



COUNCIL AGENDA: 2-1-05
ITEM: 4.3

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Corsiglia

SUBJECT: SEE BELOW

DATE: January 12, 2005

Approved

Date

1. 18. 05

COUNCIL DISTRICT: Citywide

**SUBJECT: AMENDMENT OF THE PREVAILING WAGE POLICY FOR
AFFORDABLE HOUSING PROJECTS**

RECOMMENDATION

1. Adoption of a resolution amending Resolution No. 61716 to:
 - a. Extend the affordable housing project prevailing wage policy to projects receiving funding in the permanent financing stage.
2. Authorizing the Director of Housing to execute all necessary documents.

BACKGROUND

On October 11, 1988, the City Council formalized the City's practice of requiring prevailing wages on City funded public works construction projects. In the following year, Council agreed to extend the scope of the prevailing wage policy to include certain affordable housing construction projects (Resolution No. 61716, adopted October 10, 1989).

This policy states that prevailing wages be paid to all City housing projects administered by the City's Housing Department except projects involving less than eight dwelling units and the construction work portion of City self-help housing projects.

ANALYSIS

Since 1989, the Office of Equality Assurance has coordinated with the Housing Department to actively implement the prevailing wage policy. This policy has been successful in furthering the City's goals of ensuring fair wages for people in traditionally low paying jobs, protecting job opportunities for San José residents, and achieving high work quality.

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January 19, 2005

Subject: Amendment of the Prevailing Wage Policy for Affordable Housing Projects

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At this time, the Housing Department is recommending extension of this successful policy to affordable housing projects where City funds are disbursed after project completion in the form of a "permanent loan." Previously, the prevailing wage policy applied only to projects where City funds were used for land acquisition and construction activities. Since 1989, only a few projects were funded in the form of a permanent loan.

It is recommended that all future affordable housing projects receiving only permanent loans be required to provide prevailing wages. This will support the City's essential goal of ensuring equitable and sufficient wages for citizens of San José.

PUBLIC OUTREACH

The Housing Advisory Commission reviewed this memorandum on January 13, 2005.

COORDINATION

This memorandum has been coordinated with the Office of Equality Assurance and the Office of the City Attorney.

CEQA

Not a project.


LESLYE CORSIGLIA
Director of Housing