

February 9, 2022

MEMORANDUM TO: Honorable Mayor and City Council

THRU: Charles P. Potucek, City Manager
Victoria Yarbrough, Assistant City Manager

FROM: Matt McLachlan, AICP, Director
Community Development

SUBJECT: REQUEST FOR AGENDA ITEM PLACEMENT
RESOLUTION 2023-003
Inspections Services Agreement (ISA) with the Arizona
Department of Housing (ADOH), Manufactured Housing and
Building Division (MHBD)

RECOMMENDATION:

The City Manager recommends approval.
The Director of Community Development recommends approval.

INITIATED BY: The Arizona Department of Housing, Manufactured Housing and
Building Division

BACKGROUND:

The Arizona Department of Housing (ADOH) Manufactured Housing and Building Division (MHBD) is the regulatory agency for maintaining standards of quality and safety for manufactured homes, factory-built buildings, mobile homes, and their installation. Arizona Revised Statute § 41-4004(A) (5) allows the State to enter into agreements with local jurisdictions to enforce standards and to act on the State's behalf for installation inspection and permitting. The Inspection Service Agreement ("ISA") program has been in existence since 1980. Currently, there are 54 local jurisdictions throughout the State, which include several counties that have signed ISAs.

The City has been performing installation inspections and permitting through the ISA program for the past 16 years. Prior to that, the City contracted with the County.

The current ISA, approved by the Mayor and City Council by Resolution 2018-024 on March 8, 2018, is set to expire on May 21, 2023. The new agreement, if approved, will extend the City's partnership with ADOH for another five-year term.

ANALYSIS:

Through the ISA, the City's Community Development Department is responsible for monitoring and enforcing the installation standards set forth in A.R. S. § 41-4004 (B) (4) and A.A.C. R4-34-102 which covers:

- Connecting new or used mobile homes, manufactured homes or factory-built buildings to on-site utility terminals or repairing these utility connections.
- Placing new or used mobile homes, manufactured homes, accessory structures or factory-built buildings on foundation systems or repairing these foundation systems.
- Providing ground anchoring for new or used mobile homes or manufactured homes or repairing the ground anchoring.

The primary benefits of the City entering an ISA with the State include:

- Convenience for residents/businesses to obtain permits locally.
- Increased permit revenue.
- The advantage of City building inspectors conducting inspections at the same time as an installation inspection, reducing time and travel costs.
- Improved communication on zoning requirements for all parties.
- Better communication between consumers, retailers, installers, and the jurisdiction.
- Increased opportunity to identify unlicensed installers working within the jurisdiction.

BUDGET IMPACT:

Over the past five years, the City has seen a rise in manufactured home permits mostly resulting from the redevelopment of Sierra Grande, Mountain Vista, and Los Acros manufactured home parks.

	2018	2019	2020	2021	2022
MANUFACTURED HOME INSTALLATION PERMITS	2	1	54	44	77

The associated plan review and permit inspections on installations are performed by existing staff as part of their normal workload. Section 5 of the ISA stipulates that fees charged by the City shall be the same as the Fee Schedule created by ADOH. All fees collected by the City are retained by the City as compensation for the services performed under the agreement. The Fee Schedule for the current fiscal year provides for a \$220.00 application submittal and plan review fee (up to one hour of plan review time) and \$125.00 for each additional hour. Most plans are reviewed in less than one hour. The permit fee, which includes three inspections, is set at \$450.00 which is sufficient to cover our costs.

ATTACHMENTS:

Resolution 2023-03
Exhibit "A", Inspections Services Agreement

RESOLUTION 2023-03

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SIERRA VISTA, COCHISE COUNTY, ARIZONA; APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE STATE OF ARIZONA, ARIZONA DEPARTMENT OF HOUSING FOR ENFORCEMENT OF MANUFACTURED HOUSING INSTALLATION STANDARDS; AND AUTHORIZING AND DIRECTING THE CITY MANAGER, CITY CLERK, CITY ATTORNEY OR THEIR DULY AUTHORIZED OFFICERS AND AGENTS TO TAKE ALL STEPS NECESSARY TO CARRY OUT THE PURPOSES AND INTENT OF THIS RESOLUTION.

WHEREAS, pursuant to A.R.S. § 41-4002 the purpose of Arizona Department of Housing (“ADOH”) is to maintain standards of quality and safety for manufactured homes, factory-built buildings, mobile homes, and the installation of the same.

WHEREAS, A.R.S. § 41-4004 (A) (5) directs ADOH to enter into agreements with local enforcement agencies to enforce the installation standards in their respective jurisdictions consistent with the installation standards of ADOH; and

WHEREAS, it is the desire of the City and ADOH to eliminate unnecessary duplication of inspections regarding installation standards within the City’s jurisdiction; and

WHEREAS, both the City and ADOH desire to continue its partnership and enter an intergovernmental agreement pursuant to the provisions of A.R.S. § 11-952 to accomplish the preceding purposes.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF SIERRA VISTA, ARIZONA, AS FOLLOWS:

SECTION 1

That the settled policy of entering into Intergovernmental Agreements, most recently affirmed by resolution, be, and hereby is, reaffirmed.

SECTION 2

That the Inspections Services Agreement between Arizona Department of Housing and City of Sierra Vista attached as Exhibit “A”, is hereby approved.

SECTION 3

The City Manager, City Clerk, City Attorney or their duly authorized officers and agents are hereby authorized and directed to take all steps necessary to carry out the purposes and intent of this resolution.

PASSED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF SIERRA VISTA, ARIZONA, THIS 9TH DAY OF FEBRUARY 9TH, 2023.

CLEA McCAA, II
Mayor

ATTEST:

APPROVED AS TO FORM:

JILL ADAMS
City Clerk

NATHAN J. WILLIAMS
City Attorney

Prepared by:
Matt McLachlan, AICP
Director, Community Director

EXHIBIT "A"
INSPECTIONS SERVICES AGREEMENT

INSPECTION SERVICES AGREEMENT

BETWEEN

ARIZONA DEPARTMENT OF HOUSING

AND

CITY OF SIERRA VISTA

TO ENFORCE INSTALLATION STANDARDS

This **AGREEMENT** (“Agreement”) is entered into this _____ day of _____, _____, by and between the **ARIZONA DEPARTMENT OF HOUSING** (“ADOH”) and the **CITY OF SIERRA VISTA** (“Community Development”).

WHEREAS, pursuant to Arizona Revised Statutes (A.R.S.) § 41-4002 the purpose of ADOH is to maintain standards of quality and safety for manufactured homes, factory-built buildings, mobile homes, and the installation of the same.

WHEREAS, A.R.S. § 41-4004 (A) (5) directs ADOH to enter into agreements with local enforcement agencies to enforce the installation standards in their respective jurisdictions consistent with the installation standards of ADOH; and

WHEREAS, it is the desire of both parties to eliminate unnecessary duplication of inspections regarding installation standards within the Agency’s jurisdiction;

NOW, THEREFORE, in consideration of the premises and mutual promises and undertakings herein contained, and for other good and valuable consideration, the parties agree as follows:

1. **Monitoring and Enforcement.** For the duration of this Agreement, the Agency will monitor and enforce the installation standards set forth in A.R.S. § 41-4004 (A)(4) and Arizona Administrative Code (A.A.C.), including but not limited to, R4-34-102, R4-34-204, R4-34-606 and R4-34-801 as they apply to installation standards and accessory structures.
2. **Term.** The term of this Agreement shall be for five (5) years from the date of this Agreement.
3. **Standards of Performance.** In exercising the authority delegated hereunder the Agency shall perform to the same standards of performance that the law imposes upon ADOH in exercising the authority described in section 1 hereof. In addition, the Agency shall not approve any installation unless the installer affixes a State Insignia of Approval as required by A.A.C. R434-802 (A) and pays to the Agency the fee established by ADOH pursuant to the authority by A.A.C. R4-34-501.

4. Reporting. The Agency in this Agreement shall complete electronic reporting to ADOH via an online portal. A copy of each issued permit and corresponding installation inspection reports for mobile homes, HUD manufactured homes or factory built buildings shall be submitted within the portal. All permit and inspection activity shall be on submitted once per week if not reported to ADOH on a daily basis.
5. Fees Charged by the Agency. Permit fees charged by the Agency shall be the same as the Fee Schedule created by ADOH pursuant to its authority under A.R.S. § 41-4010 (A) (4), A.R.S. § 41-4010 (A) (5) and A.A.C. R4-34-501 and no more than permitted by R4-34-801(E). All fees collected by the Agency shall be kept by the Agency as compensation for the services performed by the Agency under this Agreement. The Agency shall not be entitled to any other compensation for services rendered by it under this Agreement.
6. Termination. Either party may terminate this Agreement at any time without cause by giving the other party thirty (30) days written notice prior to the date of termination. Additionally, ADOH may terminate this Agreement immediately and without notice, if ADOH determines that the installation standards required in the Agreement are not being maintained, or that local fees are not consistent with the inspection fees established by the Board of Manufactured Housing.
7. Qualifications of Personnel. The personnel that perform the functions delegated to the Agency in paragraph 1 hereof shall each have no less than one year of experience as a building code inspector or manufactured housing installation inspector.
8. Inspector Training. All Agency Inspectors performing under this Agreement shall participate in required initial and/or periodic training as set and coordinated by the State.
9. Duties of ADOH. Should ADOH require inspections of any portion of the installation of mobile, manufactured homes, accessory structures or factory built buildings not required by the Rules referred to herein and not covered under this Agreement, ADOH shall be responsible for the inspections and enforcement thereof.
10. Notices. All notices shall be mailed or delivered to the party to receive such notice to the following address.
 - a. If intended for ADOH to:

Arizona Department of Housing
Manufactured Housing and Building Division
1110 West Washington, Suite #280 Phoenix,
AZ 85007-2935

Attn: Tara Brunetti
Title: Assistant Deputy Director
Phone: (602) 771-1035

b. If intended for Agency, to:

City of Sierra Vista
1011 N Coronado Dr.
Sierra Vista AZ 85635

Attn: Matt McLachlan
Title: Director
Phone: 520-417-4413

11. Interpretation and Amendments. This Agreement contains the entire agreement between the parties hereto. This Agreement shall not be amended or modified in any manner, except by an instrument in writing signed by the parties hereto.
12. Headings. Headings are for convenience only and are not to be construed as part of this Agreement.
13. Invalidity of a Term. The parties agree that in the event any term, covenant or conditions herein contained should be held to be invalid or void, the invalidity of any such term, covenant or condition shall in no way affect any other term, covenant or condition of this Agreement.
14. Dispute. In the event of any dispute between the parties under this Agreement, the parties agree that they shall submit the dispute to arbitration pursuant to A.R.S. §§ 12-133(D) and 12-1518.
15. Inspection and Audit. Pursuant to A.R.S. §§ 35-214 and 35-215, all books, accounts, reports, files and other records relating to this Agreement shall be subject at all reasonable times to inspection and audit by the State of Arizona for five (5) years after completion of this Agreement. Such records shall be produced at the Auditor General's Office or such other office as the parties hereto may mutually agree within a reasonable time after request.
16. Conflict of Interest. The parties acknowledge that this Agreement is subject to cancellation by the Governor of Arizona pursuant to A.R.S. § 38-511, the provisions of which are incorporated herein.
17. Prohibition Against Discrimination. In the event that it applies, the parties agree to comply with the Arizona Governor's Executive Order No. 2009-09.
18. Governing Law and Venue. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Arizona. The exclusive venue for any litigation,

arbitration, administrative hearing or the like concerning this Agreement or any matter arising therefrom shall be in Maricopa County, State of Arizona.

19. Unavailability of Funding. Every payment or financial obligation of the parties under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by any party at the end of the period for which funds are available. No liability shall accrue to any party in the event this provision is exercised, and neither ADOH nor Agency shall be obligated or liable for any future payments nor for any damages as a result of termination under this paragraph.
20. E-verify. To the extent applicable under A.R.S. § 41-4401, each party and its respective subcontractors warrant compliance with all federal immigration laws and regulations that relate to its employees and compliance with the E-verify requirements under A.R.S. § 23-214(A). Each party has the right to inspect the papers of the other party or its subcontractors participating in this Agreement and may result in the termination of the Agreement by a non-breaching party under terms of this Agreement.
21. Antitrust Violations. To the extent applicable, Agency assigns to the Department any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to the Agency toward fulfillment of this Agreement.
22. Boycott of Israel. To the extent applicable and permitted by law, Agency warrants that it is not currently engaged in, and agrees for the duration of the contract to not engage in, a boycott of goods or services from Israel as defined by A.R.S. § 35-393.01, as may be amended from time to time.

IN WITNESS WHEREOF, the parties hereto agree to carry out the terms of this Agreement and have executed this Agreement the day, month and year first written above.

ARIZONA DEPARTMENT OF HOUSING:

CITY OF SIERRA VISTA:

Names: _____
Tara Brunetti, Asst. Deputy Director
Arizona Department of Housing

Name: _____
Clea McCaa, Mayor

ATTEST: _____
Jill Adams, City Clerk

APPROVED this 9th day of February, 2023