



HOUSE MAJORITY OFFICE

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Legislators bring \$20 million to boost affordable modular housing production across Oregon

OHCS grants announced on Feb. 1 for production in Phoenix, Aumsville, Klamath Falls, and Portland are the result of 2023 legislative action.

SALEM — On February 1, Oregon Housing and Community Services (OHCS) [announced](#) \$20 million in awards for modular housing development, a method of housing construction that accelerates affordable housing production. This money was a key piece of the housing package ([HB 2001](#)) passed by the Oregon legislature in 2023.

“It’s exciting to see the results of our work in the legislature and our efforts to increase our housing supply in Oregon,” said **Rep. Maxine Dexter (D-Portland)**, who chairs the **House Committee on Housing and Homelessness**, and helped to pass HB 2001. “Oregonians are struggling with homelessness and housing instability because of the severe lack of available housing options. These funds are a crucial part of our plan to accelerate housing production in an affordable and efficient way.”

In passing HB 2001 in 2023, the legislature made an historic investment that directed multiple agencies to take immediate action to respond to the housing crisis and plan for future housing production. As a result, OHCS created the Modular Housing Development Fund (MHDF) to distribute the \$20 million allocated through House Bill 2001 in the 2023 legislative session in ways that will close the affordable rental housing gap, expand homeownership opportunities for low-income and moderate-income Oregonians, and unlock housing opportunities in rural communities.

OHCS worked quickly to get funds out the door. Applications were opened in November 2023, 17 eligible applicants were considered, and the agency announced this week their intent to award funding to the following organizations serving specific regions:

- Aumsville, Blazer Industries, Inc., \$5 million

- Klamath Falls, Intelifab, LLC, \$5 million
- Phoenix, Pacific Wall Systems, Inc., \$5 million
- Portland, Zaugg Timber Solutions, Inc., \$5 million

Funding will be used to establish or expand production capacity to meet demand for modular housing in three areas: 1) state and local governments responding to a wildfire or other disaster; 2) low-income housing construction; and 3) middle-income housing construction.

“I am thrilled to see that two \$5 million grants have been issued to companies in southern Oregon,” said **Rep. Pam Marsh (D-Phoenix)**, who was a key proponent of the legislation and of modular housing construction, specifically. “Growing our modular sector will help us address our housing shortage—and provide a source of temporary and long-term housing in the event of another natural disaster.”

Housing is considered modular when building sections are built in a factory and then put together at the intended site. The modular method of housing development can help accelerate affordable housing production as it can lower construction costs and reduce construction schedules compared to traditional building methods.

“Modular housing is an important part of making housing more affordable in Oregon,” said **House Majority Leader Julie Fahey (D-West Eugene & Veneta)**. “These grant awards show that our investments in 2023 are paying off. Next week, we begin the short session to continue breaking down barriers to building more housing for anyone living, working, and raising a family in Oregon.”

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