

HB 3145 - Housing Materials & Methods Innovations

Accelerating the production of high-quality, energy-efficient homes

The severity of Oregon's housing crisis demands a relentless focus on innovations that can sustainably accelerate production of high-quality, energy-efficient homes. Other states and countries have found success with factory-produced housing and with the use of innovative materials and methods.

HB 3145 provides Oregon developers, builders, factory operators, and communities the opportunity to test new approaches in the delivery of rental or ownership housing aimed at households earning up to 80% of AMI. Specifically, Oregon Housing and Community Services (OHCS) will use **\$50 million in Local Innovation and Fast Track (LIFT) to fund five pilots, consisting of a total of approximately 200¹ units**. The learnings from these pilots will promote growth of the off-site construction industry in Oregon while deploying new materials that improve fire resilience and environmental sustainability.

Key Elements of the Pilot Approach:

1. OHCS will solicit proposals from development teams inclusive of providers of “manufactured housing” as defined in [ORS 446.003](#), and “pre-fabricated structures” as defined in [ORS 455.010](#).
2. The Pilots should be geographically diverse and include coastal and eastern Oregon communities.
3. Non-traditional materials including mass timber² are prioritized, as are materials which provide environmental benefits like carbon capture or net zero homes, and those for which the raw materials are Oregon-sourced.
4. Developments may offer rental or ownership. Configurations may be detached single-family, duplexes or other small-plexes, cottage clusters, or stacked multifamily. Accessory dwelling units, tiny homes, and pallet shelters are not the intended product type.
5. Developers are encouraged to duplicate design in two or more locations.
6. Housing units should be produced in Oregon, and to the greatest extent possible, developers need to be Oregon-based.

Insofar as factory-produced housing represents a limited portion of Oregon's housing market, the ability of the pilots to serve as a springboard for wider industry adoption and consumer acceptance is expected to require assistance both to OHCS and to selected development teams and to communities with various aspects of planning and execution.

To that end, **HB 3145** provides **\$650,000 in general funds for engagement, education, and technical assistance throughout the process and across the supply and delivery chain**, including with builders, developers, architects, engineers, factory operators, local governments, research institutions, capital providers, transport providers, and consumers. A full report on learnings and pathways forward will also be provided at the conclusion of the pilot phase.

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¹ Total proposed LIFT investment of \$250k/unit is less than current per-unit subsidy offered under LIFT.

² “Mass Timber” encompasses several categories of engineered wood products.