

Meeting with Oregon House Committee on Housing & Homelessness

Good morning, everyone. First off, I want to thank both Daniel Moltke and Representative Hartman for inviting me to speak today.

My name is Kalli Light and I represent Relevant Buildings. To give you a little background, Relevant Buildings is a local homebuilder based in Oregon City. We specialize in building modular, prefabricated homes and ADUs (aka accessory dwelling units) out of shipping containers. We build the homes in our shop and then ship them to our customers' properties. Since 2017, we've built 65 container homes and counting, most of which are located in the Portland Metro Area. Our company's mission is to provide quality sustainable homes while being as affordable as possible.

All of our homes are built to the same building code standards (called the ORSC) as site-built homes. The only real difference between prefabricated homes and site-built homes is where they are built – either in a shop or on site. We get our building plan approvals and inspections through Oregon's Building Codes Division Prefabricated Structure program.

With that background in mind, the reason I'm here to speak with you today is regarding a policy that went into effect as a result of 2019 HB 2423 relating to small home building codes. According to this house bill, "small homes" are defined as homes under 400 sq. ft. in size. While I believe this house bill was intended to create more flexibility for building small homes, there's one sentence that is actually *limiting* the ability to build small homes. This is in section ORS 455.010.6A, which defines prefabricated structures. It reads as follows:

"Prefabricated structure" means a building or subassembly that has been in whole or substantial part manufactured or assembled using closed construction at an off-site location to be wholly or partially assembled on-site. "Prefabricated structure" does not include a manufactured dwelling or a small home as defined in section 2, chapter 401, Oregon Laws 2019.

The previous version of this definition did not preclude small homes from being prefabricated structures. This new definition for prefabricated structures means that modular homes builders can no longer build homes or ADUs under 400 sq. ft. They can still be built on site, but not in a shop. Prior to this rule going into effect, we were able to prefabricate homes under 400 sq. ft. with no issue because we were building to the ORSC. Now our applications to prefabricate small homes have been rejected simply because they are under 400 sq. ft. My hope in speaking with you today is that you will consider revising this sentence to allow small homes to be prefabricated again.

To our knowledge, there was never a problem or controversy with prefabricating small homes as long as they're built to meet state building code standards. I have reached out to Oregon State BCD building code specialists as well as the Oregon BCD prefabricated structures manager to ask if they knew why small homes could no longer be prefabricated, and no one was sure why this went into effect.

We also reached out to a building code director with the local Oregon Home Builder's Association to see if they had any insight on this policy. They ended up talking with the Oregon Building Codes Division manager, and they both agreed that any structures that comply with Oregon's adopted specialty codes *could* be regulated through the State's prefabricated structures program were it not for this policy. Because this definition for prefabricated structures is written in the ORS, the Oregon

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BCD building code policy advisor said that changing this language would have to be done through the legislature.

While 400 sq. ft. may seem small for a home, it is a common size for an ADU. Our company prefers building ADUs over single-family homes because their small size means they are often an affordable housing option for folks, and they are more sustainable than typical single-family homes. Most of our customers who build an ADU are using it as a place for an aging parent or a disabled family member to live in. The very first ADU we built in Portland was 320 sq. ft. Today, we are no longer allowed to prefabricate that size of ADU.

So, with all that said, why should the House Committee on Housing and Homelessness care about this issue? Well, by restricting the means of prefabricating small homes, the state has made it more difficult to provide small, affordable homes at a time when Oregon is facing a severe housing crisis. I can only speak to how this policy is affecting our business, but I have to think that this is affecting other modular home builders as well. We ask that you please help us to revise the definition of prefabricated homes in the ORS to help expand the ability to build small homes, and therefore, expand affordable housing.

Thank you all very much for your time.