

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF  
FRESNO, CALIFORNIA, OPPOSING ASSEMBLY BILL 199  
RELATED TO PAYMENT OF PREVAILING WAGE FOR  
PRIVATE RESIDENTIAL CONSTRUCTION.

WHEREAS, California Labor Code Section 1720 currently requires that all construction paid for in whole or in part with public funds is subject to payment of prevailing wage; and

WHEREAS, Labor Code Section 1720 currently contains an exception to payment of prevailing wage for residential projects built on private property pursuant to an agreement with a state agency, redevelopment agency, or local public housing authority; and

WHEREAS, AB 199 would expand the types of residential projects built on private property that are subject to prevailing wage to include any project built pursuant to an agreement with the state or a political subdivision; and

WHEREAS, AB 199 would eliminate the long-standing residential exemption from prevailing wage rates and thereby make private, market-rate residential development a public works project for which prevailing wage must be paid where the housing is built pursuant to an agreement with the state or a political subdivision; and

WHEREAS, there is a housing crisis in California, which currently ranks forty-ninth in homeownership rates; and

WHEREAS, California's Department of Housing and Community Development estimates we must build at least 180,000 units to keep pace with demand, not

accounting for the backlog of two million units that has accrued over the past several decades; and

WHEREAS, AB 199 would further exacerbate the California housing crisis; and

WHEREAS, California's average housing costs are two and a half times the national average, and faced with high housing costs, commute distances and resulting adverse environmental consequences are significantly increased as residents search for more affordable housing options; and

WHEREAS, AB 199's mandated prevailing wage could result in a potential 46% increase in the total costs of new apartments and housing in California; and

WHEREAS, the average California home already costs about 250% more than the national average and California's average monthly rent is 50% higher than the rest of the country; and

WHEREAS, the impact of homelessness is being seen and felt more and more in our local communities; and

WHEREAS, AB 199 could result in the state and local governments losing millions of dollars in permit fees and property tax revenue, meaning less money for vital services like public safety, education and health care; and

WHEREAS, with the current crisis of undersupply, highest-in-the-nation housing costs, and exploding unaffordability ranking at the top of the state's most pressing political, social, and economic concerns, a proposal to add as much as forty to fifty percent to the cost of a newly built home is ill-advised as it will hamper housing production and make housing more expensive and out of reach for an ever-growing number of Californians.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Fresno as

follows:

- 1. The Council opposes Assembly Bill 199 for the reasons set forth above.

\* \* \* \* \*

STATE OF CALIFORNIA )  
COUNTY OF FRESNO ) ss.  
CITY OF FRESNO )

I, YVONNE SPENCE, City Clerk of the City of Fresno, certify that the foregoing resolution was adopted by the Council of the City of Fresno, at a regular meeting held on the \_\_\_\_\_ day of \_\_\_\_\_, 2017.

AYES :  
NOES :  
ABSENT :  
ABSTAIN :

YVONNE SPENCE, CMC  
City Clerk

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:  
DOUGLAS T. SLOAN  
City Attorney

By: \_\_\_\_\_  
Katie Doerr [Date]  
Assistant City Attorney