



January 31, 2023

Representative Maxine Dexter, Chair
House Committee on Housing and Homelessness
Oregon State Legislature
900 Court Street NE
Salem, OR 97301

Submitted via OLIS

Regarding House Bill 2981

Dear Chair Dexter and Members of the House Committee on Housing and Homelessness,

I write today in support of House Bill 2918 and its proposed financial incentives for workforce and modular housing production.

The Port of Portland, as a member of the Oregon Mass Timber Coalition (OMTC), has been working to develop a mass timber modular housing factory on our Terminal 2 (T2) property for close to two years. We've pursued this as a priority within our [Shared Prosperity](#) work, wherein we intentionally take steps to reverse economic and race-based disparities as we carry out our real estate and economic development work.

As one of Oregon's anchor institutions, we recognize that the Port of Portland bears a special responsibility to help address the twin crises of climate change and deep inequities. Deploying mass timber in modular housing production will aid forest health, create good quality jobs along the entire supply chain, revitalize rural timber-dependent communities and expedite production of homes for people at all income levels.

The federal Economic Development Administration (EDA) also recognizes the potential for broad environmental, social and economic benefits in these sectors and has entrusted Oregon with a highly competitive and sizeable Build Back Better grant to help us scale this work. The \$41.4 million grant awarded from the EDA will help the Port prepare T2 for redevelopment into a mass timber innovation hub, align worker training and development functions so that marginalized communities benefit from new jobs and bolster the kinds of research and development functions that are necessary for industry adoption and innovation. The Port – together with our OMTC partners – is implementing a suite of nine projects that will attract private investment and set Oregon on the right path.

On a related note, we are honored to be hosting Hacienda CDC's mass timber modular demonstration project at T2. The knowledge and experience gained from Hacienda's prototypes

will aid our ongoing effort to scale up production and increase industry and consumer confidence in the merits of innovative housing products.

It's exciting, but it's not enough. State investments in modular and workforce housing infrastructure is critical to our collective ability to modify the ways in which housing for Oregonians is produced. Moreover, the sheer complexity of the mass timber and modular housing ecosystems calls for sustained investment in connecting ongoing innovation in mass timber technology to the vast array of industry groups engaged in housing development and construction. We are particularly excited to help launch a regional innovation center that can serve as a resource for developers and others.

The Port's advocacy of modular housing may seem tangential to our traditional role stewarding air and marine terminals and associated industrial land. But the last two years have taught us that the future of our region depends on all of us working together to address the threats posed by climate change, inequity and the housing shortage.

We appreciate the interest of the Oregon Legislature in equitable housing innovation. The Port stands ready to collaboratively pursue solutions, and to leverage our assets and expertise for the betterment of the state.

Best regards,



Keith Leavitt
Chief Trade and Equitable Development Officer

Attachments:

EDA grant overview
One-pager on T2
One-pager on workforce cluster

ADDRESSING OREGON'S HOUSING CRISIS WITH MASS TIMBER

an Initiative of the Oregon Mass Timber Coalition



The Oregon Mass Timber Coalition is investing approximately \$41.4 million from the US Economic Development Administration to become a national leader in using mass timber to accelerate affordable housing production, provide good jobs, and restore forest health.

Oregon faces formidable threats from climate change and economic inequity. A worsening housing shortage hampers efforts to retain workers and employers. EDA funding supports a series of targeted investments along the full value chain, starting with working with forest-dependent rural communities to grow access to wood fiber.

Research and development projects by the University of Oregon and Oregon State University will lead the design and prototyping of new construction materials and products. Public testing facilities will certify that developed products meet fire and acoustic codes, paving the way for production and sale.

Infrastructure improvements at the Port of Portland will create a site suitable for private investment in a regional mass timber manufacturing facility to build housing at scale. The Oregon Dept. of Land Conservation and Development will ensure planning and development codes are primed to accommodate modular mass timber homes in rural and wildlife-impacted communities. EDA funds will also support workforce development investments with industry, workforce boards, and labor organizations to provide training in industries related to these new wood-based products.



CONTACT INFORMATION:

Project Lead: Marcus Kauffman
marcus.kauffman@odf.oregon.gov
541-580-7480

ADDRESSING OREGON'S HOUSING CRISIS WITH MASS TIMBER

Project details

The Oregon Mass Timber Coalition received funding for a suite of nine related investments to advance the mass timber economy.

Oregon Acoustic Research Lab (UO)

- \$14.6M to build a state of the art acoustic testing facility in Portland, OR.
- Lack of acoustic testing is a known barrier to affordable mass timber housing.

Oregon Fire Testing Facility (OSU)

- \$2.5M to build a mass timber fire testing facility in Corvallis, OR.
- Fire testing data will give practitioners confidence using mass timber.

Mass Timber Panel Prototyping (UO)

- \$2M to build prototypes of mass plywood panels for affordable housing.
- Prototypes will be "proof of concept" for builders and developers.

Prototyping & Testing Mass Timber Housing (OSU)

- \$1.2M to test and evaluate mass timber housing systems. Test data will be open source for the benefit of industry at large.

Advancing a Forest Restoration Supply Chain (ODF)

- \$3.2M to thin federal forests and provide small-diameter fiber to mass timber manufacturers.
- Develop robust track and trace program.

Mass Timber Regional Training Cluster (Port of Portland)

- \$3.1M to support building a skilled and diverse workforce in forestry, construction and advance manufacturing.
- Partner with Worksystems Inc. and Portland Community College on delivery.

Smart Forestry: From Forest Restoration to Mass Timber (OSU)

- \$4.4M to advance technology and science-based solutions to source wood from forest restoration activities.
- Test new mass timber designs and manufacturing technologies.

Mass Timber Campus Infrastructure (Port of Portland)

- \$10M to develop Port of Portland's Terminal 2 into a regional mass timber manufacturing facility.
- Recruit a mass timber housing developer.

Mass Timber Development Code Update (DLCD)

- \$.5M to update development codes to accommodate modular mass timber housing.
- Provide technical assistance to 30 cities.



CONTACT INFORMATION:

Project Lead: Marcus Kauffman
marcus.kauffman@odf.oregon.gov
541-580-7480

Mass Timber at Terminal 2

The Port of Portland is working to build shared prosperity for our region through travel, trade and economic development.

By exploring new ways to reactivate the Port's Terminal 2 (T2), which is no longer well-positioned for what it was traditionally used for, and partnering with experts in our community like Hacienda Community Development Corp. (CDC), we can make an even bigger impact that promotes greater economic opportunity for our communities.



As a member of the Oregon Mass Timber Coalition, a partnership among the Port, Business Oregon, Oregon Department of Forestry, the Department of Land Conservation and Development and the TallWood Design Institute (a partnership between the University of Oregon and Oregon State University), **we are spearheading a set of connected projects that will be transformative for the mass timber market and for Oregon.**

Investing in the emerging mass timber industry can help address the statewide housing shortage, create new jobs in urban and rural communities, and support forest restoration and climate resilience.

EDA Build Back Better Regional Challenge Grant

OMTC was awarded a \$500,000 BBBRC grant in December 2021 to plan a mass timber modular manufacturing facility at T2 (Phase 1) and was invited to apply for additional funding (Phase 2). In September 2022, the coalition was awarded a final BBBRC grant of \$41.4 million for facility infrastructure and site preparation costs, R&D, fiber mapping, smart forestry, workforce training, and updating local building codes.

Research and Development

Prototyping

- With funding provided by the Oregon State Legislature, Hacienda CDC, an Oregon-based affordable housing developer and service provider, with three decades of experience serving BIPOC and low income communities, is launching Mass Casitas, a modular home pilot facility at T2 to demonstrate how mass timber products can be used to develop an innovative solution to the region's urgent housing needs.
- The Mass Casitas Project will develop nine different modular homes and deploy them throughout Oregon to research and develop design features, transportation options and the effects of different climate conditions on building materials.
- U of O will prototype at its lab facilities housing types that utilize 2" insulated mass plywood panels that can be "flat-packed" for rapid field assembly to create single-family houses or small, multi-unit dwellings.

Lab Facility Development

U of O will build a state-of-the-art facility at T2 for conducting acoustic tests of mass timber assemblies, which are critical when producing mass timber products that can be used in multi-family housing developments. University of Oregon will prototype at its lab facilities housing types that utilize 2" insulated mass plywood panels that can be "flat-packed" for rapid field assembly to create single-family houses or small, multi-unit dwellings.

Why mass timber?

Done right, mass timber can help address climate change impacts, provide affordable housing options, and create living-wage jobs throughout the region.

Housing Supply

Mass timber modular housing is an innovative solution to meet growing demand for housing in Oregon.

- Compared to traditional site-built housing, modular construction is faster and creates less waste.
- Mass timber also has significant cost advantages due to savings in construction time and materials, energy efficiency, fewer finishes and digital workflows used in prefabrication.
- Modular housing can be used for single family homes or be stacked in a multi-unit configuration.



Jobs and Economic Development

Investments in mass timber can lead to thousands of new jobs in Oregon's rural and urban communities.

- The emerging mass timber industry will require increased skills in forestry, timber, construction and advanced manufacturing, thus leading to training opportunities with regional community colleges and workforce training partners.
- Potential business opportunities include factory production and installation of residential fixtures and cabinetry, transport and trucking, site preparation, and on-site finish construction.

Healthy Forests

Sustainably sourced mass timber can support forest restoration efforts, improve forestry practices and contribute to improved forest health.

- Unlike the type of lumber typically needed for construction projects, mass timber products can be created from smaller, lower value timber – including salvaged and reclaimed wood and the kind of timber prevalent in overstocked, fire-prone forests.
- By sourcing fiber from forest restoration lands, mass timber can reduce the risk of wildfires and help address climate change.
- OMTC is committed to developing a robust 'track and trace' program to support forest restoration efforts and bring transparency and accountability to the wood supply chain.

Mass Timber Regional Training Cluster

AWARD AMOUNT:

\$3,050,000

NON-FEDERAL MATCH

\$762,500



Why a regional mass timber training cluster?

A skilled workforce is critical to the success of Oregon's mass timber industry. Historically, quality, family-supporting jobs in manufacturing and construction trades have been inaccessible to Oregon's underserved communities. Today, investments in forestry career pathways are declining in rural communities, and employment in engineered wood products has declined by 47% since 2001. This project seeks to reverse these trends both by boosting demand for mass timber and preparing workers to fill the high-quality jobs needed in this emerging industry.

The Regional Training Cluster will invest in building a skilled and diverse workforce positioned to assume newly created jobs in forestry, construction, and advanced manufacturing. Workforce investments will prioritize ensuring equitable access for Black, Indigenous, and other people of color (BIPOC), as well as low-income and rural Oregonians.

Planned actions

- 1 The strategy will establish training locations around the state that connect rural and urban communities to job opportunities in forestry, fabrication, construction, and manufacturing.
- 2 Portland Community College and Worksystems Inc. will create and provide resources for pre-apprenticeship programs, providing space for additional hands-on training and classroom education to meet pre-apprenticeship requirements. Activities will focus on curriculum development, trade construction and manufacturing programs, on-the-job training, and community engagement.
- 3 Investments will support BIPOC and rural entrepreneurship and innovation to create and grow new opportunities in the mass timber ecosystem.



Program Delivery Partners

- 1 **Worksystems, Inc.** will provide culturally specific career navigation services and work with statewide workforce boards to ensure that job and entrepreneurship opportunities are available to diverse populations.
- 2 **Portland Community College** will lead workforce training curriculum development and partner with regional and state community colleges and Bureau of Labor and Industries (BOLI)-approved pre-apprenticeship programs.



CONTACT INFORMATION:

Project Lead: Tamara Kennedy-Hill
tamara.kennedy-hill@portofportland.com
503-719-3966