

Summary: CRA/LA Construction Careers and Project Stabilization Policy

NOTE: *This summary is informational only. In the case of any discrepancy between this summary and the Policy, the Policy shall control.*

To promote its objectives and preserve its proprietary interests, the Community Redevelopment Agency of the City of Los Angeles, California (CRA/LA) has adopted a Construction Local Hire/Project Labor Agreement Policy applicable to certain projects in which the CRA/LA has a particular interest. This Policy will only apply to construction work performed for specifically covered projects. The following summarizes major elements of the Policy.

I. Project Goals

- A.** Create jobs for local people
- B.** Create job opportunities for people with barriers to employment
- C.** Create pathways towards new careers

II. Coverage

Covered Projects include development projects in the following categories:

A. Covered Projects

- 1) Public Improvements Contracts with a CRA/LA award amount equal to or greater than \$500,000;
- 2) Proposed development projects that will be constructed on CRA/LA-owned real property under a CRA/LA Agreement;
- 3) Proposed development projects for which the Developer will receive CRA/LA Investment* totaling in the aggregate of \$1,000,000 or more.

B. Exceptions: The following projects shall not constitute Covered Projects:

- 1) Development projects including fewer than 75 units of housing or fewer than 50,000 square feet of non-residential Floor Area. However, development projects including both housing and non-residential space shall be Covered Projects if either component equals or exceeds 75 units of housing or 50,000 square feet of non-residential Floor Area.
- 2) Public Improvement or development projects, if exclusion from a local hiring program is required by applicable Federal law or regulation.

* **CRA/LA Investment:** Any financial assistance provided by the CRA/LA to a Developer, expressly articulated or identified in writing by the CRA/LA. CRA/LA Investment shall include, but not be limited to: Grants (defined below); rent subsidies or reductions; Qualifying Loans (defined below); loan forgiveness; CRA/LA-approved bond financing (excluding conduit bond financing); a sale or lease of CRA/LA-assembled land for less than its fair market value (i.e., a "land write-down"), except to the extent necessary for the development of an Affordable Housing Project on such land; contingent obligations taken on by the CRA/LA such as any guaranty or pledge of CRA/LA funds; and CRA/LA fee reduction or fee waiver. None of the following shall be considered a "CRA/LA Investment" for purposes of this Policy: a loan on terms comparable to those achievable outside the CRA/LA; the sale or lease of CRA/LA-assembled land for less than its fair market value to the extent such land write-down is necessary for the development of an Affordable Housing Project on such land; a variation of less than 50,000 square feet, a Transfer of Floor Area Rights in excess of 50,000 square feet, or other discretionary approvals from the CRA/LA; nor CRA/LA staff or financial planning assistance.

"Grant" means that form of CRA/LA Investment for which no repayment is required or expected so long as the terms of the CRA/LA Investment are met.

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“Qualifying Loan” means any arrangement whereby funds or other financial or in-kind expenditures that are provided by the CRA/LA to a Developer, or for the benefit of a development project, are to be repaid in whole or in part by the Developer, including rebates, loan forgiveness, interest write-downs, or any reduction of the repayment obligation.

III. Local Hiring Requirements

The Prime Contractor is responsible for ensuring that the following Local Hiring Requirements are met. For Projects with a Developer, the Developer is jointly and severally responsible with the Prime Contractor for ensuring that these requirements are met.

A. The following percentages shall be attained for each Covered Project:

- 1) **30% of total work hours by Community Area* and Local Residents**.** 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.
- 2) **10% of total work hours by Disadvantaged Workers***.** 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. These hours may be applied towards the 30% work hour minimums.
- 3) **Apprentice work hours by Community Area and Local Residents.**
 - i. During the first year of the term of the PLA a minimum of 30% of all hours worked by construction Apprentices on all Covered Projects shall be performed by Community Area and Local Residents, with priority given to Community Area Residents.
 - ii. During the second year of the term of the PLA a minimum of 35% of all hours worked by construction Apprentices on all Covered Projects shall be performed by Community Area and Local Residents, with priority given to Community Area Residents.
 - iii. During the third year of the term of the PLA a minimum of 40% of all hours worked by construction Apprentices on all Covered Projects shall be performed by Community Area and Local Residents, with priority given to Community Area Residents.
 - iv. These hours may be applied towards the 30% and 10% work hour minimums.

B. The employer retains authority in making individual hiring decisions.

C. Hours worked by residents of states other than California shall not be included in calculation of total hours of Project Work for purposes of the percentage requirements set forth above.

* **Community Area Resident:** An individual whose primary place of residence is in the City of Los Angeles and is within the CRA/LA determined project impact area, typically bounded by a 3-mile radius of the Project Area in which the Covered Project is located.

** **Local Resident:** An individual whose primary place of residence is within the City and is within the zip code containing at least part of one census tract with a rate of unemployment in excess of 150% of the Los Angeles County unemployment rate, as reported by the State of California Employment Development Department at the commencement of the Covered Project.

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***** Disadvantaged Worker:** An individual whose primary place of residence is within the City and who, prior to commencing work on a Covered Project, 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. The status of a Disadvantaged Worker will be certified by the Jobs Coordinator.

IV. Project Labor Agreement Requirement

In order to meet its local hire objectives by ensuring that the target populations have access not only to a job, but to a career with a quality apprentice training program, the CRA/LA has negotiated a master Project Labor Agreement (PLA) that shall govern the Covered Project.

- A. The PLA includes the Local Hiring Requirements described in Section III above.
- B. The term of the PLA is three years, with two possible one-year extensions depending on performance by all parties to the PLA.
- C. Developers and Contractors shall become parties to the CRA/LA PLA for the duration of the Covered Project.
- D. Once a project is determined to be a Covered Project, the PLA shall apply to all construction phases of that Covered Project that were approved by the Board during the term of the PLA.

V. Implementation

- A. The CRA/LA staff will monitor and enforce the local hiring provisions of this Policy assessing liquidated damages for non-compliance where appropriate.
- B. The following are required elements for the implementation of the Policy:
 - 1) **Local Hiring Schedule:** Each Developer or Prime Contractor shall submit to the CRA/LA a Local Hiring Schedule for the entire project for approval or disapproval by the CRA/LA's Chief Executive Officer or designee. The Developer or Prime Contractor must obtain approval of a Local Hiring Schedule at least 30 days before the start of construction.
 - 2) **Pre-Construction Orientation:** Prior to the commencement of construction, and as soon as practicable, Developers and Prime Contractors shall contact the CRA/LA to schedule a pre-construction orientation meeting to discuss requirements of the Policy and PLA, recordkeeping, and reporting requirements necessary for the evaluation of the project's compliance with this Policy and the PLA.
 - 3) **Pre-Bid and Pre-Construction Meetings:** The Prime Contractor shall convene pre-bid and pre-construction meetings to educate the construction manager and subcontractors about Local Hiring Requirements and the goals of this Policy.
 - 4) **Jobs Coordinator:** The Developer or Contractor shall hire a Jobs Coordinator from the CRA/LA list of pre-qualified firms. The Jobs Coordinator will provide services in support of the Developer's Local Hiring Requirements
 - 5) **Use of a Craft Request Form:** Developer or Contractors shall send copies of all Craft Request Forms to the Jobs Coordinator at the same time as they are submitted to the Unions

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VI. Determination of Compliance

- A.** If the Developer or Contractor has met or exceeded the local hire targets and signed the PLA, the Developer or Contractor is in compliance.
- B.** If the Developer or Contractor has not met or exceeded the local hire targets but has satisfied each element of the list of activities below, the Developer or Contractor may verify compliance through the following activities:
 - 1) Develop and submit CRA/LA-approved Local Hiring Schedule before construction begins;
 - 2) Convene pre-bid and pre-construction meetings to educate construction manager and subcontractors about the Local Hiring Requirements and the goals of this Policy;
 - 3) Sign PLA and obtain Letters of Assent from each construction employer;
 - 4) Hire Jobs Coordinator;
 - 5) Regularly contact and document contacting of Jobs Coordinator;
 - 6) Use and document use of CRA/LA-approved craft request forms sent to both unions and Jobs Coordinator;
 - 7) Document appropriate waiting period for requested referrals and any lack of responses;
 - 8) Document reasons for not hiring referred candidates from target populations, if applicable; and
 - 9) Allow CRA/LA monitor prompt and willing access to documentation of above activities.

VII. Penalties for Non-Compliance

- A. Liquidated Damages:** If the Developer/Contractor is found not to be in substantial compliance for any quarter, the Developer/Contractor and Subcontractor pays liquidated damages of the average project wage for each hour that the project was short of the requirement.
- B. Non-Responsible Contractor:** For any substantive violation, the Developer/Contractor and Subcontractor may be declared a Non-Responsible Contractor and be debarred from further contracts for a period of 2 years in conformance with the CRA/LA's Policy on Contractor Responsibility.
- C. Appeal:** The Developer may appeal a penalty assessment to a panel appointed by the CRA/LA Board.