



Texas Department of Housing and Community Affairs
Manufactured Housing Board Meeting
October 25, 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
October 25, 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
Stephen F. Austin Building, Board Room 170
1700 N. Congress Ave., Austin, Texas 78701
October 25, 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 May 31, 2024.	Chair
Item 2.	Presentation, discussion and action to approve the FY 2025 Operating Budget. <i>Public Comment (Speakers limited to 3 minutes per person)</i>	Kassu Asfaw
Item 3.	Presentation, discussion and action to approve the FY 2026 - 2027 Legislative Appropriations Request. <i>Public Comment (Speakers limited to 3 minutes per person)</i>	Kassu Asfaw
Item 4.	Presentation, discussion and action to approve the execution of amendment to the Administrative Services Agreement for FY 2025 between the Manufactured Housing Division and TDHCA. <i>Public Comment (Speakers limited to 3 minutes per person)</i>	Kassu Asfaw
Item 5.	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

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 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.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, May 31, 2024, at 10:30am, 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 Jones, Eric Franklin, Amanda Brueschke and Sharon Choate.

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 January 19, 2024. Upon motion of Joe Gonzalez and duly seconded by Keith Thompson, the motion was unanimously approved.

Eric Franklin presented Texas Manufactured Housing Association's request for approval to continue as a Continuing Education Provider. Upon motion of Joe Gonzalez and duly seconded by Keith Thompson, the motion was unanimously approved.

Eric Franklin presented Texas Manufactured Housing School's request for approval to continue as a Continuing Education Provider. Upon motion of Joe Gonzalez and duly seconded by Keith Thompson, the motion 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 Keith Thompson and duly seconded by Joe Gonzalez, the adoption of amendments was unanimously approved.

Jim Hicks tabled action item number 5 until further discussion with the Governor's Office.

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 10:58am.

Sharon Choate, Secretary

Approved:

Ronnie Richards, Presiding Chair

Texas Department of Housing and Community Affairs
 Manufactured Housing Division
 Operating Budget For FY 2025

Agenda Action Item No. 2

D R A F T

Categories	FY 25 Budget (a)	FY 24 Budget (b)	Variance (a-b)	Percentage Change
Salaries and Wages	4,869,201	4,869,201	0	0%
Payroll Related Costs	950,000	950,000	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	357,135	342,237	14,898	4%
Materials and Supplies	197,949	220,000	-22,051	-10%
Repairs/Maintenance	180,000	180,000	0	0%
Printing and Reproduction	30,000	30,000	0	0%
Rental/Lease (Building and Copy Machine)	22,900	22,900	0	0%
Membership Dues	1,100	1,100	0	0%
Staff Development	53,000	53,000	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	50,884	50,884	0	0%
Temporary Help	60,000	70,000	-10,000	-14%
Furniture/Equipment	70,000	100,000	-30,000	-30%
Communications/Utilities	80,000	100,000	-20,000	-20%
Capital Outlay - Computers/Server	40,800	36,720	4,080	11%
State Office of Risk Management	10,000	10,000	0	0%
Subtotal	7,594,089	7,657,162	-63,073	-1%
Indirect Support	512,127	512,127	0	0%
Total Manufactured Housing *	8,106,216	8,169,289	\$ (63,073)	-1%
FTE's	64	64	-	0%
Method of Finance:				
General Revenue	19,120	19,120	0	0%
Appropriated Receipts	7,865,096	7,928,169	(63,073)	-1%
Federal Funds	222,000	222,000	0	0%
Total Method of Finance	\$ 8,106,216	\$ 8,169,289	\$ (63,073)	-1%

* NOTE: Breakdown of the Total Budget:

- \$ 6,644,089- Total Direct Strategies Appropriations to MHD
- \$ 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.
- \$ 512,127 - Administrative Support costs - an indirect appropriation, which is the MH's service contract fees with TDHCA.

\$8,106,216

**Texas Department of Housing and Community Affairs
 Manufactured Housing Division
 Operating Budget Allocation to Direct Strategies
 For FY 2025**

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	357,135	124,997	117,855	114,283	-	357,135
Materials and Supplies	197,949	69,282	65,323	63,344	-	197,949
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	60,000	21,000	19,800	19,200	-	60,000
Furniture/Equipment	70,000	24,500	23,100	22,400	-	70,000
Communications/Utilities	80,000	35,000	23,450	21,550	-	80,000
Capital Outlay - Computers/Server	40,800	14,280	13,464	13,056	-	40,800
State Office of Risk Management	10,000	3,500	3,300	3,200	-	10,000
	7,594,089	\$ 2,553,239	\$ 2,397,790	\$ 2,623,940	\$ 19,120	\$ 7,594,089

FTE's 64 29 19.6 15.4 64

Method of Finance:

	General Revenue	Appropriated Receipts	Federal Funds	Total
Strategy One	2,553,239	0	2,553,239	2,553,239
Strategy Two	2,397,790	0	148,000	2,397,790
Strategy Three	2,623,940	0	74,000	2,623,940
Strategy Four	19,120	19,120	0	19,120
	\$ 7,594,089	\$ 19,120	\$ 222,000	\$ 7,594,089

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**

FEE TYPE	FY 2025 Projected (c)	FY 2024 Act. (d)	Variance (c-d)	Percentage Change
Training	138,490	138,490	-	0%
Ownership - Titles	3,656,670	3,656,670	-	0%
Licenses	1,238,850	1,173,850	65,000	6%
Inspections	1,611,010	1,611,010	-	0%
Admin. Penalties	4,570	4,570	-	0%
Public Information	-	-	-	0%
Reimbursement - Claims	87,191	87,191	-	0%
Returned Check Charge	-	-	-	0%
	6,736,781	6,671,781	65,000	1%
Federal Fund	661,945	661,945		
Total	\$ 7,398,726	\$ 7,333,726	\$ 65,000	1%

*** Note: The assumptions for FY 2025 revenues use the actual for FY 2024 and modified historical trends.**

**Texas Department of Housing and Community Affairs
Manufactured Housing Division
Budget and Expense Status
September 1, 2023 - August 31, 2024
For FY 2024**

Budget Categories	Annual Budget (a)	Act Expenses Sep - Aug (b)	Remaining Budget As of August (a-b)	Remaining Budget Not Used %
Salaries and Wages	\$ 4,869,201	\$ 4,820,000	49,201	1%
Payroll Related Costs	950,000	\$ 955,000	(5,000)	-1%
Travel In-State	300,000	338,598	(38,598)	-13%
Travel Out of State	0	0	0	0%
Home Owner Consumer Claims (Rider # 12)	300,000	88,961	211,039	70%
Professional Fees	342,237	245,000	97,237	28%
Materials and Supplies	220,000	171,561	48,439	22%
Repairs/Maintenance	180,000	262,514	(82,514)	-46%
Printing and Reproduction	30,000	5,864	24,136	80%
Rental/Lease	22,900	19,612	3,288	14%
Membership Dues	1,100	240	860	78%
Staff Development	53,000	475	52,525	99%
Texas Online	19,120	21,108	(1,988)	-10%
Employee Tuition	1,000	0	1,000	100%
Advertising	1,000	0	1,000	100%
Freight/Mail Delivery	50,884	4,966	45,918	90%
Temporary Help	70,000	0	70,000	100%
Furniture/Equipment	100,000	4,842	95,158	95%
Communications/Utilities	100,000	95,000	5,000	5%
Capital Outlay	36,720	1,457	35,263	0%
State Office of Risk Management	10,000	20,775	(10,775)	-108%
Total Manufactured Housing	\$ 7,657,162	\$ 7,055,973	\$ 601,189	8%

Exhibit A

**Manufactured Housing
Administrative Support Schedule
For Fiscal Year 2025**

	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	30,024
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	\$ 512,127

**Texas Department of Housing and Community Affairs
 Manufactured Housing Division
 Legislative Appropriations Request
 For FY 2026 & 2027**

Agenda Action Item No. 3

D R A F T

Budget Categories	FY 26 Budget (a)	FY 27 Budget (b)	Variance (b-a)	Percentage Change
Salaries and Wages	\$ 5,356,122	\$ 5,356,122	0	0.0%
Travel In-State	300,000	300,000	0	0.0%
Travel Out-of State	0	0	0	0.0%
Home Owner Consumer Claims (Rider # 12)	300,000	300,000	0	0.0%
Professional Fees	251,136	251,136	0	0.0%
Materials and Supplies	300,000	300,000	0	0.0%
Repairs/Maintenance - Server	200,000	200,000	0	0.0%
Printing and Reproduction	45,480	45,480	0	0.0%
Rental/Lease (Building and Copy Machines)	22,900	22,900	0	0.0%
Membership Dues	1,100	1,100	0	0.0%
Staff Development	53,068	53,068	0	0.0%
Texas Online	19,120	19,120	0	0.0%
Employee Tuition	1,000	1,000	0	0.0%
Advertising	1,000	1,000	0	0.0%
Mail/Freight Delivery	53,000	53,000	0	0.0%
Temporary Help	60,000	60,000	0	0.0%
Furniture/Equipment	146,000	133,268	-12,732	-8.7%
Communications/Utilities	213,000	213,000	0	0.0%
Capital Outlay - Computers, Servers, etc.	30,234	63,860	33,626	111%
State Office of Risk Management	30,234	10,000	-20,234	-66.9%
Total	\$ 7,383,394	\$ 7,384,054	660	0.0%
FTE's	64	64	-	0%
Method of Finance:				
General Revenue	19,120	19,120	-	0.0%
Appropriated Receipts	7,142,274	7,142,934	660	0.0%
Federal Funds	222,000	222,000	-	0.0%
Total Method of Finance	\$ 7,383,394	\$ 7,384,054	\$ 660	0.0%

**Texas Department of Housing and Community Affairs
 Manufactured Housing Division
 Appropriations Request Allocation to Direct Strategies
 For FY 2026**

Description	Expenditures	E.1.1. Ownership & Lic	E.1.2. Inspections	E.1.3. Enforcement	E.1.4. Texas Online	Total Budget
Salaries and Wages	\$ 5,356,122	\$ 1,874,643	\$ 1,821,081	1,660,398	\$ -	5,356,122
Travel In-State	300,000	10,000	280,000	10,000	-	300,000
Travel Out-of State	0	0	0	0	-	0
Home Owner Consumer Claims (Rider # 12)	300,000	0	0	300,000	-	300,000
Professional Fees	251,136	87,898	85,386	77,852	-	251,136
Materials and Supplies	300,000	105,000	102,000	93,000	-	300,000
Repairs/Maintenance	200,000	70,000	68,000	62,000	-	200,000
Printing and Reproduction	45,480	15,918	15,463	14,099	-	45,480
Rent - Building/Machines	22,900	8,300	10,300	4,300	-	22,900
Membership Dues	1,100	385	374	341	-	1,100
Staff Development	53,068	18,574	18,043	16,451	-	53,068
Texas Online	19,120	0	0	0	19,120	19,120
Employee Tuition	1,000	350	340	310	-	1,000
Advertising	1,000	350	340	310	-	1,000
Freight/Mail Delivery	53,000	18,550	18,020	16,430	-	53,000
Temporary Help	60,000	24,500	23,800	11,700	-	60,000
Furniture/Equipment	146,000	73,800	49,640	22,560	-	146,000
Communications/Utilities	213,000	74,550	72,420	66,030	-	213,000
Capital Outlay	30,234	10,582	10,280	9,372	-	30,234
State Office of Risk Management	30,234	10,582	10,280	9,373	-	30,234
	\$ 7,383,394	\$ 2,403,981	\$ 2,585,768	\$ 2,374,525	\$ 19,120	\$ 7,383,394

FTE's 64 29.6 18.5 15.9 64

Method of Finance:

	General Revenue	Appropriated Receipts	Federal Funds	Total
Strategy One:	2,403,981	0	2,403,981	2,403,981
Strategy Two:	2,585,768	0	148,000	2,585,768
Strategy Three:	2,374,525	0	74,000	2,374,525
Strategy Four	19,120	19,120		19,120
	\$ 7,383,394	\$ 19,120	\$ 222,000	7,383,394

Texas Department of Housing and Community Affairs
 Manufactured Housing Division
 Appropriations Request Allocation to Direct Strategies
 For FY 2027

Description	Expenditures	Ownership & Loc	Inspections	Enforcement	Texas Online	Budget
Salaries and Wages	\$ 5,356,122	\$ 1,874,643	\$ 1,821,081	\$ 1,660,398		\$ 5,356,122
Travel In-State	300,000	10,000	280,000	10,000	-	300,000
Travel Out-of State	0	0	0	0	-	0
Home Owner Consumer Claims (Rider # 12)	300,000	0	0	300,000	-	300,000
Professional Fees	251,136	87,898	85,386	77,852	-	251,136
Materials and Supplies	300,000	105,000	102,000	93,000	-	300,000
Repairs/Maintenance	200,000	70,000	68,000	62,000	-	200,000
Printing and Reproduction	45,480	15,918	15,463	14,099	-	45,480
Rental - Building/Machines	22,900	8,300	10,300	4,300	-	22,900
Membership Dues	1,100	385	374	341	-	1,100
Staff Development	53,068	18,574	18,043	16,451	-	53,068
Texas Online	19,120	0	0	0	19,120	19,120
Employee Tuition	1,000	350	340	310	-	1,000
Advertising	1,000	350	340	310	-	1,000
Freight/Mail Delivery	53,000	18,550	18,020	16,430	-	53,000
Temporary Help	60,000	24,500	23,800	11,700	-	60,000
Furniture/Equipment	133,268	46,644	45,311	41,313	-	133,268
Communications/Utilities	213,000	74,550	72,420	66,030	-	213,000
Capital Outlay	63,860	22,351	21,712	19,797	-	63,860
State Office of Risk Management	10,000	3,500	3,400	3,100	-	10,000
	\$ 7,384,054	\$ 2,381,512	\$ 2,585,991	\$ 2,397,431	\$ 19,120	\$ 7,384,054

FTE's 64 29.6 18.5 15.9 64

Method of Finance:

	General Revenue	Appropriated Receipts	Federal Funds	Total
Strategy One:	2,381,512	0	0	2,381,512
Strategy Two:	2,585,991	0	148,000	2,585,991
Strategy Three:	2,397,431	0	74,000	2,397,431
Strategy Four:	19,120	19,120	-	19,120
	\$ 7,384,054	\$ 19,120	\$ 222,000	\$ 7,384,054

Texas Department of Housing and Community Affairs
Manufactured Housing Division
Revenue Summary and Projections
For FY 2026-27

FEE TYPE	FY 2026 Projected (c)	FY 2027 Projected (d)	Variance (c-d)	Percentage Change
Training	142,000	142,000	-	0.0%
Statement of Ownership - Titles	3,656,670	3,656,670	-	0.0%
Licenses	1,238,850	1,173,850	(65,000)	-5.2%
Inspections	1,611,010	1,611,010	-	0.0%
Admin. Penalties	4,570	4,570	-	0.0%
Public Information	-	-	-	100.0%
Reimbursement - Consumer Claims	87,191	87,191	-	0.0%
Returned Check Charge	-	-	-	0.0%
	<u>6,740,291</u>	<u>6,675,291</u>	<u>(65,000)</u>	<u>-1.0%</u>
Federal Fund	661,945	661,945	-	0%
Total	<u>\$ 7,402,236</u>	<u>\$ 7,337,236</u>	<u>(65,000)</u>	<u>-0.9%</u>

Agenda Action Item No. 4

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
AND
MANUFACTURED HOUSING DIVISION'S
ADMINISTRATIVE SERVICES AND COST REIMBURSEMENT AGREEMENT

This Administrative Services and Cost Reimbursement Agreement ("Agreement") is made effective as of September 1, 2024 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, 2024 and shall continue in full force and effect until August 31, 2025, 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, 2024 and continuing for nine consecutive months through August 1, 2025.

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, 2025 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, 2024.

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 2025**

	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

Action Item No. 5

There are no supporting documents for this action item.