

ECONOMIC AND COMMUNITY DEVELOPMENT COMMITTEE REPORT relative to amending the Los Angeles Living Wage Ordinance (LWO) and the Los Angeles Hotel Worker Minimum (HWMO) Wage Ordinance.

Recommendations for Council action, as initiated by Motion (Price – Yaroslavsky et al.):

1. INSTRUCT the Chief Legislative Analyst (CLA) to report with an analysis, including the economic impacts, of amending the LWO and the HWMO to:
  - a. Raise the hourly wage to \$25 in 2023, and by \$1 every year thereafter, to reach \$30 an hour by 2028.
  - b. Adjust the health care credit to meet the average cost of healthcare coverage, add minimum health benefit requirements including family coverage, and require transparency around health care payments.
  - c. Ensure that workers receive all eligible paid time off and sick days under the LWO, HWMO, and the Citywide Minimum Wage.
  - d. Add a Public Housekeeping Training requirement to the HWMO, similar to the ordinances in Santa Monica and West Hollywood.
  - e. Clarify that enforcement of the LWO and HWMO Ordinances shall be conducted by the City's Office of Wage Standards.
2. REQUEST the City Attorney to prepare and present an Ordinance based on the above report.
3. AUTHORIZE the CLA, if necessary, to issue a competitive bid process to select, negotiate, and execute a study in connection with the LWO and HWMO as detailed above, with funding to be identified in a future Financial Status Report.

Fiscal Impact Statement: Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

On May 17, 2023, your Committee considered a Motion (Price – Yaroslavsky et al.) relative amending the LWO and the HWMO Wage Ordinance. According to the Motion, the tourism industry is a major economic engine in Los Angeles, yet many workers at LAX and in hotels are struggling to keep a roof over their heads and support their families. The tourism industry benefited from massive bailouts during the pandemic, including \$13 billion in PPP loans to the hotel industry and over \$45 billion in total government support

to the top five domestic airline carriers through the CARES Act's Payroll Support Program (PSP), along with an additional \$5 billion to contractors and subcontractors. The tourism industry is now rebounding to pre-pandemic levels. In 2022, the US hotel industry reported average daily rate (ADR) and revenue per available room (RevPAR) that were the highest for any year on record.

The City is investing in the industry's future growth as Los Angeles prepares to host the 2026 World Cup and the 2028 Olympics. This investment includes major infrastructure and development projects, with LAX investing \$6 billion in an expansion and LA leading the nation in new hotel rooms. Meanwhile, the workers that keep the tourism industry functioning, safe, and profitable- including hotel housekeepers, LAX janitors and security guards, airplane cabin cleaners, airline catering workers, airline passenger service workers, LAX restaurant and retail workers, and others - are facing housing insecurity as Los Angeles grapples with an unprecedented housing and homelessness crisis. While these workers benefit from the LWO and the HWMO, the wage rates have not kept up with the rising tide of inflation and cost of living in Los Angeles. Raising wages for these workers would positively impact over 36,000 people in Los Angeles and their families. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the Motion, as amended. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Economic and Community Development Committee

<b>COUNCILMEMBER</b>	<b>VOTE</b>
PRICE:	YES
SOTO-MARTINEZ:	YES
PARK:	YES

ARL

5/17/23

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**