



Texas Department of Housing and Community Affairs
Manufactured Housing Board Meeting
May 31, 2024

Ronnie Richards, Chair

Jason R. Denny, Member

Joe Gonzalez, Member

Sylvia L. Guzman, Member

Keith C. Thompson, Member

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

May 31, 2024

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

MANUFACTURED HOUSING BOARD MEETING
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
1100 Congress, Capitol Extension Committee Room E2.028
Austin, Texas 78701

May 31, 2024 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 January 19, 2024.	Chair
Item 2.	Presentation, discussion and action to approve Texas Manufactured Housing Association's request for approval to continue as a Continuing Education Provider. <i>Public Comment (Speakers limited to 3 minutes per person)</i>	Eric Franklin
Item 3.	Presentation, discussion and action to approve the request from the Texas Manufactured Housing School (TXMHS) to continue as a Continuing Education Provider. <i>Public Comment (Speakers limited to 3 minutes per person)</i>	Eric Franklin
Item 4.	Presentation, discussion and action to approve adoption of amendments to 10 Texas Administrative Code, Chapter 80 for publication as adopted in the Texas Register. <i>Public Comment (Speakers limited to 3 minutes per person)</i>	Jim Hicks
Item 5.	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

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

1. 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.

- (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.texas.gov or contact Sharon Choate, TDHCA/MHD, 1801 Congress, Suite 11.400, Austin, Texas 78701, 512-475-2206, sharon.choate@tdhca.texas.gov.

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, January 19, 2024, at 10:34am, 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. Keith Thompson presided as acting chair. Ronnie Richards and Joe Gonzalez constituting a quorum, attended. Jason Denny and Sylvia Guzman were absent. The following Manufactured Housing Division (the "MHD") staff attended: Jim Hicks, Amy Jones, Eric Franklin, Amanda Brueschke and Sharon Choate. Helen Kelley attended from the Office of Attorney General.

Keith Thompson called the roll and confirmed the presence of a quorum.

Keith Thompson asked for a motion to approve the minutes from the board meeting on September 22, 2023. Upon motion of Ronnie Richards and duly seconded by Joe Gonzalez, the motion was unanimously approved.

Amy Jones presented and discussed for approval the SOAH Proposal for Decision: In the Matter of the Complaint of TDHCA v. Legacy Housing Corporation, Docket Number: 332-23-23452.MHD. Upon motion of Ronnie Richards and duly seconded by Joe Gonzalez, the Proposal for Decision was unanimously approved.

Jim Hicks presented and discussed for approval the adoption of proposed 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 amendments was unanimously approved.

Jim Hicks presented and discussed for approval the proposed amendments to 10 Texas Administrative Code, Chapter 80 for publication as proposed in the Texas Register for public comment. Upon motion of Ronnie Richards and duly seconded by Joe Gonzalez, the proposal of amendments was unanimously approved.

Jim Hicks delivered the Executive Director's Report.

There was no executive session.

There being no further business to come before the board, the meeting was adjourned at 11:05am.

Sharon Choate, Secretary

Approved:

Keith Thompson, Acting Presiding Chair



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS MANUFACTURED HOUSING DIVISION

Greg Abbott
GOVERNOR

Jim R. Hicks
EXECUTIVE DIRECTOR

Agenda Action Item No. 2

Board Members
Presiding Officer, Ronnie Richards
Jason R. Denny
Joe Gonzalez
Sylvia L. Guzman
Keith C. Thompson

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

FROM: Eric Franklin, Director of Operations

THROUGH: Jim R. Hicks, Executive Director

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

DATE: May 8, 2024

Texas Manufactured Housing Association (“TMHA”) is currently approved as a Continuing Education Provider offering online classes and in person classes through January 17, 2024. 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.



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

Greg Abbott
GOVERNOR

Jim R. Hicks
EXECUTIVE DIRECTOR

Agenda Action Item No. 3

Board Members
Presiding Officer, Ronnie Richards
Jason R. Denny
Joe Gonzalez
Sylvia L. Guzman
Keith C. Thompson

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

FROM: Eric Franklin, Director of Operations

THROUGH: Jim R. Hicks, Executive Director

SUBJECT: Texas Manufactured Housing School (TXMHS), Request for Approval to
Continue as a Continuing Education Provider

DATE: May 8, 2024

Texas Manufactured Housing School, (“TXMHS”) is currently approved as a Continuing Education Provider offering both classroom and online classes until December 31, 2023. TXMHS has been an approved provider since November 10, 2003. TXMHS satisfies the statutory requirements regarding providing continuing education as set forth in Section 1201.113 of the Texas Occupations Code. Changes to the course include updated laws and rules.

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

Agenda Action Item No. 4

Preamble for Adoption of 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”) adopts amendments 10 Texas Administrative Code, Chapter 80, §80.41 relating to the regulation of the manufactured housing program.

The rule adoption provides the Department with the ability to have a third party administer the licensing education exam. The amendments to §80.41 are adopted without changes to the proposed text as published in the April 19, 2024, issue of the *Texas Register* (49 TexReg 2377). The adopted rule will not be republished.

The adoption of the rules are effective thirty (30) days following the date of publication in the *Texas Register*.

The rules as proposed on April 19, 2024, are adopted as final rules.

No comments were received and there were no request for a public hearing to take comments on the rules.

The following is a restatement of the rules’ factual basis:

10 Texas Administrative Code §80.41(c)(2)(D) and (E) are adopted without changes adding that the Department may enter into an agreement with a third party to administer the licensing education exam(s) required under §1201.104 of the Manufactured Housing Standards Act. If required to be taken with the assistance of a third party, the applicant shall pay the cost of the exam.

The amendments are adopted 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 adoption of the amended rules.

10 Tex. Admin. §80.41. License Requirements.

(a) - (b) No change.

(c) Education.

(1) The Standards Act requirement for an initial eight (8) hour course of instruction in the law, including instruction in consumer protection regulations; four (4) hour retailer education course; and/or four (4) hour installer education course shall be offered quarterly by the Department. Subject to limitations on Department resources, the Department will make special licensing classes available upon written request.

(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 on an examination shall be a cause for disciplinary 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, an examinee may have 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 of the Act and applicable Manufactured Housing Division rules, which may result in the denial, suspension, or revocation of their license.

(D) The Department may enter into an agreement with a third party to administer each test.

(E) The applicant shall pay the cost of the test, if required to be taken with the assistance of a third party.

(3) - (8) (No change.)

(d) – (g) (No change.)

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, §80.3, relating to the regulation of the manufactured housing program. The amendments update certain fees to allow the Department to provide the services required under the Manufactured Housing Standards Act, Chapter 1201.

Per the Manufactured Housing Standards Act, Chapter 1201, §1201.058 the Department is responsible for establishing reasonable fees for maintaining adequate levels of program performance. These fee increases assist in ensuring the health and safety of the consumer may be maintained through the services that are provided by the Manufactured Housing Division. It is necessary to increase some of the fees since the Department has not increased fees for 20 years, and is experiencing high turnover based on their inability to offer competitive salaries. There has also been an increase in the cost of resources, such as personnel cost, office equipment, supplies, and travel expenses. The Department must ensure they maintain their high level of service to ensure the health and safety of the manufactured housing industry and its consumers.

The installation inspection fee increase will only have a small effect on the installation of double and triple wide manufactured homes, and is required for the health and safety of the consumers to ensure their manufactured homes are installed correctly. The fee increase of statements of ownership is \$20.00 and applies to both consumer to consumer sales and retailer to consumer sales. The increases proposed are conservative, and the industry normally pass-on the cost of the statement of ownership to the consumer, so the industry will not suffer a burden. However, to help offset the increase the Department has eliminated the Field Verification Inspection fee.

10 Tex. Admin. Code § 80.3(b)(1) is amended to increase the Installation Reporting fee for each additional section from \$25 per section to \$75 per section.

10 Tex. Admin. Code § 80.3(c) is amended to increase the Seal fee from \$35 per section to \$70 per section.

10 Tex. Admin. Code § 80.3(j)(1) is amended to increase the fee for issuance of a Statement of Ownership from \$55 to \$75.

10 Tex. Admin. Code § 80.3(j)(2) is amended to increase the fee for correction of a Statement of Ownership (other than a departmental error) from \$55 to \$75.

10 Tex. Admin. Code § 80.3(j)(4) is amended to increase the fee for the Priority Handling Service from \$55 to \$75.

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 businesses, micro-

businesses, or rural communities because of the proposed amendments. The fees licensees initially pay for our services are later passed on to the consumer. The fee increases will not cause the loss of any business opportunities as they are nominal increases that should not have an adverse effect on the businesses. The fee increases are conservative and below the inflation rate in order to not have a major impact on consumers or licensees. 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 do require an increase in certain 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 state's 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.texas.gov. 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.

§80.3. Fees.

- (a) (No change.)
- (b) Installation Fees:
 - (1) There is a reporting fee of \$75 for the installation of a single section manufactured home and ~~\$7525~~ for each additional section.
 - (2) – (3) (No change.)
- (c) Seal Fee: Except for an application by a tax appraiser or a tax assessor-collector, for which there is no fee, there is a fee of ~~\$7035~~ for the issuance of a Texas Seal for one manufactured home section. Any person who sells, exchanges, or offers for sale or exchange one or more sections of used HUD-Code manufactured homes manufactured after June 15, 1976, that do not each have a HUD label affixed, or one or more sections of a used mobile home manufactured prior to June 15, 1976, that do not each have a Texas Seal affixed shall file an Application for Statement of Ownership to the Department for a Texas Seal and issuance of an updated Statement of Ownership. The application shall be accompanied by the seal fee of ~~\$7035~~ per section made payable to the Department.
- (d) - (i) (No change.)
- (j) Fees Relating to Statements of Ownership. Each fee shall accompany the required documents delivered or mailed to the Department at its principal office in Austin.
 - (1) A fee of ~~\$7555~~ will be required for the issuance of a Statement of Ownership.
 - (2) If a correction of a document is required as a result of a mistake by the Department, there is no fee for the issuance of corrected document. However, if the error was not made by the Department, a request for correction of the error must be made on a completed Application for Statement of Ownership and submitted to the Department along with the required fee of ~~\$7555~~ and any necessary supporting documentation.
 - (3) (No change.)
 - (4) A priority handling service may be offered by the Department for an additional fee of ~~\$7555~~, for each review of an application, whether the application is complete or incomplete.
- (k) - (m) (No change.)