



---

**Texas Department of Housing and Community Affairs**  
**Manufactured Housing Board Meeting**  
**July 14, 2017**

Michael H. Bray, Chair

Ronnie Richards, Member

Kiran Shah, Member

Sheila M. Vallés-Pankratz, Member

Donnie W. Wisenbaker, Member

**Texas Department of Housing and Community Affairs  
Manufactured Housing Board Meeting**

**July 14, 2017**

**ROLL CALL**

	<u>Present</u>	<u>Absent</u>
Michael H. Bray, Chair	_____	_____
Ronnie Richards, Member	_____	_____
Kiran Shah, Member	_____	_____
Sheila M. Vallés-Pankratz, Member	_____	_____
Donnie W. Wisenbaker, 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**

**July 14, 2017                      11:00 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 August 12, 2016. Chair

Item 2. Presentation, discussion and action concerning the consideration of SOAH Proposal for Decision: In the Matter of the Complaint of TDHCA vs. Hernandez Property Investments, Docket Number: 332-17-2670.MHD. Amy Morehouse

*The Board may go into executive session for consultation with attorney on the above order pursuant to Sec. 551.071, Texas Government Code.*

Item 3. Consideration and action regarding Respondent's Request for Rehearing: In the Matter of the Complaint of TDHCA vs. Hernandez Property Investments, Docket Number: 332-17-2670.MHD. Amy Morehouse

*The Board may go into executive session for consultation with attorney on the above order pursuant to Sec. 551.071, Texas Government Code.*

**REPORT ITEMS**

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

**PUBLIC COMMENT** 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](http://www.tdhca.state.tx.us) or contact Sharon Choate, TDHCA/MHD, 1106 Clayton Lane, Suite 270W, Austin, Texas 78723, 512-475-2206, [sharon.choate@tdhca.state.tx.us](mailto:sharon.choate@tdhca.state.tx.us).*

*Individuals who require auxiliary aids, services or translators for this meeting should contact Gina Esteves, ADA Responsible Employee, at 512-475-3943 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, August 12, 2016, at 11:01 a.m., there was a regular meeting of the Manufactured Housing Board (the “Board”) at 1500 N. Congress, Capitol Extension Committee Room E2.028, Austin, Texas. Donnie Wisenbaker presided. Sheila Vallés-Pankratz, Ronnie Richards and Kiran Shah constituting a quorum, attended. Michael Bray was absent. The following Manufactured Housing Division (the “MHD”) staff were present: Joe Garcia, Kassu Asfaw, Amy Morehouse and Sharon Choate.

Donnie Wisenbaker called the roll and confirmed the presence of a quorum.

Donnie Wisenbaker asked for a motion to approve the minutes from the board meeting on July 15, 2016. Upon motion of Ronnie Richards, duly seconded by Kiran Shah, the motion was unanimously approved.

Kassu Asfaw presented the FY 2017 Operating Budget to the board and recommended approval. Upon motion of Kiran Shah, duly seconded by Sheila Vallés-Pankratz, the FY 2017 Operating Budget was unanimously approved.

Kassu Asfaw presented the FY 2018 – 2019 Legislative Appropriations Request and recommended approval. Upon motion of Sheila Vallés-Pankratz, duly seconded by Ronnie Richards, the Legislative Appropriations Request was unanimously approved.

Kassu Asfaw presented the FY 2017 Administrative Services Agreement between the Manufactured Housing Division and TDHCA and recommended approval. Upon motion of Sheila Vallés-Pankratz, duly seconded by Kiran Shah, the agreement was unanimously approved.

Joe Garcia delivered the Executive Director's Report.

The Board did not go into an Executive Session.

The next board meeting was tentatively set for Friday, October 21, 2016, to begin at 11:00 a.m.

There being no further business to come before the board, the meeting was adjourned at 11:42 a.m.

---

Sharon Choate, Secretary

Approved:

---

Donnie Wisenbaker, Acting Presiding Chair



**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
MANUFACTURED HOUSING DIVISION**

Greg Abbott  
GOVERNOR

Joe A. Garcia  
EXECUTIVE DIRECTOR

***Agenda Action Item No. 2***

**Board Members**  
*Presiding Officer,* Michael H. Bray  
Ronnie Richards  
Kiran Shah  
Sheila M. Vallés-Pankratz  
Donnie W. Wisenbaker

TO: Governing Board of the Manufactured Housing Division  
FROM: Amy Morehouse, General Counsel  
THROUGH: Joe A. Garcia, Executive Director  
SUBJECT: Summary of Proposal for Decision Regarding Revocation of Hernandez Property Investments' Retailer/Broker/Installer License (MHDRET00036932) and Request for Rehearing.

Respondent: Hernandez Property Investments  
Docket Number: 332-17-2670.MHD  
Complaint Number: MHD2017000280.LRV, MHD2017000278-LRV, and MHD2017000288-LRV

**Background**

Hernandez Property Investments (Respondent) holds Retailer/Broker/Installer License No. MHDRET00036932 issued by the Texas Department of Housing and Community Affairs (Department), Manufactured Housing Division.

Edwin Reyes purchased a manufactured home, identified by HUD Label number RAD0861645, from Respondent. Mr. Reyes paid \$10,000 in two installments to Respondent for the manufactured home. The second and final installment was paid to Respondent on May 15, 2016. Respondent did not apply for, and Mr. Reyes had not received, a statement of ownership and location for Mr. Reyes's home.

On or about July 7, 2016, Richard Smith entered into a contract to purchase a new manufactured home, Model No. TRU28443A from Respondent. Mr. Smith paid \$1,000.00 to Respondent on July 30, 2016, as a deposit toward this manufactured home. Mr. Smith paid the remaining balance for the manufactured home, which was \$40,901.00, to Respondent on September 10, 2016. Respondent never received the manufactured home, and his money was not refunded.

On or about October 31, 2016, Israel Vasquez paid \$18,000.00 to Respondent as a deposit toward a manufactured home. Mr. Vasquez made a written request for a refund of this money, which was received by Respondent on December 20, 2016. Respondent has not returned Mr. Vasquez's deposit money.

### **Violations**

It was found and determined by the staff of the Manufactured Housing Division and the Administrative Law Judge that Respondent has committed the following violations of the Act:

1. Hernandez Property Investments violated TEX. OCC. CODE ANN. § 1201.551(a)(1) by knowingly and willfully violating this chapter;
2. Hernandez Property Investments violated TEX. OCC. CODE ANN. § 1201.551(a)(2) by unlawfully retaining or converting money, from two consumers in the form of a down payment and deposit;
3. Hernandez Property Investments violated TEX. OCC. CODE ANN. § 1201.151(a) by failing to refund a consumer's deposit not later than the 15th day after the date that a written request for the refund is received from the consumer; and
4. Hernandez Property Investments violated TEX. OCC. CODE ANN. § 1201.206(a), (b), and (c) by failing provide for the installation of the home and ensure that the applications for the issuance of statement of ownership and locations were properly completed within 60 days of the date of sale.

### **Hearing before the State Office of Administrative Hearings**

After proper notice, an administrative hearing was held on March 15, 2017. An Administrative Law Judge (ALJ) at the State Office of Administrative Hearings (SOAH) issued the attached Proposal for Decision (PFD) as a result of that hearing. The Department staff is in agreement with the Findings of Fact and Conclusions of law in this PFD and recommends the attached Final Order for approval.

### **Proposal for Decision**

The Proposal for Decision dated May 11, 2017, recommends that the Department revoke Respondent's Retailer/Broker/Installer License.

### **Exceptions, Reply and Request for Rehearing filed by Respondent**

The Respondent hired an attorney and on approximately May 26, 2017 the attorney filed correspondence with exceptions and a request for rehearing. This was based on the fact that

some payments had been made to consumers and the Respondent had now acquired an attorney. Department filed a Reply to this Request stating all requests should be denied.

### **Judges Response**

The judge determined that no errors were found with the Proposal for Decision; and therefore, no amendments should be made. He also denied the request for rehearing, but stated that this decision was actually for the Department to determine.

### **Recommendation**

It is recommended that the Board approve the following Final Order with respect to the Respondent, as supported by the record and the PFD. Respondent's Retailer/Broker/Installer License (MHDRET00036932) should be permanently revoked.

It is further recommended that the Board deny the Respondent's Request for a Rehearing.

### **Attachments**

Attached to this summary is the Proposal for Decision, the Respondent's Correspondence filing Exceptions and Request for Rehearing, the Judge's Response, the Department's Reply to Respondent's Exceptions and Request for Rehearing, Department's Recommended Final Order and Recommended Denial of Request for Rehearing Order.

*Agenda Action Item No. 3*

All documentation for this action item is located in action item number 2.