



Mobilehome Residency Law Protection Program Report

The California Department of Housing and Community Development Must Improve Its Oversight of the Program

Background

There are nearly 4,500 mobilehome parks in California, totaling more than 360,000 spaces or lots. Mobilehomes and trailers are home to about 3 percent of the State's population, and many of these Californians are older and have lower incomes than the overall population. In July 2020, the California Department of Housing and Community Development (HCD) became responsible for administering a new program called the Mobilehome Residency Law Protection Program (program). The program allows mobilehome owners to submit complaints about alleged violations of the Mobilehome Residency Law (residency law) to HCD. In response, HCD must identify the most severe allegations and, in certain circumstances, forward those allegations to a contracted nonprofit legal service provider (LSP) that can assist the homeowner.

Our Key Recommendations

- To ensure that HCD is able to effectively monitor the LSPs, the Legislature should amend state law to require LSPs to permit HCD access to confidential information, currently protected by attorney-related privileges, regarding the status of each case and the services provided to complainants.
- The Legislature should also suspend the program's \$10 per lot fee until the program's sunset date of January 1, 2027, to ensure that HCD has enough funding to effectively manage the program without accumulating excessive funding.
- HCD should begin regular surveys of complainants to assess whether LSPs are in regular communication with the complainants and to determine if complainants have concerns about the LSPs' services.
- HCD should monitor updates that LSPs provide to detect any inappropriate denial of services and respond immediately to correct such denials.

Key Findings

- Changes to state law that will take effect on January 1, 2024, will likely result in shifting responsibility for handling all program-eligible complaints to the LSPs—a departure from the current requirement that HCD refer only the most severe complaints to LSPs.
- Although LSPs are responsible for providing services to complainants, attorney-related privileges limit HCD's ability to effectively oversee the work done by these contractors.
 - » The privileges prevent the LSPs from providing information such as the number of hours they work on a complaint or investigations they perform to assist complainants. HCD needs these data to determine whether the LSPs are effectively serving referred complainants.
- HCD did not prevent some LSPs from inappropriately denying services to complainants. Three LSPs rejected 18 referred complainants because the LSPs believed that the complainants' incomes made them ineligible for services, or because complainants would not answer questions about their incomes, despite the program having no income eligibility requirement.
- The program is funded by an annual \$10 per lot fee paid by mobilehome park owners. HCD has amassed \$8.3 million in unspent funds as of June 30, 2023.
 - » We modeled different scenarios and determined that suspending the fee from fiscal year 2024–25 through the program's sunset date in January 2027 would reduce the unspent fund balance and still allow HCD sufficient funding to address complaints.