



Texas Department of Housing and Community Affairs
Manufactured Housing Board Meeting
October 9, 2020

Sheila M. Vallés-Pankratz, Chair

Jason R. Denny, Member

Sylvia L. Guzman, Member

Ronnie Richards, Member

Keith C. Thompson, Member

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

October 9, 2020

ROLL CALL

	<u>Present</u>	<u>Absent</u>
Sheila M. Vallés-Pankratz, Chair	_____	_____
Jason R. Denny, Member	_____	_____
Sylvia L. Guzman, Member	_____	_____
Ronnie Richards, Member	_____	_____
Keith C. Thompson, Member	_____	_____
Number Present	_____	
Number Absent		_____

_____, Presiding Officer

MANUFACTURED HOUSING BOARD MEETING
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

October 9, 2020 11:00 a.m.

Meeting Location:

In light of the March 13, 2020, disaster declaration by the Office of the Governor, and the subsequent waivers of portions of Tex. Gov't Code, Ch. 551*, this meeting of the TDHCA Governing Board will be accessible to the public via the telephone and web link information, below. In order to engage in two-way communication during the meeting, persons must first register (at no cost) to attend the webinar via the link provided. Anyone who calls into the meeting without registering online will not be able to ask questions or provide comments, but the meeting will still be audible. A recording of the meeting will be made available to the public as soon as possible following the meeting.

Manufactured Housing Governing Board Webinar registration:

<https://attendee.gotowebinar.com/register/124317791688592652>

Dial-in number: +1 (646) 558-2116, access code 221-392-942 (persons who use the dial-in number and access code without registering online will only be able to hear the Board meeting and will not be able to ask questions or provide comments). Note, this meeting will be proceeding as a videoconference under Tex. Gov't Code §551.127, as modified by waiver.

If the GoToWebinar terminates prior to adjournment of the meeting (i.e. if the webinar session "crashes") the meeting will be recessed. A new link to the meeting will be posted immediately on the TDHCA Manufactured Housing Board meetings web page (<http://www.tdhca.state.tx.us/mh/board.htm>) along with the time the meeting will resume. The time indicated to resume the meeting will be within six hours of the interruption of the webinar. Please note that in this contingency, the original meeting link will no longer function, and only the new link (posted on the TDHCA Manufactured Housing Board meetings web page) will work to return to the meeting.

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 February 21, 2020. | Chair |
| Item 2. | Presentation, discussion and action to approve the FY 2021 Operating Budget | Kassu Asfaw |
| Item 3. | Presentation, discussion and action to approve the FY 2022 - 2023 Legislative Appropriations Request. | Kassu Asfaw |
| Item 4. | Presentation, discussion and action to approve the execution of amendment to the Administrative Services Agreement for FY 2021 between the Manufactured Housing Division and TDHCA. | Kassu Asfaw |
| Item 5. | The Board will discuss Personnel Matters and if appropriate take action relating to the interim executive director's position pursuant to Sec. 551.074, Texas Government Code. | Chair |

REPORT ITEMS

1. Executive Director's Report to include issues relating to operations, budget and performance of the Manufactured Housing Division.

Joe Garcia

PUBLIC COMMENT

Chair

EXECUTIVE SESSION

Chair

Note: The Board may go into executive session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551.

- (a) The Board will go into executive session to discuss Personnel Matters relating to the interim executive director's 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/MHD, 1106 Clayton Lane, Suite 270W, Austin, Texas 78723, 512-475-2206, sharon.choate@tdhca.state.tx.us.

Individuals who require auxiliary aids, services or translators for this meeting should contact Sharon Choate, at 512-475-2206 or Relay Texas at 1-800-735-2989 at least two days before the meeting so that appropriate arrangements can be made.

Agenda Action Item No. 1

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

On Friday, February 21, 2020, at 11:05 a.m., there was a regular meeting of the Manufactured Housing Board (the "Board") at 1500 N. Congress, Capitol Extension Committee Room E2.036, Austin, Texas. Sheila Vallés-Pankratz presided., Sylvia Guzman and Keith Thompson constituting a quorum, attended. Jason Denny and Ronnie Richards were absent. The following Manufactured Housing Division (the "MHD") staff were present: Joe Garcia, Kassu Asfaw, Jim Hicks and Sharon Choate. Veena Mohan attended from the Office of Attorney General.

Sheila Vallés-Pankratz called the roll and confirmed the presence of a quorum.

Sheila Vallés-Pankratz ask for a motion to approve the minutes from the board meeting on October 25, 2019. The motion was made by Sylvia Guzman and duly seconded by Keith Thompson, the motion was unanimously approved.

At 11:08 a.m., the board went into an Executive Session to discuss personnel matters relating to the executive director's performance evaluation and compensation review pursuant to Sec. 551.074, Texas Government Code. No action was taken in Executive Session.

The board reconvened in open session at 12:15 p.m.

Upon motion of Keith Thompson to approve a reclassification from Director IV to Director V based on performance, it was duly seconded by Sylvia Guzman and the motion was unanimously approved.

Joe Garcia delivered the Executive Director's Report and the audit report.

The next board meeting is either for Friday, July 17, 2020, July 24, 2020 or July 31, 2020 to begin at 11:00 a.m.

There being no further business to come before the board, the meeting was adjourned at 12:36 p.m.

Sharon Choate, Secretary

Approved:

Sheila Vallés-Pankratz, Presiding Chair

Pursuant to Sec. 551.022 of the Texas Government Code, a copy of the transcript of the above mentioned meeting is public record and is available for inspection and copying on request to the governmental body's chief administrative officer or the officer's designee.

Texas Department of Housing and Community Affairs
Historical Budget Analysis
Manufactured Housing Division
For FY 2021

Agenda Action Item No. 2

D R A F T

Categories	FY 21 Budget (a)	FY 20 Budget (b)	Variance (a-b)	Percentage Change
Salaries and Wages	4,135,135	4,135,135	0	0%
Payroll Related Costs	861,900	861,900	0	0%
Travel In-State	300,000	300,000	0	0%
Travel Out of State	0	0	0	0%
Home Owner Consumer Claims (Rider # 12)	300,000	300,000	0	0%
Professional Fees	42,000	42,000	0	0%
Materials and Supplies	119,862	119,862	0	0%
Repairs/Maintenance	140,000	140,000	0	0%
Printing and Reproduction	30,000	30,000	0	0%
Rental/Lease (Building and Copy Machine)	176,400	176,400	0	0%
Membership Dues	1,100	1,100	0	0%
Staff Development	33,400	33,400	0	0%
Texas Online	19,120	19,120	0	0%
Employee Tuition	1,000	1,000	0	0%
Advertising	1,000	1,000	0	0%
Freight/Mail Delivery	20,000	20,000	0	0%
Temporary Help	60,000	60,000	0	0%
Furniture/Equipment	80,000	80,000	0	0%
Communications/Utilities	80,000	80,000	0	0%
Capital Outlay - Computers/Server	30,675	0	30,675	100%
State Office of Risk Management	10,000	10,000	0	0%
Subtotal	6,441,592	6,410,917	30,675	0%
Indirect Support	512,127	512,127	0	0%
Total Manufactured Housing *	6,953,719 \$	6,923,044 \$	30,675	0%
FTE's	64	64	-	0%
Method of Finance:				
General Revenue	19,120	19,120	0	0%
Appropriated Receipts	6,634,599	6,603,924	30,675	0%
Federal Funds	300,000	300,000	0	0%
Total Method of Finance	\$ 6,953,719	\$ 6,923,044	\$ 30,675	0%

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

1. \$ 5,579,692 - Total Direct Strategies Appropriations to MHD
2. \$ 861,900 - Payroll related costs - an indirect appropriation, which is a state-wide allocation by the Comptroller; it's included here for assessment or information purpose.
3. \$ 512,127 - Administrative Support costs - an indirect appropriation, which is the service contract fees with the TDHCA; it's included here for assessment or information purpose.

\$6,953,719

Texas Department of Housing and Community Affairs
Manufactured Housing Division
Operating Budget Allocation to Direct Strategies
For FY 2021

Description	Expenditures	E.1.1. SO & Licensing	E.1.2. Inspections	E.1.3. Enforcement	E.1.4. Texas Online	Total Budget
Salaries and Wages	\$ 4,135,135	1,447,297	1,405,946	1,281,892		\$ 4,135,135
Payroll Related Costs	861,900	301,665	293,046	267,189	-	861,900
Travel In-State	300,000	11,000	284,000	5,000	-	300,000
Travel Out of State	0	0			-	0
Home Owner Consumer Claims (Rider # 12)	300,000	0	0	300,000	-	300,000
Professional Fees	42,000	14,700	14,280	13,020	-	42,000
Materials and Supplies	119,862	59,931	47,945	11,986	-	119,862
Repairs/Maintenance	140,000	49,000	47,600	43,400	-	140,000
Printing and Reproduction	30,000	10,500	10,200	9,300	-	30,000
Rental/Lease (Building and Copy Machine)	176,400	156,179	12,239	7,982	-	176,400
Membership Dues	1,100	420	390	290	-	1,100
Staff Development	33,400	11,690	11,356	10,354	-	33,400
Texas Online	19,120	0	0	0	19,120	19,120
Employee Tuition	1,000	360	330	310	-	1,000
Advertising	1,000	700	150	150	-	1,000
Freight/Mail Delivery	20,000	7,000	6,800	6,200	-	20,000
Temporary Help	60,000	21,000	20,400	18,600	-	60,000
Furniture/Equipment	80,000	28,000	27,200	24,800	-	80,000
Communications/Utilities	80,000	28,000	27,200	24,800	-	80,000
Capital Outlay - Computers/Server	30,675	10,767	10,430	9,478	-	30,675
State Office of Risk Management	10,000	3,700	3,400	2,900	-	10,000
	6,441,592	\$ 2,161,909	\$ 2,222,912	\$ 2,037,651	\$ 19,120	\$ 6,441,592

FTE's 64 29 19.6 15.4 64

Method of Finance:

	General Revenue	Appropriated Receipts	Federal Funds	Total
Strategy One	2,161,909	0	2,161,909	2,161,909
Strategy Two	2,222,912	0	200,000	2,222,912
Strategy Three	2,037,651	0	100,000	2,037,651
Strategy Four	19,120	19,120	0	19,120
	\$ 6,441,592	\$ 19,120	\$ 300,000	6,441,592

Indirect Support:

	F.1.1.	F.1.2.	F.1.3.	Total
Financial Administration	179,075	179,075		179,075
Information Resource Technologies	174,506	174,506		174,506
Operating Support	158,546		158,546	158,546
	\$ 512,127	\$ 179,075	\$ 158,546	\$ 512,127

Method of Finance:

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

**Manufactured Housing Division
Revenue Summary and Projections
For FY 2021 -2020**

FEE TYPE	FY 2021 Projected (c)	FY 2020 Act/Est (d)	Variance (c-d)	Percentage Change
Training	127,350	127,350	-	0%
Ownership - Titles	3,500,000	3,500,000	-	0%
Licenses	970,000	978,805	(8,805)	-1%
Inspections	1,700,000	1,700,000	-	0%
Admin. Penalties	7,000	7,330	(330)	-5%
Public Information	-	-	-	0%
Reimbursement - Claims	70,000	60,000	10,000	17%
Returned Check Charge	-	-	-	0%
	6,374,350	6,373,485	865	0%
Federal Fund	650,000	650,000	-	0%
Total	\$ 7,024,350	\$ 7,023,485	\$ 865	0%

*** Note: The assumptions for FY 2021 revenues use the actual/estimates for FY 2020 and modified historical trends.**

Texas Department of Housing and Community Affairs
 Manufactured Housing Division
 Budget and Expense Status
 September 1, 2019- August 31, 2020
 For FY 2020

Budget Categories	Annual Budget (a)	*1 YTD Act/Est. Expenses Sep - Aug (b)	Remaining Budget As of August (a-b)	Remaining Budget Not Used %
Salaries and Wages	\$ 4,135,135	\$ 3,929,736	205,399	5%
Payroll Related Costs	861,900	859,200	2,700	0%
Travel In-State	300,000	295,000	5,000	2%
Travel Out of State	0	0	0	0%
Home Owner Consumer Claims (Rider # 12)	300,000	102,800	197,200	66%
Professional Fees	42,000	39,908	2,092	5%
Materials and Supplies	119,862	114,054	5,808	5%
Repairs/Maintenance	140,000	120,217	19,783	14%
Printing and Reproduction	30,000	19,051	10,949	36%
Rental/Lease	176,400	155,297	21,103	12%
Membership Dues	1,100	0	1,100	100%
Staff Development	33,400	0	33,400	100%
Texas Online	19,120	17,191	1,929	10%
Employee Tuition	1,000	0	1,000	100%
Advertising	1,000	0	1,000	100%
Freight/Mail Delivery	20,000	1,933	18,067	90%
Temporary Help	60,000	0	60,000	100%
Furniture/Equipment	80,000	72,134	7,866	10%
Communications/Utilities	80,000	70,000	10,000	13%
Capital Outlay	0	0	0	0%
State Office of Risk Management	10,000	9,112	888	9%
Subtotal	6,410,917	5,805,633	605,284	9%
Indirect Support	512,127	494,033	18,094	4%
Total Manufactured Housing	\$ 6,923,044	\$ 6,299,666	\$ 623,378	9%

* 1 YTD expenses column represents actual expenditures from September to July, and projected expenditures for the month of August.

Exhibit A

**Manufactured Housing
Administrative Support Schedule
For Fiscal Year 2021**

	FTE's	Salaries	Payroll Related Costs	Total
Support:				
Executive Office	0.10	\$ 11,653	\$ 2,680	\$ 14,333
Internal Audit	0.40	26,740	6,150	32,890
Policy and Public Affairs	0.22	18,436	4,240	22,676
Human Resources	0.40	24,410	5,614	30,024
Purchasing and Facilities Management	0.90	47,659	10,962	58,621
Information Systems	2.08	141,875	32,631	174,506
Financial Administration:				-
Director, Financial Administration	0.10	10,175	2,340	12,515
Payroll	0.20	12,982	2,986	15,968
Accounting Manager	0.15	14,245	3,276	17,521
Travel	0.50	26,702	6,141	32,843
Payables	0.45	26,329	6,056	32,385
Program Accountant	1.00	55,158	12,686	67,844
Total Support, Manufactured Housing	6.50	\$ 416,364	\$ 95,762	\$ 512,126

**Texas Department of Housing and Community Affairs
 Manufactured Housing Division
 Legislative Appropriations Request
 For FY 2022 & 2023**

Agenda Action Item No. 3

D R A F T

Budget Categories	FY 22 Budget (a)	FY 23 Budget (b)	Variance (b-a)	Percentage Change
Salaries and Wages	\$ 4,135,135	\$ 4,135,135	\$ -	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	42,000	42,000	0	0.0%
Materials and Supplies	119,862	119,862	0	0.0%
Repairs/Maintenance - Server	140,000	140,000	0	0.0%
Printing and Reproduction	30,000	30,000	0	0.0%
Rental/Lease (Building and Copy Machines)	202,500	202,500	0	0.0%
Membership Dues	1,100	1,100	0	0.0%
Staff Development	33,400	33,400	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	20,000	20,000	0	0.0%
Temporary Help	50,000	50,000	0	0.0%
Furniture/Equipment	70,000	70,000	0	0.0%
Communications/Utilities	80,000	80,000	0	0.0%
Capital Outlay - Computers, Servers, etc.	0	47,542	47,542	100.0%
State Office of Risk Management	10,000	10,000	0	0.0%
Total	\$ 5,555,117	\$ 5,602,659	47,542	0.9%
FTE's	64	64	-	0%
Method of Finance:				
General Revenue	19,120	19,120	-	0.0%
Appropriated Receipts	5,235,997	5,283,539	47,542	0.9%
Federal Funds	300,000	300,000	-	0.0%
Total Method of Finance	\$ 5,555,117	\$ 5,602,659	\$ 47,542	0.9%

**Texas Department of Housing and Community Affairs
 Manufactured Housing Division
 Appropriations Request Allocation to Direct Strategies
 For FY 2022**

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	\$ 4,135,135	\$ 1,447,297	\$ 1,405,946	1,281,892	\$ -	4,135,135
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	42,000	14,700	14,280	13,020	-	42,000
Materials and Supplies	119,862	59,931	39,554	20,377	-	119,862
Repairs/Maintenance	140,000	49,000	47,600	43,400	-	140,000
Printing and Reproduction	30,000	10,500	10,200	9,300	-	30,000
Rental/Lease	202,500	174,150	14,175	14,175	-	202,500
Membership Dues	1,100	385	374	341	-	1,100
Staff Development	33,400	11,690	11,356	10,354	-	33,400
Texas Online	19,120	0	0	0	19,120	19,120
Employee Tuition	1,000	350	340	310	-	1,000
Advertising	1,000	350	340	310	-	1,000
Freight/Mail Delivery	20,000	7,000	6,800	6,200	-	20,000
Temporary Help	50,000	17,500	17,000	15,500	-	50,000
Furniture/Equipment	70,000	24,500	23,800	21,700	-	70,000
Communications/Utilities	80,000	31,250	25,500	23,250	-	80,000
Capital Outlay	0	0	0	0	-	0
State Office of Risk Management	10,000	3,500	3,400	3,100	-	10,000
	\$ 5,555,117	\$ 1,862,103	\$ 1,900,665	\$ 1,773,229	\$ 19,120	\$ 5,555,117

FTE's	64	29.6	18.5	15.9		64
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Method of Finance:

	General Revenue	Appropriated Receipts	Federal Funds	Total
Strategy One:	1,862,103	0	1,862,103	1,862,103
Strategy Two:	1,900,665	0	200,000	1,900,665
Strategy Three:	1,773,229	0	100,000	1,773,229
Strategy Four:	19,120	19,120		19,120
	\$ 5,555,117	\$ 19,120	\$ 300,000	\$ 5,555,117

Texas Department of Housing and Community Affairs
 Manufactured Housing Division
 Appropriations Request Allocation to Direct Strategies
 For FY 2023

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	\$ 4,135,135	\$ 1,447,297	\$ 1,405,946	\$ 1,281,892		\$ 4,135,135
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	42,000	14,700	14,280	13,020	-	42,000
Materials and Supplies	119,862	59,931	39,554	20,377	-	119,862
Repairs/Maintenance	140,000	49,000	47,600	43,400	-	140,000
Printing and Reproduction	30,000	10,500	10,200	9,300	-	30,000
Rental/Lease	202,500	174,150	14,175	14,175	-	202,500
Membership Dues	1,100	385	374	341	-	1,100
Staff Development	33,400	11,690	11,356	10,354	-	33,400
Texas Online	19,120	0	0	0	19,120	19,120
Employee Tuition	1,000	350	340	310	-	1,000
Advertising	1,000	350	340	310	-	1,000
Freight/Mail Delivery	20,000	7,000	6,800	6,200	-	20,000
Temporary Help	50,000	17,500	17,000	15,500	-	50,000
Furniture/Equipment	70,000	24,500	23,800	21,700	-	70,000
Communications/Utilities	80,000	31,250	25,500	23,250	-	80,000
Capital Outlay	47,542	16,640	16,164	14,738	-	47,542
State Office of Risk Management	10,000	3,500	3,400	3,100	-	10,000
	\$ 5,602,659	\$ 1,878,743	\$ 1,916,829	\$ 1,787,967	\$ 19,120	\$ 5,602,659

FTE's 64 29.6 18.5 15.9 64

Method of Finance:

	General Revenue	Appropriated Receipts	Federal Funds	Total
Strategy One:	1,878,743	0	1,878,743	1,878,743
Strategy Two:	1,916,829	0	200,000	1,916,829
Strategy Three:	1,787,967	0	100,000	1,787,967
Strategy Four:	19,120	19,120	-	19,120
	\$ 5,602,659	\$ 19,120	\$ 5,283,539	300,000

Texas Department of Housing and Community Affairs
 Manufactured Housing Division
 Revenue Summary and Projections
 For FY 2022-23

FEE TYPE	FY 2022 Projected (c)	FY 2023 Projected (d)	Variance (c-d)	Percentage Change
Training	127,500	127,500	-	0.0%
Statement of Ownership - Titles	3,500,000	3,500,000	-	0.0%
Licenses	978,805	978,000	(805)	-0.1%
Inspections	1,700,000	1,700,000	-	0.0%
Admin. Penalties	7,000	7,000	-	0.0%
Public Information	-	-	-	0.0%
Reimbursement - Consumer Claims	80,000	80,000	-	0.0%
Returned Check Charge	-	-	-	0.0%
	6,393,305	6,392,500	(805)	0.0%
Federal Fund	650,000	650,000	-	0%
Total	\$ 7,043,305	\$ 7,042,500	(805)	0.0%

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, 2020 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, **2020** and shall continue in full force and effect until August 31, **2021**, unless sooner terminated pursuant to Section 4.1 of this Agreement.

3. ADMINISTRATIVE SERVICES FEES AND COST REIMBURSEMENTS

3.1 Reimbursement to TDHCA for Operating Costs

TDHCA shall be reimbursed by the MH Division for all operating costs incurred by TDHCA on their behalf out of budgeted receipts attributable to the MH Division as set out on Exhibit "A".

3.2 Payments to TDHCA for Services

As compensation for the Services performed by TDHCA personnel pursuant to this Agreement, TDHCA shall be paid \$42,677.25 monthly by the MH Division (or a total annual amount not to exceed \$512,127.00) for each month during the term of this Agreement.

4. TERMINATION OF AGREEMENT

4.1 Early Termination

Either party and, the duly constituted MH Board contemplated by Chapter 2306 once appointed,

may terminate this Agreement prior to the August 31, **2021** term provided in Section 2.1 upon 30 days' written notice to the other party. Administrative fees due for Services provided up to and including the date of such early termination shall be prorated and shall be payable in full to TDHCA upon such early termination. If this Agreement is terminated by the MH Board, TDHCA agrees to take all actions necessary to deliver to the MH Board possession or control of all books, records, and property of the MH Division in TDHCA's possession in an orderly manner and without interruption of the MH Division's business.

5. FORCE MAJEURE

5.1 Force Majeure

In the event that performance by a party of any of its obligations under the terms of this Agreement shall be interrupted or delayed by an act of God, by acts of war, riot, or civil commotion, by an act of State, by strikes, fire, or flood, or by the occurrence of any other event beyond the control of such party, such party shall be excused from such performance during the period of time when the interruption occurred and for such period of time as is reasonably necessary after such occurrence abates for the effects thereof to have dissipated.

6. MISCELLANEOUS

6.1 Notices

All notices, requests, demands and other communications under this Agreement shall be deemed to be duly given if delivered or sent in accordance with this Section 6.1 and all of its subsections; and if addressed as follows:

If to TDHCA to:

Texas Department of Housing and Community Affairs
221 E. 11th Street, Third Floor
Austin, Texas 78701
ATTENTION: Bobby Wilkinson, TDHCA Executive Director
Bobby.Wilkinson@tdhca.state.tx.us
FAX: (512) 469-9606

If to the Manufactured Housing Division to:

Manufactured Housing Division
1106 Clayton LN. Twin Towers, Suite 270W
Austin, Texas 78723
ATTENTION: Joe Garcia, MH Division, Executive Director
Joe.Garcia@tdhca.state.tx.us
FAX: (512) 475-0495

or to such other address or to the attention of such other person as the recipient party has specified in accordance with this Section 6.1 by prior written notice to the sending party. Every notice required or contemplated by this Agreement to be given, delivered or sent by any party may be delivered in person or may be sent by courier, facsimile, e-mail, first class mail, or certified mail (or its equivalent under the laws of the country where mailed), addressed to the party for whom it is intended, at the address specified in this Agreement. Any party may change its address for notice by giving notice to the other parties of the change. Any written notice will be effective no later than the date actually received. Unless otherwise provided in this Agreement, notice by courier, express mail, certified mail, or registered mail will be effective on the date it is officially recorded as delivered by return receipt or equivalent and in the absence of such record of delivery it will be presumed to have been delivered on the fifth business day after it was deposited, first-class postage prepaid, in the United States first class mail. Notice not given in writing will be effective only if acknowledged in writing by a duly authorized officer of the party to whom it was given.

6.2 Entire Agreement

This Agreement contains the entire agreement of the parties with respect to the matters covered by its terms. Any written or oral representations, promises, agreements or understandings concerning the subject matter of this Agreement that is not contained in this Agreement shall be of no force or effect. No change, modification or waiver of any of the terms of this Agreement shall be binding unless reduced to writing and signed by authorized representatives of both parties.

6.3 Assignment

This Agreement shall be binding upon and inure to the benefit of the parties hereto, and the legal representatives, successors in interest and assigns, respectively, of each such party. Notwithstanding the preceding sentence, this Agreement shall not be assigned in whole or in part by either party without the prior written consent of the other party.

6.4 Governing Law

This Agreement shall be construed under and governed in all respects, including without limitation, issues of validity, interpretation, performance and enforcement, by the laws, and not the conflicts of law, of the State of Texas.

6.5 No Waiver

The failure of any party hereto at any time to require performance of any provision of this Agreement shall in no way affect the right of such party to require performance of that provision. Any waiver by any party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself or a waiver of any right under this Agreement.

6.6 Partial Invalidity

If any one or more of the provisions of this Agreement should be ruled wholly or partly invalid or unenforceable by a court or other government body of competent jurisdiction, then:

- (A) the validity and enforceability of all provisions of this Agreement not ruled to be invalid or unenforceable will be unaffected;
- (B) the effect of the ruling will be limited to the jurisdiction of the court or other government body making the ruling;
- (C) the provision(s) held wholly or partly invalid or unenforceable will be deemed amended, and the court or other government body is authorized to reform the provision(s), to the minimum extent necessary to render them valid and enforceable in conformity with the parties' intent as manifested herein; and
- (D) if the ruling, and/or the controlling principle of law or equity leading to the ruling, is subsequently overruled, modified, or amended by legislative, judicial, or administrative action, then the provision(s) in question as originally set forth in this Agreement will be deemed valid and enforceable to the maximum extent permitted by the new controlling principle of law or equity.

6.7 Time

Time is of the essence under this Agreement. If the last day permitted for the performance of any act required or permitted under this Agreement falls on a Saturday, Sunday, or legal holiday in the State of Texas, the time for such performance shall be extended to the next succeeding business day that is not a legal holiday.

6.8 Jurisdiction and Venue

Suit to enforce this Agreement or any provision thereof will be brought exclusively in the state or federal courts located in Austin, Travis County, Texas.

6.9 Section Headings

The article and section headings contained in this Agreement are for reference purposes only and shall not in any way control the meaning or interpretation of this Agreement. Each person signing below represents that he or she has read this Agreement in its entirety (including any and all Schedules and Exhibits); understands its terms; is duly authorized to execute this Agreement on behalf of the party indicated below by his name; and agrees on behalf of such party that such party will be bound by those terms.

IN WITNESS WHEREOF, the parties have signed this Agreement to be effective as of September 1, 2020.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

By: _____
Bobby Wilkinson
Executive Director

MANUFACTURED HOUSING DIVISION

By: _____
Joe A. Garcia
Executive Director

MEMBERS OF THE TEXAS MANUFACTURED HOUSING BOARD:

Sheila M. Vallés-Pankratz, Chair

Ronnie Richards, Member

Sylvia L. Guzman, 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 2021

	<u>FTEs</u>	<u>Salaries</u>	<u>Payroll Related Costs</u>	<u>Total</u>
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	<u>6.50</u>	<u>\$ 416,364</u>	<u>\$ 95,762</u>	<u>\$ 512,127</u>

Agenda Action Item No. 5

There are no supporting documents for this action item.