



June 27, 2013

Stephen McMurtrey
Senior Housing Development Manager
Northwest Housing Alternatives
2316 SE Willard Street
Milwaukie, OR 97222-7740

Re: *Determination Whether Project is Subject to Prevailing Wage Rate Law*
Project: Julian Hotel
Requested by: Northwest Housing Alternatives

Dear Mr. McMurtrey:

On June 14, 2013, you submitted a request on behalf of Northwest Housing Alternatives asking if the Prevailing Wage Rate law would apply to the proposed Julian Hotel project. Your request asked for a determination based on the following two scenarios: (1) Full rehab beginning in 2014 and (2) Roof as a stand-alone project in 2014, with the balance of rehabilitation work to be completed at later date.

Sufficient information to make a determination was received on June 26, 2013, and therefore, the commissioner issues the following determination:

FINDINGS OF FACT:

1. Northwest Housing Alternatives owns the Julian Hotel in Corvallis. Northwest Housing is proposing a significant rehabilitation and seismic upgrade to the Julian Hotel. Northwest Housing Alternatives is a domestic non-profit corporation that builds and rehabilitates affordable housing for low-income Oregonians.
2. The Julian Hotel is a four-story building, with two commercial bays that serve the public. The Julian contains 30 one-bedroom units and 5 studio apartments. The Julian serves residents with incomes at or below 60% of the area median income (AMI).

PORTLAND

800 NE Oregon St. Suite 1045
Portland, OR 97232-2180
(971) 673-0761
Fax (971) 673-0762

SALEM

3865 Wolverine St. NE; E-1
Salem, OR 97305-1268
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3. Northwest Housing Alternatives proposes two potential scenarios for the rehabilitation of the Julian Hotel:
 - a. Scenario #1 – Full rehabilitation in 2014 that would include full building modernization, new construction (community room, office space), seismic upgrades, re-tuck of approximately 35% of the building brick, selective demolition of the building entry, full rehabilitation of historic windows, selective exterior painting and storefront glazing.
 - b. Scenario #2 – Roof as a stand-alone project in 2014 with the balance of rehabilitation work to be completed at a later date, likely one year later. Northwest Housing Alternatives would plan to use the same contractors.
4. Proposed financing for the two project scenarios is as follows:
 - a. Scenario #1 – Total project cost would be \$7,539,137
 - i. Funds of a Public Agency: \$400,000
 1. Oregon Housing & Community Services (“OHCS”)
 - a. Trust Fund - \$200,000
 - b. Low-Income Weatherization Program - \$100,000
 2. Corvallis Housing & Community Development:
Community Development Block Grant - \$100,000
 - ii. Other Funds: \$7,139,137
 1. Low Income Housing Tax Credits (LIHTC) - \$4,781,979
 2. Bank Loan - \$1,525,000
 3. Commercial Loan - \$375,000
 4. Applicant Loan - \$200,000
 5. Deferred Development Fees - \$143,502
 6. Cash During Rehab - \$113,656
 - b. Scenario #2 – Total project cost would be \$283,117
 - i. Funds of a Public Agency: \$100,000
 1. Corvallis Housing & Community Development:
Community Development Block Grant - \$100,000
 - ii. Other Funds: \$183,117
 1. Owner Equity - \$183,117

CONCLUSIONS OF LAW:

1. Northwest Housing Alternatives proposes two rehabilitation alternatives at the privately owned Julian Hotel. Because Northwest Housing Alternatives is a private entity and the proposed project scenarios will use funds of a private entity and funds of a public agency, the definition of “public works” under ORS 279C.800(6)(a)(B) should be considered.
2. The definition of “public works” under ORS 279C.800(6)(a)(B) applies to projects that are privately owned, use funds of a private entity and \$750,000 or more in funds of a public agency.
 - a. Scenario #1 would use funds of a private entity and \$400,000 in funds of a public agency.
 - b. Scenario #2 would use funds of a private entity and \$100,000 in funds of a public agency.

This definition will not apply to either of the proposed project scenarios because although the projects would be privately owned and use funds of a private entity, neither of the proposed project scenarios would use \$750,000 or more in funds of a public agency.

DETERMINATION:

Based on the foregoing, the Prevailing Wage Rate laws, ORS 279C.800 to ORS 279C.870, and OAR Chapter 839, Division 025, will not apply to the proposed scenario #1 Julian Hotel “full rehabilitation” project.

Based on the foregoing, the Prevailing Wage Rate laws, ORS 279C.800 to ORS 279C.870, and OAR Chapter 839, Division 025, will not apply to the proposed scenario #2 Julian Hotel “roof as stand-alone” project.

This determination is based on the agency’s file as of the date of this determination. The commissioner may make a different determination if any of the project information is incorrect, or if the project or project documents are modified or supplemented after the date of this determination.

REQUEST FOR RECONSIDERATION:

After the commissioner issues a determination, the requestor or any public agency served with a copy of the determination may request that the commissioner reconsider the determination. A request for reconsideration must be submitted in writing to the Prevailing Wage Rate Unit, must include the reason or reasons for the request and any documents in support of the request, and must be received within 15 calendar days of the date the determination was mailed. A request for reconsideration does not toll the time period for requesting a contested case hearing on the determination.

RIGHT TO A HEARING:

The requestor and any person adversely affected or aggrieved by this determination are entitled to a hearing as provided by the Administrative Procedures Act (ORS 183.413 to 183.470) and ORS 279C.817. If you want a hearing, the Bureau of Labor and Industries, Wage and Hour Division, must receive your written request for hearing within 21 days from the date this notice was mailed. Hearing requests should be addressed and delivered to:

Administrator
Wage and Hour Division
Bureau of Labor and Industries
800 NE Oregon St., Suite 1045
Portland, OR 97232

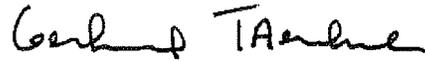
If a written request for hearing is not received within this 21-day period, your right to a hearing shall be considered waived.

If you request a hearing, you will be notified of the date, time and place of the hearing. You have the right to be represented by legal counsel at a hearing. However, if you are a government agency, corporation, partnership, or unincorporated association, you must be represented by either legal counsel or an authorized representative. If you request a hearing, you will receive information on Contested Case Rights and Procedures before the hearing. After the hearing, an order confirming, modifying or reversing this determination will be issued. This determination shall remain in effect until the final order is issued.

If you request a hearing, but fail to appear at any scheduled hearing, you will have waived your right to hearing, and the commissioner may issue a final order by default. If the commissioner issues a final order by default, the agency file on this matter shall serve as the record for purposes of proving a prima facie case. You are not entitled to judicial review of this determination order unless you have made a timely request for a hearing.

Date: June 27, 2013

BRAD AVAKIAN, Commissioner
Bureau of Labor and Industries



GERHARD TAEUBEL,
Administrator
Wage and Hour Division
Bureau of Labor and Industries

Certificate of Service

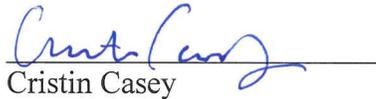
On June 27, 2013, I mailed the Prevailing Wage Rate Determination for the Julian Hotel project to the requestor and affected agencies, as follows:

Stephen McMurtrey
Senior Housing Development Manager
Northwest Housing Alternatives
2316 SE Willard Street
Milwaukie, OR 97222-7740

Certified Mail – Return Receipt Requested
Article #: 7012 2210 0000 1197 7455

Kent Weiss
Housing Division Manager
Corvallis Housing & Community
Development Commission
PO Box 1083
Corvallis, OR 97339-1083

Certified Mail – Return Receipt Requested
Article #: 7012 1010 0001 2377 9744



Cristin Casey
Compliance Specialist
Wage and Hour Division
Bureau of Labor and Industries