

MEMORANDUM

DATE: MARCH 26, 2020

TO: HONORABLE MAYOR AND CITY COUNCIL MEMBERS **FROM:** ASHLEY HEFNER, ADVANCE PLANNING MANAGER

THROUGH: JOHN NACHBAR, CITY MANAGER

SUBJECT: AGENDA ITEM A-4 SUPPLEMENTAL INFORMATION

This memo provides the City Council with more information on Agenda Item A-4, Discussion of Emergency Protections for Hospitality Workers Related to the 2019 Novel Coronavirus (COVID-19).

The staff report for Item A-4 noted that staff researched what other cities are doing and was unable to find any other cities that have implemented these measures. Examples have been provided on what other cities have done, including the cities of Santa Monica, Los Angeles, and Philadelphia. As well, <u>City of Santa Monica Staff Report 3592</u> related to Ordinance No. 2614CCS below, identifies that the cities of Long Beach, Oakland, Emeryville, and Seattle have adopted similar ordinances through ballot measures approved by voters.

Most recently and directly in response to COVID-19, the City of Los Angeles moved the attached motions last Tuesday. The first, authored by Council Member Bonin, would apply broadly to all workers across the city, and the second, co-authored by Council Member Koretz and Council Member Cedillo would apply to the hospitality industry. This matter will go before the LA City Council during their Special Council Meeting tomorrow, March 27, 2020. The City of Long Beach unanimously approved a similar motion last Tuesday as well.

The City of Santa Monica passed Ordinance No. 2031CCS in 2001, including provisions to ensure that hotel workers displaced by the economic impact of 9/11 could return to work in order of seniority when business returned. (Santa Monica Municipal Code [SMCC] § 4.66.030 – Right of Recall, Ch. 4.66 – Recall of Workers)

The City of Santa Monica also passed Ordinance No. 2614CCS in 2019, including protections for the existing hotel workforce including safety, compensation, training, and retention. <u>Staff Report 3592</u> provides a robust discussion including alternatives, enforcement options, financial impacts, a <u>comparative matrix</u>, and <u>presentation</u>. (SMCC § 4.67.050 – Hotel Worker Retention, Ch. 4.67 – Hotel Worker Protection)

The City of Los Angeles passed Ordinance No. 178,083 in 2006, including protections for the existing hotel workforce in the event of a change of ownership, control, or operation of hotels. (Los Angeles Municipal Code [LAMC] § 183.00 et seq. – Hotel Worker Retention Ordinance)

The City of Philadelphia passed <u>Bill No. 190315</u> in 2019 to provide protections for parking employees against wrongful discharge. (The Philadelphia Code <u>Ch. 9-4700 – Wrongful Discharge from Parking Employment</u>)

A point of note relevant to COVID-19 is that the cities of <u>Santa Monica</u>, <u>San Francisco</u>, <u>Gardena</u>, and <u>Los Angeles</u> also have regulations protecting grocery workers.

MOTION

The coronavirus pandemic is already having ripple effects across our communities and the local economy in the City of Los Angeles. Working families are seeing reduced or eliminated paychecks while rent and mortgage payments continue to come due. The City has a responsibility to act urgently in this fast-moving crisis to prevent thousands of families from facing eviction or bankruptcy.

Gig economy workers, service sector workers, retail workers, small business workers, and many others are living under extreme uncertainty. A minimum-wage worker in Los Angeles might already struggle to make rent if they miss one paycheck. But as people increasingly avoid public places because of the new coronavirus, hotels and restaurants in neighborhoods across our city are particularly feeling the impact. Workers -- especially those in the hospitality industry and those that work for tips -- are losing money quickly and families may not have enough money to pay essential bills like gas and electricity.

The City must act quickly to protect the rights of workers across our city, especially in the hospitality, service, janitorial, retail, and gig economy industries.

Most immediately, we must require all employers to provide time for employees to wash their hands every 30 minutes on the job. Workers lacking the time to properly wash and sanitize threatens public health.

Cities like Philadelphia have also adopted the policy of just cause for laying off workers, in which employers must show a bona fide reason to terminate employees. Los Angeles should pursue a similar policy.

In addition, the City should require employers to provide worker recall rights, in which laid-off workers have right of first refusal to return to jobs once businesses reopen.

Lastly, the City should pursue a worker retention policy in the case of bankruptcy or transfer of ownership. As some businesses declare bankruptcy and transition to alternate owners, the new owners should be required to retain the same employees. This is particularly of concern in the hospitality and tourism industries.

I THEREFORE MOVE that the Council direct City Attorney to draft an emergency ordinance, retroactive to March 1, 2020, to establish a "just cause termination" policy to protect workers laid off for economic reasons, in which such workers shall be discharged in order of seniority and have a right of recall in order of seniority. Employers shall not permanently terminate workers—removing right of recall—without documented just cause. [1] City Attorney should refer to Santa Monica Municipal Code Section 4.66.10 et seq. as an example.

I FURTHER MOVE that the Council request the City Attorney to draft an emergency ordinance, retroactive to March 1, 2020, creating a citywide worker retention policy, in which employers that take over workplaces following a change in ownership or in control through subcontracting shall give preference in hiring to workers previously employed at the same worksite, and not terminated for just cause, in order of seniority. City Attorney should refer to Los Angeles Municipal Code Sections 181.00 et seq. and 183.00 et seq.; Santa Monica Municipal Code Chapter 4.67.050 for reference.

I FURTHER MOVE that the City Council direct City Attorney to draft an emergency ordinance requiring every employer to authorize and permit all workers to take a total of at least fifteen minute

breaks per four hours, or fraction thereof, as paid time during which they may wash their hands and attend to other matters of hygiene. This requirement should apply in addition to the rest periods to which workers are entitled under applicable Industrial Welfare Commission Orders.

PRESENTED BY:		ž
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MIKE BONIN	MARQUEECE HARRIS-DAWSON	PAUL KORETZ
Councilmember, 11th District	Councilmember, 8th District	Councilmember, 5th District
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MOTION

On March 4, 2020, Governor Newsom declared a State of Emergency due to the threat of the Coronavirus (COVID-19). COVID-19 is expected to have a significant impact on the economic, public health, and social life of Los Angeles. Governor Newsom and Mayor Garcetti have issued guidelines to reduce the risk of infection, mitigate the spread, and further protect our communities by implementing social distancing practices.

However, the same actions aimed to contain and mitigate the spread of COVID-19 are also severely impacting the economy with some sectors, such as the hospitality industry, experiencing immediate and drastic effects. Restaurants and hotels closing as a result of government mandates may be faced with financial hardships that require support. While it is important to support businesses, it is also important to support workers. Therefore, the City should take immediate action to establish regulatory guidelines to protect hospitality workers that include, at minimum, the following provisions:

- Layoff by seniority;
- Return to work by seniority;
- . Just cause terminations, when applicable; and
- Worker retention.

I THEREFORE MOVE that the City Council instruct the Bureau of Contract Administration, with the assistance of the City Attorney and Economic and Workforce Development Department, to report with a plan to protect hospitality workers that includes the above provisions.

PRESENTED BY

GILBERT A. CEDILLO Councilmember, 1st District

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(SEE COUNCIL FILE NO. 20-0147-S42)