



Immigrant & Refugee Community Organization

10301 NE Glisan Street, Portland, OR 97220

www.irco.org

March 22, 2023

RE: SB 979, Prevailing Wage and Co-Location of Affordable Housing and Early Learning

Dear Chair Jama, Vice Chair Anderson, and members of the Committee:

The Immigrant and Refugee Community Organization ("IRCO") is committed to removing barriers in early learning through principles based in social determinants of health by having co-located childcare services in affordable housing facilities. Oregon is grappling with "child care desert" problem - where there are 3 kids for every one child care slot.

In response to the growing demand for child care slots and new housing units, especially for larger families, IRCO secured funding under a collaborative partnership to provide co-located affordable housing and culturally specific no-cost preschool learning in Portland.

In May 2023, we will break ground on a 137-unit new construction site at 74th & Glisan in the Montavilla neighborhood in Portland, Oregon funded through a Portland Housing Bureau-Metro bond. Our original proposal to the Portland Housing Bureau ballparked the costs of the Early Learning Center preschool classroom at \$400,000 with the idea that it would be a classroom nested within the residential housing building.

However, as it stands, BOLI interpreted a preschool classroom as "commercial space", which triggered prevailing wages be applied and resulted in a separate stand-alone building for the preschool, increasing our costs for the Early Learning Center by 400% to \$2.6 million.

IRCO's recent 2022 Community Needs Assessment identified a prevalent need for more early learning options with bilingual staff from diverse backgrounds, with a native language and culture learning component. Local data shows that 30,000 more childcare slots will be needed to meet the base demand - in combination with 600,000 new housing units needed. This interpretation of childcare space as commercial space creates inequities. It not only adds significantly to the costs, but also make co-location difficult financially - even with subsidy and supports.

As we address these issues on housing and childcare collectively, such changes will ensure that projects that are co-located can continue forward in a manner that will not create undue burden on the limited resources of a community-based efforts on housing and child care. We are mindful of the complexity in providing such an exemption. We urge your consideration of the existing impacts and the potential impact to housing efforts going forward if the legislation as amended is passed.

Sincerely,

Sokho Eath

Immigrant and Refugee Community Organization