

Submitter: Daniel Ruby
On Behalf Of:
Committee: Senate Committee On Labor and Business
Measure, Appointment or Topic: SB1566

Chair and Members of the Committee:

I write in strong support of Senate Bill 1566. This bill provides a targeted and practical tool to expand attainable housing production in Oregon by exempting qualifying affordable housing projects from prevailing wage requirements under Oregon Revised Statutes 279C.810.

Communities across our state face a convergence of challenges: escalating housing costs, teacher shortages, and limited early childhood education capacity. In high-cost communities like Ashland, working families and school district employees are increasingly priced out. Without cost-containment mechanisms, many joint public-private housing projects simply do not pencil out—especially when they include community-serving components such as early childhood education.

The Ashland Affordable Housing Project, led by Sunstone Housing Collaborative in partnership with local stakeholders, is designed to provide attainable housing for working families and school district employees while integrating an on-site early childhood education component operated as a not-for-profit enterprise. This integrated model strengthens workforce stability and supports families, but it also adds capital and operational complexity.

SB 1566 is essential because it explicitly allows qualifying residential projects to remain exempt even if they include an on-site child care facility operated as a not-for-profit. Without this clarification, the inclusion of a small early childhood center could trigger prevailing wage requirements across the entire project, increasing construction costs and potentially eliminating financial feasibility.

The bill also reflects how affordable housing is actually delivered today. It recognizes long-term public land leases, partnerships with housing authorities, mixed-income thresholds in certain circumstances, and limited ground-floor commercial space. These clarifications reduce ambiguity that can deter lenders, equity investors, and local governments from pursuing creative housing solutions.

Across Oregon, school districts are exploring partnerships that include district-owned land leased long-term to nonprofit developers, joint ventures with housing authorities, and developments near schools that incorporate early childhood classrooms. SB 1566 modernizes statute to better support these models.

I respectfully offer several considerations to maximize the bill's effectiveness:

Clarify that long-term leases from school districts are treated consistently with other public agency leases to provide certainty for lenders and investors.

Ensure that partnerships between nonprofit early learning providers and school districts do not inadvertently reclassify projects as public works solely because of that collaboration.

Consider clarifying that workforce housing serving educators at up to 120 percent of Area Median Income qualifies under the bill's intent, recognizing the statewide teacher shortage.

Encourage early administrative rulemaking to provide predictability before the January 1, 2027 operative date.

SB 1566 is not a broad deregulation; it is a targeted adjustment that removes structural barriers to housing production while maintaining clear eligibility standards. By reducing unnecessary cost escalation on qualifying affordable housing projects, this bill can increase unit production, improve financial feasibility, support teacher retention, and expand access to early childhood education.

For communities like Ashland—and for districts statewide—this bill represents the difference between projects that move forward and projects that stall. I urge your support and thoughtful consideration of refinements that further enable integrated housing and early childhood education models.

Thank you for your consideration.