



February 9, 2026

Senate Committee on Labor and Business

Re: Support for SB 1566

Chair Kathleen Taylor and Senators Hayden, Campos, Drazan, and Patterson,

I am writing to urge your support for Senate Bill 1566, which will provide essential legislative direction to the Bureau of Labor and Industries and clarity to the affordable housing development industry.

Innovative Housing, Inc. ("IHI") is a nonprofit affordable housing developer and operator of more than 1,200 affordable rental homes in Oregon. The bulk of our housing is in the Portland metropolitan region, but we also have properties in Albany, Astoria, and Lincoln City. We are ardent proponents of SB 1566 because it helps remove cost barriers to developing new affordable housing and provides critical certainty and reliability around prevailing wage requirements.

The affordable housing exemption to prevailing wage determinations was enacted to facilitate and encourage the development of affordable housing. This exemption is important because a prevailed project must use commercial wage rates on the entire project (even residential portions) and typically increases development costs by 15-20%. This makes a huge difference in the financial viability of an affordable project.

Since 2006, IHI has requested and received many prevailing wage determinations from BOLI. Over the years, these determinations about whether our projects are eligible for the affordable housing exemption have been extremely inconsistent even though the enacting legislation has not changed.

As a developer, we need certainty around development costs. As things currently stand, we do not have that. As a mission-driven affordable housing developer facing increasingly prohibitive construction costs, we also need the affordable housing exemption that the legislature created for us. Unfortunately, too often we are denied that exemption.

Senate Bill 1566 clarifies several issues that we believe were originally intended by the Oregon Legislature and makes additional improvements that will enable IHI and our colleagues to build more affordable housing. These are common sense changes that preserve prevailing wage protections for public construction projects while also facilitating the creation of new affordable homes. In addition, **SB 1566 enables affordable**

developers to preserve and repurpose historic buildings, which is an environmentally sound and historically responsible way to create new housing.

For so many reasons, we request that you support SB 1566. It is a brave and important bill that will directly impact the creation of more affordable housing for Oregon.

Thank you for your time and service to our State.

Sincerely,

Sarah J Stevenson

Sarah J. Stevenson
Executive Director