

BOARD OF MANUFACTURED HOUSING

April 17, 2024



Arizona Department of Housing

AGENDA



A G E N D A
BOARD OF MANUFACTURED HOUSING
Arizona Department of Housing

Date: **Wednesday, April 17, 2024, 1:00 P.M.**

1400 W. Washington St., Room 1102
Phoenix, AZ 85007

1:00 P.M.

- I. Call to Order (Chairman)
- II. Roll Call (Secretary)
- III. Call to the Public
Public Comments - Those wishing to address the Board need not request permission in advance; however, they must complete a form available at <https://housing.az.gov/manufactured-housing/board-manufactured-housing> or at the meeting. Each person addressing the Board will be limited to five minutes on any one issue. Pursuant to A.R.S. § 38-431.02(H), the Board may only take action on matters listed on the agenda. Action taken as a result of public comments will be limited to directing staff to review a matter or ask that a matter be placed on a future agenda.
- IV. Review and Action on Abbreviated Minutes of January 24, 2024 meeting
- V. Staffing Update (Assistant Deputy Director)
- VI. Fee Structure – pursuant to A.R.S. §41-4010 (A) (4). Determine fees for Fiscal Year 2025 beginning July 1, 2024 and ending June 30, 2025.
- VII. Conflict of Interest (Assistant Deputy Director)
- VIII. Adjournment

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the general public that the members of the Board of Manufactured Housing will hold a regular meeting open to the public via the location set forth above. The Board, upon a majority vote of a quorum of the members, may, when necessary, hold an Executive Session to obtain legal advice regarding any of the agenda items, pursuant to A.R.S. § 38-431.03(A)(3).

The agenda is subject to change up to 24 hours prior to the meeting, in which case a new agenda will be prepared and distributed in the same manner as the original agenda. You may also call **602-364-1433** or email Ayde.Sanchez@azhousing.gov for any changes. Agenda items are noted by number and letter for convenience and reference. The Board may address the agenda items in any order within the time frame indicated, and may set over matters to a later time when necessary. The Board reserves the right to change the order of items on the agenda, except for matters set for a specific time.

Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Ayde Sanchez at 602-364-1433 or email Ayde.Sanchez@azhousing.gov. Requests should be made as early as possible to allow time to arrange the accommodation.

January 24, 2024
ABBREVIATED
MINUTES



DRAFT

ARIZONA BOARD OF MANUFACTURED HOUSING

ABBREVIATED MINUTES

January 24, 2024 BOARD MEETING

CALL TO ORDER

Chairman Roe called the meeting to order at 1:01 p.m.

ROLL CALL

Board Members present: Chairman David Roe, Kory Beickel, Jay Daniels, Jan Doughty, Terry Gleeson, Gregory Johnloz, and Michael Young.

Absent: Everette Hoyle

Arizona Department of Housing (“Department”) Staff: Assistant Deputy Director, Tara Brunetti (Brunetti); Board Secretary Ayde Sanchez, Plan Reviewer, Ted Caviness and Division Administrator/Investigations, Jeff Jacobs.

CHAIRMAN SELECTION

Board member Gleeson entertained a motion to re-elect David Roe as the Chairman for the Arizona Board of Manufactured Housing; Board member Doughty made a motion to accept and the Board voted unanimously to accept.

APPROVAL OF APRIL 26, 2023 BOARD MINUTES

Chairman Roe entertained a motion to accept the prior Board Meeting Minutes; Board member Johnloz made a motion to accept and the Board voted unanimously to accept.

LEGISLATIVE PROPOSAL UPDATE

Brunetti announced to the Board members that the Legislative session has initiated and there are over 60 bills that affect ADOH; some directly affecting MHBD. The Department has assisted MHIAZ in drafting proposed changes to the existing statutes to modernize the language, update definitions, remove the requirement for installation insignia and add an accessory permit to the permit scheme. Brunetti informed the Board that based upon upcoming legislative changes; it is likely that rule changes will be required by the Board.

STAFFING UPDATE

Brunetti informed the Board that an analysis of the Department’s staffing needs has been requested by the Governor’s Office and is underway. The goal is to submit staffing requests and to obtain the approvals for additional full time employees (FTE’s) prior to the April board meeting to ensure a proper forecast of budgetary needs when the Board analyzes fee adjustments for the next fiscal year.

PLAN REVIEW UPDATE

Brunetti announced the passing of former employee Patty Stecher. The Department was very hopeful that Stecher would make a full recovery and return to her duties. Brunetti introduced Caviness as the new plan review lead. Caviness has been applying different techniques and building code experience to streamline the plan review process and better the turnaround processing time. In addition to Caviness, the Department has hired two additional employees to support the plan review section. At this time the Department is relying heavily on the support of third party reviewers to assist with the processing of plans. Brunetti empathized the effort the Department is making to ensure a reduction in plan review turnaround while ensuring compliance with HUD and adopted building code requirements. Brunetti discussed the top reasons for plan denials and corrections and emphasized the Department's intent to continue to publish related material until plan review applications become more accurate and complete upon submission.

CALL TO PUBLIC

The Public had an opportunity to speak to the Board & Department. The main focus areas that the Public brought to the attention are as follows:

- The loss of revenue the plan review turnaround is affecting the industry.
- The recent lack of communication between the Plan Review section and the Applicant.
- Re-analyzing the process for the permanent use buildings vs. temporary lease buildings.
- Re-analyzing the process for singlewide buildings vs. multi-section buildings.
- Financial hardship on homeowners due to delays in obtaining approved plans to commence work.
- Additional plan review fees due to extra time spent of reviewing plans.

Chairman Roe thanked the public for attending the meeting and expressing their concerns with the Plan Review processing timeframe. Chairman Roe asked the Department to consider what other states are considering as exemptions for leased/temporary buildings and to evaluate third party review costs in comparison to the fees that have been established by the Board.

NEXT BOARD MEETING DATE

The next meeting is tentatively scheduled for April 17, 2024.

ADJOURNMENT

Chairman Roe thanked the Board members for their attendance. The meeting adjourned at 2:20 p.m.

STAFFING UPDATE



MHBD Staff Analysis FY25

Current staff level: 22

Staff increase: 12 FTE's; 2 Plan Examiner, 3 Installation Inspector, 1 FBB Inspector, 2 Auditor/Investigator, 4 Administrative Support

Installation Inspector (3 FTE)

- **Objective:** Increase inspection response time and efficiency by adding inspectors in southwest and northern AZ.
- **Current Process Time:** 2-4 days from requested inspection date in local area, remote inspections vary due to excessive travel time.
- **Anticipated Result:** Inspection to occur no later than 1-2 days from the requested date.

FBB Inspector (1 FTE)

- **Objective:** Stand up required factory audits for in-state locations (35+ factories); maintain remote auditing for the 95+ out of state facilities; continue initial factory certification for all new licenses.
- **Current Process Time/Activity:** Our current allocation of resources is inadequate for the rate of production and steady incline in this particular function. New factory certification is currently performed but the required audit and inspection functions will require development.
- **Anticipated Result:** Compliance with §41-4004 (4) and A.A.C. R4-34-607 (B) by incorporating routine (quarterly to start) audits at each manufacturing location while maintaining remote auditing for the 95+ out of state facilities.
- **Note:** Increased complexity of today's FBB projects, including multi story apartment buildings and construction techniques including use of robotics and other advanced processes, requires a designated team of inspectors.

Auditor/Investigator (2 FTE)

- **Objective:** Stand up required HUD dealer audits for in-state sales locations (70+ sites); cross train to perform installation inspections to enhance efficiency and timing.
- **Current Process Time/Activity:** Our current allocation of resources has prevented the HUD dealer audit function from being initiated.
- **Anticipated Result:** Compliance with the Manufactured Home Procedural and Enforcement Regulations, 24 Code of Federal Regulations Part 3282 and §41-4004 (4) by incorporating (quarterly to start) audits at each HUD dealer location.
- **Note:** Investigations and assessment of transit damage, HUD label and seal tampering, retailer performance and storage requirements will be investigated; installation inspections and investigations pertaining to HUD consumer complaints and unlicensed activity will be tasked to this staff.

Administrative Support (4 FTE)

- **Objective:** Administrative support to enhance licensing, sales auditing, education requirements, testing requirements and legal action. Added staff will allow Jeff Jacobs be removed from the

LTA and relocation process, assist with administration of permit and inspection volumes reported by the 56+ ISA jurisdictions on a weekly basis and provide sufficient administrative support to manage audits findings, schedule audits/inspections, training, data collection, site-specific photos/videos, recovery fund and salesforce administration.

- **Anticipated Result:** increase turnaround times, enforce as required, manage audit scheduling, expedite the processing of LTA petitions and relocation fund applications; gain compliance with §R4-34-606, §41-4023(3) and 41-4046(l).
- **Note:** Allocate as follows - 1 legal, 1 ISA/FBB, 1 LTA/Relocations/Complaints, 1 inspection/audit/enforcement.

Plan Examiner (2 FTE)

- **Objective:** Increase plan review process times while requiring plan review and building official accreditation upon hire.
- **Current Process Time:** 40-45 business days due to volume and complexity of plan review applications.
- **Anticipated Result:** Reduction in plan review timelines to 10-15 business days.

FY25 FEE RECOMMENDATION



MANUFACTURED HOUSING - BOARD FEE PRESENTATION

FY2025 FORECASTED	BUDGET	% of Total	BOARD APPROVED FEES	Total Budget
Permit Fees	\$ 860,850.00	26%	\$ -	\$ -
IPIA Plant Inspections	\$ 509,250.00	16%	\$ -	\$ -
Installation Re-inspection	\$ 81,900.00	3%		
Licensing	\$ 1,092,960.87	34%	\$ 976.73	\$ 976.73
Plan Review	\$ 292,500.00	9%	\$ -	\$ -
Insignias	\$ 83,880.00	3%	\$ -	\$ -
Modular Manufacturer Certificate/Reconstruction Cert.	\$ 116,155.00	4%		
Permit Extension	\$ 49,400.00	2%		
Admin Function Fees	\$ 7,310.00	0%		
SSA Fed Fund	\$ 160,254.00	5%	\$ -	
	\$ 3,254,459.87	100%		\$ 976.73

FY2025 EXPENSE	FORECASTED
Payroll & ERE	\$ 1,931,827.86
Payroll & ERE (12 New Positions)	\$ 910,000.00
Professional Services	\$ 565,562.90
Travel	\$ 440,686.81
Capital	\$ -
Other Operating	\$ 336,295.73
Non-Capital Exp	\$ 55,822.91
	\$ 4,240,196.20

	FY25 PROJECTED FEE REVENUE		Plan A	
			FY25 BUDGET 100%	Adjusted Fee
Permit Fees	\$ 860,850.00		\$ 1,119,105.00	\$ 585.00
IPIA Plant Inspections	\$ 483,375.00		\$ 712,950.00	\$ 175.00
Installation Re-inspection	\$ 81,900.00		\$ 126,453.60	\$ 270.20
Licensing	\$ 1,092,960.87		\$ 1,409,940.29	\$ 1,260.00
Plan Review	\$ 292,500.00		\$ 482,158.34	\$ 428.59
Insignias/Certificates	\$ 83,880.00		\$ 125,820.00	\$ 30.00
Modular Manufacturer Certificate/Reconstruction Cert.	\$ 116,155.00		\$ 178,704.47	\$ 100.00
Permit Extension	\$ 49,400.00		\$ 74,099.51	\$ 150.00
Admin Function Fees	\$ 7,310.00		\$ 10,965.00	\$ 15.00
Operations Support	\$ -			
	\$ 3,068,330.87	72.36%	\$ 4,240,196.20	

Plan B	
FY25 BUDGET 95%	Adjusted Fee
\$ 1,084,662.39	\$ 567.00
\$ 672,204.91	\$ 165.00
\$ 106,706.53	\$ 228.01
\$ 1,398,749.46	\$ 1,250.00
\$ 427,085.07	\$ 379.63
\$ 109,044.00	\$ 26.00
\$ 151,071.19	\$ 84.54
\$ 69,160.00	\$ 140.00
\$ 9,503.00	\$ 13.00
\$ 4,028,186.55	

Plan C	
FY25 BUDGET 105%	Adjusted Fee
\$ 1,205,190.00	\$ 630.00
\$ 761,838.00	\$ 187.00
\$ 131,040.00	\$ 280.00
\$ 1,441,210.99	\$ 1,287.95
\$ 497,250.00	\$ 442.00
\$ 150,984.00	\$ 36.00
\$ 162,617.00	\$ 91.00
\$ 88,920.00	\$ 180.00
\$ 13,158.00	\$ 18.00
\$ 4,452,207.99	

MANUFACTURED HOUSING - BOARD FEE PRESENTATION

	FY25 Projection		Current Fees
Permit Fees	1,913	15.40%	\$ 450.00
IPIA Plant Inspections	4,074	32.79%	\$ 125.00
Installation Re-inspection	468	3.77%	\$ 175.00
Licensing	1,119	9.01%	\$ 976.73
Plan Review	1,125	9.05%	\$ 260.00
Insignias/Certificates	4,194	33.75%	\$ 20.00
Modular Manufacturer Certificate/Reconstruction Cert.	1,787	14.38%	\$ 65.00
Permit Extension	494	3.98%	\$ 100.00
Admin Function Fees	731	5.88%	\$ 10.00
	12,425		

Lump Sum Average; not by license class

\$	1,243,450.00	Chairman Proposed Fee	650.00
\$	611,100.00		150.00
\$	81,900.00		175.00
\$	1,408,317.45	**average \$1258.55	
\$	427,500.00		380.00
\$	83,880.00		20.00
\$	116,155.00		65.00
\$	49,400.00		100.00
\$	7,310.00		10.00
\$	4,029,012.45		

	Chairman Proposed license fee	Current fee	Increase
M-9A	1375.00	1125.00	22%
M-9C	1375.00	1125.00	22%
M-9E	2500.00	2000.00	25%
D-8	950.00	750.00	27%
D-8B	762.00	562.00	36%
D-10	950.00	750.00	27%
D-12	2000.00	1500.00	33%
I-10C	950.00	750.00	27%
I-10D	762.00	562.00	36%
I-10G	1850.00	1350.00	37%
Sales	370.00	270.00	37%

**\$1258.55 lump sum average

FEE SCHEDULE





**STATE OF ARIZONA
DEPARTMENT OF HOUSING**

1110 WEST WASHINGTON, SUITE 280
PHOENIX, ARIZONA 85007

PHONE: 602-771-1000 FAX: 602-771-1002
WWW.AZHOUSING.GOV

FEE SCHEDULE FOR 2024 FISCAL YEAR

FEES ARE EFFECTIVE JULY 1, 2023 through JUNE 30, 2024

Fees charged by the Department are not included in Rule and are exempt from the State Rule procedures (Arizona Revised Statutes § 41-4010(C)).

LICENSING FEES				
	Class	Class Description	New License	Renewal License
MANUFACTURER	M-9A	Manufacturer of Factory-Built Buildings (FBBs)	\$ 1,125.00	\$ 563.00
	M-9C	Manufacturer of Manufactured Homes	\$ 1,125.00	\$ 563.00
	M-9E	Master, includes license scopes of M-9A and M-9C	\$ 2,000.00	\$ 1,000.00
RETAILER/ DEALER/ BROKER	D-8	Retailer of Mobile Homes and Manufactured Homes	\$ 750.00	\$ 375.00
	D-8B	Broker of Mobile Homes and Manufactured Homes	\$ 562.00	\$ 281.00
	D-10	Retailer of FBBs	\$ 750.00	\$ 375.00
	D-12	Master, includes license scopes of D-8, D-8B, and D-10	\$ 1,500.00	\$ 750.00
INSTALLER	I-10C	General Installer	\$ 750.00	\$ 375.00
	I-10D	Installer of Attached Accessory Structures	\$ 562.00	\$ 281.00
	I-10G	Master, includes license scopes of I-10C and I-10D	\$ 1,350.00	\$ 675.00
SALESPERSON	NA	Employee/Agent of a licensed Retailer/Dealer/Broker	\$ 270.00	\$ 135.00

PLAN FEES	
DESCRIPTION	FEE
Application Submittal and Plan Review	\$ 260.00 <i>Includes up to 1 hour of plan review time</i>
Plan Review	\$ 125.00 hour <i>Each additional hour</i>

MOBILE HOME LANDLORD TENANT PETITION	
DESCRIPTION	FEE
Complaint A landlord or a tenant of a Mobile Home Park may file a complaint administratively through the Department to obtain a hearing at the Office of Administrative Hearings on alleged violations of the Arizona Mobile Home Landlord and Tenant Act.	\$ 50.00

INSTALLATION TRAINING	
DESCRIPTION	FEE
Installation Training MHBD Installer: Qualifying Party or Corporate Officer	\$ 100.00

PERMIT FEES	
DESCRIPTION	PERMIT FEE
Mobile/Manufactured Home	\$ 450.00 each <i>Includes 3 Inspections</i>
FBB – residential	\$ 450.00 per story <i>Includes 3 Inspections</i>
FBB – commercial	\$ 6.00/LF per story <i>Includes 3 Inspections</i>
FBB – classroom	\$ 3.00/LF per story <i>Includes 3 Inspections</i>
6 Month Extension on Permit (Mobile/Manufactured Home and FBB)	\$ 100.00 each
FBB Special Use	\$ 250.00 each <i>Includes 1 Inspection</i>
Rehabilitation – Mobile Home	\$ 49.00 if income below Area Median Income (AMI); \$306.00 if income at or above AMI <i>Includes 2 Inspections</i>

INSPECTION FEES	
DESCRIPTION	FEE
Installation re-inspection or additional inspection not covered by permit (Mobile/Manufactured Home, FBB, Rehabilitation, and Special Use)	\$ 175.00 each
HUD Manufacturer in-plant inspection FBB Manufacturer in-plant inspection	\$ 125.00 per hour
No Cancel by 7:30 a.m. of scheduled inspection	\$ 175.00 each

CERTIFICATE (INSIGNIA) FEES	
DESCRIPTION	FEE
Installation Certificate	\$ 20.00 each
Modular Manufacturer Certificate	\$ 65.00 each
Reconstruction Certificate	\$ 65.00 each
HUD Label	\$125.00 each

ADMINISTRATIVE FUNCTION FEES	
DESCRIPTION	FEE
Change on installation permit	\$ 10.00 per item
Change name of license	\$ 10.00 each
Change license location	\$ 10.00 each
Change license telephone number	\$ 10.00 each
Add or delete branch location	\$ 10.00 each
Reinstate bond	\$ 10.00 each
Change status of license to inactive	\$ 10.00 each
Process returned check	\$ 50.00 each
All refunds are subject to a fee of	\$ 59.00 each
Copies	\$.50 each

2024
BOARD MEETING
SCHEDULE



2024 MH BOARD MEETING SCHEDULE



**All meetings are tentatively
scheduled the 3rd Wednesday of
each calendar quarter, beginning at
1:00 p.m.**

***Date and time is subject to change
at the discretion of the Chairman
of the Board.***

- ***January 17, 2024 **rescheduled to**
January 24, 2024***
- ***April 17, 2024***
- ***July 17, 2024***
- ***October 16, 2024***