"Attachment"

City Council Report

Date: May 3, 2001

To: City Council General Development Committee

Through: Mike Hutchinson, City Manager

From: Bryan Raines, Interim Neighborhood Services Manager

Subject: Status Report on Day Labor Work Center Operations Study

Purpose and Summary of Conclusions

The purpose of this memo is to summarize the current status and conclusions of the Day Labor Operations Study team, and identify the actions remaining to complete the study. Based on the work completed, the study team concludes the following:

- A work center should operate at least six days per week, Monday through Saturday, probably from 5:00 AM to 1:00 PM each day, with seasonal adjustments, if necessary.

- A work center must be large enough to accommodate at least 175 workers per day, the expected average use of the facility. In our current research, two sites have been identified that serve a similar number of workers, so it is possible. Because of this, only one work center site is recommended for Mesa at this time.

- Location of the work center is critical to its success. Siting considerations must include the following:

  The site must be in close proximity to the normal traffic pattern currently in existence for employers and day laborers.

  Accessibility to the site is also critical. Site design must include enough space for several pickup trucks with trailers to easily enter and exit the site.

  A commercial or industrial area is most desirable, if one exists in close proximity to the existing traffic pattern.

- The single most important motivation for workers to use a work center is getting hired for work. The work center, in order to be successful, will have to be a better source to obtain a job than the streets. Marketing the work center as a source of labor to the general community will be a necessary service for the success of the center.

- The work center should maintain a focus on employment and the services that support employment (ie. ESL classes, legal advocacy, immigration, job training). Additional social services should be provided at a site other than the work center. The City should include the basic work center operating costs and the marketing costs in the initial contract for operations. The other core services can be developed by the work center operator through outside grants and linkages with other social service agencies.

- The study team recommends that the pilot project operate for two years with interim reports to the City Council every six months. Staff's experience with other projects such as the men's homeless facility indicates that even under the best of circumstances, it takes six to eight months to get a new program running smoothly.

- A Council Use Permit is required for a day labor work center, which according to our Planning staff will take, at a minimum, six to eight months to acquire. Additional time beyond the eight months may be required based on the site chosen for the work center, whether a lease or purchase is required, and the need for site improvements. The starting point for this timeline would be the City Council's decision approving creation of a work center.

- The FY 2001-2002 operating budget, based on a January 1st opening date, is estimated at $81,000. CDBG contingency funds could potentially be used for the operating costs, but it is necessary to go through a reprogramming process to designate funds for this activity.

Operations Study Results

The Day Labor Operations Study team conducted the study in two phases, which included a street survey of workers, focus groups, and telephone interviews with other day labor centers. The results of each are summarized in this report.

Phase I - Street Survey

The attached charts show the average number of day laborers observed per hour between the hours of 5:00 AM to 11:00 AM and by location within the Broadway corridor during the study period of February 14, 2001 through February 27, 2001. As expected, the area between Mesa Drive and Horne shows the largest

concentration of workers. Most of the activity stays right on Broadway. Mesa Drive is the only arterial street where activity moves north and south of Broadway. However, the northwest corner of Gilbert Road and Broadway Road has become almost as popular as the Circle K site at Mesa Drive and Broadway Road. Most of the workers at this site live in the apartments just west of Gilbert Road and indicated that they moved their job seeking activities to this area because the Mesa Drive site became too crowded.

According to our survey counts, the peak hour of 8 AM to 9AM, Monday through Saturday averaged about 175 workers per day, but could reach 200 to 221 workers on some days. The two-hour time frame between 7:00 to 9:00 AM, Monday through Saturday is the maximum activity hour with, in most cases, substantially higher levels of workers than any other hours in the study period. The other significant finding is that the activity levels on Saturday were as high as those observed Monday through Friday.

Phase I Conclusions:

The Phase I data leads us to conclude that a work center should operate at least six days per week, Monday through Saturday, probably from 5:00 AM to 1:00 PM each day, with seasonal adjustments, if necessary. Also, a work center must be large enough to accommodate at least 175 workers per day, the expected average use of the facility.

Phase II - Focus Group and Telephone Survey Results

In Phase II, study team members conducted several meetings with workers. Attempts to make contact with employers were unsuccessful. Flyers were distributed to announce three meetings, two with day laborers and one with employers. Four people, two day laborers and two outreach workers, attended the first meeting. The second day laborer meeting was cancelled due to low participation. At the suggestion of one of the outreach workers, three study team members conducted informal discussions with approximately 150 day laborers at five different street locations on the mornings of April 3 and 4, 2001.

No participants attended the employer meeting. The flyer announcing the meeting also included a phone number for employers to contact Mesa Community Action Network. Only one employer called as a result of this effort.

In addition, study team members have completed eight of eleven telephone surveys with day labor centers in other communities.

Phase II Conclusions:

The following conclusions are based on the data reviewed to date:

Siting Criteria:

- ✓ The site must be in close proximity to the normal traffic pattern currently in existence for employers and day laborers. Most of the day laborers live close to the locations where they stand for work and either walk or use the bus for transportation. The work center site, to be most successful, will have to be located along Broadway or at most, one to two blocks north or south of Broadway. Also, the site must be no further west than Country Club Drive and no further east than Stapley Drive.

- ✓ Accessibility to the site is also critical. Proximity to the freeway and a major bus line are important, as well as a site design and traffic flow pattern that will allow trucks with trailers to easily enter and leave the site.

- ✓ A commercial or industrial area is most desirable, if one exists in close proximity to the existing traffic pattern. Keeping the work center as far away as possible from residential areas is important, but becomes counterproductive if this means that the work center is located too far out of the existing traffic pattern for day laborers and employers. Other methods, such as landscaping and site design, may have to be used to create a buffer zone for residential areas close to the site.

- ✓ Because of the importance of establishing consistent expectations for employers and workers and the limited number of desirable sites available in the existing traffic pattern that might meet our criteria, a fixed work center site is recommended instead of a mobile site.

- ✓ Site design must include enough space for several pickup trucks with trailers to easily enter and exit the site. There must also be a covered space for workers to congregate, and a combination of walls or fences and landscaping to serve as a buffer between the site and other uses, particularly if a residential area is nearby.

Size and Number of Locations:

According to our street survey, the work center must be able to accommodate an average of 175 workers per day. In our current research, two sites have been identified that serves a similar number of workers, so it is possible. Because of this, only one site is recommended for Mesa at this time. If we experience a significant growth in the number of workers served daily, it would be more desirable to start a second site rather than bring too many workers to one location and risk creating a negative impact in the surrounding community.

Our research identified no existing size guidelines from other communities. The site that currently serves 200 workers per day is located in a 1,000 square foot office located in an industrial strip mall. The only service offered at this location,

in addition to jobs, is ESL classes. The manager at this site indicated that most of their complaints result from the fact that their site is too small for the number of people using it. There is no adjoining property available for the workers to congregate other than behind the office building.

Site Amenities and Services:

The single most important motivation for workers to use a work center is getting hired for work. The work center, in order to be successful, will have to be a better source to obtain a job than the streets. Marketing the work center as a source of labor to the general community will be a necessary service for the success of the center. Other amenities needed, at a minimum, will be restroom facilities (permanent rather than portable, if possible), running water and a small kitchen facility, an administrative office space with phones, a ramada or covered space with tables for workers to congregate, trash receptacles, parking for staff vehicles, and a small area where workers can lock their bicycles.
In addition to marketing the work center to attract jobs, legal advocacy for workers who do not get paid from their employers, assistance with obtaining citizenship and working with immigration issues, and ESL classes are all core services for the work center. The City should include the basic work center operating costs and the marketing costs in the initial contract for operations. The other core services can be developed by the work center operator through outside grants and linkages with other social service agencies.

Some work centers also provide various social services, such as food and clothing distribution, showers, or medical services. Instead of replicating these services at the work center, linkages should be made with social service providers in the community to provide these services at a site other than the work center.

Shower facilities are not recommended at any site because of the likelihood of attracting a transient population to the area. This would be contrary to the City's homeless policy. The work center must be available for any population interested in working day labor, however, it is not intended to be a drop-in center for transients.

Marketing and Outreach:

One of the questions asked of day laborers during our interviews is "once the City has a work center, what is an appropriate response for those who stay on the streets?" Some workers favored enforcement, not understanding that our enforcement options are extremely limited, but most indicated that education of those staying on the streets would be the preferred approach. Day laborers suggested methods such as outreach workers, word of mouth from other day laborers, media coverage in the English and Spanish press such as ads, radio

and TV spots, and posting signs at the most popular street locations informing workers and employers of the work center.

Other work centers have also stressed the importance of marketing for the program, especially initially. The work center in Brea, California did a huge marketing campaign initially to employers. This included sending letters to employers advertising the center, keeping a rolodex card on each employer that uses the center, and calling employers monthly to promote the work center. They also created magnets with the work center number and put reminders in a monthly newsletter with citywide distribution. Representatives from the Los Angeles, California work centers also stressed the importance of marketing. They do street outreach verbally and with flyers to employers and workers. In some areas, the City Council representative sends a letter to businesses asking them not to pick up workers from the street. Also, police officers educate workers about the work center when they find them soliciting work from the streets.

According to the interviews the study team conducted with the workers, almost half of the people hiring day laborers from the street are homeowners with jobs at their private residences. We understand that the City Attorney's interpretation of Federal immigration regulation 8 CFR Part 274a.1h is that hiring day laborers by private homeowners for casual domestic service is not illegal. We may be able to eliminate some of the clandestine nature of day laborer hiring if the public is better educated on this point. A general marketing campaign will help us accomplish this.

Operating Structure:

The City has a long history of contracting with community-based, non-profit organizations to provide social services in Mesa. The study team recommends that this practice be continued for the operation of the day labor work center. It would be preferable to contract with an established organization that has experience in handling City contracts and working in the Mesa community. It is also important that the organization be connected to the Hispanic community in Mesa.

The work center operator would not operate as an employer of day laborers, as is done in some for-profit day labor firms. The purpose of the work center is to provide a safe, orderly environment for the day labor hiring transaction to take place. The City's interest is one of public safety for the workers, employers, and the businesses and residents impacted by the current street hiring practices. The hiring transactions would still be the responsibility of the employer and the worker. Responsibility for verifying a worker's immigration status, when required by law, would be the responsibility of the employer.

In conjunction with the operation of the work center, two committees are recommended.

- A committee of day laborers representing the major street locations where workers currently wait is recommended to develop work center rules, a job allocation system, suggested wage rates for various kinds of work, and to identify needed services, and evaluate how the program in each of these areas is operating.

- A work center advisory committee is also recommended comprised of workers, area residents and businesses, employers (if possible), work center staff, and police and neighborhood outreach representatives. This advisory committee would be responsible for reviewing the overall impact of the work center on the community and making recommendations to the work center operator and the City regarding program changes needed to increase the effectiveness of the work center.

Evaluation Criteria:

The Day Labor Task Force and the study team both recommend the day labor center initially operate as a pilot program. The study team recommends that the pilot project operate for two years with interim reports to the City Council every six months. The Day Labor Task Force recommended a one-year pilot project. Staff's experience with other projects such as the men's homeless facility indicates that even under the best of circumstances, it takes six to eight months to get a new program running smoothly. This project has the additional factor to consider of building trust among employers and workers to use the work center and changing what has been a well-known, long-established informal practice of hiring people from the streets. It will take time to see results. If the data from the interim reports is not showing steady progress, the City Council can decide to discontinue the pilot project at any time.

The evaluation would be conducted by the study team and would include the following factors:

- Number of day laborers who come to the work center each day,

- Number of employers who come to the work center each day,

- Percentage of workers who get jobs each day,

- Number of workers still standing on the streets for work,

- Types of programs offered at the work center and number of workers participating in the programs,

- Customized measures related to program offerings (i.e. a legal advocacy program for workers who do not get paid would measure the number of workers served and the amount of lost wages collected),

- A satisfaction survey for workers, employers, and the surrounding community,

- Anecdotal information related to the impact of the program.

Financial Implications:

The annual operating budget for the basic work center operations is estimated at $120,000. This includes an Operations Coordinator, an Outreach and Community Liaison staff member, and a security staff person to staff a six day per week operation. Additional costs include marketing, materials and supplies, building maintenance and utility costs, and contract administration (i.e. payroll, insurance etc.). Based on a January 1st estimated opening, the FY 2001-2002 operating budget is estimated at $81,000. Two staff members would be hired three months before the center opens to organize the workers to develop the operating structure of the work center. Although an estimated utility cost is included in this budget, an accurate figure cannot be determined until an actual site is selected and evaluated. Additionally, capital costs also cannot be estimated at this time.

Tasks Remaining to Complete the Operations Study:

The following tasks must still be completed:

✓ Conduct the three remaining telephone interviews with other work centers.

✓ Identify possible sites for a work center and the pros and cons of each.

✓ Develop a detailed budget, both a capital and first year operating budget, for the work center, which includes the site based costs.

✓ Meet with local INS officials to identify any concerns they may have about a day labor work center in Mesa. A meeting is currently being scheduled.

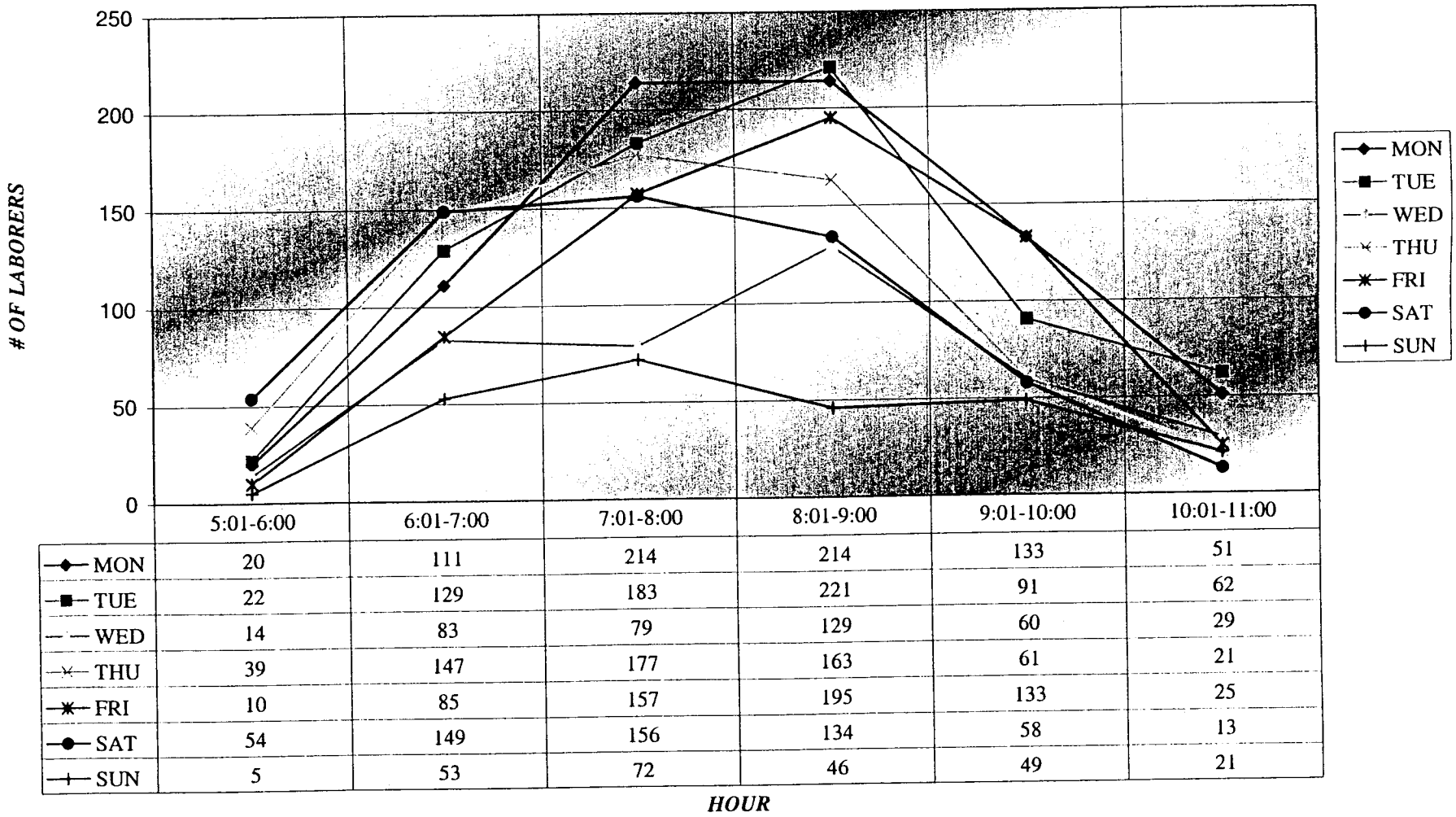
Staff Originator

Department Manager

Deputy City Manager

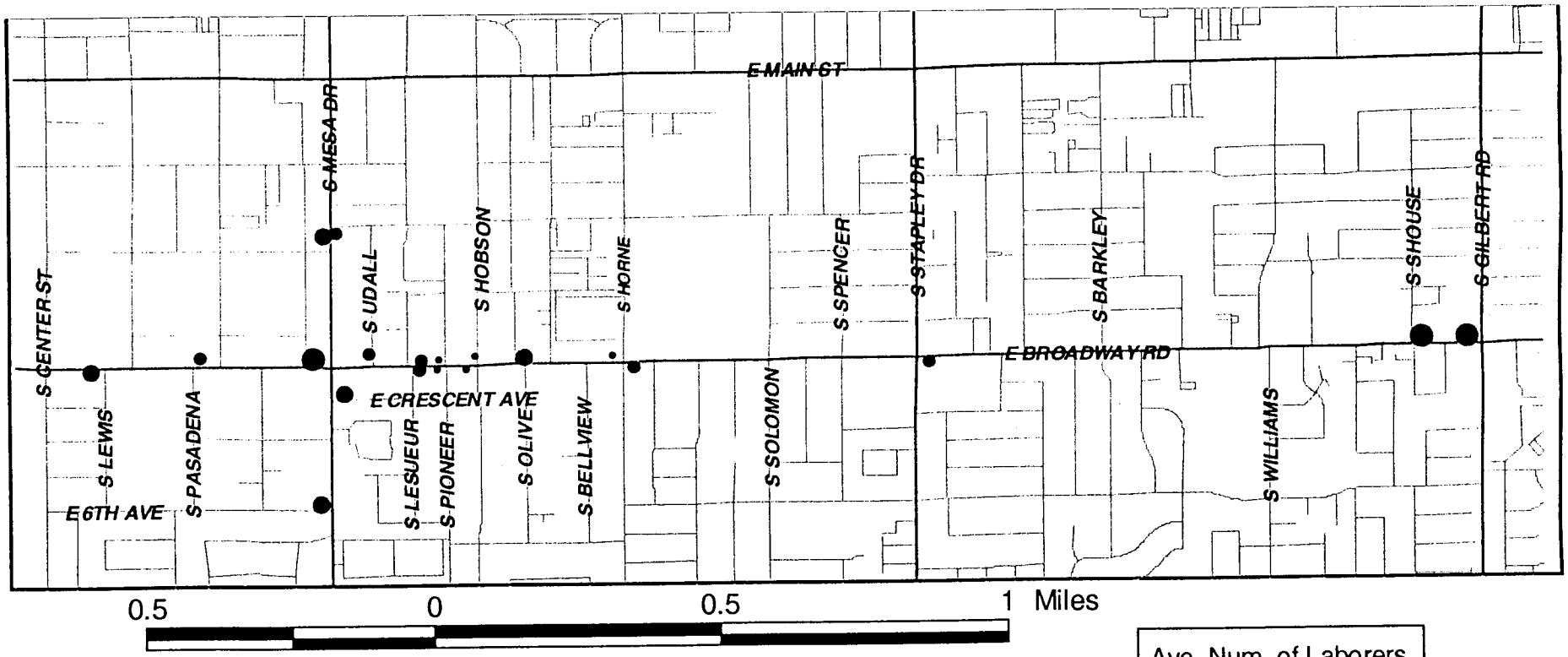
City Manager

AVERAGE NUMBER OF DAY LABORERS OBSERVED PER HOUR PER DAY



	5:01-6:00	6:01-7:00	7:01-8:00	8:01-9:00	9:01-10:00	10:01-11:00
MON	20	111	214	214	133	51
TUE	22	129	183	221	91	62
WED	14	83	79	129	60	29
THU	39	147	177	163	61	21
FRI	10	85	157	195	133	25
SAT	54	149	156	134	58	13
SUN	5	53	72	46	49	21

Average Number of Laborers Observed and Location within the Broadway Corridor During Peak Hour - 8:01-9:00*



*Numbers used were the medians of observed laborers - zero counts were not included in this calculation.

Ave. Num. of Laborers
- 3 - 4
- 4 - 9
- 9 - 15
- 15 - 23
- Arterial Streets
- Streets

N W E S

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