

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: December 27, 2013

TO: Honorable Members of the Rules, Elections and Intergovernmental Relations Committee

FROM: Gerry F. Miller *Max F. Miller for* Council File No.: 13-0002-S144
Chief Legislative Analyst Assignment No.: 13-12-1034

SUBJECT: Resolution (Bonin-Krekorian) to support H.R. 3620 , the "Local Hire Act," that would allow local hiring for transportation projects.

CLARECOMMENDATION: Adopt the Resolution (Bonin-Krekorian) to include in the City's 2013-2014 Federal Legislative Program SUPPORT for H.R. 3620 , the "Local Hire Act," that would allow local hiring for transportation projects.

SUMMARY

On July 24, 2013, the subject Resolution was referred to your Committee and states the following:

- Current federal regulations prohibit financial assistance to transit agencies that implement local hire opportunities for construction and operations.
- With an improving economy, transit agencies have the potential for greater job creation in their local communities.
- Federal law limits transit agencies from adopting local hiring policies, which hinders their ability to generate growth.
- H.R. 3620 will allow agencies such as the MTA to prioritize hiring for local residents for highway and transit projects.
- The "Local Hire Act" will permit transit agencies to better facilitate the generation of jobs in the states and counties where the projects are located, while preserving competition and effectiveness.
- H.R. 3620 will provide transit agencies the flexibility to focus hiring in low-income and underemployed neighborhoods by applying geographically targeted preferences.

Background

In December 2010, the City Council adopted the "Public Infrastructure Stabilization Ordinance" (No. 181520) to require the Board of Public Works to approve a department-wide Project Labor Agreement (PLA), including provisions to promote the hiring of unemployed and underemployed workers.

The PLA is a significant advancement in the promotion of job opportunities for City residents and it is the preferred tool to ensure that important goals are achieved including completion of construction projects on-time and within budget by minimizing labor misunderstandings, grievances and conflict along with emphasizing worker safety. The City has also attempted to adopt a local hiring ordinance to promote the hiring of unemployed and underemployed workers. These efforts have, however, met challenges from both the state and federal governments which have characterized such policies as noncompetitive.

Funds for the reconstruction of the Sixth Street Viaduct are principally provided by the Federal Highway Administration (FHWA) through the Caltrans district office. In April 2013, the City forwarded a proposed PLA for the Sixth Street Viaduct (a \$401 million infrastructure project) and a justification letter to FHWA. FHWA has yet to respond, but has advised the City that it is waiting for the resolution of a similar PLA being considered for the Los Angeles County Metropolitan Transportation Authority (MTA). The Sixth Street Viaduct has the potential of creating 3,250 jobs. Representative Bass has noted that the Crenshaw/LAX Light Rail project will generate 7,500 jobs and the "Local Hire Act" will help to ensure that South Los Angeles residents have the opportunity for employment on this transit project.

H.R. 3620 adds language to titles 23 and 49 of the United States Code that will allow states and local transportation agencies to establish local hiring policies. The term 'local' means the geographic boundaries of a local area as defined by the contracting agency. The "Local Hire Act" will allow the inclusion of PLAs or local hire policies for federally funded transportation and highway projects such as the Sixth Street Viaduct and Crenshaw/LAX Light Rail. With local hiring, transportation agencies will have greater flexibility necessary to focus hiring efforts in low-income and underemployed neighborhoods. At its core, this measure is about job creation and the growth of economic development opportunities in communities where infrastructure improvements are being implemented.

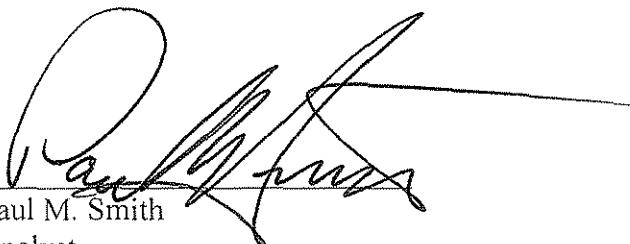
The Bureau of Engineering and the Board of Public Works recommend support for H.R. 3620, as well as representatives of the Los Angeles Metropolitan Transportation Authority.

DEPARTMENTS NOTIFIED

Bureau of Engineering
Board of Public Works

BILL STATUS

11/22/2013 Introduced in the House of Representatives.
11/22/2013 Referred to the House Committee on Transportation and Infrastructure.


Paul M. Smith
Analyst

GM:MF:PS
Attachment: Resolution

RESOLUTION

WHEREAS, any position of the City Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, federal regulations currently prohibit transit agencies that receive any federal assistance from implementing local hire policies for construction and operations projects; and

WHEREAS transit agencies have the potential to spur job creation in their local communities and limiting these transit agencies from being able to adopt local hiring policies when making hiring decisions hinders their ability to generate job growth; and

WHEREAS, on November 25, 2013, Congressmember Karen Bass introduced H.R. 3620, the "Local Hire Act," that will allow transit agencies like the Los Angeles County Metropolitan Transportation Authority to prioritize hiring local residents for highway and transit projects; and

WHEREAS, the "Local Hire Act" will allow state and local transit agencies to more easily generate jobs in the very counties and states where their transportation projects are located, while preserving competition and cost effectiveness; and

WHEREAS, transportation agencies will also have the flexibility to focus their hiring in low-income and underemployed neighborhoods by applying geographically targeted preferences;

THEREFORE BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2013-14 Federal Legislative Program SUPPORT of H.R. 3620, the "Local Hire Act," that would allow local hiring for transportation projects.

PRESENTED BY: 
MIKE BONIN
Councilmember, 11th District

SECONDED BY: 

13-0002-S144