



FILE NO. 140151

ORDINANCE NO.

1 [Administrative Code - Local Hire and Prevailing Wages for Construction Projects on  
2 City-Owned Property and Prevailing Wages Pursuant to California Law]

3 **Ordinance amending the Administrative Code to provide that the City's Local Hiring**  
4 **Policy and ~~Payment of Prevailing Wages~~ apply to construction projects on property**  
5 **owned by the City and payment of Prevailing Wages pursuant to California law.**

6 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
7 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
8 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
9 **Board amendment additions** are in double-underlined Arial font.  
10 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
11 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
12 subsections or parts of tables.

11 Be it ordained by the People of the City and County of San Francisco:

12 Section 1. The Administrative Code is hereby amended by revising Section 6.22(G); to  
13 read as follows:

14 **SEC. 6.22. PUBLIC WORK CONSTRUCTION CONTRACT TERMS AND WORKING**  
15 **CONDITIONS.**

16 \* \* \* \*

17 (G) **Short Title.** This subsection 6.22(G) shall be known as and may be cited as the  
18 San Francisco Local Hiring Policy for Construction ("Policy").

19 (1) **Findings and Purpose.**

20 (a) The Board of Supervisors passed Ordinance 286-94 on August 4, 1994, to establish  
21 local hiring requirements for City public work or improvement projects performed within the  
22 boundaries of the City.

23 (b) In 2010, the San Francisco Redevelopment Agency and the City's Office of  
24 Economic and Workforce Development commissioned a study of the labor market in the  
25 construction industry in San Francisco (the "Labor Market Analysis"), including review of

1 comparative demographic data regarding workers on public and private projects, scope of  
2 past and future public and private construction work in San Francisco, comparative  
3 compensation on public and private projects, demographic data regarding apprenticeship  
4 programs operating in San Francisco, and income and residency data regarding construction  
5 workers in San Francisco.

6 (c) In 2010, the Walter and Elise Haas Fund and the San Francisco Foundation, with  
7 assistance of the City's Office of Economic and Workforce Development, convened a local  
8 hiring stakeholder process to discuss possible revision of subsection 6.22(G), at which  
9 community, labor, contractor, and City stakeholders participated.

10 (d) In August 2010, a report from Chinese for Affirmative Action and Brightline Defense  
11 Project entitled, "The Failure of Good Faith," found that the City has historically failed to meet  
12 its local hiring goals.

13 (e) The Budget & Finance and Land Use & Economic Development Committees of the  
14 Board of Supervisors held public hearings regarding local hiring and proposed revisions to  
15 subsection 6.22(G).

16 (f) The San Francisco Public Utilities Commission, Redevelopment Agency, Human  
17 Rights Commission, and other City departments and agencies held public hearings regarding  
18 local hiring.

19 (g) The construction industry is one of the few industries providing a path to middle-  
20 class careers for individuals without advanced degrees or facing barriers to quality  
21 employment, and is therefore a crucial component of the effort to build economic opportunities  
22 for targeted residents of San Francisco, with a particular emphasis on low-income and  
23 underrepresented workers in various building and construction trades, in order to elevate  
24 historically disadvantaged populations and create more sustainable communities throughout  
25 San Francisco.

1 (h) The City has awarded more than \$8 billion in public work and improvement  
2 contracts during the last 10 years.

3 (i) The City anticipates that it will award approximately \$27 billion in public work and  
4 improvement contracts in the next 10 years.

5 (j) City spending on public work and improvement projects over the next 10 years will  
6 generate tens of thousands of construction work hours.

7 (k) The Board desires to ensure that employment and training opportunities created by  
8 such public work and improvement projects provide consistent and high-quality opportunities  
9 to the San Francisco labor pool, especially low-income residents of San Francisco and other  
10 disadvantaged residents.

11 (l) Although approximately 40% of construction workers employed in San Francisco are  
12 San Francisco residents, from 2002 to 2010 San Francisco residents worked only  
13 approximately 24% of the work-hours on publicly-funded construction projects in the City, and  
14 only 20% of work-hours since July 2009.

15 (m) The City faces unemployment levels that have risen dramatically over the past four  
16 years, climbing from a low of 3.7% in December 2006 to an average of 9.8% for each month  
17 of 2010 through July, leaving at least 44,500 San Franciscans out of work according to the  
18 California Employment Development Department, with disproportionate concentrations of high  
19 unemployment in neighborhoods such as Bayview-Hunters Point, Chinatown, the Mission,  
20 Western Addition, Visitacion Valley, the Excelsior, South of Market, Ocean View, Merced  
21 Heights and Ingleside.

22 (n) The 2010-2014 Consolidated Plan for the City and County of San Francisco  
23 indicates that several San Francisco neighborhoods face concentrated poverty and San  
24 Francisco's slow job growth rate and changing job base has had major impacts on patterns of  
25

1 income inequality and disparity in the City, with distinctive, adverse, neighborhood-specific  
2 effects.

3 (o) The loss of middle-income jobs has been associated with a diminishing middle  
4 class in San Francisco, as indicated by rising income inequality. San Francisco's unequal  
5 income distribution threatens the City's future competitiveness and overall economic stability,  
6 and the City's anti-poverty strategy aims to ensure that the City and its partners are  
7 marshaling its limited resources in an effective and coordinated way to create economic  
8 opportunities in San Francisco's low-income communities.

9 (p) The City has made substantial public investments in its workforce development  
10 system, including CityBuild and the City's community-based partners, to create job  
11 opportunities in industries such as construction, which are vital to the economic health of the  
12 local economy, have a capacity to generate a significant number of jobs, are accessible to  
13 low- and middle-skilled individuals, have career ladder opportunities where workers can move  
14 up with additional training and skill development, and provide access to living wage and  
15 family-sustaining jobs.

16 (q) City-funded construction projects provide a crucial opportunity to connect  
17 participants in these City-funded or City-operated workforce development programs with  
18 employment and training opportunities, and to direct employment and training opportunities  
19 created by the City's public expenditures.

20 (r) The City and the San Francisco Redevelopment Agency have made substantial  
21 public investments toward creating and facilitating growth in economic opportunities for  
22 low-income individuals and neighborhoods in San Francisco.

23 (s) CityBuild, San Francisco's construction training workforce program, was initiated in  
24 2005 to serve as a training vehicle for ushering disadvantaged workers into the construction  
25 skilled trades. The program is a multi-craft pre-apprenticeship training program, and has

1 assisted over 450 graduates, into union-sponsored apprentice programs. CityBuild, in  
2 2009-2010, contributed approximately 44 percent of all new San Francisco resident  
3 apprentice intakes based on data provided by the California Department of Industrial  
4 Relations, Division of Apprenticeship Standards. San Francisco's workforce construction  
5 training infrastructure has the capacity to meet future demand for high quality and well trained  
6 workers in the construction trades.

7 (t) Employment of workers that reside close to job sites has environmental benefits,  
8 including reducing the distance of commutes and resulting vehicle emissions. These  
9 environmental benefits are consistent with the mandates, policies and goals of the California  
10 Global Warming Solutions Act (AB 32), the Sustainable Communities and Climate Protection  
11 Act (SB 375), and the Climate Action Plan for San Francisco.

12 (u) The Board seeks terms and conditions that advance the City's workforce and  
13 community development goals, removing obstacles that may have historically limited the full  
14 employment of local residents on the wide array of opportunities created by public works  
15 projects, curbing spiraling unemployment, population decline, and reduction in the number of  
16 local businesses located in the City, eroding property values and depleting San Francisco's  
17 tax base.

18 (v) A local hiring policy is necessary to counteract these grave economic and social ills.

19 (w) The San Francisco Local Hiring Policy for Construction 2012-2013 Annual Report shows  
20 that the Policy has proven to be a highly effective tool in guaranteeing good-paying jobs for Local  
21 Residents on Covered Projects, which includes public work construction projects completed under City  
22 contracts.

23 (x) The 2012-2013 Annual Report is evidence that a true partnership between the City,  
24 CityBuild and its community-based partners, contractors, labor organizations, and state-certified  
25

1 apprenticeship programs has increased local hiring on projects covered by the Policy by an average of  
2 35% as of 2013. This compares to an average of 20% under the "good faith efforts" policy it replaced.

3 (y) The City has a proprietary interest in the construction contracts it issues, and also has a  
4 proprietary interest in the leases and development agreements that it enters that all allow for  
5 construction on city-owned property.

6 (z) Expanding the Policy to include construction projects on City-owned property promotes an  
7 equitable share of job opportunities for San Francisco residents to pursue a career in construction; and  
8 provides the opportunity for the use of state-certified apprenticeships that expands the local  
9 construction workforce pipeline to support the continued success of local hiring on public works  
10 projects.

11 \* \* \* \*

12 **(3) Coverage.**

13 **(a) Threshold for Public Work and Improvement Projects and Projects Constructed**  
14 **On Property Owned by the City.** For purposes of subsection 6.22(G) only, this This Policy  
15 applies to ~~(i)~~ contracts issued by the City with prime contractors for public works or  
16 improvements estimated to cost in excess of the Threshold Amount set forth in Section 6.1 of  
17 this Chapter, as that amount may be amended.

18 **(b) Threshold for Projects Constructed on Property Owned by the City.** For  
19 purposes of subsection 6.22(G) only, this Policy applies and/or (ii) to all construction projects  
20 on property owned by the City that are estimated to cost in excess of the Threshold Amount set forth in  
21 Section 6.1 of this Chapter, as that amount may be amended, including construction contracts that are  
22 issued by an entity or individual other than the City. The following construction projects are  
23 exempt from this subsection 6.22(G)(3)(b): (i) tenant improvement projects estimated to cost  
24 less than \$750,000 per building permit, where the project is undertaken and contracted for by  
25 the tenant; (ii) projects for special events where the special event is three (3) or fewer

1 consecutive or non-consecutive days within a two (2) week period; (iii) construction projects  
2 for which the construction work is fully funded and performed by a donor or donor's agent as a  
3 gift-in-place donation, where the gift agreement does not require City funds to be used for the  
4 construction and where the gift agreement includes a requirement that workers be paid the  
5 same prevailing rate of wages as would be required a public work project; and (iv) projects  
6 that as of the effective date of this subsection 6.22(G)(3)(b) have a term sheet that has been  
7 endorsed by the Board of Supervisors and have findings of fiscal feasibility, to the extent that  
8 such projects agree to be bound by a legally enforceable document, enforceable by OEWD,  
9 committing the project to Local Hire mandatory participation level of 30% per trade. All grant  
10 agreements, leases, development agreements and other contracts that the City enters that allow for  
11 such non-exempt construction projects on property owned by the City must contain a provision that  
12 such construction shall comply with this Policy.

13 **(c)(b) Projects Constructed Outside the City.** Covered ~~City projects~~ Projects  
14 constructed within 70 miles from the jurisdictional boundary of the City and County of San  
15 Francisco shall be governed by the terms of this Policy, except that percentage requirements  
16 shall apply in proportion to the City's actual cost after reimbursement from non-City sources  
17 compared to the total cost of the project. Covered City projects constructed 70 miles or more  
18 beyond the jurisdictional boundary of the City and County of San Francisco shall be subject to  
19 this Policy, except the "local" requirement shall include San Francisco residents, workers local  
20 to the area where the work is located, and workers residing within the region where the work  
21 is located. Awarding departments shall work with OEWD and regional local hiring programs to  
22 comply.

23 **(d)(e) Projects Utilizing Federal or State Funds.**

24 **(i) Segregation of Funds and Contract Awards.** Where the application of this Policy  
25 would violate federal or state law, or would be inconsistent with the terms or conditions of a



1 grant or a contract with an agency of the United States or the State of California, the City  
2 department or agency receiving the grant or contract shall, where administratively feasible,  
3 segregate federal or state funds from City funds, and/or segregate project administration and  
4 contracts, so as to maximize application of this Policy to City-funded construction work.

5 (ii) **Alternative Terms in Case of Conflict.** Where the provisions of this Policy would  
6 be prohibited by Federal or State law, or where the application of this Policy would violate or  
7 be inconsistent with the terms or conditions of a grant or a contract with an agency of the  
8 United States or the State of California, and where segregation of funds pursuant to  
9 subsection 6.22(G)(3)(d)(i) ~~6.22(G)(3)(e)(f)~~ is not administratively feasible with regard to some  
10 or all of the project in question, then OEWD, in consultation with the awarding department,  
11 shall adapt requirements of this Policy into a set of contract provisions that advance the  
12 purposes of this Policy to the maximum extent feasible without conflicting with federal or state  
13 law or with terms or conditions of the State or Federal grant or contract in question. The  
14 awarding department shall include this set of contract provisions in the public works or  
15 improvement contract with regard to the project or portions of the project for which this Policy  
16 would conflict with Federal or State requirements.

17 (e)(d) **Out-of-State Workers.** Project work hours performed by residents of states  
18 other than California shall not be considered in calculation of the number of project work hours  
19 to which the local hiring requirements apply. Contractors and subcontractors shall report to  
20 awarding departments and OEWD the number of project work hours performed by residents  
21 of states other than California.

22 \* \* \* \*

23 **(8) Miscellaneous**

24 (a) **Regulations and Administrative Guidance.** OEWD shall be the primary  
25 department authorized to implement and enforce this Policy. OEWD shall issue regulations

1 and/or administrative guidance regarding implementation of the Policy, including (i)  
2 documentation and recordkeeping requirements, (ii) incentive payments, (iii) monitoring and  
3 compliance activities, (iv) project and/or contract coverage determinations, (v) designated  
4 referral sources, (vi) bid and contract documents implementing the Policy, (vii) procedures for  
5 application of the Policy to alternative competitive bidding processes set forth in Article IV of  
6 this Chapter, and (viii) procedures for monitoring and enforcement of the Policy where the  
7 construction contract is issued by an entity or individual other than the City, and (ix) other  
8 matters related to implementation of this Policy. Awarding departments shall cooperate with  
9 and assist in implementation of OEWD actions and determinations regarding this Policy. For  
10 projects where the construction contract is issued by an entity or individual other than the City,  
11 OEWD may grant conditional waivers on a project specific basis if it finds that the contractor  
12 has participated to the extent feasible in available pipeline and retention mechanisms, the  
13 contractor has undertaken all corrective actions issued by OEWD, and considering all referral  
14 sources and estimates of workers residing in the City, there will be insufficient numbers of  
15 qualified and available local residents and/or disadvantaged workers to enable the contractor  
16 or subcontractor to satisfy the local hiring requirements.

17 \* \* \* \*

18 (d) **Effective Date, Operative Date, and Prospective Application.** This Policy shall become  
19 effective upon the date of its enactment and shall apply to covered projects first advertised for  
20 bids by awarding departments more than sixty (60) days after such date. The amendment to the  
21 Policy in subsection 6.22(G)(3)(b)6.22(G)(3)(a)(ii) shall become operative sixty (60) days after the  
22 effective date of the ordinance enacting the amendment. The amendment in subsection  
23 6.22.(G)(3)(b)6.22(G)(3)(a)(ii) to include construction projects on property owned by the City is  
24 intended to have prospective effect only, and shall not be interpreted to impair the obligations of any  
25 pre-existing grant agreement, lease, development agreement or other contract entered into by the City.

1 Notwithstanding the prior sentence, the amendment in subsection 6.22.(G)(3)(b)6.22(G)(3)(a)(ii) to  
2 the Policy shall apply to newly included work in pre-existing grant agreements, leases, development  
3 agreements, or other contracts amended on or after the operative date. The amendment in subsection  
4 6.22.(G)(3)(b)6.22(G)(3)(a)(ii) to include construction projects on property owned by the City  
5 shall apply grant agreements, leases, development agreements and other contracts entered into by the  
6 City on or after the operative date.

7 \* \* \* \*

8 Section 2. The Administrative Code is hereby amended by revising Section 6.22(E),  
9 to read as follows:

10 **SEC. 6.22. PUBLIC WORK CONSTRUCTION CONTRACT TERMS AND WORKING**  
11 **CONDITIONS.**

12 \* \* \* \*

13 **(E) Prevailing Wages.**

14 **(1) Generally.** All contractors and subcontractors performing a public work or  
15 improvement for the City and County of San Francisco shall pay its workers on such projects  
16 the prevailing rate of wages as provided below. For the purpose of prevailing wage  
17 requirements only, the definition of a public work shall include those public works or  
18 improvements defined in the foregoing section 6.1 of this Chapter and shall also include (a)  
19 any trade work performed at any stage of construction (including preconstruction work) and  
20 (b) any public work paid for by the City and County of San Francisco with "the equivalent of  
21 money" under the meaning of Labor Code section 1720(b).

22 **(2) Additional Projects Included Within Definition of "Public Work or Improvement" for**  
23 **Purposes of Prevailing Wages.**

1           (2) ~~(a) Leased-Property Leased By the City~~ Included. For the limited purposes of this  
2 subsection 6.22(E), a "public work or improvement" also means and includes any construction  
3 work done under private contract when all of the following conditions exist:

4           ~~(a) (i)~~ The construction contract is between private persons; and

5           ~~(b) (ii)~~ The property subject to the construction contract is privately owned, but upon  
6 completion of the construction work will be leased to the City and County of San Francisco for  
7 its use; and

8           ~~(c) (iii)~~ Either of the following conditions exist: (1) The lease agreement between the  
9 lessor and the City and County of San Francisco, as lessee, is entered into prior to the  
10 construction contract, or (2) The construction work is performed according to the plans,  
11 specifications, or criteria furnished by the City and County of San Francisco, and the lease  
12 agreement between the lessor and the City and County of San Francisco as lessee, is  
13 entered into during, or upon completion, of the construction work.

14           ~~(b) Public Works Under California Labor Code. For the limited purposes of this~~  
15 ~~subsection 6.22(E), a "public work or improvement" also means and includes all projects for which~~  
16 ~~prevailing wages are required to be paid on "public works" pursuant to California Labor Code~~  
17 ~~section 1782. any construction work on property owned by the City that is estimated to cost in~~  
18 ~~excess of the Threshold Amount set forth in Section 6.1 of this Chapter, as that amount may~~  
19 ~~be amended, including construction contracts that are issued by an entity or individual other~~  
20 ~~than the City. This subsection 6.22(E)(2)(b) is intended to have prospective effect only, and shall not~~  
21 ~~be interpreted to impair the obligations of any pre-existing grant agreement, lease, development~~  
22 ~~agreement or other contract entered into by the City. Notwithstanding the prior sentence, this~~  
23 ~~subsection shall apply to newly included work in pre-existing grant agreements, leases, development~~  
24 ~~agreements, or other contracts amended on or after the operative date. The subsection shall apply to~~  
25 ~~grant agreements, leases, development agreements and other contracts entered into by the City on or~~

1 after the operative date. All grant agreements, leases, development agreements and other contracts  
2 which allow for such construction on property owned by the City that the City enters after the operative  
3 date of the subsection must contain a provision that such construction shall comply with this  
4 subsection.

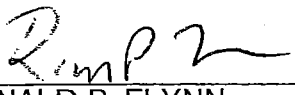
5 \* \* \* \*

6 Section 3. **Effective Date and Operative Date.** This ordinance shall become effective  
7 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor  
8 returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it,  
9 or the Board of Supervisors overrides the Mayor's veto of the ordinance. Section 1 of this The  
10 ordinance shall become operative sixty (60) days after the effective date. Section 2 of this  
11 ordinance shall become operative on the compliance date listed in California Labor Code  
12 section 1782 subsection (f).

13  
14 Section 4. **Scope of Ordinance.** In enacting this ordinance, the Board of Supervisors  
15 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
16 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
17 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
18 additions, and Board amendment deletions in accordance with the "Note" that appears under  
19 the official title of the ordinance.

20  
21 APPROVED AS TO FORM:  
22 DENNIS J. HERRERA, City Attorney

23 By:

24   
RONALD P. FLYNN  
Deputy City Attorney

25 n:\vegana\as2014\1400222\00928401.doc

**LEGISLATIVE DIGEST**

[Administrative Code - Local Hire and Prevailing Wages for Construction Projects on City-Owned Property and Prevailing Wages Pursuant to California Law]

**Ordinance amending the Administrative Code to provide that the City's Local Hiring Policy apply to construction projects on property owned by the City and payment of Prevailing Wages pursuant to California law.**

Existing Law

**Local Hire**

The San Francisco Local Hire Policy for Construction ("Policy") was approved on December 23, 2010. The Policy requires that each City public works contract in excess of the Threshold Amount (currently \$400,000) issued by the City includes the requirement that the contractor hire local residents at a specific percentage of each trade (currently 30%) to the exclusion of other California residents. The Policy does not affect the ability of a contractor to hire non-California residents, even if the contractor ends up with a workforce consisting entirely of out-of-state workers.

**Prevailing Wages**

The San Francisco Prevailing Wage law requires that each public works contract issued by the City requires all contractors and subcontractors performing a public work or improvement for the City to pay its workers on the prevailing rate of wages. The San Francisco Prevailing Wage law applies to public works projects, as defined by our Administrative Code, trade work performed at any stage of construction (including preconstruction work), to construction paid for by the City with "the equivalent of money," and to certain projects on private property where the City leases the property with the intent to use the property for City purposes.

Amendments to Current Law

**Local Hire**

As to Local Hire, the amendment would expand the class of construction projects ("Covered Projects") beyond those included in the current Policy (which is limited to construction contracts entered into by the City that are larger than the Threshold Amount). The definition of Covered Project would be expanded to include all construction projects on property owned by the City that are larger than the Threshold Amount, including construction contracts that are issued by an entity or individual other than the City.

## AMENDED IN COMMITTEE

5/21/14

FILE NO. 140151

All grants, agreements, leases, development agreements and other contracts entered into by the City that allow for construction projects that cost in excess of the Threshold Amount (currently \$400,000) on property owned by the City would be required to contain a provision that such construction comply with the Policy, and hire the specified percentage of local residents.

The amendment would apply only to construction projects to be done under new grants, agreements, leases, development deals and other contracts. It would not apply to existing grants, agreements, leases, development deals and other contracts, unless those agreements are amended on or after the amendment becomes operative. Accordingly, construction that takes place in the future under existing grants, agreements, leases, development deals and other contracts would not be required to comply with the Policy.

The following types of projects would be exempted from the expanded class of construction projects following under the Policy: (1) tenant improvement projects estimated to cost less than \$750,000 per building permit, where the project is undertaken and contracted for by the tenant; (2) projects for special events where the special event is three or fewer consecutive or non-consecutive days within a two (2) week period; and (3) construction projects for which the construction work is fully funded and performed by a donor or donor's agent as a gift-in-place donation, where the gift agreement does not require City funds to be used for the construction and where the gift agreement includes a requirement that workers be paid the same prevailing rate of wages as would be required a public work project

### **Prevailing Wages**

As to Prevailing Wages, the amendment would expand the requirement for payment of prevailing wages to include all projects for which prevailing wages are required to be paid on "public works" pursuant to California Labor Code section 1782. The amendment would be operative when compliance is required under California Labor Code section 1782.

### Background Information

This legislative digest reflects amendments adopted by the Budget and Finance Committee on April 16, 2014 and May 21, 2014.

The Local Policy currently applies only to contracts that are issued by the City. As to those contracts, The San Francisco Local Hiring Policy for Construction 2012-2013 Annual Report shows that the Policy has proven to be a highly effective tool in guaranteeing good-paying jobs for Local Residents on Covered Projects, which includes public works construction projects completed under city contracts.

AMENDED IN COMMITTEE

5/21/14

FILE NO. 140151

The 2012-2013 Report is evidence that a true partnership between the City, CityBuild and its community-based partners, contractors, labor organizations, and state-certified apprenticeship programs has increased local hiring on projects covered by the Policy by an average of 35% as of 2013. This compares to an average of 20% under the "good faith efforts" policy it replaced.

The City has a proprietary interest in the construction contracts it issues, and also has a proprietary interest in the leases and development agreements that it enters that all allow for construction on city-owned property.

The amendment would expand the category of construction projects, that cost in excess of the Threshold Amount, to include the construction that takes place on city-owned property where the City authorizes that construction under a grant agreement, lease, development agreement, or other contract.

Expanding the Policy to include construction projects on city-owned property promotes an equitable share of job opportunities for San Francisco residents to pursue a career in construction; and provides the opportunity for the use state-certified apprenticeship that expands the local construction workforce pipeline to support the continued success of local hiring on public works projects.

The exemptions for specified tenant improvement projects, certain special events, and qualifying gift-in-place donations were added following a meeting of the Mayor's Construction Task Force Advisory Committee which recommended the exemptions in consultation with City Departments. The exemption for qualifying projects that have a term sheet approved by the Board of Supervisors by the effective date of the ordinance, and enter into a binding enforceable agreement to abide by the Policy at 30% participation level, and the addition of authority of OEWD to issue regulations and provide off-ramps in certain instances to projects where the construction contract is issued by a person or entity other than the City, was added to address additional concerns raised following the Mayor's Task Force Advisory Committee meeting.

The changes to prevailing wages is intended to bring the City in compliance with Senate Bill 7 which requires that all Charter Cities meet or exceed the prevailing wage requirements of the California Labor Code to be eligible to apply for or spend state money on construction projects. San Francisco prevailing wage regime is largely aligned to California law, but this bill would close the gap by adding the requirement that in addition to any public work project for which prevailing wage is currently required under San Francisco law, prevailing wages would be required for a public work as defined by California law as well. SB7 enacted California Labor Code section 1782, which requires compliance by January 1, 2015. This portion of the amendment would become operative when the compliance period begins for section 1782.



AMENDED IN COMMITTEE

5/21/14

FILE NO. 140151

This updated legislative digest includes changes made at the April 16, 2014 and May 21, 2014 Budget & Finance Committee hearings, to include the above-mentioned exemptions from the Local Hire Policy, and to amend the prevailing wage provisions from those projects on City land to compliance with California Labor Code section 1782.



# THE FAILURE OF GOOD FAITH

LOCAL HIRING POLICY ANALYSIS AND RECOMMENDATIONS FOR SAN FRANCISCO



BY CHINESE FOR AFFIRMATIVE ACTION AND BRIGHTLINE DEFENSE PROJECT

AUGUST 2010

The "good faith efforts" approach has clearly failed to achieve the City's local hiring goals, and targeted hiring mandates are a legal and powerful tool for San Francisco to utilize going forward.

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## EXECUTIVE SUMMARY

**Over the next decade, the City and County San Francisco will invest \$27 billion in public infrastructure projects pursuant to its 2011-2020 Capital Plan, creating tens of thousands of jobs in the process.** This investment presents policy makers with an extraordinary opportunity to address persistent pockets of high unemployment and poverty, to provide sustainable careers for populations facing systemic barriers to employment, and to strengthen labor standards and worker rights by targeting these job opportunities for residents of San Francisco's local economically disadvantaged communities.

This report first researches the unique nature of the building and construction workforce, and summarizes policies and programs that affect local hiring on public projects. It then presents data on who has worked on recent San Francisco projects and assesses the composition of the construction workforce and trade unions. Next, it offers three models of local hiring policies from other jurisdictions, before finally presenting key findings and recommendations for policy makers to consider in moving forward with a new approach to targeted community hiring in San Francisco.

Creating opportunities for local residents from diverse backgrounds to work on public projects is neither a new nor simple challenge. There are tensions between ambition and reality, state and federal legal constraints, and considerations involving gender, race, class, and geography.

However, this report could not be more timely, with many communities on the brink of destitution at the same time that San Francisco's ambitious public infrastructure agenda has the potential to put so many people to work and keep local dollars in the local economy. San Francisco policy makers are ready to take action now.

The intent here is to help stakeholders understand what current public policy has and has not achieved, and to advance a meaningful dialogue about what reforms are necessary should San Francisco want different outcomes than have been produced in the past. The "good faith efforts" approach has clearly failed to achieve the City's local hiring goals, and targeted hiring mandates are a legal and powerful tool for San Francisco to utilize going forward.

## QUANTITATIVE FINDINGS

A myriad of factors affect who works on San Francisco public projects. In addition to researching and presenting these many policies, programs, and practices, this report provides the following quantitative findings.

- 1) San Francisco is failing to achieve its statutory goal of delivering 50 percent of job hours on public infrastructure projects to residents of the City and County of San Francisco. Good faith efforts have yielded roughly 24 percent of employment opportunities on public construction projects to San Franciscans.
- 2) Apprenticeship hours by San Franciscans – the path by which residents enter the building trades and develop a construction career – comprise between six to seven percent of the work performed on San Francisco public projects, or about one-third of total apprenticeship hours.
- 3) The building and construction workforce remains almost exclusively male; women comprise fewer than four percent of the building and construction trades in San Francisco.
- 4) As measured by work performed on San Francisco public projects, and irrespective of residency, Latinos are the largest racial group among the construction workforce, comprising 46 percent of hours worked. Latinos are followed by Whites 31 percent, African Americans 13 percent, Asian Pacific Islanders 4 percent, and Native Americans less than one percent.
- 5) Racial diversity in the construction workforce varies by union and is most prevalent within the lowest-paid trades. For example, based on work performed on public projects, electricians, elevator constructors, and plumbers are majority white, while laborers, plasterers, and roofers have greater percentages of racial minorities.



## RECOMMENDATIONS

The principle underlying local hiring laws is the maximization of job opportunities for San Francisco residents, especially for those from economically and otherwise disadvantaged communities. To achieve this aspiration, policy makers should consider the six general recommendations below, as well as the additional 27 sub-recommendations found within the general recommendations.

- 1) Amend local hiring provisions for public infrastructure projects in Chapters 6 and 83 of the Administrative Code to replace the “good faith efforts” approach with mandatory compliance, monitoring, and enforcement, as well as to conform to the current state of the law.

The existing statutory goal of delivering 50 percent of job hours on public infrastructure projects is achievable if “good faith” language is replaced with measures to mandate, monitor, and enforce compliance. Compliance must be measured on a trade by trade basis, not based on overall project hours, to avoid continued reliance on a handful of trades to deliver San Francisco residents to the job site.

Though more than 50 percent of the building and construction trades membership reside outside of San Francisco, the number of out-of-work San Francisco trades members, the ability of unions to adopt name-call procedures on public works projects, and the appetite for unemployed San Franciscans to pursue construction work suggest that this goal is achievable over time.

It is also recommended that the City:

- a) Authorize the Office of Economic and Workforce Development to promulgate regulations in order to implement these recommendations and to levy penalties for non-compliance.
- b) Contract community-based organizations to conduct real-time monitoring and reporting on local hiring.
- c) Require trade unions to present detailed plans outlining procedures to comply with local hiring policies on public works projects.
- d) Deposit union training fees that are derived from public projects into escrow accounts that are released as local hiring goals are achieved.
- e) Delineate local hiring goals by project, contractor, subcontractor, and trade that apply to both apprentice and journey level hires.
- f) Create “green” provisions to reduce excessive out-of-town commutes to work sites.
- g) Standardize the use of San Francisco Identification Cards as proof of residency.<sup>1</sup>

<sup>1</sup> The San Francisco City ID Card is a photo identification card available to all San Francisco residents, regardless of immigration status. The card streamlines access to City services and agencies, as well as provides a connection to local businesses. To obtain a City ID Card, proof of identity and proof of residency in San Francisco is required. Because proof of residency is required, utilizing the San Francisco City ID card can help to streamline and identify local residents for hire.

- 2) Require existing and future public works project labor agreements and, to the extent possible, collective bargaining agreements to conform to current and future City local hiring policy.

Each trade union has its own collective bargaining agreements and dispatch rules. With respect to public infrastructure projects, City policy should be clarified to supersede these agreements and rules, which should be modified as necessary to ensure compliance with local hiring. The City's existing project labor agreements must be amended to reflect changes to its local hiring policy.

It is also recommended that the City:

- a) Embed compliance with local hiring policy on public works projects in all project labor agreements and collective bargaining agreements.
  - b) Determine the most effective vehicle to incorporate local hiring policy into union dispatch rules when applied to public works projects.
  - c) Develop programs to help inactive San Francisco trades people regain good standing so they can work on public construction projects.
- 3) Tailor apprenticeship initiatives and outreach efforts to increase access and retention for women, residents of project-impacted neighborhoods, and disadvantaged communities.

Apprenticeships on public infrastructure projects should prioritize San Francisco residents, particularly from low-income neighborhoods, and include retention efforts to ensure apprentices reach journey level status.

It is also recommended that the City:

- a) Designate that 100 percent of all apprentices on San Francisco public construction projects must be San Francisco residents.
- b) Require trades to guarantee an annual number of apprentice slots per trade for San Francisco residents.
- c) Monitor the retention and absorption rate of apprenticeships on an annual and rolling average basis.
- d) Require contractors and unions to develop specific goals and timetables to increase women apprentices on public construction projects through outreach and recruitment.
- e) Provide sustained employment for San Francisco apprentices on large multi-year projects by allowing them to work the term of the project and from employer to employer.

- 4) Grow training opportunities that promote inclusion in the building and construction unions, for example Vocational English as a Second Language (VESL) programs connected to construction work.

Promising practices such as pre-apprenticeship, VESL, continuing education for trades workers, and partnerships between trades and secondary and post-secondary education institutions should be expanded.

It is also recommended that the City:

- a) Expand ability of incumbent workers to test into unions at trade equivalent levels.
  - b) Provide educational stipends for trades members to receive refresher courses, increase work competencies, and avoid over specialization of skills.
  - c) Support new trades classification for training so that individuals can attend school and work at the same time.
  - d) Identify dedicated revenue streams, such as a portion of bonds that fund public works, to support the City's workforce development training programs.
  - e) Integrate VESL curriculum into apprenticeship and training programs, including additional offerings that accommodate the schedules of incumbent workers, target limited-English proficient workers of Asian Pacific Islander descent, and are connected to entry into the trades.
- 5) Modify local business enterprise programs to include incentives to achieve local hiring goals and consider bidding preference for firms who hire local residents.

Local and community hiring policies are one part of a comprehensive approach to economic and workforce development, one that includes support for community contractors and strategies to build their capacity to work on public works projects and hire local residents.

It is also recommended that the City:

- a) Modify local business enterprise programs to include incentives that encourage the employment of San Francisco residents.
- b) Explore pre-certification, bid discounts, and other incentives to reward local contractors who maintain a minimum of 50 percent core employees that are San Francisco residents.
- c) Require funding for job readiness training and community benefits as part of the bid specifications of every contract for public works.
- d) Integrate workforce goals for San Francisco residents into construction-related policies that address local business enterprises and the emerging field of environmental and energy sustainability.

- 6) Improve and standardize demographic and residency data collection and analysis for unions and public infrastructure projects in San Francisco.

The lack of accessible data with respect to the construction workforce on San Francisco public projects, as well as the building and construction trades, is incompatible with serious, focused job creation efforts.

It is also recommended that the City:

- a) Mandate all City construction contractors and sub-contractors to report race, gender, and ethnicity data through the Elations workforce reporting system as coordinated by the Office of Economic and Workforce Development, including this requirement as part of the bid specification process.
- b) Require all trades to annually report the race, gender, ethnicity, residency, and other demographic data of their apprentice and journey level members to the City.
- c) Make local hiring data such as the race, gender, ethnicity, and residency of workers on public works projects available online to the public in real-time.

## INTRODUCTION

San Francisco has long declared that the creation and accessibility of jobs for its residents on projects supported by taxpayer dollars to be a major priority. This stems from an interest in delivering benefits to community members in neighborhoods impacted by development, lifting disadvantaged populations out of unemployment and poverty, and remedying historic and systemic discrimination.

However, the number and percentage of out-of-work residents in San Francisco's most under-resourced communities remains stubbornly high, with double-digit unemployment compounding other social ills that include crime, violence, and racial tension. In addition, questions about the diversity of the construction workforce have prompted a renewed look at which and how many San Franciscans have worked, and are likely to work, on public construction projects.

Absent a robust local hiring strategy and policy, one that acknowledges the failure of the current "good faith" approach, the City will forfeit the opportunity that these projects present to deliver immense social and economic benefits to communities in need.

Yet evaluating San Francisco against its statutory goal of delivering 50 percent of job hours on public projects to local residents should not be episodic. Though the City has taken steps to address bureaucratic constraints in its workforce development programs<sup>2</sup>, these efforts should be coupled with aggressive and regular assessment of performance and capacity to perform with respect to local hiring goals.

Doing so now is especially urgent, as San Francisco prepares to spend an average of two and a half billion dollars per year for the next ten years on public

works construction. Tens of thousands of jobs will be created on large projects, including the Central Subway, the Transbay Terminal, the retrofit of Hetch Hetchy, and the proposed redevelopment of the Hunters Point Shipyard. Dozens of smaller public projects warranted by housing, transportation, parks, education, recreation, health, and energy needs will also create work.

Absent a robust local hiring strategy and policy, one that acknowledges the failure of the current "good faith" approach, the City will forfeit the opportunity that these projects present to deliver immense social and economic benefits to communities in need, while perpetuating familiar patterns of exclusion and allegations of discrimination that have denied many residents fair access and equal opportunity.

In contrast, an ambitious and forward-thinking local hiring strategy can create multiple and powerful positive effects that span generations, while shaping employment practices for decades. Strong local hiring policies in the construction sector on public projects can be expected to ripple into non-construction work, and changes that occur first on public works are likely to influence practices on private projects. Done well, smart local hiring policy should also advance living wage and benefits, improve safety standards and worker conditions, and increase diversity in the workforce to better reflect the current and future population of the City.

<sup>2</sup> An August 2007 San Francisco Budget Analyst audit evaluated the sprawl of City workforce development programs. This led to a policy for consolidation and steps toward partial implementation, yet most of the City's large enterprise departments continue to operate independently without workforce coordination. The audit did not address performance with respect to the City's statutory 50 percent local hiring goal on public works projects.

**This report is divided into eight sections.**

**Section One** provides a basic understanding of construction work and its trade unions, as well as its unique aspects that will be relevant for policy makers interested in local hiring policy.

**Section Two** summarizes local, state, and federal laws and policies that affect local hiring on public construction projects, including what is clearly permissible and what boundaries continue to be challenged in the courts.

**Section Three** is a primer on construction training programs in the City, including a specific focus on Vocational English as a Second Language programs that are linked to construction work.

**Sections Four, Five, and Six** present data gathered for this report. This includes an analysis of the construction workforce on 29 recent San Francisco public infrastructure projects, an assessment of the composition of construction trades based on work performed on public projects, and results of a self-survey completed by a dozen local construction trade unions.

**Section Seven** outlines model local hiring policies that are in effect in Cleveland, Los Angeles, and Richmond.

**Section Eight** provides recommendations for policy makers, with a set of specific recommendations around the Central Subway Project.

## I. Background on Construction Workforce and Local Hiring

This report is focused on policies designed to increase opportunities for San Francisco residents in the construction sector, with an emphasis on jobs for economically disadvantaged residents. San Francisco's continued investment in major public infrastructure projects, most notably in Bayview-Hunters Point, Chinatown, and the South of Market Area, amounts to approximately two and a half billion dollars per year for the next ten years. This makes local hiring reform in construction an issue of utmost importance, despite the complex challenges this entails.

The local hiring dialogue touches nearly every department of San Francisco city government, has the attention of both elected officials and community groups, and has long been a subject for employers and labor unions. This section is a primer on some basics and nuances that will be encountered by stakeholders engaging the subject matter of local hiring.

### a. Construction Trades, Apprenticeships

In general, construction work is based on contract rather than salaried employment. The availability of this contract work is highly sensitive, dictated by the number and scale of active development - from small to large - both in the public and private sector.

On construction projects funded by public dollars or in some way subsidized by the public, construction jobs will likely be union jobs, although unions have characterized this fact as tenuous. Public officials and job developers often hold a sentiment that San Franciscans can best attain a sustainable middle-class livelihood through union membership and the wages, benefits, and working condition protections that unions provide. The largest public projects require the service of larger contractors, and a number of these firms are union firms.

Therefore, understanding a construction career within the context of the trade unions is important, as any successful local hiring policy must take into the account the role that these unions play.

In San Francisco, there are 26 different trades affiliated with the San Francisco Building and Construction Trades Council: Boilermakers, Bricklayers, Carpenters, Carpet Layers, Cement Masons, Electrical Workers, Elevator Constructors, Glaziers, Hod Carriers, Insulators & Asbestos Workers, Ironworkers, Hazardous Waste Laborers, Lathers, Millwrights, Operating Engineers, Painters & Tapers, Piledrivers, Plasterers, Plumbers & Pipefitters, Roofers & Waterproofers, Window Cleaners, Sheetmetal Workers, Sign & Display, Sprinkler Fitters, Steelworkers-Upholsterers, and Teamsters. The general Laborers union, Local 261, is not affiliated with the San Francisco Building and Construction Trades Council.

It is worth noting that with the existence of these many different trades, there are newly developing industries and projects that illuminate the nuances between the different work that they do. For example, with the development of a modern "green industry", many environmentally-oriented projects are difficult to classify.<sup>3</sup>

Each of these trades are represented by a union which advocates on behalf of its worker members, negotiating wages and benefits with contractor associations, advocating for more work for union members, and overseeing the development of workers as they forge their construction career. To remain active and eligible for work through the union system, union members pay dues.

<sup>3</sup> By way of example, there is an ongoing debate regarding the installation of solar panels and whether those jobs should be categorized as electrical work or a combination of several crafts. These categorizations determine which trades, which workers, and therefore which community members work on installation of solar panels.

A “construction career” in the trade unions generally begins when a worker applies to join, passes any requisite pre-admission tests and screening, and is admitted as an apprentice. For each of the trades, admission is based on that union’s own sets of procedures and guidelines, which determine everything from how often application opportunities are made available, the requirements and criteria for entry, and the number of available apprenticeship slots at any given time. Each trade also has its own rules that affect whether and how incumbent workers – individuals already working in construction but not part of a trade union – can join.

Through work experience and classroom training, apprentices are able to advance to become a journey level member of the trade, receiving increased pay and vesting in benefits such as retirement pension. The requirements of “journeying out” vary between each trade but typically depend on a requisite number of hours of work, class completion, and certain certifications.<sup>4</sup> How different apprenticeship programs function has a significant impact on who and how many people are accepted, assigned work, retained, and journey out. This in turn affects who is available to work and the composition of the construction workforce.

## **b. Collective Bargaining Agreements, Project Labor Agreements**

One of the core functions trade unions perform on behalf of their members is the negotiation of collective bargaining agreements (CBAs) with employers that individual contractors sign with the union. These agreements obligate “signatory” contractors to use union labor under terms and conditions outlined in the agreement and contain important provisions that relate to who works and when.

Collective bargaining agreements generally contain rules regarding grievances, dispute resolution, hours, and wage payments. The collective bargaining agreements negotiated between each trade and its associated contractors association vary from trade to trade, often in great detail. One of the most important areas of difference between collective bargaining agreements is in the area of dispatch. Stated another way, each trade has different ways of determining which of their members will be referred to work on construction jobs.

Generally speaking, there are two ways that a worker comes onto a construction project employing union labor. They can come to the job as a “core employee” of a construction contractor, or they can be “dispatched” or “referred” from the union hiring hall.

Core employees are workers that are formally employed by a contractor and work with that company from job to job. Collective bargaining agreements typically regulate the number of core employees that signatory contractors may bring to a job, allowing the union to maintain influence over which of their members work on jobs through the hiring hall system.

When workers are dispatched they are typically referred off the union’s “out-of-work list,” which orders active members in good standing by most time without work to least time without work. Some unions also have practices to address the uneven quality of jobs.

Very relevant to the discussion of local hiring, some trade unions practice the ability to “name call” members off the out-of-work list, allowing contractors to specify a certain employee, such as an employee residing in a certain locality from anywhere off the out-of-work list. This is a tool that contractors can use to comply with local hiring requirements.

<sup>4</sup> By way of example, the Carpenters Training Committee for Northern California requires that applicants for apprenticeship must: (a) be age 18 or 17 with parental / guardian consent; (b) possess a GED, High school diploma, or verified 6 months full time work experience in a construction related trade or preapprenticeship program, (c) possess a valid drivers' license, (d) have reliable transportation, and (e) a minimum of 8th grade math skills. Once an applicant is accepted into an apprenticeship, the training requirements differ depending on the subtrade of carpentry: carpenters, millwrights and pile drivers require 4 years of apprenticeship while hardwood floor installer requires 3 years and shinglers require 2 years of apprenticeship. As another example, the California of Industrial Relations outlines that an apprentice for elevator construction must have the same pre-admission requirements, and the apprenticeship program can last 4 years. However, based on the industry need for elevator constructors, apprenticeship opportunities are rarely available. The Northern California Elevator Constructor Apprenticeship Program does not anticipate an open application period until 2011.



Unions that provide name call opportunities typically require that name call referrals be matched in a specified ratio from the top of the out-of-work list. This allows the union to balance targeted referrals against the need for equality in terms of time that members spend on the out-of-work list. Unions without a name call option are likely to have a more difficult time meeting local hiring goals.

A Project Labor Agreement (PLA) is a particular type of collective bargaining agreement that governs a specified scope of work with terms negotiated by the project owner, developer or contractor, and the trade unions. The PLA is a form of pre-hire agreement and becomes part of the bid specification that any winning contractors must follow. It requires parties to adhere to the terms of the PLA when working on projects covered by a PLA, and PLA terms supersede conflicting terms within the trades' individual CBA's on covered works.

A PLA works to benefit workers and unions because it guarantees prevailing wage standards and certain working conditions throughout the duration of the often large-scale projects that lead to PLA negotiation. For the contractor or governmental entity, a PLA is beneficial as it guarantees project stability and more timely and cost-effective projects, due in large part to the fact that signatory unions agree not to strike or take other job-site actions that may slow the pace of work on projects covered under a PLA.

With PLAs, there is sometimes a perception of reduced opportunity for non-union contractors to compete for work. However, non-union contractors can still perform work on public sector PLA-covered projects, but on these projects they are bound to the same essential conditions as signatory contractors. PLAs also affect non-union contractors by requiring them to pay into joint union labor-management benefit funds, allowing non-union employees to accrue benefits while working on projects covered under a PLA.

For local hiring supporters seeking to increase opportunities on construction projects funded by public dollars, PLAs are important to understand because they weigh heavily on public infrastructure projects. Similarly, PLAs offer policy makers the opportunity to take the various apprenticeship programs and dispatch rules of different signatory unions and codify mechanisms to guarantee targeted hiring on covered works.

In this manner, a PLA can promote and expand local hiring on PLA-covered work as it applies to the increased number of union jobs that result from projects covered by a PLA. At the same time, the increased work for all union workers might ease any tension within the hiring hall that could result when members are name-called from other than the top of the out-of-work list, or new apprentices are admitted, to help the union deliver workers that allow contractors to meet their local hiring targets..

Last, it is worth noting that a portion of training funds available to unions are derived from and based on the size of public projects on which trade unions work.

### c. Local Hiring

The term “local hiring” can be a term of art meaning different things to different stakeholders, and it is worth noting that the local hiring policy arena expands beyond the act of initial hiring and into strategies designed to promote employment retention.

In the context of San Francisco public policy, “local hiring” is generally understood to mean hiring within San Francisco, or within the city that is investing public dollars subject to an effort to target jobs. In practice, because these “local” jurisdictions are typically the urban core of a metropolitan area, they are usually more racially diverse and economically disadvantaged than the suburbs that surround them. As a result, local hiring is often used to promote diversity and to target city residents with income below a certain threshold or who receive governmental assistance. Efforts to further focus opportunities for specific neighborhoods with high concentrations of economically disadvantaged residents might also be called “community hiring.”

Local hiring among the construction trades can promote community economic development based on the substantial earning capacity of many of the trades. Construction work is not typically associated with high wages or earning capacity, yet many of the skilled trades earn significant hourly wages on public projects. The strong wages and benefits within these trades are very much desirable to economically disadvantaged communities.

Local hiring should be seen as benefiting not only the Bayview-Hunters Point carpenter around the corner from the Bayview Library project, but the Sunset District electrician across from the Sunset Reservoir solar project, and the Chinatown and SOMA laborers above the Central Subway line.

Local hiring also often encompasses the concept of a “project impact area” in seeking to target jobs for residents of the geography within which a project is built, irrespective of the specific characteristics of that neighborhood. This approach can be summarized as giving people the chance to work on projects they see being built in their neighborhoods.

Therefore, local hiring should be seen as benefiting not only the Bayview-Hunters Point carpenter around the corner from the Bayview Library project, but the Sunset District electrician across from the

Sunset Reservoir solar project, and the Chinatown and SOMA laborers above the Central Subway line. Job opportunities are often promised to community residents by project proponents during the approval phase of a project in hopes of earning their support, but often these opportunities do not materialize.

The practice of localization is also not confined to employment. Policy makers have favored promoting local businesses as a way of making communities more resilient, local planning for housing and transportation is an environmental aim under California Senate Bill 375, and local food production is linked to sustainability and health.

However, within the context of employment, local hiring is a compelling social justice tool because while meeting public infrastructure needs, billions of dollars can simultaneously address neighborhood poverty and economic distress and remedy historic inequities facing women and minorities.

Other cited reasons for promoting local hiring are: stabilizing vulnerable neighborhoods and working-class families, racial and gender diversity in the blue-collar workforce, keeping taxpayer dollars local and boosting the local economy, and reducing greenhouse gas emissions associated with the distance of construction workforce commutes.<sup>5</sup>

<sup>5</sup> Projected workforce commute distances, and the emissions they produce, are now part of the California environmental impact reports required for approval of public projects. For example, Chapter III, Section III.S of the Candlestick Point-Hunters Point Shipyard Draft EIR analyzes “Project Construction Greenhouse Gas Emissions,” including emissions associated with construction worker commuting, in Table III.S-2 on page III.S-25.

## II. Existing Law and Policy Affecting Local Hiring on Construction

San Francisco and other governments typically advance local hiring goals in construction through their contracts with construction firms or developers. This occurs when a contractor agrees to adhere to the local hiring policies as part of its bid for public dollars. In nearly every instance a public entity's local hiring policy is attached only to projects funded or in some way subsidized by the public, while hiring in private sector construction remains subject only to market forces.

This section of the report outlines the City's existing local hiring policies, state and federal legislation and case law that impact those policies, and local contracting programs.

### a. San Francisco Administrative Code Chapter 6 and Chapter 83

The primary criticism of San Francisco's current local hiring policies is that they uniformly rely on the "good faith efforts" of employers. These provisions are embedded in Chapter 6 and Chapter 83 of the San Francisco administrative code, which flow from the 1960's Housing and Urban Development<sup>6</sup> effort and mid-1990's welfare reform legislation, respectively.

#### CHAPTER 6 - PUBLIC WORKS

The language found in Chapter 6, Section 6.22(G) of San Francisco's Administrative Code can be considered to be the city's "local hiring policy statement." Pursuant to Chapter 6, all city construction contracts must contain the provision that public works contractors "agree to make a good-faith effort" to hire San Francisco residents for at least 50 percent of the total construction work force. Section 6.22(G) also requires special preference for "minorities, women and economically disadvantaged individuals" in meeting this 50 percent requirement, which is measured in "labor work hours."

Reflective of the "good faith" approach to local hiring, the Administrative Code does not lay out a definition of what "good faith efforts" to achieve the 50 percent goal are, and there is no penalty laid out for even egregiously bad faith efforts. Chapter 6 has also not been amended to reflect developments in law that would sharpen the City's ability to conduct target hiring within the City, and the 50% goal is measured across total project hours instead of trade by trade.

In April 2010, community advocates raised awareness at City Hall that Chapter 6 language had been removed from public works contracts in recent years. Apparently, concerns from the City Attorney's office regarding the ordinance's ability to survive a court challenge based on California Proposition 209 and the privileges and immunities clause of the federal Constitution, both of which will be explained later in this section, prompted this action. This has stripped many San Francisco contracts of local hiring policy, though the statute clearly remains law and unchanged. Millions of dollars worth of public works contracts have been signed without reference to Chapter 6, leaving contractors unaware even of San Francisco's weak "good faith efforts" approach to reaching the 50% goal.

<sup>6</sup> The Department of Housing and Urban Development's Model Cities Program was an element of President Lyndon Johnson's Great Society and War on Poverty. Model Cities was intended to improve coordination of existing urban programs and to provide additional funds for local plans. One of the legacies of the Model Cities program as it existed in San Francisco is the historic 1970 Memorandum of Agreement between the Bayview-Hunters Point Model Neighborhood Agency, the San Francisco Building and Construction Trades Council, and the Associated General Contractors of California. The parties to that agreement pledged to "use their best efforts" to ensure "that no less than 50% of the work force in each craft" on public works within the Bayview-Hunters Point Model Cities Project Area would be recruited from residents of the Model Cities Project Area.

**CHAPTER 83 - FIRST SOURCE HIRING PROGRAM**

While Chapter 6 is the City's local hiring policy benefiting all residents, Chapter 83 is the City's local hiring implementation program specifically targeted toward those San Francisco residents who are economically disadvantaged.<sup>7</sup> Administrative Code Chapter 83 outlines San Francisco's First Source Hiring Program, which requires City construction and non-construction contractors to make entry level jobs available to low-income residents. The First Source Hiring Administration is responsible for implementation, oversight, and monitoring of the program and CityBuild, a program within the Office of Economic and Workforce Development, serves as lead agency for the First Source Hiring Administration.

Contractors entering into a contract with the City for construction in excess of \$350,000 or for goods and services in excess of \$50,000 must enter into a First Source Hiring Agreement in which the contractor must: 1) set appropriate hiring and retention goals for entry level positions, 2) set appropriate requirements for providing notification of available entry level positions, 3) set First Source interviewing, recruitment and hiring requirements, 4) set appropriate record-keeping and monitoring requirements, and 5) establish guidelines for employer good faith efforts to comply with the hiring requirements.

However, First Source has been limited by its dependence on the same "good faith efforts" standard found in Chapter 6 and has not been adequately empowered or staffed to manage the significant opportunities created. The lack of a concrete definition or a penalty for non-compliance has undermined local hiring and left compliance focused on vague effort rather than results, and no contractor has ever been penalized for failure to comply with Chapter 83.

**THE RELATIONSHIP BETWEEN CHAPTERS 6 AND 83**

In theory, Chapter 6 provides a local hiring policy statement that Chapter 83 implements and administers through First Source. The 50 percent target outlined in Chapter 6 provides a benchmark for hiring and retention goals that are required in First Source Agreements outlined under Chapter 83.

In practice, San Francisco is without a strong local hiring statement of policy. With the removal of Chapter 6 from City contracts, local hiring on San Francisco's public works efforts is governed essentially by the market, though public pressure and demands for local hiring on specific, often high-profile, projects have been occurring with increasing frequency.

The process of laying out a First Source Agreement that obligates engaging economically disadvantaged residents for work is a negotiation between City and contractor. But without even a good faith 50 percent target, many contractors are enabled to declare that their core worker crews are already set with no room for additional hires, San Francisco residents or otherwise.

Data with respect to achievement of local hiring goals, as well as the collection of other workforce demographic information, has also not been consistent or timely. Though the implementation of the "Elations" system by the Office of Economic and Workforce Development has caused significant improvements in this area, workforce information is only beginning to be made available to community members in a timely fashion. For community members, workforce information is most critically needed before a project is complete for it to be useful to change practices or to highlight lack of "good faith efforts," at least until a mandatory local hiring approach is adopted.

As one model for addressing this data problem, City College of San Francisco recently contracted with community-based monitors to provide monthly reports on local hiring goals for construction of City College's Joint Use Facility and the permanent campus in Chinatown/North Beach. The monitors provide regular reports that enable elected Trustees and the administration to fully and regularly urge employers and other stakeholders to implement agreed-upon definitions of good faith efforts.

<sup>7</sup> Admin. Code section 83.4(f) defines "economically disadvantaged individual" as "an individual who is either: (1) eligible for services under the Workforce Investment Act of 1998 (WIA) (29 U.S.C.A. 2801 et seq.), as determined by the San Francisco Private Industry Council; or (2) designated 'economically disadvantaged' by the First Source Hiring Administration, as an individual who is at risk of relying upon, or returning to, public assistance."

## b. California Proposition 209, California Labor Code

### PROPOSITION 209

San Francisco's local hiring policies are also impacted by state law, the most significant being Section 31 of Article 1 of the California Constitution, also known as Proposition 209.

In 1996, California voters passed Prop. 209 and barred state and local government from actions that "discriminate, or grant preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting." Since its implementation began, Prop. 209 has curtailed the majority of affirmative action programs that sought to address past and current discrimination and now perpetuates the biases and preferences it purported to prohibit.

Prop. 209 therefore renders San Francisco unable to employ a straightforward approach to expressing hiring targets on the basis of race, sex, color, ethnicity, or national origin. For example, Proposition 209 disallows specific hiring mandates for women or Pacific Islanders, though targeted recruitment and outreach is generally permissible. Yet with respect to local hiring, Proposition 209 does nothing to prohibit targeted opportunities based on residency within San Francisco or by zip codes.

### CALIFORNIA LABOR CODE

The California Division of Apprentice Standards regulates state apprenticeship law under the California Labor Code and, according to its mission statement, "creates opportunities for Californians to gain employable lifetime skills and provides employers with a highly skilled and experienced workforce while strengthening California's economy." While each individual trade union maintains its own apprenticeship standards and Joint Apprenticeship Committee, these programs are registered with and regulated by the state.<sup>8</sup>

California Labor Code section 1777.5 requires a certain number of apprentices on public works construction projects. The intent is to promote a sustainable construction workforce by ensuring that apprentices have the chance to work toward attaining journey level status. Apprentices must work no less than one hour for every five hours worked by journeymen on public works project, and this rule can be stated as requiring at least 16.7 percent of job hours (one in six) to be performed by apprentices.

A change to the Department of Industrial Relations' Code of Regulations, section 230.1 outlines the process by which contractors should request dispatch of apprentices for public works. When contractors on public works projects are not already meeting the one to five ratio for apprentices to journeymen, they must request the "dispatch of required apprentices from the apprenticeship committees providing training in the applicable craft or trade and whose geography area of operation includes the site of the public work." The regulation continues that if an apprenticeship committee does not dispatch apprentices as requested, the contractor must request a dispatch from another committee. If in response to written request for a dispatch, no apprenticeship committee dispatches, the contractor shall not be considered in violation. Moreover, if an apprenticeship committee dispatches fewer apprentices than requested, the contractor shall not be considered in violation.

In terms of enforcement of these provisions, the California Labor Code, section 1777.7 provides the penalties that may be issued for noncompliance with provisions involving employment of apprentices. If a contractor or subcontractor has knowingly violated Section 1777.5, a civil penalty not to exceed one hundred dollars (\$100) for each full calendar day of noncompliance may be issued. A second or subsequent violation within a three-year period may forfeit a civil penalty of up to three hundred dollars (\$300) for each full calendar day of noncompliance. The determinations of compliance are made by the Chief of the Division of Apprenticeship Standards. While apprentice programs must be registered with the California Department of Industrial Relations (DIR), the DIR lacks the staff to effectively monitor compliance and assure applicants that apprenticeship programs recognized by the state are fair and open.

<sup>8</sup> Joint apprenticeship committees vary in form but are typically composed of members from unions, contractors and perhaps government officials. The joint apprenticeship committees are responsible for developing curriculum for apprenticeship programs, as well as setting the standards for apprentices to accomplish in order to journey out.

### c. Federal Law

Laws surrounding local hiring on projects funded in whole or in part with federal dollars are not as clear-cut as laws governing projects funded by San Francisco dollars. In fact, depending on the source of federal funding on public works projects, the ability for local jurisdictions to apply local hiring guidelines or mandates may be permitted, prohibited, or located somewhere in between.

For projects funded by federal stimulus dollars under the American Recovery and Reinvestment Act, Section 1.6 of the April 3, 2009 Updated Implementing Guidance for the ARRA contains the following guideline:

“Promoting local hiring: Departments and agencies should seek to maximize the economic benefits of a Recovery Act-funded investment in a particular community by supporting projects that seek to ensure that the people who live in the local community get the job opportunities that accompany the investment.”

This policy tracks a general federal policy that is administered by the Office of Federal Contract Compliance Programs (OFCCP), whose mission is “ensuring that contractors doing business with the Federal government do not discriminate and take affirmative action.” Federal regulation 41 CFR 60-1.4(b)(1) requires all construction contracts receiving federal assistance to include the following clause:

“The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.”

The OFCCP states that “the current goal for the utilization of women is 6.9% of work hours.” The OFCCP goal for minority hiring for San Francisco, Alameda, Contra Costa, San Mateo, and Marin counties is 25.6 percent of work hours. Clearly the federal purpose of this federal regulation is complicated by California’s Prop. 209, which suggest that only targeted hiring by geography, and not gender or race, would be permissible.

On projects funded by the Federal Highway Administration (FHWA) even geographic specifications may be limited. Under federal regulation 23 CFR 635.117(b), on FHWA funded projects, “No procedures or requirement shall be imposed by any State which will operate to discriminate against the employment of labor from any other State, possession or territory of the United States, in the construction of a Federal-aid project.” FHWA projects often span several states and therefore the intent of Congress seems to create a blanket statement that respects the Constitutional prohibition that prohibits measures that are an “unreasonable burden on interstate commerce.”

The FHWA has been relaxed for projects that clearly do not impact other states and in which a municipal local hiring ordinance would be applied. An August 19, 2009 letter from FHWA to the California Department of Transportation clarifies that while FHWA funds and ARRA funds administered by the FHWA cannot be subject to local hiring targets, a project funded by these funds plus other private and non-FHWA funding sources may utilize a local hiring ordinance. The letter highlights, however, that phases of a project should be clearly segmented according to funding source, and that in the case of Los Angeles' Alameda Corridor project, contracts "which received Federal-aid highway funds...did not contain local hiring preferences."

The Federal Transit Administration (FTA) has not made a similar pronouncement regarding targeted hiring goals on FTA-funded projects. In fact, the proposed \$500 million BART Oakland Airport Connector project contains a goal of 50% of construction job hours, by trade, to be worked by residents of Alameda, Contra Costa, San Francisco, San Mateo counties and 25% of hours for residents of Oakland. This agreement, which unlike the Port of Oakland's Maritime and Aviation Project Labor Agreement relies on contractors' "good faith efforts" rather than mandates, was reached before \$70 million of FTA funds were withdrawn, suggesting the ability to apply local hiring policy to FTA-funded projects without the segmentation required by the FHWA.

#### **d. Local Business Enterprise Programs**

Businesses contracting with the City and County of San Francisco are eligible for different types of local business enterprise certifications that are governed by Chapter 14b of the San Francisco Administrative Code and implemented by the Human Rights Commission. Additional local jurisdictions such as the San Francisco Community College District and the San Francisco Unified School District also administer local or small business enterprise programs.

These certifications are intended to help local businesses compete more effectively for City contracts in several ways. First, each City agency typically has subcontracting goals to increase the participation of local businesses. Second, certified local business enterprises are eligible to receive bid discounts when bidding on City contracts. By receiving a bid reduction of between two and ten percent, local business enterprises receive an advantage relative to non-local businesses during the bidding process to win public contracts. And third, "micro" local businesses that lack the capacity to perform large contracts are eligible for City contracts that are set aside for them.

Eligibility for certification as a local business enterprise is generally determined by whether the primary location of a business is in San Francisco, as opposed to whether City residents are employed, and with restrictions that the business is not too large as defined by gross receipts over a three year period. The majority of the company's principal and non-field employees must work at its primary location in San Francisco.

What is worth noting is that the City's local hiring goals are not incorporated into any of these local or small business enterprise programs. The definition of a local business enterprise in San Francisco and the benefits that are associated with it do not consider criteria related to residency or composition of its employees. This presents an opportunity to connect local business enterprises and benefits associated with local business ownership to the hiring of local residents

### III. Training

There are a number of training programs designed to help San Franciscans achieve success in building and construction industry. Within the trade unions, this occurs primarily through apprenticeship, with funding coming from a formula contribution made by construction firms working on public contracts. Typically, apprenticeship programs are sponsored to provide resources to adequately train workers. Programs may be sponsored by a single employer, multiple employers, or a combination of employers and labor unions. As referenced in earlier sections, each of the trades has their own process and guidelines for their apprenticeships as well their own Joint Apprenticeship Committee, though broader oversight is performed by the State Division of Apprenticeship Standards.

Successful apprenticeship programs should be defined by the percentages who are able to complete the intense and demanding requirements of apprenticeship. This success can be facilitated by supports and services such as transportation stipends, childcare or counseling to be able to complete training programs. Another barrier is also “poaching” – the practice of one contractor hiring another’s apprentice. Poaching often happens so that contractors or unions do not have to make the long-term investment in sponsoring or developing their own apprenticeship program. Community-based training programs as well as Vocational English as Second Language, may help to address the barriers that many apprentices face.

#### a. Community-based training programs

Prior and parallel to the apprenticeship process, additional training to meet specific needs can improve the rate at which apprentices are retained and eventually journey out. Community-based programs that are supported by a mix of private and public funds have historically been positioned to do this well because of their unique understanding of and relationship with communities, whether those communities are defined by race and ethnicity, gender, or neighborhood.

Many of these community-based programs are effective because they simultaneously address a range of legal, social service, and other needs that support job readiness and success. In addition, these programs generally do not channel their clients to any one field of employment, such as construction, and as a result they often have a range of innovative partnerships with employers to facilitate entry into the workforce. In fact, the bulk of the City’s workforce development system involves an evolving web of partnerships between multiple stakeholders that include community-based organizations, City agencies, employers, and educational institutions including City College of San Francisco and San Francisco Unified School District.<sup>9</sup>

Generally speaking within construction, however, most training programs support jobseekers. Making opportunities for incumbent workers, both union and non-union, to receive ongoing training and education that is accessible and worthwhile has been a lower priority for the City. This may present a problem to the degree that incumbent workers are not able to upgrade or expand their work competencies. Another resulting problem is that a segment of the population is unable to avoid overspecialization of skills that may not be compatible with the workforce demands of a changing economy.

<sup>9</sup> The San Francisco Public Utilities Commission (SFPUC) has embarked on the creation of a Community Benefits Program that will increase its delivery of community benefits such as jobs and job training on SFPUC capital projects and that will help tighten the SFPUC’s role within the City’s workforce development system. This program may trigger additional steps by other departments and San Francisco agencies to consolidate their workforce efforts within the centralized workforce system.



### b. CityBuild Academy

CityBuild Academy is the City's centralized, multi-trade pre-apprenticeship program designed to provide training and job-placement for economically disadvantaged San Francisco residents in construction.

CityBuild Academy targets San Francisco residents from groups who traditionally have had a difficult time gaining entry into unionized construction employment and who, without a four-year degree, may have fewer career options.

With a mandatory local hiring approach, CityBuild's role as First Source Administrator can become an even stronger tool for increased apprenticeship and work placement commitments from unions and employers.

CityBuild Academy attempts to place and keep individuals in construction careers by offering an intense recruiting, assessment, and training process. Many of the City's community-based workforce development programs provide recruitment, support, and retention services to clients of CityBuild Academy, and these programs have expanded beyond construction to include academies for the green and health care sectors.

The crux of the Academy's value proposition, however, is that it functions as an arm of CityBuild, which is the City's First Source Hiring Administrator. With a mandatory local hiring approach, CityBuild's role as First Source Administrator can become an even stronger tool for increased apprenticeship and work placement commitments from unions and employers.

### c. Vocational English as a Second Language

There are many limited-English proficient immigrants in the Bay Area who have experience in construction jobs from their country of origin, with non-union contractors in the U.S., or both. Though they possess construction skills, their limited English often prevents them from successfully competing for employment opportunities on large public works projects. This results in immigrants who are otherwise qualified for union construction work remaining in jobs that pay lower salaries with no health care or other fringe benefits.

This challenge is especially relevant as San Francisco proceeds with the \$1.6 billion Central Subway Project in Chinatown and South of Market, two neighborhoods with large percentages of Asian American immigrants who have faced difficulty in obtaining jobs on public projects.

Employment data from San Francisco public construction suggest that Asian American workforce participation numbers - typically around four percent - fall far below the representative ratio of Asian American residents working in local construction. Whereas Asian Americans are estimated to comprise approximately more than 30 percent of the construction workforce in San Francisco, those workers are not accessing employment at proportional levels numbers on public works projects.

Though improving performance with respect to local hiring goals would benefit all communities of color in San Francisco, it is important to understand that the under-representation of Asian Americans likely stems from the high number of limited-English proficient construction workers in this group, who because of language barriers, are only able to access lower-paying, non-union, construction employment.

Vocational English as a Second Language (VESL) programs in construction can help address this challenge.

#### **COMMUNITY VESL FOR CONSTRUCTION INITIATIVES**

Community VESL for construction initiatives offer much promise. In 2006, a pilot 18-week, 10 hours per week, construction VESL course was designed and implemented by Chinese for Affirmative Action and City College of San Francisco. The project succeeded in finding employment or promotions for nearly half of the graduating students in union construction companies, with an almost equal number joining construction unions while awaiting work, or finding employment with non-union firms. The pilot took a broad approach to enable English learners to access or move up in different trades.

Charity Cultural Services Center, based in San Francisco Chinatown, currently operates an even more targeted approach. The program partners with Carpenters Union Local 22 to offer hard skills construction training, bilingual Chinese-English instruction, and includes a critical agreement with the union so that participants automatically gain entry as apprentices upon graduation.

#### **CITYBUILD ACADEMY VESL MODEL**

Recent efforts have successfully increased the inclusion of VESL into CityBuild Academy. This now happens in several ways. First, pre-Academy VESL opportunities are provided to enable English-learners to qualify for CityBuild Academy. Second, VESL is offered concurrently along with Academy courses to reinforce instruction that is taught. And third, post-Academy VESL is offered for graduates in the trades to improve their language skills so that they can access more work sites.

#### **VESL WITHIN THE TRADES**

The trade unions themselves have the wherewithal to expand and integrate VESL offerings as part of their trainings. For example, Ironworkers Local 377 has had tremendous success in facilitating the entry of Chinese language speakers into the ironworkers union, while other unions have had similar success with Spanish language initiatives.

#### **CITY COLLEGE OF SAN FRANCISCO VESL FOR CONSTRUCTION**

City College of San Francisco offers VESL construction classes that teach students language skills appropriate for the construction field, including occupation-specific vocabulary and verbal communications skills that will be most relevant on work sites. These classes are not formally required to be attached to local efforts by community-based organizations, such as outreach, recruitment, case management, or retention support services. In addition, they are not tied to the pre-apprenticeship programs of the trade unions, or the job placement functions performed by CityBuild.

#### **IV. Composition of Workforce on Recent SF Public Projects**

##### **a. Methodology**

Workforce data from 29 public infrastructure projects in San Francisco over the past seven years is provided within this section of the report and was derived from data requests to the Human Rights Commission, Office of Economic and Workforce Development, and City enterprise departments. For projects that are ongoing and in the case of one project that is complete, the data available does not reflect the final or total number of workforce hours performed.<sup>10</sup>

Moreover, while this study is a snapshot of the workforce on certain public infrastructure projects in San Francisco, it does not present the overall labor market in construction. For example, it is important to understand that at any given time there is a population of construction workers who may not be working or who may be working on private sector projects.

For each table, the leftmost column indicates the number of workforce hours from the 29 projects that were available for analysis. This number varies with respect to the different tables because not all projects were able to provide the same level of information.

The tables present the composition of the workforce by number of hours worked, not by number of individuals employed, on the San Francisco public infrastructure projects for which data is available.

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<sup>10</sup> See Appendix B regarding project dates and descriptions.

**b. Residency****San Francisco Public Construction Projects  
work hours by residency**

RESIDENCY	Total	San Francisco		Non-San Francisco	
sample hours	5,349,915	1,291,992	24.1%	4,057,923	75.9%
sample projects	29				
PROJECT	Total Hours	San Francisco		Non-San Francisco	
Laguna Hospital	1,810,807	374,412	21%	1,436,395	79%
3rd Street Light Rail	1,171,097	393,454	34%	777,643	66%
SFO	632,608	76,237	12%	556,371	88%
3rd Street - Metro East	453,956	115,919	26%	338,037	75%
Geary Building Senior Housing	265,112	71,127	27%	193,985	73%
City College - Mission Campus	264,384	56,178	21%	208,206	79%
149 Mason	108,115	25,296	23%	82,819	77%
Civic Center Residence	104,401	32,098	31%	72,303	69%
City College - Wellness Center	101,811	19,058	19%	82,753	81%
University Mound Reservoir Retrofit	92,529	23,913	26%	68,616	74%
SF General Rebuild	88,967	25,438	29%	63,529	71%
Zygmunt Arendt House	49,881	15,929	32%	33,952	68%
Transbay Temporary Terminal	44,005	5,657	13%	38,348	87%
I-Hotel	24,953	6,737	27%	18,216	73%
MTA - 1 South Van Ness	17,641	6,969	40%	10,672	61%
SOMA Pavement Renovation	17,536	4,372	25%	13,164	75%
Central Subway Utility Relocation Portal/Moscone	15,903	3,088	19%	12,815	81%
Balboa Street Pavement Renovation	11,778	1,394	12%	10,384	88%
Parkside Branch Library	10,344	5,739	56%	4,605	45%
Sunset Reservoir Solar	10,114	5,471	54%	4,643	46%
Misc. MTA Rail Replacement	6,640	4,712	71%	1,928	29%
MUNI Traction Power Feeder	5,961	3,010	51%	2,951	50%
Leland Ave Street Scape	5,676	1,846	33%	3,830	68%
Visitacion Valley Library	5,343	2,262	42%	3,081	58%
Anza Branch Library	2,813	882	31%	1,931	69%
Ortega Branch Library	1,902	662	35%	1,240	65%
Stockton Street Tunnel	1,833	826	45%	1,007	55%
Geneva Historic Car Enclosure	1,719	859	50%	860	50%
Merced Branch Library Renovation	1,400	555	40%	845	60%

\* not all projects complete; I-Hotel data based on sample of total hours

**c. Gender**

**San Francisco Public Construction Projects  
work hours by gender**

GENDER	Total	Male	Female
sample hours	3,061,641	2,949,275 96.3%	112,366 3.7%
sample projects	13		

PROJECT	Total Hours	Male	Female
3rd Street Light Rail	1,171,097	1,112,169 95%	58,928 5%
SFO	632,608	619,829 98%	12,779 2%
3rd Street - Metro East	453,956	434,374 96%	19,582 4%
Geary Building Senior Housing	265,112	258,670 98%	6,442 2%
149 Mason	108,115	104,017 96%	4,098 4%
Civic Center Residence	104,401	99,964 96%	4,437 4%
University Mount Reservoir Retrofit	92,529	91,881 99%	648 1%
SF General Rebuild	88,967	86,085 97%	2,883 3%
Zygmunt Arendt House	49,881	49,317 99%	564 1%
Transbay Temporary Terminal	44,005	43,037 98%	968 2%
I-Hotel	24,953	24,704 99%	250 1%
Central Subway Utility Relocation Portal/Moscone	15,903	15,771 99%	132 1%
Sunset Reservoir Solar	10,114	9,458 94%	656 7%

*\* not all projects complete; I-Hotel data based on sample of total hours*

**d. Race and Ethnicity**

**San Francisco Public Construction Projects**  
 work hours by race/ethnicity  
 (includes both San Francisco and non-San Francisco residents)

RACE/ ETHNICITY	Total	African Amer.	Asian Pac. Isl.	Latino	Native Amer.	White	Other, D/S **
sample hours	2,879,165	375,786 13.1%	121,907 4.2%	1,309,757 45.5%	6,780 0.2%	898,857 31.2%	166,078 5.8%

sample projects 10

PROJECT	Total Hours	African Amer.	Asian Pac. Isl.	Latino	Native Amer.	White	Other, D/S **
3rd Street Light Rail	1,171,097	227,351 19%	35,595 3%	557,540 48%	0 0%	337,779 29%	12,832 1%
SFO	600,092	34,983 6%	25,937 4%	230,143 38%	4,492 1%	240,075 40%	64,463 11%
3rd Street Metro East	453,956	62,862 14%	16,804 4%	218,785 48%	0 0%	104,632 23%	50,873 11%
Geary Building Senior Housing	255,011	16,702 7%	7,768 3%	124,338 49%	265 0%	91,702 36%	14,237 6%
149 Mason	97,304	10,055 10%	4,508 5%	37,927 39%	0 0%	43,257 45%	1,557 2%
Civic Center Residence	97,500	5,857 6%	18,677 19%	44,485 46%	146 0%	16,015 16%	12,319 13%
SF General Rebuild	85,933	8,915 10%	3,212 4%	40,329 47%	356 0%	29,066 34%	4,057 5%
Zygmunt Arendt House	49,880	6,485 13%	3,432 7%	20,102 40%	24 0%	17,019 34%	2,818 6%
Transbay Temporary Terminal	43,688	2,328 5%	3,978 9%	23,882 55%	0 0%	10,579 24%	2,922 7%
I-Hotel	24,704	250 1%	1,996 8%	12,227 50%	1,497 6%	8,734 35%	0 0%

\*not all projects complete; I-Hotel data based on sample of total hours  
 \*\*Other or Declined to State

**e. Apprenticeships**

**San Francisco Public Construction Projects  
work hours by apprenticeship**

APPRENTICESHIPS	Total	Apprentice	SF Apprentice	SF% of Apprentice Hours
sample hours	3,247,243	583,933	18.0%	208,885 6.4% 35.8%
sample projects	26			

PROJECT	Total Hours	Apprentice	SF Apprentice	SF% of Apprentice Hours
Laguna Hospital	1,810,807	345,180	19%	125,116 7% 36%
SFO	632,608	117,123	19%	26,023 4% 22%
Geary Building Senior Housing	265,112	56,692	21%	24,969 9% 44%
149 Mason	108,115	17,146	16%	7,696 7% 45%
Civic Center Residence	104,401	13,085	13%	5,330 5% 41%
University Mound Reservoir Retrofit	92,529	13,983	15%	8,380 9% 60%
SF General Rebuild	88,967	7,011	8%	4,987 6% 71%
Transbay Temporary Terminal	44,005	5,705	13%	2,249 5% 39%
MTA-1 South Van Ness	17,641	2,242	13%	35 0% 2%
SOMA Pavement Renovation	17,536	0	0%	0 0% 0%
Balboa Street Pavement Renovation	11,778	18	0%	0 0% 0%
Parkside Branch Library	10,344	409	4%	102 1% 25%
Sunset Reservoir Solar	10,114	3,125	31%	2,476 25% 79%
Misc. MTA Rail Replacement	6,640	30	1%	0 0% 0%
MUNI Traction Power Feeder	5,961	151	3%	0 0% 0%
Leland Ave Streetscape	5,676	179	3%	171 3% 96%
Visitation Valley Library	5,343	948	18%	597 11% 63%
Anza Branch Library	2,813	456	16%	411 15% 90%
Ortega Branch Library	1,902	0	0%	0 0% 0%
Stockton Street Tunnel	1,833	85	5%	0 0% 0%
Geneva Historic Car Enclosure	1,719	276	16%	266 16% 96%
Merced Branch Library Renovation	1,400	90	6%	77 6% 86%

\*not all projects complete

## V. Composition of Trades on Recent SF Public Projects

### a. Methodology

The availability of data received from City departments regarding the composition of the trades work on the 29 public infrastructure projects that were surveyed varied from project to project. This section presents all data that was accumulated with respect to trade-specific job hours on these projects.

For each table, the leftmost column indicates the number of workforce hours from the trade that were available for analysis. This number varies with respect to the different trades because different trades perform different amounts of work. This number also varies with respect to different tables because not all projects were able to provide the same level of information.

The tables present the composition of the trades by number of hours worked, not by number of individuals employed, on the San Francisco public infrastructure projects that made data available.

### b. Residency and Apprenticeship

#### Diversity of Building and Construction Trades (based on sample hours from recent SF projects)

TRADE	Sample Hours	San Francisco	Non-San Francisco	Apprentice	SF Apprentice	SF % of Apprentice Hours
Asbestos Related	47,397	1%	99%	10%	0%	0%
Carpenters	408,682	22%	78%	21%	6%	31%
Cement Masons	38,023	13%	87%	7%	1%	14%
Drywall Installers	367,810	13%	87%	16%	5%	34%
Electricians	472,604	21%	79%	24%	7%	28%
Elevator Constructors	17,690	9%	91%	41%	6%	14%
Glaziers	68,034	29%	71%	30%	16%	55%
Ironworkers	232,992	18%	82%	22%	8%	38%
Laborers	534,431	28%	72%	5%	3%	56%
Operating Engineers	115,725	12%	88%	3%	0%	13%
Painters	81,761	16%	84%	21%	9%	40%
Plasterers	55,845	5%	95%	5%	1%	25%
Plumbers	360,105	22%	78%	32%	13%	41%
Roofers	39,144	19%	81%	38%	9%	24%
Sheet Metal Workers	205,517	19%	81%	22%	10%	43%



**c. Gender**

**Diversity of Building and Construction Trades**  
(based on sample hours from recent SF projects)

TRADE	Sample Hours	Male	Female
Carpenters	375,722	98.5%	1.5%
Cement Mason	91,788	99.2%	0.8%
Drywallers	48,064	100.0%	0.0%
Electricians	326,062	98.7%	1.3%
Glaziers	12,376	93.7%	6.3%
Iron Workers	205,095	99.8%	0.2%
Laborers	1,160,624	99.0%	1.0%
Operating Engineers	253,791	99.7%	0.3%
Painters	29,482	94.8%	5.2%
Plasterers	17,846	99.5%	0.5%
Plumbers	144,912	97.9%	2.1%
Roofers	21,986	99.9%	0.1%
Sheet Metal Workers	28,249	97.5%	2.5%

**d. Race and Ethnicity**

**Diversity of Building and Construction Trades**  
(based on sample hours from recent SF projects, includes both San Francisco and non-San Francisco residents)

TRADE	Sample Hours	African Amer.	Asian Pac. Isl.	Latino	Native Amer.	White	Other
Bricklayers	8,956	25%	0%	50%		23%	3%
Carpenters	375,722	10%	5%	40%	1%	39%	2%
Cement Masons	91,788	13%	7%	65%	1%	15%	2%
Drywallers	48,064	28%	0%	34%	0%	30%	8%
Electricians	326,062	5%	11%	11%	0%	68%	5%
Glaziers	12,376	12%	5%	17%	1%	62%	3%
Iron Workers	205,095	9%	10%	41%	1%	33%	6%
Laborers	1,160,624	15%	1%	66%	0%	8%	2%
Operating Engineers	253,791	16%	1%	28%	0%	51%	4%
Painters	29,482	2%	4%	47%	0%	43%	3%
Pile Drivers	31,696	21%	1%	19%	0%	59%	1%
Plasterers	17,846	15%	0%	61%	0%	21%	4%
Plumbers	144,912	5%	8%	8%	0%	61%	17%
Roofers	21,986	7%	0%	71%	0%	9%	13%
Sheet Metal Workers	28,249	9%	13%	22%	0%	53%	4%

## VI. Survey Responses from Building and Construction Trades

### a. Methodology

Chinese for Affirmative Action asked each of the 26 affiliates of the San Francisco Building and Construction Trades Council, as well as Laborers Local 261, to complete a self-survey. An original survey is provided as Appendix C of this report.

In November 2009, Council Secretary-Treasurer Michael Theriault sent a letter to each affiliate requesting that the trades participate in the survey as part of their commitment to “every good faith effort to ensure the success of employment and/or educational or training programs” under the San Francisco City College Project Labor Agreement. In addition, Mayor Gavin Newsom wrote a June 8, 2010 letter to San Francisco Building and Construction Trades Council representatives asking that the trades “work cooperatively and respond to the data requests” in order to “move the discussion of local hire forward.”

The following trades participated: Boilermakers Local 549, Bricklayers, Tilelayers & Allied Craftworkers Local 3, Glaziers Local 718, International Brotherhood of Electrical Workers Local 6, International Union of Elevator Constructors Local 8, Ironworkers Local 377, Laborers Local 67, Laborers Local 261, Roofers Local 40, Sprinkler Filters Local 483, Painters & Drywall Finishers Local 913, Piledrivers Local 34. In some cases information requested was not available, or answer prompts were left blank.

The following trades did not participate: Carpenters Local 22, Carpenters Local 2236, Carpet Layers Local 12, Cement Masons Local 300, Cement Masons Local 300 Area 580, Heat and Frost Insulators Local 16, Hod Carriers Local 166, Lathers Local 68L, Milwrights Local 102, Operating Engineers Local 3, Plasterers Local 66, Plumbers and Pipe Fitters Local 38, Sheet Metal Workers Local 104, Sign and Display Local 510, Teamsters Local 853, Teamsters Local 853-San Mateo

Survey responses are provided herein exactly as they were received. All gaps in the following tables are intended and accurately reflect the data that was provided in the survey.

**b. Responses**

**Survey Responses from Trades  
Trade Membership and Apprenticeship**

	Total Members	Apprentices	Active Journeymen	Applications received during last cycle for apprenticeship	How many passed the written exam	How many passed the oral interview
Boilermakers Local 549	380	99	380	50	no exam	no exam
Bricklayers, Tilelayers & Craftworkers Local 3	2340	197	1415	*	*	*
Glaziers Local 718	559	74	268	*	*	*
IBEW Local 6	2549	267	2174	985	411	411
Int'l Union of Elevator Constructors Local 8	1155	307	848	1982	874	462
Ironworkers Local 377	2485	366	1576	*	*	*
Laborers Local 67	1314	0	1252	0, not apprentice craft	n/a	n/a
Laborers Local 261	3025	37	1918	*	*	*
Painters & Drywall Finishers Local 913	693	147	314	*	*	*
Piledrivers Local 34	1140	97	807	*	*	*
Roofers Union Local 40	400	200	200	*	*	*
Sprinkler Fitters Local 483	737	187	550	300 every 6 mo.	approx. 165	approx. 25-30

\* Union did not receive this question

**Survey Responses from Trades  
Language Requirements / Assistance**

	Is English proficiency required to become a member?	Is any language assistance or VESL offered as part of apprenticeship?
Boilermakers Local 549	No	No
Bricklayers, Tilelayers & Craftworkers Local 3	Yes, apprentices are required to take ESL	Yes, LEA offers ESL classes. Reimbursement for classes is also offered.
Glaziers Local 718	No	No
IBEW Local 6	No	No
Int'l Union of Elevator Constructors Local 8	Yes, aptitude test includes an English comprehension section	No
Ironworkers Local 377	No	Yes, translators and tutors are available as needed
Laborers Local 67	No	No
Laborers Local 261	No	No, classes were offered in the past
Painters & Drywall Finishers Local 913	No	No
Piledrivers Local 34	No	No
Roofers Union Local 40	No	No
Sprinkler Fitters Local 483		

Blank space indicates no response provided

**Survey Responses from Trades**  
Racial Composition

	Racial Composition of Union Members					Racial Composition of Members who are SF Residents				
	African Amer.	Asian/Pac. Is.	Latino	White	Other D/S	African Amer.	Asian/Pac. Is.	Latino	White	Other D/S
Boilermakers Local 549	20%	10%	20%	40%	10%					
Bricklayers, Tilelayers & Craftworkers Local 3										
Glaziers Local 718										
IBEW Local 6										
Int'l Union of Elevator Constructors Local 8	33	68	144	901	9	2	5	15	36	1
Ironworkers Local 377	72	145	879		68					
Laborers Local 67	31	6	1211	66	0	16	2	16	1	0
Laborers Local 261	8	6	38							
Painters & Drywall Finishers Local 913	70	14	226	189		54	7	56	43	
Piledrivers Local 34	25	7	52	362	393	1	0	2	14	10
Roofers Union Local 40	10	6	280	100	4					
Sprinkler Fitters Local 483										

*Blank space indicates no response provided*  
*\*\* Other or Declined to State*

**Survey Responses from Trades**  
Gender Composition

	Male	Female
Boilermakers Local 549	95%	5%
Bricklayers, Tilelayers & Craftworkers Local 3	2275	18
Glaziers Local 718		
IBEW Local 6	2437	108
Int'l Union of Elevator Constructors Local 8	1133	22
Ironworkers Local 377	2438	23
Laborers Local 67	1250	64
Laborers Local 261	1757	73
Painters & Drywall Finishers Local 913	521	17
Piledrivers Local 34	823	19
Roofers Union Local 40		
Sprinkler Fitters Local 483		Less than 10

*Blank space indicates no response provided*

**Survey Responses from Trades**  
County Residence

	Alameda	Contra Costa	Marin	Napa	San Francisco	Santa Clara	San Mateo	Solano	Other
Boilermakers Local 549	100	100	100	100	100	100	100		250
Bricklayers Tilelayers & Craftworkers Local 3	343	194	21	10	109	371	156	94	
Glaziers Local 718									
IBEW Local 6	205	299	168	12	649	24	584	85	524
Int'l Union of Elevator Constructors Local 8	156	194	29	7	59	79	145	85	401
Ironworkers Local 377	322	164	15	14	290	350	178	57	n/a
Laborers Local 67	644	206	0	2	35	17	4	16	391
Laborers Local 261									
Painters & Drywall Finishers Local 913									
Piledrivers Local 34	146	214	12	16	27	16	26	96	587
Roofers Union Local 40		104			108		172		68
Sprinkler Fitters Local 483					43, 6%				

*Blank space indicates no response provided*

*All responses provided in terms of number of workers except in the case of Sprinkler Fitters Local 483*

**Survey Responses from Trades**  
Residence by SF Zip Codes

	94102 Hayes Valley, Tenderloin, North of Market	94103 SOMA	94104 Financial District	94105 Embarcadero & SOMA	94107 Potrero Hill	94108 Chinatown	94109 Nob-Hill, Russian Hill	94110 Mission, Bernal Heights	94111 Embarcadero, Barbary Coast	94112 Ingelside-Excelsior	94114 Castro, Noe Valley	94115 Pac Heights, Western Addition, Japantown
Boilermakers Local 549												
Bricklayers, Tilelayers & Craftworkers Local 3	0	2	0	1	2	5	2	6	0	20	1	1
Glaziers Local 7 18	4	4	0	0	2	1	1	18	0	14	0	1
IBEW Local 6	5	6	2	0	14	3	11	38	0	122	21	5
Int'l Union of Elevator Constructors Local 8	0	3	0	1	2	1	0	7	1	4	5	0
Ironworkers Local 377	7	5	0	0	5	4	2	22	0	43	5	4
Laborers Local 67	1	0	0	0	0	0	0	3	0	0	0	3
Laborers Local 261	16	20	0	0	9	1	7	167	0	103	2	15
Painters & Drywall Finishers Local 913	4	6	0	0	6	2	3	17	0	34	3	6
Piledrivers Local 34	1	0	0	0	1	0	1	2	2	0	1	1
Roofers Union Local 40												
Sprinkler Fitters Local 483												

*Blank space indicates no response provided*

**Survey Responses from Trades**  
Residence by SF Zip Codes (continued)

	94116 Outer Sunset	94117 Haight Ashbury, Cole Valley	94118 Inner Richmond	94121 Outer Richmond	94122 Inner Sunset	94123 Marina, Cow Hollow	94124 Bayview	94127 St. Francis, West Portal	94129 Presidio	94131 Twin Peaks, Glen Park	94132 Lake Merced	94133 North Beach, Fisherman's Wharf	94134 Visitacion Valley
Boilermakers Local 549													
Bricklayers, Tilelayers & Craftworkers Local 3	12	2	4	7	5	1	6	0	0	1	3	2	5
Glaziers Local 718	7	2	3	8	6	1	9	4	0	2	1	0	3
IBEW Local 6	63	24	21	42	60	11	31	32	3	25	18	6	35
Int'l Union of Elevator Constructors Local 8	3	1	2	3	5	2	1	2	0	3	4	1	6
Ironworkers Local 377	18	4	5	7	13	2	51	5	1	4	15	8	44
Laborers Local 67	0	7	0	0	1	0	16	0	0	0	1	0	2
Laborers Local 261	7	3	3	3	3	0	98	3	0	4	6	3	59
Painters & Drywall Finishers Local 913	8	5	5	8	11	2	30	4	0	5	4	2	20
Piledrivers Local 34	1	2	2	3	0	0	1	3	0	2	1	1	1
Roofers Union Local 40													
Sprinkler Fitters Local 483													

*Blank space indicates no response provided*

## VII. Model Local Hiring Policies

Other cities around the country have similarly felt frustrated as billions of dollars of public works investment fail to achieve original goals for elevating economically disadvantaged neighborhoods. This has fueled an interest and innovation in stronger local hiring policies nationwide.

San Francisco must recognize that mandatory, as opposed to "good faith," local hiring is not only legal but effective in targeting job opportunities for its residents.

This section of the report outlines three models of local hiring policy that have successfully addressed concerns about the legality of mandated local hiring, received support from local organized labor, and navigated dynamics created by the regional nature of the construction workforce.

However, it must be unequivocally stated at the outset of this section that San Francisco must recognize that mandatory, as opposed to "good faith," local hiring is not only legal but effective in targeting job opportunities for its residents.

### a. Fannie M. Lewis Cleveland Resident Employment Law

In 2003, the City of Cleveland, Ohio enacted legislation authored by long-time City Council member Fannie M. Lewis to require a certain percentage of job hours on city-funded construction projects for Cleveland residents. As noted in a research paper on the Cleveland AFL-CIO<sup>11</sup>, "for years Cleveland's African-American and other minority residents have been pressuring city government to insure that people living in Cleveland will have access to jobs on Cleveland's publicly funded construction projects...the Cleveland City Council passed the Fannie M. Lewis Cleveland Resident Employment Law to encourage construction contractors to hire locally."

The Lewis Law mandates that "all Construction Contracts shall contain a provision that requires that Residents of the City perform twenty percent (20%) of the total Construction Worker Hours ('Resident Construction Worker Hours') and shall contain a provision detailing the penalties for failure to do so." In addition, the law requires contractors to "use significant effort" to "ensure that no less than four percent (4%) of the Resident Construction Worker Hours are performed by persons who qualify as Low Income Persons."

<sup>11</sup> Stephanie Luce and Mark Nelson, *The Cleveland AFL-CIO, draft report, April 30, 2005, available at: <http://powerbuilding.wayne.edu/power/downloads/Cleveland.pdf>.*



The Lewis Law contains a statutory nuance intended to address a 1984 Supreme Court case that held resident hiring to be on questionable constitutional footing if it gave unfair advantage to residents of one state over those of another. Specifically, the case of United Building and Construction Trades Council of Camden County v. Mayor and Council of the City of Camden held that while a Camden, New Jersey law requiring 40 percent of employees on city construction contracts to be Camden residents did not run afoul of the Dormant Commerce Clause, the city ordinance did not escape scrutiny under the Privileges & Immunities Clause of Article IV of the United States Constitution.<sup>12</sup> The Privileges & Immunities Clause prohibits discrimination by one state against the residents of another, particularly with respect to commercial activities such as employment and pursuing a livelihood.

In Camden, the Court found that a law which necessarily impacted Pennsylvania residents traveling one mile over the Benjamin Franklin bridge from Philadelphia into Camden for construction work was based on inadequate findings of necessity to allow a state to pass a law which directly impacted another state.

Cleveland's solution under the Lewis Law was to define the term "Construction Worker Hours" such that the law "excludes the number of hours of work performed by non-Ohio residents." This approach to mandating resident hiring without running up against the concerns laid out in the Camden case was endorsed by the U.S. Court of Appeals for the 6th Circuit in the November 2007 case of City of Cleveland v. State of Ohio. "(B)y excluding from the definition of 'construction worker hours' all work performed 'by non-Ohio residents,' Cleveland, Ohio Codified Ordinances § 188.01 (c), the City has limited the impact of the Lewis Law to Ohio residents alone."

Therefore, the Court held that "although the legality of local hiring preferences that discriminate against interstate employers has been undermined by the Supreme Court's decision in United Building and Construction Trades Council v. City of Camden, discussed earlier, the Lewis Law does not fall within that prohibition, and it is not clear that Congress would condemn it."

Cleveland's Lewis Law is a legally tested and approved approach to mandating local hiring, one that can be integrated with collective bargaining or project labor agreements that govern contractors' use of out-of-state workers and guard against a potential loophole in the use of the Cleveland approach.

<sup>12</sup> This case may explain San Francisco's reluctance to enforce its own Chapter 6 local hiring law and to eventually remove its language from City contracts.

### **b. Los Angeles Construction Careers Policy**

In 2008 the Los Angeles Community Redevelopment Agency, with support from the Los Angeles/Orange County Building Trades Council, Los Angeles Alliance for a New Economy, Community Benefits Law Center, and other community groups enacted a Construction Careers and Project Stabilization Policy that mandates targeted hiring on Redevelopment construction projects. The policy is both dynamic in the scope of its hiring targets as well as unique in that it represents an agreement supported equally by the community and labor unions.

The Los Angeles Construction Careers Policy contains provisions intended, in the words of the policy, "(i) to mitigate the harms caused by geographically-concentrated poverty, (ii) fight unemployment and underemployment in vulnerable populations and neighborhoods, including under-represented populations, populations with employment barriers and youth, (iii) to advance the skills of the local labor pool, including youth, to enable workers to earn wages that will assist them in moving out of poverty, (iv) to provide links to career paths for vulnerable populations and Local Residents, and (v) to facilitate rapid completion of construction projects."

First and foremost in these provisions is the requirement that "a minimum of 30% of all hours of Project Work shall be performed by Community Area Residents and Local Residents, with priority given to Community Area Residents"

"Community Area Residents" are defined as Los Angeles residents within a three mile radius of a project area and "Local Residents" means Los Angeles residents that live in a zip code with at least one census tract in which unemployment exceeds 150 percent of the Los Angeles County unemployment rate.

In addition, the policy requires that "a minimum of 10% of all hours of Project Work shall be performed by Disadvantaged Workers with less than 4000 hours of formal, indentured experience in the Unions at the time they commence Project Work." Disadvantaged Workers are defined as an individual who either "(a) has a household income of less than 50% of the AMI or (b) faces at least one of the following barriers to employment: being homeless; being a custodial single parent; receiving public assistance; lacking a GED or high school diploma; having a criminal record or other involvement with the criminal justice system; or suffering from chronic unemployment."

Other components of the policy include a scale that increases from 30 percent in the first year of the policy's implementation to 40 percent in the third year the number of apprentice hours on covered projects that must be worked by Community Area and Local Residents. Key provisions were embedded into a Project Labor Agreement that was simultaneously signed by the Redevelopment Agency and the Building and Construction Trades Council that cover \$10 billion worth of projects over a ten year period.

The Los Angeles Construction Careers Policy was adopted by the Redevelopment Agency as a policy resolution, not as legislation per se, although a ordinance that tracks the language of the Redevelopment policy and would apply to City public works projects is currently before the Jobs and Business Development Committee of the City Council.

There are two facets of the Los Angeles Construction Careers Policy common to local hiring policies that are worth noting: 1) the 30 percent hiring requirement applies to overall project hours, rather than to jobs hours performed by each construction trade individually, ignoring the unique strengths and challenges facing different trade unions with respect to local hiring, and 2) Los Angeles relied on language modeling the Cleveland out-of-state worker exemption despite the fact that its extensive findings about the need for targeted and narrowly tailored community development and poverty eradication would likely satisfy the Supreme Court Justices that ruled against the Camden local hiring ordinance in 1984.

### c. Richmond Local Employment Program

Based on the success of its Local Employment Program since it was first implemented in July 2006, the City of Richmond, California has continued to strengthen and set higher local hiring goals.

The initial program requirement for public works construction, “a minimum twenty percent (20%) of the total work hours for the contract or project shall be performed by Richmond residents” was increased to a minimum of 25 percent in April 2010. According to the RichmondWORKS job-training program, local hiring in Richmond has averaged 30 percent since the City implemented its Local Employment Program.<sup>13</sup>

The City of Richmond is noteworthy because it has addressed one of the issues often raised in local hiring discussions – that local hiring ordinances restrict the free flow of labor within the San Francisco Bay Area region.

Some contractors, particularly larger ones, have asserted that they do not want separate construction crews for each Bay Area city that they do business in, claiming that this will obligate the hiring or firing of workers depending on the location of each public work contract. However, these companies can abide by local hiring mandates by maintaining a reduced crew of core workers for public works projects. This would accommodate the desire of cities to empower communities through their infrastructure investments while contractors would continue to profit from taxpayer dollars.

Notwithstanding that debate, Richmond took a direct approach to addressing the fluid and regional nature of a certain portion of the construction workforce. Its Local Employment Program contains a “Non-City Project Hiring” clause that states that “an employer who can adequately document the New Hire of a Richmond resident on any non-City project within one of the nine Bay Area counties (Alameda, Contra Costa, San Francisco, San Mateo, Santa Clara, Marin, Solano, Napa, and Sonoma), during the time a subject contract or project is in effect, shall be entitled to credit the hours of that Richmond hire towards meeting the New Hire goals of this ordinance.” In other words, a contractor can bank its employment of Richmond residents elsewhere in the region toward credit for local hiring compliance on Richmond public works.

The Richmond ordinance is unique in that it also contains targets for “Retail Employment” and “Office, Administrative, and Other Employment.” The program requires that “New Hires” in these non-construction sectors must be made up of at least 30 percent Richmond residents, with “New Hires” defined as “any employee of a Contractor or Subcontractor who is not listed on the Contractor or Subcontractor’s last quarterly tax statement for the period prior to the commencement of work.”

Richmond’s approach clearly has an eye toward accommodating the regional nature of a certain segment of its workforce, and this thinking can generate policies that foster opportunities throughout economically disadvantaged communities in the Bay Area. Though a targeted and interlocking local and regional hiring system in the nine-county San Francisco Bay Area may be ambitious, it might also provide contractors with incentives to retain community hires from project-to-project based on the ability to bank local hiring credits within the region.

<sup>13</sup> Katherine Tam, *Cities to Contractors: Hire More Local People*, *Contra Costa Times*, April 13, 2010 (citing Sal Vaca, employment and training director of RichmondWORKS).

## VIII. Findings and Recommendations

A myriad of factors affect who works on San Francisco public projects. Yet the principle underlying local hiring laws remains the same – the maximization of opportunities for San Francisco residents, especially for those from economically and otherwise disadvantaged communities.

Below are key quantitative findings of this report, followed by six recommendations and 27 sub-recommendations that policy makers should consider to improve local hiring on public infrastructure projects in San Francisco.

Though project-specific goals are also warranted, especially for large-scale, multi-year projects, these recommendations are intended to ensure a common framework across the City. Such a system has the potential to reduce the cost of business for stakeholders struggling to navigate conflicting systems and responding to community backlash, allowing resources that might otherwise be wasted dedicated to improving outcomes over time.

Since one of the fundamental purposes of this report is to reiterate and elevate the important link between community development and local hiring policy, these recommendations should be collectively considered as our proposed Community Jobs Policy for San Francisco, a policy to be implemented through comprehensive legislation that substitutes “good faith” language in Administrative Code Chapters 6 and 83 with mandates and outlines a system in which contractors, unions, government, and the community collectively make these local hiring mandates achievable. This legislation, or series of legislative action, should be a priority for all San Francisco policy makers.

### QUANTITATIVE FINDINGS

- 1) San Francisco is failing to achieve its statutory goal of delivering 50 percent of job hours on public infrastructure projects to residents of the City and County of San Francisco. Good faith efforts have yielded roughly 24 percent of employment opportunities on public construction projects to San Franciscans.
- 2) Apprenticeship hours by San Franciscans – the path by which residents enter the building trades and develop a construction career – comprise between six to seven percent of the work performed on San Francisco public projects, or about one-third of total apprenticeship hours.
- 3) The building and construction workforce remains almost exclusively male; women comprise fewer than four percent of the building and construction trades in San Francisco.
- 4) As measured by work performed on San Francisco public projects, and irrespective of residency, Latinos are the largest racial group among the construction workforce, comprising 46 percent of hours worked. Latinos are followed by Whites 31 percent, African Americans 13 percent, Asian Pacific Islanders 4 percent, and Native Americans less than one percent.
- 5) Racial diversity in the construction workforce varies by union and is most prevalent within the lowest-paid trades. For example, based on work performed on public projects, electricians, elevator constructors, and plumbers are majority white, while laborers, plasterers, and roofers have greater percentages of racial minorities.

## RECOMMENDATIONS

- 1) Amend local hiring provisions for public infrastructure projects in Chapters 6 and 83 of the Administrative Code to replace the “good faith efforts” approach with mandatory compliance, monitoring, and enforcement, as well as to conform to the current state of the law.

The existing statutory goal of delivering 50 percent of job hours on public infrastructure projects is achievable if “good faith” language is replaced with measures to mandate, monitor, and enforce compliance. Compliance must be measured on a trade by trade basis, not based on overall project hours, to avoid continued reliance on a handful of trades to deliver San Francisco residents to the job site.

Though more than 50 percent of the building and construction trades membership reside outside of San Francisco, the number of out-of-work San Francisco trades members, the ability of unions to adopt name-call procedures on public works projects, and the appetite for unemployed San Franciscans to pursue construction work suggest that this goal is achievable over time.

It is also recommended that the City:

- a) Authorize the Office of Economic and Workforce Development to promulgate regulations in order to implement these recommendations and to levy penalties for non-compliance.
  - b) Contract community-based organizations to conduct real-time monitoring and reporting on local hiring.
  - c) Require trade unions to present detailed plans outlining procedures to comply with local hiring policies on public works projects.
  - d) Deposit union training fees that are derived from public projects into escrow accounts that are released as local hiring goals are achieved.
  - e) Delineate local hiring goals by project, contractor, subcontractor, and trade.
  - f) Create “green” provisions to reduce excessive out-of-town commutes to work sites.
  - g) Standardize the use of San Francisco Identification Cards as proof of residency.<sup>14</sup>
- 2) Require existing and future public works project labor agreements and, to the extent possible, collective bargaining agreements to conform to current and future City local hiring policy.

Each trade union has its own collective bargaining agreements and dispatch rules. With respect to public infrastructure projects, City policy should be clarified to supersede these agreements and rules, which should be modified as necessary to ensure compliance with local hiring. The City’s existing project labor agreements must be amended to reflect changes to its local hiring policy.

It is also recommended that the City:

- a) Embed compliance with local hiring policy on public works projects in all project labor agreements and collective bargaining agreements.
- b) Determine the most effective vehicle to incorporate local hiring policy into union dispatch rules when applied to public works projects.
- c) Develop programs to help inactive San Francisco trades people regain good standing so they can work on public construction projects.

<sup>14</sup> The San Francisco City ID Card is a photo identification card available to all San Francisco residents, regardless of immigration status. The card streamlines access to City services and agencies, as well as provides a connection to local businesses. To obtain a City ID Card, proof of identity and proof of residency in San Francisco is required. Because proof of residency is required, utilizing the San Francisco City ID card can help to streamline and identify local residents for hire.

3) Tailor apprenticeship initiatives and outreach efforts to increase access and retention for women, residents of project-impacted neighborhoods, and disadvantaged communities.

Apprenticeships on public infrastructure projects should prioritize San Francisco residents, particularly from low-income neighborhoods, and include retention efforts to ensure apprentices reach journey level status.

It is also recommended that the City:

- a) Designate that 100 percent of all apprentices on San Francisco public construction projects must be San Francisco residents.
- b) Require trades to guarantee an annual number of apprentice slots per trade for San Francisco residents.
- c) Monitor the retention and absorption rate of apprenticeships on an annual and rolling average basis.
- d) Require contractors and unions to develop specific goals and timetables to increase women apprentices on public construction projects through outreach and recruitment.
- e) Provide sustained employment for San Francisco apprentices on large multi-year projects by allowing them to work the term of the project and from employer to employer.

4) Grow training opportunities that promote inclusion in the building and construction unions, for example Vocational English as a Second Language (VESL) programs connected to construction work.

Promising practices such as pre-apprenticeship, VESL, continuing education for trades workers, and partnerships between trades and secondary and post-secondary education institutions should be expanded.

It is also recommended that the City:

- a) Expand ability of incumbent workers to test into unions at trade equivalent levels.
- b) Provide educational stipends for trades members to receive refresher courses, increase work competencies, and avoid over specialization of skills.
- c) Support new trades classification for training so that individuals can attend school and work at the same time.
- d) Identify dedicated revenue streams, such as a portion of bonds that fund public works, to support the City's workforce development training programs.
- e) Integrate VESL curriculum into apprenticeship and training programs, including additional offerings that accommodate the schedules of incumbent workers, target limited-English proficient workers of Asian Pacific Islander descent, and are connected to entry into the trades

- 5) Modify local business enterprise programs to include incentives to achieve local hiring goals and consider bidding preference for firms who hire local residents.

Local and community hiring policies are one part of a comprehensive approach to economic and workforce development, one that includes support for community contractors and strategies to build their capacity to work on public works projects and hire local residents.

It is also recommended that the City:

- a) Modify local business enterprise programs to include incentives that encourage the employment of San Francisco residents.
  - b) Explore pre-certification, bid discounts, and other incentives to reward local contractors who maintain a minimum of 50 percent core employees that are San Francisco residents.
  - c) Require funding for job readiness training and community benefits as part of the bid specifications of every contract for public works.
  - d) Integrate workforce goals for San Francisco residents into construction-related policies that address local business enterprises and the emerging field of environmental and energy sustainability.
- 6) Improve and standardize demographic and residency data collection and analysis for unions and public infrastructure projects in San Francisco.

The lack of accessible data with respect to the construction workforce on San Francisco public projects, as well as the building and construction trades, is incompatible with serious, focused job creation efforts.

It is also recommended that the City:

- a) Mandate all City construction contractors and sub-contractors to report race, gender, and ethnicity data through the Elations workforce reporting system as coordinated by the Office of Economic and Workforce Development, including this requirement as part of the bid specification process.
- b) Require all trades to annually report the race, gender, ethnicity, residency, and other demographic data of their apprentice and journey level members to the City.
- c) Make local hiring data such as the race, gender, ethnicity, and residency of workers on public works projects available online to the public in real-time.

**SPECIFIC RECOMMENDATIONS FOR CENTRAL SUBWAY PROJECT**

Described by the San Francisco Municipal Transportation Agency (SFMTA) as “one of the most significant capital investments for the nation’s seventh largest transit system,” the Central Subway Project will cost approximately \$1.6 billion in local, state, and federal funds over the duration of the project construction.

The Central Subway Project will connect South of Market Area, the Moscone Center, Union Square and Chinatown, with the existing T-line that runs links Mission Bay, Bayview-Hunters Point and Visitacion Valley. The public opening for the subway is planned for 2018.

Large development projects typically run the risk of disrupting the lives of residents in the impacted area. For the Central Subway Project, two low-income communities that will be impacted include the Chinese American community in Chinatown and the Filipino-American community in South of Market Area. These populations are often characterized as being under-employed and working in low wage occupations.

Based on the findings of this report, it is unlikely that the local Chinese American and Filipino American community will access significant employment opportunities during the construction of the Central Subway Project absent substantial policy changes. Asian Pacific Islanders have comprised roughly 4 percent of the construction workforce on recent San Francisco public works projects, despite the fact that they represent approximately three-tenths of the City’s population.

**RECOMMENDATIONS:**

With SFMTA’s implementation of the following recommendations, the Central Subway Project can serve as a model project for local hiring:

- 1) Adopt the six primary recommendations in this report Citywide. Though project specific efforts are important, City-wide policy that is consistently understood and enforced will yield the greatest impact.
- 2) Allocate project funds to support and pilot three different types of Vocational English as a Second Language programs – those that are community based, integrated into CityBuild Academy, and incorporated into the apprenticeship and training system of the trades.
- 3) Focus Vocational as a Second Language training resources and opportunities to the five trades unions that have the highest number of projected work hours on the project. These are laborers, operating engineers, carpenters, electricians, and pile drivers. Work hours for these trades on the Central Subway Project are expected to comprise more than 75 percent of the total work hours.
- 4) Provide funding and engage community-based organizations to pilot pre-apprenticeship programs that are specifically targeted to reach specific populations, and to provide community-based monitoring on local hiring efforts.



## APPENDIX A - PROPOSED AMENDMENTS TO ADMIN CODE CHAPTER 6 AND CHAPTER 83

The following proposed amendments to Administrative Code Chapters 6 and 83 replace reliance on contractors' "good faith efforts" with local hiring mandates, empower the Office of Economic and Workforce Development to enforce compliance, and adopt the recommendations outlined in this report as a Community Jobs Policy intended to outline a system in which contractors, unions, government, and the community collectively make these local hiring mandates achievable:

### SEC. 6.22. PUBLIC WORK CONSTRUCTION CONTRACT TERMS AND WORKING CONDITIONS.

All construction contracts awarded by the City and County of San Francisco shall contain the following minimum terms and conditions:

...

#### (G) Local Hiring.

(1) **CONTRACT REQUIREMENTS.** All construction contracts and project labor agreements<sup>15</sup> for public works or improvements to be performed within the boundaries of the City and County of San Francisco shall contain the following provisions:

Contractor ~~agrees to make a good faith effort shall be required,~~ with the assistance of community organizations designated by the City or local labor union hiring halls, to hire qualified individuals who are residents of the City and County of San Francisco to comprise not less than 50% of each contractor's total construction work force, measured in labor work hours, excluding the number of hours of work performed by non-California residents,<sup>16</sup> and contractor promises to give special preference to ~~minorities, women and~~<sup>17</sup> economically disadvantaged individuals.

Contractor shall keep, and provide to the City, an accurate record showing the name, ~~race, gender, ethnicity, place~~ zip code of residence, hours employed and per diem pay of each person employed by the contractor, including full-time, part-time, permanent and temporary employees.

Contractor shall keep, and provide to the City, an accurate record describing in detail contractor's ~~good faith efforts~~ to secure employment of residents of the City and County of San Francisco.

A failure to abide by these contract provisions ~~may~~ will result in the imposition of sanctions and penalties, including those provided for in San Francisco Administrative Code Section 6.80.

(2) **DEFINITIONS.** "Qualified Individual" shall mean an individual who (A) is eligible for a certified apprenticeship program in an applicable trade; (B) has completed a certified apprenticeship program in an applicable trade; or (C) has completed comparable time in an applicable trade.

"Resident of the City and County of San Francisco" shall mean an individual who is domiciled, as defined by Section 200(b) of the California Election Code, within the boundaries of the City and County during the entire time of the performance of the contract and who can verify his or her domicile, upon request of the contractor or City, ~~by producing documentation such as a rent/lease agreement, telephone and utility bills or payment receipts, a valid California driver's license or identification card, and/or any other similar, reliable evidence that verifies that the individual is domiciled within the City and County of San Francisco~~ a San Francisco City ID Card.<sup>18</sup>

<sup>15</sup> The City should require existing and future Project Labor Agreements to contain the provisions laid out in this section.

<sup>16</sup> This language from Cleveland's Lewis Law would put San Francisco's ordinance on the most legally firm footing in the event that it is challenged under the Privileges & Immunities Clause. Concerns about contractors working around this rule by using an entire crew of out-of-state workers can be addressed through agreements that govern the use of out-of-state workers. An alternative would be for the City to rely on sufficient findings that illustrate the City's intent to utilize this policy as an anti-poverty device.

<sup>17</sup> Proposition 209 prohibits targeted opportunities for minorities and women, though the California Court of Appeals held in the case of *Avila v. Berkeley Unified School District* (2009) that the racial demographics of a neighborhood may be considered in a policy decision such as assigning students to a particular school.

<sup>18</sup> The use of the San Francisco City ID Card is a streamlined approach to verifying residency.

"Economically disadvantaged" shall mean an individual who has been unable to secure employment in his or her trade for more than 20 working days in the past six months, or whose annual maximum income falls within the income limits established by the Mayor's Office of Community Development Investment for the Community Development Block Grant (CDBG) programs.<sup>19</sup>

(3) **ENFORCEMENT.** The ~~Human Rights Commission~~ Office of Economic and Workforce Development<sup>20</sup> shall be the City agency charged with the monitoring and enforcement of the provisions of this subsection.

(4) **COMMUNITY JOBS POLICY.**<sup>21</sup> All construction contracts and project labor agreements for public works or improvements to be performed within the boundaries of the City and County of San Francisco shall also contain San Francisco's Community Jobs Policy, Administrative Code Chapter \_\_\_\_\_.

---

<sup>19</sup> An interesting policy question arises when considering whether the City should amend this definition to match that found in the First Source Hiring Program in Admin. Code Section 83.4(f) or whether this more expansive definition should be retained. In addition, the Mayor's Office of Community Development is now called the Mayor's Office of Community Investment.

<sup>20</sup> Since implementing the First Source Hiring Program, the City has centralized the Office of Economic and Workforce Development as the City's local hiring compliance department while the Human Rights Commission has retained oversight of the Local Business Enterprise Program.

<sup>21</sup> The adoption of local hiring mandates in Chapter 6 without a more robust policy that addresses the nuances outlined in this report is not practical. This report outlines a series of proposed recommendations that address the underlying causes of the City's failed approach to local hiring, recommendations collectively proposed for adoption as a Community Jobs Policy for San Francisco. Rather than appending the content of this policy to the existing Chapter 6, San Francisco's Community Jobs Policy should be inserted as a new chapter of the Administrative Code.

**SEC. 83.9. FIRST SOURCE HIRING REQUIREMENTS FOR CONTRACTS AND PROPERTY CONTRACTS, AND OTHER WORK PERFORMED IN THE CITY BY CITY CONTRACTORS.**

(a) This Chapter applies to all contracts and property contracts, except where the FSHA determines that application of the requirements of this Chapter is not feasible or conflicts with applicable Federal or State law. In addition, this Chapter applies to any and all work performed in the City by a City contractor.

(b) As an essential term of, and consideration for, any contract or property contract with the City, not exempted by the FSHA, the Contractor shall enter into a first source hiring agreement ("agreement") with the City, on or before the effective date of the contract or property contract. Contractors shall also enter into an agreement with the City for any other work that it performs in the City. Such agreement shall:

(1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, ~~or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so,~~<sup>22</sup> as set forth in the agreement. The agreement shall take into consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs may be certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal, ~~or to establish good faith efforts~~<sup>23</sup> will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

(2) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.

(3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

(4) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.

<sup>22</sup> Hiring and retention goals shall be informed by the approach outlined in Chapter 6, in that compliance shall be mandatory.

<sup>23</sup> Chapter 83.10 provides liquidated damages for non-compliance, placing the burden on contractors to justify their failure to comply rather than demonstrate their "good faith efforts," if the phrase "good faith efforts" is removed from this section.

(5) ~~Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall a~~<sup>24</sup> Appoint a liaison for dealing with the development and implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

(6) Set the term of the requirements.

(7) Set appropriate enforcement and sanctioning standards consistent with this Chapter.

(8) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.

(9) Require the developer to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.

(c) The employer shall make the final determination of whether an economically disadvantaged individual referred by the System is "qualified" for the position. Any qualified economically disadvantaged individual who is hired by the employer shall have the same rights and obligations as all other employees in similar positions. The employer shall not discriminate against any employees on the basis of participation in the First Source Hiring Program. Any such discrimination shall be considered a breach of the employer's "good faith" obligations under the agreement, and shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

(d) Compliance by an employer with a City department's approved plan shall be deemed to be compliance with the requirements of this Chapter.

(e) In any situation where the FSHA concludes based upon application by the employer that compliance with this Chapter would cause economic hardship the FSHA may grant an exception to any or all of the requirements of this Chapter.

\* \* \*

#### **SEC. 83.15. COLLECTIVE BARGAINING AGREEMENTS:**

~~Notwithstanding anything to the contrary in this Chapter, if a first source hiring agreement conflicts with an existing collective bargaining agreement to which an employer is a party, the collective bargaining agreement shall prevail. However, the employer will be obligated to provide workforce needs information to the San Francisco Workforce Development System and the employer will be obligated to make good faith efforts to comply with the requirements of its first source hiring agreement that do not conflict with the collective bargaining agreement.~~<sup>25</sup>

<sup>24</sup> Once again, elimination of this section obviates the need to assign a definition to the arbitrary and failed term "good faith efforts" and obligates contractors to justify non-compliance  
<sup>25</sup> This section is inconsistent with a mandatory approach to local hiring.

**APPENDIX B – RECENT SF PUBLIC PROJECTS: DATES AND DESCRIPTIONS**

**Project Dates and Descriptions**

Project	Dates	Description
Laguna Honda Hospital	2005 - 2013	\$585 million, 3 building renovation awarded the silver certification from the U.S. Green Building Council's Leadership in Energy and Environmental Design
3rd Street Light Rail	2002 – 2007	\$274.5 million project for reestablishment of rail service along "Tree Street" / Bayshore corridor, including construction of platforms, substations, canopies, track ways, etc.
SFO	2008 - 2011	\$383 million renovation of Terminal 2 – to include a control tower, operations offices, use of green materials and seismic retrofit.
3rd Street – Metro East	Completed Fall 2008	Construction of an operating and maintenance facility to store, maintain and dispatch light rail vehicles.
Geary Blvd. Senior Center and Senior Housing	September 2008 – present	Construction of building with affordable senior housing rental units, institute on aging care management and admin offices, primary care clinic and therapy spaces.
City College – Mission Campus	September 2005 – February 2008	Renovation of old building as well as construction of new building.
149 Mason	October 2008 – End of 2009	Project partnership with Glide Community Housing and SF Dept. of Health Services to house people who have chronically homeless.
Civic Center Residence	August 2008 – August 2010	Rehabilitation of 8-story, single residence occupancy hotel – aims to improve safety and livability; approx. 85 units to house formerly homeless seniors and people from Shelter Plus Care Program.
City College – Wellness Center	Completed January 2008	LEED certified athletic facility for CCSF campus, houses team athletics, dance program, phys ed and martial arts.
University Mound Reservoir Retrofit	April 2010 – October 2010	Construction on the Reservoir's North Basin floor to increase its ability to withstand pressure and impact in event of an earthquake.
SF General Rebuild	2009 – 2015	Replace existing acute care facility to a facility that meets state requirements for seismic safety
Zygmunt Arendt House	2008 - 2010	Community housing partnership consisting of 47 new studio units to house homeless seniors, in the North of the Panhandle neighborhood
Transbay Temporary Terminal	August 2009 – August 2010	Temporary terminal will be utilized while current terminal will close for planned demolition and rebuilding. Temporary terminal will be in place until 2017.
I-Hotel	2003 – 2005	Construction of low-cost residential project for senior housing, as well as community center and historical display.

**Project Dates and Descriptions (continued)**

Project	Dates	Description
SOMA Pavement Renovation	March 2010 – December 2011	Street improvements, streetscapes, traffic calming elements, raised crosswalks, and community sustained park.
Balboa Street Pavement Renovation	Summer 2010 – Winter 2010	Improvement on commercial corridor of Outer-Richmond district, including sidewalk bulb-outs, revised traffic and parking layouts, and light upgrades.
Parkside Branch Library	February 2010 – February 2011	Renovation of facilities for library patrons as well as library staff, reconfigured book sections, improved electrical and ventilation systems.
Sunset Reservoir Solar	February 2010 – December 2010	Installation of a five megawatt solar photovoltaic system on the roof of the City's largest reservoir – project will triple the municipal solar generation in SF and reduce carbon emissions
Leland Ave Streetscape	August 2009 – Summer 2010	Visitation Valley project for pedestrian safety, traffic calming, lighting, storm water management, etc.
Visitation Valley Library	2009 – 2011	Construction of brand new stand alone library, ADA accessible, flexible design for community use
Ortega Branch Library	2008 – 2011	Renovation for "green" operation – reduced energy consumption, create water conservation, sustainable plantings
Anza Branch Library	2009 – 2011	Expansion of building, seismic strengthening, new furniture and technology, improved heating and ventilation
Stockton Street Tunnel	2007 – 2008	Construction for tunnel lighting and pedestrian improvements
Merced Branch Library Renovation	2009 – 2011	Addition to front of building, seismic strengthening, LEED silver certification, fully accessible and technologically updated
MTA 1 South Van Ness	Unknown	Construction, retrofitting and renovation on MTA's office building, located at 1 South Van Ness Ave.
Assorted MTA Projects	January 2010 – December 2010	The Geneva Historic Car Enclosure will create an enclosure to preserve historic streetcars from inclement weather, moisture and long-term sunlight exposure; the MUNI Traction Power Feeder Project will upgrade existing power circuits for MUNI buses; and lastly there are various pedestrian-centered projects to make San Francisco pathways and streets more walkable.
Central Subway Utility	2010 – 2011	Relocation of all affected utilities (power wires, cables, water piping) for Moscone Station and Tunnel Portal

**APPENDIX C – SAMPLE UNION SURVEY QUESTIONNAIRE**

**CAA Construction Trades Membership Survey**

Name of Union: \_\_\_\_\_

Name/title of individual completing the survey: \_\_\_\_\_

1. What is the total number of members of your local? \_\_\_\_\_

Apprentices? \_\_\_\_\_

Active Journeymen? \_\_\_\_\_

2. How many of your members reside in the following counties?

Alameda \_\_\_\_\_

Contra Costa \_\_\_\_\_

Marin \_\_\_\_\_

Napa \_\_\_\_\_

San Francisco \_\_\_\_\_

Santa Clara \_\_\_\_\_

San Mateo \_\_\_\_\_

Solano \_\_\_\_\_

Other \_\_\_\_\_

3. Of the members of your local who are San Francisco residents, how many live in the following zip codes?

94102 (Hayes Valley, Tenderloin, North of Market) \_\_\_\_\_

94103 (SOMA) \_\_\_\_\_

94104 (Financial District) \_\_\_\_\_

94105 (Embarcadero and SOMA) \_\_\_\_\_

94107 (Potrero Hill) \_\_\_\_\_

94108 (Chinatown) \_\_\_\_\_

94109 (Nob Hill, Russian Hill) \_\_\_\_\_

94110 (Mission, Bernal Heights) \_\_\_\_\_

94111 (Embarcadero, Barbary Coast) \_\_\_\_\_

94112 (Ingelside-Excelsior) \_\_\_\_\_

94114 (Castro, Noe Valley) \_\_\_\_\_

94115 (Pacific Heights, Western Addition, Japantown) \_\_\_\_\_

94116 (Outer Sunset) \_\_\_\_\_

94117 (Haight Ashbury & Cole Valley) \_\_\_\_\_

94118 (Inner Richmond) \_\_\_\_\_

94121 (Outer Richmond) \_\_\_\_\_

94122 (Inner Sunset) \_\_\_\_\_

94123 (Marina, Cow Hollow) \_\_\_\_\_

94124 (Bayview) \_\_\_\_\_

94127 (St. Francis Wood, West Portal) \_\_\_\_\_

94129 (Presidio) \_\_\_\_\_

94131 (Twin Peaks, Glen Park) \_\_\_\_\_

94132 (Lake Merced) \_\_\_\_\_

94133 (North Beach, Fisherman's Wharf) \_\_\_\_\_

94134 (Visitacion Valley) \_\_\_\_\_

4. What is the racial/ethnic composition of the members of your local, by number of members?

African American \_\_\_\_\_  
Asian/Pacific Islander \_\_\_\_\_  
Latino/Hispanic \_\_\_\_\_  
White \_\_\_\_\_  
Other \_\_\_\_\_

5. What is the racial/ethnic composition of the members of your local who are San Francisco residents, by number of members?

African American \_\_\_\_\_  
Asian/Pacific Islander \_\_\_\_\_  
Latino/Hispanic \_\_\_\_\_  
White \_\_\_\_\_  
Other \_\_\_\_\_

6. What is the gender composition of the members of your local, by number of members?

Male \_\_\_\_\_  
Female \_\_\_\_\_

7. How many applications did you receive during your latest open application cycle for the apprenticeship program?

How many passed the written examination? \_\_\_\_\_

How many passed (or received passing scores) for the oral interview? \_\_\_\_\_

8. Do you have English proficiency requirements to become a member of your local? If so, please describe:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. Do you offer any language assistance or Vocational ESL classes as part of your apprenticeship? If so, please describe. If not, would that be something you would be interested in?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Thank you for your participation in this survey. Please return to CAA in the enclosed self-addressed stamped envelope by Wednesday, November 25, 2009.



Local hiring should be seen as benefiting not only the Bayview-Hunters Point carpenter around the corner from the Bayview Library project, but the Sunset District electrician across from the Sunset Reservoir solar project, and the Chinatown and SOMA laborers above the Central Subway line.

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SAN FRANCISCO

# LOCAL HIRING

POLICY FOR CONSTRUCTION

2012-2013 ANNUAL REPORT

To the San Francisco Board of Supervisors



#### GREETINGS FROM THE MAYOR

On behalf of the City and County of San Francisco, I am pleased to present to you the second annual report for the San Francisco Local Hiring Policy for Construction.

Supporting the local economy and putting San Franciscans to work has been at the forefront of most of my major initiatives as Mayor. With the construction industry leading the way in the City's economic growth and recovery, I am pleased that the Local Hiring Policy is providing employment opportunities for our residents.

The results from the first and second year of implementation are promising. While projects with a 25 percent local hiring requirement are still in their early stages, reporting indicates the requirements are being met.

As we move into the third year of the Mandatory Local Hiring Policy, I have established the Construction Workforce Advisory Committee to guide the direction of the Local Hiring Policy and to develop recommendations addressing the needs of the construction industry.

Creating and maintaining jobs in San Francisco has been my priority as Mayor, as these jobs benefit residents and local businesses. This in turn fuels our economy and keeps our City moving forward.

With warmest regards,

A handwritten signature in cursive script that reads "Edwin M. Lee".

Edwin M. Lee  
Mayor

SAN FRANCISCO  
**LOCAL  
HIRING**  
POLICY FOR CONSTRUCTION

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**INTRODUCTION**

**THE MISSION OF THE OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT (OEWD)** is to support the ongoing economic vitality of San Francisco. Under the direction of Mayor Edwin M. Lee, OEWD provides city-wide leadership for workforce development, business attraction and retention, neighborhood commercial revitalization, international business and development planning.

OEWD's programs are responsible for strengthening San Francisco's many diverse neighborhoods and commercial corridors. These programs create a business climate where companies can grow and prosper, and ensure a high quality of life for all San Franciscans.

The goal of the Workforce Development Division of OEWD is to expand employment opportunities for San Francisco residents by providing employers with skilled workers to meet the demands of sustainable and growing industries.

**ABOUT THE SAN FRANCISCO LOCAL HIRING POLICY FOR CONSTRUCTION**

In December of 2010, the San Francisco Board of Supervisors approved amendments to Chapter 6.22(g) of the San Francisco Administrative Code and adopted the San Francisco Local Hiring Policy for Construction (the "Policy"). The Policy became one of the strongest pieces of legislation in the country to promote the utilization of local residents on locally sponsored projects.

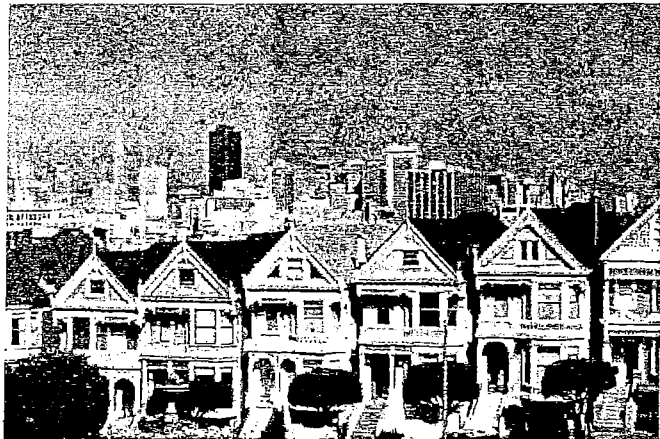
In the first year of the Policy, the mandatory local hiring requirement was 20% by trade. Projects advertised during the second year, from March 25, 2012 to March 24, 2013, have a requirement of 25% by trade. Projects advertised after March 25, 2013 have a requirement of 30% by trade.

OEWD is designated to implement the Policy and is responsible for producing this annual report to the Board of Supervisors.

# EXECUTIVE SUMMARY

## PURPOSE

The second annual report on the Local Hiring Policy for Construction was produced to inform the Board of Supervisors of the progress achieved during the Policy's first two years of implementation. The report presents department and trade performance data, discusses workforce demographics and identifies priorities for Year Three.



## METHODS OF ANALYSIS

OEWD utilizes certified payroll records from the City's Project Reporting System<sup>1</sup> (PRS) to verify hours worked by San Francisco residents on projects covered by the Policy. Data entered into the City's PRS between March 25, 2011 and March 1, 2013 was used to produce this report and does not include work hours generated under the Policy's off-ramps. These off-ramps include off-site credits for projects not covered by the Policy and sponsorship of local apprentices through direct entry agreements. Findings for 25% requirement projects can be considered preliminary, as limited hours have been worked and reported into the PRS.

## REPORT OVERVIEW

From March 25, 2011 to March 24, 2012, a total of 78 projects were advertised and awarded with the 20% local hiring requirement. On these projects, San Francisco residents worked approximately 34% of all craft hours.

Between March 25, 2012 and March 24, 2013, OEWD tracked 40 projects with the 25% mandatory local hiring requirement. PRS data indicates that 32% of all reported craft hours were worked by San Francisco residents.

## MAYOR'S CONSTRUCTION WORKFORCE ADVISORY COMMITTEE

In July 2012, Mayor Lee established the Construction Workforce Advisory Committee. The Committee is comprised of 12 stakeholders representing City departments, labor unions, contractors and non-profit community based organizations. This committee serves in an advisory role to guide the direction of the Local Hiring Policy and to develop recommendations addressing the needs of the local construction workforce.

## YEAR THREE PRIORITIES

OEWD will strive to maximize employment opportunities for San Francisco residents in the construction industry. Consistent with that goal, the department will sponsor training programs that support a qualified workforce and assist contractors in meeting their workforce needs. OEWD will continue to strengthen and expand partnerships with contractors, contractor associations, labor unions and apprenticeship programs.

---

<sup>1</sup> Elation Systems, Inc. [www.elationsys.com](http://www.elationsys.com)

# FIRST YEAR OVERVIEW

## PROJECTS OVERVIEW

Many of the 78 projects currently covered by the 20% local hiring requirement are at or nearing completion. These projects are managed by six different departments within the City and County of San Francisco: the Public Utilities Commission (PUC), the San Francisco International Airport (SFO), the Department of Public Works (DPW), the Recreation and Parks Department (RPD), the Port of San Francisco (Port) and the Municipal Transportation Agency (MTA).

**TABLE 1: CONSTRUCTION PROJECTS WITH 20% LOCAL HIRING REQUIREMENT**

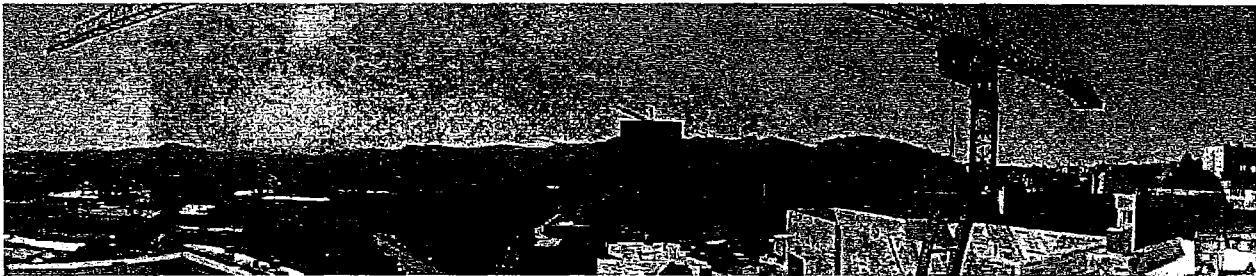
Department	PUC	SFO	DPW	RPD	PORT	MTA	Total
<b>Number of Active Projects</b>	24	10	26	8	9	1	<b>78</b>
<b>Total Award Amount</b>	\$71.7M	\$118.2M	\$35.7M	\$31.6M	\$84.1M	\$1.3M	<b>\$342.7M</b>

## LOCAL HIRING PERFORMANCE

As shown in Table 2, projects covered by the 20% local hiring requirement reported 852,073 total work hours. Of this amount, local residents worked 286,828 hours, or 34%. Local residents also worked 53,024 of 88,814, or 60%, of total apprentice hours.

**TABLE 2: CONSTRUCTION PROJECT HOURS WITH 20% LOCAL HIRING REQUIREMENT**

Department	Total Hours			Apprentice Hours		
	Total	Local	Local %	Total	Local	Local %
PUC	247,479	89,575	36%	19,644	15,711	80%
SFO	104,248	40,214	39%	13,429	8,049	60%
DPW	166,340	63,936	38%	11,833	8,743	74%
RPD	100,824	33,876	34%	9,921	6,033	61%
Port	226,939	56,324	25%	32,875	13,670	42%
MTA	6,243	2,903	47%	1,112	818	74%
<b>Total</b>	<b>852,073</b>	<b>286,828</b>	<b>34%</b>	<b>88,814</b>	<b>53,024</b>	<b>60%</b>



# SECOND YEAR OVERVIEW

## PROJECTS OVERVIEW

As shown in Table 3, there are 40 projects covered by the 25% local hiring requirement. To date, the Port and MTA have not reported any hours worked on projects subject to the 25% requirement.

**TABLE 3: CONSTRUCTION PROJECTS WITH 25% LOCAL HIRING REQUIREMENT**

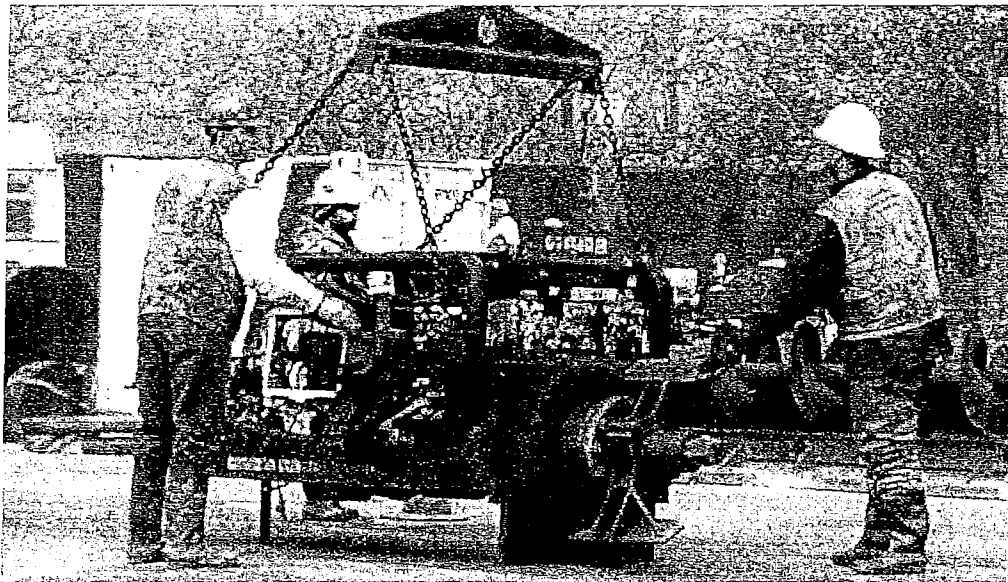
Department	PUC	SFO	DPW	RPD	PORT	MTA	Total
<b>Number of Active Projects</b>	11	1	21	7	0	0	<b>40</b>
<b>Total Award Amount</b>	\$68.2M	\$557K	\$57.4M	\$17.3M	\$0	\$0	<b>\$ 143.6M</b>

## LOCAL HIRING PERFORMANCE

As Table 4 illustrates, projects covered by the 25% local hiring requirement reported 93,595 total work hours. Of this amount, local residents worked 29,800 hours, or 32%. Local residents also worked 5,568 of 10,027, or 56%, of total apprentice hours.

**TABLE 4: CONSTRUCTION PROJECT HOURS WITH 25% LOCAL HIRING REQUIREMENT**

Department	Total Hours			Apprentice Hours		
	Total	Local	Local %	Total	Local	Local %
PUC	18,831	5,384	29%	1,461	1,050	72%
SFO	2,741	1,602	58%	219	200	91%
DPW	66,285	21,165	32%	8,164	4,253	52%
RPD	5,737	1,649	29%	183	65	36%
Port	0	0	0%	0	0	0%
MTA	0	0	0%	0	0	0%
<b>Total</b>	<b>93,595</b>	<b>29,800</b>	<b>32%</b>	<b>10,027</b>	<b>5,568</b>	<b>56%</b>





# LOCAL HIRING PERFORMANCE BY TRADE

## 20% REQUIREMENT

Table 5 shows total trade hours reported for projects subject to the 20% requirement. Most trades exceeded the 20% local requirement and the 50% local apprentice requirement. A few trades did not meet the specific requirements; however, they qualified for exemptions or effectively utilized the off-ramps.

**TABLE 5: LOCAL HIRING PERFORMANCE BY TRADE, 20% LOCAL HIRING REQUIREMENT**

Trade	Total Hours			Apprentice Hours		
	Total	Local	Local %	Total	Local	Local %
Carpenter And Related Trades	48,875	22,627	46%	6,241	2,637	42%
Carpet, Linoleum, Soft Floor Layer	7,430	1,285	17%	1,233	601	49%
Cement Mason	27,340	8,462	31%	3,736	3,603	96%
Drywall Installer/Lather	15,628	3,206	21%	797	704	88%
Electrician	66,203	27,553	42%	10,801	5,560	51%
Glazier	6,603	1,399	21%	1,145	148	13%
Ironworker	42,982	11,192	26%	7,433	3,579	48%
Laborer And Related Classifications	395,301	142,303	36%	32,756	25,283	77%
Operating Engineer	89,760	30,731	34%	3,696	2,974	80%
Painter	5,159	1,982	38%	622	376	60%
Pile Driver	21,288	4,179	20%	5,173	1,231	24%
Plumber	27,456	9,614	35%	8,540	4,526	53%
Plasterer	396	198	50%	0	0	0%
Roofer	10,825	1,543	14%	2,560	1,237	48%
Sheet Metal Worker	24,060	6,225	26%	3,135	357	11%
Tile Setter	587	436	74%	16	0%	0%
Other Trades*	62,181	13,896	22%	932	210	23%
<b>Total</b>	<b>852,073</b>	<b>286,828</b>	<b>34%</b>	<b>88,814</b>	<b>53,024</b>	<b>60%</b>

\*Asbestos Removal Worker, Asbestos Worker – Heat and Frost Insulator, Boilermaker, Brick Tender, Bricklayer/Blocklayer, Driver, Electrical Utility Lineman, Elevator Constructor, Field Surveyor, Landscape Maintenance Laborer, Metal Roofing Systems Installer, Modular Furniture Installer, Parking and Highway Improvement, Parking and Highway Improvement Painter, Slurry Seal Worker, Teamster, Terrazzo Finisher, Tile Finisher, Traffic Control/Lane Closure.

# LOCAL HIRING PERFORMANCE BY TRADE

## 25% REQUIREMENT

Table 6 shows total trade hours reported for projects subject to the 25% requirement. Most trades exceeded the 25% local requirement and the 50% local apprentice requirement. The data presented in Table 6 represents only a small sampling of total projects awarded under the 25% requirement.

TABLE 6: LOCAL HIRING PERFORMANCE BY TRADE, 25% LOCAL HIRING REQUIREMENT

Trade	Total Hours			Apprentice Hours		
	Total	Local	Local %	Total	Local	Local %
Carpenter And Related Trades	2,155	1,120	52%	150	89	59%
Cement Mason	5,665	1,489	26%	542	542	100%
Electrician	1,332	284	21%	131	0	0%
Drywall Installer/Lather	632	351	56%	0	0	0%
Ironworker	336	32	10%	57	0	0%
Laborer And Related Classifications	50,441	17,916	36%	5,128	3,114	61%
Operating Engineer	11,849	3,476	29%	104	104	100%
Painter	332	216	65%	16	0	0%
Pile Driver	93	64	69%	27	0	0%
Plumber	1,201	845	70%	300	300	100%
Roofer	8,918	2,380	27%	3,486	1,395	40%
Sheet Metal Worker	479	145	30%	86	24	27%
Other Trades*	10,163	1,483	15%	2	2	100%
<b>Total</b>	<b>93,595</b>	<b>29,800</b>	<b>32%</b>	<b>10,027</b>	<b>5,568</b>	<b>56%</b>

\*Asbestos Removal Worker, Bricklayer/Blocklayer, Driver, Electrical Utility Lineman, Field Surveyor, Landscape Maintenance Laborer, Slurry Seal Worker, Teamster, Tile Finisher, Tile Setter, Traffic Control/Lane Closure, Tree Trimmer.



## LOCAL HIRING PERFORMANCE BY DEPARTMENT: PUC

### ABOUT PUC PROJECTS

The San Francisco Public Utilities Commission (PUC) provides water and wastewater services to San Francisco, wholesale water to three Bay Area counties, and green hydroelectric and solar power to San Francisco's municipal departments. PUC projects covered by the Policy are primarily infrastructure upgrades and repairs.

### PROJECTS OVERVIEW

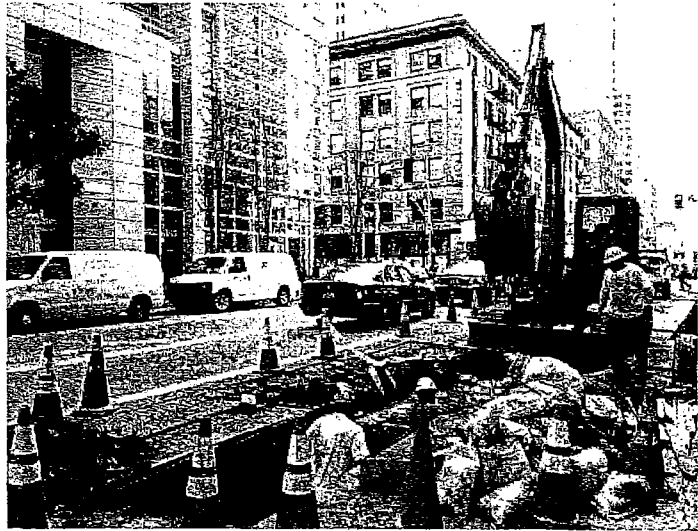
Table 7 shows an overview of the reported hours for covered PUC projects. For the 24 projects covered by the 20% local requirement, local residents worked 36% of total project hours and 80% of apprentice hours. For the 11 projects covered by the 25% requirement, local residents worked 29% of total project hours and 72% of apprentice hours.

**TABLE 7: PUC CONSTRUCTION PROJECTS BY REQUIREMENT**

Local Hiring Requirement	Number of Projects	Total Hours			Apprentice Hours		
		Total	Local	Local %	Total	Local	Local %
20%	24	247,479	89,575	36%	19,644	15,711	80%
25%	11	18,831	5,384	29%	1,461	1,050	72%
<b>Total</b>	<b>35</b>	<b>266,310</b>	<b>94,959</b>	<b>36%</b>	<b>21,104</b>	<b>16,761</b>	<b>79%</b>

### LOCAL HIRING BY TRADE

Table 8 (opposite page) displays these project hours on a trade-by-trade basis, reflecting projects covered by both the 20% and 25% requirements. Lower numbers for projects with the 25% requirement reflect the delay between the date of bid advertisement and commencement of work.



**TABLE 8: PUC CONSTRUCTION PROJECT HOURS BY TRADE, 20% AND 25% REQUIREMENT**

Trade	% Req.	Total Hours			Apprentice Hours		
		Total	Local	Local %	Total	Local	Local %
Carpenter And Related Trades	20%	2,263	1,407	62%	201	201	100%
	25%	715	274	38%	83	33	39%
Cement Mason	20%	4,107	1,303	32%	730	730	100%
	25%	0	0	0%	0	0	0%
Electrician	20%	3,849	1,250	32%	767	43	6%
	25%	730	10	1%	0	0	0%
Ironworker	20%	418	0	0%	124	0	0%
	25%	65	0	0%	33	0	0%
Laborer And Related Classifications	20%	174,388	63,277	36%	16,367	13,471	82%
	25%	11,876	3,624	31%	1,205	920	76%
Operating Engineer	20%	45,167	18,911	42%	1,181	1,181	100%
	25%	4,201	1,169	28%	0	0	0%
Painter	20%	212	0	0%	0	0	0%
	25%	88	0	0%	16	0	0%
Pile Driver	20%	115	64	55%	43	0	0%
	25%	93	64	69%	27	0	0%
Plumber	20%	1,155	108	9%	77	0	0%
	25%	281	98	35%	98	98	100%
Roofer	20%	76	6	8%	31	6	19%
	25%	0	0	0%	0	0	0%
Sheet Metal Worker	20%	176	7	4%	0	0	0%
	25%	0	0	0%	0	0	0%
Tile Setter	20%	39	0	0%	16	0	0%
	25%	0	0	0%	0	0	0%
Other Trades*	20%	15,515	3,242	21%	108	80	74%
	25%	785	146	19%	0	0	0%
<b>Total 20%</b>		<b>247,479</b>	<b>89,575</b>	<b>36%</b>	<b>21,104</b>	<b>16,761</b>	<b>79%</b>
<b>Total 25%</b>		<b>18,831</b>	<b>5,384</b>	<b>29%</b>	<b>42,008</b>	<b>33,321</b>	<b>79%</b>

\*20% Other Trades: Asbestos Removal Worker, Boilermaker, Driver, Field Surveyor, Slurry Seal Worker, Teamster.

25% Other Trades: Bricklayer/Blocklayer, Driver, Electrical Utility Lineman, Teamster.



# LOCAL HIRING PERFORMANCE BY DEPARTMENT: SFO

## ABOUT SFO PROJECTS

San Francisco International Airport (SFO) is a world-class airport serving tens of millions of domestic and international passengers annually. The most notable SFO project covered by the Policy is the Terminal 3 Boarding Area E Improvements project.

In accordance with an agreement between the City and County of San Francisco and San Mateo County, both San Francisco and San Mateo County residents working on public works projects at SFO are considered local workers. Additionally, the local hiring requirement for SFO projects was 7% in the first year of the Policy and 8% in the second year.

## PROJECTS OVERVIEW

Table 9 shows an overview of the reported hours for covered SFO projects. For the 10 projects covered by the 7% local requirement, local residents worked 39% of total project hours and 60% of apprentice hours. For the one project covered by the 8% requirement, local residents worked 58% of total project hours and 91% of apprentice hours.

TABLE 9: SFO CONSTRUCTION PROJECT HOURS BY REQUIREMENT

Local Hiring Requirement	Number of Projects	Total Hours			Apprentice Hours		
		Total	Local	Local %	Total	Local	Local %
7%	10	104,248	40,214	39%	13,429	8,049	60%
8%	1	2,741	1,602	58%	219	200	91%
<b>Total</b>	<b>11</b>	<b>106,989</b>	<b>41,816</b>	<b>39%</b>	<b>13,648</b>	<b>8,249</b>	<b>60%</b>

## LOCAL HIRING BY TRADE

Table 10 (opposite page) displays these project hours on a trade-by-trade basis, reflecting projects covered by both the 7% and 8% requirements. Lower numbers for projects with the 8% requirement reflect the delay between the date of bid advertisement and commencement of work.



**TABLE 10: SFO CONSTRUCTION PROJECT HOURS BY TRADE, 7% AND 8% REQUIREMENT**

Trade	% Req.	Total Hours			Apprentice Hours		
		Total	Local	Local %	Total	Local	Local %
Carpenter And Related Trades	7%	9,946	3,768	38%	912	136	15%
	8%	230	11	5%	3	0	0%
Carpet, Linoleum, Soft Floor Layer	7%	6,828	1,191	17%	1,149	547	48%
	8%	19	0	0%	0	0	0%
Cement Mason	7%	1,036	79	8%	52	44	85%
	8%	0	0	0%	0	0	0%
Drywall Installer/Lather	7%	1,150	354	31%	131	75	57%
	8%	632	351	56%	0	0	0%
Electrician	7%	22,582	14,406	64%	3,262	2,795	86%
	8%	226	226	100%	0	0	0%
Ironworker	7%	13,100	3,872	30%	2,738	1,293	47%
	8%	16	0	0%	0	0	0%
Laborer And Related Classifications	7%	24,016	7,941	33%	2,270	1,349	59%
	8%	163	34	21%	0	0	0%
Operating Engineer	7%	6,614	1,917	29%	453	453	100%
	8%	0	0	0%	0	0	0%
Painter	7%	885	482	54%	124	116	94%
	8%	244	216	89%	0	0	0%
Pile Driver	7%	633	99	16%	386	0	0%
	8%	0	0	0%	0	0	0%
Plumber	7%	4,128	1,602	39%	804	362	45%
	8%	845	691	82%	195	195	100%
Roofer	7%	1,322	704	53%	599	460	77%
	8%	0	0	0%	0	0	0%
Sheet Metal Worker	7%	3,234	1,867	58%	397	357	90%
	8%	89	73	82%	21	5	24%
Tile Setter	7%	0	0	0%	0	0	0%
	8%	160	0	0%	0	0	0%
Other Trades*	7%	8,777	1,936	22%	155	65	42%
	8%	118	0	0%	0	0	0%
<b>Total 7%</b>		<b>104,248</b>	<b>40,214</b>	<b>39%</b>	<b>13,429</b>	<b>8,049</b>	<b>60%</b>
<b>Total 8%</b>		<b>2,741</b>	<b>1,602</b>	<b>58%</b>	<b>219</b>	<b>200</b>	<b>91%</b>

\*20% Other Trades: Asbestos Removal Worker, Asbestos Worker – Heat and Frost Insulator, Brick Tender, Bricklayer/Blocklayer, Driver, Parking and Highway Improvement, Parking and Highway Improvement Painter, Teamster, Terrazzo Finisher, Terrazzo Worker.

25% Other Trades: Asbestos Removal Worker, Tile Finisher.



## LOCAL HIRING PERFORMANCE BY DEPARTMENT: DPW

### ABOUT DPW PROJECTS

The Department of Public Works (DPW) designs, builds, maintains and improves the City's facilities and urban space in partnership with the San Francisco community. Many of the DPW projects covered by the Policy are street improvements, as well as renovation and new construction of public facilities.

### PROJECTS OVERVIEW

Table 11 shows an overview of the reported hours for covered DPW projects. For the 26 projects covered by the 20% local requirement, local residents worked 38% of total project hours and 74% of apprentice hours. For the 21 projects covered by the 25% local requirement, local residents worked 32% of total project hours and 52% of apprentice hours.



TABLE 11: DPW CONSTRUCTION PROJECT HOURS BY REQUIREMENT

Local Hiring Requirement	Number of Projects	Total Hours			Apprentice Hours		
		Total	Local	Local %	Total	Local	Local %
20%	26	166,340	63,936	38%	11,833	8,743	74%
25%	21	66,285	21,165	32%	8,164	4,253	52%
<b>Total</b>	<b>47</b>	<b>232,625</b>	<b>85,101</b>	<b>37%</b>	<b>19,997</b>	<b>12,996</b>	<b>65%</b>

### LOCAL HIRING BY TRADE

Table 12 (opposite page) displays these project hours on a trade-by-trade basis, reflecting projects covered by both the 20% and 25% requirements. Lower numbers for projects with the 25% requirement reflect the delay between the date of bid advertisement and commencement of work.

**TABLE 12: DPW CONSTRUCTION PROJECT HOURS BY TRADE, 20% AND 25% REQUIREMENT**

Trade	% Req.	Total Hours			Apprentice Hours		
		Total	Local	Local %	Total	Local	Local %
Carpenter And Related Trades	20%	1,214	735	61%	24	24	100%
	25%	902	696	77%	64	56	88%
Carpet, Linoleum, Soft Floor Layer	20%	32	32	100%	0	0	0%
	25%	0	0	0%	0	0	0%
Cement Mason	20%	11,371	6,007	53%	2,820	2,816	100%
	25%	4,611	1,489	32%	542	542	100%
Drywall Installer/Lather	20%	259	0	0%	0	0	0%
	25%	0	0	0%	0	0	0%
Electrician	20%	3,196	1,308	41%	59	14	23%
	25%	142	48	34%	79	0	0%
Glazier	20%	108	0	0%	15	0	0%
	25%	0	0	0%	0	0	0%
Ironworker	20%	32	4	13%	9	0	0%
	25%	16	16	100%	0	0	0%
Laborer And Related Classifications	20%	109,768	44,139	40%	8,417	5,616	67%
	25%	35,272	13,088	37%	3,823	2,136	56%
Operating Engineer	20%	11,581	4,476	39%	189	157	83%
	25%	7,196	2,125	30%	104	104	100%
Painter	20%	333	56	17%	0	0	0%
	25%	0	0	0%	0	0	0%
Pile Driver	20%	9	0	0%	9	0	0%
	25%	0	0	0%	0	0	0%
Plumber	20%	1,230	364	30%	23	9	39%
	25%	42	42	100%	0	0	0%
Roofer	20%	1,373	108	8%	175	108	62%
	25%	8,893	2,380	27%	3,486	1,395	40%
Sheet Metal Worker	20%	427	174	41%	84	0	0%
	25%	390	72	18%	65	19	28%
Tile Setter	20%	157	72	46%	0	0	0%
	25%	0	0	0%	0	0	0%
Other Trades*	20%	25,250	6,462	26%	11	0	0%
	25%	8,822	1,211	14%	2	2	100%
<b>Total 20%</b>		<b>166,340</b>	<b>63,936</b>	<b>38%</b>	<b>11,833</b>	<b>8,743</b>	<b>74%</b>
<b>Total 25%</b>		<b>66,285</b>	<b>21,165</b>	<b>32%</b>	<b>8,164</b>	<b>4,253</b>	<b>52%</b>

\*20% Other Trades: Asbestos Removal Worker, Driver, Landscape Maintenance Laborer, Modular Furniture Installer, Parking and Highway Improvement, Parking and Highway Improvement Painter, Slurry Seal Worker, Teamster, Terrazzo Worker, Traffic Control/Lane Closure.

25% Other Trades: Asbestos Removal Worker, Driver, Field Surveyor, Landscape Maintenance Laborer, Slurry Seal Worker, Teamster, Traffic Control Lane Closure.





## LOCAL HIRING PERFORMANCE BY DEPARTMENT: RPD

### ABOUT RPD PROJECTS

The Recreation and Parks Department (RPD) administers more than 220 parks, playgrounds and open spaces, including recreation centers, athletic facilities and other venues. A majority of the RPD covered projects, such as Palega Recreation Center and Lafayette Park, are funded by the 2008 Clean and Safe Neighborhood Parks Bond.

### PROJECTS OVERVIEW

Table 13 shows an overview of the reported hours for covered RPD projects. For the 8 projects covered by the 20% local requirement, local residents worked 34% of total project hours and 61% of apprentice hours. For the 7 projects covered by the 25% requirement, local residents worked 29% of total project hours and 36% of apprentice hours.



TABLE 13: RPD CONSTRUCTION PROJECT HOURS BY REQUIREMENT

Local Hiring Requirement	Number of Projects	Total Hours			Apprentice Hours		
		Total	Local	Local %	Total	Local	Local %
20%	8	100,824	33,876	34%	9,921	6,033	61%
25%	7	5,737	1,649	29%	183	65	36%
<b>Total</b>	<b>15</b>	<b>106,561</b>	<b>35,525</b>	<b>33%</b>	<b>10,104</b>	<b>6,098</b>	<b>60%</b>

### LOCAL HIRING BY TRADE

Table 14 (opposite page) displays these project hours on a trade-by-trade basis, reflecting projects covered by both the 20% and 25% requirements. Lower numbers for projects with the 25% requirement reflect the delay between the date of bid advertisement and commencement of work.

**TABLE 14: RPD CONSTRUCTION PROJECT HOURS BY TRADE, 20% AND 25% REQUIREMENT**

Trade	% Req.	Total Hours			Apprentice Hours		
		Total	Local	Local %	Total	Local	Local %
Carpenter And Related Trades	20%	16,190	10,024	62%	3,330	1,402	42%
	25%	284	138	49%	0	0	0%
Carpet, Linoleum, Soft Floor Layer	20%	262	40	15%	40	40	100%
	25%	0	0	0%	0	0	0%
Cement Mason	20%	3,541	173	5%	0	0	0%
	25%	1,054	0	0%	0	0	0%
Drywall Installer/Lather	20%	327	34	10%	29	0	0%
	25%	0	0	0%	0	0	0%
Electrician	20%	3,617	1,754	48%	553	220	40%
	25%	235	0	0%	52	0	0%
Ironworker	20%	5,293	1,709	32%	423	119	28%
	25%	239	16	7%	24	0	0%
Laborer And Related Classifications	20%	49,077	13,537	28%	4,000	3,634	91%
	25%	3,067	1,071	35%	100	58	58%
Operating Engineer	20%	11,070	3,665	33%	934	273	29%
	25%	403	139	34%	0	0	0%
Painter	20%	600	266	44%	75	6	8%
	25%	144	144	100%	0	0	0%
Plasterer	20%	305	198	65%	0	0	0%
	25%	0	0	0%	0	0	0%
Plumber	20%	2,601	1,073	41%	184	184	100%
	25%	34	14	42%	7	7	100%
Roofer	20%	1,077	219	20%	315	157	50%
	25%	0	0	0%	0	0	0%
Sheet Metal Worker	20%	418	114	27%	39	0	0%
	25%	0	0	0%	0	0	0%
Tile Setter	20%	236	236	100%	0	0	0%
	25%	0	0	0%	0	0	0%
Other Trades*	20%	6,212	836	13%	0	0	0%
	25%	278	127	46%	0	0	0%
<b>Total 20%</b>		<b>100,824</b>	<b>33,876</b>	<b>34%</b>	<b>9,921</b>	<b>6,033</b>	<b>61%</b>
<b>Total 25%</b>		<b>5,737</b>	<b>1,649</b>	<b>29%</b>	<b>183</b>	<b>65</b>	<b>36%</b>

\*20% Other Trades: Asbestos Removal Worker, Bricklayer/Blocklayer, Driver, Field Surveyor, Modular Furniture Installer, Parking and Highway Improvement Painter, Slurry Seal Worker, Teamster, Terrazzo Finisher.

25% Other Trades: Driver, Field Surveyor, Tree Trimmer.



## LOCAL HIRING PERFORMANCE BY DEPARTMENT: Port of San Francisco

### ABOUT PORT PROJECTS

The Port of San Francisco is responsible for the management and development of San Francisco's waterfront. The most notable covered Port project is the Pier 27 Cruise Ship Terminal.

### PROJECTS OVERVIEW

Table 15 shows an overview of the reported hours for covered Port of San Francisco projects. For the 8 projects covered by the 20% local requirement, local residents worked 25% of total project hours and 42% of apprentice hours. As of March 1, 2013 there were no Port of San Francisco projects advertised or awarded with the 25% local hiring requirement.

**Table 15: PORT CONSTRUCTION PROJECT HOURS BY REQUIREMENT**

Local Hiring Requirement	Number of Projects	Total Hours			Apprentice Hours		
		Total	Local	Local %	Total	Local	Local %
20%	8	226,939	56,324	25%	32,875	13,670	42%
25%	0	0	0	0%	0	0	0%
<b>Total</b>	<b>8</b>	<b>226,939</b>	<b>56,324</b>	<b>25%</b>	<b>32,875</b>	<b>13,670</b>	<b>42%</b>

### LOCAL HIRING BY TRADE

Table 16 displays these project hours on a trade-by-trade basis for projects covered by the 20% requirement.

**TABLE 16: PORT CONSTRUCTION PROJECT HOURS BY TRADE, 20% REQUIREMENT**

Trade	Total Hours			Apprentice Hours		
	Total	Local	Local %	Total	SF	Local %
Carpenter And Related Trades	19,262	6,695	35%	1,775	875	49%
Carpet, Linoleum, Soft Floor Layer	308	22	7%	44	14	32%
Cement Mason	6,842	756	11%	125	4	3%
Drywall Installer/Lather	13,893	2,819	20%	637	629	99%
Electrician	31,827	7,976	25%	5,685	2,273	40%
Glazier	6,495	1,399	22%	1,130	148	13%
Ironworker	24,140	5,607	23%	4,140	2,168	52%
Laborer And Related Classifications	33,811	11,703	35%	1,076	621	58%
Operating Engineer	14,927	1,591	11%	940	911	97%
Painter	3,130	1,179	38%	423	254	60%
Pile Driver	20,532	4,017	20%	4,736	1,231	26%
Plasterer	91	0	0%	0	0	0%
Plumber	18,343	6,468	35%	7,453	3,972	53%
Roofer	6,978	507	7%	1,441	507	35%
Sheet Metal Worker	19,805	4,063	21%	2,615	0	0%
Tile Setter	155	128	83%	0	0	0%
Other Trades*	6,402	1,398	22%	659	66	10%
<b>Total</b>	<b>226,939</b>	<b>56,324</b>	<b>25%</b>	<b>32,875</b>	<b>13,670</b>	<b>42%</b>

\*Other Trades: Asbestos Removal Worker, Asbestos Worker – Heat and Frost Insulator, Brick Tender, Bricklayer/Blocklayer, Driver, Electrical Utility Lineman, Elevator Constructor, Field Surveyor, Landscape Maintenance Laborer, Metal Roofing Systems Installer, Modular Furniture Installer, Parking and Highway Improvement, Parking and Highway Improvement Painter, Teamster, Tile Finisher.



## LOCAL HIRING PERFORMANCE BY DEPARTMENT:

MTA

### ABOUT MTA PROJECTS

The San Francisco Municipal Transportation Agency (SFMTA) manages and operates San Francisco's transportation network, encompassing pedestrians, bicycling, transit, traffic and parking, and regulates the taxi industry.

### PROJECTS OVERVIEW

Table 17 shows an overview of the reported hours for covered MTA projects. For the 1 project covered by the 20% local requirement, local residents worked 46% of total project hours and 74% of apprentice hours. As of March 1, 2013 there were no hours reported on MTA projects with the 25% local hiring requirement.

TABLE 17: MTA CONSTRUCTION PROJECT HOURS BY REQUIREMENT

Local Hiring Requirement	Number of Projects	Total Hours			Apprentice Hours		
		Total	Local	Local %	Total	Local	Local %
20%	1	6,243	2,903	46%	1,112	818	74%
25%	0	0	0	0%	0	0	0%
<b>Total</b>	<b>1</b>	<b>6,243</b>	<b>2,903</b>	<b>46%</b>	<b>1,112</b>	<b>818</b>	<b>74%</b>

### LOCAL HIRING BY TRADE

Table 18 displays these project hours on a trade-by-trade basis for projects covered by the 20% requirement.

TABLE 18: MTA CONSTRUCTION PROJECT HOURS BY TRADE, 20% REQUIREMENT

Trade	Total Hours			Apprentice Hours		
	Total	Local	Local %	Total	Local	Local %
Cement Mason	444	145	33%	9	9	100%
Electrician	1,132	860	76%	476	215	45%
Laborer And Related Classifications	4,241	1,705	40%	627	594	95%
Operating Engineer	401	171	43%	0	0	0%
Other Trades	25	22	88%	0	0	0%
<b>Total</b>	<b>6,243</b>	<b>2,903</b>	<b>46%</b>	<b>1,112</b>	<b>818</b>	<b>74%</b>

\*Other Trade: Driver

# WORKER DEMOGRAPHICS

The following charts illustrate residency and ethnicity data for all workers on covered projects. Demographic data is quantified in total workers, rather than in hours, and is self-reported by workers through the City's Project Reporting System. The following data represents work performed on covered projects between March 2011 and March 2013.

**FIGURE 1: ALL WORKERS BY COUNTY OF RESIDENCE**

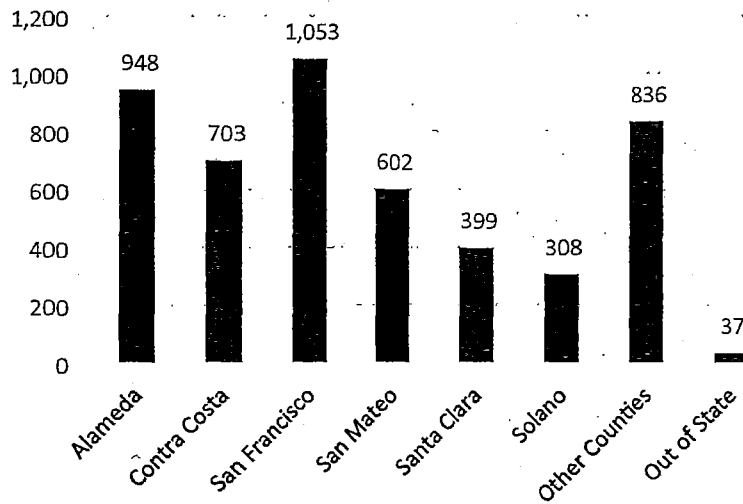


Figure 1 shows the county of residence for all workers on covered projects. Approximately 22% of workers on covered projects are San Francisco residents, representing the largest percentage. Alameda County and Contra Costa County provide the second and third largest shares of workers, with 19% and 14% residency, respectively.

**FIGURE 2: SAN FRANCISCO WORKERS BY ZIP CODE**

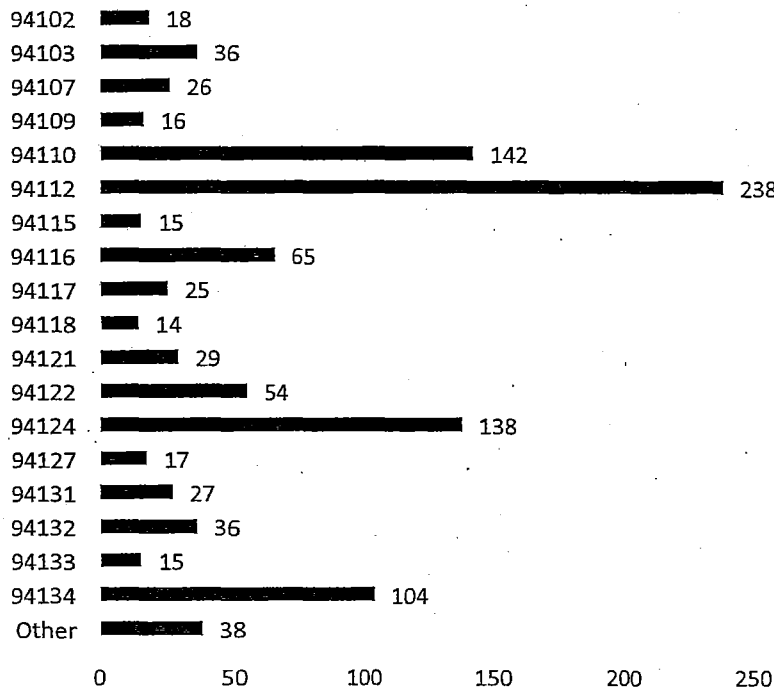


Figure 2 displays residency by zip code for all San Francisco residents working on covered projects. Residents from nearly every San Francisco neighborhood are represented in the portfolio of covered projects.

\*Other Zip Codes: 94104, 94105, 94108, 94111, 94114, 94130, 94142, 94147, 94158, 94162, 94188.

**FIGURE 3: ALL WORKERS BY RACE AND ETHNICITY**

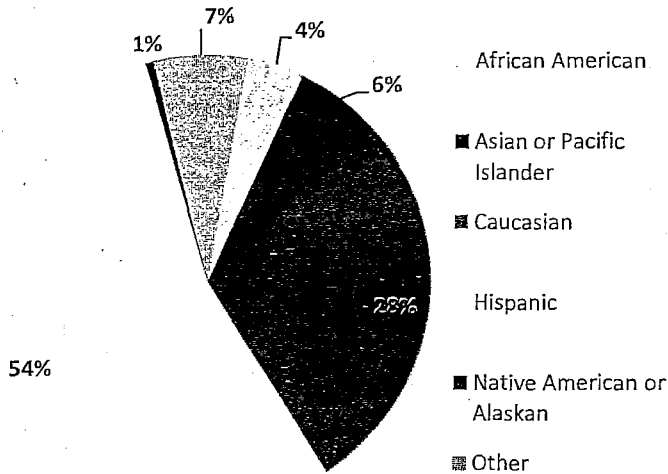


Figure 3 illustrates the race and ethnicity of all workers on covered projects. Hispanic workers represent the largest percentage of the total workforce, followed by Caucasian and Asian Pacific Islander workers.

**FIGURE 4: SAN FRANCISCO WORKERS BY RACE AND ETHNICITY**

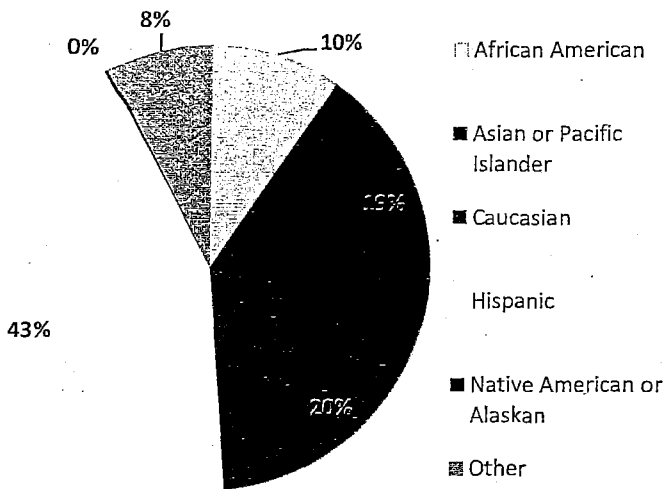


Figure 4 reveals an increase in workforce diversity when looking at San Francisco residents alone. When compared with data in Figure 3, Hispanic workers remain the largest percentage, while the proportions of Asian or Pacific Islander and African American workers increase.

**TABLE 19: WORKERS BY GENDER**

	All Workers	San Francisco Workers
Male	4,812	1,017
Female	66	35
Unknown	8	1
Female Percentage	1.4%	3.4%

Table 19 provides gender information for workers on covered projects. Female workers comprise 3.4% of San Francisco residents on covered projects as compared to 1.4% of all workers.

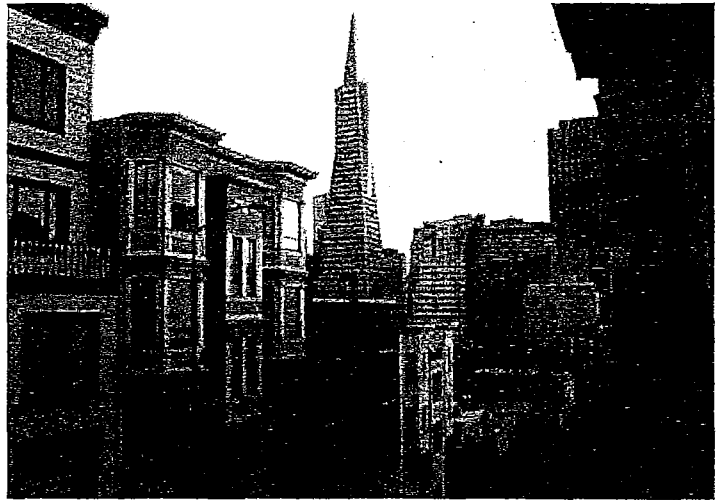
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# CHALLENGES AND REMEDIES

## PROJECT COORDINATION

During the first two years of implementation, OEWD worked closely with other City departments to ensure effective coordination with the City's construction project teams. Now beginning the third year of implementation, OEWD has been fully integrated into the City's contracting and construction processes. When challenges emerge, OEWD works diligently to resolve issues.

With more covered projects being advertised, successful coordination between OEWD and the City's construction project teams will continue to be a priority.



## ACCESS TO APPRENTICESHIP

OEWD maintains strong partnerships with many union apprenticeship programs. These relationships help to provide valuable opportunities for CityBuild Academy graduates. As the department continues to strengthen the local apprentice pipeline, OEWD strives to expand these existing relationships and to focus on creating new ones.

## DISADVANTAGED WORKERS

Through CityBuild Academy and CityBuild's employment networking services, OEWD connects many "disadvantaged workers" with careers in construction. OEWD prioritizes individuals with barriers to employment, and to address these barriers, OEWD partners with many community based organizations that bring expertise in serving these populations.

OEWD is in the process of establishing a system of tracking overall disadvantaged worker hours on covered projects within the City's PRS. Since March 25, 2011, CityBuild Academy has graduated 161 disadvantaged workers, of which 143 have successfully entered into state-certified apprenticeship programs. Many of these apprentices are contributing to projects covered by the Policy.

# YEAR THREE PRIORITIES

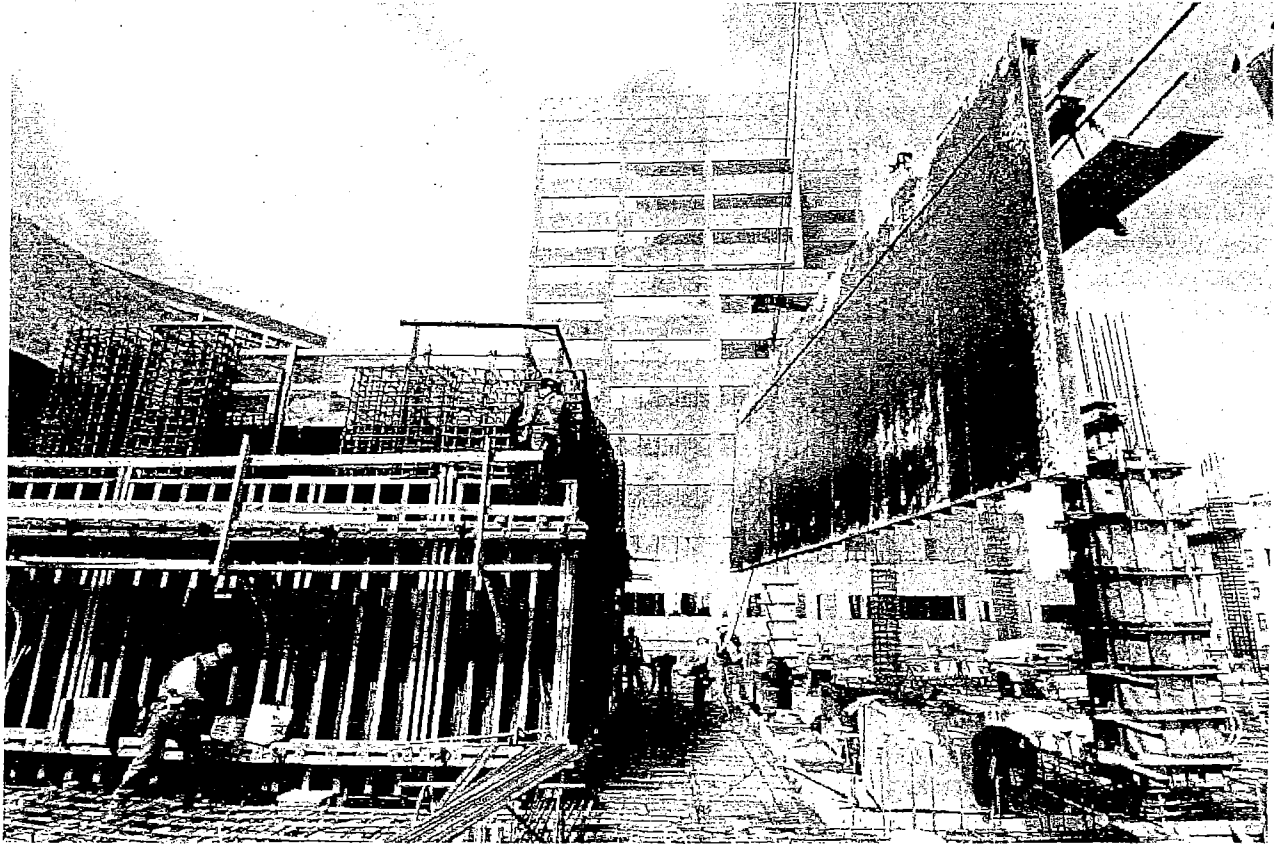


Photo Credit: Multivista.com

## EXPANDING OPPORTUNITIES

OEWD will continue to grow the local apprentice base by providing training and certification opportunities through CityBuild Academy. Graduates of the program enter the workforce with the skills that help meet the employment demands of the construction industry. Additionally, as part of OEWD's compliance role in administering the Policy, the department will continue to monitor covered projects to ensure local resident participation.

## STRENGTHENING PARTNERSHIPS

OEWD will continue building the pipeline of local residents for the trades. OEWD will work closely with other City departments to further address the needs of workers entering or re-entering the industry. OEWD will also strengthen partnerships with labor unions, focusing on direct entry agreements. Finally, extending opportunities to women will remain a priority, as the female participation rate continues to be low.

## LEGISLATIVE SUPPORT

OEWD will support the efforts of the Controller's Office and its periodic review of the Policy; the first of these reviews will be conducted this year. OEWD will also continue to staff the Mayor's Construction Workforce Advisory Committee as it works to promote the Policy's continued success.



# CITYBUILD ACADEMY

San Francisco's CityBuild Academy aims to meet the demands of the construction industry by providing comprehensive pre-apprenticeship training to disadvantaged San Francisco residents. Since 2006, 604 residents have successfully completed the training, and of those 520, or 86%, have entered union apprenticeship programs in various trades.



CityBuild Academy is an 18-week pre-apprenticeship and construction skills training program where participants can earn up to 15 college credits. Participants are given the opportunity to obtain construction-related certifications, such as OSHA 10, Forklift, Skid Steer, CPR and First Aid. Several program instructors are construction industry specialists with years of field experience.

## PARTNERSHIPS

In an ongoing effort to strengthen and expand the training's curriculum, the Academy partners with various union apprenticeship programs.

- The Academy's lead instructor is an apprenticeship instructor from the Northern California Laborers Training Center. At the completion of the training, graduates interested in entering the laborer's apprenticeship program receive additional 2-week certification training for Confined Space, Scaffold Safety, and Trench and Excavation Safety.
- The Academy incorporates curriculum from the Carpenters Training Committee of Northern California. At the completion of each Academy's cycle, five graduates enter the carpenter's apprenticeship program through a direct entry agreement.
- This year, the Bay Area Plastering Industry Joint Apprenticeship Training Committee partnered with the Academy to concurrently offer a 9-week intensive training program. Participants receive hands-on training and classroom instruction specific to the plastering industry. After completing the training, participants have the opportunity to enter the plasterers' apprenticeship program.
- The Ironworkers Apprenticeship Training Committee partners with the Academy to provide their "Gladiators Training". This program prepares participants to work with reinforced concrete and rebar. Participants have the opportunity to enter the ironworkers' apprenticeship program after successfully completing the training.
- The Ironworkers Apprenticeship Training also invites Academy participants to train with the "Women in Welding" program. This program is specifically designed to engage women in the trades and provide them with specialized skills to make them more competitive in the field. Women who successfully complete the program have the opportunity to enter the ironworkers' apprenticeship program.

In addition, CityBuild Academy receives ongoing support from the Northern California Cement Masons Local 300, Operating Engineers Local 3, and Sheet Metal Workers' Local 104.

San Francisco's CityBuild Academy is funded through OEWD and administered through partnerships with City College of San Francisco, various community non-profit organizations, labor unions, and industry employers.

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# **MAYOR'S CONSTRUCTION WORKFORCE ADVISORY COMMITTEE**

## **ABOUT THE ADVISORY COMMITTEE**

The Mayor's Construction Workforce Advisory Committee is comprised of stakeholders representing City departments, labor unions, contractors and non-profit community based organizations.

### **Chair**

**Naomi Kelly**

City Administrator

City and County of San Francisco

### **Committee Members**

**Bob Alvarado**

Executive Officer

Northern California Carpenters Regional Council

**Josh Arce**

Executive Director

Brightline Defense Project

**James Bryant**

Western Region Director

A. Phillip Randolph Institute

**Oscar De La Torre**

Business Manager

Northern California

District Council of Laborers

**Tim Donovan**

Business Manager

IBEW Local 6

**Harlan Kelly**

General Manager

San Francisco Public Utilities Commission

**Florence Kong**

President

Build Bayview

**Kent M. Lim**

President

Kent M. Lim & Company, Inc.

**Bob Nibbi**

President

Nibbi Brothers General Contractors

**Mohammed Nuru**

Director

San Francisco Department of Public Works

**Jes Pedersen**

President/CEO

Webcor Builders

**Ed Reiskin**

Director

San Francisco Municipal Transportation Agency



# CONCLUSION

With significant data now available for projects with the 20% requirement, local hiring successes have been identified. Across departments, individual trades have met or exceeded local hiring requirements.

It is still too early to draw conclusions on projects subject to the 25% requirement. More time is required to collect sufficient data as projects progress from advertisement through construction. However, early findings are promising, as outcomes continue to exceed the City's minimum local hiring requirements.

OEWD will continue to work with the Mayor's Construction Workforce Advisory Committee to monitor and address changes in the industry. The expertise of the Committee members will help guide the Policy toward continued success.

Maintaining stability for the construction industry, while maximizing opportunities for local residents, remain a priority.

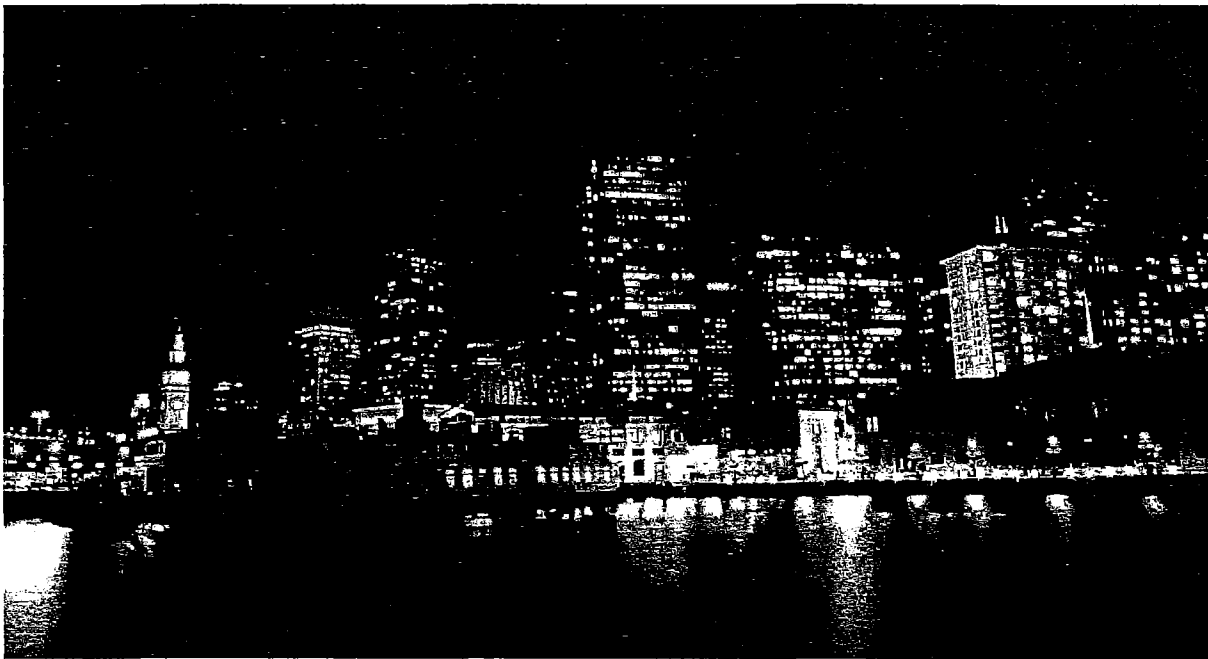
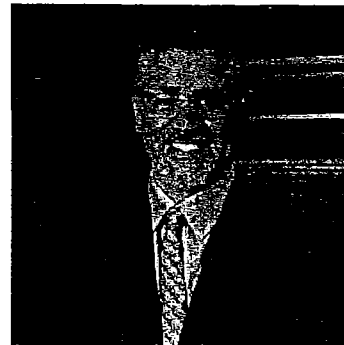


Photo credit: Sam Lee

"Thanks to Mayor Ed Lee, my colleagues on the Board, community support, labor and contractor partnerships, and all stakeholders involved, the implementation of the Local Hiring Policy for Construction has provided economic and employment opportunities for San Francisco residents. I look forward to continuing and expanding our partnerships to advance the program to provide good paying jobs to San Franciscans and maximize opportunities for local residents."

*Supervisor John Avalos, District 11*



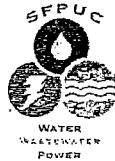
**THE OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT  
WOULD LIKE TO THANK OUR PARTNERS IN THIS EFFORT**

**San Francisco Board of Supervisors**

**Office of Mayor Edwin M. Lee**



**SFMTA**  
Municipal Transportation Agency



**Office of the City Administrator**

**San Francisco Department of Public Works**

**San Francisco Municipal Transportation Agency**

**San Francisco Public Utilities Commission**

**Community Organizations**

A. Phillip Randolph Institute  
Anders and Anders Foundation  
Asian Neighborhood Design  
Brightline Defense Project  
Charity Cultural Services Center  
Chinese for Affirmative Action  
Mission Hiring Hall  
Young Community Developers

**Contractor Associations**

Associated General Contractors  
Construction Employers' Association  
United Contractors  
Wall and Ceiling Alliance

**Office of the City Attorney**

**San Francisco Recreation & Parks Department**

**Port of San Francisco**

**San Francisco International Airport**

**Labor Organizations**

Cement Masons Local 300, Area 580  
International Brotherhood of Electrical Workers Local 6  
Ironworkers Local 377  
Laborers' Local 261  
LiUNA! — Laborers' International Union of North America  
Northern California Carpenters Regional Council (NCCRC)  
Northern California District Council of Laborers (NCDCL)  
Operating Engineers Local 3  
Pile Drivers Local 34  
Plasterers and Shophands Union Local 66  
Roofers and Waterproofers Local 40  
Sheet Metal Workers' Local 104

**Project Reporting System**

Elation Systems, Inc.

**OEWD Workforce Division**  
1 South Van Ness Avenue, Fifth Floor  
San Francisco, CA 94103  
(415) 701-4848  
local.hire.ordinance@sfgov.org  
www.workforcedevelopmentsf.org



BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

# MEMORANDUM

TO: Regina Dick-Endrizzi, Director  
Small Business Commission, City Hall, Room 448

FROM: Linda Wong, Committee Clerk

DATE: March 4, 2014

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS  
Budget and Finance Committee

The Board of Supervisors Budget and Finance Committee has received the following, which are being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

**File: 140150**

Ordinance amending the Administrative Code to add First Source Hiring requirements for developers applying for permits for commercial or residential projects to disclose to the City anticipated entry and apprentice level positions for development projects, anticipated local hires, and anticipated wages; and agree to hiring and retention goals for apprentice level positions.

**File: 140151**

Ordinance amending the Administrative Code to provide that the City's Local Hiring Policy and Payment of Prevailing Wages apply to construction projects on property owned by the City and County of San Francisco.

Please return this cover sheet with the Commission's response to **Linda Wong, Committee Clerk, Budget and Finance Committee.**

\*\*\*\*\*  
**RESPONSE FROM SMALL BUSINESS COMMISSION - Date:** \_\_\_\_\_

- No Comment
- Recommendation Attached

\_\_\_\_\_  
Chairperson, Small Business Commission

President, District 3  
BOARD of SUPERVISORS



*Electronically*  
*BO-11, Aides, COS, Dep City Atty*  
City Hall *Leg Dep*

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San Francisco 94102-4689  
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Fax No. 554-7454  
TDD/TTY No. 544-5227

DAVID CHIU

邱信福  
市參事會主席

PRESIDENTIAL ACTION

Date: 3/14/2014

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,

Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No. 140150, 140151 Avalos  
(Primary Sponsor)

Title. Admin Code - First Source & Local Hire

Transferring (Board Rule No. 3.3)

File No. \_\_\_\_\_  
(Primary Sponsor)

Title. \_\_\_\_\_

From: \_\_\_\_\_ Committee

To: \_\_\_\_\_ Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor \_\_\_\_\_

Replacing Supervisor \_\_\_\_\_

For: \_\_\_\_\_ Meeting  
(Date) (Committee)

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO  
2014 MAR 14 PM 3:51

*David Chiu*

David Chiu, President  
Board of Supervisors

# Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp  
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee.  
An ordinance, resolution, motion, or charter amendment.
- 2. Request for next printed agenda without reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [ ] inquires"
- 5. City Attorney request.
- 6. Call File No. [ ] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. [ ]
- 9. Request for Closed Session (attach written motion).
- 10. Board to Sit as A Committee of the Whole.
- 11. Question(s) submitted for Mayoral Appearance before the BOS on [ ]

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission     Youth Commission     Ethics Commission
- Planning Commission     Building Inspection Commission

**Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative**

**Sponsor(s):**

John Avalos, London Breed, David Campos, David Chiu, Jane Kim, Eric Mar, Scott Wiener, Norman Yee

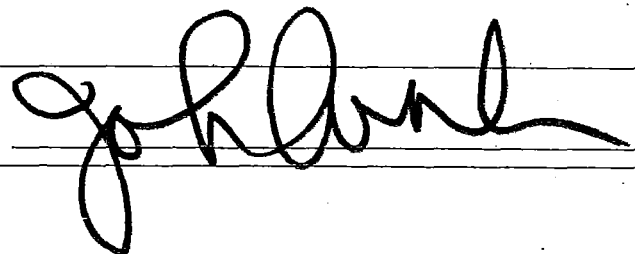
**Subject:**

Ordinance Requiring Local Hire and Prevailing Wages for Construction Projects on City-Owned Property.

**The text is listed below or attached:**

[Empty box for text listing]

Signature of Sponsoring Supervisor:



For Clerk's Use Only:

