business for mobilehome park owners, mobilehome park residents and, obviously, our business of selling mobilehomes.

I would like to cover three specific areas that I feel will be the absolute interest of the committee. One, park developers and their managers. Two, specific examples of direct violation of Civil Code dealings with mobilehome residents. And why, number three, why it is difficult for mobilehome dealers really to do anything about these problems. And, finally, just a brief summary to summarize my remarks.

As more and more parks are being purchased by major developers and developers who have gone from, or come of age in, the mobilehome park business by developing successive limited partnerships as a springboard for expansion of mobilehome park ownership, the fact is that the larger developer is easier to deal with because of the consistency in his policies and his immediate manager is normally more responsible in all the parks that we deal in in Southern California. However, there are still a great

number of parks who are owned by absentee owners, by corporations as a sideline, park owners who have developed parks and own parks primarily, obviously for profit and for gain. And it seems that these are the parks that we have the most problems with.

An organization such as WMA is a great organization. They are advised by attorneys and others who have a definite understanding how to operate a mobilehome park at a profit. And obviously this is a good thing because we, the dealers, also have our organizations, and we are advised by our attorneys and others who teach us how to operate at a profit. And this is as it should be in our free enterprise system.

But the problem seems to be the authority of the park over the interpretation of the rules left to the park manager. There is no training for park managers and most, at best, are limited as to the knowledge of the codes which govern mobilehome parks. But managers in over 50% of the parks that we deal in seem to use their position as a weapon. Unreasonable demands for persons applying for occupancy in mobilehome parks for a wide variety of reasons.

I'd like to cite some of those examples if I could for a moment, gentlemen. Example one would be skin color. And I make this very clear and understand that all these have just happened to us within the last three weeks, not the last three years. Skin color is certainly something that we thought was outdated

and gone. But we recently introduced a 39-year-old school teacher into a mobilehome park. The lady was black, and the park manager subsequently told my agent and myself, personally, that her kind of people were unwanted in the park. This circumstance occurred and the way we received the park approval for this individual going into the park is that I was forced to wear a tape recorder under my coat, have a lapel mike and record the park manager telling me this. Having replayed that tape back to the park manager, the park approval was signed, and the person was moved into the mobilehome park and is living there very happily at the moment, and we hope that she will continue to do that.

Another example is that perhaps a person might have too many cars. They might have a dog or cat; they might have fish or parakeets. In one particular park located in Los Angeles County, you can have a parakeet, you may have a tropical fish, you may have one dog or one cat, but you can't have a combination in order to live in a mobilehome park. However...excuse me, Senator?

SENATOR CRAVEN: You can't have a fish and a dog?

MR. WIKLE: No sir. It's against the park rules, and the rules are written down and spelled out in that manner, yes, sir.

It seems rather comical, however, and ludicrous for the fact that a parakeet and tropical fish never leave the home, and therefore would not disturb the developer's property because

those animals are kept inside the property, inside the owner's own home.

Perhaps we could talk to you about a married couple of 28 years who were denied occupancy in a mobilehome park because the woman might get pregnant.

(Audience laughter)

SENATOR CRAVEN: How old was the woman?

MR. WIKLE: The woman was 28 years old, Senator.

SENATOR CRAVEN: Twenty-eight years old?

MR. WIKLE: Yes, sir, correct, 28 years old. She had worked at a job for ten years in one, in one place, she was not pregnant at the time that we introduced her to the park management for occupancy. Her and her husband, for whatever reasons, had no children. We didn't ask them to go to the doctor for any physical check ups to determine why they didn't have children, but that they were turned down for occupancy because the woman might get pregnant.

We placed a 22 year old single woman in a plus 18 park; introduced her to the park for occupancy, and she was - the home she was buying was next door to a 55 year old woman. The younger woman was denied occupancy because she might have wild parties, and have men in her home. However, in checking with her last residency of five years, in an apartment complex in Orange County, it was discovered that she had no record of any of those

things happening during her residency in the apartment that she was moving from, into her, supposedly, purchased mobilehome.

Perhaps the challenge to a prospective tenant might be as simple as the park manager not liking a particular agent that works for a dealer, so that everyone the dealer introduces from that time on into the park would be automatically turned down for tenancy. Perhaps the park manager is given permission to purchase repro or foreclose on mobilehomes in their park and offer them for sale, even though they may or may not be licensed by the Department of Housing. Because a volume dealer like myself purchases foreclosures on an on-going basis before park managers and owners sometimes have an opportunity to purchase them; we bring people for tenancies on those homes that we have purchased out of foreclosure. And we have a very difficult time in getting park approval. Obviously, the owner of the park and/or park manager would know the cost of the home, and what we paid for it. And, obviously, we do sell it for market value.

Probably the worst of all that we experience is a manager, who is licensed by a dealer or a park owner, who has licensed his manager because the park owner himself is a dealer. The park interview becomes very very difficult at best. We find that there seems to be a tremendous conflict of interest when taking a new resident to a mobilehome park for a park interview. Many times, we personally have been denied to go along with our

prospective buyer for that mobilehome to the park interview. And, on many occasions, we find that our buyer has now been switched to another home, either owned by a park owner or by the manager or one that is listed by the manager for sale inside the park.

I like to be just a little bit more specific on a couple of points. Under Civil Code Section 798.31 and 798.32, it states that park managers can only charge for a specific service actually provided. However, more and more today, we are finding that we are paying for park interviews. We assume that park interviews were a requirement of every park and it certainly isn't a service that was provided, but park requires that everyone goes through an interview before they have residency in the park. We are paying, currently, \$50 to \$250 for park interviews at selective parks. We are currently working at a park in Corona, where the manager actually gives us a receipt for \$250. That manager, consequently, has also accepted escrow disbursement checks in the amount of \$250 to subsequently interview someone in the park. Now, obviously, these interviews are done on the weekends and the reason for that \$250 charge is they were taking her off her job during the week. And she doesn't work on weekends, but all park interviews are done on Saturday and Sunday, only, with that particular park manager.

It's further interesting that as vacant spaces become

available in parks throughout southern California, you know that we are in an impacted situation here. You know that there are vacant spaces that do become available from pullout homes: homes that have been moved; military people leaving the area; other people leaving the area or moving their home to private property. And so, consequently, there are a number of vacant spaces that become available. However, homes, mobilehomes, are going up at a very rapid rate. We find as a part of this increased in cost, space acquisition cost being charged to the dealer by the park manager or park owner. This cost ranges from a \$1000 to \$3000. However, five days ago, we were asked to pay \$6000 for a space in a Santa Ana Park. Obviously, we have no choice, but to pass these costs on to the consumer.

The new home located in a vacant space in a park, certainly does increase the revenue of the park and that is in the form of rent; since that was a vacant space, and no rent was being collected on it, as well as upgrading the park because the new home will add value to the park should the owner wish to sell the park or refinance the park at any time. Anytime you put a new home in the park, we are sure, you can assure yourselves that we go to great lengths to put the home there and put it there properly with all the upgrades that are required by the park.

Changing the park rules to fit situations. Three days ago, we have a lady of Hispanic descent who had a dog. The park rules

specifically specified that dogs were allowed under 30 pounds or less. We took the lady to the park interview with her dog, which is normal. The dog was weighed three times, an average weight was determined of 26½ pounds. However, this lady was denied tenancy in that park, and the park which refused tenancy, because the dog measured 20 in - 19 inches at the shoulder. The park man essentially told my agent that the park rules stated 18 inches. In examining the park rules, however, there was no such height requirements on any pet that was to go in that park, only weight requirements.

Obviously, a park must give 30 days if they're going to change a residency law, or the residency rules and regulations, and that is part of our statutes. But it seems to be, and to us, that these rules sometimes are bent and changed to fit different set circumstances.

When we submit a loan to a bank for a mobilehome buyer to one of our lenders, and we do most of our own loan processing, gentlemen, through our offices. We are a full service company. We do most of our loan processing. We find it takes from 24 to 48 hours, normally, for a bank to approve a buyer on a mobilehome in Orange County or Riverside in a purchase price from \$30,000 to \$70,000. And the lender always takes into consideration what the park rent would be so that buyer would be qualified to buy the home.

What's confusing to me, and confusing to my staff as a dealer, is that park approval time at this particular time in Orange County and Los Angeles and in many areas of Riverside, is taking from 8 days to 14 days to arrive at the park's determination on whether or not this individual is qualified to live there according to their data analysis. The parks are running TRW's. They have the right to check out tenants to be sure that they're going to be able to pay their rent. However, it's confusing that if a bank can do it in 48 hours; why it's taking 8 to 14 days for a park to accomplish the same task, when we as dealers provide them with all the necessary items they would need to credit approve that purchaser for that home and enable them to be sure that the space rent can be paid.

In the interest of time, I will not continue with horror stories, that I could take the entire afternoon after three and a half years in this business. Telling you the horror stories that continue to go on and on and on. We are facing these kind of flagrant violations on a daily basis. And I mean a daily basis, because we are a volume dealer. The flagrant violations of the code and residency laws concerning mobilehome tenancy or prospective tenancy. Why don't we as dealers really do something? Well, gentlemen, similar to the park owners, we are in business to make a profit. Our interests are best served in laying low and paying the money; because once blackballed in a park, that

park is forever lost from our market ability of the product that we're marketing and promoting, and that is mobilehome life style.

To give you an example, I decided to create waves one time with a park in Corona. Essentially, the manager left his home, after I called him on the phone, and was very rude and very abrupt, and made sure he was aware of a code he was violating; he went out into the park into the ten listings we had in that park, he went to every resident in the park, told them to take Equity's sign from the window, that Equity Mobilehomes was no longer allowed to sell mobilehomes in his park. Not the owner of the park, but rather the park manager. Gentlemen, this is a direct violation of interference with fair trade. What did we do? We went back, made amends, and we are selling in that park today. What do we do about these problems?

SENATOR CRAVEN: What was the nature of your making amends?

MR. WIKLE: The amends we made in that situation, Senator, were simply going out and talking to the park manager, apologizing for my actions, my attitude and agreeing that he should receive a \$100 fee for every park interview he did.

SENATOR CRAVEN: I understand what you say and I understand also what you've done. But don't you think what you have done has only a tendency to perpetuate that which you seemingly avoid?

MR. WIKLE: Yes, Senator, I agree it does and I am openly in agreement with that. However, may I ask you a question sir?

When you have a market area of 1200 mobilehome parks and you have 600 parks that continue to do these type of activities, and you're not, cannot sell in those other parks. But yet you see the beautiful part of mobilehome living is living in an area that is closer to work where the homes would be affordable. I can place a person in a Long Beach park next to the Long Beach area where there's a lot of industrial workers, or I can move that person to Riverside County. In Long Beach is where they want to live. So it's not just a decision of a buyer that he makes on a property, it's also a decision of the area.

If I, subsequently, do not take care of my responsibilities to that park owner and/or that park manager, I cannot provide the full service that I need to provide in order to perpetuate the profit in my business and that is, selling homes. Consequently, we are forced on many occasions into the position that we perpetuate this and it's time that it stops. Whether it takes legislation, or whether it takes going on and providing more investigators to take care of the problem of the Department of Housing level, or whether those challenges are, we need to do something about it.

Yes, we have to perpetuate it because we have to stay in business. Senator, I have a large investment in my business. I cannot afford to cut off half of my market, because I am fighting a cause. It does not help the buyer and the buyer, normally,

never even knows that this transpires. We handle it internally withinside the company. We don't present this to the buyer. The reason why we don't is because we don't want the buyer thinking that "Oh, now I'm going to live here, now this manager is going to charge me to clean up my yard, or he's going to charge me to do this, or he's going to charge me to do that."

In the beginnings of our business, we did inform the buyer, disclose the fact that these things went on. We, subsequently, have stopped that. And, obviously, once that person is in that park, we have not really had a lot of complaints from our purchasers about the activities of managers, because we're really not living there. These are things that take place at the point of sale, before tenancy is granted. These are things that we're being asked to do before tenancy is granted. Yes, the park can be beautified. The landscaping can be done. The park owner has a right to write his own rules. We don't want to write his rules. We want to know what they are. We want to know what they are, specifically, so that they cannot be altered at the time we take a prospective tenant in.

Let me give you an example if I can for just one moment. Let's put you, Senator, in a position of purchasing a mobilehome. You are perhaps a first time buyer? Because there's no affordable housing left in southern California, and let's be real, for first time buyers. Perhaps you're a retirement age buyer, who

has sold your home, their home, and taking the money to purchase a mobilehome in a park to enjoy a better life style, rather than maintaining a large property. Let's say that you realize that this is what you want to do. You, as a mobilehome buyer, want to live in a mobilehome. You have made that decision. You probably already made the decision about the general area that you would like to live in. When you come into my office, we interview you, we take you out and show you properties that fit your needs, your wants and your goals that you wish to accomplish. Would it not be logical to say to you, "Well, Senator, you cannot live in this home unless you're willing to pay these extra fees in order to attain residency." You might even question yourself whether or not you wish to live in that mobilehome park, or question your decision. It's not good business practice, Senator.

SENATOR CRAVEN: You mentioned the rules and regulations and the ability of the park to establish their own. Do you agree with that?

MR. WIKLE: We agree with that 100%. We think all park owners should have rules and regulations.

SENATOR CRAVEN: Do any of the rules and regulations with which you have become familiar indicate that a manager will be paid for an interview?

MR. WIKLE: Inside the park rules and regulations? No sir, there's nothing stated in the rules and regulations about that.

SENATOR CRAVEN: Let me just tell you something. This comes to mind. John, is the attorney. Many years ago, I was in the broadcasting business. And there was a time when people who were record producers...

MR. WIKLE: Payola. Yes.

SENATOR CRAVEN: All right, they called that "payola".

MR. WIKLE: Yes sir.

SENATOR CRAVEN: That was a criminal offense - so judged. Is this basically the same thing?

MR. WIKLE: Senator. I don't see any difference. Truly I don't see any difference. I approached - as a matter of fact my investigator was Department of Housing, with these ongoing problems. My investigator said what we need to do is get 10 or 15 dealers together and come and approach them about this problem.

SENATOR CRAVEN: Well, I think ...

MR. WIKLE: Our difficulty there, Senator, is again something else. Our problem there is that, like in the mobilehome park situation, the dealer situation, every business situation, we may find 10 dealers who are willing to go together to take the risk of being blackballed in a mobilehome park, from selling mobilehomes there, because of the exorbitant costs that are going on and charges that are going on. That may be possible. However, the reality of the situation I believe is, is that another dealer will come behind us and say, "Well those guys over there

are trying to nail you. I want to work with you, so I'll pay whatever fees you to acquire your spaces and to get my people approved in your park." So there's a direct division going on, not only within the confines of mobilehome parks, but also within the confines of loan associations with the dealers.

SENATOR CRAVEN: I see, well, can you kind of wrap up...

MR. WIKLE: I'm done, Senator, if you'd like to ask me other questions, I'd be happy to answer.

SENATOR CRAVEN: No, I wanted to just mention those couple of things. Bill, do you have anything?

Assemblyman Bradley: Seems like we need some house cleaning.

SENATOR CRAVEN: Yes. You've touched on some very very interesting subjects and things which I think deserve a great deal of looking into.

MR. WIKLE: Senator, I'm not advocating necessarily that we need legislation. But we have the laws and the residency law on the books to circumvent these challenges. What I'm saying is perhaps what we need to do, in my opinion, is beef up our investigative procedures by making more investigators available to handle these problems. And then make sure then, obviously, that the backlash to the individual broker or dealer, will not affect his business for the future. And that is the big challenge. That's why I've not sited any park names here today, nor do I intend to. But only to make you aware of the general situation.

SENATOR CRAVEN: Fine. John?

MR. TENNYSON: I just would like to comment concerning what you just said. Concerning your competitors and what have you. That's one of the reasons or one of the problems, even if you have a law that prohibits collection of a fee for an interview, is to find somebody who will come forward to testify to that effect. You have dealers or others who fear for various reasons that there's going to be a backlash. Then one of the important problems that perhaps the Department of Housing or whomever, the District Attorney, have is that they may not have anyone willing to come forward to testify or provide witness to the effect that this is happening. Without that, you don't have a case.

MR. WIKLE: I understand, Mr. Tennyson. I might also just make one more comment. We are, have worked with one of the major mobilehome park owners in the nation, Clayton, Lands and Sherwood. And we work with them on a consulting basis in their mobilehome parks throughout the country. They own somewhere about a billion dollars worth of property in all mobilehome parks. They're the largest in the nation. They don't have these problems. The reason they don't these problems is because they take care of the problem before it even begins. Their managers do the job that they intended to do. And as I said earlier, we find the larger the corporation is, the less the problem, and the more consistent it is when we are going for park interview and

taking prospective buyers into a park. It seems that the smaller people, or the absentee owners, who really don't know what their park managers are doing, who really have no idea what's going on in their parks, is where the major problems exist. And I thank you very much for listening to me today. Thank you, Senator.

SENATOR CRAVEN: Very well. Thank you. Jimmy Hyde, I presume is not going to testify.

MR. JIMMY HYDE: I have a brief speech.

SENATOR CRAVEN: Oh, all right, I'm sorry.

MR. HYDE: Actually, I'll be very brief. My name is Jim Hyde. I'm with J and R Mobilehome Sales of Huntington Beach. And I think that between Rod and Rachel Heller and Rod Wikle, they pretty well covered all this. I've been selling mobilehomes for about six years, and there are park managers that want to be paid for park interviews and all these abuses that they have mentioned do go on. And I just want you to be aware of that.

SENATOR CRAVEN: Thank you very much. Next is John Thorndyke.

MR. JOHN THORNDYKE: Good morning, Senator. I'm John Thorndyke and that's Mr. Tennyson there, I guess.

SENATOR CRAVEN: Yes, Mr. Tennyson.

MR. THORNDYKE: He's been very helpful to me when - I'm here without any bones to pick, because I'm already thrown out of my mobilehome.

WOMAN: Yea! (Inaudible).

MR. THORNDYKE: Hello, Clo, I haven't seen you in a while. I used to be the, the Mobilehome Association secretary for the Oceanside Mobilehome Owners. And at that time, I had a single wide in a double wide area, Senator. There was only one other single wide in that area. And early on when I bought in there, it was a Title 25 place, by the way. I had an 84 year old tenant living in this place, and I bought the place and I wound up with this man still living in there. And I didn't know what to do. So I just let him live there trying to figure out where and when he would get himself relocated. And finally he went to the hospital and he, he went to Tri-City Hospital and he died.

Now, I didn't know that was a Title 25 place that I bought. And I don't anything about Title 25. All I know, I had bought a mobilehome in Oceanside prior to that and I - it could have been Title 25 for all I would know, I wouldn't know. I went down and I paid my taxes of four hundred and some odd dollars on a single. It was a very inexpensive one, paid cash for it, and I paid my taxes. There was kind of, you know, where do you pay your taxes? Well, I went and paid the high price taxes. And since then, I've learned that there is, there are two places you can be registered with.

Anyhow, when I tried to sell my home, I didn't know about the conflict and why the conflict existed until just this last

testimony which was very enlightening to me. And now I know the conflict that a person has trying to sell their home with their management in just going the normal channels. They don't know what's going on. I didn't know that, for instance, that I'm in competition with the guy that finally buys my lot space for maybe \$6000 to get his double wide in there, and on top of that pays the management maybe \$500. I mean, how can I compete with that? You see? I can't compete with that. I'm a single individual.

Now, I'll tell you what, what, - this is a testimony which I will give you gentlemen, Mr. Tennyson, from Loraine Cave of Great Western Real Estate at the time I tried to sell my home. These are her minutes. And she said, "Mr. Thorndyke requested my assistance, 7/30/86. She spoke to Carol at Rancho San Luis Rey Mobilehome Park, which is the place where Mr. Thorndyke's residence was at Space 399, in person. Carol stated Mr. Thorndyke was behind in his rent for several months, and showed me statements to that effect. I stated that Mr. Thorndyke requested my assistance in order to pay his back rent and other fee from the proceeds. 8/11/86, "I contacted", she's talking, "I contacted Mr. Thorndyke to come in and to sign an affidavit of escrow instructions, to agree to pay all attorney fees, judgements and back rent due park. Mr. Thorndyke agreed and signed this instruction to the escrow company and also agreed to move out in 48 hours if Attorney Quimby placed his permission to proceed with

the sale in writing. Approximately a week later, I contacted Attorney Quimby who stated he felt that Mr. Thorndyke would not keep his word, and therefore he, Attorney Quimby, would proceed with the eviction of Mr. Thorndyke and his home. Attorney Quimby's actions and attitude gave the appearance of a personal vendetta against Mr. Thorndyke." And that was born out in court later on, your honor, ah your honor, Senator. I've been in courts a lot lately. (Audience laughter.)

Let's see, "Attorney Quimby's actions and attitude give the appearance of a personal vendetta against Mr. Thorndyke, rather than a man attempting to do everything possible to obtain his client's just due funds." She ends, "We feel that the listed price is below the market value and as such will help expedite the sale."

I was thrown out of that park, your honor, and a brand new mobilehome, double wide was put in. My trailer, Senator Craven, was a beautiful single wide and it had nice space on each side of it. It was next to another single wide, but every other, almost every other, everything else around me was double wides. And they wanted these two single wides to be double.

So they threw my trailer out and they got it out - and they got me behind rent by puncturing tires. I had tires punctured on an average of twice a week in that park. That's the kind of harassment I had. I had windshields sprayed. I had all kinds of

shenanigans done to me. And I did not feel that the management should benefit by harassment of this nature.

I have a lot of other things here that - I was in dire jeopardy of losing my home in Oceanside. At the time, I said, above all I need a job, a job. I was praying for help from people everywhere. And I advertised, I'm prepared to sell and move to where the work is located. I tried to auction my home. They told me I couldn't auction my home off. That's extraordinary. I mean, I thought there was something wrong with me. I was beginning to think there's something wrong with me at that point.

I got a letter from the GSMOL telling me, usually a part of rent is for reasonable amount of security. I was very puzzled. I had nine attacks on my cars. And the suggested remedy from Joseph Quimby was that I move my mobilehome if I don't like the nine attacks so far on my property. Which is akin to a punch in the nose to stop an itch - non-solution, I wrote him. I said, "Once before you people attempted to steal my space by written declaration that if I sold the coach, delivery must be made outside of this park." This is attempted robbery of all single wides left in this park, if I acquiesce. I said if you want my space, then make an offer for my coach, don't steal it from me.

You know, I'm blessed today, I'm out of that park. And I thank you very much for your attention. But I'd loved to have that job as an investigator. (Audience laughter) Keep me in mind, keep me in mind.

SENATOR CRAVEN: Very good. All right. Pat Lowrey?

MS. PAT LOWREY: I'm Pat Lowrey and I'm President of the GSMOL Chapter 163 at Indian Hills Mobilehome Village in Chatsworth, California. Senator and members of the committee, I am here today to present you with copies of a number of documents that I believe will show you that there is truth in the allegations of interference by park managers and owners in resale of mobilehomes.

At Indian Hills Mobilehome Village, Chatsworth, it begins the day a homeowner informs the manager of his or her intent to sell. The manager then inspects the homeowner's site and issues a letter telling the homeowner that the prospective buyer must sign a lease agreement, long-term only, or a document stating that he agrees to the lease agreement as one of the conditions of sale. This document must be deposited in escrow before the close of sale. There is no choice of month-to-month tenancy or one-year lease agreement. All present owners in our park have signed a long-term lease. I have enclosed a history of the long-term leases in our park to clarify the situation.

In the case of some of the sales, the owner or manager notes that there is a newer version of the long-term lease. The homeowner is sent a letter stating what the new rent to the prospective buyer will be. The homeowner is usually upset as to the stated new rent to the buyer. The homeowner is then contacted by

the management and asked if he would like to sign another long-term lease. If the new lease offer is signed, the rent to the new buyer is less. The terms of the new lease naturally are more beneficial to the park owner. I have enclosed copies of leases for you to take a look at, and I would ask you to pay particular attention to two parts in this lease.

I'm worried about two particular paragraphs because one of them states that the lease will apply to the particular space for the entire term of the agreement, which in the case of these leases is 25 years. The other very disturbing part is that, in signing these leases, the homeowner signs away the future buyer's rights to the 72 hours to change his or her mind after signing. And in addition, the homeowner signs away the rights of any buyer to his or her 30 days to examine the lease document. Signing away legal rights of another adult party is illegal unless the person has been given power of attorney by a court, or the adult has given another power for some, that power for some reason.

If the homeowner, seller, refuses to sign a long-term lease, the park owner then writes to the prospective buyer, personally. The park owner circumvents the broker selling the home and tells the prospective buyer that it is too bad that he or she will have to pay a higher rent and that this could be reduced if only the seller would sign a new long-term lease before the sale is completed. Now the prospective buyer is upset and wants to stop the

sale because he wants to pay the lower rent. The homeowner is then forced to sign a new lease before the sale or the buyer will not purchase the home.

If a prospective buyer balks at having to sign a long-term lease and is smart enough to request a one-year lease, the owner then brings up the financial ability to pay. The ability to pay in our park is very stringent. Some of the terms are a 36% debt ratio, the park owner requests prior income tax forms, he wants a complete list of bank accounts, IRAs, investments, stocks, he wants a list of all the debts and exactly when they will be paid off. These can be juggled around so that even a Rockefeller would not be able to get into this park because his millions might be tied up in a number of transactions, and he wouldn't have a ready cash flow.

Another method of interference with sales is what is termed as the list of deficiencies. The park owner makes such demands upon the homeowner to correct what he terms deficiencies that some owners find that the cost of correcting these so-called deficiencies would be so costly that they decide not to sell and are thereby made even more captive than before.

In other cases the homeowner corrects all the deficiencies and thereby loses money on the sale of the home. Some of the deficiencies included are: painting the entire home, the paint, color and brand must be picked by the park owner because, in the

park owner's eyes, it is faded. Replacing outdoor carpeting because it's not the color the park owner would like. Replacing decorative rock because it's not the right color for the park owner. It is my personal belief that the most potent weapon that the park owners have in their arsenal is the long-term lease and the Greene bill which gives the park owner absolute sovereignty on many issues involving the lives of unsuspecting homeowners. The Greene bill has made park owners unanswerable to many laws of state, city and county. I urge the repeal of the Greene bill. Let us get back to a democratic society.

It is to be noted that I have documentation for all the conditions herein described. Some of the documentation has not been submitted because of the fear of further interference by some owners with homeowners in their resale.

Senator, I thank you for taking such an active interest in the plight of the mobilehome owners. I think your hearings will be of great help in furthering our combined efforts to get the message to all lawmakers.

I thank you. Do you have any questions?

SENATOR CRAVEN: Thank you. Not at this time. Thank you and thank you for coming down from Chatsworth. That's a long drive.

MS. LOWREY: Thank you, it was worth it, Senator.

SENATOR CRAVEN: It took you three hours to get here today.

Next, Bob Stroberger, San Marcos.

MR. BOB STROBERGER: Senator Craven, Mr. Bradley, I'm Bob Stroberger; I live in Rancheros Mobilehome Park, San Marcos. I'm president of Chapter 563 of GSMOL; I have been for a number of years. I'm also chairman of the San Marcos Mobilehome Owners Council, which was established in 1983, comprised of several parks in our city.

Let's talk about this lease and why we're having all the problems. It starts with the sale of the mobilehome without a question, but it involves the lease to the new owner. Most of these things are absolutely ridiculous.

First of all, we know that the rent is going to go up anywhere from 35 to 99 dollars to the new owner. This we know, we have also proof of it. We had a party that the rent was \$161 a month. The woman passed away; the house was sold, and the new rent was \$260 a month with no increase in benefits - anything at all. It just, automatically they do these things, and every park...and every sale of every space in, in the park.

The lease, itself, starts out very simply - a \$100 security deposit, and then they have item K, the holdover term of this lease is five years. Now, what does that mean? Let's turn to page and find section 16. Section 16, holdover tenancy. If a homeowner without the park's consent remains in possession of the premises after the expiration term of this agreement, they will be deemed to have renewed this lease for an additional term as

set forth in item K for an additional five years. In other words, if you accidentally slip by the anniversary date of your five-year lease, you're stuck for another five years at five percent. Now this is for a, over a ten-year period on a \$260 a month rent, which this one is at, in ten years you would be paying \$420 a month for that same space rent.

These people don't get the option of a one-year lease. I have letters of testimony from people who never heard of a one-year lease or a month-to-month tenancy until after they moved into the park. Then it's too late because they can't move into the park unless they sign this five-year agreement. They can't move into the park unless they sign that five-year agreement. And what do they do? They can't, they don't talk to nobody; they're new people. They might be from out of state; they don't know anybody in the park to go talk to and see what the conditions are or what they have been. They have to take what the manager tells them.

One of the people came in, they were, the man was told by the doctor that he had to have therapy of swimming. So the people moved into our park - we have a beautiful swimming pool. But it hasn't been heated since 1984, but they didn't tell this person that. They didn't tell him that they had turned the heat down in the jacuzzi to to 80. They don't realize that people after they're 65, they need a little more heat to these things. They didn't tell them that...

SENATOR CRAVEN: Yes.

(Laughter)

MR. STROBERGER: Right. They didn't tell them that...

SENATOR CRAVEN: Lots of heat.

(Laughter)

MR. STROBERGER: Lots of heat. They didn't tell them that the jacuzzi closed at six o'clock. This same couple went up there one night before six o'clock. It was him and his wife; they both work. They have odd hours, they don't meet sometimes for three or four days at a time, but that night they got together, and they went up to take a nice hot tub bath. Ten minutes to six the manager comes and tells them, "You gotta' get out of here. I'm going to lock it up."

Well, what people, about 40% of the people in our park do work. What chance have they got to use these facilities? They can't use the clubhouse. It closes at four o'clock. You can get in there if you put up your homeowner's insurance and pay a \$75 cleanup fee after that, then you can use it.

Let, there is a group in this park - it's an awful thing to have to say, but it's the truth - they actually went out and recruited residents of the park to testify against residents of the park. Now this is exactly what's happened. They recruited a handful of people who got up at the hearings of the Rent Review Commission and testified against us. Why? We don't know why.

We don't know whether they got their rent reduced or what happened, but it, nevertheless it's happened.

So these people, we have no place to go. We want some way, we want to find some way, legally, to declare that this lease is just no good. It, it's discriminating in every aspect of it. People don't realize what they sign. Why? Very simply. You sold your house, you come down from Iowa, you have the money, you want to buy the space, you like the park. And then they confront you with this - after you've signed the lease. They don't tell you what's in here. In most cases, they don't even get a chance to read it before they sign it. Now, that's their fault, I understand that. But, in the anxiety of moving down from Iowa, for instance, and buying a space, buying a house, you don't go into all these little details. You, you want to get settled as soon as you can. So, if you're not offered the chance to read the lease, you just take it, I guess, that that's the way it should be. And that's what happens.

The people that are buying these houses are way out on a limb, because they don't know the conditions. Our park has had nothing but trouble since 1979. As you read the local papers in North County and read the articles on Ranchero's Mobilehome Park, you know what we've been up against. We just won a lawsuit, thanks to the help of GSMOL, we, we've already paid off the attorneys on this thing. But it took four and a half years to go

from the Superior Court to the Appellate Court and, finally, the State Supreme Court rejected it. So the Appellate Court decision becomes final. But it took us four and a half years to get there over a rent increase. Over a rent increase.

I think now, I think the City of San Marcos has probably the strongest rent review commission ordinance in the state of California because we made some changes to comply with what the judges said. And we've now got it in writing, and we've gone through the process of going through the courts, and now I think we have the best thing that we can go by. And we're going to go by it; we, we know that.

But that doesn't take care of this situation; it doesn't take care of this lease. They have no jurisdiction when it comes to the lease. We gotta have help some place, gentlemen - some place. We've gotta find a way to make these things legal on both sides of the fence, not just one side. And this is what we're up against. These poor people that come into the park, and they don't find out till the next month or the next year when they have, when their five percent comes due, just what the condition was. They don't know that the park, that the pool was closed. They don't know they can't use the clubhouse, because they're told that they can, and then they find out differently. And then in the lease, it's written there.

The final item in this lease is an item where you practically give away everything that you've got. "Homeowners and tenants may terminate this agreement and homeowner's tenancy, provided:

- 1) The homeowner gives at least 60 days advance written notice.
- 2) Moves from the park, either having sold or transferred the mobilehome or removes it from the park." That's the conditions we're living under. You have no place to go.

Thanks to your committee, Senator, we've straightened out some of the things that's taken place. But there's a lot more to be done to get these things straightened out so that we can enjoy what we came out here to do. We came out here to relax, to be happy. It's no fun walking down the street and have some grumpy people walk by you and not even say goodbye or say hello or anything else. And that's the conditions of our park. Because they divided the people in the park on two sides, and we've got to overcome this.

Thank you very much.

SENATOR CRAVEN: Thank you, Mr. Stroberger.

(Indiscernible)

SENATOR CRAVEN: All right. Fine.

Craig Biddle.

MR. CRAIG BIDDLE: Good morning, Senator Craven and Mr. Tennyson. I'm sorry Mr. Bradley left; I was going to make a comment about his bill, but I will go ahead on that, anyway.

SENATOR CRAVEN: Good morning. Well, he had another appointment, Craig.

MR. BIDDLE: As you know, Senator, I serve as legal counsel and the lobbyist for the Western Mobilehome Association. And our association is made up of the developers and the managers - which we have been talking about this morning - and the owners of the parks throughout the state. And I mention both those capacities, because as I have been listening, to both of those capacities that I serve in, because I have been listening to testimony today, I'm listening as the lobbyist, thinking legislation, and also as the lawyer, thinking of the legal problems that are involved.

And in preparation for this morning, I went back in our, when was it, July 6th hearing that we had in Sacramento, and I re-read that testimony, and it's been some time since I read that testimony, but I did it, trying to figure out what types of legislation that you, the committee, could be proposing for next year and what types of problems that we had as far as the law is concerned. And likewise, this morning as I have been listening to testimony, I've been trying to do the same thing. And I think a common theme runs throughout all of that testimony and today by all of the witnesses and that is that there is no need, really, for a change in the Mobilehome Residency Law. There's no need for any express provisions which we have to add to the Mobilehome

Residency Law - that the laws are adequate - but that it's a question of enforcement.

I remember Pat Dean's statement that was read. She wasn't there, but it was read by Del Brey at the hearing in July. She concluded her statement by saying, "It's not a need for a change in the Mobilehome Residency Law, but it's more of a need for enforcement of the Mobilehome Residency Law."

Many of the things that have been mentioned in today's hearing and in that hearing are a felony; they're criminal. They are clearly criminal behavior, and they could clearly be prosecuted today under the present law. But as you mentioned in your questioning as to one of the witnesses, how do you prove it, who's going to bring the evidence forth, and how are you going to go on with the process?

I think one of the things that we're looking for, and I think you're looking for in that hearing and in the hearing we had before is some way that we can enforce the present law, short of this all-out litigation by both sides and a great big court proceeding. One of the things that, Senator, you introduced two years ago was the new Ombudsman process that we have, which is now in effect as of January of this year, and the new Ombudsman, Lydia Baily is, or Bundy, has been in the process, now, of going through all those complaints, and we've had several meetings - the industry has - with her in connection with trying to assist her.

I think one of the other things we've had is the Bradley bill that Assemblyman Bradley had last year, which clearly states now in the law - there is no doubt about it - that if we refuse any person's tenancy in the park for any reason other than set forth in the Mobilehome Residency Law, that we - the park management and ownership - are clearly liable to that person that we refused the tenancy. And that's clear now, and that'll be the law as of January 1 of this year.

So there's two things that we've done recently - that you've done and the Legislature's done. But I think we should look also for some other type of behavior that we can do - some action short of this all-out litigation, some type of procedure. I know Marie Malone's going to testify, and we've met with GSMOL - our organization has - on several occasions, trying to work this out, and we'll continue to do that. And I think that's what we really need, is some type of forum or mediation, I don't know how you work it out exactly, but some type of forum where these complaints can be brought to a proper forum and decided, short of the all-out litigation that we have.

One last comment that I would make, that we, the Western Mobilehome Association, has done. We've embarked on a new program. You mentioned, in reading the testimony, about a Dale Carnegie course that we could all have for managers. We are not going to have a Dale Carnegie course for managers under the

Craven theory, but we are going to have a new program. Our board of directors has authorized a new program next year for management training and certification.

This will be a program where we will bring the managers in, of those who are willing to come into the program - we can't force them to come into the program, though - and give them a training program, a certification and an update and then an ongoing update each year as the laws change and try to more professionalize the managers of the mobilehome parks throughout the state. And I think this will be a very good program. Our board of directors has decided to do that this summer. We're in the process of putting the program together, and we hope to have that program going in 1988. And it won't be the Dale Carnegie, because you still have the personality problems. You always have those in any park. You have that in apartments. But at least I think if we can professionalize the managers and get the managers on a program where we can certify them if they have gone through this training and process, and part of it will be the Dale Carnegie portion of the course.

Were those comments, or do you have any questions, Senator?

SENATOR CRAVEN: I have none, Craig. Thank you very much.

MR. BIDDLE: Thank you.

SENATOR CRAVEN: Next is J. D. Kronman, Fountain Valley, California.

MR. J. D. KRONMAN: Senator Craven, I stand before you as a proud president of Mobilehome Park, Golden State Mobilehome Park Chapter 235.

SENATOR CRAVEN: Why don't you take that microphone out of there and just hold it, and you can...

MR. KRONMAN: Okay, we'll do that. Okay.

SENATOR CRAVEN: Oh, that's fine. Congratulations.

MR. KRONMAN: Okay. Mine is going to be short and sweet.

SENATOR CRAVEN: Very good.

MR. KRONMAN: Following Mr. Biddle, I have come up with a number of things. In our park, we have 193 spaces, 185 are owner-owned, members of our GSMOL Chapter 99, that's a pretty good percentage.

SENATOR CRAVEN: That's very good.

MR. KRONMAN: Very good. Now, then, in my years in the building industry, it has been my curiosity, possibly, and has caused me to look around when things are done in the park, what happens, do they have the proper permits, and so forth.

Now, about two, three years ago, our owners bootleg in the solar system. I look around, because when I had to have something done on my coach, I had to have a permit. I saw no permit on this building where the solar thing went in. I went to the city office, council, and to the city offices and asked where the permit was. Well, no permit. So I said, "What do I have to do?"

I lodged a complaint, and they got a permit, however, there is a long story connected with that which I'm not going to go into. Since then, I got ahold of the Mobile Residency Law and Title 25, I read the sections and I discovered in my wandering around the park there are 16 violations, many of them documented, and we have not had an inspection by the HCD or anybody else. Now, some of these things I know are violations of the Health Code as well, because there are pipes bent like...

- (Sneeze in the audience)

Gesundheit.

I think, in my opinion, that the Housing Development, HCD, should be mandated to make inspections in these parks, to make them stick and correct these violations, because there are many.

Now, Civil Code violations. We need teeth in that Civil Code. We, I've tested on my social club, myself, and president of the Mobilehome Owners League, Mobilehome Owners Associations in the park, have asked for meetings to discuss rules and regulations that have been changed and been put on us and they've never been corrected. We've asked for meetings and they, when we went into a meeting not too long ago, the manager said, "Well, we don't go by those Civil Codes, the Civil Code which I read to them was Article 3, Section 798.25.

One other thing that I'm going to bring to your attention, which is, plays a very, very important part in resales in our

park, Fountain Valley Estates. The present deposit required is one and a half month's rent, and believe it or not, it can go as high as \$600 for the first month, \$300 more and the first and the last month's rent. You figure out what that does to a resale. It just kills it.

I want to thank your efforts on our behalf, and I wish you'd bring these things to the attention to some of the other members of the Senate as well as our representatives. And I must say in closing that Sen, or Representative Longshore has been, I have been in contact with him, and he is very, very much on our side, too, as you probably know. And if you wonder why I didn't go to our own representative and who is in our district, the reason is that because our manager and Pacific Mutual Company gave him a nice little reception after he was reelected, and also our president, or our owner of our park, defeated the council installation of the new council meetings, and you know why we can't go to our city council for help.

Thank you, Senator.

SENATOR CRAVEN: You're welcome, and thank you very much.

Sally Behning... No? All right. Marie Malone.

MS. MARIE MALONE: I'd like to summarize very briefly, Senator Craven. Sitting over here listening to all of this, the picture has not changed. The bottom line, still, is profit to be gained, whether it's right or wrong. And I think maybe it is one

of the basic problems, and I thought it was very aptly stated here when it said, we do not have problems with the large corporations.

This is not entirely true; I can name a couple we have a lot of problems with. But in the main, this may be true, because you're getting down to what some people would call the penny-ante thief or intimidation type of thing at the local area, within the local parks. And unfortunately, due to the fact that we are the only affordable housing in California, these particular individuals hold the power today, and they are capable of extracting their pound of flesh from those who cannot afford other than the affordable.

But it all comes back, basically, in the end to the same thing. It's the consumer who pays, whether the dealer is paying the payola or that somebody's paying the manager under the table, whether because we are a captive audience, the excessive rents are placed upon us and upon new-time buyers, the only person - it seems - who is really willing to stand in this market area is the consumer. Because the consumer doesn't have a thing to lose except being exploited.

I would go back to what we asked for last year in the legislation, and I would disagree with Mr. Biddle to just this extent. Yes, let's do everything in our power to work it out, but I do believe we need the law again introduced this year for the

enforcement of the Civil Code. Because it's been so aptly pointed out here, many of these acts are criminal and that are breaking the Civil Code. They have grown beyond just the minor thing of the consumer bill.

Now, GSMOL expects to do their share because we have widely expanded our activity within the courts of California, and we will continue to do it until this is cleaned up. However, our resources are not unlimited, and we would hope that this time around the Legislature will see fit to put real teeth and backup into the Residency Law. And I hope that this time next year we will be looking forward to January 1 with that in effect.

In the meantime, if it becomes necessary to carry the entire load in the field of the courts, we certainly shall make every effort to do so.

Thank you.

SENATOR CRAVEN: Thank you very much, Madam President.

Next we have William McCowsky.

MR. WILLIAM MC COWSKY: First of all, I want to (cough) excuse me; thank you for letting me speak because I wasn't on the list.

I am from Cavalier Mobile Park in Oceanside. We have more than one problem in the park, but first of all, I want to say that the in-park manager, who is Miss Rosalie Jewell, in addition to the management, works as a sales agent for a Bernichs,

Incorporated, which is owned by a relative of our park, the owner, and is selling mobilehomes in our park. Bernichs, Incorporated, who has a sales office in our park's clubhouse, purchases single-wide mobilehomes that come up for sale, removes the same and places double-wide units in the same space.

In the past three years, our managers have bought, sold and occupied six separate mobile units in our park. We notice a pattern of interference by the park managers in the mobile resales were not done through Bernichs, Incorporated and substantially different upgrading rules for units sold by others versus units sold by Bernichs, Incorporated. A similar pattern has been shown for park approval for mobilehomes purchased by individuals other than Bernichs, Incorporated clients.

In addition to the above, we would like to ask your expertise as to the following questions. Should the on-site managers be buying and selling mobilehomes with such repetitiveness? Can the management of the park be engaged in full-time and realty business without having a conflict of interest as for approving mobilehome resales regarding upgrading? Can the management of the park turn our adult park into a family park in lieu of Civil Code Section 798.56, paragraph (f). If management of our park and Bernichs, Incorporated in their purchasing and resale activities are generating forced-lease agreements, should said agreements be valid when the tenants are not advised of the availability of the rent control ordinance?

Not including the spaces occupied by management, we have over 340 spaces in this park, and we would be extremely happy if you, yourself, or your representatives would be available over the next several months while this is, we wanted you to, someone to come to address the residents of the park.

I wanted to state here that with regard to Rosalie Jewell who is the manager of the park, if they sell a unit, it can be a single-wide which can sell for \$10,000 or a double-wide that might sell for \$35,000, they charge \$2800 regardless of the price of the unit as a sales price. This is all I have to say, and I want to thank you for letting me talk.

SENATOR CRAVEN: Thank you, Mr. McCowsky.

Next, we have Millie Atkinson, who has decided now she'd like to say a few things, a few words.

MS. MILLIE ATKINSON: Yes, and, I'll make it very brief.

SENATOR CRAVEN: That's all right, dear.

MS. ATKINSON: The statements are all in the letter that I've written. I'm...

VOICE: I can't hear you.

MS. ATKINSON: Thank you very much. Thank you. (Someone adjusting microphone for her)

Last, February of '85, or the beginning of March, I bought a mobilehome and my price was set at \$27,000. I paid \$20,000 cash and got a promissory note from the seller. It was no trouble in

that. I received the title to the home, and about six months later, the Caster Company notified me that they wanted this white paper, and I refused to surrender it.

I went and spoke to the seller who I knew well. She had nothing to do with it. They wrote her a letter and told her that if I ever missed a payment, to let them know, and they'll have somebody to buy my note. When that didn't go over, I phoned them about it, and I said, "No way are you going to get that paper. I haven't got it; it's in the hands of my lawyer."

Then I got a phone call from Caster's office. He said to me, "Do you, are you going to trying to rob a little old lady of her money?" This is what he accused me of doing.

Now, to the lease. I signed the lease, the ten-year lease, I didn't, don't quibble about that, because I don't think I'll live till ten, for another ten years. I signed the lease for the rent to be \$223.04 a month, and that is for the whole year. Then two months later, I received a notice my rent is going to be increased another \$15, which I have two witnesses to prove. When I phoned him again, he said to me, he said, "The manager was wrong, he made a mistake." I'm paying the increase.

Then the harassment started. I couldn't walk out of my door that somebody wasn't there saying, "Did you make your payments, are you keeping up with your payments?" Which is none of their business. They wanted my lease. They said that they wanted me

to change my lease. They forgot to put certain figures in the lease. They wanted me to take it back and re-do the lease and re-sign it. I refused to do that; they harassed me. I just feel that it should stop.

And another thing that is wrong. In our park, we rent the ground when we move in. If the trees are 12 feet high, it's not my, I'm not buying the trees, I'm just renting the lot. Now, they want you, the trees are higher than the roof of your house, you have to cut them down. If you don't cut them down, they will bring somebody in that'll do the job and charge you.

And that is all. Thank you for listening to me.

SENATOR CRAVEN: Thank you.

Next, or coming back for a reprise is Connie Sullivan, and that will, that will wrap it up.

MS. SULLIVAN: Senator Craven, thank you for giving me another chance to add a few things that I'd forgotten.

SENATOR CRAVEN: Fine.

MS. SULLIVAN: I wasn't informed, I was informed, I guess, but I didn't understand just how well prepared we were supposed to be when we came here, so I ad-libbed. I had forgotten some special things.

Such as, two months ago, I was given notice that there would be a rent increase. And there was no mention as to how much this rent increase would be. So two months went by and there was no

rent increase, and the rumor is like it'll be between 20 and 70 dollars. And my point is, it doesn't really help to know there's going to be a rent increase unless the amount is stated.

But the big reason I wanted to bring out is that since I've lived in Canyon Crest Mobile Estates, 1983, there has been probably 20 to 30 homes, approximately, that have been moved off the property as new homes have been moved on and resold.

When my deposition was taken in my lawyer's office, at Attorney Furnell's, one of the questions he asked in the end is well, is Connie allowed to sell her mobilehome now? That answer was "no", yet because of my case, as stated by the park's manager, Glen DeYoung, there are now 13 like properties up for sale. They are in no ways any nicer appearing than my own. Mine has passed the Housing Community Development rental inspection. It is one of the nicer-appearing homes in the park.

And so 13 are allowed to go up for sale, and so one of the people in the park asked, "Well, Glen, why are you allowing these to go up, these singles allowed to go up for sale, now?" And he says, "Well, I have to because of the lawsuit." And yet I, who am initiating that lawsuit and Dee, who recently has had her sale held, am still not allowed to sell. So, I definitely think that this is prejudice at its finest.

Thank you very much.

SENATOR CRAVEN: Thank you.

Now, we've exhausted those first, the names of those first to be listed who wished to testify. However, if there is someone in the audience whose name we didn't have on the list, if you wish to make some comment, let me know.

Well, it's... Al?

MR. AL ARPS: You know better than to pass me, Bill.

SENATOR CRAVEN: Okay.

MR. ARPS: Al Arps, San Juan Capistrano, the strange city of the 26th in Orange County, which still has an ordinance on the books, even though they're trying to hang a little bit, and Bill knows.

Yes, I set on the mobilehome review board. We don't use the word "rent". Since 1978....

RECORDING SERGEANT: Unable to understand.

SENATOR CRAVEN: Okay.

MR. ARPS: What am I doing wrong, dear?

VOICE: (Unable to understand) microphone.

SENATOR CRAVEN: You see, that little square out there, Al, is what's picking up...

MR. ARPS: No, we never had that in the Marine Corps. I don't know what that is.

SENATOR CRAVEN: We never had Raquel or Debbie in the Marine Corps, either.

(Laughter)

MR. ARPS: Let me hit three or four points, Bill, please, in helping you close. John, is it not an essential, an essential that the, I got to look for the right word here, that the enforcement rights as of the law already on the books, who's going to enforce what, should be passed on down as legislation once was put together, all the way down to the local city attorney? In other words, getting into it in the area of home rule. I don't see how you people in Sacramento or HCD can run the show up there, Bill, do you? It has to be enforced downstairs, doesn't it?

SENATOR CRAVEN: Oh, yes, the enforcement would require a local level activity. We had, what was the disposition on our bill, John?

MR. TENNYSON: (unable to understand) department

SENATOR CRAVEN: Okay. Let me, let John make a comment on that.

MR. TENNYSON: It depends on what you're talking about in regard to enforcement. If you're talking about the Health and Safety Code in the Mobilehome Parks Act regarding the inspection of mobilehome parks, jurisdiction in California is divided. It used to be that local governments had exclusive jurisdiction, although they were enforcing state standards. But since Proposition 13, many local governments claim that they're not getting sufficient remuneration in return for their inspection efforts

and have singularly given up the effort and returned it to the state. The state now inspects or has jurisdiction in about 55% of your parks throughout California. Local governments, including those in San Diego and some in Orange County are still doing it there.

If you are talking about Civil Code, that's a self-enforcing entity in most cases. Local governments will not get involved unless you can get a district attorney to do it.

MR. ARPS: There's the point that I was asking, basically, is, we have a bill which would have beefed up enforcement, that's the point I'm speaking here.

MR. TENNYSON: We had legislation two years in a row to try to increase the frequency of inspection. Two years, three or four years. We haven't found the magic formula, yet, that everybody will agree with, however.

MR. ARPS: Well, on up beyond the point of inspection, though, John, as you heard from these many, many people in the audience, there are purportedly, I think it could be proven, crimes being committed, let's put it that way.

SENATOR CRAVEN: I don't think there's any question about that, Al.

MR. ARPS: All right. Therein, if it is necessary for all these nice people to go through the process to go upstairs to get enforcement therein, that's a time consuming thing and costly.

The thinking of many of us was, as from legislation that you had back some years, Bill, do that right on down to home rule. Why shouldn't my city attorney have the right to say in said park if Mary or John comes up and says, "This is being done," to shake the stick with regard to the state law. Let's forget inspections. My city does inspect. Of course, it's a unique, as you well know, because of the ordinance. It is different, without a doubt. But if the right of enforcement of the Civil Code, one, and of Title 25, two, could be moved down to the 58 district attorneys, I mean in print, and then on down to the 400 or more city attorneys in the state, they could go to their city hall and get a job done. They wouldn't have to go to the district attorney and R.T. Cecil Hicks or upstairs to John Van de Kamp. You put it in their laps at home rule. They all know their city councilman. They're in position to eyeball him and say, "Hey, you brought it down to the level of the people."

Now, let's forget organizations, whether it's a this or that, but it's, Bill, you have to bring the enforcement home. You can't continue to be big brother in Sacramento, Bill. You've done more than anybody else. You're being big brother to all of us. It has to be brought back down to the local level, and these people who tell you what's going on can get in on their act at home. They see the councilmen or the councilwomen. You don't, Bill. You're put in the middle lots of time.

You say, "Well, it's the law." They know it's the law, but where're they going to turn to?

Let's jump to something else. Let's get the, back with regard to a park manager having the right to say, "Mr. Cravens, (sic) I need these certain things before I'll let you in the park to buy." Now, in Arizona, or more so in New Mexico, which is going through the same process statewide, you probably know, they have a little card that's out for all the people, and there are, I forget the number - I'm going to say five or six things.

First thing, if you're gonna buy in my park, you're interested in knowing one, what are the age limits? Well, just looking at Bill Cravens, they know that he's an adult, one, and two, he's a, shall I use the word "senior citizen"?

SENATOR CRAVEN: Oh, yes, you should.

(Laughter)

MR. ARPS: All right. But to verify this so it's legal, they say, "Put your driver's license on the table." Now a lot of the, forgive me, a lot of the women don't like that because this shows their age, but it's done.

Two, if they are of age, they put the red, white and blue Medicare card on there. That means they're eligible; that gives them a status. There is no doubt about a Social Security card unless you are not a citizen, and even those that are not citizens in the state of California have Social Security cards. So you bypass that.

Four, they must show at least two types of credit cards, including a telephone credit card. Well, they do, because that gives you status. Then they don't have to say to them, "Who do you bank with? What is your status in the financial community?" People resent that; that's an invasion of privacy. They have provided enough documents right there without saying, "Cravens, do you bank with Bank of America? What company, what branch are you with?" That's offensive to these people.

And there's a, some way, some how, the manager badgers the people, either the seller and/or the buyer. You cannot deny the right of the free enterprise system. You own a home; you wanna sell it; you can't be denied the right by law to sell it to me if I wanna buy it. But in between your selling and my buying, that's where the problem is. You and I, in the free enterprise system, have the right to dicker.

You say, "Arps, you're going to pay me \$50,000," and I say, "Bill, I'm going to pay you 45." Well, let's say we agree to that. We go to the manager, by the time we get out of that place, (clears throat) you know what's happened.

Now, John, I don't think you can put that in law, can you, John? You're not touching it? Aren't you offending the free enterprise approach to this if you put it into law? Or am I wrong? My city council's talking about this, and my city attorney, or ours - are, is that offensive with regard to the free

enterprise system when you say you cannot do this or you cannot do that, because we, Cravens and Arps dickers to sell and the management steps in and says, "Well, there's \$200 here dit-dit-dit, and so forth and so on."

MR. TENNYSON: Well, I guess it depends on your point of view.

MR. ARPS: Our point of view is, I believe, first, it's illegal. Two, it's unethical, and three, it causes a lot of grief, stress, strain, time and expenditure of money.

This process that I just mentioned to you evidently is working, definitely is working down in Santa Fe from what I know of.

VOICE: (Unable to understand)

MR. ARPS: I thought you were going to shoot me down.

SENATOR: No, no, no. No, I would never do that, Al. I think that there are several things that come to mind. One goes back to some reference that you made about inspections and so forth or violations which should be acted upon at the local level. I don't disagree with that at all, but my experience has been that if you go, for example, to a district attorney or even a city attorney who is perhaps not quite as potent as a district attorney is, they say, you know, tell them about it...

MR. ARPS: You, you're right.

SENATOR CRAVEN: ...we have more important things

MR. ARPS: You're right.

SENATOR CRAVEN: to do than that. That's very, very frustrating, because you feel that's my redress. But it's not working out that way, but that, that's been my experience. So I don't put too much faith or hope in that coming to pass, because we may put it on the books - it's just like our inspections John referred to. We thought, "Well," and Craig Biddle worked on this, and Del Brey, I guess, was involved, too - that we tried to get more inspection around into the park, but we never really got what we wanted because the only thing that we're sure of is, we don't have enough now. That we're...

MR. ARPS: That's true, that's true.

SENATOR CRAVEN: And I suppose to a degree that people are not well served because of that. And that's what we will continue in our process to try to develop that. But every time we mention that, the department says, "Well, we don't have the money for that; we don't have the manpower," and we want to take care of both of those things for them. Then they found something else to complain about. Sometimes to deal with the bureaucracy, which we do daily, is very frustrating.

MR. ARPS: Right, right.

SENATOR CRAVEN: People think it is bad, and they think for some reason that we have some divine absolve that doesn't affect us. When it does, it's very, very frustrating for legislators because they get their thoughts, not that they're perfect by any

means or infallible, but they have certain thoughts, and then the bureaucracy will just sit down and say, "No, we can't do it. It just doesn't say it here." And that's a little frustrating, too.

So, I understand what you're saying. I think the grasp of legislation which does not impinge upon the rights of the individual or the free enterprise system takes a very deft writer....

MR. ARPS: Correct, correct.

SENATOR CRAVEN: You know that.

MR. ARPS: Very much so.

SENATOR CRAVEN: Some things that we take just almost, you know, just common place feelings that we know the general ethic of doing this, this is

MR. ARPS: Right.

SENATOR CRAVEN (unable to understand) and we know full well that what these people are doing to us or to you, more appropriately, is not ethical, that's wrong. That's like going, for me to go across the road here to the Car Country in Carlsbad, where there are all kinds of automobile agencies, and find the sales manager who is in a position to set the price on a car and having him say, "Well, I'll tell you what, if you give me \$300, I'm going to charge you X number of dollars." Now, they wouldn't condone that.

MR. ARPS: No.

SENATOR CRAVEN: And more than that, the ownership of the agency or dealership would say, "Out, I won't have a person like that in my employ." And, yet, with very few changes, it seems like managers, who are employees of ownership, are doing it and whether the ownership doesn't know about it or not, I'm not sure, but they seem to exist, and not only exist, they flourish.

And one of the gentlemen who testified, I understand, that was Mr. Wikle, he made mention of the fact that in back, he said to me, "Bill, I'll be out of business if I don't do this."

MR. ARPS. Yes, yes, yes.

SENATOR CRAVEN: And, I understand, and I don't disagree with that. That's one hell of a state of affairs.

MR. ARPS: Exactly. And therein, you're saying, it is real, real touchy to put it on the books as law, is that it?

SENATOR CRAVEN: Yes. You know, we have a general law of the State of California.

MR. ARPS: Correct.

SENATOR CRAVEN: And most of the cities operate under that. I suppose your city of San Clemente has that kind of law.

MR. ARPS: San Juan Capistrano.

SENATOR CRAVEN: Or, I'm sorry, I said it wrong - San Juan Capistrano.

MR. ARPS: Yes.

SENATOR CRAVEN: And yet, we don't have some of the specifics that we really need back down at the local level.

We will try, and I know John and I will give this a great deal of thought. We mull over, you know, we get the testimony and we go over it, John specifically, and then we sit down and talk about it for a while and convince one another that this is the thing to do. And that's an interesting process.

MR. ARPS: One area, one area that the, all the people spoke about which I know would be tough, John. In our city, it's been effective, you know, we've had the ordinance nearly eight or nine or ten years.

The breakdown of the ordinance in our city has been what we call vacancy decontrol. It killed us. And two of our five city councilmen went along with it on the basis - and we go round and round - Al, that's equity. I say, "Now, what the hell do you mean by 'equity'?" Well, it's as even for the park owner as it is for you and the homeowner, and we got to think of that. I said, "Wait a minute, these people are your constituents, they elected you to office. In our city, we have the unique situation, if you don't know it, where last year in '86, 81% of the vote came from mobilehome land; that's how unified we are. You know we've had a mobilehome council for many years.

You know that, which is incidental in both cities, but when the vacancy decontrol came in, I heard people speaking of \$75 or

so, it averages in our city before the pass-throughs or add-ons are put on the monthly bill, before they're put on, \$119 a month. I sell to you in my park, presume that my base rent is \$250, it's easy. Now forget the add-ons which are another thirty-some dollars. The day you move in, your beginning space fee is \$380. That's vacancy decontrol. Therefore, the law is saying to me, "Arps, it's, it's tantamount to economic eviction," because I have to tell you, Bill Cravens, that though I am paying \$250 with add-ons, you're gonna pay \$380, because the day, moment I take you over to him, the manager in the office, the manager's going to tell you that. So you're hung, so the ordinance isn't worth its salt.

SENATOR CRAVEN: Well, one of the things...

MR. ARPS: But you can't put that in law, John.

SENATOR CRAVEN: Well, one of the things you, you find there, I think, is basically what you have described. The vacancy decontrol, I think this is the way you

MR. ARPS: That's the term I used, sir.

SENATOR CRAVEN: That's kind of a quid pro quo.

MR. ARPS: Correct.

SENATOR CRAVEN: To take care of the rent situation and say, "Well, when you, when somebody leaves, then you have the option of

MR. ARPS: Exactly, exactly.

SENATOR CRAVEN: increasing it if you choose. And that kind of was the, you know, whatever, quid to sell the idea.

It's very, very difficult, I suppose, to say to John, as the owner of the park - but you might not do that - and he says this is my park, and I can do what

MR. ARPS: Yes, I agree with you there.

SENATOR CRAVEN: I want to do. And we say well, it's not fair, it's hiding the values of the space. And John says, and appropriately so, the market will take care of that. So he knows whether he's correct or not by the calendar. As long as that place stays vacant, then he knows he's made a judgmental error. If he rents it, then he has to feel that the market has helped him, and that's proven him correct.

MR. ARPS: And 99 times out of a hundred, if John had the park, he'd have no trouble selling or renting.

SENATOR CRAVEN: None at all.

MR. ARPS: Because we use the term and have for the 19 years I've been in the game, we're a captive audience. There's no place to go. Let's admit it. But you still can't put that in law, can you, John? It's the free enterprise system. We're captive; we have no place to go. But, you, you can't use that, am I correct?

MR. TENNYSON: There are some jurisdictions that do not have vacancy decontrol. The City of San Jose, for example.

MR. ARPS: Correct.

MR. TENNYSON: Some of them have, some of them have not. But it becoming on a local level more frequent that your rent control ordinances have a vacancy decontrol feature in them, yes.

SENATOR CRAVEN: Well, I think, not to interject and kill everything here, but I think that we could probably go into a very

MR. ARPS: Now (Unable to understand)

SENATOR CRAVEN: lengthy discussion for another hour, at least, but I'm going to ask, Al, that you wrap up what you want to leave with us, leave us with, and we will conclude this because my sergeants-at-arms, and that's what these ladies are, they have to get a plane and get their gear back to their next hearing.

Where are you working next, do you have any assignment?

SERGEANT: (Unable to understand.)

SENATOR CRAVEN: Sacramento? Back to Sacramento? Okay, I know John's going back there, too.

MR. ARPS: Thank you gentlemen. These people thank you, your office and Bill Bradley, here, for everything you've done. Don't forget, we're on your team. We're available; call us and write us. I didn't say write us for a hundred dollars, either. We're not going to finance your campaign because you don't need it. You've got people..

SENATOR CRAVEN: No campaign this year.

MR. ARPS: Thank you for being here, gentlemen.

SENATOR CRAVEN: Thank you, Al.

MS. JEAN MOWERY: And Al, could I ask to throw in a couple of questions for you to think about?

SENATOR CRAVEN: Sure. (Unable to understand)

MS. MOWERY: When, all this seems to hinge on park management wanting to make a profit from sales. Should any park manager

SERGEANT: Excuse me, (unable to understand)

MS. MOWERY: Jean Mowery - Should any park manager really be wearing more than one hat? Should he be selling new homes for a new home company, possibly controlled indirectly by the owner? Should he be a dealer?

And the other question is, if there is a judgment against a park manager, who ultimately pays for that judgment? Do they really pay, or is it passed on to the homeowners, which means that the victims are paying the penalty?

SENATOR CRAVEN: When you say a judgment against the park manager...

MS. MOWERY: Should there be a judgment in court such as...

SENATOR CRAVEN: Should there be a judgment against him?

MS. MOWERY: Yeah.

SENATOR CRAVEN: Well the park manager, is only, I would suppose representing the ownership and in that instance, at least

that would be my thought. Norm, is that a safe conclusion? The manager represents...

MR. NORMAN MC ADOO: Yes, we have a sales program in our parks. The managers are licensed and everything else.

SENATOR CRAVEN: But as far as the manager is concerned, it's just, it's the way I picture it, it's like being a captain of a ship. Everything goes fine, the captain is the big hero. But something could go wrong and the captain might be, you know, absolutely, completely, totally not involved with the specifics that caused the problem, but he has to take the pratfall because of some junior officer or a seaman. So I think that the ownership has to take those faults with the manager. And I think that's typical, and that's probably the way they do.

MS. MOWERY: Yeah, but they do, you mean, you're talking about the insurance, but it is...

SENATOR CRAVEN: The judgment may be...

MS. MOWERY: But, do they care? As I understand it, the ones that, who have just had the \$720 - thousand dollar judgment, went right ahead and committed the same thing all over again - the next weekend. If they can pass that through to the homeowners, why should they worry? They, on average, they probably don't get a lot of mice that bite back.

SENATOR CRAVEN: Yes, well we have now - you're down at one minute, our best we can do.

MS. MOWERY: I also wanted to say that all homeowners are not in a city. They can't go to city officers. I went and made to the - oh, what do you call it? - councilmen in Los Angeles County. I had..

SENATOR CRAVEN: Supervisor

MS. MOWERY: Supervisor in Los Angeles County - and to be truthful, he was just bored as "h". He doesn't give a darn, he wishes you would go away, and that's all there is to it.

SENATOR CRAVEN: Well.

MS. MOWERY: And I think he's well supported by contributions to the buyer and the park manager.

SENATOR CRAVEN: We find - as John and I have been involved in for many years - situations where some elected officials - including some of our colleagues - are very much interested in mobilehomes and mobilehome residents, as well as the ownership. And others have absolutely no concern, care or knowledge about these issues.

#

SECTION V

S U M M A R Y

A N D

C O N C L U S I O N S

CONCLUSION

Summary of Testimony

Numerous issues have been aired at the July and October hearings of the committee on the resale of mobilehomes in mobilehome parks.

The primary focus has been the alleged untoward activities of some park managers, who, in one way or another, interfere with the ability of mobilehome owners and their agents to sell their mobilehomes in the park.

Some owners complained that substantially increased rents on prospective purchasers keep them from buying mobilehomes in some parks. Others contended that upgrading requirements on mobilehomes vary, depending on whether the homeowner has engaged the services of the park manager or another sales agent, with minimum upgrading requirements for those who sign on with the manager, versus substantial and sometimes changing requirements for those who opt to use other dealers or brokers. A number of allegations focused on long-term leases, where it was said new mobilehome purchasers - despite Civil Code Sections implying the contrary - are required to sign long-term leases, thus often dissuading them from buying the mobilehome.

There was considerable criticism about management interviews, where some prospective purchasers feel badgered or otherwise interrogated by questions involving their personal or marital

lives. Some testimony was addressed to the question of requiring brokers or dealers to pay fees to the park management for the right to do business in the park, and to pay a fee for an interview of a prospective purchaser.

In response, park owner representatives contended that most of these problems can be resolved through better enforcement of existing laws or through a voluntary mediation process to resolve disputes between park owners and their tenants. Additionally, it was pointed out that recent legislation, A.B. 1114 (Bradley), dealt with some of these problems by empowering the Department of Housing to discipline park manager-dealer licensees who violate Civil Code provisions, such as those prohibiting the manager from denying approval of prospective purchasers, unless they are unable to pay the rent and charges or abide by the park rules.

Discussion

Of the issues mentioned above, the rent issue is the most difficult. There is no doubt that the value of a mobilehome located in a rental mobilehome park has an inverse relationship to the rent charged. If, upon the resale of a mobilehome and transfer of ownership to a new buyer, the rent in the park is increased to any significant amount, or the new buyer is required to sign a long-term lease imposing substantial rent and fee increases, the mobilehome will be, in most cases, worth less to the buyer than the asking price.

Local authorities - cities and counties - presently have the power to regulate rents in mobilehome parks at the option of their local governing body. Some 70 cities and a few counties have such rent stabilization or control ordinances for mobilehome parks, and of those, about half permit rents under their ordinances to be decontrolled upon a vacancy.

One of the adverse impacts of local rent control in jurisdictions with "vacancy decontrol" is that rents will normally increase substantially upon resale. Hence the price one has to pay for having rents kept at a lower level during the time they remain in a park is to some degree taken out of the value of the mobilehome when it is sold. Of course, this is one of the arguments which park owners make against rent control, that it is a taking of their value in the mobilehome park and that mobilehomes under rent control have an artificially higher value at their expense.

Although the value of mobilehomes, as well as the value of the park, may be based on whether or not the jurisdiction has a rent control ordinance, or what kind of ordinance it may have, the state has never sought to enter into the issue of regulating rents at the state level. State legislation has been attempted for several years in a row to preempt or otherwise phase out local rent control ordinances as a matter of state policy. These proposals have never been successful to date. Therefore, the

regulation of rents on the resale of a mobilehome is still an issue within the purview of local government.

The issue of long-term leases may be another matter. State law, enacted two years ago, calls for the exemption of long-term mobilehome park leases of more than one year from local rent control. The state has already stepped into the issue of leases, and the question of whether mobilehome owners as a condition of selling their mobilehome, or prospective purchasers who may buy the mobilehome, can be forced to sign a long-term lease is one which should be addressed.

Section 798.18 of the Civil Code, part of the Mobilehome Residency Law, provides - in essence - that a homeowner shall be offered a rental agreement for a term of 12 months, or a lesser period - such as month to month - as the homeowner may request, or a longer period (long-term lease) as mutually agreed upon by homeowner and management. These provisions of law have existed in their present form since 1982, prior to the enactment of 798.17, the long term lease bill, in 1985.

Since the enactment of the lease bill, however, some park owners have been interpreting 798.18 to apply only to existing homeowners so that park owners don't have to offer options to people who are not already homeowners in the park - that is, people who are new purchasers of a mobilehome in the park. Since sooner or later all resident homeowners in a mobilehome park will

probably change, through this interpretation the effect of 798.18 could be obviated, and eventually no one would have to be offered the option of a month-to-month tenancy. Hence, legislation may be needed to clarify that the option of a month-to-month rental agreement or a long-term lease be offered to both existing homeowners and new tenants.

With regard to some of the other issues brought forth, the subject of some of the complaints are already violations of law. It is really a matter of proof whether such violations have occurred. For example, the fact that a mobilehome park manager may reject a buyer because the seller refused to use the manager as the broker in the sale is a violation of law, which is both subject to civil action, as well as disciplinary action by the Department of Housing under A.B. 1114, effective January 1, 1987, if the manager is a mobilehome dealer or salesperson. However, the manager may hang his hat on the fact that the prospective purchaser could conceivably violate some rule or regulation of the park. Thus, it becomes a matter of proof whether the manager really had an ulterior motive.

The issue of fees required by parks of dealers or sales agents in order to do business in the park bears some consideration. Fees charged homeowners to obtain a rental agreement of one year or less on a space in a mobilehome park are already prohibited by Civil Code Section 798.31. Fees charged homeowners

or their agents as a condition of selling the mobilehome in the park, unless the management performs a service in the sale, are also prohibited by Section 798.72. However, these prohibitions do not extend to buyers or prospective homeowners, or their agents, buying a mobilehome in a park and entering into a rental agreement for a space in the park.

Accusations have been made that the actions of a manager, particularly where the manager is also a dealer or broker, which deny competing agents or brokers entree into the park to do business, are tantamount to restraint of trade. Although such practices are not specifically prohibited by the Civil Code, managers who engage in such practices would seem to be, at the least, skirting existing Civil Code laws.

Concerns about the conflict of interest of park managers who are brokers or dealers are also difficult to resolve. Prohibiting park managers from engaging in the sales of mobilehomes - as some witnesses have suggested - because of the trespasses of a few - may be restraint of trade in reverse. In some cases managers can provide a convenient service to residents who want to save time by letting the park manager handle the sale and qualification of the buyer in one place - instead of dealing with separate agents or parties. Rather than abolishing park manager sales, in recognition of potential conflict of interest problems, perhaps manager sales should be subject to greater safeguards for park residents.

With regard to interviews, the interview process is standard in the mobilehome park industry. It gives both the prospective resident and the manager the opportunity to ask questions, to assure the new resident understands and can abide by the rules and regulations of the park, and to provide the resident with the opportunity to "size up" the park.

Short of abolishing the interview process, there is no real way government can regulate a person-to-person interview or control what is said to assure that someone may not feel "hurt" or "intimidated".

As testimony indicated, some potential buyers have been "turned off" by the interview process. Although the seller may think otherwise, the interview process is one of "buyer beware". In essence, it helps to protect the buyer. Far better the buyer knows - as a result of the interview - the park is not for him before he moves in, than after he signs the deal and becomes a park resident. Then it's too late.

The issue of what information can be required of a prospective homeowner, to assure he/she is credit worthy to pay the rent and can abide by the park rules, is another story. For management to require copies of personal income tax returns would seem to go beyond what is reasonably required. Certainly credit information and personal and job references similar to those required by a bank or financial institution for approval of a loan should suffice.

Lastly, with regard to upgrading mobilehomes in the park at the time of resale, this may be the only time a mobilehome owner - as a practical matter - can be required to bring the home up to code. Under various local ordinances and the real estate disclosure law, conventional homeowners may face a similar requirement at the time of sale. Code violations may have to be fixed, or insulation brought up to standard. Funds are usually available from the proceeds of the sale to make these improvements - which the selling homeowner might not otherwise be able to afford.

The park owner, to uphold the value of the park and the other mobilehomes in the park, is responsible to assure certain minimum standards are maintained. This does not mean, however, that the park owner/manager should require unnecessary and expensive changes - just for the sake of change.

Upgrading requirements should be uniform for all mobilehomes and should not be "pulled" on a selling homeowner without his prior knowledge - or on some homeowners who use an outside agent in the resale - but not the homeowner who uses the manager in his sale. Upgrading requirements should be printed and made part of the rules and regulations of the park so residents know what they face in advance of a resale.

Recommendations

Specifically, members of the committee may wish to consider, as the result of these hearings, legislation in the following areas:

1. In-Park Sales - Outside Agents

Prohibiting park owners/managers from disallowing other sales agents, be they dealers or real estate persons, from doing business in the park, i.e., representing clients who are either mobilehome owners wishing to sell their mobilehomes in the park or prospective homeowners wishing to buy in the park.

2. Fees

Prohibiting mobilehome park owners/managers from imposing fees on dealers or real estate agents for the privilege of doing business in the park, including a fee for the interview of a prospective buyer of a mobilehome or a fee on a prospective homeowner for obtaining a rental agreement or lease on a space in a mobilehome park.

3. Manager Sales

Providing that when a mobilehome park owner/manager represents a mobilehome owner as a dealer or agent in the resale of a mobilehome in the park that the owner/manager must disclose, as part of the listing agreement, all fees and charges which the owner/manager will impose on the seller and buyer as part of the sale. Additionally, in such sales, park owners/managers representing mobilehome owners in the park should not require them to enter into a listing agreement for a period longer than 90 days.

4. Long-term Leases:

a) Clarifying Section 798.18 of the Civil Code, which now gives homeowners in the park an option of month-to-month tenancy, a one-year lease, or a longer term lease, so that new tenants or homeowners who purchase a mobilehome in the park have the same option.

b) Prohibiting park owners/managers from requiring selling homeowners or prospective buyers to sign a long-term lease as a condition of approval by the park management of either the sale of the mobilehome or the tenancy of the buyer.

5. Upgrading Requirements

Providing that the rules and regulations of a mobilehome park include printed, standardized upgrading requirements, so that homeowners know in advance that upgrades will be imposed equally on all mobilehomes upon resale in the park.

6. Credit Checks - New Residents

Providing that financial information and references required of a prospective mobilehome owner, in order to be approved by management for residency in a mobilehome park, shall not include copies of federal or state income tax returns.

#

SECTION VI

A P P E N D I X

Assembly Bill No. 1114

CHAPTER 830

An act to amend Section 798.74 of the Civil Code, and to amend Sections 18062.2 and 18063 of the Health and Safety Code, relating to mobilehomes.

[Approved by Governor September 19, 1987. Filed with Secretary of State September 21, 1987.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1114, Bradley. Mobilehomes.

Under the existing Mobilehome Residency Law, management of a mobilehome park is prohibited from showing or listing a mobilehome for sale without the owner's written authorization. Existing law also permits the management of a mobilehome park to require the right of prior approval of a purchaser of a mobilehome that will remain in the park and that the homeowner or his or her agent give notice of the sale to the management before the close of the sale. It, however, prohibits the withholding of approval if the purchaser has the financial ability to pay the rent and charges of the park unless the management reasonably determines that, based upon the purchaser's prior tenancies, he or she will not comply with the rules and regulations of the park.

This bill would amend the Mobilehome Residency Law to provide that, if the approval of a purchaser of a mobilehome in the park is withheld for any reason other than the reasons specified by provisions of the Mobilehome Residency Law relating to transfer of mobilehomes, the management or owner of the park may be held liable for all damages proximately resulting therefrom.

Under the existing Mobilehomes-Manufactured Housing Act of 1980, various acts are declared to be unlawful if committed by a mobilehome dealer or salesperson.

This bill would add to the unlawful acts a prohibition on the showing or listing of a mobilehome or a violation of the above-mentioned authorization and approval provisions of the Mobilehome Residency Law. This would impose a state-mandated local program by creating additional misdemeanors.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

SECTION 1. Section 798.74 of the Civil Code is amended to read:

798.74. (a) The management may require the right of prior approval of a purchaser of a mobilehome that will remain in the park and that the selling homeowner or his or her agent give notice of the sale to the management before the close of the sale. Approval cannot be withheld if the purchaser has the financial ability to pay the rent and charges of the park unless the management reasonably determines that, based on the purchaser's prior tenancies, he or she will not comply with the rules and regulations of the park. If the ownership or management rejects a purchaser as a prospective homeowner, the ownership or management shall inform the selling homeowner in writing of its reasons for the rejection. If the approval of a purchaser is withheld for any reason other than those stated in this article, the management or owner may be held liable for all damages proximately resulting therefrom.

(b) If the management collects a fee or charge from a prospective purchaser of a mobilehome in order to obtain a financial report or credit rating, the full amount of the fee or charge shall be credited toward payment of the first month's rent for that mobilehome purchaser. If, for whatever reason, the prospective purchaser is rejected by the management, the management shall refund to the prospective purchaser the full amount of that fee or charge within 30 days from the date of rejection. If the prospective purchaser is approved by the management, but, for whatever reason, the prospective purchaser elects not to purchase the mobilehome, the management may retain the fee, or a portion thereof, to defray its administrative costs under this section.

SEC. 2. Section 18062.2 of the Health and Safety Code is amended to read:

18062.2. It is also unlawful for a dealer to do any of the following:

(a) Engage in the business for which the dealer is licensed without at all times maintaining an established place of business.

(b) Employ any person as a salesperson who is not licensed pursuant to this part, or whose license is not displayed on the premises of the dealer as provided in Section 18063.

(c) Permit the use of his or her dealer's license, supplies, or books by any other person for the purpose of permitting that person to engage in the sale of manufactured homes, mobilehomes, or commercial coaches, or to permit the use of the dealer's license, supplies, or books to operate a branch or secondary location to be used by any other person, if, in either situation, the licensee has no financial or equitable interest or investment in the manufactured homes, mobilehomes, or commercial coaches sold by, or the business of, or branch or secondary location used by, the person, or has no such interest or investment other than commissions, compensations, fees, or any other thing of value received for the use of the dealer's license, supplies, or books to engage in the sale of manufactured homes, mobilehomes, or commercial coaches.

(d) Advertise any specific manufactured home, mobilehome, or commercial coach for sale without identifying the manufactured home, mobilehome, or commercial coach by its serial number.

(e) Advertise the total price of a manufactured home, mobilehome, or commercial coach without including all costs to the purchaser at time of delivery at the dealer's premises, except sales tax, title and registration fees, finance charges, and any dealer documentary preparation charge. The dealer documentary preparation charge shall not exceed twenty dollars (\$20).

(f) Exclude from the advertisement of a manufactured home, mobilehome, or commercial coach for sale information to the effect that there will be added to the advertised total price at the time of sale, charges for sales tax, title and registration fees, escrow fees, and any dealer documentary preparation charge.

(g) Represent the dealer documentary preparation charge as a governmental fee.

(h) Refuse to sell the manufactured home, mobilehome, or commercial coach to any person at the advertised total price for that manufactured home, mobilehome, or commercial coach, exclusive of sales tax, title fee, finance charges, and dealer documentary preparation charge, which charge shall not exceed twenty dollars (\$20), while it remains unsold, unless the advertisement states the advertised total price is good only for a specified time and that time has elapsed.

(i) Not post the salesperson's license in a place conspicuous to the public on the premises where they are actually engaged in the selling of manufactured homes, mobilehomes, and commercial coaches for the employing dealer. The license shall be displayed continuously during their employment. If a salesperson's employment is terminated, the dealer shall return the license to the salesperson.

(j) Offer for sale, rent, or lease within this state a new manufactured home, mobilehome, or commercial coach whose manufacturer is not licensed under this part.

(k) To violate Section 798.71 or 798.74 of the Civil Code, or both.

SEC. 3. Section 18063 of the Health and Safety Code is amended to read:

18063. It is unlawful for a salesperson to do any of the following:

(a) At the time of employment, not deliver to his or her employing dealer his or her salesperson's license.

(b) Fail to report in writing to the department every change of residence within five days of the change.

(c) Act or attempt to act as a salesperson while not employed by a dealer. For purposes of this subdivision, "employment by a dealer" means employment reported to the department pursuant to subdivision (d) of Section 18060.

(d) To violate Section 798.71 or 798.74 of the Civil Code, or both.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the

only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

O

MITCHELL AND MCENTYRE

ATTORNEYS AT LAW

655 SECOND STREET

ENCINITAS, CALIFORNIA 92024

AREA CODE 619

TELEPHONE 753-6327

DON W. MITCHELL
RICHARD F. MCENTYRE
GREGORY L. MURRELL
JAMES C. MITCHELL

August 13, 1987

Mr. Jed P. Robinson
South Shores Development Corp.
P. O. Box 64
Downey, CA 90241

Re: Lanikai Lane Mobile Home Park
Resident Leases Matter
Our File RLA10-01

Dear Mr. Robinson:

Our firm has been retained by Mr. Silas Bass who, on behalf of concerned residents at Lanikai Lane, has asked us to open the channels of communication with you concerning certain park problems that have arisen.

The first and paramount concern is rental increases, both the increase at resale time and the annual increase. Apparently, the problem of large increases at resale is a problem that the park has been grappling with for over seven years, as evidenced by the letter dated December 15, 1980, from your father, Jack E. Robinson, to the residents. As you are probably aware, the gravamen of the problem is that mobilehome owners are a "captive audience" who have little or no control over the rental increases that greatly affect the value of their property on resale. Residents spend literally thousands of dollars complying with the park rules and regulations that require them to build patios, erect awnings, skirt their mobilehomes, erect carports, landscape their spaces, and generally keep their mobilehomes and spaces maintained properly, only to find that resale becomes difficult, if not impossible, or they have to accept thousands less than their mobilehome would otherwise bring at market value, because the space rental gets raised 20 to 25 percent or more.

The 1980 letter from your father embodied an agreement between the corporation and the residents to deal with the residents' expressed concerns about the rental increases at resale. Acting for the corporation, your father agreed as follows:

Mr. Jed P. Robinson
Re: Lanikai Lane Resident Leases
Our File RLA10-01
August 13, 1987
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"No. 5 - 'Increase Rent - Sale of Unit'

It has been our past practice to increase the rent on a space where the unit is sold by a sum of \$25.00 per month. There is a sound basis for this action, however it is clear that this is a source of concern to the residents. I would then propose this change: (1) The rate of increase on all future sales shall be \$15.00 per month; (2) This increase shall not be made on the occasion of a second or subsequent sale made within two years of either the prior \$25.00 increase or any future \$15.00 increase. Each resident will be advised of this policy and the policy will be posted in the office of the Park."

For at least the past three years, however, without notice to or consent of the residents, the policy or rule was abruptly abandoned, leaving the residents in a precarious position again. Rents are being raised by \$45 to \$65 per space and then raised again January 1 of the ensuing year.

Along these lines, it should be noted that you are failing to comply with the law in certain respects. The Mobilehome Residency law (Civ. Code sec. 798, et. seq.) provides, in section 798.18, that a homeowner shall be offered a rental agreement for a term of 12 months or a lesser period as the homeowner may request. The form letter sent to residents dated October 31, 1985, indicates that you have developed a practice of giving residents a month-to-month agreement unless they request a 12-month agreement. You are reversing what the law says you should do and thereby are putting the onus on the residents, many of whom are senior citizens. You should be offering all residents 12-month leases unless they specifically request a month-to-month lease.

Similarly, you are failing to comply with section 798.15 because you fail to include the rent amount in the rental agreements, which this last requires. When new owners come in mid-year, they should be offered 12-month leases with a set rent. Instead, they are given month-to-month agreements and then the rents are raised

Mr. Jed P. Robinson
Re: Lanikai Lane Resident Leases
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again January 1st of the ensuing year. Thus, almost no new owners get the benefit of the law; that is, a full year's tenancy at their initial rent.

With respect to the annual increases, we are advised that they have averaged 9.4 percent per year over the past seven years in an economic climate of extremely low inflation, and during which time Social Security increases have totaled only 4.7 percent per year. As you are aware, 80 percent of your residents are widowed and/or retired. Of course, you cannot be expected to shoulder anyone's personal circumstances; however, increases should be reasonable and conscionable which, overall, we believe are not.

With respect to the rental increase matter, the residents have several avenues open to them. First, they could bring suit. Landmark lawsuits have been filed in several California jurisdictions which seek judicial intervention to roll back rents and control future increases in towns where there is no rent control. Or, the residents of Lanikai could join with the residents of other parks in Carlsbad in approaching Carlsbad officials concerning the need for a rent control ordinance similar to the one in force in neighboring Oceanside or the mobilehome rent stabilization ordinance in Fremont, California. Still another alternative would be for the residents to join with the other park residents in lobbying for the enactment of a binding arbitration ordinance like that enacted and in force in Campbell, California (Rental Increase Dispute Resolution Program), which would resolve future rent disputes. Last, perhaps the most productive way to deal with the problem would be to sit down and talk with you about it, culminating in a written agreement.

The other major concern expressed by the residents is the requirement that they pay for cable television when they do not wish to receive it. Discussions would have to include this issue also.

KIMBALL, MITCHELL AND McENTYRE
ATTORNEYS AT LAW

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Please contact, or have your attorney contact, either me or Susan Ferguson of our office concerning whether you would be willing to negotiate these matters with the residents.

Very truly yours,

Richard F. McEntyre

Richard F. McEntyre

slf:law

cc: Mr. Silas Bass 

A NEED FOR ONGOING DIALOGUE AT
LANIKAI LANE MOBILE HOME PARK

There is a serious, and continuing, lack of meaningful productive dialogue between park residents and park owners. Most recent example of this lack of communication is the installation of cablevision service, against the strong wishes of a majority, and without prior discussion. We pay about 75% of total charges and, to date, have not seen a copy of the contract signed in our behalf.

Other questions and problems, equally important, remain on-going and unresolved because resident/owner contact is not available.

For example:

1. Harsh and excessive rent increases.
2. Unrealistic rent increases levied on new residents. Most recent, a whopping \$65 per month (24% increase).
3. Firm understanding and agreement on current and long-term repair and maintenance of common areas. Little has been done recently.

Residents, assuredly, are equally concerned about the physical condition and future of the park as a quality place in which to live. The park is aging as are the facilities. Park owners have a responsibility to ensure that adequate funds are budgeted, on-going to protect the investment of all concerned. There is no evidence of this at present.

Large amounts of rent payments are collected. What are these monies used for? As long term investors, residents have been "paying the freight" many years. We have a right to know!

THERE IS MUCH TO TALK ABOUT -- MUCH TO BE DONE!

Prepared for, and by,
Residents For A Secure Future

April 30, 1987

September 24, 1987

State Senator Bill Craven
2121 Palomar Airport Rd., Ste. 1000
Carlsbad, CA 92009

Re: Senator Craven's State Senate Select Committee on
Mobilehomes' Meeting of October 19, 1987.

Dear Senator Craven,

We are residents in Cavalier Mobile Estates and wish to call the following actions of the Management and Owners' of our Park to your attention:

1. The in-park Manager, Mrs. Rosalie Jewell, in addition to management, works as a sales agent for Brynex, Inc. (which is owned by a relative of our park owner) selling mobilehomes in our park. Brynex, Inc., who has a sales' office in our park's clubhouse, purchases single-wide mobilehomes that come up for sale and remove the same and place their own double-wides on the same space. In the past three years, our Managers', the Jewells, have bought, sold, and occupied 6 separate mobilehomes in our park.

2. We notice a pattern of interference by the park managers in mobilehome resales which were not done through Brynex, Inc. and substantially different upgrading rules for units sold by others vs. units sold by Brynex, Inc. A similar pattern has been shown for park approval for mobilehomes purchased by individuals other than Brynex, Inc, clients.

3. In addition to the above, we would like to ask your expertise, Senator Craven, as to the following questions:

a. Should the on-site managers be buying and selling mobilehomes with such repetitiveness?

b. Can the management of the park be engaged full-time in the realty business without having a conflict of interest as to approving mobilehome resales, required up-grading, etc.?

c. Can the management of the park turn our adult ⁵⁴ park into a family park in lieu of Civil Code Section 798~~65~~, Paragraph F?

d. If the management of our park, in Brynex, Inc., in their purchasing and resale activities are generating forced lease agreements; should said agreements be valid when the tenants are not advised of the availability of the rent control ordinance?

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September 24, 1987

State Senator Bill Craven

Re: Senator Craven's State Senate Select Committee on
Mobilehomes" Meeting of October 19, 1987

Not including the spaces occupied by management, we have over 340 spaces in this park and we would be extremely happy if yourself or your representative would be available over the next several months to address the Cavalier Mobilehome Owners' Association (preferably a Tuesday or Thursday evening at 7 p.m.). Please advise.

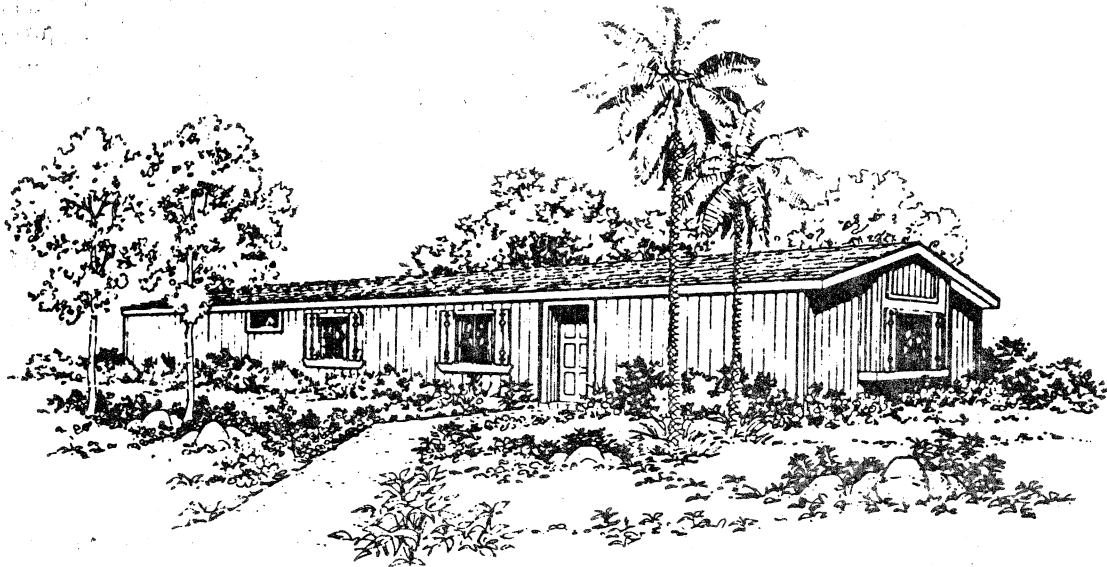
Thank you.

Sincerely,

Aline Allyn, Secretary
Cavalier Mobilehome Owners' Association
106 Greenwood Lane
Oceanside, CA 92054
(619) 722-3941

Brynex Inc.

- Mobile Home Sales
- New & Used In Park Sales
- We Have Homes Now
- For Better Service and Results
- List Your Home With Us
- Call or Come By Today



NORTH COUNTY OFFICE LOCATED AT:

CAVALIER MOBILE ESTATES

1225 Oceanside Blvd.

Oceanside, CA 92054

CALL: (619) 439-7900



Rosalia Jewell

Other Counties Served:

- 124 -

October 12, 1987

Senator W. A. Craven
2121 Palomar Airport Rd.
Suite 100
Carlsbad, Ca. 92009

Dear Mr. Craven:

I hope that you will take time to read this rather lengthy letter regards to some problems that I have had as a tenant of Solamar Mobile Park.

Since I will be on jury duty the date of October 19th hearing is the reason for the letter.

December of 1979 mobile home space #18 became vacant, at the time I resided at space #13. There had been a 12 X 46 mobile home previous on space #18. At that time I had asked Bill Pesky, the park mgr., what was going to happen with the space, he stated he did not know, I would have to talk with Mr. Pender. Mr. Pesky then gave me Mr. Penders home phone number and I then called him and he said he would be down the following Sunday and meet me at the Park Office. I then had a meeting with him in the morning and he then stated he could buy a mobile home and put it on the lot for me. He said to check around for the price and then let him know. About one week later I met with him again and showed him the price I could buy the mobile home for. Mr. Pender waide he could not even come close to that price. He then said since he was not going to make anything on the mobile home, I would have to pay him \$2500.00 so I could have the space to put it on.

I paid him \$1250.00 cash and two checks of \$625.00. See photo copy #1, of one of the checks he received for the space.

At that time the Carlsbad newspaper was writing a lot of adverse articles about mobile park owners, the way they were doing and intimidating the senior citizens. So he finally said ok, but I would be one of the few that he would ever let bring in their own mobile home.

The mobile home was ordered, about one week before delivery Mr. Pesky was talking to the person in space #19, I stood aside until they got through to let him know of the delivery date. At that

time he said Mr. Pender wanted to see me, that he was going to raise the rent about \$25.00 a month.

Mr. Pender came down a few days later and I met with him in the Club House office, it was then he was going to increase my rent by 50% since he was not using the space #33 any longer that it was going to be black topped and he would not have any return on it. I told him at the time he should have told me that at the very beginning I did not like doing business as he was doing it.

Mr. Pender never did black top space #33, in 1981 he had started putting vacation trailers on the spot, I had asked him about it different times each time he said its just temporary. The vacation trailer that is on space #33 has now been there over 3 years. See photos.

Since 1980 until July of 1987 I have paid \$8458.00 more rent than my neighbor in space #19 or #32. At the present time I am being charged \$421.00 and my neighbor \$289.00.

In the past year Mr. Pender has moved between 20 to 26 mobile homes in the park and sold them at a very large profit. As you probbly know Solamar Mobile Park is in the process of own your own lots park conversion. Space #33 that he was going to black top for a parking space is now being sold for \$20,000.

As you can see spaces #32 and #19 on each side of my space #18 are selling for \$38,185, he is charging me \$43,184 for the same square footage as in lot #32. Is't this a discrimination factor?

This park conversion is a fiasco, because 4 of the 5 committee members are Mr. Penders neighbors.

A lot of the park tenants think the park is going to be brought up to first class shape before the homeowners take it over. Mr. Pender has made a statement to one of the committee members he was not going to spend any money on the park. See photo copy of sellers warrantie's

I believe this Continental Associates had sold the senior citizens in this park a bill of goods. They have not even told them what the potential attorney fees will be yet. See attached photo copy for the Gap Loan monthley expenses.

Estimated operating costs, Mr. Pender has spent very little in the park for the past three years for improvements.

I am sure they do not realize what the escrow closing costs are going to be..

As you can see all of the lots that are higher prices are the ocean view lots. Almost 90% of the tenants in this park are senior citizens on fixed income.

This is part of the problems with Mobile Homes as I have outlined a few of ours, I hope you will take time to read this letter. If I can be of any further assistance please write or telephone me.

Respectfully,

A handwritten signature in cursive script, appearing to read "Bob Tapp", with a long horizontal flourish extending to the right.

Bob Tapp
6509 Friendly Pl.
Sp. #18
Carlsbad, Ca. 92009

619-438-2955

October 18, 1987
11401 N. Topanga Canyon Blvd.
Space #126
Chatsworth, CA 91311

Senator William A. Craven
Safety Center, Conference Room
2560 Orion Way
Carlsbad, CA

RE: MANAGEMENT INTERFERENCE IN RESALE OF MOBILEHOMES

Dear Senator Craven,

Enclosed you will find copies of a number of documents that, I believe, will show there is truth in the allegations of interference by park managers and owners in the resale of mobilehomes.

At Indian Hills Mobilehome Village, Chatsworth, it begins the day a homeowner informs the management of his/her intent to sell. The manager then inspects the homeowners site and issues a letter telling the homeowner that the prospective buyer must sign a lease agreement (long term only) or a document stating that he agrees to the lease agreement as one of the conditions of sale. This document must be deposited in escrow before close of sale. There is no choice of month-to-month tenancy or a 1 year lease agreement.

All the present homeowners in our park have signed long term leases. (A history of long term leases in our park has been included to clarify the situation here.)

In the case of some of the sales, the owner or manager notes that there is a newer version of the long term lease. The homeowner is sent a letter stating what the new rent to the prospective buyer will be. The homeowner is usually upset as to the stated new rent to the buyer. The homeowner is then contacted by management and asked if he would like to sign another long term lease. If the new lease offered is signed, the rent to the new buyer is less. The terms of the new lease are, naturally, more beneficial to the park owner.

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October 18, 1987
RE: Indian Hills Mobilehome Village

I have enclosed copies of the two latest lease offers in the park. I ask you to pay particular attention to 8A. 1 and 8A.2, which refer to Sale of Mobilehome and Required Assignment of the Agreement.

I am particularly worried about these paragraphs because it is stated that these leases will apply to the particular space for the entire term of the agreement, which in these cases is 25 years. The other very disturbing part is that in signing these leases, the homeowner signs away the future buyers rights to the 72 hours to change his/her mind after signing and, in addition, the homeowner signs away the rights of any buyer to his/her 30 days to examine the lease document. Signing away the legal rights of another adult party is illegal unless that person has been given power of attorney by a Court or the adult has given another that power for some reason.

If the homeowner (seller) refuses to sign a new long term lease, the park owner then writes to the prospective buyer, personally. The park owner circumvents the broker selling the home and tells the prospective buyer that it is too bad that he/she will have to pay such a high rent and that this could be reduced if only the seller would sign a new long term lease before the sale is completed. Now, the prospective buyer is upset and wants to stop the sale because he wants to pay the lower rent. The homeowner is then forced to sign a new lease before the sale or the buyer will not purchase the home.

If a prospective buyer balks at having to sign a long term lease and is smart enough to request a 1 year lease, the owner then brings up the financial ability to pay. The ability to pay in our park is very stringent, some of the terms are:

1. A 36% debt ratio.
2. Park owner requests prior income tax forms.
3. Complete list of bank accounts, IRA's, investments, stocks, etc.
4. Lists of all debts and when they will be paid off.

These can be juggled around so that even a Rockefeller would not be able to get into this park because his millions might be tied up in a number of transactions and he wouldn't have a ready cash flow.

Another method of interference with sales is what is termed "The List of Deficiencies" (samples enclosed). The park owner

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October 18, 1987

RE: Indian Hills Mobilehome Village

makes such demands upon the homeowner to correct what he terms "deficiencies" that some homeowners find that the cost of correcting these "deficiencies" would be so costly that they decide not to sell and are thereby made even more "captive" than before. In other cases, the homeowner corrects all the "deficiencies" and thereby losses money on the sale of the home.

Some of the "deficiencies" include painting the entire home (paint color and brand picked by parkowner) because in the parkowner's eyes it is faded, replacing outdoor carpeting because it is not the color the parkowner requires at the time. replacing decorative rock because of wrong color, the list goes on and on.

It is my personal belief that the most potent weapons that the parkowners have in their arsenal is the long term lease and the Greene Bill which gives the parkowner absolute sovereignty on many issues involving the lives of unsuspecting homeowners. The Greene Bill has made parkowners unanswerable to many laws of State, City and County.

I urge the repeal of the Greene Bill. Let us get back to a democratic society..

It is to be noted that I have documentation for all the conditions herein described. ~~Some~~ ^{The} documentation has not been submitted because of the fear of further interference by some homeowners in their resales.

Senator, I thank you for taking such an active interest in the "Plight of the Mobil Homeowners". I think your hearings will be of great help in furthering our combined efforts to get our message to all lawmakers.

If you require any further information, or if I can be of any help, please contact me any time.

Yours truly,

Patricia A. Lowery
Patricia A. Lowery, President
GSMOL - Chapter #163

enc.

A HISTORY
OF
LONG TERM LEASES
at
INDIAN HILLS MOBILEHOME VILLAGE

BACKGROUND

Indian Hills Mobilehome Village, 11401 N. Topanga Canyon Boulevard, Chatsworth, CA 91311, is located in Los Angeles County at present. We are hopefully going to be Annexed to the City of Los Angeles which has rent control.

The County of Los Angeles was under rent control from July 1979 and was phased-out in 1985 on the anniversary date of when the homeowner moved in. Only those who were tenants before July 1979 were on rent control. Our owner was charging approximately a 30% rent increase upon the sale of a home. The rent increase allowable under County Rent Control was 9½% per year plus passthroughs.

The County was concerned as to what would happen to the rents of the homeowners once Rent Control ended, so in 1983 a Rent Control Task Force for Mobilehomes was established. Various County officials, GSMOL representatives and Parkowners Associations made up the Task Force. Our part owner, Peter Nougulier was, and I believe still is, on the Board of Directors of MHET (Manufactured Homes Educational Trust) which had a representative on the Task Force.

This Task Force met for 3 years and in 1986 they came out with what they termed "The County Basic Lease (January 14, 1986).

Before the issuance of the County Basic Lease, the County issued some Broad Guidelines (November 28, 1984).

Mr. Nougulier offered a Long Term Lease in January 1985 which was loosely based on the broad guidelines to the homeowners who were previously on rent control.

These homeowners were told that their rent was from \$100 to \$120 below market value. Their rent schedule was as follows: \$20 per month increase each year for the first 4 years plus a 6% minimum increase (based on their reported market value and not on what their previous rent was) per year, plus passthroughs. There is also a clause in their lease that states that the owner can raise their rent by 15% each 5th year. Their leases are renewable at the owners option only for 4 successive 60 month terms, making this a 25 year lease.

Long Term Lease History

The inducement that our owners offered for the people to sign the long term lease was to tell them if they did not sign their rent would immediately be increased to his version of market value (\$100-120 per month increase). Most of the homeowners signed, many with the statement "Under Duress or Under Protest".

In March 1985, a long term lease was offered to another group of homeowners in our park. The terms in this lease offered a minimum of 6% monthly increase per year plus passthroughs.

The homeowners then revived the GSMOL in the park and began to get together.

In December of 1985, Mr. Nougier sent those who signed leases an amendment to their leases which informed them that they were now covered by the Greene Bill exempting them from any ordinance, rule, regulation or initiative measure adopted by any local governmental entity which established a maximum amount that the park owner may charge resident for rent.

(For clarification the above leases will be known as Lease #1 and Lease #1A.)

LOS ANGELES COUNTY BASIC LONG TERM LEASE

In January 1986 Los Angeles County issued the Basic Long Term Lease with an accompanying proposed Rent Control Ordinance to be held in reserve if the park owners did not voluntarily comply with the terms of the Basic Lease.

The homeowners waited to see if Peter Nougier would issue a lease in compliance with the Basic Lease.

April 1986 a Long Term Lease Offer was issued to the homeowners. This lease was not in compliance

By June of 1986, a Homeowners association had been formed and a Legal Fund was set up. The association had a meeting with the owners and nothing was accomplished. The association then went directly to the County.

The County called in the owner and requested that a lease in conformance be offered to the homeowners. It took approximately 4 months for the owners to issue a lease that was acceptable to the County but with the reservations that there would have to be further negotiations between the owner and homeowners.

The County Basic Long Term Lease was offered in our park in December of 1986 to those homeowners who had not previously signed a long term lease. The homeowners were given 7 days in which to sign or their rent would immediately be increased, the second increase since July 1986, and were told that if the lease were not signed the rent could be increased every 60 days. In the face of that kind of pressure, all the homeowners signed.

The County Basic Lease that was signed in this park contains 7 additional pages added by Mr. Nougulier's attorney.

(For clarification the above leases will be known as Lease #2 and Lease #3 or County Basic Lease).

When Lease #2 was offered to the homeowners in April 1986, some of the homeowners who had previously signed Lease #1A (25 years) were offered the Lease #2. The Lease #2 had a minimum increase of 4% per month per year and is renewable at the owners option only in five year increments for a total of 30 years. I believe this was done to make sure that these homeowners would not come under the Greene Bill.

PRESENT SITUATION (August 1987)

On November 3, 1987 the voters of the area will vote on whether or not to be Annexed to the City of Los Angeles. The City has informed our owner that upon Annexation, those who signed a Long Term Lease before January 1986 will come under Rent Control. In an effort to nullify the benefits of Rent Control our owner is offering new leases to those who would be under Rent Control (Lease #1 and Lease #1A).

The proper County agencies have been contacted and given copies of the new leases issued. It is their opinion that they do not conform to the County Basic Lease and will so notify the owner.

Since January 1985 a total of 6 different Leases have been issued by the park owner. Each successive lease has been more onerous than its predecessor, with the exception of the County Basic Lease which still contains a number of issues that must be resolved either by negotiation or legal action.

(For clarification the new leases will be known as Lease #4 and Lease #5).

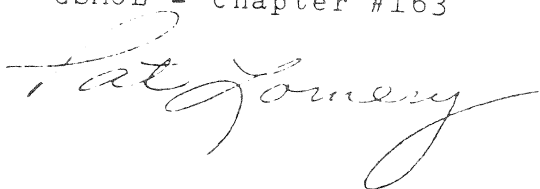
COMMENTS

As you have read in the preceeding pages, our park has a long and sad history with the concept of Long Term Leases and their benefits to the homeowners. In our case, there has been very little benefit as our owner changes the lease at his every whim and, of course, always to his benefit.

Our owners concept of negotiation is "I write-----You sign". Until the parkowner can sit down and realize that the homeowners are his equal, this situation will continue.

At the rate that our owner has been handing our different Long Term Leases in this park, in 25 years (the term on one of his so-called Long Term Leases) the number of Long Term Leases will be probably astromomical!

Pat Lowery, President
Indian Hills Mobilehome Village
Homeowners Association
Legal Fund
GSMOL - Chapter #163



GSMOL, Inc. Region 9
Riverside County
Desert View Mobilehome Park
18555-49 Roberts Road
Desert Hot Springs, Ca. 92240

The methods used to force new Home Owners to sign Rental Lease Agreements are clear cut violations of the Civil Code:

1. Article 2 Rental Agreement

A - Section 798.18:

A home owner shall be offered a rental agreement for (1) a term of 12 months, or (2) a lesser period as the homeowner may request, or (3) a longer period as mutually agreed upon by both the homeowner and management.

2. Article 7 - Transfer of Mobile home.

A - Section 798.74:

The management may require the right of prior approval of a purchaser of a mobilehome that will remain in the park and that the selling homeowner or his or her agent give notice of the sale to the management before the close of the sale. Approval cannot be withheld if the purchaser has the financial ability to pay the rent and charges of the park unless the management reasonably determines that based on the purchaser's prior tenancies, he or she will not comply with the rules and regulations of the park. If the ownership or management rejects a purchaser as a prospective homeowner, the ownership or management shall inform the selling homeowner in writing of its reasons for the rejection.

B - Section 798.77:

No rental or sale agreement shall contain a provision by which the purchaser or homeowner waives his or her rights under this chapter. Any such waiver shall be deemed contrary to public policy and shall be void and unenforceable.

3. Article 9. Subdivisions, Cooperatives and Condominiums.

A - Section 799.4:

Approval cannot be withheld if the purchaser has the financial ability to pay the fees and charges. This is a repeat of Article 7, Section 798.74. The Legislature in both cases wanted to make sure ownership or management understood the above language.

On Thursday, March 20, 1986, we were shown the home in question by Joan Wright, Mobile Home dealer. We decided to purchase said property, and so notified her on Friday, March 21, 1986. She came to our home to discuss our offer and later the same day, called me to say the owner had accepted our offer. I told her at that time I would not make a firm commitment until I was sure of our obligation as we were renting and I wanted to be sure of how much notice I would have to give before moving. I tried to contact the manager of Villa Calimesa, Louise Estal, but was unable to contact her as she was out of town. I contacted her on Saturday, March 22nd, and we discussed the rental of the space at C-7, and the notice I would have to give (30 days). I told her the sale was to be, and was written into "Upon approval of park manager." To this she replied, and I quote "There is no problem there, as you were approved when you moved here in December, 1985.

At no time did she mention that there would be a lease.

On Monday, March 24, 1986, I notified Joan Wright that we were ready to make a purchase of the coach C-7, and she came to our home and accepted our checks, putting the sale in escrow.

On Wednesday, March 26, 1986, the manager came to our home and handed me a lease, stating that the owners had decided to have all new owners on a lease. I asked if all the tenants in the park were going to have to sign a lease, and she replied, and again I quote, "No, just the new owners. I knew this was coming, but didn't say anything to you, as I didn't think it would apply to you, since you already lived in the park, but the owners decided that you would have to be on a lease, so you read it, sign it and return it to me and I'll fill it in." When I looked at the lease, I found it was blank, no figures filled in at all and decided I wouldn't sign it.

On Sunday, March 30, 1986, during a conversation with the manager, I stated I would not sign the lease as it was. Two hours later, she called me to say that she had talked to Mrs. Conway, owner, and Mrs. Conway said I was to be told if I didn't sign the lease, they would refuse to turn on the utilities if I bought the coach.

To me, this was a threat. On Monday, March 31, the manager again came to me about the lease, and at that time, said she would be bringing me another lease and this time Mr. Conway had stated that if I didn't sign that one, I wouldn't be approved to live in the park. I considered this another threat, as I had been approved by all parties concerned, to live in Villa Calimesa before I moved here in December, 1985.

Since this lease was not mentioned when we bought C-7, I feel this has been all wrong. And I restate, At no time was a lease mentioned to me, until it was presented to me after I had bought the property.

(Mrs) Maria A. Kussinger

March 3, 1986

To: Mr. Al Rouse:

I went up and told Louise I had bought Mr. Mayers coach, D-2, and would be moving in the 15th or 16th of March, but I moved in the 12th as that is when my son could move me.

I came back and talked to Louise when I had payed Mr. Mayer and she told me what it would cost me to live in the park.

As I was about to leave, she told me that Mr. Conway had said all new tenants would have to sign a lease. I asked her for it and she said she did not have one as Mr. Conway had not brought them over to her. She did not know what was in it, but she said again that I would have to sign it before I moved in, but I had been accepted and I had moved in. As I was ready to leave, she asked me if I would sign a piece of paper stating I would sign the lease. I told her I would and did, but I did tell her I would have to read the lease first. She brought down a (14) fourteen page lease on a Wednesday and asked me to sign it and take it back to her. The lease was not filled out or signed so I did not sign it or take it to her. When I paid my rent the 3rd of April, she told me she had a lease ready for me to sign and I signed it and she told me as soon as they got it revised, she would give me another lease.

At the committee meeting, I asked Mr. Conway about me signing the lease and he said I had to sign it and all (5) five of the members heard him tell me I had to sign it and he said every new tenant would have to sign one before they moved in. Mr. Conway also told me at the meeting that as soon as they got the lease revised he would give me another one. He also told all six of us at the meeting that he got along with all the people in his other (5) five parks except this one. No one wanted him to sell as they got along with him rather well.

Senator Cravens:

I bought my coach from a private party in the Escondido Terrace Mobile Home Park. I went to the managers office to fill out papers concerning my ability to pay the rent. I was told the rent would be so much with a 5% increase every year for the next ten years. I agreed to the prices.

The coach had a six months escrow. Time passed and escrow was to close it did. I went to the managers office with the person who sold me the coach. We were both very angry when he tells me my rent will be 15⁰⁰ more per month because I am a new resident. They could present no paper where this information was in Print. I was very angry because they were not up front with me. I have to watch my money as many others do. They could have told me when I made application. Had I known that and I could have cancelled the escrow, I would not be here in J. 65. It is wrong to be misled.

Helen J. Hazen

1380-59 Oak Hill Drive
Escondido, California

October 19, 1987

Senator William Craven
2121 Palomar Airport Road
San Marcos, California

Dear Senator Craven,

As I can not personally attend your meeting today and I feel like my experiences have a specific relationship to the mobile home owners' predicament in California, I have asked my neighbor, Mrs Rudell Sweet, to read this letter in the open meeting before she delivers it to you.

Almost two years ago to date, I decided to purchase a mobile home in Escondido, California, at Escondido Terrace. I negotiated the sale and secured a lease through what turned out to be one entity, Caster Management Corporation, with Bert Caster as property manager and also as MH dealer. At the time, I did not realize the significance of this fact. This came later while I attempted reconciliation of my problems.

These problems are well documented with the Complaint Submittal Forms sent to HCD of California with copies furnished to your office. My difficulties occurred because:

(1) The Corporation CMC took possession of my money and concluded the sale knowing that my family unit's make-up would conflict with the population plan of the Escondido Terrace Park. I need to add that my family unit containing a small child is not unique to the park's experience whether present or past history. Regardless of this fact, my situation has made me

vulnerable to continual harrassment. The first incidence was when I had noticed a sewage problem around my space and called the management's attention to it. Besides an unwarranted denial from the management I was concurrently threatened with an imminent immediate removal of my daughter and granddaughter. This has been the strategy every time that I have requested help with some problem. The latest intimidation of any magnatude is while I traveled during the time when the temperatures were holding at the summer's high and other residents did invite Jean and Kathryn to swim during children's hours. Because they went, I was served with a formal violation notice and instructed that they should not ever again attempt to go without my specific attendance.

(2) The condition of the unit was mis-represented by the dealer in major unobservable areas to the point that I had to secure an attorney to get some of the repairs and replacements. This was at great expense and stress when I truly should not have had either. I even had further damage to my coach when a contract worker secured by Mr. Caster proceeded against my specific request for a statement of work before work commenced.

(3) I have continually experience problems with getting forms that were filled out properly, getting satisfactory answers to my questions, or in getting responses to my telephone calls. I have never received the lease that was supposed to supplement the paper I was furnished acknowleging that my daughter and her littl daughter would be living with me. Nor did I receive the back-up

for miscellaneous fees that were leveed up front.

(4) When I did submit the prescribed Complaint Forms, the resultant contacts with the Inspector were not satisfactory. The comments were delivered with mannerisms and attitudes that might be interpreted as biased towards the dealer's side. I was on completely foreign ground in the process and really upset due to the additional damage caused by the workers who were supposed to being the ones fixing the unit. The bat and board interior siding had been visably displaced by the stress placed on the foundation. The inspector stated that he thought that my complaint was unreasonable because I probably could have caused the same damage by just pulling the bats with my fingers. If I was a timid person, I probably would have retreated from any further complaints with this type of interogation. A citizen who is attempting to solve a problem within the system should not be subjected to this kind of confrontation.

(5) I do not expect preferential treatment, but I should not have to be in the position of being able to afford constant legal assistance to protect my rights, either. It is distressing to learn that "fair-return" does not govern the rent increases, but that is another story; separate from the other types of disappointments that I face. But because of the total picture of what I face as a Mobile Home Owner, I am appealing to you.

I am asking you to support a plan of action that will protect citizens like myself who chose a Mobile Home Park, wanting to have a decent place to live in North County, and find ourselves without the controls other types of housing enjoy.

Sincerely,

Virginia K. Pierce
VIRGINIA K. PIERCE

10/19/87

Senator William Craven
2121 Palomar Airport Rd
Carlsbad, Ca 92008.

Dear Senator Craven,

I live in Escondido Terrace Mobile Home Park, 1380-61 Oak Hill Dr., Escondido, Ca 92027. I have been here 8 yrs + 4 months. Just to give you an idea of rent increases, 4/1/78 rent on this space was \$117.12 and as of 10/1/87 I am paying \$278.81, a difference of \$161.69 and there have been no major improvements to this park and they certainly are not keeping it up to par.

I have been trying to sell my Coach for 2 yrs. mostly by putting a for sale sign in the window, Newspaper advertising and once for a period with a Real Estate Agent. The main problems with selling are the 55yr. age requirement and the high space rent. Anyone wanting to buy will have to pay \$35⁰⁰ a month increase in space rent.

Two specific incidents which happened to me are as follows.

- ① Mr. + Mrs. Dick Huska in the summer of 1986 wanted to buy my Coach. He came to me + made an acceptable offer. I called the Resident Manager Bob Reich to tell him my good news + was informed I could not sell to these

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people because they were only 53 + 54 yrs old. I have since found out that they sold a coach to a lady age 52 late this same summer.

② ²⁻²¹⁻⁸⁷ Mr. + Mrs. Harold K. Treible liked my coach and agreed to buy it. They talked to Management and completed the "Application of Residence" form required by the Park. When I took it to the Resident Manager he called Mr. Carter & they said they could not accept the application because of the monthly income. This park requires \$1200.00 a month income to qualify. These people had \$1400 including Mr. + Mrs. Treible S.S. Income + the S.S. Income of her Mother who would be living with them. They also had other investment income which they did not specifically name. The reason they refused to use the Mother's income is that she was 86 yrs. old + could die at any time. These people had been looking at other coaches so went out + bought another the same week. The Park they bought in did not require any proof of income.

I now find out that when anyone

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buys a coach in this park, they are required to fill out "Application of Residence" form, sign two copies of a 10 yr lease, sign a copy of Park Rules + Regulations. All of the above are sent to Mr Carter for approval. Upon moving into the park they are given a copy of the Lease + Park Rules. Anyone buying my coach now will have to pay \$315.00 a month space rent.

Going back to #2, Income requirements of Mr + Mrs. Treible, they did not wish to disclose source of investment income other than their S.S. Income + even this had to be documented with some kind of proof.

I did not specifically say that this park is managed by Carter Management Corporation + Mr Carter leaves a lot to be desired. He also has a Real Estate Co. + has coaches in this park for sale.

Also when someone buys my coach they have to pay one month's rent in advance when they move in as "Security Deposit" which they probably will not get returned.

Sincerely,

Barbara Moore

1440 S. Orange Ave. #2
El Cajon, Calif. 92020
11/11/87

NOV - 3 REC'D

State Senator Bill Craven
2121 Palomar Airport Rd. St. 100, Carlsbad, Calif. 92008

Sir:

We read in the Nov. 65 MCL Californian, about the "Payoff" between agents and mobile park managers, also the way park managers discriminate against prospective buyers.

Sure wish we'd known of the public hearing, for this family could tell your Committee a horror story.

My husband, Wade, age 59, was diagnosed with terminal cancer, so we sold our home. He went to Better Living Mobile Homes, 365 Broadway, El Cajon, and the owner, Anne Miller, and an agent, Wayne MacIntyre, showed us a mobile home at the Starlight Mobile Home Park, 351 E. Bradley Ave. El Cajon. This home was exactly what we wanted - Price, size, location. He filled out applications, and presented them to Gloria, the manager at Starlight.

She called us the next day, and said she understood my husband was terminally ill. She then asked me how I intended to pay the rent, after my husband died. She also stated I was not to have "boy friends, or drinking parties." When I told her I was outraged by her remarks, she further stated we had to show her five years back income tax returns, our bank book, our life insurance policies, any trusts, stocks, bonds, how much money we'd received from the sale of our house.

By this time, my husband and adult son were on the other phone, and we told her this was illegal and discriminatory, and a violation of our civil rights, and asked for the park owner's name and phone number.

She called him, he is an attorney in La Jolla, what name and address I can't remember, but Wayne MacIntyre at Better Living had it all. Anne Miller.

This attorney locked up the manager, Gloria, 100 ops. He said it was "none of my business" what questions she asked me, and if we refused to produce the documents to her, they would not consider our application to Starlight Park.

As we were only days from closing escrow on our home we'd sold, we were forced to buy a mobile home elsewhere, not what we wanted, but a part in a storm, so to speak.

Incidentally, these managers only asked for names, previous address, business references, and drivers licenses. They were shocked when we told them of Starlight's demands. In telling them to other people, we've heard that a park in Islondale, and one in Vista, issued the same demands of the manager at Starlight, so guess this power trip over people's personal lives is widespread.

Also, I'd like to comment on the "as is" clause, the mobile home agent/owner put in the contract. When we asked about possible expensive repairs, as all we'd had was quick five minutes walk through, we were told "not to worry", money had been left in escrow, for just this event.

Upon moving in, we found the windows didn't open; (the parts had rotted out) we had to replace the bathroom floor and wall, replace plumbing, had to replace kitchen floor, fumigate for roaches, change carpet, at a cost of \$2,400 to us. When we contacted Delta Living Mobile Homes, they refused to pay a thing, "AS IS," they said, we don't know who got the money for possible repairs in escrow.

They got their commissions, the seller got their money, we got stuck with making the repairs.

Please let us know when your next public meeting is and you have permission to pass our letter on to anyone interested. Thank you.

Hadi + Betty Cypri

419-446-4752

at next page, please.

G.S. I forgot to tell you that we are California homeowners
of thirty-seven years, have an A-1 credit rating, have
never had a prison record, or even a parking ticket.

~ UPGRADES ~
RULES AND REGULATIONS OF THE MOBILEHOME PARK AT
1200 Grand Avenue, Spring Valley, California 92077

A. DESCRIPTION OF THIS DOCUMENT:

These are the rules and regulations of the mobilehome park at 1200 Grand Avenue, Spring Valley, California 92077. They have been prepared in accordance with the provisions of the Mobilehome Residency Law and are attached to and are part of a rental agreement between the tenants, and the owner of this mobilehome park (hereinafter referred to as: Park). Violations of these rules and regulations will give Park cause to evict anyone living in the mobilehome pursuant to Section 798.56 (c) of the California Civil Code. A notice of violation of these rules and regulations will be sent to any registered owner and legal owner of the mobilehome as required by the Mobilehome Residency Law. If any of these rules and regulations are unclear, park management should be contacted for an explanation. These rules and regulations may be changed from time to time without the consent of the tenants under the provision of the Mobilehome Residency Law upon proper notice.

B. RULES ON MOVE IN OR REPLACEMENT OF MOBILEHOMES:

The tenants must do all of the following at their sole expense within sixty days after the following has occurred:

1. They move a mobilehome into the park to a previously vacant space;
2. A mobilehome is moved into the park to replace another mobilehome;
3. Any mobilehome in park is sold or purchased and will remain in the park;

Each of the things listed below must be done by the tenant with the prior written consent of Park as to the aesthetic impact, color, height, location, material, and size. None of the things listed below may be done without the proper government permits, and proof that those permits have been obtained must be submitted to Park prior to installation;

4. Erect an awning over the patio;
5. Erect a carport over the parking area;
6. Repaint the exterior of *the* mobilehome *if it* has not been painted in the last five years;
7. Properly drain the space so no puddles form under the mobilehome or on the space;
8. Completely "skirt" the entire mobilehome, porch, and steps with skirting that is coordinated with the mobilehome;
9. Install approved railings around any porchaes or platforms more than thirty inches high;
10. Cover all porches with approved "indoor-outdoor carpeting;

