

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 19, 2008  
POSITION: Oppose

BILL NUMBER: SB 1122  
AUTHOR: L. Correa

**BILL SUMMARY: Mobilehome Parks**

This bill would require the Department of Housing and Community Development (HCD) to establish a "stepped up" level of enforcement for health and safety violations in mobilehome parks.

**FISCAL SUMMARY**

According to HCD staff, this bill would require an additional 3.0 positions at an annual cost of \$350,000 to implement the bill.

**COMMENTS**

Finance opposes this bill for the following reasons:

- It creates new costs without offsetting revenues or program reductions. Since the Mobilehome Park Inspection Program was enacted in 1991, and funded by a \$4 fee per mobilehome park, the number of inspections to be performed has decreased from 100 percent of all mobilehome parks over a five-year period to a statutory goal of five percent per year due to the limited funding.
- Those local governments that have assumed responsibility for enforcing the Mobilehome Parks Act may return enforcement to HCD if additional requirements, such as making efforts to contact mobilehome park owners in person to discuss violations, increase enforcement costs.
- The requirements of the bill may do little to solve the perceived problems. For example, if a local government identifies an imminent threat to health and safety, it is unclear how providing a sixty day notice to HCD would be of assistance in resolving such an imminent threat in a timely manner.

Analyst/Principal (0741) E. Harper	Date	Program Budget Manager Mark Hill	Date
---------------------------------------	------	-------------------------------------	------

Department Deputy Director	Date
----------------------------	------

Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

**BILL ANALYSIS** Form DF-43 (Rev 03/95 Buff)

L. Correa

June 19, 2008

SB 1122

**ANALYSIS**

## A. Programmatic Analysis

**Existing law:**

- Requires the Department of Housing and Community Development (HCD) to enforce health and safety standards in mobilehome parks throughout the state, including the Mobilehome Park Maintenance Inspection Program (MPM). This program has a statutory goal of inspecting a minimum of five percent of mobilehome parks each year. HCD's enforcement activities are funded by a permit to operate fee of \$2 per mobilehome space, with an additional \$4 fee per mobilehome space that is dedicated to MPM inspections.
- Allows local building officials to assume responsibility for enforcement of mobilehome park health and safety standards, but responsibility may be returned to HCD upon thirty days notice.
- Requires HCD or local code officials to provide written notice to park operators and mobilehome owners and residents at least 30 days prior to MPM inspections. Current law requires the enforcement agency to coordinate a preinspection orientation for park operators and mobilehome owners.
- Establishes a MPM task force of mobilehome owner and park operator representatives, local enforcement agencies and the Legislature. HCD is required to submit a semiannual report to the task force on fees collected, number of violations identified through the MPM, the most common park violations and the number of parks and spaces that were inspected.

**This bill would:**

- Require HCD to establish, upon request from a local agency, a stepped-up level of enforcement of mobilehome health and safety standards to resolve violations that are an imminent threat to health and safety.
- Require HCD or local code enforcement agencies, upon issuance of a citation to a mobilehome owner for a code violation, to make every effort to contact the registered owner in person, by telephone or electronic mail at the time the citation is made, or a reasonable time after, to discuss the violation or answer questions from the registered owner regarding the violation.
- Require the MPM task force, by January 2010, to review the MPM and report to the Legislature on recommendations for improving mobilehome park code enforcement.
- Authorize HCD to require park operators to post a bond for penalties, permit to operate fees and costs of code enforcement for parks that are delinquent on payment of the annual permit to operate fee or for which the permit to operate has been suspended due to code violations.

**Discussion:** HCD enforces health and safety standards in 67 percent of mobilehome and special occupancy parks, which is equal to approximately 3,897 parks with 289,188 spaces. Local enforcement agencies are responsible for the remaining 33 percent of mobilehome parks.

It is unclear what problem the bill is attempting to address by requiring stepped up enforcement by HCD in mobilehome parks with imminent health and safety issues upon a 60 day formal request from the local governing body. In areas where HCD is the enforcement official, this type of violation would constitute HCD's highest priority for immediate correction. If the perceived problem is overall

L. Correa

June 19, 2008

SB 1122

insufficient enforcement, then requiring HCD to increase enforcement in some areas of the state without additional resources would force redirection of resources away from existing inspection activities in other regions of the state.

The requirement that HCD, or designated local agency enforcement agency, make every attempt to meet with mobilehome park owners in person, by phone or via electronic mail, will increase enforcement costs. Again, this will reduce the number of health and safety inspections for a program with limited funding. Additionally, increasing the cost of the program may result in local jurisdictions returning enforcement to HCD since the local governments are authorized to return enforcement to the state.

Legislative History: When the MPM program was enacted, the goal was all mobilehome parks would be inspected within a five year period (Ch. 1125, Statutes of 1990). Over the years, inspections were limited to those parks with a history of violations, then finally to a goal of five percent annually with parks selected for inspection with a history of serious health and safety complaints (Ch. 858, Statutes of 2006). While previous legislation did propose fee increases, lack of consensus by interest groups resulted in decreased enforcement, rather than increased fees.

#### B. Fiscal Analysis

The provision requiring HCD to make expanded efforts to contact residents upon issuance of a citation could potentially require code enforcement staff to make several trips to visit park residents. HCD estimates it would need to add 2.0 inspector positions to implement this requirement without decreasing the number of overall inspections. HCD also estimates the need to add 1.0 inspector position to provide for stepped up enforcement requested by local agencies, but indicates that this could increase based on the number of requests received. To add the 3.0 positions, HCD estimates costs of approximately \$350,000 annually. If this bill were enacted, Finance would review HCD's need for additional resources during the normal budget development process.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2007-2008	FC	2008-2009	FC	2009-2010	
2240/HCD	SO	No	C	\$350	C	\$350	C	\$350	0245
<u>Fund Code</u>	<u>Title</u>								
0245	Mobilehome Park Revolving Fund								