



April 16, 2024

ABAG Executive Board Bay
Area Metro Center 375 Beale
Street, Suite 700
San Francisco, CA 94105

Sent Via Electronic mail: fcastro@bayareametro.gov

Re: Item 10b for the April 18, 2024, Meeting

Dear President Ramos, Vice President Arreguin, Immediate Past President Rabbitt and Executive Board Members:

The 37,000 members of the Nor Cal Carpenters Union (NCCU) have a deeply vested interest in Bay Area housing. Our union organizes & bargains for construction workers building Bay Area affordable housing, and our members and their families desperately need more abundant housing that is affordable at all income levels. The NCCU presses for family sustaining labor standards for construction workers at the state, regional, and local levels.

We submit this letter strongly encouraging the ABAG Executive Board to adopt the resolution of the Joint BAHFA Oversight/ABAG Housing Committee on April 10th to approve the draft Regional Expenditure Plan and ensure the recommended labor standards extend to the 80% of funds sent to direct allocation localities. By referring this plan to the Executive Board, the Joint Committees resolution have set in motion a clear process for attaching strong and widely supported labor standards to the bond measure.

If approved by voters in November, the billions of dollars in bond proceeds will be the largest-ever investment by Bay Area residents aimed at shrinking the region's acute affordable housing shortage. The labor standards outlined in this draft Expenditure Plan - to be detailed and operationalized in future funding program Guidelines - will induce a wages and fringe benefits "race to the top" among developers and construction contractors who deliver affordable housing in the Bay Area.

These labor standards will raise the bar for residential construction workers at a regional scale. They derive from State law that applies to all of California's 58 counties and 400-plus cities. They are supported not just by the Carpenters and Laborers unions of Northern California, which represent almost 70,000 working men and women but also by affordable housing developers and advocates. We believe the baseline standards will uplift residential construction workers and their families and level the playing field for law-abiding contractors who often compete against firms whose business model relies on exploitation, wage theft, and tax fraud.

The standards in the draft Expenditure Plan include prevailing wages and in cases of new projects with at least 50 units – employer healthcare expenditures to benefit trades workers and their dependents and apprentice participation requirements for qualifying projects. The standards will equally benefit all workers involved in a bond-funded project and can be enforced by State laws that are among the strongest in the nation. The Expenditure Plan also includes an option for projects to meet the standards by entering into all-trades Project Labor Agreements (PLAs). This option allows cities and counties to go above the baseline standards should they choose, without sacrificing feasibility in areas where a PLA would create additional challenges.

A PLA mandate is not advisable for several reasons. First, there is no precedent for a one-size-fits-all Project Labor Agreement mandate for a multi-county bond measure that will be financed through broad-based property tax assessments. A ballot measure passed in the City of LA that included a PLA requirement raises revenue from a transfer tax that does not affect most LA resident. Second, implementing a region-wide PLA would create challenges in several Bay Area localities where union contractors performing residential construction work are rarities. Third, a BAHFA PLA mandate for 100% of allocated bond proceeds would require the finance authority to have a “proprietary interest” in all the funds, which could require restructuring BAHFA’s enabling legislation, which was the product of careful, finely balanced negotiations in 2019.

In addition to adopting the Regional Expenditure Plan, we urge the Executive Board to commit to working with BAHFA, MTC, and the California Legislature to enable BAHFA to extend these labor standards to 100% of the bond funding. The current version of the State’s BAHFA-enabling law does not permit BAHFA to write labor standards mandates for direct allocation localities. The March 13th and April 10th BAHFA Oversight and ABAG Housing Committee Joint meetings made clear that most Committee members support labor standards for 100 percent of the bond proceeds.

The solution is to amend state law to allow BAHFA to require all local jurisdictions that receive bond funds to adhere to baseline labor standards and to then work through the BAHFA board to extend the labor standards of the Expenditure Plan – plus robust labor standards compliance & enforcement tools – to projects that apply to those jurisdictions for funds.

The unanimous vote at the April 10th ABAG Housing Committee meeting sent a strong message that the labor standards included in the draft Regional Expenditure Plan are the best path forward for building housing while protecting and uplifting residential construction workers. Now is the time to build on this momentum, and continue moving the bond measure forward with effective, feasible, and widely supported labor standards.

In conclusion, the Nor Cal Carpenters Union advocates that ABAG Executive Board members take the following actions at the April 18th meeting:

(1) Approve the resolution of the Joint BAHFA Oversight/ABAG Housing Committee from the April 10th meeting to adopt the BAHFA Regional Expenditure Plan with labor standards and enhanced reporting requirement for permanent supportive (PSH)/Extremely Low Income (ELI) housing;

(2) **Direct the Executive Director to adopt a guideline to implement the labor standards** as articulated in the Regional Expenditure Plan for Regional Housing Revenue;

(3) **Direct BAHFA staff to work with the California Legislature to amend** the San Francisco Bay Area Regional Housing Finance Act to enable BAHFA to have the authority to impose labor standards for counties and cities receiving a direct allocation of bond proceeds. Further, to direct the staff to keep the Joint Housing Committees and Joint Legislative Committee informed of discussions and the progress of the bill and to bring back to MTC/ABAG for discussion and future action on the bill.

Members of the Nor Cal Carpenters Union look forward to this once-in-a-generation opportunity to uplift residential construction workers while building and preserving affordable housing throughout our diverse San Francisco Bay Area region.

Respectfully,



Jay Bradshaw
Executive Secretary-Treasurer
Nor Cal Carpenters Union