

Communication from Public

Name: Daisy Gonzalez
Date Submitted: 10/15/2024 12:42 PM
Council File No: 22-0617-S5
Comments for Public Posting: Please see letter attached from LAANE



September 21, 2024

Dear Trade, Travel, and Tourism Committee Chair Park and members,

I write to you in strong support of the proposed policy to raise the wage for tourism workers. We support the recommendations in the Chief Legislative Analyst's report, with several minor but critical recommendations outlined below.

This policy's time has come. It has been almost a year and a half since its introduction, and the CLA's report requested by the City Council produced strong and sound findings of positive economic impact. It also has strong, deep, and widespread support across Los Angeles. LAANE, along with Unite Here Local 11 and SEIU USWW, anchors Tourism Workers Rising, a coalition of 130 organizations – including Democratic Clubs, unions, and faith-based and community organizations – 360 small businesses across every single council district and a dozen political leaders who have endorsed raising the wage for tourism workers. Fourteen Neighborhood Councils have submitted Community Impact Statements to the Council File, along with 48 community organizations, and hundreds of individuals

Overall, we found the CLA's report to reaffirm what we have found to be true every time Council has enacted similar policies to raise the wage, and what workers and their community supporters have been sharing in testimony to Council and the T3 Committee for the past year and a half: Raising the wage transforms the lives of working families, and it also enriches our local communities.

However, there are a few important components we'd like to see the committee to amend in order to improve key components, address loopholes, and ensure compliance and enforcement.

The health benefits requirement should be updated to \$8.35 for both airport and hotel workers.

When Council raised the health benefits requirement in the LAX LWO in 2009, the amount was calculated to cover the *full cost* of family health care. In 2009, that amount came out to \$4.50/hr. Today, it would be between \$11 and \$12 an hour, depending on assumptions and sources used.

Despite this, we are not proposing a higher figure. We are simply recommending that both credits are in alignment, at the \$8.35 amount.

The CLA's report proposes two different figures: \$7.51 for airport workers and \$8.35 for hotel workers. It reached these numbers based on a perception that airport workers work full time (40 hours) and that hotel workers don't. In reality, both sets of workers work similar hours, and neither is close to full time.

Data from hours reported by employers in the UNITE HERE Local 11 health fund hotel and airport workers work about the same amount of hours on average. In the largest employers of hotel and airport in their fund, there are approximately 2,400 workers in each group; the average hours worked at the airport was slightly over 34 and at hotels was slightly over 33. Different

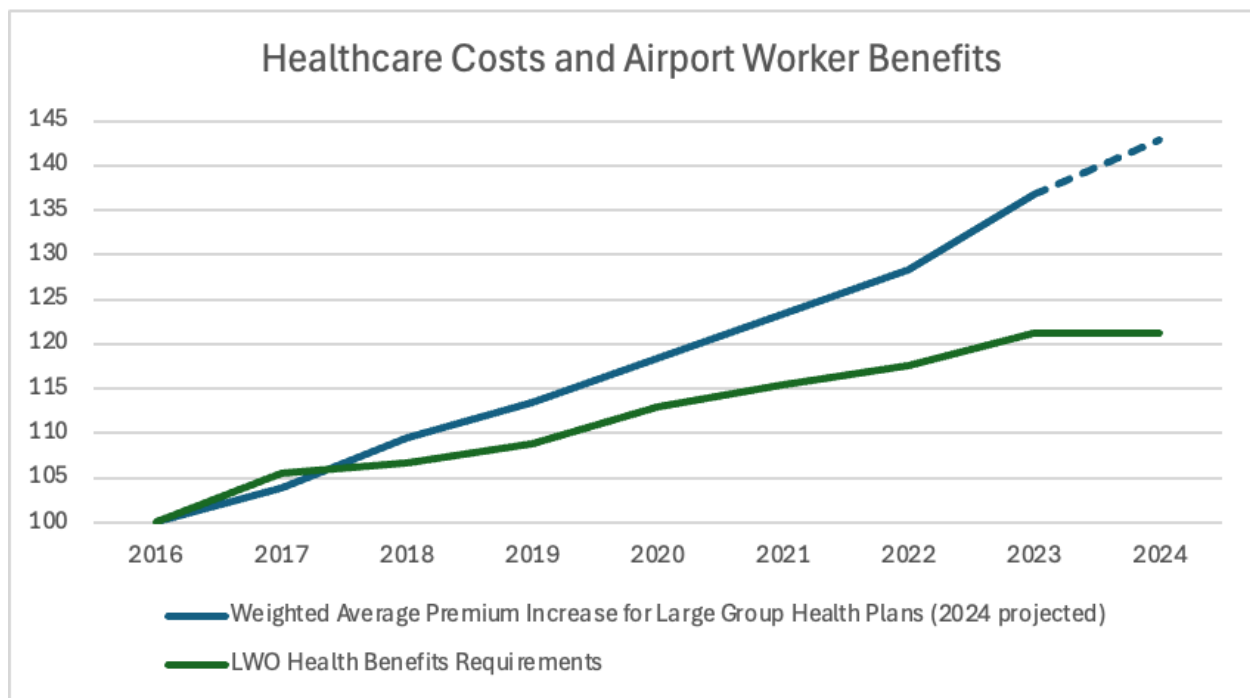
months would obviously give slightly different results, so therefore we recommend using the same health benefits requirement at each since they are substantially similar.

We also spoke to SEIU USSW, who indicated that approximately one quarter of their workers at the airport are part-time, which along with the data above makes it clear that airport workers do not work full time on average.

While the actual number of hours worked is lower at both hotels and airports than the 36 hour average used in the report calculations (and therefore the hourly rate would come out even higher), we recommend using the common number of \$8.35. which would represent a significant improvement in workers' lives by ensuring far more are covered by quality health insurance.

Update escalator to accurately keep up with the cost of health insurance

To address the root of the problem, a small but essential fix is to update the escalator. In 2009, Council pegged annual increases of the health benefits requirement to the medical services CPI. That measure has fallen short, and the current amount of \$5.90 is far behind the cost of family health insurance. In fact, this year, the amount did not increase at all.



Source: California Department of Managed Health Care: Large Group Aggregate Rates and Prescription Drug Cost Report 2023. Indexed to 100 for 2016; City of Los Angeles: Current and Prior Living Wage Rates for Airport Employees, 2024.

While the CPI was the best available measure in 2009, we now have public sources that more accurately track the cost of health care. **To ensure the health benefits requirement doesn't**

yet again fall behind, we propose updating the escalator, indexing future annual increases to the weighted average rate increase for the large group health plans reported annually by the California Department of Managed Health Care in its annual report on state and regional healthcare costs. As mandated by SB 546, its annual report, “Large Group Aggregate Rates and Prescription Drug Costs Report,” publishes premium rates, informed by aggregate rate data submitted directly by large group plans. The large group plans covered in the report are the largest providers of private health insurance in the state. In 2023, the DMHC’s group plan data represented nearly 7.8 million enrollees, including providers such as Kaiser Permanente and Anthem Blue Cross.¹

Minimum health benefits requirements

The original motion calls for minimum health benefits, including family health coverage. In addition, Council should also require that **employers who take the health credit must offer a health plan that is at least silver level, and ensure that no premium is charged to workers for individual coverage.** As workers have shared in testimony repeatedly in Council and T3 Committee, many still have exorbitant copays and other costs that place an undue economic strain on families who are already struggling.

Stick with the original wage schedule proposed

The original motion proposed increasing the wage to \$25 in 2023 and increasing by \$1/year until reaching \$30 in 2028. While 2023 has now come and gone, and we are well into 2024, workers and their families should not have to pay for the delay in this policy. While the CLA’s report includes an alternative wage schedule, we recommend that the policy move forward in alignment with the original intent, starting with where we would be if the policy had not been delayed for over a year:

- i. \$26 w/in 60 days,
- ii. \$27 on July 1, 2025
- iii. \$28 on July 1, 2026
- iv. \$29 on July 1, 2027
- v. \$30 on July 1, 2028

Close loopholes and limit subcontracting to ensure compliance and enforcement

The CLA’s report recommending that the hotel wage be enforceable by OWS, which we agree is necessary for effective enforcement. We also recommend that the City’s other hotel worker related ordinances also be included as well; these include the Los Angeles Hotel Worker Protection Ordinance, the Los Angeles Hotel Worker Retention Ordinance, and the Hotel Service Charge Reform Ordinance.

¹https://www.dmhc.ca.gov/Portals/0/Docs/DO/LargeGroupAggregateRateAndPrescriptionCostsFor2023_1.8.24.pdf

Additionally, by limiting subcontracting of hotel housekeeping, LA City Council can help ensure compliance with its hotel worker minimum wage ordinance. Ensuring that employers do not shift their housekeeping staff to staffing agencies to avoid accountability will remove a major obstacle to enforcement of wage and hour violations and ensure efficient use of the City's limited enforcement resources.

In closing, we urge you to adopt the CLA's recommendations with amendments that address the above concerns to help ensure that the benefits of raising the wage are fully realized by tourism workers and communities across Los Angeles. This policy, which will transform thousands of lives across Los Angeles, is a straightforward fix, simply updating our existing wage ordinances in the tourism industry to move towards the current economic reality. Los Angeles should be proud to have one of the longest-standing living wage ordinances in the country, and of the strongest hotel worker minimum wage ordinances. Such policies have not only enriched our communities; they are established on a sound legal framework that has been repeatedly upheld in the courts, most notably with the recent Seattle hotel worker minimum wage, which includes a similar health benefits provision.

This is a common sense measure. While the industry is predicting cataclysm, their dire threats have failed to materialize every time Los Angeles has expanded its wage protections, which we documented in a January 2024 report, [The Sky Never Fell](#). Thousands of tourism workers and their community allies support this measure, and we encourage you to stay focused on the goal of ensuring that tourism workers are healthy and housed.

Sincerely,

Jessica Durrum
Deputy Director, Policy & Campaigns
LAANE

Communication from Public

Name: Andrea Gonzalez

Date Submitted: 10/15/2024 12:57 PM

Council File No: 22-0617-S5

Comments for Public Posting: We support the Garment Worker Center's recommendations for the DTLA 2040 Community Plan to preserve, protect and incentivize this essential industry. Thank you for your ongoing collaboration with garment workers in assessing the impact this plan would have on thousands of garment industry businesses and their employees within the DTLA Fashion District, as well as the countless neighboring businesses & sectors that support and work with these businesses on a regular basis.

October 15, 2024

Councilmember John Lee
Chair, Planning & Land Use Management Committee
City of Los Angeles
200 N. Spring Street
Los Angeles, CA 90012

Re: The Downtown Los Angeles 2040 Community Plan Report Backs Impacting the Garment Industry Recommendations Approved by Full Council in May 2023

Dear Councilmembers,

As a Los Angeles community organization, we support the Garment Worker Center's recommendations for the DTLA 2040 Community Plan to preserve, protect and incentivize this essential industry.

Thank you for your ongoing collaboration with garment workers in assessing the impact this plan would have on thousands of garment industry businesses and their employees within the DTLA Fashion District, as well as the countless neighboring businesses & sectors that support and work with these businesses on a regular basis.

We understand that the City has completed additional report backs and that PLUM has received the City's new recommendations. **We strongly urge PLUM and the City Council to uphold the recommendations that were approved in May 2023** to require 1.0 FAR of Productive Space in IX3 and ensure the preservation of amenities necessary for the garment industry to operate, such as elevators and loading bays in Subarea A.5 of the Fashion District.

Background

In May of 2023, the DTLA 2040 Community Plan was brought to vote and key provisions regarding the future of the Fashion District were adopted. Those provisions include:

1. A prohibition on new hotels in the Fashion District
2. A prohibition on conversion of viable industrial spaces into luxury lofts from 7th street to Santee, to 16th St to Crocker St.
3. Incentives to build more housing if a property owner dedicates 50% of their building to manufacturing in buildings from Broadway to 7th St to Crocker St to 16th St.
4. The establishment of a taskforce to study what resources and trainings are needed to support workers and garment businesses throughout the region
5. Protections against displacement of garment businesses in existing buildings

We strongly believe the approval of these provisions is a tremendous step forward in protecting nearly 20,000 jobs, thousands of small businesses, and the Fashion District's immigrant, low wage workers of color who are the heart of this industry.

Alongside the approval of these protections listed above, several members required a report back on two key provisions regarding the requirement of loading bays and freight elevators in new developments and the Floor Area Ratio of 1.0 FAR in the IX3 subsection of the Fashion District. In response to those report backs, The Department of City Planning (DCP) has sent a final set of recommendations to City Council.

Moving Forward

As a community organization, we strongly urge PLUM and City Council to uphold its previous decision to:

1. Require 1.0 FAR for Productive Space in IX3, to preserve a significant amount of garment manufacturing space in the Fashion District;
2. Require the preservation of freight elevators, loading docks, and loading bays in Subarea A.5, in buildings currently occupied by garment manufacturers AND require these amenities in any new construction. Subarea A.5 is the core area of the Fashion district with the highest concentration of garment manufacturing.

As the Fashion District accommodates the City's housing needs, these two provisions are necessary to support small businesses' spatial needs and workers' job access. These two provisions help to ensure the industry continues to exist in the thriving ecosystem that makes up the Fashion District.

Please uphold these recommendations on behalf of the industry that has called Downtown LA home for over 130 years.

Sincerely,

Andrea Gonzalez
Deputy Director
CLEAN Carwash Worker Center