



February 11, 2026

Re: Support for SB 1566 – Prevailing Wage Clarification

Chair Taylor, Vice Chair Hayden, and Members of the Senate Labor and Business Committee:

On behalf of Better Housing Together, a multi-sector, community-led organization working to increase housing supply and affordability across Lane County and Oregon, we write in strong support of SB 1566.

Oregon's housing shortage is well-documented and persistent, and while significant effort has gone into addressing land use, zoning, and financing barriers, SB 1566 addresses a quieter but very real obstacle that is preventing housing projects from moving forward: the unintended expansion of prevailing wage requirements onto privately financed housing developments as a result of public investment in surrounding infrastructure.

SB 1566 does not weaken prevailing wage protections for public projects. Instead, it provides necessary statutory clarity so that privately owned and privately financed housing projects are not unintentionally swept into prevailing wage requirements solely because a public agency invested in adjacent infrastructure such as streets, utilities, or site preparation. This distinction is critical to maintaining housing feasibility while preserving worker protections where they are intended to apply.

From a housing perspective, the consequences of the current interpretation are significant and measurable. Projects that were financially viable under private construction assumptions are rendered infeasible after construction has begun or financing has been secured, introducing millions of dollars in unplanned costs. In some cases, this has stalled or halted projects entirely—leaving communities with vacant sites instead of much-needed homes.

In Eugene, a large privately financed housing development at the EWEB Riverfront—planned for more than two decades—has stalled following a Bureau of Labor and Industries determination that prevailing wage applied solely due to the City's investment in surrounding infrastructure. The result is approximately 1,000 planned apartments that remain unbuilt, despite an acute housing shortage and years of community planning. This interpretation is surprising, given that the city investment was made, and then the city sold the land at fair market value to the developer.

This outcome is not unique. Similar interpretations have impacted housing projects across Oregon, including fully funded affordable and workforce housing developments. These cases demonstrate how uncertainty around prevailing wage application can derail housing delivery, reduce supply, and undermine public investments already made in infrastructure.

Importantly, Oregon law has long recognized a distinction between public works and privately owned, privately financed housing. SB 1566 restores clarity and consistency to statute, ensuring that housing



policies function as intended and that infrastructure investments support—rather than unintentionally block—housing production.

At a time when Oregon urgently needs more housing of all types—affordable, workforce, and market-rate—SB 1566 removes a critical barrier that often determines whether a project moves forward or dies on paper. The choice before us is clear: completed homes, tax base, and community benefit—or stalled projects and empty land.

For these reasons, Better Housing Together respectfully urges your support for SB 1566. Thank you for your leadership and your continued commitment to addressing Oregon’s housing crisis with practical, targeted solutions.

Sincerely,

A handwritten signature in black ink, appearing to be 'Betsy Schultz', with a long horizontal flourish extending to the right.

Betsy Schultz
Board President
betterhousingtogether.org