

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 25, 2008
POSITION: Oppose

BILL NUMBER: SB 1122
AUTHOR: L. Correa

BILL SUMMARY: Mobilehome Parks

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

FISCAL SUMMARY

According to HCD staff, this bill would require an additional 2.0 positions for one year limited term to adopt regulations and prepare the report required under this bill, at the cost of \$220,000, and additional one-time costs for operating expenses amounting to \$250,000. Finance notes that any request for additional resources would be evaluated through the normal budget development process.

This bill would also put increased pressure on HCD to provide a stepped up level of enforcement upon request from local governments that would impose unknown but significant ongoing costs to HCD.

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.
- 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
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

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

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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:

- Authorize 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.
- Establish a MPM task force of state, local and community entities that would be required by January 2010 to review the MPM and report to the Legislature on recommendations for improving mobilehome park code enforcement.

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.

While this bill does not specifically require HCD to create a stepped up level of enforcement, it would lead to increased pressures on HCD's mobilehome park enforcement. Over time, HCD's available funding for this program has been reduced, and the department has moved from inspecting 100 percent of mobilehome parks over a five year period to five percent of this time period. Increased pressures on mobilehome park inspection and enforcement contribute to the existing workload problems in mobilehome park enforcement.

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 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.

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.

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)
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B. Fiscal Analysis

According to HCD staff, this bill would require 2.0 one year limited term positions to adopt regulations and to prepare the report to the Legislature. Additionally, this bill would require \$250,000 in one-time costs for travel, meeting expenses, and other expenses related to the MPM task force and report. Finance notes that any request for additional resources would be evaluated through the normal budget development process.

Finance also notes that while the stepped up level of enforcement would be voluntary on behalf of HCD, there would be increased pressures on HCD to meet local government requests for stepped up levels of enforcement and this would impose unknown, but significant ongoing costs to HCD which cannot be absorbed within existing resources.

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		-----	See Fiscal Analysis	-----			0245
<u>Fund Code</u>	<u>Title</u>								
0245	Mobilehome Park Revolving Fund								