



May 20, 2024

BAHFA Board
Bay Area Metro Center
375 Beale St., Suite 800
San Francisco, CA 94105

Sent Via Electronic Mail to: fcastro@bayareametro.gov

Re: BAHFA May 22nd, 2024 Meeting, Item 4b (BAHFA's Regional Expenditure Plan)

Dear Honorable Chair Pedroza, Honorable Vice-Chair Josefowitz,
Honorable Members of the Board of the Bay Area Housing Finance Authority:

The 37,000 members of the Nor Cal Carpenters Union (NCCU) have a deep, 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 Board of the Bay Area Housing Finance Authority to adopt the resolution of the Joint BAHFA Oversight/ABAG Housing Committee on April 10th, and the ABAG Executive Board on April 18th, 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 BAHFA Board, the Joint Committees and ABAG Executive Board 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 workers, 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 through 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.

In addition to adopting the Regional Expenditure Plan, we urge the BAHFA Board to direct staff to advocate at the California Legislature for legislation that will enable BAHFA to extend these strong 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 the 80% of bond proceeds that will revert to counties and direct-allocation localities.

We advise the BAHFA Board to express to State legislators that any mandate for a single, regionwide PLA tied to housing bond revenues would be counterproductive. 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 residents. Second, implementing a region-wide PLA would create challenges in several Bay Area localities where union contractors performing residential construction work are rarities. Finally, should it be desirable for any PLA to include community benefits such as local employment or small local contractor targets, those are best negotiated separately by elected representatives and local stakeholders of the Bay Area's diverse nine counties and direct-allocation cities.

A unanimous vote at the April 10th BAHFA Oversight and ABAG Housing Committee joint meetings made clear that Committee members support the labor standards included in the draft Regional Expenditure Plan as means for protecting and uplifting residential construction workers and support extending labor standards for 100 percent of the bond proceeds. The Executive Board of ABAG affirmed the labor standards outlined in the Regional Expenditure Plan and gave direction to work with and through the Legislature to make extension to 100 percent of bond revenues through action by BAHFA legally feasible.

Now is the time to build on this momentum and move the bond measure forward with effective, feasible, and widely supported labor standards.

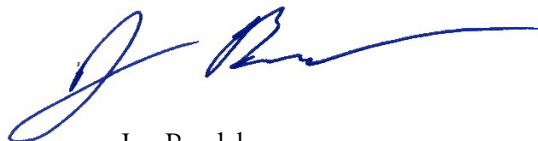
The Nor Cal Carpenters Union urges that the BAHFA Board act on Item 4b and approve the staff-recommended text of Resolution No. 0032. Doing so will affirm a position in support of strong labor standards based in statutes that already apply statewide for 100 percent of bond revenue proceeds.

The resolution contains two sections that spell out three directives to Staff that will give effect to this intent:

- Section 3 directs the Executive Director to **return with an agenda item to adopt a guideline to implement the labor standards as articulated in the Regional Expenditure Plan for Regional Housing Revenue.**
- Section 3 also states that **“if state law is amended to allow BAHFA to impose labor standards for counties and cities receiving a direct allocation of bond proceeds and the Ballot Measure passes, then the guideline brought forward also should extend the labor standards as articulated in the Regional Expenditure Plan to projects funded with County Housing Revenue portion of the bond proceeds.”**
- Section 4 directs the Executive Director or designee to **work with the state Legislature to amend BAHFA’s enabling act and empower the Board of BAHFA to impose strong labor standards for counties and cities receiving a direct allocation of bond proceeds,** and to keep the BAHFA Advisory Committee, the ABAG Housing Committee, and the BAHFA Oversight Committee informed of such progress.

The Nor Cal Carpenters Union will be BAHFA’s partner in advocating before the Legislature and through the guidelines-drafting process to ensure that labor standards for 100% of bond revenues will be strong, inclusive, and yield equitable outcomes. 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 many thousands of affordable homes throughout our diverse San Francisco Bay Area region. If you have any questions, please reach out to our Executive Research Analyst Scott Littlehale (slittlehale@nccrc.org).

Respectfully,



Jay Bradshaw
Executive Officer
Nor Cal Carpenters Union