



Texas Department of Housing and Community Affairs
Manufactured Housing Board Meeting
July 27, 2018

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 27, 2018

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 27, 2018 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 February 9, 2018. | Chair |
| Item 2. | Presentation, discussion and action to approve the FY 2019 Operating Budget. | Kassu Asfaw |
| Item 3. | Presentation, discussion and action to approve the FY 2020 - 2021 Legislative Appropriations Request. | Kassu Asfaw |
| Item 4. | Presentation, discussion and action to approve the execution of amendment to the Administrative Services Agreement for FY 2019 between the Manufactured Housing Division and TDHCA. | Kassu Asfaw |

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 or contact Sharon Choate, TDHCA/MHD, 1106 Clayton Lane, Suite 270W, Austin, Texas 78723, 512-475-2206, sharon.choate@tdhca.state.tx.us.

Individuals who require auxiliary aids, services or translators for this meeting should contact Nicole Krueger, 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, February 9, 2018, at 11:00 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. Sheila Vallés-Pankratz presided. Kiran Shah and Donnie Wisenbaker constituting a quorum, attended. Michael Bray and Ronnie Richards were absent. The following Manufactured Housing Division (the “MHD”) staff were present: Joe Garcia, Amy Morehouse, Jim Hicks and Sharon Choate. Veena Mohan attended from the Office of Attorney General.

Sheila Vallés-Pankratz called the roll and confirmed the presence of a quorum.

Sheila Vallés-Pankratz asked for a motion to approve the minutes from the board meeting on November 11, 2017. Upon motion of Kiran Shah, duly seconded by Donnie Wisenbaker, the motion was unanimously approved.

Amy Morehouse presented and discussed for approval the SOAH Proposal for Decision: In the Matter of the Complaint of TDHCA vs. Melissa Ochoa, Docket Number: 332-17-5543.MHD.

At 11:17 a.m., the board went into an Executive Session relating to consultation with attorney pursuant to Sec. 551.071, Texas Government Code. The Executive Session ended at 11:30 a.m.

No action was taken in Executive Session.

The board reconvened in open session at 11:35 a.m.

Upon motion of Donnie Wisenbaker to accept the Department's Final Order to deny license, duly seconded by Kiran Shah, the motion was unanimously approved.

Joe Garcia delivered the Executive Director's Report.

The next board meeting was tentatively set for Friday, April 27, 2018, to begin at 11:00 a.m.

There being no further business to come before the board, the meeting was adjourned at 12:11 p.m.

Sharon Choate, Secretary

Approved:

Sheila Vallés-Pankratz, Acting Presiding Chair

Texas Department of Housing and Community Affairs
Historical Budget Analysis
Manufactured Housing Division
For FY 2019

D R A F T

Agenda Action Item No. 2

| Categories | FY 19 Budget (a) | FY 18 Budget (b) | Variance (a-b) | Percentage Change |
|---|---------------------------------|---------------------------------|---------------------------|------------------------------|
| Salaries and Wages | 4,135,135 | 4,135,135 | 0 | 0% |
| Payroll Related Costs | 861,900 | 861,900 | 0 | 0% |
| Travel In-State | 300,000 | 300,000 | 0 | 0% |
| Travel Out-of State | 0 | 0 | 0 | 0% |
| Home Owner Consumer Claims (Rider # 12) | 300,000 | 300,000 | 0 | 0% |
| Professional Fees | 42,000 | 42,000 | 0 | 0% |
| Materials and Supplies | 119,862 | 119,862 | 0 | 0% |
| Repairs/Maintenance | 140,000 | 140,000 | 0 | 0% |
| Printing and Reproduction | 30,000 | 30,000 | 0 | 0% |
| Rental/Lease (Building and Copy Machines) | 168,000 | 168,000 | 0 | 0% |
| Membership Dues | 1,100 | 1,100 | 0 | 0% |
| Staff Development | 33,400 | 33,400 | 0 | 0% |
| Texas Online | 19,120 | 19,120 | 0 | 0% |
| Employee Tuition | 1,000 | 1,000 | 0 | 0% |
| Advertising | 1,000 | 1,000 | 0 | 0% |
| Freight/Mail Delivery | 20,000 | 20,000 | 0 | 0% |
| Temporary Help | 60,000 | 60,000 | 0 | 0% |
| Furniture/Equipment | 80,000 | 80,000 | 0 | 0% |
| Communications/Utilities | 80,000 | 80,000 | 0 | 0% |
| Capital Outlay - Computers/Server | 70,000 | 130,000 | -60,000 | -46% |
| State Office of Risk Management | 10,000 | 10,000 | 0 | 0% |
| Subtotal | 6,472,517 | 6,532,517 | (60,000) | -1% |
| Indirect Support | 512,127 | 512,127 | 0 | 0% |
| Total Manufactured Housing * | 6,984,644 \$ | 7,044,644 \$ | (60,000) | -1% |
| | | | | |
| FTE's | 64 | 64 | - | 0% |
| | | | | |
| Method of Finance: | | | | |
| General Revenue | 19,120 | 19,120 | 0 | 0% |
| Appropriated Receipts | 6,665,524 | 6,725,524 | (60,000) | -1% |
| Federal Funds | 300,000 | 300,000 | 0 | 0% |
| Total Method of Finance | 6,984,644 \$ | 7,044,644 \$ | (60,000) | -1% |

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

1. \$ 5,610,617 - Total Direct Strategies Appropriations to MHD
 2. \$ 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.
 3. \$ 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.
- \$6,984,644**

Texas Department of Housing and Community Affairs
Manufactured Housing Division
Operating Budget Allocation to Direct Strategies
For FY 2019

| Description | Expenditures | E.1.1. Ownership & Lic. | E.1.2. Inspections | E.1.3. Enforcement | E.1.4. Texas Online | Total Budget |
|---|------------------|----------------------------|-----------------------|-----------------------|------------------------|---------------------|
| Salaries and Wages | \$ 4,135,135 | 1,447,297 | 1,405,946 | 1,281,892 | | \$ 4,135,135 |
| 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 | 42,000 | 14,700 | 14,280 | 13,020 | - | 42,000 |
| Materials and Supplies | 119,862 | 59,931 | 47,945 | 11,986 | - | 119,862 |
| Repairs/Maintenance | 140,000 | 49,000 | 47,600 | 43,400 | - | 140,000 |
| Printing and Reproduction | 30,000 | 10,500 | 10,200 | 9,300 | - | 30,000 |
| Rental/Lease (Building and Copy Machines) | 168,000 | 147,779 | 12,239 | 7,982 | - | 168,000 |
| Membership Dues | 1,100 | 420 | 390 | 290 | - | 1,100 |
| Staff Development | 33,400 | 11,690 | 11,356 | 10,354 | - | 33,400 |
| 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 | 20,000 | 7,000 | 6,800 | 6,200 | - | 20,000 |
| Temporary Help | 60,000 | 21,000 | 20,400 | 18,600 | - | 60,000 |
| Furniture/Equipment | 80,000 | 28,000 | 27,200 | 24,800 | - | 80,000 |
| Communications/Utilities | 80,000 | 28,000 | 27,200 | 24,800 | - | 80,000 |
| Capital Outlay - Computers/Server | 70,000 | 24,500 | 23,800 | 21,700 | - | 70,000 |
| State Office of Risk Management | 10,000 | 3,700 | 3,400 | 2,900 | - | 10,000 |
| | 6,472,517 | \$ 2,167,242 | \$ 2,236,282 | \$ 2,049,873 | \$ 19,120 | \$ 6,472,517 |

FTE's 64 29 19.6 15.4 64

Method of Finance:

| | General Revenue | Appropriated Receipts | Federal Funds | Total |
|----------------|---------------------|--------------------------|---------------------|-------------------|
| Strategy One | 2,167,242 | 0 | 2,167,242 | 2,167,242 |
| Strategy Two | 2,236,282 | 0 | 200,000 | 2,236,282 |
| Strategy Three | 2,049,873 | 0 | 100,000 | 2,049,873 |
| Strategy Four | 19,120 | 19,120 | 0 | 19,120 |
| | \$ 6,472,517 | \$ 19,120 | \$ 6,153,397 | \$ 300,000 |

Indirect Support:

| | F.1.1. | F.1.2. | F.1.3. | Total |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|
| Financial Administration | 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 2018-19**

| FEE TYPE | FY 2019 Projected (c) | FY 2018 Act/Est (d) | Variance (c-d) | Percentage Change |
|----------------------------------|--|--|---------------------------|------------------------------|
| Training | 114,100 | 114,100 | - | 0% |
| Statements of Ownership - Titles | 3,492,191 | 3,492,191 | - | 0% |
| Licenses | 800,000 | 888,222 | (88,222) | -10% |
| Inspections | 1,694,495 | 1,694,495 | - | 0% |
| Admin. Penalties | 8,700 | 8,700 | - | 0% |
| Public Information | 300 | 300 | - | 0% |
| Reimbursement - Consumer Claims | 60,000 | 60,000 | - | 0% |
| Returned Check Charge | - | - | - | 0% |
| | 6,169,786 | 6,258,008 | (88,222) | -1% |
| Federal Fund | 552,000 | 552,000 | - | 0% |
| Total | \$ 6,721,786 | \$ 6,810,008 | \$ (88,222) | -1% |

*** Note: The assumptions for FY 2019 revenues use the actual/estimates for FY 2018 and modified historical trends.**

**Texas Department of Housing and Community Affairs
 Manufactured Housing Division
 Budget and Expense Status
 September 1, 2017- August 31, 2018
 For FY 2018**

| 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 | \$ 3,833,063 | 302,072 | 7% |
| Payroll Related Costs | 861,900 | 828,000 | 33,900 | 4% |
| Travel In-State | 300,000 | 295,000 | 5,000 | 2% |
| Travel Out-of State | 0 | 0 | 0 | 0% |
| Home Owner Consumer Claims (Rider # 12) | 300,000 | 6,000 | 294,000 | 98% |
| Professional Fees | 42,000 | 38,400 | 3,600 | 9% |
| Materials and Supplies | 119,862 | 90,000 | 29,862 | 25% |
| Repairs/Maintenance | 140,000 | 108,000 | 32,000 | 23% |
| Printing and Reproduction | 30,000 | 18,000 | 12,000 | 40% |
| Rental/Lease | 168,000 | 164,000 | 4,000 | 2% |
| Membership Dues | 1,100 | 600 | 500 | 45% |
| Staff Development | 33,400 | 3,600 | 29,800 | 89% |
| Texas Online | 19,120 | 15,600 | 3,520 | 18% |
| Employee Tuition | 1,000 | 0 | 1,000 | 100% |
| Advertising | 1,000 | 60 | 940 | 94% |
| Freight/Mail Delivery | 20,000 | 18,000 | 2,000 | 10% |
| Temporary Help | 60,000 | 22,800 | 37,200 | 62% |
| Furniture/Equipment | 80,000 | 58,000 | 22,000 | 28% |
| Communications/Utilities | 80,000 | 66,000 | 14,000 | 18% |
| Capital Outlay | 130,000 | 126,000 | 4,000 | 3% |
| State Office of Risk Management | 10,000 | 9,600 | 400 | 4% |
| Subtotal | 6,532,517 | 5,700,723 | 831,794 | 13% |
| Indirect Support | 512,127 | 493,033 | 19,094 | 4% |
| Total Manufactured Housing | \$ 7,044,644 | \$ 6,193,755 | \$ 850,889 | 12% |

*** 1 YTD expenses column represents actual expenditures from September to June, and projected expenditures for the month of August 2017.**

Exhibit A

**Manufactured Housing
Administrative Support Schedule
Fiscal Year 2019**

| | 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 2020 & 2021**

D R A F T

Agenda Action Item No. 3

| Budget Categories | FY 20 Budget (a) | FY 21 Budget (b) | Variance (b-a) | Percentage Change |
|---|-------------------------|-------------------------|-----------------------|--------------------------|
| Salaries and Wages | \$ 4,135,135 | \$ 4,135,135 | \$ - | 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 | 42,000 | 42,000 | 0 | 0.0% |
| Materials and Supplies | 119,862 | 119,862 | 0 | 0.0% |
| Repairs/Maintenance - Server | 140,000 | 140,000 | 0 | 0.0% |
| Printing and Reproduction | 30,000 | 30,000 | 0 | 0.0% |
| Rental/Lease (Building and Copy Machines) | 176,400 | 176,400 | 0 | 0.0% |
| Membership Dues | 1,100 | 1,100 | 0 | 0.0% |
| Staff Development | 33,400 | 33,400 | 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 | 20,000 | 20,000 | 0 | 0.0% |
| Temporary Help | 60,000 | 60,000 | 0 | 0.0% |
| Furniture/Equipment | 80,000 | 80,000 | 0 | 0.0% |
| Communications/Utilities | 80,000 | 80,000 | 0 | 0.0% |
| Capital Outlay - Computers, Servers, etc. | 0 | 30,675 | 30,675 | #DIV/0! |
| State Office of Risk Management | 10,000 | 10,000 | 0 | 0.0% |
| Total | \$ 5,549,017 | \$ 5,579,692 | 30,675 | 0.6% |
| | | | | |
| FTE's | 64 | 64 | - | 0% |
| | | | | |
| Method of Finance: | | | | |
| General Revenue | 19,120 | 19,120 | - | 0.0% |
| Appropriated Receipts | 5,229,897 | 5,260,572 | 30,675 | 0.6% |
| Federal Funds | 300,000 | 300,000 | - | 0.0% |
| Total Method of Finance | \$ 5,549,017 | \$ 5,579,692 | \$ 30,675 | 0.6% |

**Texas Department of Housing and Community Affairs
 Manufactured Housing Division
 Appropriations Request Allocation to Direct Strategies
 For FY 2020**

| Description | Expenditures | E.1.1. Ownership & Lic. | E.1.2. Inspections | E.1.3. Enforcement | E.1.4. Texas Online | Total Budget |
|---|---------------------|--|-------------------------------|-------------------------------|--------------------------------|-------------------------|
| Salaries and Wages | \$ 4,135,135 | \$ 1,447,297 | \$ 1,405,946 | 1,281,892 | \$ - | 4,135,135 |
| Travel In-State | 300,000 | 10,000 | 280,000 | 10,000 | - | 300,000 |
| Travel Out-of State | 0 | 0 | 0 | 0 | - | 0 |
| Home Owner Consumer Claims (Rider # 12) | 300,000 | 0 | 0 | 300,000 | - | 300,000 |
| Professional Fees | 42,000 | 14,700 | 14,280 | 13,020 | - | 42,000 |
| Materials and Supplies | 119,862 | 59,931 | 39,554 | 20,377 | - | 119,862 |
| Repairs/Maintenance - Server | 140,000 | 49,000 | 47,600 | 43,400 | - | 140,000 |
| Printing and Reproduction | 30,000 | 10,500 | 10,200 | 9,300 | - | 30,000 |
| Rental/Lease (Building and Copy Machines) | 176,400 | 151,704 | 12,348 | 12,348 | - | 176,400 |
| Membership Dues | 1,100 | 385 | 374 | 341 | - | 1,100 |
| Staff Development | 33,400 | 11,690 | 11,356 | 10,354 | - | 33,400 |
| Texas Online | 19,120 | 0 | 0 | 0 | 19,120 | 19,120 |
| Employee Tuition | 1,000 | 350 | 340 | 310 | - | 1,000 |
| Advertising | 1,000 | 350 | 340 | 310 | - | 1,000 |
| Freight/Mail Delivery | 20,000 | 7,000 | 6,800 | 6,200 | - | 20,000 |
| Temporary Help | 60,000 | 21,000 | 20,400 | 18,600 | - | 60,000 |
| Furniture/Equipment | 80,000 | 40,000 | 27,200 | 12,800 | - | 80,000 |
| Communications/Utilities | 80,000 | 31,250 | 25,500 | 23,250 | - | 80,000 |
| Capital Outlay | 0 | 0 | 0 | 0 | - | 0 |
| State Office of Risk Management | 10,000 | 3,500 | 3,400 | 3,100 | - | 10,000 |
| | \$ 5,549,017 | \$ 1,858,657 | \$ 1,905,638 | \$ 1,765,602 | \$ 19,120 | \$ 5,549,017 |

| | | | | | | |
|--------------|----|------|------|------|--|----|
| FTE's | 64 | 29.6 | 18.5 | 15.9 | | 64 |
|--------------|----|------|------|------|--|----|

Method of Finance:

| | General Revenue | Appropriated Receipts | Federal Funds | Total |
|-----------------|----------------------------|----------------------------------|--------------------------|---------------------|
| Strategy One: | 1,858,657 | 0 | 1,858,657 | 1,858,657 |
| Strategy Two: | 1,905,638 | 0 | 1,705,638 | 1,905,638 |
| Strategy Three: | 1,765,602 | 0 | 1,665,602 | 1,765,602 |
| Strategy Four | 19,120 | 19,120 | | 19,120 |
| | \$ 5,549,017 | \$ 19,120 | \$ 5,229,897 | \$ 5,549,017 |

Texas Department of Housing and Community Affairs
 Manufactured Housing Division
 Appropriations Request Allocation to Direct Strategies
 For FY 2021

| Description | Expenditures | Ownership & Lic. | Inspections | Enforcement | Texas Online | Budget |
|---|---------------------|---------------------|---------------------|---------------------|------------------|---------------------|
| Salaries and Wages | \$ 4,135,135 | \$ 1,447,297 | \$ 1,405,946 | \$ 1,281,892 | | \$ 4,135,135 |
| Travel In-State | 300,000 | 10,000 | 280,000 | 10,000 | - | 300,000 |
| Travel Out-of State | 0 | 0 | 0 | 0 | - | 0 |
| Home Owner Consumer Claims (Rider # 12) | 300,000 | 0 | 0 | 300,000 | - | 300,000 |
| Professional Fees | 42,000 | 14,700 | 14,280 | 13,020 | - | 42,000 |
| Materials and Supplies | 119,862 | 59,931 | 39,554 | 20,377 | - | 119,862 |
| Repairs/Maintenance | 140,000 | 49,000 | 47,600 | 43,400 | - | 140,000 |
| Printing and Reproduction | 30,000 | 10,500 | 10,200 | 9,300 | - | 30,000 |
| Rental/Lease | 176,400 | 151,704 | 12,348 | 12,348 | - | 176,400 |
| Membership Dues | 1,100 | 385 | 374 | 341 | - | 1,100 |
| Staff Development | 33,400 | 11,690 | 11,356 | 10,354 | - | 33,400 |
| Texas Online | 19,120 | 0 | 0 | 0 | 19,120 | 19,120 |
| Employee Tuition | 1,000 | 350 | 340 | 310 | - | 1,000 |
| Advertising | 1,000 | 350 | 340 | 310 | - | 1,000 |
| Freight/Mail Delivery | 20,000 | 7,000 | 6,800 | 6,200 | - | 20,000 |
| Temporary Help | 60,000 | 21,000 | 20,400 | 18,600 | - | 60,000 |
| Furniture/Equipment | 80,000 | 40,000 | 27,200 | 12,800 | - | 80,000 |
| Communications/Utilities | 80,000 | 31,250 | 25,500 | 23,250 | - | 80,000 |
| Capital Outlay | 30,675 | 10,736 | 10,430 | 9,509 | - | 30,675 |
| State Office of Risk Management | 10,000 | 3,500 | 3,400 | 3,100 | - | 10,000 |
| | \$ 5,579,692 | \$ 1,869,393 | \$ 1,916,068 | \$ 1,775,111 | \$ 19,120 | \$ 5,579,692 |

FTE's 64 29.6 18.5 15.9 64

Method of Finance:

| | General Revenue | Appropriated Receipts | Federal Funds | Total |
|-----------------|---------------------|-----------------------|---------------------|---------------------|
| Strategy One: | 1,869,393 | 0 | 1,869,393 | 1,869,393 |
| Strategy Two: | 1,916,068 | 0 | 200,000 | 1,916,068 |
| Strategy Three: | 1,775,111 | 0 | 100,000 | 1,775,111 |
| Strategy Four: | 19,120 | 19,120 | - | 19,120 |
| | \$ 5,579,692 | \$ 19,120 | \$ 5,260,572 | \$ 5,579,692 |

Texas Department of Housing and Community Affairs
Manufactured Housing Division
Revenue Summary and Projections
For FY 2020-21

| FEE TYPE | FY 2020 Projected (c) | FY 2021 Projected (d) | Variance (c-d) | Percentage Change |
|----------------------------------|--|--|---------------------------|------------------------------|
| Training | 114,100 | 114,100 | - | 0.0% |
| Statements of Ownership - Titles | 3,492,191 | 3,492,191 | - | 0.0% |
| Licenses | 888,222 | 800,000 | (88,222) | -9.9% |
| Inspections | 1,694,495 | 1,694,495 | - | 0.0% |
| Admin. Penalties | 8,700 | 8,700 | - | 0.0% |
| Public Information | 300 | 300 | - | 0.0% |
| Reimbursement - Consumer Claims | 60,000 | 60,000 | - | 0.0% |
| Returned Check Charge | - | - | - | 0.0% |
| | 6,258,008 | 6,169,786 | (88,222) | -1.4% |
| Federal Fund | 552,000 | 552,000 | - | 0% |
| Total | \$ 6,810,008 | \$ 6,721,786 | (88,222) | -1.3% |

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, 2018 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, **2018** and shall continue in full force and effect until August 31, **2019**, 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 \$42,677.25 monthly by the MH Division (or a total annual amount not to exceed \$512,127.00) for each month during the term of this Agreement.

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, **2019** 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: Timothy K. Irvine, TDHCA Executive Director
Tim.Irvine@tdhca.state.tx.us
FAX: (512) 469-9606

If to the Manufactured Housing Division to:

Manufactured Housing Division
1106 Clayton LN. Twin Towers, Suite 270W
Austin, Texas 78723
ATTENTION: Joe Garcia, MH Division, Executive Director
Joe.Garcia@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, 2018.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

By: _____
Timothy K. Irvine
Executive Director

MANUFACTURED HOUSING DIVISION

By: _____
Joe A. Garcia
Executive Director

MEMBERS OF THE TEXAS MANUFACTURED HOUSING BOARD:

Michael Bray, Chairman

Sheila M. Valles-Pankratz, Member

Ronnie Richards, Member

Donnie W. Wisenbaker, Member

Kiran Shah, Member

ADMINISTRATIVE SERVICES AGREEMENT AND COST REIMBURSEMENT AGREEMENT

Exhibit A

**Manufactured Housing
Administrative Support Schedule
Fiscal Year 2019**

| | 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 |