



February 9, 2026

Senate Committee On Labor and Business

Re: Support of SB 1566

Dear Chair and Members,

I vehemently support SB 1566 amending ORS 279C.810 in an effort to produce more affordable housing options.

As a multifamily developer with thirty years in the industry, who has participated in the production of thousands of units within the State of Oregon, I am happy to provide a multitude of examples where housing projects were reduced or outright cancelled due to the overreaching actions of the Bureau of Labor and Industries (BOLI) should this information be helpful.

Some facts to consider:

- There are two items which most impact rents today in Oregon – (1) the number of units produced or supply, and (2) the cost to produce these units which impacts the previous item. Prevailing projects negatively impacts both of these considerations.
- National developers are closing their offices in Oregon, regional and local developers, including our firm, are looking for development opportunities outside of the state. Policies such as inclusionary zoning, rent caps, CAT tax, and the aggressive prevailing of projects by BOLI are chasing equity away from development in our state further reducing housing production causing increases in rent. Without private investment, meaningful production of housing will not occur.
- BOLI is in an aggressive mode to expand the definition of public works to include such things as closing costs which in no way relate to the actual cost of construction. Whereas I understand the current position of BOLI to support a significant, political voting block and campaign financing source for the current, majority party in the state, their aggressive approach to prevail every project, even when in direct conflict to ORS, is contributing to the housing shortage. As the elected representatives of your constituents, I would hope you would consider that which is best for the majority and not just political expediency.
- If in an effort to prevail every project, BOLI determines that any development connecting to a public infrastructure project (roads, water, storm, sewer) whose value exceeds the \$750K cash cap triggers Oregon Prevailing Wage Laws, imagine the forced increase in cost of housing production and associated impacts to rents, let alone the decrease in private investment. Please note this cash cap has not increased in decades.
- When considering who would oppose a bill which allows housing to be produced at a lower cost point and thereby decreasing rents, I would hypothesis that most if not all would be from unions. By prevailing projects, you artificially level the playing field where union firms may compete with non-union. The arguments are typically prevailing wages are necessary for a living wage, and, union workers mean a safer, higher quality, more



efficient execution. I suggest you consider the origin of unions around workplace safety and child labor, and the organizations such as OSHA which now prevent those conditions. In labor constrained areas such as Portland Metro, the exact same workers will travel from union to non-union contractors depending upon who has work at any given time. We contract with both union and non-union general contractors and have seen this pattern play out over multiple economic cycles. There is no difference in the quality of labor provided if we are discussing the same individuals. There is, however, the expenditure of additional constituents' tax dollars with the exact same outcome when considering publicly funded housing. When the non-union electricians on our non-prevailed developments are earning close to \$200k per year, are we really discussing whether a living wage is being paid?

- One of the key questions during testimony was whether this bill represented "wage erosion" or merely clarifications to how BOLI should be applying ORS. If the goal of the bureau is to prevail every project, then this could be considered wage erosions. However, if the goal is to apply the ORS as originally intended and written in plain language, then this bill curtails what is clearly a legal basis for challenge of how BOLI has been applying their power. What has not been discussed is should prevailing a project kill it outright, then the labor rates really don't matter as all workers will be sitting on the sideline and that housing will not be produced. If the cost per unit is increased due to being prevailed, then you are producing less units with the same amount of public funds. Are we serious about maximizing production?

This bill is a good start, but the conditions proposed within should apply to all housing, not just affordable. For should you believe in the economic theory of supply and demand, should you assess individual, geographic markets where the most housing has been produced in the last few years regardless of whether that housing was rent restricted or not, you will see that rents decrease across the entirety of the product class spectrum when significant production of all product is supported. In representing your constituents and the need for affordable housing, does that not apply to all housing regardless of one's income?

Thank you for your commitment to spend your valuable time supporting your constituents through the execution of policies, regulations, and legislation which leads to the most fulfilling quality of life for the majority, not special interest groups. The long session made some significant reforms to facilitate housing from a land use perspective. Please do not work backwards by creating additional financial hurdles which nullify that momentum.

Regards,

A handwritten signature in black ink, appearing to read "Seth W. Henderson".

Seth W. Henderson
PMP, CCM, LEED AP
Cofounder/Partner