

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1810 HB	<b>Title:</b> Mobile home rental assist.	<b>Agency:</b> 103-Department of Commerce
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## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

**Non-zero but indeterminate cost and/or savings. Please see discussion.**

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.8	2.0	2.4	1.5	1.5
<b>Account</b>					
General Fund-State 001-1	414,266	283,734	698,000	413,526	406,126
<b>Total \$</b>	414,266	283,734	698,000	413,526	406,126

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

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## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

New Section 1 (1) creates a manufactured/mobile home space rental assistance program administered under the authority of RCW 59.22.050 within the Department of Commerce (department). The department is authorized to adopt administrative rules to promulgate the program.

New Section 1 (2) prohibits the department from using funds from RCW 59.21.050 to provide monetary rental assistance authorized in Section 2.

New Section 2 (1) authorizes the department to provide monetary rental assistance to tenants subject to the eligibility criteria described in Section 3.

New Section 2 (2) specifies rental assistance may not exceed the lesser of \$200 or 50 percent of the monthly rent for the mobile home lot.

New Section 3 (1) allows a tenant to seek monetary rental assistance from the department subject to eligibility determination. Applicant must have low-income equal to less than 80% of the area median income adjusted by household size for the county in which the manufactured/mobile home is located; be aged 55 years or more; have experienced a rent increase that outpaces inflation as defined by the percentage change in the implicit price deflator published by the US department of commerce.

New Section 3 (2) establishes that an eligible tenant is entitled to monetary rental assistance on a monthly basis for one year unless the tenant has a change in circumstances that requires an adjustment or termination of the assistance. The tenant is required to notify the department of any change in circumstances that affect the eligibility determination. The department is required to adjust or terminate the rental assistance as appropriate.

New Section 3 (3) requires a tenant to reapply annually to receive the monetary rental assistance in order to continue to receive the assistance.

Section 4 incorporates the definitions of manufactured housing, mobile home, and mobile home lot in the Mobile Home Relocation Assistance Act, RCW 59.21. The definition of tenant in RCW 59.21.010 is clarified to state that the manufactured/mobile home lot on which the home is located, is rented for a term of one month or longer.

Section 5 authorizes the department to administer the manufactured/mobile home relocation assistance program established in Section 1, including verifying initial and continued tenant rental assistance eligibility.

New Section 6 appropriates a maximum of \$2 million dollars from the general fund to the department for the fiscal year ending June 30, 2023, which is before the date that this bill will be enacted.

New Section 7 identifies that the bill is null and void if the appropriation in Section 6 is not included in the omnibus appropriations act by June 30, 2023.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

The cash receipts impact associated with this proposed legislation is indeterminate. No historical data exists to support a reasonable set of assumptions regarding contributions.

## II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

Indeterminate. Limited data exists to support reasonable assumptions regarding the number of tenants that will qualify for rental assistance.

For Illustration Purposes Only:

As of January 13, 2023, there were approximately 1,130 manufactured/mobile home communities in Washington with 63,200 lots available for rent, and 57,400 rented lots, registered with the Washington State Department of Revenue. Lot rents vary between \$350 and \$1400 per space depending on location according to department historical data.

Assumptions:

\$2 million GF-S in 2023-2025 Biennial Operating Budget is appropriated to enact the program.

10% (5,740) of the eligible households will meet program eligibility requirements and receive monthly tenant rental assistance for a minimum of twelve months, renewable upon annual eligibility determination.

Department of Commerce (department) will provide approved rental assistance directly to landlords/lease managers for efficiency of program delivery and avoidance of beneficiary impacts.

The department assumes applications for assistance may be received on a monthly basis throughout each of the twelve months in a calendar year. Tenant rental agreements are typically twelve months and renewed annually. This amount is non-zero, but indeterminate.

Sections 1 and 5 - administrative policies and standards

0.6 FTE Commerce Specialist 4 (1,253 hours) FY24 and 0.3 FTE Commerce Specialist 4 (626 hours) FY25 to develop policies, standards for eligibility, and work with stakeholders to develop a monetary rental payment assistance program. Produce technical assistance guidance.

0.5 FTE Commerce Specialist 2 (1,044 hours) FY24 and 0.2 FTE Commerce Specialist 2 (418 hours) FY25 to assist in the development and maintenance of internal eligibility standards and payment processes. Create and maintain program materials, forms, and website.

0.5 FTE Developer ITDM2 (1,044 hours) FY24 and 0.1 FTE Developer ITDM2 (209 hours) FY25 the department estimates 1,253 hours for system design, system implementation, maintenance, trouble-shooting, etc. for establishing payment system.

.1 FTE Budget Analyst 4 (209 hours) FY24 to track expenditures in the program and help as needed with invoices, projections and corrections.

Salaries and Benefits

FY24: \$201,941

FY25: \$71,001

Goods and Other Services

FY24: \$33,145

FY25: \$5,756

The department assumes \$10,000 in FY24 for Attorney General (AG) consultation on guidance development and

rulemaking. The department assumes 47.5 hours at \$210 per hour for AG costs. The department assumes each rule will need \$10,000 in AG costs to provide for legal review of draft rules by the department's AG.

Travel:  
FY24: \$790  
The department assumes 15 trips to provide outreach to community owners and manufactured home owners and to assist applicants with the application process in order overcome barriers to access such as internet connectivity and community remoteness.

Intra-agency Reimbursements:  
FY24: \$62,623  
FY25: \$23,359

#### Section 2 - Processing assistance payments

0.1 FTE Budget Analyst 4 (209 hours) FY24-FY29 to review and approve payments from the manufactured/mobile home community tenant rental assistance account on a weekly basis.

Salaries and Benefits  
FY24: \$11,859  
FY25-29: \$12,260 per year

Goods and Services, Equipment and Travel  
FY24: \$960  
FY25-29: \$961 per year

Intra-agency Reimbursements:  
FY24: \$3,902  
FY25: \$4,034 per year

#### Section 5 - Program administration and eligibility determination

0.5 FTE Commerce Specialist 2 (1,044 hours) FY24 and 0.8 FTE Commerce Specialist 2 (1,670 hours) FY25 and 1.0 FTE Commerce Specialist 2 (2,088 hours) FY26-FY29 to assist in the development and maintenance of internal eligibility standards and payment processes. Create and maintain program materials, forms, and website. Determine final eligibility and payment amounts as well as payment adjustments and terminations.

0.1 FTE Commerce Specialist 4 (209 hours) FY24-29 to develop policies, standards for eligibility, and work with stakeholders to develop a monetary rental payment assistance program. Produce technical assistance guidance.

0.1 FTE Commerce Specialist 5 (209 hours) FY24-FY29 to develop policies, standards for eligibility, monthly payments and reporting. Produce technical assistance guidance; work with the attorney general to review new policies to ensure the department is following legal requirements. Supervise staff, budget and performance management of the program.

Salaries and Benefits  
FY24: \$61,526  
FY25: \$105,973  
FY26-FY29: \$126,198 per year

Goods and Other Services

Attorney General Costs: The department will engage the services of an assistant attorney general during the rulemaking process.

FY24: \$10,991

FY25: \$23,845

FY26: \$21,411

FY27-FY29: \$16,411 per year

Travel:

FY24: \$3,260

FY25-FY29: \$1,680 per year

The department assumes an average of 24 trips each year to provide outreach to community owners and manufactured homeowners and to assist applicants with the application process in order overcome barriers to access such as internet connectivity and community remoteness.

Equipment and Capital Outlays:

FY24: \$5,000

FY27: \$2,400

The department will need to replace the computer provided to staff as per established information technology hardware management policy in FY27.

Intra-agency Reimbursements:

FY24: \$24,058

FY25: \$34,865

FY26-FY29: \$41,519 per fiscal year

GRANTS, BENEFITS, CLIENT SERVICES:

Indeterminate cost. For illustrative purposes only:

The department assumes 95% of the eligible households (5,453) will receive the \$200 maximum amount of monthly assistance for the maximum of one year on an annual basis totaling \$13,087,200 for tenant rental assistance.

The department assumes the remaining 5% (287) will receive less than the maximum amount of monthly assistance for a period of less than one year on an annual basis of up to \$685,356.

The department assumes 10% of all eligible households (574) may experience a change in circumstances whereby the department must evaluate and implement an increase, decrease, or termination in rental assistance.

Note: Standard goods and services costs include supplies and materials, employee development and training. Attorney General costs, and agency administration. Intra-agency administration Reimbursement-Agency administrations costs (e.g., payroll, HR, IT are funded under a federally approved cost allocation plan.

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Summary of Total Costs:

FY24: \$414,266

FY25: \$283,734

FY26: \$208,063

FY27: \$205,463

FY28-FY29: \$203,063 per fiscal year

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	414,266	283,734	698,000	413,526	406,126
<b>Total \$</b>			414,266	283,734	698,000	413,526	406,126

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

### III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.8	2.0	2.4	1.5	1.5
A-Salaries and Wages	204,361	138,608	342,969	201,428	201,428
B-Employee Benefits	70,966	50,626	121,592	75,488	75,488
C-Professional Service Contracts					
E-Goods and Other Services	39,306	30,562	69,868	39,744	34,744
G-Travel	4,050	1,680	5,730	3,360	3,360
J-Capital Outlays	5,000		5,000	2,400	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	90,583	62,258	152,841	91,106	91,106
9-					
<b>Total \$</b>	414,266	283,734	698,000	413,526	406,126

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

### III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Services - Indirect		0.4	0.3	0.4	0.2	0.2
Budget Analyst 4		0.2	0.1	0.2	0.1	0.1
Commerce Specialist 2		1.0	1.0	1.0	1.0	1.0
Commerce Specialist 4		0.6	0.4	0.5	0.1	0.1
Commerce Specialist 5		0.1	0.1	0.1	0.1	0.1
IT Data Management - Journey		0.5	0.1	0.3		
<b>Total FTEs</b>		2.8	2.0	2.4	1.5	1.5

### III. D - Expenditures By Program (optional)

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

### IV. B - Expenditures by Object Or Purpose

NONE

### IV. C - Capital Budget Breakout

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

None.

## **Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

New Section 1 authorizes the department to adopt rules to implement the program.

New Section 5 may require that rules be adopted to promulgate programmatic requirements identified in the event that the program is established.

Section 1 and Section 5 Department will engage in Attorney General consultation on guidance development and rulemaking.