



April 6, 2015

Jessica Woodruff
REACH Orenco II LLC
c/o REACH Community Development, Inc.
4150 SW Moody Avenue
Portland, OR 97239

Re: *Determination Whether Project is Subject to Prevailing Wage Rate Law*
Project: Orchards at Orenco – Phase II
Requested by: REACH Orenco II LLC

Dear Ms. Woodruff:

On March 25, 2015, you submitted a request on behalf of REACH Orenco II LLC requesting a determination of whether the Orchards at Orenco – Phase II Project is subject to the Prevailing Wage Rate laws.

Sufficient information to make a determination was received on March 25, 2015, and therefore, the commissioner issues the following determination:

FINDINGS OF FACT:

1. REACH Orenco II LLC is a limited liability company with REACH Community Development, Inc., a domestic non-profit corporation, as its managing member. The Orchards at Orenco – Phase II project (the “Project”) will be developed and privately owned by REACH Orenco II LLC. At construction loan closing, REACH Community Development Inc., as sole and managing member of REACH Orchards II LLC will retain a 0.01 percent interest. Wells Fargo Affordable Housing Community Development Corporation will be the investor member, with 99.98 percent interest. The Housing Authority of Washington County, Oregon will be a Class B member with a 0.01 percent interest.

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2. The Project will consist of one three-story building that will contain 58 one- and two-bedroom units, all of which will be restricted to individuals and families with a median income of no greater than 60 percent of the area median income. The project will also include a garden, play area, plazas and bicycle parking, but no commercial space.
3. REACH Orenco II LLC will contract with Walsh Construction Co. to construct the Project.
4. The total project cost for Phase II is estimated to be \$13,641,399.00
 - i. Funds of a Public Agency: \$1,470,000
 - A. Oregon Housing and Community Services/GHAP - \$200,000
 - B. Oregon Housing and Community Services Low Income Weatherization - \$100,000
 - C. Washington County HOME - \$1,170,000
 - ii. Other funds: \$12,171,366
 - A. Permanent Loan (NOAH) - \$2,730,000
 - B. LIHTC Equity (Wells Fargo) - \$9,254,149
 - C. Energy Trust - \$37,250
 - D. NeighborWorks America - \$150,000

CONCLUSIONS OF LAW:

1. The Project meets the definition of “affordable housing” in ORS 279C.810(2)(d)(A), as the project will serve occupants whose incomes are no greater than 60 percent of the area median income. The Project will “predominately” provide affordable housing, as 100 percent of the units will be for affordable housing. ORS 279C.810(2)(d)(B).
2. The Project meets the definition of “privately owned” in ORS 279C.810(2)(d)(C)(ii), as the affordable housing project is owned by REACH Orenco II LLC. The Housing Authority of Washington County will be a member, but will not be a managing member, and will not be a majority owner in the limited liability company.
3. The proposed privately owned project will use funds of private entities and more than \$750,000 in funds of public agencies. Therefore, the proposed project meets the definition of “public works” under ORS 279C800(6)(a)(B).
4. The exemption for residential projects that predominately provide affordable housing in ORS 279C.810(2)(d) applies. The project meets the definition of a project for residential construction under ORS 279C810(2)(d)(D), as it will be an apartment building not more than four stories in height which will contain no

commercial space. The project is privately owned and predominately provides affordable housing.

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 Orchards at Orenco – Phase II.

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, Oregon 97232

If a written request for hearing is not received within this 21-day period, your right to a hearing shall be considered waived, this determination order will be final, and the agency file on this matter shall serve as the record for purposes of proving a prima facie case.

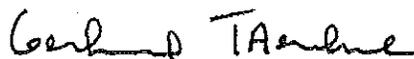
If you request a hearing, you will be notified of the date, time and place of the hearing. You have the right to be represented by legal counsel at a hearing. However, if you are a
REACH Orenco II LLC
Orchards at Orenco – Phase II
Coverage Determination

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 order 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.

Date: April 6, 2015.

BRAD AVAKIAN, Commissioner
Bureau of Labor and Industries



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

Certificate of Service

On April 6, 2015, I mailed the Prevailing Wage Rate Determination for the Orchards at Orenco Phase II Project to the requestor as follows:

Jessica Woodruff
REACH Orenco II LLC
c/o REACH Community Development
4150 SW Moody Ave.
Portland, OR 97239

Certified Mail – Return Receipt Requested
Article #: 7014 0510 0001 9849 7150

Tony Penrose
Oregon Housing and Community Services
725 Summer St. NE, Suite B
Salem, OR 97301-1266

Jennie Proctor
Washington County
Office of Community Development
328 West Main Street, Suite 100
Hillsboro, OR 97123

Craig Kelley
Housing Development Center
847 NE 19th Ave., Ste. 150
Portland, OR 97232



Rachel Diamond
Compliance Specialist
Wage and Hour Division
Bureau of Labor and Industries