

CALIFORNIA LEGISLATURE
SENATE SELECT COMMITTEE
ON
MOBILEHOMES

Transcript of Hearing

**RELOCATION ASSISTANCE
FOR DISPLACED MOBILEHOME
PARK RESIDENTS**



October 18, 1988
Escondido City Council Chambers
Escondido, California

CHAIRMAN: SENATOR WILLIAM A. CRAVEN

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

Additional copies of this publication may be purchased for \$6.80 per copy from:

Joint Publications
State Capitol, Box 942849
Sacramento, CA 94249-0001

Please add 6 percent sales tax. Make checks payable to STATE OF CALIFORNIA.

WILLIAM A. CRAVEN
CHAIRMAN
RALPH C. DILLS
JOHN DOOLITTLE
DAN MCCORQUODALE
HENRY MELLO
ROBERT PRESLEY



California Legislature

Senate Select Committee on Mobilehomes

SENATOR WILLIAM A. CRAVEN
CHAIRMAN

TRANSCRIPT OF HEARING

ON

RELOCATION ASSISTANCE

FOR DISPLACED MOBILEHOME PARK RESIDENTS

October 18, 1988

ESCONDIDO CITY COUNCIL CHAMBERS

Escondido, California

COMMITTEE ADDRESS
1100 J STREET
ROOM 511
SACRAMENTO, CA 95814
(916) 324-4282
COMMITTEE CONSULTANT
JOHN G. TENNYSON
COMMITTEE CONSULTANT
MARSHA CONKEY

SECTION I

TABLE OF CONTENTS

	<u>Page</u>
SECTION I TABLE OF CONTENTS	1
SECTION II LIST OF WITNESSES	2
SECTION III BACKGROUND PAPER	4
SECTION IV TRANSCRIPT OF TESTIMONY	9
SECTION V SUMMARY AND COMMENTS	76
SECTION VI APPENDIX	83
Correspondence	84
Selected Laws and Statutes	97

SECTION II

LIST OF WITNESSES

	<u>Pages</u>
SENATOR WILLIAM A. CRAVEN Greeting and Opening . . . Chairman, Senate Select Committee on Mobilehomes	10 - 13
WITNESSES	
Ms. Corene Adams Senior Legislature	13 - 14
Mr. David Spangenberg Attorney-at-law	15 - 18
Mr. Howard Greenebaum	19 - 20
Ms. Patricea Dean Director of GSMOL Legaline	20 - 22
Mr. Bob Flaughner	22 - 24
Mr. Bob Garcia, Legislative Advocate California Mobilehome Parkowners Alliance	24 - 26
Mr. Tim Tierney, CMPA	26 - 29
Mr. Craig Biddle, WMA Legislative Advocate	29 - 31
Mr. Lawrence Doherty, WMA Lawrence Consulting Group	32 - 35
Mrs. Carol Williams, WMA	35 - 36
Mrs. Marjorie Rooke, WMA	36 - 39
Mr. Craig Biddle, WMA Legislative Advocate	39 - 41

Witnesses, Continued
10/18/88 Hearing

Mr. Ray Foster Director of HOSTAGE	41 - 45
Ms. Lou Otto	45 - 47
Mr. Don Olmsted, GSMOL	47 - 49
Mr. Al Fraiser	49 - 51
Mr. Jerry Lenhard	51 - 53
Ms. Arline Barnhart, GSMOL	54 - 58
Mr. Chuck Hale	58 - 59
Mr. Joe Stern Senior Legislature	59 - 62
Ms. Marie Malone GSMOL State President	62 - 65
Ms. Kristin Totah	65 - 66
Ms. Rudell Sweet	67 - 69

Members of the Panel

Senator William Craven
Senator Robert Presley
Assemblyman Bill Bradley
Ms. Lenore Averell

SECTION III

BACKGROUND PAPER

WILLIAM A. CRAVEN
CHAIRMAN
RALPH C. DILLS
JOHN DOOLITTLE
DAN M. CORQUODALE
HENRY MELLO
ROBERT PRESLEY



California Legislature

COMMITTEE ADDRESS
1100 J STREET
ROOM 511
SACRAMENTO, CA 95814
(916) 324-4282
COMMITTEE CONSULTANT
JOHN G. TENNYSON
COMMITTEE CONSULTANT
MARSHA CONKEY

Senate Select Committee on Mobilehomes

SENATOR WILLIAM A. CRAVEN
CHAIRMAN

BACKGROUND PAPER

October 18, 1988 Hearing

Relocation Assistance for Displaced Mobilehome Park Residents

The Issue

The issue to be addressed at this hearing concerns the adequacy of compensation, if any, provided to mobilehome owners who are displaced (along with their mobilehomes) from a mobilehome park which is closed or converted to another land use.

The Problem

According to the state Department of Housing (HCD) in a February, 1986 report, California mobilehome parks offer housing to about 500,000 mobilehome owners, more than 70% of whom are 55 or older, and many of whom are low income.

Mobilehome parks are a relatively low-intensity land use, and in growing urban areas, local governments have often permitted the use of the land for a park until development of adjacent land for a "higher and better" economic use caught up with and surpassed it. Thus, if use of the land where a park is located changes over the years so that it would be of greater economic value to the owner to convert the land to a commercial shopping center, high rise, light industrial or even more intensive residential use, the owner will no doubt want to close and convert the park to this more profitable use.

In urban areas, vacant park spaces are usually rare, and park residents evicted because of a change of use of the park often cannot find spaces in other parks to move their homes, or cannot afford to move them even if a space is available.

A Difference of Opinion

The Senate Select Committee on Mobilehomes has already received a number of opinions on this issue in writing and otherwise from park owners and park residents.

Some park residents feel that current state law is inadequate to deal with their potential displacement from the park. Often, they argue, local governments left to their own devices are more influenced by real estate interests, developers and park owners than by the needs of low-income tenants. As such, they say, mobilehome owners, displaced from parks which are closed or converted to another land use, are often provided with little, if any, assistance.

Park owners, on the other hand, argue that the value of a mobilehome in a rental park is, to a great degree, dependent upon the location and value of the park property itself. Some contend that local governments, which require a park owner or developer who closes a park to pay tenants fair market value for their mobilehomes, are simply appropriating a part of the park owner's value in his/her own land.

Extent of Problem

Recent figures concerning the conversion of mobilehome parks to other uses are not readily available. A draft report of the State Department of Housing and Community Development in 1979 indicated that in the 1975-79 period statewide there were 2,070 mobilehome park spaces closed out of requests for the conversion of 3,495 such spaces. This means that about one-half of one percent of the total mobilehome park spaces in the state were converted during that four-year period.

In more recent years, the conversion problem may have been exacerbated with the closure and conversion of a number of mobilehome parks in the South Bay Area of Los Angeles County and Santa Clara County.

Current Law

In California, land use policy has, in most cases, been left to local prerogative. Local governments have the power to both zone for general land uses and issue permits for the building of specific projects, such as mobilehome parks. Likewise, local governments have the power to approve the conversion of a land use, such as that for a mobilehome park, to another use, such as a shopping center or high rise.

The State

State law requires the adoption by every city and county of a local general plan and requires that local legislative bodies establish a planning agency to, among other things, develop and maintain the general plan. The general plan is required to include a number of elements, including a housing element, and to make adequate provisions for the housing needs of all economic segments of the community, meaning provision for lower income and rental housing.

In the area of mobilehome parks, the Legislature established general guidelines for local governments to deal with the conversion of mobilehome parks in 1980. Two bills were passed by the Legislature that year dealing with the conversion of mobilehome parks to other uses:

S.B. 1722 (Craven) (Government Code Sec. 66427.4) required that a subdivider, at the time of filing a tentative map for a subdivision to be created from a mobilehome park, submit a report to local government on the impact that a conversion would have on the displaced tenants, to include other mobilehome park spaces which may be available for them within a reasonable distance. A copy of the report under this law must be provided to mobilehome residents 15 days prior to a hearing by a local agency on the permit for the proposed subdivision. With this information local government is supposed to be able to determine whether there is a problem of the displacement of the tenants and therefore be better able to decide whether to require subdividers and developers to take mitigating steps, such as providing relocation assistance, where there is an adverse impact on mobilehome owners because of the change.

A.B. 3234 (Wray), also enacted in 1980 (Government Code 65863.7), is similar but extends beyond situations where a mobilehome park is converted to a subdivision to include the conversion of such a park to any other use.

A.B. 2748 (Wray) was enacted in 1982 to amend Section 66427.4. It required local government to mitigate any adverse impact on the conversion of a mobilehome park to a subdivision by either zoning for additional replacement housing, finding that land zoned for replacement housing or adequate space in other mobilehome parks for displaced residents already exist, requiring the subdivider to take steps to mitigate any significant adverse impact on such displaced residents or make a finding, based on substantial evidence, that the above-alternative mitigating steps are not "feasible." The provisions of A.B. 2748 sunset on January 1, 1989.

In 1985, Senate Bill 316 (Craven) was enacted to amend Government Code Sec. 65863.7 to include closure as well as conversion of a mobilehome park subject to the impact report requirement. Additionally, either the park resident or person filing the report shall have the right to a hearing before the legislative body on the sufficiency of the impact report. However, S.B. 316 excluded parks from this requirement where the closure or change of use results from adjudication of bankruptcy and provided that steps taken to mitigate the displacement of park residents "...shall not exceed the reasonable costs of relocation."

Local Government

Despite these state requirements, local governments still maintain primary authority in deciding land use issues, including the approval of the conversion or closure of a mobilehome park to another use, and the mitigation of any adverse impact on displaced park residents.

Often local governments have been sensitive to issues of hardship on displaced residents, particularly renters, since local governments must maintain, under their general plan, a certain balance in terms of providing for the housing needs of all economic segments of the community--that is, low income housing.

Yet many other communities which seek to encourage development in order to upgrade the face of the community or increase property tax revenues for local coffers, or both, have permitted the conversion of mobilehome parks and other low-cost housing with little if any mitigation for displaced tenants. Hence, under the general requirements of state law, there may be considerable difference from community to community with regard to what is required of developers who convert mobilehome parks to another use, in terms of relocation assistance to displaced homeowners.

Additional Information

In the appendix are copies of the relevant California Government Code sections, 65,863.7 and 66,427.4, as well as summaries of some local government ordinances cited in HCD's May, 1987 report, ORDINANCES AND LAWS REGULATING CHANGE OF USE OF MOBILE-HOME PARKS, and copies of laws dealing with this issue from three other states, Arizona, Nevada and Florida.

SECTION IV

T R A N S C R I P T

OF

T E S T I M O N Y

RELOCATION ASSISTANCE FOR DISPLACED MOBILEHOME PARK RESIDENTS

TESTIMONY TRANSCRIPT

10:00 a.m., OCTOBER 18, 1988

ESCONDIDO CITY COUNCIL CHAMBERS

ESCONDIDO, CALIFORNIA

SENATOR CRAVEN: Good morning and welcome to another hearing of the Senate Select Committee on Mobilehomes - the 18th such hearing on mobilehome issues we've held since the creation of the committee back in 1983.

First, I would like to introduce the members here with me this morning. We have on our left here Lenore Averell who is with Supervisor John MacDonald's Office--that's the Supervisor of the Fifth District, on my right the consultant for this committee, John Tennyson. Additionally, I think that we will be joined in time by Assemblyman Bill Bradley, but he is not here at this moment.

We have numerous witnesses to be heard this morning, so I am going to be short and to the point in my introductory remarks.

First of all, there are copies of the background paper and agenda on the table in front - which should lay the basis for this hearing. John tells me that we had a hundred copies of one

of those things--background papers--and I think, there goes the last one right now; that's an agenda. Well, they seem to be gone. But we can supply you with that if you will just give us your name, and we will send it to you from Sacramento.

Also, we have copies of the Mobilehome Residency Law in booklet form - for those of you who don't already have a copy of that law.

We have been allocated two hours to use this chamber - and we have approximately 25 witnesses. These are the rules we will follow: we will allocate five minutes to each speaker listed on the agenda. This means that you need to be concise in your presentation - stay on the subject of park conversions - and do not digress onto other subjects. Mr. Tennyson will announce when your five minutes have expired - so please try to wrap it up at that point.

I believe the background paper pretty well explains the issue we will focus on this morning. We've already heard from many of you concerning the problem of displacement of mobilehome residents from parks which are being closed or converted - and whether adequate compensation is being provided - if any compensation at all - for those whose mobilehomes are displaced. Obviously, as we shall hear, park owners and their representatives, and park residents, have divergent views in this regard.

After the hearing, which is being recorded, we shall transcribe the tapes - and a report of the hearing will be available

- probably in late November. Each of you who have testified can receive a copy of the report at no charge if you leave your name and address with the committee. I cannot promise at this point that as a result of this hearing that there will be specific legislation introduced in 1989 to deal with the problems brought up. However, I will assure you that the members of the committee --despite the fact that you don't see any up here with me--will consider the testimony very carefully in this regard.

Now, let us proceed with the witnesses. Please come forward when your name is called and give your name, city, and who you represent - if any organization or person other than yourself - and speak directly and clearly into the microphone - as this hearing, as I said, is being recorded. I would also like to admonish the audience to take your private conversations outside - as background noise interferes with the recording of the hearing.

Now, if you'll notice, there is a podium or rostrum on the right here, my right, and I think that would be the one most favorable for you to use, if you will. I see we have been joined by a very distinguished colleague of mine. It's the Honorable Bob Presley, who is the Senator representing the length and breadth and depth of Riverside County. Bob, very nice to have you with us this morning. The other gentleman, the handsome young man in the blue jacket there, that's Ken Johnson, who is one of the Sergeants-at-Arms, and he and his colleague will work

the meeting with us. So let us begin by calling, first off, Corene Adams of the Senior Legislature. Corene, in spite of the fact that I mentioned your name, you mention it in your address, if you will, please.

MS. CORENE ADAMS: Good morning.

SENATOR CRAVEN: Good morning.

MS. ADAMS: I'm Senior Assemblywoman Corene Adams, representing San Diego County in the California Senior Legislature. At our annual session, a few days ago, I reintroduced at the business session the proposal concerning relocation assistance for mobilehome park owners and the displaced people in their parks. For the second year in a row, the Senior Legislature issued a clear call for action by voting unanimously to keep this bill proposal as a top ten priority of the 116 considered at this session.

Residents of mobilehome parks are vulnerable people. Seventy-seven percent are senior citizens. Fifty-four percent are living on incomes averaging \$11,000 a year. Often two-thirds of their worth is in equity in their mobilehome, with none of the proprietary rights of the more conventional homeowner. Over one million people live in the state's 5,000 mobilehome parks, primarily to take advantage of affordable housing. At the present time, there are seven parks in the city of Los Angeles, and three in the San Diego County, going through the trauma of closure to mention but two areas in the state. With the complete lack of

relocation possibilities when a park closes, it puts a tremendous personal and financial burden on the residents. It can cost up to \$10,000 to relocate a mobilehome if a park is even available. Or it can mean the loss of all their savings, tied up or invested in their home.

During the last session of the State Legislature, legislation was not well received by the Assembly Housing and Community Development Committee. As we prepare to reintroduce this legislation, we are trying to answer the critics of the measure by being more responsive to basic property rights. We feel we now have found a fair solution to a problem that can only accelerate as land values escalate and park owners are inspired to close their parks or convert them to other more profitable uses. Legislation is needed to assure that compensation received by mobilehome owners is adequate, fair and realistic by providing that mobilehome law would parallel existing eminent domain statutes that are used in the condemnation of conventional properties. This is a crucial problem, and I hope you will consider sponsoring and supporting legislation to correct it. Thank you.

SENATOR CRAVEN: Thank you very much.

Next is Arline Barnhart, representing GSMOL. Ms. Barnhart is not with us.

Sunny Fischer, same organization. They must be coming together.

Next, Mr. Joseph Gughemetti, that's probably not pronounced properly.

Mr. David Spangenberg. Mr. Spangenberg is an attorney.

MR. DAVID SPANGENBERG: Good morning. My name is David Spangenberg. I am from the city of San Mateo, 2929 Campus Drive, Suite 430. I am here representing the Rookes and the Williams, the Matsudas and the Recardons, and I am here really just to talk about four examples of closures that have run amuck. The Rookes are here and the Williams are here to explain in more detail what happened in their parks, but basically, in the Rookes' case, they tried to close the park--it was a park built in the late 40's.

In 1980 the city of Scotts Valley adopted rent control and effectually froze their net operating income. It wasn't making that much money. In 1983 the city of Scotts Valley adopted a conversion ordinance that required in-park buyout of all of the coaches if the park should close.

Over the years of rent control, the Rookes attempted to rebuild the park by adding or rebuilding facilities in the park. They would go to the rent control board to pass these costs along to the tenants, and consistently the rent control board refused to pass through these capital expenditures to rebuild the park. Ultimately it forced the Rookes to issue a one-year notice of closing the park. All of the tenants sued the Rookes for the in-park value of their coaches, and we created a real interesting problem, and that was the in-park value of the coaches added up

to \$2.2 million according to the tenants. The value of the land was \$750,000.

So in other words, for the Rookes to close their park, they would have to come up with a million and a half dollars out of their pocket and plus give the land away to close the park. We challenged that in a lawsuit and it has since reached the trial court level, and the trial court has ruled that that's an unconstitutional taking. That's the first story.

The second story is a Mrs. Williams who issued a one-year notice to close in 1979. At the time, the city of Los Angeles had no conversion ordinance in effect. But after she issued the notice, they adopted a moratorium, so she ceased the conversion. Subsequently to the moratorium, the city adopted an ordinance that required that you pay \$2500 to each tenant as a relocation cost. She offered to do this.

The problem is when the notice was issued, a number of the tenants moved to the four winds, and we couldn't locate a number of them. Because we could not prove that we had paid everybody \$2500, the city of Los Angeles put Mrs. Williams' property in a permanent moratorium with no development ever obtainable so long as she owned the property, and yet she has diligently tried to locate the people to pay the \$2500 and has paid a number of the people that remained--paid them the \$2500. Again, that's in a lawsuit against the city of Los Angeles.

The third case I'd like to talk about is Mark Ricardon. Mr. Ricardon owns a mobilehome park in Santa Barbara and has a remaining 40-year lease on the property. The rents are \$119 a month. It's rent controlled, he operates on a negative cash flow. He decided to close the park; it was his only viable alternative. The trailers in the park were travel trailers.

The city imposed upon Mr. Ricardon a 13 to 15 thousand dollars per coach to close the park, plus he could not close the park for five years, and people in the first year could come in and demand their payment. So you could have the situation where there's one person left in the park for five years.

The effect of paying the tenants the 13 to 15 thousand dollars is the functional equivalent of refunding back the gross rents the park has received for its entire existence. If you multiply the number of coaches times the 13 to 15 thousand dollars, it exceeds the market value of the land again. Again, we're suing the city of Santa Barbara to get this declared invalid.

The fourth is a more interesting example, and I think it's happening more universally in the state, is the Matsuda's. The Matsudas don't want to close their park; they want to stay in business. They had a septic system in the park, and the county health department said, "We would recommend you go to sewer." So they went and talked with the supervisors in the county and said, "If we go to sewer, can we pass this through to the tenants over a ten year period--something reasonable?" They said, "Yes."

The Matsudas spent \$200,000 to convert to a sewer system, all capital improvements, most of which were off-site. It included \$50,000 to the county for the permit fees, \$80,000 to extend the county's lateral in the street, and the balance went to hook up to the existing septic system in the park. The Matsudas went in to pass this through at \$22 a month for the next ten years. The rent control board refused the pass-through. They said, "You had a sewer system before, you had sewer service before, you have a sewer system now, you have not benefitted the tenants; therefore, you can't pass this through." This \$200,000 cost wiped out three years of Matsuda's net operating income.

Currently, the county has gone to huge dump trucks, I think they are like 30-ton dump trucks. They drive through the park and they break up the road system in the park because they are along the edge.

MR. JOHN TENNYSON: It's five minutes.

MR. SPANGENBERG: Okay.

It's just about \$500,000 to rebuild that road system. Again, the rent control board says they will not pass that through. Things like that are forcing park owners out of business because they just can't operate for free, and they walk into these situations where they have to effectively transfer the value of their land or refund all the rent they've ever made--gross rents--to go out of business. It's unfair.

Thank you.

SENATOR CRAVEN: Thank you, Mr. Spangenberg.

Next, I'm going to ask Mr. Howard Greenebaum to make his comments. He, as you may well know, is a candidate for our congress, and he has a whole bunch of meetings to make today.

MR. HOWARD GREENEBAUM: Good morning.

SENATOR CRAVEN: Howard, before you begin, let me take a moment to introduce another very dear colleague of mine, Assemblyman Bill Bradley, who represents this area, all the way out to Palms Springs area. Bill, nice to have you with us.

Howard.

MR. GREENEBAUM: Good morning. My name is Howard Greenebaum, and I am the Democratic nominee for U.S. Congress from this district. I am very concerned about the problems of people being displaced from mobilehome parks. I've witnessed a severe shortage of affordable housing in this district. We cannot allow our elderly to be put out of their homes without replacement housing available. We have too many homeless in this country now.

I strongly support the State of California passing legislation to protect mobilehome residents from displacement. As a soon-to-be-elected Congressman, I will propose federal legislation to address the situation as well. But we will still need the State of California to provide the lead. Since 1981, two-thirds of the federal funding for housing programs has been voted away, cut, eliminated. These cuts have contributed to the homeless problem. It is time that our state and the federal

government become once again sensitive to the needs of all of the people. Thank you.

SENATOR CRAVEN: Thank you very much.

Next, Ms. Pat Dean, Director of GSMOL Legaline.

MS. PATRICEA DEAN: Good morning.

SENATOR CRAVEN: Good morning, Pat. Oh, Pat, we have a five-minute limit.

MS. DEAN: I'll do my best.

SENATOR CRAVEN: Well, you weren't here when we said that, so John just reminded me.

MS. DEAN: Thank you, thank you. I got tied up on the freeway this morning. It took me about 55 minutes, 65 minutes to travel the first 18 miles. After that, I made pretty good time.

But a real problem this morning is one that I would urge you, again, please to address. And our gentleman that's going to Congress, if successful in his election--and I wish him good luck--certainly, we need some national attention to the same problem.

Just passing a law is not sufficient. We tell these people they have rights--they must go to court. So they go to court, and unfortunately the law lets them down. Because we have judges that are trained in the traditional concepts of landlord and tenant. I submit to you that our real problems, and what the Legislature is really scrambling to meet is the same one that the law is refusing to face, generally speaking, in the courts. And that is that we are at the edge of a whole new field. The

traditional concepts of landlord and tenant are no longer going to hold true. We have people whose dollar investment on the surface meet or exceed by several times the actual dollar investment under the place. And I'm not only talking about mobile and manufactured homes.

The law has been remiss to this point in dealing with the whole situation of site-built homes that are being built in Orange County on leased land--skyscrapers built in major cities on leased land. Eventually the law is going to have to address this whole area as land becomes more and more scarce in this nation.

What we're feeling with these people is the frustration of those who feel they have no place to turn. If they attempt to sign a lease to get some stability, they find the leases that are offered to them are neither fair or stable. If they try to ask for rent control, they are faced with park owners who suddenly start threatening them with even the loss of the fight, claiming that it is totally unfair, and they aren't making a "fair share of profit." If they attempt to turn to the court, they find judges who are tradition bound by the long-term English concepts of the rights of the landlord as opposed to a squatter. Because, in essence, that's what our original renters' rights were based on, where simply those of a person who existed on the surface, where all of the surface, not only rights, but buildings, belonged to the landlord.

I have suggested at several previous meetings, and I go on record at your meeting, again, to urgently urge the state to appoint a similar, multi-agency, multi-industry representation committee, such as we had in '78 and '79, that led to the whole reorganization bill, so that the whole problem may be attacked and hopefully compromises worked out between the various parties of both the industry and government.

Thank you.

SENATOR CRAVEN: Thank you very much.

Mr. Bob Flaughner, F-l-a-u-g-h-e-r.

MR. BOB FLAUGHER: Yes. I'm Mr. Bob Flaughner, Chula Vista. I'm head of the mobilehome owners political action committee. First, I would like to recognize one person who's in the audience that I used to work with. Sheila Shanahan, I believe she is your specialist here in Escondido, now. She used to be in Chula Vista, and you're very lucky to have her. She is a fantastic lady to work with.

I would like to discuss, bring forward to you today, something that I don't believe has been brought up before. Park owners at this time when mobilehome rent control comes in, they talk conversion. Now, they have a magazine called THE REPORTER. And in that REPORTER they put out just recently, they said that when mobilehome rent control comes in, conversion, that is your out. We just had in Chula Vista a conversion of a mobilehome park. Let's say it's been a three-year fight, and this place,

the one is Orange Tree, was converted over to homeowners--to the ownership of owners. When they got ready to close escrow, they found they could not because they didn't have a fire hydrant in the place. There were over 300 spaces, not one fire hydrant in that park. The park that I live in, Budwood Mobilehome Park, has 256. Two years ago on Christmas night, one of the residents burned and it took 1,350 of hose to reach that mobilehome. There was not a fire plug in that park. Yet, a park owner wants to convert his park over to resident owners.

I would like the state to pass a law that they would be forced to bring that park up to the current standards of health and safety. Understand that if they do not, what they buy, they have to and that is their statute. The other thing that I would urge is that if it does come up for sale, that by law they would be required to provide an independent engineer's report on the condition of the underground utilities. Another mobilehome park--three years ago--had it's gas service fail. All 256 units lost their gas. We happened to have a good park owner at that time. They spent over \$100,000 to replace that. She never asked us to make a refund to her nor did she ask to pass it on. She was a very good park owner. She did her job; she fixed it up, and she still maintains the park. But it shows that when these parks are sold, many, many of them had utilities that are bad, that are going under. They are old parks, and the people, there are seniors who are moving in there now buying those, they need

the protection, they need this type of help. I do not believe this has been addressed before, but I hope this committee here will address it and will come out with some kind of help.

SENATOR CRAVEN: Mr. Flaugher, before you get away, just let me ask you a quick question. The parks to which you have referred, were those parks, when they were built, in the City of Chula Vista or were they County of San Diego?

MR. FLAUGHER: I believe at that time, the one there was what they call Otay, it was not, it wasn't even in Chula Vista.

SENATOR CRAVEN: Well, that would be county.

MR. FLAUGHER: It was county. I believe that the fire lanes, that the laws at that time, were according to what the law said. But when it converts, if any escrow, one of the things that most of the escrows require is that the park does meet the health and safety codes. And if the owner does not do it, then the future residents have to.

SENATOR CRAVEN: Yes, I understand. Thank you very much.

MR. FLAUGHER: Thank you.

SENATOR CRAVEN: Next will be Cliff Roland. Cliff Roland. Roland is not with us?

Mr. Bob Garcia, Legislative Advocate, California Mobilehome Parkowners Alliance. Mr., here he is.

MR. BOB GARCIA: Thank you Mr. Chairman. My name is Bob Garcia, representing the Mobilehome Parkowners Alliance. I have with me this morning Tim Tierney, who is an attorney from the Los

Angeles area who has practiced in the area of mobilehome park law for many years, formerly the chairman of the State Bar Committee on Mobilehome Park Law, and we want to thank you for inviting us to participate here.

The issue under discussion here, the question of the adequacy of compensation for mobilehome park tenants upon closure of a park, is a very serious one that we are presently giving a lot of thought to. It is an area that I think demands a weighing between the question of compensation and the legitimate business interests of mobilehome park owners to make what they consider to be prudent business decisions based on all factors and also considerations to the possibility that as we explore compensation issues, that a balance needs to be struck between the compensation consideration and the impact that that could have upon people desirous of getting into the mobilehome park business. And I think it's a question that really merits prudence and deliberation.

Mr. Tierney is going to discuss with you an idea that our section of the industry is exploring and that is looking at this issue from the prospective of kind of an insurance type approach. I think your committee consultant did a very admirable job of putting together the background material for this committee, and we think that an approach like the one they are taking in Arizona with some modifications holds some promise for perhaps a real sound approach in this area.

With that, I'll turn it over to Mr. Tierney.

SENATOR CRAVEN: Thank you, Mr. Garcia.

Mr. Tierney.

MR. TIM TIERNEY: Thank you. My name is Tim Tierney. Thank you, Mr. Chairman and members of the committee. I think we'd all be hiding our heads in the sand if we felt that there wasn't a problem, and one's party's, one's side's, rights predominated over the others to the extent that the others were non-existent. It would be difficult for me as an advocate for mobilehome park ownership to state before you or any group that the mobilehome owners don't have some rights on their side in this very important issue of mobilehome park conversion.

And I am happy that we are speaking about this issue now, because I think in the next ten years we will see much more activity in this area. Many mobilehome parks are getting older. Utilities need revamping at tremendous expense, and many of them are in rent controlled jurisdictions where they cannot or foreseeably cannot get a proper return and don't want to put any more money into it, and the concept of the change of use is very, very attractive to them.

On the other hand, the mobilehome owner moved into a mobilehome park with the expectation that that would be his or her home, and I think they have rights, if there is going to be a change of use, they have rights to be relocated, recompensated or something done to take care of their rights. And I think that a

mobilehome owner would say the park owner has some rights, too. I think we're talking about how to combine those rights, how to hopefully satisfy everybody or at least be fair to everybody. It is unfair to put the entire burden on the mobilehome owner and it's equally as unfair to put the entire burden on the mobilehome park owner. I was very much impressed by the background information given and the summary. And whoever was in charge of that has my thanks and gratitude for a job well done.

SENATOR CRAVEN: That's Mr. Tennyson on my right.

MR. TIERNEY: Congratulations. I was particularly interested in the Arizona method of handling this problem, although I think it is at the present time too narrow. And as a brief on that for those who perhaps didn't see that or didn't explore it, Arizona places in essence a premium on mobilehome owners. It's a certain 50¢ per \$100 of assessed valuation that goes into a fund. And then, that fund is used to compensate on relocation assistance.

Something similar I would propose would be our proposal to the alliance group, and they are undertaking some studies on it, and hopefully will be in a position within a few weeks to present you with the plan (some lost words as testimony continued to the other side of the tape)... paid not only by the mobilehome owner, but by the mobilehome park owner as well, by mobilehome dealers on resale, a certain percentage of the gross sales price is taken out of their commission and put into the fund. And in some respects, at certain times by cities and counties when an actual

change of use is made.

As pointed out in the background material, you may find differences that happen in compensations as one city wants to raise its tax base and will approve the change of use with very little regard for the rights of the mobilehome owners. And I think that if they do that they should be made to contribute into the fund because they are getting something out of this bargain as well.

And so we are working on it. We hope that with rather moderate contributions from mobilehome park owners and rather moderate contributions from the mobilehome residents, that a fund in excess of \$20 million could be established in a period of approximately three to four years, which would generate its own interest income, which could help to compensate residents when a change of use is granted and also could act as a fund for use by mobilehome park owners for low-interest and short-term loans for those mobilehome parks that desperately need a cash infusion at certain times to upgrade the utility, as just one of the systems requiring code standards. I'm talking now maybe about parks that we previously referred to as trailer parks that somehow in the 60's and 70's took in mobilehomes. We are not in a position, now, to present that to you because we just started working on it after receipt of your package and seeing the Arizona way of handling the problem.

We do feel the problem should be handled in a manner like that, otherwise all we're having is arguments between two

parties--mobilehome park owners and the mobilehome owners--who should be on friendlier terms than this. And it really is, we feel, a problem that the only difference is the amount of money to be paid, and perhaps that could be handled by contributions from everybody concerned, not just the mobilehome owner and not just the mobilehome park owner. We'll hopefully have some proposals to present to you in two or three weeks on that matter.

Unless there's any questions, I'll leave.

SENATOR CRAVEN: Thank you very much Mr. Tierney.

MR. TIERNEY: Thank you.

SENATOR CRAVEN: Next is Mr. Craig Biddle, representing WMA. He is the legislative advocate for that organization.

MR. CRAIG BIDDLE: Good Morning, Mr. Chairman and members. Craig Biddle, the Legislative Advocate and General Counsel for the Western Mobilehome Association.

I have, as your agenda indicates, asked several people to come and testify today on behalf of our association in connection with this problem.

Let me just state at the outset, though, before I introduce them, and then make some comments, after they testify, if I can, that I will combine my five minutes that way.

As I recall, S.B. 316, which was yours, Senator Craven, in 1985, I believe. When that bill was going through the committee process, my recollection was that one of the problems we had was defining relocation costs when it was agreed, I believe that was

in the Assembly Housing Committee, that we would insert that phrase which was put in that section that the mitigation damages shall not exceed relocation costs.

As I recall at that time, we had more than one meeting in your office and in Mr. Tennyson's office, trying to work out what did "relocation costs" mean. And towards the last hearing, we all agreed that we were unable to reach an agreement on this and therefore we would leave this one up to local governments, up to the courts, for a definition, at that time.

That bill, S.B. 316, then placed in the law the phrase that mitigation damages shall not exceed the relocation costs. Since the enactment of 316 and when it was passed into law, I think the two major questions that our association and I, particularly, have had, and many local government people on both sides of the issue have asked, is what did you mean by "relocation costs"? And my answer to them, and I believe Mr. Tennyson has filled out some affidavits, Mr. Priest has, and I have in some of the litigation, was that we were unable to reach an agreement.

The second issue was whether or not this was a preemption, whether this was a state maximum we placed on local government. And those two issues we have been in litigation in many places throughout the state.

I'm not sure that we can define relocation costs. The Arizona and the Nevada statutes, which I submitted to Mr. Tennyson, make an attempt to do that. They at least talk about relocation

costs, they talk about specific mileage, they talk about set up and siting and levelling and so forth, and they have made an effort to do this. They've also put the statutory amount into one statute. They've actually said what it will be for a single-wide and what it shall be for a double-wide. But the relocation costs vary so much from park to park and county to county and city to city, I don't know if you can ever really define that either from the state standpoint or the local standpoint.

But I would like to present testimony today from, first of all, from three different park individuals. One of them is a consultant who does relocation costs; he closes parks and he's gotten into this. And let him give you some examples of the types of things that he has done here in San Diego County. First, and specifically to talk about these--I apologize for the spelling of his name--I misspelled it when I submitted it to Mr. Tennyson--let me ask Mr. Doherty to come forward at this time and to talk to you about the different types of ways that he has done it in the past in several parks or relocations and some statistics on it and some particulars, not just the general philosophy, but some particulars on exactly how he has been involved in some closing of some parks here in San Diego.

Mr. Doherty.

SENATOR CRAVEN: I'm intrigued as to how you do spell your name. D-o-h-e-r-t-y?

MR. LAWRENCE DOHERTY: Yes, sir. Lawrence Doherty, offices in San Diego, California, Lawrence Consulting Group. We began getting involved in mobilehome park closure and relocation analysis about five years ago with closure of a park in the city of El Cajon that had been there for almost 40 years. It's probably very typical of the types of parks we get involved with. They're very old; many of them are well kept and very pleasant places to be, but they contain a mix of R.V.s, travel trailers, some mobilehomes. Some of the, many of the units cannot be moved. They're too old; the axles are not capable of supporting the units on the road.

So what it basically does is present a very difficult problem to approach. We have, in some parks, 60, 100, 200 residents that all have individual needs and concerns. And our job is to go in and look at the economic realities that these people are faced with and the social realities that they're living in, and try to match opportunity with need. That is our primary job.

We know that many of these people cannot be placed in mobilehome parks--either because of the finances that are required to obtain a new unit or just through the lack of spaces. However, in a concerted effort to find adequate housing for these people, many alternatives do present themselves to us. We set up a basic relocation program after we've analyzed the issues of the people we're faced with, and that basic program is something that everyone can depend on. We build into that the flexibility to deal with the individual needs that we find with the tenant.

We have cases where we've got very old units where we have an elderly person. For an example, a woman had been in her unit for five years, had not been outside of it. She was in a wheelchair; had no ramp. People came by on a weekly basis and brought her groceries and what not.

We find parks that don't have adequate fire access into the parks. A moment ago someone mentioned the lack of a fire hydrant. All these health and safety issues are very important when we are considering what the standard of living is for these people. Many times we hear tenants tell us that they wouldn't be there if they didn't have to be there. They moved into the park maybe 30 years ago and are living in the same 150 or 200 square foot coach for that period of time and feel they don't have a way out.

But as I mentioned, there are several alternatives that we explore. There are senior housing projects that are sponsored by local governments, there are SROs--single occupancy rooms, there are different care facilities that many people should be in. We explore possibilities with their family. We assign a relocation assistance coordinator to work with them to try and find vacancies in other parks and make arrangements for the relocation.

The park we recently closed and one in (inaudible) contained 180 units or 186 units when we first began analyzing the park. By the time the project was approved and the actual implementation for the relocation went forward, there were 145 units left

in the park. What we did, we were able to obtain spaces for 69 of those coaches to either be relocated or for people to buy units in another park. Twenty-seven percent of the tenants moved to other types of housing, such as apartments, senior housing or other types of housing that might be available. Eight percent moved in with family, and several moved out of state. We have a real breakdown, and this is typically what we find.

Vacancies in mobilehome parks are very, very low, but they do occur on a daily basis, and it takes effort and tenacity to get out there and find them. And when we're working with the tenants, it is our biggest effort to make them aware that they are responsible for themselves, and we can provide opportunity, but they need to also exercise the initiative to go out and work with us in finding that.

We've been successful; we have been able to place everyone in every park we've ever closed without much difficulty. Some of the costs that have occurred--on the last park, it averaged approximately \$5,000 per unit to relocate. Some were relocated at a cost of \$500. We were able to move them to another park nearby. Others cost \$10,000, but I think overall we look at approximately \$5,000 in reality of relocation with a mix of buying units, selling units, relocating units and getting people in better living conditions than they probably are in now.

I think one of the problems that we are faced with, with local government, is an uncertainty about where these people are

going to go, and we can provide evidence that we will find places for these people. But I think the biggest concern we have is that we end up many times with government saying we need three or four years for relocation. And what that does is hinder the relocation process, because the longer period of time we have to deal with, the longer the people wait before making the effort to move, and we will lose any opportunities that we've been able to find in the meantime.

If I can be of any further assistance, I'd be happy to answer any questions that you may have.

SENATOR CRAVEN: Thank you very much, Mr. Doherty.

Next, we have Ms. Carol Williams from WMA.

MS. CAROL WILLIAMS: Hello, everybody. I'm an old-timer from a park that we built out of a chicken ranch in Los Angeles. We built the park in '51, and it was 51 spaces. At that time and now the city of Los Angeles does not want trailer parks, they didn't want them then, and they made it very difficult. The only place you could park them was in manufacturing land, which is what we had. And all the parks built at that time were expected to be in a holding pattern until that property could be developed to further use.

So we built the park pads along with several others that we knew that were built about that time, and several of them had a 13 years use; ours lasted 20. And we didn't know if we were safe to convert it to the intended use of manufacturing. It was then

that we learned of all problems. And so we're still in problems. It's been ten years; we can't use the property. It's been one law change after another, one requirement after another. We've been severely damaged, we're still damaged. We've been paying taxes and other costs, and it's a real struggle.

So, we're all caught in a mess that was started years ago because of not good planning and no mobilehome park zoning.

Thank you.

SENATOR CRAVEN: Thank you very much.

This is Ms. Rooke?

MS. MARJORIE ROOKE: My name is Mrs. Rooke.

SENATOR CRAVEN: Marjorie Rooke, WMA.

MS. ROOKE: Marjorie Rooke, and live at P. O. Box 592, Bethel Island, California. And I'm here today with my husband, Don Rooke.

We want to tell you about a very different side of this issue that you might not have heard. Don and I are owners of a five-acre piece of property in Scotts Valley, currently known as the Mountain Brook Mobilehome Park.

We bought that property in 1959. When we purchased it, it was approved for an interim trailer park, it was not a mobilehome park. Gradually, more mobilehomes moved in, and the city designated it a mobilehome park even though it was never built for that purpose. From the very beginning, we knew that a trailer park would have limited lifetime because of the deterioration

through age. However, we never thought that the government would be able to force the park to have a greater lifetime than our own. But that is what we now face.

In July of '86, Don and I made the decision to close the park within a year because of our serious and, at times, life-threatening personal health problems. We were then in our mid-seventies. Our health demanded it at the time we closed up our business. We had never promised or told the tenants that our park would remain open forever. The tenants would be given the proper notice and the remainder of their tenancy would be honored. The park was not worth much and we've been forced to run a business against our will.

When you hear what happened to our side, I hope that you will reconsider some of the decisions you may have made, because what Scotts Valley did to us may happen statewide.

Scotts Valley adopted a law that prevented park closure unless the park tenants were paid in-park face value, not blue book, but in-park. As a result of that law, approximately 45 tenants sued us to force us to make that payment. The tenants who sued knew our land was not worth more than \$750,000, yet in order to close, we had to buy in-place value at \$2,257,000. In effect, we were held up by an outrageous demand tantamount to extortion. We were told that we could not end our business without paying the tenants and that otherwise it was to continue. As a result, we lost our liability insurance for over six months.

Now one of those same tenants is suing us for an alleged trip and fall during the time we had no insurance.

In summary, we were forced to continue a business against our will. We were subject to government extortion of our personal savings. We had no insurance. We sued the city of Scotts Valley earlier this year. Judge Marlow of the Superior Court of Santa Cruz ruled that the Scotts Valley law, with its mandatory buyout at face value, is unconstitutional. I'm not an attorney, so I can't explain to you today the technical basis of the court's ruling except to inform you that the court held the buyout was the taking of our property and a violation of fundamental federal constitutional rights.

Despite this ruling, in my case against the city, the tenants who lost continue to sue us to collect that payment. I want you to understand human feelings from our standpoint. I want you to understand that our being in this position has already destroyed the lives of people, and it is wrong.

The proposed law is to benefit a special interest group, not because this is legal and constitutional but because it's politically expedient. Does that justify the destruction of our constitutional right? Does that justify mob rule? Does that justify that we are required to subsidize housing for the tenants when the courts have already ruled the proposal violates the U.S. Constitution?

I want you to know that the authorities destroyed our lives. At another time, in another country, the government abridged their constitution and violated individual rights. We fought a war to defend a better system--a system that guarantees that the tyranny of the majority could never justify the violation of the individual's rights. It's too late for us. Our lives have been destroyed. But there is time to assure that it doesn't happen to others. This is not a legal obligation, it's a moral obligation.

Thank you.

SENATOR CRAVEN: Thank you very much.

MR. BIDDLE: Mr. Chairman, the last witness, Greg Johnloz, has not been able to be here this morning. I'm really sorry to hear it, because he's a mobilehome park owner in Arizona and has closed several parks in Arizona, and he had a hearing--just called my office yesterday and had the hearing over in Arizona--was unable to be here.

I will ask him, though, to submit a written statement to you so that you and the committee would have it. Because he was going to testify on the Arizona law--how it works and how the funding works. They've had that in existence, I'm not sure how long. But he knows exactly how it works under that system, and I will ask him to submit a written statement to you, and I'll send it to your consultant.

And his testimony, I think, was going to highlight also one of our biggest problems in this area. As you've heard from the

witnesses throughout the morning so far, anyway, it's really-- closing the park for the park owner is--an economic decision. And often times this is done, not because they want to close the park, but they must close the park either because of local mandates or local governmental problems because of the age of the park. And one of the biggest problems that we have is the uncertainty on this, as I say, the relocation amounts. The biggest problem we have when a park owner has to make this decision is how much it is going to cost.

Now, Mr. Doherty told you in the parks that he's closed that it's an average of \$5,000 per space--that's the average. And if a park owner knows that it's going to average \$5,000 per space to close, they can pencil out whether economically it's a good decision to close or whether it's not a decision to close. And I think the uncertainty on the amount is one of the biggest problems we have and that we've had in the law since the passage of 316. And even before 316, we had that same problem. I think one of the things that the Arizona statute and the Nevada statute, if it's going to be changed, hopefully, this year there's going to be an amendment to the Nevada statute to place the same limitations that they have over in Arizona. If you had a dollar amount, then the park owner can more adequately make that decision, make the proper decision. We feel that's one of the uncertainties on this amount that we would like clarified in the law so that the park owner can make that economic decision, not only

for the benefit of the park, but for the benefit of the tenants as well. We would make that suggestion.

Thank you very much.

SENATOR CRAVEN: Thank you, Mr. Biddle.

Next, Mr. Ray Foster, Director of HOSTAGE, which is an organization which must, well, it's an acronym, it must be.

MR. RAY FOSTER: Yes, sir, good morning to all of you. Appreciate your time here.

It is an acronym, Senator. It is Home Owners Striving To Obtain General Equality.

SENATOR CRAVEN: Very good.

MR. FOSTER: I'd like to ask a question. I'm from Spring Valley, by the way, and I do live in a mobilehome park.

Are all the people here today, everyone here who's living in a mobilehome park, if you would, show me your hand, please. The vast majority of us are.

I have a group known as HOSTAGE. We formed in March of this year at a meeting at which we had the great fortune to have Mr. Bradley present. I don't know anyone else here except Mr. Bradley. I'd like to pay him a compliment. Two years ago he came down to my coach and sat there with three of us and discussed our problems for more than two hours, and we haven't forgotten his courtesy.

SENATOR CRAVEN: Good. I hope you won't forget it and tell your friends. The man is up for reelection this year.

MR. FOSTER: I'm about to, he'll be the president of us all, yes, he will.

SENATOR CRAVEN: I really don't think he's got too much of a problem.

MR. FOSTER: Is everyone up there a member of the Legislature or just....I know Mr. Bill--I know Bradley is...

SENATOR CRAVEN: Senator Presley over here in the gray suit and myself. So you have two Senators and an Assemblyman.

MR. FOSTER: I'm very impressed, sir.

Our problem is, we've heard a lot of high-sounding rhetoric, here, but the root of the situation, the situation is one that your thrust is on this morning. What happens when you take vulnerable people, 85% of those residents in a park are seniors, generally on fixed incomes. Many have been in that park for years. And you tell these people due to economic pressures this park is being sold out from under you, you will therefore lose your home, and there are no laws to protect against that.

There's a fault somewhere here. The fault in our estimation is the State Assembly. I have heard it said in the past that the issue of mobilehome parks was a matter for local jurisdiction, when, in fact, 58 counties in this state embracing a million residents--and this is a matter for local jurisdiction. Every one of these counties have mobilehome parks. So, in essence, the Legislature dropped this--the political hot potato they didn't want to be involved, and now we have to go out and address it in

every little hamlet, every village, every town. The answer to it is state legislation.

The problem of park closures is an example. Two weeks ago, we were called by a park in San Diego, the name is Crystal Villa. It embraces 87 old people, all of whom have been there over 25 years. A company known as Apple Development is buying the park. I understand it is in escrow now. We went down there with a reporter from the Union and also T.V. cameras to throw the searchlight of publicity on what can happen.

Unfortunately, our problem is not number one on the legislative burner. But it affects defenseless people on fixed incomes who hoped to enjoy the golden years. The lack of legislation won't permit that. There is a fear of this happening everywhere. You can eliminate it. The solution is simple.

When I was a young child, we thought that politicians were the servants of the people.

Now folks, if you and Mr. Craven will go back. We got a lot of good, high-sounding rhetoric. I have a solution, hopefully. You go back and introduce a bill in the State Assembly that says that anyone who is dispossessed from his home in a mobilehome park will by law, the purchaser or person dispossessing has to pay that person market value for his coach. Market value. Now, if the owner of that park calls that economically infeasible, then let the park stay. But look, if you want to throw old people out and you want to make more money because of that, you'd better damn sure pay them.

Mr. Craven, you have to talk. You are the servant of the people--all of you up there. And maybe you think this is not a front burner situation. But there are a million people in California, a million. I have not heard any reason why this problem can't be addressed as simply as I have stated it. The amount stated by representatives of some park owners and people associated with it, WMA, one gentlemen said \$5,000. Five thousand dollars, when a park converts, they're asking \$30,000 for the space. Five thousand dollars? That's a joke, a travesty.

Let my side be heard; let our side be heard. We have no one to speak for us. We have no real political clout. You have dodged it at the state level. You won't! The the ground swell's happening, Mr. Craven! People in the whole darn state, as well as Southern California, are tired of this. How can you in good conscience let old people, when most countries are taking care of them, how can you let these people, trying to live live out the golden years with some dignity, suffer this way?

I am suggesting, sir, very respectfully, that your group go back and introduce a bill in the California Legislature stating that in the event of parks being closed, due to economic reasons, that the resident, that owner of that coach which maybe his only asset, be compensated by an independent fair appraisal by the state law. Therefore at least we'll have a chance to find substitute housing. There is no, there is no vacancy. And the occupancy rate in this county is now eleven and half percent.

So we started with 200 people. We're now 7,000. We send out a newsletter to 7,000 people every month. And this shows the growth, the feeling of these people. They feel hopeless, defied, no one speaks for them in Sacramento. Let me ask that you people approach the problem honestly. You haven't really come up with a solution. Semantics, semantics! We need a settlement to this whole problem that can be found by you, and if you represent the law of the people, you will do it.

Mr. Craven, thanks for your time.

SENATOR CRAVEN: Ms. Lou Otto.

MS. LOU OTTO: Good morning, Senator Craven, other members of the panel. I appreciate your allowing me to speak to you today. My name is Lou Otto. I live at 751 East Vista Way in Vista, California. That is the address of the Sycamore Creek Trailer Ranch. I represent the people of this Trailer Ranch.

It's no secret that the owner of our park is planning a change of use. Six years ago when he purchased the park, there were 115 homes, all occupied by their owners. In these six years, the park owner has purchased 52 of these homes, which he rents out. He knows we have no relocation possibilities. It is impossible for us to sell our home to anyone but the park owner under these conditions. This, in turn, saves him thousands of dollars and costs us dearly, and in the long run, he will apply for a change of use.

Meanwhile, since we are barred from the market place, we are in a catch 22 situation. We are limited to one buyer--the park owner. The public hearings that will decide the value and disposition of our homes and the social and financial repercussions upon us as well as the permission to change become a political decision. This should not be decided by the political clout of a million dollar land owner.

When the park owner finally applies for a change of use, he and the local government agencies who will make these decisions will be affecting the most vulnerable, the elderly, the citizens with the least expertise and financial ability to defend themselves against this action. Is this a valid way to make such a decision?

I believe that the state should mandate specific guidelines to address the impact cost on resident homeowners so that my city or any city or county will require fair mitigation. The California relocation law already requires this when a city or county forces the change of use. This is a comparable situation.

When our park finally closes as a mobilehome park, what will we do? We have, at this time, no option for relocation. There is absolutely no place in Vista for us. Yet we have settled here years ago. Our friends and families are here; our doctors and other support systems are here. And in addition, we have invested years and years of rent contributions to the park owner's income and debt service on the property.

Thank you.

SENATOR CRAVEN: Thank you very much.

Mr. Don Olmstead.

You're the only fellow who got a hand coming up, Don.

MR. DON OLMSTEAD: I work very hard in this part of the country.

SENATOR CRAVEN: I know all too well.

MR. OLMSTEAD: For the record, my name is Don Olmstead. I live in Vista, and I'm a director of the Golden State Mobilehome Owners League.

My activities as a regional director of the Golden State Mobilehome Owners League in San Diego and Imperial counties has made me acutely aware of the growing number of rental mobilehome parks that are going out of business. I've read articles stating that planning commissions in northern counties are calling this a demolition derby on mobilehome parks.

Here in San Diego County, we posed surveys made by the county housing authority in 1985 against 1979 and find there are 5,270 less people living in rental mobilehome parks due to closure and change of use. I participated in hearings where legal planning commissions and councils have seen dollar signs when when a land-owner promises to increase the tax base of his property with a change of use if the jurisdiction allows him to get rid of the low-income housing on his land.

When you consider that this housing is not his, but he has used it on his land for many years to secure the loan on a property to derive an income and reap a handsome profit on his land, and now he wants to relegate the housing to essentially junk value, you may realize my concern. If we were only talking about dollars and buildings, it would be bad enough. But this partnership with investors involves the lifestyle and the investment of thousands of homeowners. Often, these are the most vulnerable senior citizens with little, if any, expertise or financial ability to defend themselves and this investment. It very often is most, if not all, of their estate. This is the typical scenario as opposed to some of the testimony previously presented.

With little or no concern for their state mandated responsibility to protect, preserve and develop their fair share of low-income housing, some councils jump at the chance. We've seen decisions where a promise of \$1500 cash and a 12-month's notice have been accepted by the council as mitigation for a residential change of use. Where there is a zero vacancy factor, there is no relocation, so a home only has salvage value.

This should not be the way for these predominately senior citizens to end up on the welfare rolls. A change of use is a local land use problem, and therefore must be a political decision of a local jurisdiction. The destruction of a rental homeowner's investment is--first--a question of fairness that has never been addressed in the State of California.

I suggest that our State Legislature address this with specific mitigation requirements when a local jurisdiction uses this political privilege and allows a change of use. The dimensions of this problem are dramatically increasing each year.

Thank you.

SENATOR CRAVEN: Thank you, Don.

Mr. Al Fraiser.

MR. AL FRAISER: Good morning, Senator, and good morning, members of the panel. I'm Al Fraiser; I live in Vista at the Melrose Trailer Park. I'm president of the corporation formed for the purpose of purchasing that park. I've been there approximately five years. In the time that I've been there, my rent has almost doubled. Each year we get a notice of a rent increase saying that the reasons for that are the increased costs of maintenance, et cetera, et cetera, but never are we given any proof of those increased costs.

People who live in this park, it's not really a mobilehome park, there are approximately 17 mobilehomes, single-wide mobilehomes, there's no doubles, it's really classified as a trailer and R.V. park. But the people who live there are those who wish to remain mobile. They wish to come in and at various times go on a short vacation. There are many disabled who live in this park; some of them haven't been out of their homes for several years. Most of them are very poor. We have more than 60% of those living in the park classified as low income. There are

many elderly who live in the park, many of them nearing the age of 90. There are a few families living in the park, but most of them are helpless.

In order to remain in the park, if it is decided that the park will close, they have no funds to employ an attorney. They're helpless, they're very needy people. The major reason that most people live in this park is because of economics. It's the only place that they could live. They cannot afford an apartment. They cannot afford to pay the first and last month's rent, the deposits, the utilities' deposits and so forth. They are very needy people.

They live there because of the convenience, also. They're close; they're close to medical facilities, they're close to shopping, and many of them do not even drive their own automobiles. In the last few months, there have been three or four that I'm aware of that no longer are able to drive their own cars--they have sold them.

The results of the present resources, an upward style of rents with no reason given, again, disenfranchisement of people because they have no money to employ counsel. It is tantamount--to many of them, many of them on solely social security, it is tantamount to economic eviction. Many of these old people, if they are uprooted and required to leave a home that they, many of them been there 20-25-30 years, to me it is tantamount to signing their death certificates. I hope that something can be done to

enable these people to maintain their homes and to maintain the dignity of life they wish.

Thank you very much.

SENATOR CRAVEN: Thank you.

Mr. Skip Green. Skip Green.

Mr. Jerry Lenhard

MR. JERRY LENHARD: Because I'm not running for anything.

Senator Craven, distinguished members of the board. My name is Jerry Lenhard. I'm from Escondido. I'm the president of EMPPAC, Escondido Mobilehome Park Political Action Committee. It's a group of mobilehome owners who got together almost two years ago because of most of the problems which Mr. Fraiser just spoke about--the rents going up and up and up, and people couldn't afford them. We had, we had committees that, we met with park owners and tried to negotiate some kind of fairer rents or fair leases. It was impossible and probably the reasons it was mostly impossible was because all the laws that are passed in this state seem to be on the side of the park owners, not on the side of the residents.

When parks are closed, I haven't seen any closed around here recently, but when they are closed, if nothing's, if the people aren't taken care of, what's going to happen to them? You can't put them out on the street. It's a proven fact that 75% of the people or more in mobilehomes are senior citizens. Most of them have been living in their homes for years, and they, they're homeowners, they're not tenants.

Most of them were lured, that's the word I'll use, they were lured into these parks years ago. If you'd seen the fine brochures they put out years ago for the promises of the, the low rents and swimming pools and saunas and all these wonderful things they were going to provide if you'd move into our parks. People saw this as a way that they could afford to live on their fixed income. They moved into these parks.

As the laws passed by the Legislature in the years past, there isn't too much advantage to building mobilehome rental parks any more as I understand it. So today, the park owners today have a monopoly, just like the gas company, gas, electric, the utility companies, telephone, because they're not regulated by the Legislature. So these people can charge any rents they want to, the only, according to law, say they can raise the rent every 60 days, but they don't even say how much they can raise them--any amount they want to raise them. Because the past four or five years they've been doing things like this, that's why rent control is getting so popular. That's why Mr. Foster says, people are starting to organize. You have 6,000 people here in Escondido, and there is a groundswell, and we understand that this is all over the state, there is rent control coming all over the state, and it's necessary. And the reason it's necessary is because of the greed of the owners. It's just that simple. They will not negotiate because they don't have to; and the laws are in their favor.

I heard a couple of owners get up here today from out of town, saying that they are suing the city of Los Angeles, and they make it sound like they are in dire straights. I saw at least one of them come in here and get out of a beautiful Mercedes. At least they're not broke, yet.

SENATOR CRAVEN: That's somewhat irrelevant from the issue at hand. Let's stay with the issues and stay away from personalities.

MR. LENHARD: That's true. Okay. Well, there are many people out here, sitting in this audience, who live on five, six, seven hundred dollars a month. And I know it's not the park owners responsibility to pay these people or take care of them, but by the same token, these other park owners that came up here and told their story, I never heard one of them say that they had offered to sell their park to the people who lived there. The only story I heard was they were just trying to sell their park and get the people out of there.

So, I think that most of these problems have been brought on by the greed of the park owners, which can be proven. And I think there are tens of thousands of mobilehome owners throughout the state of California that need some kind of help and assistance from you, and I hope you'll give it to them.

Thank you.

SENATOR CRAVEN: Thank you, sir.

Have Arline Barnhart or Sonny Fischer arrived? You are? Would you like to say a few words, Arline? Very well, we called your name earlier, but you weren't present, I guess.

MS. ARLINE BARNHART: Ah, Mr. Craven, also there was a Herman Sherman, the alternate director from Golden State Mobilehomes Owners League who had sent in his name. He came down with me today. He also would like to address you.

SENATOR CRAVEN: And his name is .. ?

MS. BARNHART: Herman Sherman.

He called up and sent his name in quite some time ago to be on the agenda.

SENATOR CRAVEN: Okay.

MR. TENNYSON: We don't have his name.

SENATOR CRAVEN: Well, let's not worry about that.

MS. BARNHART: All right. Thank you. But anyway, I am director for Region 3 and under GSMOL, which represents Los Angeles County. I would like to give you, as many mentioned this morning - a bit of history. When you passed your, your bill passed, S.B. 316, we had received notice of a park in Van Nuys in Los Angeles City closing. We thought we were going to have to have reports, and we discovered that charter cities were not covered under this. And through the efforts of Mr. Priest and Mr. Tennyson and your committee and Dom, Mr. Dom Cortese of the Assembly, a new bill was passed, A.B. 3785, that brought charter cities into this process.

In the city of Los Angeles, which of course is a charter city, beginning in September, 1985 through June of 1986, four trailer parks received their closure notices. These parks varied in composition from single-wides and double-wides to the R.V. type trailers, and by October 8, 1986, through the efforts of the residents and GSMOL, guidelines were adopted by the L. A. City Council addressing the park owners responsibilities when they wish to close their park.

The first park to receive the closure notice; they've completely vacated, now, and been developed. All but the, all but six of the homeowners in that park took the offers that were presented them by their owner. The six opted to stay in the impact process in the city of L.A. The monetary decisions by the advisory agency for these six residents that refused the notice back in 1985 were rendered January of 1988. And as I stand before you this morning, not one penny has been given to them. The six were moved next door to a park beside them, which also is in closure, owned by the same developer.

The second park, now, has had its closure notice, and had the closure notice in 1986, January. It now has had its decision as of June. It also has not received any monies. Yet they were given notices to be, vacate the park by October 31 this year.

A third park that was in closure during this period of time just took the offers of the owner. There were no impact hearings held at all by L.A. City, and they moved everywhere from Montana

to Victorville to Johannesburg to Canyon Country--wherever they could find a place, and many of them didn't even go to a mobile-home park.

The fourth park, which was a very tiny one of seven to begin with, ended up with three at the time of closure, and was the first one that was then addressed by this L.A. City Council, because I think they needed to get some experience in this field. The planning department was not educated as to the needs of a mobilehome park, and they could address three mobilehome park residents much easier than they could 25 or 30. So they use that for their experience with this first park. They also signed a notice agreeing with the owner that they receive a certain amount of dollars, half of it upon the signing of the agreement, the other half when they moved out.

At the time they moved out, when they just had a few weeks, a week or ten days to go, they still had not received even the first half, and yet they were expected to vacate the property. A relocation counselor worked with them, but that did not facilitate their getting their monies.

Through all of these impact hearings, the developer has tried to convince the city that the law in the Government Code 65863.7 did not affect them, because their notices of closure were given prior to that law becoming effective. The unincorporated areas of L.A. County also have parks that have been or are in the process of closing, and some of these have been closed because

regional planning decided that they were nonconforming and would not renew their conditional use permit.

The county has not addressed the impact hearing process to mitigate this problem facing the residents in those parks. In August of this year, a proposed relocation ordinance was submitted to the board, County Board of Supervisors of L.A. County by the County Counsel, but no final action has yet been taken.

To summarize my experience with park closures in Los Angeles County: It is a very time consuming and complicated process--to go to each and every city council and county board of supervisors to encourage, even demand, that the city or county follow Government Code 65863.7 and then to attend hearing after hearing to inform and educate the government leaders of the needs of the residents being displaced. The problem is that Government Code 65863.7 states only that a legislative body "may" require steps to mitigate any adverse impact, leaving the issue optional to the, to the legislative body.

But with virtually no spaces available, there's no chance for a homeowner to find, to move his home. The only alternative for the homeowner is sufficient monies to buy another mobilehome already in place in another mobilehome park. The Government Code 65863.7 states "reasonable" relocation costs. Many mobilehome owners will not be properly reimbursed for their loss. This presents very emotional and traumatic experiences for homeowners, especially those on limited income.

California Redevelopment Program, under Title 25, Chapter 6, gives very explicit details for the reimbursement to a displaced homeowner or mobilehome owner in a redevelopment area. I feel that all homeowners should be treated with as much equality as possible when facing the loss of their home through no fault of their own.

I wish I could...

MR. TENNYSON: Your five minute limit is up.

MS. BARNHART: I'm sorry. I thank you for this opportunity to be here, and thank your committee for all that you have done for mobilehome park owners--homeowners.

SENATOR CRAVEN: Thank you very much, Ms. Barnhart.

Has Mr. Gughemetti--I don't why I can't pronounce that properly--he has not shown? All right, very well.

Let me say that I have a communication from Senator Tom Reese of the Senior Senate, and I will just file this with the committee report, Tom. Very good.

Yes, now, let me see here, is Mr. Roland here by any chance? Okay, very good.

Mr. Chuck Hale?

MR. CHUCK HALE: Senator Craven, members of the committee, for the record--1250 Arcadia Avenue in Vista. By way of expertise, I served eight years on the county of San Diego Housing and Community Development Advisory Board, one term as chairman, one as vice-chairman.

The day of economic reckoning is here. Land values have risen to the point that the investor wants to convert. In Vista we have seven parks that are threatened by economic conversion. The issue is not low income versus--not low income, it's a fairness issue.

Basically, you can't pick a mobilehome park up and pass it around and sell it. Mobilehome park owners are co-investors in the equity of that park, two-thirds of the equity value of the park is secured by rents over time. What we need in legislation is specific mitigation for relocation, by specific I mean the appraised value on site is much different than the appraised value to be moved.

It doesn't do a homeowner any good to leave a community support system and be shifted off into the desert. We need mitigation that requires relocation to occur within the jurisdiction of the conversion. We need specific mitigation that takes care of the differential between the rent paid at the initial park and the rent paid at the new location and the actual cost of relocation on a case by case basis.

Thank you for your time.

SENATOR CRAVEN: Thank you very much, Mr. Hale.

Mr. Stan Rappaport, Escondido.

Mr. Joe Stern.

MR. JOE STERN: Mr. Chairman, members of the Legislature, I'm Joe Stern. And I don't live in a mobilehome; however, I'm a

member of the California Senior Legislature. I'm a Senator, and therefore, I represent mobilehome owners, just as you do.

I feel very strongly about this issue. There are some things I want to point out that haven't been pointed out before.

One thing is that I disagree that the land owners, that these park owners, are greedy. I think that they are exercising their right to charge as much as they can get for their property, and the only thing is that unusual circumstances have permitted them to charge rents which are in excess of the reasonable value and rents which create terrific hardships on the people who occupy the mobilehomes in those parks.

As a taxpayer, I have certain concerns, too, because large numbers of these people who are living in these mobilehomes will become public charges once they're moved and lose their mobilehomes. They will be demanding subsidized services which they don't use now, because I would like to point out that on a case by case basis, residents of the mobilehome parks use much less services than people living in apartments. I know this from my many years of experience as a senior advocate.

I will also note, Mr. Chairman, that there is ample justification for interceding in this case which is stated in the preamble to the constitution when it says that the purpose of government is to promote the general welfare. And I'm promoting the general welfare. There are many acts which have taken place in which the rights of the private individual have been restricted

in the case of general welfare and in which the government has interceded to protect the public in unusual situations. I might call to your attention the fact that all anti-monopoly laws were instituted to protect the public from an unusual situation.

The main thing that we have here is that there is a situation in which a million people are affected adversely by a situation not of their making. The oldest of the parks, I might mention that I have a friend who was enticed, as they say, into a park with a \$65 rent in 1975. And he now pays \$435--from 1975 to now. He can't afford it. And everybody in that park has a similar situation.

They were asked to come into those parks and the rents were placed at a very low level. They were brought in because they felt we had the cheap way of living. Most or many of them cannot afford the expense of moving. The landlord has a special consideration here that he can get more money if he sells the park in many cases. Well, we have to consider what happens to the property of the people who live in that park. The landlord benefits, yes, but at the expense of the loss of income for people, a loss of assets of people, who are very badly in need of those assets. Those people put out of that park with their homes, the homes become of very little value, often bought by the park, itself, often get dumped outside with no resale value to speak of because there's no place to relocate them.

I ask you to consider this responsibility, and I say it's a responsibility of the Legislature under the constitution to promote the general welfare. I ask you to consider this when it comes to this issue and to enact legislation which will protect these people and ensure either that they will remain in their present parks or that adequate provisions be made for their relocation so that they can live in the homes that they purchased and in the style that they choose to live.

These people have a very important way of living. These people have more independence than the average renter. They provide a very valuable asset to our society. They keep their parks clean, they use very little services, and I implore you, please, enact legislation to give them the protection so they can live in the lifestyle they chose.

Thank you.

SENATOR CRAVEN: Thank you, Senator.

Marie Malone, GSMOL State President.

MS. MARIE MALONE: Senator Craven, Senator Presley and Assemblyman Bradley. Thank you very much for holding this hearing today, and I'm sure by now that you're aware this is a very, very important issue in the life of the mobilehome owner. In fact, it's almost a toss-up between the two greatest problems that we face today living in mobilehomes.

One is the ever-escalating, doubling every five year of rents that we face, and the second is the closure of parks. In order

to be able to analyze what is happening across the state of California, we subscribe to a clipping service on mobilehome news from all of the newspapers. And we have a very able lady from this part of the state, Mary Jane Morgan, that you all have known so many years, who sorts and assembles and reports to me on exactly what is going on in California in mobilehomes.

A few weeks ago, she handed me an analysis, and as I started down the list, I saw "closure of parks." And I don't know whether everybody is aware of exactly the speed with which this is going forward. And I will just take two months' clippings of April and May. It is not a localized issue that belongs just in Southern California. It is occurring also in Central California.

During the months of April and May there was notice of 652 spaces closing. Those parks were located in Los Gatos, Lakeside, Carson, Santa Rosa, Simi Valley, Goleta, North Fork and Newhall. Out of all of these closures so far, we have just one lawsuit that has been filed. And that lawsuit was because the park owner has refused to pay relocation costs.

I am aware of the park owner's lawsuits--of the taking of property. I think that some of their representatives this morning pointed out a fact that we have known for many years--that the owner of the parks has an investment of less than half in that property when compared to the investment of these homeowners within the park.

I have never once heard a park owner say anything about a closure as being the taking of the homeowner's property. In fact, we are never referred to as homeowners, we are always called "tenants." And perhaps if I were on their side, I would be using the same language. But we do own our homes, and I think this is a significant difference.

I believe, objectively, that we must consider not only the mobilehome owner, we certainly must also consider the park owner. Both really are victims of the laws that existed and the permits that were granted that created this problem in the first place. The temporary use of land on leases without a whole body of law is a very, very dangerous enterprise which many of our local cities entered into, and which, as many have said this morning, the homeowner did not realize it was a temporary use of land.

However, there's an additional thing that we must consider. There is a third element. The State of California, and most recently the Governor of California, has made his mission--a part of his mission is--the preservation of low-income housing. The State of California has felt very strongly about this for some time, and it is one of the reasons that every general plan--the housing element of every local general plan--must be reviewed to ensure that that local city or county bears their fair share of low-income housing. When you remove a park of 300 units at one time from a small, local city, what have you done to the fair share of low-income housing allocated to that local city?

I think it is something that should become a part of the law. It should have some teeth to see that there is a place for people of low-income, of moderate income, to have a roof over their heads. And I believe that in the State of California, the time has come when they must hold these local jurisdictions to that commitment.

To pass legislation that achieves equal, fair treatment for both parties involved, as well as preserving the local fair share of low-income housing provided for in the general plan, will not be an easy task. I commend you and your committee, Senator Craven, for facing up to this urgent need. And I thank you people for spending your time, again, on a very vital issue for the mobilehome owner.

I will only add one little note: that if any park owner finds that he must leave because he feels that it is no longer profitable to own a park, I'd gladly give him my toll-free number, because I can assure you, we will find a way for the residents to buy that park.

Thank you.

SENATOR CRAVEN: Thank you, Madam President.

We have some avid starters, here. Kristin Totah, Kristin, there she comes, and Janet Holmes, I guess. They're going to do this in sort of a team, huh? Very good. With slides?

MS. KRISTIN TOTAH: Without. Thank you for letting us speak. We just would like to...

SENATOR CRAVEN: How come you two girls got in here? You are completely under age from what I've been looking at out there, including myself. But go ahead.

MS. TOTAH: We've been working with seniors in mobilehome parks in Orange County and L.A. County for the last two and a half years. My name is Kristin Totah, and this is Janet Holmes, and we represent Country Lake Mobilehome Community, an adult community located in San Jacinto, California, near Hemet.

We are a relocation park and have been moving in relocated homes for the past two and a half years. Our space rent starts at \$245, and we give out long-term leases and the Riverside County rent control ordinance for the protection of the residents.

We also have a two-year rent freeze in our lease, and right now, the owners are offering up to \$2500 to relocate mobilehomes in Country Lake. We also have new homes available for sale and resale. So with those three options, any residents who are being moved out of closure parks have those options at our park.

We do have literature available if anyone is interested. We'll be here through the end of the meeting.

Thank you very much for your time.

SENATOR CRAVEN: Thank you, Kristin. How about that?

That's the first time somebody has sneaked a commercial in on me like that. You did a very fine job, you did. Honest to goodness.

Well, let's see, let's finish up on a very nice note and ask Rudy Sweet to come up. Rudy?

MS. RUDELL SWEET: Thank you for making room for me. I appreciate this very much.

SENATOR CRAVEN: Oh, you're entirely welcome.

MS. SWEET: I'm Rudell Sweet at 1380 Oakhill Drive, Escondido, California. I live in Escondido Terrace Mobilehome Park.

I think the one thing that has been missed here today is that we, as mobilehome owners, are not renting from private park owners. We are renting from big corporations, and I understand that big corporations are, you know, to make money. And, you know, that's fine.

I just want to point out two or three incidents in Escondido that to me is very sad. I've left the parks crying. In one park, it's sign the lease or you don't get in. And the older people in there have been led to believe that this is the right way to go.

On page eight it used to say that in five years, and I think the year was 1991, that if the park owner decided to go for a different use permit, they could write a \$350 check to each resident in there. I don't think that's fair. After it was public knowledge, it was buried somewhere within the lease. And I really, I just think that this is not fair for us mobilehome owners, who maintain the park for the park owners, and we do have the biggest value in the park.

When somebody asked me, "What does your manager do in the park?", the only thing that I can say that I know they do is to collect the rent and walk around the pool once in a while. And you know, okay, that's enough for that park. I feel very bad.

Another park, I go in regularly, once a month, and every month I see vacant spaces. And you know my heart aches, because I don't know where these people are. It's a very elderly park, and I'm an old lady, but there are people that are older than me, and I'm wondering, where have these people gone? I would like to be assured by somebody that these people are, you know, living somewhat of a happy, comfortable life.

I'm not a lawyer, and the sad part of it is, talking about lawyers, we mobilehome people are law abiding, hard working people that have saved for this type of a life, and I don't want to go for a free ride. I've never had welfare or anything, and I choose not to be a burden on anybody.

In the situation in Escondido, I think that there might be a wrong feeling going on. The residents, or mobilehome owners, in Escondido, truly are not costing the city of Escondido anything. What's happening is the big corporations who can afford the big attorneys, corporate attorneys, are coming in there and really upsetting the city of Escondido. And I, for one, want to pay my way, but I do think what is happening in Escondido is happening in all throughout California, because I came from Northern California, and they do have the same problems up there. And some of the people that I see at these meetings, I've seen up there.

So, you know, I just wanted to stress the fact I feel sorry for this elderly woman. I really do. I love elderly people, and I love children. But, the thing of it is, you know she is affected, but I can look out here in the crowd, and I can see, these are corporations that own our parks. I live in a park that is owned by a corporation.

And I really want to thank you, Senator Craven and Mr. Tennyson and Bill Bradley and the rest of you. You've been very helpful, and I'm sure that you will continue to do, help us the best you can.

SENATOR CRAVEN: Thank you.

I'd like to ask my colleague, Senator Presley, if he has any thoughts that he would like to express. Bob.

SENATOR ROBERT PRESLEY: Is this thing on?

SENATOR CRAVEN: Yes.

SENATOR PRESLEY: Just maybe a question for the consultant. Are any housing subsidy funds available for relocation of mobile-homes? I think I heard somebody say in testimony that that was possible from a redevelopment project, but is there any beyond that?

MR. TENNYSON: At the local government level, yes, depending on what the local government wants to do. They can use, under the redevelopment law, they can buy into parks or subsidize parks. There are a few incidents of that. I think Gardena has such a park.

SENATOR PRESLEY: You're just talking about redevelopment?

MR. TENNYSON: That's correct. There are other local housing, low-income housing bond monies that can be used for that. There's a proposition on the ballot, I can't remember the number of it--it's 84, something like that--that would provide state bond monies that local governments could use, presumably, for this purpose. So there is a limited amount of money that can be directed at the option of local government.

Again, local government has that, the power to decide relocation assistance. I believe there's a project here in San Diego that Marie Malone is familiar with, it was a relocation park that I believe either the city or county was involved with some years ago.

So, this has been done, yes, but it hasn't done...

SENATOR PRESLEY: The only reason I asked that question, in listening to all this testimony this morning, I think both sides have merit to their arguments. Land, of course, is becoming more costly, and even in Riverside County. There we used to refer to it as a desert, but the way it's growing, pretty soon you won't even find any land there for parks or other things.

So, it seems to me the only fair way, maybe, to mitigate this, and I know, as Marie Malone said, it's a very complicated problem, is for some kind of taxpayer money, subsidy, for these relocations, possibly with a means test. But, and I know, on the other hand, we hear all this stuff about no taxes, nobody likes

to pay taxes. But there are people that need some help, and I think the only fair way to do this to both sides--to park owners and the peoples who live there--would be some kind of taxpayer subsidy, and maybe this committee can work on something along those lines.

SENATOR CRAVEN: Well, I think your point is very well taken, Senator Presley. Those of you in the audience should hopefully recognize or realize that the function of a Select Committee, and this is a Select Committee, is to hear testimony such as that which has been given today from both sides of the issue or many, many sides if that's, if it could be possible to view it that way, and to try to consider the efficacy of what has been said and then attempt to take the most efficacious things that have been said, translate it into legislative form, and then move on a legislative plane and take it before a standing committee. And that's the way you start to move the legislation.

Senator Presley has been involved--Senator Presley is perhaps, no, don't say perhaps, he is the state's foremost proponent of legislation in law enforcement and prisons and taking and riding the streets of criminals and that type of activity. He is a former law officer, himself, a former undersheriff of the county of Riverside, and that is his specialty. But he's worked in this field, as well.

You all know, I think, Bill Bradley, who you know as a public administrator of long standing and rather recent, if you will,

six years, member of the California Legislature in the Assembly. And Bill is familiar with it from the standpoint of drawing the plans, and he is an engineer and has totally the capability of doing that, and I couldn't help but think of Bill--what he was thinking when we were getting explanations as to the fact that it was over a thousand feet to go from a hydrant to the place to fight the fire, and those of us who've had experience in--and all of us have been--Bob and myself and Bill--each of us has been in this business for thirty years--and to hear something like that, you say, "How could that possibly happen?" And it's hard to explain. I just, I can't understand that.

That's why I asked, you know, whether that was in the city of Chula Vista or the county of San Diego. I've never had any responsibilities in Chula Vista, but I've had some with the County of San Diego.

But, be that as it may, I must ask Lenore Averell, who represents Supervisor John MacDonald, Lenore, do you have any thoughts?

MS. LENORE AVERELL: I would just like to thank you for having this hearing today, Senator Craven. And on behalf of the Supervisor, give greetings to all the people that have participated. And I certainly will take it back to the Supervisor for him to be aware of your concerns. Thank you.

SENATOR CRAVEN: Thank you, Lenore.

ASSEMBLYMAN BILL BRADLEY: Bill.

SENATOR CRAVEN: This is Assemblyman Bill Bradley, Bill.

ASSEMBLYMAN BRADLEY: (recording inaudible)

...I estimate land at, say three dollars a square foot, whether it's encumbered or not encumbered with a building. That would only warrant a coach sale of around \$18,000 in order to reach the coach value that some of you have, you're looking at the land owner paying you six dollars a square foot for property, and that's not very realistic because you can buy property downtown for six dollars a square foot. So I don't think that is a realistic approach in the total scope of things.

It seems to me that, and I agree with Senator Presley, there should be a means test--I don't know whether the rest of you agree with that or not--that the state, either through the redevelopment agencies or on its own, will eventually have to acquire some land where people who cannot afford to relocate their coaches--not afford the high rents--land would be put in the state's care or could be built by the private sector, managed by the private sector, but you wouldn't pay land cost, you'd just pay rent, pad and the maintenance of it.

Like Bill Craven, I'm shocked that there's no fire hydrants in the park. I don't know how that could possibly have slipped by the codes--very dangerous.

Thank you all for coming this morning.

SENATOR CRAVEN: Very good. Thank you, Bill.

When I left my office yesterday evening the assistant to Congressman Packard gave me this flyer, and just one, but she said that she would appreciate it if we would make this announcement, which we will do now. It says Congressman Ron Packard presents Senior Issues Forum, including presentations on Medicare, Social Security, Health Care and Housing, October 18th, that's today, 1:00 p.m. to 3:00 p.m. at the Tri City Medical Center, 4002 Vista Way, that's Tri City Hospital, and it'll be in the pavilion, which is the lower level in that building. And you are all very cordially invited to attend and hear what's going on and what the Congressman may have to say.

All right. Does anybody have any further thoughts, questions, accolades, want to bring any flowers, cakes...lunch?

AUDIENCE MEMBER: I have a question.

SENATOR CRAVEN: Yes, you go ahead.

AUDIENCE MEMBER: (inaudible)

SENATOR CRAVEN: No replacement.....

AUDIENCE MEMBER: (inaudible)

SENATOR CRAVEN: Well, go on--go ahead.

MR. TENNYSON: I'm not sure we quite understand what your question is. The status of state law, as explained in the background paper, beginning in 1980 imposed the impact report requirements on local governments, whereby local governments have to, in turn, require that the park owner, who's closing or converting the park to another use, render an impact report. And on

that basis, local government decides whether they will mitigate.

Now, prior to the state...

SENATOR CRAVEN: Well, let's interrupt for a minute, John.

Is that what you're referring to?

AUDIENCE MEMBER: (inaudible)

MR. TENNYSON: Well, that's never been the case as far as state law. You may have had a local ordinance that required that, you may have signed a contract with your particular park owner...

AUDIENCE MEMBER: (inaudible)

MR. TENNYSON: No, that is not true. I don't know where you got that information, but that has never been the case. It must have been a county or a local ordinance which you're referring to.

SENATOR CRAVEN: Very good. Thank you very much.

I think it's time, we're beyond our time now.

We want to thank the city of Escondido for the provision of very fine facilities which we have today, and most particularly, we want to thank each and every one of you.

We thank you very much.

#

SECTION V

S U M M A R Y

AND

C O M M E N T S

SUMMARY
AND
COMMENTS

From the October 18th testimony, the issue of relocation assistance for displaced mobilehome park residents appears to be on two planes. One is whether there should be state uniform requirements or local control. The second is what kind of relocation assistance or mitigation should be provided to residents.

State versus Local

Witnesses for both park owners and residents seemingly want the state to take over the issue from local governments. The residents, in many instances, feel that local governments are not doing enough and that state law must mandate more protections for those displaced from the parks. By the same token, park owners imply that they want the state law to preempt local governments from requiring more than a minimum state standard. In this regard, it would appear that both sides do not feel that existing law is adequate--the park residents feeling that protections from displacement are not stringent enough, the park owners feeling that current state law allows local governments, in some cases, to be too stringent.

The conversion of a mobilehome park to another use is primarily a land use decision which historically--like zoning and other

land use matters--has been a local prerogative. The state has established certain parameters--such as general plan elements--within which local governments can operate, but essentially land use decisions, including permit processes, use permits and approval for the changes of use--among others--are still best left at that level of government where particular local problems are dealt with every day.

Mitigation of Displacement - differing points of view

With regard to the kind of mitigation required of owners closing and converting mobilehome parks, most park owners have taken the position that their prerogative to close the park and "cash in" on the full value of their land should not be compromised by having to pay tenants a large percentage of that value when the tenants don't own any interest in the land. Some owners may be willing to concede that residents should be paid some minimal relocation or moving expense or an amount based upon a scale of the length of time which a tenant has resided in a park, but not market or cash value of the mobilehomes themselves.

Park residents, of course, contend that they have been paying rent through the years, and that their rents have allowed the park owner to hold onto the park so he can "cash in" on the land at a later date. Some feel they should share in that profit and that the park owner should not unilaterally be able to close the park without having to pay the "social" costs of displacing the tenants.

The Arizona Case

An alternative presented by one park owner witness is similar to Arizona's relocation law. In Arizona, the Legislature enacted a bill to require mobilehome owners to pay a fee or tax of 50¢ for each \$100 of assessed value of their mobilehome. This money goes into a state mobilehome relocation fund to pay premiums to private insurers to provide insurance coverage to park owners for tenant relocation costs, or where insurance costs exceed the amount available from the fund, direct payments for tenant relocation in some cases.

The major problem with this approach is that the park residents will oppose any significant tax on themselves for relocation assistance. In the Arizona case, 50 cents per \$100 of value is high but would probably raise significant monies for a state relocation assistance fund. Those with even a \$10,000 trailer, however, would have to pay \$100 per year, prohibitive in most cases for low-income people living in such \$10,000 homes. A more reasonable tax might be in the neighborhood of \$5.00 a year, which would raise some \$3 million, but then again \$3 million would not go very far.

Fair Market Value

Mobilehome residents, and specifically representatives of the California Senior Legislature, are pushing for a fair market value approach. This would be similar to legislation introduced

by Assemblyman O'Connell last year, AB 3769, to treat closure of mobilehome parks like the taking of property by a public entity under eminent domain powers. The concept requires the park owner to compensate mobilehome owners for the fair market value of their property, plus other moving or relocation expenses.

As pointed out at the hearing, it may be unreasonable to expect park owners to pay residents more per square foot for their mobilehomes than the park owner's own property may be worth. Moreover, an accurate determination of the fair market value of each mobilehome, particularly what it would have been worth prior to a notice of closing, would be difficult even with the use of so-called mobilehome "value guides," which don't take the park owner's land value into consideration and don't list older homes in most cases.

Right of First Refusal

Another resident alternative appears to be to give residents of parks the right of first refusal when a park is sold or converted to another use.

The conversion of rental mobilehome parks to resident ownership is currently popular among park residents, and the right of first refusal would enable residents to attempt to buy the park, on the owners terms, as an alternative to closure. The problem is that in some cases this would only delay the inevitable closure, as most lower income park residents would be hard pressed

to afford to buy the park. However, residents are confident they could qualify in these cases for local or state low income housing assistance to help them buy the park.

Other Alternatives

Other alternatives brought to the committee's attention, though not necessarily referenced in the testimony, would still leave decision making on the issue of relocation in the hands of local government while providing more guidance from the state:

1) SEPARATING OUT RVs AND TRAVEL TRAILERS

Establishment of more stringent limits on what local governments can require of a park owner in mitigating displacement of park residents. For example, one suggestion is that RV trailer parks, or the RV and trailer owner/residents themselves, be treated differently than mobilehomes or mobilehome parks. Since travel trailers and RVs are not permanent housing, a lesser standard for relocation could be made applicable to them than mobilehomes.

2) MANDATING THRESHOLD MITIGATION

Mandating that local governments address the issue of mitigation, rather than allowing it to be optional, at local discretion, as under current state law. This approach would envision requiring mitigation but still leaving how the problem is to be mitigated, i.e. what relocation assistance specifically will be required, to local government.

3) IMPACT REPORTS

Requiring that impact reports be more detailed--that such reports take a variety of factors into consideration--such as resident's age, the age, size and value of the mobilehomes, the number of years residents have resided in the park, vacancy rates in other rental housing in the community, and the like.

4) GEOGRAPHICAL DISTANCE

Requiring local governments to address the issue of relocating displaced mobilehome residents in the community, or within a reasonable distance in adjacent communities, rather than relocation to any location, remote or otherwise.

5) ALTERNATIVE RENTAL HOUSING

Allowing local governments to consider relocation opportunities--not just in the sense of moving the resident's home to another park--but relocating the resident to other forms of rental housing within the community as well.

These are just some of the alternatives which members of the committee may wish to consider in reviewing the problems brought out in the hearing.

SECTION VI

•

A P P E N D I X

Correspondence

Selected Laws and Statutes

CORRESPONDENCE

October 18, 1988

Senator William Craven, Chairman
Senate Select Committee on Mobilehomes

My name is Arline Barnhart. I live at 15432 Tulsa St., Mission Hills, 91345. I am Director for Region 3, Golden State Mobilehome Owners League representing Los Angeles County.

First, I would like to give a bit of history. Jan. 1, 1986 your Senate Bill 316 became law for General Law cities re: impact reports, hearings, and reasonable relocation for residents being displaced by park closure and change of use. On June 25, 1986 AB 3785(Cortese) was signed by the Governor with an Urgency Clause to bring Charter Cities into this process.

In the City of Los Angeles which is a Charter City, beginning in Sept. 1985 through June 1986, four trailer parks received their notices of closure. These parks varied in composition because both single and double-wide mobilehomes and RV-type trailers were involved in these parks. By Oct. 1986 through the efforts of the residents and GSMOL, guidelines were adopted by L. A. City Council to address the Park Owners' responsibilities when a park is to be closed.

The record to-date for these four parks is as follows:

The first Park to receive closure notice is completely vacated and developed to another use. All of the homeowners but six took the developers' offers of financial assistance. The six remaining homeowners were moved to a park next-door to await L. A. City's Impact Hearing and results. (This Park is also owned by same developers and being closed at a later date.) The final monetary decisions by the Advisory Agency were not made until Jan. 1988 for these six residents, but to-date, no payments have been received.

In the second Park to receive notice of closure, most all took the Park Owner's offer and found other places to live, such as Victorville, Fontana, Lebec, Lancaster, Pomona, Canyon Country, La Puente, and even Johannesburg. One Resident filed for Bankruptcy, and one home was turned over to the Bank.

The third Park that received closure notice is the one next-door to the first one where the six homeowners from the first park now reside. This Park also has had Impact Hearings, and decisions were given June 21, 1988 for monies to be paid for relocation assistance. Notices now have been received for the residents to be out of the Park by Oct. 31. Again, to-date, no monies have been received so that they can move.

The fourth Park that received its closure notice was a very small park (originally 7 homes) down to 3 homes at closure time. L. A. City addressed this Park's needs first; simply, I'm sure, to get experience and learn the problems being faced by a Park's closure---a completely new experience for the Planning Dept. The Park Owners resisted all the way the idea of paying monies beyond an off-site appraisal value.

A Relocation Counselor referred by L. A. City was hired by the Park Owners. Again, no monies were received until they moved from the Park; even though the signed agreement stated one-half on signing, and the other half upon moving.

Through all of the Impact Hearings for the three parks, the developing Park Owners tried to convince L. A. City that the law in Government Code 65863.7 didn't apply to them, because the closure notices were given prior to June 25, 1986.

The Unincorporated Areas of Los Angeles County have parks that have been or are in the process of closing. Some of these are being closed because Regional Planning has denied an extension of the Conditional Use Permit, stating that the Park is non-conforming. The County has not addressed the Impact Hearing process to mitigate the problems facing the residents of those parks. I am told that when a Sub-division hearing is held, if a mobilehome park is being affected, the County will address the issues at that time.

In August of this year a proposed Relocation Ordinance was submitted to the County Board of Supervisors by County Counsel. No final action has been taken by the Board.

To summarize my experience with Park Closures in Los Angeles County, and I'm sure it could be said for the whole State as well, is this:

1. It is a very time-consuming and complicated process to go to each and every City Council and County Board of Supervisors to encourage-even demand-that the City or County follow Government Code 65863.7. And then to attend hearing after hearing to inform and educate government leaders of the needs of residents being displaced.
2. Government Code 65863.7 states only "that a legislative body may require steps to mitigate any adverse impact on the ability of the displaced residents to find housing in a mobilehome park," leaving the issue optional to the legislative body. But with virtually no spaces available, there is no chance for a homeowner to move his home. The only alternative for a homeowner is sufficient monies to buy another mobilehome all-in-place in another park. And with Government Code 65863.7 stating "reasonable relocation costs", many mobilehome owners will not be properly reimbursed for their loss. This presents very emotional and traumatic experiences for the homeowner, especially those on limited income.

California Redevelopment Program under Title 25, Chapter 6 gives very explicit details for the reimbursement to a displaced homeowner or mobile homeowner in a Redevelopment area. I feel that all homeowners should be treated with as much equality as possible when facing the loss of their home through no fault of their own.

Page 3

Senate Select Committee on Mobilehomes

Oct. 18, 1988

I wish I had the wisdom to put forth a solution, because if one is not found soon, many people will be added to the homeless population. And Cities and Counties cannot afford to lose housing units in their General Plan.

An article in the newspaper last month stated that as of August 31, only 16% of the residents in L. A. County have the income needed to buy a median-priced home costing \$193,106. This percentage is a decrease of 9% just since January. This makes the mobilehomes in our mobilehome parks more valuable than ever!

One city in Los Angeles County has put a 10-month moratorium on park closures, pending definitive rules. Maybe we need this on a state-wide basis.

This concludes my presentation. I wish to thank you and your Committee for holding this hearing, and to tell you how much we appreciate what you have done and ~~are~~ doing for mobilehome owners in California.

Thank you.

Arlene Bankart

RELOCATION COSTS

Finding another location

Allowance for mileage or transportation for those who need it
(eg, disabled persons or those without transportation)

Application fees required at other parks

Rental listing service fees and advertisement for space needed

Allowance for telephone calls to other parks in search of
vacancies

Moving Existing Mobilehome to Another Park

The Move, Itself

Cost of transporting the mobilehome, including:

- loading and unloading
- mileage fees of the move
- insurance covering in-place value of the mobilehome
- Cal Trans permit fees

Incidental Expenses, including:

- Preparation and restoration of interior items essential for
movement of mobilehome, including packing, storage,
and securing of loose items
- disassembly and reassembly of mobilehome accessories
(awnings, porch, steps, storage sheds)
- Utility connection differentials, including:
 - Unhooks and hook-up fees
 - deposits
 - adapter devices, including 220 voltage, if used
 - submetering, if required
 - excavations at new site, if necessary
 - TV antenna, cable, or satellite dish adaptations
- Temporary lodging and food during relocation, and
transportation to and from facilities if needed
- Landscaping replacement (labor and materials) at new space
- Temporary storage of yard furniture, stored items, pending
reassembly of mobilehome and storage accessories
- Insurance to cover any damage to mobilehome (at in-place
value), accessories, or personal effects
- Satisfaction of mortgage, if necessary, including:
 - refinancing points, bond costs for additional security,
 - and attorney fees for negotiation
- Allowance for mileage or transportation cost differential
between prior location and new location, limited to
necessary travel: work, school, hospital, food, etc.

Purchase of Mobilehome

IN-PLACE Fair Market Value of Mobilehome, according to appraisal, including those accessories and structures which will remain.

Moving costs of furniture and personal effects, and storage, if necessary.

Deposits required at the new Mobilehome Park. through credit or refund or cash outlay (Security Deposits, etc. of Park, Utilities)

"COMPARABLE" SPACE FACTORS

Features and services of park

Size and location of space

Accessibility to relevant locations (work, school, hospitals, shopping, recreation)

Neighborhood conditions: crime, aesthetics

Quality of park management, maintenance, and layout of park

Rent & Fees, Rules and Regulations

Restrictions on Mobilehomes, including:

mobilehome size, age, colors

Limitations of Park, including: pets, children, ages of adults

Facilities for disabled

ADDRESS AVAILABILITY OF ADEQUATE REPLACEMENT HOUSING

Identify specific parks with real vacancies, and mobilehomes for sale within a (50 mile radius, if the tenant has the choice to move)(20 mile radius, if the tenant has no choice), giving the following information:

The name, address, telephone number of the park manager of parks where vacancies exist; of the sellers or their brokers, where the mobilehome is for sale:

Size of mobilehome acceptable, rent and fees

dates available for occupancy

The information should be updated monthly, until no longer needed by any resident to be relocated.

California Senior Legislature



SENIOR SENATOR TOM REESE
4872 OLD CLIFFS ROAD
SAN DIEGO, CA 92120
(619) 583-8348

REPRESENTING OLDER CALIFORNIANS IN
SAN DIEGO COUNTY

October 18, 1988

Senator Bill Craven, Chairman
Mobile Home Committee
3070 State Capitol
Sacramento, CA 95814

Dear Senator Craven:

There is a growing concern among mobile home owners about mobile park closures.

Many mobile home owners have fixed incomes which do not go up with the cost of living. Therefore, their savings will not adjust to the CPI.

When a mobile home park changes zoning status to where it is no longer a mobile park, there is no place to which to move the mobile home; and the cost to do so, if there were such a place, is many thousands of dollars.

Since the mobile park owner established the park for mobile homes and the resident moves in with the understanding, it is unjust for the mobile park owner to say: "Now that you are in and settled, we are going to no longer allow you to stay here, you must move regardless of cost to make the move or loss of the value of your mobile home investment."

Senator Craven, it is respectfully requested that you and your Mobile Home Committee initiate the required action to see that mobile home residents who are caught in a mobile home park closing, are compensated by the mobile home park owner. The compensation should be the local market value of their mobile home, or the cost of moving the mobile home to another mobile park if one can be found.

Please keep in mind that the mobile home park owner has received a good return on his or her investment as a result of these residents who are being displaced.

Many of these residents have a large part of their savings, if not most of it, in their mobile home. Therefore, I urge you and your committee to give this matter careful and serious consideration for justifiable solutions to this problem.

Sincerely,

A handwritten signature in dark ink, appearing to read "Tom Reese". The signature is fluid and cursive, with a large loop at the end.

Vice Chairman, Senior Senate
Housing and Transportation Committee

Testimony of Sr. Senator Joe Stern

10/18/88

I do not live in a mobile home, but for twenty years I have been an advocate for mobile home owners as has Senator Bill Craven. Mobile home owners are a special breed. They enjoy both independence and comradeship. They use very little of government resources and usually help each other.

Mobile home owners are faced with serious problems. They used their life savings to buy their coaches, expecting the low rents they paid to continue or at least increase proportionate to the inflation. Instead they are now paying rent for a concrete slab which would pay for an apartment.

As San Diego has grown, the land they occupy has become valuable and even their high rent doesn't equal what the land would bring in development. Owners then want to use the land for development.

This leaves the mobile home owners in a predicament. It can cost \$10,000 to move, if a place can be found. There are few available spaces even if they have the \$10,000 to move. Their life savings invested in their coach, becomes worth very little.

But how about the Park owner, shouldn't he be able to sell his property? The owner has been benefiting by a higher than average return

on his investment for many years. Does he have the right to dump these tenants who have been providing a lucrative return? Even under feudalism the Lord of the Manor couldn't evict the serfs. Are we less caring than feudalism?

We recognize and accept progress, but even our Constitution says Government is formed to "Promote the general welfare". Is it in the general welfare to evict the mobile home owners without compensation in order that the park owner can benefit?

Our government often intercedes to protect the public when their welfare is threatened. Every law helps some but hurts others and always to promote the general welfare.

We are petitioning our legislators to provide some relief to a group which has no recourse except through you. We are not asking anything unreasonable. We are asking that the park owner use a part of his profits from conversion to offset some of the misery conversion will cause.

Joe Stern

JOE STERN, SENATOR
California Senate Legislative
6525 N. 1st St. S.D. 92115

P.S. This proposal is #7 priority of the California Senior Legislators.

G.S.M.O.L.
COUNCIL FOR AREA 2---REGION 3
REPRESENTING SAN FERNANDO VALLEY

OCTOBER 18, 1988

SENATOR WILLIAM CRAVEN, CHAIRMAN
SENATE SELECT COMMITTEE ON MOBILEHOMES

DEAR SENATOR:

I WOULD LIKE TO START BY STATING HOW MUCH I AND MY FELLOW MOBILEHOME OWNERS APPRECIATE THE EFFORTS THAT YOU AND YOUR COMMITTEE HAVE MADE IN OUR BEHALF.

I AM BOTHERED BY CERTAIN FACTS:

IF I WERE TO BUY A PIECE OF PROPERTY WITH THE INTENTION OF ERECTING AN APARTMENT HOUSE, THAT PIECE OF PROPERTY WOULD BE ZONED BY THE ZONING COMMISSION AS MULTIPLE HOUSING.

BUT IF I OWNED A PIECE OF PROPERTY AND DECIDED TO PUT UP A MOBILEHOME PARK, THAT PROPERTY WOULD BE GIVEN A CONDITIONAL USE PERMIT, (CUP), BY THE ZONING COMMISSION, INSTEAD OF A MOBILEHOME PARK ZONE.

WHY THE DIFFERENCE?

IF A DEVELOPER BUILT THE MOBILEHOME PARK WITH THE CONDITIONAL USE PERMIT, HE HAS IN MIND THAT WHEN THE PERMIT EXPIRES IN 20 YEARS, HE WILL DISPLACE ALL THE HOMEOWNERS AND THEN PUT UP HIS APARTMENT HOUSE, BECAUSE HIS PROPERTY HAS APPRECIATED IN VALUE.

SO HAS THE PROPERTY OF THE APARTMENT HOUSE DEVELOPER, WHO HAS PUT UP THE APARTMENT HOUSE IN THE FIRST PLACE.

BUT WHAT HAS HAPPENED WITH THE MOBILE HOME PARK DEVELOPER? PEOPLE BOUGHT MOBILEHOMES, INSTALLED THEM IN THE PARK, PUT IN CARPORTS, AWNINGS, DECKING, CONCRETE FLATWORK AND LANDSCAPING, WHICH IS A REQUIREMENT FOR RESIDING IN THE PARK AND THEREFORE THEY HAVE BECOME LEASEHOLD OWNERS AND CUMULATIVELY INVESTED MORE THAN THE DEVELOPER. BY THUS IMPROVING THEIR LOT, THEY BECAME PERMANENT RESIDENTS, NOT TEMPORARY MOBILE ONES

SO, AFTER 20 YEARS, THE MOBILEHOME OWNER IS TOLD TO GET OFF THE PROPERTY AND HE HAS NO PLACE TO GO AND THE CHANCES ARE THAT HE WILL LOSE ALMOST ALL OF HIS INVESTMENT, WHICH MAY BE LARGEST SINGLE INVESTMENT THAT HE HAS MADE IN HIS LIFETIME. (THE AMERICAN DREAM)

WHY SHOULD BOTH DEVELOPERS BE TREATED DIFFERENTLY?

- 93 -

HERMAN SHERMAN--ALT.DIR.

8800-50 ETON AVE., CANOGA PARK, CA. 91304

818-998-3326

G.S.M.O.L.
COUNCIL FOR AREA 2---REGION 3
REPRESENTING SAN FERNANDO VALLEY

SENATOR WILLIAM CRAVEN-----CONTINUED

THE ZONING COMMISSION DOES NOT GIVE THE APARTMENT HOUSE DEVELOPER A CONDITIONAL USE PERMIT, SO WHY GIVE ONE TO THE PARK OWNER DEVELOPER.

THE MOBILEHOME OWNER HAS HELPED THE PARK OWNER PAY OFF HIS MORTGAGE, TAXES, EXPENSES ETC. AND THEN IS TOLD TO GET OUT, AT A BIG LOSS, AND BECOME ONE OF THE HOMELESS PEOPLE.

WHY NOT CREATE A MOBILEHOME PARK ZONE AND AVOID CLOSURES?

GOVERNMENT HAS HISTORICALLY GONE TO GREAT LENGTHS TO PROTECT THE INVESTMENT OF HOME OWNERS AND HAS CONSISTENTLY EXPANDED THOSE PROTECTIONS EVEN AT THE EXPENSE OF DEVELOPERS. IT WOULD BE APPROPRIATE NOW FOR THE GOVERNMENT TO EXTEND THIS SAME SORT OF PROTECTION TO LOW COST HOUSING SUCH AS PERMANENT MOBILEHOMES.

UNTIL WE CAN GET MOBILEHOME PARK ZONING THROUGHOUT THE STATE, LAWS AFFECTING PARK CLOSURES SHOULD BE TOUGH ENOUGH TO GIVE THE PARK OWNERS SECOND THOUGHTS ABOUT CLOSING THEIR PARKS AND CREATING MORE HOMELESS PEOPLE.

ANOTHER CONCEPT---

BUILDERS DO NOT LIKE TO GET INVOLVED IN LOW COST HOUSING.

DOES THE STATE HAVE ANY FUNDS THAT CAN BE EARMARKED FOR NON-PROFIT MOBILEHOME OWNER CORPORATIONS SO THAT THEY CAN BUY LAND TO DEVELOP THEIR OWN MOBILEHOME PARKS AND OWN THEIR OWN LAND? OF COURSE THE MONEY IS TO BE REPAID.

DOES THE STATE HAVE LAND THAT CAN BE SOLD TO NON-PROFIT MOBILEHOME OWNER CORPORATIONS SO THAT THEY CAN BUILD THEIR OWN PARKS?

IN OTHER WORDS, CAN THE STATE DO ANYTHING TO FURNISH THE LAND AND MONEY TO CREATE LOW COST MOBILEHOME PARKS, WITH THE MONEY TO BE REFUNDED BY THE RESIDENT OWNERS?

RESPECTFULLY SUBMITTED,

Herman Sherman

- 94 -

HERMAN SHERMAN

HERMAN SHERMAN--ALT.DIR.

8800-50 ETON AVE., CANOGA PARK, CA. 91304

818-988-3326

Oct. 21st 1988

Dear Senator Craewen

I have been part of a fight for a decent Relocation at the Amblerlight Mahilhome Park in Hawthorne since April 1st 1985, when the original owners gave us a letter for a one year notice of closure of the park. Nothing else, not even suggestions on what was the next step. We, the tenants, then went to the City Council and fought to have the City pass Ordinance # 1373 to help with relocation. After the ordinance was passed the owners then rescinded the order of closure, and then proceeded to sell the park, escrow closing 12-31-85, to a developer, and in turn he sold it to another party by first claim on same day. We the tenants tried very hard with city officials, our attorney, Senator Floyd's office and Danny Phelps of Gardena help to get the owners, before the sale, to at least discuss the possibility of the tenants to purchase the park. There was funding available. But to no avail, he refused to talk to us about the park at all. After the new owner took over, it will be very difficult to describe the following two years and 10 months to you in this letter. Believe me, it hasn't been easy, with threats of doubling of rents harassment retaliation, poor maintenance of the common areas, etc.. After rent increased failed, we went to Rent Mediation Board, a RIR was filed with the city. First one was rejected by the city. Second one he submitted, the city

Told him what they would consider best
for the tenants. So he withdrew his R.I.R.
for closure, but in turn the owner is
trying other tactics to circumvent the law.
The owner's attorney is now telling our
attorneys that the State is going to
challenge our Ordinance as being illegal,
yet it was passed and accepted by the
City Council of Hawthorne. It was based
a lot on the Gardena Ordinance.

I personally was glad to see the article
in the LSMOK Californian about your
seminar, as finally there is someone
out there is willing to fight for us in
Mobilehomes. I believe you had
someone from your office talk to our
attorneys, but I wanted to write
to see if there was a chance you could
schedule a seminar somewhere in our
area.

I want to thank you for your concern
and wish you a lot of luck with
your fight.

Sincerely,
Florence E. Alberts
14131 Cordary Ave. Sp # 32
Hawthorne Ca. 90250

F. E. Alberts
14131 Cordary Ave. 32
Hawthorne, CA 90250

We are in litigation now Jenner vs Simpson
Trial Prep. Trial Date 2/13/89 - Our Attorney
Jeffrey Valle, Donald McKnight of
Skadden, Arps, Slate, Meagher & Flom
300 S. Grand Ave., S.A., Ca. 90071 213-687-5000

SELECTED LAWS AND STATUTES

State Law Regarding Conversion of Mobilehome Parks To Other Uses

Relevant Government Code Sections

Proposed mobilehome park conversions

For Change to Any Other Use

65863.7 (a) Prior to the conversion of a mobilehome park to another use, except pursuant to the Subdivision Map Act (Division 2 (commencing with Section 66410) of Title 7), or prior to closure of a mobilehome park or cessation of use of the land as a mobilehome park, the person or entity proposing the change in use shall file a report on the impact of the conversion, closure, or cessation of use upon the displaced residents of the mobilehome park to be converted or closed. In determining the impact of the conversion, closure, or cessation of use on displaced mobilehome park residents, the report shall address the availability of adequate replacement housing in mobilehome parks and relocation costs.

(b) The person proposing the change in use shall provide a copy of the report to a resident of each mobilehome in the mobilehome park at least 15 days prior to the hearing, if any, on the impact report by the advisory agency, or if there is no advisory agency, by the legislative body.

(c) When the impact report is filed prior to the closure or cessation of use, the person or entity proposing the change shall provide a copy of the report to a resident of each mobilehome in the mobilehome park at the same time as the notice of the change is provided to the residents pursuant to paragraph (2) of subdivision (f) of Section 798.56 of the Civil Code.

(d) When the impact report is filed prior to the closure or cessation of use, the person or entity filing the report or park resident may request, and shall have a right to, a hearing before the legislative body on the sufficiency of the report.

(e) The legislative body, or its delegated advisory agency, shall review the report, prior to any change of use, and may require, as a condition of the change, the person or entity to take steps to mitigate any adverse impact of the conversion, closure, or cessation of use on the ability of displaced mobilehome park residents to find adequate housing in a mobilehome park. The steps required to be taken to mitigate shall not exceed the reasonable costs of relocation.

(f) If the closure or cessation of use of a mobilehome park results from an adjudication of bankruptcy, the provisions of this section shall not be applicable.

(g) The legislative body may establish reasonable fees pursuant to Chapter 13 (commencing with Section 54990) of Part 1 of Division 2 of Title 5 to cover any costs incurred by the local agency in implementing this section. Those fees shall be paid by the person or entity proposing the change in use.

(h) This section is applicable to charter cities.

(Added by Stats. 1980, Ch. 879; Amended by Stats. 1985, Ch. 1260; Amended by Stats. 1986, Ch. 190. Urgency; effective June 24, 1986.)

Report:
Impact of mobilehome
park conversion
(operative 1/1/89)

For Subdivisions
of Five or More
Parcels

SEC 2. 66427.4. [Text of section operative January 1, 1989.]

At the time of filing a tentative or parcel map for a subdivision to be created from the conversion of a mobilehome park to another use, the subdivider shall also file a report on the impact of the conversion upon the displaced residents of the mobilehome park to be converted. In determining the impact of the conversion on displaced mobilehome park residents, the report shall address the availability of adequate replacement space in mobilehome parks.

The subdivider shall make a copy of ther report available to each resident of the mobilehome park at least 15 days prior to the hearing on the map by the advisory agency or, if there is no advisory agency, by the legislative body.

The legislative body, or an advisory agency which is authorized by local ordinance to approve, conditionally approve, or disapprove the map, may require the subdivider to take steps to mitigate any adverse impact of the conversion on the ability of displacaed mobilehome park residents to find adequate space in a mobilehome park.

This section establishes a minimum standard for local regulation of conversions of mobilehome parks into other uses and shall not prevent a local agency from enacting more stringent measures.

This section shall become operative January 1, 1989.

(Added by Stats. 1982, Ch. 983. Operative January 1, 1989.)

Subdivisions
of 5 or more
parcels

§ 66427.4. Conversion of mobilehome park; filing report of impact of conversion upon displaced residents with maps; mitigation of adverse impact; duration of section

Text of section operative until Jan. 1, 1989.

At the time of filing a tentative or parcel map for a subdivision to be created from the conversion of a mobilehome park to another use, the subdivider shall also file a report on the impact of the conversion upon the displaced residents of the mobilehome park to be converted. In determining the impact of the conversion on displaced mobilehome park residents, the report shall address the availability of adequate replacement space in mobilehome parks.

The subdivider shall make a copy of the report available to each resident of the mobilehome park at least 15 days prior to the hearing on the map by the advisory agency or, if there is no advisory agency, by the legislative body.

The legislative body, or an advisory agency which is authorized by local ordinance to approve, conditionally approve, or disapprove the map, shall be required to (a) take steps to mitigate any significant adverse impact of the conversion on the ability of displaced mobilehome park residents to find adequate space in a mobilehome park by zoning for additional replacement housing, (b) find that there already exists land zoned for replacement housing or adequate space in other mobilehome parks for those residents who will be displaced, (c) require the subdivider to take steps to mitigate any significant adverse impact of the conversion on the ability of displaced mobilehome park residents to find adequate space in a mobilehome park, or (d) make a finding, based upon substantial evidence, that mitigation pursuant to subparagraphs (a) and (c) is not feasible. Such finding shall be reviewable pursuant to Section 1094.5 of the Code of Civil Procedure. As used herein, "feasible" shall mean capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.

This section establishes a minimum standard for local regulation of conversions of mobilehome parks into other uses and shall not prevent a local agency from enacting more stringent measures.

This section shall remain in effect only until January 1, 1989, and as of such date is repealed, unless a later enacted statute, which is chaptered before January 1, 1989, deletes or extends such date.

(Added by Stats.1980, c. 1065, p. 3409, § 1. Amended by Stats.1982, c. 983, § 1.)

Sample Local Government Requirements/ displaced mobilehome owners:

source: ORDINANCES AND LAWS REGULATING CHANGE OF USE OF
MOBILEHOME PARKS (California), State Department
of Housing and Community Development, 1987.

Huntington Beach

In the City of Huntington Beach, all eligible mobilehome owners are entitled to receive the cost of relocation. These costs are limited to disconnection and breakdown of the mobilehome; transportation of the mobilehome, all readily movable appurtenances, and contents to another mobilehome park; and the cost of all hookups at the new site. If the mobilehome owner cannot be relocated to another park, the applicant must purchase the mobilehome and any optional equipment. The applicant must pay a cost of housing differential of 50 percent of the increase in the cost of housing for the first year, not to exceed \$750 for each mobilehome owner. In addition, mobilehome owners will not be forced to relocate prior to the end of their leases.

Los Angeles City

The Los Angeles City Mobilehome Park conversion ordinance requires that the management of the park being converted provide the following relocation assistance:

- A reasonably complete and current list of vacant and available mobilehome park spaces within a 20-mile radius.
- Transportation assistance in locating replacement spaces or homes.
- A relocation fee (\$1,000 to \$2,500) to assist the recipient in meeting costs of relocation, higher rents for replacement mobilehome park spaces, or the added cost of a replacement mobilehome.

Orange County

In Orange County, the property owner must provide residents with a preemptive right to purchase a unit or a right of exclusive occupancy upon more favorable terms and conditions than those on which such unit or share will initially be offered to the general public. This right will be irrevocable for a period of 90 days after the commencement of sales.

Pismo Beach

In cases of subdivision in Pismo Beach, residents of the mobilehome park will be given the right of first refusal to purchase the lot upon which their mobilehome is situated. If a tenant decides to move, the owner must pay a minimum lump sum payment of \$1,000, plus the actual cost of relocating the tenant's mobilehome and appurtenant structures.

San Diego County

San Diego County requires the owner of a mobilehome park proposed for subdivision to furnish evidence to the Planning Director that mutually acceptable agreements regarding vacating the park have been reached on the part of the park owner and all tenants. Such evidence must include the following:

- Written agreements to relocate mobilehomes.
- Assistance for low and moderate income tenants in the form of payment by the park owner of 80%, up to a maximum of \$2,000, of the cost of relocating the mobilehome to another mobilehome park within 100 miles.

Camarillo

The City of Camarillo mobilehome park conversion ordinance contains the following main provisions:

- Gives residents the exclusive right to contract for the purchase of their respective lots on terms at least as favorable as those given to the general public.
- Prohibits increases in rent from the date the notice of conversion is mailed to residents, so long as the conversion is not terminated.
- Requires the subdivider to pay relocation benefits of \$1,000 for each mobilehome moved as a result of the conversion.

Carson

In the City of Carson, the Planning Commission may impose reasonable measures on the person or entity proposing the mobilehome park conversion to mitigate adverse impacts created by the conversion. These measures include but are not limited to the following:

- Payment of the cost of moving the mobilehome to a new site, including tear-down and set-up.
- Payment of first and last month's rent, plus security deposit, for those residents who move to apartments.
- Purchase of the mobilehome at a fair market value.
- Payment of the difference in rent between the new and old park for a specified period of time.

Chula Vista

The City of Chula Vista mobilehome park conversion ordinance requires that agreements satisfying the relocation assistance requirements of the ordinance be offered by the park owner to eligible mobilehome owner/occupants. The assistance included in these agreements must include the following:

- Written agreements to relocate mobilehomes owned by low and moderate income mobilehome owner/occupants.
- Assistance for low and moderate income mobilehome owner/occupants in the form of payment by the park owner of 75 percent, up to a maximum of \$3,000, of the cost of relocating the mobilehome to another mobilehome park within 100 miles.
- Information in writing regarding alternative sites available.
- An agreement to purchase coaches of low and moderate income mobilehome owner/occupants which are determined to be not relocatable due to age and/or condition.
- Right of first refusal to displaced residents to purchase, lease, or rent any dwelling units or mobilehome spaces which may be built on the subject property.

San Marcos

In the approval of a mobilehome park conversion, the City of San Marcos may attach conditions on the person or entity proposing the conversion to mitigate the impacts associated with the conversion. Such conditions may include:

- Partial payment for relocation of mobilehomes to another park.
- If the land occupied by the park is to be sold, right of first refusal by the residents to purchase the park and all improvements.
- Purchase of mobilehomes that cannot be relocated to parks in the area at fair market value.

1 J. A PERSON WHO PURCHASES A MOBILE HOME ALREADY SITUATED IN A PARK
2 OR MOVES A MOBILE HOME INTO A PARK IN WHICH A CHANGE IN USE NOTICE HAS BEEN
3 GIVEN IS NOT ELIGIBLE FOR COMPENSATION UNDER THIS SECTION.

4 K. THIS SECTION DOES NOT APPLY TO A CHANGE IN USE IF THE LANDLORD
5 MOVES A TENANT TO ANOTHER SPACE IN THE MOBILE HOME PARK AT THE LANDLORD'S
6 EXPENSE.

7 Sec. 8. Section 33-1476.02, Arizona Revised Statutes, is amended to
8 read:

9 33-1476.02. Mobile home relocation fund; investment of monies

10 A. The mobile home relocation fund is established consisting of
11 monies collected pursuant to section 33-1476.03.

12 B. Fund monies shall be used to pay PREMIUMS AND OTHER COSTS OF
13 PURCHASING, FROM A PRIVATE INSURER WHO IS LICENSED TO TRANSACT INSURANCE
14 BUSINESS IN THIS STATE, INSURANCE COVERAGE FOR tenant relocation costs due
15 to a change in use as prescribed in section 33-1476.01. ANY INSURANCE
16 REBATES SHALL BE DEPOSITED IN THE FUND. IF SUCH INSURANCE IS NOT
17 AVAILABLE, OR IF THE INSURANCE COSTS EXCEED THE AMOUNT AVAILABLE FROM THE
18 FUND, THE FUND SHALL BE USED TO MAKE DIRECT PAYMENTS FOR TENANT RELOCATION
19 COSTS. MONIES IN THE FUND IN EXCESS OF THE AMOUNT REQUIRED FOR THESE
20 PURPOSES SHALL BE USED, AS NECESSARY, TO SUPPORT THE HEARING OFFICER
21 FUNCTION UNDER TITLE 41, CHAPTER 16, ARTICLE 5.

22 C. The state treasurer shall maintain the fund and shall invest ~~up~~
23 ~~to ninety per cent of~~ the fund monies. Monies earned on these investments
24 shall be deposited in the fund and shall be used for the same purposes as
25 other fund monies. The state treasurer shall hold AT LEAST ten per cent of
26 the fund monies for payment of ~~relocation~~ INSURANCE PREMIUMS AND RELATED
27 costs. ANY UNEXPENDED AND UNENCUMBERED MONIES REMAINING IN THE FUND AT THE
28 END OF THE FISCAL YEAR DO NOT REVERT TO THE STATE GENERAL FUND BUT REMAIN
29 IN THE FUND, SEPARATELY ACCOUNTED FOR, AS A CONTINGENCY RESERVE.

30 D. The director shall administer the fund and may adopt, amend or
31 repeal rules pursuant to title 41, chapter 6 for the administration of the
32 fund. Fund monies shall be paid to the department of ~~administration~~
33 BUILDING AND FIRE SAFETY to offset the costs of administering the fund.
34 The attorney general shall review the costs charged to the fund.

35 Sec. 9. Section 33-1476.03, Arizona Revised Statutes, is amended:

33-1476.03. Assessments for mobilehome relocation fund;waiver

A. Beginning with the tax year 1989 each owner of a mobilehome
who has not filed an affidavit of affixture for the mobilehome
under Section 42-641.01 shall pay each year

AN ASSESSMENT EQUAL TO A RATE OF FIFTY CENTS PER ONE
HUNDRED DOLLARS OF THE TAXABLE ASSESSED VALUATION, DERIVED BY APPLYING THE
APPLICABLE PERCENTAGE SPECIFIED IN SECTION 42-227 TO THE FULL CASH VALUE,
FOR EACH MOBILE HOME HE OWNS, FOR THE PURPOSE OF PROVIDING MONIES FOR THE
MOBILE HOME RELOCATION FUND. THE COUNTY TREASURER SHALL COLLECT THE
ASSESSMENT IMPOSED BY THIS SUBSECTION AT THE SAME TIME AND IN THE SAME
MANNER AS UNSECURED PERSONAL PROPERTY TAXES, SEPARATELY LISTED ON THE TAX
ROLL, AND TRANSFER THE REVENUES COLLECTED TO THE STATE TREASURER FOR CREDIT
TO THE FUND AND SHALL ALSO SEND TO THE STATE TREASURER A WRITTEN NOTICE OF
THE TOTAL TAXABLE ASSESSED VALUATION, DERIVED BY APPLYING THE APPLICABLE
PERCENTAGE SPECIFIED IN SECTION 42-227 TO THE FULL CASH VALUE, OF ALL
MOBILE HOMES IN THE COUNTY ON WHICH THE ASSESSMENT PRESCRIBED BY THIS
SECTION IS ASSESSED. THE ASSESSMENT CONSTITUTES A LIEN ON THE MOBILE HOME.

B. The director shall NOTIFY ALL COUNTY ASSESSORS TO waive the
~~payments~~ ASSESSMENT for any year beginning on or after January 1, 1991 if
the monies in the fund exceed five million dollars.

C. IF AT THE END OF A FISCAL YEAR THE AMOUNT OF MONIES IN THE
RELOCATION FUND IS LESS THAN THREE MILLION DOLLARS, THE DIRECTOR MAY
REINSTATE THE ASSESSMENT PRESCRIBED BY THIS SECTION.

J. A PERSON WHO PURCHASES A MOBILE HOME ALREADY SITUATED IN A PARK OR MOVES A MOBILE HOME INTO A PARK IN WHICH A CHANGE IN USE NOTICE HAS BEEN GIVEN IS NOT ELIGIBLE FOR COMPENSATION UNDER THIS SECTION.

K. THIS SECTION DOES NOT APPLY TO A CHANGE IN USE IF THE LANDLORD MOVES A TENANT TO ANOTHER SPACE IN THE MOBILE HOME PARK AT THE LANDLORD'S EXPENSE.

Sec. 8. Section 33-1476.02, Arizona Revised Statutes, is amended to read:

33-1476.02. Mobile home relocation fund; investment of monies

A. The mobile home relocation fund is established consisting of monies collected pursuant to section 33-1476.03.

B. Fund monies shall be used to pay PREMIUMS AND OTHER COSTS OF PURCHASING, FROM A PRIVATE INSURER WHO IS LICENSED TO TRANSACT INSURANCE BUSINESS IN THIS STATE, INSURANCE COVERAGE FOR tenant relocation costs due to a change in use as prescribed in section 33-1476.01. ANY INSURANCE REBATES SHALL BE DEPOSITED IN THE FUND. IF SUCH INSURANCE IS NOT AVAILABLE, OR IF THE INSURANCE COSTS EXCEED THE AMOUNT AVAILABLE FROM THE FUND, THE FUND SHALL BE USED TO MAKE DIRECT PAYMENTS FOR TENANT RELOCATION COSTS. MONIES IN THE FUND IN EXCESS OF THE AMOUNT REQUIRED FOR THESE PURPOSES SHALL BE USED, AS NECESSARY, TO SUPPORT THE HEARING OFFICER FUNCTION UNDER TITLE 41, CHAPTER 16, ARTICLE 5.

C. The state treasurer shall maintain the fund and shall invest ~~up to ninety per cent of~~ the fund monies. Monies earned on these investments shall be deposited in the fund and shall be used for the same purposes as other fund monies. The state treasurer shall hold AT LEAST ten per cent of the fund monies for payment of ~~relocation~~ INSURANCE PREMIUMS AND RELATED costs. ANY UNEXPENDED AND UNENCUMBERED MONIES REMAINING IN THE FUND AT THE END OF THE FISCAL YEAR DO NOT REVERT TO THE STATE GENERAL FUND BUT REMAIN IN THE FUND, SEPARATELY ACCOUNTED FOR, AS A CONTINGENCY RESERVE.

D. The director shall administer the fund and may adopt, amend or repeal rules pursuant to title 41, chapter 6 for the administration of the fund. Fund monies shall be paid to the department of ~~administration~~ BUILDING AND FIRE SAFETY to offset the costs of administering the fund. The attorney general shall review the costs charged to the fund.

Sec. 9. Section 33-1476.03, Arizona Revised Statutes, is amended:

33-1476.03. Assessments for mobilehome relocation fund;waiver

A. Beginning with the tax year 1989 each owner of a mobilehome who has not filed an affidavit of affixture for the mobilehome under Section 42-641.01 shall pay each year

AN ASSESSMENT EQUAL TO A RATE OF FIFTY CENTS PER ONE HUNDRED DOLLARS OF THE TAXABLE ASSESSED VALUATION, DERIVED BY APPLYING THE APPLICABLE PERCENTAGE SPECIFIED IN SECTION 42-227 TO THE FULL CASH VALUE, FOR EACH MOBILE HOME HE OWNS, FOR THE PURPOSE OF PROVIDING MONIES FOR THE MOBILE HOME RELOCATION FUND. THE COUNTY TREASURER SHALL COLLECT THE ASSESSMENT IMPOSED BY THIS SUBSECTION AT THE SAME TIME AND IN THE SAME MANNER AS UNSECURED PERSONAL PROPERTY TAXES, SEPARATELY LISTED ON THE TAX ROLL, AND TRANSFER THE REVENUES COLLECTED TO THE STATE TREASURER FOR CREDIT TO THE FUND AND SHALL ALSO SEND TO THE STATE TREASURER A WRITTEN NOTICE OF THE TOTAL TAXABLE ASSESSED VALUATION, DERIVED BY APPLYING THE APPLICABLE PERCENTAGE SPECIFIED IN SECTION 42-227 TO THE FULL CASH VALUE, OF ALL MOBILE HOMES IN THE COUNTY ON WHICH THE ASSESSMENT PRESCRIBED BY THIS SECTION IS ASSESSED. THE ASSESSMENT CONSTITUTES A LIEN ON THE MOBILE HOME.

B. The director shall NOTIFY ALL COUNTY ASSESSORS TO waive the ~~payments~~ ASSESSMENT for any year beginning on or after January 1, 1991 if the monies in the fund exceed five million dollars.

C. IF AT THE END OF A FISCAL YEAR THE AMOUNT OF MONIES IN THE RELOCATION FUND IS LESS THAN THREE MILLION DOLLARS, THE DIRECTOR MAY REINSTATE THE ASSESSMENT PRESCRIBED BY THIS SECTION.

118B.177 Obligations of landlord before closure of park: Cost of moving; notice. If a landlord closes a mobile home park he shall pay the cost of moving each tenant's mobile home and its appurtenances to a new location within 20 miles from the mobile home park, including fees for inspection and the cost of taking down, moving, setting up and leveling the mobile home and its appurtenances in the new lot or park. Written notice of the closure must be served on each tenant in the manner provided in NRS 40.280, giving the tenant at least 180 days after the date of the notice before he is required to move his mobile home from the lot.

(Added to NRS by 1987, 931)

118B.180 Obligations of landlord before conversion of park into lots: Notice; offer to sell; cost of moving.

1. A landlord may convert an existing mobile home park into individual mobile home lots for sale to mobile home owners if the change is approved by the appropriate local zoning board, planning commission or governing body, and:

(a) The landlord gives notice in writing to each tenant within 5 days after he files his application for the change in land use with the local zoning board, planning commission or governing body;

(b) The landlord offers to sell the lot to the tenant at the same price the lot will be offered to the public and holds that offer open for at least 75 days before he offers the lot for sale to the public;

(c) The landlord does not sell an occupied lot for more than a vacant lot of similar location, size and shape;

(d) The landlord pays the cost of moving the tenant's mobile home and its appurtenances to a new location within 20 miles from the mobile home park, including fees for inspection and the cost of taking down, moving, setting up and leveling his mobile home and its appurtenances in the new lot or park; and

(e) After the landlord is granted final approval of the change by the appropriate local zoning board, planning commission or governing body, notice in writing is served on each tenant in the manner provided in NRS 40.280, giving the tenant at least 180 days after the date of the notice, before he is required to move his mobile home from the lot.

2. Upon the sale of a mobile home lot and a mobile home which is situated on that lot, the landlord shall indicate what portion of the purchase price is for the mobile home lot and what portion is for the mobile home.

(Added to NRS by 1981, 2030; A 1985, 620; 1987, 931)

118B.183

MOBILE HOME PARKS

118B.183 Obligations of landlord before conversion of park to other use: Notices; cost of moving. A landlord may convert an existing mobile home park to any other use of the land if the change is approved by the appropriate local zoning board, planning commission or governing body, and:

1. The landlord gives notice in writing to each tenant within 5 days after he files his application for the change in land use with the local zoning board, planning commission or governing body;

2. The landlord pays the cost of moving the tenant's mobile home and its appurtenances to a new location within 20 miles from the mobile home park, including fees for inspection and the cost of taking down, moving, setting up and leveling his mobile home and its appurtenances in the new lot or park; and

3. After the landlord is granted final approval of the change by the appropriate local zoning board, planning commission or governing body, written notice is served on each tenant in the manner provided in NRS 40.280, giving the tenant at least 180 days after the date of the notice before he is required to move his mobile home from the lot.

(Added to NRS by 1987, 930)

118B.185 Annual fee for occupied lots in park; penalty; fund for regulating mobile home parks.

1. Each owner of a mobile home park shall pay to the division an annual fee established by the administrator which must not exceed \$3 for each lot occupied within that park.

2. If an owner fails to pay the fee within 30 days after receiving written notice of its amount, a penalty of 50 percent of the amount of the fee must be added. The owner is not entitled to any reimbursement of this penalty from his tenants.

3. All fees collected by the division pursuant to subsection 1 must be deposited in the state treasury for credit to the fund for regulating mobile home parks which is hereby created as a special revenue fund. All expenses related to the regulation of mobile home parks must be paid from the fund. The fund must not be used for any other purpose. Claims against the fund must be paid as other claims against the state are paid.

(Added to NRS by 1985, 2215)

723.061 Eviction; grounds, proceedings. —

(1) A mobile home park owner may evict a mobile home owner or a mobile home only on one or more of the grounds provided in this section.

(a) Nonpayment of lot rental amount. If a mobile home owner fails to pay the lot rental amount when due and if the default continues for 5 days after delivery of a written demand by the mobile home park owner for payment of the lot rental amount, the park owner may terminate the tenancy. However, if the mobile home owner pays the lot rental amount due, including any late charges, court costs, and attorney's fees, the court may, for good cause, deny the order of eviction, provided such nonpayment has not occurred more than twice.

(b) Conviction of a violation of a federal or state law or local ordinance, which violation may be deemed detrimental to the health, safety, or welfare of other residents of the mobile home park.

(c) Violation of a park rule or regulation, the rental agreement, or this chapter.

1. For the first violation of any properly promulgated rule or regulation, rental agreement provision, or this chapter which is found by any court having jurisdiction thereof to have been an act which endangered the life, health, safety, or property of the park residents or the peaceful enjoyment of the mobile home park by its residents, the mobile home park owner may terminate the rental agreement, and the mobile home owner will have 7 days from the date that the notice is delivered to vacate the premises.

2. For a second violation of the same properly promulgated rule or regulation, rental agreement provision, or this chapter within 12 months, the mobile home park owner may terminate the tenancy if he has given the mobile home owner written notice within 30 days of the first violation, which notice specified the actions of the mobile home owner which caused the violation and gave the mobile home owner 7 days to correct the noncompliance. The mobile home owner must have received written notice of the ground upon which he is to be evicted at least 30 days prior to the date on which he is required to vacate. A second violation of a properly promulgated rule or regulation, rental agreement provision, or this chapter within 12 months of the first violation is unequivocally a ground for eviction, and it is not a defense to any eviction proceeding that a violation has been cured after the second violation. Violation of a rule or regulation, rental agreement provision, or this chapter after the passage of 1 year from the first violation of the same rule or regulation, rental agreement provision, or this chapter does not constitute a ground for eviction under this section.

No properly promulgated rule or regulation may be arbitrarily applied and used as a ground for eviction.

(d) Change in use of the land comprising the mobile home park, or the portion thereof from which mobile homes are to be evicted, from mobile home lot rentals to some other use, provided all tenants affected are given at least 1 year's notice of the projected change of use and of their need to secure other accommodations.

(e) Failure of the purchaser of a mobile home situated in the mobile home park to be qualified as, and to obtain approval to become, a tenant, if such approval is required by a properly promulgated rule.

(2) In the event of eviction for change of land use, home owners must object to the change in land use by petitioning for administrative or judicial remedies within 90 days of the date of the notice or they will be barred from taking any subsequent action to contest the change in land use. This provision shall not be construed to prevent any home owner from objecting to a zoning change at any time.

(a) Within 90 days from the time the park owner gives the 1-year notice, he shall notify the home owner of his election to either buy the mobile home, relocate the mobile home to another park owned by the park owner, or pay to relocate the mobile home to another mobile home park, as follows:

1. Pay as damages the actual cost, including setup fees, to move an evicted mobile home, with comparable and any required appurtenances, to a comparable mobile home park within a 50-mile radius of the mobile home park or other distance agreed upon by the park owner and mobile home owner. Since the amount of damages that a home owner will suffer due to the change in land use by the park owner cannot be easily estimated and would be difficult and expensive to determine, it is the intent of the Legislature that the payment contained herein be considered in the nature of liquidated damages and not a penalty. It is the intent of the Legislature that the liquidated damages to which the mobile home owner is entitled be limited to the damages defined in this subparagraph only for so long as this subsection remains in effect. The liquidated damages apply only to the harm incurred by the home owner for having to relocate, and this provision shall not preclude incidental damages that might occur in relocating the mobile home;

2. Purchase the mobile home and all appurtenances thereto at a value to be determined as follows:

a. A mutually agreed upon appraiser will assess the book value of the mobile home and cash value of all appurtenances thereto and the market value of the mobile home as situated immediately prior to the notice of change in land use. The NADA Mobile Home/Manufactured Housing Appraisal Guide shall be used as a guide for determining such value.

b. The home owner will be entitled to the book value of the mobile home and cash value of the appurtenances, plus the following portion of the difference between the book value and cash value of the appurtenances and the market value of the mobile home. If the home owner has resided in the mobile home at the time of notice of land use change by the park owner:

0 years up to 5 years.....	40 percent
5 years up to 15 years.....	60 percent
15 years up to 20 years.....	80 percent
20 years or more.....	100 percent

c. The home owner who has become a resident of the park within 0-5 years of the notice of change in land use shall be entitled, in addition to the compensation set forth above, to 60 percent of the difference between the book value and the market value of the mobile home.

d. Between the date of the appraisals referred to in this subsection and the delivery of title and possession of the mobile home and all appurtenances thereto to the park owner, the mobile home and the appurtenances shall be maintained by the home owner in the condition existing on the date of the appraisals, ordinary wear and tear expected; or

3. Reach a mutually agreed to settlement between the park owner and the home owner.

(b) Either the mobile home owner or the park owner may apply to the circuit court in the county where the mobile home lot is located for purposes of selecting an appraiser to determine the value of the mobile home and appurtenances or for resolution of any other dispute arising under this subsection.

(c) In any dispute in a circuit court regarding the value of the mobile home as appraised pursuant to this subsection, the court shall determine the amount to be deposited into the registry of the court as will fully secure and fully compensate the home owner as ultimately determined by the final judgment. The court shall fix the time within which and the terms upon which the home owner shall be required to surrender possession and title to the park owner. The order of the court shall not become effective unless the deposit of the required sum is made in the registry of the court.

(d) The provisions of s. 723.083 shall not be applicable to any park where the provisions of this subsection apply.

(e) This subsection is repealed on July 1, 1987.

(3) A mobile home park owner applying for the removal of a mobile home owner or a mobile home, or both, shall file, in the county court in the county where the mobile home lot is situated, a complaint describing the lot and stating the facts that authorize the removal of the mobile home owner and the mobile home. The park owner is entitled to the summary procedure provided in s. 51.011, and the court shall advance the cause on the calendar.

(4) The delivery of any written notice required by this section shall begin on the date of postmark and be by certified or registered mail, return receipt requested, addressed to the mobile home owner at his last known address.

History. — s. 1, ch. 84-80; s. 11, ch. 86-162.

