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CITY PLANNING

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(213) 978-1300

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200 N. SPRING STREET, ROOM 525  
LOS ANGELES, CA 90012-4801  
(213) 978-1271

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August 13, 2025

The Honorable City Council  
City of Los Angeles  
City Hall, Room 395  
Los Angeles, California 90012

Attention: PLUM Committee

Dear Honorable Members:

**SUBJECT: OPTIONS TO IMPLEMENT LOCAL HIRE FOR MAJOR PROJECT  
DEVELOPMENT REVIEW PROJECTS AND P2 PUBLIC FACILITIES PROJECTS IN THE  
BOYLE HEIGHTS COMMUNITY PLAN AREA; CF 23-0861**

On December 12, 2023, the City Council approved the Boyle Heights Community Plan Update (BHCPU). The City Council's actions include a request to instruct the Department of City Planning (City Planning) and the Economic and Workforce Development Department (EWDD) to prepare and present a report on options to implement a local hire requirement for Major Project Conditional Use Projects, as well as for Public Facilities Projects in the P2 Use Districts within the Boyle Heights Community Plan Area (Boyle Heights CPA). This report provides an overview of local hiring trends and initial findings as they pertain to land use regulations and zoning.

***Background and 2023 Technical Memo Findings***

Prior to the City Council's request, the City Planning Commission directed City Planning to evaluate the possibility of a local hire requirement for projects and developments in the industrial district adjacent to the Los Angeles River. The study compared best practices from existing local hire programs in the City of Los Angeles, as well as similar local hire programs in other jurisdictions across the country, and its findings were reported to the City Council in the Director of Planning Technical Memo dated November 29, 2023 (2023 Technical Memo).<sup>1</sup> Findings from this study reveal that local hiring programs are typically established through ordinances or statutes, while other programs may be incorporated into development agreements, financing requirements, construction contracts, or project labor agreements. Consequences can vary by jurisdiction for non-compliance or violation of local hiring laws, in some jurisdictions, compliance

<sup>1</sup> [Attachment to Supplemental Report dated 11-29-23 - Technical Memo \(Council File 23-0861\)](#)

is optional and incentive based, and non-consequential. Furthermore, this study also found that local hiring programs enacted by public agencies are generally focused on two categories or types of programs: local versus targeted hiring. Local hiring creates preference for individuals living within a particular geographic area, which can be as large as a county region or city, or localized to smaller geographic areas, such as a neighborhood or zip code. Targeted hiring bases hiring preferences on a wide range of worker characteristics, such as veteran status, race, gender, residency in a low-income neighborhood, having a disability, being formerly incarcerated or long-term unemployed.

The results outlined in the 2023 Technical Memo indicate that although zoning regulations can establish allowed uses or building activities, employment activities are generally regulated by local, state, and federal employment laws and not through land use regulations and zoning. National examples of local preference hiring programs enacted by public agencies have generally focused on ensuring that the primary labor pool is drawn locally during the construction phase of larger publicly funded projects, rather than for the continuous operation of a particular future business housed in privately funded developments. Access to public works contracts, grant funding, and other types of public subsidies are linked to compliance with local hiring policies, and enforced through tools such as in lieu fees and penalties; and/or contract termination. Good faith efforts in local recruitment can be included in and enabled through development agreements between developers, businesses and public agencies. No actions to address local hire provisions within the Boyle Heights CPA were recommended to the City Council in the 2023 Technical Memo.

### ***Discussion of Findings***

The findings in the 2023 Technical Memo help the City Council to narrow the scope of investigation for options to incorporate local hire requirements on specific types of development projects. This report examines land that is zoned for Public Facilities (i.e. the P2 Use District), to determine if a clear link between public assets and development projects exists, and can perhaps be leveraged for public incentives such as a local hire requirement. This report also examines the potential for adding conditions of approval for major development projects that require City Planning entitlements. Findings for these options analyzed are described in the following sections.



### Local Hire Programs on Public Use Districts

The City Council requested City Planning to consider the potential for implementing local hire requirements for public-private partnership development projects on P2 Use District properties. The P2 Use District is applied to government-owned sites throughout Boyle Heights, providing regulations for the use and the development of government buildings, structures, offices and service facilities. In addition to allowing civic uses, the P2 Use District also allows for development of housing or commercial uses, which can occur through a public-private partnership, or if the land is declared surplus and sold to a private party.

As shown in Figure 1, there are 28 city-owned parcels (approximately 9.6 total acreage) zoned with P2 Use Districts within the Boyle Heights CPA. Roughly half the total acreage (18 parcels) are related to the Sixth Street PARC (Park, Arts, River and Connectivity) Project already under development. This leaves five parcels totaling approximately two acres of parking lot uses, three developed parcels related to existing utility and warehousing uses, and two parcels that make up the Boyle Heights City Hall civic facility. Given that most existing city-owned P2 Use District parcels are already developed, and make up only 0.2% of the land area within the Boyle Heights CPA, the positive impact that this strategy could have on local hiring efforts is limited. City Planning does not recommend that such a provision be integrated into the new Zoning Code, as this strategy has limited applicability, the City already has tools to implement local hire through its public-private contracting process, and any additional requirements to the new Zoning Code could hinder the contracting process.

**Figure 1: P2 Use Districts**



Historically, for construction projects, the Department of Public Works (DPW) in conjunction with the Bureau of Contracts Administration (BCA) have entered into ten year Project Labor Agreements (PLAs) with the Los Angeles and Orange Counties Building and Construction Trades Council, which ensure that awardees are contractors that adhere to the provisions outlined in a DPW blanket PLA (Department of Public Works Project Labor Agreement or DPW-PLA). The purpose of the PLAs are to provide awarding City agencies efficient construction operations, the orderly settlement of conflict, and the more timely and economical completion of a project. They also serve as a means to support communities, including those with barriers to employment through targeted hiring and apprenticeship training, as ensuring that contractors and subcontractors comply with all federal, state and local laws pertaining to prevailing wages.<sup>2</sup> The DPW-PLA Targeted Hire provision requires that the Prime Contractor and its subcontractors allocate 30% of all work hours to be performed to local residents of identified Tier 1 and 2 zip codes<sup>3</sup>. Priority is given to Tier 1 zip codes, of which all census tracts within the Boyle Heights

<sup>2</sup> [Bureau of Contract Administration - PLA Monthly Report](#)

<sup>3</sup> Tier 1, are zip codes within the City that have at least two (2) census tracts, or a portion thereof, where the median household income is less than 50% of the County of Los Angeles median and/or where the unemployment rate exceeds 200% that of the County of Los Angeles unemployment rate, as reported by the most recent U.S. Census Bureau data. Tier 2, are zip codes within the City that have

CPA fall within (zip codes 90023, 90033 and 90063).<sup>4</sup> Between 2012 and 2025 approximately 39% of total contract labor project hours have been allocated to local residents through Targeted Hiring outlined in PLAs, overall exceeding PLA requirements.<sup>5</sup>

Established PLAs for capital improvement projects are only applicable to publicly funded projects for short-term construction phase jobs. For private development projects on publicly-owned land, as well as for construction phase and long-term operational jobs, local hire provisions may be possible through other contract based tools such as Development Agreements (DAs) or Community Benefits Agreements (CBAs). These types of legally binding contracts are negotiated between property developers, government agencies, and in the case of CBAs, between property developers and a coalition of community based organizations, where parties involved pledge support for a development in exchange for benefits, such as local hiring agreements, living wage jobs, and affordable housing opportunities.<sup>6</sup>

The Jordan Downs Redevelopment Project (Jordan Downs) is an example of a recent local CBA that is effective in incorporating local hiring requirements. Jordan Downs is a CBA between HACLA, BRIDGE Housing Corporation (an affordable housing developer), The Michaels Organization (housing services provider), and other collaborative community and business stakeholders, such as Watts Rising, to redevelop the Jordan Downs public housing community. When completed, this project will comprise of 1,569 new and affordable and market rate units, a 115,000 sq.ft. retail center, 45,000 sq.ft. ground floor amenity and commercial spaces, a community center, and nine acres of park space. The CBA includes local hiring requirements for new construction jobs and post-construction job opportunities created as a result of the redevelopment project.<sup>7,8</sup> As previously mentioned, unlike PLAs, which only enable local hire requirements for construction-phase jobs, CBAs and DAs can also incorporate long-term jobs as part of an agreement. According to Watts Rising, as of 2022 Jordan Downs has resulted in approximately 672 short-term and long-term jobs for the local community.<sup>9</sup>

As described above, the City functions as the landlord of P2 Use District properties and city-owned land within the Boyle Heights CPA. Much like a private entity, this enables it to impose provisions on development activities on city-owned land, including the incorporation of local-hire provisions through individual contracts. In addition, existing contract-based tools such as PLAs, DAs, and CBAs have successfully enabled expansive local hire provisions through public, community and private partnerships.

#### Local Hire on Major Development Project Conditional Use Projects

The City Council also requested City Planning to consider options to require local hire for major development projects that meet the “Major Development Project” threshold. Under the new Zoning Code (Chapter 1A), Section 4C.14.1.C Development Review Threshold Packages Standards establish Major Development Project review thresholds as any development project that creates or adds 250,000 square feet or more of warehouse floor area, and in some cases,

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at least two (2) census tracts or a portion thereof, where the median annual household income is less than the County median annual household income, and/or where the unemployment rate exceeds 100% of the County of Los Angeles unemployment rate.

<sup>4</sup> City of Los Angeles Department of Public Works. [Targeted Hiring Guidelines for Contractors](#) PLA 2015-2020.

<sup>5</sup> [Bureau of Contract Administration - PLA Monthly Report](#)

<sup>6</sup> [Enforceability of Local Hire Programs](#). National Academic Press (2013). pp. 26-30

<sup>7</sup> [Jordan Downs Redevelopment | HACLA](#)

<sup>8</sup> Fourth Amendment to Master Redevelopment Agreement for the Redevelopment of the Jordan Downs Public Housing Community. Execution Version July 31, 2024.

<sup>9</sup> [Watts Rising Jobs/Section 3](#)



any development project that creates or adds an increase in 100,000 square feet or more of floor area in other non-residential or non-warehouse uses. Generally the Major Development Project review process is used to evaluate certain types of land uses and development projects, and impose conditions of approval or mitigation measures to ensure that any site-specific impacts or issues related to the project can be addressed. When imposing conditions of approval or mitigation measures, the decision maker has to operate within a particular legal framework to ensure that the conditions are legal and defensible—namely the decision-maker has to ensure that there is a legal nexus between the conditions and the impacts of the project. A generic imposition of a local-hire mandate for this certain category of projects may not have a clear nexus. Additional limitations to establishing a local hire mandate include legal barriers such as the Privileges and Immunities Clause, the Commerce Clause, and the Equal Protection Clause, which generally prevent the discrimination against out-of-state residents, regulatory measures that impede interstate commerce and trade amongst states, and prohibit laws that benefit only certain groups of people while discriminating against others.<sup>10</sup>

### ***Recommendations***

As detailed in this report, the existing citywide DPW-PLA, as well as project specific DAs and CBAs, enable public-private partnerships, and are the vehicle for achieving desired local hire strategies for short and long-term jobs. DAs and CBAs in particular offer more flexibility because they are negotiated on a case by case basis, enabling tailored local hire requirements that fit the needs of a community. Their flexible nature also makes these types of tools more successful in overcoming constitutional legal challenges, and incorporating a local hire requirement as a condition of approval to a Major Development Project also presents challenges. Given these findings, City Planning does not recommend implementation of local hire requirements for P2 zoned sites and Major Development Project Review projects as effective strategies to support local employment in the Boyle Heights CPA.

Sincerely,



VINCENT P. BERTONI, AICP  
Director of Planning

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<sup>10</sup> [Enforceability of Local Hire Programs. National Academic Press \(2013\). pp. 5-18](#)

