

SENATE BILL REPORT

SB 5183

As Reported by Senate Committee On:
Housing Stability & Affordability, February 20, 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. [**Revised for 1st Substitute:** Concerning relocation assistance for manufactured/mobile home park tenants.]

Sponsors: Senators Kuderer, Pedersen, Wellman, Saldaña, Liias and Wilson, C.

Brief History:

Committee Activity: Housing Stability & Affordability: 1/23/19, 2/20/19 [DPS-WM].

Brief Summary of First Substitute 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 0.25 percent 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.

SENATE COMMITTEE ON HOUSING STABILITY & AFFORDABILITY

Majority Report: That Substitute Senate Bill No. 5183 be substituted therefor, and the substitute bill do pass 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. The financial assistance is provided on a first-come, first-served basis to low-income persons owning mobile homes 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 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 Bill (First Substitute): 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.

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 assignation; 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 0.25 percent 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.

EFFECT OF CHANGES MADE BY HOUSING STABILITY & AFFORDABILITY COMMITTEE (First Substitute):

- Clarifies relocation assistance as both reimbursement for the costs of relocation and cash assistance provided to allow the tenant to secure new housing.
- Requires Commerce to distribute financial assistance for each eligible tenant as follows: (1) up to 40 percent of the total assistance in the form of cash assistance to help the tenant secure new housing; and (2) the remainder of the total assistance as reimbursement for costs associated with relocation.
- Requires a tenant or the tenant's assignee, in order to receive cash assistance, to provide documentation to Commerce that the tenant has: (1) relocated; (2) 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 (3) has contracted to incur expenses associated with relocation of the home.
- Requires the following documentation to be provided if the tenant has entered into an assignment or a contract for relocation of the home: (1) proof of the assignment; and (2) 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.
- Requires tenants to provide a statement of relocation expenses expected to be incurred at the time of application as opposed to providing proof of actual expenses incurred.
- Modifies the \$100 manufactured home transaction fee that is deposited into the Manufactured/Mobile Home Park Relocation Fund to 0.25 percent 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.

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 Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: The bill recognizes the unique challenges that owners of mobile and manufactured homes sometimes face. The bill provides more relocation options to tenants facing park closures, thereby easing the burden to those tenants. Relocation assistance can now be used as a down payment or rent on an apartment, providing more flexibility and options when tenants are looking for another place to live when a mobile home park closes. Tenants no longer have to buy a new manufactured/mobile home or move the existing home. We know that low-income housing is scarce enough and with housing prices continuing to rise around the state, this seems like a simple solution.

Persons Testifying: PRO: Senator Patty Kuderer, Prime Sponsor; Craig Hillis, Manufactured Housing Communities of Washington; Christy Mays, Detente Management.

Persons Signed In To Testify But Not Testifying: