



March 21, 2023

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

Re: Support for SB 989

Dear Chair Jama and Members of the Committee:

I write on behalf of Home Forward in support of Senate Bill 989 and -1 amendments. This bill would exempt affordable housing developments from prevailing wage requirements if the development includes a co-located child care facility with certain qualifications.

Home Forward is a Public Housing Authority (PHA) and the largest provider of affordable housing in the state of Oregon. We serve more than 15,500 Multnomah County low-income households by providing affordable housing, administering rent assistance, and providing supportive services. Our mission is to assure that the people of our community are sheltered. We own and manage over 6,500 homes throughout Multnomah County. We also provide households with services which range from youth support to health and wellness. Meanwhile, we fund rent assistance for thousands of households residing in private unregulated housing that we do not directly oversee. We administer emergency rent assistance programs that benefit landlords and tenants alike, including Short Term Rent Assistance, the Landlord Compensation Fund, and the Landlord Guarantee Fund.

Under current law, affordable housing developers are exempt from paying prevailing wages for the creation of affordable housing units. However, Bureau of Labor and Industries policy requires affordable housing developers to pay state prevailing wage rate for an entire development that includes commercial space. The vast majority of affordable housing developers cannot afford to pay the increased costs per unit on mixed-use projects that, but for their commercial space, would be exempt from state prevailing wage requirements.

Passage of SB 989 would allow affordable housing developers to more holistically address the needs of the community that will call the development home. One of these needs is quality daycare. Day care is critical to providing economic opportunities and pathways to self-sufficiently for residents of affordable housing. In Oregon, 69% of mothers of young children participate in the labor force. According to the Center for American Progress, 60% of people in Oregon live in a childcare desert which are associated with fewer mothers in the workforce. In addition, lack of childcare supply is uniquely experienced by Latinx families, 62% of which live in areas without enough licensed childcare providers.

As a systems partner, Home Forward is committed to responding to the needs of the community we serve. For example, Home Forward is currently in the development phase of a new projected on land owned by Portland Community College (PCC) in Portland's Cully neighborhood that will, upon completion, provide 84 affordable homes ranging from studios to 4 bedrooms adjacent to a brand-new PCC work force development center. Feedback garnered from community members and community-based

organizations made it clear that the co-location of an early learning center run by the Native American Family Services Center was important to the community and future residents. We listened and are excited to meet this need within this development. As the largest provider of affordable housing in the state, Home Forward is uniquely positioned to absorb the added costs that this entails. Unfortunately, the vast majority of developers do not have this same ability. Adoption of this bill will allow developers across the state to provide space for critical childcare services to their community without sacrificing the financial viability of a project.

One aspect of the bill that we would ask for further consideration and clarification is the ramifications if there is an instance where, in one calendar year, the childcare facility dips below the 75% enrollment threshold of children eligible for government-subsidized childcare or early learning. The fear of a retroactive application of a prevailing wage requirement may result in developers being overly cautious and not exercising this important exemption.

We ask that this committee support this bill and -1 amendment. Thank you for the opportunity to testify. Please contact Christina Dirks, Interim Director of Policy and Planning, Home Forward at (503) 348-1196 or christina.dirks@homeforward.org regarding these comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Christina Dirks', with a long horizontal flourish extending to the right.

Christina Dirks
Interim Director of Policy and Planning
Home Forward