

SB 977 -1 STAFF MEASURE SUMMARY

Senate Committee On Housing and Development

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Meeting Dates: 3/29, 4/3

WHAT THE MEASURE DOES:

Directs Housing and Community Services (OHCS) to study housing and report back to committee of Legislative Assembly related to housing no later than September 15, 2024.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Replaces measure.

Exempts prevailing wage rate requirements from residential construction in which a public agency or private owner converts a building from nonresidential to housing; portions of mixed-use buildings that are affordable housing if at least 60 percent of the building consists of affordable housing; and other types of construction defined in local ordinances or codes that the commissioner may consider in determining wage rate applicability. Applies to procurements for public works a contracting agency advertises, solicits, or enters into. Becomes operative January 1, 2024, and allows Commissioner of Bureau of Labor and Industries to take preparatory action prior to operative date.

Takes effect on 91st day following adjournment sine die.

BACKGROUND:

In Oregon, affordable housing projects are exempt from prevailing wage rate requirements. However, the inclusion of any commercial space in such projects removes the exemption for the entire project, not just for its commercial components. This can make it cost-prohibitive to develop affordable housing in conjunction with services, retail, and other non-residential uses. A February 2022 OHCS report to the Oregon Joint Committee on Ways and Means, for example, determined including child care facilities with affordable housing added 10-20 percent to development costs.

Senate Bill 977 directs the Department of Housing and Community Services (OHCS) to study issues related to housing and report back to a housing committee of the Legislative Assembly on or before September 15, 2024.