



Texas Department of Housing and Community Affairs
Manufactured Housing Board Meeting
August 23, 2019

Sheila M. Vallés-Pankratz, Chair

Sylvia L. Acuff, Member

Jason R. Denny, Member

Ronnie Richards, Member

Keith C. Thompson, Member

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

August 23, 2019

ROLL CALL

	<u>Present</u>	<u>Absent</u>
Sheila M. Vallés-Pankratz, Chair	_____	_____
Sylvia L. Acuff, Member	_____	_____
Jason R. Denny, Member	_____	_____
Ronnie Richards, 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
August 23, 2019 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 July 27, 2018. | Chair |
| Item 2. | Presentation, discussion and action to approve the FY 2020 Operating Budget. | Kassu Asfaw |
| Item 3. | Presentation, discussion and action to approve the execution of amendment to the Administrative Services Agreement for FY 2020 between the Manufactured Housing Division and TDHCA. | Kassu Asfaw |
| Item 4. | Presentation, discussion and action to approve Texas Manufactured Housing Association's request for approval to continue as a Continuing Education Provider. | Jim Hicks |
| Item 5. | Presentation, discussion and possible action to approve proposed amendments to 10 Texas Administrative Code, Chapter 80 for publication as proposed in the Texas Register for public comment. | Joe Garcia |
| Item 6. | Presentation, discussion and possible action to approve adoption of proposed Manufacturer's Certificate of Origin to a Manufactured Home and Application for Statement of Ownership for Federal Governmental Agency. | Joe Garcia |

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 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, July 27, 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. Ronnie Richards, Kiran Shah and Donnie Wisenbaker constituting a quorum, attended. Michael Bray was absent. The following Manufactured Housing Division (the “MHD”) staff were present: Joe Garcia, Amy Morehouse, Jim Hicks, Kassu Asfaw and Sharon Choate.

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 February 9, 2018. Upon motion of Donnie Wisenbaker, duly seconded by Kiran Shah, the motion was unanimously approved.

Kassu Asfaw presented the FY 2019 Operating Budget to the board and recommended approval. Upon motion of Ronnie Richards, duly seconded by Kiran Shah, the FY 2019 Operating Budget was unanimously approved.

Kassu Asfaw presented the FY 2020 – 2021 Legislative Appropriations Request and recommended approval. Upon motion of Kiran Shah, duly seconded by Ronnie Richards, the Legislative Appropriations Request was unanimously approved.

Kassu Asfaw presented the FY 2019 Administrative Services Agreement between the Manufactured Housing Division and TDHCA and recommended approval. Upon motion of Ronnie Richards, 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 26, 2018, to begin at 11:00 a.m.

There being no further business to come before the board, the meeting was adjourned at 11:29 a.m.

Sharon Choate, Secretary

Approved:

Sheila Vallés-Pankratz, 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 2020

D R A F T

Agenda Action Item No. 2

Categories	FY 20 Budget (a)	FY 19 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 Machine)	176,400	168,000	8,400	5%
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	0	70,000	-70,000	-100%
State Office of Risk Management	10,000	10,000	0	0%
Subtotal	6,410,917	6,472,517	-61,600	-1%
Indirect Support	512,127	512,127	0	0%
Total Manufactured Housing *	6,923,044 \$	6,984,644 \$	(61,600)	-1%
FTE's	64	64	-	0%
Method of Finance:				
General Revenue	19,120	19,120	0	0%
Appropriated Receipts	6,603,924	6,665,524	(61,600)	-1%
Federal Funds	300,000	300,000	0	0%
Total Method of Finance	\$ 6,923,044	\$ 6,984,644	\$ (61,600)	-1%

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

1. \$ 5,549,017 - 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.

\$6,923,044

Texas Department of Housing and Community Affairs
Manufactured Housing Division
Operating Budget Allocation to Direct Strategies
For FY 2020

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	\$ 4,135,135	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 Machine)	176,400	156,179	12,239	7,982	-	176,400
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	0	0	0	0	-	0
State Office of Risk Management	10,000	3,700	3,400	2,900	-	10,000
	6,410,917	\$ 2,151,142	\$ 2,212,482	\$ 2,028,173	\$ 19,120	\$ 6,410,917

FTE's 64 29 19.6 15.4 64

Method of Finance:

	General Revenue	Appropriated Receipts	Federal Funds	Total
Strategy One	2,151,142	0	0	2,151,142
Strategy Two	2,212,482	0	200,000	2,212,482
Strategy Three	2,028,173	0	100,000	2,028,173
Strategy Four	19,120	19,120	0	19,120
	\$ 6,410,917	\$ 19,120	\$ 300,000	6,410,917

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	\$ 158,546	\$ 512,127

Method of Finance:

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

**Manufactured Housing Division
Revenue Summary and Projections
For FY 2020 -19**

FEE TYPE	FY 2020 Projected (c)	FY 2019 Act/Est (d)	Variance (c-d)	Percentage Change
Training	116,647	116,647	-	0%
SOL - Titles	3,632,850	3,632,850	-	0%
Licenses	913,180	869,695	43,485	5%
Inspections	1,516,126	1,516,126	-	0%
Admin. Penalties	8,100	8,100	-	0%
Public Information	55	55	-	0%
Reimbursement - Claims	63,637	14,637	49,000	335%
Returned Check Charge	-	-	-	0%
	6,250,595	6,158,110	92,485	2%
Federal Fund	587,600	587,600	-	0%
Total	\$ 6,838,195	\$ 6,745,710	\$ 92,485	1%

*** Note: The assumptions for FY 2020 revenues use the actual/estimates for FY 2019 and modified historical trends.**

Texas Department of Housing and Community Affairs
 Manufactured Housing Division
 Budget and Expense Status
 September 1, 2018- August 31, 2019
 For FY 2019

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	\$ 3,861,717	273,418	7%
Payroll Related Costs	861,900	818,667	43,233	5%
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	82,889	217,111	72%
Professional Fees	42,000	38,044	3,956	9%
Materials and Supplies	119,862	106,288	13,574	11%
Repairs/Maintenance	140,000	122,508	17,492	12%
Printing and Reproduction	30,000	19,623	10,377	35%
Rental/Lease	168,000	164,281	3,719	2%
Membership Dues	1,100	0	1,100	100%
Staff Development	33,400	2,100	31,300	94%
Texas Online	19,120	15,076	4,044	21%
Employee Tuition	1,000	0	1,000	100%
Advertising	1,000	0	1,000	100%
Freight/Mail Delivery	20,000	18,731	1,269	6%
Temporary Help	60,000	33,333	26,667	44%
Furniture/Equipment	80,000	76,772	3,228	4%
Communications/Utilities	80,000	74,000	6,000	8%
Capital Outlay	70,000	69,097	903	1%
State Office of Risk Management	10,000	8,091	1,909	19%
Subtotal	6,472,517	5,806,217	666,300	10%
Indirect Support	512,127	494,033	18,094	4%
Total Manufactured Housing	\$ 6,984,644	\$ 6,300,250	\$ 684,394	10%

* 1 YTD expenses column represents actual expenditures from September to June, and projected expenditures from July to August.

Exhibit A

**Manufactured Housing
Administrative Support Schedule
For Fiscal Year 2020**

	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

Agenda Action Item No. 3

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, 2019 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, **2019** and shall continue in full force and effect until August 31, **2020**, 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, **2020** 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
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, 2019.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

By: _____
Bobby Wilkinson
Executive Director

MANUFACTURED HOUSING DIVISION

By: _____
Joe A. Garcia
Executive Director

MEMBERS OF THE TEXAS MANUFACTURED HOUSING BOARD:

Sheila M. Vallés-Pankratz, Chair

Ronnie Richards, Member

Sylvia L. Acuff, 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 2020**

	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



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS MANUFACTURED HOUSING DIVISION

Greg Abbott
GOVERNOR

Joe A. Garcia
EXECUTIVE DIRECTOR

Board Members
Presiding Officer, Sheila M. Vallés-Pankratz
Sylvia L. Acuff
Jason R. Denny
Ronnie Richards
Keith C. Thompson

Agenda Action Item No. 4

TO: Governing Board of the Manufactured Housing Division of the Texas Department of Housing and Community Affairs

FROM: Jim R. Hicks, Director of Inspections, Compliance, and Education

THROUGH: Joe A. Garcia, Executive Director

SUBJECT: Texas Manufactured Housing Association Request for Approval to Continue as a Continuing Education Provider

DATE: August 23, 2019

Texas Manufactured Housing Association (“TMHA”) is currently approved as a Continuing Education Provider offering online classes and in person classes through January 17, 2020. TMHA has been an approved provider since April 27, 2004. TMHA satisfies the statutory requirements regarding providing continuing education as set forth in Section 1201.113 of the Texas Occupations Code.

The Department has reviewed the renewal submission, materials, and online course of TMHA and recommends that its request be approved.

Agenda Action Item No. 5

Preamble for Proposed 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”) proposes to amend 10 Texas Administrative Code, Chapter 80, §§ 80.2, 80.21, 80.41, 80.73 and 80.95, relating to the regulation of the manufactured housing program. The rules are revised to comply with House Bill 2315 (86th Legislature, 2019 regular session) that amends the Manufactured Housing Standards Act and for clarification purposes.

10 Tex. Admin. Code § 80.2(26) was added to define a serious violation. Section 1201.605(c)(1) of the Texas Occupations Code allows the Department to use the seriousness of a violation to help determine the proper penalty amount. However, the term “seriousness of a violation” is vague. A definition will assist to determine how and when the department should consider a violation as serious when determining the penalty.

10 Tex. Admin. Code § 80.21(h) was amended to remove the rental community exception for drainage site preparation. The installer is responsible for proper site drainage where a new manufactured home is installed, pursuant to 24 CFR § 3285.203. The Code of Federal Regulation does not allow an exception for rental communities. The Code of Federal Regulation does not apply to the installation of used manufactured homes.

10 Tex. Admin. Code § 80.41 (g)(1)(B), (2)(D), (3)(D) were amended to clarify the exemption for retailer’s licenses. The Department wanted to clarify that this exemption only applies to the sale of up to three manufactured homes within a twelve (12) month period to ensure it was consistent with the statutory authority found in Section 1201.1025 of the Texas Occupations Code. Clarification was also needed to demonstrate the homes may not be sold until the letter of exemption is granted.

10 Tex. Admin. Code § 80.73(b)(3) was amended to clarify the timeline for conducting a proper warranty inspection. Pursuant to Section 1201.355 of the Texas Occupations Code, if a *proper* warranty service is not provided, and an inspection is requested the Department has thirty (30) days to conduct an inspection from the date the request is made. When a complaint is received it may not be a valid complaint within the Department’s jurisdiction. It must be determined that a proper warranty service was not provided within the warranty deadline. The thirty (30) day deadline to conduct an inspection should begin after the complaint is validated, to ensure Department’s resources are not wasted on inspections that are not within the Department’s jurisdiction.

10 Tex. Admin. Code § 80.95 was added to implement House Bill 2315 introduced during the 86th Texas Legislative Session. House Bill 2315, adopted in the 86th Texas Legislative Session, required the Department to adopt rules for the application for and automatic issuance of a Statement of Ownership for a federal governmental agency providing temporary housing in response to a natural disaster or other declared emergency. The addition of Section 1201.2071 of the Texas Occupations Code, Exemption for Certain Emergency Housing, will take effect September 1, 2019.

Joe A. Garcia, Executive Director of the Manufactured Housing Division of the Texas Department of Housing and Community Affairs, has determined that for the first five-year period that the proposed rules are in effect there will be no fiscal implications for state or local government as a result of enforcing or administering these sections. There will be no effect on small or micro-businesses because of the proposed amendments. Companies with a related person(s) may realize

an increase in educational costs associated with the Standards Act. There are no additional anticipated economic costs to persons who are required to comply with the proposed rules.

Mr. Garcia also has determined that for each year of the first five years that the proposed rules benefit the public by providing clarification of procedures in order to comply with the Manufactured Housing Standards Act.

Mr. Garcia has also determined that for each year of the first five years the proposed rules are in effect there should be no adverse effect on a local economy, and therefore no local employment impact statement is required under Administrative Procedure Act (APA), Texas Government Code § 2001.022.

Mr. Garcia has also determined that for each of the first five years the proposed rules are in effect would not have a large government growth impact. The proposed rules do not create or eliminate a government program. Implementation of the proposed rules does not require the creation of new employee positions or the elimination of existing employee positions. Implementation of the proposed rule does not require the increase or decrease in future legislative appropriations to the agency. The proposed rules do not require an increase or decrease in fees paid to the agency. The proposed rules do not create a new regulation. The proposed rules do not expand, limit, or repeal an existing regulation. The proposed rules do not increase or decrease the number of individuals subject to the rules applicability. The proposed rules do not positively or adversely affect this states economy. This statement is made pursuant to the Administrative Procedures Act, Texas Government Code, § 2001.0221.

If requested, the Department will conduct a public hearing on this rulemaking, pursuant to the Administrative Procedure Act, Texas Government Code § 2001.029. The request for a public hearing must be received by the Department within 15 days after publication.

Comments may be submitted to Mr. Joe A. Garcia, Executive Director of the Manufactured Housing Division of the Texas Department of Housing and Community Affairs, P. O. Box 12489, Austin, Texas 78711-2489 or by e-mail at mhproposedrulecomments@tdhca.state.tx.us. The deadline for comments is no later than 30 days from the date that these proposed rules are published in the *Texas Register*.

The amendments are proposed 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 the proposed rules.

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

Manufactured Housing Proposed Rules

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

TABLE OF CONTENTS

SUBCHAPTER A. CODES, STANDARDS, TERMS, FEES AND ADMINISTRATION 1
 §80.2. DEFINITIONS 1

SUBCHAPTER B. INSTALLATION STANDARDS AND DEVICE APPROVALS 1
 §80.21. REQUIREMENTS FOR THE INSTALLATION OF MANUFACTURED HOMES..... 1

SUBCHAPTER D. LICENSING..... 2
 §80.41. LICENSE REQUIREMENTS..... 2

SUBCHAPTER E. ENFORCEMENT..... 3
 §80.73. PROCEDURES FOR HANDLING CONSUMER COMPLAINTS..... 3

SUBCHAPTER G. STATEMENTS OF OWNERSHIP 3
 §80.95. RECORDING OWNERSHIP FOR EMERGENCY HOUSING..... 3

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

§80.2. Definitions.

Terms used herein that are defined in the Code and the Standards Act have the meanings ascribed to them therein. The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise:

(1) - (25) No change.

(26) Seriousness of Violation – Pursuant to Section 1201.605(c)(1) of the Texas Occupations Code the Department shall assess a higher administrative penalty if the consumer harm or burden is great, as a result of the violation.

(Rational: Section 1201.605(c)(1) of the Texas Occupations Code allows the Department to use the seriousness of a violation to help determine the proper penalty amount. However, the term “seriousness of a violation” is vague. A definition will assist to determine how and when the department should consider a violation as serious.)

(27)~~(26)~~ Stabilization systems--A combination of the anchoring and support system. It includes, but is not limited to the following components:

SUBCHAPTER B. INSTALLATION STANDARDS AND DEVICE APPROVALS

§80.21. Requirements for the Installation of Manufactured Homes.

(a) - (g) No change.

(h) Drainage: The Installer is responsible for proper site drainage where a new manufactured home is to be installed~~[unless the home is installed in a rental community]~~. The consumer is responsible for proper site drainage where a used manufactured home is to be installed unless the home is installed in a rental community. Drainage prevents water build-up under the home. Water build-up may cause shifting or settling of the foundation, dampness in the home, damage to siding and bottom board, buckling of walls and floors, delamination of floor decking and problems with the operation of windows and doors.

(Rational: The installer is responsible for proper site drainage where a new manufactured home is installed, pursuant to 24 CFR § 3285.203. The Code of Federal Regulation does not allow an exception for rental communities. The Code of Federal Regulation does not apply to the installation of used manufactured homes.)

(i) - (j) No change.

SUBCHAPTER D. LICENSING

§80.41. License Requirements.

- (a) - (f) No change.
- (g) Exemption for Retailer's License Requirement.
 - (1) Application for Exemption of Retailer's License Requirement.
 - (A) A person requesting exemption from the Retailer's licensing requirement of §1201.101(b) of the Occupations Code, shall submit the required application outlining the circumstances under which they are requesting exemption from licensure.
 - (B) Applications should identify the HUD label or serial number(s) of up to three (3)~~[the]~~ homes being sold under the exemption;
 - (C) Applications will be processed within seven (7) business days after receipt of all required information.
 - (2) The circumstances under which this exemption is granted are:
 - (A) One-time sale of up to three (3) manufactured homes in a 12-month period as personal property;
 - (B) Non-profit entity transferring ownership of up to three (3) manufactured homes in a 12-month period;
 - (C) No other manufactured homes have been purchased and resold in the previous twelve (12) months, even with a previous exemption; and/or
 - ~~[(D) Other circumstances deemed appropriate by the Executive Director.]~~
 - (3) Letter of Exemption.
 - (A) Once granted, a Letter of Exemption from licensure will be issued by the Executive Director to the applicant.
 - (B) Letter of Exemption is valid only for the manufactured home(s) specified.
 - (C) Letter of Exemption is valid only for twelve (12) months.
 - (D) The homes may not be sold until the Letter of Exemption is granted.

(Rational: The Department wanted to clarify that this exemption only applies to the sale of up to three manufactured homes within a twelve (12) month period, and the homes may not be sold until the letter of exemption is granted.)

SUBCHAPTER E. ENFORCEMENT

§80.73. *Procedures for Handling Consumer Complaints.*

- (a) No change.
- (b) The Department shall make a consumer complaint home inspection upon request.
 - (1) - (2) No change.
 - (3) All complaints transferred to the field shall be inspected within 30 calendar days from the date the verified complaint was received. A complaint is deemed verified once it is established that the Department has jurisdiction over the matter. ~~[The Department will perform the inspection within thirty (30) calendar days from the date an inspection is requested.]~~
 - (A) The consumer, manufacturer, retailer, and installer, as applicable, shall be notified of the scheduled inspection.
 - (B) The person conducting the inspection shall inspect all matters (relating to the home and/or the installation of the home) set forth in the complaint and any other items raised at the inspection.
 - (C) The person conducting the inspection will issue a report of inspection, completed to reflect the findings of the inspection.

(Rational: When a complaint is received it may not be a valid complaint within the Department's jurisdiction. It must be determined that a proper warranty service was not provided within the warranty deadline. The thirty (30) day deadline to conduct an inspection should begin after the complaint is validated, to ensure the Department's resources are not wasted on inspections that are not within the Department's jurisdiction.)

- (c) - (i) No change.

SUBCHAPTER G. STATEMENTS OF OWNERSHIP

§80.95. *Recording Ownership for Emergency Housing.*

- (a) A federal government agency that purchases a manufactured home to provide temporary housing in response to a natural disaster or other declared emergency may apply for a statement of ownership using the Statement of Ownership Application for Federal Governmental Agency.
- (b) The Department may also accept a Certificate to Obtain Title signed by the federal government agency or their authorized representative in lieu of the Statement of Ownership Application for Federal Governmental Agency.

- (c) The Department shall apply priority and special handling when an application for emergency housing in conjunction with a natural disaster or declared emergency, is received.
- (d) The Department may waive or refund any fees for emergency housing affiliated with a governor's executive order or proclamation that declares a state of disaster under Chapter 418 of the Government Code, in the affected area.

(Rational: House Bill 2315, adopted in the 86th Texas Legislative Session, required the Department to adopt rules for the application for and automatic issuance of a Statement of Ownership for a federal governmental agency providing temporary housing in response to a natural disaster or other declared emergency. The addition of Section 1201.2071 of the Texas Occupations Code, Exemption for Certain Emergency Housing, will take effect September 1, 2019.)

MANUFACTURER'S CERTIFICATE OF ORIGIN TO A MANUFACTURED HOME

THE UNDERSIGNED MANUFACTURER HEREBY CERTIFIES THAT THE NEW MANUFACTURED HOME DESCRIBED HEREIN, THE PROPERTY OF SAID MANUFACTURER, HAS BEEN TRANSFERRED INTO THE INVENTORY OF SAID RETAILER, ON THE DATE SET FORTH HEREIN, SUBJECT TO THE TERMS AND CONDITIONS OF THE INVOICE OR OTHER APPLICABLE AGREEMENT TO:

NAME OF RETAILER		REG. NO.	ADDRESS OF RETAILER		CITY	STATE	ZIP
TRANSFER DATE	MODEL DESIGNATION		DATE OF MANUFACTURE	NUMBER OF SECTIONS		TOTAL SQUARE FEET	
LABEL/DECAL NUMBER		SERIAL NUMBER			WEIGHT		SIZE EXCLUDING HITCH
LABEL/DECAL NUMBER		SERIAL NUMBER			WEIGHT		SIZE EXCLUDING HITCH
LABEL/DECAL NUMBER		SERIAL NUMBER			WEIGHT		SIZE EXCLUDING HITCH
LABEL/DECAL NUMBER		SERIAL NUMBER			WEIGHT		SIZE EXCLUDING HITCH
FIRST ASSIGNMENT (FOR RETAILERS ONLY)				DATE		CONSTRUCTED FOR:	
TO:						ENERGY ZONE _____	
NAME OF RETAILER		REGISTRATION NO.				WIND ZONE _____	
ADDRESS						ROOF LOAD ZONE _____	
CITY		STATE	ZIP		THE MANUFACTURER WARRANTS THAT A GOOD AND MARKETABLE TITLE IS BEING TRANSFERRED AND THAT NO OTHER VALID MANUFACTURER'S CERTIFICATE OF ORIGIN IS ISSUED AND OUTSTANDING ON THE MANUFACTURED HOME DESCRIBED HEREIN.		
TYPE NAME AND TITLE OF PERSON AUTHORIZED TO SIGN FOR TRANSFERENCE TO RETAILER				MANUFACTURER OF HOME		REGISTRATION NO.	
AUTHORIZED SIGNATURE						ADDRESS OF MANUFACTURER	
SECOND ASSIGNMENT (FOR RETAILERS ONLY)				DATE			
TO:						CITY	
NAME OF RETAILER		REGISTRATION NO.				STATE	ZIP
ADDRESS						AUTHORIZED SIGNATURE/TITLE	
CITY		STATE	ZIP				
TYPE NAME AND TITLE OF PERSON AUTHORIZED TO SIGN FOR TRANSFERENCE TO RETAILER						INVOICE # _____	
AUTHORIZED SIGNATURE							
NOTE: AT FIRST RETAIL SALE THIS CEASES TO EVIDENCE OWNERSHIP OF THE HOME.							

THE ORIGINAL MCO MUST BE INCLUDED WITH THE NEW HOME STATEMENT OF OWNERSHIP ~~SOL~~ APPLICATION WITHIN 60 DAYS FROM THE DATE OF SALE.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
 MANUFACTURED HOUSING DIVISION
 P. O. BOX 12489 Austin, Texas 78711-2489
 (800) 500-7074, (512) 475-2200 FAX (512) 475-1109
 Internet Address: www.tdhca.state.tx.us/mh/index.htm

**APPLICATION FOR STATEMENT OF OWNERSHIP
 FOR FEDERAL GOVERNMENTAL AGENCY**

This application is being submitted for a home purchased by a federal governmental agency and used to provide temporary housing in response to a natural disaster or other declared emergency, pursuant to § 1201.2071 of the Occupations Code.

BLOCK 1: FOR DEPARTMENT USE ONLY

Disaster: _____ Proclamation #: _____

BLOCK 2: Home Information

Manufacturer Name:		Model:	
Address:		Date of Manufacture:	
City, State, Zip:		Total Square Feet:	
License Number:		Wind Zone:	

Sections	Label/Seal Number	Complete Serial Number	Weight	Size*	
Section 1:				X	*NOTE: Size must be reported as the outside dimensions (length and width) of the home as measured to the nearest 1/2 foot at the base of the home, exclusive of the tongue or other towing device.
Section 2:				X	

BLOCK 3: Home Location

Physical Location of Home: <i>(or 911 address)</i>				
	Physical Address (cannot be a Rt. or P. O. Box)			
	City	State	ZIP	County

Installer Name, address and phone: _____

BLOCK 4: Ownership Information

4(a) Seller	4(b) Purchaser
License # if Retailer:	Name:
Name:	Name:
Mailing Address:	Mailing Address:
City/State/Zip:	City/State/Zip:
Daytime Phone Number (include area code):	Daytime Phone Number (include area code):

4(c) Date of sale: _____

BLOCK 5: Signatures

5(a) Signatures of each seller/transferor	5(b) Signatures of each purchaser/transferee or owner
<p style="text-align: center;">_____ <i>Signature of owner or authorized seller</i></p> <p style="text-align: center;">_____ <i>Signature of owner or authorized seller</i></p>	<p style="text-align: center;">_____ <i>Signature of purchaser/transferee or owner</i></p> <p style="text-align: center;">_____ <i>Signature of purchaser/transferee or owner</i></p>