



Manufactured Housing Division

Texas Department of
Housing and
Community Affairs

Executive Summary
and FY 2022 Report



Manufactured Housing Division

The Manufactured Housing Division (MHD) of the Texas Department of Housing and Community Affairs administers the Texas Manufactured Housing Standards Act. Because of its regulatory nature, MHD has its own board and executive director. The policy-making body of the Division is a five-member board, appointed by the governor with the advice and consent of the Texas Senate. The members hold office for staggered terms, with the terms of two or three members expiring on January 31 of each odd-numbered year. Members must be registered voters and may not hold another public office. These are non-salaried positions and the Governor designates the chair.

Board Member	Term Expires	Hometown
Chair Ronnie M. Richards	<i>At the pleasure of the Governor</i>	Clear Lake Shores
Jason R. Denny	1-31-2025	Austin
Joe Gonzalez	1-31-2027	Round Rock
Sylvia L. Guzman	1-31-2025	Spring
Keith C. Thompson	1-31-2023	Lubbock
Executive Director Jim R. Hicks	<i>At the pleasure of the Governor</i>	Austin





TABLE OF CONTENTS

AGENCY MISSION

- Who We Are | 4
- What We Believe | 5
- Who We Regulate | 6
- How We Do It
 - Functional Alignment | 8
 - Moving In | 10

FY2022 PROGRESS

- What We Have Done
 - Core Work | 12
 - Division Accomplishments | 21

DIVISION GOALS & ACTION PLAN

- Challenges We Face | 30
- Where We are Going and
 - How We Get There | 32



WHO WE ARE

AGENCY MISSION

The Texas Department of Housing and Community Affairs, through its Manufactured Housing Division (the "Division") regulates the manufactured housing industry in Texas. It administers the Texas Manufactured Housing Standards Act (the Standards Act) and acts as HUD's state supervisory agent to administer certain aspects of the National Manufactured Housing Construction and Safety Standards Act of 1974 (the Federal Act).

Under its current agreement with HUD, the Division administers parts of the Act, which involve:

- Monitoring manufacturers' performance in handling consumer complaints;
- Searching for and, when warranted, initiating class action cases;
- Performing post-production monitoring of manufactured homes produced and/or shipped to Texas; and
- Monitoring licensed retailers.

The Standards Act assigns additional responsibilities to the Division for:

- Maintaining records of ownership, location, and real or personal property status;
- Recording and releasing liens;
- Conducting training and issuing licenses to persons in the manufactured housing industry;
- Performing installation inspections;
- Issuing state seals;
- Investigating and resolving consumer complaints under the Standards Act;
- Investigating and taking appropriate action against violators of the Standards Act and Administrative Rules; and
- Administering the Consumer Claims Program.

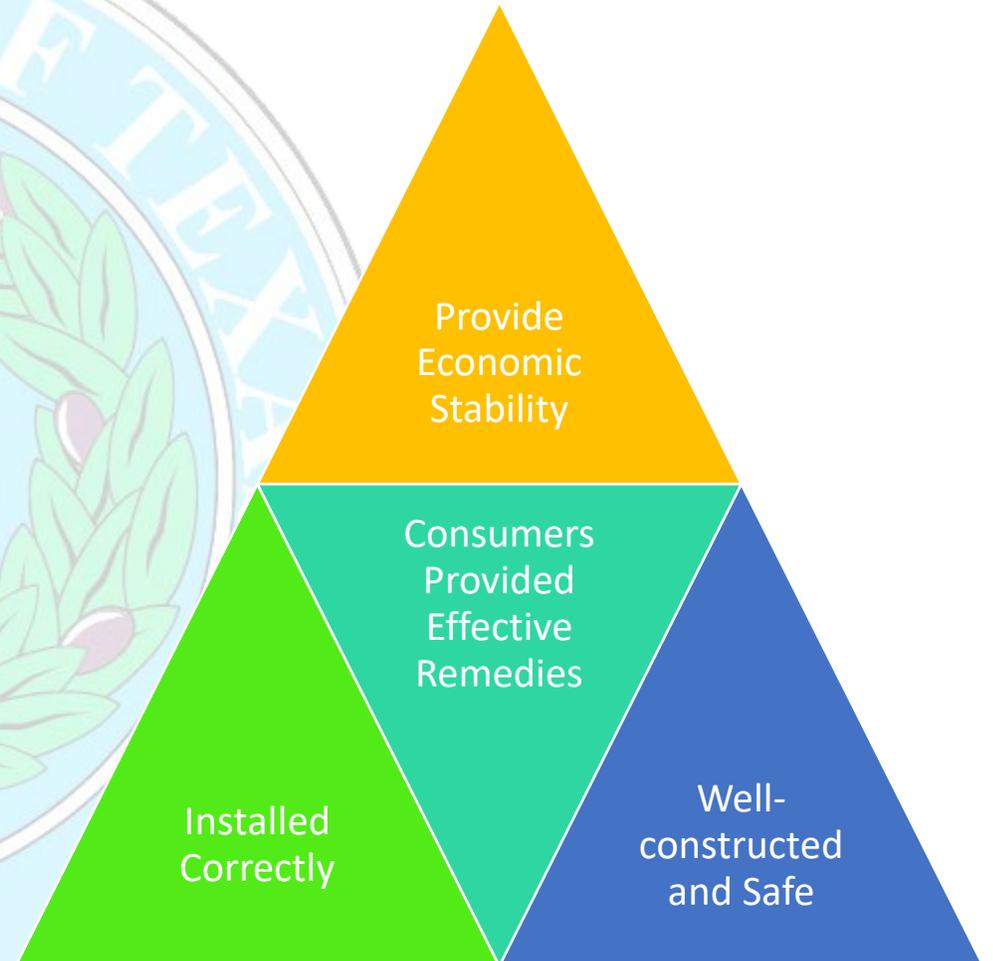




WHAT WE BELIEVE

The Standards Act ensures that manufactured homes are **well-constructed and safe**, that homes are **installed correctly**, that consumers are provided **fair and effective remedies**, and that measures are taken to **provide economic stability** for the Texas manufactured housing industry.

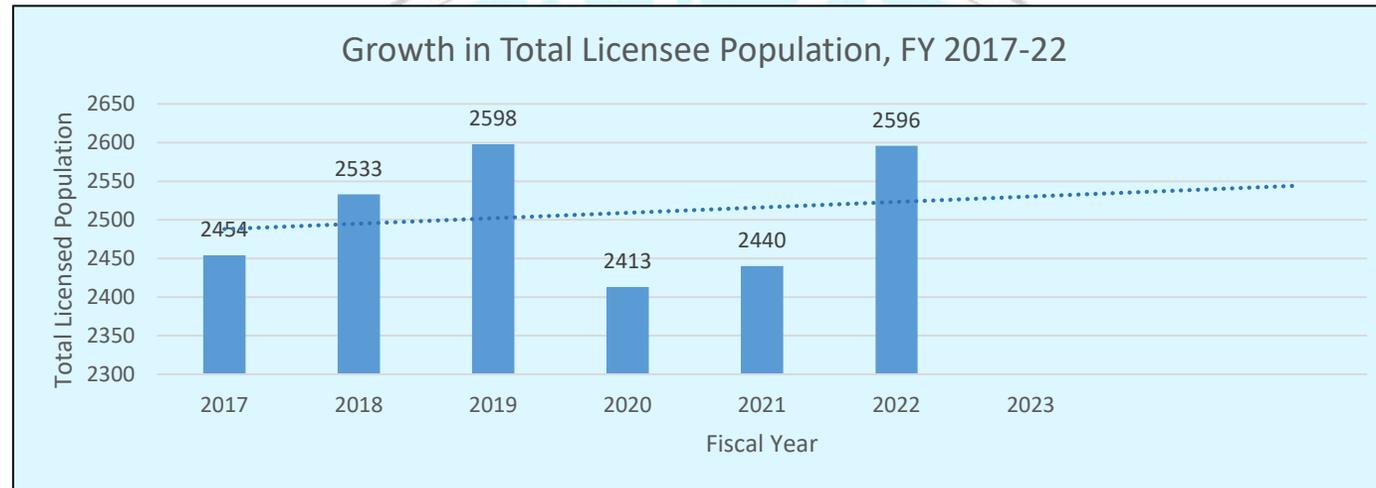
AGENCY MISSION





WHO WE REGULATE

AGENCY MISSION



The Division has demonstrated our ability to successfully streamline licensing programs and provide online licensing courses in the wake of COVID-19. In recent years, the Division has continued to issue licenses, while at the same time monitoring and educating an increasing total number of licensees in the state of Texas.

Licensees, by Type

The Manufactured Housing Division offers 8 types of licenses, including three combination licenses, shown in the table.

This is a snapshot of our total licensee population for FY 2022, showing the growth and turnover in the personnel of the industry.

License Type	Total Active Licenses	Total NEW Licenses (FY22)	Total RENEWED Licenses (FY22)
Salesperson (S)	1697	593	565
Broker (B)	10	4	4
Retailer (R)	55	15	36
Installer (I)	115	16	88
Manufacturer (M)	30	2	24
Retailer/Broker (R/B)	36	16	13
Retailer/Installer (R/I)	163	31	89
Retailer/Broker/ Installer (RBI)	493	78	333
TOTAL	2596	755	1152





HOW WE DO IT: *Functional Alignment*

AGENCY MISSION

The Division is separated into several different areas to better serve our populations:

- Customer Service;
- Production (Processing of Statements of Ownership, Document Control);
- Licensing and Education;
- Installations and Inspections;
- Compliance and Enforcement;
- Information Systems (IS); and
- Human Resources.

Each functionally-aligned area works in concert with:

- The Office of the Governor;
- The Texas Legislature; and
- Local Municipalities





HOW WE DO IT: *Functional Alignment*

AGENCY MISSION

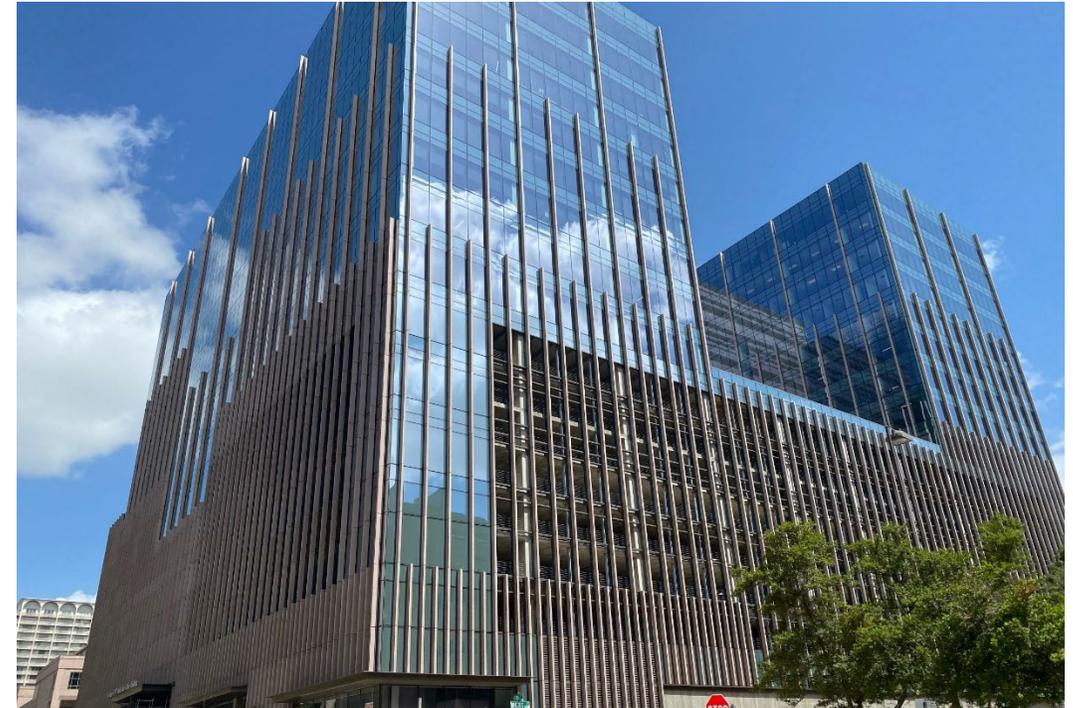
- **Executive Office:** Provides leadership and motivation to achieve our strategic goals and manages day-to-day operations via the Director of Operations. Implements objectives and ensures compliance with initiatives and laws. General Counsel provides legal guidance to all operations, as well as advising the office, preparing and filing orders in cases, and coordinating with other advisory boards and staff on compliance with the applicable laws. CFO and associated staff analyzes data on cash flow and analyzes financial strengths and weaknesses to improve by proposing corrective actions, and oversees the procurement of revenue and processing of mail received by the agency.
- **Customer Service:** Responds to customer contacts, answering questions about programs and processes, educating and assisting consumers as they apply for transfers of Statements of Ownership (SOs), and assist customers in paying the fees associated with transferring SOs. Customer Service representatives are the first and often only point of contact with the agency. The Customer Service Representative must ensure that they properly educate the consumer on the proper documentation and fees needed to obtain their SO. CS reps respond to an average of 1300 emails and 8000 calls, and mail out around 8000 RAIs and SOs per month. Customer Service Supervisor and Lead analyze pain points and work toward improvements, experimenting with new processes to offer better service to our customers.
- **Production:** Assists individuals in need of a Statement of Ownership (SO). Production guides customers to submit documents required for the issuance of the SO. Processors analyze applications to determine if sufficient chain of ownership is provided, ensuring that the necessary supporting documentation are included, per Texas Law and Rules. If an applicant submits an application that needs further documentation or clarification, Production either reaches out to the party involved, or sends a Request for Additional Information (RAI) to obtain documentation. Once an application is deemed complete, the application is proofed for typos and SO is issued. All SO applications and RAIs are scanned and archived. Originals are kept to meet the State's Retention Schedule.
- **Field Inspections:** With inspectors being stationed all across the state, Field Operations is the inspection arm of the department. Manufactured home installation, consumer complaint, habitability, migrant labor housing, and various other types of inspections are conducted by this unit in an objective, thorough, and timely manner to ensure compliance with all applicable state and federal requirements. The effect of these efforts leads to a safe, durable, and affordable housing option for residents in the state, and a business environment where licensees are held to a uniform standard.
- **Installations, Complaints, and Enforcement:** Inputs the data associated with the installation of homes ("Form Ts"). Promptly resolves complaints against regulated populations with due process through the collaborative efforts of the administrative and legal staff. Staff reflects the life cycle of a typical complaint, and includes parts of the inspections unit, investigations, and executive members, as it moves through the enforcement process.
- **Licensing & Education:** Oversees requirements and answers questions for new licensees. Processes and reviews applications and issues licenses to qualified individuals and businesses in accordance with statutory requirements including analyzing a background check for each applicant. Conducts the Licensing Education Course, now 100% online, which helps ensure compliance through education of our licensed industry professionals: salespeople, retailers, manufacturers, brokers, and installers.
- **Information Systems:** Manages assorted systems spread across a broad array of technologies that support mission-critical activities for the division. Evaluates cybersecurity risks, ensures compliance with applicable state standards and federal law. Institutes industry best practices, manages technology resources appropriately; and curates technologies that allow employees to work in the field and at home to improve agency efficiency and enhance customer experience.
- **Human Resources:** Manages recruitment, hiring, training, benefits, and reviews personnel policies to ensure compliance with applicable state and federal laws.



HOW WE DO IT: *Moving In*

AGENCY MISSION

The Division moved to our new building in the Capitol, July 15, 2022.



We had no unusual issues with move-in!





HOW WE DO IT: *Moving In*

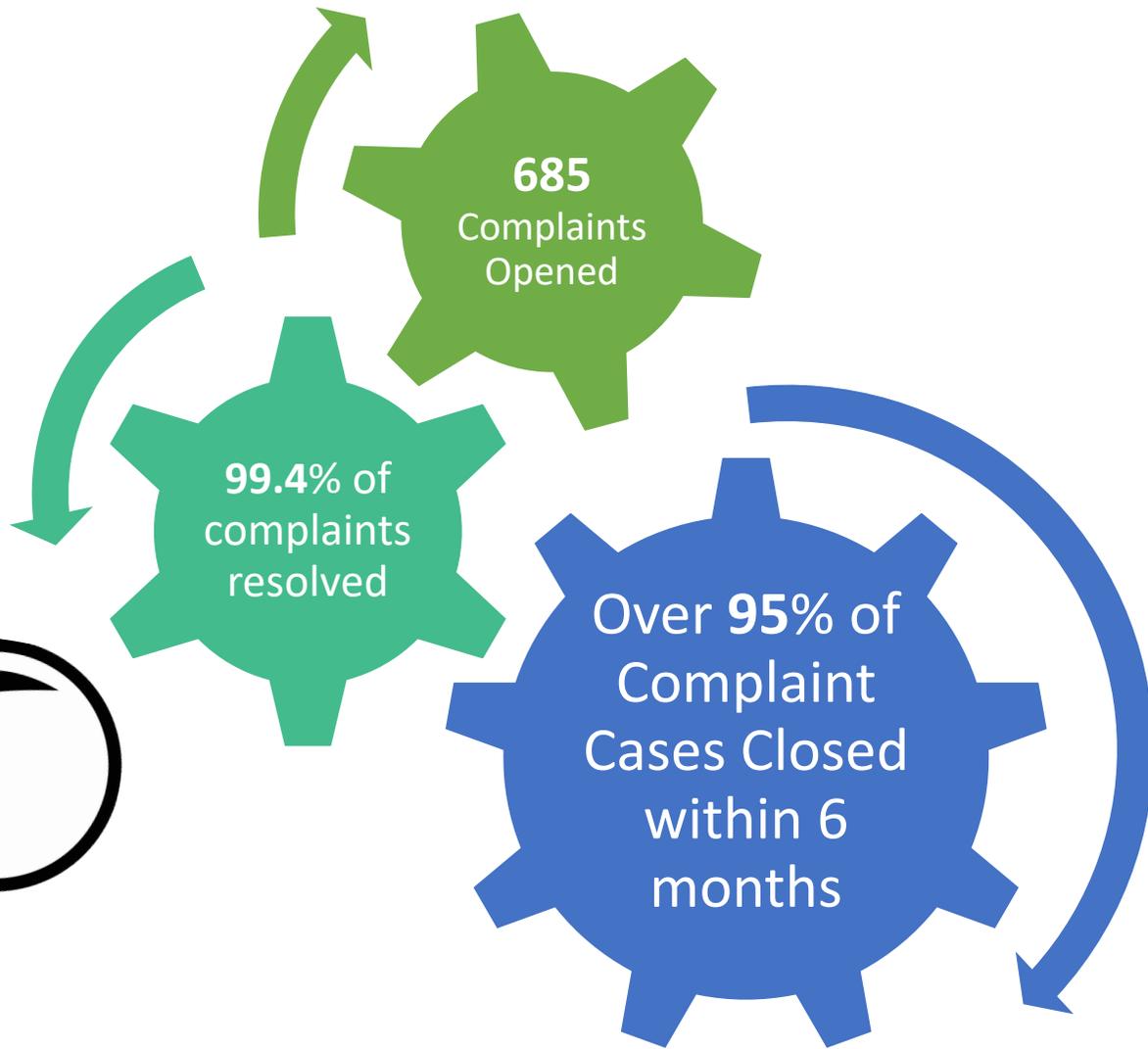
AGENCY MISSION





WHAT WE HAVE DONE - *Core Work:* **FY2022 PROGRESS**

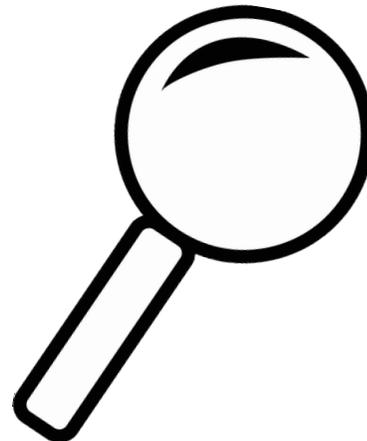
Installations and Complaints



18,851 installations recorded

18,522 inspections attempted (98%)

89% of installations actually inspected



FY2022 data



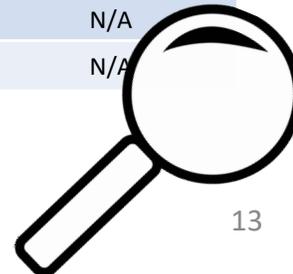
WHAT WE HAVE DONE - *Core Work:* FY2022 PROGRESS

Installations

INSPECTIONS			
INSTALLATION INSPECTIONS	FY2022	FY2021	FY2020
Reported Installations	18,851	18,646	18,484
Attempted Installation Inspections	18,522 (98%)	18,234 (98%)	18,201 (98%)
Successful Installation Inspections	16,698	16,885	16,482
Unsuccessful Installations Inspections	1,826	1,348	1,719
Success Rate	89%	91%	89%
% of Inspections within 45 day self-imposed goal (85%).	86%	92%	N/A
% of Inspections within 60 day self-imposed goal (90%).	92%	N/A	N/A

DEVIATIONS SUMMARY			
	FY2022	FY2021	FY2020
Footings	26	25	25
Site Prep	67	153	200
Anchors	188	171	213
Home Connections	54	79	129
Piers	102	103	141
Ties	135	149	145
Crossover Connection	169	90	104
Pier Placement	116	103	147
Skirting (New Home)	34	36	53
Weatherproofing	341	335	373
TOTAL	1,232	1,244	1,530

DEVIATIONS BY REGION			
	FY2022	FY2021	FY2020
DFW	101	204	N/A
Edinburg	33	52	N/A
Houston	290	220	N/A
Lubbock	45	41	N/A
San Antonio	112	103	N/A
Tyler	158	154	N/A
Waco	129	53	N/A
TOTAL	868	827	N/A





WHAT WE HAVE DONE - *Core Work:* AGENCY MISSION

Inspections

INSPECTIONS			
CONSUMER COMPLAINT INSPECTIONS	FY2022	FY2021	FY2020
Consumer Complaint Inspections Conducted	455	393	435
Inspections beyond 30 days	3	0	706
OTHER	FY2022	FY2021	FY2020
Habitability Inspections	459	585	426
Retailer Damage Assessments of Damaged Homes	59	166	0
Installation Inspections for FEMA	0	0	0
Installation Inspections for GLO	0	0	0
Migrant Labor Facility Inspections for TDHCA	253	136	155

COMPLIANCE REVIEWS			
	FY2022	FY2021	FY2020
Retailer	437	295	716
Installer	39	54	112
Total	476	349	828





WHAT WE HAVE DONE -

FY2022 PROGRESS

Core Work: Processing

**14.7% More Applications
& 7.3% More SOs Issued**

(Comparison, FY21 to 22)



	Applications for SO Rec'd	Avg. Application Processing Time	Statements of Ownership Issued
FY 2022	85,930	4 days	57,114
FY 2021	74,913	3 days	53,217
FY 2020	68,547	2 days	50,424
FY 2019	74,171	2 days	49,798
FY 2018	74,206	6 days	49,967



WHAT WE HAVE DONE -

Core Work: Production

FY2022 PROGRESS

TAX LIENS			
	FY2022	FY2021	FY2020
Manually Entered	857	599	488
Manually Released	5,251	2,867	3,498
Electronically Entered	217,826	199,311	227,656
Electronically Released	98,796	81,494	120,131
Removed for exceeding 4 years	109,645	114,404	107,007

SAA MONITORING/AUDITS			
	FY2022	FY2021	FY2020
Manufacturers	7	17	8





WHAT WE HAVE DONE -

Core Work: Customer Service Dept.

Over 100,000

Customer Service Interactions *this past year*, including:



Over 14,000
Customer Service E-mails



81,891
Customer Service Calls Received



2,334
Walk-In Customers



5,779
Licensing Calls Answered

FY2022 PROGRESS



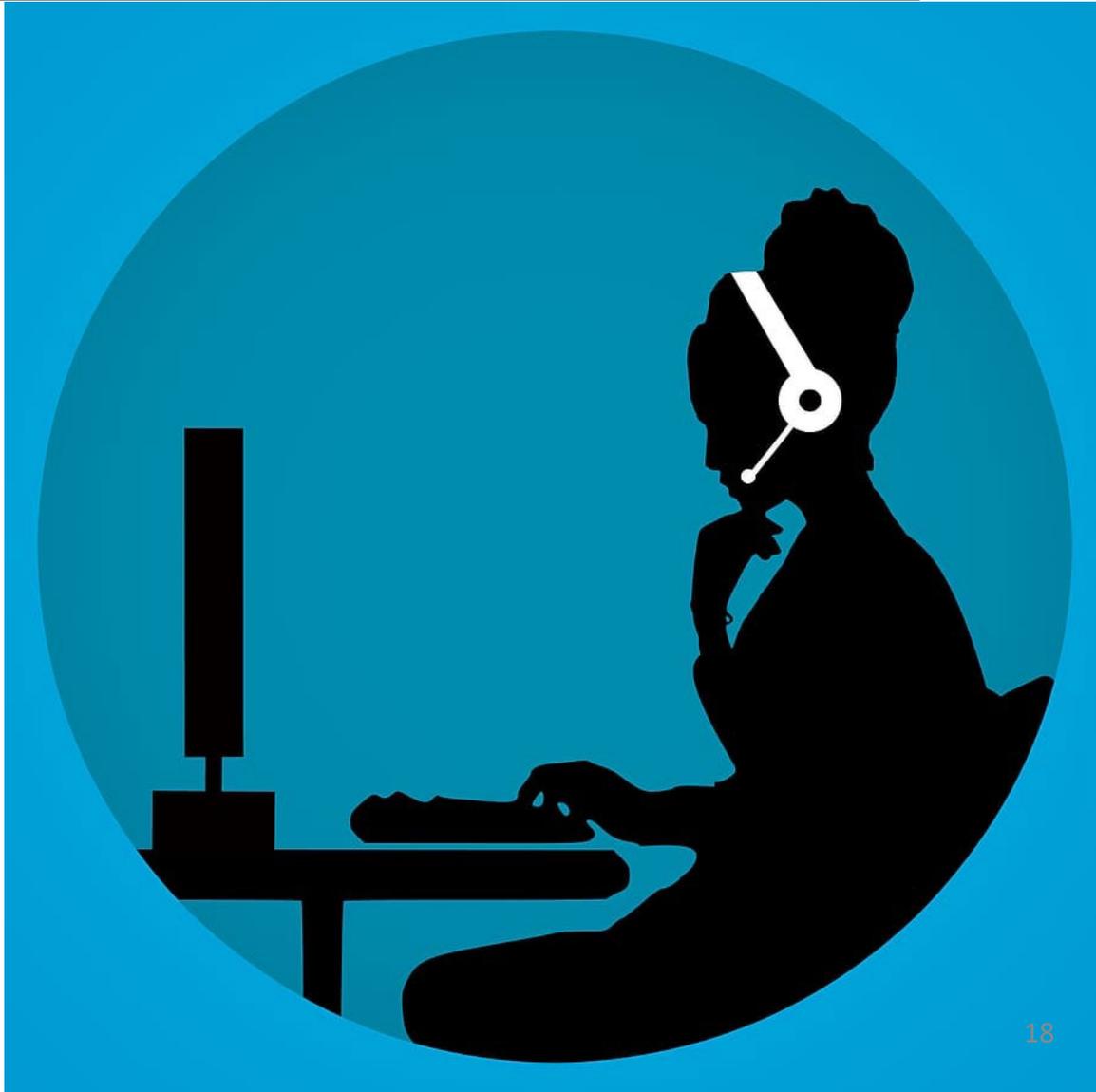


WHAT WE HAVE DONE -

Core Work: Customer Service Dept.

FY2022 PROGRESS

CUSTOMER SERVICE – CALLS AND WALK-IN DATA			
	FY2022	FY2021	FY2020
Incoming Calls – English	73,879	68,669	66,972
Incoming Calls – Spanish	5,138	4,860	2,427
Support Service Line	2,874	3,900	4,304
Total Calls Received	81,891	77,876	73,703
Total Calls Answered	57,136	67,221	65,472
Percentage of incoming calls answered	70%	86%	89%
Walk-In Customers	2,334	1,252	1,806





WHAT WE HAVE DONE -

Core Work: Licensing and Education

FY2022 PROGRESS

Issued & Renewed **1,137**
Licenses to **Individuals**

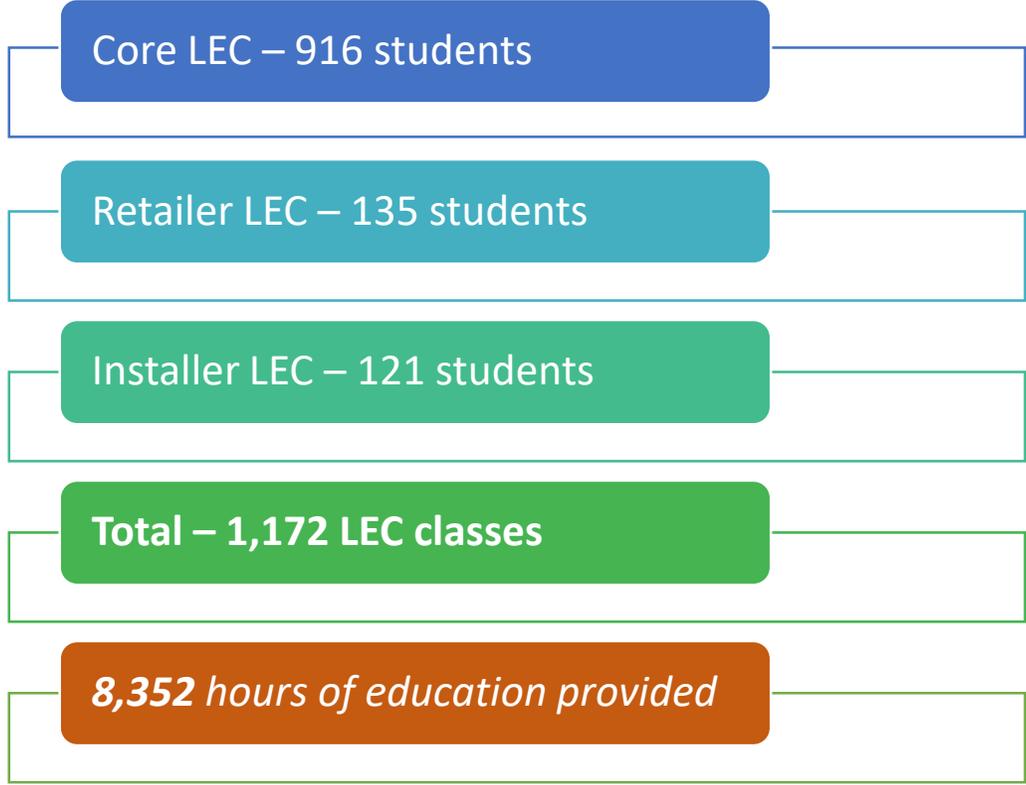
Issued & Renewed **742**
Licenses to **Businesses**

23
informative
videos for
the public
& licensees

1,879
New/renewed
licenses issued
within 7 days of
application (100%)



Licensing Education Class (LEC)





WHAT WE HAVE DONE -

Core Work: Enforcement

FY2022 PROGRESS

ENFORCEMENT			
	FY2022	FY2021	FY2020
Director's Disciplinary Meeting	6	1	1
Alternative Dispute Resolution	1	0	0
Hearings Held	0	0	0
Orders Issued	94 (87 warning letters)	155 (130 warning letters)	167 (135 warning letters)
Avg Case Resolution (Days)	77	63	56
Illegal/Unlicensed Activity	85 (76 Internal Sources, 9 Consumers)	103 (100 Internal Sources, 3 Consumers)	105 (105 Internal Sources, 0 consumers)
Administrative Penalties	\$4,050.00 (4 Respondents)	\$9,000.00 (9 Respondents)	\$6,500.00 (6 Respondents)

HOMEOWNER CONSUMER CLAIM PROGRAM			
	FY2022	FY2021	FY2020
Paid	\$7,950.00	\$62,087.00	\$49,474.50
Reimbursed	\$7,950.00	\$0	\$49,474.50

DISMISSED CASES			
Reasons for Dismissed Cases	FY2022	FY2021	FY 2020
Resolved prior to Violation	32	61	45
Corrected in Field	340	432	402
Issued SO (Licensee out of bus)	1	6	3
Consumer Withdrew Complaint	3	2	1
Dismissed - Lack of Evidence	31	43	36
Out of Warranty	26	34	30
Opened in Error/Duplicate	9	19	14
TOTAL	410	597	531



DIVISION ACCOMPLISHMENTS

FY2022 PROGRESS

Technology

- Develop, test, and implement the GoCanvas application that will dispatch assigned work to the inspectors, capture all inspection data on their phone and automatically export inspection results back into the agency's database.
- **Status: Partially Accomplished.** Developed the **GoCanvas** application. *This isn't a typical development project where our IS team knows and understands the technology. They are working, learning and forcing what is given to them to work with our systems and technology. It is a time consuming process where a good deal of our time is spent on learning and discovery.*
- We have **completed the design** and capture of initial files sent to populate forms and the new data forms being retrieved with findings. We are **in the process** of designing how to pull the images associated to findings in a meaningful format, as well as compiling the data in a meaningful format that we can process for importing into the Exodus database system. Lastly, we need to **find a way to eliminate the Form T's** received and completed from each inspectors daily schedule.
- Once completed, we need to **test the app.** **Estimated testing to begin during Q1 of FY2023.**



DIVISION ACCOMPLISHMENTS

FY2022 PROGRESS

Education

- Complete the last phase of publishing a Field Operations manual which outlines the travel, inspection, administrative, and reporting processes.

Status: Accomplished. Next improvement will be to *migrate all manuals* into a digital format.

- Implement training program for new employees and conduct general training to existing staff to improve consistency of knowledge and information provided to the public.
- **Status: Accomplished.** Hired a **Multimedia and E-Learning Specialist**
 - Currently running all education and training for the agency, industry and consumers.
 - Several planned expansions of training rolling out in FY2023



DIVISION ACCOMPLISHMENTS

FY2022 PROGRESS

Education, continued

- **Continue offering online Licensing Education Classes**
- **Status: Accomplished.** The online classes have resulted in:
 - Financial **savings** for MHD of approximately **\$24,000 annually**
 - no expenditures for books, supplies, or conference center rental;
 - Financial **savings** for potential **license holders**, as they do not have to pay for travel and lodging;
 - Retailers are able to **continue conducting business without interruptions** due to sales staff attending classes in Austin;
 - **Convenience** of taking classes online with the ability of a self-paced feature;
 - **Automation** grading and certificate distribution;
 - Administrative tools within Adobe software that **records performance (grades) and statistical feedback** such as test-taking times and time spent per module





DIVISION ACCOMPLISHMENTS

FY2022 PROGRESS

Efficiency

- **Maintain the current successful installation inspection rate of 90%.**
- **Status: Accomplished.** *Despite inspectors having received 18% more consumer complaint cases, 2% more reported installations and 110% more migrant labor inspection requests, we still provided for:*
 - *an attempted installation inspection rate of 98% (goal 95%),*
 - *and a successful installation inspection rate of 90.3% (goal 90%).*
- **Maintain a focus on accounting for all homes installed to minimize potential consumer complaints.**
- **Status: Accomplished.** *This was accomplished through the compliance monitoring process conducted by the Division.*



DIVISION ACCOMPLISHMENTS

FY2022 PROGRESS

Efficiency

- **Maintain statement of ownership application processing time of 5-7 days.**
- **Status: Accomplished.** *Although we have seen a 15% increase in applications submitted over last year, we maintained an average processing time of 4 days.*
- **Maintain license application processing time below 3 days.**
- **Status: Accomplished.** *Although we have seen a 17% increase in applications submitted over last year, we maintained an average processing time of 1.57 days.*



DIVISION ACCOMPLISHMENTS

FY2022 PROGRESS

Leadership

- Continue focus on employee morale and innovative ways to recognize staff for their contribution.
- **Status: Accomplished.** Have accomplished this via several measures:
 - hosted multiple staff **breakfasts and luncheons**;
 - granted **administrative leave time** before and after major holidays;
 - allowed employees to wear **jeans** in winter and **shorts** in summer;
 - purchased new **laptops** for staff;
 - gave **gift cards** to employees who were recognized for going above and beyond;
 - gave additional merit pay to employees volunteering to work in the office during the pandemic; and
 - issued the largest one-time **merit bonuses** to staff, based on their evaluation score.





DIVISION ACCOMPLISHMENTS

FY2022 PROGRESS

Strategic Initiatives

Moved Offices

- Successfully completed our move to the new George H.W. Bush building
 - Only one day of downtime for the Department.

Expanded use of MS Teams

- Allowed better communication between staff and management.
- Allowed employees to share digital information while social distancing.
- Allowed the agency to conduct our annual field meeting virtually instead of in person, saving the agency approximately \$20,000.00 in travel expenses.
- Allowed the agency to conduct virtual compliance monitoring inspections, saving the agency approximately \$35,000 in travel expenses.

Renegotiated the administrative contract with TDHCA

- Allowed delayed payment until later in the fiscal year
- Frees up needed cash flow in September and October.





DIVISION ACCOMPLISHMENTS

FY2022 PROGRESS

Strategic Initiatives, con't

Staff Training

- Held onboarding training for new staff.
- Cross-trained multiple employees in new areas.
- Trained two additional state administrative agency (SAA) investigators to complete plant inspections.

Worked with several out-of-state SAAs to complete consumer complaints

- Colorado, New Mexico, Oklahoma, and Louisiana.

Established contract with IBTS (3rd party IPIA Auditor with HUD)

- Perform traveling plant inspections with HUD monitoring team out of state.





DIVISION ACCOMPLISHMENTS

FY2022 PROGRESS

Strategic Initiatives, con't

Field Enhancements

- Reorganized Field Operations to run under one manager and two supervisors.
- Realigned regional workloads of inspectors to improve efficiency.
- Began the use of weekly and monthly video conference meetings between all field office personnel to further build relationships and enhance the level of communication related to performance expectations and the dissemination of information. This has already reaped substantial benefits in performance.

Added rider to Legislative Appropriations Request

- Allows the agency to roll over earned monies from a previous fiscal year instead of allowing it to be swept into the general revenue.





DIVISION GOALS & ACTION PLAN

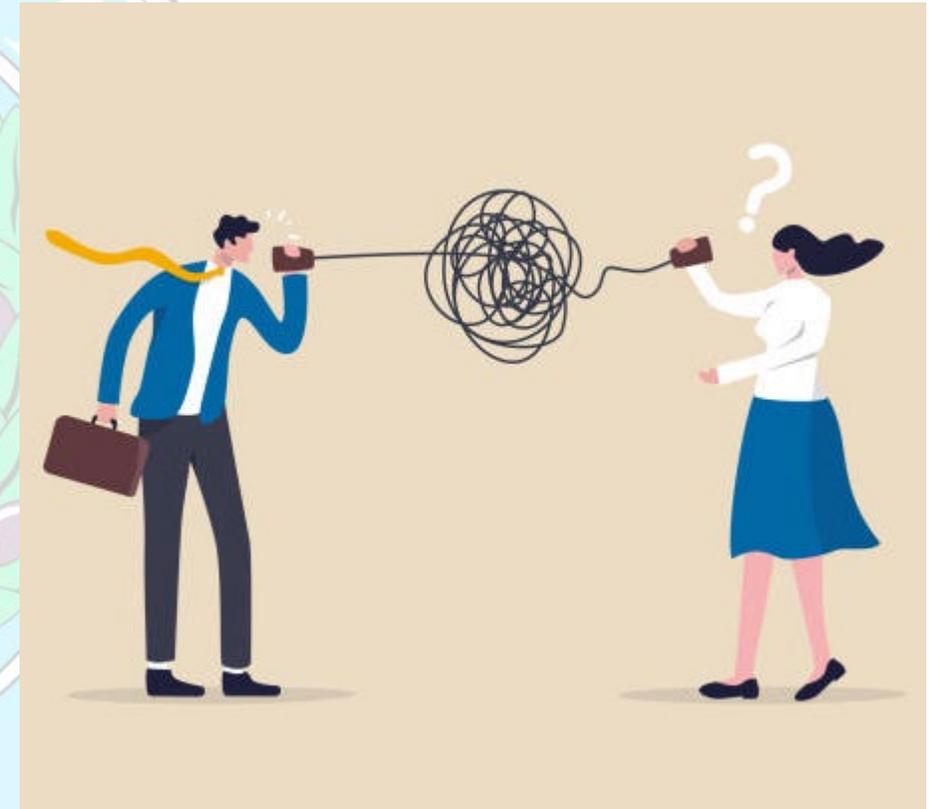
CHALLENGES WE FACE

Language & Culture Barriers

The Manufactured Homes Division (MHD) faces some unique challenges when compared with other State agencies.

For example, occupants and owners of Manufactured Housing often speak a **language other than English** as their primary language. Recruiting and retaining personnel that speak multiple languages has been an important part of our Agency goals, and being able to help people from many cultures experience the dream of home ownership is one of the most fulfilling parts of being in the MHD.

However, when Customer Service or Processing has to speak with a person who does not speak English, getting an interpreter can be tricky, especially in languages other than English and Spanish.





DIVISION GOALS & ACTION PLAN

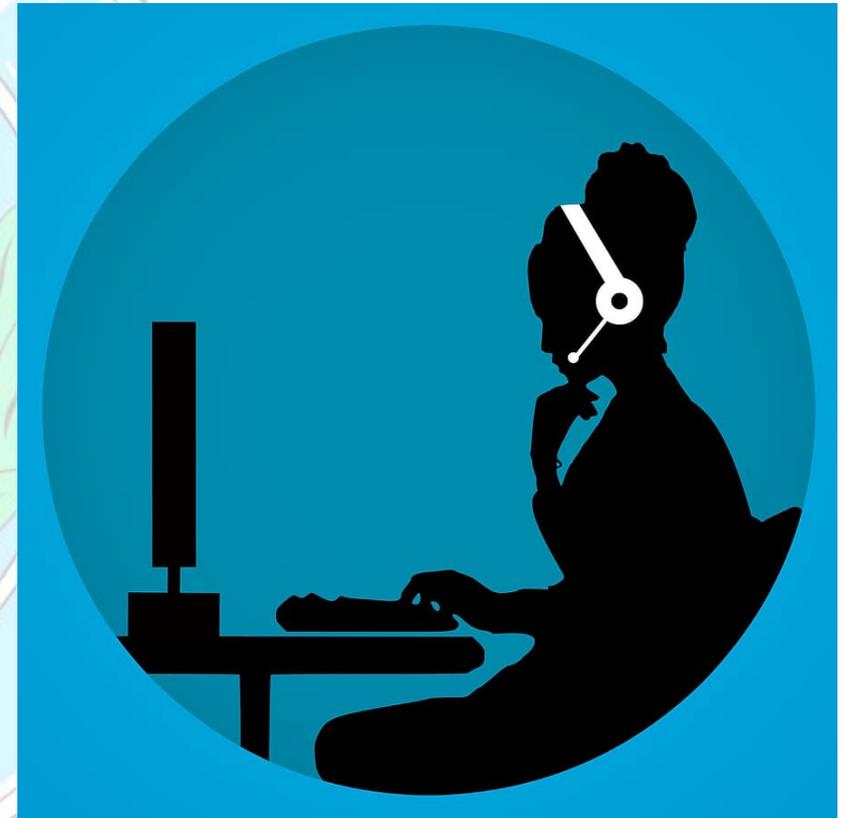
CHALLENGES WE FACE

Keeping Customer Service Staffed

Customer Service personnel positions are tough jobs – interacting with the public on a daily basis can be grueling. Unfortunately, the challenges the MHD has faced in this aspect have been exacerbated by low pay: this sector is the lowest-paying part of the Division.

In addition, an analysis of different agencies around Texas showed that MHD has some of the lowest pay rates in state agencies with an average salary of **21% below the average** for comparable positions.

To help combat this and to help increase retention and assist in recruiting of new personnel, Executive Director Jim Hicks has developed a multifaceted plan to free up additional funds for increased compensation for MHD personnel.





DIVISION GOALS & ACTION PLAN

WHERE WE ARE GOING *and* HOW WE GET THERE:

Technology

- **Finish** the testing, and implementation of the **GoCanvas application**
 - Dispatch assigned work to the inspectors,
 - capture all inspection data on their phone
 - Automatically export inspection results back into the agency's database.
- Create and implement **fillable forms** for processing production reports online,
 - User can create online, print, and/or upload to system.
 - This will not only be a convenience for the user, but also dramatically reduce incomplete reports, as the fillable form feature should not allow the form to be printed until it is complete.
- Develop an **SAA and complaint database**.
 - Results: Easier completion of inspection form adding links to 3280 & 3285 as well as administrative rules and Standards Act.
- **Enhance the tracking and reporting capabilities of Exodus** regarding inspections performed at the statewide, regional, and inspector levels of detail.



DIVISION GOALS & ACTION PLAN

WHERE WE ARE GOING *and* HOW WE GET THERE:

Education

- Update **educational videos** online:
 - Employees, consumers, license holders and/or other industry partners.
- Create educational **video tutorials** related to specific inspector job tasks
 - Publish in a readily accessible training folder.
- Create **staff training** regarding the **Administrative Rules and Law**
 - Administer exams and track for each inspector.
- Create **staff training** regarding the **Federal Manufactured Home Construction/Safety Standards**
 - Administer exams and track for each inspector.
- Implement **onboarding training program** for new employees and conduct general training to existing staff to improve consistency of knowledge and information provided to the public.





DIVISION GOALS & ACTION PLAN

WHERE WE ARE GOING *and* HOW WE GET THERE:

Efficiency

- Ensure that the department attempts to inspect a minimum of **95%** of Notices of Installations received.
- Ensure that a minimum of **90%** of attempted installation inspections result in a successful inspection.
- Ensure that a minimum of **85%** of attempted installation inspections are conducted no later than **45 days** from receipt, & **90%** of attempted installation inspections are conducted no later than **60 days** from receipt.
- Maintain a focus on **accounting for all homes installed** to minimize potential consumer complaints.
- Improve the current Customer Service call answer rate to reach **80%**.
- Maintain statement of ownership application processing time below **7 days**.
- Maintain complaint resolution time below **90 days**.

Leadership

- Continue focus on **employee morale** and consider innovative ways to recognize staff for their contributions.