SUCCESSES OF CONSTRUCTION CAREERS
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Executive Summary

Los Angeles is currently embarking upon one of its largest investments in infrastructure in decades. Through these investments, we will be modernizing our port, fixing our roads, and undertaking the largest expansion of public transit in recent history. These investments, representing over $12 billion dollars in construction, will also result in the creation of thousands of jobs in communities slowly recovering from the Great Recession.

In 2008, a broad coalition of community members, faith leaders, workers and labor leaders successfully passed a Construction Careers Policy at the Community Redevelopment Agency-Los Angeles, the first of its kind in the nation. This policy approach aimed to increase workplace standards in publicly-funded construction projects and increase access to quality construction careers for communities struggling under the weight of poverty and chronic unemployment. The policy met these goals by coupling a Project Labor Agreement with a targeted hire program. Project Labor Agreements (PLAs) are collective bargaining agreements made between contractors, government agencies, and construction trade unions creating quality jobs that guarantee prevailing wages and health benefits, in exchange for a guarantee of labor peace to protect the public investment. Targeted hire programs ensure that good jobs are created where they are most needed. When paired, PLAs and targeted hire programs can create a much needed pathway out of poverty for workers with limited education and career opportunities in low-income communities.

Such policies were approved at the following agencies:

- **Community Redevelopment Agency – Los Angeles (2008)**
- **City of Los Angeles Department of Public Works (2011)**
- **Port of Los Angeles (2011)**
- **Exposition Line Construction Authority – Phase II (2011)**
- **Los Angeles Board of Supervisors – King Ambulatory Center (2011)**
- **Los Angeles County Metropolitan Transportation Authority (Metro) (2012)**

Six years and six victories later, the success of the Construction Careers Coalition represents a new way forward in public investment and accountability. This is a culmination of many years of advocacy and partnership among community members, faith leaders, labor and elected officials. This report will outline the successful Construction Careers approach, the groundbreaking victories of this partnership, and the benefits to workers, community members, and taxpayers.

Key Findings

- The Construction Careers Coalition passed six policies in five years representing $12.3 billion in infrastructure investment in Los Angeles.
- These six policies will cover over 56,700 workers through 2017.
- They will create opportunities for 7,000 disadvantaged workers and 20,000 targeted hire workers through the life of these policies.
- LAANE estimates that an additional $129 million has been infused into the economy based on the additional wages to disadvantaged workers alone.
- Additionally, the Los Angeles economy will see economic benefits surpassing $749 million from the economic activity of construction workers from targeted communities.

The Construction Careers approach is a proven and successful model of how public infrastructure projects can ameliorate concentrated poverty, generate an economic stimulus for communities most in need, and improve the overall regional economy.
Introduction

Beginning in 2007, Los Angeles experienced some of the most distressing impacts of the global recession. Unemployment across Los Angeles doubled from 2007 to 2009, and hit a countywide high of 13.3 percent in 2010. As employment dropped across all sectors, families struggled to make ends meet, concentrated poverty increased, and city revenue plummeted.

Some politicians argued for draconian cuts, including privatization, furloughs, and layoffs to solve the city-wide budget shortfalls that were estimated at $403 million in 2009. Yet local labor, community, and faith leaders, in connection with elected officials, crafted a common sense solution—infrastructure investment. This investment would create a local jobs stimulus by combining the benefits of public spending and increasing local economic activity. Investment in stronger infrastructure would generate long term benefits, such as private sector productivity gains, a reduction in greenhouse gas emissions, and reduced costs to taxpayers. Moreover, investment would stabilize the construction industry, an industry hit hard by the recession, losing 20% of its employment.

This common sense approach to infrastructure investment, through the implementation of Construction Careers Policies (CCPs), ensures that communities benefit from spending on large public infrastructure projects by including community benefits in construction contracts. The Construction Careers approach creates a web of engagement and accountability among community members, construction trades unions, and government agencies. These relationships ensure that public dollars build a strong infrastructure, create opportunities for communities most impacted by chronic unemployment and concentrated poverty, create economic activity and benefits for the whole region, and that the investments of taxpayers are protected.
The Construction Careers Approach

The Construction Careers approach is an effective model for creating jobs in low-income communities and protecting the public’s investment in infrastructure spending. The Construction Careers approach utilizes a strong Coalition in partnership with community groups, construction trade unions, and local elected officials to pass and implement a Construction Careers Policy at city and county agencies with the explicit intent of ameliorating chronic unemployment and concentrated poverty. The Policy couples a collective bargaining agreement between government agencies and construction trade unions, also known as Project Labor Agreements (PLAs), with targeted hire. The PLA ensures quality construction jobs with health care and prevailing wages. Targeted hiring generates an economic stimulus by giving workers an opportunity to receive training for highly-skilled middle class jobs that will serve them for the rest of their careers. The Coalition used this approach, in connection with elected officials and leaders at city and county agencies, to pass multiple Construction Careers Policies and create construction jobs regionally. This regional approach provides stable work for people across the county. A single construction project eases chronic unemployment only so long as that construction is ongoing and only for the people employed on that single project. A regional strategy translates to consistent work that can more effectively address concentrated poverty in a meaningful way. The construction industry is highly mobile and all construction jobs are temporary, therefore, a regional strategy allows apprentices and journey-level workers to have continuous access to employment. Additionally, the Coalition stays engaged with the agencies to ensure smooth implementation of the CCP and that agencies are accountable to their commitments to communities.

PLA BASICS

A Project Labor Agreement (PLA) is a pre-bid contract between construction labor unions, the contractors who bid on the work and who hire the workers, and an agent who is funding a project, like a developer or political entity. PLAs are negotiated before a general contractor is selected and requires that general and sub-contractors agree to the terms therein. PLAs set forth the terms of work for construction projects and usually involve concessions from both labor and management to ensure a project is completed on-time and on-budget. PLAs often include no-strike and no-lockout agreements from construction trade unions, establish wages and benefits for workers, and establish jurisdictions eligible for work.
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Components of a Construction Careers Policy

Construction Careers Policies include PLAs that ensure public dollars are used to construct infrastructure projects that benefit residents from targeted communities and are built using skilled hands. PLAs are pre-bid agreements between construction labor unions, contractors, and, developers or government agencies, which set forth the terms of the construction project. Construction Careers Policies are PLAs paired with a collection of community benefits that are flexible to the specific context of each agreement, meaning they are sensitive to the needs of the agency or developer, construction trade unions, the type of project, the stream of funding, and the needs of the community. Benefits include targeted hire policies that require the hiring of low-income workers. Targeted hire policies vary widely among types of projects and community needs, but ultimately create opportunities for low-income workers to access middle class careers and to actively shape the future of their community. Targeted hire programs create real opportunities for low-income communities, and include disadvantaged worker provisions to increase access for individuals experiencing barriers to employment. Disadvantaged worker provisions mandate the inclusion of workers with historic barriers to employment, such as single custodial parents, emancipated minors, and veterans of the Iraq and Afghanistan wars. Figure 1 below illustrates some of the disadvantaged worker qualifications used by the Construction Careers Coalition in Los Angeles. Furthermore, Construction Careers Policies can increase the use of targeted apprentices and prioritize creating opportunities for those beginning their career in construction. State law that requires at least 20% of all hours on a construction project be completed by apprentices, ensuring that workers get a strong start in the construction industry. The CCP lays out the responsibility of all parties, often mandating public reporting of numbers and types of jobs created, establishing rules regarding compliance and enforcement, and authorizing methods to solve disputes on the job.

Figure 1
Qualifications for Disadvantaged Worker Designation from all Construction Careers Policies

Disadvantaged Worker Qualifications

- Having a household income less than 50% Area Median Income (AMI)
- Being homeless
- Receiving public assistance
- Lacking a GED or high school diploma
- Having a history of involvement with the justice system
- Being a single custodial parent
- Suffering from chronic unemployment or under-employment
- Veterans of Iraq or Afghanistan Wars
- Emancipated foster youth
- Apprentices with less than 15 percent of apprenticeship hours completed
Successes of Construction Careers

Six Victories in Five years

The Construction Careers Coalition utilized Construction Careers Policies to pursue two main objectives: increasing standards in the construction industry and increasing access to apprenticeship programs for low income and otherwise disadvantaged communities, often communities of color. The Construction Careers Coalition brought together a diverse group of stakeholders headed by the Los Angeles Alliance for a New Economy (LAANE). It included various labor groups, veterans groups, several workforce development groups, social justice organizations, community developers, multiple faith communities and clergy, youth organizations, and many others. Additionally, the Coalition knew that successful passage and implantation of Construction Careers Policies required a partnership between the Coalition and the government agencies, like the City of Los Angeles, who are responsible for implementation and enforcement of the policy. The Coalition engaged with the leadership at multiple agencies across the county as partners who would be critical for the success of the Policy.

In February of 2008, this broad Coalition achieved its first victory at the Community Redevelopment Agency of Los Angeles (CRA/LA), with the approval of a historic Construction Careers Policy. This policy was the result of months of activism at the CRA/LA and targeted a key element of the

Figure 2
Construction Careers Coalition Members

The Construction Careers Coalition 2008-2013

- Black Worker Center
- Boyle Heights Youth Build
- Coalition for Responsible Community Development
- Cecil Murray Center for Community Engagement
- East LA Community Corporation
- East LA Worksource Center/ResCare
- Historic Highland Park Neighborhood Council
- LA/OC Building Trades Council
- Friends Outside
- Haven at the VA
- LAANE
- LA CAUSA-Youth Build

- LA County Federation of Labor
- MOVE LA Pacoima Beautiful
- Park Mesa Heights Neighborhood Council
- Prevention Institute
- Right Way Foundation
- South East LA Worksource Center
- Transportation for America
- PV Jobs
- SAJE
- SCOPE
- We Build
- WINTER Women
construction industry: low-income housing and community redevelopment projects. Coalition members testified at many board meetings, lobbied board members, and held press events to build public awareness of the benefits of CCPs. At the time, the CRA/LA was the largest redevelopment agency in the county.9,10 Its mandate was to redevelop urban properties and neighborhoods, to make strategic investments to create economic opportunity, and improve the quality of life for the people who live and work in L.A.’s neighborhoods.11 However, historically, disadvantaged neighborhoods and community residents were not consistently seeing the dividends of this investment. Research conducted at LAANE suggested that in the previous decade, the $193 million invested by the CRA/LA in commercial development yielded mixed results, often resulting in “low-wage jobs, high rents for smaller tenants, overly optimistic projections and a lack of evaluation.”12 The Coalition argued that this reality necessitated a holistic approach from redevelopment agencies. It was not enough to create housing, a comprehensive solution must also include the creation of quality jobs. Victory at the CRA/LA meant that the Construction Careers Policy and PLA would be applied to an estimated $170 million worth of work over five years, and promised the creation of 15,000 jobs.13

The Construction Careers Coalition saw victory at the CRA/LA as an opportunity to fundamentally shift the public construction industry across Los Angeles, bringing jobs to low-income residents, opportunities to those with barriers to employment, and reinvestment in the local economy. The Coalition used the model developed at the CRA/LA to set its sights on five agencies that had large scale infrastructure investment plans across Los Angeles city and county. The Coalition utilized a deep analysis of stakeholders, an understanding of the needs of the communities impacted, and sensitivity to the complexities of the projects’ to tailor each Construction Careers Policy to the specific needs of the community.

In late 2010, the Coalition secured a CCP at the Martin Luther King, Jr. Multipurpose Ambulatory Care Center (MLK MACC). The hospital was adding a large ambulatory center to the county hospital and the Coalition envisioned this as an opportunity to strategically engage with leaders at the county level. This CCP focused on the community most impacted by the construction, targeting low-income workers who lived with 5 miles of the project.
The next victory at the Los Angeles City’s Department of Public Works (DPW) in December 2010 ensured a local stimulus from investment in upgraded infrastructure of sewers, park rehabilitation, and water treatment facilities. This investment represents $2.1 billion of work on over 100 projects through 2015.

In the spring of 2011, the Coalition utilized investment in public transportation to secure a Construction Careers Policy on the second phase of the Exposition Light Rail Line (Expo). This victory was part of a deep investment in public transportation infrastructure by the City of L.A., and would catapult the Coalition to future victories.

In May of 2011 the Port of Los Angeles (POLA) passed a $1.5 billion Construction Careers Policy. The Port of Los Angeles is part of the largest Port complex in the Western Hemisphere, and upgrades to its infrastructure proved an excellent opportunity to create benefits to a community that had not shared in the prosperity generated from the Port.

Lastly, the largest victory secured by the Coalition was at the Los Angeles County Metropolitan Transportation Authority (Metro), where the board approved a Construction Careers Covering at least $6.3 billion in transit projects.

Collectively the Coalition’s successes represent $12.3 billion worth of work through 2017. Figure 3 below details the scope of these successes.

The Construction Careers Coalition saw victory at the CRA/LA as an opportunity to fundamentally shift the public construction industry across Los Angeles, bringing jobs to low-income residents, opportunities to those with barriers to employment and reinvestment in our local economy.

**Figure 3**

*Construction Careers Policies and Estimated Value of Work*

<table>
<thead>
<tr>
<th>Agency</th>
<th>Passage</th>
<th>Length of Policy</th>
<th>Number of Projects</th>
<th>Estimated Value of Work</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRA/LA</td>
<td>2008</td>
<td>5 years</td>
<td>10 (completed prior to dissolution of the CRA/LA)</td>
<td>$690 million</td>
</tr>
<tr>
<td>DPW</td>
<td>2010</td>
<td>5 years</td>
<td>100 +</td>
<td>$2.1 billion</td>
</tr>
<tr>
<td>MLK-MACC</td>
<td>2010</td>
<td>Life of Project</td>
<td>1</td>
<td>$125 million</td>
</tr>
<tr>
<td>Expo Line</td>
<td>2011</td>
<td>Life of Project</td>
<td>1</td>
<td>$1.6 billion</td>
</tr>
<tr>
<td>POLA</td>
<td>2011</td>
<td>5 years</td>
<td>42 +</td>
<td>$1.5 billion</td>
</tr>
<tr>
<td>Metro</td>
<td>2012</td>
<td>5 years</td>
<td>17 +</td>
<td>$6.3 billion</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>171+</td>
<td>$12.3 billion</td>
</tr>
</tbody>
</table>

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Successes of Construction Careers

Benefits for Workers

In the six Construction Careers Policies negotiated with the input of the Construction Careers Coalition, there were three primary provisions focused on workers: targeted hire, disadvantaged worker benefits and apprenticeship utilization. As discussed previously, these provisions and the regional strategy of the Coalition create opportunities for workers to begin careers in construction, sustain their training, have access to consistent work, and earn family-supporting wages. Benefits to workers go even further than quality jobs, as workers typically earn health benefits, pension benefits, paid vacation, paid holidays, paid overtime, job training that is portable, and continuing education throughout their careers. First-year apprentices earn an average of $16.52 while contributing to their pension and earning health benefits. These wages increase over their training until they become journey persons earning approximately $31 per hour. The “earn-while-you-learn” model guarantees that apprentices can support their families immediately, while they take the time needed to gain invaluable training, creating a skilled and safety conscious workforce. LAANE estimates that through the life of the Construction Careers Policies, disadvantaged workers alone earned an additional $129 million in wages and benefits.

Benefits to Communities

Communities benefit greatly by supporting Construction Careers Policies. Residents get access to careers with middle class wages and communities receive economic benefits in the form of a stimulus from those wages and increased spending. For workers who received increased wages, spending increases and generates additional economic activity; this economic activity is measured as a multiplier effect. Multiplier effects are calculated by looking at the dollar amount of an investment and estimating the amount of economic activity generated from construction activity and the additional spending power of workers. In order to adequately estimate the impact of Construction Careers on the economy of Los Angeles, we need to measure opportunities, success in meeting hiring goals and the economic impacts of such goals. Previous analysis at LAANE suggests that each targeted hire construction worker generates an additional $36,800 in economic activity. Using this model of economic activity, targeted hire policies within CCPs have generated a marginal increase of $242 million in economic activity since 2008. An additional $507 million in economic activity will be generated through the end of the covered projects. These family-sustaining wages create opportunities to pull families out of poverty, support small businesses in low-income neighborhoods, and bolster local economies.

Benefits to Agencies and Taxpayers

Just as communities and workers benefit from Construction Careers Policies, so too do the agencies that implement them. As a whole, government agencies that use project labor agreements and competitive bidding do not increase overall construction costs, and can generate direct cost savings by standardizing contract terms. The concessions made from both the agency, local labor union and then agreed to by the contractor means that work stoppages are eliminated ensuring that a project is finished on time and on budget and a process is established to mitigate work disputes. The pre-contract agreement that contractors must endorse levels the playing field for bidders by clearly setting forth the terms of the contract, including support mechanisms offered to contractors and subcontractors. Importantly, contractors have access to skilled workforce with excellent safety training. These quality control measures also reduce costs long term by decreasing costly repairs and building quality work.
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Findings
Since the passage of the first Construction Careers Policy in 2008, the Construction Careers Coalition has been an active participant in the implementation of the policies. The Coalition has maintained a strong partnership with leaders at multiple agencies across the county, engaged with contractors who successfully bid on the projects covered, connected with jobs coordinators and local labor unions to ensure smooth flows of communication, and outreach to multiple communities to ensure that prospective construction workers understood the demands of the industry and the opportunities available to them. In addition, the Coalition has actively tracked numbers of jobs created and the success in meeting the targeted hire requirements. Tracking was updated regularly, and the strong relationships gave the Coalition the opportunity to encourage agencies, contractors, construction trade unions, and jobs coordinators to make adjustments to meet all requirements. This section of the report will detail those findings and suggest some of the reasons for the success of the Construction Careers approach.

Each agency that has successfully implemented Construction Careers Policies oversees compliance by requiring the jobs coordinator and contractor to report worker hours and progress of each project. As a result, activists and community groups are able to see the results of their work and hold contractors, construction trade unions, and public agencies accountable. The agencies have included monthly or quarterly updates on the number and percentage of targeted workers, disadvantaged workers, and in some cases targeted apprentices. LAANE conducted an analysis of compliance reports on all six Construction Careers Policies from 2008-2014.26 The analysis suggests that each of the policies has surpassed all of the established requirements. Figure 4 demonstrates the percentage of targeted hire workers at all six agencies. The figure shows that agencies surpassed their targeted hire requirement by an average of 14 percentage points. The most successful policy

Figure 4:
Targeted Hire Requirements and Outcomes

<table>
<thead>
<tr>
<th>Agency</th>
<th>Requirements</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRA/LA</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>DWP</td>
<td>43%</td>
<td></td>
</tr>
<tr>
<td>MLK MACC</td>
<td>52%</td>
<td></td>
</tr>
<tr>
<td>EXPO LINE</td>
<td>49%</td>
<td></td>
</tr>
<tr>
<td>POLA</td>
<td>34%</td>
<td></td>
</tr>
<tr>
<td>METRO</td>
<td>61%</td>
<td></td>
</tr>
</tbody>
</table>
was at the Martin Luther King JR. Hospital, where contractors hired 52% of their workers from the local community, surpassing the policy requirement by 73%. The policy at Metro utilized a national targeted worker policy with a 40% participation requirement. The agency has surpassed its goal by 21 percentage points. Moreover, 41% of the targeted worker hours on these projects was completed by workers that were extremely economically disadvantaged, ensuring that those most in need get opportunities for family supporting careers. The outcomes of these targeted hire provisions mean that from 2008-2014, approximately 6,587 jobs went to targeted workers, those most in need of jobs (for geographical or income-based reasons) and who otherwise would likely not have access to them. Projections suggest that these six policies will produce an additional 13,700 targeted hire jobs through 2017.

Figure 5 illustrates the results of disadvantaged worker hiring at all six policies. It reveals that all policies surpassed the disadvantaged worker requirements. These five policies surpassed their goals by an average of eight percentage points. The most successful policy, at the Exposition Line Authority, hired disadvantaged workers at a rate 2.7 times that of the requirement, resulting in jobs for 1,120 disadvantaged workers. Estimates by LAANE suggest that these policies will generate an additional 3,040 jobs through 2017.

**Figure 5:**
Disadvantaged Worker Requirements and Outcomes
Figure 6 shows the utilization of targeted apprentices at the two agencies where public reports are available. The level of utilization surpassed the mandates by an average of by 19 percentage points in each case. This translates to an increase of approximately 46% above required levels.

Six Unique Victories

Each agency targeted by the Coalition had a unique context and a unique approach that was necessary to ensure its successful implementation. Although the full story of each victory is beyond the scope of this report, below we detail the language of the policy with a brief chart, highlight some key contextual issues, and provide key takeaways from the Coalition’s experience at each agency.
Prior to the passage of the Construction Careers Policy at the CRA/LA, the agency implemented a local hire program, but not in the context of a Construction Careers Policy. A comparison of the local hire program and the Construction Careers Policy suggests that a more comprehensive policy was more successful at reaching targeted workers than the former model.\(^3\) The local hire program utilized 26% local workers on their projects while the Construction Careers Policy utilized a 40% targeted workforce. This difference was based on the relationships built by the Coalition with the CRA/LA and local construction unions. For instance, the Coalition worked hand in hand with staff members to develop the language of the CCP, giving feedback on drafts and representing a diverse set of voices. Additionally, the coalition built relationships with construction trade unions and conducted outreach to local communities ensuring that the CRA/LA had a steady stream of highly trained local workers available for all projects. The combination of a previous framework and strong relationships ensured the success of the Construction Careers approach at the CRA/LA and established a precedent for the policies to follow.

### Community Redevelopment Agency-Los Angeles (CRA/LA)

Estimated Value of Work $690 million

<table>
<thead>
<tr>
<th>Length of Policy</th>
<th>Number of Projects</th>
<th>Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 years</td>
<td>10 + above threshold</td>
<td>Projects over $500,000 or private development that received $1 million in subsidies</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Targeted Hire</th>
<th>Disadvantaged Workers</th>
<th>Apprentices</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% Local Hire</td>
<td>10% Disadvantaged Worker</td>
<td>50% of apprentice hours completed by local area residents</td>
</tr>
</tbody>
</table>

Tier 1: residents within 3 miles of project

Tier 2: City of L.A. zip codes w/ 150% county unemployment
Martin Luther King Jr. Hospital Multipurpose Ambulatory Care (MAC) Center
Estimated Value of Work $125 million

<table>
<thead>
<tr>
<th>Length of Policy</th>
<th>Number of Projects</th>
<th>Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life of Project</td>
<td>1</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Targeted Hire

<table>
<thead>
<tr>
<th>Disadvantaged Workers</th>
<th>Apprentices</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% Local Hire</td>
<td>10% Disadvantaged Worker</td>
</tr>
<tr>
<td>Tier 1: Zip codes within 5-mile radius</td>
<td>50% of apprentice hours completed by local area residents</td>
</tr>
<tr>
<td>Tier 2: L.A. County zip codes w/ 150% of county unemployment</td>
<td></td>
</tr>
</tbody>
</table>

At the Martin Luther King Jr. Hospital Multipurpose Ambulatory Care (MAC) Center, Supervisor Mark Ridley Thomas proved to be a strong champion for the policy, which targeted the low-income, mostly African American neighborhoods surrounding the hospital. Supervisor Ridley-Thomas, along with the Construction Careers Coalition, advocated for the policy’s passage and held job summits and information sessions to ensure that community members knew about the opportunities available. Additionally, because the hospital itself is located in a zip code with 16.8 percent unemployment, the definition of a local worker was targeted to those who lived within five miles of the project. This deep targeting and outreach contributed to the success of the policy.
The City of Los Angeles Department of Public Works (DPW) has consistently outperformed its mandates for all elements of the policy. Through 2012, the Department awarded over $1 billion in construction projects through the departmental Construction Careers Policy. To date, they have surpassed their targeted hire goal by 43 percent, surpassed their disadvantaged workers goal by 110 percent and surpassed their local apprentice goal by 46 percent. Their success is based on several factors including: Contractor Outreach Seminars provided by the city, monitoring projects through worker interviews, and working with jobs coordinators, construction trade unions, and contractors to ensure that highly-skilled workers are available to work on projects across the city.

Detailed research conducted by LAANE suggests that contractors working on projects at the Department of Public Works have been successful meeting their local hiring goals in multiple ways. Firstly, in order to meet the local hire requirement, construction workers must work 30 percent of the total hours on a job site. At DPW, contractors met and exceeded this requirement and overall 33% of the workforce lives in the city of Los Angeles and these workers worked 43% of the hours. Secondly, the DPW focuses heavily on outreach, including outreach to contactors and sub-contractors, outreach to and from community groups, and a genuine effort to educate all relevant stakeholders. Lastly, the DPW explicitly focuses on mitigating the effect of unemployment, under-employment, and concentrated poverty by focusing on building a large pool of skilled workers and skilled youth workers. The DPW has paid $41 million dollars in wages and benefits to local hire journey person and apprentices alone. Additionally, the economic activity generated by these construction workers totaled $20 million.

The Exposition Line Authority was the Coalition’s first foray into public transportation as a mechanism for infrastructure investment. This choice was consistent with the city and county’s investment through Measure R, a voter-approved half-cent sales tax to radically expand Los Angeles’ public transportation infrastructure. Phase 1 of the Exposition Line construction only included a local hire program; however, the coalition knew that a local hire program alone was not sufficient.

<table>
<thead>
<tr>
<th>City of Los Angeles Department of Public Works</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Value of Work $2.1 billion</td>
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</table>

<table>
<thead>
<tr>
<th>Length of Policy</th>
<th>Number of Projects</th>
<th>Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 years</td>
<td>100 + any selected by the board</td>
<td>No requirements beyond board approval</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Targeted Hire</th>
<th>Disadvantaged Workers</th>
<th>Apprentices</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% Local Hire Tier 1: City of L.A. zip codes with 200% of county unemployment</td>
<td>10% Disadvantaged Worker</td>
<td>50% of apprentice hours completed by local area residents</td>
</tr>
<tr>
<td>Tier 2: City of L.A. zip codes with 100% of county unemployment</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Community pressure, including advocacy efforts made by the Construction Careers Coalition, led to a campaign to approve a more comprehensive policy for Phase 2 of the project. The contractor hired by the Exposition Line Authority was also able to successfully implement a small business component, hiring 159 targeted small businesses as subcontractors.34
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Port of Los Angeles
Estimated Value of Work $1.5 billion

<table>
<thead>
<tr>
<th>Length of Policy</th>
<th>Number of Projects</th>
<th>Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 years</td>
<td>42 + any selected by the board</td>
<td>All projects covered</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Targeted Hire</th>
<th>Disadvantaged Workers</th>
<th>Apprentices</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% Local Hire</td>
<td>10% Disadvantaged Worker</td>
<td>50% of apprentice hours completed by local area residents</td>
</tr>
</tbody>
</table>

The Port of Los Angeles is the largest container ports complex in the country, and as an ambitious plan emerged to upgrade facilities, the Coalition saw a perfect opportunity to combine the Port’s modernization efforts with benefits to the area. The Ports had already taken steps to improve energy efficiency, reduce water consumption, and minimize air pollution by adopting sustainable construction guidelines. However, the communities adjacent to the Port needed to combat both seemingly intractable poverty and unequal environmental burdens. With the lobbying efforts and relationship building of the Coalition, the Construction Careers Policy provided an opportunity for the Port to invest in some of the poorest communities in L.A.
Successes of Construction Careers

Metro is the site of the largest victory of the Construction Careers Coalition. This Construction Careers Policy represents $6.3 billion worth of work and will extend well into 2017. The Metro Policy was another countywide effort giving workers the opportunity to transform the county’s public transit system. The Long Range Transportation Plan at Metro contained several projects with federal funding. Currently, the Department of Transportation has prohibited geographic preferences on projects with federal funding. Based on this rule, the Coalition created a national targeted worker provision and received approval from the FTA, to use a national definition of economically disadvantaged workers and extremely economically disadvantaged workers. With this national program, low-income workers in Los Angeles and across the country will have access to middle class jobs rebuilding L.A.’s transportation infrastructure.

Los Angeles County Metropolitan Transportation Authority (Metro)
Estimated Value of Work $6.3 billion

<table>
<thead>
<tr>
<th>Length of Policy</th>
<th>Number of Projects</th>
<th>Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 years</td>
<td>17 + above threshold</td>
<td>Capital improvement construction projects above $2.5 million</td>
</tr>
</tbody>
</table>

Targeted Hire

| Non-Federally Funded: 40% Local Targeted Hire with priority to residents near project |
| Federally Funded: 40% Targeted Hire |
| Tier 1: National Zip Codes w/ median income <$32,000 |
| Tier 2: National Zip Codes w/ median income <$40,000 |

Disadvantaged Workers

| Non-Federally Funded: 10% Disadvantaged Workers who reside in Los Angeles County Includes recent veterans and emancipated foster youth |
| Federally Funded: 10% National Disadvantaged Workers |

Apprentices

| Non-Federally Funded: 50% of apprentice hours completed by local area residents |
| Federally Funded: 50% of apprentice hours completed by national target workers |
Conclusions

The Construction Careers approach in Los Angeles has served as a model for deep investment in disadvantaged communities, a tool to improve local infrastructure and local economies, and as a mechanism to ensure an accountable return on investment for taxpayers. With the engagement of the Construction Careers Coalition, the six policies passed across Los Angeles have successfully met the ambitious goals to hire within low-income and otherwise targeted communities and to explicitly focus on mitigating the effects of unemployment, under-employment and concentrated poverty by focusing on employment opportunities and highly skilled training. Each policy met and exceeded its targeted hiring requirements, met and exceeded their disadvantaged worker requirements, and those who tracked targeted apprentices met and exceeded these requirements. Construction Careers Policies to date have benefitted over 4,000 disadvantaged workers and 6,500 targeted workers in Los Angeles County. Additionally, these policies are poised to benefit an additional 3,000 disadvantaged workers and an additional 13,000 targeted workers through the remaining life of these policies. These jobs have translated to additional money in the regional economy, including $129 million in wages to disadvantaged workers and a total of $749 million in economic activity. This win-win-win policy should continue across the county to protect taxpayers, to maximize the economic benefits of investment, to combat concentrated poverty, and to create local jobs that stimulate the local economy.
Endnotes


7 Cal. LAB. §1777.5g

8 Not all disadvantaged worker qualifications are used at every agency. This list is a compilation of qualifications at multiple agencies.


10 In 2011, the CRA/LA was dissolved by the state government as a cost savings measure to reduce the state deficit.


13 Only 10 projects were started before the dissolution of the agency commenced. All projects that had begun were allowed to finish and job reporting on the CCP at the CRA/LA reflect the jobs created from the projects that began before the dissolution of the CRA/LA.


Successes of Construction Careers

Amount calculated by average apprenticeship salary subtracted from 50% Area Median Income (AMI), multiplied by the total number of disadvantaged workers on all policies. Average apprenticeship salary calculated from apprenticeship wage rates retrieved from: http://www.dir.ca.gov/das/pwappwage/pwappwagestart.asp


Calculated by using the multiplier established in Cornejo (2011) multiplied by total number of jobs.

Calculated by using the multiplier established in Cornejo (2011) multiplied by total number of jobs projected through the life of policies.


Compliance at each agency was monitored from 2008-2014. Compliance numbers are current through June 2014. CRA/LA CCP compliance tracking retrieved at crala.org which is no longer active; POLA CCP compliance numbers given to LAANE through personal correspondence with Daniel Gentry; DPW CCP compliance tracking found at www.bca.lacity.org; Expo Line CCP compliance tracking found at www.buildexpo.org; MLK MACC CCP compliance tracking found at http://dpw.lacounty.gov/pmd/localworker/; Metro CCP compliance tracking found at www.metro.net/about/pla

Funding for several projects at Metro received funding from the FTA. The Department of Transportation has a prohibition on geographic preference for projects with federal funding. The CCP at Metro required FTA approval and required the use of a national targeted hire program based on income criteria.

Economically disadvantaged workers and extremely economically disadvantaged workers are national targeted worker categories for Metro projects with federal funding.

This total is an estimate based on average job hours to worker rates at the 6 construction careers policies tracked by LAANE. MLK MACC does not calculate the number of workers on the project.

Although all agencies must keep track of these numbers to comply with state law, only two agencies published these numbers.
Findings are based on a comparison of 10 construction careers projects and 12 targeted hire projects. The construction careers projects hired 46% of the workforce from the local community, while the local hire projects hired 34% of their workforce from the local community.


Based on the estimated additional economic activity of $36,800 per construction worker from Cornejo (2011)


