

HOUSE BILL REPORT

E2SHB 1033

As Passed House:
March 5, 2019

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: House Committee on Appropriations (originally sponsored by 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)].

Floor Activity:

Passed House: 3/5/19, 87-11.

Brief Summary of Engrossed Second Substitute Bill

- Allows qualifying manufactured/mobile home park tenants to use Relocation Assistance Program (Program) funds to secure housing that is not a manufactured/mobile home.
- Requires the Department of Commerce (Department) to distribute financial assistance from the Manufactured/Mobile Home Park Relocation Fund to an eligible tenant so that up to 40 percent of the total assistance is disbursed in the form of cash assistance to help the tenant secure new housing and the remainder is disbursed as reimbursement for the tenant's 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 Program funds.

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).

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).

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 Engrossed Second Substitute Bill:

The Relocation Assistance Program is expanded to allow tenants to use Relocation Assistance Program funds to secure housing that is not a manufactured/mobile home if their manufactured/mobile home has been demolished and disposed of.

The 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 must 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
- 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.

The Legislature intends that the cash assistance is considered to be a one-time direct grant payment that is excluded from household income calculations for purposes of determining the eligibility of the recipient for benefits or assistance under any state program financed in whole or in part with state funds.

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.

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

Relocation Assistance Program application criteria are modified as follows:

- 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; and
- a requirement to provide proof of ownership of the home at the time of the notice of park closure is added.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony (Housing, Community Development & Veterans):

(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.

Staff Summary of Public Testimony (Appropriations):

(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 (Housing, Community Development & Veterans): (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 Testifying (Appropriations): 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 (Housing, Community Development & Veterans): None.

Persons Signed In To Testify But Not Testifying (Appropriations): None.