



January 14, 2014

Julie E Garver, Housing Development Director
Innovative Housing, Inc.
219 NW Second Ave
Portland, OR 97209

Re: *Determination Whether Project is Subject to Prevailing Wage Rate Laws*
Project: Erickson-Fritz
Requested by: Innovative Housing, Inc.

Dear Ms. Garver:

On January 8, 2014, you submitted a request asking if the Prevailing Wage Rate laws would apply to the proposed project known as the Erickson-Fritz. Sufficient information to make a determination was received on January 14, 2014, and therefore, the commissioner issues the following determination:

FINDINGS OF FACT

1. The proposed project consists of the renovation of the Erickson Building and the Fritz Building, two adjacent properties located in the Old Town district in Portland.
2. The property consists of two three-story buildings. The buildings are currently owned by Innovative Housing, Inc., a public benefit domestic non-profit corporation. Innovative Housing, Inc. will contract for the reconstruction and remodeling of Erickson-Fritz and be the sole owners of the completed project.
3. The project will include the following: a) construction of 62 new apartment units; b) new building systems; c) a rental office; d) a resident services office; e) a community room for building residents; f) three small laundry rooms; g) a bicycle room; and h) storage units for residents.
4. Eighty-four percent of the units will be made available to persons with incomes at or below 60 percent of the area median income.

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Portland, OR 97232-2180
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5. Total project cost will be \$15,590,025. Funding for the project includes the following sources:
 - a. Funds of a public agency: \$6,354,033
 - i. Portland Housing Bureau Urban Renewal Funds: \$6,339,033
 - ii. Energy Trust Rebate: \$15,000
 - b. Other Funds: \$9,235,992
 - i. Low Income Housing Tax credits: \$2,966,750
 - ii. Portland Housing Bureau SDC Fee Waiver: \$474,000
 - iii. Permanent Loan: \$2,470,000
 - iv. Historic Tax Credits: \$2,350,242
 - v. Deferred Developer Fee: \$975,000

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 construction, reconstruction, major renovation and/or painting of the Erickson-Fritz 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 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: January 14, 2014

Brad Avakian, Commissioner
Bureau of Labor and Industries



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

Certificate of Service

On January 15, 2014, I mailed the Prevailing Wage Rate Determination for the proposed project known as the Erickson-Fritz to the requestor, as follows:

Julie Garver, Housing Development Director
Innovative Housing, Inc.
219 NW Second Ave
Portland, OR 97209



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