

Project could address housing woes in southern Oregon

By JULIET GRABLE
Jefferson Public Radio

In the fall of 2020, just after the Alameda fire had devastated the Rogue Valley, Tom Cody traveled through the burn zone. Driving along Highway 99, he witnessed block after block of destruction — homes, businesses, apartments and RV parks reduced to ash and rubble. Cody, founder and managing partner at Project[^], a Portland-based real estate development firm, felt compelled to help rebuild.

If all goes according to plan, his new apartment development will break ground in Medford this summer. But MOSAIC is no ordinary construction project; instead, the 148 units will be built in a modular factory, then trucked to the site. The project is being funded in part by a state initiative aimed at helping communities recover from the Labor Day fires of 2020. It's also an experiment aimed at tackling multiple issues at once: rising material costs, a severe shortage of construction labor and an urgent need for housing for working families and fire victims.

The devastating fires that torched off in September 2020 destroyed over 4,000 homes in at least nine Oregon counties. Between the Alameda and South Obenchain fires, Jackson County suffered the worst impacts. More than 2,300 dwellings were lost, many of them manufactured homes and RVs.

"The fires burned through where our most vulnerable populations live: retirees, older people, Latinx, and working people," says state Rep. Pam Marsh, an Ashland Democrat who represents southern Jackson County. "Where we are now is an example of climate injustice."

The fires exacerbated what was already a dearth of affordable and workforce housing in the Rogue Valley.

Housing for the 'missing middle'

Through the governor's office, Cody learned about the state's push to find innovative ways to deliver new projects quickly, including modular prefabrication. He was already developing a modular apartment project for Bend — a first for his company — so he decided to apply the same concept to a new wildfire relief project in the Rogue Valley.

"My attitude is, it's always easier to talk about something if you have a case study," Cody said.

He started looking for land for the development, initially focusing on those in the burn zone. Soon Cody learned about an undeveloped 7.5-acre property owned by Ivanko Gardens Apartments. Last spring, Project[^] purchased the property, a long, narrow parcel tucked between a residential neighborhood and an apartment complex in northeast Medford.

In June, the state Legislature approved a \$600 million dollar package which included \$150 million for wildfire recovery housing supply and land acquisition. As part of that funding, then-Rep. Brian Clem, a Salem Democrat and chair of the House Special Committee on Wildfire Recovery, championed an initiative called Oregonians Rebuilding Oregon.

"The original idea was to provide temporary shelters for fire victims that could be repurposed, possibly for those experiencing homelessness," Clem said. The initiative would also create economic activity in the state by requiring the units to be built by Oregon companies and labor, and, possibly, use lumber salvaged from burned roadways.

Marsh, who also served on the House committee, thought the MOSAIC project was a "perfect fit."

"It's really hard to develop workforce housing in the Rogue Valley," Marsh



A rendering of the MOSAIC modular prefabricated housing complex planned for Medford by Project[^].

Tom Cody

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said. Subsidies and incentives are not available for projects in the "missing middle" between affordable and market-rate housing. From a developer's standpoint, it's hard to make them pencil out.

Project[^] negotiated with Oregon Housing and Community Services on the terms of a \$10 million loan, which was offered at 0% for the first 24 months and 1% thereafter. In exchange, 100% of MOSAIC's apartments must be marketed as workforce housing. The units will be available to those who earn at or below 120% of area median income, and rates will be set so households don't pay more than 30% of their income on rent.

"We wouldn't be doing MOSAIC in Medford were it not for OHCS," Cody said.

Another stipulation is that the units must be built in Oregon. Cody is negotiating with a company in Klamath Falls called InteliFab to produce the structures. If all goes according to plan, Cody said, MOSAIC will cost 30% less and will be built 40% faster than a conventional multifamily project.

Prefabricated modular construction, or "prefab," can save both time and materials, said John Mick, owner of InteliFab. The modules can be framed while the sites are being excavated and concrete foundations poured, and work can carry on without weather delays. Extensive preplanning can also help managers catch errors before construction begins.

MOSAIC will consist of nine three-story buildings and will include one, two and three-bedroom floor plans. Amenities, such as kids' play areas, will be tailored for working families. The project will be built to Earth Advantage Platinum, a green building standard that addresses five "pillars" of sustainability: energy, health, land, materials and water.

Modules are built using conventional light-wood construction methods, and while machines supplement human labor, the process is not so different from site-built construction, Mick said. "The biggest difference

an employee sees is that they are less impacted by weather, and their job is always in the same place."

Modular methods also reduce the carbon footprint of construction, Cody said, in part because building material deliveries to the site are drastically reduced.

Going modular can also potentially speed up the permitting process. While projects must seek land use approvals and permits for site improvements from the local jurisdiction, most of the building permitting happens in the factory, at the state level. Oregon also offers a "master permit" for prefabricated construction.

"If you get permitted for a particular building, you can use it on multiple sites," explains Cody. Project[^] intends to use module plans approved for the Bend project in Medford. Modular construction also offers flexibility, Cody said. Once cranes swing the factory-built modules into place on site, siding and roofing will be installed, selected to best fit the character of the neighborhood.

The need to innovate

There is great demand for housing across the state, especially affordable and workforce housing, said Greg Wolf, executive director at Oregon iSector, a non-profit that supports public-private partnerships that are addressing various community challenges.

"We really have a serious problem here in Oregon," Wolf said. "We're tied for last in having (the) worst housing deficit in the country."

According to Wolf, Oregon underbuilt 150,000 homes between 2000 and 2015, and the state must build at least 29,000 units a year just to keep up with demand. A severe labor shortage, gaps in the supply chain, and growing homeless population are worsening the crisis.

In some regions, the housing shortage is directly impacting economies, Wolf said. On the coast, for example, while vacation rentals proliferate, people in service industries like teaching

and firefighting can't afford to work and live in their communities.

To tackle these issues, the Oregon iSector's board of directors is spearheading an effort called the Housing Innovation Partnership, which launched late last year. Composed of representatives from public, private and civic organizations from across the state, its main objective is to identify innovative approaches that help build housing more quickly and affordably. Marsh and Megan Loeb, senior program officer at the Oregon Community Foundation, are co-convening the effort.

Working groups have formed to tackle different issues — financing mod-

els and modular housing, for example. Cody is part of a group studying incentives that could help make workforce housing projects viable. Ultimately, the partnership will develop an "innovation agenda" they can present to the Oregon Legislature in 2023.

Several promising ideas are already cropping up. The Port of Portland, for example, is exploring the possibility of building a modular housing manufacturing facility that utilizes cross-laminated timber panels. These strong but lightweight panels are composed of layers of solid wood that are glued together. They can be made from small-diameter trees, including those thinned to

improve the health of Oregon forests.

In Eastern Oregon, the towns of Lakeview, Burns, and John Day are partnering in a new intergovernmental agency aimed at spurring new housing, in part by utilizing 3D-printing technology to build foundations and walls. A lack of quality housing stifles economic development in these towns, but they lack the labor to build enough new housing quickly. By teaming up, they hope to garner enough resources to build 100 houses in each community over the next five years.

Back in Medford, MOSAIC will be a test case to see if alternative construction methods can get units on the ground more quickly. Cody hopes the project can break ground this summer, but it will depend on scaling up a manufacturer like InteliFab to build the boxes.

"There's currently no modular builder or factory in Oregon that is capable of building the modules, yet we have this state requirement (to build them in Oregon)," Cody said. "That is our biggest challenge right now."

InteliFab is in the process of shifting its operations from panelized construction to modular prefabrication. To that end, the company has enrolled four current and two new employees in a 12-week basic construction skills course at Klamath Community College. WorkSource Oregon will reimburse InteliFab for half of the cost of tuition. Employees will see a wage increase once they complete the course.

"We have to start doing something different on the housing front," said Marsh, who wrote a letter urging the Oregon Higher Education Coordinating Commission to provide grant funding for the college's training program. "If we keep just swinging hammers we'll never get ahead."

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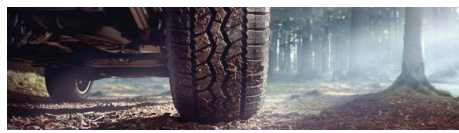
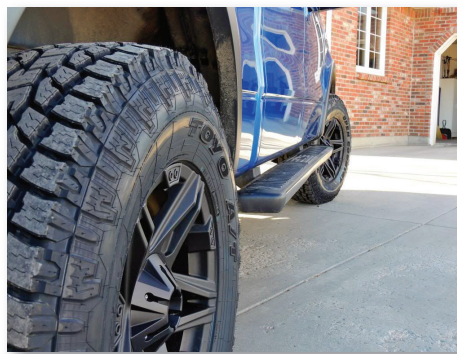
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Because of flooding, there will be limited parking at the lodge, but there will be buses running between the lodge and the parking lot at Teevin Bros. Land and Timber every 15 minutes. We will need to leave room at the lodge for handicapped parking as well to let the shuttle drop off and pick people up. Thank you for your help with this!