



Texas Department of Housing and Community Affairs
Manufactured Housing Board Meeting
September 22, 2023

Ronnie Richards, Chair

Jason R. Denny, Member

Joe Gonzalez, Member

Sylvia L. Guzman, Member

Keith C. Thompson, Member

MANUFACTURED HOUSING BOARD MEETING
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
1100 Congress, Capitol Extension Committee Room E2.028
Austin, Texas 78701
September 22, 2023 10:30 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 September 9, 2022.	Chair
Item 2.	Presentation, discussion and action to approve the FY 2024 Operating Budget. <i>Public Comment (Speakers limited to 3 minutes per person)</i>	Kassu Asfaw
Item 3.	Presentation, discussion and action to approve the execution of amendment to the Administrative Services Agreement for FY 2024 between the Manufactured Housing Division and TDHCA. <i>Public Comment (Speakers limited to 3 minutes per person)</i>	Kassu Asfaw
Item 4.	Presentation, discussion and action to approve proposed amendments to 10 Texas Administrative Code, Chapter 80 for publication as proposed in the Texas Register for public comment. <i>Public Comment (Speakers limited to 3 minutes per person)</i>	Jim Hicks
Item 5.	Presentation, discussion and action concerning the consideration of SOAH Proposal for Decision: In the Matter of the complaint of TDHCA v. JTAR Properties, LLC d/b/a Repo Homes, Docket Number: 332-23-16818.MHD. <i>The Board may go into executive session for consultation with attorney on the above order pursuant to Sec. 551.071, Texas Government Code.</i> <i>Public Comment (Speakers limited to 3 minutes per person)</i>	Amy Jones
Item 6.	The Board will discuss Personnel Matters relating to the executive director's compensation pursuant to Sec. 551.074, Texas Government Code. <i>The Board may go into executive session to discuss Personnel Matters relating to the executive director's compensation pursuant to Sec. 551.074, Texas Government Code.</i> <i>Public Comment (Speakers limited to 3 minutes per person)</i>	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.

REPORT ITEMS

- 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.

- If necessary, the Board will go into executive session to discuss Personnel Matters relating to the executive director's compensation 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, 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.

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

On Friday, September 9, 2022, at 10:00am, there was a regular meeting of the Manufactured Housing Board (the “Board”) held at the Capitol Extension Hearing Room E02.028, 1100 Congress Avenue, Austin, Texas. Ronnie Richards presided. Joe Gonzalez and Keith Thompson constituting a quorum, attended. Jason Denny and Sylvia Guzman were absent. The following Manufactured Housing Division (the “MHD”) staff attended: Jim Hicks, Amy Morehouse, Eric Franklin, Kassu Asfaw and Sharon Choate. Larry Mercadel, Director of Information Systems at TDHCA attended.

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 April 22, 2022. Upon motion of Joe Gonzalez and duly seconded by Keith Thompson, the motion was unanimously approved.

Kassu Asfaw presented the FY 2023 Operating Budget to the board and recommended approval. Upon motion of Joe Gonzalez and duly seconded by Keith Thompson, the FY 2023 Operating Budget was unanimously approved.

Kassu Asfaw presented the FY 2024 – 2025 Legislative Appropriations Request and recommended approval. Upon motion of Joe Gonzalez and duly seconded by Keith Thompson, the Legislative Appropriations Request was unanimously approved.

Kassu Asfaw presented the FY 2023 Administrative Services Agreement between the Manufactured Housing Division and TDHCA and recommended approval. Upon motion of Keith Thompson and duly seconded by Joe Gonzalez, the agreement was unanimously approved.

Jim Hicks presented and discussed for approval the adoption of amendments to 10 Texas Administrative Code, Chapter 80 for publication as adopted in the Texas Register. Upon motion of Ronnie Richards and duly seconded by Joe Gonzalez, the adoption of rules were unanimously approved.

Jim Hicks delivered the Executive Director's Report.

The Board did not go into an Executive Session.

The next board meeting will be determined at later time.

There being no further business to come before the board, the meeting was adjourned at 11:17am.

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
Manufactured Housing Division
Operating Budget For FY 2024

Agenda Action Item No. 2

D R A F T

Categories	FY 24 Budget (a)	FY 23 Budget (b)	Variance (a-b)	Percentage Change
Salaries and Wages	\$ 4,869,201	\$ 4,234,088	\$ 635,113	15%
Payroll Related Costs	950,000	861,900	88,100	10%
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	342,237	132,240	209,997	159%
Materials and Supplies	220,000	180,000	40,000	22%
Repairs/Maintenance	180,000	160,000	20,000	13%
Printing and Reproduction	30,000	30,000	0	0%
Rental/Lease (Building and Copy Machine)	22,900	36,715	-13,815	-38%
Membership Dues	1,100	1,100	0	0%
Staff Development	53,000	43,400	9,600	22%
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	50,884	30,000	20,884	70%
Temporary Help	70,000	60,000	10,000	17%
Furniture/Equipment	100,000	100,000	0	0%
Communications/Utilities	100,000	73,240	26,760	37%
Capital Outlay - Computers/Server	36,720	47,542	-10,822	-23%
State Office of Risk Management	10,000	10,000	0	0%
Subtotal	7,657,162	6,621,345	1,035,817	16%
Indirect Support	512,127	512,127	0	0%
Total Manufactured Housing *	\$ 8,169,289	\$ 7,133,472	\$ 1,035,817	15%
FTE's	64	64	-	0%
Method of Finance:				
General Revenue	19,120	19,120	0	0%
Appropriated Receipts	7,928,169	6,892,352	1,035,817	15%
Federal Funds	222,000	222,000	0	0%
Total Method of Finance	\$ 8,169,289	\$ 7,133,472	\$ 1,035,817	15%

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

1. \$ 6,707,162 - Total Direct Strategies Appropriations to MHD
2. \$ 950,000 - 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.

\$8,169,289

Texas Department of Housing and Community Affairs
Manufactured Housing Board Meeting
September 22, 2023

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

Texas Department of Housing and Community Affairs
Manufactured Housing Division
Operating Budget Allocation to Direct Strategies
For FY 2024

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	\$ 4,869,201	1,704,220	1,606,836	1,558,144		\$ 4,869,201
Payroll Related Costs	950,000	332,500	313,500	304,000	-	950,000
Travel In-State	300,000	105,000	99,000	96,000	-	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	342,237	119,783	112,938	109,516	-	342,237
Materials and Supplies	220,000	77,000	72,600	70,400	-	220,000
Repairs/Maintenance	180,000	63,000	59,400	57,600	-	180,000
Printing and Reproduction	30,000	10,500	9,900	9,600	-	30,000
Rental/Lease (Building and Copy Machine)	22,900	8,015	7,557	7,328	-	22,900
Membership Dues	1,100	385	363	352	-	1,100
Staff Development	53,000	18,550	17,490	16,960	-	53,000
Texas Online	19,120				19,120	19,120
Employee Tuition	1,000	350	330	320	-	1,000
Advertising	1,000	350	330	320	-	1,000
Freight/Mail Delivery	50,884	17,809	16,792	16,283	-	50,884
Temporary Help	70,000	24,500	23,100	22,400	-	70,000
Furniture/Equipment	100,000	35,000	33,000	32,000	-	100,000
Communications/Utilities	100,000	35,000	33,000	32,000	-	100,000
Capital Outlay - Computers/Server	36,720	12,852	12,118	11,750	-	36,720
State Office of Risk Management	10,000	3,500	3,300	3,200	-	10,000
	7,657,162	\$ 2,568,315	\$ 2,421,554	\$ 2,648,173	\$ 19,120	\$ 7,657,162

FTE's 64 29 19.6 15.4 64

Method of Finance:

	General Revenue	Appropriated Receipts	Federal Funds	Total
Strategy One	2,568,315	0	2,568,315	2,568,315
Strategy Two	2,421,554	0	148,000	2,421,554
Strategy Three	2,648,173	0	74,000	2,648,173
Strategy Four	19,120	19,120	0	19,120
	\$ 7,657,162	\$ 19,120	\$ 222,000	\$ 7,657,162

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	\$ 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 2024 -2023**

FEE TYPE	FY 2024 Projected (c)	FY 2023 Act. (d)	Variance (c-d)	Percentage Change
Training	129,021	129,021	-	0%
Ownership - Titles	3,998,010	3,998,010	-	0%
Licenses	1,092,775	1,042,775	50,000	5%
Inspections	1,702,932	1,702,932	-	0%
Admin. Penalties	1,750	1,750	-	0%
Public Information	-	-	-	0%
Reimbursement - Claims	6,874	6,874	-	0%
Returned Check Charge	-	-	-	0%
	6,931,362	6,881,362	50,000	1%
Federal Fund	578,365	578,365	-	0%
Total	\$ 7,509,727	\$ 7,459,727	\$ 50,000	1%

*** Note: The assumptions for FY 2024 revenues use the actual/estimates for FY 2023 and modified historical trends.**

**Texas Department of Housing and Community Affairs
Manufactured Housing Division
Budget and Expense Status
September 1, 2022- August 31, 2023
For FY 2023**

Budget Categories	Annual Budget (a)	Actual/Est. Expenses Sep - Aug (b)	Remaining Budget As of August (a-b)	Remaining Budget Not Used %
Salaries and Wages	\$ 4,234,088	\$ 4,994,287	-760,199	-18%
Payroll Related Costs	861,900	\$ 861,000	900	0%
Travel In-State	300,000	301,000	(1,000)	0%
Travel Out of State	0	0	0	0%
Home Owner Consumer Claims (Rider # 12)	300,000	0	300,000	100%
Professional Fees	132,240	42,000	90,240	68%
Materials and Supplies	180,000	66,550	113,450	63%
Repairs/Maintenance	160,000	30,000	130,000	81%
Printing and Reproduction	30,000	4,300	25,700	86%
Rental/Lease	36,715	30,900	5,815	16%
Membership Dues	1,100	240	860	78%
Staff Development	43,400	0	43,400	100%
Texas Online	19,120	11,519	7,601	40%
Employee Tuition	1,000	0	1,000	100%
Advertising	1,000	0	1,000	100%
Freight/Mail Delivery	30,000	4,908	25,092	84%
Temporary Help	60,000	57	59,943	100%
Furniture/Equipment	100,000	4,500	95,500	96%
Communications/Utilities	73,240	4,000	69,240	95%
Capital Outlay	47,542	0	47,542	0%
State Office of Risk Management	10,000	3,500	6,500	65%
Subtotal	6,621,345	6,358,761	262,584	4%
Indirect Support	512,127	305,000	207,127	40%
Total Manufactured Housing	\$ 7,133,472	\$ 6,663,761	\$ 469,711	7%

Exhibit A

**Manufactured Housing
Administrative Support Schedule
For Fiscal Year 2024**

	FTE's	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	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 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, 2023 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, 2023 and shall continue in full force and effect until August 31, 2024, 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, 2023 and continuing for nine consecutive months through August 1, 2024.

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, 2024 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, 2023.

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 2024**

	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

**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, §80.41 and to repeal §80.92 relating to the regulation of the manufactured housing program. The rules are revised to comply with House Bill 2706 (88th Legislature, 2023 regular session) that amends the Manufactured Housing Standards Act and for clarification purposes.

10 Tex. Admin. Code §80.41(c)(2)(A), (B) and (C) is added to assist in enforcement of §1201.551(a)(7) when an individual attempts to cheat or assist an individual with cheating on any of the Manufactured Housing Division Licensing exams.

10 Tex. Admin. Code §80.41 (g)(1) and (2) is amended to update the requirements for an exemption for a retailers license and the circumstances under which an exemption is granted.

10 Tex. Admin. Code §80.92 is repealed because the inventory finance liens are no longer required to be submitted to the Department.

Jim R. Hicks, 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. The amendments will not cause the loss of any business opportunities or have an adverse effect on the businesses. There are no additional anticipated economic costs to persons who are required to comply with the proposed rules.

Mr. Hicks also has determined that for each year of the first five years that the proposed rules are in effect the public benefit for enforcing the amendments will be to maintain the necessary resources required to improve the general welfare and safety of purchasers of manufactured housing in this state as per §1201.002 of the Manufactured Housing Standards Act.

Mr. Hicks 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. Hicks 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 rules do not require the increase or decrease in future legislative appropriations to the agency. The proposed rules eliminates a fee 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. Jim R. Hicks, 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

SUBCHAPTER D. LICENSING

§80.41. License Requirements.

- (a) - (b) No change.
- (c) Education.
 - (1) No change.
 - (2) Each test to be administered in connection with the course(s) will consist of a representative selection of questions from an approved set of questions approved by the Director. The test(s) will be open-book. A score of 70% correct is required to pass each test.
 - (A) Cheating on the Manufactured Housing Division licensure examinations will not be tolerated. Evidence of cheating found after the examination shall be a cause for action. The executive director shall be informed of such instances of suspected cheating at the earliest possible opportunity and will determine appropriate action.
 - (B) If the executive director determines that an examinee cheated on the Manufactured Housing Division exam, the examinee may have their exam results invalidated, and may be barred from taking the Manufactured Housing Division examination in Texas for a period of up to two years. Any application for licensure pending or approved for examination may be denied and will be evaluated or re-evaluated on that basis. Any examination taken and passed while barred from taking an examination in Texas will not be acceptable for licensure purposes in Texas.
 - (C) A licensee or applicant suspected of cheating, or a licensee assisting others with cheating may be charged with violating §1201.551(a)(7) of the Act and applicable Manufactured Housing Division rules, which may result in the denial, suspension, or revocation of their license.
- (3) - (8) 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) homes being sold under the exemption;~~
 - (i) of up to 3 homes being sold under the exemption found in Tex. Occ. Code §1201.1025(a), and/or
 - (ii) of all homes sold under the exemption Tex. Occ. Code §1201.1025(a-1).
 - (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; ~~and/or~~
 - (C) No other manufactured homes have been purchased and resold in the previous twelve (12) months, even with a previous exemption; ~~and/or.~~
 - (D) All manufactured homes for sale or offered to be sold by the person are located in a manufactured home community, and for sale or offered for sale to the same purchaser in connection with a sale of the real property of the community.
- (3) Letter of Exemption.
- (A) - (D) No change.

SUBCHAPTER G. STATEMENTS OF OWNERSHIP

~~§80.92. — Inventory Finance Liens.~~

- ~~(a) — A lien and security interest on manufactured homes in the inventory of a retailer, as well as to any proceeds of the sale of those homes, is perfected by filing an inventory finance security form approved by this Department and in compliance with these sections. The required form is set forth on the Department's website.~~
- ~~(b) — A separate form must be filed for each licensed sales location and must include a summary of homes by label or serial number, that are secured with the form.~~

Action Item No. 5

Exhibits may be produced upon written request to the Manufactured Housing Division.

Action Item No. 6

There are no supporting documents for this action item.