

## Enrolled House Bill 3145

Sponsored by Representative MARSH, Senator ANDERSON, Representatives DIEHL, BOWMAN, GAMBA, Senator PATTERSON; Representatives ANDERSEN, CHOTZEN, DOBSON, FRAGALA, LEVY E, MANNIX, PHAM H, RIEKE SMITH, Senator TAYLOR (Presession filed.)

CHAPTER .....

### AN ACT

Relating to factory-produced housing; and prescribing an effective date.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1.** Sections 2 to 5 of this 2025 Act are added to and made a part of ORS 458.480 to 458.490.

**SECTION 2.** (1) As used in sections 2 to 5 of this 2025 Act, “factory-produced housing” means housing that is produced through off-site construction of the housing or housing components, and that includes manufactured dwellings, as defined in ORS 446.003, prefabricated structures, as defined in ORS 197A.015, or other types of housing developed through volumetric modular, panelized modular or other modular components.

(2) The Housing and Community Services Department shall use moneys available in the Local Innovation and Fast Track Housing Program Fund to provide funding to acquire or construct factory-produced housing for low income households consistent with the requirements of ORS 458.480 to 458.490.

(3) The department may provide funding for up to five separate recipients or locations under this section.

(4) In awarding funding under this section, in addition to applying criteria adopted under ORS 458.485 (4)(a), the department may give preference to funding housing that:

- (a) Uses Oregon-based developers;
- (b) Is geographically diverse, including coastal and eastern Oregon communities, or is sited in more than one location; or
- (c) Uses materials that:
  - (A) Are nontraditional, including mass timber;
  - (B) Provide energy efficiency, carbon capture or other environmental benefits;
  - (C) Are produced in Oregon; or
  - (D) Are raw materials sourced from Oregon.

(5) In developing application criteria or evaluating applications for funding provided under this section, the department shall consult with the advisory committee under section 4 (2)(a) of this 2025 Act and not the Oregon Housing Stability Council, notwithstanding ORS 458.485 (1).

(6) Recipients of funding under this section must cooperate with the department and the contractor described in section 4 of this 2025 Act in preparing the report required under section 5 of this 2025 Act.

**SECTION 3.** (1) In addition to the uses allowed under ORS 458.490 (3), moneys in the Local Innovation and Fast Track Housing Program Fund are continuously appropriated to the Housing and Community Services Department to take actions under section 2 of this 2025 Act.

(2) To the extent that moneys are available in the fund and are not otherwise obligated and that eligible applications to provide housing are available for funding, it is intended that, for the biennium beginning July 1, 2025, the amount of \$25,000,000 from the fund be used for purposes described in subsection (1) of this section.

**SECTION 4.** (1) The Housing and Community Services Department shall contract with the Network for Oregon Affordable Housing (NOAH) to provide the services described in this section.

(2) The contractor under this section shall:

(a) Convene a public-private advisory committee to offer input and guidance on project solicitation processes and criteria as outlined in section 2 (5) of this 2025 Act. The committee must include representation from the Department of Land Conservation and Development, the building codes division of the Department of Consumer and Business Services, the Oregon Housing Stability Council and local governments and from private firms and individuals with subject matter expertise related to housing development and finance and modular and manufactured housing production and installation.

(b) With guidance from the advisory committee, provide the Housing and Community Services Department with recommendations for criteria for selecting projects to receive funding and for evaluating the feasibility and appropriateness of proposals under section 2 (5) of this 2025 Act.

(c) With input and direction from the advisory committee, arrange for the provision of technical assistance to recipients of funding under section 2 of this 2025 Act as may be needed for the successful implementation of the proposal for developing factory-produced housing, including assistance in the form of navigating regulatory frameworks, accessing interim and long-term financial resources, procuring Oregon-sourced sustainable materials, establishing technical specifications needed for on-site delivery and installation and establishing systems of compliance related to the use of Local Innovation and Fast Track Housing Program Fund moneys.

(d) Provide systems for the transfer of knowledge necessary to set the industry up for success beyond the housing developed through the use of moneys under section 2 of this 2025 Act.

(e) Support industry and consumer awareness by showcasing factory-produced housing in multiple Oregon communities and building a constituency for innovative housing methods and materials.

(f) Identify potential sources of ongoing funding to continue the activities under this subsection.

(3) The contractor shall create the portions of the report required under section 5 (2) to (4) of this 2025 Act.

(4) All agencies of state government, as defined in ORS 174.111, are directed to assist the department and, at the request of the Director of the Housing and Community Services Department, the contractor in the performance of the duties of the department and contractor required by sections 2 to 5 of this 2025 Act.

**SECTION 5.** On or before September 15, 2027, the Housing and Community Services Department shall submit a report in the manner provided by ORS 192.245 to the interim committees of the Legislative Assembly related to housing on:

(1) The results and findings of moneys spent under section 2 of this 2025 Act, including information regarding the recipients' direct construction costs and total development costs;

(2) The results and findings of the efforts by the recipients of funds under section 2 of this 2025 Act related to barriers overcome, barriers identified and ability to secure additional private debt or equity partnerships;

(3) The activities of the contractor under section 4 of this 2025 Act; and

(4) Recommendations for legislation or funding to support factory-produced housing within this state.

**SECTION 6.** Sections 2 to 5 of this 2025 Act are repealed on January 2, 2028.

**SECTION 7.** In addition to and not in lieu of any other appropriation, there is appropriated to the Housing and Community Services Department, for the biennium beginning July 1, 2025, out of the General Fund, the amount of \$650,000 to implement sections 4 and 5 of this 2025 Act.

**SECTION 8.** This 2025 Act takes effect on the 91st day after the date on which the 2025 regular session of the Eighty-third Legislative Assembly adjourns sine die.

Passed by House June 26, 2025

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Timothy G. Sekerak, Chief Clerk of House

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Julie Fahey, Speaker of House

Passed by Senate June 27, 2025

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Rob Wagner, President of Senate

Received by Governor:

.....M.,....., 2025

Approved:

.....M.,....., 2025

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Tina Kotek, Governor

Filed in Office of Secretary of State:

.....M.,....., 2025

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Tobias Read, Secretary of State