

**File No. 14-1371, 14-1371-S2**

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to establishment of a minimum wage in the City of Los Angeles.

Recommendations for Council action:

1. REQUEST the City Attorney to prepare and present an ordinance to establish a citywide minimum wage with the following provisions:
  - a. Beginning in 2016, the minimum wage in the City of Los Angeles will increase annually as follows:
    - i. July 1, 2016 \$10.50
    - ii. July 1, 2017 \$12.00
    - iii. July 1, 2018 \$13.25
    - iv. July 1, 2019 \$14.25
    - v. July 1, 2020 \$15.00
  - b. Beginning in 2017, a modified minimum wage schedule for business with 25 or fewer employees will be established as follows:
    - i. July 1, 2017 \$10.50
    - ii. July 1, 2018 \$12.00
    - iii. July 1, 2019 \$13.25
    - iv. July 1, 2020 \$14.25
    - v. July 1, 2021 \$15.00
  - c. Non-profit organizations with 25 or fewer employees will receive the above modified schedule, or alternatively, they can apply for a waiver through the Public Works Bureau of Contract Administration (BCA) if their top executive earns less than eight (8) times the wage of the lowest-paid worker, and if they meet the following criteria:
    - i. Serve transitional employees, OR
    - ii. Are primarily funded by State or Federal reimbursements that are more than 50 percent of their payroll.

- d. Beginning July 1, 2022, the minimum wage will increase annually based on the average Consumer Price Index over the previous 20 years. This rate will be established by the BCA and announced on January 1st of every year.
  - e. Consistent with State law, youth wage should stay as 85 percent of minimum wage for 160 hours for workers 14-17 years of age.
  - f. Develop paid time off policies that stay consistent with previous City wage policies, and ensure consistency with the City's hotel minimum wage relative to service charges.
2. INSTRUCT the Chief Legislative Analyst (CLA) and City Administrative Officer (CAO) to commission a study every three years of the minimum wage implementation, starting in 2018, to review the state of the City's economy, impacts of the minimum wage, and wage theft enforcement; and to collect economic data including jobs, earnings, and sales tax, on an annual basis.

Fiscal Impact Statement: None submitted by the CLA and CAO.

Community Impact Statement: Yes.

For: Downtown Los Angeles Neighborhood Council  
 Historic Highland Park Neighborhood Council  
 MacArthur Park Neighborhood Council  
 Central San Pedro Neighborhood Council  
 Pacoima Neighborhood Council  
 Harbor Gateway North Neighborhood Council  
 Elysian Valley Riverside Neighborhood Council  
 Silver Lake Neighborhood Council  
 North Hollywood Northeast Neighborhood Council  
 Winnetka Neighborhood Council  
 North Hills East Neighborhood Council  
 Greater Cypress Park Neighborhood Council  
 South Los Angeles Alliance of Neighborhood Councils

SUMMARY

At a special meeting held on May 13, 2015, the Economic Development Committee considered joint CLA and CAO reports and Motions (Bonin - Buscaino for Cedillo - Martinez - Price - Koretz - Krekorian) and (O'Farrell - Blumenfield - Krekorian - Martinez - Wesson for Fuentes) relative to establishment of a minimum wage in the City of Los Angeles and consideration of rate schedules, provisions for small businesses and non-profits, and other related provisions.

The Committee Chair opened the meeting with a statement regarding raising the minimum wage and the establishment of one in the City of Los Angeles as a tool to address poverty and wage

disparity, as well as improving the City's economy. The CLA and staff, and representatives of the City Attorney, then addressed the Committee, provided an overview of the matter, and responded to related questions. The Committee also considered comment from the public on the issue, including from workers, non-profits, and various businesses and business organizations. After discussion of the matter, the Committee recessed into closed session pursuant to Government Code Section 54956.9 to confer with legal counsel for a briefing only; no action was taken during the closed session.

Upon returning to open session, the Committee resumed discussion of the matter and recommended approval of the establishment of a minimum wage in the City of Los Angeles with the instructions to the City Attorney and to the CLA and CAO as detailed above, and expressed its appreciation to the Mayor and to Councilmembers instrumental in moving the minimum wage proposal forward, and to the CLA, the CAO, various Council staff, and others for their assistance. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
KREKORIAN:	YES
HUIZAR:	YES
CEDILLO:	YES
MARTINEZ:	YES
WESSON:	YES
KORETZ:	YES

REW  
5/14/15  
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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**