

# Housing Innovation Partnership

## HB 2981

### HOUSING PRODUCTION

#### Modular Housing

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Housing production would be enhanced by creating capacity for off-site construction which is limited in Oregon. There is a clear need to deal with the regulatory, distribution, workforce, and market acceptance issues affecting this housing type, and to implement a strategy for greater use of modular and panelized construction.

*Two strategies are proposed:*

1. Create a Housing Production Resource Center—

The Center would help create specialized workforce training, break down barriers, support permit streamlining and address challenges in all sectors, supporting and bringing factory-built housing, panels, and other needed housing to scale. Budget; \$5,000,000.

2. Create an Off-Site Housing Production Investment Fund—

In-state production of off-site construction of housing and panels provides multiple benefits, including acceleration of housing supply, consistent production, and disaster response capability. The fund would incentivize modular/mass timber factories in both rural and urban parts of the State. Budget; \$20,000,000.

#### Workforce Housing

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Workforce housing is generally for people with incomes that do not allow them to access public assistance but who need housing that the market is not currently able to provide at affordable prices. Workforce housing is not recognized as a critical housing type in Oregon and is not supported through public incentives or innovative financing models.

*Five new financing mechanisms are proposed:*

1. Create an Infrastructure Grant/Loan Fund—

Create an Infrastructure Grant/Loan Fund (IGF) for public improvements associated with new workforce-income housing developments. Such an IGF would allow public and private developers to develop sites that require costly public street and utility improvements. Budget; \$20,000,000.

2. Develop Funding for an Oregon Land Fund—

Allocate funding for an Oregon Land Fund (OLF). The new OLF would provide the early capital for acquisition and predevelopment of sites for workforce -income housing developments. Budget; \$20,000,000.

3. Create a Workforce Housing Construction Guarantee Fund—

Create a Workforce Housing Construction Guarantee Fund (WHCG). Access to construction financing is a challenge for workforce housing developments. This guarantee, jointly pursued by developers and local jurisdictions, would incentivize private capital to support these projects at beneficial borrowing costs. Budget; \$20,000,000.

#### Housing Research

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Funding from Business Oregon for the development of a proposal for a Center for Mass Timber Housing Innovation and the EDA's Build Back Better grant to the Port of Portland and Mass Timber Coalition, including the state's universities, will lead to a robust research capability that can leverage additional investments from federal, state, local, private, and civic resources.