

**INITIAL STATEMENT OF REASONS  
CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF CODES AND STANDARDS  
TITLE 25., CALIFORNIA CODE OF REGULATIONS  
TITLE 25. HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION 1. CHAPTER 3.5  
SECTIONS 4900 THROUGH 4918, NOT CONSECUTIVE  
MOBILEHOME RESIDENCY LAW PROTECTION PROGRAM**

The California Department of Housing and Community Development (HCD) is responsible for promoting safe, affordable homes and strong, vibrant communities throughout California. HCD's Division of Codes and Standards (Division) is responsible for developing, administering, adopting, and enforcing uniform statewide housing standards to ensure the health and safety of Californians, to protect buyers from fraud and abuse, and to safeguard the affordability of housing. The Division carries out its responsibilities through its various programs. The Mobilehome Assistance Center (MAC) receives and processes complaints from mobilehome and manufactured home owners regarding mobilehome park health and safety issues; manufactured home unlawful or unfair sales practices; new manufactured home warranty issues; issues regarding the installation, inspection, and maintenance or alteration of manufactured homes, mobilehome accessory structures, and park grounds; and issues with registration and titling. In some instances, the MAC can directly assist in resolving complaints. However, most complaints are redirected to the appropriate Division program or enforcement agency. The MAC also receives voluminous complaints arising under Mobilehome Residency Law (MRL) (Civ. Code, § 798 et seq.), but does not have authority to process them.

According to the Senate Judiciary Committee bill analysis, over 700,000 people are estimated to occupy the roughly 393,000 mobilehome spaces in California's more than 4,700 mobilehome parks. If a dispute arises with park management that cannot be resolved or the homeowner is evicted, it may cost \$20,000 or more for a homeowner to move their mobilehome.

Manufactured home or mobilehome owners in a mobilehome park rent their spaces from the park owner or its management agent. The landlord-tenant laws for mobilehome parks are located in the MRL. The MRL governs the landlord-tenant relationship, and includes standards for the rental lease and park rules.

When a dispute arises between park management and homeowners, they resolve it themselves informally, the issue which created the problem continues to exist, or they seek judicial intervention. Under current law, there is no administrative agency charged with investigating complaints and enforcing the MRL. Administrative agencies are available when there is a violation of health and safety operating requirements in a mobilehome park (HCD), when there is a fair housing discrimination complaint (the Department of Fair Employment and Housing or DFEH), when there is a rent complaint in a jurisdiction with rent control (the local rent board), and other situations.

AB 3066 (Chapter 774, Statutes of 2018) created the Mobilehome Residency Law Protection Program (MRLPP) as part of the Mobilehome Residency Law Protection Act (MRLPA) in Part 2.2 (commencing with Section 18800) of Division 13 of the Health and Safety Code. The MRLPP is a five-year pilot program within HCD which will receive, review, and refer allegations of MRL violations to appropriate resources, including nonprofit legal services providers. The program will evaluate MRL complaints to ensure that only the most serious are subject to HCD's full range of administrative remedies. The law became effective on January 1, 2019. However, HCD will begin accepting and processing complaints July 1, 2020. The law remains in effect until January 1, 2024. MRLPP is funded solely by a \$10 per lot fee paid annually by park management, who can pass it to homeowners who rent a lot from the Mobilehome (MH) park owner or management.

HCD proposes to adopt regulations to implement the MRLPA and to administer the MRLPP. These regulations establish a structure and process to be used by mobilehome park homeowners to register complaints with HCD regarding alleged violations of the MRL, and by HCD to facilitate 1) the identification of eligible issues or violations, 2) the resolution of these issues between the MH park owner and the homeowners, 3) the referrals of allegations to the appropriate enforcement agencies with jurisdiction, and 4) where appropriate, the referrals of the complainants to nonprofit legal services providers for legal representation.

## **INFORMATIVE DIGEST**

### **SUMMARY OF EXISTING LAWS AND REGULATIONS**

The following are summaries of the existing laws that relate directly to the proposed regulations. (Gov. Code, § 11346.5 subd.(a)(3)(A)).

- 1. Mobilehome Residency Law (MRL).** The MRL regulates relations between the MP owners and the residents, as well as sales and transfers of MHs in the park. The MRL provides protections for management, selling MH owners, purchasers, and occupants, and specifies the required terms of the rental agreement and rent controls, fees and services, park management, termination of tenancies, and enforcement of MH tenants' rights. (Civ. Code § 798 et seq.) The MRL is a private civil enforcement statute permitting enforcement by the MH owner or MP owner, and in some cases, in the name of the People of the State of California. (Civ. Code, §§ 798.84 and 798.87.)
- 2. Mobilehome Assistance Center (MAC).** Because of the significant number of unique problems and complaints that may arise from an MP tenancy, the legislature established a Mobilehome Ombudsman(MAC) within HCD to provide assistance to the public in handling and coordinating the resolution of these problems and complaints. (Health & Saf. Code, §§ 18150 et seq.) Specifically, the MAC receives and processes complaints from MH and MP owners regarding issues related to mobilehome park health and safety; rental fees or rental or lease agreement disputes; MH installation, inspection, maintenance, alteration, and accessory structures; MH unlawful or unfair MH sales practices and new MH warranty. However, HCD is only is statutorily authorized to receive the complaints, and address what issues within its enforcement authority, and

direct the complainant to other enforcement agencies. HCD is prohibited from intervening into disputes and cannot arbitrate, mediate, negotiate, or provide legal advice.

3. **Mobilehome Parks Act (MPA).** HCD, in addition to the managing the MAC, is responsible for the enforcement and regulation of minimum health and safety standards inside MPs. These minimum health and safety standards regulate construction, maintenance, occupancy, use, and design of MPs and are required to guarantee park residents maximum protection of their MH investment and a decent living environment. These mandates safeguard the habitability and affordability of this housing source.
4. **Mobilehome Residency Law Park Protection Act (MRLPA)** enacted in 2018 and operative July 1, 2020. MRLPA has expanded the authority of HCD to intervene directly into some aspects of the landlord-tenant relationship between MP owners and the resident MH owners in such MPs. HCD is now required to receive complaints and help resolve and or coordinate resolution of complaints from homeowners relating to the MRLPA, but is still not authorized to arbitrate, mediate, negotiate, or provide legal advice. HCD can, however, provide information to the complaining party, management, or other responsible party, and may refer complaints to the applicable enforcement agency, or to its own internal Division of Codes and Standards., Moreover, the MRLPA authorizes HCD to require MP management to respond to MRLPP complaints by providing information and documents, subject to financial penalties for non-compliance and engage in good faith negotiations. HCD is also authorized to contract with nonprofit legal service providers to assist in processing and resolving the most severe, deleterious, and materially and economically impactful complaints which could include filing a civil lawsuit for MRL violations or for referral to a more appropriate enforcement agency.

Prior to the passage of the MRLPA, when a dispute arose between MP management and MH owners, the options were: (1) resolve the issue informally; (2) seek judicial intervention at the parties' own expense; or 3) allow the issue to persist with no remediation. If a dispute between the two parties cannot be resolved or the MP owner takes steps to evict the MH owner, the MH owner, who often has no financial means to defend an eviction action, is forced to choose between paying the cost of moving the MH, selling the MH to the MP, or abandoning the MH entirely. All these options entail a significant financial loss for the MH owner. The imbalance in bargaining power in favor of the MP permeates the process because the MH owner could attempt to sell the MH to recoup some of their investment, but the MRL provides the MP owner with a veto over any new tenants for specified criteria, which makes it futile for the MH owner to try to sell the MH to anyone other than the MP at a huge financial loss. Moreover, relocating a MH to another MP costs as much as \$20,000. Furthermore, relocating an older MH maybe challenging even if an MH owner has the financial means to move the unit because the MRL permits a prospective MP owner to deny tenancy to an older MH. Hence, in the end, the MH owner, through the imbalance in bargaining power, can lose their home, their investment, and have their credit affected by the eviction, resulting in homelessness either for a short or long period of time.

Although there are administrative agencies available when there is a violation of health and safety operating requirements in an MP (HCD), when there is a fair housing discrimination complaint (the Department of Fair Employment and Housing), and when there is a rent complaint in a jurisdiction with rent control (the local rent board), there is no administrative agency charged with investigating complaints and enforcing the MRL on behalf of the MH owner or MP owners.

The proposed regulations implementing the MRLPP will provide an avenue for MH owners residing in an MP to file a complaint with HCD relating to alleged MRL violations. HCD will then be authorized to facilitate the MH owner's resolution, including identification of eligible issues, referrals for negotiation between the complainant and MP management, and if appropriate, referral of the complainant for legal representation.

Lastly, the proposed regulations are not inconsistent or incompatible with existing state regulations. (Gov. Code, § 11346.5 subd. (a)(3)(D)).

There are no statewide regulations for either the MRL or the MAC.

### **SUMMARY OF SECTIONS AFFECTED**

**Adopt:** Chapter 3.5 of Title 25 of the California Code of Regulations and Sections 4900 through 4918, nonconsecutive

### **AUTHORITY AND REFERENCE**

The authority and reference for this action occurs through both implied and express authority as described below:

**Implied Authority:** HCD has implied authority, as recognized by Government Code Section 11346.2, through the Legislature's passage of AB 3066, promulgating the MRLPA in Health and Safety Code sections 18800 through 18806 to carry out the duties set forth therein.

**Express Authority:** HCD has express authority, as provided by Health and Safety Code section 50406 subdivision (n), to "do any and all things necessary to carry out its purposes and exercise the powers expressly granted by this division [Division 31, commencing with Section 50000]". Because the MRLPP is a program administered by the Division of Codes and Standards, which is part of HCD, and because it is necessary to promulgate regulations to implement, interpret, and make specific the program laws, that subdivision is the authority for these regulations. The actual text of these statutes is available on the official California Legislative information website and at: <http://leginfo.legislature.ca.gov/>. The purpose of these proposed regulations is to implement, interpret, and make specific the Mobilehome Residency Law Protection Act (Part 2.2 (commencing with Section 18800) of Division 13 of the Health and Safety Code).

## **SUMMARY OF EFFECT OF PROPOSED REGULATORY ACTION**

### **Adopt Chapter 3.5.**

The title is added to identify the chapter as the Mobilehome Residency Law Protection Program (hereinafter, MRLPP, Program, or program).

### **Adopt Section 4900. Application of Chapter**

The purpose of this Section is to explain the scope and authority of this chapter.

Subsection (a) establishes the purpose of the MRLPP, and identifies the statutory authority in the HSC and the specific laws governing the MRL. It also clarifies that only “homeowners” may file a complaint through the MRLPP in order to avoid any ambiguity suggesting that park owners also have access to the program as complainants.

Subsection (b) clarifies that homeowner participation in the MRLPP is voluntary, and that failure to participate in the program does not bar a homeowner from seeking other legal remedies to resolve a dispute or complaint. This is necessary to ensure that, for example, a judicial lawsuit is not dismissed for failure to pursue administrative remedies first. This regulatory language is based on the legislative intent as stated in subdivision (b) of HSC Section 18800, that the MRLPP serves as an “additional avenue to enforce violations”.

Subsection (c) establishes the effective date of the MRLPP but recognizes that OAL review and approval of these regulations might delay the effective date and, without this chapter, HCD cannot appropriately process and evaluate the complaints. This subsection also sets the sunset date of the MRLPP because HSC Section 18806 establishes that statutory sunset.

Authority Cited. MRLPP was enacted as a stand-alone program within HCD’s Division of Codes and Standards [HSC Part 2.2 (commencing with Section 18800)]. As enacted by the Legislature, it clearly requires interpretation and implementation affecting HCD, the intended consumers, and the regulated park owners and management companies. Although the MRLPA does not provide HCD with the explicit authority to promulgate regulations, as is the case with the MPA and MHA, the MRLPA provides the department with the implicit authority to do so by virtue of the legislative mandate.

Furthermore, HCD has other general authority for the adoption of regulations. HSC Section 50402 requires the HCD Director to enforce all laws, rules, and regulations under the department authority. HSC Sections 50404 and 50405.2 identify the Division of Codes and Standards as part of HCD. Subdivision (n) of HSC Section 50406 authorizes HCD to “do any and all things necessary to carry out its purposes and exercise the powers expressly granted by this division”. (Related note: the reason for the reference to Section 50404 and 50405.2 above is that MRLPP is in Division 13 (commencing with Section 17000), whereas the authority in this paragraph is in Division 31 (commencing with Section 50000), although there is a direct line to MRLPP through the Director’s authority). Since the new statutes impose both subjective and

discretionary duties on HCD which require regulations to implement, and in order to both protect and provide efficient options to the regulated public, both mobilehome park homeowners and mobilehome park management, regulations are “necessary” and required for this purpose by the Administrative Procedure Act (Gov. Code, § 11342.2).

Reference cited: Because this Section relates to the entire program, its reference includes the entire program and the reference in subsection (a) to the MRL requires inclusion of that law.

### **Adopt Section 4902.**

This section is added to define terms commonly used throughout this chapter.

The introductory paragraph is added to clarify that these definitions supplement those in the MRLPA. In addition, it clarifies that these definitions apply only to the MRLPP chapter because many of these terms are also commonly used in the MRL and the Mobilehome Parks Act (Part 2.1 (commencing with Section 18200) of Division 13 of the Health and Safety Code).

Subsection (a) defines a “complaint” as a written communication to the department regarding an MRL issue or an alleged violation related to a homeowner’s residency in a mobilehome park. The law specifies that the MRLPP will only assist complaints pertaining to MRL issues; therefore, the definition makes it clear that only MRL problems will be resolved through the MRLPP.

Subsection (b) defines “complainant” as a mobilehome or manufactured homeowner, or his or her designee, filing an MRL-related complaint with the department. It is necessary for the term to be defined within the chapter because the department receives other “complaints” and communications from mobilehome park management, homeowners, and other residents related to mobilehome park operating standards, manufactured home conditions, and other matters different from the types of complaints referred to herein. The proposed regulations make it clear that for the purposes of the MRLPP only the homeowner or the homeowner’s designee can be a complainant.

Subsection (c) defines “complaint form” as that document described in subsection (c) of Section 4904. The department’s MRLPP complaint form ensures that department staff have all the information necessary to evaluate the complaint and communicate with the parties, and to provide for the reporting required by the Legislature.

Subsection (d) defines “department” as the California Department of Housing and Community Development to prevent any ambiguity, because other departments, such as the Department of Fair Employment and Housing (DFEH), are cited in the regulations.

Subsection (e) defines “designee” as a person handling a complaint on behalf of a homeowner complainant and cross-references the designee’s regulatory requirements during the complaint submission process in order to promote clarity.

Subsection (f) defines “department communication” as a communication from the department to the complainant, park management, or their respective representative related to the MRLPP. The term “department communication” was selected to avoid repeating the lengthy description of the format and means of transmission with each reference to a “communication” in Chapter 3.5.

Subsection (g) defines “electronic communication” as written or graphical material transmitted through electronic mail, facsimile, or other means, but excludes voice communication. The term is used in order to avoid repeating the various types of electronic communications throughout the chapter. Voice communication is expressly excluded because there is no means of tracking it or inserting it in the department’s data recovery system.

Subsection (h) defines “electronic file” as a method of storing electronic versions of documents and records. It also clarifies, consistent with the statute, that access to this information is available only to department staff, the person creating the file, and the nonprofit legal services provider handling the complaint, if applicable. This is necessary to protect the privacy of the person creating and submitting the documents.

Subsection (i) defines “homeowner” in the same manner as Health and Safety section 18801, so that the reader has one clear reference point for this term.

Subsection (j) defines the Mobilehome Assistance Center and references the statutes governing that program to promote ease of reference.

Subsection (k) defines “MRLPP” as the abbreviation for the Mobilehome Residency Law Protection Program and references the statutes governing that program. The MRLPP initialization is used throughout the chapter for the sake of brevity, and to promote readability and ease of reference.

Subsection (l) defines “nonprofit legal services provider” as a nonprofit law practice incorporated and operated in California, with the primary purpose and function of providing legal services without charge to indigent persons, that has contracted with the department pursuant to Section 18803 of the Health and Safety Code. This subsection also provides that a “nonprofit legal services provider” can include a nonprofit law practice that is eligible to receive funding from Interest on Lawyer Trust Accounts (“IOLTA”) pursuant to Sections 6213 and 6214 of the California Business and Professions Code. This IOLTA standard captures over 100 entities pre-screened by the State Bar of California to serve lower income households. The IOLTA standard is appropriate because many park homeowners are either low or moderate-income households that would benefit from these legal services.

Subsection (m) defines “park management” to be the same as “management” at subdivision (c) of HSC Section 18801, so that the reader has one clear reference point for this term.

#### **Adopt Section 4904.**

This Section is added to establish and provide specificity about the complaint submission process.

Subsection (a) clarifies who can submit a complaint, the acceptable methods of complaint submission, and HCD's next steps upon receipt of a complaint. The express aim of the MRLPA is to protect the most vulnerable mobilehome homeowners by affording them an additional avenue to enforce violations of the Mobilehome Residency Law. Therefore, this provision specifically requires a complaint to be submitted by either a homeowner, or that homeowner's designee, to avoid any ambiguity as to whether other categories of individuals (e.g., mobilehome renters) can participate in the MRLPP. The language "or the homeowner's designee" is critical to accommodate those mobilehome homeowners (e.g., seniors, individuals with disabilities) who may be hesitant or challenged to represent themselves, and who, as such, may require a designee to participate in the MRLPP on their behalf.

Furthermore, subsection (a) provides a complainant with multiple avenues of complaint submission: The complainant may submit a complaint on HCD's designated complaint form, but the complainant is also free to submit a complaint informally (i.e., by telephone, electronic mail, or letter). This accommodation is critical. If homeowners face a lot of red tape before they can submit a complaint, they may be disincentivized from participating in the MRLPP. This would frustrate the intent of the Legislature to provide mobilehome homeowners with meaningful redress where there are violations of the Mobilehome Residency Law or other issues (e.g., imminent threats to health and safety, rent disputes, criminal activity).

Furthermore, subsection (a) explains HCD's initial procedures upon receipt of a complaint. Regardless of the complaint's initial format, HCD will promptly send the complainant an acknowledgment letter. This letter confirms HCD's receipt of the complaint, notes any potentially applicable provisions of the Mobilehome Residency Law for the complainant's information and reference, and/or advises the complainant of any referral actions to appropriate enforcement agencies with jurisdiction. Subsection (a) paragraph (1) explains that if the complainant did not initially complete HCD's designated complaint form, HCD will enclose a copy of its complaint form with its acknowledgment letter, along with instructions for completing and submitting it.

Subsection (b) clarifies for the reader that all complaints, regardless of their initial format, will be processed by HCD so long as they otherwise comply with MRLPP requirements.

Subsection (c) describes HCD's designated complaint form and the information that the complainant must provide in order for the complaint to be processed, evaluated, and resolved through the MRLPP.

Subsection (c) paragraph (1) describes the necessary information that HCD will request from the complainant via its designated complaint form.

Subsection (c) paragraph (1) subparagraph (A) clarifies that the complainant must provide his or her name, address, e-mail address (if any), and telephone number. Such information is necessary to promote communication during the MRLPP process. It also allows HCD to validate the legitimacy of the complaint, because it enables HCD to match the identity and address of the complainant with the address of the mobilehome park.

Subsection (c) paragraph (1) subparagraph (B) clarifies that the complainant must provide proof of homeownership, as well as his or her options for providing that proof. Such information is necessary to validate the complainant's eligibility, as a mobilehome homeowner, to participate in the MRLPP.

Subsection (c) paragraph (1) subparagraph (C) clarifies that the complainant must specify the name and address of the mobilehome park which is the subject of the complaint. Such information is necessary to promote communication during the MRLPP process. The information also allows HCD to validate the legitimacy of the complaint, because it enables HCD to match the identity and address of the complainant with the address of the mobilehome park. It also promotes HCD's information gathering during its evaluation of the complaint pursuant to Health and Safety Code section 18802, subdivision (f)(2).

Subsection (c) paragraph (1) subparagraph (D) clarifies that the complainant must identify, by name, any person in the mobilehome park with whom the complainant has discussed the complaint. Such information is necessary to develop the factual record of the complaint, to facilitate information gathering, and to promote resolution of the complaint.

Subsection (c) paragraph (1) subparagraph (E) clarifies that the complainant can provide other information, as necessary or relevant, on the designated complaint form. "Language preference" is provided as one example. Such information is necessary to develop the factual record; the information also enables HCD to customize its handling of the complaint to suit the complainant's specific needs.

Subsection (c) paragraph (1) subparagraph (F) clarifies that the complainant must provide a statement certifying that the information on the designated complaint form is true and correct to the best of the complainant's knowledge. This requirement is necessary to validate the legitimacy of the complaint and to develop an accurate factual record.

Subsection (c) paragraph (2) describes the instructions and statements that HCD will include on the designated complaint form. This further promotes the reader's

understanding of the complaint process requirements, as well as of the accommodations that are available.

Subsection (c) paragraph (2) subparagraph (A) clarifies that the claimant will be instructed to separately list each allegation and its supporting facts. It further clarifies that specific legal references or citations are not necessary. This information clarifies that HCD requires a full, clear, and organized factual narrative from the complainant. It further clarifies that the narrative can be in layperson's terms.

Subsection (c) paragraph (2) subparagraph (B) explains that HCD will state, on the designated complaint form itself, that translation services are available for MRLPP activities. This information clarifies the logistical accommodations that are available to the complainant.

Subsection (c) paragraph (2) subparagraph (C) explains that HCD will state, on the designated complaint form itself, that HCD has translated the complaint form into one or more languages other than English in accordance with applicable law. This information clarifies the logistical accommodations that are available to the complainant.

Subsection (c) paragraph (2) subparagraph (D) explains that HCD will state, on the designated complaint form itself, that the complainant has the right to reasonable accommodation for all MRLPP activities, and that HCD will provide instructions on obtaining a reasonable accommodation request form. This information clarifies the full range of accommodations that are available to assist the complainant.

Subsection (c) paragraph (3) describes the information that a homeowner's designee will need to submit with the completed complaint form. This provision promotes clarity for the reader.

Subsection (c) paragraph (3) subparagraph (A) requires the homeowner's designee to provide his or her name, address, e-mail address (if any), and telephone number. Such information is necessary to promote communication during the MRLPP process. Subparagraph (A) also requires the homeowner's designee to demonstrate that he or she is authorized to act on the homeowner's behalf. It further identifies and describes the designee's options for making this demonstration: a written authorization from the homeowner or a copy of a legally binding instrument (e.g., court order). This designee authorization requirement is necessary to protect the interests of the mobilehome homeowner during the MRLPP process.

Subsection (d) clarifies the department's procedures for processing a complaint that alleges an imminent health and safety threat. The department anticipates that complainants may report such threats, and procedures are needed to address such complaints promptly and effectively. Once the complaint is determined to allege an

imminent health and safety threat, it will be forwarded to the appropriate enforcement agency with jurisdiction for review and handling. The department will notify the complainant with a department communication regarding the referral to the agency.

### **Adopt Section 4906**

Section 4906 establishes the procedures for the department's initial review of all complaints submitted pursuant to Section 4904.

Subsection (a) makes it clear that the department must review all complaints and complaint forms submitted pursuant to Section 4904.

Subsection (a) paragraph (1) establishes the department's means of obtaining additional necessary information. If the complaint is incomplete or unclear, or if the allegations are not supported by sufficient facts, the department must return the complaint to the complainant (or to the complainant's designee) along with a department communication eliciting any necessary clarifying information or corrections. The department communication must state that the requested supplemental information must be submitted fifteen (15) business days from the postmark or electronic transmission date of the department communication.

Subsection (a) paragraph (1) further provides that if the complainant does not timely submit the requested supplemental information, the department shall close the complaint and send a department communication explaining the reason(s) for closure, and advising that the complainant may reopen the closed complaint once sufficient facts have been developed to support the original allegations. This supplemental information deadline is imposed to promote streamlined operations and timely dispute resolution.

Subsection (a) paragraph (2) establishes the grounds and process for another factor of the eligibility review process that does not deal with the merits of the complaint. First, the staff will review whether the complaint is within the jurisdiction of the program. At this stage of review, even an attenuated connection to the MRL will be considered "within the jurisdiction."

In addition, a complaint related to a matter more than eighteen (18) months old will be rejected. This statute of limitations was established because the Legislature's purpose for the program is to provide a new avenue for enforcement of the MRL by providing an alternative process for resolving disputes, rather than direct administrative enforcement (see, subdivision (c) of HSC Section 18802). After more than eighteen (18) months, it is likely to be difficult to obtain documents pursuant to Section 4910, and the good faith meet-and-confer requirement is likely to be an illusory requirement for complaints more than eighteen (18) months old. The term of eighteen (18) months also was selected because the program begins operation eighteen (18) months after the authorizing legislation was operative and began collecting fees for the program. Failure of MRLPP to consider these older complaints does not deprive a complainant of other rights to pursue remedies or resolutions.

The department will provide a department communication explaining any basis for rejection. Additionally, if the basis for rejection was due in part to the alleged violations in the complaint exceeding the eighteen (18) month statute of limitations established in this chapter, in order to avoid confusion and resolve ambiguity, this department communication will further state that this statute of limitations solely applies to the MRLPP process, and that other legal remedies may be available to the complainant which have longer statutes of limitation.

Subsection (b) provides that department staff, after initial review and identifying the nature of the alleged violation, will refer the complaint to the appropriate entity.

Subsection (b) paragraphs (1) and (2) provide that if the alleged violation is subject to the MPA (e.g., an alleged physical or operational violation), department staff will refer it to MAC for re-referral to the appropriate MPA enforcement agency. This type of referral is common for MAC and it also has the electronic capacity to follow up on any referral and notify the complainant if appropriate. The enforcement agency with jurisdiction is the only appropriate agency for MPA violations.

Furthermore, subsection (b) paragraph (2) provides that a complaint will be referred to MAC if it alleges violation governed by other laws enforced by the Division; MAC will then refer to the appropriate Division program. This may address issues related to mobilehome registration (Registration and Titling Program), manufactured housing standards (Manufactured Housing Program) or illegal or otherwise improper manufactured home sales and leases (Occupational Licensing Program).

Subsection (b) paragraph (3) provides that if an alleged violation relates to housing discrimination, the complainant and not the complaint shall be referred to the DFEH. Unlike paragraphs (1) and (2) of this subsection, the complainant rather than the complaint is referred to DFEH because DFEH has its own complaint processing procedures. However, the department will provide the complainant with a department communication specifying where the complainant is to submit their DFEH complaint and the department's synopsis of the complaint to assist the complainant in the filing of a new and separate complaint with DFEH.

Subsection (b) paragraph (4) provides that if an alleged violation is regarding criminal laws or ordinances subject to enforcement by local police, sheriffs, or public prosecutors, the complainant and not the complaint will be referred to the law enforcement agency with jurisdiction over the park. This referral is necessary to both protect the rights of the complainant and to facilitate resolution or remedies related to the alleged violations. The complainant rather than the complaint is referred to these agencies because these agencies have their own complaint processing procedures. However, the department will provide the complainant with a department communication specifying the law enforcement agency with whom the complainant is to submit their complaint with and the department's synopsis of the complaint to assist the complainant in the filing of a new and separate complaint with the law enforcement agency.

Subsection (b) paragraph (5) provides that if any allegation involves laws or ordinances subject to enforcement by other local government agencies, such as a local planning department or local rent control board, the complainant and not the complaint will be referred to such an agency with jurisdiction over the park and that matter. This ensures that a complaint which may involve a violation of the MRL, but is more directly related to another government agency, will receive attention from the more appropriate agency. The complainant rather than the complaint is referred to these agencies because these local government agencies have their own complaint processing procedures. However, the department will provide a department communication to the complainant specifying the government agency with whom the complainant is to submit their complaint with and will provide the department's synopsis of the factual issues to assist the complainant in the filing of a new and separate complaint with a different government agency.

Subsection (b) paragraph (6) provides that if an alleged violation is governed by laws or ordinances subject to enforcement by any other government agency, the complainant and not the complaint will be referred to such an agency with jurisdiction over the park and that matter. This ensures that a complaint which may involve a violation of the MRL, but is more directly related to another agency's enforcement, will receive attention from the more appropriate agency. The complainant rather than the complaint is referred to this agency because it likely has its own complaint processing procedures. However, the department will provide the complainant with a department communication specifying the government agency with whom the complainant is to submit their complaint with and the department's synopsis of the complaint to assist the complainant in the filing of a new and separate complaint with the government agency.

Subsection (b) paragraph (7) provides that all other initially reviewed complaints alleging a violation of any portion of the MRL that are considered "particularly serious" are retained by the department staff for secondary review pursuant to Section 4908. This ensures that every eligible complaint is referred somewhere for consideration.

Subsection (c) requires the department to provide a department communication for every complaint that was subject to an initial review by the department. This is necessary to keep the complainant informed of the action(s) the department is taking on its complaint and to reduce the number of telephone calls to department staff requesting the status of a complaint.

Subsection (c) paragraph (1) provides that if the department is referring the complaint to another entity pursuant to subsection (b) paragraphs (1) through (6), or retaining the complaint for secondary review pursuant to subsection (b) paragraph (7), the department communication will explain the reasons why the complaint was either referred or retained by the program for further evaluation.

Subsection (c) paragraph (2) provides that if the department is not referring the complaint to another entity pursuant to subsection (b) paragraphs (1) through (6), nor retaining the complaint for secondary review pursuant to subsection (b) paragraph (7), the department communication shall inform the complainant that the complaint is being closed, explain the reason(s) why the complaint was not referred or retained, suggest

other handling options or remedies, and provide other appropriate information regarding the complaint.

### **Adopt Section 4908**

Section 4908 establishes and describes the secondary review of complaints that will be conducted to discern those complaints that require additional assistance (and that may require referral to a nonprofit legal services provider).

Subsection (a) clarifies that the department shall do a secondary review of every complaint retained per paragraph (7) of subsection (b) of Section 4906. The secondary review is necessary to establish if the complaint is eligible for further MRLPP assistance, which may include referral to a nonprofit legal services provider.

Subsection (b) establishes the means of obtaining additional information if needed by department staff to complete the secondary review. Department staff shall provide a department communication to request the specific information necessary to complete the review. As in Section 4906, the requested information must be submitted within fifteen (15) business days from the postmark or electronic transmission date of the department communication. Otherwise, the complaint will be closed. This response deadline is imposed to promote streamlined operations and timely dispute resolution. Fifteen (15) business days is a reasonable amount of time to provide further information, even if the complainant must obtain it elsewhere. However, if a complaint is closed at this step in the review process, the subsection makes clear that the complainant may submit a new complaint about the same issue in the future.

Subsection (c) implements Health and Safety Code section 18802, subdivision (f)(1), which states, “The department shall use good faith efforts to select the most severe, deleterious, and materially and economically impactful alleged violations of the Mobilehome Residency Law.” Subsection (c) references those statutory obligations. It then adds a layer of specificity by explaining the critical considerations that will drive HCD’s selection process. Accordingly, this provision promotes clarity for the reader.

Subsection (d) establishes additional criteria for selecting the complaints that will receive further MRLPP assistance: geographic representation and the capacity of the relevant nonprofit legal services providers to provide legal assistance.

Subsection (d) paragraph (1) establishes the first additional criterion for selecting the complaints that will receive further MRLPP assistance: geographic diversity. This provision meets the statutory requirement in paragraph (1) of subdivision (f) of Section 18802 of the Health and Safety Code to “select a sample of [the] complaints that satisfy geographic representation of the state for evaluation.” Some delineation of geographic regions is necessary in order to implement this statutory requirement. The department determined that having five (5) geographic regions would maximize the ability to select complaints from areas throughout the state, so that no region of park owners or homeowners would be unreasonably denied services. The geographic regions will be drawn based on the number of mobilehome spaces, potential complaints, or both that

are estimated for each county in the region. This provision requires the department to select 15 to 25 percent of the total pool of eligible complaints from each geographic sector. The 15 – 25 percent range allows for some flexibility in approving complaints for evaluation, rather than having a hard cap of 20 percent on each region.

Subsection (d) paragraph (1) subparagraph (A.)1. mandates the department, during the three-year operation of the program, to make reasonable and appropriate modifications to the boundaries of the geographic regions in order to ensure continued feasibility of the MRLPP. At this stage, it is impossible to anticipate the number and geographic location of the complaints that will be submitted to the MRLPP. This ensures that this pilot program can maximize the reach of its assistance without imposing an unreasonable burden on certain nonprofit legal services providers.

Subsection (d) paragraph (2) establishes the second additional criterion for selecting the complaints that will receive further MRLPP assistance: the capacity of the relevant nonprofit legal services provider to provide legal assistance. This capacity criterion is necessary because the MRLPP may only be able to provide limited funding and resources to its contractors. During its selection process, then, the department will have to consider each contractor's capacity to accept additional cases.

Subsection (e) paragraph (1) clarifies that the department shall select complaints for further MRLPP assistance on the day of secondary review. A selected complaint will be advanced through the MRLPP process and handled pursuant to Section 4912, or it will be retained until it meets qualifying criteria. In either event, the department shall provide a department communication which explains the nature of and basis for its action. This last provision is necessary to keep complainants apprised of the status of their complaints, and to prevent unnecessary inquiries or requests for status.

Subsection (e) paragraph (2) requires the department to promptly provide a department communication to the complainant if the complaint does not qualify for further MRLPP assistance. The department communication must explain the reason(s) for the rejection and suggest alternate resources. This provision promotes clarity for the reader.

### **Adopt Section 4910**

Section 4910 identifies the department's process for requesting documents from park management to assist the department's evaluation of complaints; the department's corresponding enforcement authority (i.e., issuance of noncompliance citations); and the department's corresponding informal hearing procedures.

Subsection (a) authorizes the department to request written documents relevant to the complaint from park management as prescribed by paragraph (2) of subdivision (f) of HSC Section 18802. The department must use a department communication to make the request and include instructions for park management to create and use an electronic file in a system implemented by the department. However, it also makes clear that park management may provide the documents either electronically or by U.S. Mail or other delivery service other than personal delivery; personal delivery is not

acceptable because time stamps of mailing are necessary and not available when there is personal delivery. The department will encourage use of the electronic file system in order to reduce paper files. (If hard copy documents are provided, the department will still have to scan and upload the documents in order to provide access to the assigned nonprofit legal services provider.)

Subsection (b) clarifies that park management has 15 business days to provide the requested documents to the department. That response timeframe is triggered by the postmark or electronic transmission date of the department communication. The subsection further clarifies the acceptable means of submitting the requested documents to the department.

Subsection (c) provides a basis and procedure for park management to refuse providing one or more specific documents by using a privilege claim procedure commonly used in litigation. While this privilege option is not expressly addressed in the enactment of MRLPA, the department believes it is mandated by reference to California Evidence Code Section 901, which provides the following definition of “proceeding”: “...any action, hearing, investigation, inquest, or inquiry (whether conducted by a court, administrative agency, hearing officer, arbitrator, legislative body, or any other person authorized by law) in which, pursuant to law, testimony can be compelled to be given.”

HCD determined that the document request authority established by HSC Section 18802 relates to an “investigation” or “inquiry” by an administrative agency in which the document production is “compelled to be given”. Therefore, the privileges established by Division 8 (commencing with Section 900) of the Evidence Code apply in the MRLPP. The procedure for claiming that a document is privileged is similar to that used in other claims of privilege pursuant to Division 8 where the claimant must provide a description of the document (e.g., letter, email, etc., the date of the document, the identify of author(s), the identity of recipient(s), the specific privilege claimed, and the current location of the document (Code of Civil Procedure section 2031.240). If the department agrees that the document is privileged, it will notify the claimant.

Subsection (d) clarifies the consequences if park management fails to comply with the department’s document request or fails to submit a reasonably sufficient privilege log. The provision reiterates the civil penalty process provided by paragraph (2) of subdivision (f) of HSC Section 18802.

Subsection (d) paragraph (1) clarifies that payment of the noncompliance citation penalty must be submitted to the department within 30 calendar days of the date of issuance of the citation.

Subsection (d) paragraph (2) clarifies park management’s appeal process for contesting the department’s issuance of a noncompliance citation. The appeal process provides a deadline of 15 calendar days from the date of issuance of the noncompliance citation by which park management must submit their appeal to the department. The process further specifies that the informal hearing will be before the director of the department of her or his designee conducting in accordance with the applicable administrative

adjudication procedures of the Administrative Procedure Act at Chapter 4.5 (commencing with Section 11400) of Part 1 of Division 3 of Title 2 of the Government Code. If a noncompliance citation is upheld at an informal hearing, payment of the penalty is due 15 calendar days after the informal hearing decision.

Subsection (e) clarifies that the department shall not publicly share any of the documents provided during the department's investigation, and that dissemination of the documents is restricted by paragraph (2) of subdivision (f) of HSC Section 18802 to a nonprofit legal services provider contracting with the department for the MRLPP, an appropriate enforcement agency with jurisdiction, or the complainant. This provision tracks the statute by providing that the documents are not subject to unredacted public disclosure pursuant to the California Public Records Act.

Subsection (f) clarifies that the department may continue addressing the complaint even if park management fails to comply with the department's document request.

### **Adopt Section 4912**

Section 4912 describes the required negotiation process for those complaints that have been deemed to allege the most severe, deleterious, and materially and economically impactful violations of the MRL. This negotiation process precedes any referral to a nonprofit legal services provider.

Subsection (a) clarifies that after the department determines that a complaint meets the criteria of subsections (c) and (d) of Section 4908, the department shall prepare the complaint for referral to a nonprofit legal services provider. If the department determines that the complaint does not meet such criteria, the department will notify the complainant with a department communication explaining the reasons why it was referred to the Mobilehome Assistance Center, referred to an appropriate enforcement agency with jurisdiction; or closed.

Subsection (b) clarifies that there is a negotiation process – between the complainant and park management – that must take place before a referral to a nonprofit legal services provider.

Subsection (b) paragraph (1) implements the good faith negotiation requirement in subdivision (g) of HSC Section 18802 between the complainant and park management. After determining eligibility pursuant to subsection (a) of this Section, department staff must send a department communication to the complainant and park management specifying the alleged violation(s). The department communication shall advise the parties that they must communicate and negotiate in good faith with the goal of resolving the complaint within 25 calendar days of the postmark or electronic transmission date of the department communication.

Subsection (b) paragraph (1) also includes some specificity about the negotiation process in order to ensure fairness to both sides while encouraging resolution of the alleged violations. It allows for the negotiations to be conducted in person, telephonically, electronically (email), or by standard mail. This flexibility promotes

communication and precludes either party from demanding a form of communication which may be either coercive or infeasible. Furthermore, this provision clarifies that the negotiation requires only good faith efforts at resolution, but not resolution itself. Again, this ensures that the parties understand that they are not required to agree on a resolution in order to comply with the MRLPP requirements. Finally, it requires that the parties submit a response, within a specific timeframe, to the department's written inquiry about the status of negotiations.

Subsection (c) clarifies that the department shall send a written inquiry about the status of the negotiations to the parties. Subsection (c) provides additional specifics about the department's written inquiry: it will be sent to the parties within 10 business days of the conclusion of the 25-day negotiation period; it will inquire as to whether the parties have resolved their dispute; it will set a deadline for the parties' response; and the department shall provide a complaint resolution form with it to streamline response. This provision promotes clarity for the reader.

Subsection (c) paragraph (1) provides that the complainant or park management may utilize the provided complaint resolution form or any other writing in which the parties may respond to the department's written inquiry separately or collectively, so long as each response is signed and dated by each party's authorized signatory. It further provides that all responses must be submitted either electronically or by USPS mail, and that the response must include the names and contact information of all negotiating parties and a brief description of the outcome of the parties' negotiation.

Subsection (c) paragraph (2) provides that if the department receives a response to the written inquiry form within the allotted response time period from either the complainant or park management indicating that the matter is not resolved, the department shall deem the complaint unresolved and proceed to the next step in the process established in Section 4914, which may result in a referral to a nonprofit legal service provider.

Subsection (c) paragraph (3) provides that if the department receives a response to the written inquiry form within the allotted response period from both the complainant and park management indicating that the matter is resolved, the department will close the complaint and notify both parties of this conclusion.

Subsection (c) paragraph (4) provides that if the department receives a response to the written inquiry form within the allotted response time period from only one party indicating that the matter is resolved, with the other party failing to respond to the written inquiry form within the allotted response time period, the department will close the complaint and notify both parties of this conclusion.

Subsection (c) paragraph (5) provides that if the department does not receive a response to the written inquiry form within the allotted response period from both the complainant and park management, the department will close the complaint and notify both parties of this conclusion.

## **Adopt Section 4914**

Subsection (a) provides that if either party advises the department that the complaint was not resolved, the department will deem the complaint unresolved.

Subsection (b) establishes the basis for the next referral. After determining that a complaint still meets the standards of Section 4908, the department may refer the matter to a nonprofit legal services provider or to an appropriate enforcement agency with jurisdiction. The department will provide a department communication to both the complainant and park management as to the nature of and basis for the referral.

Subsection (c) clarifies that if the department retains the complaint, it shall provide a department communication to both the complainant and park management explaining the reasons for the complaint's retention. There are several reasons for retaining the complaint, and this regulation specifies a few such reasons (e.g., insufficient funding or temporary insufficient capacity of nonprofit legal services providers).

Subsection (d) addresses the circumstances where a complaint is neither referred to an appropriate agency nor retained. If the issues raised by the complainant, although very serious, cannot be addressed by another government agency or an enforcement agency with jurisdiction, but also are not appropriate for referral for legal services, then the complaint is closed, and the department provides a department communication to both the complainant and park management explaining the reasons for closing the complaint. The department communication also shall provide referrals to alternate resources to assist the complainant in pursuing remedies for the alleged violations.

Subsection (e) clarifies the applicable procedures when a complaint is referred to a nonprofit legal services provider. This provision is necessary, because the "nonprofit legal services provider referral" is a centerpiece of the MRLPP.

Subsection (e) paragraph (1) provides that the department shall provide the nonprofit legal services provider with access to relevant documents (e.g., the complaint, department correspondence with the complainant, park management records).

Subsection (e) paragraph (2) provides that the nonprofit legal services provider shall conduct an intake interview with the complainant. After considering all the information from the department and the complainant, the nonprofit legal services provider must make its determination whether and what type of legal services the complainant is eligible for pursuant to the MRLPP laws and regulations and that provider's contract with the department. This determination, at this time, avoids unnecessary time and effort spent with a complainant who will not be provided further legal services.

Subsection (e) paragraph (3) clarifies that the nonprofit legal services provider may decline a referral if its contract is about to expire, or if there is insufficient funding to adequately address the complaint. A decision to decline the referral must be communicated to the complainant and the department, and that communication must include the provider's reasons for declining the case.

Subsection (e) paragraph (4) provides that, after accepting the case, the nonprofit legal services provider will provide all appropriate legal services (e.g., interviews, consultation, conferences with park management, initiation of judicial or administrative actions). If the nonprofit legal services provider subsequently determines, at any point during the representation, that no further legal assistance or action is necessary or appropriate, it shall provide a written communication to the complainant and the department explaining its reasons for no further action, and it shall provide the complainant with referrals to alternative resources.

### **Adopt Section 4916**

Section 4916 establishes and clarifies the selection procedures for nonprofit legal services providers.

Subsection (a) paragraph (1) requires that the department issue a request for proposals to nonprofit legal services providers for contracts in order to provide legal advice and assistance to complainants selected pursuant to Section 4914 to receive this representation. The department has determined that this is the most efficient way to solicit contractors throughout the state who will be able to provide these services in all counties. As discussed further below, the bids will be assessed in part on the proposed services area each contractor bids to serve.

Subsection (a) paragraph (2) mandates the department to establish the maximum amount of funding available for these services, after deducting anticipated costs of staffing, operations, and department overhead as approved in the 2019-2020 state budget. Based on potential contractor estimates of the proposed services to be solicited during the comment period for these regulations and thereafter, and the estimate of services required, the contract sizes will be ascertained. As discussed in detail above, it is expected that a limited number of complaints will be referred to the nonprofit legal services providers. The initial and secondary review process will result in only the most severe of the alleged violations reaching the document request and complainant-park management stages. It is anticipated that, due to the threat of legal action, many of the violations will be resolved in the negotiation phase. Therefore, the department anticipates that only those few remaining complaints which are not resolved will be referred for legal representation. Based on the best information available immediately prior to issuance of the request for proposals, the department Director or its designee will be responsible for approving the final amounts of the contracts.

Subsection (a) paragraph (3) establishes the parameter that the amount of funding for each contract shall consider both the number of counties served and the anticipated number of complaints received from those counties. While the number of total complaints anticipated from each county is not the same as the small number expected to be referred for legal representation (as described in the prior paragraph), it is the only metric available at this time for estimating an appropriate level of funding for each county.

Subsection (a) paragraph (4) provides the contract conditions related to term and additional funding. The department selected a term of three years—essentially most of the pilot period—for each contractor. While a shorter period might have allowed more flexibility in area service changes or recruiting more effective contractors, this was outweighed by the necessity of each contractor to gear up its program, the likelihood that some complaints will result in litigation which cannot be completed quickly, and the administrative cost to the department of additional solicitations, bid reviews, and contract processing.

Subsection (a) paragraph (5) clarifies that the request for proposals will explain the department's payment process, the anticipated procedures for review of contractor performance, and the requirements of contractor reporting. One of those contractor reporting requirements is a comprehensive summary of activities submitted to the department no later than September 30, 2022. This reporting deadline is intended to allow enough time for the department to complete the HSC Section 18805 overall report to the Legislature.

Subsection (b) provides clarification regarding the request for proposals itself.

Subsection (b) paragraph (1) allows the proposer to describe how it will operate its program in a manner that complies with the statutory and regulatory requirements for legal assistance and representation, how the department funds will be used to accomplish the services, and what funds, if any, from other sources will be used to augment the department funding. In reviewing the proposals, this proposer information allows the department to have a broad oversight view of the proposed contractor's activities.

Subsection (b) paragraph (2) requires the proposer to provide information related to the statutory requirements in paragraphs (1) through (3) of subdivision (b) of HSC Section 18803. Those requirements are not repeated in the regulation, as such requirements are set forth in statute.

Subsection (b) paragraph (3) ascertains the proposers' experience in contracting to provide legal services with other public agencies, their experience in complying with the public agency requirements, and references for those agencies. This information allows the department to select contractors with experience dealing with public agencies and provides information as to their success in those contracts. The request for references allows the department to verify the information provided.

Subsection (b) paragraph (4) requires the proposer to provide its proposed plan and schedule for implementing the advice and representation program in order to ensure that the applicant will be able to meet the timelines required by the program. Included in the plan is a request to identify any barriers to providing the advice and representation services, such as limits imposed by federal laws and regulations in bringing class action lawsuits, representing undocumented immigrants, etc. The department needs to be assured that all potential complainants can receive legal representation if their complaint meets the threshold requirements and is not resolved by negotiation. This

subsection permits the applicant to identify referral sources for those complainants it would not be able to represent.

Subsection (b) paragraph (5) ensures that the proposer is authorized to practice law in California because the provider will be providing a range of services from legal advice to initiating and prosecuting litigation. Eligibility for funding under the Interest on Lawyer Trust Accounts (“IOLTA”) pursuant to Sections 6213-6214 of the California Business and Professions Code is added as a criterion because the State Bar already vets and prepares a list of nonprofit legal services providers with appropriate general legal experience, nonprofit status, and practice in California. This list is available to the public.

Subsection (b) paragraph (6) requires a proposed itemized budget from the proposer, broken down by specific functions. This serves several functions in the evaluation of the proposal. The budget ensures that costs are reasonable and are appropriate for the expected caseload. It also allows the department to compare costs based on areas covered, e.g., transportation to distant counties where necessary as part of a litigation effort. It expressly authorizes “administrative overhead” as a category to which costs can be attributed so that the providers can provide actual costs for other categories. It also assists the applicant in preparing their proposal and budget by focusing on actual costs.

Subsection (b) paragraph (7) ensures that the proposer’s governing board chair or president and executive director have approved the submission of the proposal for the department contract; this type of authorization from the person responsible is a standard requirement for any state contract.

Subsection (b) paragraph (8) authorizes the department to seek other information necessary to determine eligibility of a proposer and to evaluate and rate the proposal. This category is expressly limited to items related to “eligibility” and “evaluation” criteria and will not be extended to other items.

Subsection (c) authorizes the department to consider each item in a proposal, rather than merely rely on the overall proposal. It also authorizes the department to seek additional information as to specific items during the evaluation process, rather than merely rejecting a proposal due to potentially minor inconsistencies or omissions, which will allow the evaluation process to continue in an effective manner. On the other hand, if the department determines that a deficiency cannot be cured, it is authorized to reject the proposal without further evaluation.

Subsection (d) expressly requires the department to rate the proposals based on the information provided pursuant to subsection (b) and not to consider any other information. This ensures that the process is fair to the applicants.

Subsection (e) authorizes the department to award legal services contracts to multiple applicants if necessary to ensure that all geographic regions of the state have legal services coverage. The purpose of this authority is to maximize the ability of

mobilehome park homeowners to have access to attorney advice and representation if their complaints meet the requirements of this chapter.

Subsection (f) explains the completion of the selection process. All proposers will be notified of the department staff recommendations with regard to their proposals. The Division Deputy Director will review the department staff recommendations and approve, approve with amendments, or disapprove the proposed awards and provide that determination to the Director. Upon approval, denial, or modification of a proposal by the Director, that decision is final; this permits the award process to continue without further delays. The written notification of an award is deemed a conditional commitment, subject to normal state contract processing and approvals requirements; this permits the awardee to begin to take actions to implement the program, such as hiring or reassigning staff, initiating internal organization necessary to operate the program, and other administrative actions.

### **Adopt Section 4918**

Section 4918 authorizes the department, at its sole and absolute discretion, to reopen any closed complaint or to reinstate activity on a retained complaint under specified circumstances.

Subsection (a) facilitates compliance with subdivision (h) of HSC Section 18802, authorizing special treatment for multiple complaints regarding a specific park or regarding specific related owners or management companies. It is likely that complaints will be made which, at the time of consideration, will not meet the strenuous thresholds of Section 4908, particularly that of being the “most” severe as discussed in that section. However, later complaints about the same park or the same park owner or management will identify a pattern and practice of serious violations of the MRL. This subsection allows the department to reconsider a closed complaint and to combine it with other relevant complaints in order to evaluate whether further action is necessary under the authority of subdivision (h) HSC Section 18802.

Subsection (b) authorizes the department to undertake or repeat the evaluation process in Sections 4908 through 4914 with a reopened complaint, including requesting additional documents related to the complaint. This ensures that the complaint, when combined with other relevant complaints, meets the requirements of this chapter.

### **POLICY STATEMENT OVERVIEW**

AB 3066 (Chapter 774, Statutes of 2018) establishes both the Mobilehome Residency Law Protection Act and the MRLPP within HCD. The Division will be responsible for providing assistance in taking complaints, and helping to resolve and coordinate the resolution of those complaints from mobilehome or manufactured home owners relating to the MRL.

HCD is proposing to add regulations related to the Mobilehome Residency Law Protection Act, Sections 18800 through 18806 of the Health and Safety Code.

## **COMPARABLE FEDERAL STATUTES OR REGULATIONS**

NONE

## **DISCLOSURES REGARDING THE PROPOSED ACTION**

- Mandate on local agencies and school districts: NONE
- Costs or savings to any state agencies: NONE
- Costs or savings to local agencies or school districts, which must be reimbursed in accordance with Part 7 (commencing with Section 17500) of Division 4 of the Government Code: NONE
- Other nondiscretionary costs or savings imposed on local agencies: NONE
- Costs or savings in federal funding to the state: NONE

## **BUSINESS IMPACT STATEMENT**

HCD has made an initial determination that this regulatory action would have no significant adverse economic impact on California business enterprises and individuals, including the ability of California businesses to compete with businesses in other states or create or expand business in California. They will not affect creation or elimination of jobs in the State of California.

## **SMALL BUSINESS IMPACT STATEMENT**

HCD has determined that small businesses will not be adversely affected by this regulatory action.

## **COST IMPACT ON REPRESENTATIVE PRIVATE PERSON OR BUSINESS**

The MRLPA requires that the MPs pay a \$10 fee per lot in all mobilehome parks subject to the MRLPA. However, the MP may recoup the cost of the \$10 fee from the park resident. For this reason, HCD has determined that the proposed regulatory action will not have a significant adverse effect on private individuals or small businesses.

## **ECONOMIC IMPACT ANALYSIS-ASSESSMENT OF JOB/BUSINESS CREATION OR ELIMINATION**

HCD has determined that this regulatory proposal will not have a significant impact on the creation or elimination of jobs in the State of California and will not result in the elimination of existing businesses nor create or expand businesses in the State of California.

## **HEALTH AND WELFARE BENEFITS FOR CALIFORNIA RESIDENTS, WORKER SAFETY AND THE STATE'S ENVIRONMENT**

HCD has determined that these proposed regulations present no benefits to worker safety or the state's environment.

## **CONSIDERATION OF ALTERNATIVES**

HCD has determined that no reasonable alternative considered, or has otherwise been identified and brought to the attention of HCD, would be more effective in carrying out the purpose for which the action is proposed, or would be as effective as and less burdensome to affected private persons than the proposed action. HCD invites interested persons to present statements or arguments with respect to alternatives to the proposed regulations during the written comment period.

## **ANTICIPATED BENEFITS OF THE PROPOSAL**

The proposed regulations provide mobilehome owners in a mobilehome park an avenue to obtain administrative and possibly legal assistance to resolve MRL complaints, some of which impact the health and safety of residents in a mobilehome park or their MH ownership interests. Keeping a formal structure for the MRLPP's operations ensures responsible use of public funds despite the anticipated increase in demand. As a direct result, the MRLPP's participants will continue to have a clearer understanding of their own responsibilities and opportunities. These regulations assist in setting stakeholder expectations regarding the program and promotes transparency of the MRLPP function, while ensuring the protection of public health and safety before the traditional rule making package is implemented. Further, since the COVID-19 crisis has disproportionately affected people of color, people over the age of 55, and people who are already economically disadvantaged, the emergency regulations will assist the department in prevention of discrimination and disparate treatment of those Californians most in need of the program, promoting fairness and social equity.

## **STUDIES, REPORTS, AND SIMILAR DOCUMENTS**

There were no written studies or reports relied upon in preparing the proposed rulemaking.

## **SPECIFIC TECHNOLOGIES AND EQUIPMENT**

HCD is developing internal electronic technology to establish a means of effectively communicating with complainants and park management electronically. This includes enhancing the existing database to establish an electronic file for each complainant and park management entity accessible only to them, department staff, and legal services providers, if applicable; the files will allow for electronic transfer of documents as well as storage. The overall system will be designed to facilitate review of multiple complaints to determine if there are multiple complaints regarding a park or a park owner/operator, and to aggregate information in a manner which makes preparation of periodic reports and a final report more efficient.