

House Bill 3145

Sponsored by Representative MARSH, Senator ANDERSON, Representatives DIEHL, BOWMAN; Representatives FRAGALA, LEVY E, MANNIX, Senator TAYLOR (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: This Act lets OHCS use LIFT money for prefab homes and makes OHCS hire a contractor to support the prefab home industry. (Flesch Readability Score: 69.1).

Allows the Housing and Community Services Department to use Local Innovation and Fast Track Housing Program Fund moneys for factory-built housing. Requires the department to hire a contractor to support the factory-built housing industry. Requires the department to report on outcomes to the interim committees of the Legislative Assembly related to housing by September 15, 2027.

Sunset January 2, 2028.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to factory-produced housing; and prescribing an effective date.

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

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

6 **SECTION 2. (1) As used in sections 2 to 5 of this 2025 Act:**

7 (a) **“Factory-produced housing” means housing that is produced through off-site con-**
8 **struction of the housing or housing components, and that includes manufactured dwellings,**
9 **as defined in ORS 446.003, prefabricated structures, as defined in ORS 197A.015, or other**
10 **types of housing developed through volumetric modular, panelized modular or other modular**
11 **components.**

12 (b) **“Low income households” includes, notwithstanding the definition in ORS 458.480, for**
13 **housing that may be rented, households of one or more individuals whose combined incomes**
14 **are at or below 80 percent of the area median income.**

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

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

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

23 (a) **Uses Oregon-based developers;**

24 (b) **Is geographically diverse, including coastal and eastern Oregon communities, or is**
25 **sited in more than one location;**

26 (c) **Can benefit from, and provide a benefit to, the industry support intentions of the ad-**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 visory group under section 4 (2)(b) of this 2025 Act; or

2 (d) Uses materials that:

3 (A) Is nontraditional, including mass timber;

4 (B) Provide energy efficiency, carbon capture or other environmental benefits;

5 (C) Are produced in Oregon; or

6 (D) Are raw materials sourced from Oregon.

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

10 (6) Recipients of funding under this section must cooperate with the department in pre-
11 paring the report required under section 5 of this 2025 Act.

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

16 (2) To the extent that moneys are available in the fund and are not otherwise obligated
17 and that eligible applications to provide housing are available for funding, it is intended that,
18 for the biennium beginning July 1, 2025, the amount of \$50,000,000 from the fund be used for
19 purposes described in subsection (1) of this section.

20 **SECTION 4.** (1) The Housing and Community Services Department shall contract with
21 one or more consultants or other organizations to carry out the provisions of this section.

22 (2) The contractor under this section shall:

23 (a) Provide engagement, education, training and technical assistance needed throughout
24 the supply chain, including assistance provided to housing developers, contractors, archi-
25 tects, engineers, factory operators, local governments, research institutions, capital provid-
26 ers, transport providers, consumers and the department.

27 (b) Convene a public-private advisory group to assist applicants for or recipients of
28 funding described in section 2 of this 2025 Act by:

29 (A) Providing technical resources to assist with navigating regulatory frameworks, in-
30 novating project delivery mechanisms, determining technical feasibility, incorporating
31 sustainability and resiliency into design and supporting equity and inclusion within the in-
32 dustry.

33 (B) Providing systems for the transfer of knowledge necessary to set the industry up for
34 success beyond the housing developed through the use of moneys under section 2 of this 2025
35 Act.

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

39 (d) Identify sources of ongoing funding to continue the activities under this subsection.

40 (3) The contractor shall assist the department in preparing the report required under
41 section 5 of this 2025 Act.

42 (4) All agencies of state government, as defined in ORS 174.111, are directed to assist the
43 contractor in performance of the duties of the contractor under this section.

44 **SECTION 5.** On or before September 15, 2027, the Housing and Community Services De-
45 partment shall submit a report in the manner provided by ORS 192.245 to the interim com-

1 **mittees of the Legislative Assembly related to housing on:**

2 (1) **The results and findings of moneys spent under section 2 of this 2025 Act, including**
3 **information regarding the recipients' direct construction costs, total development costs,**
4 **barriers overcome, barriers identified and ability to secure additional private debt or equity**
5 **partnerships;**

6 (2) **The activities of the contractor under section 4 of this 2025 Act; and**

7 (3) **Recommendations for legislation or funding to support factory-produced housing**
8 **within this state.**

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

10 **SECTION 7. In addition to and not in lieu of any other appropriation, there is appropri-**
11 **ated to the Housing and Community Services Department, for the biennium beginning July**
12 **1, 2025, out of the General Fund, the amount of \$650,000 to implement sections 4 and 5 of this**
13 **2025 Act.**

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

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