



Farmworker Housing Development Corporation

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Chair and Members of the Labor and Business Committee,

Farmworker Housing Development Corporation (FHDC) respectfully submits this written testimony in strong support of **SB 1566**.

FHDC is a nonprofit affordable housing developer serving farm workers and working low-income families in Willamette Valley. Our work focuses on housing stability for essential workers who are often priced out of the communities where they live and work. We appreciate the Legislature's continued commitment to balancing worker protections with the urgent need to increase the supply of affordable housing.

SB 1566 strikes that balance.

Over the past several years, interpretations by the Bureau of Labor and Industries (BOLI) regarding prevailing wage applicability have unintentionally created barriers for affordable housing developments. In practice, these interpretations have caused multiple projects to stall, be significantly downsized, or become financially infeasible, particularly in rural areas where funding sources are limited and construction costs already strain project viability.

SB 1566 addresses these challenges in a thoughtful and targeted way.

First, the bill clarifies that **loans between public and private partners do not, by themselves, trigger prevailing wage requirements**. This clarification is critical. Affordable housing relies on layered financing and treating standard loans as public works has discouraged partnerships that are essential to bringing projects to completion.

Second, SB 1566 **exempts site infrastructure from triggering prevailing wage across an entire project**. Under current interpretations, limited infrastructure work can unintentionally apply prevailing wage to housing construction that is otherwise privately financed. This bill restores proportionality and predictability.

Third, the bill **allows limited on-site commercial space**, such as childcare facilities. For families we serve, access to childcare is not a luxury, it is a necessity that supports workforce participation and family stability. SB 1566 recognizes this reality without opening the door to unrelated commercial development.

Fourth, the bill **exempts prior use of a site**, allowing former commercial or industrial properties to be redeveloped into affordable housing. This provision supports smart growth, infill development, and the reuse of underutilized land—especially important in communities with limited available sites.



Importantly, SB 1566 **keeps income-restriction requirements intact**. The bill does not dilute affordability standards. It simply removes unnecessary barriers that prevent projects from being built in the first place.

From a growth perspective, the bill makes crucial adjustments:

- It **raises the threshold for rural projects to \$250,000**, reflecting the economic realities of rural development.
- It **allows up to seven stories in metro areas**, enabling structured parking solutions and modern building code options that reduce long-term costs and increase density where it is most needed.


At the same time, SB 1566 maintains strong worker protection. **Prevailing wage continues to apply to actual public construction**, and exemptions are narrowly tailored to apply only to affordable housing development.

In short, SB 1566 does not weaken worker protections, it clarifies them. It does not reduce affordability, it enables it.

For organizations like FHDC, this bill means the difference between projects that move forward and projects that remain on paper. For Oregon families, it means homes that are safe, stable, and affordable in the communities where they work.

We respectfully urge the Senate Committee on Labor and Business to support SB 1566. Thank you for the opportunity to submit this testimony and for your continued leadership on housing and workforce issues.

Sincerely,


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