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WORKING
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December 7, 2016

Honorable Mayor and City Council
City of San José
200 E. Santa Clara St.
San Jose, CA 95113

Re: Local Hire for San Jose Construction Projects Ballot Initiative

Dear Mayor and Council,

We submit this letter on behalf of the Santa Clara & San Benito Counties Building & Construction Trades Council (the "Council") and its twenty-three affiliated craft unions which collectively represent over 30,000 highly trained, skilled construction workers in Silicon Valley. We recognize and share your and the City's commitment to a vision of social, physical and economic development that build San José as a thriving community.

As you are no doubt aware, private development in the City is likely to have significant impacts on our community, such as increased traffic, a greater strain on public facilities like parks and an increased demand for law enforcement and other critical public safety services. It is therefore critical that San Jose workers and our local economy benefit from the development that we allow here.

On December 13, the City Council is scheduled to consider a policy that would apply to high rise developments — one component of which would include economic incentives, such as a substantial discount to various development impact fees ("High Rise Development Policy"). Unfortunately, there has been virtually no outreach to key stakeholders, including the building trades, on this proposal, and as a result the proposal costs City residents millions of dollars in lost revenue, but fails to advance the community's interest in ensuring that these local construction projects provide local jobs and construction career training opportunities for local youth.

It is imperative that the High Rise Development Policy link any economic incentives the City offers to developers to strict standards that will promote quality local jobs that pay family-sustaining wages and health care benefits. In fact, the High Rise Policy should be part of a broader strategy to promote economic development through good quality, local jobs.

If there had been proper outreach on the High Rise Policy, we would have recommended a local hire policy that includes, but is not limited to, the following for any substantial non-residential development or any residential development larger than four units where the City has granted a subsidy of any kind, such as a fee waiver or discount, or any discretionary land use change:

- Each contractor at all tiers performing work on the project shall meet *all* of the following:
 - Pay its construction workers a total wage and benefit package that is at least equivalent to the general prevailing hourly wage and benefit rate in the relevant occupation and geographic area;
 - Have at least 60% of its construction workforce on the project from *one or more* of the following:
 - Workers who have graduated from a Joint Labor Management apprenticeship training program approved by the State of California for the applicable craft, or who have at least as many hours on-the-job experience in the applicable craft as would be required to graduate from such a state-approved apprenticeship program;
 - Registered apprentices in an apprenticeship training program approved by the State of California or in an out-of-state, federally-approved apprenticeship program.
 - Make good-faith efforts to ensure that:
 - At least 35% of its workforce's construction hours of project work be performed by residents of the City of San José or of Santa Clara County, of which at least 10% of its workforce's construction hours shall be performed by Targeted Workers (*i.e.* individuals who face barriers to employment such as populations chronically underemployed, veterans and/or single parents).
- In the alternative to the above, a Project Labor Agreement with the Santa Clara & San Benito Counties Building and Construction Trades Council that will bind the contractor and all its subcontractors at every tier performing the project.
- A requirement to hire state certified apprentices for all substantial non-residential development or any residential development larger than four units, including a targeted hire program to help employ underprivileged youth.
- A public safety impact fee that will cover the cost of providing police and fire services to new developments.

We have modeled our proposal after Measure JJJ in Los Angeles, which passed overwhelmingly with 64% of the vote in the past November's election. We are prepared to initiate the process to place these components, and potentially others, on a future ballot and allow the voters of San Jose to decide if the creation of local jobs is something they want to support. However, we would prefer to work with you to develop a comprehensive local hire policy instead of going to the ballot.

We respectfully request that you defer consideration of the High Rise Development Policy so that we can discuss and hopefully reach consensus on a comprehensive local hire policy. There

is no need to rush through the High Rise Policy without proper input from stakeholders and proper consideration of the broader public policy issues involved. We look forward to partnering with the City and other stakeholders on a development policy that benefits the whole community.

Thank you for your consideration.

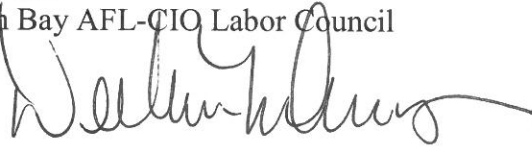
Sincerely,



Josué García
Santa Clara & San Benito Building & Construction Trades Council



Ben Field
South Bay AFL-CIO Labor Council



Derecka Mehrens
Working Partnerships USA