

Communication from Public

Name: Jackie Silvers

Date Submitted: 02/02/2021 09:03 AM

Council File No: 20-1609

Comments for Public Posting: The LA Chamber, along with its member grocers, the larger business community, and local stakeholders, believes that we can protect and support essential grocery workers without increasing costs during a pandemic-induced economic recession. We also believe more time is needed to assess the negative consequences of extra pay- increase motions before causing unintended consequences for our grocers, their employees, and the community that relies on them to feed their families. We are urging our City Councilmembers to complete an analysis of the costs, assess impacts on families and communities, and obtain input from grocers and businesses.

January 26, 2021

Council President Nury Martinez
Sixth District
City Hall, 200 N. Spring Street, Room 470
Los Angeles, CA 90012

SUBJECT: Grocery Workers/COVID-19/State Health Orders/Hazard Pay Motion

Dear Council President Nury Martinez:

On behalf of the Los Angeles Area Chamber of Commerce (Chamber), we write to express our concern with the Los Angeles City Hazard Pay motion (20-1609) that was referred to the Economic Development Committee on December 15th. The Chamber, along with its member grocers, the larger business community, and local stakeholders, believes that we can protect and support essential grocery workers without increasing costs during a pandemic-induced economic recession. We also believe more time is needed to assess the negative consequences of extra pay-increase motions before causing unintended consequences for our grocers, their employees, and the community that relies on them to feed their families.

Grocery stores recognize the sacrifice of their employees that work on the frontlines providing customers safe access to food and other products during this incredibly difficult time. To protect their workers, customers, and business, grocers have invested billions in equipment, enhanced safety protocols, extra pay and bonuses, and additional health benefits for grocery workers. Unfortunately, this motion targets grocery stores that have complied with safety ordinances, drives up grocery costs for families, and puts more financial strain on struggling grocery stores and their employees at the worst time. An additional \$5/hour increase in grocery worker pay would significantly increase the cost of food and groceries for Los Angeles families and communities, especially for low-income, people of color and disadvantaged communities.

Higher costs could also force grocers to reduce the number of workers, available hours, and store locations. Many grocers may find it too difficult to remain open, especially independent grocers, and groceries in disadvantaged communities because most operate on thin margins, even during the pandemic. If grocery stores start to shut down, it will only increase food insecurity, especially in low-income and disadvantaged neighborhoods. That is why we are asking our LA City Councilmembers to request an economic impact assessment to better understand the consequences of its motion before requiring extra pay to grocery workers. We also believe the City will benefit from holding listening sessions with the business community and other stakeholders to allow an opportunity to discuss with City leaders the impacts of the Hazard pay motion and possible solutions we can support as partners in addressing the impacts of the pandemic.

For the reasons state above, we are urging our City Councilmembers to complete an analysis of the costs, assess impacts on families and communities, and obtain input from grocers and businesses before voting on the language. Thank you for your consideration. Please contact Public Policy Director, Jacqueline Silvers, with any questions at jsilvers@lachamber.com or 213-580-7518.

Sincerely,

A handwritten signature in black ink that reads "Maria Salinas". The signature is written in a cursive, flowing style.

Maria Salinas
President & CEO

CC: Los Angeles City Councilmembers

Communication from Public

Name: Mikaela Garcia

Date Submitted: 02/02/2021 09:32 AM

Council File No: 20-1609

Comments for Public Posting: My name is Mikaela Garcia, and I live in District 5. I'm writing to express my strong support for the emergency, temporary ordinance of \$5.00 hazard pay for grocery workers in the City of Los Angeles. Grocery and drug retail workers have risked their lives to keep our communities fed and connected to the critical resources they have needed throughout the pandemic. Many grocery and drug retail workers are BIPOC women and have become the primary earners in their households as families struggle under the combined weight of COVID-19 and widespread unemployment. Working Angelenos, especially families of color, have also not been able to shelter in place throughout the pandemic because they are more likely to hold essential jobs and thus face an increased exposure to the virus. Members of UFCW770 and grocery workers across the city of Los Angeles have been calling on grocery store corporations to reinstate hazard pay as companies see record profits. Major grocers quietly let the hazard pay they once offered at the start of the pandemic expire as COVID rates soar and Intensive Care Unit capacities are at a breaking point. Yet, workers continue to face hazardous working conditions and risk their health in order to provide life saving resources for our communities. This is the right policy for this unprecedented moment. Los Angeles must lead as it always has in fighting for the rights and dignity of working people. Thank you for your leadership.

Communication from Public

Name: Dan Hoffman

Date Submitted: 02/02/2021 10:44 AM

Council File No: 20-1609

Comments for Public Posting: Item 19 for today. You have probably already read in today's Daily Breeze, that Kroger is planning to close two stores in Long Beach in April of this year. If the increase were to go into effect for our city of Los Angeles it could mean an increase in food prices and/or a loss of jobs. Increased food prices would have a huge impact on the most vulnerable of our community. Please take time to do an economic impact analysis before further consideration and ensure that your actions are equitable. And please let's get our Grocery workers vaccinated. Thank you for your consideration.

LONG BEACH

Stores close, blame council

Kroger shuttering a Ralphs and Food 4 Less after city-mandated wage bump for grocery workers

By Hayley Munguia

hmunguia@scng.com

Two Long Beach grocery stores will close in April in response to the City Council's recent vote to mandate extra pay for grocery workers amid the pandemic, and grocers warned closures may occur in other cities that consider similar policies.

The Kroger Co., which owns Ralphs and Food 4 Less, announced Monday it will close a Ralphs in East Long Beach, at 3380 N. Los Coyotes Diagonal, and a Food 4 Less in North Long Beach, at 2185 E. South St., on April 17.

"As a result of the City of Long Beach's decision to pass an ordinance mandating Extra Pay for grocery workers, we have made the difficult decision to permanently close long-struggling store locations in Long Beach," the company said in a statement. "This misguided action by the Long

GROCERY » PAGE 8

Grocery

FROM PAGE 1

Beach City Council oversteps the traditional bargaining process and applies to some, but not all, grocery workers in the city.”

And it’s possible Kroger could close more grocery stores elsewhere. Long Beach was the first city in the region to approve a temporary wage bump for grocery workers, but Montebello has since followed suit, and Los Angeles and Pomona have signaled they will likely move ahead with similar ordinances.

When asked whether Kroger would shutter more locations if other cities also mandate hazard pay for grocery workers, the corporate affairs director for Ralphs, John Votava, said in an email, “These misguided mandates could put any struggling store in jeopardy of closure.”

The Long Beach City Council last month unanimously approved the ordinance, which requires grocery stores with at least 300 employees nationwide and more than 15 employees in Long Beach to pay workers an extra \$4 per hour as a form of hazard pay to recognize the burden grocery workers face amid the coronavirus pandemic. The ordinance is set to last 120 days.

“It is [Long Beach]’s understanding that the two stores were identified by their owners as long-struggling,” a Monday statement from the city said. “Kroger’s decision is unfortunate for workers, shoppers and the company.”



Long Beach Vice Mayor Rex Richardson said he was skeptical a temporary city-mandated wage bump was the true reason Kroger decided to close the Food 4 Less on South Street, which is in Richardson’s district, noting the Food 4 Less has struggled in recent years.

BRITTANY MURRAY
STAFF PHOTOGRAPHER

Elsewhere in Los Angeles County, the Montebello City Council voted last week to require large drug and grocery stores to give employees an extra \$4 per hour for the next 180 days. A similar hazard pay measure will also be considered by the Los Angeles City Council today, and Pomona is expected to review a draft ordinance by March 1 that would require certain grocery stores to provide a \$4-per-hour pay bump for workers.

When the Long Beach City Council approved the wage hike, council members spoke about how grocery workers put their lives on the line to ensure Long Beach residents continue to have access to the food and basic supplies their stores provide. Council members and Mayor Robert Garcia said many grocery stores voluntarily offered hazard pay early on in the pandemic but phased it out over the summer.

“These folks that are working at these markets and these grocery stores

are heroes,” Garcia said in the Jan. 19 council meeting when the ordinance was approved. “This is nothing new. They have received this type of additional pay in the past, and if they deserved it in the past, they deserve it today.”

And grocery workers themselves said the city’s ordinance is a necessary corrective to the fact that throughout most of the public health crisis, they have continued to work and have not received adequate financial compensation for doing so.

Christina Mejia, who works for Food 4 Less, was one of dozens of grocery workers who called into City Council meetings while the panel weighed the ordinance. She said she and her colleagues worry daily about the possibility of catching the coronavirus.

“I believe me and my co-workers deserve hazard pay after almost a year of enduring these hard times, where this silent, deadly virus is among us,” she said during the Jan. 19 meeting. “Just

last week alone, my store had 18,927 customers. Many of those customers can be carrying the virus.

“Hazard pay shouldn’t be a question or a debate. This is something we deserved from the start,” Mejia added. “It should be people over profits, not profits over people.”

The decision to close what amounts to 25% of Ralphs and Food 4 Less locations in Long Beach isn’t the only blowback the city has seen from its decision to pass the ordinance. The California Grocers Association announced the day after the council’s vote that it had filed a federal lawsuit against the city.

The lawsuit alleges that Long Beach’s ordinance is unconstitutional because it interferes with the collective bargaining process between grocery stores and the unions that represent their front-line workers. The city, meanwhile, has argued that the ordinance does not interfere with the process and is similar to other wage bumps

that courts have upheld.

In weighing their own policies to boost wages for grocery workers during the pandemic, Montebello, Los Angeles and Pomona have all been warned by the California Grocers Association that they, too, could face legal challenges.

That didn’t deter Montebello. Mayor Kimberly Cobos-Cawthorne called the lawsuit and threats a “scare tactic,” and other council members agreed with her. But in Los Angeles, the city attorney, who has not yet released a draft ordinance, has asked that the issue be discussed in closed session in response to the threat of litigation. And in Pomona, city leaders are monitoring the Long Beach lawsuit because the outcome may affect the enforceability of Pomona’s ordinance. Local union leaders, though, support Pomona’s efforts to increase pay for grocery workers.

The California Grocers Association, meanwhile, said Monday that the closure of two grocery stores in Long Beach was a predictable consequence of the mandated wage bump.

“A \$4/hour increase represents about a 28 percent increase in labor costs for grocers,” association President and CEO Ron Fong said in a statement. “There’s no way grocers can absorb that big of a cost increase without an offset somewhere else, considering grocers operate with razor thin margins and many stores already operate in the red. The Long Beach City Council put politics ahead of families and jobs in the middle of a pandemic. This was entirely avoidable.”

Kroger’s most recent earn-

ings report, though, showed that the company’s operating profit was up 33% compared with the previous year.

And Long Beach Vice Mayor Rex Richardson said he was skeptical that a temporary wage bump was the true reason Kroger decided to close the two grocery stores, one of which — the Food 4 Less — is in Richardson’s 9th District.

The Food 4 Less location in North Long Beach has struggled in recent years as five big-box grocers have opened nearby, Richardson said in a Monday phone interview. But regardless of the reasoning, he said, his job is to ensure his district doesn’t suffer because of Kroger’s decision.

“As a council member, I don’t have a lot of time to sit back and pontificate about whether some corporate executive who made an extra billion dollars last year is upset about a City Council decision,” he said. “Our job is to keep providing for the residents. I’m not shaken.”

To that end, Richardson said he has already started conversations with the city’s Economic Development Department and Pacific Gateway, the city’s workforce development agency, to determine next steps for the property and for the workers who will be affected.

“I just think it’s important that residents know that one way or the other, they’re going to be OK,” he said. “We’re going to be OK. Our community is making progress.”

Staff writers Mike Sprague, Elizabeth Chou and Jessica Keating contributed to this report.

Communication from Public

Name: Nabila Sosa

Date Submitted: 02/02/2021 11:18 AM

Council File No: 20-1609

Comments for Public Posting: My name is Nabila Sosa, advocacy manager at NCJWLA. NCJW|LA is a section of the National Council of Jewish Women (NCJW), a grassroots organization of volunteers and advocates who turn progressive ideals into action. NCJW | LA has served the needs of Los Angeles women and children for more than 100 years. Inspired by Jewish values, we pursue social justice by focusing on advancing equity and social justice for women and their families. We are developing programs that ensure high-impact outcomes through a solution-focused approach, grounded in the values of respect, justice, resilience, and community participation. We support hazard pay for grocery/drug retail workers who have been serving our community. L.A.'s essential workers risk their health each day to keep Angelenos fed and connected to the critical resources we need. They've supported us throughout the COVID-19 pandemic, and now it's time for us to support them. This is the right policy for these unprecedented times. Cities across the state are moving to pass hazard pay, and LA City should be a leader among them. Thank you for your leadership on this issue

Communication from Public

Name: Laura García

Date Submitted: 02/02/2021 04:36 PM

Council File No: 20-1609

Comments for Public Posting: My name is Laura García and I live in District 8. I'm writing to express my strong support for the emergency, temporary ordinance of \$5.00 hazard pay for grocery workers in the City of Los Angeles. Grocery and drug retail workers have risked their lives to keep our communities fed and connected to the critical resources they have needed throughout the pandemic. Many grocery and drug retail workers are BIPOC women and have become the primary earners in their households as families struggle under the combined weight of COVID-19 and widespread unemployment. Working Angelenos, especially families of color, have also not been able to shelter in place throughout the pandemic because they are more likely to hold essential jobs and thus face an increased exposure to the virus. Members of UFCW770 and grocery workers across the city of Los Angeles have been calling on grocery store corporations to reinstate hazard pay as companies see record profits. Major grocers quietly let the hazard pay they once offered at the start of the pandemic expire as COVID rates soar and Intensive Care Unit capacities are at a breaking point. Yet, workers continue to face hazardous working conditions and risk their health in order to provide life saving resources for our communities. This is the right policy for this unprecedented moment. Los Angeles must lead as it always has in fighting for the rights and dignity of working people.