

**Targeted hire - Paving the way to job access: Can Corridor residents benefit from the I-710 Corridor Project's direct jobs?**



Los Angeles County Metropolitan Transit Authority. *Project Labor Agreement & Construction Careers Policy.*

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## **ABSTRACT**

The following report examines whether I-710 Corridor residents will benefit from the I-710 Corridor Project's estimated direct construction jobs without any disruptive hiring plan. This report attempts to answer this question by exploring the origins of urban labor market inequalities as well as the forces that have perpetuated discrimination and under-representation of workers of color in the construction industry. In addition, the following research evaluates targeted hiring programs and explores how targeted hiring can be a tool to disrupt construction hiring pipelines. Furthermore, I-710 Corridor demographics and construction worker data are analyzed to situate the Corridor and to determine whether Corridor workers can automatically access the Project's direct construction jobs. In addition, systematic barriers Corridor residents may face entering the construction industry are evaluated to understand why workers along the Corridor may not automatically receive the Project's construction jobs. This report additionally analyzes the strengths and weaknesses of Los Angeles Metropolitan Transit Authority's Construction Careers Policy, Project Labor Agreement and targeted hiring requirements on the Crenshaw / LAX Transit Corridor Project as an example targeted hiring program. Lastly, recommendations are proposed for why Caltrans should implement a targeted hiring program to ensure local Corridor residents have access to the Project's direct construction jobs.

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May this research go beyond bookshelves and be used as a tool to envision a more just and equitable world.

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## **Introduction**

I was first introduced to targeted hiring while working with Got Green?, a community organization whose mission is to ensure low-income communities of color in Seattle have equal access to benefits promised by the green economy. During my time with Got Green?, I saw and heard first-hand how low-income workers of color in Seattle are systematically excluded from the local construction industry. Low-income workers of color in Seattle are not the only workers systematically excluded from the construction industry. Rather, across the country, eligible low-income workers of color are barred from accessing careers in the construction industry. In January 2015, after years of community pressure the Seattle City Council passed a city-wide Priority Hire Ordinance for city-funded construction projects worth \$5 million. The Priority Hire Ordinance sets a goal for contractors to hire workers from economically disadvantaged neighborhoods as well as requires contractors to seek people of color and women workers for the jobs. The City of Seattle's Priority Hire Ordinance was a momentous victory and ensures low-income workers of color have direct access pathways into the construction industry.

Through my connection with The Coalition for Environmental Health and Justice (CEHAJ), a Los Angeles based coalition of organizations including Long Beach Alliance for Children with Asthma and Coalition for a Better Environment, I was first introduced to the contentious I-710 Corridor Project. CEHAJ formed to ensure that the I-710 Corridor Project would benefit the health and economic well-being of residents living within the I-710 Corridor. Currently, the I-710 Corridor Project's Draft Environmental Impact Report acknowledges that a key component of the Project is job creation. For over ten years, CEHAJ has continued to push Caltrans, the manager of the I-710 Corridor Project, to implement community benefits including

targeted hiring requirements to ensure low-income workers of color living within the I-710 Corridor will benefit from the Project's job creation.

The purpose of my research is to determine whether I-710 Corridor residents will benefit from the I-710 Corridor Project's estimated direct construction jobs without any disruptive hiring plan. My research attempts to answer this question by exploring the origins of urban labor market inequalities as well as the forces that have perpetuated discrimination and underrepresentation of workers of color in the construction industry. In addition, my research evaluates targeted hiring programs and explores how targeted hiring can be a tool to disrupt construction hiring pipelines. Furthermore, I-710 Corridor demographics and construction worker data are analyzed to situate the Corridor and to determine whether Corridor workers can automatically access the Project's direct construction jobs. In addition, systematic barriers Corridor residents may face entering the construction industry are evaluated to understand why workers along the Corridor may not automatically receive the Project's construction jobs. Furthermore, my research analyzes the strengths and weaknesses of Los Angeles Metropolitan Transit Authority's Construction Careers Policy, Project Labor Agreement and targeted hiring requirements on the Crenshaw / LAX Transit Corridor Project. I purposefully analyze the application of Metro's CCP and PLA to provide an example local targeted hiring program model that the I-710 Corridor Project could possibly emulate. Lastly, recommends are proposed for why Caltrans should implement a targeted hiring program to ensure local Corridor residents have access to the Project's direct construction jobs. While I define myself as a radical, anti-racist, white, woman, my positionality as an outside researcher to low-income communities of color and to the construction industry must be critically considered throughout my research analysis.

In addition, although my connection to the I-710 Corridor Project is through CEHAJ, my research is from an outsider's perspective in its analysis.

### **I-710 Corridor Project Background**

The I-710 freeway is a major freight transportation corridor that transports more than 43% of all U.S. imports from the Ports of Long Beach and Los Angeles (Matsuoka et al. 2011). On any given day, up to 260,000 cars and over 40,000 diesel trucks travel on the I-710 Corridor (EYCEJ 2011). Communities surrounding the I-710 Corridor including, Long Beach, Signal Hill, Carson, Compton, Paramount, Lynwood, South Gate, Downey, Bell Gardens, Cudahy, Commerce, Huntington Park, Bell, Maywood, Wilmington, East Los Angeles and Vernon are disproportionately burdened by negative health impacts from diesel emissions, noise pollution, and particulate matter pollution (Human Impact Partners 2011). In addition, the I-710 Corridor has disproportionately high unemployment rates that compound these health problems (Draft EIR at p. 3.24-5).

In 2005, the Los Angeles County Metropolitan Transportation Agency (Metro), Gateway Cities Council of Governments (GCCOG), the California Department of Transportation (Caltrans), and the Southern California Association of Governments (SCAG) completed the *Major Corridor Study* and found that freight transportation will increase in the coming decades, causing both truck traffic and congestion to increase along the I-710 Corridor (Matsuoka 2015). As a result, Caltrans proposed the I-710 Corridor Project which includes Alternative 1, 5A, 6A, 6B, and 6C as possible Project proposals. The I-710 Corridor Project's Draft Environmental Impact Review (DEIR) includes an analysis of all of the Project's significant environmental impacts and employment benefits stating that "All I-710 Corridor cities would experience a

beneficial impact from the direct and indirect job growth associated with construction of any of the I-710 Corridor Project Build Alternatives” (Draft EIR at p. 3.24-5). Figure 1 shows the approximate direct job creation statistics for the Project and illustrates that each alternative project proposal will create approximately 24,000-50,000 direct construction jobs.

**Figure 1:**

**Table 3.24-3 Estimated Construction Employment for the I-710 Corridor Improvement Project**

Estimated Capital Construction Costs (\$millions) <sup>1</sup>		Estimated Employment Generated			
		Direct Jobs <sup>2</sup>	Indirect Jobs <sup>3</sup>	Total Jobs	
Alternative 5A		\$2,592	24,624	47,434	72,058
Alternative 6A	Option 1	\$5,091	48,365	93,165	141,530
	Option 2	\$5,056	48,032	92,525	140,557
	Option 3	\$5,050	47,975	92,415	140,390
Alternative 6B	Option 1	\$5,542	52,649	101,419	154,068
	Option 2	\$5,208	49,476	95,306	144,782
	Option 3	\$5,200	49,400	95,160	144,560
Alternative 6C	Option 1	\$5,310	50,445	97,173	147,618
	Option 2	\$5,277	50,132	96,569	146,701
	Option 3	\$5,268	50,046	96,404	146,450

<sup>1</sup> Source: *Community Impact Assessment*, 2012.

<sup>2</sup> Capital construction costs from URS, 2011.

<sup>3</sup> ARTBA estimates 9.5 new on-site construction jobs are created for every \$1 million of investment in freeway construction projects in the United States.

<sup>3</sup> ARTBA estimates 18.3 new indirect employment jobs are created for every \$1 million of investment in freeway construction projects in the United States.

ARTBA = American Road and Transportation Builders Association

I-710 = Interstate 710

Source: California Department of Transportation. 2012. *I-710 Corridor Project Environmental Impact Review: Construction Impacts*.

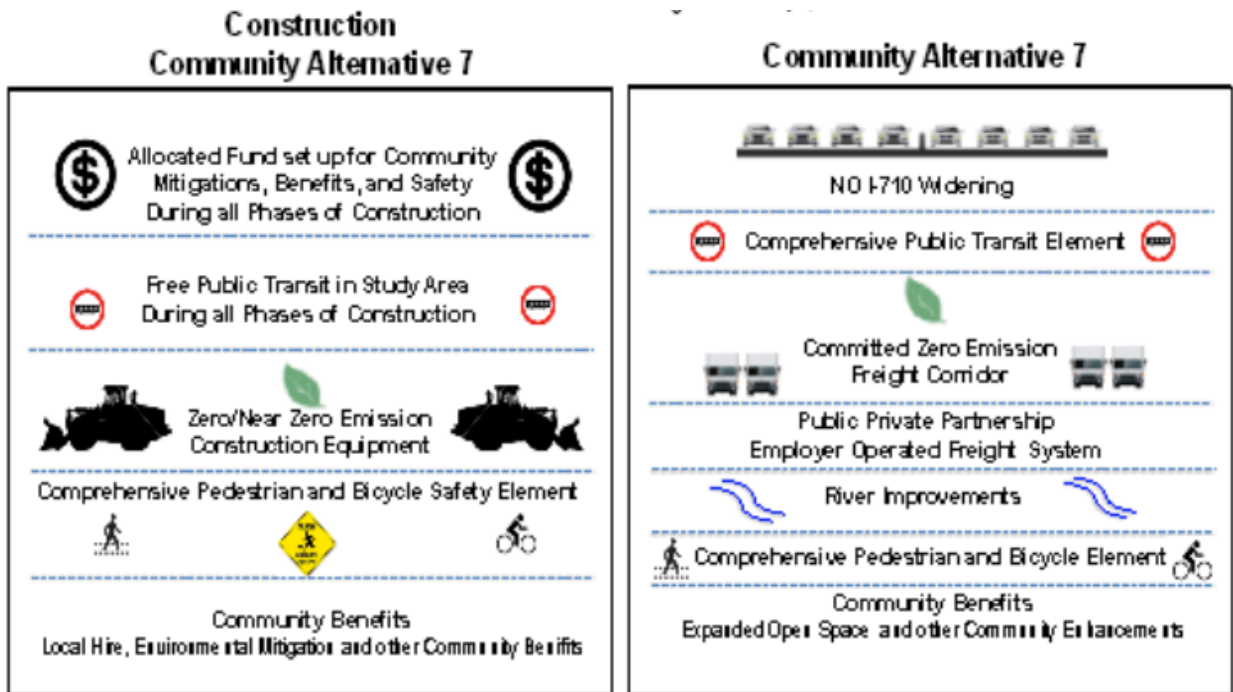
In response to the proposed I-710 Corridor Project, CEHAJ organized Corridor residents to inform them about the Project proposal and to ensure that community benefits would be included into the final project. In addition, CEHAJ created its own Community Alternative 7 (CA-7) Project proposal with recommendations including a no freeway widening mandate, the inclusion of a comprehensive public transit element, a mandatory zero emission “Freight



Corridor System”, Los Angeles river improvements, a comprehensive pedestrian and bicycle element, and a robust targeted hiring plan for Corridor workers, see Figure 2 (CEHAJ 2012).

CEHAJ’s CA-7 specifically recommends that Caltrans implement a targeted hiring program with a robust job training program in addition to providing \$3 million per year for the life of the Project to fund job training and pre-apprenticeship programs (CEHAJ 2012). CA-7 also outlines that the targeted hiring requirements should be as follows, “a minimum of 40% of all hours of the Project work shall be performed by targeted workers with given priority to residents of extremely economically disadvantaged areas, a minimum of 10% of all hours of Project work shall be performed by disadvantaged workers, and a minimum of 20% of total work hours on each project will be performed by apprentices” (CEHAJ 2012).

**Figure 2:**



Source: Natural Resources Defense Council. 2012. *C.E.H.A.J- I-710 Expansion Comments*.

In October 2015, after community pressure from CEHAJ, the Los Angeles County Metropolitan Transit Authority supported the CA-7 as an I-710 Corridor Project alternative. However, Metro decided to cut the Proposal's zero emission technology program and the targeted hiring component. In addition, according to CEHAJ (2012), Caltrans has historically chosen not to implement any local hire or targeted hire programs. Furthermore, currently, Caltrans suggests that they will not implement a targeted hiring program on the I-710 Corridor Project because they claim that "direct and indirect employee needs (for the Project) will likely be accommodated by the existing labor pool within the Study Area since the unemployment rate in the study area currently ranges from 8 to 22 percent". On the other hand, LA Metro, who is financing Caltrans's Final I-710 Corridor Project EIR, has a robust Construction Careers Policy and Project Labor Agreement with targeted hiring requirements for its county-wide transit infrastructure projects. Therefore, alongside looking into the likelihood that I-710 Corridor residents will benefit from the I-710 Corridor Project's "direct jobs", I am also analyzing Metro's CCP and PLA in the context of the Crenshaw/ LAX Transit Corridor Project, a large-scale transportation infrastructure project with a robust targeted hire program.

### **The Crenshaw/LAX Transit Corridor Project**

The Crenshaw/LAX Transit Corridor is a north/south corridor that serves the cities of Los Angeles, Inglewood, Hawthorne, and El Segundo as well as portions of unincorporated Los Angeles County (Metro 2012). The Transit Corridor extends 8.5 miles and provides major connections with the Los Angeles International Airport (LAX) as well as links to the Metro Green Line, the Exposition Line and a countywide bus network (Metro 2012). In 2012, after years of community pressure, the Los Angeles Metropolitan Transit Authority introduced a

Construction Careers policy (CCP) and Project Labor agreement (PLA) with targeted hire requirements. Metro's Construction Careers Policy (CCP) "encourages" construction employment and training opportunities for local residents to mitigate the harms caused by geographically concentrated poverty, unemployment, and underemployment in economically disadvantaged and extremely economically disadvantaged local areas (Metro 2012). In addition, Metro's Project Labor Agreement (PLA) is applied for all construction projects greater than \$2.5 million and awarded by the LACMTA which requires 40% participation of construction workers residing in economically disadvantaged areas, 10% participation of disadvantaged workers, and a 20% participation of apprentices (Metro 2012).

The I-710 Corridor Project and Metro's Crenshaw / LAX Transit Corridor Project are both large-scale transportation projects that include proposed community benefits in geographically low-income communities. However, these projects differ in that the Crenshaw / LAX Transit Corridor Project is supported by public funds and is purely for public benefit and use. Whereas the I-710 Corridor Project is a much larger project with both public-private funding sources and is intended for private freight transportation expansion and mobility improvement. Analyzing the strengths and weaknesses of Metro's CCP and PLA on the Crenshaw / LAX Transit Corridor Project shows how a similar targeted hiring model can be successfully implemented on the I-710 Corridor Project. However, before analyzing Metro's CCP, PLA and targeted hiring requirements, it is important to situate the literature on urban labor market inequalities to understand why there is unequal access to jobs and explore how hiring disruption models such as targeted hiring can create job access pathways for low-income workers of color.

## **Literature Review**

### **Urban Labor Market Inequalities**

Urban labor market researchers often attribute spatial mismatch and social accessibility as reasons for why workers of color have disproportionately limited job access. In communities with high and chronic unemployment, there is typically a lack of social accessibility to well-paying jobs. According to the spatial mismatch hypothesis, when higher paying jobs are located outside of where lower-income workers live, a spatial mismatch between housing and job access results. Similar to spatial connectivity, social accessibility and the role of job networks within families, friends, and communities are an important component to job accessibility. Virginia Parks (2004) studies the independent effects of spatial accessibility and social accessibility on immigrant women's unemployment. Parks's (2004) research sought to determine whether the effects of spatial accessibility on unemployment differs given different social networks. Parks's (2004) study found that place matters by identifying an association between employment and social accessibility for less-educated black and immigrant women. In addition, Parks's (2004) study found that the role of social networks and place-based knowledge played a significant role in employment for immigrant women.

Similar to Parks's (2004) study which finds a positive relationship between social and spatial accessibility to job access, Philip Moss and Chris Tilly's (2001) study identifies that through the continuing gap in education and skills attainment for workers of color, residential segregation, spatial mismatch, discriminatory hiring practices, and decreasing affirmative action enforcement are the four main factors that have led to an increasing wage gap. Moss and Tilly (2001) found that employer-held racial stereotypes have the largest impact in determining who gets hired, resulting in limited job access for workers of color. Moss and Tilly's (2001) four

solutions for combating access barriers for workers of color include upgrading job training centers in low-income communities of color, desegregating neighborhoods through enforcing fair housing and lending practices, strengthening affirmative action policies, and raising the minimum wage.

### **Labor Market Mismatch Hypothesis**

There have been a number of hypotheses to explain the trend of wage stagnation and high unemployment rates for low-income workers of color. These hypotheses include a growing demand for technical skills, de-industrialization, spatial relocation of employers, and racial discrimination. Similar to Moss and Tilly (2002), Harry Holzer (1996) suggests that even in jobs that are filled by less-educated employees, there is evidence that employers are seeking employees with higher education levels. Furthermore, weakened enforcement of affirmative action policies has contributed to the rise of urban labor market discrimination (Holzer 1996). Holzer's (1996) hypotheses are rooted in the theory of labor market 'mismatch', the difference between the needs of the employer on the demand side and the characteristics of employees on the supply side. According to Holzer (1996), skill 'mismatches' result in high unemployment rates for low-income workers of color who have limited access to job training. Holzer (1996) additionally argues that a labor market in which skills, the location of a firm and workers, as well as race and gender play critical roles in determining who gets hired and the wages workers are paid. However, Holzer's (1996) theory that access to job training will result in access to jobs has been criticized because the theory barely considers racial discrimination in hiring practices or the limited number of well-paying jobs as barriers to job access.

## **Social Network Hypothesis**

Roger Waldinger's (1991) study on discrimination in the construction industry attempts to answer the question: why high black unemployment in the construction industry persists even when skills and education are not an issue? Waldinger (1991) argues that if employment problems of Black Americans are the "result of a mismatch of their skills with the job requirements of urban employers, then construction should be one industry where there should be black workers aplenty" (pg. 6). Waldinger's (1991) claim arises from the fact that many Black Americans are skilled and ready to work within the construction industry, but are not able to find a job within the construction industry. Waldinger (1991) suggests that the continued exclusion of Black workers from skilled construction jobs is not a consequence of skill deficiency, but of power dynamics and hiring discrimination. In addition, Waldinger (1991) argues that both the spatial mismatch and skills mismatch hypotheses fail to fully answer why Black Americans are under-represented in the construction industry. Instead, Waldinger (1991) suggests that Black Americans are excluded from the construction industry because of the industry's reliance on social networks for both training and hiring. According to Waldinger (1991), even the unionized sectors of the construction industry is largely reliant on relationships and social networks to hire workers. In addition, due to the short-term nature of construction employment, contractors frequently attempt to minimize time and money by hiring employees through social network connections which result in the systematic exclusion of low-income workers of color (Waldinger 1991).

## **Skills Training and Unavailability of Jobs Hypothesis**

In response to the effectiveness of training programs to solve high unemployment among workers of color, Gordon Lafer (2002) argues that training programs have historically failed due to the unavailability of well-paying jobs. Job training has historically been a common economic development policy prescription (Lafer 2002). Dating back to the passage of the Job Training Partnership Act in 1982, President Ronald Reagan explicitly replaced job creation with job training as the focus point to the era's employment policy (Lafer 2002). Lafer (2002) suggests that the Job Training Partnership Act was created for political rather than economic reasons and was a misguided free-market response to the unemployment crisis of the 1980s. Rather than focusing on the government's failure to provide public employment and economic stimulus policy, low-income communities were encouraged through the Job Training Partnership Act to channel their economic frustrations into self-help training centers (Lafer 2002). Lafer (2002) found that from 1984 to 1996 the height of the presumed job skills shortage crisis, the number of people in need of work exceeded the total number of jobs openings available to workers by a total average of five to one.

In comparison, Gary Becker (2009) argues in of the claim that there is a 'mismatch' in employee skills and argues that human capital investment in education and training can create job access for low-income workers of color. However, Becker's focus on the benefits of human capital assumes that the acquisition of knowledge and skills directly results in job access without considering the availability of jobs and discriminatory hiring practices. Lafer (2002) refutes Becker's (2009) claim of the positive influence of skills by finding that there is no measure of "human capital that conveniently accounts for the falling wages and growing income inequality of the past three decades" (pg. 4). Lafer (2002) contests the claim that jobs training is a solution

to unemployment by arguing that there is simply not enough decent paying jobs for the number of unemployed workers regardless of their training or skill level.

These studies help contextualize why there are urban labor market inequalities and how workers of color continue to be excluded from the construction industry. It is controversial whether job training access directly increases the employment rate of low-income workers of color. However, previous research suggests that on a case-by-case basis when affirmative action policies along with training, increased educational opportunities, and more jobs are available to workers of color, more workers of color are employed (Moss and Tilly 2001) (Becker 1993) (Lafer 2002) (Parks 2004) (Waldinger 1991) (Holzer 1996). If the reason workers of color are under-represented in the construction industry is from a shortage of well-paying jobs and due to discriminatory hiring practices, then a targeted hiring program which mandates a certain percentage of disadvantaged workers receive jobs, would, in theory, be beneficial to increase job access for workers of color. A targeted hiring program implemented through either a Project Labor Agreement (PLA), Construction Careers Policy (CCP), Targeted Hiring Ordinance, or a Community Benefits Agreement (CBA) purposefully disrupts the de-facto construction hiring pipeline of the construction industry and in theory provides tangible jobs for low-income workers of color.

### **Targeted Hiring Models**

The construction industry is one of the largest sectors in the US Economy (UCLA Labor Center 2014). In 2013, the total estimated value of construction work in the US accounted for \$942 billion with more than 729,000 businesses employing over 6.5 million workers (UCLA Labor Center 2014). However, workers of color have had limited access to construction trades



because of historically racially exclusive hiring pipelines and policies (Goldberg 2010). In the 1970s, white dominated trade unions actively opposed affirmative action policies and workforce integration programs by framing the programs as anti-union (Goldberg 2010). In addition, the construction industry has historically been dominated by white men due to systematic policy barriers such as restrictive union memberships, discriminatory hiring practices, and exclusive social hiring networks which have resulted in the exclusion of workers of color (PolicyLink 2002). Furthermore, legal actions, as well as voter initiatives, have helped to dismantle and weaken city and state affirmative action programs which have consequently limited job access for workers of color (Policy Link 2002). For example, in 1998 in Seattle, Washington voters eliminated all state-mandated affirmative action policies which continue to exacerbate unemployment rates for workers of color residing in Seattle (Policy Link 2002). In addition, during the 2008 recession, the construction industry suffered from unemployment rates remaining as high as 14.5 percent (Cantrell et. al 2013). In order to spur economic growth within the construction industry and to create job access for workers of color, community advocates have fought to implement targeted hiring programs.

Today, targeted hiring is a tool to increase job access for workers systematically excluded from the construction industry due to their race or socioeconomic status. A Policy Link (2002) report summarizes the following definitions and functions associated with targeted hiring programs and requirements. Targeted hiring programs are generally defined as hiring restrictions that require contractors or developers using public funds to hire targeted, disadvantaged workers. Targeted hiring requirements can define targeted workers differently. For example, a targeted worker can be a dis-advantaged worker, local worker, or an at-risk worker. Typically the qualifications of a disadvantaged worker are individuals that are either chronically unemployed,

formerly incarcerated, single parents, or individuals residing in areas with high poverty rates, as well as under-represented groups such as women and workers of color (UCLA Labor Center 2014). Although local hire and targeted hire are occasionally used interchangeably, targeted hiring is different from local hiring as it refers to hiring requirements for targeted groups such as worker of color or women whereas local hiring refers only to a specific geographical area. Targeted hiring programs tend to be implemented within the construction industry because the industry receives a large amount of public funding as well as offers higher paying jobs for individuals who typically do not have a higher education degree (PolicyLink 2002). The primary stakeholders within any targeted hiring program include community organizations, contractors, public agencies, workforce development organizations, and labor unions.

There are many challenges and benefits to adopting targeted hiring programs. The barriers of implementing a targeted hiring program include legal challenges regarding conditionality of requiring specific workers to work on a project, possible cost increases in contractor bidding, as well as the cost of oversight and enforcement (UCLA Labor Center 2014). However, there are significant benefits to targeted hiring programs which include increasing job access and access to job training and apprenticeship programs for low-income communities of color. Targeted hiring programs also ensure that new workers get skill training experience through pre-apprenticeship and apprenticeship programs. The majority of apprenticeship programs include classroom training as well as job-site training and typically take 2-5 years to complete while working full-time (The Partnership for Working Families 2013). Workers who complete an apprenticeship program on average make \$240,037 more over their lifetime compared to those who do not (Reed 2015). Furthermore, targeted hiring programs vary depending on how they are implemented and their scope. Targeted hiring policies can be

implemented through many policies and agreement tools, including Community Benefit Agreements (CBAs), Project Labor Agreements (PLAs), Construction Career Policies (CCP) contract provisions, executive orders, resolutions, and ordinances. For the purposes of this literature review, CBAs, PLAs, and Targeted Hiring Ordinances are analyzed because they are the most common implementation method for targeted hiring requirements.

### **Community Benefit Agreements**

Recently the use of Community Benefits Agreements (CBAs) with targeted hiring requirements has gained momentum. CBAs are legally enforceable and binding contracts negotiated between one or more community-based organization and the project developer (Leavitt 2006). CBAs differ from a Developer Agreement (DA) in that a DA is a contract between the city or county and the developer without the representation of community organizations. In comparison to PLAs, CBAs are multi-faceted and can require multiple community benefits such as affordable housing, transit infrastructure, and targeted hiring requirements for construction work. For example, the Figueroa Corridor Coalition for Economic Justice's (FCCEJ) CBA with the Staples Center included local hiring, job training, affordable housing, parks, and recreation, living wage jobs, environmental planning, and parking agreements between community organizations and the project's developer (Leavitt 2006). Julian Ross an attorney for LAANE, Greg LeRoy the director of Good Jobs First, and Madeline Janis-Aparivcio the executive director at LAANE whom all worked on the Los Angeles Staples Center CBA suggest that the primary benefits of a CBA are the agreement's "inclusiveness, enforceability, transparency, coalition building, and efficiency in the public process" (Gross et al. 2002). However, CBAs are primarily successful in small-scale publicly funded development

projects that have a primary contractor and limited sub-contractors, which is not the case for the I-710 Corridor Project, which is a large-scale project with multiple sub-contractors.

### **Targeted Hiring Ordinances**

A targeted hiring ordinance also commonly referred to as a priority hiring ordinance is a common policy tool to implement targeted hiring goals city-wide. A targeted hiring ordinance when adopted by a city council becomes law within the city's municipal code and remains a city standard for all city projects (UCLA Labor Center 2014). A city-wide targeted hiring ordinance is useful because community organizations are unable to repeatedly negotiate the terms of a project's specific labor agreements with limited resources. A city-wide targeted hiring ordinance can also provide greater resources for monitoring, enforcement, and training programs (UCLA Labor Center 2014). However, unlike Project Labor Agreements, targeted hiring ordinances are unable to supersede union hiring hall priority referral systems which can limit the influence and enforcement of targeted hiring requirements (UCLA Labor Center 2014). In addition, while passing a city-wide targeted hiring ordinance would be beneficial for the long-run, advocating for a Los Angeles city-wide targeted hiring ordinance would be a time-consuming endeavor for the purpose of creating job access for Corridor workers on the I-710 Corridor Project. Therefore, for the purpose of the I-710 Corridor Project, targeted hiring requirements implemented through a Project Labor Agreement would be the most practical and comprehensive strategy.

### **Project Labor Agreements**

A Project Labor Agreement (PLA) is a comprehensive contract between labor unions and the manager of the construction project (Figueroa et al. 2011). Since 1996, when the Supreme

Court ruled that Project Labor Agreements (PLAs) were legal for large public projects, community organizations have used PLAs as a tool to negotiate targeted hiring goals (Chimienti 2010). Since 1996, PLAs have been used at both the city, state, and federal level. In February 2009, President Obama Issued Executive Order 13501 which allows and encourages PLAs on large federally funded construction projects (Obama 2009).

PLAs can vary in scope depending on the size of the project. Generally, a PLA establishes safe working conditions, project accountability, protocols for labor disputes, and labor hiring restrictions (Figueroa et al. 2011). PLAs by themselves do not guarantee targeted hire workforce provisions. Instead, Community Workforce Agreements (CWAs) must be advocated for within a PLA and when put into a PLA can be a powerful advocacy tool for increasing employment opportunities for workers of color (Figueroa et. al 2011). A PLA with a Community Workforce Agreement (CWA) is a “formal, legally binding labor-management agreement that is negotiated between public and private construction end-users and the local Building Trades Council and prime contractors” (Building and Construction Trades Department 2010). PLAs with CWAs typically include resources for training and apprenticeship programs which allows targeted workers to take pre-training programs to enter apprenticeship programs (UCLA Labor Center 2014).

PLAs also benefit contractors by creating stable and uniform labor goals to reduce the uncertainties and delays inherent in large-scale construction projects. PLAs are typically used for large-scale, complex projects that require the services of multiple contractors and sub-contractors (PLAs Work 2015). Under both federal and state labor law, it is lawful for public agencies to use PLA agreements. PLAs require contractors to hire through union hiring halls which deploy construction workers by matching the contractor’s requests with their own list of available

workers on their out-of-work lists (UCLA Labor Center 2014). If a union is unable to meet the targeted hiring requests, contractors then have the authority to use alternative hiring sources (UCLA Labor Center 2014). Non-union workers can also participate in a PLA project if they pay and maintain union representation fees during the time of the project and register with the hiring hall (UCLA Labor Center 2014).

Elizabeth Chimienti's (2010) research focuses on identifying barriers to implementing PLAs with targeted hiring requirements. Through interviews with contractors, public agencies, advocate organizations, and unions, Chimienti's (2010) research suggests that individuals interested in employment in the construction industry may not be familiar with the apprenticeship system or know how to join a Building Trade Union. Chimienti's (2010) study also found that unions tend to be dismissive of PLA targeted hiring goals because unions may still discriminate based on race, gender, and because of their lack of political will to enforce the agreement. Chimienti (2010) suggests that PLA hiring goals should be accompanied by pre-apprenticeship training programs, and include incentives to encourage contractor and union compliance (Chimienti 2010). Lastly, Chimienti (2010) suggests that in places where Building Trades are strong, PLAs with targeted hiring goals can be an effective way for low-income workers of color to access construction jobs. When PLAs are carefully drafted to show that local governments are seeking the best value for their money and bargaining for what is best for their jurisdictions, PLAs are continuously upheld in courts (UCLA Labor Center 2014). PLAs are one of the few tools available to targeted hiring advocates that are legally available, successful at meeting its goals, and beneficial to the majority of stakeholders (UCLA Labor Center 2014).

## **Now what?**

To this day, the construction industry is one of the most consistent pathways for low-income workers to enter the middle class. However, the construction industry is still disproportionately inaccessible to low-income workers of color. The accumulated academic articles on urban labor market inequalities give examples of how low-income workers of color are excluded from the construction industry through discriminatory hiring practices, spatial mismatch, social inaccessibility, the industry's reliance on social networks, and the limited supply of well-paying jobs. Targeted hiring programs provide workers of color access to the construction industry by intentionally disrupting construction hiring pipelines by streamlining hiring for disadvantaged workers. The review of community-based reports suggests that targeted hiring requirements are effective when implemented through PLAs, CBAs, and city-wide hiring ordinances but should be case specific for each project and city.

As of now, Caltrans suggests that "All I-710 Corridor cities would experience a beneficial impact from the direct and indirect job growth associated with construction of any of the I-710 Corridor Project Build Alternatives" (Draft EIR at p. 3.24-5). However, as the presented literature suggests, due to structural racism and discrimination within the construction industry, low-income workers of color do not have direct access to jobs within the construction industry. Thus, it is only hopeful for Caltrans to assume that workers along the I-710 Corridor will automatically receive construction jobs without any outlined targeted hiring plan. In addition, there is currently no research on whether residents along the I-710 Corridor have the adequate training or certification to access the Project's direct construction jobs. Therefore, my research ultimately fills in this research gap by determining the likelihood that I-710 Corridor residents will benefit from the I-710 Corridor Project's "direct jobs" through identifying barriers

to access, finding how many Corridor residents have adequate construction training, analyzing Corridor demographics, as well as evaluating the Crenshaw/ LAX Transit Corridor Project as a case study to determine the strengths and weaknesses of the Project's CCP, PLA, and targeted hiring implementation.

## **Research Methods**

My research question asks: what is the likelihood that I-710 Corridor residents will benefit from the I-710 Corridor Project's direct construction jobs? To answer my research question I conducted a mixed-methods study by first examining publicly available data sets including the Bureau of Labor Statistics, North American Industry Classification system (NAICS), and US Census data to determine the demographics of I-710 Corridor cities and the characteristics of the freeway construction industry at the city, county, state, and national level. I specifically use US Census 2010 data to develop an understanding of the demographics of the I-710 Corridor cities analyzing population, race breakdown, education attainment, median income, unemployment, and civilian workforce data. Furthermore, I analyze Bureau of Labor Statistics data to determine the number of workers in the construction industry including construction laborers and highway and bridge construction workers at the city, state, county, and Corridor level. I also compare the average annual salaries for each sector to show how the highway and bridge construction sector is a high-paying job sector.

Additionally, my research examines the level of employment within the construction workforce in Los Angeles County compared to the level of employment in the I-710 Corridor. I want to find whether there is a difference between the rates of construction employment to determine whether I-710 Corridor residents already have the training and experience to



automatically access the project's construction jobs. If both employment rates are the same then it can be inferred that there is a high likelihood that Corridor residents have an opportunity to access the Project's proposed construction jobs. In comparison, if the data show that there are different employment rates, then the data suggest that there is a low likelihood that Corridor residents will have access to the Project's direct construction jobs.

Furthermore, my research analyzes Los Angeles Metro's Crenshaw / LAX Transit Corridor Project as a case study to determine the strengths and weaknesses of Metro's Construction Careers Policy and Projects Labor Agreement as well as the targeted hire implementation and construction worker employment outcomes. To determine whether the Project is meeting its targeted hiring goals, I use Metro's most recent Targeted Worker Summary December 2015 data for the Crenshaw /LAX Transit Corridor Project. The Targeted Worker Summary report is compiled from data collected by LCB Tracker. LCB Tracker is an employment statistics software that collects certified payrolls submitted by contractors and vets the data to determine whether workers are disadvantaged, targeted workers as well as identifies the workers stated race and gender. The detailed Targeted Worker Summary December 2015 report is broken down by the percentage of total project hours for targeted worker hours in economically disadvantaged areas, disadvantaged worker hours, apprenticeship worker hours, craft level breakdown, race / ethnicity as well as gender breakdown (Metro 2015). The purpose of analyzing the data is to examine whether the application of Metro's CCP and PLA on the Crenshaw / LAX Transit Corridor Project is successful in meeting its targeted hiring requirements. However, the data only show surface level details of the Project's targeted hire employment outcomes.

Therefore, in addition to examining Metro's Targeted Worker Summary report, I also conducted semi-structured interviews with targeted hire advocates, as well as the Director of Metro's PLA/Construction Careers Policy, Compliance & Administration, and two representatives from Walsh-Shea, the primary Contractor for the Crenshaw/ LAX Transit Corridor Project. The purpose of the interviews is to examine the barriers that low-income workers of color face accessing construction employment, to understand Metro's CCP and PLA implementation process and outcomes, to determine the strengths and weaknesses of the Metro's CCP and PLA, and to identify recommendations for the I-710 Corridor Project.

Interviewees:

- **Bertha Briseno**, the Project Manager with Walsh-Shea, oversees compliance for the Crenshaw / LAX Transit Corridor project.
- **Erich Engler**, the Business Manager at Walsh-Shea, oversees compliance and hiring.
- **Keith Compton**, the Director for PLA and CCP policy and implementation at the Los Angeles Metropolitan Transit Authority (LAMTA). Keith Compton works with trades, contractors, and community-based organizations to ensure the hiring requirements are met.
- **Jackie Cornejo**, the Research and Policy Analyst for the Construction Careers Project at the Los Angeles Alliance for a New Economy (LAANE), and advocate for targeted hiring requirements.
- **Lanita Morris**, the Project Manager at the UCLA Labor Center and the Black Worker Center, and advocate for targeted hiring requirements as well as the inclusion of black workers in the construction industry.

- **Alexandra Torres**, the Executive Director at WINTER (Women in Non-Traditional Employment Roles), and advocate for the inclusion of women in the construction industry and in targeted hire policies.
- **Ernest Roberts**, the Executive Director at PV jobs, which assists at-risk job candidates in union entry preparation.

## **Findings Section**

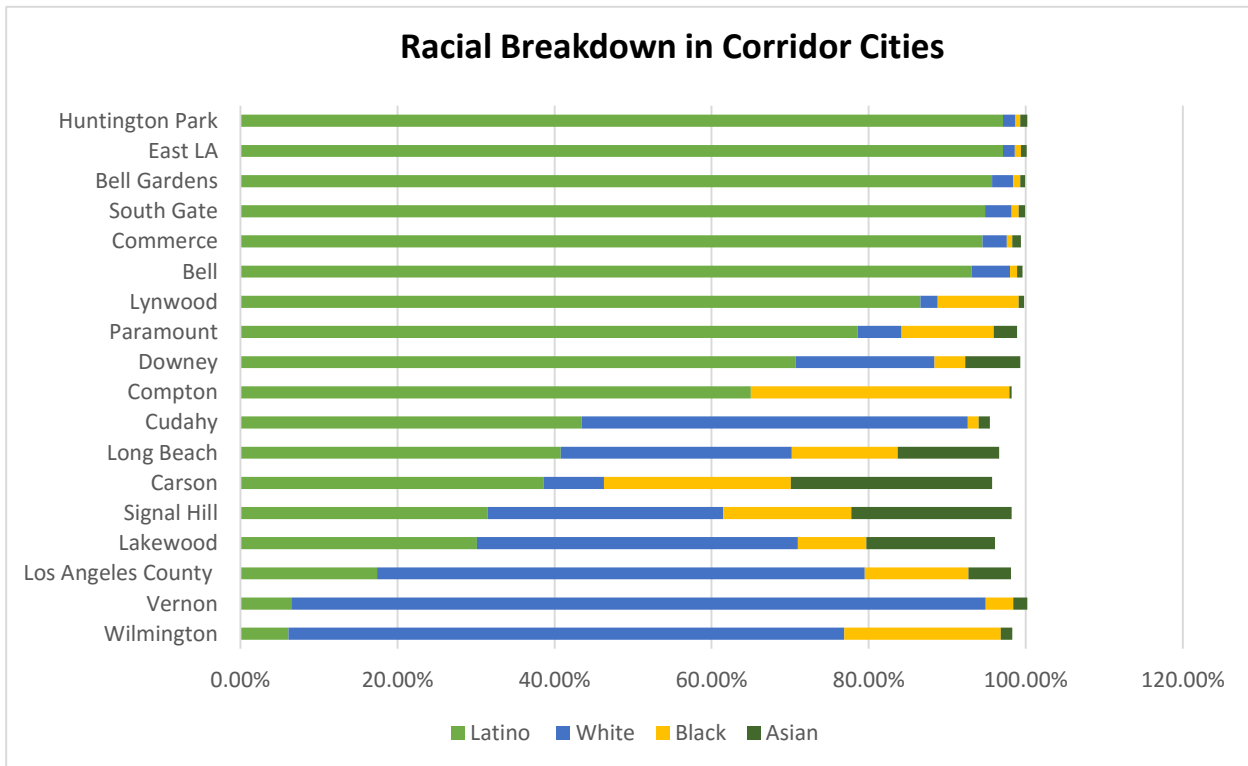
### **Demographics of the I-710 Corridor**

The demographics of a neighborhood tell a detailed story of the economic, political, social, and physical forces that shape a neighborhood. My research specifically looks into population, racial and ethnicity breakdown, median income, education attainment, unemployment and workforce demographics of the I-710 Corridor. For the purposes of my research, I consider all cities that touch the I-710 freeway as part of the I-710 Corridor. As map 1 represents, the I-710 Corridor cities include Bell, Bell Gardens, Carson, Commerce, Compton, Cudahy, Downey, Huntington Park, Lakewood, Long Beach, East LA, Lynwood, Maywood, Paramount, Signal Hill, South Gate, Vernon, and Wilmington. It is important to look into the demographics of the I-710 Corridor cities to understand whether there are access barriers for construction jobs, as well as determine whether increased employment opportunities are necessary, and why a targeted hiring approach could benefit residents.

There are approximately 1,540,161 residents living within all of the Corridor cities, representing 6.5% of the total population in Los Angeles County, as shown in Table 1 (US Census 2010). Compared to greater Los Angeles County, Corridor cities have more residents that identify as Latino and fewer residents that identify as white with an average of 64.8% Latino,

21.23% White, 8.42% Black, and 5.34% Asian residents living within the Corridor, as shown in Table 2 (U.S Census 2010). Figure 3 and 4 show the racial breakdown of each city along the Corridor and identify that Latino residents are the highest percentage, with the highest population density in Maywood, Huntington Park, East LA, Bell Gardens, South Gate, Commerce, and Bell.

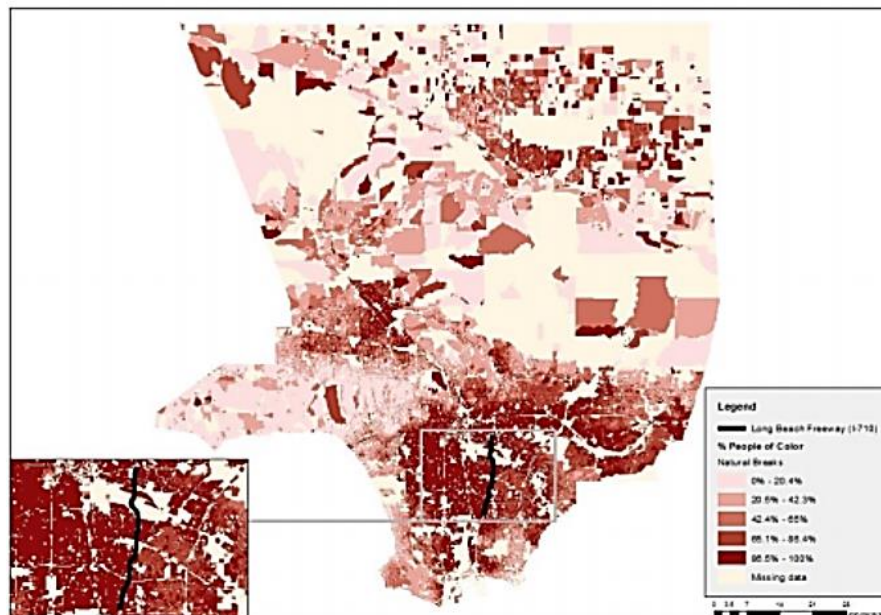
**Figure 3:**



Source: U. S Census Quick Facts 2010

**Figure 4:**

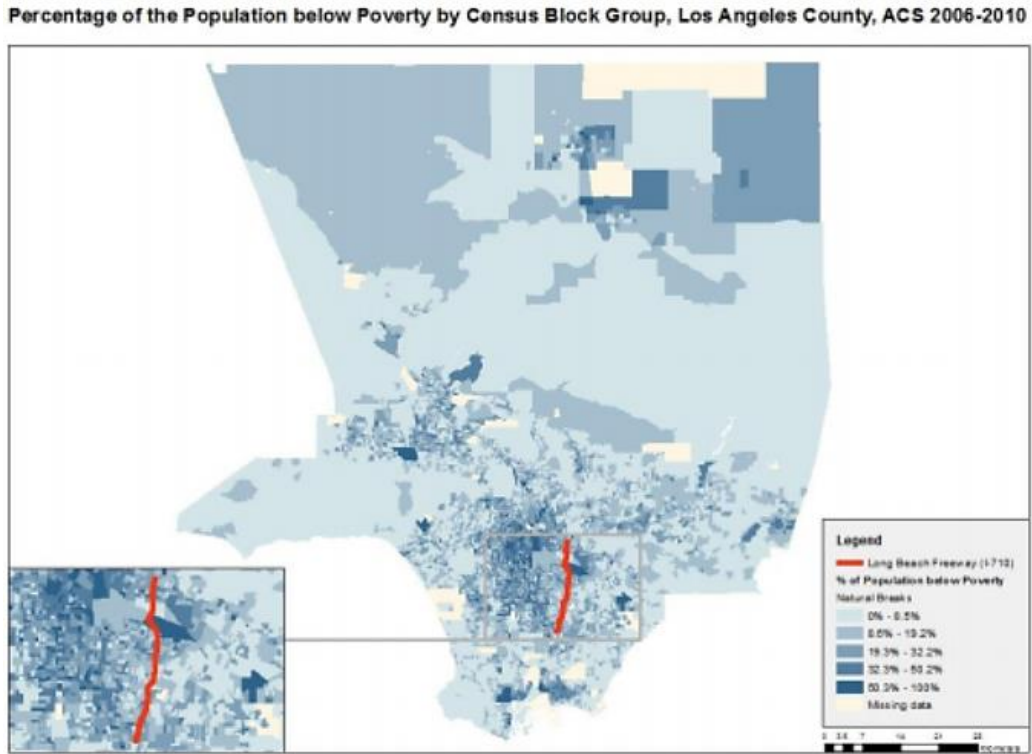
**Percentage of People of Color by Census Block, Los Angeles County, Census 2010**



*Source: University of Southern California (USC). Program for Environmental and regional equity. 2012.*

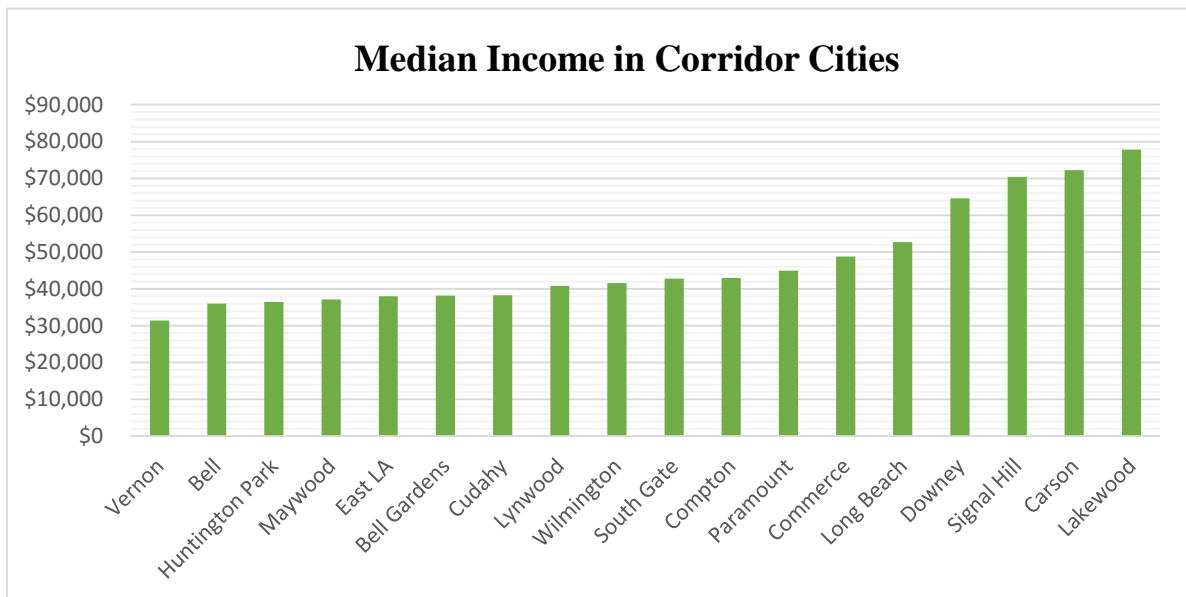
Compared to Los Angeles County, residents living within the I-710 Corridor have on average a lower socioeconomic status (SES)—including the rate of residents living below the federal poverty level, median household income, and unemployment rates, as shown in Figure 5 (Gateway Cities 2011). For example, the average aggregated median income of the Corridor cities is \$47,487, approximately \$10,000 less than the average median income for Los Angeles County, as shown in Table 3. Compared to the aggregated average of the total Corridor cities, Figure 6 shows that Vernon, Bell, Huntington Park, Maywood, East LA, Bell Gardens, and Cudahy have a median income of approximately \$37,000.

**Figure 5:**



Source: University of Southern California (USC). 2012. *Program for Environmental and regional equity.*

**Figure 6:**



Source: *US Census 2010 Quick Facts*

## **The I-710 Corridor Construction Sector**

There are many specialized sectors that make up the multi-billion dollar construction industry. The highway and bridge construction sector is primarily engaged in the construction of highways including streets, roads, airport runways, public sidewalks, bridges and may include new work, reconstruction, rehabilitation, and repairs (BLS 2014). My construction data analysis concentrates on examining the highway and bridge construction employment and wage data to explore a specific freeway construction sector and to understand the various specifications within the sector. In order to understand how the highway and bridge construction industry is specialized, I compare the number of workers and mean annual salaries for highway and bridge construction workers to construction and extraction workers and construction laborers.

Within the Corridor cities, there are approximately 607, 744 civilian workforce participants, meaning there are over half a million active workers living within the Corridor, as shown in Table 4 (US census Quick facts 2010). Calculating the total civilian workforce along the Corridor is necessary to properly calculate able-bodied workers. Table 5 shows a breakdown of the total construction, extraction workers, construction laborers, and highway and bridge construction workers in the US, California, Los Angeles County, and the I-710 Corridor. According to the U.S Census (2000), approximately 13.2% of construction workers in Los Angeles County live within the I-710 Corridor, as shown in Table 6. However, the given percentage of construction workers living in the Corridor is skewed because the data are from the 2000 US census and only account for 11 out of 18 cities within the Corridor. Therefore, the total percentage of construction workers living within the Corridor could be higher when accounting for an approximately 4% population change from 2000-2014 and with the consideration of all the Corridor cities. According to the Bureau of Labor Statistics (2014), there are approximately 3,

072 highway and bridge construction workers living in Los Angeles County. The majority of highway and bridge construction projects are publically funded through public institutions like the Los Angeles County Metropolitan Transportation Authority who open public projects for private contractor bidding. Therefore, highway and bridge construction workers are managed and hired by private contractors and are classified as private construction workers. Although there is no way to prove that of the approximately 14,579 construction workers residing in 11 cities along the Corridor are highway and bridge construction workers, it can be argued that there are already many individuals living within the Corridor that have construction training and many could be working within the highway and bridge construction sector. It is valuable to determine the total residents working along the Corridor, as well as the percentage of construction workers living in the Corridor because it shows that there are already trained, able-bodied construction workers living in Corridor communities.

### **Why focus on the construction sector for targeted hiring?**

For a variety of reasons, targeted hiring requirements have been implemented through the publicly funded construction sector. This is the case because publicly funded infrastructure projects like Metro's Crenshaw/ LAX Transit Corridor Project are large in scope and require hundreds of workers, sub-contractors, and large prime contractors who have the financial capability to implement targeted hiring requirements. Additionally, public policies such as Metro's Construction Careers Policy and Project Labor Agreement are used to implement targeted hiring requirements because targeted hiring advocates have leverage through the public sector with greater community input, accountability, and through the nature of public funding.



In addition, highway and bridge construction workers require extra training and certifications including O.S.H.A. training, first Aid/CPR/AED certification, aerial lift, forklift, mobile crane, crane signaling, and skid steer training, as well as HAZWOPER certification for tunneling projects (Dot Illinois). As Table 7 represents, with more specialized training requirements than construction laborers, highway and bridge construction workers in Los Angeles County have double the annual salaries compared to construction laborers. For example, in Los Angeles County a construction laborer's annual salary is \$42,200, whereas a highway and bridge construction worker's annual salary is \$83, 506, the annual difference of \$41, 306 (Bureau of Labor Statistics 2014). In addition, according to Union Watch, in Los Angeles County, approximately 35% of construction workers are unionized with greater access to training. With high unionization rates and high annual salaries make the publically funded construction industry a well-paying and stable career opportunity.

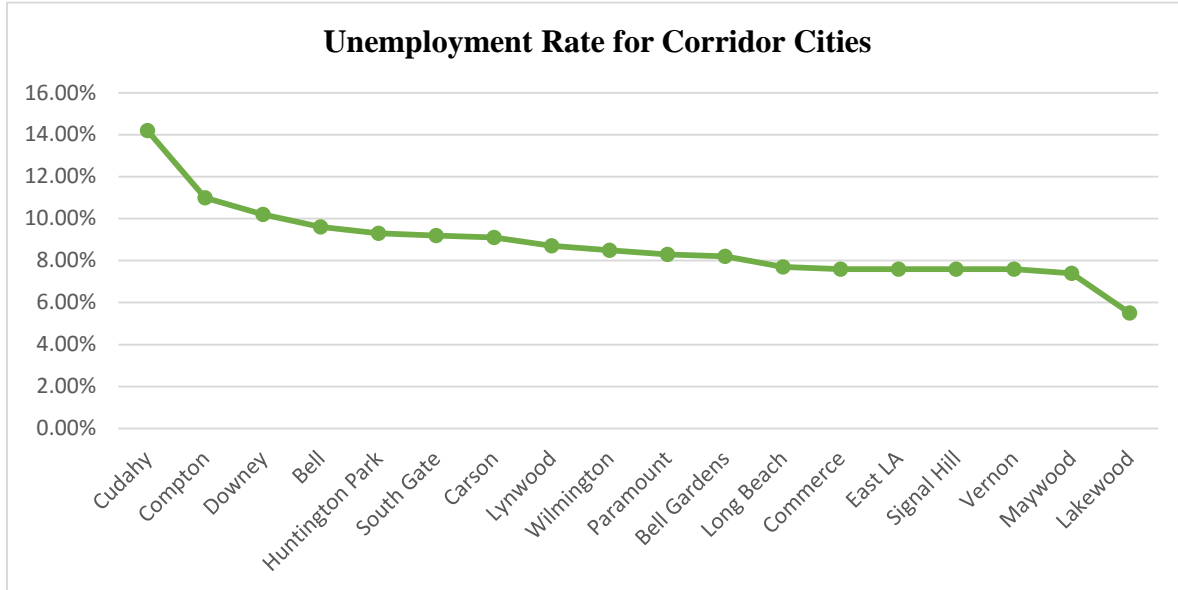
Furthermore, the nation's aging infrastructure and new housing, transportation, and interconnectivity is fueling the demand for construction workers. Across the US and especially in Los Angeles, the construction sector is expected to rapidly grow (BLS 2013). The increase in demand for construction has directly resulted in an increase in public construction funding. The implementation of Measure R's half-cent sales tax in Los Angeles County to finance new transportation projects and programs will generate over \$40 billion over 30 years for public funded infrastructure projects that will help boost construction industry job growth (Metro Measure R). Furthermore, the pending I-710 Corridor Project is projected to cost up to \$7 billion and demand thousands of construction jobs over the course of the project (Huffington Post 2012). Targeted hiring programs are primarily implemented through the publically funded construction industry because the industry is characterized by large projects that require

hundreds of workers, sub-contractors, and large prime contractors who have the financial capability to implement targeted hiring requirements and because the industry is characterized by high paying unionized job opportunities in a growing business sector.

### **Access Barriers within the Construction Industry**

The I-710 Corridor Project's Draft Environmental Impact Report (DEIR) states that "direct and indirect employee needs will likely be accommodated by the existing labor pool within the Study Area since the unemployment rate in the Study Area currently ranges from 8 percent to 22 percent". In other words, the I-710 Corridor Project's DEIR estimates that the Project's employment opportunities will be accommodated by the existing labor pool within the Corridor due to the high unemployment rates. Although the average unemployment rate for the Corridor cities is 8.74%, about 1% higher than Los Angeles County, a high unemployment rate does not directly correlate to residents receiving construction jobs for the Project. Figure 7 shows the unemployment rates of each of the Corridor Cities. Furthermore, while there are already approximately 14,579 construction workers living along the corridor, there is no up to date data to calculate how many construction workers live within the Corridor and are trained, able, and have the certification to start construction work on the Project. Therefore, if Caltrans cannot prove that there are already trained construction workers ready and able to work along the Corridor, then it is a false statement to say that "direct and indirect employee needs will likely be accommodated by the existing labor pool".

**Figure 7:**



Source: *US Census Quick Facts 2010*

In addition, as outlined in the literature review, there are structural reasons why residents along the Corridor will not automatically receive the I-710 Corridor Project’s direct construction jobs. These reasons include discriminatory and exclusive construction hiring pipelines, social inaccessibility, the industry’s reliance on social networks and the limited supply of well-paying jobs. Lanita Morris (2015), a targeted hiring advocate with the UCLA Labor Center explains that historically, black workers have been excluded from trade unions through restrictive covenants and only recently through the enforcement of hiring requirements have these exclusionary rules slowly been chipped away. Furthermore, Morris (2015) argues that there is still significant discrimination in union hiring halls that perpetuate hiring biases and the exclusion of black workers in the construction industry. According to Jackie Cornejo (2015), a Construction Careers Policy advocate with LAANE, resources, access, and education are the primary barriers low-income residents face when accessing and retaining construction jobs. For example, many

construction programs require a high school diploma, background in algebra, application, training, and equipment fees, as well as a car for transportation (Cornejo 2015). Many low-income residents who grow up poor going to under-funded schools do not have a high school diploma, knowledge of algebra, a car or money for expensive equipment, creating extreme access barriers into construction careers (Cornejo 2015). Furthermore, the primary barrier that prevents women from accessing well-paying construction jobs is the knowledge that women are not allowed and accepted in the construction industry (Torres 2015). In response, Alexandra Torres (2015), the Executive Director at WINTER suggests that it is necessary to change the discriminatory and shaming culture towards women within the construction industry.

Within the construction industry, social networks are an essential component to the hiring process. Cornejo (2015) highlights that in the construction industry, “it’s all about who you know and your networks to a union hiring hall”. A lack of access to social hiring networks creates additional barriers for workers who are not connected to the construction industry. Social hiring network barriers are also perpetuated by sub-contractors reliance on relationship hiring. Erich Engler (2016), a Business Manager at Walsh-Shea explains that “it is usually the same people that stay and continue to work for construction contractors because contractors get used to the workers and begin to trust and depend on their work”. Consequently, Engler (2016) states that “it has been a challenge to change the hiring culture and have to tell sub-contractors that they are required to hire a certain percentage of disadvantaged workers”. Furthermore, Engler (2016) suggests that sub-contractors will insist that their “trade is highly specialized and don’t have the apprenticeship-able job positions”. Therefore, Engler (2016) knew that “implementing Metro’s targeted hiring requirements was going to be a challenge because we knew the unions already had their people, and in order to meet Metro’s PLA requirements we knew we had to get creative

because we wanted to hire people from the community”. Engler (2016) suggests that while some sub-contractors are highly specialized and have two employees that cannot be replaced by new apprenticeship workers, many sub-contractors can and should take on more apprenticeship workers, but refuse to because of the burden of training new workers.

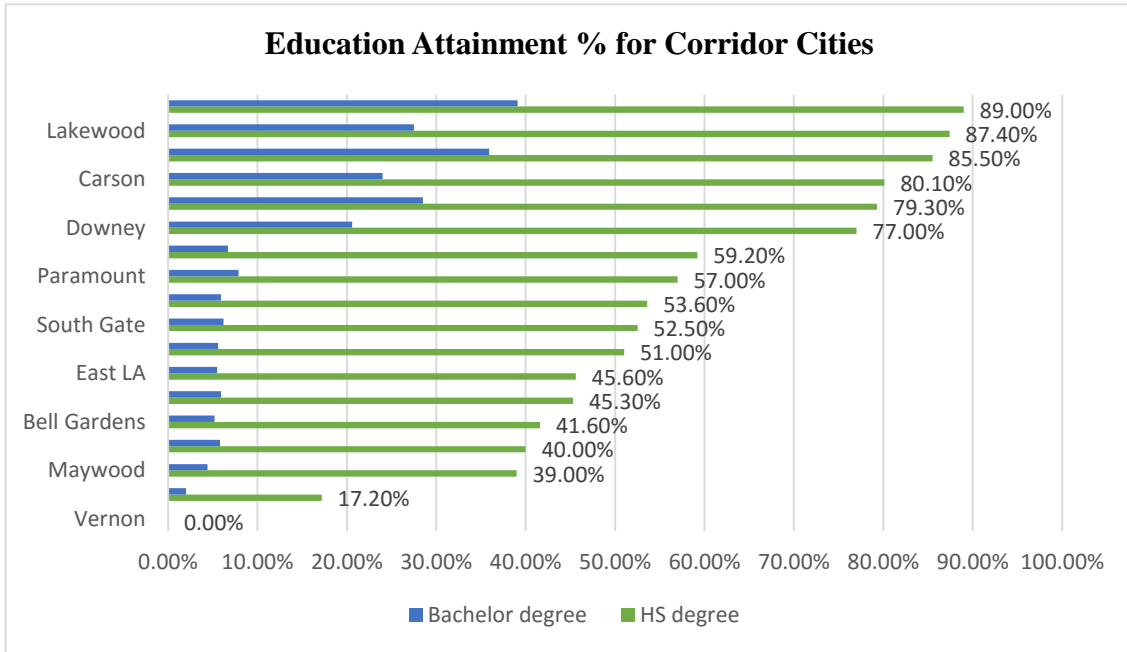
Based on the historical and present barriers low-income workers of color face accessing and sustaining a career within the construction industry, it is unrealistic for Caltrans to assume that I-710 Corridor Project construction employment opportunities will automatically be accommodated by the existing labor pool within Corridor cities. Moreover, Caltrans is proposing a false estimate to assume that workers along the Corridor will automatically receive the construction jobs without having the data to prove that the residents along the I-710 Corridor have the training, certification, access, and resources to work on the Project. Engler (2016) understands that without any hiring requirements, “sub-contractors would continue to hire based on their social networks and their current workers”, continuing to exclude local, low-income residents who do not have access or the resources to start a career within the construction industry. According to Morris (2015), Cornejo (2015), Torres (2015), and Engler (2016), targeted hiring requirements help to disrupt construction hiring pipelines and assist in dissolving access barriers through the enforcement of outreach, training, and direct job access opportunities for low-income construction workers of color.

### **Why focus on the Corridor for targeted hiring requirements?**

If given the opportunity, residents living within the Corridor would greatly benefit from access to the Project’s well-paying construction jobs due to the Corridor’s high unemployment rates and lower average median income. The I-710 Corridor Project’s direct proximity to

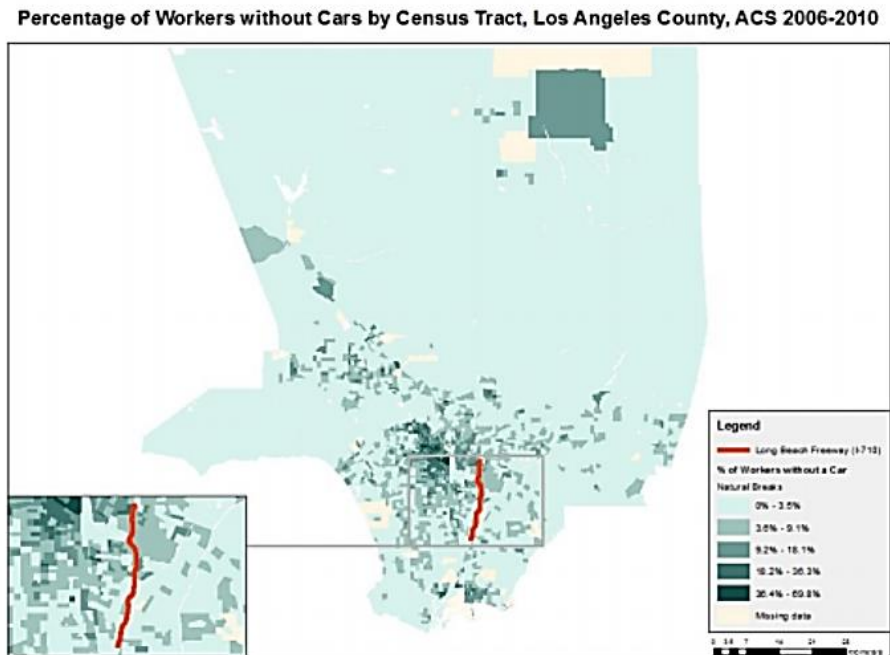
Corridor communities provides Caltrans a great opportunity to hire local Corridor residents that are both seeking jobs, some with construction training and experience, and with overall average education attainment levels. Data from the U.S. Census (2010) show that the aggregated average percentage of residents along the Corridor with an HS degree is 55.5% and with a bachelor degree 13.1%, as illustrated in Figure 8. With over half of Corridor residents with a high school degree, if given additional specialized construction training, Corridor residents would be great candidates for construction industry employment. In addition, as shown in Figure 9, workers along the Corridor have lower rates of car ownership compared to greater Los Angeles County. Therefore, residents along the corridor would greatly benefit from local jobs that are closer to where workers live. Furthermore, with proper outreach and hiring requirements for local, targeted residents, Caltrans would limit transportation emission externalities from outside workers traveling long distances to work on the I-710 Corridor Project. Although it is unrealistic to assume that the Project's construction jobs will be automatically acquired by the existing construction labor pool within the Corridor, there is an opportunity for Corridor residents to qualify for construction jobs when given adequate outreach and training. Therefore, with proper outreach, training, and targeted hiring requirements for local, disadvantaged workers, residents living along the Corridor will have the access to fulfill Caltrans's promise of creating construction jobs for Corridor residents.

**Figure 8:**



Source: *US Census Quick Facts 2010*

**Figure 9:**



Source: *University of Southern California (USC). Program for Environmental and regional equity. 2012.*

## Los Angeles Metro's CCP and PLA

In 2012, after years of community pressure, the Los Angeles Metropolitan Transit Authority (LACMTA) introduced a Construction Careers Policy (CCP) and Project Labor Agreement (PLA) with targeted hire requirements. Metro's Construction Careers Policy (CCP) "encourages" construction employment and training opportunities for local residents to mitigate the harms caused by geographically concentrated poverty, unemployment, and underemployment in economically disadvantaged and extremely economically disadvantaged areas (Metro 2012). Metro's Project Labor Agreement (PLA) is applied to all construction projects greater than \$2.5 million and awarded by the LACMTA which requires 40% participation of construction workers residing in economically disadvantaged areas<sup>1</sup>, 10% participation of disadvantaged workers<sup>2</sup>, and 20% participation of apprentices<sup>3</sup> (Metro 2012). Metro's CCP and PLA is monitored by both Metro and the primary contractor through the LCB labor compliance tracker system is enforced by the threat of liquidated damages (Metro CCP).

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<sup>1</sup> Targeted workers means an individual whose primary place of residence is (1) within an extremely economically disadvantaged area, which is a zip code that includes a census tract, or portion thereof, in which the median annual household income is less than \$32,000 per year; or, (2) within an economically disadvantaged area, which is a zip code that includes a census tract, or portion thereof, in which the median annual household income is less than \$40,000 per year. ([http://media.metro.net/about\\_us/pla/images/policy\\_constructioncareers\\_2015.pdf](http://media.metro.net/about_us/pla/images/policy_constructioncareers_2015.pdf) )

<sup>2</sup> Disadvantaged Worker means an individual who, prior to commencing work on the project, meets the income requirements of a Targeted Worker and faces at least two of the following barriers to employment: (1) being homeless; (2) being a custodial single parent;(3) receiving public assistance; (4) lacking a GED or high school diploma; (5) having a criminal record or other involvement with the criminal justice system; (6) suffering from chronic unemployment; (7) emancipated from the foster care system; (8) being a veteran of the Iraq/Afghanistan war; or (9) being an apprentice with less than 15% of the required graduating apprenticeship hours in a program. ([http://media.metro.net/about\\_us/pla/images/policy\\_constructioncareers\\_2015.pdf](http://media.metro.net/about_us/pla/images/policy_constructioncareers_2015.pdf))

<sup>3</sup> At least 20% of total work hours on each project will be performed by apprentices, but the hours performed by apprentices in each individual craft shall not exceed the ratio to journeyman established by the applicable craft union's Division of Apprenticeship Standards (DAS) approved apprenticeship standards. Local Targeted Workers will perform 50% of all apprenticeship hours worked on the Project. ([http://media.metro.net/about\\_us/pla/images/policy\\_constructioncareers\\_2015.pdf](http://media.metro.net/about_us/pla/images/policy_constructioncareers_2015.pdf) )



## **Targeted Worker Summary Report**

I analyzed Los Angeles Metro's Crenshaw/ LAX Transit Corridor Project's Targeted Worker Summary to determine whether the implementation of Metro's CCP and PLA was successful in meeting its targeted hiring requirements. The Targeted Worker Summary Report shows in Figure 10 that the cumulative hours for workers living in economically disadvantaged areas is 59.3%, cumulative apprenticeship hours is 17.6%, and cumulative disadvantaged worker hours is 11.5% (Metro 2015). While the Crenshaw / LAX Transit Corridor Project is only 45% completed, the data show that the Project has already exceeded its targeted hiring requirements. However, the data does show employment disparities based on gender and race. For instance, the data show that women represent only 2.8% of the workers hired by the Project. Furthermore, there are racial disparities within the construction workforce with over 55% Latino, 23% White, 16% Black, 1.2% Asian, and 3.1% Native American workers on the Project. While the Crenshaw / LAX Transit Corridor Project has already exceeded its targeted hiring requirements outlined by Metro's CCP and PLA, there are still significant gender and race disparities among the workers. This may be the case because currently Metro's CCP and PLA does not include gender or race-based hiring requirements. Beyond the gender and race disparities, the data illustrate that the targeted hiring requirements were met half way through the project suggesting that Metro's CCP and PLA is an effective model for hiring disadvantaged, local workers and should be a model for future targeted hiring programs.

## **Strengths of Metro's CCP and PLA**

### **Common Grant Rule**

The Common Grant Rule under the Federal Highway Administration prohibits the use of geographic or local hiring preferences on construction projects that receive federal funding (FHA 2016). Metro's Crenshaw / LAX Transit Corridor Project uses federal funding and is therefore not allowed to implement local hire preferences. However, Keith Compton (2016), the Director of PLA/CCP at LACMTA states that "it is rare for out-of-state construction workers to work on local projects". Therefore, although Metro's CCP and PLA policy and targeted hiring requirements are national in scope, Metro's CCP and PLA technically goes around the Department of Transportation's local hire restriction by the nature of their local hiring base.

### **Transparency and Universality of Requirements**

Jackie Cornejo (2015) suggests that Metro's CCP and PLA is a model targeted hiring policy because the policy requires a publically transparent hiring process that all contractors have to universally abide by. Lanita Morris (2015) additionally suggests that the universality of Metro's CCP and PLA limits the necessity of community organizations having to advocate for targeted hiring requirements for each proposed project. In addition, Cornejo (2015) states that Metro's CCP and PLA is a powerful framework to hire local disadvantaged workers because the policy and agreement supersede union hall's master labor agreements and allows disadvantaged workers to move to the front of the hiring line helping retain workers and creating a stable income and job for hundreds of workers".

## **Construction Careers Information Center**

To overcome union hiring hall barriers and restrictive hiring culture within the industry, Walsh-Shea started a targeted hiring outreach program with the Los Angeles Urban League called the Construction Careers Information Center (CCIC) (Engler 2016). The purpose of the CCIC is to give information to prospective community residents about the Project's construction work and be the first step towards beginning a career in the construction industry. In addition, Walsh-Shea refers prospective construction workers to PV Jobs, which assists at-risk job candidates in union entry preparation (Engler 2016). PV Jobs is also the Crenshaw/ LAX Project's Job Coordinator and helps interview candidates, as well as assist them in training and job preparation (Engler 2016). From the beginning, Walsh-Shea's decision to create the CCIC and to work directly with PV Jobs as the Job Coordinator ensured that the Project would meet the targeted hiring requirements by creating direct access pathways for workers of color to enter the construction industry.

## **Punitive Enforcement Model**

Metro's CCP and PLA's targeted hiring requirements are enforced through the threat of liquidated damages (Compton 2015). Metro calculates liquidated damages based on targeted hiring outcomes and requires the primary contractor to pay compensation if the contractor fails to meet the requirements. The inclusion of a liquidated damages plan ensures that there will be a financial cost if the requirements are not met (Compton 2015). In addition to Metro's liquidated damages agreement, Walsh -Shea instituted a three strike system to ensure sub-contractors meet the targeted hiring requirements. If the sub-contractor does not meet the hiring requirements, Walsh-Shea first sends a letter defining and outlining the requirements. If the sub-contractor

continues to not meet the hiring requirements, Walsh-Shea requires the sub-contractor to complete an employment hiring plan. Lastly, if the hiring requirements are not fulfilled after two strikes, Walsh-Shea withholds payment until the sub-contractor meets with the owners and fulfills the requirements. Metro's liquidated damages plan and Walsh-Shea's three strike system together create a punitive enforcement culture. The fact that Walsh-Shea has already exceeded the Project's targeted hiring requirements half way through the Project shows that the punitive enforcement model is beneficial to the success of the program.

Although enforcing targeted hiring requirements has created more work for Walsh-Shea, Engler (2016) argues that "Metro's CCP and PLA has had a positive impact on Walsh-Shea and by exceeding the targeted requirements, Walsh-Shea has a unique competitive tool and opportunity with the community". In addition, Engler (2016) states that the implementation of Metro's CCP and PLA was "Worth it. It is peanuts. One boarding machine is \$15 Million dollars. You can build in programs like targeted hiring that doesn't hurt your bottom line". While the cost and time burden of implementing targeted hiring requirements falls on the primary contractor, Walsh-Shea views Metro's CCP and PLA as a great opportunity for the company to build relationships with the local community and to have a competitive advantage over other large contractors bidding for Metro's projects. Additionally, the cost of implementing the targeted hiring requirements is "peanuts" compared to other project costs such as a boarding machine and can easily be absorbed by large contractors making the targeted hiring program a win-win for Metro, the community, and Walsh-Shea.

## **Weaknesses of Metro's CCP and PLA**

### **Minority Contractor Limitations**

Although the Crenshaw/ LAX Transit Corridor Project has fulfilled the targeted hiring requirements, the policy and agreement are not without flaws. According to Engler (2016), minority-led smaller contractors have a harder time implementing Metro's CCP and PLA because they usually have limited staff and a smaller budget. In comparison, Walsh-Shea was able to absorb the cost and time to implement Metro's CCP and PLA because of their multi-billion dollar budget and numerous staff. The cost of losing minority-led and smaller firms in public construction bids must be considered during the creation of targeted hiring requirements

### **Loophole in Apprenticeship Requirement**

Erich Engler (2015) suggests that Metro's CCP and PLA's 20% apprenticeship worker requirement limits the success of apprenticeship workers staining a career with the Project. For instance, when apprenticeship workers eventually transition to journey worker, the workers are no longer counted for the Project's apprenticeship numbers. Therefore, in order to prevent the loss and firing of new journey workers, Engler (2016) suggests that Metro change its requirement to count newly journey workers as apprenticeship workers. However, according to Bertha Briseno (2016), there is already a 20% apprenticeship hiring requirement for public construction projects for the State of California. Therefore, even if Metro changes it CCP, PLA and targeted hiring requirements, California's hiring requirements would still require 20% apprenticeship workers.

## **Limited Inclusion of Women Workers**

Currently, Metro's CCP and PLA does not require a percentage of women to work its projects, limiting the opportunity and access of women to enter the construction industry (Torres 2015). According to Alexandra Torres (2015), Metro's one day conference with prospective women construction workers and apprenticeship coordinators was a beneficial step in showing prospective women how they can access the construction industry. While there are significant weaknesses in Metro's CCP and PLA, overall Metro's CCP and PLA is effective at recruiting and hiring disadvantaged, targeted workers and should be considered a successful model for other large publically funded construction projects.

## **Key Findings**

### **1. Compared to Los Angeles County, I-710 Corridor communities have lower socioeconomic status, high unemployment rates, and average education attainment rates.**

My research question which asks: what is the likely hood that I-710 Corridor residents will benefit from the I-710 Corridor projects direct construction jobs? To answer my research question, I first analyzed Corridor demographics to describe the general characteristics of the I-710 Corridor communities. I found that Corridor residents are predominantly Latinx<sup>4</sup> and have an overall lower socioeconomic status (SES) compared to Los Angeles County with lower average median incomes and higher unemployment rates. In addition, I found that over half of Corridor residents have a HS degree. These findings suggest that if Corridor residents are given the opportunity, Corridor residents would greatly benefit from access to the Project's well-paying construction jobs due to the Corridor's high unemployment rates and lower average

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<sup>4</sup> To be inclusive to all genders on the spectrum, I intentionally use the term Latinx instead of Latino.

median income. In addition, the I-710 Corridor Project's direct proximity to Corridor communities provides Caltrans a great opportunity to hire local Corridor residents that are both seeking jobs, some with construction training and experience, and that have average education attainment levels.

## **2. Highway construction workers have high annual salaries and more training requirements.**

I compared the annual salaries and population of highway and bridge construction workers to construction laborers and general construction and extraction workers to demonstrate how the highway and bridge sector is specialized. I measured the term specialized through three factors including the number of workers, number of certificate and training requirements, and average annual salary. Compared to construction laborers in Los Angeles County, I found that highway and bridge construction workers have more training and certification requirements and double the annual salaries. For example, in Los Angeles County, highway and bridge construction workers make \$83, 506 annually, \$41, 306 more per year than construction laborers. In addition, in Los Angeles County, approximately 35% of construction workers are unionized with greater access to training and high annual salaries making the publically funded construction industry a well-paying and stable career opportunity. The fact that the highway construction sector has mandatory extra training requirements shows that Caltrans cannot assume that Corridor residents can automatically receive the Project's construction jobs without determining whether or not Corridor workers have the necessary certification and training to attain the construction jobs.

**3. There is limited data on the number of trained construction workers living within the Corridor.**

I compared the number of construction workers living in Los Angeles County with construction workers living in the Corridor to determine whether there are construction workers living within the Corridor to automatically receive the I-710 Corridor Project's direct construction jobs. I found that construction employment data for Corridor cities was limited and only showed that 14,579 general construction and extraction workers live in 11 out of the 18 cities. However, the data are from 2000 which does not count for an approximately 4% population change from 2000-2014. In addition, the data do not show construction worker certification or training. Therefore, I could not fully estimate how many workers are currently living in Corridor cities nor determine whether these workers had the accurate certification and training required for the freeway construction industry. On the other hand, although there is no way to prove that the 14,579 construction workers residing in 11 cities within the Corridor are highway and bridge construction workers, it can be argued that there are already many individuals living within the Corridor that have construction training. However, without data proving that Corridor workers are trained with the necessary freeway construction certification requirements, demonstrates why Caltrans cannot assume that Corridor residents will have automatic access to the Project's direct construction jobs.

**4. Targeted hiring programs are primarily implemented through the publically funded construction industry because of large funding and policy leverage.**

Through conducting semi-structured interviews, I found that targeted hiring programs are primarily implemented through publically funded infrastructure projects like Metro's Crenshaw/LAX Transit Corridor Project. This is the case because these projects are large in scope and



require hundreds of workers, sub-contractors, and large prime contractors who have the financial capability to implement targeted hiring programs. I additionally found that public policies such as Metro's Construction Careers Policy and Project Labor Agreement are used to implement targeted hiring requirements because targeted hiring advocates have leverage through the public sector with greater community input, accountability, and through the nature of public funding. Furthermore, across the US and especially in Los Angeles, the construction sector is expected to rapidly grow resulting in increasing public funding for infrastructure projects. These findings suggest that targeted hiring implementation within the construction industry is feasible and effective due to public policy leverage, the fact that large primary contractors have financial stability, and because of the increasing funding for public infrastructure projects.

**5. Systematic barriers within the construction industry restrict low-income workers of color from accessing construction jobs.**

Through conducting semi-structured interviews with targeted hire advocates as well as representatives from Metro and Walsh-Shea I found that there are systematic barriers that prevent low-income workers of color from accessing the construction industry. These barriers include institutionalized discriminatory hiring practices within trade unions, exclusive hiring pipelines that are reliant on social networks, and training, registration, and equipment fees. Moreover, I found that sub-contractors will insist that their trade is highly specialized and does not qualify for apprenticeship-able job positions resulting in the systematic exclusion of workers entering the construction industry. Due to the barriers low-income workers of color face accessing the construction industry, it is unrealistic for Caltrans to assume that I-710 construction employment opportunities will automatically be accommodated by the existing labor pool within Corridor cities without any hiring plan that would effectively disrupt traditional, exclusive

construction hiring pipelines. Targeted hiring requirements would help disrupt construction hiring pipelines and assist in dissolving access barriers through the institutionalizing outreach and training programs as well as creating direct job access opportunities for low-income workers of color.

**6. Los Angeles Metro's CCP and PLA has effectively hired targeted, local, disadvantaged construction workers on the Crenshaw / LAX Transit Corridor Project.**

I analyzed the employment hiring outcomes as well as the implementation and enforcement processes of Metro's CCP and PLA on the Crenshaw / LAX Transit Corridor to determine the strengths and weaknesses of the program. I found that Metro's CCP and PLA is broadly applied to publically-funded infrastructure projects greater than \$2.5 M and requires all contractors to hire 40% workers residing in economically disadvantaged areas, 10% participation of disadvantaged workers, 20% participation of apprenticeship workers. In addition, I discovered that although Metro's CCP and PLA policy is national in scope, the policy goes around the Department of Transportation's local hire restrictions by the nature of its local hiring base. In addition, I found that Metro's hiring requirements and outcomes are monitored through the LCB Tracker software and are enforced through the threat of liquidated damages and a three strike system for compliance enforced by the primary contractor, Walsh-Shea. I also found that the creation of localized training centers and a community-based job coordinator position was key to the success of the project. In addition, I discovered that Metro and Wash-Shea have sufficiently met the Project's targeted hiring requirements, only half way through the Crenshaw / LAX Transit Corridor Project. Furthermore, although the Targeted Worker Summary data show systematic hiring disparities based on gender and race, the data overall suggest that Metro's CCP and PLA's implementation and enforcement model is an effective model for hiring

disadvantaged, local workers and should be considered a model for future targeted hiring programs.

## **Data Limitations and Future Research**

### **Limited I-710 Corridor Construction Worker Data**

Currently, the only data showing how many construction workers reside within the I-710 Corridor is from the 2000 American Factfinder for 11 out of the 14 Corridor cities. This presents a significant hole in the data and is a large data limitation in determining whether Corridor workers will receive the Project's 'direct construction jobs'. Therefore, in order to prove that the constructions jobs from the I-710 Project will benefit Corridor residents, there needs to be future research on the number of construction workers living within the I-710 Corridor, their training and certification, and their ability to access and work on the I-710 Project.

### **Limited Targeted Hiring Model Analysis**

My targeted hiring program model analysis is limited to the exploration of Metro's CCP and PLA on the Crenshaw / LAX Transit Corridor Project. I chose to examine Metro's CCP and PLA because of the similarities between Metro's Crenshaw / LAX Transit Corridor Project and Caltrans I-710 Project as well as to understand of effectiveness, strengths, and weaknesses of a specific targeted hiring program. Future research should analyze other targeted hiring models including various policies, agreements, ordinances, and programs at the federal, state, county, city and neighborhood level in order to have a robust understanding of the strengths and weaknesses of each method and model.

## **No Construction Worker Perspective**

Due to limited data collection time and access limitations, my research only analyzes the perspectives of community organizations and job coordinators who represent construction workers but does not analyze the perspectives of construction workers themselves. Therefore, in order fully understand the barriers that disadvantaged construction workers face accessing the construction industry, further research should include interviewing or surveying construction workers living within Los Angeles County and the I-710 Corrido communities.

## **Recommendations: I-710 Corridor Project**

- 1. In order to fulfill Caltrans's claim that "employee needs will likely be accommodated by the existing labor pool in the study area", Caltrans must implement a targeted hiring program to create direct access pathways for Corridor workers to access the Project's construction jobs.**

The I-710 Draft Environmental Impact Report (2012) claims that that "direct and indirect employee needs (for the Project) will likely be accommodated by the existing labor pool within the Study Area since the unemployment rate in the Study Area currently ranges from 8 percent to 22 percent". However, Caltrans has failed to prove that there are already training and qualified construction workers living in the Corridor to support these blanket assertions. If job creation is not specifically targeted to local, low-income residents of color living within the Project's Corridor, then there is no basis for assuming that the jobs created will actually benefit Corridor residents (Browne 2012). This is true because Caltrans cannot justify that Corridor residents will have access to construction jobs due to systematic and structural barriers that exclude low-income, workers of color from accessing the construction industry. Through a review of literature on urban labor market inequalities and based on interviews I conducted with targeted hiring advocates, I found that low-income workers of color are excluded from the construction

industry due to institutionalized discriminatory hiring practices within trade unions, exclusive hiring pipelines that are reliant on social networks, and training, registration, and equipment fee barriers. Without an effective construction hiring plan, Caltrans cannot assume that high unemployment rates along the Corridor will automatically lead to construction job access for Corridor residents. On the other hand, workers living within the Corridor would greatly benefit from access to the Project's construction jobs because Corridor cities suffer from disproportionately high unemployment rates and low socioeconomic status (SES)—including the rate of residents living below the federal poverty level and median household income (Gateway Cities 2011). Therefore, I recommend that Caltrans institutionalize targeted hiring requirements to ensure that disadvantaged workers from the Project's Corridor would benefit from the jobs created by the Project.

**2. Caltrans must model its targeted hiring program after Los Angeles Metro's Construction Carriers Policy and Project Labor Agreement.**

I recommend that Caltrans implement targeted hiring requirements through Los Angeles Metro's CCP and PLA model because the data show that the Crenshaw / LAX Transit Corridor Project has already exceeded its targeted hiring requirements by hiring disadvantaged, local low-income workers of color. Erich Engler (2016) suggests that Metro's CCP and PLA should be a blueprint for the I-710 Corridor Project and that "the research has been done, and the lessons are learned, for the most part, Metro's PLA and CCP has been a successful model and should be a transferable model for other projects". In addition, based on the review of community-based reports I found that that targeted hiring requirements are most effective when implemented through PLAs but should be case specific for each project and city. Therefore, based on the literature and data I collected, I recommend that Caltrans implement targeted hiring requirements

through a Construction Careers Policy and Project Labor Agreement in order to successfully fulfill Caltrans's claim to hire Corridor residents for the Project's direct construction jobs.

**3. Caltrans must model their targeted hiring requirement definitions and percentages after Los Angeles Metro's CCP and PLA terminology**

Before implementing targeted hiring requirements, Caltrans must decide on how to define the common terms of targeted, disadvantaged workers, as well as determine how the requirements will be measured and monitored. Keith Compton (2015), the director for PLA and CCP policy and implementation at the Los Angeles Metropolitan Transit Authority (LAMTA), suggests that the success of a targeted hiring program rests on setting requirements rather than goals because requirements are enforceable by liquidated damages. In addition, Compton (2015) recommends measuring disadvantaged and targeted workers by hours worked and not bodies because, "you could have 30% of the jobs for disadvantaged workers, but the worker could only get 2% of the work hours and pay". Based on the research I conducted, I recommend that Caltrans model their targeted hiring requirement definitions and percentages after Metro's CCP and PLA terminology which are as follows:

1. 40% participation of construction workers residing in economically disadvantaged areas  
"Targeted workers means an individual whose primary place of residence is within an extremely economically disadvantaged area, which is a zip code that includes a census tract, or portion thereof, in which the median annual household income is less than \$32,000 per year; or within an economically disadvantaged area, which is a zip code that includes a census tract, or portion thereof, in which the median annual household income is less than \$40,000 per year."

(Metro Construction Careers Policy)

2. 10% participation of disadvantaged workers

“Disadvantaged Worker means an individual who, prior to commencing work on the project, meets the income requirements of a Targeted Worker and faces at least two of the following barriers to employment:

- Being homeless
- Being a custodial single parent
- Receiving public assistance
- Lacking a GED or high school diploma
- Having a criminal record or other involvement with the criminal justice system
- Suffering from chronic unemployment
- Emancipated from the foster care system
- Being a veteran of the Iraq/Afghanistan war
- Being an apprentice with less than 15% of the required graduating apprenticeship hours in a program.”

(Metro Construction Careers Policy)

3. 20% participation of apprentices.

“At least 20% of total work hours on each project will be performed by apprentices, but the hours performed by apprentices in each individual craft shall not exceed the ratio to journeyman established by the applicable craft union’s Division of Apprenticeship Standards (DAS) approved apprenticeship standards. Local Targeted Workers will perform 50% of all apprenticeship hours worked on the Project.” (Metro Construction Careers Policy)

**4. Caltrans must include a required percentage of women within targeted hiring requirements in order to create direct pathways for women to enter the construction industry.**

Currently, Metro’s CCP and PLA does not require a percentage of women working on its projects, which limits the opportunity and access for women to enter the construction industry (Torres 2015). According to Alexandra Torres (2015), the executive director at WINTER

(Women in Non-Traditional Employment Roles), all targeted hiring programs should have a required percentage of women working on construction projects to create direct pathways for women to enter the construction industry. Torres (2015) additionally recommends that Caltrans have a one day conference with prospective women construction workers and apprenticeship coordinators to show women how they can access the construction industry. In order to create pathways for women to enter the construction industry, Caltrans must include a required percentage of women to its targeted hiring requirements and create a one day Project conference for prospective women construction workers.

**5. Caltrans must fund outreach centers, job training, apprenticeship programs, and a job coordinator position to ensure Corridor workers know about the Project and have access to work on the Project.**

To ensure Corridor residents are informed about how to access the I-710 Corridor Project's direct jobs, Caltrans must fund outreach centers, job training, apprenticeship programs for low-income, targeted individuals living within the Corridor. For example, Walsh-Shea started a targeted hiring outreach program with the Los Angeles Urban League called the Construction Careers Information Center (CCIC) to give information to community members about the Project's construction work. In addition, Walsh-Shea refers prospective construction workers to PV Jobs, which assists at-risk job candidates in union entry preparation since most of their employment opportunities come from construction projects that are union affiliated (Engler 2016). In addition, Keith Compton (2016) recommends that a successful CCP and PLA always has a well-connected Job Coordinator who has relationships with unions, training centers, contractors, and community-based organizations. To ensure that there are direct pathways for prospective workers to access the construction industry, I recommend that Caltrans create a



similar Construction Careers Information Center (CCIC) as well as a job coordinator position tied to a community-based construction employment organization such as PV Jobs.

- 6. The primary contractor for the I-710 Corridor Project as well as Caltrans must build relationships with labor unions, apprenticeships programs, and work source centers to ensure there is a collective approach and commitment towards hiring local, disadvantaged workers.**

The primary contractor will most likely have to enforce the targeted hiring requirements and therefore must have a direct plan to meet with subcontractors to enforce the restrictions, as well as build relationships between the laborers unions, apprenticeships programs, and work source centers to ensure there is a collective approach and commitment to hiring disadvantaged workers. Erich Engler (2016) recommends that the primary contractor for the I-710 Corridor Project should “get out of the gate running, and focus day one to inform and enforce subcontractors to follow targeted hiring requirements”. Engler (2016) specifically suggests that the primary contractor “work with work source centers like the Black Worker Center, to successfully execute targeted hiring requirements”. In addition, Compton (2016) recommends that Caltrans should bring together community-based organizations, contractors, union trades, and construction training and placement organizations into pre-bid meetings to ensure every stakeholder is on the same page around requirements, goals, and enforcement rules. In order to efficiently and successfully meet the targeted hiring requirements, the primary contractor, as well as, Caltrans must build relationships with the Project’s multiple stakeholders to ensure that there is a collective commitment towards meeting the targeted hiring requirements.

**7. Caltrans must implement a robust labor employment tracker software system as well as institutionalize a punitive liquidated damages and a three strike system to incentivize the primary contractor and sub-contracts to meet the targeted hiring requirements.**

In order to ensure that the targeted requirements are met, I recommend that Caltrans institutionalize a punitive liquidated damages and a three strike system to incentivize the primary contractor and sub-contractors to meet the hiring requirements. For example, Metro's CCP and PLA's targeted hiring program is enforced through the threat of liquidated damages which ensures that there will be a financial cost for the primary contractor if the requirements are not met (Compton 2015). In addition to Metro's liquidated damages agreement, Walsh -Shea instituted a three strike system to ensure sub-contractors met the hiring requirements. If the sub-contractor does not meet the hiring requirements, Walsh-Shea first sends a letter defining and outlining the requirements. If the sub-contractor continues to not meet the hiring requirements, Walsh-Shea requires the sub-contractor to complete an employment hiring plan. Lastly, if the hiring requirements are not fulfilled after two strikes, Walsh-Shea withholds payment until the sub-contractor meets with the owners and fulfills the requirements. Metro additionally enforces targeted hiring requirements by monitoring employment data through their employment statistics software, LCB tracker. The fact that Walsh-Shea has already exceeded the Project's targeted hiring requirements half way through the project is evidence that the punitive enforcement model is beneficial to the success of the program and why Caltrans must institute a liquidated damages plan with a three strikes system and implement an employment tracker software to ensure that the targeted hiring requirements are fulfilled.

## **Conclusion**

For over ten years, the Coalition for Environmental Health and Justice (CEHAJ) has pressured Caltrans to implement community benefits on the I-710 Corridor Project including targeted hiring requirements with job training and outreach programs to ensure that low-income workers of color living within the Corridor benefit from the Project's proposed construction jobs. Currently, Caltrans has said that they will not implement a targeted hiring program on the I-710 Corridor Project because they claim that "direct and indirect employee needs (for the Project) will likely be accommodated by the existing labor pool within the Study Area since the unemployment rate in the study area currently ranges from 8 to 22 percent". Although it is true that the "unemployment rates in the study area currently range from 8 to 22 percent", low-income workers of color living within the Corridor will not have direct access to the Project's direct jobs due to structural racism and discrimination within the construction industry. These structural access barriers are perpetuated by discriminatory hiring practices in trade unions, exclusive hiring pipelines reliant on social networks, as well as high registration, training and equipment fees. The fact that low-income workers of color are systematically excluded from construction jobs, means that Caltrans cannot assume that Corridor workers will have automatic access to the Project's construction jobs.

To this day, the construction industry is one of the most consistent pathways for low-income workers to enter the middle class. For example, in Los Angeles County, highway and bridge construction workers have more training and certification requirements and make \$83,506 annually, \$41,306 more per year than construction laborers. Currently there no data showing that workers living within the Corridor have the construction training background or certification requirements to automatically work on the Project's direct construction jobs. Thus,

it is only hopeful for Caltrans to assume that workers living within the I-710 Corridor will automatically receive construction jobs without any targeted hiring plan to ensure that job creation is targeted to low-income workers of color living within the Corridor. Therefore, to ensure Caltrans fulfills its promise in hiring local Corridor residents for the Project's "direct and indirect employee needs", Caltrans must implement targeted hiring requirements to disrupt construction hiring pipelines in order to create job access pathways for low-income workers of color living within the Corridor.

Targeted hiring requirements are generally a tool to increase job access for workers systematically excluded from the construction industry due to their race or socioeconomic status by disrupting construction hiring pipelines and streamlining hiring for disadvantaged workers. Targeted hiring programs are primarily implemented through publically funded infrastructure projects like Metro's Crenshaw/ LAX Transit Corridor Project because these projects are large in scope and require hundreds of workers, sub-contractors, and large prime contractors who have the financial capability to implement targeted hiring programs. Targeted hiring programs such as Los Angeles Metro's Construction Careers Policy and Project Labor Agreement have successfully hired local, low-income, disadvantaged workers. For example, while Los Angeles Metro's Crenshaw/ LAX Transit Corridor Project is only 45% completed, the data show that the Project has already exceeded its targeted hiring requirements. Metro's CCP and PLA targeted hiring program is a model that Caltrans must emulate to actively disrupt construction hiring pipelines to ensure local Corridor residents have access to the Project's construction jobs.

In addition, if given the opportunity, residents living within the Corridor would greatly benefit from access to the Project's well-paying construction jobs due to the I-710 Corridor's high unemployment rates and lower average median income. The I-710 Corridor Project's direct

proximity to Corridor communities provides Caltrans a great opportunity to hire local Corridor residents that are both seeking jobs, some with construction training and experience, and with overall average education attainment levels. Although it is unrealistic to assume that the Project's construction jobs will be automatically acquired by the existing construction labor pool within the Corridor, there is an opportunity for Corridor residents to qualify for construction jobs when given adequate outreach and training. Therefore, in order for Caltrans to fulfill its promise in hiring local Corridor residents for all of the Project's "employment needs", Caltrans must fund outreach centers, job training, apprenticeship programs, and a community-based job coordinator to ensure that there are direct pathways for all prospective workers to access the construction industry. Furthermore, to ensure the primary contractor and sub-contractors meet the targeted hiring requirements, Caltrans must institutionalize an effective punitive liquidated damages and three strike system to incentivize the primary contractor and sub-contractors to meet the hiring requirements.

Although Caltrans guarantees that the I-710 Corridor Project will create thousands of local construction jobs, without a targeted hiring plan, Caltrans is ignoring the reality of labor market inequalities and the systematic barriers that prevent low-income workers of color from accessing the construction industry. Thus, it is insufficient for Caltrans to state that "direct and indirect employee needs (for the Project) will likely be accommodated by the existing labor pool within the Study Area", without having data or a targeted employment hiring plan to back up these blanket assertions. Therefore, in order for Caltrans fulfill its promise in hiring local Corridor residents, Caltrans must implement a targeted hiring program through a Construction Careers Policy and Project Labor Agreement with a punitive enforcement model to ensure that Corridor residents will have access to the Project's direct construction jobs.

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## Appendix

### **Demographics data:**

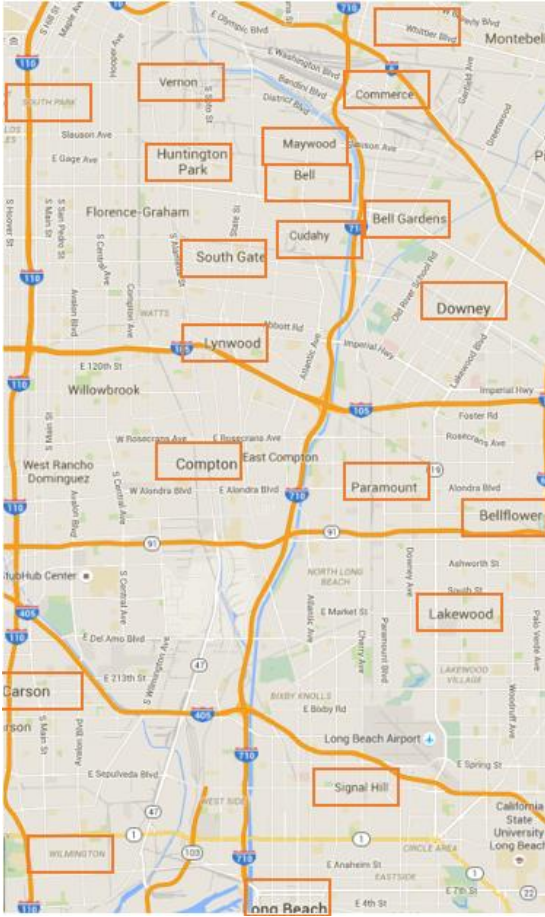
- **I-710 Corridor Population:** The total population of all cities directly surrounding the I-710 Corridor is approximately 1,540,161 residents (U.S. Census 2010).
- **I-710 Corridor Civilian workforce:** 607,744 out of 1,540,161 residents living within the I-710 Corridor cities are in the workforce (U.S. Census 2010).
- **I-710 Corridor Education attainment data:** On average 55.57% of residents along the I-710 corridor have graduated from high school, while only 13.15% of residents have a bachelor's degree (U.S. Census 2010).
- **I-710 Corridor Median Household income:** The average median household income along the I-710 corridor is \$47,487 (U.S. Census 2010)
- **I-710 Corridor Unemployment rates:** The I-710 Corridor's average unemployment rate (8.74%) is higher than the Los Angeles County unemployment rate (7.5%) (US Census 2010).

### **Construction Data:**

- **Total CA construction workers:** In the state of California there are approximately 529,490 construction and extraction workers. (BLS Construction Extraction 2014).
- **Total Construction workers in Los Angeles County:** In Los Angeles County there are approximately 191, 925 total construction workers. Out of the total 191, 925 construction workers, 18, 030 are construction laborers and 3, 072 highway and bridge construction workers (BLS 2014).
- **Wage comparison:** In comparison to construction and extraction workers in Los Angeles County, highway and bridge construction workers are paid annually paid \$29,310 thousand more. In comparison to construction laborers in Los Angeles County Highway, bridge construction workers are paid annually \$41,286 more (BLS 2014).
- **Unionization:** Out of approximately 529,490 construction and extraction workers in California, 119, 015 are unionized. In Los Angeles County there are 53,826 out of 191, 925 unionized construction workers (Union Watch).
- **Total Construction workers within the I-710 Corridor:** There are approximately 14,579 construction workers within 11 out of the 18 cities along the I-710 Corridor (U.S Census American Fact Finder 2000)

## Tables and Figures

**Map 1:**



**Table 1:**

<b>I-710 Cities</b>	<b>Total Population</b>
Bell	36,217
Bell Gardens	43,146
Carson	93,271
Commerce	13,076
Compton	98,597
Cudahy	23,805
Downey	114,172
East LA	126,496
Huntington Park	59,362
Lakewood	81,653
Long Beach	473,577
Lynwood	71,839
Maywood	27,937
Paramount	55,406
Signal Hill	11,526
South Gate	96,312
Vernon	112
Wilmington	113,657
<b>Total:</b>	<b>1,540,161</b>
<b>Los Angeles County: 10,116,705</b>	
Source: U.S Census Quick Facts 2010	

**Table 2:**

<b>I-710 Cities</b>	<b>Latino</b>	<b>White</b>	<b>Black</b>	<b>Asian</b>
Wilmington	6.10%	70.80%	19.90%	1.50%
Vernon	6.50%	88.39%	3.50%	1.80%
Los Angeles County	17.40%	62.10%	13.20%	5.40%
Lakewood	30.10%	40.90%	8.70%	16.40%
Signal Hill	31.50%	30.00%	16.30%	20.40%
Carson	38.60%	7.70%	23.80%	25.60%
Long Beach	40.80%	29.40%	13.50%	12.90%
Cudahy	43.43%	49.18%	1.40%	1.40%
Compton	65.00%	0.8%	32.90%	0.30%
Downey	70.70%	17.70%	3.90%	7.00%
Paramount	78.60%	5.60%	11.70%	3.00%
Lynwood	86.60%	2.20%	10.30%	0.70%
Bell	93.10%	4.90%	0.90%	0.70%
Commerce	94.50%	3.10%	0.70%	1.10%
South Gate	94.80%	3.40%	0.90%	0.80%
Bell Gardens	95.70%	2.70%	0.90%	0.60%
East LA	97.10%	1.50%	0.80%	0.70%
Huntington Park	97.10%	1.60%	0.60%	0.90%
Maywood	97.40%	1.80%	0.60%	0.30%
<b>Average:</b>	<b>62.37%</b>	<b>23.50%</b>	<b>8.66%</b>	<b>5.34%</b>
Source: U.S Census Quick Facts 2010				

**Table 3:**

<b>I-710 Cities</b>	<b>Median Household Income</b>
<b>Bell</b>	\$35,985
<b>Bell Gardens</b>	\$38,170
<b>Carson</b>	\$72,235
<b>Commerce</b>	\$48,729
<b>Compton</b>	\$42,953
<b>Cudahy</b>	\$38,267
<b>Downey</b>	\$64,574
<b>East LA</b>	\$37,982
<b>Huntington Park</b>	\$36,397
<b>Lakewood</b>	\$77,786
<b>Long Beach</b>	\$52,711
<b>Lynwood</b>	\$40,740
<b>Maywood</b>	\$37,114
<b>Paramount</b>	\$44,934
<b>Signal Hill</b>	\$70,442
<b>South Gate</b>	\$42,776
<b>Vernon</b>	\$31,394
<b>Wilmington</b>	\$41,573
<b>Average household income:</b>	<b>\$47,487</b>
<b>LA County:</b>	<b>\$55,909</b>
Source: U.S Census Quick Facts 2010	

**Table 4:**

<b>I-710 Cities</b>	<b>Total Civilian Workforce</b>
Bell	16,300
Bell Gardens	17,900
Carson	46,600
Commerce	5,600
Compton	42,016
Cudahy	10,607
Downey	57,621
East LA	N/A
Huntington Park	27,500
Lakewood	44,800
Long Beach	240,500
Lynwood	28,700
Maywood	12,600
Paramount	25,400
Signal Hill	5,700
South Gate	42,200
Vernon	N/A
Wilmington	N/A
<b>Total:</b>	<b>607,744</b>
Source: U.S Census Quick Facts 2010	

**Table 5:**

<b>Geography</b>	<b>Total Construction / Extraction workers</b>	<b>Construction laborers</b>	<b>Highway and Bridge Construction Workers</b>
<b>US</b>	5,290,270	852,870	292,306
<b>CA</b>	529,490	87,620	—
<b>LA County</b>	191, 925	18, 030	3, 072
<b>I-710 Corridor</b>	14,579	—	—
<b>Source: <a href="http://www.bls.gov/iag/tgs/iag23.htm#workforce">http://www.bls.gov/iag/tgs/iag23.htm#workforce</a></b>			

**Table 6:**

<b>I-710 Cities</b>	<b>Construction Workforce</b>
Compton	2,080
Cudahy	880
Downey	2,733
Huntington Park	1,875
Lakewood	2,087
Lynwood	1,141
Maywood	510
Paramount	1,338
Signal Hill	224
South Gate	1,698
Vernon	13.2
<b>Total:</b>	<b>14,579</b>
<b>Los Angeles County:</b>	<b>191, 925</b>
Source: U.S Census American Fact Finder 2000	

**Table 7:**

<b>Geography</b>	<b>Total Construction / Extraction workers</b>	<b>Construction Laborers</b>	<b>Highway and Bridge Construction Workers</b>
<b>US</b>	\$46,600	\$35,750	\$40,910
<b>CA</b>	\$54,200	\$41,760	—
<b>LA County</b>	\$54, 190	\$42,220	\$83,506
<b>I-710 Corridor</b>	—	—	—
Source: <a href="http://stats.bls.gov/oes/current/oes472061.html">http://stats.bls.gov/oes/current/oes472061.html</a>			



**Table 8:**

<b>I-710 Cities</b>	<b>Unemployment rate</b>
Bell	9.60%
Bell Gardens	8.20%
Carson	9.10%
Commerce	7.60%
Compton	11.00%
Cudahy	14.20%
Downey	10.20%
East LA	7.60%
Huntington Park	9.30%
Lakewood	5.50%
Long Beach	7.70%
Lynwood	8.70%
Maywood	7.40%
Paramount	8.30%
Signal Hill	7.60%
South Gate	9.20%
Vernon	<b>7.60%</b>
Wilmington	<b>8.50%</b>
<b>Average:</b>	<b>8.74%</b>
<b>Los Angeles County:</b>	<b>7.5%</b>
Source: U.S Census Quick Facts 2010	

**Table 9:**

<b>I-710 Cities</b>	<b>HS degree</b>	<b>Bachelor degree</b>
Bell	45.30%	5.90%
Bell Gardens	41.60%	5.20%
Carson	80.10%	24.00%
Commerce	53.60%	5.90%
Compton	59.20%	6.70%
Cudahy	17.20%	2.00%
Downey	77.00%	20.60%
East LA	45.60%	5.50%
Huntington Park	40.00%	5.80%
Lakewood	87.40%	27.50%
Long Beach	79.30%	28.50%
Lynwood	51.00%	5.60%
Maywood	39.00%	4.40%
Paramount	57.00%	7.90%
Signal Hill	85.50%	35.90%
South Gate	52.50%	6.20%
Vernon	0.00%	0.00%
Wilmington	89.00%	39.10%
<b>Average:</b>	<b>55.57%</b>	<b>13.15%</b>
Source: U.S Census Quick Facts 2010		

Figure 10:



**TARGETED WORKER SUMMARY REPORT**  
**C0988 - Crenshaw/LAX Transit Corridor Design/Build Project**  
**C0988**

Total Forecasted Project Hours		3,000,000.00		Reporting Period: CUSTOM		
Total Project Hours to Date		1,343,133.95		From: 11/15/2015 To: 12/26/2015		
Total Project Hours Percentage		44.77 %				
	Craft Hours Oct 18 - Nov 14	Percentage (%) Craft Hours Oct 18 - Nov 14	Craft Hours Nov 15 - Dec 26	Percentage (%) Craft Hours Nov 15 - Dec 26	Cumulative Craft Hours To Date	Percentage (%) of Cumulative Hours
<b>Targeted Worker Hours</b>						
Fed Extremely Economically Disadvantaged	45,568.02	42.30%	52,794.85	40.72%	548,395.71	40.83%
FED Economically Disadvantaged	19,687.20	18.27%	25,336.35	19.54%	248,666.83	18.51%
<b>Economically Disadvantaged Area Hours SubTotal</b>	<b>65,255.22</b>	<b>60.57%</b>	<b>78,131.20</b>	<b>60.26%</b>	<b>797,062.54</b>	<b>59.34%</b>
Non Targeted	42,477.15	39.43%	51,519.84	39.74%	546,071.41	40.66%
<b>Total</b>	<b>107,732.37</b>	<b>100.00%</b>	<b>129,651.04</b>	<b>100.00%</b>	<b>1,343,133.95</b>	<b>100.00%</b>
<b>Craft Level Breakdown</b>						
Journeyman	94,556.62	87.77%	112,819.34	87.02%	1,168,612.75	87.01%
Apprentice	13,175.75	12.23%	16,831.70	12.98%	174,521.20	12.99%
<b>Total</b>	<b>107,732.37</b>	<b>100.00%</b>	<b>129,651.04</b>	<b>100.00%</b>	<b>1,343,133.95</b>	<b>100.00%</b>
<b>Apprenticeable Craft Level Breakdown</b>						
Apprenticeable Journeyman	62,929.75	58.41%	79,767.44	61.52%	812,659.65	60.50%
Apprentice	13,175.75	17.31%	16,831.70	17.42%	174,521.20	17.68%
<b>Race / Ethnicity</b>						
African American	14,725.80	13.67%	15,155.11	11.69%	209,886.50	15.63%
Asian	949.50	0.88%	1,126.00	0.87%	15,665.00	1.17%
Caucasian	25,979.27	24.11%	33,991.33	26.22%	311,861.67	23.22%
Hispanic	60,582.05	56.23%	71,873.20	55.44%	743,582.89	55.36%
Native American	1,029.50	0.96%	1,374.50	1.06%	15,366.55	1.14%
Not Specified	451.50	0.42%	1,247.75	0.96%	4,424.00	0.33%
Other	3,780.75	3.51%	4,599.65	3.55%	41,744.84	3.11%
	234.00	0.22%	283.50	0.22%	602.50	0.04%
<b>Total</b>	<b>107,732.37</b>	<b>100.00%</b>	<b>129,651.04</b>	<b>100.00%</b>	<b>1,343,133.95</b>	<b>100.00%</b>
<b>Gender Breakdown</b>						
Female	4,566.50	4.24%	5,583.40	4.31%	38,834.95	2.89%
Male	103,165.87	95.76%	124,067.64	95.69%	1,304,299.00	97.11%
<b>Total</b>	<b>107,732.37</b>	<b>100.00%</b>	<b>129,651.04</b>	<b>100.00%</b>	<b>1,343,133.95</b>	<b>100.00%</b>
<b>Contractor Breakdown</b>						
Prime Contractor's Total Hours	64,503.00	59.87%	86,281.50	66.55%	794,329.45	59.14%
Subcontractor's Total Hours	43,229.37	40.13%	43,369.54	33.45%	548,804.50	40.86%
<b>Total</b>	<b>107,732.37</b>	<b>100.00%</b>	<b>129,651.04</b>	<b>100.00%</b>	<b>1,343,133.95</b>	<b>100.00%</b>
Prime Contractor's Targeted Hours	37,425.75	34.74%	50,286.75	38.79%	470,550.70	35.03%
Subcontractor's Targeted Hours	27,829.47	25.83%	27,844.45	21.48%	326,511.84	24.31%
<b>Total</b>	<b>65,255.22</b>	<b>60.57%</b>	<b>78,131.20</b>	<b>60.26%</b>	<b>797,062.54</b>	<b>59.34%</b>
Prime Contractor's Disadvantaged Hours	8,529.25	7.92%	10,198.00	7.87%	115,437.50	8.59%
Subcontractor's Disadvantaged Hours	2,917.60	2.71%	2,806.30	2.16%	39,527.59	2.94%
<b>Total</b>	<b>11,446.85</b>	<b>10.63%</b>	<b>13,004.30</b>	<b>10.03%</b>	<b>154,965.09</b>	<b>11.54%</b>