

# Chapter 54 Policy Implications & Wage Disparities

San Francisco Sewer System  
Improvement Program (SSIP)

Bayview-Hunters Point Analysis • FY24–  
25

# Intent of Chapter 54

Chapter 54 of the San Francisco Administrative Code acknowledges the historic inequities and environmental injustices faced by the residents of Bayview-Hunters Point. It mandates that major public works projects such as the Sewer System Improvement Program (SSIP) function not only as infrastructure upgrades but also as community mitigation initiatives.

Mitigation includes economic participation, equitable employment, and neighborhood empowerment in the areas most directly affected.

# SSIP as a Mitigation Project

SSIP was designated as a mitigation project for the Southeast Treatment Plant's environmental and health burdens. The legislative intent was clear:

- Prioritize local hiring in ZIP codes 94124 and 94134
- Fund workforce development
- Deliver equitable economic opportunity

Despite this, wage and job allocations have been disproportionately diverted to workers from outside San Francisco.

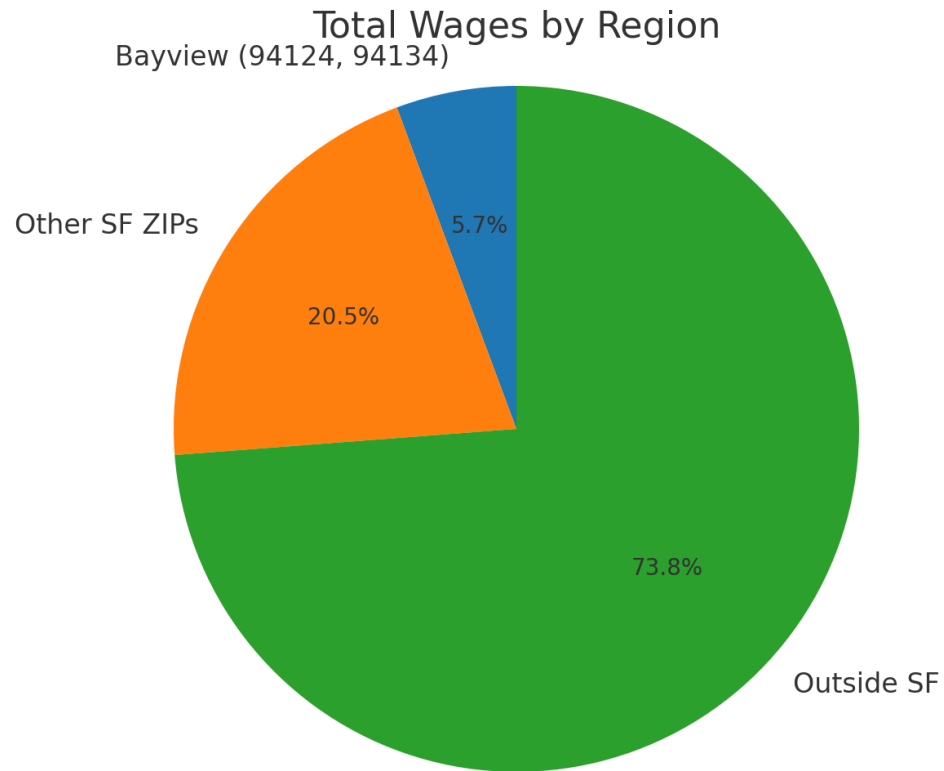
# Disparities and PLA Oversight Gaps

The SSIP Project Labor Agreement lacks vital enforcement mechanisms:

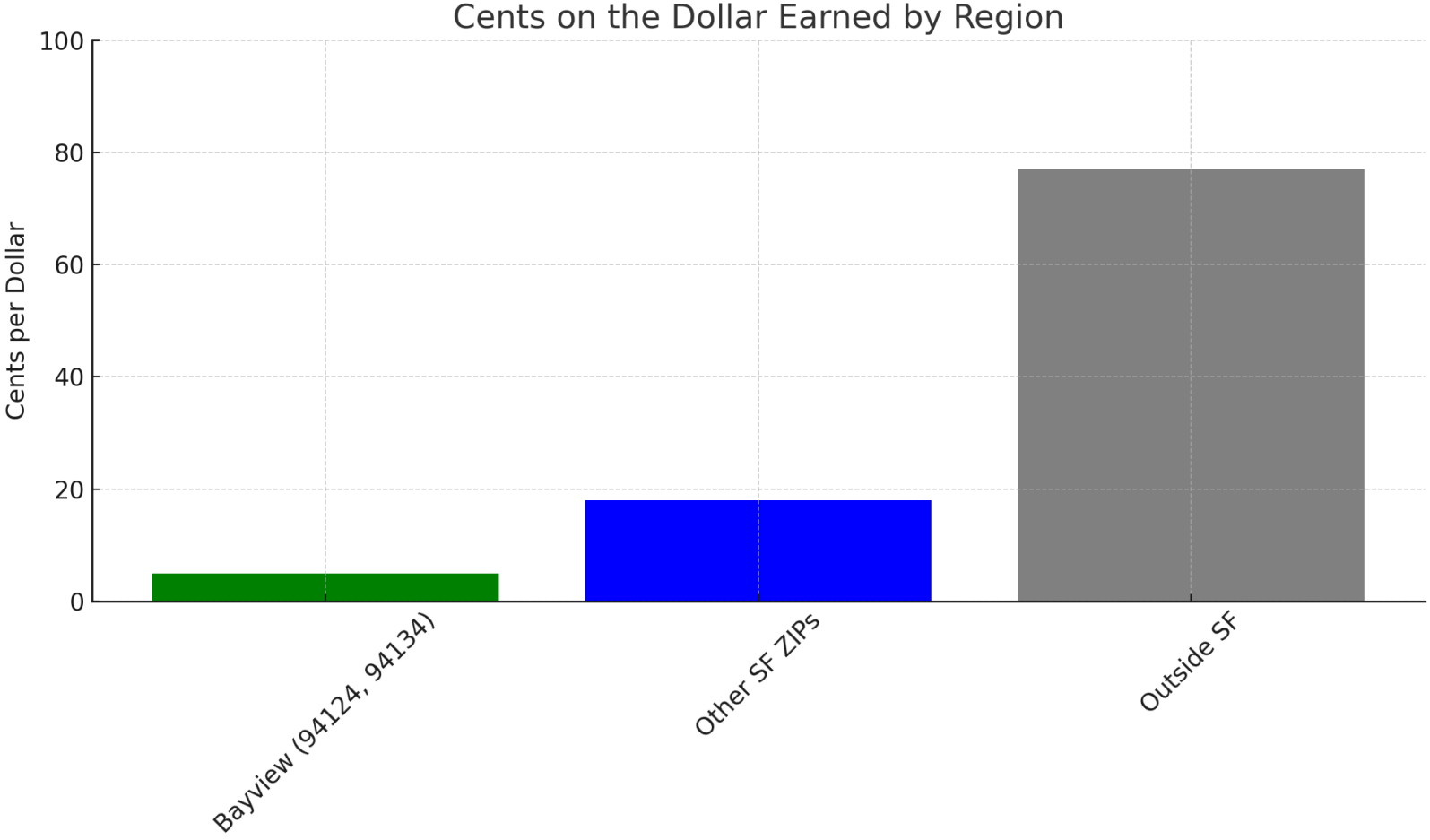
- No community signatory authority
- No transparent compliance audits
- No third-party monitoring or corrective process

This vacuum in accountability has allowed persistent wage disparities that conflict with Chapter 54's purpose. Wage analysis shows Bayview workers earn just 5 cents for every dollar earned by outside ZIP codes on SSIP projects.

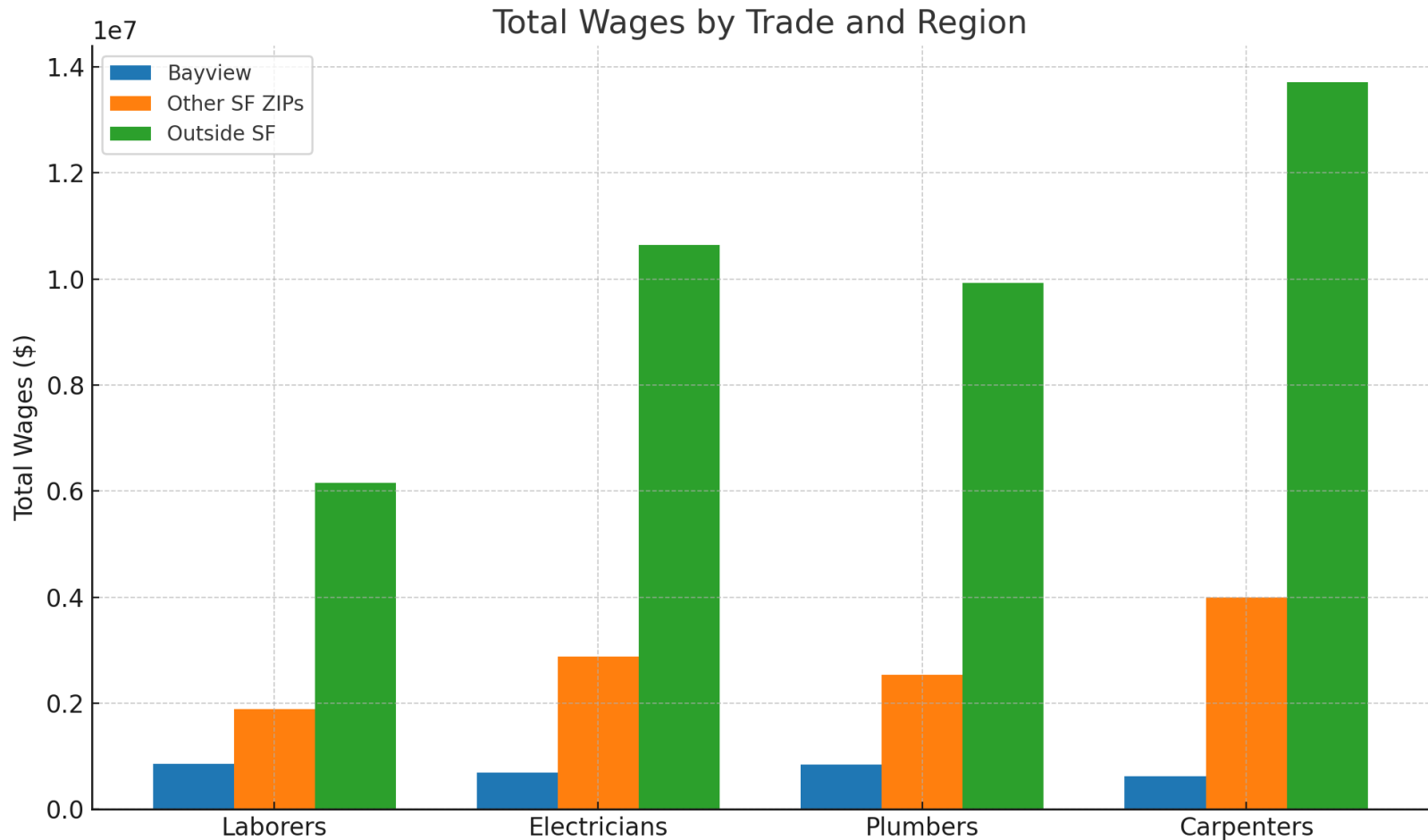
# Wages by Region (Pie Chart)



# Cents on the Dollar by Region (Bar Chart)



# Wages by Trade and Region (Bar Chart)



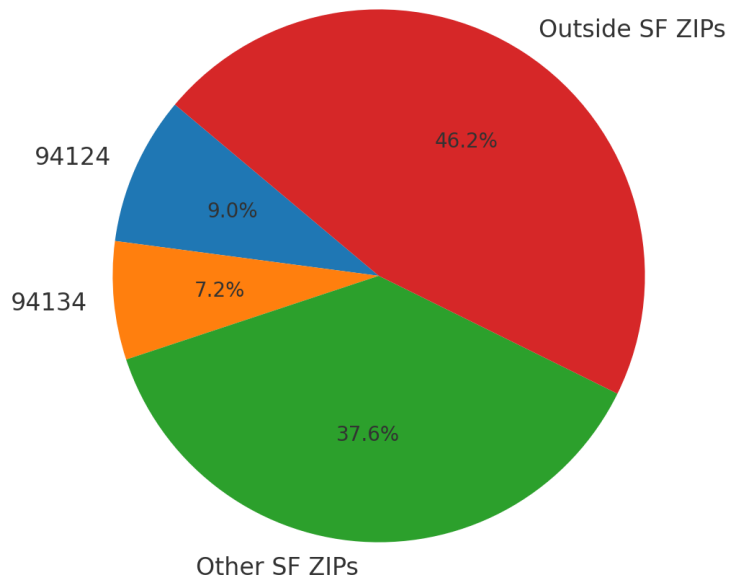
# San Francisco Admin Code Chapter 54

## – Policy Mandate

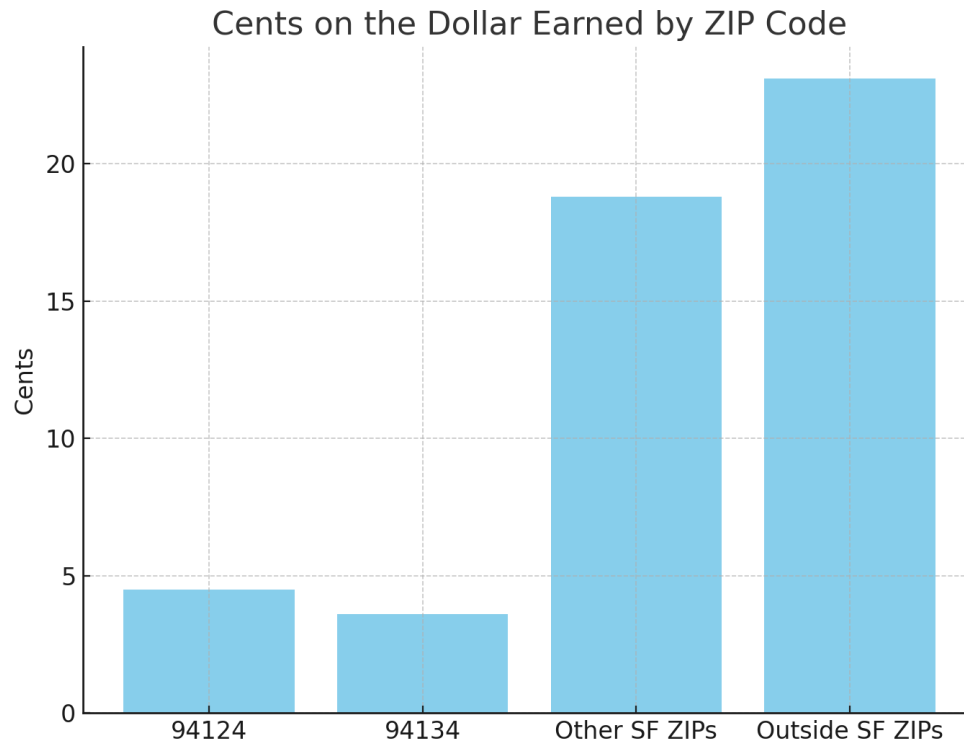
- Chapter 54 mandates mitigation for communities like Bayview-Hunters Point disproportionately impacted by environmental burdens. SSIP is designated a mitigation project and must:
  - - Prioritize hiring from ZIP codes 94124 and 94134
  - - Include community oversight in planning
  - - Enforce labor standards with transparency

# Wages Earned by ZIP Code

Share of Wages Earned by ZIP Code



# Cents on the Dollar Earned by ZIP Code



# Palpable Disparities & Policy Violations

- Despite Chapter 54's intent, labor data shows:
  - - BVHP ZIPs (94124 & 94134) earned only 8.1¢ per \$1 in wages
  - - Outside SF ZIPs earned 23.1¢ per \$1
  - - Lack of community oversight or PLA enforcement undermines equity goals

# Southeast Community Facility Commission (SECFC) Role

- SECFC was established to represent Bayview-Hunters Point in public infrastructure oversight. It was intended to:
  - - Ensure accountability of mitigation efforts
  - - Advocate for local hiring and training
  - - Monitor PLA equity compliance across SSIP and related projects

# Fiscal Year Wage Disparity Comparison

- A comparative look at past fiscal years shows persistent underrepresentation:
  - - FY23: 7.5¢ per \$1 for BVHP vs 25¢ for outside ZIPs
  - - FY24: 8.1¢ per \$1 for BVHP vs 23.1¢ for outside ZIPs
- No major change in equitable wage distribution despite PLA continuation

# Summary of Major Disparities

Analysis of Project Labor Agreement (PLA) wage data across San Francisco and external ZIP codes reveals persistent disparities in wage distribution, with Bayview ZIP codes 94124 and 94134 receiving significantly lower total wages per worker compared to citywide and external counterparts. Certain trades, including laborers, electricians, plumbers, and carpenters, show the most pronounced gaps, where Bayview workers earn only a fraction of the wages earned by workers from other areas. Repeat contract awards to prime contractors outside Bayview exacerbate the imbalance.

# Policy Implications – Chapter 54

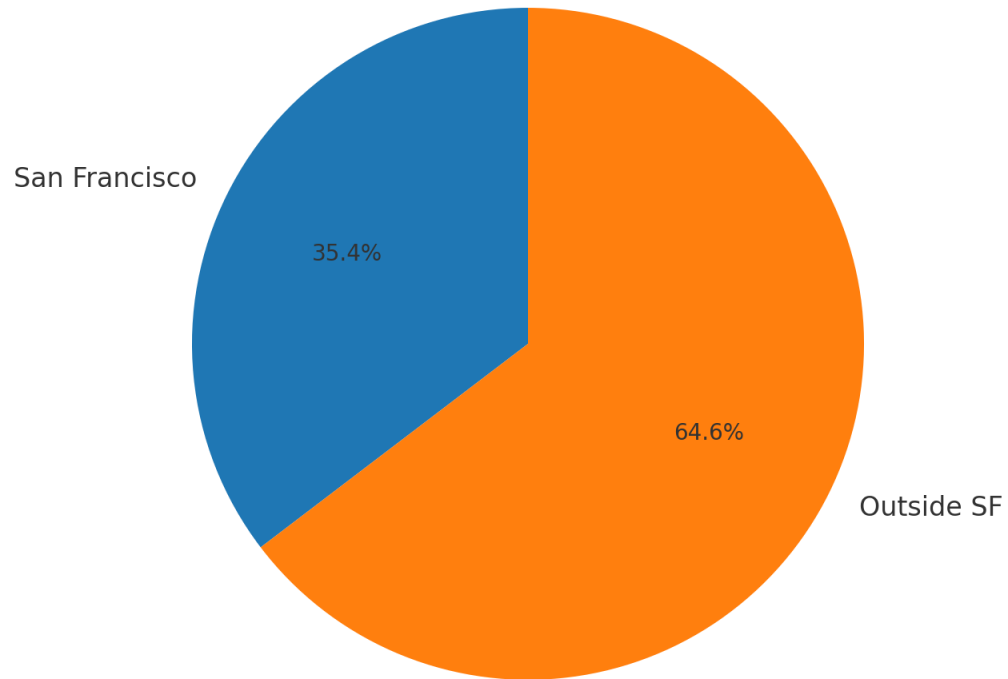
- San Francisco Administrative Code Chapter 54 was designed to ensure that local residents, particularly those in impacted neighborhoods such as Bayview-Hunters Point, benefit equitably from large-scale capital improvement projects. The intent includes local hire mandates, wage equity, and direct participation in project oversight. Current wage distribution patterns and contract allocations suggest a lack of adherence to these principles, raising concerns regarding compliance, enforcement, and equitable economic impact.

# Repeat Prime Contractors Summary

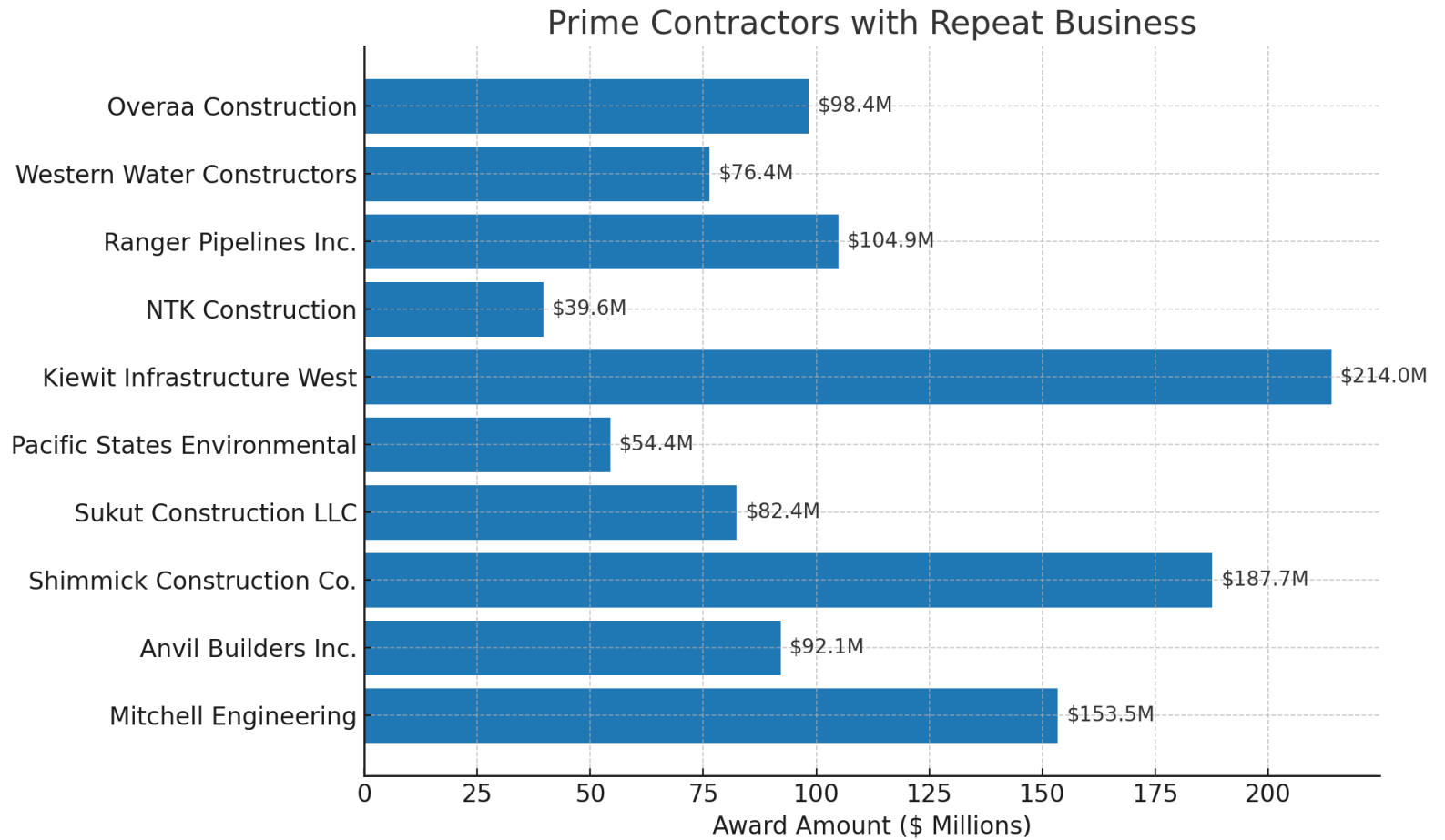
Prime contractors with repeat business across SFPUC projects, including license, city, ZIP, and award values.

# Distribution of Total Awards Between SF-Based vs. Outside Contractors

Contractor Origin by Total Awards



# Award Amounts for Each Repeat Contractor



# Recommendations for Corrective Action

- 1. Strengthen enforcement of Chapter 54 provisions with transparent compliance audits.
- 2. Increase direct community participation in PLA negotiations and oversight.
- 3. Implement stricter local hire requirements with targeted goals for Bayview ZIP codes.
- 4. Establish penalties for contractors who fail to meet local wage and hiring benchmarks.
- 5. Publish quarterly wage equity reports with ZIP code-level breakdowns.
- 6. Expand training and apprenticeship opportunities tied to guaranteed job placement.