



TO: Elizabeth Pauli, City Manager
FROM: Council Assistant Lynda Foster, on behalf of Council Member McCarthy
COPY: City Council and City Clerk
SUBJECT: Priority Hire Ordinance and Community Work Force Agreement – Requested for October 2, 2018
DATE: September 24, 2018

SUMMARY:

We ask the City Council to vote on a resolution directing the City Manager to (1) prepare a draft Priority Hire Ordinance (PHO) and Community Workforce Agreement (CWA) in order to prioritize the hiring of residents that live in economically distressed areas for certain public works construction projects which exceed a substantial threshold cost; and (2) convene a ‘CWA Task Force’ comprised of leaders from Labor Unions, Private Contractors, WMBE’s, and Economically Distressed Communities, to review, refine, and make recommendation on a final PHO and CWA for Council consideration within the next six months.

COUNCIL SPONSORS:

Mayor Victoria Woodards, Council Member Keith Blocker, Council Member Lillian Hunter, and Council Member Conor McCarthy

STRATEGIC POLICY PRIORITY:

The proposed legislation best aligns with the following City Council Strategic Policy Priorities:

- Ensure all Tacoma residents are valued and have access to resources to meet their needs.
- Foster a vibrant and diverse economy with good jobs for all Tacoma residents.
- Encourage thriving residents with abundant opportunities for life-long learning.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents

BACKGROUND:

Half of the 80,000 households in Tacoma are living on less than \$52,000 per year and nearly 40% lack affordable housing. Despite a strong regional economy, poverty and under-employment are growing in Tacoma and the cost of living is rapidly outpacing wages. In Tacoma, these difficult economic conditions have historically and continue to disparately impact communities of color and others with social and economic disadvantages. In addition, the 2018 Tacoma Disparity Study identified an underutilization of Minority and Women’s Business Enterprises (MWBE) in City contracting. Tacoma must ensure that the economic opportunities that flow from the expenditure of its public works dollars provide work force development and economic opportunity to those residents who need it the most in our community.

Priority Hire Ordinances and Community Workforce Agreements have been effectively utilized in metropolitan areas across the nation, including Seattle, Los Angeles, San Francisco, Oakland, Cleveland and New York. These programs ensure that the public receives a high quality of construction while advancing social equity, workforce diversity, and the development of skilled local workers for construction careers. The resultant economic opportunity and workforce development in economically distressed areas is a boon to the affected communities as well as the entire community at large.

For public works construction projects over a threshold amount (to be determined based on an evaluation of the City’s public work contracts and market conditions), the PHO will ensure that a percentage of the workforce is comprised of journey level workers and apprentices from economically distressed areas in



our City. Complimentary to the PHO, the CWA will ensure that workers on ‘covered projects’ are guaranteed essential rights governing labor and employment conditions, while institutionalizing employment diversity and veteran preference goals. Overall, other jurisdictions offer many PHO and CWA examples and experiences, from which the City can learn and incorporate into a unique model which is tailored to advance the needs of our City. The CWA Task Force will be established to convene the necessary stakeholders vested in the program objectives and the class of ‘covered projects’ impacted by the PHO and CWA. The CWA Task Force will consider the 2018 Tacoma Disparity Study, and work with City staff towards crafting a PHO and CWA which will result in effective workforce development, and promote appropriate use of MWBE contractors. Subsequently, the Council will take into consideration the recommendations from the CWA Task Force on the future legislation to be proposed.

A Council Consideration Request was shared at the September 18, 2018 Study Session recommending a resolution be prepared for City Council consideration.

ISSUE:

Despite a strong regional economy, poverty and under-employment are growing in Tacoma and the cost of living is rapidly outpacing wages. In Tacoma, these difficult economic conditions have historically and continue to disparately impact communities of color and others with social and economic disadvantages. There is a need to address these issues, as well as for staff time to be allocated to researching proposed legislation that would meet needs specific to Tacoma and feedback from community stakeholders to provide feedback and enhance the proposal.

ALTERNATIVES:

The council could choose to modify or not support the requested resolution.

RECOMMENDATION:

The recommendation is that the Council approve the resolution directing the City Manager to prepare a draft Priority Hire Ordinance and Community Workforce Agreement, and to convene a ‘CWA Task Force.’

FISCAL IMPACT:

There is no fiscal impact.