

Planning Commission Staff Report

July 11, 2024



Case No:	23-LDC-0004
Project Name:	Factory Built Housing – Land Development Code Text Amendment
Applicant:	Louisville Metro
Jurisdiction:	Louisville Metro
Council District:	All Council Districts
Case Manager:	Rachel Casey, Senior Planner

REQUEST

An amendment to the Louisville Metro Land Development Code (LDC) for changes to the Factory Built Housing regulations.

SUMMARY

Factory Built Housing is defined by the LDC as “a building or structure designed and intended as a single-family dwelling unit and fabricated in an off-site manufacturing facility for installation or assembly at the building site as a permanent structure with transport features removed, if any.” Factory Built Housing specifically includes manufactured and modular homes. Factory Built Housing is not a mobile home. The LDC authorizes the placement of factory built housing in accordance with the compatibility standards of Section 4.1.2. These regulations were last updated in 2015 and contain requirements for infill development, design, and public hearing processes, that create barriers for this attainable and affordable housing option.

As part of the ongoing LDC Reform (MC Resolution No. 82, Series 2020) and with direction from the *My Louisville Home* plan to add quality affordable housing through cost-effective construction methods, the Planning Commission passed a resolution on December 21, 2023 requesting that Office of Planning staff review the standards for Factory Built Housing in the LDC and develop recommendations to modernize and reduce regulatory barriers to Factory Built Home construction.

Since the passage of the Planning Commission’s resolution, staff published a draft of proposed changes to the Factory Built Housing regulations in the LDC on March 29, 2024, which were based on extensive research and engagement with industry professionals.

STAFF ANALYSIS

Staff conducted research that included a review of state building codes and regulations, as well as peer city regulations. The Kentucky Manufactured Housing Institute (KMHI), a non-profit trade organization representing the Factory Built Housing industry, assisted this process, offering educational materials on the history and current state of the industry. Staff attended a trade show hosted by KMHI that provided an opportunity to tour Factory Built Homes and

interact with industry professionals. In addition to these engagements with KMHI, staff met with representatives from Clayton Homes and MMY – the leading manufactured and modular home builders in the region. After the proposed draft of changes was published, KMHI reviewed the changes and provided comments. Key highlights from this research and engagement process are listed below:

- The difference between manufactured homes and modular homes is **the process, not the product**. Manufactured homes are regulated by the U.S. Department of Housing and Urban Development under the Manufactured Home Construction and Safety Standards (commonly called “HUD Code”), which were established in 1976 and most recently updated in 2021. Manufactured homes are inspected by federally approved third parties at the construction facility. Modular homes are constructed to meet the applicable building codes of the state where the home will be located and are inspected by state officials. Most companies can offer the exact same home as either manufactured or modular, but modular is generally more expensive for single-family construction due to the required state inspections.
- Kentucky Revised Statutes differentiates between “Manufactured Homes” and “Qualified Manufactured Homes.” Qualified Manufactured Homes have more strict design requirements, must be secured to a permanent foundation, and are constructed after July 15, 2002, when federal legislation led to a major update to the HUD Code.
- The interior and exterior quality of manufactured homes has increased significantly since 2002. There have been numerous updates to the HUD Code in the last 20 years, with the most recent update in 2021. Since the 2018 update to the HUD Code, new manufactured homes are required to be constructed with the same materials and infrastructure standards (i.e. insulation, stud size, bracing, etc.) as site-built homes.
- Many cities do not have the ability or do not choose to regulate factory built housing at the local level, often deferring to state government entities that regulate and administer factory built housing construction. Cities that do have local requirements, like Pittsburgh, are usually simple and safety-focused, with requirements for permanent foundations and wind resistance. Columbus, OH has a similar level of regulation to Louisville and includes design standards for dimensions, roof pitch, exterior materials, and orientation.
- Specific design elements, such as a high roof pitch or a front porch, have significant influence on the scale and compatibility of Factory Built Homes in both existing and new neighborhoods.

The data below shows that there were 20 Factory Built Housing applications between 2020 and 2023. Only 6 of those applications were approved at a staff level. Of the 20 applications, 9 had to be approved by Planning Commission. This public hearing burden does not exist for site-built single-family homes.

Factory Built Housing Applications (2020 – 2023)

Total Applications	Planning Commission Approved	Staff Approved	Never Completed
20	9	6	5

Summary of Changes

Based on the results of the research and engagement highlighted above, staff developed a set of draft changes to the Factory Built Housing regulations in the LDC to simplify the process for approval, remove barriers to innovative construction techniques, and ensure continued compatibility with the scale and form of both existing and new neighborhoods, while also maintaining the cost savings and affordability of a factory built home. Below is a summary of those changes:

- “Factory Built Housing” has been changed to “Factory Built Home,” to clarify that these regulations only apply to single-family structures and not multi-family dwellings.
- The definition for Factory Built Home is updated to:
 - Clarify that a Factory Built Home is a principal building with a single dwelling unit. Accessory Dwelling Units (ADUs) and multi-family buildings are regulated elsewhere in the LDC and will not be regulated by this part.
 - Affirmatively include both manufactured and modular homes.
 - Establish that a Factory Built Home must be constructed after July 15, 2002.
- Eliminate infill requirements and regulate all Factory Built Homes under one set of standards.
- Design standards include:
 - Structure attached to a permanent foundation
 - Masonry skirting or perimeter wall between the ground and exterior wall
 - Exterior materials shall be those customarily used on site-built dwellings
 - Roof material shall be of wood, tile, or composition shingles, or standing seam metal
 - Adequate roof drainage system is required
 - No blank walls facing a public street; any façade facing a public street has ornamentation requirements
 - Entrance facing the primary street shall have a roofed front porch
 - Roof pitch shall be at a ratio of 4:12 or greater; may be reduced to less than 4:12 if additional design features are provided
- Planning Commission will have the ability to vary roof material only, to accommodate alternate roof designs. All other standards must be met, without variation or relief, to place a Factory Built Home.

Comprehensive Plan

The proposed amendment advances the following goals and objectives of Plan 2040:

- Community Form Goal 1, Objectives d and f: Factory Built Homes are an emerging trend in home construction that promote affordability and efficiency, across all neighborhood contexts, including infill development.
- Community Form Goal 1, Objective b: The proposed regulations for Factory Built Homes are designed to promote compatibility with existing neighborhood character and site-built single-family homes.

- Economic Development Goal 1, Objective e: The proposed regulations for Factory Built Homes create a consistent and efficient set of planning and design standards for manufactured and modular homes.
- Economic Development Goal 1, Objective f: Factory Built Homes are an important piece of the affordable housing solution, offering increased opportunity for home ownership and housing equity.
- Economic Development Goal 1, Objective e: The proposed regulations ensure that Factory Built Homes are equitably distributed throughout Louisville Metro.
- Housing Goal 1, Objectives a, b, c, and d: Factory Built Homes are a unique and innovative construction method for single-family homes that feature safe and energy efficient products at a more attainable price point than a traditional site-built home. The proposed regulations allow for flexibility in design while ensuring compatibility with the character of site-built homes.
- Housing Goal 2, Objective e: Factory Built Homes are an asset for infill development, offering a more affordable and attainable single-family home option when compared to site-built homes.
- Housing Goal 3, Objectives c and e: The proposed regulations for Factory Built Homes were created to ensure complementary design for new and existing site-built homes. Most Factory Built Homes are constructed with greater energy efficiency standards than site-built homes.
- Housing Goal 1, Land Use Policy 4: The proposed amendment requires that all manufactured homes meet the most current HUD Code standards and includes design features that promote compatibility with the scale and character of the surrounding neighborhood.

PLANNING COMMITTEE MEETING

The Planning Committee convened on June 12, 2024 to discuss and review the proposed amendment.

INTERESTED PARTY COMMENTS & NOTIFICATION

Preliminary recommendations were posted online on March 29, 2024. Public comments were accepted through an online comment form until May 12, 2024. One comment was received in general support of the proposed changes.

Notification of the Planning Commission public hearing was conducted in accordance with KRS 100 requirements. In addition, staff provided notice to those registered neighborhood groups and individuals on the list for electronic notification for development proposals in all Metro Council Districts.

STAFF FINDING

The proposed amendments advance the goals and objectives of Plan 2040, as well as its CHASE principles, and create a more equitable approach to placing Factory Built Homes in Louisville Metro. The existing Factory Built Housing regulations are a significant burden for residents that wish to utilize manufactured and modular homes, specifically in an infill context. The requirements exceed those for site-built homes, often forcing the applicant to seek relief from the standards at a public hearing of the Planning Commission. The existing process is too complex and time consuming, eliminating two of the most appealing features of Factory Built Homes – affordability and efficiency.

With significant quality improvements over the last two decades, and continuous improvement mandated by both the federal and state government, Factory Built Homes are growing in popularity as an attainable housing option, particularly for home ownership. In addition to their affordable price point, Factory Built Homes can be more energy efficient than site-built homes and can be installed on site as soon as 30 days after purchase. These characteristics make Factory Built Homes a key component of a housing landscape that meets the needs of all current and future residents. The proposed amendment creates a simple, streamlined set of standards that helps maintain the affordability of Factory Built Homes while ensuring consistency with the scale and form of site-built single-family homes.

REQUIRED ACTIONS

Recommend to the Louisville Metro Council and legislative bodies of cities with zoning authority that the proposed text amendments be **Approved, Approved with Modifications, or Denied**.

ATTACHMENTS

1. Proposed Text Amendments
2. Proposed Findings for the Planning Commission

1. Proposed Text Amendment

The following changes are staff recommendations and preliminary. They are subject to change upon public input and further review. The Planning Commission must make a recommendation to Metro Council and the legislative bodies of cities with zoning authority to approve, approve with modifications, or deny the LDC text amendments. The proposed changes are presented as specific amendments to the Louisville Metro version of the LDC. The cities with zoning authority in Louisville Metro have different versions. If any of the cities consider incorporating the amendments into its LDC, staff will assist the city in preparing specific amendments that reflect the nature of the changes recommended in this report.

Louisville Metro Land Development Code

Chapter 1, Part 2 Definitions

1.2.2 Definitions

Factory Built ~~Housing~~ Home – A principal building or structure of any size containing designed and intended as a single family a single dwelling unit and fabricated in an off-site ~~manufacturing~~ facility on or after July 15, 2002. Factory Built Homes are assembled and installed at the building site as a permanent structure with any transport features, ~~if any,~~ removed. ~~and that A~~ Factory Built Home must meet the additional standards specified in section 4.1.2 of this Land Development Code. This term includes “manufactured homes,” “modular homes,” and “tiny homes” assembled off-site as defined in the 2002-Kentucky Residential Code. For the purposes of this Code, any Factory Built Home fabricated before July 15, 2002 shall be regulated as a Mobile Home.

Manufactured Home – see “Factory Built Home” ~~As referenced in KRS 100.348. A manufactured home is a single-family residential dwelling constructed after June 15, 1976, in accordance with the Federal Manufactured Home Construction and Safety Standards Act of 1974, 42 U.S.C Section 5401, et. Seq., as amended, and designed to be used as a single-family residential dwelling with or without permanent foundation when connected to the required utilities, and which includes the plumbing, heating, air conditioning, and electrical systems contained therein.~~

Mobile Home - Mobile Home - As referenced in KRS 219.320 & 227.550. A mobile home is a structure manufactured prior to June 15, 1976, that was not required to be constructed in accordance with the Federal Manufactured Housing Construction in Safety Standards Act, that is transportable in one (1) or more sections, that, in the traveling mode is eight (8) body feet or more in width and forty (40) body feet or more in length, or when erected on site, four hundred (400) or more square feet, and that is built on a permanent chassis and designed to be used as a dwelling on a temporary or permanent foundation, when connected with permanent required utilities, including plumbing, heating, air conditioning, and electrical systems. A mobile home

does not meet the additional standards as required in Section 4.1.2, **Factory Built Home Housing**. For the purposes of this Code, any Factory Built Home fabricated before July 15, 2002 shall also be regulated as a Mobile Home.

Modular Home – see “Factory Built Home”

Tiny Home – A single-family dwelling unit less than 400 sq. ft. that complies with the Kentucky Residential Code. A tiny home shall be regulated as a **Factory Built Home** when it is a principal building and assembled in an off-site facility.

Chapter 4, Part 1 General Compatibility Standards

4.1.2 Factory Built ~~Housing~~ Home

~~Factory-built housing~~ A factory built home may be placed on a lot zoned for residential use, in accordance with applicable zoning and form district requirements and provided that the standards of this section are met.

A. The following standards are applicable to all factory built ~~housing~~ homes:

1. The structure shall be ~~permanently~~ attached to a permanent foundation system and shall be ~~anchored~~ installed and inspected in accordance with the state standards set forth in KRS 227.~~570 through KRS 227.590~~.
2. Masonry skirting or a perimeter wall shall be constructed from the ground to the bottom of the exterior wall at each side of the home.
23. The exterior of the building shall be covered with an appropriate material from the roofline to the foundation, masonry skirting, or perimeter wall. ~~Exterior material shall be material~~ Appropriate exterior materials are the same as those customarily used on site-built dwellings, such as board or composite siding, plywood or press wood siding, non-glossy vinyl siding, stucco, brick, or non-reflective aluminum.
34. Roofing material shall be wood, tile, synthetic, or composition shingles or standing seam metal. ~~and must have an eave projection of no less than 6 inches.~~
 - a. The Planning Commission or their designee may approve alternate roofing material if the Commission finds that:
 - The design of the home necessitates alternate roofing material; and
 - The alternate roofing material and resulting design of the home is consistent with the scale and pattern of development within the form district.
 - b. Subject to the above findings, the Planning Commission or their designee may approve alternate roofing material for a building design within a specified form district, which shall allow for the same design and roof

material to be used for development within that form district without additional Planning Commission review.

Any significant alteration to the original building design approved by the Planning Commission, such as changes to roof material, roof pitch, entry location, window placement, or ornamentation, shall require review and approval from the Planning Commission.

~~4. Exterior covering material extending from the roofline to the ground or to the top of the foundation shall be used. Masonry-type skirting shall be constructed from the ground to the bottom of the exterior wall.~~

~~5. Structural additions or alterations shall be subject to the same building code regulations as apply to additions or alterations to a conventionally built house. Any other alteration or conversion of a factory built house must be performed in accordance with KRS 227.550 et seq., 815 KAR 25:050, Section 2 and 42 USC Chapter 70.~~

~~6.5.~~ An adequate ~~guttering and~~ roof drainage system shall be installed, in accordance with the Kentucky Residential Code.

6. Design Requirements:

- a. There shall be no blank walls facing public streets. Facades visible from public streets shall contain a combination of windows, doors, gables or dormers, changes in material, or other animating features along no less than 50% of the façade, measured in horizontal linear feet.
- b. An entrance shall be provided that faces the primary street.
- c. The entrance facing the primary street shall have a roofed or recessed front porch with a minimum width of 4'.
- d. HVAC units shall not be located between the front façade and the street.

7. Roof pitch, following installation on site, shall be at a ratio of 4:12 or greater. Roof pitch may be reduced to a ratio less than 4:12 provided that the structure meets the following requirements:

- a. If a structure is oriented with its widest side facing the primary street, it shall include at least one dormer with a minimum width of 4'. The required dormer may be incorporated into the roof above the porch, provided it has a minimum width of 4'.
- b. If a structure is oriented with its narrowest side facing the primary street, it shall include a roofed front porch with a width equal to that of the façade.

8. In Landmarks Districts, design review and approval by the Landmarks Commission shall substitute for the requirements established in paragraphs 1 through 7 above.

9. Factory built homes shall be subject to all other applicable standards contained in this code, and all other applicable locale, state, and federal regulations.

10. Structural additions or alterations shall be subject to the same building code regulations as apply to additions or alterations to a conventionally site-built house. Any other alteration or conversion of a factory built house must be

performed in accordance with KRS 227.550 et seq., 815 KAR 25:050, Section 2 and 42 USC Chapter 70.

~~B. The following standards are applicable to all factory built housing to be placed on lots that qualify as infill sites in the form district regulation applicable to the site:~~

- ~~1. Roofed front porches must be included on each structure if more than 50% of the structures in the same block face or within 200 feet of the subject site, whichever is less, include them. Porches shall equal the average size and must resemble the architectural style, roof pitch, foundation and façade material of porches existing within the block face. The Planning Director shall determine if the proposed porch design is sufficiently similar to those of adjacent residences.~~
- ~~2. Façade materials shall match in appearance* those of one of the adjacent residences (residential buildings on either side of the infill lot, or two nearest residences, if the adjacent structures are non-residential). The Planning Director may approve alternative materials, if the Director finds that the proposed design and façade materials are substantially in keeping with the existing character of the block face.~~
- ~~3. Front facing windows must have consistent size, spacing, and proportion to that of the adjacent residences (residential buildings on either side of the infill lot, or two nearest residences, if the adjacent structures are non-residential). The Planning Director may approve alternative window sizes and patterns, that the Director determines are in keeping with the existing character of the block face.~~
- ~~4. The first floor elevation of the proposed dwelling shall be no lower than the average floor elevations of the existing adjacent residential buildings (residential buildings on either side of the infill lot, or two nearest residences, if the adjacent structures are non-residential).~~
- ~~5. Minimum width of each unit's first story shall be at least equal to the average of the two nearest residential buildings in the same block face (residential buildings on either side of the infill lot, or two nearest residences, if the adjacent structures are non-residential).~~
- ~~6. The roof of each infill unit shall have pitch at least as steep as the average of the roof pitch of the two nearest residential buildings in the same block face. The Planning Director may approve a lower roof pitch if the Director finds that the adjacent roof pitches are not representative of the block face in which the factory built home is to be located.~~
- ~~7. Infill structures shall be consistent in number of stories with the pattern established by surrounding residences; if more than 50% of existing residences within the block face (TNFD) or 200 feet distance (NFD) are more than one story in height, the infill structure shall be a two-story structure. Where the established pattern is story and a half (e.g., "camelback structures"), infill housing may have a full or partial second story.~~
- ~~8. HVAC units shall not be located between the front façade and the street.~~
- ~~9. In Landmarks Districts, design review and approval by the Landmarks Commission shall substitute for the requirements established in paragraphs B.1 through 8, above.~~

- ~~10. The Planning Director may approve proposed developments of five or more infill units that vary from the standards listed in this 4.1.3.B, if the Director finds that the units are compatible with the neighborhood in which they will be located.~~
- ~~C. The following standards are applicable to all factory built housing to be placed on lots that do not qualify as infill sites in the form district regulation applicable to the site:~~
- ~~1. The roof shall be pitched at a minimum slope of 5:12.~~
 - ~~2. The minimum width of each structure's first floor shall be at least 20 feet. In the TNFD, 14 wide units are permissible, if the unit has a second story (full or partial) and has a main entrance facing the street.~~
 - ~~3. HVAC units shall not be located between the front façade and the street.~~
 - ~~4. Each residence must measure at least 900 square feet of floor area not including basement or garage space.~~
- ~~D. The Planning Commission may approve factory built housing that does not conform to one or more of the standards listed in sub-sections 4.1.2.B or C, above, if the Commission finds that the proposed housing:~~
- ~~• is compatible with existing housing located within a one-eighth mile radius;~~
 - ~~• complies with applicable standards of the form district in which it is located; and conforms to applicable provisions of the Comprehensive Plan.~~

2. Proposed Findings for the Planning Commission

WHEREAS, the Planning Commission passed a resolution on December 21, 2023 requesting that Office of Planning staff review the standards for Factory Built Housing in the Land Development Code (LDC) and develop recommendations to modernize and reduce regulatory barriers to Factory Built Home construction; and

WHEREAS, the Office of Planning conducted a review of zoning regulations within the Land Development Code (LDC) that create barriers for placing manufactured and modular homes, known as Factory Built Homes, and proposed recommendations that creates a simple, streamlined set of standards that ensures consistency with the scale and form of site-built single-family homes; and

WHEREAS, the Planning Commission finds that the proposed text amendments advance the goals and objectives of Plan 2040 and provide an equitable approach to Factory Built Homes that accommodates innovative construction methods, affordability, and efficiency; and

WHEREAS, the Commission further finds that the proposed amendments reduce the complexity of the regulations and create a consistent, simplified process that is easy to understand and implement; and

WHEREAS, the Commission recognizes that industry standards and regulations for Factory Built Homes have improved significantly since the last update to the LDC in 2015, and the proposed text amendments also recognize and accommodate these improvements; and

WHEREAS, the Commission recognizes that Factory Built Homes are an important emerging trend in home construction that promotes affordable home-ownership options for residents in Louisville Metro; and

WHEREAS, the Commission further finds that the proposed text amendments ensure that Factory Built Homes are compatible with existing site-built single-family homes through a strict set of attainable design standards; and