

<b>Date:</b>	<b>February 11, 2026</b>
<b>To:</b>	Chair Taylor, Vice Chair Hayden, Members of the Senate Committee on Labor and Business
<b>From:</b>	<b>Association of Oregon Counties Legislative Affairs Manager, Justin Low</b>
<b>Subject:</b>	<b>Support – SB 1566</b>

Thank you for the opportunity to provide testimony in support of SB 1566. For the record, my name is Justin Low and I am providing testimony on behalf of the Association of Oregon Counties (AOC).

Oregon’s local governments are on the front lines of the housing affordability crisis. Whether through infrastructure investment, land disposition, housing authorities, or partnerships with nonprofit and private developers, counties are deeply invested in efforts to increase the supply of affordable housing across our state.

In many communities, particularly mid-to-small-sized counties, the feasibility of housing projects is sensitive to cost increases and regulatory complexity. We share many of the concerns raised in prior testimony submitted by local governments in support of SB 1566.

As amended, SB 1566 modifies ORS 279C.810 to expand and clarify exemptions from prevailing wage requirements for certain privately owned affordable housing projects. Counties respect and appreciate the role prevailing wage laws play in supporting Oregon’s workforce. However, in practice, the current statutory framework can unintentionally discourage or derail affordable housing projects—particularly when modest levels of public involvement trigger full prevailing wage requirements across an entire development.

For many county-supported housing projects:

- Public participation may be limited to land preparation, infrastructure extensions, environmental remediation, or small-gap financing.
- Counties may convey land at below-market value subject to affordability covenants.
- Housing authorities may participate as minority partners in nonprofit or public-private structures.

Under existing law, these types of participation can create uncertainty or automatically trigger prevailing wage requirements, even when the project is fundamentally a privately owned affordable housing development. In smaller counties, where margins are thin and construction capacity is limited, even modest cost increases can be decisive on whether a project is viable or not.

Importantly, SB 1566 does not eliminate prevailing wage law. Instead, it draws clearer lines around when projects are considered public works and when privately owned affordable housing developments should not automatically be swept into prevailing wage requirements due to adjacent public participation or investment.

Oregon counties are committed to increasing housing supply, supporting affordable housing production, and respecting existing prevailing wage law. SB 1566 provides important clarifications to ORS 279C.810 and moves the state toward a more workable framework for public-private affordable housing partnerships. We urge support of this legislation to ensure affordable housing projects remain financially viable across all regions of Oregon.

Thank you for your time and consideration.

Sincerely,

Justin Low  
Legislative Affairs Manager for Governance and Revenue