

# SENATE BILL REPORT

## E2SHB 1083

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As of March 11, 2021

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

**Brief Description:** Concerning relocation assistance for tenants of closed or converted manufactured/mobile home parks.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Gregerson, Peterson, Wylie, Bateman, Tharinger, Ramel, Ortiz-Self, Valdez, Kloba, Morgan, Chopp, Ormsby, Santos, Macri, Orwall, Bergquist, Pollet and Harris-Talley).

**Brief History:** Passed House: 2/25/21, 98-0.

**Committee Activity:** Housing & Local Government: 3/11/21.

### Brief Summary of Bill

- Increases the maximum amount eligible tenants may receive in relocation assistance under the Mobile Home Relocation Assistance Program when a manufactured/mobile home park is, or is scheduled to be, closed or converted to another use.
- Requires tenants who receive initial cash assistance under the Relocation Assistance Program to transfer title of the home to the park-owner, relocate the home, or demolish and dispose of the home within 90 days to receive the remainder of eligible relocation assistance.
- Authorizes park-owners to seek reimbursement for costs incurred for demolition and disposal of the homes when tenants do not relocate or demolish and dispose of their homes within 90 days of receiving initial cash assistance.

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### SENATE COMMITTEE ON HOUSING & LOCAL GOVERNMENT

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

**Staff:** Brandon Popovac (786-7465)

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

- the tenant must reside in the mobile home park at the time a closure notice is issued; and
- the 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.

An eligible tenant, or an organization acting on behalf of the tenant, must submit an application for relocation assistance that includes:

- a copy of the notice from the park-owner, or other adequate proof, that the tenancy is terminated due to park closure or conversion to another use;
- a copy of the rental agreement or other proof the applicant was a tenant at the time of the closure notice;
- a statement of relocation expenses expected to be incurred;
- proof of ownership of the home at the time of closure notice; and
- a statement of any other available assistance received.

Eligible tenants who relocate may receive reimbursement of relocation expenses up to \$12,000 for a multi-section home and \$7,500 for a single-section home. Relocation assistance may be a combination of cash assistance and reimbursement for relocation-related costs up to the relocation assistance limits. An eligible tenant may receive up to 40 percent of their assistance limit in cash to find other housing, and may receive the remainder of assistance as reimbursement for costs associated with relocation.

To receive the cash assistance, the tenant must demonstrate they have:

- relocated the home;
- established a process to relocate the home by assigning the removal or demolition and disposal to another entity; or

- contracted to incur expenses associated with relocating the home.

To receive the assistance after demonstrating there is an assignment or contract to remove or dispose of the home, the tenant must demonstrate proof of the assignment and evidence the assignee is capable of removal or demolition and disposal, or a contract is executed for relocating the home.

If a tenant 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 no tenant receives from all sources combined, more than the actual costs of relocation.

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 Relocation Assistance Program is funded by a fee on the issuance of a certificate of title for manufactured homes, which is deposited into the Mobile Home Park Relocation Fund (fund). The fee is 0.25 percent of the sale price of the manufactured home, but in no case less than \$100 or more than \$500. Each manufactured/mobile home community landlord must pay the Department of Revenue a \$15 annual registration assessment for each home within a manufactured/mobile home community. Landlords may charge a maximum of \$5 of the assessment to tenants. Five dollars of the assessment must be deposited in the fund for the relocation coordination program.

**Summary of Bill:** Once a manufactured/mobile home park is, or is scheduled to be, closed or converted to another use, the maximum amount eligible tenants are able to receive in relocation assistance from the Relocation Assistance Program is modified from \$12,000 to \$17,000 for a multi-section home, and from \$7,500 to \$11,000 for a single-section home.

The 40 percent limit on cash assistance for securing alternative housing and relocation requirements for tenants to receive the remainder of assistance are removed. Tenants who qualify for assistance will receive \$12,000 for a multi-section home, and \$8,000 for a single-section home, as cash assistance to relocate the home or secure alternative housing.

To receive the remainder of eligible assistance, tenants must, within 90 days of receiving the initial cash assistance:

- transfer title of the manufactured/mobile home to the park-owner;
- relocate the home; or
- demolish and dispose of the home.

If the tenant does not relocate or demolish and dispose of the home within 90 days of receiving the initial cash assistance, the park-owner may seek reimbursement from the fund

in the amount of:

- \$4,000 for a multi-section home; and
- \$2,500 for a single-section home.

To receive the reimbursement, the park-owner must provide documentation to Commerce demonstrating costs incurred. If costs incurred for demolition and disposal exceed the amounts specified, the park-owner may seek reimbursement from the portion of the fund to which park-owners contribute under the registration assessment process for additional costs incurred as follows:

- \$4,500 for a multi-section home; and
- \$3,000 for a single-section home.

When applying for relocation assistance, eligible tenants must provide a statement of whether they will transfer title of the home to the park-owner or relocate the home within 90 days of receiving relocation assistance and any other information required by Commerce, but are no longer required to provide a statement of relocation expenses expected to be incurred.

Provisions requiring the reduction of relocation assistance provided under the Relocation Assistance Program to an eligible tenant if financial assistance for relocation is obtained from sources other than the fund is repealed.

**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:** PRO: The bill is a follow-up to previous mobile home relocation assistance legislation and directly impacts certain tenants of closed parks who were not able to access assistance over the interim. Relocation assistance funds come directly from homeowners, and eligible fund amounts have been updated to match the cost of living and moving expenses for homes. The relocation assistance fund is growing, with over two million dollars that can be disbursed for tenants. Mobile home park residents are the most vulnerable residents living in the most affordable types of housing. But when mobile home parks close, a crisis can ensue and become debilitating for the displaced tenant. Homeowners lose all equity upon closure or conversion and often cannot relocate. Landlord payments into the relocation assistance fund provide moneys for the relocation coordination program. The bill would allow landlords to access the fund for reimbursement even though the fund is supplied by tenant dollars. Relocation assistance provides necessary resources to keep people housed and out of homelessness, which is more expensive for the state to manage. Unsubsidized mobile home stock is decreasing as mobile

home parks are redeveloped and replaced with more expensive housing. Kenmore has passed a local ordinance to make mobile home park closures less likely and the bill is consistent with such efforts.

OTHER: Commerce is sympathetic with the intent of the bill, and estimates not all tenants will meet the 90-day deadline to satisfy one of the three requirements necessary to receive the remaining eligible assistance. Commerce will soon commence the relocation coordination program, which possibly might assist tenants to meet such requirements. Providing park-owner reimbursement is a key component of the bill in case tenants are unable to meet any of those 90-day requirements.

**Persons Testifying:** PRO: Representative Mia Gregerson, Prime Sponsor; Ishbel Dickens, Association of Manufactured Home Owners; Stacey Valenzuela; Cynthia Stewart, League of Women Voters of Washington; Corina Pfeil, Councilmember, City of Kenmore.

OTHER: Dave Pringle, Department of Commerce.

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