



Texas Department of Housing and Community Affairs
Manufactured Housing Board Meeting
January 18, 2008

Valeri Stiers Malone, Chair

Carlos Amaral, Member

Michael H. Bray, Member

Kimberly A. Shambley, Member

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

January 18, 2008

ROLL CALL

	<u>Present</u>	<u>Absent</u>
Valeri Stiers Malone, Chair	_____	_____
Carlos Amaral, Member	_____	_____
Michael H. Bray, Member	_____	_____
Kimberly A. Shambley, Member	_____	_____
Number Present	_____	
Number Absent		_____

_____, Presiding Officer

MANUFACTURED HOUSING BOARD MEETING
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
State Insurance Annex, 221 E. 11th Street, Room 116
Austin, Texas 78701
January 18, 2008 9:00 a.m.

AGENDA

CALL TO ORDER, ROLL CALL
CERTIFICATION OF QUORUM

Chair
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 possible action to approve the minutes of the board meeting of November 16, 2007. | Chair |
| Item 2. | Presentation, discussion and consideration to approve extending Texas Manufactured Housing Association ("TMHA") for a two-year period as a Continuing Education Provider for classroom course. | Jim Hicks |
| Item 3. | Discussion and possible action of Mr. Sherman Mayes' concern relating to foundation issues. | Chair |

REPORT ITEMS

- | | |
|--------------------------------|-------------|
| 1. Executive Director's Report | Joe Garcia |
| 2. Financial Report | Kassu Asfaw |

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 relating to the Executive Director's vacated position 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, 221 E. 11th Street, 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 Gina Esteves, ADA Responsible Employee, at 512-475-3943 or Relay Texas at 1-800-735-2989 at least two days before the meeting so that appropriate arrangements can be made.

Agenda Action Item No. 1

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

On Friday, November 16, 2007, at 10:00 a.m., there was a regular meeting of the Manufactured Housing Board (the "Board") in Room 116 of the State Insurance Annex Building, 221 East 11th Street, Austin, Texas. Valeri Stiers Malone presided. Carlos Amaral, and Michael Bray, constituting a quorum, were in attendance. Kimberly Shambley was absent. The following Manufactured Housing Division (the "MHD") staff were present: Joe Garcia, Kassu Asfaw, Cindy Bocz, Verna Boswell, Sharon Choate, Jim Hicks, and Heidi Maldonado. From the Texas Department of Housing and Community Affairs (other than the MHD) Elena Peinado was present.

Ms. Malone called the roll, confirmed the presence of a quorum, and asked for a motion to approve the minutes from the board meeting on August 16, 2007. Upon motion of Michael Bray, duly seconded by Carlos Amaral, the minutes of the previous meeting were unanimously approved.

Jim Hicks presented a recommendation to approve extending PSIA, Inc./TXMHS as a Continuing Education Provider for a two-year period (January 1, 2008 through December 31, 2009). Upon motion of Michael Bray, duly seconded by Carlos Amaral, the recommendation was unanimously approved.

Joe Garcia presented a recommendation that the revisions to the proposed rules, 10 TAC, Chapter 80, be approved for adoption and the proposed repealed rules be approved for adoption. The members discussed the rules and made the following amendments prior to approval.

- **§80.30(i)**: The subsection is amended by reinstating the proposed deletion stating that any licensee's website shall provide a conspicuously placed link on the website's home page to the Department's website. Upon motion of Michael Bray, duly seconded by Carlos Amaral, the recommendation was unanimously approved.
- **§80.41(a)(1)(C)**: The subparagraph is amended by adding "or broker" after "sponsoring retailer" and changing the word "should" to "shall." Upon motion of Michael Bray, duly seconded by Carlos Amaral, the recommendation was unanimously approved.
- **§80.41(c)(4)(I)**: The subparagraph is amended by clarifying the acronym FMHCSS, which stands for Federal Manufactured Home Construction and Safety Standards. Upon motion of Michael Bray, duly seconded by Carlos Amaral, the recommendation was unanimously approved.
- **§80.41(e)(2)(A)**: The subparagraph is deleted, which states, "The Department will mail each license holder a renewal notice and application for renewal at least forty-five (45) calendar days prior to the date on which the current license expires. Notice will be mailed to the last known address indicated in Department records." Subparagraphs (B) and (C) are relettered to (A) and (B). Upon motion of Michael Bray, duly seconded by Carlos Amaral, the recommendation was unanimously approved.

- **§80.41(f)(1)(F):** The subparagraph is amended by reinstating the proposed deletion stating, "had any state license revoked for violations of a law or rule." The subparagraph is relettered from (F) to (E). Upon motion of Michael Bray, duly seconded by Carlos Amaral, the recommendation was unanimously approved.

Upon motion of Carlos Amaral, duly seconded by Michael Bray, the Board unanimously approved adoption of 10 TAC, Chapter 80, as amended.

At 11:30 a.m. the Board went into an Executive Session pursuant to §551.074, Texas Government Code to discuss personnel matters and for consultation with attorney pursuant to §551.071, Texas Government Code. The Board reconvened at 12:45 p.m. with no additional items to take up or discuss.

There being no further business to come before the Board, the meeting was adjourned at 12:57 p.m.

Sharon Choate, Secretary

Approved:

Valeri Stiers Malone, Chair



MANUFACTURED HOUSING DIVISION

Rick Perry
GOVERNOR

Joe A. Garcia
INTERIM EXECUTIVE DIRECTOR

Board Members
Presiding Officer, Valeri Stiers Malone
Carlos Amaral
Michael H. Bray
Kimberly A. Shambley

Agenda Action Item No. 2

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

FROM: Jim R. Hicks, Consumer Protection Manager

THROUGH: Joe A. Garcia, Interim Executive Director

SUBJECT: Texas Manufactured Housing Association

DATE: January 9, 2008

Texas Manufactured Housing Association (“TMHA”) is currently approved as a Continuing Education Provider and submits for approval its updated course for a live classroom setting. TMHA satisfies the statutory requirements regarding providing continuing education as set forth in Section 1201.113 of the Occupations Code. Changes to the course include updated laws and rules. The course is only available in a live classroom setting.

Management has reviewed the renewal submission of TMHA and recommends that its request be approved for a two-year period.

Agenda Action Item No. 3

Overview of the Sherman Mayes complaint:

- Mr. Mayes purchased a home from Palm Harbor Homes in June 2006.
- Mr. Mayes contracted with Palm Harbor to place the home on runners.
- Palm Harbor subcontracted the pouring of the runners.
- Mr. Mayes is claiming that the rebar settled to the bottom of the concrete runners and as a result, compromised the integrity of the runners.
- Mr. Mayes filed a complaint with MHD on July 25, 2007, regarding the runners and several other issues.
- Inspector Randal Smallwood from the Houston field office inspected the home on August 17, 2007. Several items were assigned to Palm Harbor Homes to correct.
- The alleged problem with runners could not be assigned because the MHD does not have jurisdiction over the matter. Concrete runners are not required by the Act, Rules, or Federal Standards. Mr. Mayes contracted with Palm Harbor for this "extra" and is considered a non-jurisdictional item. It is no different if Mr. Mayes contracted Palm Harbor to build a fence and an alleged problem came up regarding the fence.
- The Office of Attorney General has validated and supported the MHD regarding this item.
- All but one of the other items assigned have been corrected. The remaining item has to do with a problem with the porch and Mr. Mayes continually refused to allow Palm Harbor to correct it until his demands have been met. Mr. Mayes wants Palm Harbor to remove the porch, remove the home, re-pour the runners, and reinstall the home and porch. MHD does not have the enforcement jurisdiction to require Palm Harbor to do this.
- It has been explained to Mr. Mayes that MHD does not have jurisdiction over the runners and he does not want to accept this.

Report Item No. 2

TDHCA
MANUFACTURED HOUSING DIVISION
Budget Report
For the First Quarter Ended November 30, 2007
For FY 08

DIRECT BUDGET:

Budget Categories	Annual Budget	Quarterly Budget Sep - Nov	Quarterly Expenses Sep - Nov	Quarterly Variance Under (Over)	Annual Remaining Budget As of 1st Qtrr.	Annual Budget Used As of 1st Qtrr.
Salaries	\$ 3,183,791	\$ 795,948	\$ 713,304	\$ 82,644	\$ 2,470,487	22%
Payroll Related Costs	891,461	222,865	183,970	38,895	707,491	21%
Travel In-State	200,000	50,000	45,747	4,253	154,253	23%
Travel Out-of State	-	-	-	-	-	0%
Home Owner Consumer Claims (Rider #18) *	300,000	75,000	130,442	(55,442)	169,558	43%
Professional Fees	209,000	52,250	-	52,250	209,000	0%
Materials and Supplies	146,790	36,698	1,360	35,338	145,430	1%
Repairs/Maintenance	55,000	13,750	18,019	(4,269)	36,981	33%
Printing and Reproduction	56,000	14,000	3,415	10,585	52,585	6%
Rental/Lease	43,000	10,750	14,496	(3,746)	28,504	34%
Membership Dues	802	201	-	201	802	0%
Registration Fees	36,978	9,245	1,576	7,669	35,402	4%
Texas Online	19,120	4,353	480	3,873	18,640	3%
Professional Liability Insurance	10,000	2,750	-	2,750	10,000	0%
Employee Tuition	-	-	-	-	-	0%
Advertising	250	63	-	63	250	0%
Freight/Delivery	1,500	375	275	100	1,225	18%
Temporary Help	100,000	25,000	10,352	14,648	89,648	10%
Furniture/Equipment	16,500	4,125	410	3,715	16,090	0%
Communications/Utilities	107,000	26,750	11,761	14,989	95,239	11%
Capital Outlay	40,625	10,156	-	10,156	40,625	0%
State Office of Risk Management	10,000	2,500	5,478	(2,978)	4,522	55%
Total	\$ 5,427,817	\$ 1,356,778	\$ 1,141,085	\$ 215,693	\$ 4,286,732	21%

INDIRECT BUDGET:

Budget Categories	Annual Budget	Quarterly Budget Sep - Nov	Quarterly Expense Sep - Nov	Quarterly Budget Under (Over)	Annual Remaining Budget As of Nov	Annual Budget Used As of 1st Qtrr
Salaries	405,327	101,332	102,493	(1,161)	302,834	25%
Payroll Related Costs	93,227	22,849	-	22,849	93,227	0%
Total	\$ 498,554	\$ 124,181	\$ 102,493	\$ 21,688	\$ 396,061	21%

GRAND TOTAL	\$ 5,926,371	\$ 1,480,958	\$ 1,243,578	\$ 237,380	\$ 4,682,793	21%
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* Had the quarterly expenditures adjusted for the quarterly reimbursed amount of \$101,308, the remaining budget balance for the same time period would have been 4,784,101

TDHCA
MANUFACTURED HOUSING DIVISION
Revenue Analysis
FY 2008 vs. FY 2007
For the 1st Quarter

Comptroller						
Revenue		FY 08	FY 07	Variance		
Objects				Over (Under)		%
				a-b		
3158	Training	\$ 7,002	\$ 8,557	\$ (1,555)		-18%
3159	Titles	1,174,823	1,204,740	(29,917)		-2%
3160	Licenses	153,268	167,774	(14,506)		-9%
3161	Inspections	341,734	350,437	(8,703)		-2%
3163	Admin. Penalties	10,250	3,165	7,085		224%
3719	Public Informatio	1,394	1,999	(605)		-30%
3775	Return Check	-	-	-		0%
3767	Federal Funds	60,714	74,712	(13,998)		-19%
3802	Reimbursements	101,308	254,788	(153,480)		-60%
	Total	<u>\$ 1,850,493</u>	<u>\$ 2,066,172</u>	<u>\$ (215,679)</u>		-10%

**Manufactured Housing Division
Revenue Analysis
FY '08 vs FY'07
For the First Quarter**

