



March 14, 2023

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

Re: Support for SB 847

Dear Chair Jama and Members of the Committee:

My name is Lisa Rogers and I am the Deputy Director of CASA of Oregon. CASA expresses our support for Senate Bill 847, which would expand the current exemption from prevailing wage requirements for affordable housing to apply to the affordable housing portion of mixed-use projects.

Oregon law currently requires affordable housing developers to pay the higher prevailing wage rate for any development -- including an affordable housing project -- that includes commercial space. SB 847 would expand options for affordable housing developers to consider projects they otherwise would likely turn down due to this requirement.

We also ask the proposed bill add an amendment to include preserved manufactured dwelling parks as affordable residential housing, and thus exempt from prevailing wage requirements. Currently, BOLI is concluding that because the majority of planned construction work is related to infrastructure, it is not “residential housing” and, therefore, not exempt from payment of Prevailing Wage Rates (PWR) for affordable housing. The additional PRW cost is directly absorbed by the low income families that live within the park through higher rents. For one of our preserved parks, this will add about \$804K in PWR costs and \$8,000 in PWR compliance monitoring. The impact to the residents from that additional cost is approximately a \$50 per month increase in their space lease.

By extending the exemption to include manufactured home parks that are preserved as affordable housing and the affordable housing portion of mixed-use projects, SB 847 will enable affordable housing developers to incorporate childcare facilities, small business storefronts, and other community-identified priorities that are classified as commercial uses – while creating more work that does pay prevailing wages for the construction of those commercial spaces.

We call on this committee to expand that exemption to the affordable housing component of mixed-use projects and amend the rule to define preserved manufactured dwelling parks as residential housing and thus exempt from prevailing wage requirements.

Sincerely,

Lisa Rogers

Deputy Director