

Prevailing Wage Rate Guidance – Calendar Year (CY) 2011 Proposals

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- Projects can't have both State and Federal prevailing wage rates at the same time.
- Historically, most projects are structured to avoid paying either federal or State wage rate.



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OHFA provides two types of federal funding:

- Neighborhood Stabilization Program (NSP)
 - Triggers federal (Davis-Bacon) wage rate, with one exception.
- HOME Investment Partnership Program
 - Only triggered with 12 or more HOME-Assisted Units (explained later).



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OHFA provides one source of State funding that could possibly trigger State prevailing wage rates, the Ohio Housing Trust Fund (OHTF).



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To avoid State prevailing wage rates:

- Have less than six units if not a non-profit developer
- Less than 25 units with a non-profit
- Make sure project gets at least 12% of its funding from the federal government; and that a non-profit sponsors or develops the project



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- Important: Non-profit does not have to be a sole general partner / sole managing member.



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- If the project is subject to Davis-Bacon (federal) prevailing wages, it may have to pay either Residential wage rates; Commercial wage rates; or both
- Five stories or more triggers Commercial wage rates, even if entire building is residential.



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- If any part of the building is commercial, then the entire building must be paid at a the higher of the two rates.

OR

- Residential component is paid at Residential rate, and Commercial is paid at Commercial rate.



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To see actual Davis-Bacon wage rates, go to:

<http://www.hud.gov/offices/olr/library.cfm>



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Other important Davis-Bacon considerations:

- Every Friday, US DOL updates Wage Determinations (WD) for entire country.
- **IMPORTANT!** WD that legally applies is the one that is in effect when contract is signed between general contractor (GC) and owner.



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OHFA highly recommends going to:

<http://www.hud.gov/offices/olr/library.cfm>; and getting

“A Contractor’s Guide to Prevailing Wage Requirements for Federally-Assisted Construction Projects.”



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- To find State prevailing wage rates, go to the Ohio Dept. of Commerce website:

<http://www.com.ohio.gov/laws/>



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