



GOVERNMENTAL ADVOCATES

April 2, 2024

Hon. Matt Haney
California State Assembly
1021 O St, Ste. 4240
Sacramento, CA 95814

RE: AB 3190 (Haney) – Affordable Housing Fair Pay Act – SUPPORT

Dear Assemblymember Haney:

On behalf of the Construction Employers' Association (CEA), which is comprised of 125+ of the largest union-signatory building contractors in California who perform in excess of \$30 billion in public and private construction volume annually, I am writing to express CEA's strong support of your bill AB 3190, the Affordable Housing Fair Pay Act, which will close longstanding loopholes that have allowed affordable housing developers to receive state and local public funds without being required to pay construction workers prevailing wages.

Each year hundreds of millions of dollars in State Low Income Housing Tax Credits (State LIHTCs) and below-market interest state and local loans are awarded to help finance affordable housing development throughout the state. Unfortunately, there is no requirement that developers who receive these funds pay prevailing wages.

The effects of the lack of prevailing wage standards have a stark impact on our state's construction workers. According to HUD, over half of CA's estimated 641,000 construction worker families are classified as either low income or very low income. Similarly, half of CA construction workers either are uninsured or rely on Medi-Cal for their health care insurance. Altogether, the effects of low wages, combined with theft tax fraud committed by low road contractors, cost CA taxpayers \$5 billion per year. This measure will help level the playing field between employers who pay living wages and provide health and welfare benefits, and those employers pay substandard wages and offer no benefits.

Construction workers should be paid prevailing wages when they are employed on affordable housing projects funded with public funds, the same wages they are paid on any other project receiving public funds.

In AB 3190 we see an opportunity to build on the momentum of AB 2011, SB 4, and SB 423, three recent pieces of legislation that streamline housing construction while requiring strong labor standards in return.

Thank you for your leadership on this important issue.

Sincerely,

Scott Govenar

Cc: Honorable Members: Assembly Labor and Employment Committee

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