



## **Ohio Senate**

### **Finance General Government & Agency Review Sub-Committee**

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**Ohio Manufactured Homes Commission**

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Chairman Jordan and members of the committee, my name is Janet Williams, and I am the Executive Director of the Ohio Manufactured Homes Commission (OMHC).

Thank you for the opportunity to be here today to present testimony.

#### **Federal Mandate – Home Installation Program**

The Manufactured Homes Commission was created initially by the General Assembly to implement a federal mandate to establish installation standards, training and licensing of installers, installation regulations and a dispute resolution program to remedy improper home installation. The General Assembly's goal was to remove bureaucratic barriers, lower fees and create a one stop shop for all regulation of manufactured homes. We license 215 installers of manufactured homes. And certify nearly 50 inspectors.

All manufactured homes are constructed in factories, and the federally preemptive building and fire safety code is a national code administered by the U.S. Department of Housing and Urban Development (HUD). The Commission began regulatory and inspection efforts to implement the federal mandate July 1, 2007.

The Ohio Manufactured Homes Commission complied with HUD's federal mandate and has received the five year certification for the installation program and the three year certification for the dispute resolution program. These certifications are NOT transferrable, to any other state agency. These certifications per federal regulation belong only to the Ohio Manufactured Homes Commission.

### **Dealers, Brokers, Salesperson Licensing**

Manufactured homes have a title just like an automobile. In an effort to get all agencies related to manufactured homes under one roof the General Assembly continued its consolidation of manufactured homes regulations in July 2010 by transferring the authority of all dealers, brokers and salespersons from the Bureau of Motor Vehicles (BMV) to the Commission.

Our Commission works closely with the BMV and all titling bureaus and auditors throughout the state. Our Commission's technical database for licensing must interact with the database at the BMV. Dealers must have franchise agreements with manufacturers who build the homes. Our Commission receives these franchise agreements and enters them in our database. When a home is sold it goes through a transfer of title process at local title offices. At the Commission we license 274 dealers and brokers and 325 salespersons. Their license fees are levied every two years.

### **Manufactured Home Park Regulation**

The General Assembly completed its final stage in consolidating manufactured home regulation in December of 2012 transferring the licensing of nearly 1,600 manufactured home parks and inspections.

Prior to the Commission, park licensing duties were with the Ohio Department of Health (ODH). Inspections were performed by their 127 different health districts, with 127 different licensing fees.

Prior to the Commission, significant delays for foundation approvals and inspections were not uncommon. Homeowners could not get into their homes in a timely fashion. With the consolidation of park licensing and inspection under the Commission, parks now have uniform licensing fees and inspections with approvals of 1-2 days or less.

All told, since consolidation of all manufactured home regulation under the Commission we have utilized the existing network of local building departments, health departments, as well as private inspection agencies to conduct the various inspections for all three consolidated regulatory programs.

We are also open to further expanding our ability to take advantage of the expertise of local building departments by working with them to streamline their participation in installation inspections.

## **Consumer Complaints/Dispute Resolution**

Our Commission has determined that 100% of ALL new and used homes both on private property and in manufactured home communities will be inspected. The reason the Commission conducts 100% inspections is because in the past 60% of home performance failures were due to improper foundations and installations.

Ohio is one, if not the only manufactured home regulatory entity nationally that is not buried in some state bureaucracy, has a lean staff while conducting 100% of all new and used home installation inspections.

I can tell you first hand because I assisted with the dispute resolution program for home installation prior to the Commission's existence. We would see between 500-800 home installation dispute cases yearly. Now with the Commission we have had less than 10 cases in the last three years. As you can see, this is a true testament that the installation and 100% inspection program is highly successful and protects the safety and welfare of manufactured homeowners.

## **Appropriations**

Our Commission is 100% self-funded by fees with **NO** general revenue funds. In FY16 our appropriation was \$1,206,959. Of that amount, through our fiscally responsibly running of the office, our Commission only spent \$896,000. We returned nearly \$311,000 back to the State. As of today our Commission's revenues for FY17 stands at nearly \$1.2 million. With Sub. House Bill 49, we have been given a House appropriation of \$450,000. We are prepared to adapt to that lower appropriation level by decreasing staff, we will reduce our staff to four employees, saving approximately \$ 300,000.

All of my staff are unclassified administrative staff, all are cross-trained and can fill in where ever needed. Therefore, we are not restricted by state job classifications that limit flexibility.

We also will be moving to office space in Hilliard. If we can get DAS to approve such, that will save nearly \$28,000 from the space in Riffe DAS wants us to consider.

To meet our \$450,000 appropriation, first we will reduce the overall licensing cost to park operators and then the fee will be split, part to the Commission and the other part paid by park owners to the health districts and inspection agencies who inspect their yearly mandated park inspection. This will save the Commission nearly \$280,000.

Our Commission is in the Rule making process to further reduce fees to our licensees as well to homeowners. Those reductions are between 25-40%, resulting in excess of a million dollars over the biennium.

### **Consolidated Back Office Services**

Our Commission consolidates back office services and associated expenses where appropriate with the Department of Administrative Services and the Central Service Agency which provides services in areas of human resources, payroll and warrant processing, and other interfaces such as OAKS, MBN/EDGE program and Workforce Planning to mention a few. The E-Licensing system is another effort to streamline licensure and renewal functions and share costs, which allows the Commission to operate at a lower cost because of these shared services.

The Commission is responsible for the installation of manufactured homes, with 9,000 inspections annually, code enforcement of installation standards, dispute resolution, the licensing or certification of installers, inspectors, dealers, brokers and salespersons, building departments, health departments, third party agencies, manufactured home community operators, as well as licensing and inspections, plus follow-up of nearly 1,600 manufactured home communities. We resolve over 1,300 park resident complaints a year from trash and potholes to health and safety issues. We also respond to well over 5,000 inquiries from local and state officials, the industry, public, and manufactured home residents.

Today, consumers, manufactured home businesses, other state agencies, and any other political entity can call one place and get any questions related to a manufactured home answered. The Commission today has six employees that have a combined total of 88 years of manufactured home knowledge to administer all regulation of manufactured homes in Ohio.

At this time, I would be pleased to address any questions you may have.