

OREGON HOUSING AND COMMUNITY SERVICES

Modular Housing Development Fund (MHDF)



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House Interim Committee On Housing and Homelessness
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Modular Housing Development Fund Background





HB 2001 & HB 2889 (2023) Key Components

- HB 2001 gave a one-time \$20 million General Fund allocation for grants or loans to modular firms
- Legislative intent: spur capacity and expansion of modular housing industry in Oregon
- Entities receiving funds must agree to prioritize demand from these categories (in order):
 1. State and local governments after natural disasters
 2. Low-income housing
 3. Middle-income housing

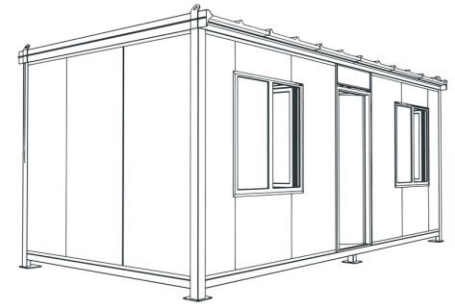




Implementation Milestones

Speed of fund delivery is a key priority for legislative partners.

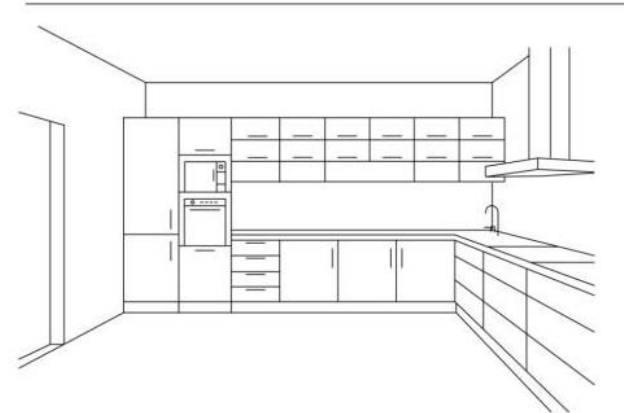
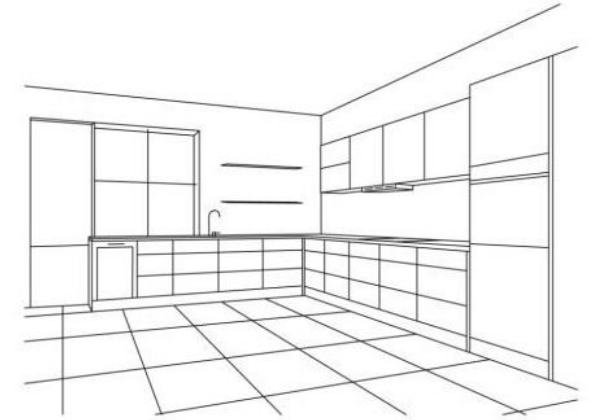
- Allocation received – July 2023
- Draft MHFD Framework – July/August 2023
- Partner Engagement – August 2023
- Oregon Housing Stability Council approval – November 2023
- Request for Applications (RFA) released – November 2023





Implementation Milestones continued.

- Request for Applications (RFA) closed – December 2023
- Application Scoring – December 2023/January 2024
- Grantees announced – February 2024
- Contracts finalized – May 2024
- Grant disbursement #1 – shortly after contract completion



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MHDF Request for Applications (RFA)

- OHCS received 17 eligible applications
- Applicants were asked to outline:
 - Plans to begin or expand modular housing production capacity
 - Projected outputs using MHDF grant funds
 - Plans to prioritize orders for disaster response and low- and middle-income housing
 - The firm's Equity Centered Management Plan, and other targeted questions





Awards

OHCS awarded \$20 million through four grants of \$5 million dollars to boost affordable modular housing production capacity in Oregon.

Organization	Amount	City
Blazer Industries Inc.	\$5 million	Aumsville
Intelifab, LLC	\$5 million	Klamath Falls
Pacific Wall Systems, Inc.	\$5 million	Phoenix
Zaugg Timber Solutions, Inc.	\$5 million	Portland





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Grantees





Blazer Industries, Inc. (Blazer)

Aumsville, OR

Proposal:

Blazer proposes a three-step approach:

1. Complete a production analysis and improvement plan
2. Invest in technology and software upgrades at their 100,000 square feet facility in Aumsville
3. Create three standardized designs with three prototypes

Projected Outputs:

- At full capacity, boost production to approximately 50-100 additional residential homes per year until the volume of residential projects reaches 250-300 units per year.

Prioritization Plan:

- Prototype development will prioritize wildfire/disaster recovery units first, then low- and middle-income units.



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Intelifab, LLC (Intelifab)

Klamath Falls, OR

Proposal:

Use grant funds to complete Phase III of their facility expansion plan:

- Adding 10,000 square feet of manufacturing space to their facility
- Adding a new production line
- Purchasing key pieces of equipment

Projected Outputs:

- Triple current output to 364 units per year at full capacity.

Prioritization Plan:

- Implement a transparent priority classification system.
- Retain potential surge capacity to produce 10 modules per week.





Pacific Wall Systems, Inc. (PACWALL)

Phoenix, OR

Proposal:

Use grant funds to expand their manufacturing space by building out an additional 20,000 square feet of warehouse and floor assembly space.

- Mass produce Accessory Dwelling Unit (ADU) kits.

Projected Outputs:

- Production increase of 30% above current baseline.
- At full capacity, approximately 2,000 units per year, up from 1,500.

Prioritization Plan:

- Keep robust inventory on hand ready to be deployed quickly.
- Retain a project manager responsible for prioritization.



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Zaugg Timber Solutions (Zaugg)

Portland, OR

Proposal:

Use grant funds to purchase several pieces of assembly and transportation equipment for their future production facility at Terminal 2 at the Port of Portland.

Projected Outputs:

- Produce approximately 700 affordable housing units/year at full capacity.

Prioritization Plan:

- Will implement a two-step approach: 1) delay fees for clients and 2) maintain reserve stock.



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Questions?

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