

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA TO AMEND MUNICIPAL CODE SECTION 4.52.160 TO REQUIRE THE PAYMENT OF PREVAILING WAGES ON PUBLIC WORKS PROJECTS AS DEFINED AND REQUIRED BY CALIFORNIA SENATE BILL 7**

THE CITY COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS FOLLOWS:

SECTION 1. Section 4.52.160 of Chapter 52 of Title 4 of the Santa Barbara Municipal Code is amended to read as follows:

**4.52.160 Public Works Contracts.**

**A. COMPLIANCE WITH THE CHARTER.** Bidding and advertising and award of contracts for public works, excluding maintenance and repair, shall be as required by Section 519 of the City Charter.

**B. PREVAILING WAGES REQUIRED IN COMPLIANCE WITH SB 7.** The state prevailing wage law requires contractors on public works projects to be paid the general prevailing rate of per diem wages for work of a similar character in the locality in which the work is performed. Under California Constitution, Article XI, Section 5, the laws of chartered cities supersede state law with respect to municipal affairs of the city. The City of Santa Barbara is a chartered city duly organized and validly existing under the laws of the State of California, and thus the city may exempt itself from prevailing wage requirements. California Senate Bill No. 7 ("SB 7"), approved October 13, 2013, provides that the state has limited financial resources and resolves only to extend financial assistance to construction projects of those chartered cities that require compliance with the prevailing wage law on all their municipal construction projects. Effective January 1, 2015, unless the contract was advertised for bid prior to that date, chartered cities are additionally disqualified from receiving financial assistance under SB 7 if the city has awarded, within the prior two (2) years, a public works contract without requiring the contractor to comply with prevailing wage requirements. Chartered cities that have charter provisions exempting city projects from prevailing wage requirements may adopt a local prevailing wage ordinance with requirements equal to or greater than state prevailing wage law in order to avoid disqualification.

For at least the last 25 years, the City has generally required prevailing wages to be paid on capital improvement projects. Compliance with SB 7, however, requires the adoption of an ordinance and the payment of prevailing wages beyond capital improvement projects to include maintenance and repair work, as described in the Labor

Code. Notwithstanding the City's constitutional right to exempt locally funded projects from prevailing wage, the City Council finds that the City's financial interests are best served by complying with California's prevailing wage law as delineated in SB 7.

C. Prevailing wages shall be paid on all public works contracts in accordance with Labor Code section 1782 (SB 7).

E. The provisions of this ordinance do not restrict the city from receiving or using state funding or financial assistance awarded prior to January 1, 2015, or from receiving or using state funding or financial assistance to complete a contract awarded prior to January 1, 2015. Further, this ordinance does not disqualify or amend any contracts awarded prior to January 1, 2015.

F. If SB 7 is, for any reason, held to be invalid or inapplicable to charter cities by any court of competent jurisdiction or is otherwise repealed, this ordinance shall automatically sunset and be of no further effect immediately thereafter.

SECTION 2. CEQA. This ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to Section 15060(c)(2) of the CEQA Guidelines (Title 14, Chapter 3 of the California Code of Regulations) because the activity will not result in a direct or reasonable foreseeable indirect physical change in the environment, and Section 15060(c)(3) because the activity is not a project as defined in Section 15378 of the CEQA Guidelines because it has no potential for resulting in physical change to the environment, directly or indirectly.