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Move it or Lose it: Washington State's Mobile Home Park Conversion Process and its Failures

By Lauren Malpica

Just south of Seattle-Tacoma International Airport, across the street from several hotels and airport parking lots, sits the Firs Mobile Home Park.¹ Tucked into the hillside amongst towering pine trees, this park is home to 70 families and over 200 people.² The majority of the families residing in this park are Hispanic and low-income.³ Rising land values in the greater Seattle area likely influenced the decision of the Firs landowner to redevelop the park into hotels and apartment buildings.⁴ As a result, this park will soon be closing, and the residents of the park will face a tough choice: incur the financial costs of trying to move their home or lose it altogether.⁵

In some Washington cities, there is a statutory process for the closing of mobile home parks that goes beyond what is required at the state level.⁶ For example, in SeaTac, the landowner must submit a relocation plan to the city before redevelopment of a mobile home park can begin.⁷ In the case of the Firs Mobile Home Park, the City of SeaTac approved the landowner's relocation plan on October 17, 2016.⁸ Once the landowner has met the

¹ Scott Schaefer, *Firs Mobile Home Park will be Closed and Redeveloped*, SEATAC BLOG (Oct. 21, 2016, 3:37 PM), <http://seatablog.com/2016/10/21/firs-mobile-home-park-will-be-closed-and-redeveloped/> [https://perma.cc/Q8BK-2PHV].

² John Langelier, *SeaTac Mobile Home Tenants Fight Relocation Plan*, KING 5 NEWS (Oct. 7, 2016, 2:20 AM), <http://www.king5.com/news/local/SeaTac-mobile-home-tenants-fight-relocation-plans/329764831>. [https://perma.cc/S8KW-FTBY].

³ *Id.*

⁴ *Id.*

⁵ *Id.*

⁶ *See, e.g.*, SEATAC, WASH., MUNICIPAL CODE § 15.465.600 (2016).

⁷ Langelier, *supra* note 2.

⁸ Schaefer, *supra* note 1.

requirements of the city municipal code, he must comply with state law by providing sufficient notice to the park residents.⁹ After this occurs, the residents of the Firs Mobile Home Park will have twelve months to vacate the premises.¹⁰ The twelve-month notice requirement is the only procedure Washington State offers to protect the property interest of mobile home park residents.

After a thorough review of both city and state procedures, this article will argue that Washington State lacks a sufficient closure process for mobile home parks, and individual city processes ultimately do nothing more than extend the time it takes to close the park. Further, these process does not do enough to protect the resident's interest in his or her actual home. Almost 2000 mobile home lots have been lost since 2007.¹¹ Because new mobile home parks are not being developed, the closing of a park has extraordinary consequences for park residents who would like to keep their mobile home.¹² This means that even if a resident of a closing park can afford the cost of moving his or her home, finding a new park into which they can move his or her home has become increasingly difficult.¹³

The mobile home is an important affordable housing option for low-income families¹⁴ that is quickly becoming less and less stable. Because of the increase in park closures across Washington State, and because Washington has failed to provide adequate protections for a mobile home owner's property interest, fixing the problem is a two-step process. In order to properly safeguard mobile home parks as an affordable housing option, the problem must be addressed both during the "planning process" and

⁹ WASH. REV. CODE § 59.20.300 (2011).

¹⁰ Langelier, *supra* note 2.

¹¹ *Id.*

¹² *Id.*

¹³ *See id.*

¹⁴ *See e.g., Quick Facts*, MANUFACTURED HOUSING INSTITUTE, 1, 2 (2016), <http://www.manufacturedhousing.org.php56-9.dfw3-2.websitetestlink.com/wp-content/uploads/2016/09/1836temp.pdf>. [<https://perma.cc/6HX7-C5MN>].

during the actual relocation of the mobile home. Therefore, the best way to increase the stability of this housing option is to create a relocation plan requirement and an upfront payment model for relocation assistance. First, the Washington State Legislature should revise the Manufactured/Mobile Home Landlord-Tenant Act¹⁵ that requires all mobile home park landowners (herein after referred to as landowner) to create a relocation plan and have it approved by the state. Second, the legislature must also revise the Mobile Home Relocation Assistance Act,¹⁶ changing it from a reimbursement program to an upfront payment program in order to give more effective assistance to residents of closing mobile home parks.

It is important to note that mobile home residents do not have the same ownership relationship with their home as owners of traditional homes. Rather, mobile home residents can be divided into three groups: “all-out renters,” “all-out owners,” and “owners and renters.”¹⁷ All-out renters do not own the mobile home or the land and are treated as regular tenants under the Washington Landlord-Tenant Act.¹⁸ All-out owners own the land as well as the home and are treated like owners of a traditional home.¹⁹ The people that fall under the owners and renters category are those that own the home but rent the lot the home sits upon.²⁰ Because these residents have the least amount of protections over their property interest, it is the owners and renters class of residents that is the focus of this paper.

The issues facing owners and renters are quite unique. As a result, in order to understand the origin of these issues, it is important to understand the evolution of the “mobile home” more generally. Thus, the first section

¹⁵ See Manufactured/Mobile Home Landlord-Tenant Act, WASH. REV. CODE § 59.20 (1999).

¹⁶ See Mobile Home Relocation Assistance, WASH. REV. CODE § 59.21 (1995).

¹⁷ See WASH. REV. CODE § 65.20.040 (1999).

¹⁸ See *id.*; Residential Landlord-Tenant Act, WASH. REV. CODE § 59.18 (2016).

¹⁹ See WASH. REV. CODE § 65.20.040 (1999).

²⁰ *Id.*

of this paper discusses the development of the mobile home from “travel trailer” to what it is today.

The second section of this paper argues that classifying mobile homes as personal property undermines the protections afforded to mobile home owners. This section further explores the differences between the protections placed on real property and those placed on personal property.

The third section of this paper discusses housing affordability in Seattle, specifically. It further explains how, in a time of soaring housing costs, mobile homes are an important option for low-income families.

The fourth section of this paper briefly summarizes the value of mobile homes as an affordable housing option and then introduces the idea that Washington State fails to adequately protect the interests of those who choose mobile homes as a housing option.

The fifth section of this paper closely examines statewide and local procedures for the closure of mobile home parks. It also looks at the state’s position on closures and provides a critique of the state’s response. Finally, this section concludes with an introduction of the relocation plan, how it works, and how requiring landowners to create a relocation plan better protects the interests of mobile home owners in closing mobile home park communities.

Finally, the sixth section examines the effectiveness of the Manufactured/Mobile Home Relocation Assistance Act. After highlighting some of its successes and failures, this section concludes with a look at how this Act can be improved, as well as alternative sources of funding.

I. HISTORY OF THE MOBILE HOME

What is a mobile home? Is it the same thing as a manufactured home? What about the trailer in “trailer parks”? The basic idea of all three are in fact the same. The terminology has simply evolved with the production and

stability of the dwelling.²¹ Mobile homes got their start in the 1920s and '30s as travel trailers (i.e. non-permanent housing options) that were towed behind cars on family vacations.²² Overtime, these trailers evolved from being “wooden tents on wheels” to more complex aluminum structures with bathrooms and kitchen fixtures.²³ As trailer popularity grew, so did the popularity of “trailer parks.”²⁴ These trailers and trailer parks soon attracted a growing number of permanent residents, especially after the start of the Great Depression.²⁵ The increasing popularity of trailer parks brought controversy, and as a result, strict city ordinances attempted to limit the ease with which new trailer parks could be established.²⁶ The trailer industry then split into separate industries: recreational vehicle (RV) manufacturers and mobile home manufacturers.²⁷ Despite the reclassification of mobile homes from a temporary to a permanent housing option and the steady increase of trailer park residents, city zoning often relegated trailer parks to the less desirable industrial or commercial parts of town, often near junkyards, railroads, and sewage farms.²⁸

While the majority of early trailer park residents were construction or military workers, trailers were gaining popularity with young families.²⁹ This led manufacturers to create more livable spaces as opposed to easily mobile spaces, and thus created the “mobile home” that is more similar to what we know today.³⁰ The expansion of the trailer from eight to ten feet wide, meant that these homes were no longer capable of being towed by a

²¹ See JOHN HART ET AL., THE UNKNOWN WORLD OF THE MOBILE HOME 3 (2003).

²² *Id.* at 6.

²³ *Id.* at 6–8.

²⁴ *Id.* at 8.

²⁵ *Id.* at 9.

²⁶ See *id.* at 9–10.

²⁷ *Id.* at 17.

²⁸ *Id.* at 15.

²⁹ *Id.* at 17.

³⁰ *Id.* at 18.

standard car.³¹ Instead, the home became classified as an over-sized load, requiring a commercial vehicle to tow it.³² Once it reached a more permanent location, the home would become “immobilized.”³³ With this change in mobility, mobile home residents and manufacturers added touches that would make the homes resemble more traditional site-built homes by adjusting the location of the kitchen and adding permanent fixtures to the outside, such as carports and concrete walkways.³⁴ By the late 1960s, manufacturers were producing what are now known as double-wides.³⁵ These multi-sectional units are towed separately and then combined on site.³⁶ Today, once assembled, mobile homes are seldom moved and resemble traditional site built homes in almost every way.³⁷

In 1980, partly in response to the more permanent nature of this housing type, the mobile home industry successfully lobbied to have “mobile home” changed to “manufactured housing” in all federal law and literature.³⁸ However, this federal change may be more confusing than helpful. To simplify these terms, in the industry and in common vernacular, “trailers” refer to the homes that predate the U.S Department of Housing and Urban Development’s code, “single” and “double-wide” homes are referred to as mobile homes, and anything larger such as “triples” and “quads” are usually referred to as “manufactured housing.”³⁹ Throughout the rest of this paper, all three types of housing will be referred to simply as “mobile homes.”

In summary, mobile homes have evolved extensively from wooden travel trailers to double-wides, from a temporary shelter that could be towed by a car, to an over-sized load that, once sited, should seldom be moved. And,

³¹ *See id.*

³² *Id.* at 18-20.

³³ *See id.* at 20.

³⁴ *Id.* at 10.

³⁵ *Id.* at 22.

³⁶ *Id.*

³⁷ *Id.*

³⁸ *Id.* at 3.

³⁹ *Id.*

while the construction and permanence of the mobile home has changed substantially, perceptions of the mobile home have not.⁴⁰ These perception of mobile homes as being mobile are further evidenced in the law as explained in the next section.

II. THE CLASSIFICATION OF MOBILE HOMES AS PERSONAL PROPERTY—EASY WAYS FOR MOBILE HOME OWNERS TO LOSE THEIR HOME

In order to better understand the property protection issues that mobile home owners often face, it is important to understand how the classification of mobile homes as personal property affects property protections. This section briefly explains the distinction between real and personal property and then discusses the property protections that attach to real and personal property.

Generally, there are two classifications of property: real and personal. Both categories come with their own “bundle of rights.”⁴¹ Real property is “land and anything growing on, attached to, or erected on it, excluding anything that may be severed without injury to the land.”⁴² Real property can be either corporeal (soil and buildings) or incorporeal (easements),⁴³ whereas personal property is defined as “[a]ny movable or intangible thing that is subject to ownership and not classified as real property.”⁴⁴

Laws concerning mobile homes often reflect the idea that mobile homes started out as towable homes. As a result, a mobile home can be classified, like a car, as personal property or as real property.⁴⁵ The classification of mobile homes under Washington State law depends entirely on whether the

⁴⁰ See *id.* at 2–3.

⁴¹ See *Property*, Black's Law Dictionary (10th ed. 2014).

⁴² *Id.*

⁴³ *Id.*

⁴⁴ *Id.*

⁴⁵ See WASH. REV. CODE § 65.20.010 (1989).

homeowner owns the land on which the home sits.⁴⁶ A manufactured home is considered real property when the resident owns both the home as well as the land underneath.⁴⁷ However, the home is considered personal property when the resident owns the home but rents the land underneath.⁴⁸ This makes sense, theoretically, because a mobile home owner can scoop up his or her home and move it to a new location without losing any property interest. At the same time, he or she cannot gain rights in the land because he or she does not own it.

However, while this statutory classification is in line with the basic legal doctrine of property, it becomes clear that this classification system affords little to no protection to mobile home owners. The remainder of this section will briefly analyze the protections afforded to real and “personal” property owners when they are faced with the prospect of having their property taken away.

A. Foreclosure and Takings—Real vs. Personal Property Protections

In most cases, when a person purchases real property, the purchaser is purchasing a fee simple interest in the land.⁴⁹ Accordingly, short of foreclosure,⁵⁰ a governmental taking,⁵¹ or a natural disaster,⁵² a purchaser’s

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ *Id.*

⁴⁹ Fee simple: An interest in land that, being the broadest property interest allowed by law, endures until the current holder dies without heirs; esp., a fee simple absolute. *Fee simple*, BLACK’S LAW DICTIONARY (10th ed. 2014).

⁵⁰ Foreclosure: A legal proceeding to terminate a mortgagor’s interest in property, instituted by the lender (the mortgagee) either to gain title or to force a sale in order to satisfy the unpaid debt secured by the property. *Foreclosure*, BLACK’S LAW DICTIONARY (10th ed. 2014).

⁵¹ Taking: The government’s actual or effective acquisition of private property either by ousting the owner or by destroying the property or severely impairing its utility. • There is a taking of property when government action directly interferes with or substantially disturbs the owner’s use and enjoyment of the property. *Taking*, BLACK’S LAW DICTIONARY (10th ed. 2014).

interest cannot be taken away. Like real property, the government cannot take a person's mobile home without just compensation.⁵³ However, mobile home owners are in a unique position because they own their home but not the land beneath it. When landowners decide to close their parks, and residents are unable to afford the cost of moving their homes, what happens to them?

In Washington State, landowners are under no obligation to compensate mobile home owners for the cost of relocating their homes.⁵⁴ Currently, there is no case law or legislation that declares what should happen once a mobile home owner is evicted from their lot in a mobile home park.⁵⁵ If the homeowner does not qualify for mobile home relocation assistance⁵⁶ and therefore cannot afford to move the home, the mobile home owner is forced to abandon his or her personal property. And while the landowner may have to deal with the abandoned property, it is likely that doing so is cheaper than assisting with relocation costs. Real property cannot be abandoned.⁵⁷ Personal property, on the other hand, can.⁵⁸

In the case of the Firs Mobile Home Park, the landowner is offering park tenant two thousand dollars in exchange for his or her mobile home.⁵⁹ With the median price for a new mobile home being forty thousand dollars, this meager two grand is likely to feel like a slap in the face for most residents.

⁵² See Michael Pearson & John Zarella, *A Loud Crash, Then Nothing: Sinkhole Swallows Florida Man*, CNN (March 5, 2013, 6:03 AM)

<http://www.cnn.com/2013/03/01/us/florida-sinkhole/>. [<https://perma.cc/X477-VPE3>].

⁵³ “[N]or shall private property be taken for public use, without just compensation” U.S. CONST. amend. V.

⁵⁴ *Guimont v. Clarke*, 121 Wn.2d 586, 593, 854 P.2d 1, 5 (1993)

⁵⁵ Rory O’Sullivan & Gabe Medrash, *Creating Workable Protections for Manufactured Home Owners: Evictions, Foreclosures, and the Homestead*, 49 GONZ. L. REV. 285, 293 (2014).

⁵⁶ See WASH. REV. CODE § 59.21.021 (2002).

⁵⁷ “[T]he law is that a perfect legal title to corporeal real property cannot be lost by abandonment.” *Cameron v. Bustard*, 205 P. 385, 386 (Wash. 1922), *overruled on other grounds by* *Chaplin v. Sanders*, 676 P.2d 431 (Wash. 1984).

⁵⁸ *Lowe v. Rowe*, 294 P.3d 6, 11 (Wash. Ct. App. 2012).

⁵⁹ Langelier, *supra* note 2.

⁶⁰ However, this two thousand is the only money guaranteed to be received by residents because the state falls short of offering real, effective relocation assistance.

III. HOUSING COST COMPARISON AND AFFORDABILITY—WHY MOBILE HOMES ARE WORTH PRESERVING

A. Examination of the Cost of Seattle Area Housing

In a time when housing costs are skyrocketing, mobile homes offer a truly affordable alternative for families. Housing costs vary greatly depending on the type of structure and ownership status.⁶¹ For homeowners in the greater Seattle area, the median monthly housing cost for a three-bedroom single-family home is \$1,363.⁶² This includes the cost of the mortgage, as well as any maintenance costs.⁶³ In this same location, the median cost of renting a two-bedroom apartment in a multi-unit building (apartment complexes and townhomes ranging from 20 to 49 units) is \$1,291.⁶⁴ Finally, the median monthly housing cost for mobile homes in this area is \$856.⁶⁵ This number includes the cost of renting the land and any mortgage payments or maintenance costs.⁶⁶ This means that, on average, the housing costs of living in a mobile home are significantly less than the monthly cost of owning or renting a traditional site-built home by \$505 and \$435 per month, respectively.

⁶⁰ See *American Housing Survey*, U.S. CENSUS BUREAU, (2015), <https://www.census.gov/programs-surveys/ahs/data/interactive/ahstablecreator.html#>. [<https://perma.cc/25QE-LZD6>] (To create table, in the “Table Criteria” bar, select “Seattle” under the “Select Area” tab, Select “2015” under the “Select Year” tab, select “Housing Costs” under the “Select Table” tab, select “Units by Structure Type” under the “Variable 1” tab, select “Number of Bedrooms” under the “Variable 2” tab, select “All” for the “Tenure Filter” tab, and select “All” for the “Geography Filter” tab).

⁶¹ *Id.*

⁶² *Id.*

⁶³ *Id.*

⁶⁴ *Id.*

⁶⁵ *Id.*

⁶⁶ *Id.*

When comparing the monthly costs of housing with the percentage of income spent on housing costs, these numbers become even more startling.⁶⁷ In the most recent report on the Affordable Housing Inventory, the Washington Department of Commerce reported that 18 percent of Washington State residents pay more than 50 percent of their income towards rent.⁶⁸ Another 39 percent pay more than 30 percent of their income towards rent.⁶⁹ These numbers rank Washington “eighth in the nation for having the most severely cost-burdened rental households” and fifth in the nation for cost-burdened rental households generally.⁷⁰

While these numbers strain all members of the Washington community, they have the biggest impact on Washington residents with the lowest incomes.⁷¹ For example, a person on Social Security Income benefits cannot afford to rent a market-rate unit anywhere in Washington State because they would have to spend more than 50 percent of their income on rent.⁷² While this idea of unaffordability may be unsurprising for those familiar with the average cost of rent in Seattle,⁷³ this fact holds true for even less populated counties,⁷⁴ such as Kitsap County and Walla Walla County.⁷⁵ The soaring

⁶⁷ See Lisa Vatske et al., *Affordable Housing Inventory Report*, ST. WASH. DEPT. COMM. 1, 15 (May 2010), <http://www.commerce.wa.gov/wp-content/uploads/2015/12/HTF-Reports-Affordable-Housing-Inventory-Report-6-16-10.pdf#search=relocation%20plan%20%20mobile%20homes> [<https://perma.cc/U352-SR4R>].

⁶⁸ *Id.*

⁶⁹ *Id.*

⁷⁰ *Id.*

⁷¹ *Id.*

⁷² *Id.*

⁷³ See Mike Rosenberg, *Seattle Rents Now Growing Faster Than in Any Other U.S. City*, SEATTLE TIMES (July 21, 2016, 5:55 PM), <http://www.seattletimes.com/business/real-estate/seattle-rents-now-growing-faster-than-in-any-other-us-city/> [<https://perma.cc/64DW-Q8EG>].

⁷⁴ Estimated population of King County in 2016: 2,105,100; estimated population of Kitsap County: 262,590; estimated population for Walla Walla County: 60,730. *April 1, 2016 Population of Cities, Towns and Counties Used for Allocation of Selected State Revenues*, ST. WASH. OFF. FIN. MGMT. (2016),

prices of traditional single-family homes have also impacted families across Washington State.⁷⁶ While Seattle has hit an average home price of \$660,000, home prices have soared across the state as well, with homes in Kitsap county selling for an average of \$299,975.⁷⁷

Meanwhile, according to the American Housing Survey, the median cost of a mobile/manufactured home in Seattle is \$40,000.⁷⁸ This number is similar to the national average for the cost of purchasing a new single-wide mobile home.⁷⁹

B. Why Mobile Homes Are an Important Source of Affordable Housing

Despite the negative perceptions society has towards mobile home parks, surveys of actual residents of mobile home communities demonstrate the positive impact of mobile home ownership.⁸⁰ For example, in a study that

http://www.ofm.wa.gov/pop/april1/ofm_april1_population_final.pdf
[<https://perma.cc/Z7MB-UN9S>].

⁷⁵ See Lisa Vatske et al., *Affordable Housing Inventory Report*, ST. WASH. DEPT. COMM. 1, 15-16 (May 2010), <http://www.commerce.wa.gov/wp-content/uploads/2015/12/HTF-Reports-Affordable-Housing-Inventory-Report-6-16-10.pdf#search=relocation%20plan%20%20mobile%20homes> [<https://perma.cc/U352-SR4R>].

⁷⁶ See Rosenberg, *supra* note 73.

⁷⁷ *Id.*

⁷⁸ *American Housing Survey*, U.S. CENSUS BUREAU, (2015), <https://www.census.gov/programs-surveys/ahs/data/interactive/ahstablecreator.html#> [<https://perma.cc/25QE-LZD6>] (To create table, in the “Table Criteria” bar, select “Seattle” under the “Select Area” tab, Select “2015” under the “Select Year” tab, select “Housing Costs” under the “Select Table” tab, select “Units by Structure Type” under the “Variable 1” tab, select “Number of Bedrooms” under the “Variable 2” tab, select “All” for the “Tenure Filter” tab, and select “All” for the “Geography Filter” tab).

⁷⁹ Average sale price of a single-wide: \$45,600. Average sale price of a double-wide: \$86,700. See e.g., *Quick Facts*, MANUFACTURED HOUSING INST., 1, 2 (2016), <http://www.manufacturedhousing.org.php56-9.dfw3-2.websitetestlink.com/wp-content/uploads/2016/09/1836temp.pdf> [<https://perma.cc/6HX7-C5MN>].

⁸⁰ See Thomas P. Boehm & Alan Schlottmann, *Is Manufactured Owned Housing a Good Alternative for Low-Income Households? Evidence from the American Housing Survey*, 10 CITYSCAPE 159, 160 (2008); see also JOHN HART ET. AL., *THE UNKNOWN WORLD OF THE MOBILE HOME 3* (2003) (“On the scale of general social acceptability, mobile home parks rank somewhere in the neighborhood of junkyards”).

closely examined national data from the American Housing Survey, researchers found that

[a]cross all time periods, in terms of included measures of neighborhood quality and structural quality, owned manufactured housing is perceived to be (ranked) higher quality than rented housing. This observation holds true even when the sample is stratified by metropolitan and nonmetropolitan location. In addition, the cost of manufactured owned housing, even for recent movers, is much lower than other alternatives, including renting. In addition, the cost of manufactured housing, even for more recent movers, is much lower than other alternatives, including renting.⁸¹

This same study also looked closely at neighborhood stability and compared it with housing choices.⁸² This portion of the study found that “residents of manufactured owned housing tend toward stability of location in a manner quite similar to that of residents of traditional owned housing.”⁸³ In other words, the longer a resident resides in one home, the more likely that resident is to continue to reside in the home.⁸⁴ The study contrasts this fact with tenants who live in rented housing units.⁸⁵ The researchers found that the opposite was true for this group, finding that the longer a renter stayed in their unit, the more likely the renter was to move from the unit.⁸⁶ The main conclusion from this study is that when examining perceived structural and neighborhood quality, owning manufactured housing is a “viable alternative for low-income households.”⁸⁷

⁸¹ Boehm & Schlottmann, *supra* note 80, at 163

⁸² *Id.*

⁸³ *Id.* at 195.

⁸⁴ *Id.*

⁸⁵ *Id.*

⁸⁶ *Id.*

⁸⁷ *Id.* at 163.

IV. THE SOLUTION IS A TWO-STEP PROCESS

Preserving mobile homes as an option will have a positive impact on housing availability for Washington's low-income residents due to the positive impact mobile homes have on quality of life, the quality of the neighborhood, and their low cost. Unfortunately, more mobile home parks are being closed than are being opened,⁸⁸ and other areas of property law fail to offer mobile home owners adequate protections. The Manufactured/Mobile Home Landlord Tenant Act and the Mobile Home Relocation Assistance Act are attempts by the Washington State legislature to further protect a mobile home owner's interest in their home. However, both Acts are insufficient because neither offer *effective* protections.

Because two different legislative Acts govern the closure of mobile home parks, increasing the protections of a mobile home owner's property is a two-step process. The first step is for the Washington State legislature to revise the Manufactured/Mobile Home Landlord Tenant Act to require that all landowners draft a relocation plan before they are permitted to start process of closing the mobile home park. Second, the Washington State legislature needs to drastically change the Mobile Home Relocation Program, found in the Mobile Home Relocation Assistance Act, by transforming it from a reimbursement model to an upfront payment model.

V. FIRST STEP: REQUIRING A RELOCATION PLAN

Mobile home owners face unique challenges because, unlike renters who have no rights to the structure they live in or real property owners who have lengthy procedures protecting their property rights,⁸⁹ mobile home owners have very little protection in the physical structure that they call home. In recognition of the unique relationship between mobile home owners and landowners, the Washington State legislature created a separate

⁸⁸ See WASH. REV. CODE § 59.20.300 Notes (1)(b) (2008).

⁸⁹ WASH. REV. CODE § 61.24.042 (2012)

Manufactured/Mobile Home-Landlord Tenant Act.⁹⁰ While the Act governs all aspects of the mobile home owner and landowner relationship, this article is particularly concerned with the process the landowner must go through in order to close a mobile home park.

In this section, the article will first examine what Washington State law requires landowners to do in order to close a mobile home park. This section will then argue that the state fails to adequately protect mobile home owners' interests in their property because in most cities, the landowner is not required to do more than give adequate notice that the park is closing.⁹¹ Next, this section will compare and contrast the state requirements with local city requirements for closing a mobile home park. Specifically, it will look at how several cities have stepped up to require landowners to do more than simply give notice to mobile home owners that the park is closing—in several cities, landowners are required to submit a relocation plan before the park can even be scheduled for closure.⁹² Finally, this section will make a case for why the state should require all landowners to submit a relocation plan before a mobile home park can be closed.

A. Current State-Level Requirements

Washington State law allows landlords to terminate or not renew a tenancy in a limited number of circumstances, including when the landlord desires to convert the property to another use.⁹³ If the landowner intends to sell the land in order to convert it, the first step a landowner must take in closing a mobile home community is to provide notice of his or her intent to sell the mobile home community to six different parties consisting of

⁹⁰ *See id.* at § 59.20 (1999).

⁹¹ *See id.* at § 59.21.030 (2006).

⁹² *See, e.g.*, SEATTLE, WASH., MUNICIPAL CODE 22.904.410 (2016); SEATAC, WASH., MUNICIPAL CODE 15.465.600(H) (2016); AUBURN, WASH., MUNICIPAL CODE 14.20.080 (2003).

⁹³ WASH. REV. CODE § 59.20.080(1)(e) (2012).

individuals, organizations, and governmental departments.⁹⁴ These bodies include:

- (1) each tenant of the manufactured/mobile home community;
- (2) the officers of any known qualified tenant organization;
- (3) the office of mobile/manufactured home relocation assistance;
- (4) the local government within whose jurisdiction all or part of the manufactured/mobile home community exists;
- (5) the housing authority within whose jurisdiction all or part of the manufactured/mobile home community exists; and
- (6) the Washington State housing finance commission.⁹⁵

Once this notice has been given to all interested parties, the landowner is encouraged to negotiate in good faith, the terms of the closing with residents or other eligible qualified tenant organizations.⁹⁶ Once the landlord has finalized the terms of the sale or the conversion of the park, the last step is to give mobile home park tenants notice that the park is closing 12 months in advance of the actual closure.⁹⁷ While cities throughout Washington may require landowners to go through additional steps,⁹⁸ these few notice requirements are all that is mandatory at the state level.

B. The Issue with the State's Approach

The Washington State legislature has formally recognized that “[m]anufactured/mobile home communities provide a significant source of homeownership opportunities for Washington residents”⁹⁹ and that many residents of mobile home communities are low-income and in need of “reasonable security” in the siting of their home.¹⁰⁰ The state legislature has

⁹⁴ *Id.* § 59.20.300.

⁹⁵ *Id.* § 59.20.300(1).

⁹⁶ *Id.* § 59.20.305.

⁹⁷ *Id.* § 59.20.080(1)(e).

⁹⁸ *See, e.g.*, SEATAC, WASH., MUNICIPAL CODE, 15.465.600(H) (2016).

⁹⁹ *See* WASH. REV. CODE § 59.20.300 Notes (1)(a) (2008).

¹⁰⁰ *See id.* § 59.20.300 Notes (1)(b).

made several other important findings relating to affordable housing options and mobile home parks. For example, it found that the

increasing closure and conversion of manufactured/mobile home communities to other uses, combined with increasing mobile home lot rents, low vacancy rates in existing manufactured/mobile home communities, and the extremely high cost of moving homes when manufactured/mobile home communities close, increasingly make manufactured/mobile home community living insecure for manufactured/mobile home tenants.¹⁰¹

The legislature also found that:

The preservation of manufactured/mobile home communities:

- (i) Is a more economical alternative than providing new replacement housing units for tenants who are displaced from closing manufactured/mobile home communities;
- (ii) Is a strategy by which all local governments can meet the affordable housing needs of their residents;
- (iii) Is a strategy by which local governments planning under RCW 36.70A.040 may meet the housing element of their comprehensive plans as it relates to the provision of housing affordable to all economic sectors; and
- (iv) Should be a goal of all housing authorities and local governments.¹⁰²

Despite these findings, the legislature has let even minor suggested improvements fall by the wayside.¹⁰³ As a result, it is difficult to see how the legislature plans to put these findings into action by increasing protections for mobile home communities.

As this article will continue to argue, notice alone does not adequately protect the interests of mobile home owners because mobile home owners

¹⁰¹ See *id.* § 59.20.300 Notes (1)(a).

¹⁰² See *id.* § 59.20.300 Notes (1)(c).

¹⁰³ See H.B. 2946, 2016. (Wash. 2016). This bill proposed to increase the notice period from one to five years.

have no ability stop or alter the sale of the park. Therefore, the Washington State legislature needs to adopt the requirement that all landowners who plan to close a mobile home park must submit a relocation plan before this process can begin. Several cities across the state require relocation plans already. In the next sub-section, this article will examine the components of what a relocation plan should include as well as how relocation plans can benefit mobile home owners.

C. City-Level Requirements

Because the process for closing a mobile home park requires very little at the state level, cities throughout Washington have created further protections for mobile home residents.¹⁰⁴ For example, the cities of Seattle, Auburn, and SeaTac require all landowners intending to convert or close a mobile home park to create a “relocation plan” and have it approved by the city council before giving mobile home park residents their required 12-month notice.¹⁰⁵ Due to the similarities of the relocation plans in all three cities, and because Firs Mobile Home Park is located in SeaTac, this section will use SeaTac’s relocation plan requirements as the model in order to review the commonly required elements.

Overall, the city ordinances require that the landowner take affirmative steps to create the relocation plan and then follow up with the city council once the plan is approved. First, a landowner must attend a pre-application meeting to clarify the requirements of the relocation plan.¹⁰⁶ Then, the landowner must notify park tenants that the relocation plan process has begun, as well as give notice of the relocation plan timeline.¹⁰⁷ Next, the

¹⁰⁴ See WASH. REV. CODE § 59.20.080(1)(e) (2012); see also SEATTLE, WASH., MUNICIPAL CODE, 22.904.410 (2016); see also SEATAC, WASH., MUNICIPAL CODE, 15.465.600(H) (2016); see also AUBURN, WASH., MUNICIPAL CODE, 14.20.080 (2003).

¹⁰⁵ See SEATTLE, WASH., MUNICIPAL CODE, 22.904.410 (2016); see also SEATAC, WASH., MUNICIPAL CODE, 15.465.600(H) (2016); see also AUBURN, WASH., MUNICIPAL CODE, 14.20.080 (2003).

¹⁰⁶ SEATAC, WASH., MUNICIPAL CODE, § 15.465.600(H)(2)(a) (2016).

¹⁰⁷ *Id.* § 15.465.600(H)(2)(b).

landowner will prepare the relocation plan.¹⁰⁸ In the city of SeaTac, the required elements of the mobile home park relocation plan include: (1) an inventory of park tenants, including the age and condition of the mobile home; (2) the environmental conditions in the park and any possible environmental impacts of the proposed action; (3) the relocation options for residents, including a list of vacant mobile home park spaces in King and Pierce counties and a list of low-cost apartment homes; (4) the statements from participating residents regarding their future housing preferences; (5) the anticipated timing of the park closure; and (6) any intended actions the landowner intends to take in order to mitigate the impact of the park closure on its residents.¹⁰⁹

If the plan meets all of the above requirements, it is approved by the city council and the landowner may deliver the relocation plan, as well as the 12-month notice of closure, to all park residents.¹¹⁰ After this notice is delivered, the landowner is required to submit a monthly report to the city detailing: (1) the residents remaining in the park; (2) the spaces that have been vacated; and (3) where vacating tenants are relocating, and the type of housing they are obtaining.¹¹¹ The park cannot officially close until all tenants have vacated.¹¹² If the relocation plan is approved, residents have the option of appealing this decision to the City Hearing Examiner.¹¹³ During the appeal process, the relocation plan is stayed until the appeal is resolved.¹¹⁴

Does the added relocation plan required on the city level actually help protect mobile home owner's interests in their property? In answering this, let's revisit the situation of the residents of the Firs Mobile Home Park.

¹⁰⁸ *Id.* § 15.465.600(H)(2)(c).

¹⁰⁹ *Id.* § 15.465.600(H)(1).

¹¹⁰ *Id.* § 15.465.600(H)(2)(f).

¹¹¹ *Id.* § 15.465.600(H)(2)(j).

¹¹² *Id.* § 15.465.600(H)(2)(k).

¹¹³ *Id.*

¹¹⁴ SEATAC, WASH., MUNICIPAL CODE § 15.465.600(H)(2)(g) (2016).

According to the Washington State Department of Commerce, there are only three registered mobile home parks located within the- SeaTac city limits.¹¹⁵ These parks are Angle Lake Mobile Home Park, Bow Lake Residential Community, and the Firs Mobile Home Park.¹¹⁶ As discussed earlier, Firs Mobile Home Park is in the relocation plan stage of the closure process. Because the residents of Firs Mobile Home Park have appealed the approval of the relocation plan,¹¹⁷ they have essentially stalled the relocation plan from being implemented, and their 12-month eviction notice has been essentially extended.¹¹⁸ In short, even if the landowner's relocation plan is ultimately approved, the residents of this park gained the opportunity to participate in developing the content of the relocation plan, as well as have their disapproval of the plan taken into consideration. More importantly, given all of the elements that go into a relocation plan and the appeals process, the residents likely extended the amount of time they could remain in the park and gained access to more tools to help them eventually relocate. Returning to the question, does the relocation plan protect mobile home owners' interests? Yes—by giving mobile home park residents the

¹¹⁵ See *Mobile and Manufactured Home Parks in Washington, Mobile and Manufactured Home Relocation Assistance*, ST. WASH. DEPT. COMM. (Apr. 26, 2017), <https://app.box.com/s/kngyqojutjrd8vhbwgp9q4sighmk9r5> [<https://perma.cc/4ZQS-3EVZ>]. Spreadsheet can also be accessed under *Mobile Home Park Information* header at *Mobile and Manufactured Home Parks in Washington, Mobile and Manufactured Home Relocation Assistance*, ST. WASH. DEPT. COMM. (Apr. 26, 2017), <http://www.commerce.wa.gov/building-infrastructure/housing/mobile-home-relocation-assistance/> [<https://perma.cc/XAK2-T52M>].

¹¹⁶ See *Mobile and Manufactured Home Parks in Washington, Mobile and Manufactured Home Relocation Assistance*, ST. WASH. DEPT. COMM. (Apr. 26, 2017), <https://app.box.com/s/kngyqojutjrd8vhbwgp9q4sighmk9r5> [<https://perma.cc/4ZQS-3EVZ>]. Spreadsheet can also be accessed under *Mobile Home Park Information* header at *Mobile and Manufactured Home Parks in Washington, Mobile and Manufactured Home Relocation Assistance*, ST. WASH. DEPT. COMM. (Apr. 26, 2017), <http://www.commerce.wa.gov/building-infrastructure/housing/mobile-home-relocation-assistance/> [<https://perma.cc/XAK2-T52M>].

¹¹⁷ John Langelier, *SeaTac Mobile Home Residents Appeal Relocation Plan*, KING 5 NEWS (Nov. 1, 2016, 1:27 AM), <http://www.king5.com/news/local/seatac-mobile-home-residents-appeal-relocation-plan/345270191> [<https://perma.cc/PD7L-XGNX>].

¹¹⁸ See SEATAC, WASH., MUNICIPAL CODE § 15.465.600(H)(2)(g) (2016).

ability to challenge the park's closure, residents can actively participate in the protection of their homes.

However, because these relocation plans are not required at the state level, many cities likely do not feel the need to create their own relocation plan requirement.¹¹⁹ This creates a disparity between areas that do and do not require them, so protections vary across the state. For example, Spokane has 26 mobile home parks within its city limits.¹²⁰ These four parks have 100 to 200 lots per park.¹²¹ Because Spokane does not require a relocation plan, if a landowner decides to close one of these parks, these residents could be displaced one year after receiving and participating in good-faith negotiations.¹²² This means that 200 people could be suddenly displaced and forced to relocate not only themselves, but their entire home as well.

D. Why Requiring a Relocation Plan is the Solution

Washington State should require all landowners of closing mobile home parks to submit a relocation plan to the Department of Commerce.¹²³ Further, the legislature should mandate that the required one-year notice notifying residents that their park is closing cannot be given until the relocation plan is approved. A state-mandated relocation plan, modeled on the relocation plan required by the city of SeaTac, would require a landowner to take affirmative action in helping relocate displaced residents.¹²⁴

This change would solve the issue of inadequate property protections by allowing residents of closing mobile home parks to have a voice in how the

¹¹⁹ See, e.g., LYNWOOD, WASH., MUNICIPAL CODE ch. 21.70; SPOKANE, WASH., MUNICIPAL CODE ch. 17C.345.

¹²⁰ See *Mobile and Manufactured Home Parks in Washington*, *supra* note 116.

¹²¹ See *Mobile and Manufactured Home Parks in Washington*, *supra* note 116.

¹²² See WASH. REV. CODE § 59.20.080 (2012); *id.* § 59.20.305 (2008).

¹²³ The relocation plan should be submitted to the Department of Commerce because this department already handles the Mobile Home Relocation Assistance Fund.

¹²⁴ See SEATTLE, WASH., MUNICIPAL CODE § 22.904.410 (2016); SEATAC, WASH., MUNICIPAL CODE § 15.465.600(H) (2016).

plan is implemented. This would be accomplished not only through the appeals process,¹²⁵ but also through the plan element that allows for resident opinions and statements of who they are¹²⁶ and where they would like to end up.¹²⁷ Additionally, a requirement that all landowners submit a relocation plan before they give residents their one-year notice of the park's closure would put more responsibility on the owner's shoulders. Essentially, requiring a relocation plan increases the amount of procedures a landowner must go through in order to close a park. This increase will likely benefit everyone by creating a sense of procedural fairness.

While the plan does not have to be as lengthy as the SeaTac plan, the plan should include: (1) a description of the homes in the park; (2) who lives in the park and their relocation preferences; (3) any environmental concerns of relocating the homes; (4) a list of other parks and their openings within 50 miles; (5) any steps the landowner plans to take in order to mitigate the effects of the park's closure; and (6) a timeline of the park's closure. Additionally, residents of the park should have the ability to appeal the approval of a relocation plan.

Requiring the landowner to record resident preferences opens a dialogue between the landowner and the mobile home owners. The mobile home owners are also given an opportunity to voice their very real concerns. Further, requiring a landowner to submit a relocation plan would give residents additional time to prepare for the closure of the park. This is because residents are directly involved in the creation of the relocation plan, giving them constructive notice that the park will be closing. Requiring landowners to include other mobile home parks and their availability does two things. First, it gives the mobile home owners a list of places to which they could potentially relocate. Second, it gives the landowner an idea of how feasible it really is to have everyone relocate their home. Finally,

¹²⁵ See SEATAC, WASH., MUNICIPAL CODE, 15.465.600(H).

¹²⁶ See *id.* § 15.465.600(H)(1)(a)(i).

¹²⁷ See *id.* § 15.465.600(H)(1)(d).

giving residents the option of appealing the approval of the plan also increases the sense of procedural fairness.

E. Critiques and the Importance of Procedural Justice

A critique of requiring landowners to submit a relocation plan is the idea that it is simply delaying the inevitable and gives residents false hope that the park will remain open. Both of these critiques are true. However, the goal of a relocation plan requirement is not to prevent mobile home parks from closing. It is to help protect mobile home owners' interests by including them in the relocation process. Another goal of the relocation plan requirement is to have the landowner play a more active role in the relocation process, thereby preventing landowners from closing mobile home parks without fully considering the effects of the closing on the park residents. In legal terms, the goal of the relocation plan is to increase procedural due process.

The Fifth Amendment of the United States Constitution states that a person cannot be deprived of life, liberty, or property without due process of law.¹²⁸ The fact that due process is included in our nation's founding document demonstrates the importance our country has placed on the procedures one must go through in order to deprive someone of something. And while under these circumstances, mobile home owners are not being deprived of any property per se, mobile home owners are being deprived of their interest in having a stable location to place their home. The lack of procedures the state level means that a mobile home owner's interest in where their home is placed is taken away with very little legal process. In the current system, residents of closing parks have no ability to oppose the closure. Requiring a relocation plan creates a procedure in which mobile home owners can participate. This, in turn, increases the residents' feelings

¹²⁸ U.S. CONST. amend. V.

the system's fairness and therefore increases the likelihood that they will be more accepting of the outcome.¹²⁹

In sum, Washington State should adopt a law that requires all landowners to submit a relocation plan before giving notice that the park will be closing. A relocation plan is necessary because it allows park residents to protect their interests by participating in the relocation process and expressing their opinions on how they would like the process to proceed. However, requiring a relocation plan is not the only legal method the state must change to protect these interests. In order for the state to effectively protect a mobile home owner's interest, the state needs to completely change the way it provides relocation assistance. In the next section, this article will examine what the state needs to do once the proposed relocation plan is approved.

VI. SECOND STEP: PROVIDE RELOCATION ASSISTANCE UPFRONT

Mobile home residents are given one year to relocate their mobile homes before a park is closed.¹³⁰ It is during this period that mobile home owners are faced with the decision to relocate their home or abandon it altogether. Washington State offers a program to assist low-income mobile home owners with relocation costs. This section will explain the program in its current form. After this brief description, this article will argue that many mobile home owners fail to apply for the program because of the Mobile Home Relocation Assistance Act's faulty structure. It will do this by first looking at why certain proposed fixes, like expanding eligibility and changing how information is distributed, will not increase the number of program applicants. The article will then offer a thorough explanation of how creating an upfront payment model will increase the number of

¹²⁹ "When people feel that they have received fair treatment, they are more likely to adhere to, accept, and feel satisfied with a given outcome, and to view the system that gave rise to that outcome as legitimate." Rebecca Hollander-Blumoff, *The Psychology of Procedural Justice in the Federal Courts*, 63 HASTINGS L. J. 127, 134 (2011).

¹³⁰ WASH. REV. CODE § 59.21.030 (2006).

applicants to the program. It will also argue how a program like this will better protect the interests of the mobile home owners. Finally, the article will examine the funding issues that will likely be created if there is a dramatic increase in applications and propose a funding solution.

A. Current Mobile Home Relocation Assistance Program

1. What It Is

First enacted in 1989, the Washington State legislature created the Mobile Home Relocation Assistance Act to provide assistance for mobile home relocation for residents of closed or converted mobile home parks.¹³¹ In its current statement of purpose, the legislature recognized the costly nature of moving a mobile home and how many tenants of closing mobile home parks required financial assistance.¹³²

The Mobile Home Relocation Act has evolved significantly over time. As originally enacted, the Act required landowners to pay the full amount of relocation costs of all residents if their park was closed prior to 1991.¹³³ After June 30, 1991, landowners were required to pay only up to one-third of the relocation costs, but just for the low-income residents.¹³⁴ The remainder of the cost was to be paid for by a state mobile home relocation fund that was also established by the Act.¹³⁵ Several landowners challenged the constitutionality of the statute, and the Supreme Court of Washington State held that the Mobile Home Relocation Assistance Act was unconstitutional because it was unduly oppressive and violated substantive due process.¹³⁶ Today, any relocation assistance given under this act is paid entirely by the Mobile Home Relocation Fund.¹³⁷

¹³¹ *Guimont v. Clarke*, 121 Wn.2d 586, 593, 854 P.2d 1, 5 (1993).

¹³² WASH. REV. CODE § 59.21.005 (1995).

¹³³ *Guimont v. Clarke*, 121 Wn.2d 586, 593, 854 P.2d 1, 5 (1993).

¹³⁴ *Id.*

¹³⁵ *Id.*

¹³⁶ *Id.* at 613.

¹³⁷ See WASH. REV. CODE § 59.21.021 (2005).

It is important to note that this is a reimbursement fund as opposed to a fund that pays costs up front.¹³⁸ Because it is a reimbursement fund, those who are eligible do not receive assistance until after their mobile home has been relocated. This structure has a major impact on a person's ability to receive assistance. In order to understand the repercussions of a reimbursement fund, it is important to understand the eligibility requirements.

The eligibility requirements for reimbursement assistance are strict and unmovable. Generally, in order to be eligible for relocation assistance, an applicant must be a "low-income household."¹³⁹ A "low-income household" is defined as "a single person, family, or unrelated persons living together whose adjusted income is less than eighty percent of the median family income, adjusted for household size, for the county where the mobile or manufactured home is located."¹⁴⁰ To put this into perspective, a family of three in King County would need to have a household income of less than \$62,400 to be eligible for reimbursement.¹⁴¹ Further, because the fund does not "front" moving costs and only reimburses actual moving costs, a person is only eligible if they have "removed and disposed of their mobile home or maintained ownership of and relocated their mobile home."¹⁴²

How much money are eligible residents entitled to? Understandably, this amount depends on the size of the home that is being either relocated or demolished. Mobile home residents that meet eligibility requirements are entitled to reimbursement up to \$7,500 for a single-wide and \$12,000 for a

¹³⁸ See *id.* § 59.21.021(4).

¹³⁹ *Id.* at § 59.21.021(1).

¹⁴⁰ *Id.* at § 59.21.021(1).

¹⁴¹ *FY 2016 Income Limits Documentation System*, OFF. POL'Y DEV. & RES., U.S. DEPT. HOUSING URB. DEV. (Mar. 28, 2016), https://www.huduser.gov/portal/datasets/il/il2016/2016summary.odn?states=53.0&data=2016&inputname=METRO42660MM7600*5303399999%2BKing+County&stname=Washington&statefp=53&year=2016&selection_type=county [<https://perma.cc/P7D5-P93W>].

¹⁴² WASH. REV. CODE § 59.21.021(4) (2005).

double-wide.¹⁴³ However, funds are distributed on a first-come, first-served basis.¹⁴⁴ This means that once the fund is empty, relocation reimbursements can no longer be dispersed.

The Washington State Department of Commerce is in charge of collecting the fees that make up the relocation assistance fund. The Department of Commerce's website states that "the relocation fund receives monthly deposits from a dedicated fee collected when a home is purchased in a mobile home park" and then cites what seems to be appropriate law, WASH. REV. CODE § 59.21.055 (2002).¹⁴⁵ However, this particular law was actually repealed in 2010¹⁴⁶ and replaced by a statute found in a different chapter of the Revised Code of Washington. This new statute establishes a \$100 fee for each application for a certificate of title for a new or used¹⁴⁷ manufactured home with a value that exceeds \$5,000.¹⁴⁸ This \$100 fee is automatically deposited in the Mobile Home Park Relocation Fund.¹⁴⁹ So in actuality, the fund is entirely financed by mobile home purchasers.

The Office of Mobile and Manufactured Home Relocation Assistance, under the control of the Washington State Department of Commerce, is the state entity in charge of the relocation assistance application process and the administration of reimbursement funds.¹⁵⁰ Applications for assistance are provided by the office to residents of closing parks within ten business days after they have received official notice of the closing.¹⁵¹

As to the application process itself, the law provides some guidance as to which materials an applicant must submit to establish eligibility for

¹⁴³ *Id.* § 59.21.021(4).

¹⁴⁴ *Id.* § 59.21.021(1).

¹⁴⁵ *Mobile and Manufactured Home Relocation Assistance*, *supra* note 116.

¹⁴⁶ WASH. REV. CODE § 59.21.055 (2002) (repealed 2010).

¹⁴⁷ The term "used" here simply implies that the manufactured home was re-sold.

¹⁴⁸ WASH. REV. CODE § 46.17.150(1) (2010).

¹⁴⁹ *Id.* § 46.17.150(2).

¹⁵⁰ *Mobile and Manufactured Home Relocation Assistance*, *supra* note 116.

¹⁵¹ *Id.*

reimbursement.¹⁵² But perhaps because of some inconsistencies, as well as gaps found in the statute requirements,¹⁵³ the Office of Mobile and Manufactured Home Relocation Assistance has filled in some of these gaps by requiring additional documentation.¹⁵⁴ The Office first requires an applicant household to fill out an application concerning his or her eligibility.¹⁵⁵ Because the Office mails out an application packet ten days after park residents receive notice, it is likely that the Office intended for this eligibility form to be available to residents early so residents can receive eligibility approval before they have actually relocated.¹⁵⁶

This application procedure does have its benefits. Because residents receive early notice of their eligibility, it is likely that residents will feel more secure in incurring moving expenses up front. Conversely, residents who discover their ineligibility may also be aware of their need to find alternative funding for their home relocation. The application process does not end with eligibility, however. Once the resident has incurred all moving expenses, he or she must submit documentation of the moving expenses incurred before receiving relocation assistance.¹⁵⁷ However, the current system's benefits are superficial because early notice of program eligibility

¹⁵² See WASH. REV. CODE § 59.21.050 (2011).

¹⁵³ This statute discusses the application materials that are required to establish eligibility. However, somewhat confusingly, it covers park tenants who relocate their home and park tenants who sell their home. The statute doesn't include park tenants who sell their home in any other place in the statute. Further, this part of the statute fails to include park tenants who are forced to demolish their home and purchase a new one. A group of tenants that is clearly covered under earlier sections. See *id.* § 59.21.050.

¹⁵⁴ See *Mobile and Manufactured Home Relocation Assistance*, ST. WASH. DEPT. COMM., <http://www.commerce.wa.gov/building-infrastructure/housing/mobile-home-relocation-assistance/> [<https://perma.cc/N2WJ-4LE8>] (last visited Sept. 23, 2017); see also link on this page to the Relocation Assistance Application, <https://app.box.com/s/dptendqlpivct1upbl50o050f5rz7ivd> [<https://perma.cc/K7NQ-RDXR>].

¹⁵⁵ See *id.*

¹⁵⁶ See *id.*

¹⁵⁷ WASH. REV. CODE § 59.21.050 (2011).

or ineligibility does little to assist mobile home residents in the process of actually moving their home.

2. How the Model is Failing

The system and procedures established by the Washington State legislature and the Department of Commerce do not provide effective assistance to residents of closing mobile home parks. The state budget information helps illustrate this ineffectiveness. Deep within the Department of Commerce's proposed operating budget, one important statistic is stated: in one annual period, only 4 percent of all potential applicants resulted in a tenant actually receiving relocation assistance.¹⁵⁸

What happened to the remaining 96 percent of applications? Were they rejected because they were financially ineligible, because their expenses were ineligible, or was there simply no money in the fund? None of these answers are correct.¹⁵⁹ Brigid Henderson, the Program Manager for the Mobile/Manufactured Home Relocation Assistance Program, shed some light on the biggest issue facing the program: the majority of residents simply do not even apply.¹⁶⁰

3. Why Expanding Eligibility Requirements and Changing the Distribution of Program Information Isn't Enough

Only 4 percent of potential applications for relocation assistance are submitted and approved.¹⁶¹ This appallingly low rate is reflected in the state's budget, where there is often upwards of \$600,000 in non-

¹⁵⁸ 2017-2019 Biennial Operating Budget Request, ST. WASH. DEP'T COM., 33 (Sept. 2016), <http://www.commerce.wa.gov/wp-content/uploads/2016/09/2017-19-Operating-Budget.pdf#search=relocation%20assistance> [<https://perma.cc/TJ4Y-8A43>].

¹⁵⁹ Telephone Interview with Brigid Henderson, Program Manager of the Mobile Home Relocation Assistance Program, Washington State Department of Commerce (Nov. 23, 2016).

¹⁶⁰ Telephone Interview with Brigid Henderson, Program Manager of the Mobile Home Relocation Assistance Program, Washington State Department of Commerce (Nov. 23, 2016).

¹⁶¹ ST. WASH. DEP'T COM., *supra* note 158.

appropriated funds.¹⁶² Therefore, lack of funds is not the source of the problem of low pay-out rates.

One theory behind low application rates is that people are afraid they will not qualify for assistance. One solution to this fear is to expand eligibility requirements. An expansion of eligibility requirements would theoretically remove that fear and increase the number of applicants. In January 2016, a bill was proposed in the state senate that would expand who is eligible for relocation assistance for tenants of closed or converted mobile home parks.¹⁶³ Instead of including only low-income mobile home owners, any owner of a mobile home would be eligible to receive assistance, regardless of income.¹⁶⁴ Theoretically, eligibility requirements that include households that fall in any income bracket would mean a greater number of mobile home applicants would be eligible and more applications could be accepted. As of now, this bill has not been passed.¹⁶⁵

However, expanding eligibility would have almost no meaningful impact on the problem. This is made clear by looking at the number of applications sent out, the number of applications submitted, and the number of applications approved. Once the Washington Department of Commerce receives notice from a landlord that a mobile home park is closing, the department sends out information and application materials to each mobile home park resident.¹⁶⁶ From January 2006 to October 2016, 1,923 relocation assistance applications were sent out to mobile home park residents.¹⁶⁷ Of these, only 571 applications were completed and returned to the Department of Commerce.¹⁶⁸ Of those 571 submitted applications, 472

¹⁶² *Id.*

¹⁶³ S.B. 6461, 64th Leg., Reg. Sess. (Wash. 2016).

¹⁶⁴ *Id.*

¹⁶⁵ S.B. 6461-2015-16 WASH. STATE LEG. (Jan. 29, 2017), <http://app.leg.wa.gov/billsummary?BillNumber=6461&Year=2015> [<https://perma.cc/4ATU-SP3F>].

¹⁶⁶ Henderson, *supra* note 159.

¹⁶⁷ *Id.*

¹⁶⁸ *Id.*

were reimbursed for relocations costs.¹⁶⁹ This is approximately an 83 percent approval rate, and those approved will receive assistance. Expanding eligibility requirements would likely increase the approval rating to 100 percent. In other words, based on the numbers over the ten-year period, about one hundred more applications could be approved.¹⁷⁰

However, the solution to low application rate is not in increasing the number of approved applications, but in increasing the total number of submitted applications. Let's look at the number again. Out of the 1,923 applications sent out by the Department of Commerce, only 571 applications were completed and returned. This means that 1,352, about 70 percent of applications, were never completed; this means that 1,352 households are missing the potential opportunity for assistance.

Those working at the Office of Mobile and Manufactured Home Relocation Assistance have noticed the huge number of unreturned applications and are doing their best to combat the problem by changing how program information is distributed.¹⁷¹ Originally, program materials as well as the application for relocation assistance was sent to mobile home park residents along with the many other materials, including notice that the park was closing and other legal aid information.¹⁷² As of autumn 2016, instead of sending out all of this information at once, the program now sends out a brief statement about the program with the aforementioned materials and then sends out the application materials at a later date.¹⁷³ This tactic is based on the idea that mobile home park residents were overwhelmed by the initial amount of materials they received; sending

¹⁶⁹ *Id.*

¹⁷⁰ 571 completed applications minus 472 approved applications equals 99 unapproved applications that could become approved applications. To simplify the matter, this equation assumes that all unapproved applications are unapproved for financial eligibility reasons.

¹⁷¹ Henderson, *supra* note 159.

¹⁷² *Id.*

¹⁷³ *Id.*

materials at a later date will allow a resident to better comprehend relocation assistance as an option.¹⁷⁴ It is too early to see if this tactic will increase the number of applications that are ultimately completed; if it does have an impact, it is difficult to imagine that this tactic alone will solve the problem.

In short, as indicated by the low application rates, the current mobile home relocation assistance program is not effective. Further, the proposed changes to the eligibility requirements will not change the program's effectiveness. Expanding eligibility should be done, but only after the other proposed changes are in place. In order for the program to become more effective, it needs to be radically changed.

B. The Solution: An Upfront Payment Model

1. Why Upfront Payment Models Work

Washington's mobile home relocation assistance program should be drastically changed so that the state pays the relocation costs up front instead of as reimbursement to a resident who has already relocated. While park residents could still have the option for reimbursement, an option that allows for assistance up front means that park residents do not have to worry about how they will fund their move. In order to better understand this idea, let's look at two hypotheticals.

The cost of receiving an undergraduate degree from a private or out-of-state school is about \$42,000 per year. The government recognizes that this is an extraordinary cost and that it may mean that many low-income students will not be able to attend college. In order to address this issue, the government offers a solution. For every year of school completed, the government will reimburse the student for 90 percent of the total cost of attending the school. All the student has to do is provide the upfront cost of attending school for that year. Will this type of program lead to more low-

¹⁷⁴ *Id.*

income students? It's doubtful. A person who needs financial assistance needs to receive it upfront. This is why the government offers student loans and not tuition reimbursements.

Now let's apply the idea to relocation assistance. First, remember that in order to be eligible for mobile home relocation assistance, you must have an adjusted income that is less than 80 percent of the median family income for your area.¹⁷⁵ For example, Person A, Person B, and their two children are residents of Firs Mobile Home Park in SeaTac, Washington. I will refer to them as Family X. They earn \$69,300 per year (this number is the income limit for a family of four in King County).¹⁷⁶ On average, a family of this size needs to earn \$70,025 in order to be financially secure.¹⁷⁷ Based on this number, Family X is barely making enough money to survive. They have enough income to cover the majority of their expenses but aren't able to build up a substantial amount of savings. Now imagine that Family X receives notice that their mobile home park is closing. Unless they have been methodically saving for years or have another source from which to obtain funds, it is unlikely that they have the requisite \$12,000 it costs to move their home. They are now forced to make a choice: stop all spending, including groceries and bills, or lose their home. The choice for most is obvious. The upfront costs of moving their home are too prohibitive. It is unlikely that Family X will be able to afford the complete cost of moving without significant financial hardship. As a result, Family X is forced to abandon its home.

¹⁷⁵ WASH. REV. CODE § 59.21.021 (2002).

¹⁷⁶ U.S. DEPT. HOUSING URB. DEV.,

https://www.huduser.gov/portal/datasets/il/il2016/2016summary.odn?states=53.0&data=2016&inputname=METRO42660MM7600*5303399999%2BKing+County&stname=Washington&statefp=53&year=2016&selection_type=county [<https://perma.cc/P7D5-P93W>] (choose "King County" in drop-down at the bottom of the page).

¹⁷⁷ Brett Cihon, *Want to Live in Seattle Comfortably? Here's What it Will Cost*, Q13 FOX (July 8, 2013, 6:43 AM), <http://q13fox.com/2013/07/08/want-to-live-in-seattle-comfortably-heres-what-you-need-to-make/> [<https://perma.cc/9SFU-R9ES>] (while the number cited is a little dated, it is unlikely that this number has decreased).

Family X may be aware that Washington State does provide relocation assistance. But, Family X cannot afford the cost of the move in the first place. Knowing they can be reimbursed is not going to help people who need the money up front so they can fund their moves. In this hypothetical, Family X doesn't apply for relocation assistance because they know they will never be able to afford the upfront costs of moving a home. Not knowing about the Relocation Assistance Program is not the issue. The issue is not being able to afford the move in the first place. This is why Washington State needs to change their relocation program to a paid upfront model as opposed to a reimbursement model.

2. Similar Programs in Other States

Several states, including Arizona and Minnesota, have already acknowledged the upfront relocation payment system as superior to that of a reimbursement system and have implemented a payment upfront plan.¹⁷⁸ Arizona's Mobile Home Relocation Assistance Program allows owners to receive up to \$5,000 for a single-section or \$10,000 for a multi-section mobile home to assist with moving the mobile home.¹⁷⁹ In order to receive relocation assistance, a resident must submit a contract to the director of manufactured housing in Arizona that details the expenses related to moving the home.¹⁸⁰ Once a contract is approved, the relocation expenses are paid directly to the installer or contractor.¹⁸¹ Payment is made to the installer only after all valid permits for the move are obtained and the relocation has actually taken place.¹⁸² This program model means that the resident of the home does not have to wait to receive assistance; instead, they get help from the very beginning.

¹⁷⁸ See ARIZ. REV. STAT. § 33-1476.01(2016); MINN. STAT. § 327C.095 (2016).

¹⁷⁹ ARIZ. REV. STAT. § 33-1476.01(C)(1) (2016).

¹⁸⁰ *Id.* § 33-1476.01(H).

¹⁸¹ *Id.* § 33-1476.01(I).

¹⁸² *Id.* § 33-1476.01(I).

A similar program is at work in Minnesota. There, a resident of a closing mobile home park may receive assistance of up to \$7,000 for a single-section or up to \$12,500 for a multi-section mobile home.¹⁸³ Minnesota goes one step further than Arizona, however, and provides half of the contractor's payment before the move and the other half after the move is completed.¹⁸⁴ Minnesota does not explicitly state the theory behind this payment model. One theory is that a payment model like this helps guarantee the move will actually occur. Most importantly, however, the resident does not have to worry about paying any of the moving costs up front until the \$7000 or \$12,500 limit is reached.

3. The Problem and Solution of Funding an Upfront Model

It is possible to have an upfront payment model, so why doesn't Washington implement one? The answer may lie in the need for funding. It's possible that the legislature is worried that paying costs up front will mean that the small amount of funds available for relocation assistance will be expended quickly.

An increase in applications means that the program may need additional funding. Currently, the program is a first-come, first-served program.¹⁸⁵ This means that once the funds run out, an applicant cannot receive assistance until the funds are replenished. Funds are replenished only by the \$100 new titling fee on mobile homes, meaning that the fund is only replenished as fast as new people are buying mobile homes. As a result, residents may qualify for the program but would be unable to actually receive assistance. How, then, can the fund be adequately funded? Washington State has grappled with funding for this program once before.¹⁸⁶

¹⁸³ MINN. STAT. § 327C.095(subd. 13) (2016).

¹⁸⁴ *Id.* § 327C.095(subd. 13).

¹⁸⁵ WASH. REV. CODE § 59.21.021 (2005).

¹⁸⁶ See *Guimont v. Clarke*, 121 Wn.2d 586, 854 P.2d 1 (1993).

Washington's original Mobile Home Relocation Assistance Act was passed in 1989.¹⁸⁷ As noted earlier, the Act originally required landowners to pay for part of the relocation assistance directly to residents if the park was closing or being converted.¹⁸⁸ Now, landlords are not required to pay any money into the Mobile Home Relocation Assistance Fund.¹⁸⁹ Instead, the Mobile Home Relocation Assistance fund is entirely paid for by the \$100 titling fee.¹⁹⁰ Therefore, the burden of funding the program lies entirely with mobile home park residents.

The landlord-tenant relationship between mobile home owners and their landowners is unique in that there is an extreme imbalance of power. A landlord may close a park for any reason. In many cases, it is likely that a landlord hopes to profit from the sale or conversion of the land. When a landlord decides to close a park, the decision greatly affects all of those who live there. When a mobile home park community closes, people literally have to move their homes or abandon them. That is why a landowner should contribute to the residents' costs of moving¹⁹¹ and why mobile home residents should not be the sole contributors to the relocation assistance fund.

Different states have taken different approaches. For example, both Arizona and Minnesota require landlords to make significant contributions to relocation assistance funds.¹⁹² However, because of the court's ruling in *Guimont v. Clark*, this is not an option for Washington State.¹⁹³ The Washington Supreme Court has stated that the burden of providing low-

¹⁸⁷ *Id.*

¹⁸⁸ *Id.*

¹⁸⁹ See WASH. REV. CODE § 46.17.155 (2010).

¹⁹⁰ See *id.*

¹⁹¹ Landowners should not be required to contribute because they are the landowners. Instead, they should be expected to contribute because they are a part of society and are likely to be car owners.

¹⁹² See MINN. STAT. § 327C.095(subd. 12) (2016); ARIZ. REV. STAT. § 33-1476.01(D) (2016).

¹⁹³ See *Guimont v. Clarke*, 121 Wn.2d 586, 593, 854 P.2d 1, 5 (1993).

income housing shouldn't be placed on the few, but on society as a whole.¹⁹⁴ Unfortunately, the program in its current state is not funded by society as a whole, but solely by the group of people the program intends to benefit. That is why the solution isn't in targeted registration fees or landlord contributions, but in a state-wide vehicle registration tax.

As previously stated, the relocation assistance fund is funded through a \$100 mobile home titling fee. Because mobile homes are classified as personal property and are treated more like cars than real property,¹⁹⁵ a tax on all car registrations is the most analogous way to spread the cost of funding the relocation assistance program. This kind of tax has several benefits. For example, it can have a fixed dollar amount that is applied to everyone equally as opposed to a percentage of a car's value. This means

¹⁹⁴ “The Act represents the Legislature’s recognition that the problems caused by the closure of mobile home parks are serious. We too note the seriousness of these problems. Mobile home parks provide a source of low-cost housing for the elderly and those with low incomes. These people often cannot afford relocation costs. Yet by requiring the closing park owner to pay these costs, which can amount to extremely high sums of money, the State is placing the burden of solving housing problems on the shoulders of a few. In *Robinson v. Seattle*, *supra*, we recently struck down a city ordinance as unduly oppressive where the ordinance required, among other things, relocation assistance to tenants displaced when landowners demolished low income housing on the owners’ property. *Robinson*, 119 Wash.2d at 55, 830 P.2d 318. We stated:

The problems of homelessness and a lack of low income housing in Seattle are in part a function of how all Seattle landowners are using their property.... This court has already said of the [housing ordinance] that solving the problem of the decrease in affordable rental housing in the city of Seattle is a *burden to be shouldered commonly and not imposed on individual property owners*.

(Italics ours.) *Robinson*, 119 Wash.2d at 55, 830 P.2d 318. See also *Sintra*, 119 Wash.2d at 22, 829 P.2d 765. Likewise, in this case, the costs of relocating mobile home owners, like the related and more general problems of maintaining an adequate supply of low income housing, are more properly the burden of society as a whole than of individual property owners.” *Guimont v. Clarke*, 121 Wn.2d 586, 610–11, 854 P.2d 1, 15 (1993). In response, the legislator only required mobile home owners to contribute to the relocation fund. See WASH. REV. CODE § 46.17.150(1) (2010). Instead of landowners shouldering any of the burden, the mobile home owners ended up shouldering all of the burden. See *Id.* Why is this ok?

¹⁹⁵ WASH. REV. CODE § 65.20.010 (1989).

that the projected revenue from the tax is easy to calculate. Another advantage to this kind of tax is that the amount collected can be very small. In part, this is due to the sheer number of registered vehicles in Washington State. As of June 2016, there were 7,213,580 registered vehicles in the state.¹⁹⁶ A person is required to renew their registration on their vehicle once a year.¹⁹⁷ Adding a \$0.50 tax that would go to the mobile home relocation fund would generate \$3,606,790 in revenue.¹⁹⁸ At a rate of \$7,500 per single-section mobile home and \$12,000 for multi-section homes, this \$3.6 million would cover the cost of relocating 480 single-section mobile homes¹⁹⁹ or 300 multi-section homes.²⁰⁰ While only 55 mobile home lots were lost in 2016, the Department of Commerce estimates that, because of the closing of eight parks, about 282 lots will be lost in 2017.²⁰¹ The \$3.6 million that could be generated from the \$.50 tax would be more than enough to pay for the relocation costs of all 282 of these homes, regardless of their size.

The funding system that exists now cannot meet the needs of all potential applicants if there is a dramatic increase in qualified applicants. The approximately \$600,000 that exists in the Mobile Home Relocation Fund²⁰² can only cover the cost of relocating 80 single-unit homes or 50 multi-unit homes.²⁰³ If 282 mobile home owners could apply for relocation assistance

¹⁹⁶ *Statistics-At-A-Glance*, DEPT. LICENSING (Jun. 30, 2016) <http://www.dol.wa.gov/about/docs/2016-FY-stats-at-a-glance.pdf> [<https://perma.cc/7LQN-M6AM>].

¹⁹⁷ WASH. REV. CODE § 46.16A.020(1)(a) (2014).

¹⁹⁸ 7,213,580 registered vehicles x \$.50 = \$3,606,790.

¹⁹⁹ \$3,606,790/75,000= 480.

²⁰⁰ \$3,606,790/12,000= 300.

²⁰¹ *Closing Mobile/Manufactured Housing Communities 2007-Current*, DEP'T COM. (May 24, 2017) <https://app.box.com/s/d07sr6q93xj8ejrg5y0gmksw8oahxk0h> [<https://perma.cc/55FY-WVV8>].

²⁰² ST. WASH. DEP'T COM, *supra* note 158.

²⁰³ Single unit: \$600,000/\$7,500=80; Multi-Unit: \$600,000/\$12,000=50

this year,²⁰⁴ \$600,000 will leave more than half of the affected residents with delayed assistance.

VII. CONCLUSION

Affordable housing is becoming increasingly scarce in Seattle and throughout the state. Mobile home communities provide quality and affordable housing to Washington residents. Unfortunately, mobile home parks are closing at an increasing rate. Mobile home park closures have the potential to displace hundreds of people. Further, Washington State fails to adequately protect mobile home owners' property interests.

In response to this issue, the Washington State legislature needs to do two things. First, it should modify the Mobile Home Landlord-Tenant Act to require all landowners of closing mobile home parks to create a relocation plan. This change is necessary to increase the protections that mobile home owners have in their property. Second, the legislature should also transform the relocation assistance program found in the Act to an upfront payment model as opposed to a reimbursement model. This change will better assist mobile home park residents with the relocation of their homes and reduce the rates that park tenants abandon their homes. Without these changes, mobile home parks are unlikely to remain an affordable housing option for Washington's low-income families.

With an expected closure date of October 2017, the residents of the Firs Mobile Home Park will soon have to choose between relocating their home at significant cost or abandoning it. Residents of future closing parks will continue to face this daunting decision unless significant changes to current laws are made.

²⁰⁴ *Closing Mobile/Manufactured Housing Communities 2007-Current*, DEP'T COM. (May 24, 2017) <https://app.box.com/s/d07sr6q93xj8ejrg5y0gmksw8oahxk0h> [<https://perma.cc/55FY-WVV8>].