

**Supporting Statement for Paperwork Reduction Act Submission
Strategies for Removing the Regulatory Impediments to the
Financing and Siting of Factory-Built Housing in American
Communities**

OMB Control # 2528-XXXX

Part A: Justification

- 1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

One of the U.S. Department of Housing and Urban Development's (HUD) highest priorities is to promote access to affordable housing. A central part of this mission is to expand housing opportunities that are affordable, energy efficient, and provide access to a range of valuable community services. In pursuit of this goal, HUD, through this research, seeks to assess the cost-effectiveness of factory-built housing as a potential affordable housing option. In particular, HUD seeks to better understand the scope and impact of regulatory barriers associated with the financing and siting of factory-built housing in urban and suburban communities.

Factory-built housing systems are a potentially viable affordable housing option for low- and moderate-income Americans. Factory-built housing systems include modular units, panelized building systems, and manufactured homes. After adjusting for land costs, the per-square-foot cost of certain types of factory-built housing is less than half of standard, site-built housing. Despite the cost advantages of factory-built housing over conventional site-built homes, there are significant regulatory barriers enacted by both state and local governments that impede the financing and siting of factory-built housing—particularly manufactured homes—in urban and suburban communities in the United States. Furthermore, available scholarship is lacking regarding the regulatory barriers to the financing and siting of modular homes.

While these regulatory barriers have been documented to an extent in existing scholarship, little is known about the process involved in enacting such regulations, as well as the extent to which such barriers persist in American communities. In order to understand the different types of regulatory barriers, their potential impact on the financing and siting of factory-built homes, recent changes to these regulations, and processes involved in these revisions, the contractor, 2M Research, needs to collect information directly from local land use planning officials, manufacturers, and dealers of factory-built housing, with knowledge of local regulations as they relate to manufactured housing in their jurisdictions. This is a new data collection, and it is critical to identifying the regulatory barriers that reduce the supply of housing and the models of regulatory reform that promote the siting and financing of factory-built housing.

1.1. Background and Policy Context

The availability of affordable housing is critical, as it provides a stable foundation for child and parental health, childhood cognitive development, educational achievement, and employment.¹ However, recent studies indicate that affordable housing opportunities are lacking for many Americans.^{2,3}

Substantial improvements in the quality, design, and cost-effectiveness of factory-built housing in the last decade has led to its reemergence as a viable and popular housing option for low- and moderate-income Americans. Sometimes referred to as prefabricated or prefab housing, factory-built housing systems include modular units, factory-manufactured housing subassemblies such as wall panel systems and roof trusses, and manufactured homes that HUD regulates. Since the establishment of the HUD Code, manufactured housing and especially factory-built housing have undergone many technological, design, and financing changes that have made manufactured housing more similar to—and in many respects, indistinguishable from—conventional site-built housing. In terms of style and design, factory-built homes are growing in floor area, with larger homes (i.e., double- or multi-section units) now more common than smaller (i.e., single-section) homes. Furthermore, due to technological innovations that integrate the chassis with the floor system, as well as the ease of transporting modules and construction materials used for assembly, two-story homes are now being built in climate-controlled facilities and subsequently transferred to sites. Quality improvements have increased durability so that the life expectancy of factory housing is increasingly comparable to site-built housing.

In addition to quality, structural, and durability improvements, there has been a trend to place factory-built housing on permanent foundations on private land, allowing manufactured housing to be considered real estate rather than personal property. This trend has opened the way for both Federal Housing Authority (FHA) and conventional mortgage financing. For the most part, however, living in factory-built homes remains a rural phenomenon. Manufactured housing, for example, is disproportionately placed in nonmetropolitan areas and in less-densely populated suburban fringes of metropolitan areas. More than 80 percent of manufactured homes are placed outside urbanized areas, with almost 90 percent placed in rural areas.⁴ Of the 20 percent of manufactured homes located in urbanized areas, 75 percent of those are in suburban areas, and 25 percent are in central

¹ Aurand, Andrew, Dan Emmanuel, Ellen Errico, Dina Pinsky, and Diane Yentel. 2019. *The Gap: A Shortage of Affordable Homes*. Washington, DC: National Low Income Housing Coalition. https://reports.nlihc.org/sites/default/files/gap/Gap-Report_2019.pdf

² Evans, Krista. 2018. “Integrating Tiny and Small Homes into the Urban Landscape: History, Land Use Barriers and Potential Solutions.” *Journal of Geography and Regional Planning* 11, no. 3: 34–45.

³ Joint Center for Housing Studies of Harvard University. 2019. *The State of The Nation’s Housing 2019*. Cambridge, MA: Joint Center for Housing Studies of Harvard University. https://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_State_of_the_Nations_Housing_2019.pdf

⁴ See “A Community Guide to Factory-Built Housing,” a report prepared for the Office of Policy Development and Research’s Partnership for Advancing Technology in Housing (PATH) program, September 2001. U.S. Department of Housing and Urban Development: Washington, D.C., <https://www.huduser.gov/portal/publications/PDF/factbuilt.pdf>

cities. Therefore, only approximately 5 percent of all manufactured homes are in central cities, where more than 20 percent of all owner-occupied homes are located. The more than 8 million families living in manufactured housing are predominately low- and moderate-income.

Because factory-built housing has become increasingly comparable to site-built housing but with lower construction costs and overall development costs, there have been efforts to make factory-built housing an acceptable alternative for serving the affordable housing market in urban and suburban areas. Despite these recent trends, persistent regulatory barriers act as a significant impediment to factory-built development. In general, a regulatory barrier is a policy, rule, process, procedure, or practice that prohibits, discourages, or excessively increases the cost of new or rehabilitated affordable housing, without compensating public benefits. This research proposed for this study will attempt to identify barriers to the financing and placement of factory-built housing in the United States.

Evidence from both HUD-sponsored research and more recent literature has demonstrated that the limited supply of factory-built housing in rural and suburban communities reflects a combination of both market forces and land use regulatory barriers imposed primarily by state and local governments.⁵ A local government may use its zoning or other building approval authority to ban manufactured housing entirely, to restrict manufactured housing to specific locations, or to make factory-built housing economically or technically unfeasible by imposing additional or otherwise burdensome design or land use requirements, such as maximum height mandates or minimum floor area requirements. Consequently, a regulatory barrier to factory-built housing may involve additional or more burdensome requirements regarding conventional site-built housing of a comparable character.

To assess the cost-effectiveness of factory-built housing as a potential affordable housing option in urban and suburban communities, HUD seeks to better understand the regulatory barriers preventing or limiting the use of factory-built housing. This study is framed by this general research question: What are the main drivers or barriers to the financing, siting, and development of factory-built housing systems in various communities? A significant portion of the work of this study will involve identifying the types of barriers, their potential impact (or stringency), and their use in various communities. This process will involve research on several different communities in order to develop a typology of different barriers, catalog the community contexts where different barriers are more prevalent, and develop opportunity cost estimates of different barriers in different contexts.

⁵ Dawkins, Casey J., Koebel, C. Theodore, Cavell, Marilyn, Hullibarger, Steve, Hattis, David B., and Howard Weissman. 2011. *Regulatory Barriers to Manufactured Housing Placement in Urban Communities*. Prepared for the Partnership for Advancing Technology in Housing in the Office of Policy Development and Research, U.S. Department of Housing and Urban Development (HUD). Washington, DC: HUD. https://www.huduser.gov/Publications/pdf/mfghsg_HUD_2011.pdf

NAHB Research Center. 2000. *Home Builders' Guide to Manufactured Housing*. Report prepared for the Partnership for Advancing Technology in Housing in the Office of Policy Development and Research, HUD. Washington, DC: HUD. <https://www.huduser.gov/portal/Publications/PDF/buildergd.pdf>

1.2 Overview of the Study

The objective of this study is to determine the type, incidence, and scope of regulatory barriers that local governments use to prohibit or restrict the use of factory-built, manufactured, or modular housing in their communities. The study team will investigate the impact such barriers have had on more recent efforts to plan for factory-built housing in these communities, by estimating how much manufactured housing, on an aggregate basis, has not been placed in these communities as a result of the identified barriers. There are six research questions associated with the study objective:

1. Can these barriers be quantified?
2. Can these barriers be ranked by degree of stringency (e.g., impacts on affordable housing development)?
3. What strategies or policy interventions have communities employed to reduce regulatory barriers to factory-built development, particularly where the greatest demand for affordable housing persists?
4. What models of regulatory reform are most effective? Can these models be implemented in similarly situated communities?
5. What are policy recommendations for planners; practitioners; and local, state, and federal decision makers to incentivize regulatory reform?

To address the research questions, the study team will employ a mixed-methods data collection strategy. The key features of the strategy are described below:

Obtaining Extant Data. The study will require extant data to identify the urban/suburban areas where affordable housing is likely to be a concern. These data sources include U.S. Census data, data from National Longitudinal Land Use Survey, the Wharton Residential Land Use Regulation Index, and other information uncovered during the literature review. The primary objective will be to identify the relevant “universe” of communities that could be studied in more detail.

Sampling Approach. The study will examine the universe characteristics based on the information from the extant data to determine a sampling strategy that will reduce the number of communities to be studied while preserving the main contexts of the universe. Data will be collected from a sample of approximately 30 communities that represent characteristics of the universe of communities with affordable housing challenges and opportunities for the installation of factory-built homes. To the greatest extent possible, efforts will be made to reflect diversity of geography and factory-built housing types. The goal of the sampling approach is to select a purposive sample from the universe, on which the study team will collect detailed data.

Data Collection Process. The study will collect data for each sampled community on existing barriers, recent changes to barriers, issues specific to communities with respect to affordable housing, housing and land costs, and opportunities for alternatives to conventional housing. These data will be collected with a multimode approach that includes web searches

and telephone interviews with local land use officials. Interviews may include “stems,” whereby an initial call (to a local city government, for example) results in follow-on calls to specific city officials identified as potential interview respondents. Web searches will be used to find initial contact information and related local data (for example, parcel values and zoning).

2. Indicate how, by whom and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

2.1. How will the information be used?

Research is lacking in regard to the processes for enacting policies and regulations that promote the financing and siting of factory-built housing, and in regard to the regulatory barriers to the adoption of such housing. Therefore, this data collection is necessary to obtain detailed data from a sample of communities that represent the characteristics of the universe of communities with affordable housing challenges and potential opportunities for the use of factory-built housing relating to barriers, opportunities for factory-built homes, best practices, attempts at regulatory reform, housing costs, and similar information. The information will be used to answer the research questions presented in section A.1.2. in two ways. First, the information will be essential to shed light on the lost potential for various types of factory-built housing as a cost-effective alternative for satisfying a community’s affordable housings needs. Second, responses from this data collection will provide context and insights necessary to better inform HUD’s initiatives for promoting affordable housing through the adoption of factory-built housing systems.

2.2. From whom will the information be collected?

This study will involve collecting information from two primary groups: (1) local land use planning officials and (2) manufacturers and dealers of factory-built (or offsite) housing. Collecting data from the first group involves conducting in-depth telephone interviews with local land use planning officials on regulatory barriers to factory-built housing from a sample of 30 communities, for a total of 30 completed interviews. The study team anticipates contacting multiple individuals in the land use planning department from each sampled community to ascertain the targeted respondents. Therefore, the total number of community respondents is estimated at 120 (i.e., 4 persons per community). The study team will also conduct in-depth interviews with five manufacturers or dealers of factory-built housing.

2.3. Informed Consent

Oral informed consent will be collected from all interviewees prior to starting each interview.

Collection of informed consent form will ensure that participants (1) understand that the purpose of the study is to gather information on the regulatory impediments to the financing

and siting of factory-built housing in American communities, as well as to understand participants' roles and rights within the study; and (2) provide their consent to participate.

To ensure that all study participants receive a clear, consistent explanation of the project, the evaluation team will train interviewers on how to introduce and discuss the goals and design of the research study and data collection efforts. All interviewers will emphasize that (1) participation in the study is voluntary, (2) rules are in place to protect sample members' privacy, and (3) the data collected during the study may also be used for supplemental studies. We will collect oral consent prior to starting each interview. We anticipate that each interview will last 45 minutes.

2.4. Instrument Item-by-Item Justification

The study team will conduct telephone interviews with the study respondents using a semi-structured interview guide. The respondents will be part of a universe that consists of a purposive sample of 30 communities that represent the characteristics of communities across the nation where there are affordable housing challenges and opportunities for factory-built housing, as well as five manufacturers of factory-built housing. More specifically, the respondents for this study will constitute two distinct groups: The first will be local land use planning directors or other officials with knowledge of local regulations as they relate to different types of factory-built housing, and the second will be leadership staff from manufacturers or dealers of factory-built housing.

Included with this package are the in-depth interview guides for local land use planning officials (Appendix A) and manufacturers or dealers for factory-built housing (Appendix B). Generally, the semi-structured interview format of these instruments provides the study team with a standard set of questions to be asked of all interviewees. The format also allows flexibility for the study team to ask probing questions on relevant details to obtain further clarity on community-specific issues and to capture significant information. In the ensuing sections, we provide an item-by-item justification of each question. We begin with the description of the instrument for local land use planning officials, followed by the description for manufacturers.

In-Depth Interview Guide: Local Land Use Planning Officials

The interview guide for local land use planning officials comprises five sections to capture pertinent information associated with regulatory barriers to the siting and financing of factory-built housing.

The first section collects general information on the respondent background, including their role and responsibilities in the local land use planning organization.

Question 1. Question 1 asks the respondent to provide information about their background and their role within the organization. The additional probing questions ask the respondent how long they have worked with the organization and whether they have been in the same role throughout their tenure. If the respondent answers that they have not been in the same role throughout their time with the organization, then the respondent will be asked how their

role has changed since working for the organization. The respondent will also be asked to describe their responsibilities as related to factory-built housing.

The subsequent sections focus on the processes around the siting and financing of factory-built housing in the local community. The second section of the interview consists of questions about siting of individual and multifamily factory-built housing in the local community.

Question 2. Question 2 asks respondents to provide any examples of neighborhoods or areas in the local community where individual or multifamily factory-built homes have been sited. If the respondent answers yes to this question and provides examples of neighborhoods where individual or multifamily factory-built housing units have been sited, then they are asked how recently these homes have been sited. Additional probes ask the respondent to specify what types of factory-built housing have been sited in the local community—manufactured homes, modular homes, factory-built accessory dwelling units (ADUs), shipping containers, factory-built tiny homes, or panelized homes. An additional probing question asks whether these homes are spread across different neighborhoods or concentrated in only some neighborhoods. The respondent is also asked whether the neighborhoods where factory-built homes are sited are single-family zones, multifamily or mixed-use residential zones. One probing question also asks what kind of market segments the factory-built housing units serve, affordable or high-end. Question 2 and the additional probes help to establish the presence or absence of factory-built housing in the local community outside of manufactured home parks. The additional probes collect information about the type of individual and multifamily factory-built housing in the community.

Question 3. Question 3 asks the respondent to provide a brief overview of the process that builders must follow to site factory-built housing and how these processes are similar or different from conventional site-built homes. Additional probing questions ask the respondent whether special permits are needed to site an individual factory-built home, and whether there are specific design standards that individual factory-built homes must meet in order to be sited. One probing question also asks whether these processes and regulations are determined at the community level or the state level.

Question 4. Question 4 asks the respondent about any barriers that the local government or developer encountered when pushing individual or multifamily factory-built housing through the local government's development process, as well as how these barriers were overcome. The additional probing questions inquire whether these barriers were related to policy and/or regulatory restrictions or changes, such as zoning restrictions, permits and fees, or community resistance. Additional probes ask whether there were issues related to site planning and land acquisition or other issues that would not occur with conventional site-built homes, and how these barriers impact the cost of factory-built housing.

Question 5. Question 5 asks the respondent whether there are any special programs to encourage the adoption of factory-built housing in the community. Probing questions provide examples such as grants or special programs, or community outreach efforts to increase awareness. An additional probe asks about programs to encourage the adoption of factory-built housing as an affordable housing option.

Question 6. Question 6 asks the respondent whether they were aware of any financing barriers to the siting of the individual factory-built home. One probing question asks about how different types of factory-built housing are titled, either as real property or as personal property. An additional probe asks whether the titling laws are determined at the city level or the state level. These questions are asked since the titling of the factory-built housing unit can affect the financing options available for factory-built housing units. Additional probing questions ask whether the loan term for factory-built housing is different from that of site-built homes and whether financial barriers impact the adoption of factory-built housing as an affordable housing option.

The third section of the interview pertains to manufactured home developments or parks. In particular, this section asks about the presence of manufactured home parks in the local communities, the process and steps that were completed to get the parks (if any) built, whether any barriers were encountered in this process, and how these barriers were overcome.

Question 7. Question 7 asks the respondent whether their community has manufactured home parks or special subdivisions dedicated to manufactured home parks. If the respondent answers yes, then Question 8 is asked.

Question 8. Question 8 asks the respondent to describe one to three manufactured housing developments in their community, as well as how long ago the developments were built.

Question 8 also asks about the most recently approved manufactured home park in the community and whether any manufactured home parks have closed in the past 10 years. If a manufactured home park was closed in the past 10 years, the interviewer will ask follow-up questions about the reasons for closure. If the respondent answers that the community has manufactured home parks, then the additional probes will ask for further details, including how many parks there are, approximately what proportion of residents live in manufactured housing developments, what the general ownership arrangements are, and whether any of these parks are resident-owned. Additional probing questions also ask whether the parks are scattered geographically or clustered in certain areas. If they are clustered in certain areas, additional probes ask why, whether this is due to land use zoning requirements, lack of builder interests, NIMBYism, or other reasons. A final probe asks whether all manufactured homes in the respondent's community are required to be located in manufactured home parks.

Question 9. Question 9 asks the respondent to provide a brief overview of the process and steps that were completed to build the most recent manufactured home park. Additional probes ask whether special applications needed to be made and whether there were public hearings to build the most recent manufactured home park.

Question 10. Question 10 asks the respondent about any barriers that the local government or developer encountered when pushing the manufactured home park development through the local government's development process. The additional probing questions inquire whether these barriers were related to policy and/or regulatory restrictions or changes, or community resistance.

Question 11. Question 11 asks the respondent whether a proposed manufactured home development could be built today and what the approval process would look like. An additional probe asks whether it would be easier today to build a manufactured home development than it was in the past.

Question 12. Question 12 asks the respondent whether the respondent was aware of there being any financing barriers to the siting of the manufactured home development and how these barriers were overcome. Additional probes ask whether there were any specific financial barriers faced by the developer or the resident. One probing question asks how homes in manufactured home developments or parks are generally titled, and whether this impacts the financing options available.

The next section of the interview pertains to the strategies or policy interventions undertaken to reduce regulatory barriers to the development of factory-built housing in the local community.

Question 13. Question 13 asks the respondent about the last time the local community had a significant revision of its zoning and building codes related to factory-built housing, what changes that entailed, and what processes were followed to make those changes. Additional probes ask whether the changes were driven by local-level or state-level directives and what the process is to adopt state-level changes. One probing question asks whether the revised codes are based on any particular industry models, such as the International Residential Code.

Question 14. Question 14 asks the respondent to characterize the current zoning plan in its ability to accommodate multifamily and single-family factory-built housing in general and as an affordable housing option. Additional probes ask about the biggest barriers to making factory-built housing affordable. Probes also provide examples of barriers such as lot size restrictions, setback requirements, and permits and fees.

The final section of the interview asks about successes, lessons learned, and recommendations regarding the utilization of factory-built housing.

Question 15. Question 15 asks the respondents about any policies that were particularly successful for increasing the adoption of factory-built housing in their local community. Additional probes ask respondents to talk about successes related to siting and development or community support. One probing question asks respondents to describe any special programs to incentivize the adoption of factory-built housing such as HUD Code homes, modular housing, factory-built tiny homes, factory-built ADUs, container homes, and panelized building systems.

Question 16. Question 16 asks the respondents to speak about any lessons that have been learned during the process of siting factory-built housing in the local community.

Question 17. Question 17 asks respondents whether they have any recommendations for planners; and local, state, and federal decision makers to encourage the adoption of factory-built housing in communities. Additional probes provide examples such as increasing the

awareness of consumers about the potential of factory-built housing, or policies to encourage developers to utilize factory-built housing.

In-Depth Interview Guide: Offsite Manufacturers/Dealers

The interview guide for manufacturers or dealers of offsite housing comprises six sections to capture pertinent information associated with regulatory barriers to the siting and financing of factory-built housing, as perceived by the supply side of the factory-built housing sector.

The first section collects general information about respondent and firm background, including questions about the market segments that the firm serves, whether the firm produces multifamily manufactured housing units, and where the firm's products are sold. This section also collects information about the role and responsibilities of the respondent.

Question 1. Question 1 asks the respondent what their role is in the company.

Question 2. Question 2 asks whether the company is a manufacturer of factory-built housing or a dealer or both. This question will provide a better understanding of company operations. An additional probe asks whether the company is involved in other types of offsite construction (e.g. hotels) besides housing units.

Question 3. Question 3 asks whether the respondent's company produces any of the following types of factory-built housing: HUD Code manufactured housing, modular housing, panelized building systems, factory-built tiny homes, factory built ADUs, container homes, or recreational vehicles. Additional probes ask the respondent approximately how many units of each relevant type of factory-built home the company produced in the previous year. If respondents answer that the company produces or sells manufactured homes, a follow up-question will be asked about whether most of the manufactured home units are single-section or multisection homes. One probing question asks whether there are any particular reasons why the company produces or sells certain types of factory-built housing and not others. An additional probe provides examples of possible reasons, such as compliance with regulations are easier or markets are larger for certain types of factory-built housing.

Question 4. Question 4 asks the respondents whether the company produces multifamily factory-built housing units. If the respondent answers yes, then in all subsequent questions, additional probes related to multifamily factory-built housing units will be asked.

Question 5. Question 5 asks the respondent in which U.S. states the majority of the company's factory-built homes are sold. This question provides information about the geographic area served by the company.

The second section consists of questions about the marketing of factory-built housing units.

Question 6. Question 6 asks the respondent who they market their housing units to: dealers, retailers, developers, or homebuyers? An additional probe asks the respondent to describe a typical buyer of the company's housing units. One probing question asks respondents to broadly describe the customer segments that the products target, and provides examples of

segments such as high-end or affordable housing. Respondents that produce or sell multifamily structures are asked about the typical process of marketing multifamily structures.

Question 7. Question 7 asks the respondent what role land/subdivision developers play in the marketing of housing units produced by the company. Additional probes ask the respondent whether they work with private or nonprofit housing developers and, if they say yes, respondents are asked to describe their working relationship with the developers and the benefits and challenges of those relationships.

Question 8. Question 8 asks the respondents about the most significant challenges the company faces when marketing factory-built housing units.

The third section consists of questions about the supply chain and logistical challenges that the company faces in bringing factory-built housing units to the market.

Question 9. Question 9 asks the respondent where (which U.S. states) a majority of their units are sold and how these location decisions are made. Additional probes enquire whether the company is seeking to expand operations to other states and what the regulatory challenges are in doing that.

Question 10. Question 10 asks the respondent what significant logistical challenges they have encountered when bringing the factory-built housing units to the markets. An additional probing question asks respondents to describe any difficulties encountered regarding transporting units. Respondents that produce or sell multifamily structures are asked about the logistical challenges in bringing multifamily factory-built housing units to the market.

The next section of the interview questionnaire pertains to the local regulatory environment.

Question 11. Question 11 asks the respondent whether the stringency of local regulations influences where the company decides to market and sell its housing units. Additional probes ask whether respondents can provide any examples or places where it is especially difficult or especially convenient to site factory-built housing units. Additional probing questions ask respondents what the most significant barriers are, how regulations in different counties compare to each other, and how regulations are different from those for site-built homes. One probing question asks how regulations impact the cost of factory-built housing units.

Question 12. Question 12 asks the respondent in which U.S. states it is most difficult to secure local approval for factory-built housing units or manufactured home developments. Additional probes ask the respondent to explain why it is difficult to obtain local approval in the states mentioned and whether the respondent can provide any examples. Respondents that produce multifamily structures are asked about whether the process of securing local approval for multifamily structures is different from the process for single-family structures or conventional construction.

Question 13. Question 13 asks respondents if they are involved in the financing of factory-built housing units and whether they can provide a brief overview of the process.

Question 14. Question 14 asks if there are any barriers to financing factory-built housing units that respondents are aware of. Additional probes ask whether the financing options depend on the county or state where the unit is being sited, whether the type of title on the property affects the financing options available, and if the loans terms for factory-built housing units are different from those of conventional site-built homes. Respondents that produce or sell multifamily structures are asked about barriers to financing multifamily structures.

Question 15. Question 15 asks the respondent whether the company has changed production or marketing strategies in response to local regulatory barriers to factory-built housing.

The next section of the interview is designed specifically for manufacturers or dealers of manufactured homes.

Question 16. Question 16 asks the respondent to describe how the HUD Code approval process affects manufacture, design, and cost of HUD Code homes. Additional probes ask respondents to compare the HUD Code approval process with the approval process for conventional site-built homes. Probing questions also ask which of the HUD Code requirements are the most challenging to satisfy and what modifications to the HUD Code approval process the respondent would recommend.

Question 17. Question 17 asks the respondent whether any of the homes they produce or sell require an Alternative Construction (AC) letter and if they could provide a brief overview of the process to obtain this letter. Additional probes ask under what circumstances an AC letter is needed, how the AC letter differs from standard HUD Code approval, and what modifications to the AC letter process the respondent would recommend.

The final section of the interview questionnaire asks about the most significant challenges facing the firm over the next 10 years and what changes in logistics and regulatory approval processes would enable the firm to sell its units at a lower price to prospective buyers.

Question 18. Question 18 asks the respondents about the most significant potential successes or challenges the firm faces over the next 10 years. Additional probes ask about local, state, and/or federal policy changes that would enable the company to be more successful.

Question 19. Question 19 asks the respondents what changes in regulatory approval processes or logistics would enable the firm to sell its units at a lower price to prospective buyers, or as an affordable housing option. Additional probes ask why these changes would be helpful and what the primary barriers are to adopting cost-saving innovations. Respondents that produce multifamily structures are asked whether any changes can be made to increase the utilization of multifamily factory-built structures.

- 3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.**

Wherever possible, advanced technology will be used in data collection efforts to reduce burden on study participants and interviewers. Initially, the study team will do an extensive internet search to identify the points of contact in the planning department of each community in the sample. The points of contact will then be sent an invitation email (see Appendix E) describing the purpose of the study and informing them that they were identified as a local official who could answer questions about the jurisdiction's practices regarding factory-built homes. There is a similar email for manufacturers and dealers (see Appendix H). The email will also include an information sheet (see Appendix C) describing the types of factory-built housing that are the focus of this study. The study team anticipates contacting multiple individuals in the land use planning department from each sampled community to ascertain the target respondent. Once the respondent is identified and agrees to participate in the study, they will be sent a brief overview of the topics to be covered in the telephone interview to help them prepare for the interview (see Appendices M and N). The following method will be used for data collection: Interviewers will call respondents to conduct the interview using Skype or Microsoft Teams and utilize the recording feature to record the interview. Recording the interview would help to reduce respondent burden as interviewers can proceed more quickly and accurately through the survey instrument, minimizing the interview length and the need for subsequent callbacks.

- 4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

The study team conducted a thorough literature review and to our knowledge, there has been no recent inquiry into the scope and impact of regulatory barriers associated with the siting or placement of factory-built housing in urban and suburban communities.

This study will not duplicate existing work because little is known about the process involved in adopting policies and regulations that promote the financing and siting of factory-built housing, and research on regulatory barriers to the adoption of modular housing and panelized building systems is scant (Salama, n.d.).

- 5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I) describe any methods used to minimize burden.**

We do not anticipate that this study will burden small businesses.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

This study is crucial to identify regulatory barriers to the financing and siting of factory-built homes. An important outcome of this study will be to document models of local regulatory reform that promote the use of factory-built housing and to provide insight into the processes involved in enacting such reforms. If this study is not conducted and the data not collected, analyzed, reported, and disseminated, HUD's initiatives toward promoting affordable housing through factory-built homes will not be informed by the kind of high-quality information around which such critical decisions should be made.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- requiring respondents to report information to the agency more than quarterly; **“Not Applicable”**;
- requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; **“Not Applicable”**;
- requiring respondents to submit more than an original and two copies of any document; **“Not Applicable”**;
- requiring respondents to retain records other than health, medical, government contract, grant-in-aid, or tax records for more than three years; **“Not Applicable”**;
- in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of study; **“Not Applicable”**;
- requiring the use of a statistical data classification that has not been reviewed and approved by OMB; **“Not Applicable”**;
- that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or **“Not Applicable”**;
- requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law. **“Not Applicable”**

The proposed data collection activities are consistent with the guidelines set forth in 5 CFR 1320 (Controlling Paperwork Burdens on the Public). There are no special circumstances that require deviation from these guidelines.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

- **Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping disclosure, or reporting format (if any) and the data elements to be recorded, disclosed, or reported.**
- **Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection of information activity is the same as in prior periods. There may be circumstances that preclude consultation in a specific situation. These circumstances should be explained.**

a. Federal Register Notice and Comments

Please see Appendix D for a copy of HUD’s notice in the Federal Register, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB.

The notice appeared on pages 8,602-8,603, Vol. 85, No. 31, Friday, February 14, 2020. HUD received six (6) comments in all—1 on 3/4/2020 and 5 on 4/15/2020; HUD submitted a response on 4/28/2020.

b. Consultations Outside of the Agency

All data collection instruments included in this package have undergone extensive review by expert consultant Casey Dawkins, HUD staff, and members of the research team. Pre-testing of the instruments was conducted with a total of eight respondents: five local land use officials and three manufacturers/dealers of factory-built housing. Recommended revisions from both populations were incorporated into each respective instrument; certain revisions were added to both instruments due to the similarities between them. The final versions of the instruments for local land use planning officials and manufacturers and dealers of factory-built housing are included in Appendices A and B, respectively.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No payments are being made to respondents who voluntarily agree to participate in this data collection.

10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation or agency policy.

The Privacy Act of 1974 provided privacy protection to respondents. There are no assurances of confidentiality provided.

All information gathered from respondents participating in this study is for research purposes only. The oral informed consent that is read to the respondent prior to the administration of the instrument informs the respondent that all information they share will be treated in a secure manner. Additionally, the respondent is informed that this information will not be disclosed, unless otherwise compelled by law, to those outside of the 2M Research study team and HUD until final reports and/or case studies are published.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

The questions asked are not considered sensitive.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices;
- if this request covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I; and
- provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead this cost should be included in Item 13.

Total burden hours are estimated at 45.15. Table 1 below provides detailed information on the estimated burden for respondents.

Table 1. | Estimated Burden for Data Collection Effort

Information Collection	Number of Respondents	Frequency of Response	Responses Per Annum	Burden Hour Per Response	Annual Burden Hours	Hourly Cost Per response	Cost
Outreach Efforts	90.00	1.00	90.00	0.21	18.90	\$36.65	\$692.69
In-Depth Interviews	30.00	1.00	30.00	0.75	22.50	\$36.65	\$824.63

(Local Land Use Planning Officials)							
In-Depth Interviews (Manufacturers/Dealers)	5.00	1.00	5.00	0.75	3.75	\$59.56	\$223.35
Total	125.00	1.00	125.00	0.36	45.15	\$38.55	\$1,740.67

The only cost to respondents is to their time, and the cost for their time is estimated to be \$1,740.67. The cost burden is calculated using the hourly cost per response and annual burden hours. For outreach efforts to 90 local land use planning officials, the cost burden is calculated to be \$36.65 per hour at 18.9 annual burden hours for a total of \$692.69. The cost burden for in-depth interviews for 30 local land use officials is calculated to be \$36.65 per hour at 22 annual burden hours for a total of \$824.63. The cost burden for in-depth interviews for manufacturers/dealers is calculated at \$59.56 per hour at 4 annual burden hours for a total of \$223.35.⁶

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information (do not include the cost of any hour burden shown in Items 12 and 14).

- The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s) and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities;
- If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10) utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.
- generally, estimates should not include purchases of equipment or services, or portions thereof made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to

⁶ Mean hourly wage data is from the Occupational Employment Statistics available on the Bureau of Labor Statistics website accessed in November 2019: https://www.bls.gov/oes/current/oes_stru.htm

provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

The proposed data collection will not require the respondents to purchase equipment or services. Therefore, there are no additional costs to respondents.

- 14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.**

The total cost to the Federal Government for the study, including but not limited to the data collection activities discussed in this submission, is \$296,774.85 over a 24-month period. The survey components include background research, evaluation design, development of data collection instruments and data collection activities, analysis, and reporting. Table 2 below provides a detailed breakdown of the cost to the government.

Table 2 | Cost to the Federal Government

Task	Cost
Literature Review	\$ 22,522.31
Data Collection and Analysis Plan	\$ 46,140.20
Data Collection/Study Implementation	\$ 105,526.51
Final Report and Briefing	\$ 92,822.20
Dissemination Plan	\$ 15,774.03
Data Files and Documentation	\$ 13,989.60
Total Contract Cost	\$ 296,774.85

- 15. Explain the reasons for any program changes or adjustments reported in Items 13 and 14 of the OMB Form 83-I.**

This submission is a new request for approval; there is no change in burden.

- 16. For collection of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**

The study team will assemble publicly available data on each sampled community and selected manufacturers/dealers and will train data collectors in the use of the in-depth interview guides for data collection. Data collection is estimated to last approximately 2 months and is expected to end in December 2020. 2M will then analyze the data and prepare to submit the initial summary to HUD.

The study team will provide a detailed description of results in the Final Report to be submitted to the HUD COR. The report will consist of both local land use officials and manufacturers and dealers’ input and opinions on how regulatory barriers impact the placement of factory-built homes in communities. The report will also include how these barriers might be overcome to increase the placement of factory-built homes in communities to increase the availability of affordable housing. The information from the completed interviews will be entered into NVivo, the qualitative data analysis software that will be used to analyze the interview data. The study team will present the findings and overall themes identified from the qualitative analysis of the interviews in the Research Report.

Table 3: Data Collection, Analysis and Publication Schedule

Activity	Schedule
Data Collection	February 2021–March 2021
Data Analysis	March 2021–June 2021
Final Report	July 2021
Dissemination of Findings	August 2021

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

The expiration date for OMB approval will be displayed on any reproduction of the data collection instruments and recruitment materials.

18. Explain each exception to the certification statement identified in item 19.

No exceptions are necessary for this information collection.