

SENATE BILL REPORT

E2SHB 1033

As Reported by Senate Committee On:
Housing Stability & Affordability, March 27, 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: Passed House: 3/05/19, 87-11.

Committee Activity: Housing Stability & Affordability: 3/25/19, 3/27/19 [DPA-WM].

Brief Summary of Amended Bill

- Authorizes manufactured/mobile home park tenants seeking relocation assistance from the Mobile and Manufactured Home Relocation Assistance Program (Relocation Assistance 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 Relocation Assistance Program and other sources not exceed the tenant's actual relocation expenses.
- Authorizes qualifying manufactured/mobile home park tenants to use Relocation Assistance Program funds to secure housing that is not a manufactured home.
- Requires the Department of Commerce to distribute, for each eligible tenant, up to 40 percent of the total financial assistance as cash assistance to help the tenant secure new housing and the remainder as reimbursement for costs associated with relocation.
- Modifies the \$100 manufactured home transaction fee to one-quarter of the sale price of the manufactured home, but between \$100 and \$500.

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.

- Increases the \$10 manufactured/mobile home registration fee to \$15, with \$5 of the fee to be deposited into the Manufactured/Mobile Home Park Relocation Fund for the purposes of a relocation coordination program.

SENATE COMMITTEE ON HOUSING STABILITY & AFFORDABILITY

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators Kuderer, Chair; Das, Vice Chair; Zeiger, Ranking Member; Darneille, Fortunato, Saldaña and Warnick.

Staff: Brandon Popovac (786-7465)

Background: The Office of Mobile/Manufactured Home Relocation Assistance (Office), in the Department of Commerce (Commerce), provides general assistance to mobile and manufactured home resident organizations, tenant organizations, and mobile and manufactured home community owners.

The Office provides financial assistance for displaced manufactured/mobile homeowners under the Relocation Assistance Program when mobile home parks close. Financial assistance is provided on a first-come, first-served basis to low-income persons owning mobile homes in mobile home parks scheduled for closure or conversion to another use. Tenants residing in parks closed because of park-owner fraud or health and safety concerns, are given priority.

To be eligible for relocation assistance:

- the tenant must reside in the mobile home park at the time a closure notice is issued;
- the tenant's household income must be no more than 80 percent of the median family income for the county where the mobile or manufactured home is located; and
- the tenant must maintain ownership and either relocate the home or demolish or dispose of it if it cannot be relocated.

Eligible mobile homeowners or tenants may receive reimbursement of relocation expenses up to \$12,000 for a multi-section home and \$7,500 for a single-section home. The Relocation Assistance Program is funded by a \$100 fee on the issuance of a certificate of title for manufactured/mobile homes, which is deposited into the Mobile Home Park Relocation Fund.

If a person receives any payments for relocation, outside of funds provided by the Relocation Assistance Program, the funds from the Relocation Assistance Program are reduced by the amount of outside funding received. If the amount of assistance received from an outside source exceeds the maximum amount of assistance a person is eligible for under the Relocation Assistance Program, the person is not eligible for Relocation Assistance Program funds.

Summary of Amended Bill: The definition of relocate is expanded to provide tenants the ability to use Relocation Assistance Program funds to secure other housing when their

manufactured/mobile home has been demolished and disposed of. The definition of relocation assistance is expanded to include both reimbursement for the costs of relocation and cash assistance to allow the tenant to secure new housing.

Commerce must distribute financial assistance for each eligible tenant as follows:

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

A tenant or the tenant's assignee, in order to receive cash assistance, must provide documentation to Commerce 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.

Assignee is defined as an individual or entity who has agreed to advance allowable relocation assistance expenses in exchange for the assignment and transfer of a right to reimbursement from the Manufactured/Mobile Home Park Relocation Fund.

Any cash assistance provided under the Relocation Assistance Program is considered a one-time direct grant payment and must be excluded from household income calculations to determine eligibility of the recipient to receive benefits from any other state-funded assistance programs.

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

- 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.

Relocation assistance is no longer reduced by the amount of outside funding received, and recipients are not disqualified if they receive outside funding that exceeds the amount of relocation assistance for which they are eligible. However, a tenant's combined relocation assistance funds may not exceed the tenant's actual relocation expenses.

The Mobile Home Park Relocation Fund is renamed the Manufactured/Mobile Home Park Relocation Fund, and Commerce may use money from the fund for administrative expenses.

Relocation assistance application requirements are modified, including eliminating different application processes for different types of applicants. For example, tenants must provide a statement of relocation expenses expected to be incurred at the time of application as opposed to providing proof of actual expenses incurred.

The \$100 manufactured home transaction fee that is deposited into the Manufactured/Mobile Home Park Relocation Fund is modified to one-quarter of the sale price of the manufactured

home, but must be between \$100 and \$500. The \$10 manufactured/mobile home registration fee is increased to \$15, with \$5 of the fee to be deposited into the Manufactured/Mobile Home Park Relocation Fund. The revenue from the additional \$5 must be used for a newly created relocation coordination program. The relocation coordination program is created within Commerce to assist tenants of a mobile home park scheduled for closure or conversion to another use with the process of relocation. Specifically, program assistance may include:

- performing casework for the individual tenants;
- maintaining and distributing informational resources for tenants on the process of relocating and disposal of manufactured/mobile homes;
- researching and distributing current information on available locations for manufactured/mobile homes and other forms of available housing; and
- researching and distributing information on other sources of financial assistance that may be available to secure new housing.

EFFECT OF HOUSING STABILITY & AFFORDABILITY COMMITTEE AMENDMENT(S):

- Modifies the \$100 manufactured home transaction fee to one-quarter of the sale price of the manufactured home, but between \$100 and \$500.
- Increases the \$10 manufactured/mobile home registration fee to \$15, with \$5 of the fee to be deposited into the Manufactured/Mobile Home Park Relocation Fund for the purposes of the newly created relocation coordination program, which assists tenants of a mobile home park scheduled for closure or conversion with the process of relocation, including performing casework, maintaining information regarding relocation and disposal of the unit, and researching information regarding other sources of financial assistance that may be available to secure new housing.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Engrossed Second Substitute House Bill: *The committee recommended a different version of the bill than what was heard.* PRO: This bill as introduced last year has percolated and become better. This bill addresses those folks who cannot afford to move or demolish their own mobile home units themselves after park closure. The bill keeps the 80 percent AMI, low-income household standard of eligibility for relocation assistance and keeps the \$7,500 cap for single-wide homes and \$12,000 for double-wide homes. The bill enables funding to be used to find alternative housing for folks or to move their own units. Up to 40 percent of the allowable financial assistance could be set up as cash assistance upfront, so tenants can actually move. Tenants must have a plan that they have demonstrated that they have initiated the process of demolishing or moving their units, and once that is completed, the remaining 60 percent can be used to reimburse themselves or by assigning it to another demolisher. The bill contains a technical correction

that the cash assistance is not intended to count as income for any other benefits that these tenants might receive, because they might need other assistance especially if faced with increased rent with other forms of housing or even other manufactured home communities.

The stakeholder process has been a good process as it has improved the program in the right direction. It has resulted in virtually no opposition to this bill. Although somewhat detrimental to landlords, the bill is a good process overall for the state of affordable housing. Many mobile home residents are on the lower end of the economic ladder and are not readily available to pick up and move. This bill would provide assistance to the most vulnerable members of our society.

OTHER: The bill does nothing to help homeowners who are displaced from manufactured housing communities through no fault of their own. The bill does provide some flexibility, but tenants still lose their homes. Relocation assistance only provides homeowners with enough money to move their homes off site, while benefitting the landlord who has an empty piece of property to sell or redevelop. The stakeholder process has not accurately reflected the homeowners' position.

Persons Testifying: PRO: Representative Cindy Ryu, Prime Sponsor; Robert Cochran, Contempo MHP; Theresa Janzen, Housing Provider; Craig Hillis, Manufactured Housing Communities of Washington; Peter Kwon, Councilmember, Seatac City.

OTHER: Ishbel Dickens, citizen.

Persons Signed In To Testify But Not Testifying: No one.