

**BEFORE THE BOARD OF DIRECTORS
OF THE SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT**

**In the Matter of a Policy
Requiring Project Stabilization Agreements (PSA)
With Local Hire Provisions on
Transit-Oriented Development (TOD) Projects**
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Resolution No. 5182

WHEREAS, on July 14, 2005, the San Francisco Bay Area Rapid Transit District (District) adopted a Transit-Oriented Development (TOD) Policy with the goal of promoting intensive development at or near BART stations in order to increase transit ridership and facilitate local and regional economic development;

WHEREAS, in June 2003, the District developed TOD Guidelines that state that job opportunities near BART stations can enhance regional transit ridership when local residents living near one BART station find work near another BART station;

WHEREAS, to implement this TOD Policy, the District has partnered with developers to enable numerous TOD projects to increase transit-accessible housing, employment, and retail opportunities in the San Francisco Bay Area region;

WHEREAS, the District has approved approximately \$2 billion in TOD projects;

WHEREAS, the District anticipates that it will approve additional TOD projects in the next ten years and that such projects will generate tens of thousands of construction work hours;

WHEREAS, the construction industry is one of the few industries providing a path to middle-class careers for individuals without advanced degrees or facing barriers to quality employment, and is therefore a crucial component of the effort to build economic opportunities for residents of the region, with a particular emphasis on low-income and underrepresented workers in various building and construction trades, in order to elevate historically disadvantaged populations throughout the region;

WHEREAS, the region faces unemployment levels that have risen dramatically over the past five years climbing from 3.7% in 2006 to 9.8% in 2010 for the City of San Francisco, reaching 10.4% for the City of Oakland in 2008;

WHEREAS, high unemployment in the region is disproportionately concentrated in many areas near BART stations, neighborhoods or cities such as Richmond, Oakland, the Mission, and South of Market;

WHEREAS, this disproportion is reflected in the demographics of BART ridership where 25% of riders earn less than \$25,000 per household, a regional poverty threshold, whereas only 17% of the regional population are at this threshold;¹

WHEREAS, employing workers that are more likely to reside close to BART at BART-accessible jobsites also has environmental benefits, including reducing automobile-based commutes and resulting vehicle emissions, that are consistent with the mandates, policies, and goals of the California Global Warming Solutions Act (AB 32), the Sustainable Communities and Climate Protection Act (SB 375), and the Metropolitan Transportation Commission's (MTC) Resolution 3434, adopted in 2005, to implement SB 375 objectives;

WHEREAS, local economic development, increased transit ridership, and sustainable communities will be advanced by promoting the development of quality construction job opportunities that are transit accessible and, to the extent allowed by law, by encouraging the targeted hiring of local residents for construction jobs on TOD project sites;

WHEREAS, the District has the responsibility to promote efficient project delivery and the efficient use of public funds;

WHEREAS, these TOD Policy objectives will be advanced, and the proprietary interests of the District will be protected, by avoiding labor misunderstandings, grievances, and conflicts on certain TOD construction projects; and Project Stabilization Agreements (PSAs) minimize the possibilities for such misunderstandings, grievances, and conflicts, thereby promoting project cost containment, timely and economical project completion, financial stability, and prompt repayment of financial obligations owed to the District;

WHEREAS, the Board of Directors wishes to adopt a policy requiring PSAs with local hire provisions on TOD projects, to the extent allowable by law, in order to (1) further its TOD policy objectives of increased transit use and local economic development and its state and regionally-mandated objectives of reducing vehicle emissions, (2) to protect the District's proprietary interests and to enable the economical completion of TOD projects; and (3) to counteract the grave economic, social, and environmental ills affecting BART's regional ridership;

NOW, THEREFORE, BE IT RESOLVED, that to the extent permitted by law, the District requires as a condition of final approval for any new development agreement with the San Francisco Bay Area Rapid Transit District for a Transit-Oriented Development Project (TOD Project) that the developer or development team and all its contractors agree to enter into the Project Stabilization Agreement (PSA) with the relevant Building and Trades Council in the County where the TOD project is located for such TOD Project; and

¹ 2010 BART Customer Satisfaction Survey, BART Customer Incomes Compared to Regional Data.

BE IT FURTHER RESOLVED that the Board directs staff to negotiate the terms of a PSA with local hire provisions, to the extent allowable by law, between the developer or development team and the relevant building trades, including the Alameda County Building and Trades Council, the Contra Costa County Building and Trades Council, the San Mateo County Building and Trades Council, the Santa Clara Building and Trades Council, and the San Francisco County Building and Trades Council; and

BE IT FURTHER RESOLVED that the PSA shall establish, at minimum and to the extent allowable by law, that a mutually-agreed percentage goal of all workers on a TOD Project construction site must be residents from one of the five counties served by BART and that, if the developer/contractor fails to achieve such goal, documentation showing good faith efforts made to achieve the goal must be furnished to the District; and

BE IT FURTHER RESOLVED that it is the intention of this policy to require a PSA in BART TOD projects, but this policy shall not apply if the application of the policy would jeopardize governmental funding sources for a TOD project and thus jeopardize its financial feasibility.

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