#### El Dorado County Mobile Home Task Force Roster

Name

Organization

Board of Supervisors Representatives (2):

Helen Baumann

Board of Supervisor District II

Carl Borelli

Board of Supervisor District III

Representative from District Attorney's office (1):

Gary Lacy

District Attorney

Representative from Environmental Management (1):

Pearl Irby

Environmental Health Department

Code Compliance Officer (1):

Jim Wassner

Code Enforcement Officer

Representative of Mobile Home Park Owners (3):

Doug Johnson

Western Manufactured Housing Communities

Association (WMA)

Barbara Lind

Bonanza Mobile Home Park

Shannon Petty

Lake Oaks Mobile Home Park

Representative of Mobile Home Owners (3):

Bill King, PhD

Board of Supervisors District I

V.J. Harris

Board of Supervisors District IV

Betty DellAnna

Board of Supervisors District V

Staff:

John Litwinovich-Chair

Director of Community Services

Tom Parker

County Counsel

Joyce Aldrich

Community Services Department

# RESOLVING MOBILE HOME PARK ISSUES AND CONCERNS IN EL DORADO COUNTY

## A REPORT OF THE EL DORADO COUNTY MOBILE HOME TASK FORCE

DECEMBER 2002

PREPARED FOR THE EL DORADO COUNTY BOARD OF SUPERVISORS

#### **EXECUTIVE SUMMARY**

In November 2001, the County Board of Supervisors directed staff of the Community Services Department to conduct a study on mobile home space rents in the unincorporated part of the County and to provide statistical data on rents over a seven-year period. While the study shed light on mobile home space rents, during ensuing discussions and testimony before the Board of Supervisors it became increasingly apparent that this was but one issue of concern for mobile home park residents.

Park residents also came forward to express concerns ranging from utility costs to health and safety matters to park maintenance issues. It soon became clear that behind the rent control debate were the larger issues of protecting and maintaining the good quality, affordable living options offered by mobile home parks in El Dorado County during a time when affordable housing is at a premium. The more than 3,000 mobile home units in both the unincorporated and incorporated areas comprise a significant share of El Dorado County's affordable housing stock.

In May 2002 the Board of Supervisors directed the formation of a task force to spend six months attempting to resolve issues in mobile home parks and to report back to the Board on the level of success of its efforts and to make any appropriate recommendations on future mobile home rent stabilization or park improvement options.

The Task Force met six times between June 2002 and December 2002 and addressed a wide range of issues brought forth by mobile home residents and interested parties. The outcome of these efforts are summarized beginning of page 6 under the section entitled Summary of Issues Addressed by, Through and in Support of Task Force Efforts. This section reflects the cumulative progress of both the Task Force and its member agencies towards addressing the large and small concerns brought forward. Issues ranged from utility and rent increase concerns to serious health and safety concerns and in nearly every case the Task Force was able to minimally shed new light on areas of long term misunderstandings and, in several cases, to prompt important changes and improvements.

The final section of this report, entitled Task Force Recommendations, presents a list of specific recommendations for the Board of Supervisors to consider for adoption. The first three recommendations would require direction from the Board instructing staff to report back on the cost, feasibility and usefulness of continuing to convene the Mobile Home Task Force. The latter five recommendations involve Board direction to County Departments to take steps beneficial both to mobile home and mobile home park owners in the County.

Perhaps a primary finding of the Task Force is that more may be accomplished through the open and cooperative efforts of park residents, park owners and public and private organizations than through the gridlock that results from adversarial relationships. While not every concern was or is open to an easy resolution, the road taken has been one of tackling the many concerns that are fixable while continuing to work at those requiring more time and understanding, to the ongoing benefit of all participants.

# BACKGROUND & CONCERNS

Throughout California the relationship between mobile home park residents and mobile home park owners often has been strained as the residents seek to maintain affordable space rents while the owners seek a favorable return on their investments. In El Dorado County, the concept of a mobile home park rent control ordinance, sometimes referred to as a rent stabilization ordinance, has been debated publicly for more than two decades.

While a statewide debate over the pros and cons of mobile home rent control likely will continue into the distant future, the *need* for an ordinance is to a significant degree within the control of park owners. In other words, to the degree that space rents are reasonable, rent increases are modest and parks are well maintained, an ordinance is less necessary, would serve less of a purpose and could upset a positive landlord-tenant relationship. On the other hand, to the degree that space rents and rent increases are excessive and parks are poorly maintained, an ordinance is likely to be demanded by many as the only viable means of change.

In response to the continued debate, on November 6, 2001, the County Board of Supervisors directed staff of the Community Services Department to conduct a study on mobile home space rents in the unincorporated part of the County and to provide "statistical data on rents over a seven year period; said data to differentiate between rents for single-wide and double-wide mobile homes, and to include rent increases that have occurred, cost-of-living increases (COLAs) during that period, and differences between parks in the "pass through" of utility costs."

The findings of that study, which was completed in February 2002, were summarized as follows:

- Between 1995 and 2001 mobilehome space rents in the unincorporated part of El Dorado County increased, on average, by approximately 3% per year.
- 2. Between 1995 and 2001 the Consumer Price Index and Social Security payments increased, on average, by approximately 2.5% per year.
- 3. Available data indicates that in 1995 the average mobilehome space rent in the unincorporated part of El Dorado County was approximately \$275 per month and in 2001 was approximately \$320 \$328 per month.
- 4. Average annual increases in space rents for singlewide units have been fairly comparable to increases for doublewide units.
- 5. The primary landlord-paid utilities are water, sewer and trash disposal, with approximately two-thirds of mobilehome units having one or more of these utilities paid by the landlord. While space rents with landlord-paid utilities are

generally higher, apparently this has not resulted in major disparities in the rate of rent increases.

6. Between 1995 and 2001 approximately one-third of mobilehome space rents increased at a lesser rate than Social Security. Approximately seven percent of the space rents increased at twice the rate of Social Security. Approximately six percent of the space rents increased by an average of more than 5% per year.

While the study shed light on the issue of mobile home space rents, during ensuing discussions and testimony before the Board of Supervisors it became increasingly apparent that this was but one issue of concern for mobile home park residents. Park residents also came forward to express concerns ranging from utility costs to health and safety matters to park maintenance issues. It soon became clear that behind the rent control debate were the larger issues of protecting and maintaining the good quality, affordable living options offered by mobile home parks in El Dorado County during a time when affordable housing is at a premium. The more than 3,000 mobile home units in both the unincorporated and incorporated areas comprise a significant share of El Dorado County's affordable housing stock.

On April 30, 2002 the Board of Supervisors directed Supervisors Baumann and Humphreys to work with the Community Services Department staff to bring back a recommendation to the Board on the composition of a committee or task force to be formed to spend six months attempting to resolve issues in mobile home parks and requested information from County Counsel on the pros and cons of a ballot measure on the question of whether El Dorado County should have a mobile home rent stabilization ordinance.

On May 14, 2002 the Board of Supervisors considered a recommendation from the Community Services Department for composition of a task force to be formed to spend six months attempting to resolve issues in mobile home parks and to report back to the Board on the level of success of its efforts and to make any appropriate recommendations on future mobile home rent stabilization or park improvement options. The Board also considered a report from County Counsel on the pros and cons of a ballot measure on the question of whether El Dorado County should have a mobile home rent stabilization ordinance.

At the May 14, 2002 meeting, the Board of Supervisors determined that it would not consider a ballot measure on the question of a mobile home rent stabilization ordinance, and approved formation of an eleven member task force comprised of two representatives of the Board of Supervisors, one representative of the state Department of Housing and Community Development<sup>1</sup>, one representative of the District Attorney's Office, one representative of the County Environmental Management Department, the County Code Compliance Officer, two representatives of mobile home park owners (including the

<sup>&</sup>lt;sup>1</sup> The State Department of Housing and Community Development subsequently declined to appoint a task force member, but offered appropriate assistance to task force efforts.

Western Mobilehome Park Association) and three representatives of mobile home owners, as appointed by those supervisors not serving on the task force. The Board assigned the formation and start up of the Task Force to the Community Services Department.

The El Dorado County Mobile Home Task Force conducted six monthly meetings between June 2002 and November 2002, during which time a broad range of issues that were of concern to mobile home park residents and owners were considered and addressed. The next section of this report provides a summary of issues addressed by, through or in support of Task Force efforts.

# SUMMARY OF ISSUES ADDRESSED BY, THROUGH OR IN SUPPORT OF TASK FORCE EFFORTS

The following is a concise summary of issues addressed by, through or in support of Task Force efforts. These include concerns addressed by the full Task Force, by Task Force staff and/or by the individual agencies or individuals represented on the Task Force.

- 1. Range of Propane Costs Concern was expressed about the wide range of prices being charged by propane vendors, including single vendors charging different rates to different mobile home parks. A Suburban Propane representative met with the Task Force and explained the factors involved in negotiating costs with mobile home parks when a propane company serves as the designated agent responsible for the safe operation and maintenance of a park's propane system. The price charged for propane may be impacted by a range of factors, including but not limited to the number of units and the age and condition of the park's propane delivery system when it is taken over by a propane company. Although park owners are limited to marking up propane by 10%, the operating costs and profits of propane companies are not so restricted.
  - 2. Minimum Propane Charge Concern was expressed that some propane vendors were charging an excessive amount for the first gallon of propane delivered, in the range of \$3 \$5 per gallon. Upon investigation it was determined that some propane vendors set a minimum charge, as do other utility vendors, which appears on billing statements as a higher than normal charge for the first gallon of propane delivered. While the impact or appropriateness of this practice is open to debate, no evidence of a legal impropriety has been identified.
  - 3. Designating Propane Companies to Operate Park Systems Concern was expressed that mobile home parks have "turned over" operation of their park propane delivery systems to propane companies and that no concurrent reduction in space rents have occurred. The California Code of Regulations, Title 25, Section 1604 allows for the mobile home park owner "or his designated agent" to be responsible for the maintenance of utility systems. While the claim has been made that park residents are being double-billed for the costs of maintaining their park underground propane systems, first through their propane charge and then through their rent, clear evidence that residents are being billed for the maintenance of the underground system through their rents has not been established.
    - 4. <u>Unoccupied Unit Propane Charge</u> A complaint was received from an individual that she was receiving propane bills of approximately \$70 per month on an unoccupied unit. The matter was investigated and it was determined that costs may have been due to the need to keep a minimum level of heat on during winter months to ensure that pipes did not freeze. The propane company was contacted

and it agreed to check the meter on the unit to ensure that it was not malfunctioning.

- 5. Rat Infestation Concern Concern was expressed that a park had a serious rat infestation problem. Staff visited the park and spoke with four separate residents, all of whom believed that an infestation problem existed, and viewed pictures indicating problems in one of the residences. The County Environmental Management Department sent a letter to the park owner requiring that the problem be abated. Task Force staff contacted the State Department of Housing and Community Development (HCD) and received a commitment of their involvement in addressing the concern. HCD visited the park and found "no evidence...to substantiate the allegation that the park owners have created or are responsible for the creation of rodent harborage or rodent infestation." Task Force staff, with the permission of the park owner, arranged an impartial inspection of the park by a licensed pest control company. The inspection resulted in a written report outlining evidence of some rodent activity and potential mitigating measures. Staff then met with the park owner to review the matter and consider options. The park owner agreed to conduct a thorough evaluation of the park and vicinity for evidence of a rat infestation, to set traps throughout the park as part of the investigation and to undertake preventative measures as needed. Task Force staff committed to working to ensure that certain areas in close proximity to the park were not lending to a rat infestation problem and to providing educational materials advising mobile home owners and parks in how to maintain their property in a manner that does not attract pests.
  - 6. Lot Line Dispute A problem of a lot line dispute was brought to the attention of the Task Force. Staff contacted the State Department of Housing and Community Development and followed through with them until a determination was made on the appropriate placement of the lot line.
  - 7. CARE Program Reductions Concern was expressed by residents of a mobile home park that they were not receiving discounts in their electric bills despite having applied for the CARE (California Alternative Rates for Energy) Program discount. Staff investigated and determined that residents that had applied were receiving the discount in the form of a lower kilowatt-hour charge; however, their monthly bills provided only the minimum notice required by law and were not very clear in documenting how the discount was being provided. A notice was prepared explaining how residents could verify if they were receiving the CARE discount and it was mailed out to be posted in mobile home parks.
    - 8. Ambulance Service Billing A call was received questioning an ambulance service fee included in a monthly park billing. A notice was prepared explaining the purpose and amount of the annual charge for ambulance services on mobile home park units and the notice was mailed out to be posted in mobile home parks.

- Co-operative Propane Purchases A suggestion was made that propane for
  mobile home parks could be purchased at a lower price through a cooperative bid
  purchasing effort. Task Force staff contacted County Purchasing who offered
  their expertise in assisting any parties interested in conducting a cooperative bid
  process.
- 10. Propane Overcharging The Task Force discussed the limitation, by law, of parks marking up the cost of propane by more than 10%. The District Attorney's Office is currently prosecuting a case involving a mobile home park that allegedly overcharged its residents for propane.
- 11. Health, Safety and Maintenance Conditions in a Park Complaints were received about serious health, safety and maintenance conditions in a park with a reputation for having serious problems, including problems requiring law enforcement involvement. Task Force staff contacted the park owner and visited the park. The park owner claimed that he was working on cleaning up the park and committed to continuing the process. Two months later a group of Task Force members revisited the park and witnessed noteworthy progress. The owner and manager stated that problem tenants had been evicted and now credit checks were being conducted for new applicants. Law enforcement was contacted and confirmed the significant reduction in calls from and problems at the park.
  - 12. Responding to Emergencies in a Park A complaint was received that a park did not have a resident person to respond to emergencies concerning utilities and common facilities as is required by State Health and Safety Code Section 18603. Staff contacted the park owner and the State Department of Housing and Community Development. State Health and Safety Code Section 18603 reads: "In every park, there shall be a person available by telephonic or like means, including telephones, cellular phones, telephone answering machines, answering services or pagers, or in person who shall be responsible for, and who shall reasonably respond in a timely manner to emergencies concerning, the operation and maintenance of the park. In every park with 50 or more units, that person or his or her designee shall reside in the park and shall have knowledge of emergency procedures relative to utility systems and common facilities under the ownership and control of the owner of the park." The park owners are now providing coverage for emergencies and posting emergency telephone numbers in a manner that the State has deemed acceptable.
    - 13. Septic Odor Problem In visiting a park, Task Force members noticed an odor emanating from the area of the park septic system. In addition to reporting the problem to the park manager, the State Department of Housing and Community Development and County Environmental Management were contacted. Environmental Management is filing a letter of complaint with the State since it is within their jurisdiction, and the State has agreed to inspect the park system once the complaint is received.

- 14. <u>CARE Program Outreach</u> Concern was expressed that many lower income mobile home park residents were not accessing the CARE (California Alternative Rates for Energy) Program electricity discount for which they are eligible. A notice was prepared and sent out to all mobile home parks on CARE and HEAP (Home Energy Assistance Program) eligibility criteria and how to apply, with a cover letter encouraging park owners and managers to inform their residents.
- 15. Rent Increases Associated with New Park Ownership Concern was expressed that the new owner of a park was increasing rents by 12.64%, from \$277 to \$312 per month. Staff research found that between 1995 and 2001 space rents increased from \$230 to \$267, or an average of 2.5% per year over six years. However, an increase from \$267 in 2001 to \$312 in 2002 would reflect an increase of 16.9% in one year. As a first step, a Task Force member volunteered to discuss this concern with the park owner and report back to the Task Force.
- 16. Rent Increases Associated with Park Upgrades Concern was expressed that a park owner had given notice of a \$45 per space rent increase, raising single space rents from \$330 to \$375 per month (a 13.6% increase). The principal justification given was \$300,000 in park upgrades over the past three years. Through the intervention of a Task Force member, the park owners agreed to reduce the immediate impact to a \$25 increase, with the balance of the increase (\$20) being deferred until the following year.
- 17. Questionable Sale of a Mobile Home The questionable sale of a mobile home was brought to the attention of Task force staff, a sale allegedly conducted with no inspection, no accurate disclosure to the park and no transfer of title. After meeting with the purchaser and his advocate, staff contacted and discussed the situation with Legal Services of Northern California. Legal Services agreed minimally to meet with and review the situation with the purchaser and to provide any appropriate advice. The purchaser was referred to Legal Services and given a toll-free number to contact and initiate discussions.

### TASK FORCE RECOMMENDATIONS

Although six months was a limited timeframe within which to research and address the range of issues and concerns of mobile home park residents and owners, it was adequate time for the task force to have an impact on the issues listed above and to develop, through a consensus process, the following list of recommendations to the El Dorado County Board of Supervisors:

- Direct County staff to evaluate and report back on the cost, feasibility and
  usefulness of continuing to convene the Mobile Home Task Force on a permanent
  ongoing basis and/or of establishing an ombudsman to receive, verify and discuss
  concerns related to mobile home parks and to make appropriate agency referrals.
- 2. If a determination is made to extend the term of the Task Force, for the Task Force to review, monitor and learn from any new information on the subject of rent stabilization ordinances in other jurisdictions, including the types of ordinances, the range of impacts on mobilehome owners, on parks and on communities, the costs to the jurisdictions, perceived benefits and drawbacks, and potential information of benefit to overall Task Force efforts.
- 3. Pending a determination of the future of the Task Force, direct County staff and the Mobile Home Task Force to continue to review any formal complaints received relative to space rent increases that appear excessive, to review available evidence that might justify the increases, to work in conjunction with the Western Mobilehome Park Association to encourage moderation in rent adjustments whenever possible, and to bring to the attention of the Board any significant and outstanding space rent adjustments for which no reasonable justification is provided.
  - 4. Encourage Planning staff in updating the County Housing Element to acknowledge that mobile home parks provide a significant portion of El Dorado County's affordable housing and to promote measures intended to ensure the preservation of mobile home parks within the County.
  - 5. Submit a request to the Director of the State Department of Housing and Community Development asking that the Mobile Home park inspection unit be directed to conduct timely and thorough inspections of any park-related health and safety concerns, share findings with appropriate County departments, and take proper steps to ensure that serious problems are properly mitigated. Also submit a letter to the Governor requesting additional funding support for the State's mobilehome park inspection program.
  - 6. Direct the County Department of Community Services to work as a liaison and facilitator between interested mobilehome park tenants and owners and the State

Department of Housing and Community Development's Mobilehome Park Resident Ownership Program and Mobilehome Park Tenant Acquisition Program.

- 7. Direct the County Environmental Management Department to monitor and work closely with the State Department of Housing and Community Development's Mobilehome Parks Program to ensure that health and safety issues are addressed in a timely and effective manner.
- 8. Request that the County lobbyists monitor future legislation impacting mobilehome parks for bills that may prove mutually beneficial for park residents and owners. (For examples, those bills that might establish low interest renovation loans or loans aiding tenants to purchase their parks when the opportunity arises or bills that might limit the *outside* costs of utilities.) Support legislation of mutual benefit to mobile home owners and park owners in maintaining good quality and affordable housing.
- 9. If a determination is made to extend the term of the Task Force, that there be balanced representation of park owners and mobilehome owners and that the Golden State Manufactured-Home Owners League, Inc. (GSMOL) be appointed as a mobilehome owners representative.