

DRAFT

SUMMARY

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.

Sunsets January 2, 2028.

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

A BILL FOR 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:

(a) “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.

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

1 percent of the area median income.

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

7 (3) The department may provide funding for up to five separate re-
8 cipients or locations under this section.

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

12 (a) Uses Oregon-based developers;

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

15 (c) Can benefit from, and provide a benefit to, the industry support
16 intentions of the advisory group under section 4 (2)(b) of this 2025 Act;
17 or

18 (d) Uses materials that:

19 (A) Is nontraditional, including mass timber;

20 (B) Provide energy efficiency, carbon capture or other environ-
21 mental benefits;

22 (C) Are produced in Oregon; or

23 (D) Are raw materials sourced from Oregon.

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

28 (6) Recipients of funding under this section must cooperate with the
29 department in preparing the report required under section 5 of this
30 2025 Act.

31 SECTION 3. (1) In addition to the uses allowed under ORS 458.490

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

4 **(2) To the extent that moneys are available in the fund and are not**
5 **otherwise obligated and that eligible applications to provide housing**
6 **are available for funding, it is intended that, for the biennium begin-**
7 **ning July 1, 2025, the amount of \$50,000,000 from the fund be used for**
8 **purposes described in subsection (1) of this section.**

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

12 **(2) The contractor under this section shall:**

13 **(a) Provide engagement, education, training and technical assist-**
14 **ance needed throughout the supply chain, including assistance pro-**
15 **vided to housing developers, contractors, architects, engineers, factory**
16 **operators, local governments, research institutions, capital providers,**
17 **transport providers, consumers and the department.**

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

20 **(A) Providing technical resources to assist with navigating regula-**
21 **tory frameworks, innovating project delivery mechanisms, determin-**
22 **ing technical feasibility, incorporating sustainability and resiliency**
23 **into design and supporting equity and inclusion within the industry.**

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

27 **(c) Support industry and consumer awareness by showcasing**
28 **factory-produced housing in multiple Oregon communities and build-**
29 **ing a constituency for innovative housing methods and materials.**

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

1 **(3) The contractor shall assist the department in preparing the re-**
2 **port required under section 5 of this 2025 Act.**

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

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

10 **(1) The results and findings of moneys spent under section 2 of this**
11 **2025 Act, including information regarding the recipients' direct con-**
12 **struction costs, total development costs, barriers overcome, barriers**
13 **identified and ability to secure additional private debt or equity part-**
14 **nerships;**

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

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

19 **SECTION 6.** **Sections 2 to 5 of this 2025 Act are repealed on January**
20 **2, 2028.**

21 **SECTION 7.** **In addition to and not in lieu of any other appropri-**
22 **ation, there is appropriated to the Housing and Community Services**
23 **Department, for the biennium beginning July 1, 2025, out of the Gen-**
24 **eral Fund, the amount of \$650,000 to implement sections 4 and 5 of this**
25 **2025 Act.**

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

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