



Manufactured Housing Division

Texas Department of
Housing and
Community Affairs

Executive Summary
and FY 2023 Report



Image: Photocreo Bednarek

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	1-31-2029	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	1-31-2029	Lubbock
Executive Director	<i>At the pleasure of the MHD Board</i>	
Jim R. Hicks		Georgetown





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WHO WE ARE

AGENCY MISSION

The Texas Department of Housing and Community Affairs, through its Manufactured Housing Division (the “Department”) 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 Department 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 Department 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 Manufactured Homeowner Consumer Claims Program.

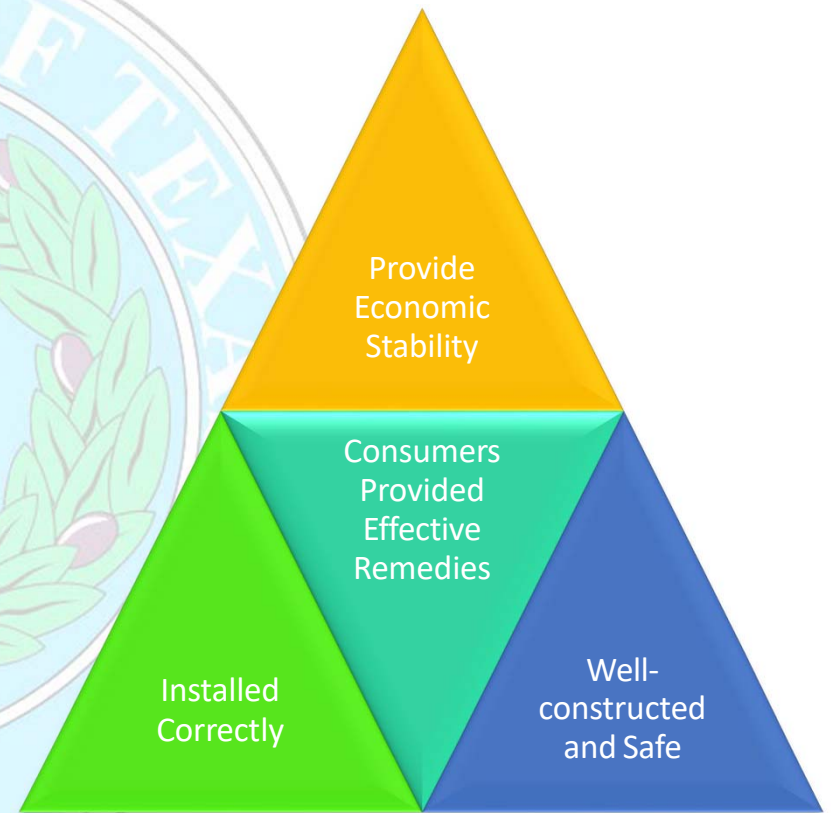




WHAT WE BELIEVE

The Manufactured Housing Standards Act tasks the Department with ensuring that manufactured homes are **well-constructed and safe**, **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.

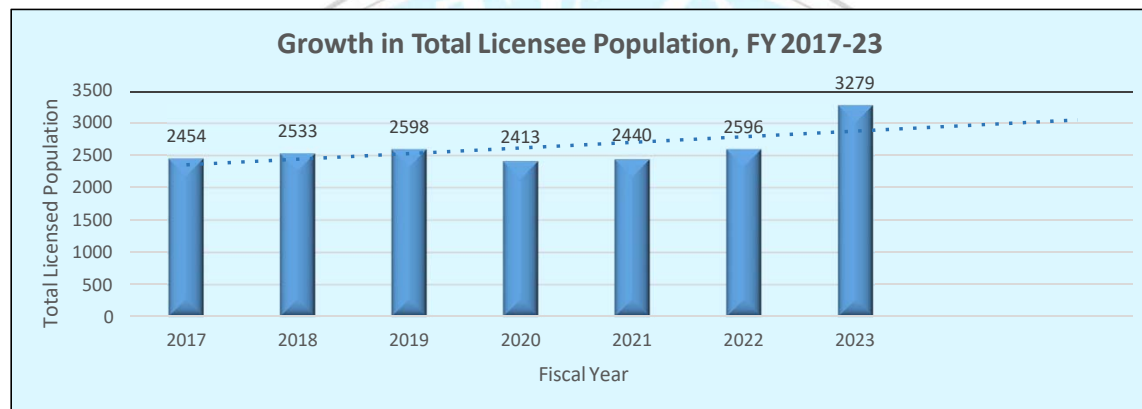
AGENCY MISSION





WHO WE REGULATE

AGENCY MISSION



The Department has demonstrated our ability to successfully streamline licensing programs, and provide increasingly popular online licensing courses.

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 2023, showing the growth and turnover in the personnel of the industry.

License Type	Total Active Licenses	Total NEW Licenses (FY23)	Total RENEWED Licenses (FY23)
Salesperson (S)	1845	677	575
Broker (B)	20	4	9
Retailer (R)	89	7	36
Installer (I)	210	25	90
Manufacturer (M)	50	2	24
Retailer/Broker (R/B)	54	14	18
Retailer/Installer (R/I)	288	43	133
Retailer/Broker/ Installer (RBI)	723	72	263
TOTAL	3,279	844	1,148





HOW WE DO IT: *Functional Alignment*

AGENCY MISSION

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

- Customer Service;
- Production (Processing of Statements of Ownership);
- Compliance and Regulations;
- Field Operations;
- Document Control and Tax Liens;
- Financial Administration; and
- Training.



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:** CS responds to customer contacts, answering questions about Department programs and processes, educating and assisting consumers as they apply for Statements of Ownership (SOs), and assisting customers in calculating the amount of fees associated with transferring specific SOs. Customer Service Representatives are the first and often only point of contact with the agency, ensuring that consumers are educated as to which documentation and fees are required to obtain their SO. CS reps handle over 100,000 interactions per year impeccably, including phone calls, emails, and walk-in customers. The Customer Service Supervisor and Lead analyze pain points and work toward improvements, experimenting with new processes to offer better service to 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 is included, per Texas Law and Rules. If an applicant submits an application that needs further documentation or clarification, processors either reach out to the party involved, or send a Request for Additional Information (RAI) to obtain documentation. Once an application is deemed complete, the application is proofed for typos and an SO is issued.
- **Field Operations:** 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.
- **Compliance and Regulations:** Handles 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 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.
- **Document Control:** Ensures that documents are preserved to meet the State's Retention Schedules and other applicable laws. All SO and license applications, as well as RAIs, are scanned and archived. Tax liens are recorded, released, or preserved within the specific timeframe for Texas counties, and we also add any tax liens that have been omitted from previously-issued SOs.
- **Training:** Produces and administers the Licensing Education Course, now 100% online, which helps ensure compliance through education of our licensed industry professionals: salespeople, retailers, manufacturers, brokers, and installers. Also produces in-house training to ensure that Department employees are kept up-to-date with existing laws as well as new laws that are passed.



HOW WE DO IT: *Location*

The Manufactured Housing Division benefits from the efficiency of close proximity to other state agencies in the Capitol Complex's beautiful George H.W. Bush building, next to the new Capitol Mall in Austin.





FY2023 PROGRESS

**WHAT WE HAVE DONE:
CORE WORK *and* DIVISION ACCOMPLISHMENTS**



WHAT WE HAVE DONE – *Core Work: Customer Service Dept.*

Nearly 100,000

Customer Service Interactions per year, including:



12,387

Customer Service E-mails Answered



74,320

Customer Service Calls Received



1,640

Walk-In Customers

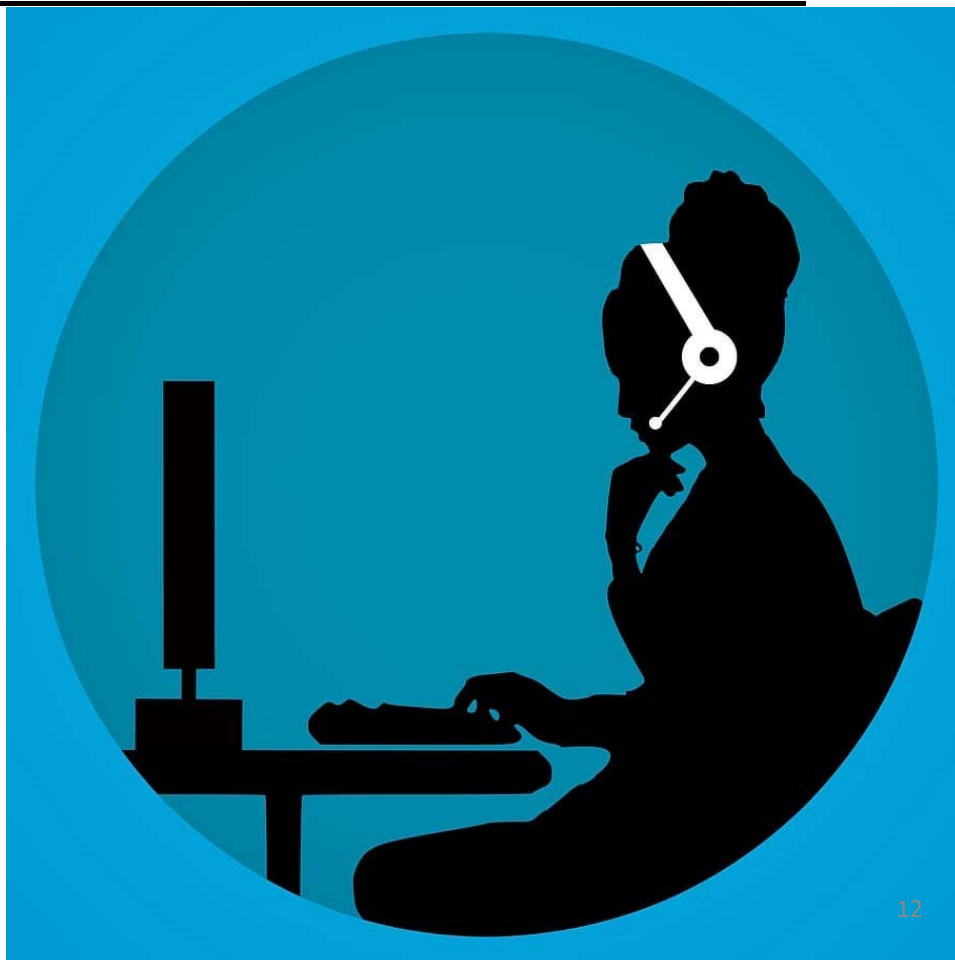


5,447

Licensing Calls Answered

in FY2023

FY2023 PROGRESS





WHAT WE HAVE DONE – Core Work: Customer Service Dept.

FY2023 PROGRESS

CUSTOMER SERVICE – CALLS AND WALK-IN DATA			
	FY2023	FY2022	FY2021
Incoming Calls – English	71,840	73,879	68,669
Incoming Calls – Spanish	2,480	5,138	4,860
Total Calls Received	74,320	81,891	77,876
Total Calls Answered	63,465	57,136	67,221
Percentage of incoming calls answered	85%	70%	86%
Walk-In Customers	1,640	2,334	1,252

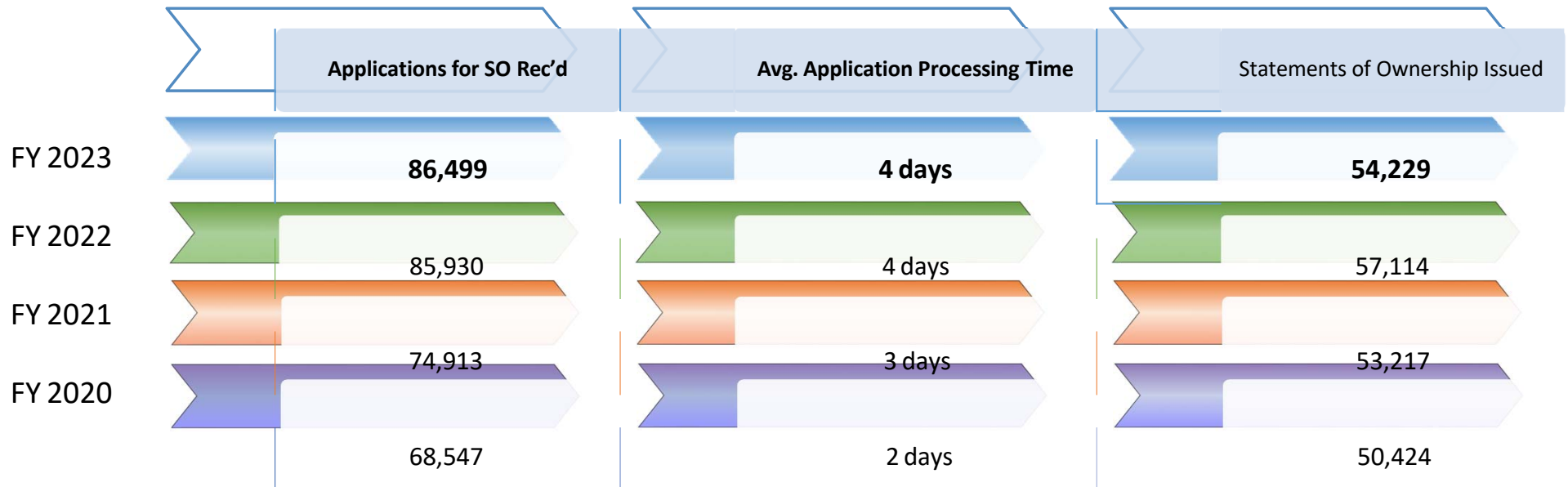




WHAT WE HAVE DONE –

Core Work: Processing

FY2023 PROGRESS





WHAT WE HAVE DONE –

FY2023 PROGRESS

Core Work: Installations & Inspections

17,969
installations
recorded

17,558
inspections
attempted
(98%)

99% of
inspections
completed
within 60
days



FY2023 data

32
Manufactured
housing plant
inspections
completed

457%
Increase in
inspections, over
last year

Trained two new
SAA inspectors





WHAT WE HAVE DONE –

Core Work: Inspections

INSTALLATION INSPECTIONS			
	FY2023	FY2022	FY2021
Reported Installations	17,969	18,851	18,646
Attempted Installation Inspections	17,558	18,522	18,234
	(98%)	(98%)	(98%)
Successful Installation Inspections	15,666	16,698	16,885
Unsuccessful Installation Inspections	1,889	1,826	1,348
Success Rate	88%	89%	91%
% of Inspections within 45 day self-imposed goal (85%).	97%	86%	92%
% of Inspections within 60 day self-imposed goal (90%).	99%	92%	N/A



FY2023 PROGRESS

DEVIATIONS SUMMARY			
	FY2023	FY2022	FY2021
Footings	20	26	25
Site Prep	66	67	153
Anchors	152	188	171
Home Connections	30	54	79
Piers	69	102	103
Ties	164	135	149
Crossover Connection	115	169	90
Pier Placement	135	116	103
Skirting (New Home)	31	34	36
Weatherproofing	169	341	335
TOTAL	951	1,232	1,244
DEVIATIONS BY REGION			
	FY2023	FY2022	FY2021
DFW	82	101	204
Edinburg	38	33	52
Houston	143	290	220
Lubbock	33	45	41
San Antonio	152	112	103
Tyler	124	158	154
Waco	160	129	53
TOTAL	732	868	827



WHAT WE HAVE DONE –

Core Work: Compliance Inspections

FY2023 PROGRESS

INSPECTIONS			
CONSUMER COMPLAINT INSPECTIONS	FY2023	FY2022	FY2021
Consumer Complaint Inspections Conducted	362	455	393
Inspections beyond 30 days	13	3	0
OTHER INSPECTIONS	FY2023	FY2022	FY2021
Habitability Inspections	365	459	585
Retailer Damage Assessments of Damaged Homes	9	59	166
Installation Inspections for FEMA	0	0	0
Installation Inspections for GLO	0	0	0
Migrant Labor Facility Inspections for TDHCA	224	253	136

LICENSEE COMPLIANCE REVIEWS			
	FY2023	FY2022	FY2021
Retailer	572	437	295
Installer	66	39	54
Total	638	476	349
SAA PLANT INSPECTIONS			
	FY2023	FY2022	FY2021
Manufacturers	32	7	17





WHAT WE HAVE DONE –

Core Work: Document Control

FY2023 PROGRESS

TAX LIENS			
	FY2023	FY2022	FY2021
Manually Entered	1,132	857	599
Manually Released	1,701	5,251	2,867
Electronically Entered	215,319	217,826	199,311
Electronically Released	93,325	98,796	81,494
Removed for Exceeding 4 years	127,030	109,645	114,404





WHAT WE HAVE DONE – *Core Work: Licensing & Training*

FY2023 PROGRESS

Issued **1,992 (100%)**
New/Renewed Licenses
within 7 days
Answered **5,447**
Licensing **Phone Calls**



NEW

Retooled &
Revamped Licensing
Education Courses

+26%

Increase in active
licensed population
over FY22

Licensing Education Course (LEC)

Core LEC – 759 students

Retailer LEC – 169 students

Installer LEC – 167 students

Total – 1,095 LEC classes

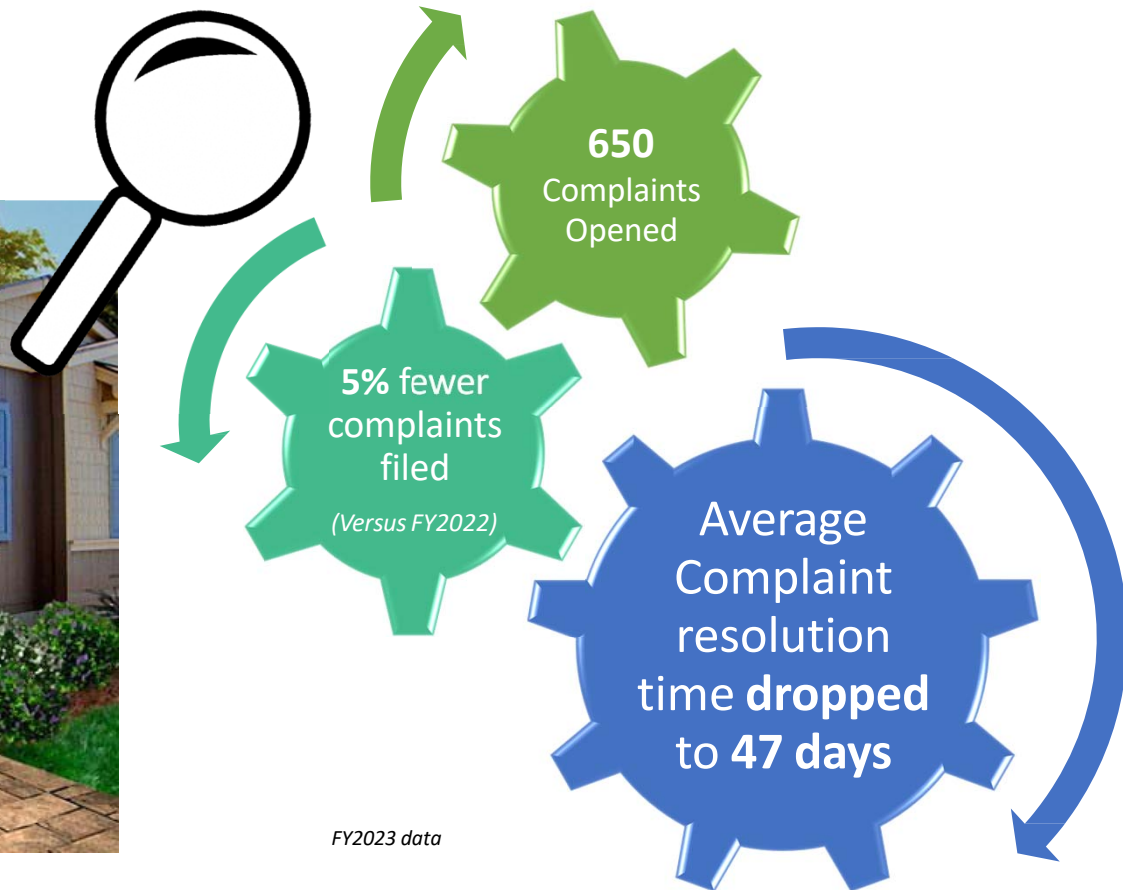
7,416 hours of education provided



WHAT WE HAVE DONE –

Core Work: Enforcement

FY2023 PROGRESS





WHAT WE HAVE DONE –

Core Work: Enforcement

FY2023 PROGRESS

ENFORCEMENT			
	FY2023	FY2022	FY2021
Director's Disciplinary Meeting	4	6	1
Alternative Dispute Resolution	0	1	0
Hearings Held	2	0	0
Orders Issued	81 (71 warning letters)	94 (87 warning letters)	155 (130 warning letters)
Avg. Case Resolution (Days)	47	77	63
Illegal/Unlicensed Activity	78 (68 Internal Sources, 10 Consumers)	85 (76 Internal Sources, 9 Consumers)	103 (100 Internal Sources, 3 Consumers)
Administrative Penalties	\$6,250.00 (5 Respondents)	\$4,050.00 (4 Respondents)	\$9,000.00 (9 Respondents)

HOMEOWNER CONSUMER CLAIM PROGRAM			
	FY2023	FY2022	FY2021
Paid	\$0	\$7,950.00	\$62,087.00
Reimbursed	\$6,874.44	\$7,950.00	\$0

DISMISSED CASES			
Reasons for Dismissed Cases	FY2023	FY2022	FY2021
Resolved prior to Violation	36	32	61
Corrected in Field	397	340	432
Issued SO (Licensee out of business)	8	1	6
Consumer Withdrew Complaint	5	3	2
Dismissed Lack of Evidence	62	31	43
Out of Warranty	51	26	34
Opened in Error/Duplicate	3	9	19
TOTAL	562	410	597



DIVISION ACCOMPLISHMENTS

FY2023 PROGRESS

Technology

- Finish the testing, and implementation of 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: Accomplished. Completed development of the **GoCanvas** application. After extensive research, development, testing, upgrades and training, the GoCanvas application has been promoted to production. An early analysis indicated an efficiency improvement of approximately 20%.



- Enhance the tracking and reporting capabilities of Exodus regarding inspections performed at the statewide, regional, and inspector levels of detail.

Status: Accomplished. Enhancements to Exodus were made that add functionality and assist with data collection. These include the addition of "sort" functions in various reports, and the addition of a search bar function in the Installation Report related to specific license numbers.



DIVISION ACCOMPLISHMENTS

FY2023 PROGRESS

Education

- Update educational videos for employees, consumers, license holders and/or other industry partners.

Status: Accomplished. Instructional **video tutorials** were created to assist staff in specific tasks.

Videos related to the following tasks were created:

1. How to Look Up a USPS Certified Mail Receipt
2. How to Change an Email Signature
3. CAPPs Time Approvals
4. Saving HUD Label Photos on the M drive
5. How to Complete Weekly Consumer Complaint Case Update
6. Running NOI Reports for Inspector Counties
7. How to Run a TXDMV MH Permit Search
8. How to Perform a Genesis MLCI Travel Code Search





DIVISION ACCOMPLISHMENTS

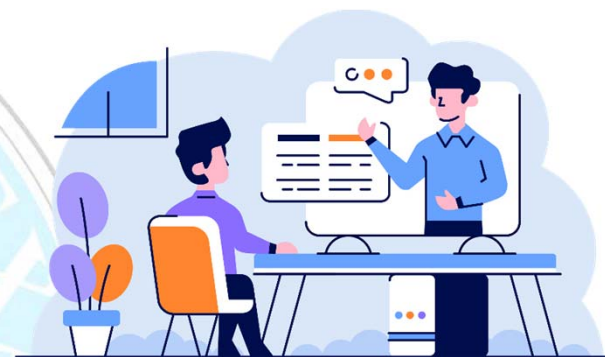
FY2023 PROGRESS

Education

- **Redesign 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** of 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

FY2023 PROGRESS

Efficiency

- Ensure that a minimum of 95% of Notices of Installations received by the department are attempted for inspection.

Status: Accomplished. We have maintained a 98% attempted inspection rate in FY2023.

- Ensure that a minimum of 85% of attempted installation inspections are conducted no later than 45 days from receipt.

Status: Accomplished. 97% of all installation inspections were conducted within 45 days.

- Ensure that a minimum of 90% of attempted installation inspections are conducted no later than 60 days from receipt.

Status: Accomplished. 99% of all installation inspections were conducted within 60 days.



DIVISION ACCOMPLISHMENTS

FY2023 PROGRESS

Efficiency

- Improve the current call answer rate to 80%.

Status: Accomplished. We improved our call answer rate from 70% in FY2022 to 85% in FY2023.



- Maintain statement of ownership application processing time of 7 days.

Status: Accomplished. 100% of all completed applications were processed within 7 days, with an average processing time of 4 days.

- Maintain complaint resolution time below 90 days.

Status: Accomplished. We improved our case resolution time to an average of 47 days, by far the lowest resolution time since we began tracking in 2006.



DIVISION ACCOMPLISHMENTS

FY2023 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 **equipment** for staff; and
- awarded **gift cards** to employees recognized for going above and beyond





DIVISION ACCOMPLISHMENTS

FY2023 PROGRESS

Strategic Initiatives

Expanded use of MS Teams



- Allowed better communication between staff and management.
- Allowed the agency to conduct our annual field meeting virtually instead of in person
 - Saved the agency approximately **\$20,000.00** in travel and hotel expenses.
- Allowed the agency to conduct virtual compliance monitoring inspections, saving the agency approximately **\$35,000** in travel and hotel expenses.

Successfully 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, **saving the Department upwards of \$1,000,000 per year.**



DIVISION ACCOMPLISHMENTS

FY2023 PROGRESS

Strategic Initiatives

Staff Training

- Held **onboarding training** for new staff.
- **Cross-trained** multiple employees in new areas.
- **Trained more inspectors** to conduct licensing compliance reviews.
- Trained **two additional state administrative agency (SAA) investigators** to complete plant inspections.
 - **Increased plant inspections by 457%.**
- An initiative with the intent of ensuring a **highly-trained corps of inspectors** and a formalized inspector training program was created.
 - The first phase of this effort that will ultimately include standards testing, practical knowledge and hands-on training in best practices was composed by Field Operations management and supervisory staff. Exams were created that relate to Occupations Code 1201, the State Generic Installation Standards, and the Federal Manufactured Home Construction Standards have been written and each inspector will be required to take and pass these exams.



Updated SOPs

- Updated in all program areas



DIVISION ACCOMPLISHMENTS

FY2023 PROGRESS

Strategic Initiatives

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

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



National Networking

- **Met with IBTS and HUD** in Washington D.C.
- Discussed the Department becoming the **IPIA** for the State of Texas.
 - **IPIA** – In-Plant Inspection Agency



Lubbock Field Office Location Closed

- **Saves expenses**
- Field **work** was **rerouted** to home offices.
- This transition was made with **no interruptions to operations.**



DIVISION ACCOMPLISHMENTS

FY2023 PROGRESS

Strategic Initiatives

External Training

- **Provided external training** to multiple mortgage companies.

Salary Increases & Bonuses

- **Increased staff salaries** by an average of 23% with no increase to the budget
- Issued merit-based **bonuses**.

Decreased Staff Turnover Rate

- **Customer Service Representative turnover rate dropped** from 100% in FY2022 to .08% in FY2023.

Addressed Language and Cultural Barriers Challenge

- **Multiple bilingual Customer Service Representatives recruited** to assist Spanish-speaking customers.





FY2024 DIVISION GOALS *and* **ACTION PLAN**

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



2024 DIVISION GOALS & ACTION PLAN

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

Technology

- **Work with Information Systems** to expand the **GoCanvas application**
 - Should include recordation of other inspections conducted by the Department
- **Work with Information Systems** to create a new **production report function** online
 - Public access to this online system should be a function
- **Work with Information Systems** to **redesign** the Manufactured Housing Division **website**
 - Implement user-friendly website tools in order to make information easier to locate
 - Webpages should be more thoughtfully organized and visually engaging





2024 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 **90%**.
- Maintain statement of ownership application **processing time** below **7 days**.
- Maintain complaint resolution time below **90 days**.





2024 DIVISION GOALS & ACTION PLAN

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

Education

- Continue to update **educational videos**:
 - Employees, consumers, license holders and/or other industry partners.
- Continue to **review and update the Licensing Education Course (LEC)**
 - Provide further enhancements to the learning process
- 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.

Leadership

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



