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April 13, 2024

The Honorable Liz Ortega
California State Assembly
Sacramento, CA 95814

RE: AB 3190 (Haney) Public Works– SUPPORT

Dear Assemblymember Ortega:

On behalf of Service Employees International Union California State Council (SEIU), I am writing in strong support of AB 3190, which will close longstanding loopholes that have allowed affordable housing developers to receive 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. Since 2000, three exemptions inserted into California's 90-plus-year-old public works prevailing wage ("PW") law have allowed developers to receive these funds without any requirements to pay prevailing wages to construction workers.

The effects of the lack of prevailing wage standards have a stark impact on our state's construction workers. According to HUD standards, 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. Furthermore, the status quo of low wages and nonexistent benefits does nothing to solve the issue that we need roughly 100,000 more residential construction workers to meet the state's housing need.

It is time to bring California tax credits and loan funds for affordable housing development and construction under the Labor Code's prevailing wage standards and compliance requirements. Construction workers should be paid prevailing wages when they are employed on affordable housing projects funded with capital raised from the State LIHTCs and/or below-market State or local loans, the same wages they are paid on any other project receiving public funds.

In AB3190 we see an opportunity to build on the momentum of AB2011, SB4, and SB423, three recent pieces of legislation that streamline housing construction while requiring strong labor standards in return. Now is the time to establish the importance of strong labor standards in all residential construction that receives public funding. For these reasons we respectfully request your "Aye" vote when the measure comes before you.

Sincerely,

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Matt Lege
Government Relations Advocate
SEIU State Council