

MINUTES
South Carolina Manufactured Housing Board
Synergy Business Park, Kingstree Building
110 Centerview Drive, Room 108
Columbia, South Carolina
December 6, 2022 at 10:00 a.m.

Call to Order

Chairman Randall A. Altman called the meeting to order at 10:00 a.m.

Other Board members in attendance were: Dorothy Edwards; Jefferson T. Howell, III; W. Marion Moore; Arthur Newton, Sr.; David Randall; Shannon Tanner; and Steve Graham.

Staff members in attendance were: Molly Price, Board Administrator; Maggie Smith, Program Coordinator II; Hardwick Stuart, Office of Advice Counsel; Todd Bond, Office of Investigations and Enforcement; Robert Elam, Office of Disciplinary Counsel; and Zahid Chinwalla, Administrator Coordinator I.

Members of the public in attendance were: Shell Suber, Manufactured Housing Institute of South Carolina (MHISC); and Mark Dillard, MHISC.

The court reporter was Amanda Godfrey with Creel Court Reporting, Inc.

Statement of Public Notice

Mr. Altman announced that public notice of this meeting was properly posted at the Synergy Business Park, Kingstree Building and on the Agency's website, and provided to all requesting persons, organizations, and news media in accordance with Section 30-4-80 of the South Carolina Freedom of Information Act.

Introduction of Board Members

Mr. Altman introduced the board members and staff present, and noted that Adam Reese and Richard Bagwell would not be attending the meeting.

Approval of Agenda

MOTION: Motion to approve the December 6, 2022, agenda.
Randall/Moore/approved

Approval of Excused Absences

MOTION: Motion to approve the absence of board member Adam Reese, with the condition that if he arrives at the meeting his absence will be revoked.
Moore/Randall/approved

Motion to approve the absence of board member Richard Bagwell.
Moore/Randall/approved

Approval of Minutes

MOTION: Motion to approve the minutes from the September 6, 2022, Board Meeting; October 5, 2022, Committee Meeting; October 25, 2022, Committee Meeting; and

November 9, 2022, Committee Meeting.
Newton/Moore/approved

Board Chair's Remarks

Mr. Altman wished everyone safe travels in the rain today.

Recognition of Service for Bruce Kelly and Con Eargle

Due to an unforeseen circumstances, Mr. Kelly was not able to attend this meeting, so this item was moved to the next scheduled meeting.

Staff Reports

Administrator's Report – Molly Price

Ms. Price reviewed the Board's licensure statistics, to include 852 active licenses in total. She explained that while license renewals ended on June 30, 2022, licensees have until December 31, 2022, to complete the late renewal process, after which they must reapply for licensure and retest. As of November 30, 2022, 157 licensees are still in Active in Renewal status. She also reported that staff has issued 4 (four) new retail dealer licenses since the last Board meeting on September 6, 2022.

Ms. Price reviewed the PSI exam pass rates with the Board and presented the Board's Cash Report.

Ms. Price advised the Board that she and Ms. Smith will participate in the Board's audit with Department of Housing and Urban Development (HUD) in January 2023, and explained the audit procedure. She also noted that there is a new in-state Manufactured Home Manufacturer that has received their license but not yet started production, and she hopes to coordinate a visit to the new plant with the HUD auditors prior to the start of production.

Ms. Price also advised the Board to contact Mr. Chinwalla if they are interested in receiving a specialty license plate for their vehicle(s) for the 2023-2024 calendar year. He has sent e-mails to Board members advising them of the process to receive the specialty license plate.

Office of Investigations and Enforcement (OIE) – Todd Bond

OIE Report

Mr. Bond stated that OIE has received 146 complaints as of December 6, 2022, which is higher than normal. There are 40 active cases, and 111 have been closed, and Mr. Bond explained that most of the complaints have been for failure to take corrective action. Prompted by a questions from Mr. Moore, Mr. Bond suggested that one potential reason for the higher number of complaints is that many people are moving into the state from other areas of the country and their expectations are high. In addition, there may be supply chain issues affecting the timeline for manufacturers to resolve the issue(s).

Investigative Review Committee (IRC) Report – Todd Bond

Mr. Bond stated that the IRC met on November 29, 2022. They discussed 21 cases, with 20 cases recommended for dismissal and 1 case recommended for dismissal with a letter of caution.

MOTION: Motion to approve the November 29, 2022, IRC Report as presented.
Randall/Newton/approved

Office of Disciplinary Counsel (ODC) – Robert Elam

Mr. Elam reported that based on a report from November 22, 2022, there are currently 9 open cases in ODC, and 5 cases have been closed since the beginning of the year. He stated that he expects 3 cases to be brought to the Board at the next meeting.

Application Hearings

Martini Housing, LLC DBA Brother’s Housing & Real Estate

The respondent was present and was not represented by counsel. A quorum of the board was present. All persons testifying were sworn in by the court reporter.

MOTION: Motion to go into executive session for legal advice.
Moore/Edwards/approved

MOTION: Motion to come out of executive session.
Moore/Graham/approved
No votes were taken during executive session.

MOTION: Motion to deny the application due to the applicant not meeting the two-year requirement for experience in the manufactured housing industry, and also failure to demonstrate \$150,000 in cash on the reviewed financial statement.
Randall/Moore/approved

Alexandra J. Zani DBA Community Homes A-Z

The respondent was present and was not represented by counsel. A quorum of the board was present. All persons testifying were sworn in by the court reporter.

MOTION: Motion to go into executive session for legal advice.
Moore/Howell/approved while staff remains.

MOTION: Motion to come out of executive session.
Moore/Randall/approved
No votes were taken during executive session.

MOTION: Motion to deny the request for a retail dealer license for failure to meet the \$150,000 cash/cash equivalency requirement.
Moore/Randall/approved

Mr. Moore explained that she could sell two manufactured homes per year without the retail dealer license.

MOTION: Motion for the board to take short comfort break.
Altman/Randall/approved

MOTION: Motion to come back from break.
Newton/Moore/approved

Old Business

2020-2022 Continuation Education (CE) Audit

Ms. Price advised the Board that a compliance audit was performed on all active licenses after the close of renewals on June 30, 2022, to ensure that they had complied with the continuing education requirements. At the Board's direction, a random audit of 20 percent of active licenses was made for each credential type. The letter was sent to all selected licensees on October 24, 2022, requesting that recipients submit evidence of 6 hours continuing education during the licensure cycle—July 1, 2020 through June 30, 2022—with an attestation provided by the Board certifying that the information submitted was accurate. Recipients were advised to submit the documentation by November 29, 2022.

Ms. Price reviewed the results of the audit, explaining that while the numbers provided indicate those who have submitted the requested documentation, they do not indicate that each of those licensees is compliant with the CE requirements. After a review of the submitted CE documentation and the license renewal applications, it was evident that some of the licensees answered the question relating to CE compliance falsely on the renewal application. Ms. Price noted that some of the individuals who were not compliant at the time of license renewal had since completed the required hours and provided evidence to the Board. Ms. Price noted that Board staff has received questions from the audited retail dealers about who is responsible for the completing the dealer's CE hours—an owner, officer or partner, the authorized official, etc. She and Ms. Smith have been working with the retail dealers to explain the requirements.

Ms. Price asked the Board to provide guidance for how licensees who are non-compliant with the CE audit should be addressed, asking them to consider special circumstances surround the retail dealers due the confusion over who is able to complete the CE for the retail dealer license. She suggested that those licensees who submitted CE documentation, but were found to have lied on their license renewal application, should receive a letter of caution and be automatically audited for compliance at the next license renewal.

MOTION: To go into executive session for legal advice with staff remaining.
Newton/Howell/approved

MOTION: To allow MHISC public attendees to remain with staff for the executive session.
Randall/no second/denied
Following this motion, staff left the room for the duration of executive session

MOTION: To come out of executive session
Newton/Randall/approved
No votes were taken during executive session.

MOTION: The estimated 20 individuals lied on their renewal application but completed the required CE hours should receive a letter of caution and will be audited at the next renewal. Those who did not respond to the Board's CE audit should be referred

for a disciplinary investigation.
Moore/Newton/approved

Committee Reports

Regulatory Review Committee

Ms. Price explained that the Regulatory Review Committee has met three times since being appointed. The first meeting was in person, and the following meetings were conducted via virtual teleconference. The Committee was formed to review the South Carolina Manufactured Housing Board's statutes in addition to the regulations, as the regulations must mirror the statutes. Ms. Price listed some of the particular items being discussed by the Committee, such as surety bond amounts and financial requirements, and added that they have reached out to other states to see what the industry norm is for some of these requirements. She explained that the Board's statutes will likely need to be corrected prior to the regulation changes being submitted. Ms. Price hopes to provide a draft of the changes to the Board at the next scheduled meeting.

New Business

2022 Regulatory Review Report

Mr. Stuart explained to the Board that every five years the Board is required to perform a regulatory review and submit a report showing the proposed changes. While the report may not include all the revisions that the Board intends to do in the future, it provides a summary and does not commit or limit the Board to only those revisions. Ms. Price reviewed the content of the report for the Board, and Mr. Stuart stated that he needs for the Board chair to be given authorization to sign the report.

MOTION: Motion for the Board to authorize Mr. Altman to sign the 2022 Regulatory Review Report.
Moore/Randall/approved

Public Comments

Mark Dillard, MHISC, asked if a retail dealer applicant who does not have the required two years of experience in the manufactured housing industry can hire an authorized official meeting those requirements to qualify the retail dealer. Mr. Randall and others explained that, while this was provided as an option for one of the applicants appearing for an application hearing at today's meeting, it was conditional to this case and it would not be considered regular practice for staff to approve retail dealer applications with those parameters.

Adjournment

MOTION: Motion to adjourn the meeting at 12:42 p.m.
Randall/Howell/approved