



WASHINGTON STATE ATTORNEY GENERAL
ROB MCKENNA
ANNUAL REPORT - NOVEMBER 30, 2007

MANUFACTURED HOUSING DISPUTE RESOLUTION PROGRAM

INTRODUCTION

Owners of manufactured and mobile homes who rent a space for their home have important rights and responsibilities under the state Manufactured/Mobile Home Landlord Tenant Act (MHLTA), RCW 59.20. Landlords, too, have rights and responsibilities under the law.

The Legislature, during the 2007 session, approved a bill authorizing the Attorney General to administer a program to resolve disputes regarding alleged violations of the Manufactured/Mobile Home Landlord-Tenant Act. This law, RCW 59.30, also empowers the Attorney General to enforce the MHLTA and issue citations to encourage compliance, if necessary.

A new unit was created within the Attorney General's Consumer Protection Division to establish a dispute resolution program and carry out the Legislature's wishes. The Attorney General's Office strives to support better communication and promote mutual understanding between landlords and manufactured home owners. The office provides an equitable and low-cost option for manufactured home owners and landlords to resolve disputes concerning alleged violations of these rights.

Funding for this program comes from fees paid to the Department of Licensing by landlords who register manufactured/mobile home communities.

BACKGROUND AND LEGISLATION SYNOPSIS

- The 2005 Legislature passed ESHB 1640 to temporarily expand the complaint investigation and dispute resolution resources of the Office of Mobile Home Affairs (OMH) with the Department of Community, Trade and Economic Development. CTED was also required to register manufactured/mobile home communities and submit data to the Legislature. The act went into effect May 13, 2005, and expired December 31, 2005.

CTED presented a report to the Legislature in December 2005 in which it provided information regarding complaints, the estimated number of parks and communities in the state, and an outline of recommendations for legislative action which included continuing the OMH program as expanded under ESHB 1640 with a few changes including authorizing the agency to issue findings as to whether or not violations occurred, eliminating the requirement that complainants need notify respondents and revising the formula for the calculation of registration late fees.

- The 2006 Legislature included a proviso in the Capital Budget (ESSB 6384, Section 108) which appropriated \$200,000 to continue the program within the financial means provided and directed OMH to estimate the number and types of complaints since the onset of the 2005 program that presented violations of the Manufactured/Mobile Home Landlord-Tenant Act. Of the 827 issues reviewed, 55 percent presented a violation and 44 percent did not present a violation. Of the 55 percent determined to present violations, all were landlord violations.
- The 2007 Legislature approved Engrossed Second Substitute House Bill 1461 with bipartisan support. The Governor approved the bill with a partial veto. The bill created a new program for resolving Manufactured/Mobile home disputes within the Attorney General's Office and removed OMH as a statutorily established office within CTED.

The legislation was sponsored by Representatives Morrell, Miloscia, O'Brien, Ericks, Hunt, Sells, Green, Flannigan, Williams, Kenney, Appleton, Ormsby, Quall, Haigh, Hasegawa and Lantz and Senators Kastama, Keiser, Franklin, McAuliffe and Rasmussen.

ROLE OF THE ATTORNEY GENERAL'S OFFICE

The mission of the Manufactured Housing Dispute Resolution Program is to create compliance with the Manufactured/Mobile Home Landlord-Tenant Act through:

- Public education
- Facilitating communication between homeowners and landlords
- Resolving disputes with the goal of enforcing the law and avoiding eviction.

Homeowners and landlords may file a request for dispute resolution if they believe that there may be a violation of their rights under the MHLTA. The Attorney General's Office will determine whether further investigation is needed, decide whether a violation has occurred and negotiate with opposing parties. If no agreement can be reached, the office may issue citations when appropriate. Determinations, citations, fines, other penalties and orders to cease and desist may be contested through a hearing before an administrative law judge.

If no corrective action has been taken (as directed by the citation order) and no administrative hearing has been requested within the allowed 15 business day time frame, the Attorney General may issue a fine up to a maximum of \$250 per day per violation until the violation is corrected.

Other responsibilities include:

- Producing and distributing educational materials to all known landlords and tenants who request information regarding the dispute resolution program and the MHLTA.
- Performing dispute-resolution activities including: investigations, negotiations, determinations of violations, imposition of fines or other penalties.
- Creating a complaint database.
- Providing an annual report to relevant committees of the Legislature including program performance measures and recommendations.

ROLE OF THE DEPARTMENT OF LICENSING

The 2007 Legislature also authorized the Department of Licensing to register all manufactured/mobile home communities annually and collect a registration assessment of \$10 for each home subject to the Manufactured/Mobile Home Landlord Tenant Act. The dispute resolution program is funded with \$9 of every \$10 of this registration fee and any fines collected as a result of the Dispute Resolution Program. The remaining \$1 and all late registration fines are deposited in the Master License Fund administered by Department of Licensing.

In December 2006, CTED reported 1,829 known manufactured/mobile homes communities representing about 62,000 homes. To date the Department of Licensing has collected \$357,210 in fees representing 799 communities and 35,721 homes. Approximately another 400 community registrations have been received and are being processed or are incomplete and DOL estimates another \$150,000 is expected from them. DOL will be working in the next couple of months to confirm status with those who have not responded, send delinquent notices and file collection actions as appropriate.

MHDRP PROGRAM STAFF

Since its creation in July 2007, the Manufactured Housing Dispute Resolution Program (MHDRP) has hired three staff. Program Manager Cathie Caldwell, Assistant Attorney General Jake Bernstein and Customer Service Specialist Dennis Poor work at the Attorney General's Office in Seattle.

- Ms. Caldwell comes to the program with 10 years experience in legal services program development and management, seven of which was with the King County Bar Association's Neighborhood Legal Clinics.
- Mr. Bernstein graduated summa cum laude from Seattle University School of Law and was recently admitted to the bar. As a law student, Mr. Bernstein was the Janet D. Steiger Fellow for Washington State and worked with the Attorney General's Office in the Consumer Protection Division in 2006.
- Mr. Poor has more than seven years experience in resolving consumer disputes in the Attorney General's Consumer Resource Center.

(cont.)

MHDRP PROGRAM ACCOMPLISHMENTS & GOALS

To date, MHDRP staff has handled 108 requests for dispute resolution and approximately 400 telephone and email inquiries. Of those requests filed, all have been from manufactured or mobile home owners. The top 8 issues reported are:

- Park rules and enforcement
- Rental agreements
- Utilities
- Carport/shed/tree
- Repair timeline
- General maintenance of common areas
- Rent raises
- Proper notice

In addition, the program has:

- Established a Web site, toll-free number and intake process. Homeowners and landlords must file a request for dispute resolution in writing and can access the program in any of three ways:
 - Online: www.atg.wa.gov/MHDR.aspx
 - By phone: 1-866-924-6458 or 206-464-6049; or fax: 206-464-6451
 - By email: MHDR@atg.wa.gov
- Created a complaint database.
- Contacted several stakeholders.
- Created a consumer-friendly brochure to explain the program and request for dispute resolution procedures.

During the coming year, we plan to:

- Provide outreach directly to the public, including workshops at five to seven communities statewide.
- Produce and distribute educational materials.
- Streamline our data collection system.
- Determine optimal staffing and hire as needed.
- Continue to refine the program procedures.