



Texas Department of Housing and Community Affairs
Manufactured Housing Board Meeting
September 9, 2022

Ronnie Richards, Chair

Jason R. Denny, Member

Joe Gonzalez, Member

Sylvia L. Guzman, Member

Keith C. Thompson, Member

Texas Department of Housing and Community Affairs
Manufactured Housing Board Meeting
September 9, 2022

ROLL CALL

	<u>Present</u>	<u>Absent</u>
Ronnie Richards, Chair	_____	_____
Jason R. Denny, Member	_____	_____
Joe Gonzalez, Member	_____	_____
Sylvia L. Guzman, Member	_____	_____
Keith C. Thompson, Member	_____	_____
Number Present	_____	
Number Absent		_____

_____, Presiding Officer

MANUFACTURED HOUSING BOARD MEETING
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
1500 N. Congress, Capitol Extension Committee Room E2.028
Austin, Texas 78701
September 9, 2022 10:00 a.m.

AGENDA

CALL TO ORDER, ROLL CALL Chair

CERTIFICATION OF QUORUM Chair

The Board of the Manufactured Housing Division of the Texas Department of Housing and Community Affairs (TDHCA) will meet to consider and possibly act upon:

ACTION ITEMS

- Item 1. Consideration and action to approve the minutes of the board meeting on April 22, 2022. Chair
- Item 2. Presentation, discussion and action to approve the FY 2023 Operating Budget. Kassu Asfaw
Public Comment (Speakers limited to 3 minutes per person)
- Item 3. Presentation, discussion and action to approve the FY 2024 - 2025 Legislative Appropriations Request. Kassu Asfaw
Public Comment (Speakers limited to 3 minutes per person)
- Item 4. Presentation, discussion and action to approve the execution of amendment to the Administrative Services Agreement for FY 2023 between the Manufactured Housing Division and TDHCA. Kassu Asfaw
Public Comment (Speakers limited to 3 minutes per person)
- Item 5. Presentation, discussion and possible action to approve adoption of amendments to 10 Texas Administrative Code, Chapter 80 for publication as adopted in the Texas Register. Jim Hicks
Public Comment (Speakers limited to 3 minutes per person)

Note: The Board may go into executive session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551.

REPORT ITEMS

1. Executive Director's Report to include issues relating to operations, budget and performance of the Manufactured Housing Division. Jim Hicks

PUBLIC COMMENT (Speakers limited to 3 minutes per person) Chair

EXECUTIVE SESSION Chair

Note: The Board may go into executive session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551.

- (a) If necessary, the Board will go into executive session to discuss Personnel Matters pursuant to Sec. 551.074, Texas Government Code.
- (b) If necessary, the Board will go into executive session for Consultation with Attorney pursuant to Sec. 551.071, Texas Government Code.

RECONVENE Chair

Reconvene in public session and take action on any matters coming out of Executive Session.

ADJOURN

Chair

To access this agenda or request information, please visit our website at www.tdhca.state.tx.us or contact Sharon Choate, TDHCA/MHD, 1801 Congress Ave., Suite 11.400, Austin, Texas 78701, 512-475-2206, sharon.choate@tdhca.state.tx.us.

Individuals who require auxiliary aids, services or translators for this meeting should contact Sharon Choate, at 512-475-2206 or Relay Texas at 1-800-735-2989 at least two days before the meeting so that appropriate arrangements can be made.

Agenda Action Item No. 1

**MINUTES OF THE REGULAR MEETING OF THE
MANUFACTURED HOUSING BOARD**

On Friday, April 22, 2022, at 12:10pm, there was a regular meeting of the Manufactured Housing Board (the "Board") held at the John H. Reagan Building, Room 120, 1400 Congress Avenue, Austin, Texas. Ronnie Richards presided. Joe Gonzalez, Sylvia Guzman and Keith Thompson constituting a quorum, attended. Jason Denny was absent. The following Manufactured Housing Division (the "MHD") staff attended: Jim Hicks, Amy Morehouse, Eric Franklin, Kassu Asfaw and Sharon Choate. Helen Kelley attended from the Office of Attorney General.

Ronnie Richards called the roll and confirmed the presence of a quorum.

Ronnie Richards asked for a motion to approve the minutes from the board meeting on August 13, 2021. Upon motion of Keith Thompson and duly seconded by Joe Gonzalez, the motion was unanimously approved.

Eric Franklin presented and discussed for approval the continuation of Texas Manufactured Housing Association (TMHA) as a continuing education provider. Upon motion of Keith Thompson and duly seconded by Joe Gonzalez, the renewal was unanimously approved.

Eric Franklin presented and discussed for approval the continuation of Texas Manufactured Housing School (TXMHS) as a continuing education provider. Upon motion of Joe Gonzalez and duly seconded by Keith Thompson, the renewal was unanimously approved.

Jim Hicks presented and discussed for approval the proposed amendments to 10 Texas Administrative Code, Chapter 80 for publication as proposed in the Texas Register for public comment. Upon motion of Joe Gonzalez and duly seconded by Keith Thompson, the rules were unanimously approved.

Amy Jones presented and discussed the Manufactured Homeowner Consumer Claims appeal to the Board relating to consumers Michael and Linda Anselm. Keith Thompson made a motion to accept the Board's final determination of a refund of \$1,770 and by adding a sentence in section 2(e) of the final determination for clarification. Joe Gonzalez duly seconded the motion and the motion was unanimously approved.

Amy Jones presented and discussed Manufactured Homeowner Consumer Claims Appeal to the Board relating to consumer Billie Thornton. Upon motion of Keith Thompson to accept the Board's final determination to refund the consumer \$3,050 and duly seconded by Sylvia Guzman, the motion was unanimously approved.

Jim Hicks delivered the Executive Director's Report.

At 1:32pm the Board went into an Executive Session to discuss Personnel Matters relating to the executive director's compensation pursuant to Sec. 551.074, Texas Government Code.

At 2:09pm the Board reconvened following the conclusion of the closed session. No action was taken in the closed session.

Upon motion of Sylvia Guzman to increase the executive director's classification to Director V at \$160,000 per year and duly seconded by Joe Gonzalez, the motion was unanimously approved.

The next board meeting will be determined later.

There being no further business to come before the board, the meeting was adjourned at 2:12pm.

Sharon Choate, Secretary

Approved:

Ronnie Richards, Presiding Chair

Pursuant to Sec. 551.022 of the Texas Government Code, a copy of the transcript of the above mentioned meeting is public record and is available for inspection and copying on request to the governmental body's chief administrative officer or the officer's designee.

Texas Department of Housing and Community Affairs
Historical Budget Analysis
Manufactured Housing Division
For FY 2023

Agenda Action Item No. 2

D R A F T

Categories	FY 23 Budget (a)	FY 22 Budget (b)	Variance (a-b)	Percentage Change
Salaries and Wages	4,234,088	4,135,135	98,953	2.4%
Payroll Related Costs	861,900	861,900	0	0.0%
Travel In-State	300,000	300,000	0	0.0%
Travel Out of State	0	0	0	0.0%
Home Owner Consumer Claims (Rider # 12)	300,000	300,000	0	0.0%
Professional Fees	132,240	132,240	0	0.0%
Materials and Supplies	180,000	170,000	10,000	5.9%
Repairs/Maintenance	160,000	160,000	0	0.0%
Printing and Reproduction	30,000	30,000	0	0.0%
Rental/Lease (Building and Copy Machine)	36,715	202,500	-165,785	-81.9%
Membership Dues	1,100	1,100	0	0.0%
Staff Development	43,400	43,400	0	0.0%
Texas Online	19,120	19,120	0	0.0%
Employee Tuition	1,000	1,000	0	0.0%
Advertising	1,000	1,000	0	0.0%
Freight/Mail Delivery	30,000	30,000	0	0.0%
Temporary Help	60,000	60,000	0	0.0%
Furniture/Equipment	100,000	100,000	0	0.0%
Communications/Utilities	73,240	73,240	0	0.0%
Capital Outlay - Computers/Server	47,542	0	47,542	100.0%
State Office of Risk Management	10,000	10,000	0	0.0%
Subtotal	6,621,345	6,630,635	-9,290	-0.1%
Indirect Support	512,127	512,127	0	0.0%
Total Manufactured Housing *	7,133,472	\$ 7,142,762	\$ (9,290)	-0.1%
FTE's	64	64	-	0.0%
Method of Finance:				
General Revenue	19,120	19,120	0	0.0%
Appropriated Receipts	6,814,352	6,823,642	(9,290)	-0.1%
Federal Funds	300,000	300,000	0	0.0%
Total Method of Finance	\$ 7,133,472	\$ 7,142,762	\$ (9,290)	-0.1%

*** NOTE: Breakdown of the Total Budget:**

- \$ 5,759,445 - Total Direct Strategies Appropriations to MHD
- \$ 861,900 - Payroll related costs - an indirect appropriation, which is a state-wide allocation by the Comptroller; it's included here for assessment or information purpose.
- \$ 512,127 - Administrative Support costs - an indirect appropriation, which is the service contract fees with the TDHCA; it's included here for assessment or information purpose.

\$7,133,472

Texas Department of Housing and Community Affairs
Manufactured Housing Division
Operating Budget Allocation to Direct Strategies
For FY 2023

Description	Expenditures	E.1.1. SO & Licensing	E.1.2. Inspections	E.1.3. Enforcement	E.1.4. Texas Online	Total Budget
Salaries and Wages	\$ 4,234,088	1,439,590	1,405,946	1,388,552		\$ 4,234,088
Payroll Related Costs	861,900	301,665	293,046	267,189	-	861,900
Travel In-State	300,000	11,000	284,000	5,000	-	300,000
Travel Out of State	0	0			-	0
Home Owner Consumer Claims (Rider # 12)	300,000	0	0	300,000	-	300,000
Professional Fees	132,240	46,284	44,962	40,994	-	132,240
Materials and Supplies	180,000	63,000	61,000	56,000	-	180,000
Repairs/Maintenance	160,000	56,000	54,400	49,600	-	160,000
Printing and Reproduction	30,000	10,500	10,200	9,300	-	30,000
Rental/Lease (Building and Copy Machine)	36,715	26,000	10,000	715	-	36,715
Membership Dues	1,100	420	390	290	-	1,100
Staff Development	43,400	15,190	14,756	13,454	-	43,400
Texas Online	19,120	0	0	0	19,120	19,120
Employee Tuition	1,000	360	330	310	-	1,000
Advertising	1,000	700	150	150	-	1,000
Freight/Mail Delivery	30,000	10,500	10,200	9,300	-	30,000
Temporary Help	60,000	21,000	20,400	18,600	-	60,000
Furniture/Equipment	100,000	35,000	34,000	31,000	-	100,000
Communications/Utilities	73,240	25,634	24,902	22,704	-	73,240
Capital Outlay - Computers/Server	47,542	16,640	16,164	14,738	-	47,542
State Office of Risk Management	10,000	3,700	3,400	2,900	-	10,000
	6,621,345	\$ 2,083,183	\$ 2,288,246	\$ 2,230,796	\$ 19,120	\$ 6,621,345

FTE's 64 29 19.6 15.4 64

Method of Finance:

	General Revenue	Appropriated Receipts	Federal Funds	Total
Strategy One	2,083,183	0	2,083,183	2,083,183
Strategy Two	2,288,246	0	2,088,246	2,288,246
Strategy Three	2,230,796	0	2,130,796	2,230,796
Strategy Four	19,120	19,120	0	19,120
	\$ 6,621,345	\$ 19,120	\$ 6,302,225	\$ 300,000

Indirect Support:

	F.1.1.	F.1.2.	F.1.3.	Total
Financial Administration	179,075	179,075		179,075
Information Resource Technologies	174,506	174,506		174,506
Operating Support	158,546		158,546	158,546
	\$ 512,127	\$ 179,075	\$ 174,506	\$ 158,546

Method of Finance:

Appropriated Receipts \$ 512,127 \$ 179,075 \$ 174,506 \$ 158,546 \$ 512,127

**Manufactured Housing Division
Revenue Summary and Projections
For FY 2023 -2022**

FEE TYPE	FY 2023 Projected (c)	FY 2022 Act/Est (d)	Variance (c-d)	Percentage Change
Training	102,600	102,600	-	0.0%
Ownership - Titles	3,821,330	3,821,330	-	0.0%
Licenses	970,000	980,000	(10,000)	-1.0%
Inspections	1,842,735	1,842,735	-	0.0%
Admin. Penalties	27,000	27,000	-	0.0%
Public Information	-	-	-	0.0%
Reimbursement - Claims	8,500	8,050	450	5.6%
Returned Check Charge	-	-	-	0.0%
	6,772,165	6,781,715	(9,550)	-0.1%
Federal Fund	720,000	720,000	-	0.0%
Total	\$ 7,492,165	\$ 7,501,715	\$ (9,550)	-0.1%

*** Note: The assumptions for FY 2023 revenues use the actual/estimates for FY 2022 and modified historical trends**

Texas Department of Housing and Community Affairs
 Manufactured Housing Division
 Budget and Expense Status
 September 1, 2021- August 31, 2022
 For FY 2022

Budget Categories	Annual Budget (a)	*1 YTD Act/Est. Expenses Sep - Aug (b)	Remaining Budget As of August (a-b)	Remaining Budget Not Used %
Salaries and Wages	\$ 4,135,135	\$ 4,019,496	115,639	3%
Payroll Related Costs	861,900	858,000	3,900	0%
Travel In-State	300,000	275,675	24,325	8%
Travel Out of State	0	0	0	0%
Home Owner Consumer Claims (Rider # 12)	300,000	9,000	291,000	97%
Professional Fees	132,240	85,000	47,240	36%
Materials and Supplies	170,000	145,000	25,000	15%
Repairs/Maintenance	160,000	140,000	20,000	13%
Printing and Reproduction	30,000	7,500	22,500	75%
Rental/Lease	202,500	190,000	12,500	6%
Membership Dues	1,100	0	1,100	100%
Staff Development	43,400	0	43,400	100%
Texas Online	19,120	18,672	448	2%
Employee Tuition	1,000	0	1,000	100%
Advertising	1,000	0	1,000	100%
Freight/Mail Delivery	30,000	20,000	10,000	33%
Temporary Help	60,000	12,000	48,000	80%
Furniture/Equipment	100,000	75,000	25,000	25%
Communications/Utilities	73,240	71,000	2,240	3%
Capital Outlay	0	0	0	0%
State Office of Risk Management	10,000	9,112	888	9%
Subtotal	6,630,635	5,935,455	695,180	10%
Indirect Support	512,127	495,000	17,127	3%
Total Manufactured Housing	\$ 7,142,762	\$ 6,430,455	\$ 712,307	10%

* 1 YTD expenses column represents actual expenditures from September to July, and projected expenditures for the month of August.

Exhibit A

**Manufactured Housing
Administrative Support Schedule
For Fiscal Year 2023**

	FTE's	Salaries	Payroll Related Costs	Total
Support:				
Executive Office	0.10	\$ 11,653	\$ 2,680	\$ 14,333
Internal Audit	0.40	26,740	6,150	32,890
Policy and Public Affairs	0.22	18,436	4,240	22,676
Human Resources	0.40	24,410	5,614	30,024
Purchasing and Facilities Management	0.90	47,659	10,962	58,621
Information Systems	2.08	141,875	32,631	174,506
Financial Administration:				-
Director, Financial Administration	0.10	10,175	2,340	12,515
Payroll	0.20	12,982	2,986	15,968
Accounting Manager	0.15	14,245	3,276	17,521
Travel	0.50	26,702	6,141	32,843
Payables	0.45	26,329	6,056	32,385
Program Accountant	1.00	55,158	12,686	67,844
Total Support, Manufactured Housing	6.50	\$ 416,364	\$ 95,762	\$ 512,126

**Texas Department of Housing and Community Affairs
 Manufactured Housing Division
 Legislative Appropriations Request
 For FY 2024 & 2025**

D R A F T

Agenda Action Item No. 3

Budget Categories	FY 24 Budget (a)	FY 25 Budget (b)	Variance (b-a)	Percentage Change
Salaries and Wages	\$ 4,869,201	\$ 4,869,201	0	0.0%
Travel In-State	300,000	300,000	0	0.0%
Travel Out-of-State	0	0	0	0.0%
Home Owner Consumer Claims (Rider # 12)	300,000	300,000	0	0.0%
Professional Fees	342,237	357,135	14,898	4.4%
Materials and Supplies	220,000	197,949	-22,051	-10.0%
Repairs/Maintenance - Server	180,000	180,000	0	0.0%
Printing and Reproduction	30,000	30,000	0	0.0%
Rental/Lease (Building and Copy Machines)	22,900	22,900	0	0.0%
Membership Dues	1,100	1,100	0	0.0%
Staff Development	53,000	53,000	0	0.0%
Texas Online	19,120	19,120	0	0.0%
Employee Tuition	1,000	1,000	0	0.0%
Advertising	1,000	1,000	0	0.0%
Mail/Freight Delivery	50,884	50,884	0	0.0%
Temporary Help	70,000	60,000	-10,000	-14.3%
Furniture/Equipment	100,000	70,000	-30,000	-30.0%
Communications/Utilities	100,000	80,000	-20,000	-20.0%
Capital Outlay - Computers, Servers, etc.	36,720	40,800	4,080	11%
State Office of Risk Management	10,000	10,000	0	0.0%
Total	\$ 6,707,162	\$ 6,644,089	-63,073	-0.9%
FTE's	64	64	-	0%
Method of Finance:				
General Revenue	19,120	19,120	-	0.0%
Appropriated Receipts	6,466,042	6,402,969	(63,073)	-1.0%
Federal Funds	222,000	222,000	-	0.0%
Total Method of Finance	\$ 6,707,162	\$ 6,644,089	\$ (63,073)	-0.9%

Texas Department of Housing and Community Affairs
Manufactured Housing Division
Revenue Summary and Projections
For FY 2024-25

FEE TYPE	FY 2024 Projected (c)	FY 2025 Projected (d)	Variance (c-d)	Percentage Change
Training	142,000	142,000	-	0.0%
Statement of Ownership - Titles	3,850,000	3,850,000	-	0.0%
Licenses	980,000	970,000	(10,000)	-1.0%
Inspections	1,850,000	1,850,000	-	0.0%
Admin. Penalties	27,000	27,000	-	0.0%
Public Information	-	-	-	0.0%
Reimbursement - Consumer Claims	8,300	8,300	-	0.0%
Returned Check Charge	-	-	-	0.0%
	<u>6,857,300</u>	<u>6,847,300</u>	<u>(10,000)</u>	<u>-0.1%</u>
Federal Fund	730,000	730,000	-	0%
Total	<u>\$ 7,587,300</u>	<u>\$ 7,577,300</u>	<u>(10,000)</u>	<u>-0.1%</u>

Agenda Action Item No. 4

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
AND
MANUFACTURED HOUSING DIVISION'S
ADMINISTRATIVE SERVICES AND COST REIMBURSEMENT AGREEMENT

This Administrative Services and Cost Reimbursement Agreement ("Agreement") is made effective as of September 1, 2022 by and between the **Texas Department of Housing and Community Affairs**, a public and official department of the State of Texas ("TDHCA"), and the **Manufactured Housing Division** of TDHCA.

RECITALS:

WHEREAS, Subchapter AA, Sections 2306.6001 through 2306.6023 of the Texas Government Code, requires:

- (1) that beginning on September 1, 2001, TDHCA began to administer and enforce the Texas Manufactured Housing Standards Act (Chapter 1201 of the Texas Occupations Code) through the Manufactured Housing Division ("MH Division");
- (2) that the MH Division be governed by a five member board that is to be an independent entity within TDHCA, administratively attached to TDHCA, and not an advisory board to TDHCA ("MH Board");
- (3) that the MH Board and the division director of the MH Division are to exercise authority and responsibilities assigned to them under the Texas Manufactured Housing Standards Act (Chapter 1201 of the Texas Occupations Code); and
- (4) that the MH Board shall develop a budget for the operations of the department relating to the MH Division and shall reduce administrative costs by entering into an agreement with TDHCA to enable the sharing of department personnel, equipment, and facilities.

NOW THEREFORE, TDHCA has agreed to provide for indirect and direct administrative services as hereinafter provided for a monthly administrative fee described herein to be paid by the MH Division to TDHCA. The parties, TDHCA and the MH Division, agree as follows:

1. ADMINISTRATIVE SERVICES AND REIMBURSEMENT OF OPERATING COSTS

1.1 Scope of Services

During the term of this Agreement, TDHCA shall continue to provide for the budgeted costs and expenses set out on the annual operating budget for the MH Division attached as Exhibit "A" in the manner contemplated by the annual operating budget for TDHCA and to account for all such actual payments and receipts. These services, will include, but not be limited to, administrative support services from TDHCA's Executive Office; Internal Audit; Policy and Public Affairs; Human Resources; Purchasing and Facilities Management; Information Systems; and Financial Administration (collectively the "Services").

2. TERM

2.1 Term

This Agreement shall be effective September 1, **2022** and shall continue in full force and effect until August 31, **2023**, unless sooner terminated pursuant to Section 4.1 of this Agreement.

3. ADMINISTRATIVE SERVICES FEES AND COST REIMBURSEMENTS

3.1 Reimbursement to TDHCA for Operating Costs

TDHCA shall be reimbursed by the MH Division for all operating costs incurred by TDHCA on their behalf out of budgeted receipts attributable to the MH Division as set out on Exhibit "A".

3.2 Payments to TDHCA for Services

As compensation for the Services performed by TDHCA personnel pursuant to this Agreement, TDHCA shall be paid a total annual amount not to exceed \$512,127.00. Monthly payments of \$56,903.00 shall be made by the MH Division starting on December 1, 2022 and continuing for nine consecutive months through August 1, 2023.

4. TERMINATION OF AGREEMENT

4.1 Early Termination

Either party and, the duly constituted MH Board contemplated by Chapter 2306 once appointed, may terminate this Agreement prior to the August 31, **2023** term provided in Section 2.1 upon 30 days' written notice to the other party. Administrative fees due for Services provided up to and including the date of such early termination shall be prorated and shall be payable in full to TDHCA upon such early termination. If this Agreement is terminated by the MH Board, TDHCA agrees to take all actions necessary to deliver to the MH Board possession or control of all books, records, and property of the MH Division in TDHCA's possession in an orderly manner and without interruption of the MH Division's business.

5. FORCE MAJEURE

5.1 Force Majeure

In the event that performance by a party of any of its obligations under the terms of this Agreement shall be interrupted or delayed by an act of God, by acts of war, riot, or civil commotion, by an act of State, by strikes, fire, or flood, or by the occurrence of any other event beyond the control of such party, such party shall be excused from such performance during the period of time when the interruption occurred and for such period of time as is reasonably necessary after such occurrence abates for the effects thereof to have dissipated.

6. MISCELLANEOUS

6.1 Notices

All notices, requests, demands and other communications under this Agreement shall be deemed to be duly given if delivered or sent in accordance with this Section 6.1 and all of its subsections; and if addressed as follows:

If to TDHCA to:

Texas Department of Housing and Community Affairs
221 E. 11th Street, Third Floor
Austin, Texas 78701
ATTENTION: Bobby Wilkinson, TDHCA Executive Director
Bobby.Wilkinson@tdhca.state.tx.us
FAX: (512) 469-9606

If to the Manufactured Housing Division to:

Manufactured Housing Division
1801 Congress Avenue, Suite 11.400
Austin, Texas 78701
ATTENTION: Jim Hicks, MH Division, Executive Director
James.Hicks@tdhca.state.tx.us
FAX: (512) 475-0495

or to such other address or to the attention of such other person as the recipient party has specified in accordance with this Section 6.1 by prior written notice to the sending party. Every notice required or contemplated by this Agreement to be given, delivered or sent by any party may be delivered in person or may be sent by courier, facsimile, e-mail, first class mail, or certified mail (or its equivalent under the laws of the country where mailed), addressed to the party for whom it is intended, at the address specified in this Agreement. Any party may change its address for notice by giving notice to the other parties of the change. Any written notice will be effective no later than the date actually received. Unless otherwise provided in this Agreement, notice by courier, express mail, certified mail, or registered mail will be effective on the date it is officially recorded as delivered by return receipt or equivalent and in the absence of such record of delivery it will be presumed to have been delivered on the fifth business day after it was deposited, first-class postage prepaid, in the United States first class mail. Notice not given in writing will be effective only if acknowledged in writing by a duly authorized officer of the party to whom it was given.

6.2 Entire Agreement

This Agreement contains the entire agreement of the parties with respect to the matters covered by its terms. Any written or oral representations, promises, agreements or understandings concerning the subject matter of this Agreement that is not contained in this Agreement shall be of no force or effect. No change, modification or waiver of any of the terms of this Agreement shall be binding unless reduced to writing and signed by authorized representatives of both parties.

6.3 Assignment

This Agreement shall be binding upon and inure to the benefit of the parties hereto, and the legal representatives, successors in interest and assigns, respectively, of each such party. Notwithstanding the preceding sentence, this Agreement shall not be assigned in whole or in part by either party without the prior written consent of the other party.

6.4 Governing Law

This Agreement shall be construed under and governed in all respects, including without limitation, issues of validity, interpretation, performance and enforcement, by the laws, and not the conflicts of law, of the State of Texas.

6.5 No Waiver

The failure of any party hereto at any time to require performance of any provision of this Agreement shall in no way affect the right of such party to require performance of that provision. Any waiver by any party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself or a waiver of any right under this Agreement.

6.6 Partial Invalidity

If any one or more of the provisions of this Agreement should be ruled wholly or partly invalid or unenforceable by a court or other government body of competent jurisdiction, then:

- (A) the validity and enforceability of all provisions of this Agreement not ruled to be invalid or unenforceable will be unaffected;
- (B) the effect of the ruling will be limited to the jurisdiction of the court or other government body making the ruling;
- (C) the provision(s) held wholly or partly invalid or unenforceable will be deemed amended, and the court or other government body is authorized to reform the provision(s), to the minimum extent necessary to render them valid and enforceable in conformity with the parties' intent as manifested herein; and
- (D) if the ruling, and/or the controlling principle of law or equity leading to the ruling, is subsequently overruled, modified, or amended by legislative, judicial, or administrative action, then the provision(s) in question as originally set forth in this Agreement will be deemed valid and enforceable to the maximum extent permitted by the new controlling principle of law or equity.

6.7 Time

Time is of the essence under this Agreement. If the last day permitted for the performance of any act required or permitted under this Agreement falls on a Saturday, Sunday, or legal holiday in the State of Texas, the time for such performance shall be extended to the next succeeding business day that is not a legal holiday.

6.8 Jurisdiction and Venue

Suit to enforce this Agreement or any provision thereof will be brought exclusively in the state or federal courts located in Austin, Travis County, Texas.

6.9 Section Headings

The article and section headings contained in this Agreement are for reference purposes only and shall not in any way control the meaning or interpretation of this Agreement. Each person signing below represents that he or she has read this Agreement in its entirety (including any and all Schedules and Exhibits); understands its terms; is duly authorized to execute this Agreement on behalf of the party indicated below by his name; and agrees on behalf of such party that such party will be bound by those terms.

IN WITNESS WHEREOF, the parties have signed this Agreement to be effective as of September 1, **2022**.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

By: _____
Bobby Wilkinson
Executive Director

MANUFACTURED HOUSING DIVISION

By: _____
Jim R. Hicks
Executive Director

MEMBERS OF THE TEXAS MANUFACTURED HOUSING BOARD:

Ronnie Richards, Chair

Sylvia L. Guzman, Member

Joe Gonzalez, Member

Keith C. Thompson, Member

Jason R. Denny, Member

ADMINISTRATIVE SERVICES AGREEMENT AND COST REIMBURSEMENT AGREEMENT

Exhibit A

**Manufactured Housing
Administrative Support Schedule
Fiscal Year 2023**

	FTEs	Salaries	Payroll Related Costs	Total
Support:				
Executive Office	0.10	\$ 11,653	\$ 2,680	\$ 14,334
Internal Audit	0.40	26,740	6,150	32,890
Policy and Public Affairs	0.22	18,436	4,240	22,676
Human Resources	0.40	24,410	5,614	30,025
Purchasing and Facilities Management	0.90	47,659	10,962	58,621
Information Systems	2.08	141,875	32,631	174,506
Financial Administration:				
Director, Financial Administration	0.10	10,175	2,340	12,515
Payroll	0.20	12,982	2,986	15,968
Accounting Manager	0.15	14,245	3,276	17,521
Travel Accountant	0.50	26,702	6,141	32,843
Payables	0.45	26,329	6,056	32,384
Program Accountant	1.00	55,158	12,686	67,844
Total Support, Manufactured Housing	6.50	\$ 416,364	\$ 95,762	\$ 512,127

Agenda Action Item No. 5

Preamble for Adoption of Manufactured Housing Rules

*Administrative Rules of the Texas Department of Housing and Community Affairs
10 Texas Administrative Code, Chapter 80*

The Manufactured Housing Division of the Texas Department of Housing and Community Affairs (the "Department") adopts without changes amendments 10 Texas Administrative Code, Chapter 80, §§80.3, 80.30 and 80.38 relating to the regulation of the manufactured housing program. The rule revisions update eliminates the Field Verification Inspection Fee and makes changes for clarification purposes. The rules are adopted without changes from the published proposed rules; therefore, the rules will not be republished in the *Texas Register*.

The proposed amendments were published in the May 6, 2022, issue of the *Texas Register* (47 TexReg 2637).

The adoption of the rules are effective thirty (30) days following the date of publication in the *Texas Register*.

The rules as proposed on May 6, 2022, are adopted as final rules.

There were no request for a public hearing to take comments on the rules.

There was one comment received by email that appeared to be a misunderstanding relating to eliminating the Field Verification Inspection. The commenter appeared to interpret the proposal as eliminating all inspections. The Manufactured Housing Division responded to the commenter that the Field Verification Inspection is not a statutory requirement and ensured the commenter the Department will continue to conduct inspections on manufactured homes installed, consumer complaint investigations and all other inspections required per the Texas Manufactured Housing Standards Act.

The following is a restatement of the rules' factual basis:

10 Tex. Admin. Code §80.3(j) is adopted without changes to remove the Field Verification Inspection fee of \$100, as the Department lacks the resources to complete these inspections and the Manufactured Housing Division is not statutorily required to provide this service.

10 Tex. Admin. Code §80.30(a) is adopted without changes to clarify that a licensee may maintain their files electronically as long as the Department has access upon request.

10 Tex. Admin. Code §80.38(c) is adopted without changes to add new subsection (c) to clarify that a licensee must deliver the Formaldehyde Health Notice to the consumer before the execution of a mutually binding sales agreement or retail installment sales contract and may not transfer ownership unless the consumer receives prior delivery of the form.

The amended rules are adopted under §1201.052 of the Texas Occupations Code, which provides the Director with authority to amend, add, and repeal rules governing the Manufactured Housing

Division of the Department and §1201.053 of the Texas Occupations Code, which authorizes the board to adopt rules as necessary and the director to administer and enforce the manufactured housing program through the Manufactured Housing Division.

No other statutes, codes, or articles are affected by adoption of the amended rules.

The agency hereby certifies that the adoption has been reviewed by legal counsel and found to be within the agency's legal authority to adopt.

Adoption of Manufactured Housing Rules

*Administrative Rules of the Texas Department of Housing and Community Affairs
10 Texas Administrative Code, Chapter 80*

SUBCHAPTER A. CODES, STANDARDS, TERMS, FEES AND ADMINISTRATION

§80.3. Fees.

(a) - (i) (No change.)

~~(j) There is a fee of \$100 for the Department to go to a site and perform a field verification confirming a home's identity, location, identification numbers, or ownership.~~

~~(i)~~ Fees Relating to Statements of Ownership. Each fee shall accompany the required documents delivered or mailed to the Department at its principal office in Austin.

- (1) A fee of \$55 will be required for the issuance of a Statement of Ownership.
- (2) If a correction of a document is required as a result of a mistake by the Department, there is no fee for the issuance of corrected document. However, if the error was not made by the Department, a request for correction of the error must be made on a completed Application for Statement of Ownership and submitted to the Department along with the required fee of \$55 and any necessary supporting documentation.
- (3) When multiple applications are submitted, the Form M set forth on the Department's website must be completed and attached to the front of the applications to identify each application and reconcile the fee for each application with the total amount of the payment. Failure to provide this form, properly completed, will delay the application's being deemed complete for processing.
- (4) A priority handling service may be offered by the Department for an additional fee of \$55, for each review of an application, whether the application is complete or incomplete.

~~(k)~~ Method of Payment.

- (1) All checks shall be made payable to the Texas Department of Housing and Community Affairs or TDHCA.
- (2) All fees for available electronic transactions may also be paid by credit card or ACH, if submitted through Texas Online.

~~(l)~~(m) Loss of Check Writing Privileges. Any person who has more than one (1) time paid for anything requiring a fee under these rules with a check that is returned uncollectible, whether “NSF,” closed account, refer to maker, or for any similar reason, is required to make all future payments, if any, by means of money order or cashier’s check.

~~(m)~~(n) The director may approve a refund of all or a portion of any fee collected if he or she makes a documented determination showing that:

- (1) The fee was for a service applied for in error based on incorrect advice from the Department;
- (2) The fee represented a duplicate payment for a service for which money had already been collected by the Department or a licensee; or
- (3) A refund is justified and warranted.

SUBCHAPTER C. LICENSEES’ RESPONSIBILITIES AND REQUIREMENTS

§80.30. All Licensees’ Responsibilities.

(a) A licensee, other than a salesperson, must maintain all required records at a location that meets the requirements of §1201.103(a-1) of the Standards Act. All records required by this chapter must be maintained in the licensee’s files for a period of not less than six (6) years. Unless stated otherwise, a record of any disclosure to be given shall reflect that it was properly completed, executed, and dated. Files may be maintained in an electronic format, as long as, they can be produced upon request by the Department for review.

(b) - (i) (No change.)

§80.38. Right to Advance Copy of Certain Documents.

(a) (No change.)

(b) Printed forms may be used to the rights as provided for in §1201.164 of the Standards Act only if:

- (1) The basic form set forth on the Department's website is used; and
- (2) The Director has reviewed and approved the language used to describe the specific declared emergency.

(c) A retailer or manufacturer may not transfer ownership of a new or used HUD-code manufactured home or otherwise sell, assign, or convey a HUD-code manufactured home to a consumer unless the retailer or manufacturer delivers to the consumer a formaldehyde health notice.

- (1) The formaldehyde health notice must be delivered before the execution of a mutually binding sales agreement or retail installment sales contract.
- (2) The formaldehyde health notice will be provided on the Manufactured Housing Division's website. The notice must be of the type, size and format required by the director. A retailer or manufacturer may not vary the content or form of the notice.
- (3) The formaldehyde health notice may be combined with other disclosures, if deemed appropriate.