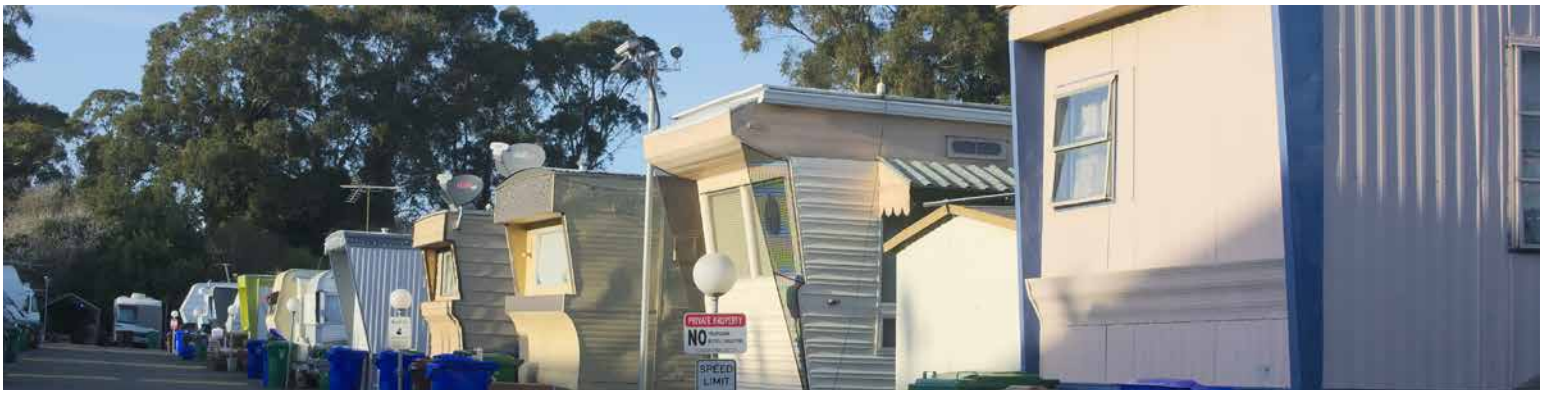
Mobile Home Park Inspections

The Department of Housing and Community Development Must Improve Its Inspection Processes to Better Protect Park Residents

July 2020

REPORT 2019-111



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Elaine M. Howle *State Auditor*

July 9, 2020
2019-111

The Governor of California
President pro Tempore of the Senate
Speaker of the Assembly
State Capitol
Sacramento, California 95814

Dear Governor and Legislative Leaders:

As directed by the Joint Legislative Audit Committee, my office conducted an audit of the California Department of Housing and Community Development (HCD). Our assessment focused on the mobile home park and complaint inspections that HCD conducts under its Mobilehome and Special Occupancy Parks Program (parks program). This report concludes that HCD can better protect mobile home park residents' health and safety by improving its inspection processes. It also needs to better manage the costs and resources of the parks program.

Although HCD is meeting its statutory goal of conducting park inspections at 5 percent of parks annually, it did not conduct park inspections at more than half of the active parks in its jurisdiction between 2010 and 2019, and its data indicate that it did not visit 9 percent of parks, or 330 parks representing 5,700 mobile home units, for any reason during that time. Long gaps between inspectors' visits to a park increase the risk that health and safety violations remain undetected and unreported. By improving its selection process for annual park inspections to include some parks that it has not visited in recent years and implementing guidance for informal visits, HCD could reduce the risks posed by health and safety violations at parks.

Furthermore, HCD also has not adequately communicated with residents during park inspections and with individuals who submit complaints. For example, HCD did not consistently notify residents of violations within required time frames, nor did it share all required information about the rights, responsibilities, and resources available to park residents. As a result, some residents may have missed opportunities to obtain help in correcting violations before parks initiated steps to evict them.

We further identified in our audit the following aspects of HCD's parks program that it could improve:

- HCD lacks the information necessary to determine how much work related to the parks program it performs and to properly determine inspector staffing levels.
- HCD has not adequately overseen its inspectors to ensure appropriate use of state time and resources.
- HCD has not taken adequate steps to determine whether inspectors have potential conflicts of interest related to the parks they inspect.
- HCD has not sufficiently evaluated the enforcement of health and safety standards by local enforcement agencies at mobile home parks to which it has delegated this responsibility.

Respectfully submitted,

Elaine M. Howle

ELAINE M. HOWLE, CPA
California State Auditor

Selected Abbreviations Used in This Report

CASAS	Codes and Standards Automated System
HCD	Housing and Community Development
HUD	Housing and Urban Development
LEA	local enforcement agency
MPA	Mobilehome Parks Act

Contents

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Summary

Results in Brief

The Department of Housing and Community Development (HCD) is responsible for developing regulations and enforcing specific legal requirements to ensure the health and safety of residents in mobile home parks in California. Our audit found that HCD needs to improve its inspection processes, its communication with park residents and park owners, and its oversight of inspectors' activity in order to better execute its responsibility.

In calendar year 2019 there were 3,640 active mobile home parks within HCD's jurisdiction. In addition, local enforcement agencies (LEAs) under HCD's oversight were responsible for enforcing compliance with health and safety requirements for another 860 mobile home parks in California. HCD's Mobilehome and Special Occupancy Parks Program (parks program) develops, adopts, and enforces state regulations for the construction, use, maintenance, and occupancy of privately owned mobile home parks in California. Through its two field offices, HCD conducts various types of inspections to ensure that the parks comply with health and safety requirements, including two types that are the focus of this audit: inspections of entire mobile home parks (park inspections) and inspections in response to complaints about specific issues (complaint inspections) stemming from sources such as park owners or residents. HCD inspectors may also initiate a complaint inspection about suspected violations they note while performing other duties, such as the inspection of an installation of a mobile home unit at a park or complaint inspections related to another matter. HCD maintains electronic records of these inspections in its database, the Codes and Standards Automated System (CASAS).

HCD can better protect California mobile home park residents by improving its inspection processes. Although HCD is meeting its statutory goal of performing park inspections at 5 percent of parks annually, it did not conduct park inspections at more than half of the active parks in its jurisdiction between 2010 and 2019. Further, HCD's data indicate that it has not visited 9 percent of parks—330 parks, representing 5,700 mobile home units—at all in that 10-year period. State law does not mandate that HCD inspect every mobile home park, but by not carrying out park inspections at some parks over long periods, HCD risks not identifying health and safety violations at these parks that could pose a serious danger to park residents. Broadening its selection criteria for the 5 percent of park inspections it conducts annually to include some parks that HCD has not visited at all for some time will help it protect

Audit Highlights . . .

Our audit of HCD's mobile home park and complaint inspections highlighted the following:

» *Although it regularly meets its statutory goal of performing park inspections at 5 percent of parks annually, it did not conduct park inspections at more than half of the active parks in its jurisdiction between 2010 and 2019.*

- *It has not visited 9 percent of its parks at all in this 10-year period.*
- *It has not established written policies and procedures for selecting parks for inspections.*
- *It has not established guidance for the brief, informal visits to mobile home parks known as field monitoring and does not require inspectors to document such visits in its database system.*

» *HCD can more effectively protect park residents by improving the guidance for its inspectors to address inconsistencies in how inspectors cite violations.*

» *HCD did not conduct all complaint inspections within required time frames and has not adequately communicated with park residents or complainants during inspections. Almost half of the complaint inspections we reviewed were late, and residents with violations often were not notified of their right to appeal.*

» *HCD's poor timekeeping practices have affected its ability to effectively manage the costs and resources of its parks program.*

residents from unreported but serious health and safety violations.[1] However, HCD needs to improve how it tracks inspectors' park visits in order to reliably identify which parks it has not visited in some time. Along with conducting park inspections and complaint inspections, HCD inspectors may make brief, informal visits known as *field monitoring*. Information gathered during these visits can be helpful in reducing health and safety risks at parks that have not had recent park inspections, complaint inspections, or other visits. However, HCD has not established guidance for field monitoring and does not require inspectors to document such visits in CASAS.

Additionally, HCD can more effectively protect park residents by improving the guidance it provides to inspectors. We identified inconsistencies in how inspectors cite violations, and HCD lacks adequate written guidance for citing certain common health and safety violations. By identifying common park conditions that constitute violations, HCD could help ensure that inspectors cite violations consistently. We also found that HCD ended some inspections we reviewed before ensuring that all violations had been corrected. In these inspections, although HCD indicated that it planned to address most of the uncorrected violations by opening new inspections, HCD did not promptly complete the new inspections to verify that the violations were corrected.

HCD also frequently failed to conduct complaint inspections within required time frames and has not adequately communicated with residents during park inspections and with individuals who have submitted complaints. Specifically, HCD conducted complaint inspections for 10 of the 24 complaints we reviewed between one and 57 days later than HCD's policy allows. Further, HCD frequently did not promptly notify residents about the violations identified during the park inspections, thus limiting the time residents had to correct the issues in some instances before inspectors returned to determine whether they had been resolved. During park inspections HCD also did not notify residents of their right to appeal violations; and for complaint inspections, it did not regularly inform the individuals who submitted complaints that they could pursue civil action to address alleged issues that inspectors determined were not violations.

Furthermore, HCD's poor timekeeping practices have affected its ability to effectively manage the costs and resources of its parks program. Because of those practices, HCD lacks the information it needs to effectively manage its inspection activities and may not be

[1] HCD defines *serious violations* as two categories of violations specified in state law: violations that constitute an imminent hazard representing an immediate risk to life, health, and safety requiring immediate correction, and violations that constitute an unreasonable risk to life, health, or safety requiring correction within 60 days.

charging time to inspection activities accurately. We found that the time spent on inspection activities that HCD records in inspection reports, in CASAS, and in employee timesheets, does not always agree. As a result, HCD does not have the information necessary to adequately determine how much work related to the parks program it performs. In addition, HCD is not adequately overseeing its inspectors to ensure that they use state resources appropriately. For instance, HCD has not closely or consistently monitored inspectors' use of their state vehicles, even though some former inspectors used state vehicles for personal activities during working hours, a misuse of state time and resources. It also has not taken adequate steps to determine whether inspectors have potential conflicts of interest related to the parks they are responsible for inspecting, and it has not reported certain complaints of inspector misconduct to its equal employment opportunity officer, as its policy requires.

Finally, although state law requires HCD to evaluate the enforcement of the parks program by the 63 LEAs that it oversees, it does not have either a formal schedule or finalized procedures for performing such evaluations, and it has not performed a sufficient number of these LEA evaluations each year. Specifically, it evaluated enforcement activities of only six LEAs from 2017 through 2019. Without regular inspections of LEAs, there is increased risk that they are not properly inspecting and enforcing compliance with health and safety standards in the mobile home parks within their jurisdictions.

Summary of Recommendations

To reduce the risk of unreported health and safety violations, HCD should by January 2021 use its existing authority to develop written policies and procedures for broadening its selection of parks for its park inspections to include some that it has not visited at all in many years.

To reduce health and safety risks in parks, HCD should by September 2020 document the dates and locations of all inspection-related activities it conducts in CASAS and develop written guidance for its field monitoring visits.

To improve consistency in its inspections, HCD should by July 2021 develop and implement guidance explaining the circumstances in which inspectors should cite common types of violations.

To ensure that complaints alleging potential health and safety violations are inspected in a timely manner, HCD should by September 2020 begin periodically monitoring its compliance with time requirements for conducting complaint inspections.

To ensure that HCD promptly communicates all required information to park owners and residents, it should by September 2020 review and revise the notices it issues to ensure that the notices comply with statutory requirements.

To prevent misuse of state time and state vehicles by inspectors, HCD should by September 2020 establish a formal process that specifies how and when managers should monitor inspectors' vehicle use.

To ensure that it evaluates LEA oversight of mobile home parks effectively, by January 2021, HCD should finalize its policies and procedures for evaluating LEAs. It should also develop a formal schedule to evaluate an adequate number of LEAs each year.

Agency Comments

HCD concurs with our recommendations and indicated that it is taking actions to implement them. HCD indicated that it will provide an update on the progress made in its 60-day response.

Introduction

Background

The Department of Housing and Community Development (HCD) has responsibility for developing regulations and enforcing specific legal requirements to ensure the health and safety of residents in mobile home parks in California. There were 3,640 mobile home parks within HCD's jurisdiction in calendar year 2019. State law requires that the standards and requirements established for mobile home parks guarantee that park residents have maximum protection of their investment and a decent living environment. *Park residents* include occupants and registered owners of mobile homes. HCD carries out these duties through its division of codes and standards (codes and standards division). Within that division, the Mobilehome and Special Occupancy Parks Program (parks program) develops, adopts, and enforces state regulations for the construction, use, maintenance, and occupancy of privately owned mobile home parks in California; it has two field offices, located in Sacramento and Riverside. Further, HCD's Codes and Standards Automated System (CASAS) database tracks program activities and employee workload data. This database contains information concerning inspection activities, including time spent on these activities, complaint and response activities, billing, permit records, licensing, and other data.

HCD's inspectors conduct full park inspections of mobile home parks (park inspections) to ensure that the parks meet applicable health and safety requirements. The park inspections include a review of the mobile home park's common areas, buildings, equipment, and utility systems, as well as inspections of the exterior of each mobile home and its lot. Depending on the number of mobile homes in a park, the park inspection can take two or more days to perform. HCD's inspectors also investigate complaints related to mobile home parks or residences within the parks (complaint inspections). HCD receives complaints related to mobile homes or mobile home living from the public and other sources, including park residents and management. HCD's inspectors may also file complaints about potential health and safety violations they notice at parks while performing other duties, such as informal field monitoring or complaint inspections related to another matter. Complaint inspections are smaller in scope than park inspections because inspectors focus specifically on addressing the complaint's allegations of health and safety violations, which typically entail a particular issue, building, or mobile home.

Parks Program Responsibilities

Over the years, the Legislature has amended the Mobilehome Parks Act (MPA) to adjust requirements for how frequently HCD must conduct inspections of mobile home parks. When the Legislature enacted the MPA in 1967, it required HCD to conduct park inspections at all parks annually. Then, as Figure 1 depicts, from 1973 through 1990, state law did not require park inspections at all. In 1990 the Legislature restored a requirement for park inspections, and between 1990 and 1998, it set varying standards for how often HCD must conduct park inspections of all mobile home parks—ranging from once every five years to once every eight years. Since 2006, the MPA has included only a goal for HCD to conduct park inspections of a minimum of 5 percent of mobile home parks annually.

HCD inspectors are responsible for many inspection-related activities under different programs. As Figure 2 depicts, HCD has 47 inspectors assigned to its two field offices. They are responsible for conducting both park inspections and complaint inspections. We found that for 2017 through 2019, most inspectors completed between four and seven park inspections each year and between 11 and 60 complaint inspections each year. For the 30 park inspection files we reviewed, inspectors recorded taking between 1.5 and 47 hours to complete park inspections, including all reinspections. Inspectors recorded between 0.5 and 8.5 hours for the 24 complaint inspection files we reviewed. The field operations chief explained that the overall general condition of a park will determine the amount of time an inspector needs to complete an inspection. In addition, inspectors recorded travel time ranging from 10 minutes to 14 hours, which is dependent on the distance inspectors must travel to the park and the number of visits required to complete the park or complaint inspection.

HCD Mobile Home Park Fees Expenditures

An annual average of $1.1 million for:

- Park inspections

An annual average of $3.9 million for:

- Complaint inspections
- Field monitoring
- Park alterations and construction

An annual average of $2.8 million for:

- Inspections of mobile home installations
- Inspections of accessory structures
- Inspections for California Public Utilities Commission's utility conversion program
- Other

Source: Analysis of HCD's accounting records for fiscal years 2016–17 through 2018–19.

HCD collects various fees from mobile home parks and from residents for the inspection activities that it performs. For fiscal years 2016–17 through 2018–19, the annual revenue for HCD's inspection work averaged $8.2 million. The text box shows HCD's reported average expenditures for the three fiscal years.

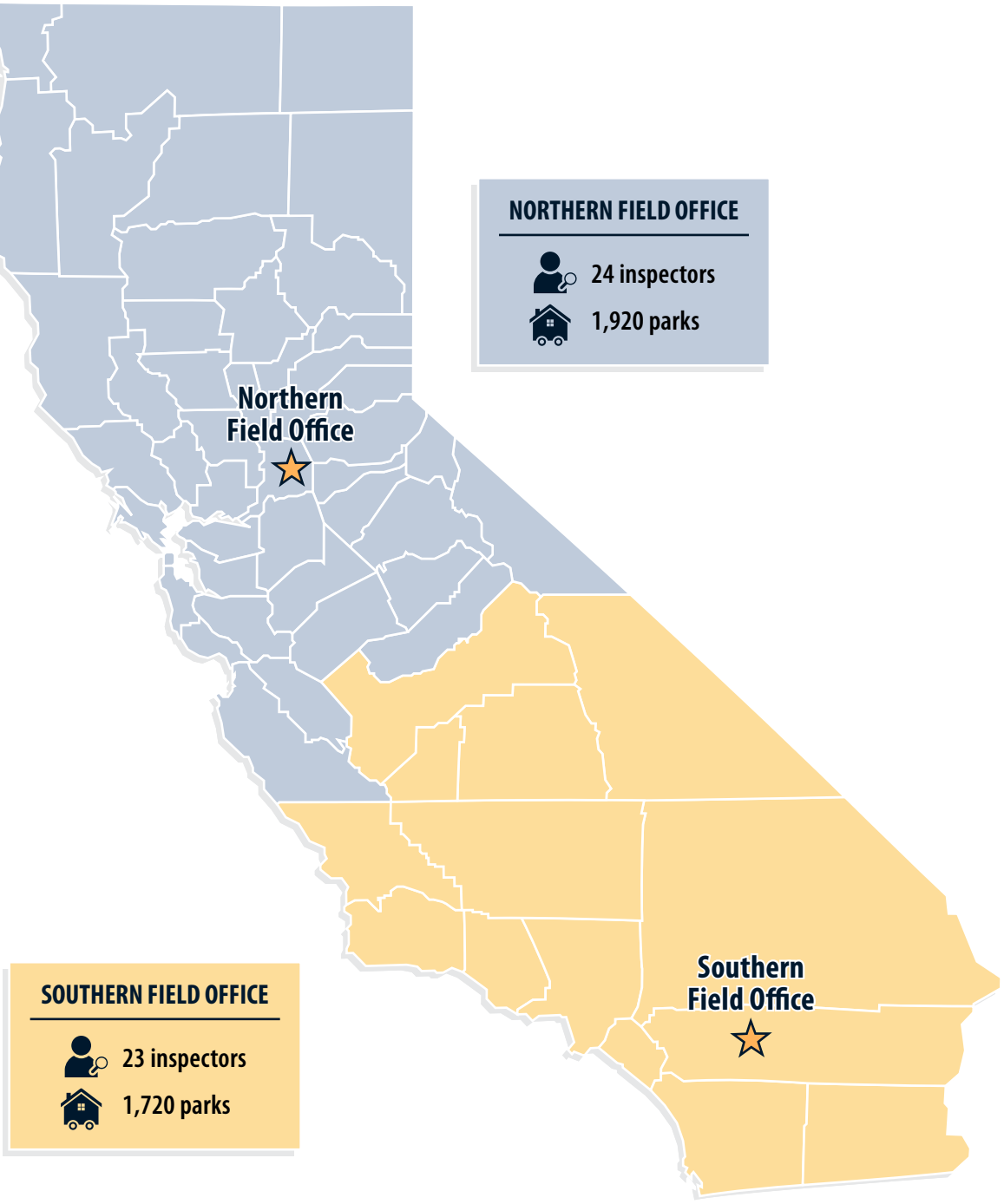
Inspectors also perform other MPA inspection and permit activities at mobile home parks and work on other HCD programs and activities, as shown in the text box, which outlines the use of fees collected from mobile home parks and residents. For example, inspectors conduct mobile home installation inspections and inspections of accessory structures, such as a

porch under construction, in mobile home parks. HCD assigns most inspectors responsibility for geographic regions across the State. These regions can range in size from multiple cities to an entire county. Inspectors generally live in the region where HCD assigns them to work, and they work out of their homes and use state vehicles for travel to conduct inspections and other program activities.

Figure 1
Mobile Home Park Inspection Requirements Have Changed Over Time

Source: Various state laws.

Figure 2
HCD Has Two Offices and 47 Inspectors Who Conduct Park and Complaint Inspections



Source: HCD's organization charts, HCD website, and analysis of HCD's CASAS database.

Note: The total number of parks, 3,640, excludes 860 parks monitored by 63 local enforcement agencies for calendar year 2019. The total number of parks under HCD jurisdiction is from HCD's CASAS database as of November 2019.

HCD requires certain minimum qualifications of its inspectors. An applicant for an inspector position must complete HCD's apprenticeship or an approved equivalent program, possess three years of experience in performing building code enforcement or supervising building construction, or possess a combination of education and experience in these areas. HCD does not require inspectors to possess a professional certification or license.

Key Statutory Time Frames for Park and Complaint Inspections

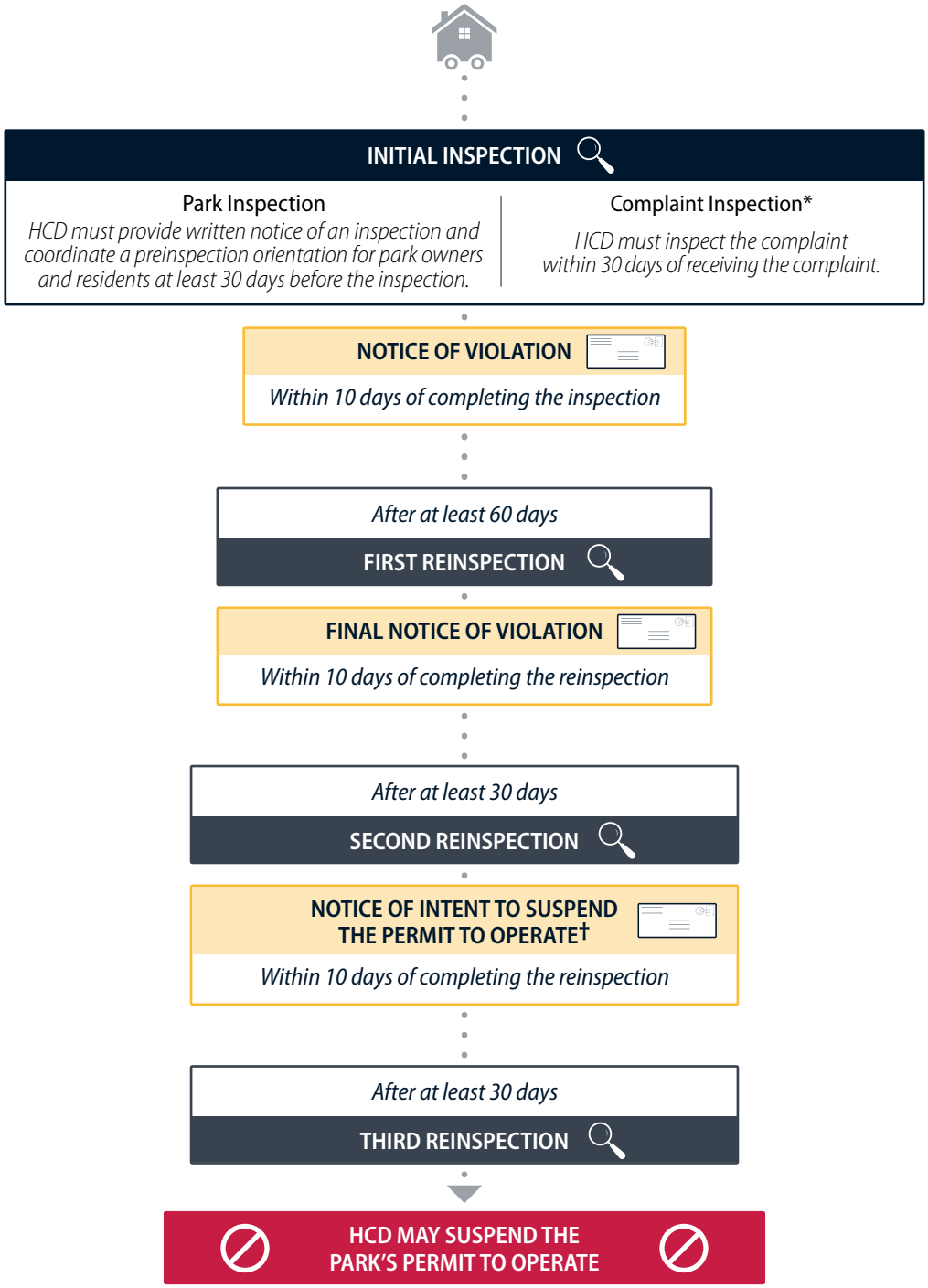
Initiation of an Inspection

Park inspections and complaint inspections share most key statutory time frames, as shown in Figure 3, but the nature of each inspection type creates a few notable differences. Certain time frames also depend on the type of violation. State law organizes violations into two categories: violations that constitute an *imminent* hazard representing an immediate threat to life, health, and safety requiring immediate correction, and violations that constitute an *unreasonable* risk to life, health, or safety requiring correction within 60 days. For park inspections, state law requires HCD to conduct a preinspection orientation with park operators (park owners) and residents at least 30 days before the inspection, to educate park owners and residents about the park inspection program and their rights and obligations under the program. HCD must also provide written notice to park owners and residents at least 30 days before conducting the park inspection. For complaint inspections, state law only requires HCD to notify the complainant that it will be conducting the inspection; it does not require HCD to notify park owners or residents of the inspections. However, it does require HCD to initiate complaint inspections within 30 days of receiving a complaint and within 5 days when it receives a complaint that represents an immediate threat to life, health, or safety.

Violation Notices

After HCD conducts a park inspection or a complaint inspection, state law requires it to provide written notice to parties cited for violations that identifies the violations, the legal citations associated with the violations, and a time frame for correcting them. HCD must provide these notices within 10 days of completing an inspection or reinspection. However, when an inspector identifies a violation that is an immediate threat to life, health, and safety, HCD must provide notification to the park owner and the affected resident immediately. Additionally, HCD stated that if an inspector identifies an immediate threat violation during a park inspection, the inspector initiates a complaint to address the immediate threat violation separate from the park inspection.

Figure 3
Timing Requirements for Park and Complaint Inspections



Source: State law, HCD's policies and procedures for park and complaint inspections, and interviews with HCD staff.

* This figure describes the inspection process for alleged violations other than those constituting an immediate threat to life, health, and safety. HCD determines time frames for correction of complaints alleging immediate threats based on the nature of the violation, the type of immediate threat, and the park owner or resident's capability to repair or correct the violation.

† For part of our audit period, HCD provided a notice called a Final Compliance Order after a second reinspection and then conducted a third reinspection before issuing a Notice of Intent to Suspend the Permit to Operate. The Final Compliance Order and additional reinspection were applicable to some of the inspection records we reviewed. In February 2019, HCD eliminated the Final Compliance Order and the additional reinspection from its park inspection process, and it eliminated them from its complaint inspection process in early 2020.

HCD identifies each of the required notices we describe above with different names. The first notice HCD uses for violations identified during an initial inspection is a Notice of Violation. If HCD identifies cited violations that have not been addressed during its first reinspection, it issues a Final Notice of Violation to the park owner or resident responsible for the violation. If the violation persists after a second reinspection, HCD will send a Notice of Intent to Suspend the Permit to Operate. After the Notice of Intent to Suspend the Permit to Operate, HCD may suspend the park's permit to operate. The timing requirements for the Notice of Violation and subsequent notices are shown in Figure 3.

Reinspections

HCD performs reinspections of mobile home parks to ensure that park owners or residents have addressed any cited health and safety violations from the park inspections and complaint inspections. For both types of inspections, state law requires HCD to provide park owners and residents 60 days from the date of postmark or of personal delivery of the notice to address cited unreasonable risk violations, those violations that are not an immediate threat to life, health, and safety. If the violation is not corrected after the initial 60 days, HCD can extend the time for corrective action for an additional 30 days or more, at its discretion. Depending on the type of inspection, up to three reinspections can occur before HCD takes action to suspend the park's permit to operate.

Enforcement Actions

When park owners or residents have not corrected violations after HCD conducts the reinspections described above, HCD may generally pursue enforcement by suspending the park's permit to operate. Because mobile home park owners are legally prohibited from charging residents rent when park permits are suspended, park owners have a financial incentive to address any outstanding violations. HCD communicates with residents when it suspends a park's permit to operate by posting the notice of suspension in a conspicuous place within the park. If HCD suspends a park's permit to operate because of outstanding resident violations, the park owner can take legal action, such as eviction, against the noncompliant resident. When the park demonstrates that it has remedied all outstanding violations, HCD either reinstates the permit to operate or issues a new one. However, if the park fails to address outstanding health and safety violations, HCD may move to revoke the park's permit to operate. Residents may not reside at a park whose permit to operate has been revoked.

In addition, after HCD has exhausted its administrative steps to resolve outstanding violations, it can refer noncompliant park owners or residents to the county district attorney's office for further enforcement action. Specifically, under state law, any person who willfully violates the MPA is guilty of a misdemeanor that is punishable by a fine not to exceed $400 or by imprisonment not to exceed 30 days, or both. In addition, willful violators are liable for a civil penalty of $500 for each violation or for each day of a continuing violation.

Local Enforcement Agencies

With HCD's approval, a city or county can act as a local enforcement agency (LEA) and may request the responsibility for enforcing the MPA in mobile home parks within its jurisdiction. State law requires that HCD make its determination on whether to grant this responsibility based on the LEA's knowledge and ability to enforce the MPA. An LEA that wants to assume this responsibility needs to adopt an ordinance with specific information, including local objectives, a program plan, and a timetable designed to achieve enforcement compliance. LEAs may relinquish the responsibility for parks within their jurisdiction by providing HCD with written notice, and HCD must reassume responsibility for those parks within 90 days of receipt of the LEA's notice. For calendar year 2019, HCD reported that 63 LEAs in the State were responsible for 860 mobile home parks.

LEAs that have assumed responsibility under the MPA have the same enforcement authority as HCD for the mobile home parks under their jurisdiction. Further, LEAs also must conduct park inspections annually for at least 5 percent of the mobile home parks in their jurisdiction. HCD refers complaints it receives related to mobile homes under LEA jurisdiction to those LEAs for complaint inspections and enforcement. State law requires LEAs to submit a written report to HCD or its designee, detailing the results of complaint inspections, within 35 days of receiving a complaint from HCD. Although state law requires HCD to evaluate LEAs' enforcement of the MPA, the law does not specify the required frequency of such evaluation.

Chapter 1

HCD CAN BETTER PROTECT MOBILE HOME PARK RESIDENTS' HEALTH AND SAFETY BY IMPROVING ITS INSPECTION PROCESSES

HCD did not conduct park inspections at more than half of the active parks in its jurisdiction between 2010 and 2019, although it has met its statutory goal of performing park inspections at 5 percent of parks annually for the last three years. Because HCD has not performed a park inspection in the last decade in some parks, there is a risk that it is not identifying health and safety violations that could endanger park residents. To protect residents, HCD needs to conduct park inspections at all parks periodically, with some of its emphasis on those it has not visited for any purpose in some time. However, in order to determine the length of time since it has visited each park, HCD needs to consistently track the dates and locations of its inspectors' park visits. In addition to performing park inspections and complaint inspections, HCD can reduce the risk of health and safety violations by conducting informal visits called *field monitoring*. However, until HCD formalizes its field monitoring process, the effectiveness of these park visits will be limited.

In addition to these concerns, we discovered other weaknesses in HCD's inspection processes. For instance, we identified inconsistencies in how inspectors may cite violations when we accompanied inspectors on an inspection and interviewed additional inspectors from the two field offices. Although HCD has written guidance for its inspectors to use when citing park owners and residents for violations, this guidance is inadequate to help ensure that inspectors cite violations consistently. We also identified several issues related to follow-up inspections. For example, HCD closed three of the 54 inspection files we reviewed before park owners and residents had corrected some violations. In two of the three cases, HCD intended to open new inspections to address the remaining violations, but it did not initiate these inspections until after we asked about them. HCD also frequently did not investigate complaints within required time frames.

Lastly, HCD often did not share important information with the park residents or it provided the information late. Specifically, HCD did not consistently notify residents of upcoming inspections and of violations identified during inspections within the time frames state law requires, which sometimes led HCD to conduct reinspections earlier than state law allows. Moreover, HCD did not fully share information about the rights, responsibilities, and resources available to park residents, as state law also requires. As a result, some residents may have missed opportunities to obtain help in correcting violations before the park owners initiated steps to evict them.

HCD Can Better Protect Health and Safety by Visiting Parks It Has Not Inspected for Many Years

Expanding its selection criteria to include some parks that inspectors have not visited for many years will help HCD protect residents from unreported but serious health and safety violations. Informal park visits known as field monitoring visits are another way for HCD to reduce this risk at parks that have not had recent park inspections, complaint inspections, or permit inspections. However, because HCD has not formalized its field monitoring process, it has limited the effectiveness of these visits.

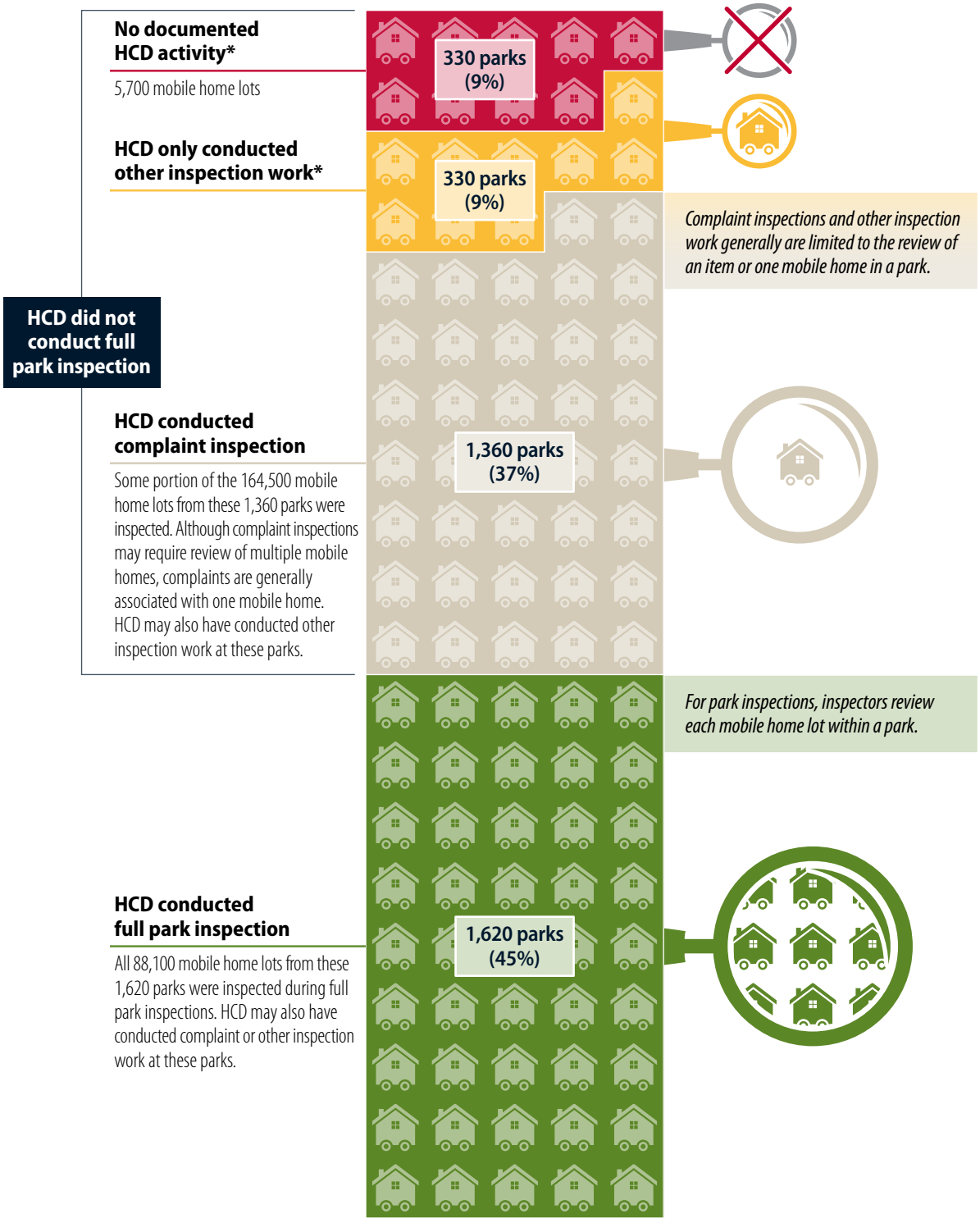
Although HCD's Park Inspection Rate Meets the Statutory Goal, It Conducted Park Inspections at Fewer Than Half of the Parks in the Last 10 Years

As we discuss in the Introduction, since 2006, state law has required HCD to inspect mobile home parks and meet an annual goal of conducting park inspections at 5 percent of the parks under its jurisdiction. HCD stated that it determines the number of mobile home parks in its jurisdiction every January and uses that number to determine how many parks it will need to inspect to meet its park inspection goal. For 2017 through 2019, HCD reported jurisdiction over an average of 3,650 active mobile home parks, meaning it needed to inspect about 180 parks annually to meet the 5 percent park inspection goal. It did so by inspecting 207, 186, and 197 parks in 2017, 2018, and 2019, respectively.

For 2010 through 2019, HCD conducted park inspections at only 1,620, or 45 percent, of the average of 3,640 active parks within its jurisdiction.

Nevertheless, for 2010 through 2019, HCD conducted park inspections at only 1,620, or 45 percent, of the average of 3,640 active parks within its jurisdiction—meaning that more than half of the parks in its jurisdiction did not receive a full park inspection in that 10-year period, as shown in Figure 4. As we describe in the Introduction, HCD also conducts complaint inspections that focus on specific allegations of health and safety violations. Because HCD stated that it selects parks for park inspections based on the number and severity of complaints the parks receive and the time since the last park inspection, a process we describe in the next section, the majority of the park inspections it did conduct also had a complaint inspection. In addition, from 2010 through 2019, HCD conducted at least one complaint inspection at an additional 37 percent of the parks in its jurisdiction that did not receive a park inspection. Although it is important to acknowledge the number of parks in which HCD has conducted at least a complaint inspection, these inspections involve a much smaller scope of review than a park inspection, and inspectors may not have the opportunity to look for health and safety concerns other than the complaint issue. HCD's data indicate its inspectors visited another 9 percent—or 330—of the parks for some other

Figure 4
HCD Conducted Park Inspections at Fewer Than Half of Mobile Home Parks Within Its Jurisdiction From 2010 Through 2019



Source: Analysis of HCD's CASAS database, HCD's Mobilehome Park Maintenance Inspection Procedural Manual, and HCD's Mobilehome Park Complaint Procedure Manual.

* As we describe in the text on page 16, incomplete data in CASAS may affect the precision of our count of the number of parks at which HCD has conducted other inspection work and the number of parks at which HCD has no documented activity for 2010 through 2019.

more specific purpose, such as conducting inspections of work under construction on mobile home accessory structures, such as garages, porches, awnings, or carports. However, HCD sometimes lacked documentation to support that it had conducted the other inspection work we found recorded in CASAS. As a result, it is possible that the data overstate the number of parks at which HCD has conducted that other inspection work. For the remaining 9 percent of parks—330—within its jurisdiction, HCD's data indicate that an inspector had not visited the parks for any purpose in the last 10 years. Although it is possible that HCD visited some of these 330 remaining parks, its incomplete data identifying the parks at which HCD has done other work potentially overstates the parks that HCD has not visited. Nonetheless, any potential health and safety violations at mobile home parks not visited could remain undetected and unabated.

Any potential health and safety violations at mobile home parks not visited could remain undetected and unabated.

Improving the Selection Process for Park Inspections Could Reduce the Risk of Unknown Health and Safety Violations

State law does not provide HCD with an exhaustive list of requirements for selecting parks for park inspections in order to meet its annual 5 percent goal. State law requires HCD to choose at least some parks that it determines have complaints of serious health and safety violations.[2] However, state law also authorizes HCD to include parks that have not had such complaints when it selects parks to meet its 5 percent goal but does not specify other factors HCD should consider when selecting parks.

HCD has not established written policies and procedures for selecting parks for its annual park inspections. HCD's two field office managers stated that they generally select parks based on the number and severity of complaints alleging health or safety issues. HCD also selects parks from among those parks with complaints that have not received a park inspection in at least seven years.

Although HCD's methodology meets legal requirements, it does not ensure that all parks eventually receive a park inspection because it is focused primarily on parks with complaints. As a result, there remains a risk of serious undetected health or safety violations at parks without recorded complaints. Although a lack of complaints about a park may suggest that it is in compliance with health and safety standards, this is not always true. Residents may be unaware that they can file a complaint, or they may not recognize some

[2] HCD defines *serious violations* as the two categories of violations specified in state law: violations that constitute an imminent hazard representing an immediate risk to life, health, and safety requiring immediate correction, and violations that constitute an unreasonable risk to life, health, or safety requiring correction within 60 days.

situations that constitute serious health and safety violations that they should report, such as water heater compartments that lack ventilation or sewer drains without gas-tight plugs. In fact, in a video HCD produced to explain its park inspection process, it states that most violations occur because park owners and residents "simply don't realize that [the conditions] are illegal or dangerous." Therefore, the only way HCD can ensure that all residents have healthy and safe living conditions is to periodically and with some regularity visit every park in its jurisdiction, even those without complaints.

Long gaps between inspectors' visits to a park increase the risk that health and safety violations remain undetected and unreported. Any visit to a park is an opportunity for an inspector to identify unreported health and safety violations.

Long gaps between inspectors' visits to a park increase the risk that health and safety violations remain undetected and unreported. In determining which parks to inspect, HCD considers the length of time since the last park inspection, but it does not consider the length of time since inspectors were at the park for other purposes, such as for permit inspections or to address a complaint. However, any visit to a park—regardless of the purpose of the visit—is an opportunity for an inspector to identify unreported health and safety violations. Therefore, in addition to considering the number and severity of complaints and the length of time since the last park inspection, HCD should also consider the length of time since an inspector last visited a park for other activities, such as for permit inspections or field monitoring visits. Expanding its selection criteria for park inspections to include some parks that inspectors have not visited at all for some time will help HCD protect residents from unreported serious health and safety violations.

The assistant deputy director stated that it would be feasible and beneficial for HCD to include some parks that it has not visited in many years among the parks it selects each year to meet its annual 5 percent goal. However, HCD will need to improve how it tracks inspectors' park visits in CASAS before it can effectively implement changes to its methodology for selecting parks. HCD often does not record the facility identification numbers (facility IDs) of the parks it visits for inspection activities such as permit inspections. These facility IDs, which are unique to each park, allow HCD to track which parks it visits. Further, HCD also does not require inspectors to document field monitoring visits that inspectors may conduct when they have spare time. As a result, it cannot reliably identify the length of time since an inspector has been to each park. By consistently documenting the dates and facility IDs for all inspector visits in CASAS, the department can accurately identify parks that its inspectors have not recently visited and that may have undetected health and safety violations.

HCD Can Improve Its Field Monitoring Efforts

HCD has not established guidance for its field monitoring to ensure that its inspectors perform field monitoring visits effectively. HCD's inspectors conduct these informal park visits at their discretion when they have available time in addition to formal inspection activities such as park, complaint, or permit inspections. During field monitoring visits, an inspector may drive or walk around a park to observe whether any serious health or safety violations exist, such as sewage leaks or construction without a permit. As we discuss in the previous section, long gaps between inspectors' visits to a park increase the risk that health and safety violations remain undetected and unreported. However, HCD has not developed guidance for prioritizing parks that have not had an inspector visit for any reason for an extended time when they choose parks for field monitoring. According to HCD's northern field office manager, inspectors conduct field monitoring visits occasionally, but more often they do not have time for field monitoring because of their high workloads. Because inspectors cannot always predict when they will have time available, HCD does not schedule or announce these informal park visits in advance. Nonetheless, HCD could develop guidance to assist inspectors in choosing which parks to visit when they do have time available.

HCD does not have guidance that identifies the types of high-risk violations inspectors should look for during field monitoring; what an inspector does during field monitoring is entirely up to the individual inspector.

HCD also does not have guidance that identifies the types of high-risk violations inspectors should look for during field monitoring. Rather, what an inspector does during field monitoring is entirely up to the individual inspector. For example, if an inspector notices a contractor building a new porch for a mobile home, the inspector might ask to see that the contractor has obtained a work permit from HCD certifying that the contractor will adhere to accepted construction standards, such as using decay- and fire-resistant materials and building support beams that are strong enough to hold the weight of the structure, thus preventing safety hazards. However, because HCD has not provided guidance for these visits, it cannot be sure that inspectors are consistently searching for the most serious types of violations in each park.

Lastly, HCD does not require inspectors to document when they perform field monitoring visits or the results of their visits. Establishing a process for documenting all field monitoring visits is important in determining which parks to select for future field monitoring and park inspections. HCD agreed that it would be beneficial to introduce guidance for field monitoring visits, including a methodology for prioritizing parks that inspectors should visit when they have time available.

More formalized field monitoring efforts could reduce the risk of unreported health and safety hazards at parks that have not had recent park inspections, complaints, or other permit work, and could help HCD verify that all of its parks are meeting health and safety standards. The managers at both field offices stated that field monitoring is the only reason their inspectors would visit a park if HCD has not visited the park for some other purpose. As mentioned earlier, HCD's data indicate that it has not visited 9 percent of its parks—330 parks—for any purpose in the last 10 years. Therefore, taking advantage of field monitoring whenever possible and formalizing the way its inspectors conduct and document these visits could help ensure healthy and safe conditions for residents in some of these 330 parks. Although HCD inspectors may have visited some of these parks for field monitoring, because HCD does not consistently record these visits, it could not tell us how many field monitoring visits it had completed.

Inspectors have identified serious health and safety violations when performing a field monitoring visit.

Inspectors have identified serious health and safety violations when performing a field monitoring visit. For example, an inspector conducting a field monitoring visit in 2019 found a park that had exceeded the number of mobile homes allowed in its permit to operate by developing and placing mobile homes on 40 additional lots. Specifically, the inspector found that the park owner failed to obtain the required permits from HCD for activities necessary to operate the additional lots, such as permits for electrical, water, and sewage hookups for each of those new units. State law requires park owners to obtain permits to install or alter electrical, water, and sewage equipment or systems to demonstrate compliance with local health, utility, and fire safety requirements and to protect the residents who live in the park. Before HCD's field monitoring visit in 2019, we did not identify any other HCD visits to this park since at least 2012. These serious violations demonstrate the value of conducting field monitoring in parks HCD has not recently visited.

Inspectors Lack Sufficient Guidance to Ensure That They Conduct Inspections Consistently

HCD does not have adequate written procedures to ensure that inspectors cite violations consistently, even though its inspectors are responsible for enforcing a wide range of state health and safety standards. During inspections, HCD inspectors issue notices for violations that they determine endanger the life, health, or safety of residents or the public. These potential violations include blocked access to electrical equipment, unsecured propane tanks, and leaks in the piping that supplies fresh water to the mobile homes. Among other violations, HCD may also cite park owners or residents for

loose handrails on staircases, gas shutoff valves that are not in well-ventilated locations, or the use of extension cords instead of required permanent electrical wiring.

In some circumstances, it is necessary for inspectors to rely on their professional judgment in determining whether a park or resident is adequately complying with health and safety requirements. For example, one inspector told us that when he identifies ramps at residents' doors that are steeper than state law allows, he decides whether to cite the resident for a noncompliant ramp based on the risk of injury. For instance, he considers whether the ramp has proper handrails and whether the resident installed the ramp for temporary use or for long-term use. Nonetheless, without adequate guidance, inspectors might not consistently recognize what does and does not constitute a health or safety violation.

HCD has two main sources of written guidance for conducting park and complaint inspections: training modules, which it uses to train new inspectors, and procedure manuals. HCD's training modules provide general background to familiarize inspectors with state laws related to mobile home inspections. The training modules also cover miscellaneous topics, such as how to use electrical testing equipment and other hand tools during inspections, and how to test a new mobile home's water, drainage, and gas systems. HCD's park inspection procedural manual includes descriptions of some violations that inspectors often identify during inspections, such as electrical appliances located outside the home without weather protection and storage sheds located too close to a neighboring mobile home.

HCD lacks adequate written guidance to help inspectors identify the situations that constitute certain common health and safety violations.

However, HCD lacks adequate written guidance to help inspectors identify the situations that constitute certain common health and safety violations. For instance, for 2017 through 2019, the most common type of violation that inspectors cited residents for was an inappropriate accumulation of garbage, rubbish, or other combustible material. In one park inspection report we reviewed, the inspector cited 97 residents for this violation. HCD's written guidance defines this violation as "any accumulation of refuse, garbage, rubbish, [or] combustible debris such as paper, leaves, dry grass, scrap wood, and other combustible materials." However, this definition does not explain how inspectors should distinguish between an accumulation of debris that constitutes a health or safety hazard and a yard that is simply cluttered. Although we acknowledge that making this determination requires an element of professional judgment, we expected that HCD would have written procedures that clearly define this violation to ensure that inspectors are citing these violations as consistently as possible. For example, HCD's procedures could specify that inspectors cite residents for garbage, rubbish, and combustible material if the

residents have an accumulation of combustible materials near equipment that can spark a fire, such as barbecues and power tools, or if they obstruct emergency exits.

We saw the effect of HCD's lack of written procedures in our interactions and interviews with inspectors. For instance, when we accompanied two inspectors on a park inspection, we observed the inspectors disagreeing or expressing uncertainty about which situations constitute health or safety violations, such as when to cite residents for garbage, rubbish, and combustible material, or whether to cite residents for storing electrical appliances outside. Additionally, we interviewed four other inspectors—two from each field office—and identified other inconsistencies in how these inspectors may cite violations. One inspector stated that he generally allowed residents to keep personal belongings outside if they organize them, but a different inspector stated that he generally cited residents if they keep anything besides bicycles or furniture outside because doing so could create a fire hazard. Further, one inspector stated that he would allow residents to keep firewood stacked against their homes, while another stated that he would cite firewood stacked against a home as a violation. Although we again recognize the need for inspectors to exercise professional judgment and we understand that differences of opinion are not always preventable, HCD can do more to standardize what situations pose health and safety risks for which inspectors should cite park owners and residents.

Our interviews with inspectors also suggest that HCD could increase consistency in citing violations among inspectors by improving its written procedures. The four inspectors we spoke with stated that written guidance explaining factors to consider when determining whether to cite certain types of violations could be helpful. One inspector said he would appreciate guidance that gives inspectors a clearer idea of when to issue a citation for a health and safety violation, because it is sometimes difficult to understand the intent of the law. For example, he questioned whether it is realistic to cite a resident for unpermitted construction or for building a wheelchair ramp that is just an eighth of an inch narrower than state law requires if the resident does not understand permitting and construction requirements. As we mention previously, according to HCD, most violations occur because park owners and residents do not realize conditions are illegal or dangerous. He also expressed uncertainty about whether inspectors should consider residents' physical and financial means to remedy a potential health or safety hazard when deciding whether to cite the resident for a violation. If HCD were to provide more guidance, he stated, it would help him answer these questions.

The four inspectors we spoke with stated that written guidance explaining factors to consider when determining whether to cite certain types of violations could be helpful.

In fact, developing more detailed written procedures that explain the types of situations that constitute health and safety violations is an emerging practice. According to a U.S. Government Accountability Office report, the U.S. Department of Housing and Urban Development (HUD) is responsible for inspecting the homes of more than 2 million low- and moderate-income households in the United States. In May 2019, HUD announced a plan to develop new written procedures for its inspections. In its announcement, HUD explained that it was developing these procedures in response to internal audits identifying weaknesses in its inspection program and a congressional report directing HUD to move toward a consistent inspection standard. When we reviewed a selection of HUD's new proposed inspection protocols for assessing whether housing is healthy and safe, we found that they included definitions of potential violations and detailed instructions for how to inspect for the violations and the circumstances in which to cite violations. For example, one procedure instructs inspectors to cite a violation if they count 10 or more small items of trash—such as food wrappers, pieces of food, newspapers—within a 10 square foot area, or any number of large items of trash clearly discarded in an area not designated for garbage. Such procedures could serve as a model for HCD as it considers how to improve its own procedures.

The field operations chief, who directly oversees the two field offices, stated that HCD has not developed formal instruction or specific training for citing each type of common violation that an inspector may identify during inspections. Instead, he stated that experienced inspectors pass on information on how to identify and cite violations to newer inspectors through on-the-job training and staff meetings and that inspectors can and do refer to the laws and regulations for specific code sections to understand why or how deficiencies exist. When new inspectors join HCD, more experienced inspectors generally accompany them on inspections until the new inspector becomes prepared to conduct inspections independently. HCD also conducts staff meetings at least twice a year, or more often at the discretion of each field office. These meetings can take one or two days and include topics related to inspections, such as how to inspect the areas underneath mobile homes, and general topics, such as providing customer service.

Without clear written expectations that explain to inspectors which situations constitute serious health and safety violations, on-the-job training and staff meetings are unlikely to increase consistency among HCD inspectors.

However, without clear written expectations that explain to inspectors which situations constitute serious health and safety violations, on-the-job training and staff meetings are unlikely to increase consistency among HCD inspectors. One of the inspectors we interviewed stated that experienced inspectors were often unable to provide training to newer inspectors because the experienced inspectors spend most or all of their time performing inspections. This inspector also stated that training sessions had provided inconsistent guidance. He indicated that his office recently held a roundtable discussion with smaller groups of inspectors, and he added

that HCD needs to hold more of these types of meetings. Another inspector indicated that he believes that inspectors have not been provided adequate training or guidance to determine what types of code violations are a priority to cite as health and safety violations, and therefore, they cite violations inconsistently. For example, this inspector stated that he sometimes conducts reinspections on behalf of other inspectors, and in doing so, he has identified cases in which the other inspectors cited conditions as violations even though, in his opinion, they did not pose a serious health and safety risk.

The assistant deputy director expressed reluctance to develop additional written procedures to help guide how inspectors cite violations.

The assistant deputy director expressed reluctance to develop additional written procedures to help guide how inspectors cite violations. Specifically, he expressed concern that formal procedures may be overly prescriptive and may limit the inspectors' ability to exercise appropriate discretion. He also noted that a more robust training program would be more beneficial than written procedures and that HCD is planning to revise its training program for inspectors, with a particular focus on park and complaint inspections. We agree that a more robust training program is needed. However, without written procedures to complement the training that explain to inspectors which situations constitute serious health and safety violations, HCD is unlikely to increase consistency among its inspectors.

When we asked HCD for additional perspective on steps to ensure consistency, the field operations chief stated that HCD recognizes the need for continued improvement and the implementation of best practices. He also stated that it is reviewing and updating some of its field operations manual and once those updates have been vetted and approved, HCD will reissue it to the applicable staff. However, he did not provide details on what changes HCD intends to make or whether these changes would include expanded procedures explaining the situations that constitute health and safety violations. To ensure greater consistency in its inspection process, HCD should expand its written procedures for citing violations as it completes these improvements.

HCD Has Not Ensured That Inspectors Always Follow Up on Health and Safety Violations

In our review of 30 park inspection and 24 complaint inspection reports, HCD did not consistently follow up on all violations its inspectors identified and those alleged violations reported by complainants, potentially prolonging residents' exposure to health and safety hazards. HCD's general practice is to ensure that park owners and residents correct all violations before HCD decides not to conduct further inspections in a process known as *closing the inspection*. However, HCD closed two of the 30 park

inspections and one of the 24 complaint inspections despite uncorrected violations. HCD indicated that it closed one of these three inspections in error; specifically, the inspector did not show that four violations had been resolved before closing the inspection, and HCD indicated that office staff should have checked with the inspector to determine why these violations were not addressed before they closed the inspection.

Although HCD indicated that it closed the other two inspections with the intent to open new inspections, in neither of these two cases did it actually open a new inspection as it intended. For example, at the time it closed a park inspection in July 2018, HCD indicated that there was a verbal agreement between the inspector and the inspector's manager to open a complaint inspection focused on addressing the remaining violations, which were related to one resident. These violations, which included a mobile home exit without a stairway and an awning with missing, damaged, or unanchored support beams, could have caused serious harm to the resident or anyone who visited the mobile home. Specifically, someone could have fallen when exiting the mobile home or could have been injured if the awning collapsed. However, after our inquiries HCD stated that it did not conduct a complaint inspection to address these violations until December 2019. Similarly, during a complaint inspection in September 2018 pertaining to a mobile home's wooden awning, an inspector identified other violations throughout the park concerning awnings, carports, and other accessory structures, and thus recommended in his inspection report that HCD close the complaint inspection and instead follow up on the violations by opening a park inspection. Although HCD closed the complaint, it did not conduct the park inspection until April 2020.

For both instances, the field operations chief indicated that HCD forgot to schedule the planned park or complaint inspections. However, HCD did conduct the inspections after we asked about them. The field operations chief stated that HCD did not initially review one of the two inspection reports and that the review of the other report was still in progress. Had a manager reviewed these inspection reports shortly after they were closed, HCD might have been able to follow up sooner on these uncorrected violations. When HCD closes inspections without ensuring that park owners or residents have addressed cited violations, it runs the risk that unaddressed violations could jeopardize residents' health and safety.

When HCD closes inspections without ensuring that park owners or residents have addressed cited violations, it runs the risk that unaddressed violations could jeopardize residents' health and safety.

In addition, HCD could not demonstrate that it consistently investigated all allegations in the complaints it received. When complaints include multiple allegations, HCD policy requires inspectors to respond to each allegation by indicating whether they identified a violation or by explaining that the allegation falls

outside of its jurisdiction. Nonetheless, in four of the 24 complaint inspections we reviewed, HCD did not respond to all allegations as its policy requires, so it could not demonstrate that it considered all of the complainants' concerns. For example, a Los Angeles County Fire Department station submitted a complaint with multiple allegations, including concerns about the location of gas meters that blocked access to the lanes emergency vehicles need in order to drive through the park. However, the inspector failed to address this allegation in her inspection report. The field operations chief stated that his managers first noticed in 2017 that some inspectors were not always including required information in their reports, such as addressing each allegation in a complaint, and that in response HCD has encouraged managers to perform random spot checks of inspection reports to identify problems. However, the four complaint inspections we reviewed in which inspectors did not address some allegations were conducted during or after 2017, which suggests that these random informal spot checks have not fully addressed this issue.

HCD lacks a formal secondary review process that could help protect the quality of its inspections by ensuring that staff members comply with inspection requirements.

HCD may be able to identify errors more effectively by formalizing its process for reviewing inspectors' reports. Currently, HCD lacks a formal secondary review process that could help protect the quality of its inspections by ensuring that staff members comply with inspection requirements. The field operations chief stated that HCD gives managers the discretion to determine how often they review inspection reports, how many reports they review, what to check during their reviews, and how to document their reviews. Yet the issues that we identified suggest that HCD could benefit from setting clear expectations for how often and under what circumstances managers should review reports and what they should look for. Along with issues with a lack of follow-up, we identified other errors that HCD can address through secondary reviews. For example, we found that inspectors did not consistently use the correct inspection forms. As a result, in 24 of the 30 park inspections we reviewed, inspectors did not obtain the park owner's signed certification that mobile homes rented out by the park have operable smoke alarms and carbon monoxide detectors.

To identify shortcomings in following inspection requirements, HCD could develop a policy requiring managers to periodically evaluate a selection of completed inspection reports to ensure that the inspectors have, among other things, addressed all complaint allegations, opened new inspections when appropriate, and used the correct inspection forms. HCD could also reduce the likelihood of errors by improving its training for inspectors. Although HCD's training modules include references to procedure manuals, including its park inspection manual, one of four inspectors we interviewed stated that he could not recall HCD ever informing him that park and complaint procedure manuals were available,

and he stated that HCD never provided them to him. HCD could alleviate this issue through refresher training; however, it lacks formalized refresher training to remind inspectors of inspection requirements. Although a secondary review process could help assure the completeness of inspections, formal refresher training could help HCD inspectors avoid making such errors.

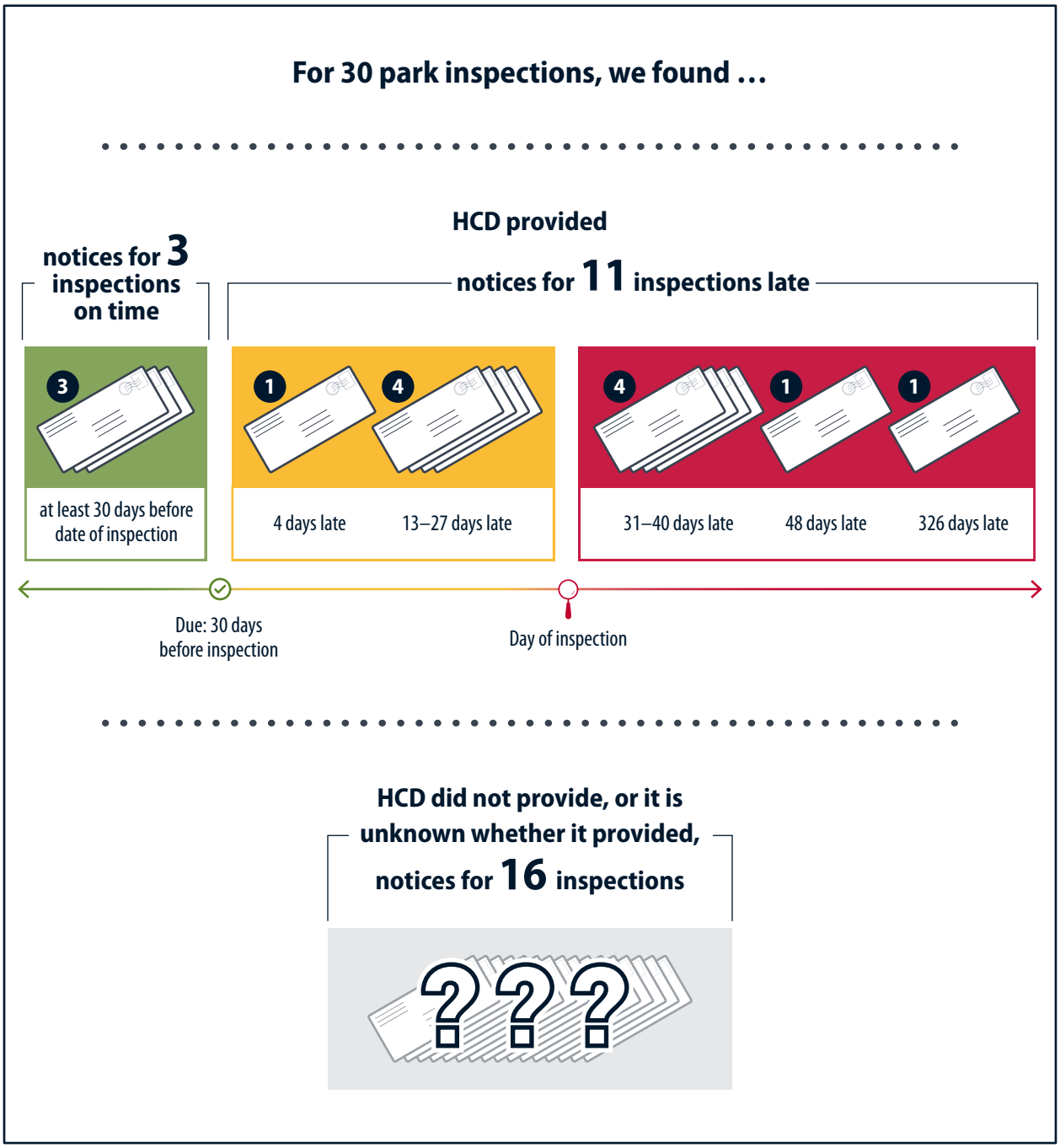
HCD Has Not Consistently Complied With Several Time Frame Requirements Related to Park Inspections and Complaint Inspections

State law requires HCD to provide written notice to each park owner and resident at least 30 days before a park inspection. HCD met this requirement for only three of the 30 park inspections we reviewed.

HCD has not consistently complied with the required time frames for notifying residents of upcoming inspections, of violations it identified during inspections, and of the scheduling of reinspections. State law requires HCD to provide written notice to each park owner and resident at least 30 days before a park inspection. To comply with state law, HCD's practice is to mail a letter to each park owner and resident notifying them of the upcoming park inspection. HCD calls this type of letter a Notification of Selection of Park for Park Inspection, and it describes in general what park owners and residents can expect during the inspection process. The letter for the residents also provides a link to additional resources. However, as Figure 5 shows, in our preinspection notices to residents HCD met this requirement for only three of the 30 park inspections we reviewed. For 11 inspections it was clear that HCD did not meet the notice requirements. For six of these 11 park inspections, we found that HCD conducted the park inspection before it ever mailed the letters. In the other five of the 11 inspections, it mailed the letters late but before it conducted the initial inspection. Finally, for the remaining 16 park inspections, HCD could not document that it had provided the required 30-day notice of an upcoming inspection to residents. As a result of HCD's shortcomings, it failed to provide or prove that it had provided timely notices of upcoming inspections to residents for most park inspections we reviewed.

Once violations other than those considered immediate threats to health and safety have been identified during an inspection, state law requires HCD to provide notification of the violations to the park owner or resident within 10 days of the inspection. State law requires that the notice of violations for violations other than immediate threats to health and safety allow the park owner or resident 60 days from the postmarked date or date of in-person delivery of the notice to correct the cited violations. This means that an inspector should not return to reinspect for those violations for at least 60 days so that the park owner or resident has sufficient time to correct the violations. For violations deemed an immediate threat to life, health, and safety, HCD determines a reasonable time frame for correction—which can be within 24 hours or a certain number of days but should be less than 60 days.

Figure 5
HCD Is Not Complying With Preinspection Notification Requirements for Residents



Source: State law and analysis of HCD's park inspection records from 2017 through 2019.

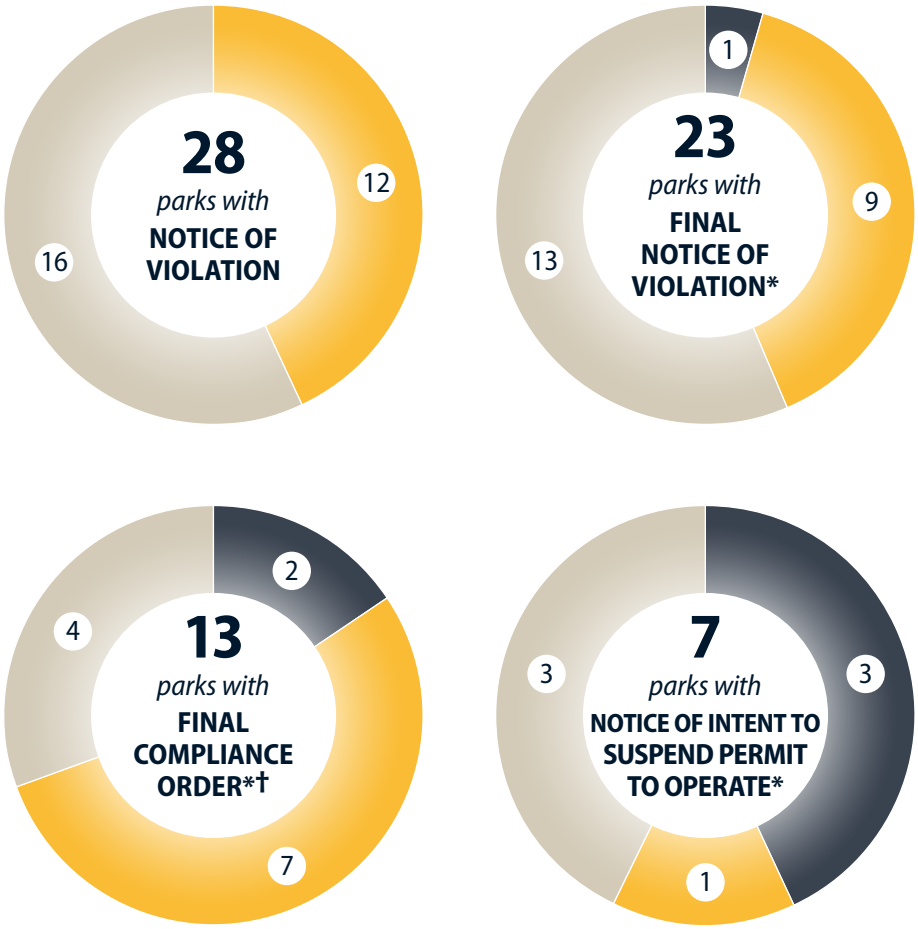
However, our review of park inspections found that HCD frequently mailed violation notices late, as Figure 6 shows. Specifically, for a notice related to certain violations identified in a park inspection, known as Notice of Violation, HCD did not identify any violations in two of the 30 park inspections we reviewed; it was therefore not required to mail notices of violation. For 12 of the remaining 28 park inspections, HCD did not mail the notices of violation within 10 days as required—most were between four and 91 days late. However, in one instance, HCD completed the park inspection in June 2017 but did not mail the notices to residents until April 2018—215 days after it completed the inspection. HCD's field operations chief stated that issues with its mailing process, among other things, contributed to HCD's delayed mailing of notices. Its assistant deputy director indicated that because HCD wants to ensure that any changes it makes to its procedures for mailing notices are consistent with our audit recommendations, it intends to wait until after we release our audit before making any changes. In the remaining 16 of 28 park inspections we reviewed, HCD did not document when it mailed violation notices; lacking this information, we were unable to assess HCD's timeliness for these 16 notices. In response to our concern, HCD indicated that as of October 2019, one of its two field offices is now documenting the mailing date of all notices of violation.

HCD must provide notice within 10 days after completing a reinspection. As Figure 6 shows, HCD was also late in mailing notices following the three reinspections it conducted to determine whether park owners and residents appropriately addressed violations identified during park inspections. In the other instances, HCD did not document when it mailed notices of violation. As mentioned earlier, the notice of violation following HCD's first reinspection is known as a Final Notice of Violation, and the notice of violation following the second reinspection is known as the Final Compliance Order. Finally, the Notice of Intent to Suspend the Permit to Operate follows HCD's third reinspection of the park.

HCD was not always providing park owners and residents the 60 days that state law allows them to correct violations that did not constitute immediate threats to life, health, and safety.

Furthermore, HCD was not always providing park owners and residents the 60 days that state law allows them to correct violations that did not constitute immediate threats to life, health, and safety. For five of the 28 park inspections with non-immediate violations, HCD performed the first reinspection before 60 days—meaning the park owner or resident had less time to remedy the violations than the law allows. According to the field operations chief, inspectors scheduled reinspections based on when they expected HCD to mail notices instead of when the notices were actually mailed. In response to this concern, HCD has taken some steps to address the issue. Specifically, in March 2019, HCD moved the responsibility for mailing the notices from its headquarters to the codes and standards division, which it believes has improved the timeliness of its mailings. Moreover, as of June 2019, administrative staff at the two field offices

Figure 6
HCD Did Not Provide Notices Within Required Time Frames or Did Not Document When It Sent Notices



Source: Analysis of HCD park inspection records from 2017 through 2019.

Note: The number of mobile home parks that receive these different types of notices decreases as outstanding violations are resolved or if HCD failed to provide a notice during a step in the inspection process.

* If violations remain uncorrected, HCD mails this notice after one of three reinspections.

† For part of our audit period, HCD provided a notice called a Final Compliance Order after a second reinspection and then conducted a third reinspection before issuing a Notice of Intent to Suspend the Permit to Operate. The Final Compliance Order and additional reinspection were applicable to some of the inspection records we tested. In February 2019, HCD eliminated the Final Compliance Order and the additional reinspection from its park inspection process.

are responsible for scheduling inspectors' reinspections to ensure that reinspections occur within the appropriate time frames, giving the residents or park owners sufficient time to address violations. However, as previously discussed, HCD does not consistently track the dates it mails the notices; until it does so, it will be unable to ensure that it is allowing residents and park owners at least 60 days to remedy cited violations that are not immediate threats before conducting a reinspection.

In addition to not consistently providing timely notice, HCD also frequently failed to conduct complaint inspections on time.

In addition to not consistently providing timely notice, HCD also frequently failed to conduct complaint inspections on time. HCD's policy requires inspectors to conduct an inspection for a complaint that alleges an immediate threat to life, health, or safety within five days of receiving the complaint, and to conduct an inspection within 30 days of all other complaints that allege an unreasonable risk to life, health, or safety. In two of three complaint inspections alleging an immediate threat and in eight of 21 other complaints we reviewed, inspectors conducted the complaint inspections between one and 57 days late, potentially prolonging residents' exposure to harm. For example, HCD was 34 days late to inspect a complaint alleging that the park owner had shut off a resident's access to water, electricity, and sewer connections. HCD set a deadline of 30 days to inspect this complaint. Given the severity of this allegation—the resident was living without utility service—we believe HCD should have conducted the complaint inspection within five days. Nonetheless, by either time measure, HCD assessed the complaint several weeks later than its policy allows. The field operations chief stated that HCD did not conduct these complaint inspections on time in part because inspectors were counting from the day HCD assigned the complaint to them rather than the day HCD received the complaint. However, the field operations chief agrees that this is an incorrect practice.

In addition, HCD did not consistently provide park owners and residents the appropriate amount of time required by law to resolve violations before conducting complaint reinspections. For complaint inspections, HCD's inspectors generally hand-deliver a copy of the inspection report to park owners or residents following the inspection, which serves as the notice of violation. Of the 24 complaint inspections we reviewed, HCD did not provide the required 60 days to resolve violations before the first reinspection in all eight of the inspections that discovered violations that were not immediate threats. In fact, HCD's practice was to provide only 30 days to correct the violations for complaint inspections. This practice does not comply with state law, and when we informed HCD of its incorrect practice in August 2019, it issued a staff memo in late September 2019 directing its inspectors to follow the state law requirement to allow 60 days to correct violations before conducting a reinspection.

HCD Did Not Share Key Information With Park Residents, Complainants, or Park Owners

State law and HCD policy require HCD to communicate certain information to park residents and complainants. However, our review of HCD's inspection policies and procedures, as well as a selection of park inspection files and complaint inspection files, found that HCD has not complied with requirements to educate residents about the park inspection process and to consult complainants during complaint inspections.

Park Residents Are Inappropriately Excluded From Some Preinspection Conferences

HCD has not provided information to educate park residents about their rights and obligations under its park inspection program to the extent the Legislature intended. Specifically, state law requires HCD to coordinate preinspection orientations for park owners and residents to explain the inspection process at least 30 days before it begins a park inspection. At minimum, HCD must provide a video presentation on the inspection process to park owners and residents. Where practicable, the Legislature intended HCD to conduct in-person orientations for both park owners and residents to orient them to the park inspection program and their rights and obligations under the program.

As part of the preinspection orientation, HCD has conducted informal and brief in-person meetings, known as preinspection conferences, with park owners. According to HCD, the primary purpose of these meetings is to notify the park owner that the park was chosen for an inspection, provide informational booklets, and facilitate logistics, such as obtaining an accurate list of residents. However, HCD's park inspection procedural manual also instructs inspectors to explain the intent and scope of the park inspection program during these conferences, as well as the various inspections and administrative steps included in the inspection program process. When we asked four inspectors about these preinspection conferences, each inspector stated that he spends some time explaining the park inspection process. Two inspectors stated that they explain to the park owner what they look for during the inspection, and they indicated that they describe steps HCD may take if violations are not corrected, such as suspending the park's permit to operate. Two inspectors noted that they encourage park owners to ask questions. For example, one inspector stated park owners often ask who is responsible for maintaining trees and other greenery. In these cases, the inspector stated that he explains that the park owner is generally responsible for tree maintenance—even if a resident originally planted the tree—and therefore, if he finds an issue with a tree, he cites the park owner for the violation.

To the extent that inspectors follow the procedure manual, inspectors convey during preinspection conferences the type of information that state law requires HCD to share with both park owners and residents if it conducts a live presentation. In practice, however, HCD conducts its preinspection conferences with park owners but generally does not invite residents. In our review of 30 park inspections, we saw no evidence that HCD invited residents to attend the preinspection conferences or that any residents were at those conferences.

The assistant deputy director stated that because HCD provides a notice to residents that includes a link to its online video presentation, it is complying with state law. However, when inspectors explain the park inspection process, as the procedure manual requires, and provide a forum for park owners to ask questions, state law also requires that HCD include park residents in those discussions. We also found that the notice HCD sent to the residents for the 30 park inspections we reviewed contained a broken link to the online video presentation. Although residents may have been able to search and ultimately find the video on HCD's website, they would not have found it by simply following the link. HCD confirmed that the link was broken and indicated that it will repair the link and change it to the appropriate page on its website.

HCD Has Not Sufficiently Communicated With Complainants

HCD also has not consistently given complainants the opportunity to discuss their allegations before the inspector conducts an inspection to verify them, as state law requires. Specifically, state law requires HCD to make reasonable efforts to contact the complainant to discuss the allegations and to give the complainant an opportunity to meet with the inspector. Speaking with the complainant may help inspectors better understand the alleged health or safety violations. However, even though 10 of the 24 complaints we reviewed included a phone number that HCD could have used to contact the complainant before conducting the inspections, HCD could only demonstrate that it contacted four of these 10 complainants. HCD does not have a formal policy or procedures that specify how many times inspectors should attempt to contact a complainant or require inspectors to document the attempts they make. The field operations chief indicated that he plans to develop a policy requiring inspectors to document two attempts to contact complainants in order to demonstrate that HCD is performing its due diligence.

Even though 10 of the 24 complaints we reviewed included a phone number that HCD could have used to contact the complainant before conducting the inspections, HCD could only demonstrate that it contacted four of these 10 complainants.

Similarly, HCD often could not demonstrate that it shared the results of its complaint inspections with complainants, as state law and its own policy require. After conducting complaint inspections, state law requires HCD to contact the complainant to share the findings

from the inspection. To do so, HCD policy requires staff to provide a copy of the final inspection report to the complainant. Despite this requirement, HCD could only demonstrate that it mailed copies of its inspection reports to two of the 11 complainants who provided their mailing addresses in the complaints we reviewed. When HCD does not share the results of its complaint inspections with the complainants, those individuals may never learn whether HCD took action to address their concerns about possible health or safety violations.

Moreover, in certain circumstances, such as when an allegation falls outside HCD's jurisdiction, HCD policy requires the inspector to notify complainants, through standardized language in the inspection report, of the opportunity to seek private civil or other action as they may deem suitable to resolve the problem. However, HCD has not consistently informed complainants of this opportunity. For example, after evaluating a February 2019 complaint alleging that a park owner was evicting residents for plumbing issues for which they had no control or responsibility and determining that this issue fell outside of HCD jurisdiction, the HCD inspector failed to include in his report any information about the opportunity to pursue private civil action. As a result, the complainant may not have been aware that the inspector's decision not to cite an alleged violation did not preclude her from pursuing other avenues to address her complaint. HCD could ensure that it notifies all complainants of the opportunity to pursue private civil or other action by including the standardized language describing this opportunity in the template it uses for inspection reports.

HCD has not consistently informed complainants of the opportunity to seek private civil or other action to resolve the problem when an allegation falls outside HCD's jurisdiction.

HCD Has Not Consistently Notified Park Owners and Residents of Penalties

HCD has not consistently notified park owners and residents of penalties they could face for willfully violating the MPA or for failing to make timely corrections. As described in the Introduction, under state law any person who willfully violates the MPA is guilty of a misdemeanor punishable by a fine of up to $400 or imprisonment, or both. State law requires that notices of violations—HCD's Notice of Violation, Final Notice of Violation, Final Compliance Order, and Notice of Intent to Suspend the Permit to Operate—describe any penalty provided by the law for failure to make timely correction and that any willful violation is a misdemeanor. In our review of the notices of violations for park and complaint inspections, HCD did not consistently describe the penalties for willful violations of the MPA or for failing to make timely correction as required. For park inspections, we found that HCD provided these descriptions only in its Final Compliance Orders. However, we note that HCD changed its inspection process in February 2019 and no longer issues the Final Compliance Order

for its park inspections. For the 28 park inspections we reviewed that had associated notices of violation, HCD issued a Final Compliance Order for 13 of the parks and therefore notified all 13 park owners of the penalties; however, it failed to notify the park residents of the penalties in any of the 28 instances. Additionally, HCD failed to include a statement of the penalties for failure to make timely correction in 18 of the 23 complaint inspection notices that we reviewed and failed to also include a statement that any willful violation is a misdemeanor in 11 of the 23 notices. HCD should ensure that it notifies park owners and residents of the misdemeanor penalty in all of its notices so that they are aware of all of the consequences of willfully violating the MPA and failing to make timely corrections.

HCD Often Has Not Notified Park Owners and Residents of the Rights and Resources Available to Them

HCD has not consistently notified park owners and residents of certain rights and resources available to assist them in addressing violations or problems they encounter resulting from inspections. State law generally provides the right to appeal inspectors' decisions. Specifically, state law allows park owners and residents to appeal the existence of the violations, the alleged failure to correct the violations, or the reasonableness of the deadline HCD set to correct the violations. To appeal a violation, generally the park owner or resident must submit, within 10 working days of the Final Notice of Violation, a written request for an informal conference with HCD. If the informal conference does not resolve the concerns, the park owner or resident has the right to a formal hearing with HCD and is entitled to legal representation and to call witnesses to testify at the hearing.

If HCD conducts a reinspection and issues a Final Notice of Violation for uncorrected violations, state law requires HCD to notify, within this final notice, park owners and residents of this appeal process, including their right to request an informal conference and hearing. As shown earlier in Figure 3 on page 10, during park inspections, HCD's policy is to provide the Final Notice of Violation after the first reinspection if the inspector identifies uncorrected violations. To the extent HCD follows this policy, state law requires HCD to notify park owners and residents of their right to begin the appeal process after the first reinspection.

During park inspections, HCD has not consistently provided complete information to park owners about their right to appeal inspectors' decisions, and it provides information later than state law requires.

During park inspections, HCD has not consistently provided complete information to park owners about their right to appeal inspectors' decisions, and it provides information later than state law requires. Generally, when HCD provides a Final Notice of Violation after the first reinspection, state law requires HCD to

inform park owners and residents of their right to request an informal conference and the right to request a formal hearing if HCD denies the informal conference or after the conclusion of the informal conference. However, until February 2019, HCD informed park owners of these rights after the second reinspection rather than after the Final Notice of Violation. Further, while streamlining its park inspection process, in February 2019 HCD inadvertently eliminated the only notice it provided to park owners during park inspections that described the right to request an informal conference. As a result, since February 2019 it has not informed park owners after sending them a Final Notice of Violation that they can request an informal conference. In addition, since February 2019, it has not notified park owners of the right to a formal hearing until it issues a notice declaring HCD's intent to suspend the park's permit to operate after 30 days unless the violations are corrected.

For park inspections, HCD did not notify residents of their right to request an informal conference or a formal hearing.

Moreover, for park inspections, HCD did not notify residents of their right to request an informal conference or a formal hearing. We found that this problem occurred because of an error in the template it uses to generate Final Notices of Violation during park inspections. The assistant deputy director stated that HCD is in the process of revising its notices to ensure that they include language on the right to appeal.

Similarly, in some of the complaint inspections we reviewed, HCD provided incomplete information on the appeal process to park owners and residents. Specifically, HCD issued Final Notices of Violation in eight of the 24 complaint inspections we reviewed, and although it informed park owners and residents of their right to request an informal conference, in five notices it failed to mention the right to a formal hearing. As a result, park owners and residents may have been unaware of a second avenue for appealing an inspector's decision if they were not satisfied with the results of the informal conference.

In addition, HCD could not demonstrate that it notified residents, as its own policy requires, when it suspended a park's permit to operate. State law prohibits park owners from operating a park, constructing additional mobile home lots, or allowing residents to occupy mobile homes unless the owners possess a valid permit to operate from HCD. Without a valid permit to operate, state law also prohibits park owners from collecting rent. To ensure that residents are aware of when HCD suspends a park's permit to operate, its procedures require inspectors to post a notice of suspension in a conspicuous place in the park and to include a photograph in the inspection report to document that they have posted this notice. However, in the two park inspections we reviewed in which HCD suspended the park's permit to operate, inspectors did not include

in the inspection report a photograph or other documentation demonstrating that HCD had notified residents of the suspension. When HCD does not notify residents when it suspends a park's permit to operate, residents may not become aware that their park failed to correct health and safety violations or of their right to stop paying rent until the permit is reinstated.

Finally, HCD has not informed park owners or residents it cites for health and safety violations of resources that may assist them in resolving those violations. State law requires HCD to develop a list of local agencies that have home rehabilitation or repair programs, and to provide the list to cited park owners or residents who live within these local agencies' jurisdictions. Although HCD maintains a list on its website of local agencies for each county, it has not been providing this list to park owners or residents when it cites them for violations. Subsequent to our discussions with HCD about this issue, in January 2020 HCD directed the field offices to begin immediately including this list when issuing notices of violations. The field operations chief stated that HCD had not been providing the list because CASAS is not currently programmed to provide only the applicable rehabilitation and repair programs located in the county in which each park owner or resident lives. Because HCD did not provide the list of local agencies to residents and park owners as required, it may have deprived residents of opportunities to remedy violations before park owners initiated steps to evict them.

Recommendations

To reduce the risk of unidentified health and safety violations, HCD should by January 2021 use its existing authority to develop written policies and procedures for selecting parks for its park inspections that consider for all parks the number and severity of recent complaints as well as the length of time since HCD conducted any type of park visit.

To reduce health and safety risks in parks, HCD should by September 2020 do the following:

- Develop written guidance that specifies what constitutes a field monitoring visit, how inspectors should choose parks for field monitoring, and how inspectors will document these visits.
- Document facility IDs and dates for all inspections and field monitoring visits in CASAS so that staff can readily determine the length of time since each park's last inspection or field monitoring visit and the type of inspection or visit that HCD conducted.

To improve consistency in inspections, HCD should by July 2021 develop and implement procedures to do the following:

- Specify the factors that inspectors should consider when deciding whether to cite common types of violations.
- Implement and begin providing periodic refresher training to its inspectors to reinforce inspection policies.
- Require a secondary review of a selection of inspection reports to ensure that staff members follow key legal and HCD policy requirements. These procedures should specify how often secondary reviewers will review reports, how many reports they will review, what to look for during these reviews, and how to document the secondary review.

To ensure that park owners and residents have sufficient information to understand HCD's inspection process, HCD should by September 2020:

- Establish procedures for promptly mailing notices to park owners and residents and consistently document when it mails notices.
- Establish a process to document its reviews of compliance with time frames for mailing required notices.
- Establish procedures to ensure that it invites residents to all live preinspection conferences it conducts.

To ensure that complaints alleging potential health and safety violations are inspected in a timely manner, HCD should by September 2020 begin periodically monitoring its compliance with time requirements for conducting complaint inspections.

To demonstrate that it is making reasonable efforts to consult with complainants before inspectors perform complaint inspections, to inform them of the results, and to notify them of options available if their allegations are not health and safety violations or fall outside HCD jurisdiction, HCD should by January 2021 develop procedures to do the following:

- Require inspectors to document a reasonable number of attempts to contact complainants before conducting the inspection of the complaint.
- Require staff to notify complainants in writing of the results of the inspection and document the notification.
- Verify that inspectors include information about complainants' right to pursue private civil or other action when applicable.

To ensure that HCD promptly communicates all required information to park owners and residents, HCD should by September 2020:

- Review and revise the notices it issues to ensure that they comply with statutory requirements, such as providing information regarding the right to appeal inspectors' decisions and a list of local agencies that offer home rehabilitation or repair programs.

- Establish a process to review notifications annually for compliance with any changes in its inspection procedures.

Chapter 2

HCD MUST IMPROVE ITS MANAGEMENT OF THE PARKS PROGRAM

HCD is not effectively managing administrative aspects of its parks program. For example, it has not ensured that its staff members accurately record the time spent on inspection activities. As a result, HCD lacks assurance that time reported for activities under the parks program is accurate and it cannot ensure that it is using program fees in the manner intended by state law. Moreover, HCD has not implemented a robust vehicle monitoring program, even though it has identified instances of former inspectors misusing state vehicles and state time. In addition, HCD has not taken adequate steps to remind all inspectors to file their statements of economic interests, as state law requires, which may limit its ability to ensure that inspectors conduct all inspections free from economic bias. HCD also does not document all complaints made by the public against inspectors or report them to its equal employment opportunity officer as its current policy requires, which limits its ability to demonstrate that it has appropriately addressed all allegations of inspector misconduct.

Finally, although state law requires HCD to evaluate enforcement of the MPA by local enforcement agencies (LEAs), HCD has not adequately done so and does not have a plan or formalized procedures for doing so, increasing the risk that LEAs are not enforcing health and safety standards in the mobile home parks within their jurisdictions. Given these weaknesses, it is critical for HCD to improve its management to help ensure that mobile home parks in California provide a safe environment for park residents and that it uses funds appropriately.

HCD's Poor Timekeeping Practices Affect Its Ability to Effectively Manage the Costs and Resources of Its Parks Program

HCD lacks information needed to effectively manage time spent on inspection activities because of poor timekeeping practices and may not be charging time to these inspection activities accurately. HCD currently uses three methods to record the time that inspectors spend on inspection activities: inspection reports, the CASAS database, and inspectors' timesheets. Each of these methods serves a different purpose. Specifically, while in the field, inspectors use inspection reports not only to document health and safety violations they identify but also to capture time spent on various inspection activities, such as actual inspection time and time to travel to perform inspections. Administrative staff members use inspection reports to later record the time inspectors spent on park

inspection activities in CASAS, while inspectors directly enter time they spend on complaint inspections from their inspection reports into CASAS. HCD's employee time-report training handbook (handbook) states that it uses CASAS for gathering workload statistics and for budgeting purposes. The handbook indicates HCD uses timesheet data to allocate labor costs to the appropriate program accounts. Finally, the handbook explains that inspectors complete monthly timesheets to record the time spent on the various programs they worked on and to get paid.

We found that the time inspectors record among these three methods does not always agree. HCD inspectors record the time they spend on inspection activities for each complaint or park inspection in the inspection report. Based on our in-person observations of four park and complaint inspections, the time we saw reported on the inspection reports seemed reasonable as the number of hours recorded on the reports were consistent with the hours spent on the inspections that we observed in the field. However, our review determined that time recorded in the CASAS database was not always accurate. Specifically, we identified 20 instances in the 138 park inspection reports we reviewed when HCD incorrectly recorded time spent because records were missing or staff time was over- or underreported.[3] For instance, in one park inspection we reviewed, CASAS accurately reflected the time the inspector spent on the initial inspection. However, we found that CASAS incorrectly reported no hours for one reinspection even though the corresponding inspection report showed the inspector spent three hours on the reinspection. These minor individual errors can affect the overall accuracy of HCD's CASAS data when they are aggregated across all inspections HCD performs.

We identified 20 instances in the 138 inspection reports for the park inspection files we reviewed when HCD incorrectly recorded time spent in the CASAS database because records were missing or staff time was over- or underreported.

Similarly, the timesheets we reviewed sometimes did not accurately capture the time spent on inspection activities. For instance, in our review of a selection of 37 inspectors' timesheets for August 2018, we noted that five inspectors incorrectly reported no time for park inspection activities for the month when they should have charged between one and 9.5 hours to the park inspection activities. The remaining inspectors all either charged hours on their timesheets for park inspections or did not charge hours for park inspections because they were on leave or did not conduct park inspection activities that month.

Further, HCD has provided conflicting guidance on how staff should fill out their timesheets. The financial management branch chief explained that HCD expects that its staff will document actual time spent conducting work on various programs on their

[3] These 138 inspection reports include both initial inspections and reinspections.

timesheets. Further, HCD's employee time-report handbook reflects the importance of inspectors using the correct timekeeping codes to report their time so that HCD can maintain accurate records, as state law requires. HCD provides specific timekeeping codes to track and record on inspectors' timesheets the time spent on each of the various program activities they work on each month. However, in an August 2015 memorandum, the codes and standards division, which manages the parks program, incorrectly instructed inspectors to record time each month based on a formula it provided to them. A former budget analyst stated that it was his understanding that the reason for staff charging hours based on the formula was because of the difficulty and the amount of time staff spent tracking their time. Among other provisions, this formula instructed inspectors to charge actual hours spent on park inspection activities when they did work on the parks program, but if they did not work on parks program activities during the month, the instructions still directed them to charge 15 percent of their hours to the parks program. The financial management branch chief indicated that it is not HCD's policy to track staff time by using formulas. He further explained that HCD expects its divisions to ensure that staff document actual time spent conducting work on various programs on their timesheets. The financial management branch chief stated that the codes and standards division is currently out of compliance with HCD policy, as it is still the division's practice for staff to charge time as directed in the August 2015 memorandum. The assistant deputy director stated that going forward, the codes and standards division will ensure compliance with department policy for time recording.

Because HCD is not accurately capturing time its inspectors spend on park and complaint inspections in CASAS, it does not have accurate data necessary to adequately determine how much work related to the parks program it performs. As a result, HCD is unable to demonstrate whether the number of budgeted inspector positions is sufficient to meet its current and anticipated workload. Without accurate data in CASAS and on timesheets, HCD also cannot demonstrate that it correctly allocates labor costs to the appropriate program accounts or that it is using mobile home lot fees appropriately.

Because HCD is not accurately capturing time its inspectors spend on park and complaint inspections in CASAS, it does not have accurate data necessary to adequately determine how much work related to the parks program it performs.

The time reporting problems we found with CASAS are likely the result of HCD lacking a formal process for managers to review data entered into CASAS. Administrative staff in its two field offices enter information from the park inspection reports into CASAS, while inspectors enter information from their complaint inspection reports. However, managers do not consistently verify the accuracy of these data. The assistant deputy director indicated that each field office conducts reviews of the data in CASAS to verify accuracy.

However, the field operations chief, who was the former southern field office manager, indicated that his review consisted of his staff investigating data elements in CASAS that appeared questionable. Although he could not provide documented examples of these spot checks, he stated that if a technician saw 20 hours entered for the inspection of a park that had only seven mobile homes, staff would ask the inspector to verify the accuracy of those hours. In addition, the northern field office manager confirmed that he does not conduct reviews to ensure that the data indicated in inspection reports match the information entered into CASAS.

Increased Oversight of Inspectors Can Better Ensure Proper Conduct

Because inspectors work with a large degree of independence and HCD has identified some former inspectors who misused state resources, HCD needs to better oversee its inspectors to ensure that they are complying with state law and HCD policy. Specifically, HCD has the means to monitor inspectors' use of the state vehicles that it assigns to them, but it has not taken sufficient steps to do so. HCD also does not take adequate steps to address whether inspectors have conflicts of interest related to the mobile home parks they inspect. Finally, although HCD asserts that it has received only a few complaints of inspector misconduct, it does not consistently document these complaints or report them to the appropriate staff.

Increased Monitoring of Inspectors' Vehicle Use Can Help Prevent Misuse of State Resources

Inspectors driving state vehicles reported 2,200 miles on average for the month of August 2019.

HCD has not adequately monitored its inspectors' use of state vehicles to ensure that they use state time and state vehicles appropriately. Because most inspectors are responsible for inspecting parks in regions covering dozens of cities or entire counties and generally work independently, most drive state vehicles regularly and can log many thousands of miles annually driving from their home offices to mobile home parks to complete their assigned work. Inspectors driving state vehicles reported 2,200 miles on average for the month of August 2019.

State law generally prohibits public employees from engaging in any activity that is clearly inconsistent with their state duties, including using state time or equipment for private gain or advantage. The law's definition of misuse of state vehicles includes using the vehicle for purposes other than state business. State law requires HCD to maintain travel logs in which inspectors record daily mileage, the dates and times of travel, and their daily itineraries. State law also requires HCD to retain records of these travel logs for two fiscal

years so that the Department of General Services (General Services) may have the opportunity to review them. Under state law, inefficiency, dishonesty, and misuse of state property constitute one of several grounds for employee discipline.

However, HCD has not consistently followed requirements for these travel logs. In October 2019, we asked HCD to provide state vehicle travel logs for each inspector for August 2019. Although the northern field office provided travel logs for all of its 19 inspectors who drove state vehicles in August, the southern field office stated that three of its 20 inspectors who drove state vehicles did not submit travel logs for that month. A fourth inspector from the southern field office provided a travel log, but he failed to include required information in the log, such as his daily itinerary and the times of travel. He also did not report his daily mileage information using the travel log. When we asked the analyst responsible for collecting the travel logs why some inspectors did not submit their travel logs as required, she stated that HCD has not provided her with policies, procedures, or guidance related to monitoring vehicle usage, including what to do if an inspector does not submit a travel log.

The travel logs we reviewed generally did not contain sufficient detail for HCD to ensure that inspectors are using state vehicles and state time appropriately.

In addition, the travel logs we reviewed generally did not contain sufficient detail for HCD to ensure that inspectors are using state vehicles and state time appropriately. General Services' travel log instructions require inspectors to list the cities they traveled to but not the specific destinations within those cities. As a result, when we reviewed the 36 travel logs that the two field offices did provide, we found that they generally listed only the cities inspectors traveled to, not the specific parks they visited or other stops they made. For example, one inspector listed his home city as his only destination for the month, yet he reported driving more than 1,000 miles. At best, these logs provide HCD with only partial assurance that inspectors are using state vehicles and state time appropriately.

Because inspectors self-report their vehicle use on these logs and are unlikely to indicate using a state vehicle inappropriately, HCD should more closely monitor vehicle usage. HCD has GPS tracking software in inspectors' state vehicles for the intended purpose of enhancing and continually refining operational efficiency of HCD's field operations, as well as for monitoring its assets and the safety of employees and the public. Although this GPS software provides HCD up-to-the-minute data on each vehicle's location, speed, and mileage, HCD is not actively monitoring this information. HCD policy states that data gathered through electronic GPS monitoring will be routinely used as a tool to evaluate job-related duties, functions, and performance. However, HCD has not developed any procedures specifying how its supervisors and managers should

We found that the two field offices' methods for monitoring inspectors' vehicle use are inadequate and not uniform.

conduct this monitoring. For example, HCD has not specified how often managers should review the GPS data, what they should look for, or whether they should compare the GPS data to the travel logs that the inspectors submit to their managers. Lacking these procedures, we found that the two field offices' methods for monitoring inspectors' vehicle use are inadequate and not uniform. For example, one manager in the northern field office stated that he typically checks the GPS system for about an hour each day, sometimes comparing the GPS data to inspectors' timesheets to verify that inspectors did not use a state vehicle on vacation or sick days or comparing GPS data to inspectors' travel logs. However, he said he does not document this monitoring.

In contrast, another manager described using the GPS data to look for signs of misuse only once. The manager noted that it was in response to complaints of an inspector showing up late to scheduled inspections and that it was the use of the GPS data that allowed the manager to determine that the inspector was making frequent unexplained stops. The manager stated that the employee no longer works for HCD. The field operations chief, who was the former southern field office manager, stated that the southern field office managers do not regularly review GPS tracking data but have occasionally reviewed the GPS data when there were concerns about inspectors' productivity.

This inconsistent monitoring is troubling because HCD has found that some former inspectors misused state time and state vehicles. For example, one manager told us about three former inspectors who had misused state vehicles and state time between 2015 and 2017, including one who used a state vehicle to drive to the grocery store during work hours and to dinner after work when the inspector was not conducting overnight travel. The manager indicated that those inspectors no longer work at HCD. As mentioned previously, another manager stated that after receiving complaints in 2019 that a former inspector was late to inspections, the manager reviewed the driving history and found that the inspector had made frequent stops that the inspector could not explain. The manager also found that the inspector had used the assigned state vehicle for several hours after work without permission. Because inspectors operate independently and given that HCD has had problems in the past with inspectors misusing state resources, HCD should institute more robust monitoring of inspectors' use of state vehicles to ensure that it identifies potential signs of vehicle misuse as soon as possible.

HCD Can Do More to Ensure That It Is Aware of Inspectors' Potential Conflicts of Interest

HCD has not taken adequate steps to collect inspectors' statements of economic interests as state law requires, nor has it properly evaluated some inspectors' reported financial interests to determine whether those interests should disqualify them from inspecting certain parks. As a result, HCD has limited its ability to ensure that inspectors conduct all inspections impartially and free from economic bias, as state law requires. State law also requires each state agency, such as HCD, to adopt a conflict-of-interest code, seeking to ensure that public officials perform their duties in an impartial manner free from bias caused by their own financial interests or the financial interests of those who support them, and it establishes several requirements related to conflicts of interest. In compliance with state law, HCD's conflict-of-interest code requires certain employees—including inspectors—to disclose certain financial interests. Specifically, HCD requires its inspectors to disclose all investments, business positions, or sources of income from businesses that are subject to or affected by HCD's regulations, programs, or policies related to, among other things mobile homes and mobile home parks, by submitting a statement of economic interests known as a Form 700. State law requires inspectors to submit a Form 700 annually as well as within 30 days of assuming or leaving their position. State law also requires HCD to review at least 20 percent of all Form 700s submitted on time and all Form 700s submitted late to determine whether inspectors have any reportable interests and, if so, whether the inspectors provided required details about these interests. Because some inspectors have a background in construction or the mobile home park industry, HCD's oversight of their financial interests is especially important to ensure that inspectors have no conflicts of interest related to the mobile home parks that they inspect.

HCD has limited its ability to ensure that inspectors conduct all inspections impartially and free from economic bias, as state law requires.

HCD did not take adequate steps to address disclosures on inspectors' Form 700s that indicate possible conflicts of interest. Our review of the Form 700s of 77 current and former inspectors for 2017 through 2019 noted that three inspectors reported financial interests related to mobile home parks. Although HCD's conflict-of-interest code does not require inspectors to report real property, two inspectors reported owning property adjacent to mobile home parks under HCD's jurisdiction, and two inspectors—including one of the same inspectors who reported owning real property—reported ties to construction businesses in the general vicinity of their assigned areas. Under state law, inspectors' financial interests may constitute a conflict of interest if the inspectors make decisions that could affect the value of real property they own or if their businesses are subject to any inspections by HCD.

When we asked the personnel operations manager who reviewed the Form 700s about the three inspectors we identified with a potential conflict of interest, she stated that as the filing official, she reviewed the Form 700 of only one of the three inspectors. She stated that she reviews 20 percent of forms submitted on time as well as all forms that employees submit late, as state law requires. As a result, she did not review the Form 700s belonging to the other two inspectors. Moreover, the personnel operations manager was not aware that owning property near a mobile home park might constitute a conflict of interest. Therefore, although during her review she checked whether there were mobile homes on inspectors' property, she did not check the proximity of the inspectors' property to mobile home parks. However, after reviewing state law, she agreed that HCD should be checking the proximity of the inspectors' property to mobile home parks. When HCD does not ensure that it evaluates the information disclosed on Form 700s, it risks assigning inspectors to conduct inspections in which they could have conflicts of interest. For instance, if inspectors conduct inspections at parks near properties they own, they may have an incentive to cite park owners and residents for conditions they consider unattractive but not unsafe, in the hope that improving the appearance of the park may improve the value of their adjacent property. Although HCD's conflict-of-interest code does not require inspectors to report real property and state law does not require HCD to review all Form 700s, the potential conflicts we identified indicate a need for it to begin doing so. HCD indicated that it is already in the process of revising its conflict-of-interest code and plans to meet with its legal division to determine whether to adjust the disclosure categories that inspectors are required to report. HCD's personnel operations manager also agreed that it would be both feasible and beneficial to review all its inspectors' Form 700s and stated that it has created and filled a new position that will review them.

When HCD does not ensure that it evaluates the information disclosed on Form 700s, it risks assigning inspectors to conduct inspections in which they could have conflicts of interest.

Further, HCD did not take adequate steps to remind inspectors to submit Form 700s. State law requires HCD to determine whether proper Form 700s have been filed and to promptly notify filers if they do not file the Form 700 as required. According to guidelines from the Fair Political Practices Commission, which has the primary responsibility for implementing state law related to Form 700s, HCD should remind employees in writing no later than 120 days after the deadline if it has not received their Form 700s, and it should send a second reminder within 60 days if employees still do not submit Form 700s. The guidelines also direct HCD to retain documentation of all these reminders.

In our review of 77 inspectors, seven did not submit one or more annual forms due in 2017 through 2019. In addition, six of the 17 inspectors who joined HCD in those years did not submit

assuming-position statements, and 15 of 17 inspectors did not submit statements when they left their positions. Altogether, at the time of our review, 20 inspectors had not submitted a total of 31 required Form 700s. However, the personnel operations manager indicated that HCD had sent reminders for only six of the 31 missing forms before we asked about them. Although HCD has a process in place to remind inspectors, it generally relies on an online database to track which HCD employees are required to submit Form 700s. The personnel operations manager stated that Form 700s were often missing because the field offices did not always notify human resources promptly when HCD hired new inspectors or when inspectors provided notice of plans to leave. Because of this breakdown in communication, HCD's Form 700 database was not up to date. She also stated that some forms were missing because HCD does not collect the forms when employees are on medical or disability leave. During our review, HCD obtained four of the missing forms from two of the inspectors.

When inspectors fail to report their financial interests, HCD is unable to determine whether they have potential conflicts of interest that should disqualify them from inspecting certain mobile home parks. Moreover, inspectors who do not submit the required forms on time may face severe penalties, including possible civil prosecution and a fine up to $5,000. In June 2020 we informed HCD of its responsibility to report noncompliance to the Fair Political Practices Commission. HCD indicated that it is in the process of notifying inspectors with missing Form 700s of their responsibility to file and potential penalties that may be assessed if they fail to do so. If inspectors do not respond, HCD stated that it intends to notify the Fair Political Practices Commission. HCD also indicated that several inspectors have since submitted the required forms in response to its notifications.

When inspectors fail to report their financial interests, HCD is unable to determine whether they have potential conflicts of interest that should disqualify them from inspecting certain mobile home parks.

In February 2019, HCD took steps to improve its process for collecting Form 700s. As part of its new process, HCD requires the field offices to email information about new employees' start dates when they accept employment to the staff responsible for Form 700s. The personnel operations manager stated that HCD plans to make similar revisions to its process for identifying employees who leave their positions. In the interim, she stated that human resources reached out to the field office managers to remind them of the need to inform it when inspectors leave. Once implemented, these improvements should help address the issues we identified with some inspectors not always submitting their Form 700s.

Documenting and Reporting Complaints About Inspectors Would Allow HCD to Demonstrate That It Is Addressing Complaints Appropriately

HCD receives some complaints from the public alleging that inspectors are behaving inappropriately or conducting inspections unfairly but cannot demonstrate that it has appropriately addressed all allegations of inspector misconduct.

HCD receives some complaints from the public alleging that inspectors are behaving inappropriately or conducting inspections unfairly. However, HCD does not have a process to consistently document complaints against inspectors for misconduct or report them to its equal employment opportunity officer, as its current policy requires. This limits its ability to demonstrate that it has appropriately addressed all allegations of inspector misconduct. According to the assistant deputy director, members of the public can submit complaints to HCD by phone, email, or mail. HCD's current workplace policy requires staff to notify HCD's equal employment opportunity officer if they receive allegations that an employee has engaged in misconduct: specifically, sexual harassment, discrimination, retaliation, or other unprofessional or inappropriate conduct that violates workplace policies. Additionally, if managers or supervisors are made aware of any such allegations, the workplace policy requires them to report the alleged violation directly to the equal employment opportunity officer. However, this policy does not require employees to document each complaint they receive unless the complaint fits this definition of misconduct.

HCD could not tell us how many complaints from the public it has received about inspectors because it does not consistently document them. According to the assistant deputy director, HCD receives only a handful of complaints alleging inspector misconduct each year. Further, both field office managers stated that the majority of complaints they receive do not allege misconduct by inspectors but instead express frustration with inspectors' decisions to issue citations for violations of the health and safety code.

Nonetheless, HCD indicated that it receives some complaints alleging inspector misconduct. For example, in 2019, a contractor alleged to the assistant deputy director that an inspector was not following HCD protocols and that he failed to give a complete written report that cited specific code violations. The contractor asserted that the inspector's practices allowed the inspector to arbitrarily point out more issues for the contractor to correct at each reinspection, and he suggested that the inspector might have been prejudiced against him. The assistant deputy director and a field office manager met with the complainant to discuss his concerns. HCD indicated to us that it verified some of the allegations, but for many of them, it did not. HCD acknowledged to the contractor that its inspector had taken some missteps in following HCD's inspection procedures. Additionally, HCD informed the contractor that it would provide refresher training for the inspector and that it would temporarily assign another inspector to perform the inspection of the contractor's work. Although the contractor was ultimately satisfied with the steps that

HCD took to address his concerns, HCD did not follow its current policy of notifying its equal employment opportunity officer of this complaint until after we asked in March 2020. As a result, HCD delayed that officer's ability to determine whether the inspector had acted in a way that violated workplace policy.

Similarly, a field office manager stated that he received a complaint alleging that an inspector used profane language during a phone call, but he did not notify HCD's equal employment opportunity officer. The manager indicated to us that he was present for the call and observed that the inspector had behaved appropriately, so he did not believe the complaint was credible. Although it is quite possible that the inspector behaved appropriately, HCD's workplace policy required the inspector's manager to report the complaint to the equal employment opportunity officer, who is responsible for ensuring that complaints filed by members of the public are thoroughly investigated and resolved in a timely manner.

HCD also lacks a policy to ensure that it consistently retains records of complaints it receives. In the first case we discussed above, the assistant deputy director retained the complaint; however, both field office managers stated that their offices do not document all complaints or the steps they take to address them. Without such documentation, HCD cannot demonstrate whether it has taken appropriate steps to address any allegations it identifies or to detect patterns of alleged misbehavior over time. HCD stated that it has created a new position within its legal affairs division that will assume responsibility for intake of employee complaints and will perform reviews to determine the appropriate course of action, including possible referral to the equal employment opportunity officer. HCD also stated that the individual hired into this new position will draft a new policy requiring employees to refer complaints to the legal affairs employee rather than the equal employment opportunity officer, as its current policy requires.

HCD lacks a policy to ensure that it consistently retains records of complaints it receives and two field office managers stated that their offices do not document all complaints or the steps they take to address them.

HCD Is Rarely Conducting Evaluations of LEAs' Oversight of Mobile Home Parks

HCD is not performing a sufficient number of evaluations each year of LEAs that oversee mobile home parks. As we describe in the Introduction, LEAs can request responsibility for enforcing health and safety requirements in the mobile home parks in their jurisdictions. HCD reported for calendar year 2019 that 860 active mobile home parks in the State—19 percent of all active parks—were overseen by 63 LEAs, which makes HCD's evaluation of these LEAs necessary to ensure LEAs protect the health and safety of residents in those parks. Moreover, state law requires HCD to evaluate each LEA's enforcement of the MPA.

HCD, whose parks program is responsible for evaluating LEAs' enforcement activities, is finalizing its updated procedures for these evaluations. The parks program is responsible for evaluating LEAs' enforcement activities. A parks program manager explained that HCD's procedures for evaluation are very outdated, and in May 2020 the parks program completed a draft procedural manual that updates its evaluation procedures. In June 2020, the assistant deputy director confirmed that HCD is routing the draft procedural manual through its approval process. However, he stated that the parks program is moving forward with using the draft procedures for LEA evaluations and will make any adjustments to its evaluations, if needed, based on the final approved version.

HCD has not formalized its methodology for selecting the LEAs it will evaluate, and the number of LEAs that HCD evaluated varied considerably over the past three years.

HCD has also not formalized its methodology for selecting the LEAs it will evaluate. Because the state law requiring evaluations does not specify the required frequency of the evaluations, the assistant deputy director believes that HCD has flexibility in determining how many LEAs it reviews and how often it reviews them. However, the number of LEAs that HCD evaluated varied considerably over the past three years. Specifically, HCD evaluated only six LEAs during that time period: one LEA in 2017, none in 2018, and six in 2019, including the same one it evaluated in 2017. HCD has not yet determined how many LEAs it will review in 2020. HCD's assistant deputy director explained that in 2017 and 2018, the parks program was evaluating its monitoring program and developing the draft of an annual LEA compliance evaluation guide that it ultimately did not pursue. The parks program manager stated that since that time, HCD has worked with its two field offices to create a list of LEAs for evaluation based on criteria such as the amount of time since the last evaluation, known problem parks, and the number of complaints against parks. HCD's risk-based approach for selecting LEAs to evaluate is included in its draft procedural manual that we described above. Further, the assistant deputy director stated that if needed, HCD will pursue establishing regulations necessary to clarify, interpret, and make specific state law requirements for LEA evaluation. Further, he stated that HCD has set a goal to evaluate all LEAs within the next decade by inspecting seven LEAs per year. Until HCD finalizes its selection criteria and develops a formal evaluation schedule, there is an increased risk that LEAs are not properly inspecting and enforcing compliance with health and safety standards in mobile home parks within their jurisdictions.

Additionally, HCD has not recently trained inspectors on how it expects them to evaluate LEAs. According to the parks program manager, HCD last provided training on evaluating LEAs to its inspectors in 2015 and said further training may have been considered unnecessary because HCD did not hire new inspectors until 2019. However, HCD's documentation demonstrates that it

hired three inspectors in 2017 and another seven inspectors in 2018. In addition, our review of the 2015 training material for evaluations of LEAs found that it lacked information on park inspections. Specifically, the training materials did not include information on what inspectors should be looking for when reviewing how an LEA conducts park inspections, how to use HCD's standard checklist for evaluating LEAs, and expectations and steps to follow during the evaluations of LEAs. Instead, the training focused on the mobile home installation permit process, including mobile home location and site evaluation. Furthermore, we reviewed the seven evaluations of six LEAs that HCD completed in 2017 and 2019 and found that HCD identified the same issue at one LEA in both years. Specifically, HCD identified that the LEA was not conducting park inspections of the mobile home parks under its jurisdiction in 2017 and again in 2019, indicating that HCD had not followed up with the LEA after its 2017 evaluation to ensure that the LEA began conducting park inspections. Without complete, up-to-date training for inspectors that evaluate LEAs, HCD will not be able to ensure that inspectors consistently document and inform LEAs of their deficiencies. As a result, HCD lacks assurance that it is properly evaluating LEA performance.

HCD refers complaints it receives related to mobile homes under LEA jurisdiction to those LEAs for inspection and enforcement, but it does not always follow up on those complaints.

Finally, HCD refers complaints it receives related to mobile homes under LEA jurisdiction to those LEAs for inspection and enforcement, but it does not always follow up on those complaints. State law requires LEAs to submit a written report to HCD no later than 35 days following receipt of a complaint referred by HCD, detailing the final results of the complaint inspection. HCD's procedures for late responses from LEAs include sending two follow-up letters as well as calling and emailing LEAs. However, HCD does not always adhere to these procedures. Our review of four complaints assigned to LEAs found that for two of the complaints LEAs provided a response within the 35-day time frame while for the other two complaints LEAs provided a response after the initial response deadline. HCD also sent the first follow-up letters for these two complaints late: 132 days and 435 days after the LEA responses were due. HCD explained that for some of the time it had only one employee for complaint processing and when a new analyst was hired in January 2019, the analyst was assigned to follow up with the LEAs that HCD had not heard back from for the last couple of years. By consistently following up on complaints sent to LEAs in a timely manner, HCD could better ensure that its staff is monitoring the LEAs' resolution of complaints and that LEAs are fulfilling their responsibility to ensure the health and safety of residents in their mobile home parks.

Problems We Identified Are Similar to Some Issues Noted in Earlier Internal Audit Reports

Although HCD's audit and evaluation division previously reported problems in HCD's inspection process similar to those we discovered, our audit results demonstrate that some of the previously identified issues have persisted. HCD issued an internal audit report in November 2015 on the codes and standards division's field operations that included findings related to its inspections of mobile home parks. The audit cited concerns with not maintaining adequate written policies and procedures for field operations and recommended ensuring that written policies and procedures for field operations be accurate, complete, and current at all times. In its response to the audit, the codes and standards division stated that it would finalize its revised procedural manuals by February 2016. However, our review found that HCD lacks formal procedures that provide adequate guidance to its inspectors related to certain basic aspects of the inspection process, such as how to identify and cite situations that constitute certain common health and safety violations. HCD's audit also recommended a written policy requiring supervisors to regularly accompany and observe all inspectors while they conduct inspections. In response, the codes and standards division stated that management observes inspectors' performance by monitoring inspection reports and by direct observation, and that managers evaluate inspectors a minimum of every three months. However, we found that HCD's secondary review process for inspection reports is inadequate. Further, the audit recommended a written policy that requires supervisors to review inspectors' timesheets and travel mileage logs for accuracy and then reconcile and cross-reference those documents to other source documents. The codes and standards division responded to the recommendation by stating that its field office managers review timesheets and travel logs submitted by field staff. Yet we found that not all inspectors submit their travel logs and that their travel logs sometimes did not contain the required information. The similarity between the findings from HCD's 2015 internal audit and the results of our current review indicate a need for HCD to take prompt action on our recommendations in this report to resolve long-standing issues with its parks program.

Recommendations

To ensure that HCD appropriately uses the revenue from fees it collects for the parks program activities only for the fees' intended purposes, HCD should by September 2020 require staff, including inspectors, in the codes and standards division to charge hours that accurately reflect the work they perform.

To ensure that HCD appropriately tracks the time inspectors spend on each program activity, HCD should by September 2020 rescind the time reporting guidance in the August 2015 memorandum and issue new guidance in accordance with HCD policy. It should then require managers to verify the accuracy of inspector timesheets.

To ensure that HCD is able to determine its anticipated workload needs, HCD should by September 2020 establish procedures that ensure that staff accurately record each inspector's time spent on program activities in CASAS.

To prevent misuse of state time and state vehicles by inspectors, HCD should by September 2020 establish a formal process to routinely monitor vehicle usage, including specifics on how and when managers should review inspectors' GPS data, such as information on location and mileage use, to ensure that inspectors use state vehicles and state time only for their official duties.

To ensure that it is aware of any potential conflicts of interest that its inspectors may have, HCD should by September 2020 develop procedures to do the following:

- Review the annual and assuming-position Form 700s of all inspectors with reportable financial interests to identify potential conflicts of interest.

- Ensure that staff promptly notify the Form 700 filing officer of all inspectors hired or leaving HCD employment.

To ensure that it is aware of any potential conflicts of interest that inspectors may have involving real property, HCD should by January 2021 amend its conflict-of-interest code to require inspectors to disclose financial interests in real property.

To ensure that it complies with state law regarding reporting requirements for Form 700s, by August 2020 HCD should notify inspectors with missing Form 700s of their responsibility to file and the potential penalties that may be assessed if they fail to do so. HCD should notify the Fair Political Practices Commission about any inspectors who do not submit the forms as required after notification was sent as well as those who should have submitted Form 700s but who cannot be located as of August 2020.

To demonstrate that it appropriately addresses all complaints alleging inspector misconduct, HCD should by September 2020 do the following:

- Establish policies to document all complaints against inspectors and the steps it takes to address those complaints.

- Refer all complaints against inspectors alleging misconduct to its equal employment opportunity officer or other individual specified in policy.

To ensure that HCD evaluates LEA oversight of mobile home parks effectively, by January 2021 HCD should:

- Continue its efforts to finalize its policies and procedures for evaluating LEAs and ensure that staff members follow its procedures for handling complaints it forwards to those LEAs.

- Develop a formalized schedule to evaluate an adequate number of LEAs each year. HCD could establish a risk-based approach for selecting LEAs to evaluate.

- Develop formal training for its inspectors in the use of its inspection checklist when conducting LEA evaluations.

We conducted this performance audit under the authority vested in the California State Auditor by Government Code 8543 et seq. and in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Respectfully submitted,

ELAINE M. HOWLE, CPA
California State Auditor

July 9, 2020

Appendix

Scope and Methodology

The Joint Legislative Audit Committee (Audit Committee) directed the California State Auditor to examine HCD's inspection process as mandated by the Mobilehome Parks Act. The table below lists the objectives that the Audit Committee approved and the methods we used to address them.

Audit Objectives and the Methods Used to Address Them

	AUDIT OBJECTIVE	METHOD
1	Review and evaluate the laws, rules, and regulations significant to the audit objectives.	Identified and reviewed relevant federal and state laws, rules, and regulations related to the Mobilehome Parks Act (MPA) program.
2	For the last three years, review HCD's approach to inspections by doing the following:	
	a. Identify the number of parks inspected and the frequency with which HCD inspects parks under the Mobilehome Parks Act complaint process—complaint inspections—and the parks program—park inspections—and determine whether HCD is meeting any applicable goals and requirements.	• Analyzed HCD data to determine the total number of park inspections HCD conducted in 2017, 2018, and 2019, and to determine the number of complaints HCD received, inspected, completed, and closed without inspections in the same years. • Analyzed HCD data to determine the number of park inspections each inspector conducted in 2017, 2018, and 2019. • Determined the number of mobile home parks for which HCD did not conduct either a park or complaint inspection from 2010 through 2019. For these parks, determined how many HCD visited for other types of inspections in those same years. • Identified parks in each of five inspectors' areas to determine where the inspectors conducted park inspections during 2017, 2018, and 2019. We found that parks reviewed by each of the five inspectors were geographically dispersed throughout each of their respective regions. • Reviewed how the requirements for annual park inspections have changed over time. • Compared park inspections HCD conducted to parks in HCD's jurisdiction to determine whether HCD met the 5 percent park inspection goal during 2017, 2018, and 2019.
	b. For a selection of Mobilehome Park Maintenance (MPM) and MPA mobile home park inspections, determine the total and average number of hours spent on inspections. Additionally, to the extent possible, determine the total and average number of hours spent on inspections of mobile homes pursuant to applicable state regulations.	• Selected and reviewed 30 park inspections and 24 complaint inspections to determine the time inspectors spent on inspections; to assess inspectors' compliance with HCD policies and procedures in conducting inspections on time; and to determine the amount of time HCD provides to residents and park management to remedy violations. • Reviewed inspection records to determine the time inspectors spent for each of the selected inspections on the preinspection conference, initial inspection, and reinspections.
	c. To the extent possible, determine the percentage of time inspectors devote to those inspections as opposed to other inspection work.	Because we determined that key data fields in HCD's CASAS database were not reliable for the purposes of our analysis, we could not determine the time inspectors spent on other inspection work.
	d. Review the adequacy of HCD's budget for staffing to address MPA complaints and MPM program inspections.	Reviewed HCD's budget and expenditure reports for fiscal years 2016–17 through 2018–19 for HCD's park and complaint inspections to determine whether program fees reasonably covered associated expenditures.

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	AUDIT OBJECTIVE	METHOD
3	Evaluate HCD's processes and practices related to inspecting parks by doing the following:	
	a. Identify and assess HCD's policies and procedures for selecting which parks it will inspect each year, including factors it considers in doing so.	Because HCD lacked policies and procedures for selecting parks for annual park inspections, we interviewed field office managers to identify HCD's selection practices. Evaluated these selection practices for compliance with state law. Identified reasons for other types of park visits performed by inspectors. Reviewed HCD's practices for documenting these visits.
	b. Review and evaluate HCD's policies, procedures, and tools related to inspections and, to the extent possible, determine whether they incorporate best practices.	• Reviewed whether HCD's policies for conducting park inspections and complaint inspections met applicable requirements. • Reviewed GAO audits and HUD procedures to identify best practices relevant to park inspections and complaint inspections. Compared these best practices to HCD's policies, procedures, and tools to determine whether HCD policies, procedures, and tools incorporate best practices. • Reviewed HCD's policies, procedures, and tools for monitoring LEAs, including the extent to which HCD follows up on complaints it refers to them. Determined whether HCD documents its monitoring of LEAs. Reviewed four complaints HCD referred to LEAs to assess whether HCD appropriately monitored LEA compliance with requirements. • Reviewed state law to determine the extent of LEAs' enforcement authority over mobile home parks for which they have taken responsibility.
	c. For a selection of inspections from the last three years, assess inspectors' compliance in conducting inspections according to HCD policies and procedures or any other applicable requirements. Evaluate the methods inspectors use to conduct and document these inspections.	For the 30 park inspections and 24 complaint inspections selected in Objective 2, assessed whether HCD inspectors met requirements for inspection timeliness, documenting violations, providing adequate notice of inspections and violations, and intent to pursue enforcement actions.
	d. For the same inspections, to the extent practical, assess their quality by analyzing the scope and the amount of time taken to conduct the inspections and whether the time was adequate.	• Determined whether the checklist inspectors used during park inspections assesses compliance with minimum health and safety standards specified in the MPA. We found that the scope of park inspections is reasonable because the list addresses these minimum standards. • For the 24 complaint inspections we reviewed, we determined whether inspectors addressed all allegations in their inspection reports. • Observed two park inspections and two complaint inspections with HCD inspectors to assess the quality and scope of the inspection processes. Interviewed four additional inspectors to gain additional perspective on the inspection processes and to identify potential inconsistencies.
4	Identify and assess HCD's policies, procedures, and practices to ensure that inspectors are impartial and preserve the appearance of impartiality during their inspections. Determine the extent to which park owners or residents join inspectors during inspections and whether that involvement is appropriate.	• Reviewed HCD's policies, procedures, and practices and interviewed relevant HCD staff to determine the agency's process for ensuring that inspectors conduct inspections impartially and professionally. • Identified policies, procedures, and practices for allowing park owners and residents to accompany inspectors during park and complaint inspections and determined whether they comply with applicable laws and regulations. • Assessed HCD's policies, procedures, and practices related to addressing complaints of inspector misconduct. • Reviewed statements of economic interests for a selection of inspectors from 2017 through 2019 to determine whether those inspectors reported financial interests. • Determined whether HCD took appropriate steps to mitigate potential conflicts of interest.

	AUDIT OBJECTIVE	METHOD
5	Compare the MPA complaint inspection and MPM program inspection process and, to the extent possible, identify opportunities for coordination between them that may result in new benefits or efficiencies.	• Reviewed HCD's processes for park inspections and complaint inspections to identify any overlap. • Reviewed inspection records to identify the extent to which HCD had incorporated complaint inspections into park inspections. • Reviewed 30 park inspection and 24 complaint inspection files selected in Objective 2 to identify instances when HCD initiated a complaint inspection during a park inspection and assessed appropriateness under the circumstances. • Identified constraints that would prevent additional coordination between park inspections and complaint inspections. We found that statutory time frames for initiating park inspections and for conducting complaint inspections generally prevent coordination. State law requires HCD to notify parks at least 30 days before park inspections, which is the maximum number of days it provides HCD to inspect complaints. As a result, HCD generally cannot incorporate complaints into park inspections unless it provides less than 30 days' notice or inspects the complaint late. Therefore, we did not identify new opportunities for coordination between the two types of inspections that may result in new benefits or efficiencies.
6	Assess HCD's use of its inspectors by doing the following:	
	a. Identify the number of inspectors conducting MPA-related complaints and MPM program inspections and assess their workloads.	Reviewed HCD's CASAS data to identify the number of inspectors conducting park inspections and complaint inspections and assessed the accuracy of inspector workload data.
	b. Identify and assess inspectors' qualifications and whether HCD ensures that they comply with any ongoing training requirements.	• Identified the minimum qualifications required to become an inspector. For a selection of nine inspectors, we found that the inspectors listed experience in their application that satisfied HCD's minimum qualifications requirement. • Reviewed HCD's procedures, practices, and tools for training inspectors, including initial and ongoing training requirements.
	c. Analyze how HCD allocates inspectors between inspections of MPA complaints and MPM program inspections and whether inspectors can and do perform both types of inspections.	Interviewed managers to determine how HCD allocates inspectors between park inspections and complaint inspections. We found that HCD generally assigns inspectors to geographically defined districts, in which each inspector performs both park and complaint inspections.
	d. Determine and evaluate the factors HCD considers when it assigns inspectors to conduct inspections.	Assessed HCD's practices for assigning and prioritizing park inspections and complaint inspections. We found that HCD's practices are reasonable. HCD generally assigns inspectors a similar number of park inspections and assigns inspectors to conduct complaint inspections for complaints pertaining to their districts.
7	Review the adequacy of notice given to affected parties in the inspection process.	Reviewed a selection of notices of violation and notices of upcoming inspection to determine whether HCD complies with statutory requirements for the content of these notices.
8	Review HCD's policies, procedures, and practices to determine the amount of time HCD provides to park residents and management to remedy violations identified during inspections. Assess what occurs when residents and management do not remedy violations and, to the extent possible, identify opportunities to increase the number of violations remedied.	• Reviewed HCD's policies and procedures to identify the time it provides affected parties to resolve violations. • Using the 30 park inspections and 24 complaint inspections selected in Objective 2, we reviewed HCD's compliance with time requirements for remedying violations before conducting reinspections. • For three park inspections that resulted in either the suspension of the permit to operate or referral to a district attorney, assessed the reasonableness of the actions HCD took when park owners or residents failed to remedy violations. Assessed whether HCD could improve the steps it takes to help park owners and residents remedy violations.

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	AUDIT OBJECTIVE	METHOD
9	Review and evaluate inspectors' follow-up visits after inspections to ensure compliance by doing the following:	
	a. Assess whether HCD's policies and procedures provide guidance on follow-up visits after inspections, and determine whether these visits are considered part of MPM program inspections or the MPA complaint process.	Reviewed HCD's policies and procedures to determine the timing of reinspections after the initial park or complaint inspection.
	b. For a selection of inspections from the last three years, determine the frequency of follow-up visits conducted by HCD.	Determined the frequency of reinspections for the 30 park inspections and 24 complaint inspections selected in Objective 2.
	c. For those inspections, determine which types of violations were subject to follow-up and how HCD deemed the inspections complete and violations resolved.	Reviewed inspection reports to determine how inspectors deem inspections complete and violations resolved. We found that given its general practice to conduct reinspections until all identified violations are resolved, we determined that HCD considers an inspection complete once the inspector deems all violations resolved and closes the inspection file. Further, inspectors generally deem violations resolved when they no longer identify those violations during reinspections.
10	Evaluate the extent to which HCD makes inspection records publicly available.	• Identified HCD's policies and procedures for sharing inspection records with the public. Assessed whether HCD complied with time requirements for responding to Public Records Act (PRA) requests. For five PRA requests we reviewed, HCD generally responded within time requirements and provided any responsive records requested. • Evaluated the value and feasibility of publishing HCD park inspection records online. Our review found that although publishing inspection records online is feasible, there is more value in publishing aggregate data, such as the number of complaints against mobile home parks or the date of the last park inspection. To this end, HCD indicated that it will publish online its biennial internal reports on inspection activities, which includes this aggregate information.
11	Review and assess any other issues that are significant to the audit.	• Reviewed HCD's process for monitoring inspectors' use of state vehicles. • Reviewed a 2015 internal audit related to HCD's management of the MPA and evaluated HCD's progress in addressing relevant audit findings and recommendations. • Interviewed managers to identify how they monitor inspectors' workloads to determine the inspectors are completing an appropriate amount of work.

Source: Analysis of Audit Committee's audit request number 2019-111, as well as information and documentation identified in the column titled Method.

Assessment of Data Reliability

In performing this audit, we relied on electronic files from the CASAS database that HCD uses to track various inspection program activities. The U.S. Government Accountability Office, whose standards we are statutorily required to follow, requires us to assess the sufficiency and appropriateness of the computer-processed information that we use to support our findings, conclusions, and recommendations. To evaluate these data, we performed dataset verification procedures and electronic testing of the key data elements. We also verified accuracy of

the data by tracing key data against sources of corroborating documentation from actual inspection files and verified completeness of the data by haphazardly selecting inspections from HCD's paper files and ensuring that each inspection existed in CASAS. We determined the data to be sufficiently reliable for the purpose of selecting park and complaint inspection files for testing, determining the number of park and complaint inspections HCD conducted in 2017 through 2019, and calculating the average number of park and complaint inspections that HCD inspectors performed for those years. When evaluating inspector workload data we found errors in the accuracy of time spent on inspections. Therefore, the data was not sufficiently reliable to determine the inspector workload. When testing data used in determining other inspection work unrelated to park or complaint inspections completed for 2010 through 2019, we identified that 152,000 of the 243,000 inspection records did not include data that identified the park associated with the other inspection work. We also found an error in the accuracy of the activity code data that showed HCD could not document that it had conducted other inspection work that was recorded in CASAS. As a result, the data are not sufficiently reliable for determining other inspection work HCD conducted for 2010 through 2019. Although this determination may affect the precision of some of the numbers we present, there is sufficient evidence in total to support our findings, conclusions, and recommendations.

In addition, we relied on the California State Accounting and Reporting System accounting data to provide background information on HCD's parks program revenue and expenditures for fiscal years 2016–17 through 2018–19. Because these data were used primarily for background or contextual information that does not materially affect findings, conclusions, or recommendations, we determined that a data reliability assessment of those data was not necessary.

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STATE OF CALIFORNIA - BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY GAVIN NEWSOM, *Governor*

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June 15, 2020

Elaine M. Howle
California State Auditor,
621 Capitol Mall, Suite 1200
Sacramento, California 95814

RE: Mobilehome Park Inspections: The Department of Housing and Community Development Must Improve Its Inspection Process to Better Protect Park Residents

Dear Ms. Howle:

The Department of Housing and Community Development (HCD) appreciates the California State Auditor's examination of Mobilehome Park Inspections in its draft report titled "The Department of Housing and Community Development Must Improve its Inspection Process to Better Protect Park Residents."

We concur with the recommendations and have already completed and implemented many of the recommendations provided in the report that illustrate areas of improvement to better protect the health and safety of California mobilehome park residents, park owners, and help secure the sustainability of property.

We have initiated key improvements to reduce the risk of unreported health and safety violations by developing Mobilehome Park Maintenance selection criteria and commit to continuing to evaluate those procedures for selecting parks for inspection. In addition, HCD has made enhancements to the Codes and Standards Automated System (CASAS) to include language for notifying complainants of their due process rights to a hearing.

HCD management has committed to improve inspector training and has also directed staff to ensure consistency with the data to effectively manage the costs and resources of its program activities. Finally, staff is completing the Local Enforcement Agency (LEA) Monitoring Guide to formalize policies and procedures for evaluating LEAs and will use the guide to train its staff to monitor an adequate number of LEAs.

Thank you for this opportunity to respond to this draft report. We look forward to providing an update on the progress made in our 60-day agency response. Through formalized inspection policies and procedures, better resource management and reporting, and more robust LEA monitoring, we will be better able to serve the public and promote safe, affordable housing and strong vibrant communities throughout California.

Should you have any questions, please contact HCD's Chief Internal Auditor, Mathew Raute at (916) 263-7417 or Mathew.raute@hcd.ca.gov.
Sincerely,

Zack Olmstead
Chief Deputy Director

cc: Lourdes M. Castro Ramírez, Secretary, Business, Consumer Services and Housing Agency
Patti Ochoa, Administrative Process Manager, Business, Consumer Services and Housing Agency