C A L I F O R N I A L E G I S L A T U R E

SENATE SELECT COMMITTEE

ON

MOBILE AND MANUFACTURED HOMES

SENATOR JOSEPH L. DUNN
CHAIRMAN

TRANSCRIPT AND REPORT OF HEARING ON

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT MOBILEHOME REGISTRATION AND TITLING BACKLOG

SEPTEMBER 21, 1999

AMERICAN CANYON, CALIFORNIA

1012-S

TRANSCRIPT OF HEARING ON

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT MOBILEHOME REGISTRATION AND TITLING BACKLOG

SEPTEMBER 21, 1999

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BACKGROUND PAPER

SEPTEMBER 21, 1999

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Background Paper
September 21, 1999 Hearing

Issue I:
HCD REGISTRATION AND TITLING BACKLOG

Unlike conventional real property, title records of some 600,000 mobilehomes and manufactured homes in California are the responsibility of the state Department of Housing and Community Development (HCD). HCD's Registration and Titling (R&T) Section of the Division of Codes and Standards operates from a Sacramento headquarters office and nine (9) field offices listed in Appendix I.

How Registration & Titling Works: One of R&T's chief jobs is to create a permanent title record for new mobilehome and manufactured home sales and reissue new registration and titling documents for sales of used mobilehomes. Legal title is recorded when a mobilehome is first sold as a new unit. Recording the sale of a new home and establishing legal title is the responsibility of a licensed mobilehome dealer, who must apply for the registration and title to HCD within 10 days of the close of escrow. A dealer will often contract with an escrow company to handle the sale and complete the paperwork necessary to establish title and register the mobilehome.

Title is issued by HCD to the new registered owner (homeowner) or to the lien holder(s) in cases where the home is financed. Registration is issued to the homeowner, and it or a copy of it must be kept in the mobilehome.

The annual registration requirement is the responsibility of the mobilehome owner. The owner must also notify HCD of any change in the owner's name or address, change in location of the unit, or name of anyone who obtains a security interest in the mobilehome for a loan. If the mobilehome is sold, repossessed, impounded, or confiscated, the new owner must notify HCD so the title can be changed. Fees paid by persons requesting these services support the activities performed by HCD. The different types of documents or forms used by HCD for various R&T services are listed in Appendix II.

Other R&T Functions: In addition to mobilehome titling and registration documents, R & T also:

1) Maintains current registration and title information on commercial coaches, floating homes and truck campers in the state;

2) Provides registration and title information to county assessors, lending institutions, escrow companies and other state and local agencies and to the public, upon request;

3) Collects fees, sales and use taxes, and vehicle license fees (VLF on pre-1980 mobilehomes and on commercial coaches) and allocates mobilehome sales and use tax revenues to the Board of Equalization.

Tax Status not Relevant: The tax status and registration and titling of a mobilehome should not be confused. Most mobilehomes manufactured prior to July 1, 1980 are subject to a state in-lieu tax or Vehicle License Fee (VLF), like a vehicle. But if the mobilehome owner chooses to install the unit on a permanent foundation as a fixture to the real property or wants to switch the home to property taxes upon a resale, the annual registration requirement no longer applies. Mobile and manufactured homes built since July 1, 1980 are automatically subject to local property taxes. HCD maintains title records regardless of whether the mobilehome is subject to the VLF or local property taxes.

Changeover from DMV: Prior to 1981, the state Department of Motor Vehicles (DMV) handled registration and titling of mobile and manufactured homes. AB 2915 (Gage) Chapter 1149, Statutes of 1980, transferred responsibility for mobilehome and commercial coach registration and titling to HCD. Subsequent legislation vested HCD with similar duties for floating homes and truck campers. At the time HCD took over R&T duties from DMV, the operation was primarily a manual front-end processing system supported by various automated functions. The automated portion of the system was originally implemented by DMV in 1981 and later converted to the Teal Data Center in 1987. Since 1981, the automated system has been fraught with problems.

The Delinquency Crisis: At the time of the changeover from DMV, HCD faced a major crisis, as legislation enacting the property taxation of new mobilehomes became effective at the same time. Part of that new law provided that if an owner was delinquent in the payment of VLF fees on a mobilehome manufactured prior to July, 1980, that the home would be switched to the local property tax system. Some how, thousands of mobilehome owners, by some estimates more than ten-thousand, in the 1981 and 1982 period never received their annual VLF renewal notices from HCD. Unbeknown to their owners, these homes became delinquent and were automatically switched to the more expensive local property tax system. This created a major outcry from mobilehome owners that necessitated legislative intervention with an amnesty program and VLF reinstatement for most of those mobilehome owners whose homes were switched to property taxes due to a delinquency during that period. The Legislature also repealed the provision switching mobilehome VLF delinquencies to property taxes. HCD was never able to explain why these homeowners never received their annual VLF notices in the first place, but problems with the automated system were always suspect.

The Backlog: Since 1981, the inadequacy of R&T's automated system has caused varying delays in the processing of documents, but insufficient funding did not permit more than a band aid approach in fixing the problem, and the issue became progressively worse in the early 1990's. By the end of 1996, there was a backlog of some 346 days, almost a year. Mobilehome manufacturers, dealers, lenders and escrow companies were complaining about declining services and the fact that mobilehome loans were basically unsecured during the approximate year's time HCD took to process most titles. Some lenders who financed new and used mobilehome sales were threatening to pull out of the California market.

Step I: Reducing the Backlog: By 1997 HCD had formulated a plan that included implementation of a new CSAS automated processing system and the hiring of more personnel, both temporary and permanent, to reduce the backlog, funded by service fee increases that were supported by the manufactured housing industry. The goal was to eliminate the backlog of registrations by June 30, 1998 to an acceptable 60-day period. Through the budget process, the Legislature approved a $1.9 million loan from the General Fund ($1

million) and the Mobilehome Recovery Fund ($900,000) to augment HCD's R&T program. The loan was designed to allow HCD to bring its new computer system fully "on-line" and hire additional personnel as soon as possible, with the loan to be paid back by fee increases for registration and title transactions implemented administratively by January, 1998. See Appendix III – the current R&T fee structure. As the result of these steps, the backlog of new registration and titling applications was reduced between July, 1997 and March, 1998 to about 200 days.

A Continuing Problem: While the backlog was reduced, it was apparent by the end of March that the goal of reducing the backlog to 60 days by June, 1998 was becoming unrealistic. First of all, there was a two-month delay in enacting the budget, and loan money was not made available to HCD until late August, 1997. Additionally, there was a four-month delay in working out the bugs in the new computer system between December, 1997 and March, 1998. With additional hires, staff was becoming more productive, but there was still a lag time necessitated by both training new people in their new jobs and training existing personnel on using the new computer system for processing titles. Lastly, the most important factor in keeping HCD from reaching its goal was the unanticipated increase in new requests for mobilehome title transfers. An economic boom in mobilehome sales and resales boosted the R&T workload by 55% between July, 1997 and March, 1998. In July, 1998, HCD thus revised its deadline, estimating that the backlog would be met by the new date of December 31, 1998.

Although the titling backlog began to drop from a high of 63,535 in July, 1998, the Department was beset with other problems in the fall, including the difficulty in retaining sufficient temporary staff and additional record numbers of incoming title transactions. There was a need to develop more efficiencies in the system, such as hiring more permanent R&T staff to process the workload, more improvements in the CSAS automated system, and the development of better filing and document storage capabilities with document tracking numbers. By October, 1998, it was again apparent that the revised December 31st date for catching up the backlog was unrealistic, and HCD requested a deficiency authorization from the Department of Finance to allow the department to complete the hiring of 43 positions to address the increased workload and reduce the backlog.

Step II: Reducing the Backlog: In December, 1998, the deficiency authorization HCD requested was approved, allowing the recruiting, interviewing and screening efforts of additional staff to continue. As of May, 1999, 41 of the 43 authorized temporary positions were hired, and the department was finally processing more applications out than it was receiving in new applications, for a net gain in production. Further changes had been made in the operation of the program by including: 1) staffing phones so ongoing fully trained staff can focus on production; 2) training on actual transactions from the beginning; and 3) adoption of two special units in addition to the overall production unit – the "Expedite Unit," which began in September, 1998 and addressed all lender transactions over 6 months old - and the ""Re-Finance Unit," which deals with less complicated lender recording transactions. These transactions are given high priority and are not included in the backlog. In mid-May, the backlog was at its lowest point in several years at 45,250 (compared with 63,535 in July, 1998). See Appendix lV, a chart detailing the reduction of the backlog from 5/98 to 5/99. The 1999-2000 budget approved by the Governor will allow the 43 temporary positions originally approved for R&T to continue through June 30, 2000. The Department will also be authorized to retain 25 staff on a permanent basis to address future problems once the backlog is eliminated for a total of 78. With the current trend in reducing the backlog by 2,500-3,000 applications per month, HCD anticipates reaching a 30-day turnaround goal sometime in 2000.

Despite the progress that has been made by HCD, as of August there was still a 9-month backlog of transactions which affect many people. The September 21st hearing is designed to hear from those who still have problems in obtaining timely service from the Registration & Titling Section and to obtain the Department of Housing and Community Development's response to these concerns. Based on this testimony, the committee will determine whether further legislative action in 2000 is necessary to resolve the backlog.

Some Issues for Discussion

Some issues on the R&T backlog are raised below. Witnesses may have additional issues.

1) *Promises/ promises:* HCD has promised the Legislature at least twice in the past two years that the backlog would be caught up by certain dates, only to backtrack as the dates loomed nearer and the backlog grew worse. What assurances are there that HCD is on the right track this time in curing the backlog?

2) *Contingency funding:* The R&T program is self-financing. Fees for title transfers and other R&T services support those programs. Prior to the increase in fees in January, 1998, some fees had not been increased administratively in 15 years, and HCD has had to borrow funds against the General Fund and the Mobilehome Recovery Fund, with legislative authorization. Extended backlogs have been a problem with R&T since at least 1992. HCD can increase fees for R&T services administratively. Why did it take HCD almost 6 years to raise fees necessary to support a higher level of service to correct the backlog? Did industry pressure play a part in keeping fees low until the backlog reached crisis proportions? Should fees be restructured to create an R&T contingency fund to assure flexibility in dealing with future unanticipated backlogs?

3) *Crystal ball gazing:* Over the years, inefficiencies in the R&T program were apparently taken for granted. Authorized staff positions for the R&T program went unfilled. Glitches in the automated processing system received band-aids, not an overhaul. Even when HCD tried to attack the backlog with a plan the first time (1997-98), administrators failed to anticipate upswings and downturns in mobilehome sales that could affect R&T production. What steps is HCD taking to assure that the extended backlog, once resolved, does not reoccur?

4) *Local government:* HCD processes title documents on mobilehomes whether those homes are subject to property tax or the VLF. About 40% of California's mobile and manufactured homes, including sales of new homes, are subject to property taxation paid to county tax collectors or assessor-collectors. Local governments already handle title responsibilities for real property. Are local governments in a better position to collect the fees and handle the title documentation or transfer of mobilehomes on which they collect property taxes than the state, leaving the VLF homes to HCD? Would decentralization of the titling responsibilities ease R&T's workload? Alternatively, could local governments contract with HCD to assume this responsibility, much as they do for the enforcement of the Mobilehome Parks Act?

5) *Special programs/special privileges:* Because mobilehome lenders have threatened to "abandon" the California market due to the backlog, HCD has set up two special units, the "Expedite Unit" and the "Re-Finance Unit" to prioritize lender recording transactions. In the meantime, private party transactions, including individual mobilehome owners who, for instance, simply need to have a deceased relative removed from a title, are left in the backlog. Should HCD set up a special unit for private party transactions as well?

# # #

APPENDIX 1

REGISTRATION AND TITLING OFFICES

The public may visit, or mail a Registration and Titling application to any of the offices listed below except the Sacramento Headquarters Office which accepts mail in applications only.

FRESNO
2444 Main St. Suite 160
Fresno, Ca 93721-2734
Phone: (209) 445-5440
FAX: (209) 445-5333
(located between "O" St and Tulare)

LA MESA (SAN DIEGO AREA)
7777 Alvarado Road, Suite 302
La Mesa, CA 91941
Phone: (619) 645-2960
FAX: (619) 645-2959

REDDING
2986 Bechelli Lane, Suite 201
Redding, CA 96002
Phone: (916) 224-4815
FAX: (916) 224-4817

SACRAMENTO
8911 Folsom Boulevard
Sacramento, CA 95826
Phone: (916) 255-2532
FAX: (916) 255-2535

SACRAMENTO HEADQUARTERS
(mail in applications only)
P. O. Box 2111
Sacramento, CA 95812-2111
1-800-952-8356 or (916) 323-9224
FAX: (916) 323-9241

RIVERSIDE
3737 Main Street, Suite 400
Riverside, Ca 92501-2435
Phone: (909) 782-4431
FAX: (909) 782-4437

SAN JOSE
100 Paseo De San Antonio, Room 306
San Jose, CA 95113
Phone: (408) 277-1211
FAX: (408) 277-1986

SAN LUIS OBISPO
3220 South Higuera Street, Room 103B
San Luis Obispo, CA 93401
Phone: (805) 549-3373
FAX: (805) 549-3205

SANTA ANA
2333 North Broadway, Suite 200
Santa Ana, Ca 92706-1641
Phone: (714) 558-4974
FAX: (714) 558-4263

WINNETKA (LOS ANGELES AREA)
20201 Sherman Way, Suite 106
Winnetka, CA 91306-3297
Phone: (818) 717-5267
FAX: (818) 717-5353

APPENDIX 2
R & T DOCUMENTS AND FORMS

Registration and Titling Program

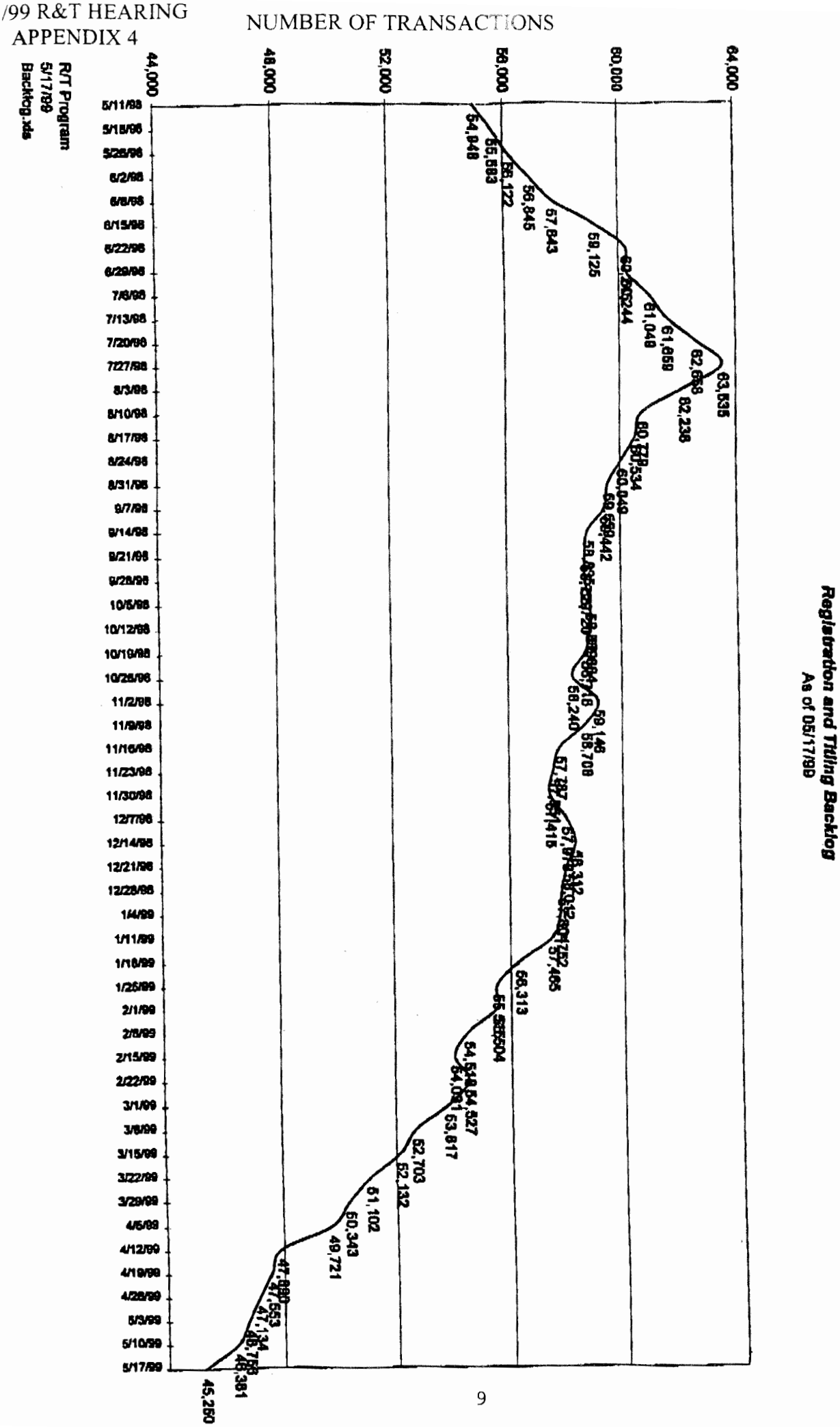
- General Information Documents
  - Manufactured Housing Titling Update
  - district.pdf Registration and Titling Office Addresses and Phone Numbers
  - fees.pdf Fee Schedule
- Registration and Titling Program Public Use Forms
  - 475.0, Application for Refund.pdf
  - 475.1, bill of sale.pdf
  - 475.3, lien satisfied.pdf
  - 475.4, power of attorney.pdf
  - 475.7, name statement.pdf
  - 475.2 Certificate for Transfer Without Probate.pdf
  - 475.9 Disabled Veteran Exemption.pdf
  - 476.0 Statement of Repossession.pdf
  - 476.1 Statement of Foreclosure/Abandonment.pdf
  - 476.3 Incorrectly Reported Description.pdf
  - 476.4, Certification of Retail Value and Purchase Price.pdf
  - 476.5, Use Tax Credit for Sales-Use Tax Pd in Other State.pdf
  - 476.6a, smoke detector.pdf
  - 476.6b, Designation of Trustee.pdf
  - 476.6c, park purchase fee exemption.pdf
  - 476.7, use tax exemption.pdf
  - 476.8, Notice of Sale or Transfer.pdf
  - 478.1, Notice of Attachment.pdf
  - 478.2, Certificate of Information-Notice of Attachment.pdf
  - 479.7, St of Purchase Price for Commercial Coaches.pdf
  - 480.4, Application for Duplicate Certificate of Title.pdf
  - 480.5, Application for Registration.pdf
  - 480.7, Statement of Lien.pdf
  - 480.8, Legal Owner Consent to Move.pdf
  - 480.9, Notice of Situs Change MH or FH.pdf
  - 481.1, Notice of Situs Change, Commercial Coach.pdf
  - 481.2, Application for Duplicate Registration Card.pdf
  - 481.3, Statement of Abandonment Sale.pdf
  - 481.4, Jr Lienholder Consent to MH or FH.pdf
  - 481.5, Intent to Move MH or FH w-o Secured Party Consent.pdf
  - 481.6, Statement of Anticipated Formal Assumption.pdf
  - 481.7, Conditional Lien Release.pdf
  - 481.8a, Notice of Escrow Opening.pdf
  - 481.8b, Notice of Escrow Closing.pdf
  - 481.8c, Notice of Escrow Cancellation.pdf
  - 482.4, Irrevocable Assignment to HCD.pdf
  - 482.5, Notice of Acknowledgement.pdf
  - 482.6, Assignment of Cash Bond.pdf
  - 483.1, co-owner terms.pdf

- 484.7, Statement to Encumber.pdf
- 485.1, Lien Assignment.pdf
- 485.7, Request for Confidentiality.pdf
- 487.3, Truck Camper Ownership Questionnaire.pdf
- 487.5, Serial Number Assignment.pdf
- 487.6, Warehouseman's Lien Sale.pdf
- 488.1, Requester Account Agreement.pdf
- 488.2, Certificate of Sale for a Commercial Coach.pdf
- 488.4, transfer on Death Beneficiary.pdf
- 490.3, Clarification Statement.pdf
- 490.8, Report of Additional Description or Junior Lienholder.pdf
- 491.1, Information-Title Search Request.pdf
- 495.0, Request for Voluntary Transfer to Local Property Tax.pdf
- 498.0, Tax Relief Claim.pdf

APPENDIX 3

REGISTRATION AND TITLING
SCHEDULE OF FEES
EFFECTIVE JANUARY 1, 1998

Description of Fee	Fee Amount
Foreclosure/Repossession Fee	$35
Foreclosure/Repossession Fee Penalty	$25
Transfer Fee	$35
Transfer Fee Penalty	$25
Duplicate Certificate of Title	$25
Duplicate Registration Card	$25
Opening Escrow Fee	$35
Informal Title Search (Faxed or Mailed)	$25
Formal Title Search (Faxed or Mailed)	$35
Photocopy Fee Per Page	$5
Fee to Certify Documents	$10
Registration Service Fee (add, delete or change lienholder)	$25
Situs Change Fee	$25
Substitute Decal	$25
Substitute Sticker	$25
Park Purchase Fund Fee (per section)	$5
Registration Fee (per section)	$11
Registration Fee Penalty (per section)	$3
Mobilehome Recovery Fund Fee	$10
Dealer Report of Sale Fee	$25
Administrative Service Fees (Dealer Fees): Applications submitted: After 10 days, within 20 days After 20 days, within 30 days After 30 days, within 60 days After 60 form date of sale. Fees submitted after 10 days from the date of sale.	 $10 $20 $40 $200 $5
Address Confidentiality Fee	$7
Transfer on Death Beneficiary	$25
Mobilehome Penalty (per section)	$50
Commercial Coach Penalty (per transportable section)	$200
Yearly In-Lieu Tax Fee (license fee)	variable
In-Lieu Tax Penalty (based on the license fee due)	20%


NUMBER OF TRANSACTIONS
44,000
48,000
52,000
56,000
60,000
64,000
R/T Program
5/17/99
Backlog.xls
Registration and Titling Backlog
As of 05/17/99
5/11/98
5/18/98
5/25/98
6/2/98
6/8/98
6/15/98
6/22/98
6/29/98
7/6/98
7/13/98
7/20/98
7/27/98
8/3/98
8/10/98
8/17/98
8/24/98
8/31/98
9/7/98
9/14/98
9/21/98
9/28/98
10/5/98
10/12/98
10/19/98
10/26/98
11/2/98
11/9/98
11/16/98
11/23/98
11/30/98
12/7/98
12/14/98
12/21/98
12/28/98
1/4/99
1/11/99
1/18/99
1/25/99
2/1/99
2/8/99
2/15/99
2/22/99
3/1/99
3/8/99
3/15/99
3/22/99
3/29/99
4/5/99
4/12/99
4/19/99
4/26/99
5/3/99
5/10/99
5/17/99
54,848
56,583
56,122
56,845
57,843
58,125
61,049
61,659
62,238
63,635
58,240
58,708
57,752
56,313
54,527
53,817
52,703
52,132
51,102
50,343
49,721
47,553
47,134
46,381
45,250

TRANSCRIPT OF TESTIMONY

SEPTEMBER 21, 1999

SENATE SELECT COMMITTEE ON MOBILE AND MANUFACTURED HOMES

Hearing on Registration/Titling Program & Park Lease Abuses
September 21, 1999
American Canyon, California

Senator Joseph Dunn, Chairman

MAYOR BEN ANDERSON: Good afternoon. I'd like to, first of all, welcome all of you to our fair city of American Canyon. I'm the mayor, Ben Anderson. It gives me great pleasure to see all of your fine looking faces out there. I didn't expect so many to show. But again, welcome.

I'd like to thank a couple of people before we get started for the effort they put into making sure that this facility and everything was ready. Our representative over here, Jack Richter, our mobilehome representative. He is one of the individuals that was very instrumental in making sure that everything was in place. And with that I think I'll pass it on to our senator, Joe Dunn, our chair today.

SENATOR JOSEPH DUNN, CHAIR: Mayor, thank you very, very much. It's an honor to be in this incredibly gorgeous area, one that each and every one of you get to live in day-in-and-day-out. I had the fortune of coming up from the L.A. area this morning. And this is an incredibly beautiful area.

As the mayor has indicated, my name is Joe Dunn. I am the chair of the Senate Select Committee on Mobile and Manufactured Homes. And we're here this afternoon to address two separate and distinct issues. The first one is the registering and titling backlog at HCD, which everybody in this room knows has had a ripple effect on not only residents, but also the industry, as well. The second issue that we're going to address is a follow up to an issue

we started in a very lengthy hearing down in Orange County approximately a month ago and that has to do with problems that residents have encountered with respect to the leases that they are required to sign upon moving into a mobilehome park.

As most of you are aware, the Legislature adjourned on September 10th, so we are missing a few of our members who are back in their respective districts and working hard in their districts. But with me this afternoon is an individual who needs no introduction to each and every one of you, you know him very well, and that of course is Senator Wes Chesbro, sitting to my left.

With respect to the two issues that I mentioned that we're going to address today, I'm sure --and I see most of you have the briefing paper that's in the back. If you happen to miss it there are some still back there. There's a limited number, so if you don't have it and you want it you should probably sneak back as quickly as possible and get one of them quickly.

We are going to bifurcate the meeting. The first half is going to be dedicated to the registration and titling problem. We're going to take a ten-minute break. And for those you who did not notice, there are tremendous refreshments; coffee and cookies and otherwise in the back. But we're going to limit it to 10 minutes because we're on a tight schedule today. We have a lot of witnesses, so we're going to keep it going as quickly as possible.

By the way, all the refreshments back there are the courtesy of the local Lyons Club, and let's give them a big round of applause.

So the first issue will be the registration/titling and then we will go into the follow up on the lease problems that individuals have encountered.

I want to make a few opening comments on both issues, and then turn it over to Senator Chesbro to make a few comments as well.

As most of you are aware, the Department of Housing and Community Development is responsible for registering and titling all mobile and manufactured homes in the State. For most of this decade, unfortunately, there has been a chronic backlog in the turnover and processing of these documents that has of course, led to significant problems for not only the industry and the dealers, but also residents, as well.

Again, many of you may already be aware that the Legislature has followed this issue over the past number of years and has appropriated additional dollars to assist HCD in resolving this backlog problem. And while there have been significant gains made, we are still about six months behind and nearly 30,000 documents, unfortunately, behind.

We're going to hear from homeowners, the mobilehome industry, as well as representatives from realtors, local government and homeowners about this problem.

The second issue is, as I mentioned, on the leases as a continuation of our July 30th hearing in Garden Grove in Orange County. At that time we heard from mobilehome owners that some rental agreements are very one-sided, that sometimes buyers can't get copies of what they are asked to sign, and sometimes can't even get a copy of the lease after they have signed it. We heard that some rental agreements require buyers or residents, as a condition of signing the agreement, to give up the right to a jury trial in case there is a dispute. Others, including existing residents in parks, contend they are not given the right to sign a one-year rental agreement as provided under law.

The testimony on both the titling and registration problem and the lease problems, hopefully will give us additional information to better

evaluate and recommend future legislation that may help correct both the registration/titling backlog, as well as the lease problems.

At this point I'm going to turn it over to Senator Chesbro for his opening comments, as well.

SENATOR WES CHESBRO: Well thank you very much, Senator Dunn.

Back in June of this year, I requested that Senator Dunn hold a special hearing of the Select Committee on Mobile and Manufactured Housing on the issue of titling and registration. Based on the volume of my constituents' mail and phone calls and protests that I heard various ways, I felt that it was important that a hearing be held in the second Senate District, and I want to thank Senator Dunn for taking the time to come up from his district in Southern California to hear from the folks, not just in my district, but also surrounding communities in Solano and Contra Costa County. I know a number of you have come from other communities besides Solano and Napa and Sonoma Counties, which are in my district.

I'm pleased to see so many of you were able to take time out of your busy schedules to educate us on how these issues affect you. I've gotten hundreds of complaints from mobilehome owners from all over the seven county region of my district. Some of you have been waiting for well over a year to receive your title and registration from the Department of Housing and Community Development, and frankly, that's shameful. You shouldn't have to wait for service from your state government.

I'm going to say something that I think will ring true, and everyone will understand what I mean, even the DMV has done a better job. It's just plain wrong for our citizens to pay their fees, have their checks cashed by the State of California, and then wait an intolerable length of time to hear from the

state. The enormous delay in issuing titles and registrations is not just a minor inconvenience, people are unable to finalize home purchases, complete living trusts, or even close estates. They're very anxious over the State leaving the ownership of their residence in limbo.

Unfortunately, HCD system for processing titles and registration has been badly broken for years. Budget shortfalls and band-aid fixes have not relieved or resolved the problem. The Department has promised the Legislature numerous times that on a certain date the backlog would be caught up and each time the Department has blown past that date. And now we're hearing that it will take yet another year, to mid-2000, before the backlog is caught up. This is very personally frustrating for me, and I'm certain vastly more frustrating for those who are directly affected by it. There must be some action that can be taken not only to expedite the resolution of the current backlog, but to create a system that can adequately handle the rise and fall in the volume of transactions the Department will need to handle year after year.

Now I've been able to get action from Housing and Community Development on individual cases, and I appreciate that when people have called me. But citizens shouldn't have to call their state senator to get a resolution to an issue where they've done what they were supposed to do, which was to pay their fee and file their forms. And so I really think we need to get beyond the political process having to be involved, but rather, figuring out what's at the root of the problem and do something about it.

The witnesses today will undoubtedly expose the system's shortfalls and the impact that it's had on their personal lives. But beyond that, it's my goal that out of the testimony that we take we'll also hear some ideas about what can be done to put the system on track. Our citizens deserve better

service and I think it's our responsibility in the Legislature to, in our oversight capacity over a state agency, to try to find out why this problem has gone on and figure out what needs to be done to make sure that citizens are being served by this -- in this important way by their state.

So, thank you again, Senator Dunn. And also thank you to Mayor Anderson for hosting us and for all the folks who made sure that we had a nice place to do this and great refreshments in the back.

SENATOR DUNN: Thank you, Senator Chesbro. A couple of comments on our procedure and then we're about ready to get started. First and most importantly, we want to make sure that each and everyone of you can hear and hear clearly so that as the witnesses come forward, I'll try to guide them to make sure they're speaking loud enough. But especially for those of you in the back, when a particular witness starts to testify and you can't hear that person back there, just raise your hand, and when I see it we'll make sure that the witness speaks louder so that everybody can hear everything that is said this afternoon.

We do have a long list of witnesses. We are -- I know this may be a shock to everybody, but we're basically starting on time. So hopefully we will get through everybody, but we are limited to 5:00 p.m., so we're going to have to keep on the tight agenda. So I ask each of the witnesses that are going to testify, when you come up, please when you sit down, please give us your name, city and the organization that you represent if somebody other than yourself. We're going to ask each of the witnesses to limit their testimony to five minutes or less and also ask that all comments be specifically on our two issues: registration and titling or the lease problems. If you wander off into other areas I'm going to have to bring you back to just those two issues. Hopefully in the future we can be back again and address other issues, but

because we're on a tight schedule, if you start wandering into another area, I'm going to bring you back right to those two issues that we're addressing today.

If you have written materials that you want submitted to us, please submit them to the sergeant at arms, John over here, or to Ken who's got his hand up back over there, and they will make sure the copies get to each of us. If we happen to finish all the witnesses before our time is up, although don't hold your breath, we do have a waiting list of some additional witnesses we could not get on the scheduled agenda, we will then call the waiting list. But with prior experience, unfortunately, we've rarely gotten to those on the waiting list. If you want to submit written testimony you can always do that after the hearing as well. Submit it to John Tennyson, who is by the way, for those of you who do not know John Tennyson, the committee consultant, right here. You can submit any written comment that you want to make in the following days to John directly in Sacramento. We will give the address of that at the end of the hearing today so everybody knows where it is.

The hearing today is being recorded and transcribed so for those of you who desire to have your own conversations out there, keep them to an absolute minimum or outside, because otherwise it will interrupt the testimony. You can receive a copy of the recorded testimony. Each of the witnesses will automatically receive one. But if you contact John's office afterwards, he will be able to get you a recorded copy as well. Again, we will take care of those details at the end of the day today.

Lastly, I want to thank, particularly the Boys and Girls Club of American Canyon who were wonderful in providing their facilities, especially their director, Lorraine Lavoie, for -- Lorraine, is she here? There she is back there, Lorraine, thank you very, very much. I also want to thank Elaine and

Jack Richter -- Jack, there you are -- for all of their work ahead of time. And Jack, in particular, being the local person, thank you very much for the Senate Hearing signs out in the street. They helped tremendously. Thank you very much, Jack. And I also want to introduce Charles Sallia from GSMOL who records via videotape most of our hearings that we have. And I don't know if you share them, Charles, but yes, he does, so if you want to get a copy of that you're welcome to talk to him as well.

Wes, do you have a comment that you want to make?

SENATOR CHESBRO: I forgot to ask that we would like to have you all sign in, so if you didn't sign in when you came in, during the break or before you leave it would be great if you would let us know that you were here so that we can record that. And I also wanted to mention and introduce Vice Mayor Lori Maples who came in. She's here, as well as the Napa County assessor who we're going to hear from in a few minutes, John Tuteur.

SENATOR DUNN: My last comments, I think, are probably going to be more appropriate during the second-half because I know the lease problems give rise to a lot of emotion. We want to make sure that everybody stays professional today; no name calling, etc., etc. Not that I think we're going to have a problem, but I understand it's a very emotionally charged issue. Just make sure that everybody keeps in mind we're professionals here and let's keep it at that level.

I think that's it. We're going to be calling the panel of witnesses to come forward in two's or three's so we move through as quickly as possible. And once again as a reminder, particularly to those in back, if you can't hear just raise your hand, we'll note it and we'll get the witnesses to speak louder.

Without anything further, let me call to the front, John Tuteur, the Napa assessor, and Gary Barber with the Association of Realtors -- oh by the

way, while they're coming forward, I promise you, none of us will take note of any of you using the restrooms up here at the front of the room during the course of the hearing.

MR. JOHN TUTEUR: Senator, to keep you on track, thank you very much. I'll move right ahead. John Tuteur, Napa County Assessor. And we have some of the other people who deal with your mobilehome owners and manufactured homeowners in the county. I have Joanie Floyd and Linda Jensen from the Napa County Tax Collectors Office -- I heard a boo when I was introduced. We can have some boos for them also. And then Nancy Chilino from our office. And the reason we're here today, Senator, is that with the property tax manufactured homes that are on the property tax, we're the road that the rubber hits when they finally get down to the issue of property taxes. And the delay in registration and titling is having direct impacts on these homeowners vis-à-vis their property tax obligations as owners of manufactured homes. And let me just briefly describe the process for you.

The first step is a Tax Clearance Certificate. In order for HCD to process the paperwork to change title they require the local county to provide a Tax Clearance Certificate. In order to provide a Tax Clearance Certificate the homeowner must pre-pay the property taxes for a certain portion of that home. And that's an issue that is very hard when that money sits in the Napa County Tax Collectors Trust Account for up to 18 months as it's been, as you know, during the worst part of this backlog. We have over 100 homeowners now in that trust account with the tax collector. That money earns no interest for them, it earns interest for the county, but there's no way to pass that on because the law doesn't provide it. We don't like that. We'd

much rather have the money come right in and go right out to pay their property taxes instead of being held. So that's number one.

The second problem is that we get notification through the Tax Clearance Certificate that the home has changed hands. However, as county assessor, it is not -- I'm not -- I don't want to put someone else's name on a piece of property, a manufactured home, until I have the evidence that they own it. So what we do is we leave the old owner, the seller's name, on the home until we receive notification from HCD. So that means there's a 14 month period where, let's say, Senator Chesbro sold and Senator Dunn bought, we're going to send all information to Senator Chesbro care of Senator Dunn at the correct address -- but care of you. You own it but you haven't gotten the title yet. And that leads to significant problems with the tax collector in terms of liens. Oftentimes liens are issued against the prior owner when they no longer own it because their ownership is still showing on our records because it's held up in Sacramento. So that's a second problem that not only is frustrating for the homeowner not to get title, but suddenly the prior owner is getting impacted by the fact that the title has not been transferred by HCD's operation.

Finally, there's a major delay in receiving their tax bills. I'm also the county recorder of Napa County. I can tell you that the assessor and the recorder are in close sychronization and we're within a week to 10 days of transferring title when a deed is recorded. Well, with a 14 month delay suddenly the bills that are going to be issued because of this change of ownership under Prop. 13 start to back up, and instead of getting a supplemental saying 60 to 90 days after they purchase and then they're regularly billed in a timely fashion, these manufactured homeowners often get their supplemental bill -- sometimes it's a double supplemental depending

on when they bought -- an escape assessment for a whole year because they've been held up in Sacramento, and then their regular tax bill all within a space of 60 to 90 days. That's substantial -- now some of those bills have been paid by the Tax Clearance Deposit, but still it's quite a shock to someone to see that. And it also delays getting a refund from the deposit they made with the tax collector almost 18 months, and in some cases, longer than that before.

So, again, we're a local agency. We're a bureaucracy, if you'll pardon the expression. We understand the growing pains that computer systems can cause. But it's gotten beyond the point where it's reasonable, we feel, and the impacts cascade down to the homeowner not just from the frustrations you mentioned, Senator Dunn, in your introduction about estates, etc., but also their frustration with the local government. Paying taxes is no fun, but at least it should be simple and easy and understandable.

The final thing that I wanted to mention was that repossessions also get held up in this. And where the repossession -- if a banker or financial agency takes the property back, and I hope that doesn't happen often, since this is personal property under the laws in California, it comes off the assessment roll because banks and financial institutions don't pay property taxes on their personal property. So for the length of time that they hold this home in repossession we shouldn't be assessing it. And often we don't hear about the repossession for two to three years after it's been repossessed so we have to go back for three years of refunds that get to the bank but oftentimes the bank can't remember why they're getting the money three years later and they've already sold the manufactured home out of repossession to a new buyer.

One final thing, now we pride ourselves -- at least our office and I know the tax collector -- on allowing our constituents to reach us. We're where the action is. We used to have direct dial numbers that we could use to get through to HCD, but that has changed in recent months and now we get lost in their automated phone answering system just like the public does. We'll wait and push all of our options and then we get a busy signal. And here we're trying to serve as advocates of the owner, just as Senator Chesbro and yourself I'm sure have been asked to do, but we can't get through to the agency to try to help understand what's happened to the homeowner who's standing at our front counter. So that's another thing that HCD could look into attempting to help resolve this situation that has grown to be so large at the moment.

I'd be happy to answer any questions.

SENATOR DUNN: Why don't we first go to the other witness, Mr. Barber, and then we'll come back for questions.

MR. GARY BARBER: Hi. My name is Gary Barber. I'm obviously over dressed today. I reside in Lake County and I prepared this stuff so that I could get as much as I possibly can, so if I'm reading too much it's because I want to make sure I got everything in five minutes.

I'm currently the chairperson of the Manufactured Housing Forum for the California Association of Realtors. I'm also the broker and owner of Prudential California Realty Office in Lake County and have been in the real estate industry full-time since 1983, and a broker since 1987. I'm not speaking today on behalf of the association, but rather as a realtor and someone who is very concerned about the delay in title transfers in my county and throughout the state. I work with the consumer and other support

industries such as escrow, title and lenders to insure, hopefully, a smooth purchase process.

I have been aware of the title backlog problem for over two years but did not pursue any action until I discovered discrepancies between the information received from HCD concerning where their production was and where they were going and what was happening in the field. In January of this year I contacted our local escrow companies and asked them to identify all manufactured and mobilehome escrows that had closed but had still not received notification of title transfer from HCD. Those reports reveal the following: (This is just for Lake County) Six files were over two years old, 22 files were over 18 months old and 56 files were over one year old. I realize these numbers don't seem very big but when considered with the following information they become rather significant. Lake County's population is approximately 50,000. When compared with California's overall population of approximately 25 million, I guess that's where it's at, it creates a ratio of about 500 to 1. If we multiply the previous numbers I gave you that generates the following estimates, that's 3,000 files over two years old, 11,000 over 18 months old and 28,000 files that would be over one year old throughout the state.

In the field there seems to be several identifiable problems: (1) based on a verbal report I received from a registration and title representative in June, over 40% of the requests for transfer received are returned due to errors. When a request is received it goes into basically a chronological file -- first-come-first-served. It takes some time before it is additionally reviewed. If errors are discovered then it is returned to the sending party. When the request is resubmitted it goes to the bottom of the pile and starts the process over again. Now, the representative that I spoke with indicated that that

process had been recently changed to avoid this delay by using control numbers. (2) Escrow companies aren't always being notified when HCD completes their processing of the title. The three escrow companies in Lake County withhold funds at close of escrow to cover any costs incurred by HCD for the transfer -- average about $150 each. Customers are calling the escrow companies constantly to find out where their title is -- to find out if their title has transferred and when they will receive any balance of the money owed. Both buyer and seller have money in escrow so they're both calling the title companies or escrow companies. (3) Escrow companies can only request information on nine transactions at a time in writing at a cost of $25 per request. Because of HCD's backlog, why do they have to pay for this information and why only nine at a time? Why not 25? (4) Until title transfers through HCD what we have after close of escrow is a so-called owner. As far as the seller is concerned, he or she has sold the mobilehome and is no longer involved, and the buyer feels that they now own the home. Is this true? Legal title does not transfer until HCD completes their process. What if there are errors and the Request for Transfer is sent back? At close of escrow the buyer should receive a copy of a bill of sale because the original is sent to HCD with the Request for Transfer. When does ownership actually transfer? (5) Many times, especially in rural areas, we have personal property mobilehomes sold in conjunction with real property. When escrow closes the real property is transferred upon recordation at the county recorders office but their personal property mobilehome is not. It may be many, many months before title actually transfers. Who owns the mobilehome? I'm not aware of any temporary registration like there is for vehicles. Are there legal issues which would adversely affect the public? (6) Resale of the mobilehome cannot technically occur until HCD transfers

ownership because the so-called owner does not have title. Until the escrow company can determine legal title they will not close escrow. You know this has to be frustrating for the consumer.

On a final comment, over the last four months there has been significant improvement in the taking care of the ancient files, or what I call the ancient files. I have remained in contact with the local escrow companies to keep abreast of our problem. We are still way off the mark of a 60-day turnaround time frame. I realize that Registration and Titling appears to be doing everything that they possibly can to correct this situation, but based on their past track record, I don't believe they will ever achieve the 60-day turnaround. And quite frankly, 60-days is too long. In this modern age of technology a temporary registration document could be given the consumer at close of escrow with the formal registration or pink slip to follow in the mail within 30 to 45 days.

I am disappointed that after years of backlog we are only to this point. I'm also disappointed that we have gone as far as to request the assistance of Senator Wes Chesbro. However, I am grateful that you are here and are concerned enough to listen and hopefully your committee will find a solution. One possible solution that I would like to bring up is using the Internet. Each escrow has an access number. Title transfer forms are completed on-line and sent. Within 24 hours a temporary registration is available on-line for the escrow company to download. At that time HCD can tag their files that a transfer has occurred and is awaiting the documentation. During the interim future requests for transfers could be processed.

Thank you.

SENATOR DUNN: Thank you. A couple of questions and then Wes, do you have some as well?

SENATOR CHESBRO: Yes.

SENATOR DUNN: Gary, let me start with you, if I may. And I know, Judy, this question is going to come your way as well too, later on. To the best of your knowledge, is the Internet registration an option that is being worked on now? Is it available? What's your knowledge on that one Mr. Barber?

MR. BARBER: I'm not aware that it is. What I was thinking of was that the escrow companies, if HCD --and there are other companies that do this -- if HCD had a website that an escrow company could log into with their own specific code, fill out the Request for Transfer and then that is sent to them via an e-mail or whatever, then HCD has that sent to them, then they tag their system particularly from that particular moment that a transfer is occurring and then they just put another, I'm not quite sure what it is, but it's a file back on the Internet and the next day the escrow company at close of escrow could download this temporary registration certificate off through their controlled site. And then everybody is informed of what's happening in case there are future transfers before the actual documentation gets processed.

SENATOR DUNN: Mr. Tuteur, from your perspective as the assessor from this point forward, ignoring the current backlog, if that process was set up would that resolve your concerns? Is that something the Assessor's Office could work with?

MR. TUTEUR: As long as the assessors in California had some documentation, whether electronic or paper, that this is now a title change, we could then move forward immediately. That would also relieve the tax collector of holding these funds for long periods of time.

SENATOR DUNN: Okay. And as I understand it, Mr. Tuteur, what you're saying is you've got the temporary registration which would probably satisfy your document that you are in need of to perform your function in the Assessor's Office. Okay.

Mr. Tuteur, a couple of quick questions for you. Have you had any discussions with HCD over the past months, years, etc., about the backlog?

MR. TUTEUR: No. We have never spoken at the highest levels and I don't believe our association, the California Assessors Association, have. I do want to say that we've had wonderful service from the people at HCD. I had a 90 year-old woman who was worried that she was going to die before her son got on title and at least I could tell her where she was in the backlog for the 12 months it took. So the staff has been very helpful and very accommodating. Now that we can't reach them anymore, it makes it a little more difficult.

SENATOR DUNN: Ignoring the suggestion, which by the way, Mr. Barber, I think was a great one that you made with respect to the Internet, if we put that one aside for one second and just assume what we have in place right now, is the registration/titling function from the Assessors Office, is that something that you believe, Mr. Tuteur, could be performed within your own office locally?

MR. TUTEUR: Well, I saw that in Mr. Tennyson's background paper -- I read this carefully and frankly, no.

SENATOR DUNN: And why not?

MR. TUTEUR: The reason is this, there is, as the county recorder let me speak, perhaps, in that forum. There is an accepted way -- county recorders are only the repository of the documents. The transaction is 100% private sector. To the same extent, HCD is only a repository of the title. The

transaction is between the buyer and the seller. And frankly, manufactured homes, although they're much more fixed than they ever were before, still move from county to county unlike real property. That's one of the reasons that the Legislature has called them personal property and they have been treated as such. And I think, therefore, a statewide organization handling the registration and title is better than sending it out to 58 different counties to try and do it.

SENATOR DUNN: Okay. Let me just reiterate what I understand your primary concern, if we shifted it from HCD to the local level, is. Because the homes still, at least some, are mobile, that mobility creates a problem; if I move it from county A to county B, who's going to track it, etc.

MR. TUTEUR: We have that same issue with aircraft and boats which we do assess now. We don't title them, but we track them. And keeping track of them is always a headache for the aircraft owner and the boat owner and us. The boat is in Solano County but they have been assessed in Napa County and they've moved it. I don't believe transferring the registration and title function to the local level will help. It should be something that could be handled at the state level if it's just done efficiently and with the proper kind of backup.

SENATOR DUNN: Okay. Senator Chesbro.

SENATOR CHESBRO: But of course, we all know that mobilehomes aren't really very mobile.

MR. TUTEUR: No. That's quite true. They do come and go, but not much -- only the old ones leave anymore, and I just had one in Rancho de Napa in Yountville, a person just called me; a new home moved in, the old single wide is gone. So that's the extent.

SENATOR DUNN: Mr. Barber, Mr. Tuteur, thank you very much. We'll call up the next panel which is Ms. Woodard and is Mr. Persily here from GSMOL? We haven't seen him. Are we going to replace -- while we're waiting to find out that, also Mr. Rogers, American Canyon homeowner, as well. Mr. Rogers can come up as well. Ms. Woodard, we'll start with you. And again, please speak real close into the microphone so that everybody can hear.

MS. SALLY WOODARD: Thank you, Senator Dunn and Senator Chesbro and Mayor Anderson. Thank you very much for all being there. I'm not here to bring you a lot of information or knowledge about mobilehomes. I just bought one. And the escrow for mine was to close on July 23rd, and just shortly before that we found out the insignia was supposed to be some -- now it's red -- red sticker on the back of the coach that was not there, it was missing. And so consequently I'm just here as a body, as a citizen just telling you that I was one that was caught by this process. I immediately heard that the escrow for my unit would not close until such time as the State, in their records, found this insignia. And because we had backup sales going and painters and everything else going on in the room, this became very complex. I personally didn't know anything about mobilehomes. I know a great deal about condominiums because I've been in one for 20 years and have been on the board for approximately 10 years and I found that those, the State was extremely helpful after they really got going, after I first came in there having nothing to do with it. But then the State got very active in protecting the owners of condominiums, and I'm just here to say I hope that happens with mobilehome owners from you. I was told when that insignia disappeared or was gone that I would have to wait up to 2 ½ months to get this thing going. I believe that what saved my life was the fact there was a

newspaper article in the paper saying you were going to be here. I was also told -- because it's not my style to sit quietly waiting for bureaucracy to move, that I would have been up to see the Senator -- but I was told it wasn't mine to do because I was the buyer. So I didn't do that, but when I saw the article in the paper I called.

SENATOR CHESBRO: I'll meet with buyers and sellers anytime.

MS. WOODARD: Anyhow, I called up to the committee, the number was in the newspaper, and they not only -- I said I'd be happy to talk about this and they not only told me that the next day I would get all the information, but I also would get someone to call me. So someone did call me from the Housing Unit there and on that next afternoon they told me that the insignias -- a copy of them had been transferred down. I assume that's because I made that call. I don't know. But anyhow, I just thought it was a bad thing. But then I began to learn what you're talking about here, about the registration and I won't receive my registration for a long time for whatever reason. I also know that when I was in the condominium association, when I first even looked like I was going to buy one I received a, I think, it was a bright yellow or bright red paper from the State of California Real Estate Board that said, "Here are the warnings for you." And I got a whole bunch of them and I got very educated from those two pages of things to look out for. I didn't receive any of those when I went to buy a mobilehome. But in any event, I also bumped into the lease thing because I didn't know anything about that. I still don't. I haven't had time to go into that. But I did sign a lease and everybody I talked to around Vallejo told me never sign a lease, don't sign a lease, just go on month-to-month tenancy and I had to sign a minimum of five years because there's a -- I wasn't a

homeowner yet, and apparently the law says that if you're not a homeowner you don't have the right to get a lease like that.

And that's all I wanted to say. I just wanted you to know that I'm one of those who had problems. And thanks very much for being here.

SENATOR DUNN: Okay. Hold there Ms. Woodard. We're going to go to Mr. Rogers and then -- as again, with each panel we'll wait with questions until all three of you have commented. Mr. Rogers.

MR. GEORGE ROGERS: Hi. My name is George Rogers, American Canyon Road Mobilehome Park. And I first want to thank Mr. Chesbro for putting that ad in the paper because I was up to my wits end about waiting over 21 months just to get the title on the mobilehome that was paid for up front in cash 21 months ago. And thanks to his ad in the paper I made a phone call to his office and then three days later the lady from HCD in Sacramento told me that it's on its way; after 21 months. But the main reason I'm here, I have the title, myself, and I'm very satisfied. It shouldn't have taken this long. But I'm really here for the future of other people that get a mobilehome because I can go on for two hours expressing the frustration, the trips to Sacramento, the numerous phone calls that I had to make to title companies in Vallejo, Sacramento, San Jose; assurances, promises to no avail. But thanks to Mr. Chesbro when he put that ad in the paper -- I don't know whether it was a miracle that had an influence, but I really appreciate your concern for the residents of American Canyon, and I just wanted to make it known that there is a problem and we really need to look into it. And that's it. Thank you.

SENATOR DUNN: Ms. Richter, I'm assuming you are our GSMOL representative. Please.

MS. ELAINE RICHTER: Coleman Persily had open-heart surgery with numerous bypasses two to three weeks ago, and I spoke with him and he told me to please say a word or two about the abuses that he knows of that result from this situation.

SENATOR DUNN: Ms. Richter, let me interrupt for just a second. You're going to talk about the leases, the abuse in leases?

MS. RICHTER: No.

SENATOR DUNN: Okay. You're talking about registration and titling.

MS. RICHTER: Yes.

SENATOR DUNN: Okay. I just wanted to make sure. Thank you.

MS. RICHTER: Yes. You're correct. There is more urgency than one would assume. There have been instances in which park owners will not permit a person to move into a newly bought home without this proper documentation. And I think you can see what problems ensue. There are some lucky ones who know that they can jump into their cars and drive an hour or so, get to an HCD office and get some sort of documentation that they are indeed selling a home, that they own the personal property at this time and have a sale pending and they are able to get something that will satisfy a park owner. But that applies only to a relatively few. The vast majority don't know that they can take this end-run, if you will, and get documentation. And so you can see what happens. That's all.

SENATOR DUNN: Thank you to each of you. Senator Chesbro, questions?

SENATOR CHESBRO: Well, I wanted to say in response to the thanks for my office helping individuals out, individual solutions are great and I'm happy, as a senator, to be of assistance and I'm pleased that the

Department has been willing to help when we call, needless to say. But for every person that I'm able to help out, or who knows how to get a hold of a senator, there's thousands who don't know how, and we clearly have to solve the problem for everyone, not just for the people who figure it out and figure out how to get a hold of me and understand that that can help.

I wanted to ask, the last panel brought up a couple of ideas for some, at least, partial solutions. Obviously the big solution is to get caught up. One was temporary registration like they have for vehicles, and the other one is the ability to process these things over the Internet. And I was curious whether any of you have any opinion about whether those would affect either your situation, or situations that you're involved with. Do you have any responses to those ideas?

MR. ROGERS: The only situation that I had was it took over 21 months to get my title and that's what my concern was. I thought it was too long.

SENATOR CHESBRO: Sure. But would a temporary registration have made any difference in terms of either helping you to get into your mobilehome or whatever else may have been hung up because you didn't have the registration?

MR. ROGERS: Well, that definitely would --

SENATOR CHESBRO: Probably better than nothing, right.

MR. ROGERS: Yes. Better than nothing.

MS. WOODARD: Well I just think that if it's like the DMV ones it would work. Certainly, wouldn't it work? Does that apply to the insignia also?

SENATOR CHESBRO: I don't know whether it would or not.

MR. JOHN TENNYSON: I'm not sure that would work for an insignia. When you have an older mobilehome with a missing insignia there is some research that has to be done and the Department representatives probably will comment on that later. There are some individual circumstances where temporary registration may not work.

SENATOR DUNN: And I think I heard the testimony right, but particularly for Ms. Woodard and Mr. Rogers, your individual problems have been resolved. You've now got your registrations. And true as well your situation as well, Ms. Woodard.

MS. WOODARD: Yes. After I called them.

SENATOR DUNN: Okay. That's good to hear. You go ahead, Mr. Rogers.

MR. ROGERS: Like I said earlier, the main reason I'm here is for the future residents that will incur the same problems -- 21 months is too long.

SENATOR DUNN: No argument with you on that one. Absolutely none. Okay, thank you the three of you. Thank you very much. We're now going to call up Tracy Tinsley from the Napa Land Title Company and also Bob West, from CMHI.

MS. TRACY TINSLEY: Hi. My name is Tracy. I work for Napa Land Title and I'm an escrow officer. I handle the transfers of mobilehomes. I just wanted to basically tell you where our most problem areas are. When we open a mobilehome escrow the first thing we ask for is the certificate of title and registration card. Because of the backlog and probably postal problems, a lot of people don't have those. We can apply for duplicates, which is a $25 charge for each, and in some cases, people are getting charged when it's not their fault that they don't have their certificates. The information that we ask for on a title search, which we do get rather quickly, 24 to 48 hours,

sometimes is not reliable because of the backlog. And therefore we have to rely a lot on the homeowner. Because we get our information secondhand when it comes to renew the registration from the title search a lot of times that isn't current either, so we try to call the Department of Housing, which as you know is hard to get through to, and then once you do get through getting information that is consistent and that is correct is, I would say, the main problem for the escrow companies. We handle a lot of transfers and so they are routine for us, but you can call the Department three times, ask the same three questions and get three different answers which, I think, kind of promotes the fact that they have a backlog because you'll talk to one person, send in your paperwork completed the way that they said with the fees they requested, and if someone else gets the paperwork, they might have a different idea of what the fees are or what paperwork is necessary and then it comes back to you 10 to 12 months later. We do get a lot of calls after the close of escrow wanting to know what is taking so long and we check on those. I have to admit with the new computer system, trying to find out about where your documentation is in the backlog is much easier and they are great when they look things up on the computer to tell you what is in process. However, if you call for information that is out of the norm, it is not good at all. Salvage units, units that have been repossessed, units that have back registration due, those are all areas that you're lucky if you can find somebody that has enough knowledge to be able to tell you exactly what to do. And our redbooks, which we have been given -- they're referred to as redbooks, they're the basic procedures for transferring mobilehomes, don't address those areas. I do know that they have manuals because you can hear them ruffling through them, and I've asked numerous times if they could fax a certain page to me so I could follow the procedures and I guess it's their

policy not to give that out. So from an escrow standpoint, I personally think that if institutions that handle transfers on a regular basis could have a more detailed book of procedures to follow with not just the basic transfers, but all situations, would be really helpful. The people come to the escrow company with the assumption that we'll go through escrow, we don't have to worry about it. And that is what should happen. However, we're just as frustrated as they are a year later when they're calling and we still don't know why they don't have their certificate of title.

I do have to tell you, we have actually recommended people call their senator. As you know --

SENATOR CHESBRO: That's the only problem with all of this discussion about it, I'm going to get three times as many calls.

MS. TINSLEY: Yes. When you call the Department of Housing trying to figure out the hierarchy to get to somebody who can actually help you, or can listen to your concern, it is difficult. And in Napa we have a few senior parks, and sometimes things are a little more urgent than a year. People come into bad health, they want to put on a family member for whatever reason, and you're not guaranteed that everything is going to be done correctly. And heaven forbid something happened to the registered owner while this is in the process, then you have a problem. So those are my main concerns.

There were a couple of instances that I did want to bring up to you. One of them is about the insignia numbers. When we send off -- my particular company, we send off the application for the insignia and we'll close the escrow waiting for the insignia to come back. However, when a new insignia comes back they also tell you what the old one was. But if you call them and ask for the old insignia, it's not like they can just reproduce that

label for you. They actually make you apply for a new one, which is $17 per label when they already know what the label number that should be on there is.

The other instances, the certificates of title have recently been changed. I've seen three different types so far and it's really confusing to the consumer if they have their original or not. Some of them are on white paper, some are on perforated computer printout paper, some are on this new tan colored paper, and if they could just be consistent, let us know what form they are using now, that would be really helpful too.

SENATOR DUNN: Mr. West.

MR. BOB WEST: Thank you. Senators, Mayor Anderson, I appreciate the opportunity to join you today. I'm Bob West. I'm president of the California Manufactured Housing Institute or CMHI. We represent the industry throughout the State of California, and our members include manufacturers, retailers, suppliers, developers and some park owners. It is our mission and sole purpose for existence to try and enhance this industry and some of the questions that I've heard today about their frustrations we certainly share. I think I may be one of the unique ones standing here before you today because I personally believe we can see a bright light at the end of the tunnel.

The young lady sitting next to me, if she had questions on this I think I would like to give her my card, and those that would like to join our association call me and I will help you any time. The same thing with any consumer. We're there to try to help in anyway we can in this industry, and though we can't do everything in one day, we try.

I share their frustration as -- I want to refer back to the one point in the introductory comments. I've been in this industry now for 34 years and I

recall when the transfer of titling authority switched from the DMV to the then Department of Housing. Just prior to that transfer I attended a Senate oversight hearing in which the same issue was coming before the Department of Motor Vehicles. And at the time of the transition one of the big issues was that the Department of Housing did not have sufficient automation equipment to make a clean transfer and there was a regal battle that ensued. I frankly think that that rough transition gave rise to a rough start, and it was hard for them to ever catch up going on a smooth plane.

In mid 1996, many of our members, and predominantly the lenders, began to get extremely edgy and nervous about this whole growing backlog. And I can assure you that the lenders were getting themselves put into a position of an unsecured creditor. That's a position that they cannot find acceptable, and particularly, anybody that is subject to federal banking laws, if they have bank audits and have loan portfolios reviewed and find that they have no collateral, they're subject to severe penalties.

SENATOR CHESBRO: So let me make sure I understand you. You're saying that the bank's money is in escrow during the time that the deal closes and the registration actually takes place, but they can't claim the mobilehome if the loan goes bad during --

MR. WEST: No. Escrow is closed. Escrow is closed. But the title processing, the length of the title process leaves them as an unsecured creditor. They have no collateral.

It got to the point -- and I think they drag their feet a little bit, frankly myself -- it got to the point where we were subject to losing many of our lenders. And frankly, if we lose the lenders to a major extent we lose the industry, and I think, the best source of affordable housing with this thing.

The industry along with our legislative advocate, Mr. Les Spahn, we met and discussed what approach to take, and opposed trying to do something legislative at that time. We thought we would work as best we could administratively with the Department. We knew that they were announcing the new computer system. We knew -- and all of this I know is in your briefing paper and I won't speak much more about that -- we knew that a loan was being made with the increase in fees and so we waited with them. And the rest is in the briefing. I don't need to go over it, but I would like to go over some of your discussion issues if you will.

The promises, promises issue, believe me, I know those backwards and forwards and I honestly and sincerely --

SENATOR DUNN: Can I interrupt for one second, Mr. West. Just in case somebody has not read those materials, could you just briefly address what the promises, promises issue is.

MR. WEST: Okay. I'm going to have to read that. It says, "HCD has promised the Legislature, and promised others, at least twice in the past two years, that the backlog would be caught up by certain dates. I can honestly tell you that that scenario changed January 1 of this year. We lived with the administration of that department at the top level for two years where we were told nothing but flowery stories. Believe me, the issue has changed. I feel we get honest stories today. All mistakes aren't gone, but the rapid progress that has happened in 1999 is a result of facing this problem head-on and dealing with it. So I think this promises, promises issue is one that has gone away, or it is going away. I don't think we need to --

SENATOR CHESBRO: So do you think we're on trajectory to meet the most recent promises?

MR. WEST: Well I think we're on a trajectory to be in pretty good shape by January of 2000. I don't think we're going to be one day or two days. I'm looking for 60 days or 45 days and that is a manageable level that has been no better than that in 35 years. So I -- and I'm not so sure that -- an automobile title has gone a whole lot quicker. So I really don't know what one could expect, or thinks they're going to get their title, but certainly, I think, 30 days is something that we could expect. And I don't know if that will be here in January, but it is something that our industry can live with, I know.

On the contingency financing I'm not going to comment. Crystal ball gazing, you're asking what HCD is going to do to see that this problem doesn't occur again and I want the same answers myself. We're going to work with them as an industry. I believe that they need the same legislative budgetary support that you were kind enough to give in the past year to maintain the staff that they need to keep this on a current basis once it's current, and not try to short sell this program. It's a program that is -- once done, we need to keep it there.

As far as local government is concerned, our industry is one that unlike conventional housing, it sells homes from a site to scattered counties, all over an area. Counties are many and small in Northern California. A Sacramento retailer might sell in 12 different counties. To me it is inconceivable that he and his lender and/or escrow company are going to have to deal with local recorders. In all those counties, it's a mess and I think that it is absolutely unacceptable from our industry's point of view. A central location is by far a superior way to do it.

As far as the expedite units you mentioned -- for those who don't know what that is, when this problem reached it's apex about early '98, there was a

case again, of a lot of lender pressure whereby they were not going to be in this business. HCD had asked all of the lenders that were CMHI members to submit to them any outstanding titles that were more than one year old. And I've -- Judy can correct me when she's up here -- but I believe at that time what was reported to them were about 3,000. It was a number of about 3,000. Because of the critical nature of that age and the critical nature of needing the lenders to support this industry, HCD then attacked that over one year old problem first. They then attacked the over nine month old problem second. And I believe that was a smart thing to do. And the third thing that they did -- and that's been brought up here earlier today -- was that when one of the many corrections that needed to go back to correct those errors, when those were returned, and then HCD received them again, they no longer put them at the bottom of the stack. They put them back in place right on top of the stack to continue processing.

Gentlemen, I do not believe the problem is solved. I believe it is very close to being solved and the attitude at HCD is committed to do just that. And so I'm very, very pleased that they're doing what they're doing.

SENATOR DUNN: Thank you, Mr. West and Ms. Tinsley. A couple of questions for both of you and perhaps Senator Chesbro has some as well. Mr. West, let me start with you. I hear the concern from the lending institutions that we don't want an unsecured loan to bear. I don't think anybody has criticisms about that. I'm just curious and maybe, Mr. West, I should talk to you about that in more detail about this after the hearing and whether legislation that creates a statutory presumption at the close of escrow will help alleviate some of the lenders concern in this regard. Even if we're down to a 30 and 60-day it might assist in that. It might be something to give some thought to, I don't know. It might be workable, it might not.

MR. WEST: I don't know. I have not heard one lender concerned about 30 to 60-days.

SENATOR DUNN: Okay. If they're not concerned, then we won't be concerned about it.

Ms. Tinsley, let me ask you a couple of quick questions. As I understand from your testimony, you see the backlog decreasing in your business. Is that true?

MS. TINSLEY: By a couple of months.

SENATOR DUNN: Okay. And in fact, getting information on where you sit, where a particular client of yours sits on the backlog is relatively easy to get. That's been a good process. It's other information that you've encountered some problems with.

MS. TINSLEY: It's other information and the fact that they are -- the fact that the backlog is -- like right now they are working on November of '98. They're creating their own backlog by the fact that a lot of registrations have come due, and gone by, while the paperwork is still sitting there. So instead of transferring it and getting a notice out to the new buyer saying, "we need this money," they send it back to escrow, which perpetuates the backlog.

SENATOR DUNN: Okay. My question specifically for you, Ms. Tinsley, is have you talked to anybody at HCD about your other concerns, about getting other information? You mentioned the "redbook" and maybe their manuals, etc., to try to get consistent information. Have you spoken to HCD about your concerns in this regard at all?

MS. TINSLEY: Yes. I have. I've brought it up a couple of times because I've gotten paperwork back where I've been quoted fees by one person and then I get it back saying it's different fees and I've gotten no answers. I did get one answer, and that was that they had a period where

they were hiring on new staff. And one of the girls just flat-out told me it was calculated wrong.

SENATOR DUNN: Okay. Got it. Senator.

SENATOR CHESBRO: Ms. Tinsley, Mr. Tuteur earlier said that he'd had great luck accessing through the phone system the people he needed to talk to previously, but that very recently, in the very recent past, that it had become more difficult in terms of the automated phone system. You were talking about the fact that actually getting them on the phone wasn't the problem, it was the information you got once you were on the phone. But have you experienced, or have you heard of people experiencing the problem he mentioned of the automated system becoming less -- making the department less accessible for information?

MS. TINSLEY: Yes. I hear that from a lot of people. You just have to be patient. It does take a while and I don't choose any options and then it will rollover to the operator.

SENATOR CHESBRO: We've all heard about those systems haven't we? Just stick around long enough somebody will answer.

MS. TINSLEY: But it does -- I've had customers sitting with me for 20 minutes just trying to get through, whereas it used to be you would get a busy signal, at least you get put on hold with music.

SENATOR CHESBRO: But for a lot of folks they're just too busy to spend 20 minutes on the phone, so that's a pretty serious issue. Thank you.

SENATOR DUNN: Okay. Thank you, Mr. West, Ms. Tinsley. Let me call up the next panel. That's Mr. Brown, American Canyon. You're from this area. And it's either Mr. or Mrs. Clark. One of the two of you were also listed as witnesses. And Mr. Fort from Yountville. Mr. Brown, let's start with you.

MR. DON BROWN: My name is Don Brown. I'm a resident of American Canyon Mobilehome Park. I'm also a realtor and have specialized in the last 12 years in mobilehome sales and have been a member of Gary's committee on the California Association of Realtors.

I have several issues, more examples of bad timing, I guess. But we just recently had a transaction that took place where the buyer had a note from the seller. The seller had reported it of course, and it showed up on the first of the registrations. The note was subsequently paid off. Notification was sent to HCD with the proper funds to proceed. HCD cashed the check, returned the paperwork back to the buyer as complete, yet for the next three years annual registration still showed the legal owner as the person from whom the original loan was from. And HCD required all new forms to clear the title and registration to show only the buyer. The owner wanted to sell the mobilehome but could not get a clear title search from the title company to show in only her name. So it's three years to get the documents which showed -- and she kept the cancelled check fortunately, which showed the processing number which was over three years old. It does create a real tremendous problem, particularly as I work with people who live in senior parks to have titles going two, three years or longer. And even though the catch up seems to have been expedited, I have another example of a delay where, again, HCD had recorded that a clearance by the original owner had been paid off, the registration and title forms had been completed in 1997 and the lender note was paid off. The original documents were filed with HCD and subsequently the owner moved out of the area. But it took us five weeks to find that new, or the old owner, because HCD did not recognize the fact that it had already been recorded. The forms had been verified, signed, sent back and then we had to wait to make sure that HCD had received them. So

now we don't send them directly that way without a return receipt requested on any documents so that if they do get lost then at least we have the option to use a duplicate copy. A question did come up recently with regard to insurance coverage on new owners who have closed in escrow and have purchased a mobilehome supposedly, and it takes all this time for whomever is the owner, the old owner or the new owner, and if something happens to the property who gets paid off because the legal owner still is there for maybe one, or two, or three years.

One item that does bother me, HCD requires all the original signatures on all transit documents and yet a faxed signature is legal. And if there is some way that rules can be made so that they can accept faxed documents on different documents that they require. I like the idea that someone suggested earlier with regard -- I guess it was Tracy -- with regard to it working. What is an original document? We get different kinds of documents. Some of them are old, some of them are perforated paper, like she said, and now the new ones are a new color all together. The Internet idea sounds great, somebody brought it up earlier and I think that really is very helpful. I talked with a lady recently about a party who wanted to sell or refinance a unit within one year of the time that the original purchase was made, and the owners can't find the registration and don't feel they ever got one. In many cases they hadn't received it and required a new application for new registration that's to be completed and that seems like a double fee, having to have somebody come back and do a re-registration and pay subsequent registration. I know the title companies normally hold and collect for renewal fees if they are four months or less of when the renewal date is. And again, it brings up requiring them to do double new registration.

Then I have one other. The question was asked about who do we get in contact with when we want to have something happen? It's very difficult to get through. And is there someone in HCD who can be assigned to expedite requests for accelerated services to owners, title companies to expedite pending sales because of other circumstances where there is a need to do something? Just someone we can know who is in charge of expediting certain kinds of activities, and who they are, and how can we reach them?

SENATOR DUNN: Mr. Fort, why don't we just go to you. We'll just go down the line here. Mr. Fort, why don't you just go ahead.

MR. BILL FORT: Bill Fort, Rancho de Napa of Yountville. I did an informal survey for Senator Chesbro, and I conducted a survey of about 80 units, and frustration was the issue that always came up. Fortunately, I have a hearing aid on and I turned it down when it got too bad. A new unit seems like it was getting registered in four to eight months. A resale with only one previous owner it seems like it was taking place in 12 to 14 months. And older units that have had multiple sales, the trend it seemed to be that it would take much, much longer. Now whether this was just something that informally happened in Rancho de Napa with the people I talked to, or this was a trend, I really have nothing to base it on one way or the other.

Many, many people new to mobilehome, manufactured home living think of HCD as federal HUD and they think in terms of HUD and low-cost housing and low-cost programs, and they feel that why should I get involved with that? So consequently a lot of them assume that closing escrow on a mobilehome is the same as closing escrow on a regular home. I sent in my taxes, they know I own this home, so where's my title? I'm paying for something, where's my title? And one person said would they be willing to issue a temporary certificate of title? And when you go through the DMV

they give you a temporary until you get the full one, so I just -- maybe that's where they were coming from. The backlash on my interviews was against the real estate people, escrow companies, tax collectors and surprisingly enough the State was the last one until they found out the function of HCD and then they exploded. A lot of them had the feeling that they were doing something wrong which was causing the delay, creating anger and distrust, confusion. One person of a two-person household died, and the person was going to have to re-do it all, and they had not received their original in 14 or 15 months. And there was a great deal of frustration on the part of the lady. And I told her that I would help her in anyway that I could, but I never heard back from her. So again, confusion.

And I think a concluding statement would be that the more and better information from everyone involved, starting with the first initial sale to the escrow company and finally HCD, more information that's out there for these people that are completely new to mobilehome living it's going to ease a lot of their anxieties. And I found that that was the biggest thing, they were frustrated, and they were in a position where they couldn't do anything about it.

SENATOR DUNN: Mr. Clark.

MR. VERLE CLARK: I'm Verle Clark. I am a long-term manager and resident. I've been managing for about 25, 30 years, living in one since 1960. We had a tenant that passed away and her two daughters, 40 or 50 years old took the estate, spent the money and stopped paying their rent. And basically we had to take the estates from her and the mobilehome. The owner of the park bought it -- that is he took it, overhauled it and then we sold it to a disabled veteran, and our problem started with HCD. The main application on October -- February of 1998 -- October 15th of '97 he made his

first application with HCD but then he got a letter back on January 26th requesting a signature of the deceased on the title transfer. I'm telling you, the third time we did this, the third time we got this letter back for a signature from the deceased, I signed it myself and told them that I'm acting as agent for the owner and as a signer as the agent of the sale. We got the title back. But it's not a title, it's a registration. But they insisted on having, even with the death certificate included, they insisted on having the signature of the deceased. You guys have got to do something about HCD. They are out in left field someplace.

Second case, we had a mobilehome, a new manufactured mobilehome, made application to put an awning in and a porch. When they get it back from the county, which is in Contra Costa, the county has all of a sudden made the owner of that park one of our competitors down the street. We're on San Pablo , I mean, we're on Appian Way, they're on San Pablo Dam Road. And I'm in a completely different mobilehome park and yet here's this permit posted up on the house to get this thing okayed by the inspector and the inspector, incidentally, left and never found the place because he had the wrong address. Thank you, Senator.

SENATOR DUNN: Okay. Mrs. Clark.

MRS. REVA CLARK: Thank you for giving us this opportunity as a community advocate. I'm Reva Clark from El Sobrante, and I am a resident. He does the management and I do volunteer advocacy. We are being swamped with residents complaining about all these problems and somebody needs to be an advocate for these residents and seniors. They are double billing -- HCD is double billing the deceased person and the present owners of these units and it's causing all kinds of headache. Have you heard this one?

One lady was ill, went back to Nebraska. Her relatives, right after her death, received the billing from HCD.

In our information packet, the third paragraph said that the owner is to save records from HCD. The owners of mobilehome parks no longer have to save the duplicate copy since '94, '95. Are you aware of that? HCD is causing so many problems in the building inspection department like he mentioned, the permit -- the returning inspector couldn't find it. I just called the building inspection department in that case and gave them the corrections. The correct address was 4556. What they listed on the permit was 1556 and the inspector said he would have never found it in order to do the re-inspection on 9/9/99. The County Assessor's Office has been looking for individuals. She's calling random numbers to try and find out who has information on the ownership on a lot of these units. One gentleman applied for a conversion to property tax in Contra Costa County and she said that for those years of error, about three plus years from HCD, we have to either trace these people by the decal number or parcel number. Thank you for letting us share our information with you.

SENATOR DUNN: Thank you, Mrs. Clark. Any questions Mayor, Senator Chesbro? Thank you each of you. And while you are returning to your seat I'm going to ask the last witness to come forward before our break. That is Ms. Judy Nevis who is the acting director of HCD.

MS. JUDY NEVIS: Good morning. I always feel a little funny testifying and having my back to you. So, hello everyone. I'm very pleased to be here. Thank you, Senator Chesbro, Senator Dunn, Mayor Anderson and John Tennyson for inviting us here.

SENATOR DUNN: Judy, may I interrupt for one second. I'm sorry to interrupt. Is this also available to --

MS. NEVIS: It is.

SENATOR DUNN: There are packets back there?

MS. NEVIS: It is on the back table and in the interest of time, those basically are my remarks. I'm going to try and summarize them, or shorten them a bit to allow some time to answer questions, although, there may be more specific questions raised today than I've got immediate answers for, but I'll certainly do my best. I have with me, also, the program manager for the Registration and Titling Program, Kim Strange, and so questions that we can't answer today we can get your name and information and follow up on after today's meeting as well.

I am very thankful for the support that we have had from the Legislature and from the governor in adding staff to our department to address the backlog in Registration and Titling. What may not be apparent from everything we've heard here today is that the staff who work at HCD are very dedicated and very, very much want to be current. We are trying very hard and we are improving. But we couldn't do it without the staff and we're very glad to have them today.

Just to give you a view of how much more work we're doing, our staff really does produce results.

From July 1, 1998 through June 30, 1999 we completed over 148,000 title transactions. That's nearly double what we did in 1997 -'98. Our backlog today is at the lowest point it's been in years; 30,000. This is a far cry from its peak, if you will, of over 120,000 backlogged items in July of 1997. It has taken us a while. It didn't get that way overnight and we haven't been able to solve it overnight either, but we're confident that we're going to get there.

Since January of 1999, our production has been steadily increasing. We have processed more applications. Every week but one since then. Right now we are able to process about 3,690 applications a week. However, as you know, the number of transactions that are coming in have increased, they are now about 3,000 a month. Nonetheless, between January 1999 and September, we've dropped 27,000 items in less than nine months. And we're decreasing the backlog by about 3,000 applications a month. We are in a continuous hiring mode, so that occasionally you will get less experienced staff. But what I want you to know is that we are not having vacancies, we are doing our very best to keep the work going. We are trying to keep our phone unit staff and working on training them as well.

Our goal is to achieve a turnaround time on title applications of no more than 30-days from the date the application is first submitted to us. And as you heard earlier, and that is the case, if we send something back to you it does not go into the backlog, it goes back to the person who was working on it so that that doesn't happen again. We are committed to reaching this target no later than June, 2000. I hope it's well before then and we hope to be at about 60-days no later than January of 2000. Right now, with very few exceptions, the oldest application request in HCD headquarters and the San Jose district office were sent to us in January, 1999. I think that's nine months and those are the oldest. Our Redding and Sacramento district offices are working on work that is six months old; March, 1999. San Luis Obispo and Winnetka District Offices are working on applications received in July '99 so that's two months. We are 60-days at least in some places. We are getting closer to the 30-day goal. Now if anyone is aware of an application which they have submitted that is older than nine months, I hope that's information that you will give to us so we can certainly research it. We

think we've caught up and we are dropping a month -- just about a month per month or a month every month and a half at this point.

We re-distribute work from high volume offices to headquarters or other offices to try to get as much consistency as we can. We are committed to keeping the staff resources that we need to eliminate the backlog and then keep our operation current.

Unlike in the past, thanks to CASAS automated system, we now have management information that is very good. It shows us on a weekly basis how the volume of incoming work and staff production are increasing. So that means if we see increases in title requests, sales, re-financing in our overall workload, we can take steps to get the additional staff we need in a timely way. The sustained increases we've seen in transactions in the past -- January of 1999 -- mean that we're going to need to keep some of the temporary people that we hired for this year. This is the time of year that the state departments submit their budget proposals for the 2000-2001 budget that happens internally. You can be sure that we have requested the staff we need to make sure we don't fall behind again. At the same time, we are continuing to review our operations to identify improvements and efficiencies that could make our process a bit better in the future.

So, I want you to know that we certainly do not want to be a problem. We want to be part of the solution and we have been trying really hard, working with you and with the support of some additional resources, finally.

I have a history with the Department. I've worked with the Department of Housing and Community Development since 1989. I worked on the budget for years. We went forward to ask for fee increases, for staffing for this program and we couldn't get out of the gate. So it's not that we don't care, we just didn't have an environment in which we could succeed. Now

that our staff knows that they have the support both of the Administration and the Legislature to get their jobs done, it's amazing how the morale has gone up and how people become more productive when it's very clear that the job that they do matters. So, we're hopeful that where you don't see us in the timelines I've described, that you will take the time before you leave today and let us know of any items that we should follow-up on. And also I wanted to let you know that we're on track. We actually are a little beyond the place I thought we'd be by this time, notwithstanding a little close against the ground. So I think working together we can get there.

I'd be happy to answer questions or, if you like, perhaps -- I notice that there were lots of suggestions that came up in the testimony and so if you'd like I can answer by going through some of those. I'm very interested in the prospect of seeing how our operation might be improved via the Internet. That is something we are exploring at this time. I'm not certain how soon we'll be able to do that. There is a process for making those types of improvements that we have to go through, but it is something that we are looking at. Also, the temporary registration process is not one that I'm aware of having explored, but it is one that we could talk about internally. We have formed a, you might call it a blue ribbon working group, but that means beyond reducing the backlog we have a number of staff both working in the system, some of the managers who are trying to look at, "Okay, what else can we do?" So we're not satisfied yet. I don't think we'll be happy until we get to a 30-day turnaround and then I don't think we want to stop there, but we want to see if we can improve our program to serve you better.

SENATOR CHESBRO: Well, first of all, I want to say some positive things. I want to say, things are improving and that is acknowledged and appreciated that you're doing what you can. Also, I want to thank you for the

response to my office and my inquiries when people have contacted me and told me their stories. We've gotten a good response and I appreciate that. Although, like I said earlier, the down side of that is we want to achieve the point where that's not necessary and that's really, I think, what the hearing is about today.

I wanted to ask you -- you put together an expedite unit but that has really addressed, I think, predominantly lenders in the business community and not necessarily individuals who have particular time sensitive needs. And I'm curious whether you, in the interim, taking you at your word at the moment, that we're going to make these ambitious goals that you've set, in the interim, while people continue to struggle and have -- and individuals come forward with a time sensitive need that's just as important, and from my point of view, more important than a bank's or an escrow company's concerns. How are you handling those if there is not an expedite unit for individuals?

MS. NEVIS: Well, typically we do have -- we've heard a lot about the phone system, but our managers and supervisors, when we are aware of whatever call or expedite is requested, we do review them. We do work on those, particularly when we have a person who is ill or some of the situations described here. Now, it's difficult because of the volume actually and so that maybe something that we can work on. How can you expedite when you have something new and different? I think that if the title transfer is not older than nine months or six months, obviously we're working as fast as we can, but if something comes up we would hope that the homeowner or other parties would contact us. There is my number. There is the program number and we will try and follow up as best we can for those special situations because they do occur.

SENATOR CHESBRO: Well, if there is a separate pathway on your flow chart for those expedite items, I would hope that individuals with time sensitive needs would be treated just as seriously as a business' need.

MS. NEVIS: Certainly. To kind of put that in perspective, we have 96 staff dedicated to registration and title production. A lot of people. The expedite unit that you heard discussed involves a total of seven and typically there is a homeowner on the other side of that transaction as well. We're hoping that when we get those old -- those terribly old transactions cleared up that -- I'm hopeful there's a homeowner that we're assisting as well. It maybe that this is something that I will have Kim address. Could we set something up that might be a doable? Here's the general, but if you're outside this parameter how do you contact us? How do you get a hold of us for those special circumstances absent calling your senator?

SENATOR CHESBRO: On the phone system, you've talked about organizational goals for production in terms of getting it down to 30-days. But in terms of contacting you, is there -- are there standards or have you set goals in terms of this -- apparently we're hearing about the new automated system which we've heard some expression or frustration that people are having a hard time penetrating, and do you have goals, for example, for how long someone should have to be on the phone or those kinds of production standards for your staff so that you could try to keep that under control as well?

MS. NEVIS: We have been looking at what's happening on the phone system. We do get questions about the time it takes, but also people who ask -- who actually don't get answered at all. Fortunately in July we were able to add eight additional staff exclusively for the phone unit, so that has helped somewhat. But the volume is huge, so we're not as responsive as we could be.

We are basically at the limit in staff now. As I've said, because of the new volume you'll probably see a new budget request for us in this upcoming cycle, and we would hope we gain your support so that we can keep some of those limited-term positions, particularly both on production and the phones. Without that it's just not going to get better.

SENATOR CHESBRO: Then two other items and then I'll turn the mike over. In addition to the idea of the temporary registration, something else the DMV does, and I heard concern about insurance and liability in the interim period while the registration is in limbo. They do this transfer of ownership form which achieves from a liability standpoint, so if somebody drives off after you've sold them a car and doesn't have insurance and gets into a head-on wreck it's not your liability. You have -- with that form, essentially, transferred that liability -- admittedly, a mobilehome is not going to go down the road and get into an accident, but if there is a fire or some other question with regards to liability, then there is a point that isn't related to when you get your processing done that says this has been transferred from a liability standpoint. Have you looked at an idea like that at all?

MS. NEVIS: I think that's something that we would need to look into. I can see what the liability would be. I don't know how feasible that is. I can certainly see how that would resolve concerns.

SENATOR CHESBRO: I'd appreciate it if you would look at it. And then finally, there was the suggestion, again, this is addressing more of the needs of people who regularly deal with this process -- who work for escrow companies, or the county, or other agencies, but providing some form of policy, a procedures manual, guide book or ways to make the system user friendly because those people are in the business of assisting individuals and frequently are in contact with individuals who haven't been able to get

through on the phone, and so if they had information from HCD about how this works in different circumstances they could probably be of greater assistance to the public, and that's another idea that was suggested today.

MS. NEVIS: That sounds like a really good idea, actually. That's something that we can explore. If you notice, we sent out some technical bulletins but that could be -- it sounds like, if you know what we're doing then it could be a lot easier to assist the clients that they have.

SENATOR CHESBRO: Okay. Well I appreciate your being here and we will do everything we can to both be of assistance, and also keep the pressure on whatever way we can because clearly, there's a lot of people whose lives have been heavily affected by this backlog. And I appreciate the progress that's been made, but we've had promises in the past and I won't be satisfied until we've met the ambitious goals that you've put forward to try and solve this problem.

MS. NEVIS: Well we won't be satisfied either, so hopefully we'll get to the things like --

SENATOR DUNN: Just a couple of follow up questions from my perspective. You had mentioned in response to the individual that had commented about the Internet capability for future applications obviously. It's not going to address the backlog now, and you mentioned that you were looking at it. I hate to push you on this, but can you be more specific on what you're talking about when you're looking at the Internet option?

MS. NEVIS: The ideas that we have looked at initially, the kinds of transactions that we looked at were the feasibility of renewals, of individuals being able to check the status of their own transactions via the Internet which would be very useful and title searches, escrow openings, those are the kind of areas that we are looking at. There is more research we need to do

and because that is an automated type proposal, doing that in state government is never inexpensive but those are the areas that we have looked at and that generally would involve a budget proposal and/or an analysis of cost, and to determine what we could do. Sometimes approvals are needed, but those are the immediate areas we have been looking at.

SENATOR DUNN: The reason I asked the question is I want to propose a scenario as I was listening to the testimony here. CalTrans has a permitting process when truckers try to get permits. They have the database there, the trucking company can access the Internet as long they are pre-approved ahead of time and basically work out their own route based on the CalTrans database. And my question is whether the registering process here can be done in a similar manner so that we have HCD with the database but a licensed escrow agent, for example, a pre-approved agent, we don't just have anybody accessing it, who has the ability at the time of the transaction to do the registration him or herself. Is there any reason why, again, ignoring the cost and so forth, why heading in that direction would not work from your perspective?

MS. NEVIS: Well, I think that's something that can be done in the future. I don't see that that is impossible. I know that is not instant but there's a lot of steps to go through to try to do an automated system. It took us from 1993 up until '97 to first implement this one. But it's very clear, getting where we are with the possibilities of the Internet. I have basically told our people I know there's been a lot of change, but the next one is coming upon us. In other words, we need to be current and then we need to find a way to go to the next level. So it will be a while but I think that's the way the future will be.

SENATOR DUNN: Right. And the reason I raise it again is because while I certainly understand that all the employees are doing the best that they can and they have good reason to try to remove the backlog, you put the ability into the hands of a licensed escrow agent, for example, they have got great incentive to insure that that transaction is done instantly. And if the proper database could be set up, all of a sudden your staff on the registration side of it, I would think, would diminish dramatically.

MS. NEVIS: I'm not certain. We haven't looked at those aspects. We focused just playing on the customer service aspect, the aspects of the protection of the data because it is confidential on the part of the owner, and those kinds of issues, but it's something we'll continue to explore and get a handle on this and it's probably the next step. We see that throughout government it's something the public should have reason to expect --

SENATOR DUNN: Two more questions and then we're going to take a break. The first one is, you mentioned that in the '98-99 year you processed about 148,000 registrations. In the calendar year -- in the fiscal year immediately preceding, '97/98, you processed about half of that.

MS. NEVIS: 75,000.

SENATOR DUNN: Okay. About, 75,000. Dramatic difference, obviously in one year. What was the cost of that dramatic change?

MS. NEVIS: We had more people, and the people learned to use the automated system. The automated system is easier to use than when you have boxes and you can't find all the parts of the transaction. So it was a combination of a applying more staff to address the issues and the staff becoming familiar with the system.

SENATOR DUNN: Can you give me an estimate of how much your staff increased from 97/98 to 98/99 to create that -- basically doubling the registration process.

MS. NEVIS: It was an increase of 43 staff.

SENATOR DUNN: What percentage is that? Is that 100% increase? A 25% --

MS. NEVIS: No. We had 53.5 permanent positions dedicated to doing the registration and titling work. We added 25 permanent positions and 18 limited-term.

SENATOR DUNN: So you increased the staff by half and the computer process to create the doubling effect.

MS. NEVIS: And the tools are better.

SENATOR DUNN: It maintained that sort of level?

MS. NEVIS: Yes. It looks now -- we did have to get rid of the backlog. When we're current -- at this point I'm not certain that we will need to retain all 18, but when we run those workload figures we know we will need to keep some of those limited-terms permanent because the incoming transactions increased from about 2,500 during last year, it's now closer to 3,000 every month. And so it's the only way we're going to make it.

SENATOR DUNN: Okay. Last question, unless Senator Chesbro has some follow-up questions; and that is that you mentioned that you are reducing the backlog at a current rate of about 3,000 a month.

MS. NEVIS: About 3,000 a month.

SENATOR DUNN: Okay. I know that there's a lot of variables. We can have a massive increase in new registrations that would affect that problem. There's all kinds of different factors that can affect it. But right now, Judy, do you see anything on the horizon -- my simple calculations are

right, everything status quo, 3,000 a month, we're backed by 30,000, we should resolve it in 10 months -- is there anything on the horizon that you would say says no, Joe, we're not going to make that 10 month goal?

MS. NEVIS: Not that I can see. If the Department of Motor Vehicles offers 50 or 60 permanent positions, that could attract our staff away from a smaller department where, perhaps, they don't have as much upward mobility. We've gotten real good at recruitment; we do it all the time. But I mean if you lose staff that could be a problem. We actually added 25 permanent. I'm looking for more in case somebody retires, in case somebody leaves. We're committed to that and I know all the staff are and that the manager is.

SENATOR DUNN: Do you have an internal target date to eliminate that?

MS. NEVIS: Yes. We do. We're hoping to see 60-days in January and 30-days before the end of June. So we're hoping --

SENATOR DUNN: Next year. Up next year?

MS. NEVIS: Yes. Now I would like to be there then. The projections we run show it actually in February or March, but if we get there by February or March, that would be great. We had hoped that -- when you're dealing with 120,000 it's impossible. It's difficult just to find yourself. Now that we're down to 30,000, we had hoped when we got below that number we would see some ripple improvements. For example, perhaps fewer folks calling in because it was more current; we could then route those people to processing. We haven't seen that yet, but we're hopeful there will be some of that that will occur.

SENATOR DUNN: Okay. Senator, do you have a follow-up question?

SENATOR CHESBRO: Actually, there was one thing that came up today that I forgot to mention and it's perfectly related to this, but it's a public frustration, and that was the consistency of documents, the different colors and the different forms. Is that something that you're working on? Is there a response to that?

MS. NEVIS: No. There's really only two. There was a perforated one which we had forever, and the new one is tan. It's the tan one.

SENATOR CHESBRO: It will be tan.

MS. NEVIS: It is tan.

SENATOR CHESBRO: It is and will be tan.

MS. NEVIS: It is and will be tan or I don't know, whatever they call it, and that is the original title. They look rather nice.

SENATOR CHESBRO: Okay. Thank you.

SENATOR DUNN: Ms. Nevis, thank you very much. That ends the part relating to registration and titling. We are going to take 10 minutes. We are, unfortunately, about 20 minutes behind so we're going to keep it at 10 and start up again in 10 minutes.

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SUMMARY AND CONCLUSION

SEPTEMBER 21, 1999

SUMMARY & CONCLUSION

Most of the testimony at the September 21st hearing was very critical of the Department of Housing and Community Development's Registration & Titling program, indicating general frustration with departmental bureaucracy and sluggish handling of mobilehome title changes.

County Assessor

The Napa County Assessor testified that title delays are having a direct impact on homeowners' property tax obligations and adding to his office's daily workload of complaints. On a sale, the buyer must pre-pay property taxes with a deposit so the county can issue a tax clearance certificate to HCD before HCD will process title, but the money is often in limbo for months until HCD issues a new title and the homeowner can get a partial refund. With delays of 12 to 18 months, property tax and supplemental tax bills also pile up, and if the tax deposit doesn't cover them all, the additional bills hit the new owner all at once when the new title is issued. Lastly, where new liens are filed against the home, the old homeowner in whose name the home is still registered is the one who receives notice, not the new owner.

Title Companies, Realtors, Homeowners & Others

Testimony from representatives of real estate brokers, title companies, the Golden State Mobilhome Owners League (GSMOL) and other mobilehome owners included complaints that HCD's automated telephone system makes it difficult to get through the maze of pre-programmed questions to talk to a human voice about specific cases. One witness testified that she could call HCD 3 times and get 3 different answers to the same question if she could get through at all. Another witness claimed that HCD had insisted upon the signature of a deceased homeowner on an application before processing of the title to the new buyer could be started. Several had stories of titles which took 2 or even 3 years to be issued, double billing of applicants, and the return of paperwork for minor errors requiring applicants to start over again

from the bottom of the pile. Others pointed out that a new homeowner who needed to resell his home could not do so for months or even years because he had no title from HCD issued in his name. Many indicated the only way they could get action was to travel to Sacramento to confront department employees directly or through their local legislator's office.

Suggestions for Change

Several witnesses had suggestions for changes in HCD's Registration and Titling process. These included the use of temporary registrations, at least for straightforward title changes, so that tax bills, liens, and other matters would not have to be put on hold until a permanent title was issued. Another suggestion involved the use of the Internet, so that title company representatives could log on to an HCD web site to at least process simple title applications and check on the status of other titles. Making an HCD "procedures manual" available to the private sector to help title companies be on the right track in making title applications to HCD was also proposed.

Manufactured Housing Industry

A representative of the California Manufactured Housing Institute (CMHI), while acknowledging the frustration of the manufactured housing industry about the longstanding backlog, argued that the problem was basically resolved by a legislative appropriation in 1997 that, with fits and starts, led to HCD's eventual progress in reducing the backlog this past year. The CMHI spokesman indicated his organization was satisfied that the backlog will be reduced to what he said was the department's historical turnaround time of 60-days by early 2000.

HCD's Response

The Acting Director of the Department of Housing and Community Development (HCD) contended that, although she was sympathetic with the complainants, the end of the backlog was near, predicting a 60-day turnaround by February-March, 2000 and even a 30-day turnaround by

July, 2000. With an increase in 25 permanent and 18 temporary staff, an improvement in how staff was trained and how staff was learning to use the new automated system, the acting director indicated that HCD staff had doubled the workload in the July '98-99 period to 148,000 title applications processed from the previous year's 75,000. This was despite the fact that the number of new applications coming in monthly during that time has been increasing over that of prior months. She contended the oldest application she was aware of was about 9 months old. She pointed out that the backlog as of September 19th was about 30,000 in contrast to 120,000 in July 1997. The director also said HCD was open to suggestions for program improvements.

Conclusion

Correction of the serious backlog in HCD's Registration and Titling program has been long overdue. Mobilehome owners have not only been inconvenienced, many have been saddled with problems not of their own making, including the inability to sell or transfer the title of a home they thought they already legally owned.

Although administrative gaffes may continue in individual cases, upon investigation by the committee, the department appears to be getting a handle on the backlog. HCD reports available to the committee* indicate that from January 3, 1999 through November 28, 1999 the department has reduced the backlog by 34,208 items. Over the last ten-month period HCD has reduced the backlog by an average of 3,197 items a month. At the time of the committee hearing on September 21, 1999 the backlog was reported to be 30,308. The acting director testified staff would continue to reduce the backlog by an estimated 3,000 a month or more until the backlog was eliminated by June or July of 2000. The select committee chairman has asked for monthly reports from HCD's director on the department's progress in reducing the backlog since September. As the attached HCD statistics indicate, the backlog was 27,935 on October 24th and 23,544 on November 28th, just before this report went to print. HCD appears to be on

schedule in reducing the title backlog by about 3,000 a month, and as long as HCD remains on target the committee cannot recommend additional legislative steps to reduce the current backlog that would clear the backlog any faster in the remaining next 6 months.

Recommendations

However, the focus on the R&T program should now shift to the long-range, that is, what can be done to assure a backlog does not reoccur in future years. As a start in this regard, the Legislature should require HCD to establish an R&T Task Force to review the program and its procedures. The Task Force should consider some of the recommendations made at the September 21st hearing, including use of Internet capabilities, temporary registrations, and dissemination of procedures manuals to professionals in the field, as well as other streamlining measures. The Task Force should also determine how HCD could maintain a work force sufficient but flexible enough to handle the influx of title changes and whether current fees that sustain the program will be adequate to support changes in the program recommended by the Task Force. The Task Force should be composed, among others, of representatives of HCD's Registration & Titling Program, title companies, manufactured housing dealers, real estate brokers, mobilehome owners, and county assessors or recorders. Recommendations of the Task Force should be made to the Legislature no later than January 1, 2001. Pending enactment of Task Force recommendations, staff augmentations made in the R&T staff in the last two years should be retained through at least the 2001-2002 fiscal year.

# # #

*see Appendix for HCD R&T statistics

APPENDIX

(Related Materials and Information)

SEPTEMBER 21, 1999

STANDING COMMITTEES:
REVENUE AND TAXATION, CHAIR
BUDGET & FISCAL REVIEW
EDUCATION
ENVIRONMENTAL QUALITY
GOVERNMENTAL ORGANIZATION
VETERANS AFFAIRS

SELECT COMMITTE
CALIFORNIA'S WINE
CHAIR
DEVELOPMENTAL I
& MENTAL HEALT
MOBILE & MANUFA
HOMES, MEMBER

California State Senate

SENATOR
WESLEY CHESBRO
SECOND SENATORIAL DISTRICT

June 8, 1999

Senator Joe Dunn
Chairman, Senate Select Committee on
Mobile and Manufactured Housing
State Capitol, Room 2068
Sacramento, CA 95814

Dear Senator Dunn,

I would like to take this opportunity to bring to your attention an issue that has caused an outcry throughout the Second Senate District. The state has a serious backlog in the titling and registration of mobile and manufactured homes.

The California Department of Housing and Community Development is currently taking up to two years to transfer title and registration for mobile home ownership. The current "improved" backlog is exceeding 45,000 applications according to a special report issued by the Department in May of this year. It is my understanding that these delays in processing are chronic and have been occurring to varying degrees for many years.

The Department of Housing and Community Development this year, has borrowed from the state's General Fund and reports increased staffing and improved overall production, yet the service to mobile home owners remains dismal. It is unacceptable for our citizens to pay the fees, have the state cash their checks, and then wait years before receiving their title and registration.

3070 STATE CAPITOL
SACRAMENTO, CA 94814
(916) 445-3375
(916) 323-6958 FAX

50 D STREET, SUITE 100
SANTA ROSA, CA 95404
(707) 576-2771
(707) 576-2773 FAX

317 E STREET, SUITE 150
EUREKA, CA 95501
(707) 445-6508
(707) 445-6511 FAX

40 MAIN STREET, SUITE 205
NAPA, CA 94559
(707) 224-1990
(707) 224-1992 FAX

P.O. BOX
UKIAH, CA
(707) 468-
(707) 468-89

Printed on Recycled Paper

Senator Dunn
June 8, 1999

I am requesting that the Senate Select Committee on Mobile and Manufactured Housing convene a hearing to reveal the cause of these delays, the impact on our citizens and explore potential solutions. Based on the overwhelming response from my constituents, I am requesting the hearing be held in the Second Senate District.

I am optimistic that this hearing will open a dialog between the Senate, the Department and the affected parties which will result in strategy to eliminate the backlog permanently. I look forward to working with you to resolve this critical issue. Please contact Susan Cavazos of my office at 322-9441.

Sincerely,

WESLEY CHESBRO,
Senator, Second District

WC:sc

NAPA COUNTY ASSESSOR

JOHN TUTEUR
ASSESSOR

1127 FIRST ST ROOM 128 NAPA CA 94559-2931
PHONE 707.253.4459 FAX 707.253.6171

September 27, 1999

Honorable Wesley Chesbro, Senator
State Capitol
SACRAMENTO CA 95814

Dear Wes:

Just a note to thank you and Senator Dunn for holding the hearing in Napa County regarding Registration and Titling of Manufactured Homes. We will look forward to constructive progress coming out of the hearing.

For your information I am attaching a copy of a list of 63 manufactured homes that have title transfer issues unresolved for more than 9 months. This list was prepared in response to a generous offer by Kim Strange, Program Manager of HCD to investigate any such title issues. Kim has already been faxed a copy of the list.

You will note that one title issue goes back to 1992; 4 in 1994; 7 in 1995; 9 in 1996; 9 in 1997, 32 in 1998 and 1 in 1999. We understand that in some of these cases private parties began the process of title transfer by taking out a tax clearance certificate but then abandoned the process. Such instances would not be related to the backlog which was the subject of the hearing.

I would appreciate your sharing this letter and the list with Senator Dunn and with John Tennyson, Principal Consultant to the Select Committee. I will keep you posted on the results of Ms. Strange's investigation.

Sincerely,

JOHN TUTEUR
NAPA COUNTY ASSESSOR

Cc: Kim Strange, Program Manager, HCD (via e-mail)
Marcia Humphrey, Napa County Treasurer-Tax Collector (via e-mail)

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NAPA COUNTY
PENDING MOBILE HOME
TRANSFERS

	DECAL#	OLD OWNER	NEW OWNER	TRANSFER DATE
1	LAB3035	Robert D. Wood	Thomas & Desiree Altemus	10/9/98
2	LAM3773	Joyce & William Bickell	Joyce W. Bickell Tr	6/1/98
3	324QYI	George & Gloria J Fitzpatrick	Gloria Blevins & Gloria Fitzpatrick	6/8/98
4	LAJ5357	Murial Wickman & Alice Kuhn (Monticello Investments)	Robert M & Barbara M Brown	5/30/97
5	LAT7001	Estate of Patricia L. Barclay	Bland B Burks	8/23/98
6	LAD6165	Garry E. Raymond	Steve & Cindi Capurro	11/9/98
7	NG7043	Robert E & Mary L McDowell	Carneros Partners	11/6/98
8	LAC6262	Charles E & Corrina L Wiechmannn	Carneros Partners LLC	6/10/98
9	LAJ9234	Vernon & Linda Ray	Carneros Partners	10/30/98
10	LAP4426	Nancy L Mojica	Scott & Elizabeth Corey	103/98
11	LAE1801	John C & Linda K Frazier	Delooze	8/19/98
12	New Coach	Residential Homes Inc	Michael D & Andrea Gregg	1/27/99
13	LAE7044	Evelyn Martin (deceased)	Dorothy Johnson	4/2/98
14	LAK2022	Harold K & Shyrlee M Cole	Putah Creek Resort	1/1/92
15	LAG9949	William & Delores Schill	Larry & Michelle Mertz	5/8/98
16	LAP8171	Renee Culverhouse	Javier & Marta Munoz	1/7/98
17	LAH6131	Vincent & Dorothy Doyle Tr	Nancy L Ott	5/15/98
18	LAJ4774	Estate of Minnie E Rutherford Tr	Vineyard Valley	5/20/98
19	LAK1583	Judith K Gunnell	Judith K or Tim Gunnell	6/19/97
20	LAJ5194	Brian Eaton	Robert Allen Schindler & Janet Feinberg	10/31/96
21	LAI6958	Velma Boone & Willa Meneguzzo	Willa Meneguzzo	5/23/96
22	LAB3715	Joseph & Christine Perez	Craig Mullen	3/6/95
23	LAM2036	Tiburcio	Napa Estate Venture	1994
24	LAG4199	Carol L Rodriguez	Carol L Rodriguez & Robert H Taylor	9/9/94
25	LHA3345	Paul J or Barbara Warner	Steve Riddle	4/22/95
26	ABF6385	P & D Homes Inc	Marilynn M Robinson	5/16/96
27	LAJ6563	Joann & Frank Ambrosoli	Orville & Lena Ellen Suttles	10/10/96
28	AAB4264	P & D Homes Inc	Linda V Young	6/17/96
29	LAJ4759	Joanne C Conley	Galen Capineri	July 1995
30	LAA2965	Michael & Eduviges Howard Robert & Kieko Howard	Michael & Eduviges Howard	April 1996
31	Was LAN5686 (CAL 339610 &11)	Albert M & Gladys A Briggs and Ron B Roberts	Paul W Wade	11/13/95

NAPA COUNTY PENDING MOBILE HOME TRANSFER CONTINUED				
32	LAM5173	Harry L & Jacqueline B Case	Jacqueline B Case	3/14/94
33	KE2326	John Virgil or Nora Mae Hunter	Nora Mae Hunter	12/8/94
34	LAR3262	Jack H Newell Jr	John & Shelby Newell	12/31/98
35	LAR3612	Thomas & Doreatha Woody	Ancil & Barbara Moody	4/1/98
36	LAT2393	Margaret Besant	Pauleta Silva	5/4/98
37	LAT9799	David Larson	Tony & Domenic Carafa	5/4/97
38	LAV7223	Gary & Terry Mason	Charistopher Gibbs & Emilo Arco	10/1/95
39	LAX6266	Amir & Ambreen Syed	Feng Lui	12/1/98
40	LAK4856	Lowell & Barbara Chester	Jean Lyle	11/21/97
41	LAK7974	Luis & dorothy Eversmyer	Laver Marcey Caiocca	11/1/98
42	LAK8519	James & Patrica Shelton	Lisabelle Dwyer	11/26/97
43	LAG8364	Della Marler	Elizabeth Samuelson	12/31/98
44	LAI2717	Fred Rogers, etal	Huber & Edna Midgett	7/28/98
45	LAJ1416	Gertrude & mulford Johnson	Sally Morgan	10/30/98
46	LAJ1612	Geraldine Lahey	Verner & Blanche Balder	8/26/98
47	LAU3287	Bindel Brothers Inc	Craig & Gloria Dulis	9/6/98
48	LAC5924	David Wallace etal	Eavid & Judy Lindsey	12/16/98
49	LAA5038	John & Thelma Burnson	Larry & Maria Asp	11/5/98
50	LAE2197	Florence Smith etal	Douglas Sullivan	11/25/98
51	LAJ5336	MAURICE & ANN KEEKER	LLOYD GAG	10/1/97
52	LAJ8649	Otto & Veronica Hinterman	Teresa & Joann Byrne	7/15/98
53	LAJ7902	Beatrice Donaldson	Genevive Segle	3/17/98
54	LAK6444	Gladys Curry etal	Jack Pershing etal	11/1/97
55	LAJ6231	Lois Grier	Allison & Patsy Rippley	10/16/96
56	LAJ5194	David & Roberta Decker	Brian Eaton	6/28/96
57	LAJ7980	Edward & Mary Connolly	Winfred & Carol Monroe	7/15/98
58	LAJ7008	Ruth Sands etal	John & Nellie Smith	11/30/98
59	LAA8515	Darrol & Francis Mason	Henry & Maude Leijder	9/25/98
60	LAE3230	Corozon & Jody Crespo	Bruce Sutterland	4/21/98
61	LAJ3217	Jim & Ann williams	Donna Colton	10/29/98
62	LAH9024	Clayton & Agnes Constable	Nancy Hunt	8/1/95
63	LAJ3366	James & Nancy Hunt	Alan & Janet Vail	6/6/95

JULY 26,1999

SENATOR WESLEY CHESBRO
MEMBER, MOBILEHOME AND
MANUFACTURED HOUSING COMMITTEE

DEAR SENATOR CHESBRO.

WHILE DICUSSING THE ISSUE OF DELAY IN PROCESSING OF TITLE AND REGISTRATION OF MOBILE AND MANUFACTURED HOMES WITH LORIE PUZO, I VOLUNTEERED TO CONDUCT A SURVEY IN RANCHO DE NAPA MOBILEHOME PARK IN YOUNTVILLE, CA. I CONTACTED ABOUT FIFTY HOMES STARTING WITH THE YEAR 1994. FOLLOWING IS MY REPORT.

1994: 8 UNITS CHECKED
AVERAGE TIMEFOR CERTIFICATE OF TITLE 4 TO 8 MONTHS.
(ONE UNIT MOVED IN 7./94 NO TITLE YET; NOT VERIFIED.)

1995: 7 UNITS CHECKED
AVERAGE TIME 7 TO 12 MONTHS.

1996: 8 UNITS CHECKED
AVERAGE TIME 3 TO 8 MONTHS

1997: 10 UNITS CHECKED
AVERAGE TIME 15 TO 24 MONTHS
3 UNITS STILL NO TITLE AFTER 24 MONTHS

1998: 9 UNITS CHECKED
1 UNIT CLOSED 12 MONTHS
8 UNITS 14 TO 17 MONTHS NO TITLE YET.

1999: 5 UNITS CHECKED
NO TITLE YET.

PAGE 2.

NEW MANUFACTURED HOMES, NO PRIOR REGISTERATION, BROUGHT INTO THE PARK REPLACING OLDER UNITS REMOVED FROM PARK.

1996: 2 UNITS; CLOSED WITHIN 5 MONTHS

1997: 3 UNITS; CLOSED WITHIN 5 TO 7 MONTHS

1998: 4 UNITS; CLOSED WITHINUP TO 10 MONTHS.

1999: 3 UNITS; 2 CLOSED, 1 OPEN.

ENCLOSED PLEASE FIND BASIC STATEMENT ISSUED TO, OR STATED OVER PHONE TO PEOPLE SURVEYED.

SINCERLY,

BILL FORT
6468 WASH. ST. SP # 135
YOUNTVILLE, CA. 94599

CHARLES G. MORSE
ATTORNEY AT LAW
1120 FRANKLIN STREET
NAPA, CALIFORNIA 94559

(707) 257-1933
FAX (707) 226-3465

VIA FAX ONLY

June 6, 1999

State Senator Wesley Chesbro
707-224-1992

RE: Mobile home transfers

Dear Senator Chesbro:

I am an attorney with a practice emphasizing Estate Planning and Elder Law, and frequently my clients are mobile home owners. I have an idea for expediting the transfer of title after the death of the owner, and that is to modify the certificate of title to allow owners to designate who the transferee is to be, on the death of the owner. I presume that the law would also have to be modified to enable owners to make such a designation, and at this point I have not taken the time to research the specific code sections that might be affected. If you think the idea has merit, perhaps someone from your staff could talk to Housing and Community Development.

This concept of transfer on death is not unique. Banks already have what are called POD accounts, wherein the owner of the account fills in a card that instructs the bank to "Pay On Death" to the named individual, all of the monies held in the account. Probate Code section 5203(a)(2) codifies the definition and effect of that term. Some stock brokers use a very similar technique and call it Transfer on Death or TOD.

I'll be happy to speak with you personally if you'd like to pursue this further.

Sincerely,

Charles G. Morse

Aging-Chesbro-6-7-99

STATE OF CALIFORNIA -BUSINESS, TRANSPORTATION AND HOUSING AGENCY GRAY DAVIS, Governor
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
Office of the Director
1800 Third Street, Suite 450
Sacramento, CA 94252-2051
(916) 445-4775
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Manufactured Housing Titling Update

Senate Select Committee on Mobile and Manufactured Homes
Informational Hearing

Prepared by Judy Nevis, Acting Director
September 20, 1999

I am pleased to report that, with the support of the Legislature and all interested parties to the budget and legislative process, Governor Davis' Budget proposal to increase staffing for the Registration and Titling Program was approved for 1999-2000. This means that 43 staff positions originally approved for hire in December 1998 will continue through June 30, 2000. The Department is also authorized to retain 25 of these staff on a permanent basis so backlogs do not come back once we have eliminated them.

The Department of Housing and Community Development (HCD) began the advertising and recruiting staff in October 1998, has filled all the permanent positions. The Department has also filled the temporary positions (18 of the 43) several times since last October, as staff in these positions leave to accept permanent work elsewhere. Additional staff are still being recruited, interviewed and screened on a continuing basis. We will maintain an ongoing hiring effort to fill behind positions as attrition occurs.

More Staff and Increasing Staff Productivity Produce Results:

From July 1, 1998 through June 30, 1999, HCD staff completed 148,408 title applications; nearly double the 75,400 completed in all of 1997-98. Our backlog is currently at the lowest point in years at 30,336. This is a far cry from the more than 120,000 backlogged items on hand July 1, of 1997. Our average weekly production since July 1, 1998, to June 30, 1999 was 2,854 applications per week, which is higher than the weekly incoming transactions of 2,545. Since January 1999 our production has been steadily increasing and has exceeded incoming applications in all but one week during 1999. The average production since July of this year has been 3,690 applications per week, while the average incoming has been 3,177 applications per week. This gain in production over incoming items has allowed us to decrease the backlog from 57,752 on January 1, 1999 to 30,336, as of September 19, a drop of 27,416 items in less than 9 months.

Currently, the trend is for backlog to decrease by over 3,000 applications per month. To keep production levels high, we are involved in continuous recruitment and hiring. All permanent staff positions are filled, a total of 78.5, but we continue recruitment for both permanent and the 18 temporary staff. This is needed to offset unforeseen vacancies. We have also improved our training mechanisms so that overall training time is reduced. Even the newest hires add to

production by (a) staffing phones so our ongoing fully trained staff can focus on production, and (b) training in a live production setting. This means staff works on actual transactions from the very beginning as these are covered in training. Existing staff productivity has also increased through training and staff contributions to team efforts to improve title processing.

Projections:

Our goal is to achieve a turnaround time on title applications of no more than 30 days from the date the application is first submitted to us. We have committed to reaching this target no later than June 2000, and hope to be at 60 days no later than January 2000. Right now, with very few exceptions, the oldest application requests in HCD headquarters and the San Jose District Office were first sent to us in January 1999 (9 months). Our Redding Field Office and Sacramento District Offices are working on applications received in March 1999 (6 months); San Luis Obispo and Winnetka District Offices are working on applications received in July 1999 (2 months). We are beginning to approach the 30-day goal. HCD redistributes the work from high volume offices to headquarters or other offices to keep response time as consistent and current as possible.

Our Commitment to Service:

The Department is committed to keeping the staff resources needed to eliminate the backlog and then keep our operation current over the long term. Unlike in the past, thanks to the CASAS automated system, we now have management information that shows us on a weekly basis how the volume of incoming work and staff production are increasing. Should increases occur in title transfer requests, sales and refinancing, we see them coming and take steps to seek additional staff resources as necessary. The sustained increases we have seen since January of 1999 clearly indicate that we will need to keep some of the 18 temporary staff beyond June 2000, to make sure backlogs do not return once we eliminate them. This is the time of year that state departments submit their budget proposals for inclusion in the Governor's Budget for 2000-2001. You can be sure that HCD has requested the staffing it needs and will continue to update workload measures and make appropriate adjustments to ensure backlogs do not grow. At the same time we are continuing to review our operations to identify improvements and efficiencies in our process that could further increase services and productivity.

Registration and Titling Program Statistics

For The Period Beginning January 3 & Ending January 24, 1999

	Week Ending			
Item Type *	03-Jan-99	10-Jan-99	17-Jan-99	24-Jan-99
Incoming Items	1,443	2,221	2,044	2,144
Completed Items	1,535	2,435	3,067	2,735
Total Items on Hand	57,752	57,465	56,313	55,515

For The Period Beginning February 7 & Ending February 28, 1999

	Week Ending			
Item Type *	07-Feb-99	14-Feb-99	21-Feb-99	28-Feb-99
Incoming Items	2,523	2,265	2,737	3,215
Completed Items	3,291	2,461	2,466	3,493
Total Items on Hand	54,518	54,031	54,527	53,817

For The Period Beginning March 7 & Ending March 28, 1999

	Week Ending			
Item Type *	07-Mar-99	14-Mar-99	21-Mar-99	28-Mar-99
Incoming Items	2,930	2,788	2,780	2,837
Completed Items	3,845	3,087	3,473	3,349
Total Items on Hand	52,703	52,132	51,102	50,343

For The Period Beginning April 4 & Ending April 25, 1999

	Week Ending			
Item Type *	04-Apr-99	11-Apr-99	18-Apr-99	25-Apr-99
Incoming Items	2,700	2,786	2,676	2,740
Completed Items	3,202	3,797	2,778	3,103
Total Items on Hand	49,721	47,890	47,553	47,134

For The Period Beginning May 2 & Ending May 23, 1999

	Week Ending			
Item Type *	02-May-99	09-May-99	16-May-99	23-May-99
Incoming Items	2,572	3,252	2,718	2,827
Completed Items	2,826	3,322	3,535	3,569
Total Items on Hand	46,756	46,361	45,250	44,183

For The Period Beginning June 6 & Ending June 27, 1999

	Week Ending			
Item Type *	06-Jun-99	13-Jun-99	20-Jun-99	27-Jun-99
Incoming Items	2,290	2,763	2,947	3,821
Completed Items	2,465	2,848	3,703	5,324
Total Items on Hand	43,463	42,907	42,024	40,379

* Excludes Title Searches, Escrows and Renewals

For The Period Beginning July 4 & Ending July 25, 1999

	Week Ending			
Item Type *	04-Jul-99	11-Jul-99	18-Jul-99	25-Jul-99
Incoming Items	3,633	3,013	3,300	2,833
Completed Items	4,407	3,922	3,619	3,900
Total Items on Hand	39,389	38,234	37,626	36,422

For The Period Beginning August 8 & Ending August 29, 1999

	Week Ending			
Item Type *	08-Aug-99	15-Aug-99	22-Aug-99	29-Aug-99
Incoming Items	3,165	3,492	3,870	3,359
Completed Items	2,580	3,735	4,802	3,383
Total Items on Hand	35,212	34,768	33,757	33,471

For The Period Beginning September 5 & Ending September 26, 1999

	Week Ending			
Item Type *	05-Sep-99	12-Sep-99	19-Sep-99	26-Sep-99
Incoming Items	2,993	2,657	3,099	3,323
Completed Items	3,936	3,027	3,972	4,091
Total Items on Hand	32,389	31,573	30,338	29,402

Excludes Title Searches, Escrows and Renewals

For The Period Beginning October 3 & Ending October 24, 1999

	Week Ending			
Item Type *	03-Oct-99	10-Oct-99	17-Oct-99	24-Oct-99
Incoming Items	3,063	2,763	2,706	2,883
Completed Items	3,549	3,164	2,915	3,742
Total Items on Hand	28,849	28,205	27,932	26,935

For The Period Beginning November 7 & Ending November 28, 1999

	Week Ending			
Item Type *	07-Nov-99	14-Nov-99	21-Nov-99	28-Nov-99
Incoming Items	3,309	2,643	3,227	1,729
Completed Items	3,650	2,704	3,896	2,512
Total Items on Hand	25,241	25,064	24,323	23,544

* Excludes Title Searches, Escrows and Renewals

Sacramento Bee, October 14, 1999

Click, and car is registered

DMV preparing online service

By Steven A. Capps
Bee Capitol Bureau

Californians leery of long lines at Department of Motor Vehicles offices will be able to register their vehicles instantly via the Internet under a program being developed by the Davis administration.

The system would allow motorists to renew their vehicle registrations online from their home or office, the public library or anywhere else they could get access to the Internet.

While such a program had been discussed for some time at DMV, Gov. Gray Davis has put the department on notice that he wants it in place and operational by early next year.

"In the next six months, I guarantee you will be able to register your car online at the DMV, which I will consider my crowning achievement if I get that done," Davis recently told a gathering of about 1,000 of the state's business leaders.

Please see DMV, back page, A16

DMV: A dozen states already offer service

Continued from page A1

Despite DMV's past problems with new computer systems – just this summer, a snafu in its new driver's license renewal system delayed new licenses for about 21,000 California drivers – officials at the department say they are on schedule to meet the governor's timetable.

"The DMV believes it can get the vehicle registration online processing up and going within the six-month period," said DMV spokesman Evan Nossoff. "We think it's tough in that time frame, but we believe it's doable and we're moving to get it done."

Registration renewals are now done in person or by mail. With a new online system, motorists would simply log onto a DMV vehicle registration site on the Internet, fill out the appropriate forms and receive their new registrations in the mail. Fees would be paid by credit card.

"Initially it's going to be by credit card only, but we don't know what the shape of e-commerce will be down the road – debit cards, fund transfers – we just don't know," said Steven Nissen, the governor's special assistant for innovation in government, who is heading up the project.

"My job, which is a new position in the administration, is to look for ways where the state can provide better service to customers and do it in creative, innovative ways that haven't been tried before," Nissen said.

Toward that end, he said his first stop was the DMV, one of the busiest departments in the state.

"The DMV clearly has one of the most significant, most direct interfaces with the state's customers," Nissen said. "Twenty-eight million auto registrations a year is pretty significant customer interaction."

About a dozen states already have online vehicle registration, according to Nissen. Arizona was the first, and that state has seen lines at its local DMV offices reduced since the new system was put in place, according to Nissen.

"We don't really know yet what kind of market penetration that we'll have here," Nissen said.

When notices are sent out next year for vehicle registration renewals, motorists will be notified if they are eligible to renew by computer.

Nissen said the new system is not complicated and, despite past problems at the DMV, he said he was confident it will be up and running in February or March.

Gray Davis

Online vehicle registration is coming within six months, he tells business leaders.

"It's a big deal because a lot of people will notice it, but in terms of the size of a technology project, it's a very modest size project," he said.

The project, however, comes on the heels of a major problem the DMV experienced this summer in its driver's license renewal system.

Earlier this year, Polaroid Corp. took over as the DMV's vendor for driver's license photographs. But about 21,000 licenses were held up because of a computer snafu during the transition.

Some motorists were forced to drive for weeks with expired interim licenses.

The DMV's Nossoff said each of the 21,000 licenses was processed by hand and no additional ones have been held up. Polaroid has now successfully produced more than 2 million driver's license photographs without major problems, he said. "We are now averaging 30,000 a day."

There are 21 million drivers licensed by the state of California.

Since Sept. 1, the DMV has been able to turn around 99 percent of driver's license renewal requests within 10 days, Nossoff said. "We have our system now tuned up to where the licenses are flowing," he said. "The issues that had arisen have been resolved."

1012-S

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