

[Paying Union Wages Kills Housing Affordability](#)



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Here's a shocker for you: the building trades opposed a housing production bill this session. In fact, they opposed two production bills. Mind you, the association representing unionized subcontractors and their employees did this in the middle of a combined job drought and housing crisis – defying reality.

AB 2580 (Eggman) and AB 3155 (Rivas) are the two bills. AB 2580 would deliver new housing by repurposing hotels. AB 3155 would grant certain zoning rules for “lite” housing construction. Like them or not (and I don't, for practical and policy reasons), both bills would go some distance to increasing California's supply of housing while creating hundreds of construction jobs along the way.

The State Construction Building Trades Council (“the Council”) doesn't like them – either of them. The Council, which represents virtually all union construction workers, is opposed to the measures because they don't pay well enough.

You see, the Council abides by the notion of getting paid so-called “prevailing wages” for its workers, or “union scale”. Prevailing wages are determined by the state for each trade after a survey of regional wages is performed. Countless studies show prevailing wages increase the cost of new housing – over 20 percent on average and as much as 40 percent.

The Council makes the absurd argument that unless prevailing wages are paid their workers can't afford to live in the housing they are building. This comes at a time when the average cost of constructing a new apartment in California is approaching \$600,000 and when new prices are running close to \$1,000 a foot in the Bay Area. Add 20 percent to the price and see how much workers can afford.

At a recent hearing of the Assembly Committee on Housing and Community Development (“the Committee”) both bills were set to be defeated due to the Council's opposition. Had it not been for the willingness of AB 2580's author – Assembly Member Susan Eggman, Democrat from Stockton – to amend her measure to guarantee the payment of prevailing wages it would have gone down.

The reason for the “cooperation” by Eggman at the Committee hearing boils down to the fact that before certain legislation can move forward organized labor – the building trades, teachers, cops, firefighters, home-care workers and other public employees – must approve. It's not that union workers are better at doing their jobs than non-union employees. It's just that politically labor owns most lawmakers at the state Capitol. It's that simple.

In the case of Eggman, she wanted her bill bad enough that she paid a price for it. Indeed, she accepted the desires of the guards at the gate. Government largesse: just one of the reasons why housing cost so much in California.

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