



The mandatory elements will apply to any project that receives financial assistance from the City, including projects for low and moderate-income housing. Local hiring requirements will be established for such projects by taking into consideration the nature of the project, the duration of construction and the level of City Financial Assistance on a case-by-case basis.

The voluntary elements will apply to projects without City financial assistance, and will provide as an incentive for first source hiring a partial rebate of the construction tax paid pursuant to Section 4.32 of the Pasadena Municipal Code.

PURPOSE OF ORDINANCE:

The purpose of this proposed ordinance is to require first source hiring on construction projects that receive City financial assistance and to create a voluntary program for first source hiring for construction projects without City financial assistance.

REASON WHY LEGISLATION IS NEEDED:

The Pasadena Municipal Code may only be amended by ordinance.

PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED:

Administration of the First Source Hiring Program will be coordinated, at least initially, by the City Manager's Office, however other City departments such as Finance, Human Services & Recreation and Planning & Development will be involved in the effort.

First Source Hiring Program is expected to have a positive impact on local residents seeking employment in the construction trades.

ENVIRONMENTAL IMPACT:

The proposed ordinance is exempt from the California Environmental Quality Act (CEQA) under the General Rule that CEQA applies only to activities which may have a significant effect on the environment (Section 15061 (b) (3)).


FISCAL AND SERVICE IMPLICATIONS

A total of \$150,000 has been budgeted in the current operating budget to support the First Source Hiring Program.

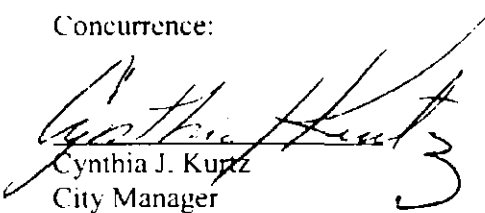
Respectfully submitted,

  
Michele Beal Bagneris  
City Attorney

Prepared by:

  
Steve Mermell  
Budget Administrator

Concurrence:

  
Cynthia J. Kurtz  
City Manager

Introduced by Councilmember \_\_\_\_\_

ORDINANCE NO. \_\_\_\_

**AN ORDINANCE OF THE CITY OF PASADENA  
AMENDING TITLE 14 OF THE PASADENA MUNICIPAL  
CODE BY ADDING CHAPTER 14.80 TO REQUIRE FIRST  
SOURCE HIRING ON CONSTRUCTION PROJECTS**

**THE CITY COUNCIL OF THE CITY OF PASADENA DOES ORDAIN AS  
FOLLOWS**

**Section 1.** This ordinance, due to its length and the corresponding costs of publication, will be published by title and summary as permitted by Section 508 of the Charter. The approved summary of this ordinance reads as follows:

**“Summary**

The City of Pasadena is a diverse and talented community. The purpose of this ordinance is to require the hiring of local residents on all construction projects that involve the use of City financial assistance and to encourage the hiring of local residents for projects without City financial assistance. It is intended to supplement other programs that assist and encourage first source hiring within the City.

Ordinance No. \_\_\_\_\_ shall take effect upon its publication by title and summary.”

**Section 2.** A new Chapter 14.80, entitled First Source Hiring, is hereby added to Title 14 of the Pasadena Municipal Code to read as follows:

**“Chapter 14.80 FIRST SOURCE HIRING**

**Sections:**

<b>14.80.010</b>	<b>Short Title</b>
<b>14.80.020</b>	<b>Purpose</b>
<b>14.80.030</b>	<b>Definitions</b>
<b>14.80.040</b>	<b>Applicability to Projects Receiving City Financial Assistance</b>
<b>14.80.050</b>	<b>Applicability to Private Construction Projects</b>
<b>14.80.060</b>	<b>City Assistance in the First Source Hiring Program</b>
<b>14.80.070</b>	<b>Administration; First Source Hiring Program Implementation Guidelines</b>

**14.80.010 Short Title**

This Chapter shall be known as the "First Source Hiring Program."

**14.80.020 Purpose**

The purpose of this Chapter is to establish a First Source Hiring Program for the City of Pasadena to increase employment opportunities for qualified Residents. In accordance with this Chapter, construction projects which receive City Financial Assistance will be required to employ Residents in the construction of the project, and projects that do not receive City Financial Assistance will be encouraged with Construction Tax rebates to employ Residents in the construction of the project.

**14.80.030 Definitions**

- A. "City" means the City of Pasadena.
- B. "City Agreement" means any written contract between a Developer and either the City or the Pasadena Community Development Commission.
- C. "City-Assisted Construction Project" means any Construction Project for which a Developer and the City or the Pasadena Community Development Commission enter into a City Agreement that includes a provision for City Financial Assistance.
- D. "City Financial Assistance" means the provision of loans, grants, financing, revenue sharing, the provision of property at less than market rate, fee waivers or any other form of financial assistance.
- E. "Construction Project" means the building, enlargement, or rehabilitation of any structure, or any portion thereof, and includes, without limitation, alterations or improvements to an existing structure, where such work both (i) requires a building permit and (ii) includes work performed by contractors that are subject to the Contractors' State License Law (California Business and Professions Code Section 7000, *et seq.*).
- F. "Developer" means a person that proposes to undertake a Construction Project.
- G. "First Source Hiring Agreement" means an agreement entered into between a Developer and the City that implements the First Source Hiring Program provisions set forth in this Chapter.
- H. "First Source Hiring Program" means the provisions of this Chapter and any guidelines or policies adopted by the City to implement this Chapter.
- I. "Private Construction Project" means any Construction Project in excess of \$50,000 that does not receive City Financial Assistance.
- J. "Resident" means any person whose primary residence is in the City of Pasadena and who has maintained such residency for at least one year prior to commencement of work on the Construction Project.
- K. "Resident Employee" means any Resident that is eligible for employment through the First Source Hiring Program.

**14.80.040 Applicability to Projects Receiving City Financial Assistance**

A. **Mandatory Participation.** All Developers receiving City Financial Assistance are required to participate in the First Source Hiring Program and enter into a First Source Hiring Agreement. The local resident hiring requirement shall be determined on a case-by-case basis, and shall take into consideration the nature of the project, the duration of construction and the level of City Financial Assistance. Failure of a Developer to comply with any one of the requirements in this Chapter shall constitute a default and breach of the corresponding City Agreement and shall result in the penalties described in paragraph "C" of this Section.

B. **Requirements.** All requirements for compliance with the First Source Hiring Program for City-Assisted Construction Projects shall be set forth in a First Source Hiring Agreement between a Developer and the City. These requirements include the following:

1. The minimum percentage of construction-related payroll that must be accomplished with Resident Employee hours;
2. Procedures the Developer must follow in order to comply with the First Source Hiring Program;
3. The schedule within which above referenced procedures must be completed;
4. Required record-keeping and documentation for demonstrating a Developer's compliance with the First Source Hiring Agreement;
5. Any other matters that the City Manager deems appropriate to include in the First Source Hiring Agreement.

C. **Penalties.** Upon a default and breach of the City Agreement by a Developer, the City Financial Assistance shall be cancelled. Any funds or other valuable consideration provided to Developer shall become due and payable.

**14.80.050 Applicability to Private Construction Projects**

A. **Voluntary Participation.** The First Source Hiring Program shall apply to Private Construction Projects on a voluntary basis. The City encourages all Developers of Private Construction Projects to participate in the First Source Hiring Program. A Developer of a Private Construction Project who voluntarily participates in the First Source Hiring Program must enter into a First Source Hiring Agreement with the City at the time such Developer obtains a building permit for a Private Construction Project. A Developer of a Private Construction Project who complies with all requirements of the First Source Hiring Agreement shall receive the construction tax rebate described in paragraph "C" of this Section.

B. **Requirements.** At the time of hire and throughout the construction of the project, a Developer seeking a construction tax rebate shall provide documentation acceptable to the City Manager that evidences the Developer's compliance with the First Source Hiring Program. Additionally, the Developer shall allow the City to undertake on-site inspections and interviews in order to validate the Developer's claims of resident hiring.

C. **Construction Tax Rebate.** For each Resident employed on a Private Construction Project prior to the issuance of a certificate of occupancy the Developer shall receive a partial rebate of construction tax required by Section 4.32 of the Pasadena Municipal Code. *The amount of the construction tax rebate shall be based on a formula established by resolution of the City Council.*

#### **14.80.060 City Assistance in the First Source Hiring Program**

The City shall assist Developers in complying with the First Source Hiring Program by:

- A. Providing referral information for Developers and Resident Employees.
- B. Monitoring the progress of Resident Employees in the First Source Hiring Program.
- C. Developing effective outreach and education for and recognition of Developers who participate in the First Source Hiring Program.
- D. Promoting the First Source Hiring Program throughout the City.

Failure of the City to implement any of the activities described in this Section shall not excuse the performance by a Developer of obligations set forth in the applicable First Source Hiring Agreement.

#### **14.80.070 Administration; First Source Hiring Program Implementation Guidelines**

A. **Generally.** The City Manager is hereby authorized to implement all aspects of the First Source Hiring Program.

B. **First Source Hiring Program Implementation Guidelines.** The City Manager shall cause to be prepared a form First Source Hiring Agreement and First Source Hiring Program Implementation Guidelines that set forth the procedures and standards for implementing the First Source Hiring Program. The First Source Hiring Program Implementation Guidelines shall address the following items:

- 1. The criteria for determining the minimum percentage of construction-related payroll that shall be performed by Resident Employees.

2. Procedures that Developers of City-Assisted Construction Projects must follow in order to comply with the First Source Hiring Program.
3. Instructions regarding what constitutes proper documentation for demonstrating a Developer's compliance with the First Source Hiring Agreement for a given project.
4. The schedule within which above referenced procedures must be completed.
5. A system that measures compliance with the First Source Hiring Program.
6. Any other matters deemed appropriate by the City Manager or City Council.

**Section 3.** Section 4.32.060 of the Pasadena Municipal Code is hereby added to Title 4 of the Pasadena Municipal Code to read as follows:

**"4.32.060 Rebates.**

Section 14.80.050 of the Pasadena Municipal Code provides that a Developer who voluntarily enters into a First Source Hiring Agreement pursuant to that Section and fulfills the requirements under that Agreement is eligible to receive a rebate of the tax required by this chapter. Pursuant to Section 14.80.050, the rebate shall be based on a formula established by resolution of the City Council.

**Section 4.** If any section, subsection, sentence, clause, portion, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of any competent jurisdiction, such decision shall not affect the validity of the remaining sections, subsections, sentences, clauses, portions, or phrases of this Ordinance. The City Council hereby declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause, portion, or phrase without regard to whether any other section, subsection, sentence, clause, portion, or phrase of the Ordinance would be subsequently declared invalid or unconstitutional.



**Section 5.** The City Clerk shall certify the adoption of this Ordinance and cause its publication in accordance with applicable law.

Signed and approved this \_\_\_ day of \_\_\_\_\_, 2004.

\_\_\_\_\_  
Bill Bogaard  
Mayor of the City of Pasadena

I HEREBY CERTIFY that the foregoing ordinance was adopted by the City Council at its meeting held \_\_\_\_\_, 2004, by the following vote:

AYES:

NOES:


ABSENT:

ABSTAIN:

Published:

\_\_\_\_\_  
Jane L. Rodriguez, CMC  
City Clerk, City of Pasadena

APPROVED AS TO FORM:

  
Michele Beal Bagneris, City Attorney

RICHARDS, WATSON & GERSHON

\_\_\_\_\_  
Michael Estrada, Special Counsel