

HOUSE BILL REPORT

HB 1033

As Reported by House Committee On:
Housing, Community Development & Veterans
Appropriations

Title: An act relating to eligibility for relocation assistance for tenants of closed or converted mobile home parks.

Brief Description: Concerning relocation assistance for manufactured/mobile home park tenants.

Sponsors: Representatives Ryu, Barkis, Dolan, Macri, Stanford, Kloba, Sells, Tharinger, Bergquist, Doglio, Robinson, Pollet, Santos, Reeves and Leavitt.

Brief History:

Committee Activity:

Housing, Community Development & Veterans: 1/18/19, 1/23/19 [DPS];
Appropriations: 2/4/19, 2/13/19 [DP2S(w/o sub HOUS)].

Brief Summary of Second Substitute Bill

- Provides that an eligible tenant is entitled to financial assistance from the Manufactured/Mobile Home Park Relocation Fund (Fund).
- Requires the Department of Commerce (Department) to distribute financial assistance from the Fund so that 40 percent is dispersed in the form of cash assistance to help the tenant secure new housing; and the remainder is dispersed as reimbursement for relocation costs.
- Allows manufactured/mobile home park tenants seeking relocation assistance from the Program to receive other funding for relocation purposes, without reducing their eligibility for relocation assistance funds.
- Requires that a manufactured/mobile home park tenant's combined relocation assistance, from the Program and other sources, not exceed the tenant's actual relocation expenses.

HOUSE COMMITTEE ON HOUSING, COMMUNITY DEVELOPMENT & VETERANS

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.

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives Ryu, Chair; Morgan, Vice Chair; Entenman, Frame, Leavitt and Reeves.

Minority Report: Do not pass. Signed by 3 members: Representatives Jenkin, Ranking Minority Member; Gildon, Assistant Ranking Minority Member; Barkis.

Staff: Cassie Jones (786-7303).

Background:

Office of Mobile and Manufactured Home Relocation Assistance.

The Office of Mobile and Manufactured Home Relocation Assistance (Office), in the Department of Commerce (Department), provides general assistance to mobile and manufactured home resident organizations, tenant organizations, and mobile and manufactured home community owners. Among its duties, the Office provides technical assistance to tenants who are participating in the conversion of a mobile home park to resident ownership, and provides financial assistance to homeowners under the Mobile Home Relocation Assistance Program (Relocation Assistance Program) when mobile home parks close.

Mobile Home Relocation Assistance Program.

The Relocation Assistance Program, administered by the Office, provides monetary assistance on a first-come, first-served basis to low-income persons owning mobile homes located in mobile home parks that are scheduled for closure or conversion to another use. Tenants residing in parks that are closed because of park-owner fraud or health and safety concerns are given priority to available funds. Payments are made by the Office upon verification of eligibility and subject to the availability of funds. To be eligible for relocation assistance:

- a tenant's household income must be no greater than 80 percent of the median family income for the county where the mobile or manufactured home is located; and
- the homeowner must maintain ownership and either relocate the home or dispose of it if it cannot be relocated.

Eligible mobile home owners may receive reimbursement of relocation expenses up to \$12,000 for a double-wide home and \$7,500 for a single-wide home.

If a mobile home owner receives assistance for relocation from a source other than the Relocation Assistance Program, the assistance provided under the Relocation Assistance Program must be reduced to ensure that no person receives from all sources combined more than:

- the actual costs of relocation; or
- \$7,000 for a double-wide mobile home or \$3,000 for a single-wide mobile home.

The assistance received from the Relocation Assistance Program funds will be the difference between maximum amount to which a person is entitled under the Relocation Assistance Program and the amount received from the outside source. If the amount from the outside source exceeds the maximum amount of assistance to which a person is entitled under the

Relocation Assistance Program, then that person will not receive any assistance from the Relocation Assistance Program funds.

Summary of Substitute Bill:

The Relocation Assistance Program is expanded to allow tenants to use Relocation Assistance Program funds to do one or more of the following:

- remove a manufactured/mobile home from a manufactured/mobile home park being closed and reinstall it in another location;
- remove a manufactured/mobile home from a manufactured/mobile home park being closed and demolish and dispose of it; or
- vacate the premises of a manufactured/mobile home park that is being closed and secure other housing.

Eligible tenants who relocate are entitled to financial grants from the Manufactured/Mobile Home Park Relocation Fund (Fund) instead of reimbursement. The Department has discretion to determine the amount of each grant distributed up to the maximum amount.

The following Relocation Assistance Program requirements related to outside assistance are eliminated:

- reductions in relocation assistance from the Relocation Assistance Program upon receipt of outside funding; and
- disqualification from the Relocation Assistance Program if the amount of the outside funds received exceeds the maximum amount for which a person is eligible under the Relocation Assistance Program.

A tenant's combined relocation assistance funds, from outside sources and the Relocation Assistance Program, must not exceed the tenant's actual relocation expenses. The Department may require a tenant who has received financial grants from the Fund to provide documentation of actual relocation expenses.

Relocation Assistance Program application criteria are modified:

- separate application procedures for different types of tenants are eliminated;
- a requirement to provide a copy of the contract for relocating the home is eliminated;
- a requirement to provide proof of ownership of the home at the time of the notice of park closure is added;
- the requirement to provide proof of actual relocation expenses incurred on a certain date is eliminated; and
- a requirement to provide a statement of relocation expenses expected to be incurred is added.

"Tenant" means a person that owns a manufactured/mobile home located on a rented lot in a manufactured/mobile home park.

Substitute Bill Compared to Original Bill:

The substitute bill makes the following changes to the original bill:

- redefines "relocate" so that a tenant who vacates the premises of a manufactured/mobile home park that is closing and secures other housing may be eligible for relocation assistance without having to remove his or her manufactured/mobile home and relocate or demolish it;
- provides that an eligible tenant is entitled to financial grants from the Fund instead of reimbursement from the fund for relocation expenses;
- allows the Department to determine, in its discretion, the amount of each grant distributed, up to the maximum amount;
- allows the Department to require a tenant who has received financial grants from the Fund to provide documentation of actual relocation expenses; and
- requires a tenant to submit, as part of his or her application for relocation assistance, a statement of relocation expenses expected to be incurred instead of proof of actual relocation expenses incurred on a date certain.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This bill had bipartisan support last year, but time ran out in the session. This bill does not solve all issues relating to sale of manufactured home parks and the relocation of park tenants, but it does address some problems faced by those who need to relocate and is a stopgap measure for those tenants.

This bill takes positive steps to assist families who need to relocate and move or demolish their mobile home when parks close. Relocating is very expensive and tenants need assistance. The bill allows many funding sources to assist tenants. Under current law, park owners or other private entities can provide assistance to tenants, but relocation assistance from the Department of Commerce must be reduced by the amount of the outside assistance. This bill would free up more room for relocation assistance from the Fund by removing that requirement.

This bill has support from all stakeholders and reflects a diverse group of perspectives. This bill provides assistance to society's low-income and most vulnerable individuals, and it will help those residing in parks that are closing right now. This bill will create more options for tenants by allowing them to move into a home that is not manufactured housing. It is good for everyone because the Fund is opened to other options for tenants. This bill should move through the process as it is; it should not be held up by additional proposals.

An important issue in this bill is that it does not protect any tenants who do not own their mobile home, but are renting in mobile home parks. The bill should be expanded to help

people who are renting their homes. More flexibility and more assistance is needed in the bill. More homeowners will be on board with the bill with amendments. There are also intangible costs to those who are forced to relocate, such as loss of community. When homeowners lose their manufactured homes, they will have to go on housing subsidies.

(Opposed) None.

(Other) Manufactured/mobile home owners are the most vulnerable home owners in the country. Landowners should be required to be part of the solution to this issue. Currently, only homeowners pay into the relocation program, not landowners. But the homeowners did not create the problem. Landlords are evicting homeowners who have done nothing wrong, but homeowners have to pay the costs of relocating. Not all homeowners support this bill. There are amendments which would make this bill better. This is the time to help people who will lose their largest asset when parks close.

Persons Testifying: (In support) Representative Ryu, prime sponsor; Peter Kwon, City of SeaTac; Craig Hillis, Manufactured Housing Communities of Washington; Christy Mays, Détente Management Inc; Jeanette McKague, Washington REALTORS; Xochitl Maykovich, Washington Community Action Network; Kylin Parks, Association of Manufactured Home Owners; Dan Seydel, Platinum Group LLC and Entrepreneurial Institute of Washington; Pam Gillette; and Brigid Henderson, Office of Mobile/Manufactured Home Relocation Assistance.

(Other) Ishbel Dickens, Association of Manufactured Home Owners.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Housing, Community Development & Veterans. Signed by 23 members: Representatives Ormsby, Chair; Bergquist, 2nd Vice Chair; Robinson, 1st Vice Chair; Caldier, Cody, Dolan, Dye, Fitzgibbon, Hansen, Hudgins, Jinkins, Macri, Pettigrew, Pollet, Ryu, Schmick, Senn, Springer, Stanford, Steele, Tarleton, Tharinger and Ybarra.

Minority Report: Do not pass. Signed by 7 members: Representatives Stokesbary, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Rude, Assistant Ranking Minority Member; Hoff, Kraft, Mosbrucker and Volz.

Staff: Meghan Morris (786-7119).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Housing, Community Development & Veterans:

The second substitute bill makes the following changes.

The Department of Commerce (Department) must distribute financial assistance for each eligible tenant as follows:

- up to 40 percent of the total assistance may be dispersed in the form of cash assistance to help the tenant secure new housing; and
- the remainder of the total assistance shall be dispersed as reimbursement for costs associated with relocation.

In order to receive cash assistance a tenant, or his or her assignee, must provide documentation to the Department that the tenant has:

- relocated;
- established a process to secure the relocation of the home by having assigned the right to reimbursement of the relocation costs and liability for such removal or demolition and disposal to another entity; or
- has contracted to incur expenses associated with relocation of the home.

If the tenant has entered into an assignment or a contract for relocation of the home, the following documentation must be provided:

- proof of the assignment; and
- evidence that the assignee is capable of fulfilling the obligation itself or a contract or invoice for relocation of the home executed with a vendor by the tenant or assignee.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This is a unique bill with bipartisan support. Manufactured/mobile home park owners, residents, manufacturers, and local cities have worked together over the last few years and come to an agreement. This legislation takes positive steps in assisting individuals and families when they need to relocate or demolish and dispose of their mobile homes. Moving and relocating is expensive and many mobile home tenants need financial assistance when a park is closing or repurposed. This bill allows for state, public, and private funding to be available to assist vulnerable citizens of our cities. There are large income disparities across the region. Some residents are on the lower end of the economic ladder, but do not have funds readily available to move. This provides options for residents. In terms of finances, the Manufactured/Mobile Home Park Relocation Fund has available resources and does not require additional revenue or taxes.

(Opposed) None.

Persons Testifying: Representative Ryu, prime sponsor; Clyde Hill and Peter Kwon, City of SeaTac; and Santana Schoene and Chester Baldwin, Manufactured Housing Communities of Washington.

Persons Signed In To Testify But Not Testifying: None.