

## **INITIAL STATEMENT OF REASONS**

### **DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT CALIFORNIA CODE OF REGULATIONS, TITLE 25 DIVISION 1. HOUSING AND COMMUNITY DEVELOPMENT**

#### **CHAPTER 3. Factory-Built Housing and Mobilehomes SUBCHAPTER 2. Manufactured Homes, Mobilehomes, Multifamily Manufactured Homes, Commercial Modulares, and Special Purpose Commercial Modulares**

#### **ARTICLE 2.5. Fire Sprinkler Systems Sections 4300 Through 4324.**

#### **ON THE SUBJECT OF FIRE SPRINKLER SYSTEMS FOR MANUFACTURED HOMES, MOBILEHOMES AND MULTIFAMILY MANUFACTURED HOMES**

##### **Subject Matter of Regulations**

The Department of Housing and Community Development (HCD) proposes to amend the Subchapter 2 heading, as well as Article 2.5, Sections 4300, 4302, 4304, 4306, 4308, 4310, 4312, 4314, 4316, 4318, 4320, 4322, and 4324 and add Section 4313 to the California Code of Regulations (CCR), Title 25, Chapter 3, Subchapter 2. The regulations currently provide preemptive standards for the optional installation of fire sprinkler systems in new and used manufactured homes, and multifamily manufactured homes with two dwelling units.

The proposed amendments and additions will continue to provide preemptive requirements for the installation of fire sprinkler systems in new and used manufactured homes and multifamily manufactured homes with two dwelling units; provide updated construction, testing and listing standards; and replace an outdated term.

##### **Background**

On January 17, 2001, new Article 2.5 was made operative by the Secretary of State, and placed in the California Code of Regulations, Title 25 (25 CCR), Chapter 3, Subchapter 2, providing preemptive statewide regulations for the optional installation of fire sprinkler systems in new and used manufactured homes and multifamily manufactured homes with two dwelling units. This Article was adopted pursuant to the Manufactured Housing Act, sections 18000, et seq., (Part 2) of the Health and Safety Code (HSC). HSC Section 18029.5 authorizes HCD to adopt rules and regulations related to prevention of fire or for the protection of life and property against fire in manufactured homes and mobilehomes. HSC Section 18015 provides that the provisions of Part 2, and regulations adopted pursuant to Part 2, preempt and supersede any ordinance enacted by units of local government and shall apply in all areas of the state.

### **Rationale for Proposed Amendment**

Current regulations provide preemptive statewide standards for the optional installation of sprinkler systems in manufactured homes and multifamily manufactured homes with two dwelling units, and provide a uniform standard to accommodate factory construction of manufactured housing using production-line assembly features in a factory.

Providing preemptive statewide standards for the installation of fire sprinkler systems in manufactured homes, and multifamily manufactured homes with two dwelling units precludes local building departments from enforcing their local sprinkler standards which often are more restrictive than what is required in this article. Statewide preemption also allows manufactured home producers to reduce costs by using mass production assembly-line techniques during the manufacture of homes.

The proposed regulations update the currently referenced 1999 edition of the National Fire Protection Association (NFPA) 13D to the most current 2010 edition. The 1999 edition is no longer published by the NFPA.

### **Summary of Sections Affected**

The specific sections of CCR, Title 25, Division 1, Chapter 3, Subchapter 2, to be amended, including the Subchapter 2 heading, are Sections 4300, 4302, 4304, 4306, 4308, 4310, 4312, 4314, 4316, 4318, 4320, 4322, and 4324.

CCR, Title 25, Division 1, Chapter 3, Subchapter 2, Section 4313 is to be added.

### **Summary of Effect of Proposed Regulatory Action**

The purpose of these proposed regulations is to update the preemptive requirements for the installation of fire sprinkler systems in new or used manufactured homes and multifamily homes with two dwelling units; provide updated construction, testing and listing standards; and, replace an outdated term.

## **SUBCHAPTER 2. MANUFACTURED HOMES, MOBILEHOMES, MULTIFAMILY MANUFACTURED HOMES, COMMERCIAL MODULARS, AND SPECIAL PURPOSE COMMERCIAL MODULARS**

### **1. Amend Subchapter 2. Manufactured Homes, Mobilehomes, Multifamily Manufactured Homes, Commercial Modulars, and Special Purpose Commercial Modulars.**

**Subchapter Heading.** Amend “Multi-Unit Manufactured Housing” to read “Multifamily Manufactured Homes” in accordance with California Health and Safety Code Section 18008.7.

## **ARTICLE 2.5 FIRE SPRINKLER SYSTEMS**

HCD proposes to amend the fire sprinkler system regulations as follows.

## 2. Amend Section 4300. Application of Design and Installation Requirements; Preemption of Local Design and Installation Requirements.

**Subsection (a) Paragraph (1).** This paragraph is amended to replace “home” with “homes” to maintain consistency throughout the article; “mobilehome” is added as mobilehomes may have fire sprinkler systems installed and this article applies to such installation; and, it is amended to delete “a” and replace “is” with “are” to be grammatically correct.

**Subsection (a) Paragraph (2).** References to “multi-unit manufactured housing” are replaced with the correct term “multifamily manufactured home” in accordance with California Health and Safety Code Section 18008.7.

**Subsection (b).** This subsection is amended to expressly state and clarify that the fire sprinkler regulations and amendments preempt local government ordinances, and expressly identify fire safety and protection ordinances adopted pursuant to another law, the Mobilehome Parks Act, Part 2.1 (commencing with Section 18200) of the Health and Safety Code. HSC Section 18015 of Part 2 expressly states that Part 2 laws and regulations preempt local ordinances.

However, in Part 2.1, HSC Section 18691 of the Mobilehome Parks Act also addresses fire safety issues. It again authorizes HCD to adopt regulations related to fire safety—applicable to mobilehome parks, not manufactured housing. In addition, unlike Part 2, it authorizes local governments and local fire districts to adopt additional fire safety and protection laws in subdivision (b) paragraph (2), and also provides, in subdivision (c) that local fire officials may enforce specified provisions of a local fire code, including conditions “that, in the opinion of the fire chief, constitute a distinct hazard to life or property”. Part 2.1 also expressly establishes standards for installations of manufactured homes, but not construction standards for those homes.

Because of concern that there may be confusion as to the authority of local governments and local fire officials, while regulating home installations, to adopt sprinkler system requirements for new or previously-owned manufactured homes installed or reinstalled in a mobilehome park, HCD has added the express exclusion of the fire protection authority under Part 2.1. Given the juxtaposition of the two Parts, the fact that Part 2 deals with the construction of the manufactured homes themselves, whereas Part 2.1 deals with construction and operation of a mobilehome park (e.g., outside the walls of the manufactured home), this interpretation is consistent with apparent legislative intent to separate the two activities, as well as long-time interpretation and implementation by HCD. It also avoids unnecessary and excessive potential costs to households intentionally purchasing previously-owned homes to move into a park in order to avoid the high costs of a new home.

**Subsection (b) Paragraph (1).** This paragraph is amended to replace “home” with “homes” to maintain consistency throughout the article; “mobilehome” is added as the

State of California preemption for installation requirements applies to mobilehomes; and, it is amended to delete “a” and replace “is” with “are” to be grammatically correct.

**Subsection (b) Paragraph (2).** References to “multi-unit manufactured housing” are replaced with the correct term “multifamily manufactured home” in accordance with California Health and Safety Code Section 18008.7

**Subsection (c).** This subsection is amended to delete “These regulations do” and to add “This article does” to specify the subsection applies to the entire article; “Mobilehomes” is added as fire sprinkler system installation is not required in mobilehomes; references to “multi-unit manufactured housing” are replaced with the correct term “multifamily manufactured home” in accordance with California Health and Safety Code Section 18008.7; and “including those installed or reinstalled in a mobilehome park” is added due as noted in Subsection (b) above.

**Subsection (d).** By the addition of this paragraph, the code user will be informed that a residential fire sprinkler system is not required to be installed as a condition of approval of alterations, additions or repairs to existing units not already provided with a fire sprinkler system. Additionally, this subsection also clarifies that local ordinances shall not govern installation or reinstallation, if the alterations involve this type of activity. See discussion immediately above under “Subsection (b)”.

**Authority and Reference.** The Authority and Reference section is amended to add “and 18691”. Health and Safety Code Section 18691 authorizes HCD to adopt regulations that interpret, make specific statutes and authorizes the Department to adopt regulations related to fire safety—applicable to mobilehome parks, and to carry-out its obligations under law.

### **3. Amend Section 4302. Adoption by Reference of the Provisions of NFPA13D, "Standard for the Installation of Sprinkler Systems in One- and Two- Family Dwellings and Manufactured Homes."**

**Subsection (a) Paragraph (1).** The referenced NFPA standard is updated from the 1999 to the 2010 edition of the NFPA 13D "Standard for the Installation of Sprinkler Systems in One- and Two- Family Dwellings and Manufactured Homes." The 2010 edition is also the same edition referenced by the California Residential Code for site-constructed residential dwellings as part of the 2010 California Building Standards Code.

**Subsection (a) Paragraph (2).** This paragraph is amended to include 25 CCR Section 4313 which is being added in this rulemaking.

**Subsection (c) Paragraphs (1) through (9).** By amending subsection (c) paragraphs (1) through (5) and adding subsection (c) paragraphs (6) through (9) the code user will be referred to the renumbered sections that are not adopted. The sections were renumbered by NFPA during development of the NFPA 13D 2010 Edition.

**Subsection (c) Paragraph (1).** This paragraph is amended to delete “the ‘exception’ provided at section 1-5.2,” and to add “Chapter 5, section 5.1.3” to indicate Chapter 5, section 5.1.3 is the renumbered section that is not adopted.

**Subsection (c) Paragraph (2).** This paragraph is amended to delete “subsection (d) of section 2-3,” and to add “Chapter 6, section 6.3.2.” to indicate Chapter 6, section 6.3.2 is the renumbered section that is not adopted.

**Subsection (c) Paragraph (3).** This paragraph is amended to delete “A-1.3” and to add “3.2.1” to indicate section 3.2.1 is the renumbered section that is not adopted.

Additionally, a comma “,” was deleted for formatting consistency throughout the article.

**Subsection (c) Paragraph (4).** This paragraph is amended to delete “A-1.3” and to add “3.2.2” to indicate section 3.2.2 is the renumbered section that is not adopted.

This paragraph is also amended by adding the acronym “AHJ” in order to clarify to the code user that the acronym “AHJ” means “Authority Having Jurisdiction”.

Additionally, “and” is deleted to maintain formatting consistency throughout the article.

**Subsection (c) Paragraph (5).** This paragraph is amended to delete “A-1.3” and to add “3.2.4” to indicate section 3.2.4 is the renumbered section that is not adopted.

**Subsection (c) Paragraph (6).** This exemption to NFPA 13D is added as the requirements for testing the system are addressed under Section 4320 of current 25 CCR regulations.

**Subsection (c) Paragraph (7).** This exemption to NFPA 13D is added as the requirements for smoke alarms are addressed under the Federal Manufactured Home Construction and Safety Standards – Part 3280, Title 24, Chapter XX, Subpart C, Section 3280.208.

**Subsection (c) Paragraph (8).** This exemption to NFPA 13D is added as it is not germane to manufactured homes and multifamily manufactured homes with two dwelling units as these structures are intended for residential use only.

**Subsection (c) Paragraph (9).** This exemption to NFPA 13D is added as it is not germane to manufactured homes and multifamily manufactured homes with two dwelling units as these structures are intended for residential use only.

#### **4. Amend Section 4304. Definitions.**

**Subsection (b).** This subsection is amended in order to inform the code user that Chapter 1 of the NFPA 13D 1999 Edition was renumbered by NFPA during

development of the NFPA 13D 2010 Edition, moving the definition section to Chapter 3.

**5. Amend Section 4306. Restrictions on the Sale of a Sprinklered Manufactured Home or of Sprinklered Multifamily Manufactured Home with Two Dwelling Units.**

**Section Heading.** This section heading is amended to change the term “multi-unit manufactured housing” to the correct term “multifamily manufactured home” pursuant to California Health and Safety Code Division 13, Part 2, Section 18008.7.

**Section 4306.** This section is amended to change the term “multi-unit manufactured housing” to the correct term “multifamily manufactured home” pursuant to California Health and Safety Code Division 13, Part 2, Section 18008.7.

**6. Amend Section 4308. Requirements for the Approval of the Plans for a Fire Sprinkler System. Requirements for the Inspection of the Installation of a Fire Sprinkler System.**

**Subsection (a).** This subsection is amended to delete “of” for clarity and ease in reading.

**Subsections (a) and (b).** These subsections are amended to change the term “multi-unit manufactured housing” to the correct term “multifamily manufactured home” pursuant to California Health and Safety Code Division 13, Part 2, Section 18008.7.

**Subsection (a) Paragraph (2) Subparagraph (C).** This subparagraph is added to allow a manufacturer to reduce inspection method and frequency upon certification of a manufacturing facility.

Current regulations require each sprinkler system to be inspected at 100 percent frequency at various stages of production. This is not cost-effective and adds unnecessary expense to the cost of homes. Reduced inspection frequency after certification by an HCD-approved quality assurance agency is common for structures under HCD jurisdiction and causes no impact to the health and safety of users or durability of the structure, components, or systems. Additionally, a reduced inspection frequency will aid in maintaining the affordability of homes.

**Subsection (b).** This subsection is amended to delete “after the” and “the” for grammatical clarity.

This subsection is further amended by striking the phrase “is shipped from the manufacturing facility” and adding the phrase “as an alteration” to clarify to the code user that these requirements also will apply to sprinkler systems installed in units built prior to the effective date of these regulations, as an option.

**Subsection (b) Paragraph (1).** This paragraph is amended to delete “, which is an alteration” for clarity and ease in reading.

**Subsection (b) Paragraph (2).** This paragraph is amended to change the term “multi-unit manufactured housing” to the correct term “multifamily manufactured home” pursuant to California Health and Safety Code Section 18008.7.

Additionally, the term “dwelling unit” is deleted for clarity and ease in reading.

**7. Amend Section 4310. Resolution of Disputes about the Requirements of NFPA 13D.**

**Section 4310.** This section is amended to delete “in” and add “after” to clarify to the code user that the Department has the final authority within Title 25, Chapter 3, Article 2.5 to enforce and interpret the Title 25 regulations and resolve any disputes after consultation with the State Fire Marshal’s Office.

This section is further amended to change the term “multi-unit manufactured housing” to the correct term “multifamily manufactured home” pursuant to California Health and Safety Code Division 13, Part 2, Section 18008.7.

**8. Amend Section 4312. Types of Materials; Standards for Materials; Listing and Labeling of Materials and Equipment Standard for Residential Sprinklers; Manufacturer’s Installation Instructions.**

**Section Heading.** This section heading is amended to delete “Listing Criteria for Sprinklers Used in Limited Area Dwelling” because the limited area dwellings design criteria is no longer utilized in the 2010 edition of NFPA 13D “Standard for the Installation of Sprinkler Systems in One- and Two- Family Dwellings and Manufactured Homes” for fire sprinkler design.

**Subsection (b).** This subsection is amended to delete “1994” and “with revisions dated through October 8, 1997,” and to add “2008” in order to adopt the more current edition of UL 1626, “Residential Sprinklers for Fire Protection Service,” 2008 edition, to accurately coincide with the NFPA 13D, 2010 Edition.

**Subsection (c).** This subsection is repealed because “limited area dwelling” design criteria are no longer utilized in the 2010 Edition of NFPA 13D for fire sprinkler design.

**Subsection (d).** This subsection is reformatted from subsection (d) to (c) due to the repeal of the original subsection (c).

**9. Adopt Section 4313. Location of Sprinklers**

**Subsection (a).** This subsection is adopted to clarify that fire sprinklers are to be installed as specified in the 2010 edition of NFPA 13D in order to remove any ambiguity and establish installation standards for manufacturers and code users.

**Subsection (b).** This subsection is adopted to exempt the placement of sprinklers in mechanical rooms or closets housing fuel-fired equipment within certain parameters.

NFPA 13D's primary purpose and goal<sup>1</sup> for residential fire sprinkler systems standards is to protect the health and safety of the dwelling occupants, with protection of the structure a secondary goal. System design should allow for a 10-minute water supply in order to allow occupants to escape, with cost as a major factor so that as many persons can afford residential fire sprinkler systems as possible.

NFPA statistics on the area of fire origin are used as a baseline for placement of sprinklers in area with the highest incidence of fire origin and fire deaths. These statistics show that only 3 percent of the reported fires originated in fuel-fired equipment areas, 4 percent in storage areas.

Manufactured home designs typically place water heater and furnace equipment in exterior mechanical closets containing only a door that opens to the exterior. Such closet areas containing fuel-burning appliances are constructed to provide the complete separation of the combustion system from the interior atmosphere of the manufactured home.<sup>2</sup> All openings for pipes and vents and other penetrations in walls, floors, and ceilings of furnace and water heater spaces shall be tight-fitted or fire stopped.<sup>3</sup> Fire sprinkler installation contractors and manufactured home manufacturers have informed the department that due to limited room between fuel-burning appliances and walls and ceilings, installation of a sprinkler head is difficult and costly, requiring use of commercial-type sprinkler heads.

## 10. Amend Section 4314. Construction Methods and Workmanship.

**Subsection (a).** This subsection is amended to delete "national Manufactured Home Construction and Safety Standards at 24 CFR Part 3280" and to add "National Manufactured Housing Construction and Safety Standards Act of 1974 (Title VI of Public Law 93-383, 88 Statute 700, 42 U.S.C. 5401, et seq.)" to indicate the correct location of the construction methods and workmanship requirements.

It is further amended to delete "of" for clarity and ease in reading.

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<sup>1</sup> Taken from NFPA's "Automatic Sprinkler Systems Handbook", Eighth Edition, Part Two, "NFPA 13D, *Standard for the Installation of Sprinkler Systems in One- and Two-Family Dwellings and Manufactured Homes*, with Commentary.

<sup>2</sup> Title 24, Code of Federal Regulations, Chapter XX, Part 3280, Manufactured Home Construction and Safety Standards, Section 3280.709.

<sup>3</sup> Title 24, Code of Federal Regulations, Chapter XX, Part 3280, Manufactured Home Construction and Safety Standards, Section 3280.206(c).

Additionally, this subsection is amended to change the term “multi-unit manufactured housing” to the correct term “multifamily manufactured home” pursuant to California Health and Safety Code Division 13, Part 2, Section 18008.7.

**Subsection (b).** This subsection is amended to change the term “multi-unit manufactured housing” to the correct term “multifamily manufactured home” pursuant to California Health and Safety Code Division 13, Part 2, Section 18008.7.

**Subsection (b) Paragraph (1) Subparagraphs (A) and (B).** The lettering is reformatted from “A.” and “B.” to “(A)” and “(B)” to maintain formatting consistency throughout the article.

**Subsection (b) Paragraph (2).** This paragraph is amended to add “of this article” to specify the location of the referenced section.

**Subsection (b) Paragraph (2) Subparagraphs (A) and (B).** The lettering is reformatted from “A.” and “B.” to “(A)” and “(B)” to maintain formatting consistency throughout the article.

**Subsection (b) Paragraph (2) Subparagraph (B).** This subparagraph is amended to add “an” for grammatical clarity.

**Subsection (b) Paragraph (3).** This subsection is amended to delete the incorrect word “underfloor” and to add “under floor” to correct a spelling error.

It is further amended to delete a comma “,” at the end of the sentence and replace it with a period “.” for grammatical clarity.

#### **11. Amend Section 4316. Placement and Size of Holes and Notches in Joists, Beams, Plates, and Studs.**

**Subsection (b).** This subsection is amended to delete the symbol for inches “ ” and to add “inches” for clarity and ease in reading.

**Subsection (c).** This subsection is amended to delete a dash “-” and to add a period “.” for grammatical consistency.

#### **12. Amend Section 4318. Fire Sprinkler System Information and Installer Certification Label Reference Tag.**

**Subsection (b).** This subsection is amended to delete a comma “,” and to add a colon “:” for grammatical consistency.

**Subsection (c).** The text of the sample certification label is changed as follows:

The reference to NFPA 13D is deleted as this is referenced and adopted under sections 4300 through 4324 (specifically section 4302) of these regulations which is already noted on the certification label thus making the reference to NFPA 13D redundant.

This subsection is also amended to add “of” and “possess the same” for clarity and ease in reading.

The sentence “Only the homeowner may change (alter) or repair the fire sprinkler system as an owner-builder without violating the State Contractors Licensing Board requirements.” is deleted and incorporated into the following sentence to read “Any other person, other than a homeowner acting as an owner-builder making changes (alterations) or repairs to the system, must hold a valid C-16 contractor’s license” for clarity and ease of reading for the code user.

It is further amended to delete “follow” and to add “following” for grammatical consistency and ease in reading.

Note: In subsection (c) only portions of the text are underlined for emphasis so the proposed new text is indicated with highlight rather than single underline.

**Subsection (d) Paragraph (6).** This paragraph is amended to change the term “multi-unit manufactured housing” to the correct term “multifamily manufactured home” pursuant to California Health and Safety Code Division 13, Part 2, Section 18008.7.

### **13. Amend Section 4320. Requirements for Testing the System.**

**Subsection (a).** This subsection is amended to change the term “multi-unit manufactured housing” to the correct term “multifamily manufactured home” pursuant to California Health and Safety Code Division 13, Part 2, Section 18008.7.

**Subsection (a) Paragraph (1) Subparagraphs (A) and (B).** The lettering is reformatted from “A.” and “B.” to “(A)” and “(B)” to maintain formatting consistency throughout the article.

**Subsection (a) Paragraph (2).** This subsection is amended to change the term “multi-unit manufactured housing” to the correct term “multifamily manufactured home” pursuant to California Health and Safety Code Division 13, Part 2, Section 18008.7.

**Subsection (a) Paragraph (2) Subparagraphs (A) and (B).** The lettering is reformatted from “A.” and “B.” to “(A)” and “(B)” to maintain formatting consistency throughout the article.

**Subsection (a) Paragraph (2) Subparagraph (B).** This subparagraph is further amended to add “hydrostatic”, “home’s” and “site” and to delete “to the installation site” for clarity and ease in reading.

**Subsection (b).** This subsection is reformatted for ease of reading and amended to add the phrase “and upon installation or reinstallation of the home or dwelling unit” to inform the code user that hydrostatic testing must occur after the installation or reinstallation of a home.

It is further amended to change the term “multi-unit manufactured housing” to the correct term “multifamily manufactured home” pursuant to California Health and Safety Code Division 13, Part 2, Section 18008.7.

#### **14. Amend Section 4322. Maintenance Instructions.**

**Subsection (a).** This subsection is amended to change the term “multi-unit manufactured housing” to the correct term “multifamily manufactured home” pursuant to California Health and Safety Code Division 13, Part 2, Section 18008.7.

**Subsection (b).** This subsection is amended in order to change the term “multi-unit manufactured housing” to the correct term “multifamily manufactured home” pursuant to California Health and Safety Code Division 13, Part 2, Section 18008.7.

#### **15. Amend Section 4324. Repairs and Alterations to an Existing Fire Sprinkler System or Components.**

**Subsection (b).** This subsection is amended to add “repair or” to clarify to the code users that repairs are not alterations.

Additionally, this subsection is amended to read “The replacement of an operated or damaged residential sprinkler with a new residential sprinkler of the same model or performance characteristics is not an alteration” to maintain consistency with the preceding Subsection (a).

**Subsection (c).** This subsection is amended to add “or repair” to clarify to the code user that repairs are not alterations.

**Subsection (d) Paragraph (2).** This subsection is amended to delete “replacement” and to add “alteration” to clarify that alterations are not replacements.

### **POLICY STATEMENT OVERVIEW**

The Manufactured Housing Program within HCD is responsible for adopting and enforcing preemptive state regulations for the construction, alteration, remanufacture, conversion, sale, rent or lease of manufactured homes, multifamily manufactured homes, mobilehomes, commercial modulars and special purpose commercial modulars within California. Program staff also performs activities on behalf of the U.S. Department of Housing and Urban Development (HUD), as a State Administrative Agency. HCD's mission includes promoting both safety and affordability of housing and related structures in California.

HCD is proposing to amend or adopt regulations within the CCR, Title 25, Sections 4300 through 4324, related to the Manufactured Housing Act of 1980, Sections 18000 through 18153.

### **SMALL BUSINESS IMPACT STATEMENT**

Small businesses will not be significantly affected by these regulations. Small businesses benefit from the promulgation of uniform standards to the same degree noted for all like businesses.

### **DISCLOSURES REGARDING THE PROPOSED ACTION**

Mandate on local agencies and school districts: NONE.

Costs or savings to any state agency: NONE.

Costs or savings to local agencies or school districts which must be reimbursed in accordance with Part 7 (commencing with Section 17500) of Division 4 of the Government Code: NONE.

Other non-discretionary costs or savings imposed upon local agencies: NONE.

Costs or savings in federal funding to the state: NONE.

Significant effect on housing costs: NONE.

### **BUSINESS IMPACTS**

HCD has made an initial determination that the proposed regulatory action will not have a significant statewide adverse economic impact directly affecting California businesses, including the ability of California businesses to compete with businesses in other states. However, there exists the need to adopt these regulations to alleviate a potential adverse economic impact on business, should these businesses manufacture structures for use in California without a consistent set of requirements applicable statewide. The potential adverse impact that would occur if these amendments were not adopted would be that any city or county may pass its own fire sprinkler ordinance and adopt more restrictive sprinkler rules, thus making compliance more costly and difficult for small businesses.

## **COST IMPACT ON REPRESENTATIVE PRIVATE PERSON OR BUSINESS**

Currently, the cost to the consumer of an NFPA 13D fire sprinkler system installed in the manufacturing facility in a two-section manufactured home ranges from approximately \$2,500 - \$4,000 if installed by a licensed fire sprinkler contractor. The costs to the manufacturer and consumer are less if a factory installs its own fire sprinkler systems, with those costs ranging from \$1,000 - \$3,500<sup>4</sup>. If the water supply at the home's installation site is not adequate to operate the system (private well, or low water pressure), the consumer may incur the additional expense of installing adequate or additional water storage, such as a holding tank. The cost associated with installation of holding tank storage equipment is approximately \$2,500 - \$3,000.

Nationwide costs of installation of a fire sprinkler system in site-built dwellings during construction average \$1.50 to \$2.00 a square foot<sup>5</sup>. Under the proposed mandatory amendments, those costs would be slightly less when installed in a factory using production-line techniques. An average cost of \$1.50 – \$2.00 per square foot nationally is equivalent to installation of solid-surface counter top or other similar upgrades homeowners typically purchase when buying a home. The sprinkler system is then paid for over the life of the mortgage, same as the electrical or mechanical systems installed in the home during construction.

These additional costs generally may be mitigated by lower insurance costs and fire damage costs. As an incentive for its customers, some insurance companies offer discounts from 5 percent to 30 percent off the fire protection portion of the homeowner's insurance premium.

Cost analysis of the installation of a multipurpose NFPA 13D fire sprinkler system using PEX piping in a single-story site-built home indicates that total material and labor costs are \$701.16, including design approval. Cost estimates factoring in a 100 percent material markup for the same system resulted in total costs of \$946.32.<sup>6</sup>

## **ASSESSMENT OF JOB/BUSINESS CREATION OR ELIMINATION**

HCD has determined that this regulatory proposal will not have a significant impact on the creation or elimination of jobs in the State of California as sprinkler systems have been installed in manufactured homes in many cities and counties in California for over ten years. HCD has determined that the impact on manufacturers and dealers will not be significant and will not result in the elimination of existing businesses.

## **CONSIDERATION OF ALTERNATIVES**

Throughout the development of this proposed rulemaking, HCD must determine that no alternative will be more effective in carrying out the purpose for which the action is

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<sup>4</sup> Data provided by Terry Richardson, Hydro Fire Systems Inc., San Juan Capistrano, CA.

<sup>5</sup> Data provided by the "Home Fire Sprinkler Coalition", [www.homefiresprinkler.org](http://www.homefiresprinkler.org)

<sup>6</sup> Data provided by U.S. Department of Commerce, National Institute of Standards and Technology, "Economic Analysis of Residential Fire Sprinkler Systems" published December 2005.

proposed or that no alternative will be as effective as and less burdensome to affected private persons than the proposed action.

During the development of this rulemaking, the following alternatives were determined not to be acceptable and were rejected:

- **Installation of Sprinkler Systems, One- and Two- Family Dwellings and Manufactured Homes NFPA 13D 1999 Edition.** A comparison analysis of the 1999 and 2010 editions was performed by HCD staff in order to determine the need to adopt the 2010 edition. It was determined that the 2010 edition would be adopted for the following reasons:
  1. The 2010 edition and the 1999 editions are very different in format and content. Since local enforcement agencies and inspectors will be most familiar with the most current edition using the 2010 edition will foster greater acceptance.
  2. The California Residential Code references the 2010 edition for site-constructed dwellings. In order to provide consistency among state and local enforcement agencies, use of the same referenced standards are preferable in order to provide more consistent enforcement and foster greater acceptance of manufactured housing units by local enforcement agencies that must provide on-site testing approval.
  
- **Not Establishing Preemptive Statewide Standards**

The failure to establish preemptive statewide standards would result in failure to meet HCD's standard of promoting both safe and affordable housing which would greatly increase costs for the industry which could not utilize assembly-line techniques for construction with sprinklers, and would not comply with the statutory mandate.

## **STUDIES, REPORTS AND SIMILAR DOCUMENTS**

HCD has relied upon the following sources of information when developing the proposed regulations:

- ▶ Installation of Sprinkler Systems One- and Two-Family Dwellings and Manufactured Homes, NFPA 1999 Edition.
- ▶ Installation of Sprinkler Systems One- and Two-Family Dwellings and Manufactured Homes, NFPA 2010 Edition.
- ▶ Design and Installation Standards for Fire Sprinkler Systems in Manufactured Homes, rulemaking package December 1998
- ▶ Home Fire Sprinkler Coalition, "*Home Fire Sprinkler Systems: Separating Fact from Fiction*" [www.homefiresprinkler.org](http://www.homefiresprinkler.org).
- ▶ NISTIR 7277 "*Economic Analysis of Residential Fire Sprinkler Systems*", by Hayden Brown. December 2005.