

# Consideration of Project Stabilization Agreement (PSA) Policy

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City Council  
January 19, 2021



# Recommendation

City Council consider a policy that would require the negotiation of a Project Stabilization Agreement for certain types of construction projects in Alameda

*Project stabilization agreements (PSA) or project labor agreements (PLA) are types of contracts, usually entered into between a project owner or developer and several building trade unions*



# Some Background

- City Construction Projects
  - 2017 City Council adopted a resolution where City entered into its own PSA with the Building Trades Council
    - Public Works contracts over \$1 million to sign a letter of intent agreeing to meet the requirements of the City's PSA
  - Policy will remain in place
- Private Development on City Property
  - Projects with a development agreement (DA) or disposition and development agreement (DDA) with the City have often also separately entered into agreements with the trades
    - Ex. Greenway; Alameda Point – Site A; Others



# What's being proposed?

(1 of 2)

## 1. Parcels Owned or Leased by the City –

- The City's Qualified Shell Improvement (QSI) credit exceeds \$5,000,000; the initial term of the lease is at least seven years; and the tenant is a for-profit entity; or
- The City's QSI exceeds \$7,500,000; the initial term of the lease is at least seven years; and the tenant is a not-for-profit entity

## 2. Certain Affordable Housing Projects –

- City owned parcel or conveyance to non-profit affordable housing developer, where the project satisfies the criteria set in the Alameda County Measure A1 Housing Bond Implementation policies, including the threshold number of units requiring the use of a project labor agreement



# What's being proposed?

(2 of 2)

## 3. Projects Involving Certain Agreements –

- Owner or developer are entering into a DA, DDA or other agreement required by the DA or DDA and the estimated total project cost exceeds \$5,000,000

## 4. Other –

- Does not fit into categories and receiving either a direct contribution of funds from the City or a credit or other non-monetary subsidy from the City, which exceeds \$5,000,000



# What would this do?

- Guiding policy, if adopted:
  - Requires that a PSA be considered, and good faith efforts are made by the owner/developer and the Building Trades Council to negotiate
  - Council may, by majority vote, suspend the policy



# Comments since staff report publication

- Ensure PSAs are beneficial/balanced to both parties
- Add more specificity to the Policy; things like:
  - Salary information and no black Fridays
  - Don't preclude prefabricated components
  - Define which employees are covered (and which aren't, i.e., supervisory and non-working stewards)
- Cost of projects will increase, particularly new residential
- "Other" Projects with \$5M credit or non-monetary subsidy from City
  - Questions about definition of subsidy
  - Lack of clarity about what projects in pipeline would be subject to requirement
- Lack of outreach with building industry/developers



# Alternatives

- Approve the policy;
- Modify the policy considering public input and Council discussion;
- Direct staff to undertake additional analysis;
- Set up a City Council subcommittee to further analyze; or
- Elect not to move forward with a requirement to negotiate in good faith a PSA for certain projects at this time.





# END

