

State Building and Construction Trades Council of California

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BUILDING AND CONSTRUCTION TRADES
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SB 15 (Portantino) - **SUPPORT** **Prevailing Wage Coverage and Skilled and Trained Requirements for Retail Shopping Center Conversions**

ISSUE

As more people turn to online stores to make purchases of everything from pet food to cars, policymakers are grappling about what to do with the increasing numbers of dilapidated underutilized shopping malls and big-box retail sites. If these sites are not already vacant, many experts in the development community believe that most of them will be soon. Senator Portantino believes that many of these sites can be repurposed into affordable housing, which SB 15 does.

THIS BILL

SB 15 would create an incentive grant program at the Department of Housing and Community Development (HCD) for cities and counties that repurpose idle or underutilized big-box retailer or commercial shopping center properties into lower and moderate-income housing. Additionally, the bill would specify that the grant amount must be equal to seven times the average annual amount of specified local sales and use tax revenue generated by each identified idle site over the previous seven years.

Notably, all housing projects built under SB 15 will ensure that construction workers earn the prevailing wage and that a skilled and trained workforce will be utilized. These critical labor standards provide developers and contractors with the most highly skilled and competent workers, ensuring that projects will be built the first time correctly, on time, and under budget.

BACKGROUND

Affordable housing developers believe that it is perfectly fine to pay unskilled workers the minimum wage under the table to build housing. We know this because they oppose this bill and several other bills like it that seek to make it easier for them to build housing by weakening environmental law – a gift to them by the legislature. They oppose them because we have convinced policymakers like Senator Portantino to include labor standards in each bill that ensure the payment of prevailing wage and the use of apprentices and journeymen and women who are graduates of state-approved apprenticeship programs. It clear from the visceral opposition to bills with our labor standards included that we have disrupted their business model of making obscene profits off the backs of low-wage workers.

The construction work created under SB 15 will lead to the growth of state-approved apprenticeship programs. Right now, there are nearly seventy thousand apprentices in joint labor-management apprenticeship programs. These programs are highly diverse—over 72% of program participants are people of color, and one in five are former foster youth, are emancipated youth, or are from re-entry programs. Likewise, 96% of all women in state-approved apprenticeships participate in union programs.

Creating job opportunities during this pandemic is essential to stabilize the economy of California. Even during periods of economic stability, working families across the economic spectrum are increasingly spending more of their income on housing costs. It is almost impossible for many of our members to afford fair market rent for a two-bedroom apartment, let alone entertain the dream of owning their own home. Income inequality has grown to alarming rates over the past three decades. The economic downturn will be further intensified, severely impacting construction workers and their families and leaving tens of thousands in financial distress.

Now more than ever, we need to be creative in our approach to housing Californians made even more vulnerable by this pandemic. SB 15, designed to incentivize the conversion of now empty big-box retail into housing, creates a partnership between the development community, the construction workers who will skillfully carry out the conversions, and the cities that will host the housing, making it what our state truly needs: consensus-driven housing policy.

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