

HOUSE BILL REPORT

2EHB 3133

As Passed House:

February 19, 2008

Title: An act relating to minimum terms for closure or conversion notices for mobile home parks and manufactured housing communities.

Brief Description: Requiring a minimum of three years' notice on closures or conversions of mobile home parks and manufactured housing communities.

Sponsors: By Representatives Liias, Ormsby, Miloscia, Sells, Roberts, Priest, Hunt, Appleton, Rolfes, Loomis, Sullivan, Goodman, Morrell, McIntire, Wood, Hurst, Nelson and Santos.

Brief History:

Committee Activity:

Housing: 1/31/08, 2/4/08 [DPS].

Floor Activity:

Passed House: 2/19/08, 59-36.

Brief Summary of Second Engrossed Bill

- Requires landlords of manufactured/mobile home communities to give tenants two years' notice of a change of land use to a use other than for mobile homes.

HOUSE COMMITTEE ON HOUSING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 4 members: Representatives Miloscia, Chair; Springer, Vice Chair; Liias and Ormsby.

Minority Report: Do not pass. Signed by 2 members: Representatives Armstrong, Ranking Minority Member; Schindler.

Staff: Robyn Dupuis (786-7166).

Background:

Given increasing market demands for land in Washington, particularly in high growth areas, the state has noted a recent increase in the rate of manufactured/mobile home community

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

closures. According to data provided by the Department of Community, Trade and Economic Development (DCTED), 18 manufactured/mobile communities closed during calendar year 2007, the closure of which affected 534 households.

Approximately 1,000 existing parks are located in urban growth areas and are considered likely threatened due to rising land values within those areas.

The DCTED reports knowledge of 846 spaces that will close within the next year and estimates that 254 of these households will request relocation reimbursement assistance.

Manufactured/Mobile Home Lot Rental Agreement Disclosures and Covenants

Rental agreements for mobile home space tenancies are required to include either:

- (a) a covenant by the landlord that except for acts or events beyond the control of the landlord, for a period of three years after the beginning of the term of the lease, the mobile home park will not be converted to a land use that will prevent the space from continuing to be used for the placement of a mobile home; or
- (b) a statement that the park may be sold or transferred at any time with the result that subsequent owners may close the park at any time after the required notice.

Notice of Park Community Closures

Landlords must give tenants 12 months' notice of a change of land use of the community, including conversion to a use other than for mobile homes or conversion to a cooperative or subdivision. A copy of the closure notice must be provided with all month-to-month rental agreements signed after the park closure notice has been given.

Summary of Second Engrossed Bill:

Manufactured/Mobile Home Lot Rental Agreement Covenants

Rental agreements for mobile home space tenancies are required to either:

- (a) include a covenant by the landlord that except for acts or events beyond the control of the landlord, for a period of three years after the beginning of the term of the lease, the mobile home park will not be converted to a land use that will prevent the space from continuing to be used for the placement of a mobile home; or
- (b) a statement that the park may be sold or transferred at any time with the result that subsequent owners may close the park at any time after the required notice.

Also rental agreements must include a copy of a closure notice if such notice is in effect.

Two Year Closure Notice

Landlords must give tenants two years' notice of a change of land use of the community, including conversion to a use other than for mobile homes or conversion to a cooperative or subdivision, except if one of the following situations applies:

- (a) the park or community is being acquired under imminent threat of condemnation;
- (b) the park or community is sold to a tenant group or nonprofit;
- (c) the landlord compensates the tenants for the value of their homes; or
- (d) the tenant in question is an employee.

The closure notice must include park management contact information, contact information for the park purchaser (if applicable), a statement that the park owner is willing to sell the park to a tenant organization (if applicable), and information about available relocation assistance.

Sale of Manufactured/Mobile Homes by Existing Tenants

A tenant who sells a home within a manufactured/mobile home community must provide the buyer with a copy of any closure notice that has been provided by the landlord at least seven days in advance of the intended sale and transfer. Failure to provide this notice is grounds for disapproval by the landlord of the transfer of the rental agreement to the new tenant.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed..

Staff Summary of Public Testimony:

(In support) Manufactured/mobile home communities represent unsubsidized affordable housing for many households, but many are at great risk for redevelopment in rapidly urbanizing areas. Manufactured homes are difficult to move and often homeowners are unable to relocate and therefore lose not only their home, but their investment on which they were reliant for their future. Often this results in homeowners having to access state relocation assistance, as well as general assistance. Park closures are traumatic and place a great deal of stress on homeowners, particularly the elderly, with a number of adverse impacts. Three years is a more realistic time period to allow individuals who were counting on residing in their home permanently to reasonably make sensible alternate arrangements. There is a three year covenant required in statute currently, however landlords are allowed to use an alternative statement that the park could close at any time.

(Opposed) The existing 12-month notice requirement is adequate. There are resources, such as relocation assistance from the state and often from landlords, to help tenants move. Park owners are under great pressure to sell in many cases already and if this bill even seems like it might pass the Legislature, then the likely result is that landlords will move quickly to issue a 12-month notice while they still can in order to preserve their investment. This contradicts the objectives of local jurisdictions to maximize density and land use considering that often, many more affordable housing units could be built on a property currently occupied by a handful of mobile homes. If there is no place for these mobile home tenants to go now, then where are they going to go in three years when housing is going to be even more limited and more expensive?

Persons Testifying: (In support) Representative Liias, prime sponsor; Representative Carlson; Ishbel Dickens, Columbia Legal Services; Karen Mason, Association of Mobile

Home Owners; Diane Navicky, Carriage Club Estates; Nell Carlson, Mobile Home Owners' Association; and Dick Belser, Meridian Village Mobile Home Park.

(Opposed) Sandra Sternoff, Cedarbrook and Meadowbrook Mobile Home Parks; Walt Olsen, Olsen Law Firm; John Woodring; and Dave Petelro.

Persons Signed In To Testify But Not Testifying: None.