

Contact Information

Neighborhood Council: South Robertson Neighborhood Council

Name: Doug Fitzsimmons

Phone Number: [213.804.6659](tel:213.804.6659)

Email: dougfitzsimmons@soronc.org

Date of NC Board Action: 07/17/2014

Type of NC Board Action: General Comments

Impact Information

Date: 07/22/2014

Update to a Previous Input: No

Directed To: City Council and Committees

Council File Number: 14-0223

Agenda Date:

Item Number:

Brief Summary: The South Robertson NC supports the passage of a Living Wage ordinance for hotel employees. As a community bordered by two cities, however, SORO NC strongly urges the City Council to amend the proposed ordinance to incorporate appropriate protections for hotels under 200 rooms, particularly those within one mile of a bordering city that has not yet passed a comparable living wage ordinance.

Additional Information: Passed by SORO NC with a vote of 14 yes, 1 no, 3 abstain.



Motion to support a living wage ordinance for hotel workers

Agenda Item: GB071714-28

Date: 17 July 2014

Proposed By: Doug Fitzsimmons

Full Proposal

The City of Los Angeles is currently considering an ordinance that would raise the minimum wage for most hotel employees to \$15.37/hour.

The proposal phases-in the increase over time. As now drafted, hotels with over 300 rooms would have until July 1, 2015; hotels with over 125 would have an additional year. Hotels facing financial hardships would be able to file for some level of exemption.

The benefits of the living wage ordinance are clear. Non-unionized hotel employees are among the lowest paid workers in the City. For struggling housekeepers, busboys and maintenance workers at large hotels, it provides a chance to escape poverty and, as Mayor Garcetti says, "build pathways to the middle class." The City's economy stands to benefit from their increased purchasing power, too, although to what degree is a matter of debate.

Which is not to say that the ordinance as written is perfect. A serious local concern is that hotels that closely border communities without a comparable living wage ordinance (such as Beverly Hills and Culver City) would be at a competitive disadvantage: unable to raise room rates above those set by over-the-border competitors, but still required to increase salaries. In a price-sensitive market, this would be felt most acutely in small to mid-sized hotels that don't enjoy the economies of scale that larger (200+ rooms) hotels enjoy (a situation that could lead to development of increasingly large hotels).

Proposed Motion

- I. To support the passage of a City ordinance that phases in an increase to the minimum living wage of non-union hotel employees to \$15.37/hour;
- II. As a community bordered by two cities, SORO NC further urges the City Council to incorporate appropriate protections for hotels under 200 rooms, particularly those within one mile of a bordering city that has not yet passed a comparable living wage ordinance;
- III. To authorize SORO NC to file a Community Impact Statement to that effect.

Considerations

Committee review:
(highly recommended)

Votes For: 0

Against:

Amount previously allocated in Committee's working budget: \$
(applies to funding motions only)

Doug Fitzsimmons
President

Brian Kite
Vice-President

Terrence Gomes
Treasurer

Beth Ryan
Secretary

**South Robertson
Neighborhoods Council**

PO Box 35836
Los Angeles, CA 90035

P: (310) 295-9920
F: (310) 295-9906
E: info@soronc.org

soronc.org





Arguments for:

The living wage ordinance could have a dramatic positive for thousands of hotel employees City-wide.

Larger chain hotels and hotels that don't directly compete with hotels in other cities are more likely able to absorb the wage increases without laying off employees.

Arguments against:

The overall economic impact involves serious trade-offs that may result in lost jobs.

The goal should be to provide a living wage to the largest number of people possible.