



September 11, 2013

Katherine Solan, Project Coordinator
Vitus Innovative Development
1700 Seventh Ave, Suite 2000
Seattle, WA 98101

Re: *Determination Whether Project is Subject to Prevailing Wage Rate Laws*
Project: Cathedral Gardens Apartments
Requested by: Vitus Innovative Development

Dear Ms. Solan:

On September 5, 2013, you submitted a request asking if the Prevailing Wage Rate laws would apply to the proposed project known as the Cathedral Gardens Apartments. Sufficient information to make a determination was received on September 10, 2013, and therefore, the commissioner issues the following determination:

FINDINGS OF FACT

1. The proposed project consists of the acquisition and rehabilitation of the St. John's Woods apartment complex located in North Portland. The apartment complex is currently owned by Home Forward, a public agency. The acquisition and rehabilitation of the complex is referred to as the "proposed project."
2. Cathedral Gardens Partners, LP, a domestic limited partnership, plans to acquire and rehabilitate the proposed project. The sole member of Cathedral Gardens Partners, LP is Cathedral Gardens Management, LLC, a domestic limited liability company. Vitus Development, LLC, a foreign limited liability company, is the project sponsor of the proposed project. No public agency will own the project or be part of Cathedral Gardens Partners, LP.

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3. The proposed project consists of 16 two-story apartment buildings with a total of 124 units, plus a community center with a rental office, and large community gardens. The work to be done includes unit interior upgrades (new vinyl plank flooring, lighting fixtures, kitchen appliances, cabinetry, countertops, bathroom fixtures, toilets, vanities, tubs/showers), new exterior hardy plank siding, new vinyl windows and patio doors, exterior paint, new perimeter fencing, new site landscaping and property signage. The proposed project does not include any commercial space.
4. One of the units will be designated as a market-rate manager's unit. All other units will be made available to persons with incomes at or below 60 percent of the area median income.
5. Total project cost will be \$16,100,000. Funding for the project includes the following sources:
 - a. Funds of a public agency: \$11,700,000
 - i. HUD tax exempt bonds from Home Forward: \$11,700,000
 - b. Other Funds: \$4,400,000
 - i. "4%" low-income tax credits:

CONCLUSIONS OF LAW

1. The proposed project will not be carried on or contracted for by any public agency, and therefore does not meet the definition of "public works" under ORS 279C.800(6)(a)(A).
2. The proposed project will be privately owned and will use funds of a private entity and \$750,000 or more of funds of a public agency. Therefore, the proposed project meets the definition of "public works" under ORS 279C.800(6)(a)(B).
3. The prevailing wage rate laws do not apply to projects for residential construction that are privately owned and that predominately provide affordable housing. Therefore, although the proposed project uses \$750,000 or more in funds of a public agency, the exemption from the prevailing wage rate laws under ORS 279C.810(2)(d) will apply.

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 project known as the Cathedral Gardens Apartments.

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 A 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.

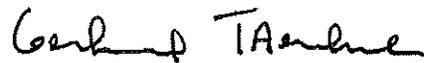
If you request a hearing, you will be notified of the date, time and place of the hearing. You have the right to be represented by legal counsel at a hearing. However, if you are a

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: September 11, 2013

Brad Avakian, Commissioner
Bureau of Labor and Industries



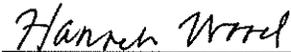
Gerhard Taeubel, Administrator
Wage and Hour Division
Bureau of Labor and Industries

Certificate of Service

On September 11, 2013, I mailed the Prevailing Wage Rate Determination for the proposed project known as the Cathedral Gardens Apartments to the requestor, as follows:

Katherine Solan, Project Coordinator
Vitus Innovative Development
1700 Seventh Ave, Suite 2000
Seattle, WA 98101

Janna Graham
Multifamily Finance and Resources Section
Oregon Housing and Community Services
725 NE Summer St
Salem, OR 97301-1266



Hannah Wood
Compliance Specialist
Wage and Hour Division
Bureau of Labor and Industries