

Department of Building and Fire Safety (Report Highlights)

September 2001

The Department of Building and Fire Safety is responsible for conducting fire safety inspections of state, county, university, and school buildings. It also conducts inspections of manufactured houses being constructed in Arizona factories, inspects the installation of manufactured homes, and licenses installers. The Department also administers the Mobile Home Relocation Fund, a fund designed to assist homeowners displaced from mobile home parks.

Our Conclusions:

The Department's Fire Marshal has taken significant actions to address the serious deficiencies identified in our 1999 report (Report No. 99-16). The Department's Manufactured Housing program has also implemented several of the report's recommendations, but should take some additional steps to reduce the number of inspections it carries out. Finally, the Department should monitor the Fund Mobile Home Relocation Fund's use over the next three years and determine whether changes to the homeowner tax assessment are needed.

Fire Marshal Improves Inspection Process

In 1999, almost half of the charter schools and a majority of the state, county, and university buildings reviewed did not have a recorded fire safety inspection. Auditors noted three main causes:

- An incomplete building inventory;
- Ill-defined inspection policies; and
- Incomplete inspection records.

The Fire Marshal has since developed an accurate building inventory of the over 19,000 state, county, and school buildings. The Fire Marshal has also implemented procedures to update the inventory annually.

According to the National Fire Protection Association, cities without annual inspections have fire rates up to 50 percent higher than cities inspecting public buildings annually.

The Fire Marshal has also:

- Assigned a priority score of 1 to 5 to each building on the inventory;
- Developed a computer program that lists when inspections are due; and
- Corrected its recordkeeping problems.

While the fire inspectors have devoted an estimated 50 percent of their time to implementing these changes, the Fire Marshal

has improved inspection performance:

- A random sample of schools and charter schools indicates that 96 percent have been inspected; and
- Nearly 50 percent of fire safety inspections have received required follow ups, as compared to 20 percent in 1999.

The Department should:

- ✓ Define how frequently buildings should be inspected based on the inspection priority assigned.

Some Improvements to Housing Inspections

Our 1999 report found that many homes were failing their installation inspections because of poor work by installers. This appeared to occur because:

- Installers only had to meet minimal requirements to get a license;
- There were multiple installation standards which made installations more complicated; and
- The Department's policy of allowing three inspections for each installation permit provided little incentive for installers to do good work.

Installation Inspection



Installation Process:

- ✓ Homeowner purchases \$90 permit;
- ✓ Permit authorizes three inspections;
- ✓ Installer sets home and connects utilities and sewer;
- ✓ Inspector called by homeowner or installer;
- ✓ Inspector reviews if installation conforms to standards; and
- ✓ If installation is deficient, inspector records the violation and returns later to reinspect.

The Department has implemented several of the 1999 recommendations by:

- Establishing minimum education and experience requirements for obtaining an installers license;
- Establishing voluntary continuing education for installers; and
- Adopting new rules for simplifying the installation standards.

The Department is also working to identify the most common installation problems and the installers that required the most re-inspections.

The Department has not adopted the recommendation to reduce the number of inspections allowed for each installation from three to one. However, analysis shows that:

- The majority of homes requiring multiple inspections do so because of violations of installation standards. Sixteen of 19 homes required more than 1 inspection due to installer errors; and

- California, Nevada, and Colorado allow only one inspection per permit.

The Department should:

- ✓ Continue to identify and track installers who repeat violations;
- ✓ Take appropriate action against licensees with repeat violations;
- ✓ Incorporate common installation errors and information on how to prevent these errors in its training programs; and
- ✓ Reduce the number of inspections associated with each permit from three to one.

Awareness of and Access to Relocation Fund Improved

The Mobile Home Relocation Fund receives revenues from homeowner tax assessment and mobile home park owner fees. The Fund assists mobile home owners to:

- Relocate if their park is closed;
- Relocate when rent increases at a park exceed inflation of 10 percent;
- Relocate because of park redevelopment or upgrade; and
- Bring older homes into compliance with housing codes when they have to move.

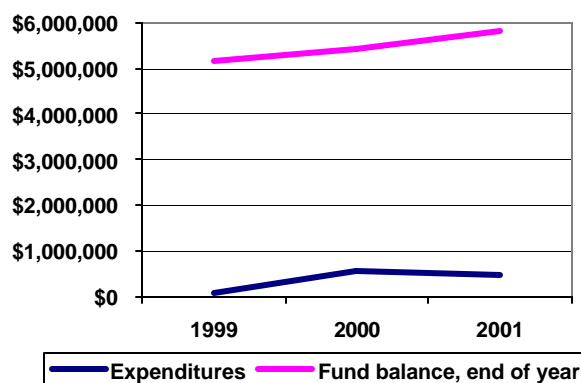
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Annual Relocation Fund tax on a 1990 mobile home worth \$25,000 = \$9.75
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In 1999 we found that while few parks had closed, affected homeowners generally did

not know about the Fund. To improve awareness of the Fund, the Department has presented information at conferences and met with homeowner groups.

The Department has also made it easier for homeowners to access the Fund if park owners fail to tell them about the Fund. Previously, tenants were denied the Fund benefits if their claims were late, even if it was the fault of the owner.

Fund Activity



Even with greater homeowner awareness of the Fund, and the closure of two large parks in fiscal year 2000, the Fund's balance continues to grow. Interest alone was almost enough to cover expenditures from fiscal year 1998 to 2000. However, some industry experts believe demand for monies from the Fund may continue to increase.

The Department should:

- ✓ Study the use of the Fund over the next three years and, if needed, work with the homeowner and park owner associations to determine if changes should be made to the homeowner tax assessment.

To Obtain More Information

- A copy of the full report can be obtained by calling (602) 553-0333 or by visiting our Web site at:

www.auditorgen.state.az.us

- The contact person for this report is **Dale Chapman**.