



September 28, 2016

Brian Rousseau, Senior Procurement Coordinator
Home Forward
135 SW Ash Street
Portland, OR 97204

Re: *Determination Whether Project is Subject to Prevailing Wage Rate Laws*
Project: Square Manor
Requested by: Home Forward

Dear Mr. Rousseau:

On September 15, 2016, you submitted a request on behalf of Home Forward, asking if the Prevailing Wage Rate laws would apply to the proposed Square Manor project. Sufficient information to make a determination was received on September 21, 2016, and, therefore, the commissioner issues the following determination:

FINDINGS OF FACT

1. Home Forward, formerly known as the Housing Authority of Portland, is a public agency as defined in ORS 279C.800(5) and currently owns both Multnomah Manor and Gladstone Square, which are multi-family affordable living units. Multnomah Manor is located at 9110 NE Hassalo Street, and Gladstone Square is located at 12020 SE Gladstone Street. Both properties are located in Northeast Portland, OR, and both are two stories in height.
2. Beginning December 2016, Home Forward plans to preserve the housing for the existing residents with the same 101 units, but will remodel and upgrade both the Multnomah Manor and Gladstone Square dwellings, including the immediate and outside surrounding areas. The project is referred to "Square Manor." All 101 residential rental housing units will be restricted to households with incomes at or below 60% of the area median income. Upon construction, one additional management unit will be added for strictly office space use.
3. The project scope of work includes:
 - a) Multnomah Manor – Configuration of interior dwellings will include plumbing replacements, painting, carpentry, asbestos treatments, electrical work, some

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ADA unit conversions and accommodations, and a surveillance system. Construction outside the property will include paving and landscaping work, along with adding playground materials, and other heavy equipment.

- b) Gladstone Square – Configuration of interior dwellings includes both electrical and painting work, energy efficient upgrades, some ADA unit conversions and accommodations, and a surveillance system. Construction outside the property will include paving and landscaping work, along with adding playground materials, and heavy equipment.
4. Before commencement of the construction, Square Manor will transfer its ownership into a Limited Liability Partnership in which a yet-to-be determined private investor will be the Limited Partner with 99% ownership interest, and Home Forward will be the General Partner with 1% ownership interest.
5. The estimated total project cost is \$20,301,550.67. The funding sources for the project are as follows:

a) Funds of a public agency:	\$3,092,878.15
1. Portland Housing Bureau Existing loans	\$1,083,043.15
2. Portland Housing Bureau CDB Grant loan	\$1,000,000
3. Home Forward Cash	\$1,009,835
b) Other funds:	\$17,208,672.52
1. Limited Partner Equity	\$6,481,315.34
2. Permanent Loan	\$5,090,000
3. Deferred Dev Fee	\$300,000
4. Seller Financing Loan	\$5,040,081.85
5. Project Reserve Funds	\$297,275.33

CONCLUSIONS OF LAW

1. The definition of "public works" under ORS 279C.800(6)(a)(B) applies to projects that are for the construction, reconstruction, major renovation or painting of a road, highway, building, structure or improvement of any type that uses \$750,000 or more of funds of a public agency. The Square Manor multi-family residential apartment project will use at least \$3,092,878.15 in funds of a public agency; therefore, the definition of "public works" under ORS 279C.800(6)(a)(B) applies.
2. Pursuant to ORS 279C.810(2)(d), the Prevailing Wage Rate laws do not apply to projects for residential construction that are privately owned and that predominately provide affordable housing. The project will be privately owned as defined in ORS 279C.810(2)(d)(C)(ii), and meets the definition of "residential construction" under ORS 279C.810(2)(d)(D). In addition, the project will "predominately" provide "affordable housing" as defined in ORS 279C.810(2)(d)(A) and (B), as 100 percent of the project will be restricted to occupants with incomes no greater than 60 percent of

the area median income. Therefore, this exemption from the Prevailing Wage Rate laws will apply to this project.

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 construction, reconstruction, major renovation and painting of the Square Manor 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, 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.

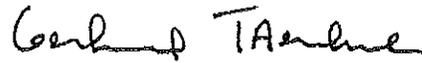
If you request a hearing, you will be notified of the date, time and place of the hearing. You have the right to be represented by legal counsel at a hearing. However, if you are a government agency, corporation, partnership, or unincorporated association, you must be represented by either legal counsel 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: September 28, 2016

Brad Avakian, Commissioner
Bureau of Labor and Industries

A handwritten signature in black ink, appearing to read "Gerhard Taeubel". The signature is written in a cursive style with a large initial "G" and a distinct "T".

Gerhard Taeubel, Administrator
Wage and Hour Division
Bureau of Labor and Industries

Certificate of Service

On September 28, 2016, I mailed the Prevailing Wage Rate Determination for the project known as the Square Manor project at 9110 NE Hassalo Street and 12020 SE Gladstone Street in Portland, Oregon to the requestor as follows:

Brian Rousseau
Senior Procurement Coordinator
Home Forward
135 SW Ash Street
Portland, OR 97204

Article #: 7015 0640 0000 9302 7932
Certified Mail — Return Receipt Requested


Monique Soria
Compliance Specialist
Wage and Hour Division
Bureau of Labor & Industries