AD HOC COVID

After the passage of the City of Los Angeles' Premium Hazard Pay for On-Site Grocery and Drug Retail Workers Ordinance, (the Ordinance), Ralphs Grocery Co. and Food 4 Less have announced the closure of three allegedly underperforming stores within the City of Los Angeles. During the public debate prior to the passing of the ordinance, there were threats that the passage of the Ordinance could force the closure of stores due to the cost. After the passage of the ordinance, the message from store representatives was that these closures had been long planned, adding claims that these stores were losing millions of dollars per year. These companies and their parent company, the Kroger Co., have offered the same explanation for closure of stores in other jurisdictions that have enacted similar hazard pay ordinances.

Ralphs and Food 4 Less are the only stores that have announced closures in the aftermath of the Ordinance, yet other grocery stores may be contemplating similar action. Additionally, there are markets which have recognized the hardship and sacrifices of their workers during the pandemic, and we should also examine their practices.

The City has an interest in considering whether it should take legislative action to address these closures and potentially future closures of other grocery stores especially in areas of the City that are commonly known as Food Deserts. In order to do so, the City Council should seek information from the grocery stores and their executive management to better understand their actions and inform the City Council on ways that might protect the City and its residents from the consequences of these types of closures.

I THEREFORE MOVE that, in order to evaluate future legislative action, the City Council exercise its authority under Charter Section 217 and any other applicable laws, including its authority to examine witnesses and compel the attendance of witnesses and the production of evidence, to determine, among other things, the reasons why the Kroger Co., Ralphs Grocery Co. or Food 4 Less have closed these stores.

I FURTHER MOVE that, CLA and City Clerk, with the assistance of the City Attorney, be instructed to formally request the appearance of executives of a number of stores within 30 days, and if they decline appear, issue subpoenas as authorized in the City Charter and any other applicable laws.

I FURTHER MOVE the outcome of these hearings should be to help shape future legislative policy regarding worker protections, essential services in long-neglected communities, and strategies to address Food Deserts.

PRESENTED BY:

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