

Item #1, CF 25-1138

I MOVE to instruct the Chief Legislative Analyst (CLA) to commission a study within 30 days on the effects of establishing a Residential Construction Minimum Wage (RCMW) for all mid-size residential construction. The study shall examine wage rates that allow workers to be able to afford to live in the City of Los Angeles, taking into account the cost of housing and healthcare coverage, and minimize the potential negative effects associated with the establishment of RCMW. Mid-size residential construction shall be defined as any residential development, including mixed-use, with ten or more residential units and under 85 feet in height. Construction projects subject to prevailing wage rates and project labor agreements shall be exempt from RCMW.

I FURTHER MOVE to instruct the CLA to report back with the results of the study within 60 days, and to solicit feedback from impacted industries and trades, including the Building Industry Association of Southern California, Los Angeles Builders Association, the Council of Infill Builders, the Los Angeles Area Chamber of Commerce, impacted workers and their representatives including but not limited to the Western States Regional Council of Carpenters and the Los Angeles/Orange County Building Trades Council and their members, and any other relevant organizations.

I FURTHER MOVE that the above study identify factors that differentiate the construction industry, and specifically the mid-size residential construction sector, from other similar labor-intensive industries and occupations, including factors such as injury and illness rates, and wage theft violation rates, among others. The study shall also include construction worker wages disaggregated by construction project type, the impact of a potential RCMW on construction industry employment, housing construction development, individual earnings, and economic impacts to Los Angeles and the greater economy.

I FURTHER MOVE to instruct the CLA, with assistance of the Bureau of Contract Administration and City Attorney, to report on strategies to address wage theft in the construction industry, including increasing staffing for investigative positions and a private right of action.