

Communication from Public

Name: Rachel Stone

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Comments for Public Posting: Introduction Greetings to Commissioners of the Los Angeles City Commission and thank you for allowing me to speak on behalf of the AAHOA hotels.” My name is Rachel Stone, and I am the Director of State and Local Government Affairs, Western Region at AAHOA, the largest hotel owners association in the nation. Organizational Connection I come today to speak on behalf of hotel owners and the AAHOA member hotel community at large in [Los Angeles]. AAHOA Member Hotel Impact Recent ordinances passed by this council have affected our hotels by creating fees far exceeding revenue on businesses creating financial burdens. I’ll get to the point since we are time limited. We do not support raising the minimum wage for tourism employees (14-1371-s13_misc_4-12-23) in Los Angeles because it is unfair and unreasonable for hotel owners. Given the compilation and increases in new hotel costs and regulations imposed by city council, hotel owners are facing fees far exceeding revenue. As my partners, stakeholders, and colleagues will tell you today, The pandemic shut many hotel doors. The city of Los Angeles provided limited assistance to our hotel owners. Hotels already pay payable/fair wages. AAHOA hotels care about their employees and treated like family Furthermore, researchers will tell you Raising the minimum wage results in job loss increases housing and consumer goods costs for everyone (Labor Economics Fellow, Heritage Foundation) disadvantages minimum wage workers. exacerbates income disparities and the cycle of poverty (Pepperdine University) hurts low-skilled workers has little effect on reducing poverty results in higher prices for consumers Closing Thank you once again Commissioners for taking time to listen.” I ask you for compassion and grace as hotel owners continue navigating the aftermaths of the pandemic and as they continue to adjust to recent ordinances. These ordinances have incurred hotel owners expenses that far exceed hotel revenues. Please vote against raising the minimum wage.



Introduction

Greetings to Commissioners of the Los Angeles City Commission and thank you for allowing me to speak on behalf of the AAHOA hotels.” My name is Rachel Stone, and I am the Director of State and Local Government Affairs, Western Region at AAHOA, the largest hotel owners association in the nation.

Organizational Connection

I come today to speak on behalf of hotel owners and the AAHOA member hotel community at large in [Los Angeles].

AAHOA Member Hotel Impact

Recent ordinances passed by this council have affected our hotels by creating fees far exceeding revenue on businesses creating financial burdens.

I’ll get to the point since we are time limited. We do not support raising the minimum wage for tourism employees in Los Angeles ([14-1371-s13_misc_4-12-23](#)) because it is unfair and unreasonable for hotel owners. Given the compilation and increases in new hotel costs and regulations imposed by city council, hotel owners are facing fees far exceeding revenue.

As my partners, stakeholders, and colleagues will tell you today,

- The pandemic shut many hotel doors.
- The city of Los Angeles provided limited assistance to our hotel owners.
- Hotels already pay payable/fair wages.



- AAHOA hotels care about their employees and treated like family

Furthermore, researchers will tell you

- Raising the minimum wage
 - results in job loss¹
 - increases housing and consumer goods costs for everyone (Labor Economics Fellow, Heritage Foundation)
 - disadvantages minimum wage workers.²
 - exacerbates income disparities and the cycle of poverty³ (Pepperdine University)
 - hurts low-skilled workers⁴
 - has little effect on reducing poverty⁵
 - results in higher prices for consumers⁶

Closing

Thank you once again Commissioners for taking time to listen.” I ask you for compassion and grace as hotel owners continue navigating the aftermaths of the pandemic and as they continue to adjust to recent ordinances. These ordinances have incurred hotel owners expenses that far exceed hotel revenues. Please vote against raising the minimum wage.

¹ CATO Institute. [Four Reasons Not to Raise Minimum Wage](#).

² see, Britannica.org. ProCon. Available at, <https://minimum-wage.procon.org/> Landlordology.com, Heritage Foundation

³ see, Britannica.org. ProCon. Available at, <https://minimum-wage.procon.org/>

⁴ CATO Institute. [Four Reasons Not to Raise Minimum Wage](#).

⁵ CATO Institute. [Four Reasons Not to Raise Minimum Wage](#).

⁶ CATO Institute. [Four Reasons Not to Raise Minimum Wage](#).



⁷The city of Los Angeles seeks to raise its minimum wage from \$18.86/hour to \$25.00/hour for tourism employees and airport employees.⁸ Raising the minimum wage decreases employee compensation, forces businesses to close, resulting in use of automation, or outsource jobs.⁹

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- ❖ California is 1 of 30 states with minimum wage higher than the federal minimum wage.¹⁰
 - ❖ While LA's fair market rent is high,¹¹ LA is already taking measures to create fair housing¹²
 - ❖ Hotel fees exceed revenue¹³ causing raises in hotel rates
 - ❖ No other metro-California city is raising the minimum wage for tourism workers.
 - ❖ Raising the minimum wage
 - results in job loss¹⁴
 - increases housing and consumer goods costs for everyone
 - disadvantages minimum wage workers.¹⁵
 - exacerbates income disparities and the cycle of poverty¹⁶
 - hurts low-skilled workers¹⁷
 - has little effect on reducing poverty¹⁸
 - results in higher prices for consumers¹⁹

Oppose the city of Los Angeles' ordinance to raise the minimum wage!

⁷ Last updated, April 14, 2023. Public Comment

⁸ Prepared by Rachel Stone, AAHOA Director of State Government Affairs, Western Region

⁹ see, Britannica.org. ProCon. Available at, <https://minimum-wage.procon.org/>

¹⁰ California's minimum wage is \$15.50. See, U.S. Department of Labor, Wage and Hour Division, "Consolidated Minimum Wage Table." dol.gov, Jan. 1, 2023. The federal minimum wage is \$9.50 in 2023, and is expected to increase to \$11.00 in 2024, \$12.50 in 2025, \$14.00 in 2026, and \$15.00 in 2027. See, Raise the Age Act of 2021. See, also, Congressional Budget Office. Available at, <https://www.cbo.gov/publication/55681>

¹¹ Ranges from \$1,534 to \$3,170. FY 2023 Fair Market Rent Documentation System: FY 2023 Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area FMRs for All Bedroom Sizes. Available at,

https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2023_code/2023summary.odn See, also Living Wage Calculator. For Los Angeles County, California, available at, <https://livingwage.mit.edu/counties/06037>

¹² see, The Los Angeles Housing Department (LAHD) and the Housing Authority of the City of Los Angeles (HACLA) collaborating in updating the City of Los Angeles' Assessment of Fair Housing Plan. See, also, Los Angeles Housing Department: Assessment of Fair Housing, available at, <https://housing.lacity.org/residents/assessment-of-fair-housing>

¹³ AAHOA. The Fees Keep Adding Up.pdf

¹⁴ CATO Institute. [Four Reasons Not to Raise Minimum Wage.](#)

¹⁵ see, Britannica.org. ProCon. Available at, <https://minimum-wage.procon.org/>

¹⁶ see, Britannica.org. ProCon. Available at, <https://minimum-wage.procon.org/>

¹⁷ CATO Institute. [Four Reasons Not to Raise Minimum Wage.](#)

¹⁸ CATO Institute. [Four Reasons Not to Raise Minimum Wage.](#)

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