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# TEMPORARY ADMINISTRATIVE ORDER
INCLUDING STATEMENT OF NEED & JUSTIFICATION

## OHCS 11-2024
CHAPTER 813
OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT

**FILED**
05/24/2024 9:04 AM
ARCHIVES DIVISION
SECRETARY OF STATE
& LEGISLATIVE COUNSEL

FILING CAPTION: To establish rules for the Modular Housing Development Fund from the 2023 Legislative Session

EFFECTIVE DATE: 05/29/2024 THROUGH 11/24/2024

AGENCY APPROVED DATE: 05/22/2024

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Filed By:
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NEED FOR THE RULE(S):

To establish rules for the Modular Housing Development Fund from the 2023 Legislative Session.

JUSTIFICATION OF TEMPORARY FILING:

Expedited implementation required for program necessitates temporary rules.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

HB 2001

HOUSING IMPACT STATEMENT:

These rules do not affect the cost of development of a 6000 square foot parcel and the construction of a 1200 square foot detached single-family dwelling on that parcel.

RULES:
813-375-0006, 813-375-0011, 813-375-0016, 813-375-0021, 813-375-0026, 813-375-0031

ADOPT: 813-375-0006

RULE TITLE: Purpose and Objectives

RULE SUMMARY: Adopting rule definitions for Modular Housing Development Fund program.

RULE TEXT:
(1) The purpose of these rules is to provide procedures, terms, and criteria for Grant(s) available through the Modular Housing Development Fund (MHDF).
(2) The Oregon Housing and Community Services Department shall administer the MHDF to provide Grant(s) for efforts that begin or expand production capacity for the development of Modular Housing and components to support home builders and developers in meeting housing demand.

STATUTORY/OTHER AUTHORITY: HB 2761 (2023)

STATUTES/OTHER IMPLEMENTED: HB 2761 (2023)

ADOPT: 813-375-0011

RULE TITLE: DEFINITIONS

RULE SUMMARY: Adopting rule definitions for Modular Housing Development Fund program.

RULE TEXT:

Terms used throughout OAR chapter 813, division 375 may be defined in Oregon Revised Statute (ORS) or in the Department General Definitions (OAR 813-005-0005). Terms used within this division observe those definitions except as defined below:

(1) "Fund" means the Modular Housing Development Fund (MHDF) as defined and set forth in HB 2001 (2023).

(2) "Modular Housing" means a building as defined in ORS 455.010 as a building or subassembly that has been in whole or substantially manufactured or assembled using closed construction at an off-site location to be wholly or partially assembled on-site.

(3) "Equity Centered Management Plan" is a tool for Applicants to operationalize their commitments to diversity, equity, and inclusion within their organization.

STATUTORY/OTHER AUTHORITY: HB 2761 (2023)

STATUTES/OTHER IMPLEMENTED: HB 2761 (2023)

ADOPT: 813-375-0016

RULE TITLE: EVALUATION CRITERIA

RULE SUMMARY: Modular Housing Development Fund evaluation criteria.

RULE TEXT:

Funds will be awarded by the Department using application evaluation criteria, including but not limited to:

(1) Provide a plan to comply with legislative demand prioritization categories as by the Department that must be met in the order prescribed:

(a) First, state and local governments following a wildfire or other disaster;

(b) Second, low-income housing construction in this state; and

(c) Third, middle income housing construction in this state.

(2) Attest that Fund award will be utilized for the portion of their business operation that conforms with Oregon State Building Codes definition of Modular Housing, or “prefabricated structure.”

(3) Verify that all Grant funding will be utilized in entity’s Oregon business operations.

(4) Provide a sound business plan and demonstrate financial stability.

(5) Complete an Equity Centered Management Plan.

(6) Provide a reporting and outcomes tracking plan.

(7) Any other provision as established by the Department.

STATUTORY/OTHER AUTHORITY: HB 2761 (2023)

STATUTES/OTHER IMPLEMENTED: HB 2761 (2023)

ADOPT: 813-375-0021

RULE TITLE: ELIGIBLE GRANT USES

RULE SUMMARY: Eligible uses of the Modular Housing Development Fund.

RULE TEXT:

New or expanded capacity uses shall demonstrate that funding will boost current or new production of modular home or component by, but not necessarily limited to, the following activities:

(1) Increasing manufacturing space;

(2) Purchasing equipment;

(3) Standardizing design;

(4) Developing infrastructure;

(5) Enhancing transportation; and

(6) Making advancements in materials and technology.

STATUTORY/OTHER AUTHORITY: HB 2761 (2023)

STATUTES/OTHER IMPLEMENTED: HB 2761 (2023)

ADOPT: 813-375-0026

RULE TITLE: FUND AWARD

RULE SUMMARY: Award process for the Modular Housing Development Fund.

RULE TEXT:

The Department, in its sole discretion, shall determine Grant(s) awarded from the Fund.

(1) Upon approval of an award from the Fund, the Department will enter into a binding Grant Agreement with the successful Applicant(s).

(2) The Grant Agreement shall be in a form provided by the Department.

(3) OHCS will make Grantee information available to Oregon's Office of Emergency Management and affordable housing development partners.

STATUTORY/OTHER AUTHORITY: HB 2761 (2023)

STATUTES/OTHER IMPLEMENTED: HB 2761 (2023)

ADOPT: 813-375-0031

RULE TITLE: PROGRAM ADMINISTRATION, REPORTING, AND OVERSIGHT

RULE SUMMARY: Administering and evaluating effectiveness of the Modular Housing Development Fund program.

RULE TEXT:

The Department may require specific reporting provisions designed to track investment outcomes for the Oregon Legislature following funding award. Grantees may be required to report to the Department on progress made in meeting all obligations set forth in the Grant Agreement.

(1) Reporting may include but may not be limited to:

(a) The eligible use of funds;

(b) Increases in output from reported pre-award baseline for each Grantee that can be directly or indirectly tied to the Grant investment, and the methodology associated with reported data;

(c) Information on orders received for wildfire response, natural disaster, and low- and middle-income housing and how orders were prioritized and completed;

(d) Accounting of resource investment;

(e) The performance standards expected of Grantee;

(f) Additional impacts of investment;

(g) MWESB participation goals compliance report, if applicable;

(h) Progress report on any other stated goal or outcome as determined by the Department;

(i) Other provisions that the Department considers necessary or appropriate to implement the award.

(2) In the event of a contract default, any recovered funds will be returned to the Fund and may be awarded to another Applicant.

STATUTORY/OTHER AUTHORITY: HB 2761 (2023)

STATUTES/OTHER IMPLEMENTED: