



STATE OF WASHINGTON
DEPARTMENT OF LABOR AND INDUSTRIES

Prevailing Wage
PO Box 44540 • Olympia, Washington 98504-4540
360/902-5335 Fax 360/902-5300

November 24, 2008

Ms. Allison Holmes, Housing Development Specialist
Office of Rural and Farm Worker Housing
1400 Summitview Avenue, # 203
Yakima, WA 98902-2965

Re: La Posada East & West Farm Worker Housing Development Prevailing Wage Rates

Dear Ms. Holmes:

Thank you for your November 14th letter asking for clarification of some comments in my October 27th letter.

The answer below is based on the information you provided. References to the Revised Code of Washington (RCW) and the Washington Administrative Code (WAC) are included. Again, this answer is based on your fact set. If the facts differ from those you provided, the answers may be different.

You describe a project with dwelling units that do not have full kitchens but have a refrigerator, microwave and hot plate. You do not include either a stove or a sink. You also state that La Posada had to purchase a hotel/motel license due to its location and zoning.

The applicable rule defining "residential" for purposes of the prevailing wage law, Chapter 39.12 RCW, is WAC 296-127-010(9):

"Residential construction" means construction, alteration, repair, improvement, or maintenance of single family dwellings, duplexes, apartments, condominiums, and other residential structures not to exceed four stories in height, including basement, when used solely as permanent residences. It does not include the utilities construction (water and sewer lines), or work on streets, or work on other structures (e.g., for recreation and business.)

In making residential determinations a number of interrelated factors are analyzed:

- Sole use as residences (no other uses, such as commercial, medical, counseling, etc.);
- Permanent use as residences/domicile;
- Complete dwelling units (each unit provides all aspects of an abode including full kitchen and bathroom);
- Duration of residency;
- Terms of any lease or rental agreement;
- Utilities exclusive to each individual dwelling unit (heating, cooling, electricity, etc.);
- Living arrangements exempt under RCW 59.18.040(1);
- Any use as a hotel or motel (see RCW 19.48.010);

The residencies that you describe are not complete dwelling units as we define them. The communal kitchen is more in keeping with a dorm than a single family dwelling. If the units had full kitchens and a communal kitchen we might have been able to still conclude the project was residential. However lacking full kitchens precludes us from considering the units residential. As I do not need to reach the issue of hotel/motel, I will reserve determination on this issue until it is necessary. With your specific fact set, the commercial rates are appropriate. If any facts vary, this answer could be different.

Washington State prevailing wage information, including the WACs, are available on the Department's web site: <http://www.lni.wa.gov/TradesLicensing/PrevWage/default.asp>

I hope this answers your questions. If you need additional information or have questions, please call or email me at 360 902-5330 or somd235@lni.wa.gov.

Sincerely,

David J. Soma
Industrial Statistician
Prevailing Wage Program Manager



Office of Rural and Farmworker Housing
Nonprofit Affordable Housing Development

Benton City
Benton City Rehab
Cherryhill Villas
Desert Rose Terrace

Brewster
Vista Park Homes

Burlington
Raspberry Ridge

East Wenatchee
Heritage Glen

Grandview
Harvest Homes
Juan Pablo II

Granger
Harvest Plaza

Lower Yakima Valley
Home Owner Rehab

Mabton
The Foothills
Mabton Rehab

Manson
Morning Sun Park

Mattawa
Mattawa Homes
Wahluke Slope

Moses Lake
Larson I Rehab
Larson II Rehab

Mount Vernon
Mt. Baker Meadows

Oroville
Similkameen Park

Othello
Harvest Manor

Pasco
Highland Park

Roosevelt
Pueblo del Rio

Royal City
Frenchman Hills
Jardin de Rosas
Royal Slope Rehab

Sunnyside
Plaza del Sol
Roza Park
Sunshine Plaza

Tieton/Cowiche
Valley West

Toppenish
Horizon Apts.
Linda Vista
Sage Court

Wapato
Inaba Produce Farms

Wenatchee
The Applewood
Washington Square
Wenatchee II

Yakima
Mariposa Park
Pioneer Plaza
Sunset Terrace

November 14, 2008

Mr. David Soma
Prevailing Wage Program Manager
Washington State Department of Labor and Industries
P.O. Box 44540
Olympia, WA 98504-4540

Dear Mr. Soma:

RE: La Posada East & West, Pasco, WA

Thank you for your wage determination letter dated October 27, 2008. Although your response was favorable, we would like to address some of the comments made in your letter for clarification purposes.

We understand that we meet the applicable rule for defining "residential" construction since our project meets the residential criteria for height, sole use as residences, permanent use as residences, complete dwelling units (each unit provides all aspects of an abode including full kitchen and bathroom) duration of residency, terms of any lease or rental agreement, utilities exclusive to each individual dwelling unit, living arrangements exempt under RCW 59.18.040(1), and any use as a hotel or motel.

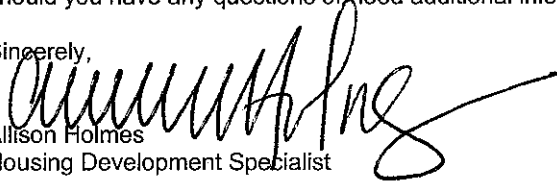
We understand that to be considered a complete dwelling unit each unit must have a full kitchen and bathroom. The units at La Posada East & West will all have full bathrooms and partial kitchens with refrigerators, microwaves, and hot plates. La Posada does have a full commercial kitchen. Please clarify.

Due to the City of Pasco ordinances, the La Posada project had to purchase a hotel/motel license due to its location and zoning. The units will serve seasonal farmworkers and by definition the buildings are not designated as hotel/motels but as permanent residences as required by USDA Rural Development 514/516 program and The Department of Community, Trade, and Economic Development's Housing Trust Fund program. The sole, permanent use is residential. Your letter states that to be classified under residential rates that the subject property cannot be a hotel/motel. Please clarify.

We need clarification on these points to ensure that we are in compliance with the Department of Labor and Industries Prevailing Wage determination. Residential wages would be beneficial not only from a budget standpoint but also to ensure that this affordable housing for seasonal farmworkers is available.

Please clarify in writing our inquiries based on your first determination. We are beginning construction so we would appreciate a timely response. Feel free to call me at 509.248.7014 should you have any questions or need additional information.

Sincerely,


Allison Holmes
Housing Development Specialist

Cc: Mike Leong, Sea Mar Community Health Centers
Rod Butler, Zeck Butler Architects
Jose Bazan, Bazan and Associates

ES/PH/ROVD/NOV 17 '08 AM 09:24