

C A L I F O R N I A

N e i g h b o r h o o d s



Manufactured Housing Special Edition

NEW

LEGISLATIVE CHANGES AFFECTING RECREATIONAL VEHICLES

On January 1, 1999, a legislative change took effect that repeals HCD's authority to review and approve plans, conduct inspections, and issue insignia of approval for recreational vehicles. A recreational vehicle includes a park trailer, truck camper, travel trailer, fifth-wheel trailer, and motorhome. A recreational vehicle is not a manufactured home, a mobilehome, commercial coach, or special purpose commercial coach.

Summary

1. It is a violation of California law to offer for sale, sell, rent, or lease any recreational vehicle manufactured on or after January 1, 1999, unless the recreational vehicle is manufactured in compliance with the 1996 Edition of the American National Standards Institute (ANSI) Standard A119.5 for park trailers, and A119.2 for all other recreational vehicles, and bears a label or insignia indicating the manufacturer's compliance to the appropriate ANSI Standard.
2. It is a violation of California law to offer for sale, sell, rent, or lease any recreational vehicle manufactured prior to January 1, 1999, unless the recreational vehicle bears a label or insignia indicating the manufacturer's compliance with the appropriate ANSI Standard, or an HCD insignia issued prior to January 1, 1999, indicating compliance with state standards in effect at the time of manufacturing.
3. It is a violation of California law to perform an alteration to a recreational vehicle unless that alteration is in compliance with the appropriate ANSI Standard.
4. Beginning January 1, 1999, a recreational vehicle without a label, insignia or an insignia of approval may not be placed on a lot in a special occupancy park unless the vehicle owner provides reasonable proof of compliance with the appropriate ANSI Standard.
5. Beginning January 1, 1999, HCD's remaining authority will be to investigate information and complaints of possible noncompliance with

Note: There is no authority for HCD to issue insignia on or after January 1, 1999. Accordingly it is no longer

possible to obtain a replacement recreational vehicle insignia, or obtain an insignia by inspection from HCD. Recreational vehicles brought into the state, whose manufacturer is no longer in business or available to issue a label or insignia, may not be offered for sale, sold, rented or leased in this state.

(Continued on Page Four)

Senate Bill Extends Statewide Mobilehome Park Inspections

A bill amending section 18400.1 which effects the inspection of mobilehome parks throughout the state, was enacted during the 1998 legislative session. The original legislation, effective January 1, 1991, added section 18400.1 to the Health and Safety Code (HSC) and required that every mobilehome park in the state be inspected at least once during the succeeding five years. A subsequent bill amended section 18400.1 and extended the inspection period to seven years.

Senate Bill 485 (Craven), Chapter 773 further amends HSC 18400.1 to require that enforcement agencies inspect all mobilehome parks once during an eight year cycle ending January 1, 2000. The \$4 per lot fee to be used exclusively for the inspection program and established by the original legislation, was also extended to January 1, 2000.

Local enforcement agencies are required to submit a status report to the Department after completion of the program's first seven year cycle and prior to March 1, 1999. Information required for the report to the Department was also amended. The status report must contain information on the number of parks and spaces in the jurisdiction, the number of parks and spaces that have been inspected, the number and type of violations issued against the parks, the number and type of violations issued against the residents, the number of notices appealed, and the amount of fees collected and expended for the program.

By May 1, 1999, the Department must submit a status report summarizing information received from local enforcement agencies and information regarding mobilehome parks subject to Department enforcement to the Senate Committee on Local Government, the Senate Select Committee on Mobile and Manufactured Homes, and the Assembly Committee on Housing and Community Development.

New Database Improves Customer Service

In a continuing effort to improve service to our customers, the HCD Mobilehome Parks Program recently converted to a new database. The new database, developed by Suncoast Scientific Incorporated, a Florida based company, is appropriately called CASAS (Spanish word for houses). The new system was originally developed to accommodate an improvement in the Department's Registration and Titling Program and was later seen as a way to integrate several of the Department's programs/services.

The new system will enable the Registration and Titling Program, the Manufactured Housing Program, the Ombudsman Program, the Employee Housing Program, and the Mobilehome Parks Program to access data from any program database. This will improve our efficiency and customer service and should also provide budgetary benefits.

One of the major changes affecting our customers, is the transfer of certain functions to our northern and southern area offices. Invoicing for Permits to Operate and the issuance of Permits to Operate will be handled through the area offices. Files for mobilehome parks currently subject to Department enforcement and files for mobilehome parks currently subject to local enforcement agency jurisdiction have also been transferred to the area offices.

For operators of mobilehome parks subject to Department jurisdiction, the invoice for the Permit to Operate and the Permit to Operate will be issued by the area office where the mobilehome park resides. When the Department mails the invoices for the Permits to Operate, a return address envelope for the appropriate area office will be enclosed. Questions regarding the invoice, fees, or the Permit to Operate should be directed to one of the HCD Codes and Standards regional/area offices (see page 5).

Curbing Serious Violations with CIVIL CITATIONS

On January 1, 1989, Health and Safety Code Section 18021.7 was enacted which authorizes the Director of the Department of Housing and Community Development (HCD), or a designee, to issue civil citations to manufactured home and commercial coach dealers and salespersons for certain violations of the Health and Safety Code. A citation is issued when the circumstances of the violation(s) are serious enough to warrant more than a warning letter, but are not serious enough to justify a formal administrative hearing, or other action by the courts, the District Attorney or Attorney General's Office.

Currently, citations may be issued for violations of the following Health and Safety Code (HSC) Sections:

1. 18032(b): Displaying a manufactured home for sale without the Manufacturer's Suggested Retail Price Label.
2. 18035: Violations of any of the escrow law requirements for manufactured homes subject to registration by the Department.
3. 18035.1: Violation of any of the Receipt for Deposit requirements.
4. 18035.2: Violation of any of the escrow law requirements for manufactured homes to be installed on a foundation system pursuant to HSC 18551.
5. 18035.3: Violation of any of the purchase document requirements for manufactured homes.
6. 18060(c): Failure to notify the Department within ten (10) days of any change of ownership or corporate structure of a licensee, or of the employment or termination of a manufactured home or commercial coach salesperson.
7. 18061.5(j): Accepting or encouraging sales by unlicensed salespersons or salespersons not employed by the dealer.
8. 18080.5: Violation of any of the dealer report of sale requirements.

When a citation is issued, the amount of the civil penalty is \$100 for each violation. This amount is increased to \$250 per violation for subsequent violations of the same requirement or prohibition within one year of the previous violation. Since 1989, HCD has issued over 200 citations with an average civil penalty of \$500.

Any licensee who has been issued a citation may petition for an informal hearing before the Director or designee. The petition must briefly state the grounds for contesting the citation and must be received by the Department within 30 days of the citation issuance date. Upon receipt of a timely and complying petition, the Department will suspend enforcement of the citation and schedule a hearing within 30 days. After the hearing, the Department will notify the petitioner in writing of its decision and the reasons therefor. If the citation is upheld, in whole or in part, the licensee must then comply with the citation in accordance with the decision within 30 days of the decision.

The benefits of the use of civil citations are many. Both licensees and the Department save time and money by avoiding expensive administrative hearings

and licensees avoid the potential revocation or suspension of their licenses. It allows the Department to expend its resources more efficiently, pursuing license revocations or suspensions in only the most serious cases. Requiring licensees who violate the law to pay monetary penalties helps to reimburse the Department for some of its enforcement costs, but more importantly, has increased awareness of and compliance with more commonly violated laws. All of this results in more efficient government and increased consumer protection.

**...more efficient
government and
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protection.**

For additional information,
please contact the HCD
Division of Codes
& Standards

916.323.9803

State of California
N E W S

GOVERNOR DAVIS NAMES BUSINESS, TRANSPORTATION AND HOUSING SECRETARY

SACRAMENTO – Governor Gray Davis appointed former U.S. Department of Commerce official Maria Contreras-Sweet as Secretary of the Business, Transportation and Housing Agency.

“Maria Contreras-Sweet is a woman of many firsts,” said Governor Davis. “Now she will be the first Latina to head an agency that is critical to the future of California. Understanding what it means to be a businesswoman and entrepreneur, I am confident Maria will develop policy recommendations to make California a more business-friendly state, particularly to those who are willing to invest their hard earned capital in a start-up company.”

Contreras-Sweet is president of Contreras-Sweet Company, an international management consulting firm servicing Fortune 500 and Service 1000 companies. During her corporate experience, she became the first woman vice president at Westinghouse at age 30. She later became an equity partner of 7-Up/RC Bottling Company. Breaking another glass ceiling, Contreras-Sweet became the first Latina to serve on the Board of Directors of Blue Cross of California, the state’s largest health insurance organization.

“I look forward to working with Governor Davis to build a bridge between business and government,” said Contreras-Sweet, who has served in both capacities. “Having worked in large and medium-sized companies and started my own business, I understand the challenges businesses face each day. I also look forward to developing proposals that will address California’s long-term challenges.”

Legislation Summary, continued from Page One

California laws, “at a factory.” Accordingly, no other type of complaint regarding a recreational vehicle will be accepted. Complaints regarding alterations, or sales of used recreational vehicles in violation of state laws should be directed to the local City or District Attorney.

Reminder of Existing California Law:

1. There continues to exist a prohibition to the use of more than one electrical power supply cord on a recreational vehicle.

2. There is also a provision that any person knowingly violating the provisions of the statutory standards is guilty of a misdemeanor, punishable by a fine not exceeding \$2000, by imprisonment not exceeding 30 days, or both.
3. No recreational vehicle located in a mobilehome park or special occupancy park (commonly known as recreational vehicle parks) may be rented or leased unless the unit bears a label or insignia.

These legislative changes were brought about by the passage of Assembly Bill 1984 (Miller).

HIGH CRIMES

and

MISDEMEANORS

**Regional/Area
Offices**

Northern Area Office

8911 Folsom Boulevard
Sacramento, CA 95826
(916) 255-2501

Southern Area Office

3737 Main Street, Suite 400
Riverside, CA 92501
(909) 782-4420

Every year the Department of Housing and Community Development receives hundreds of applications for occupational licenses. To assist the department in determining whether or not an applicant should receive a license, each applicant is required to submit two sets of fingerprints and to disclose whether or not they have ever been convicted of a crime, either felony or misdemeanor. Fingerprints are submitted to the Department of Justice and FBI to verify the information disclosed (or not disclosed) on the license application.

Not every type of conviction is grounds for license refusal, but if an applicant has a previous criminal history, it is important that they fully disclose it on their application. When reviewing an application, the department takes into consideration not only the number, type and seriousness of any convictions, but also the time that has elapsed since the applicant was last involved with the criminal justice system. Failure to disclose all convictions, including convictions which were later expunged, or failure to fully disclose the true nature or terms of any convictions in an attempt to minimize their magnitude, is grounds for license refusal.

The types of convictions that may result in a license refusal are those considered to be crimes of moral turpitude, whether felony or misdemeanor. Crimes of moral turpitude are those crimes that

call into question the applicant's honesty and integrity, particularly at they relate to the qualifications, functions or duties of a licensee. Examples of such crimes would include, but are not limited to, theft, embezzlement, fraud, burglary, and possession of drugs for sale. In addition to being a cause for license refusal, conviction of a crime of moral turpitude after a license is issued is also cause for license revocation. The Department of Justice and FBI maintain applicant fingerprint cards on file and notify the department of any subsequent arrests or convictions.

So far in 1998 the department has refused to issue eleven (11) salesperson licenses. In ten of those cases, the applicants had either been convicted of crimes involving moral turpitude, or they failed to disclose all convictions, of any type, on their license applications, or both. One of these applicants disclosed a single felony conviction on his application, but received three (3) additional felony convictions shortly after his application was submitted. These felony convictions were discovered during the department's investigation of the applicant's background. In the eleventh case, while operating on a temporary salesperson permit, the applicant embezzled from her employing dealer \$2,500 of a \$3,000 deposit on a manufactured home. Criminal charges have also been filed in this case by the employing dealer.

Lost your Insignia?

In 1957, the California Legislature established construction standards for mobilehomes (now termed manufactured homes), commercial coaches and recreational vehicles. The legislation gave the Department the authority to ensure that the standards met the health and safety needs of purchasers and occupants. As of September 1, 1958, the Department has issued insignias of approval; indicia that confirmed that the standards were met. These insignia are issued by the HCD Manufactured Housing Section. As of June 15, 1976 the U.S. Department of Housing and Community Development (HUD) took over the issuance of insignia (which they named "Label") for manufactured homes. In 1998, the California Legislature withdrew our authority on the standards that applied to recreational vehicles.

The following information is being provided to assist with the replacement process in the event that an insignia or label is lost.

Replacement Process

1. A request is made to the Manufactured Housing Section by submitting a form HCD-416 and a \$17.00 fee for each transportable section.
2. If the form is not fully filled-out or if the information is not discernible, it is returned with instructions for re-submittal.
3. Utilizing the form's data, Department records are researched to establish if there is any record of original insignia (or HUD label) issuance.
4. If original issuance is found, the replacement insignia is issued. If no record is found after, at least a second search, the application is sent to one of our field offices with a request for an inspection. The purpose of the inspection is to ensure that the unit that is to be inspected still complies with the requisite standard. If the unit complies, the insignia is issued. If it does not, compliance must be achieved prior to issuance of a replacement insignia.

Frequently asked questions

HOW LONG DOES THE PROCESS TAKE? It all depends on a variety of factors; i.e., does the application need additional information to process, what is the current replacement request tally (requests tend to vary with time), is there a need to research, is there a need to inspect the unit, etc.

WHAT KIND OF PROBLEMS ARE TYPICALLY ENCOUNTERED? Two problems top the list, 1) the form is incomplete, which includes the fees and 2) there is a need for research and the records at hand are incomplete. These problems elongate the issuance of the replacement insignia. What can be done to avoid these problems? As to the first, make absolutely sure that the form is fully filled out and that the insignia fee is enclosed. As for the second, this Department is in the process of developing a computer database to research original issuance. Currently we used a microfilm database, which is a laborious method.

IS THERE ANYTHING ELSE TO KNOW ABOUT? Yes. California Health and Safety Code Section 18026 requires manufactured homes either bear a HUD label or a Department insignia prior to Sale, rent or lease in California. In other words, the label or insignia must be affixed to the unit prior to offering it for sale, rent or lease. Not to do so constitutes a misdemeanor violation of California law.

Additional Questions?

**Contact the HCD
Manufactured Housing Section
(916) 445-3338**

1998 OMBUDSMAN ACTIVITIES

The Office of the Mobilehome Ombudsman was established to provide a central place where persons with questions, and/or problems, related to manufactured homes, or manufactured home living could go for assistance. Each year the Ombudsman's Office answers thousands of phone calls and processes hundreds of written requests for assistance.

During the first 10 months of 1998 the Ombudsman Office has received and processed approximately 1210 complaints. Sixty seven of those complaints were determined to be outside the jurisdiction of the Department of Housing and Community Development and were either, (1) referred to other State or local agencies for appropriate handling, or (2) closed without action. Located in the box below, in descending order, is a breakdown of the remaining complaints by category and number of complaints received.

By far, the majority of the complaints received by the department involve alleged violations of the Mobilehome Parks Law and Residency Law. This type of complaint makes up 76 percent of the Ombudsman workload.

Complaints against department licensees make up the balance of the Ombudsman's workload, with the majority involving alleged failures to honor the mobilehome warranty for new manufactured homes. Under the provisions of Civil Code Section 1797, dealers and manufacturers are jointly and severally liable to fulfill the terms of the warranty. Some warranty complaints are the result of unrealistic expectations of consumers, but most complaints result from delays in providing corrective action, or from repairs that were not done in a workmanlike manner.

The second largest category of licensee complaints typically involves the sale of used manufactured homes that are not in compliance with department regulations at the time of sale. A recent law change requires dealers selling used homes pursuant to a listing or cooperative brokering agreement to make a reasonably diligent visual inspection of the home and give a written disclosure of all facts materially affecting the value or desirability of the home to any prospective purchaser. Proper adherence to this new requirement should greatly reduce the number of complaints of this type.

Fraud and misrepresentation complaints are the third largest segment of the Ombudsman's workload. Unfortunately there are still some dealers who refuse to conduct business in an above board manner, relying instead on false promises or blatant schemes to defraud their customers. This type of complaint, when substantiated, usually results in an administrative action to suspend or revoke a dealer's license.

It is notable that number of contract and escrow complaints are quite low. This may be attributed to the Department's vigorous enforcement of the contract and escrow laws through the issuance of civil citations.

In addition to the investigation of consumer complaints, the Department conducts a number of random audits each year of dealer and manufacturer records and business practices. This proactive effort enhances licensee awareness of, and increases compliance with, the laws and regulations pertaining to manufactured homes and commercial coaches.

Mobilehome Parks _____	840
Residency Law _____	90
Failure to Honor Warranty _____	65
Sale of Non-Complying or Illegally Altered Homes _____	33
Fraud or Misrepresentation _____	32
Non-Receipt of Title _____	22
Unlicensed Sales Activity _____	16
Contracts _____	15
Advertising _____	14
Escrow _____	11
Other _____	5

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Codes and Standards	(916) 445-9471
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