



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2025 Regular Session

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Bill Title: Relating to factory-produced housing; prescribing an effective date.

Government Unit(s) Affected: Housing and Community Services Department, Department of Land Conservation and Development, Department of Consumer and Business Services, Counties, Cities

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Housing and Community Services Department	\$ 650,000	\$ -	\$ 50,000,000	\$ -	\$ 50,650,000	1	0.75
Total Fiscal Impact	\$ 650,000	\$ -	\$ 50,000,000	\$ -	\$ 50,650,000	1	0.75
2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Housing and Community Services Department	\$ 90,058	\$ -	\$ -	\$ -	\$ 90,058	1	0.25
Total Fiscal Impact	\$ 90,058	\$ -	\$ -	\$ -	\$ 90,058	1	0.25

Measure Description

The measure directs the Housing and Community Services Department (HCSD) to use moneys available in the Local Innovation and Fast Track Housing Program Fund (LIFT Program) to acquire or construct factory-produced housing (also known as prefab homes) for low income households, consistent with other statutory requirements. The measure specifies that moneys in the LIFT Program are continuously appropriated to HCSD to support the proposed prefab homes program, and that to the extent moneys are available and not otherwise obligated, the measure intends that \$50 million of the LIFT Program be used to support acquisition and construction of prefab homes in Oregon in the 2025-27 biennium. HCSD may provide this funding for up to five separate recipients or locations, and funding for this program shall be distributed according to specific criteria, in addition to already existing statutory requirements. Recipients of funding under the proposed prefab homes program are required to report specific information to HCSD and the Network for Oregon Affordable Housing (NOAH), including their direct construction costs and total development costs.

The measure includes a one-time appropriation of \$650,000 General Fund for HCSD to contract with NOAH to convene a public-private advisory committee to offer guidance on project solicitation processes and other program criteria in support of the proposed prefab homes program. The advisory committee must include representatives from the Department of Land Conservation and Development, the Department of Consumer and Business Services, the Oregon Housing Stability Council within HCSD, local governments, and other industry stakeholders. The advisory committee shall develop application criteria, evaluate applications for funding, and identify potential sources of ongoing funding for the proposed prefab homes program; and HCSD shall consult the advisory committee when evaluating applications. HCSD and NOAH shall submit a report to interim legislative committees related to housing on the results and findings of the proposed program.

Fiscal Analysis

The fiscal impact of the measure is \$50.7 million total funds, which includes \$50 million Other Funds and \$650,000 General Fund, and one position (0.75 FTE) in the 2025-27 biennium; and \$90,058 General Fund and one position (0.25 FTE) in the 2027-29 biennium.

Housing and Community Services Department

The measure states that moneys in the LIFT Program are continuously appropriated for use in the proposed prefab homes program established by the measure; and that to the extent funding is available, the measure intends that \$50 million from the LIFT Program be used to support the proposed prefab homes program in the 2025-27 biennium.

The measure specifies that LIFT Program funding is continuously appropriated to HCSD to support the proposed prefab homes program, which provides HCSD the legal authority to expend the intended \$50 million from the LIFT Program in support of the proposed prefab homes program in the 2025-27 biennium. However, Other Funds expenditure limitation should be provided to HCSD in the 2025-27 biennium to limit the amount that HCSD may expend from the LIFT Program. The LIFT Program is funded through proceeds from the sale of Article XI-Q general obligation bonds, as well General Fund to support regular debt service payments on outstanding bonds. Assuming sufficient funding is available, HCSD will expend \$50 million Other Funds from the LIFT Program to support the proposed prefab homes program.

The measure also includes a one-time appropriation of \$650,000 General Fund to HCSD in the 2025-27 biennium to contract with NOAH to establish the proposed advisory committee and to prepare the report to the Legislature. HCSD will need one limited duration Program Analyst 4 position (0.75 FTE) to manage the proposed prefab homes program, contract with NOAH, and serve as a liaison to the advisory committee. The estimated cost of this position, including position-related services and supplies, is \$243,494 General Fund in the 2025-27 biennium and \$90,058 General Fund in the 2027-29 biennium. The position will be phased out when the program sunsets in January 2028. HCSD will use the remaining \$406,506 General Fund to contract with NOAH to establish the proposed advisory committee in the 2025-27 biennium.

Other Agencies and Local Governments

The measure is anticipated to have a minimal impact on the Department of Land Conservation and Development, the Department of Consumer and Business Services, and local governments, including cities and counties, as the measure only requires that they have representation on the advisory committee.

Relevant Dates

The measure takes effect 91 days after adjournment sine die. Therefore, the General Fund appropriation and legal authority to expend from the LIFT Program in support of the proposed program will not take effect until 91 days after the session adjourns.

HCSD and NOAH are required to submit a report to the Legislature by September 15, 2027, on the proposed prefab homes program established by the measure.

The proposed prefab homes program, the advisory committee, and the reporting requirement established by the measure all sunset on January 2, 2028.