

SB 1566 Support

February 9, 2026

Chair Taylor, Vice Chair Hayden, Members of the Committee:

Thank you for the opportunity to testify today. For the record, my name is Jodi Hack, here today on behalf of the Oregon Home Builders Association and the Oregon Realtors. We strongly support SB 1566.

Oregon is in a housing crisis. The Governor has called to produce tens of thousands of additional housing units each year. To meet that goal, we must remove barriers, reduce uncertainty, and create a stable environment for housing investment. And importantly, we need production of **all housing types**—affordable housing, workforce housing, and market-rate housing. Every unit matters.

This bill provides much-needed clarity around when prevailing wage applies to affordable housing projects, and more appropriately defines what constitutes “funds of a public agency.” By eliminating ambiguity around loans, bonds, and infrastructure-related value added to land, the measure restores predictability for builders and developers trying to finance and deliver affordable housing projects and we hope to see it include ALL housing types not just affordable.

That predictability is urgently needed.

I was recently informed that the City of Salem is preparing to update all of their SDC methodologies later this year in part due to a determination made by the City within the last two years that any projects that receive \$750,000 or more in SDC reimbursements or pass-thru SDC credits are subject to prevailing wage requirements.

The BOLI determination involving the waterfront project in Eugene also sent shockwaves through the development community. A privately financed housing project was later determined to be subject to prevailing wage requirements based on interpretations that were not clearly understood at the outset. Regardless of one’s view of that specific case, the broader impact has been profound: there is no certainty for builders or developers that their project will not be deemed subject to prevailing wage after financing is secured and construction is underway.

When that kind of uncertainty exists, lenders hesitate. Investors pull back. Projects are re-scoped—or abandoned altogether.

While this bill includes important clarifications and exemptions for certain affordable housing projects, **we want to emphasize that the need for certainty extends beyond affordable housing** alone. Oregon’s housing shortage is across the spectrum. If we discourage private investment in workforce and market-rate housing, we worsen overall supply constraints and drive up costs for everyone.

Additional, unexpected prevailing wage costs—combined with the risk of potential enforcement—represent yet another barrier to housing investment and production in this state. At a time when we are asking the private sector to help solve the housing crisis, we must ensure that rules are clear, consistent, and predictable for all housing projects.

SB 1566 moves us in the right direction. It provides clarity, adjusts outdated thresholds, and helps ensure that affordable housing projects can be financed and delivered but again there is a need to do more – this measure needs to include **ALL housing types**, and we hope to continue having those conversations with the bill sponsors. Thank you for your time today.

Jodi Hack