



March 28, 2023

Senator Kayse Jama
Chair, Senate Committee on Housing and Development
900 Court St NE, S-409
Salem, OR 97301

Re: Senate Bill 977

Dear Chair Jama and Members of the Committee:

The Oregon Housing Alliance strongly supports SB 977, which will resolve a double standard in current statute that adds significant expense to affordable housing construction *if* those homes are part of a mixed-use development. As the Bureau of Labor & Industries has interpreted the existing affordable housing exemption from prevailing wage requirements, combining affordable homes with any commercial space results in prevailing wages being required for the entire development – including the housing that would otherwise be exempt. As a result, commercial spaces are rarely included in affordable housing developments, even when those developments are located in mixed-use zones that require non-residential uses on the ground floor. This outcome is counterproductive to our state's goals for housing production, livable neighborhoods, and economic prosperity.

Under the current system, workers lose out on the higher prevailing wages they could have earned for the commercial portions of mixed-use developments that never happen. Affordable housing residents lose out on access to employment opportunities and community services that could otherwise be located adjacent to their homes. And neighborhoods lose out on community-serving amenities such as small business storefronts, food carts, childcare centers, in-home child cares, health clinics and libraries – all of which are specific uses that have been envisioned by affordable housing developers in Oregon but were then scrapped because they could not afford the higher construction costs for the housing that would have accompanied those amenities in mixed-use projects.

SB 977 will allow all affordable housing – whether it happens to be part of a mixed-use project or in a stand-alone development – to be built under the same rules. Prevailing wages will be paid for construction of the commercial portion of mixed-use developments without affecting the cost of the affordable housing portion. The result will be a win-win for workers, neighborhoods and households that are desperately waiting for affordable homes all across Oregon.

Sincerely,

A handwritten signature in black ink, appearing to read "Cameron Herrington".

Cameron Herrington
Director of Policy and Advocacy, Oregon Housing Alliance
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