***Department of Community Affairs
Manufactured Buildings***

***Policy Issue***

Should there be one state agency that is in charge of ensuring a home is built to standard?

***Background***

Currently, Florida has three state agencies that are charged with making sure homes are constructed to the proper standards.

* Department of Community Affairs (DCA) administers a state program that oversees manufactured or **modular buildings,** both residential and commercial;
* Department of Highway Safety and Motor Vehicles (DHSMV) operates a federal program for **mobile homes (**also referred to as manufactured homes); and
* The Department of Business and Professional Regulation (DBPR) regulates the construction industry (**site built homes**) and building code administrators and inspectors.

Department of Community Affairs

The Manufactured Building Program is a state program that oversees construction plans, specifications, and quality control procedures for **modular buildings**. Modular buildings are designed, built, permitted and inspected to the Florida Building Code, and must be installed on permanent foundations (e.g., poured footers, stem walls & poured piers or engineered slabs, just like site built homes). The DCA has delegated the responsibility for inspection of modular buildings to third-party entities that have been authorized by an appropriate licensing board and certified by the DCA for that purpose. The manufacturer contracts directly with the third-party entity and upon passing inspection an insignia is attached to the building or building component indicating approval. Additionally, DCA requires that the operation of manufacturing facilities is subject to a quality assurance program and contracts with a third-party entity for this purpose. The activities of manufacturers are also subject to audit by DCA’s contractor. DCA also oversees the Florida Prototype Building Program, which provides a standardized plan review process for buildings that are replicated throughout the state. Installers of modular buildings are general contractors licensed by DBPR.

Department of Highway Safety and Motor Vehicles

The Mobile Home Compliance and Enforcement Program monitors mobile home manufacturers. **Mobile homes**,referred to as manufactured homes if fabricated after June 15, 1976, are built to the United States Department of Housing and Urban Development (HUD) standards; are usually installed on temporary foundations (concrete pads, dry-stacked blocks and tie-downs); and are usually not considered real property. Under a contract with HUD, DHSMV monitors compliance with federal mobile home building code standards and investigates and resolves consumer complaints. Under a state plan approved by the federal government, DHSMV monitors mobile home dealer lots and approves all alterations made by retailers to provide consumer protection and assurance of manufactured home safety. DHSMV evaluates the ability of mobile home manufacturing plants to follow approved quality control procedures and provides ongoing surveillance to ensure that manufacturing processes comply with approved plans. When each home section has been completed and passes final inspection, a HUD label is affixed to the home section attesting the home meets the HUD Code. Unlike DCA, the Mobile Home Compliance and Enforcement Program does inspections with state employees. DHSMV also licenses, tests, and trains mobile home installers. [[1]](#footnote-1) In addition, the program administers the state warranty program.

Department of Business and Professional Regulation

Site built homes are regulated by the state in two ways: licensing of the construction industry and licensing of local building inspectors. The Florida construction industry is regulated by DBPR through the Construction Industry Licensing Board (CILB), with the goal of protecting public health, safety, and welfare by licensing contractors. Local governments also have authority to license and regulate contractors within their jurisdictions. State law requires that certain construction professionals be licensed, meet minimal standards, complete annual continuing education requirements, and renew licenses biennially. DBPR also regulates building code administrators and inspectors through the Building Code Administrators and Inspectors Board (BCAIB), whose charge is to ensure buildings are built to code.

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| **2008-09** | **DCA** | **DHSMV** | **DBPR** |
| Revenues | $330,490 | $298,785 | CILB: $15,864,050BCAIB: $1,240,658 |
| Expenditures | $362,371 | $1,534,662 | CILB: $11,975,414BCAIB: $1,036,162 |
| FTE | 2 | 26 | CILB: 59BCAIB: 5.8 |
| Regulate | Modular Building Manufacturers | Mobile Home Manufacturers, Installers & Dealers | Construction IndustryBuilding Code Inspectors |
| Enforcement By | 3rd Party Contracts | State inspectors | Licensed Local Inspectors |
| # Licenses Issued | Manufacturers: 179 (nationally)3rd Party: 19 | Manufacturers: 23 (7 in Florida)Installers: 459 | CILB: 11,502BCAIB: 568 |
| # Inspections | Buildings: 5,299Manufacturers: 53 | Homes at Manufacturer: 3,531Homes at Dealerships: 11,635 | --n/a |
| Inspects Out of State Manufacturers | Yes | No | n/a |

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| # Insignias/Seals Issued | Commercial: 1,104Residential: 300Schools: 879Sheds: 17,989Prototypes: 6 | Residential: 2,592 | --n/a |
| Complaints | Unlicensed Activity: 1Program Compliance Violations: 2Consumer Complaint: 4Plan Review Discrepancies: 1 | Home Warranty: 132Installations: 10 | CILB: 6,853 \*BCAIB: 117 |
| Investigations | 8 | Home Warranty: 62Installations: 111 | CILB: 2,930BCAIB: 53 |
| Education and Training | Continuing education trainingMonitor trainingTechnical assistanceCode Officials on updated program information | Initial Installer: 12 classesRefresher Installer: 16 classesDealers: 14 classesCode Officials: 42 classesManufacturer inspectors: 8 classes | Construction Industry Outreach: 192Code Officials Outreach: 4 |

\* Complaints of all professions regulated by DBPR are handled in a centralized manner. Most analysts/investigators handle construction industry complaints with some analysts specializing in specific professions.

Source: Departmental responses to specific information requests.

***Findings***

The two inspection programs operate in a different manner.

* DCA contracts with private entities to inspect modular building construction and for quality assurance.
* DHSMV does inspections with state employees.

Inspectors from DCA and DHSMV sometimes go to the same facility to inspect different homes.

* Two of the seven Florida mobile home manufacturers inspected by DHSMV construct both modular buildings and mobile homes.

If a state chooses not to participate as an inspection agency, manufacturers of mobile homes would contract with HUD approved private entities.

To best streamline and maintain control of the regulation of these entities, the state could request approval to utilize private entities and consolidate the third party contract.

* Several private entities currently inspect both modular building and mobile home manufacturers.

DCA,DHSMV, and DBPR are all providing continuing education to local inspectors.

The 2005 legislatively created Manufactured Housing Regulatory Study Commission recommended DCA’s and DHSMV’s programs be merged within DHSMV

The Mobile Home Compliance and Enforcement Program does not fall within the mission of the Department of Highway Safety and Motor Vehicles of developing, maintaining, and supporting a safe driving environment.

* No other state with similar mobile home regulatory responsibilities places this function within a highway safety or motor vehicle department.
* Although the programs’ missions are more consistent with DCA’s mission, combining all building programs under one entity would make the building process easier for citizens to navigate.

Section 216.0236(1), F.S., provides that costs of providing a regulatory service or regulating a profession or business should be borne solely by those who receive the service or who are subject to regulation.

* DHSMV provides a $1 million subsidy to the federal Mobile Home Compliance and Enforcement Program.

***Options***

**Option 1:** Continue to administer the DCA and DHSMV programs separately, using current methods of regulation.

**Option 2:** Combine the DCA and DHSMV programs under DBPR, using private entities.

**Option 3:** Combine the DCA and DHSMV programs under DBPR, using state inspectors.

***Recommendation***

Combine the DCA and DHSMV programs under DBPR, using private entities.

* This will help streamline and maintain control of the regulation process and utilize the private sector contractors.
1. DHSMV’s Field Operations Bureau also license mobile home dealers. [↑](#footnote-ref-1)