



R-34 REVISED

VICE MAYOR
REX
RICHARDSON

Date: December 7, 2021

To: Honorable Mayor Robert Garcia and Members of the City Council

From: Vice Mayor Rex Richardson, 9th District
Councilmember Mary Zendejas, 1st District
Councilmember Cindy Allen, 2nd District

Subject: Continuing to Protect Workers During Long Beach's Recovery

RECOMMENDATION:

Direct the City Manager to sunset LBMC Chapters 5.53, 5.55, and 8.110 no sooner than February 28th, 2022.

Discussion

Background

On May 12, 2020, the City Council adopted two Ordinances: the COVID-19 Citywide Worker Retention Ordinance (LBMC, Chapter 5.53) and the COVID-19 Citywide Worker Recall Ordinance (Long Beach Municipal Code (LBMC), Chapter 5.55) to provide protections to workers in high-contact, high-risk industries during the COVID-19 emergency. Both Ordinances became effective on June 22, 2020.

On May 19, 2020, the City Council adopted the COVID-19 Paid Supplemental Sick Leave Ordinance (LBMC, Chapter 8.110) on an emergency and regular basis to gap-fill the federal supplemental sick leave benefits provided in response to the COVID-19 pandemic. As an emergency ordinance, the COVID-19 Paid Supplemental Sick Leave Ordinance became effective immediately upon its adoption on May 19, 2020.

In a [November 1 memo](#) to the City Manager, Economic Development Director John Keisler recommended a sunset date of December 31, 2021 for all three ordinances. The memo cited "that both State and local health orders related to COVID-19 have been lifted or relaxed, that state and federal COVID-19 sick leave laws have expired, that many high-contact industries including hospitality, hotels, janitorial, and food services have been allowed to resume operation, and that large local event venues such as the Convention Center and the Grand Prix have been allowed to resume activities," as the reasons for recommending the sunset.¹ While it is not clear that the City Manager has the power to

¹ "COVID-19: Worker Protection Ordinances 90-Day Update" Nov. 1 2021.

<https://www.longbeach.gov/globalassets/city-manager/media-library/documents/memos-to-the-mayor-tabbed-file-list-folders/2021/november-10--2021---covid-19---worker-protection-ordinances-90-day-update>



declare an end date to the ordinances' protections without city council approval, it is the understanding of the City Council that the ordinances will be sunset on December 31 unless Council acts.

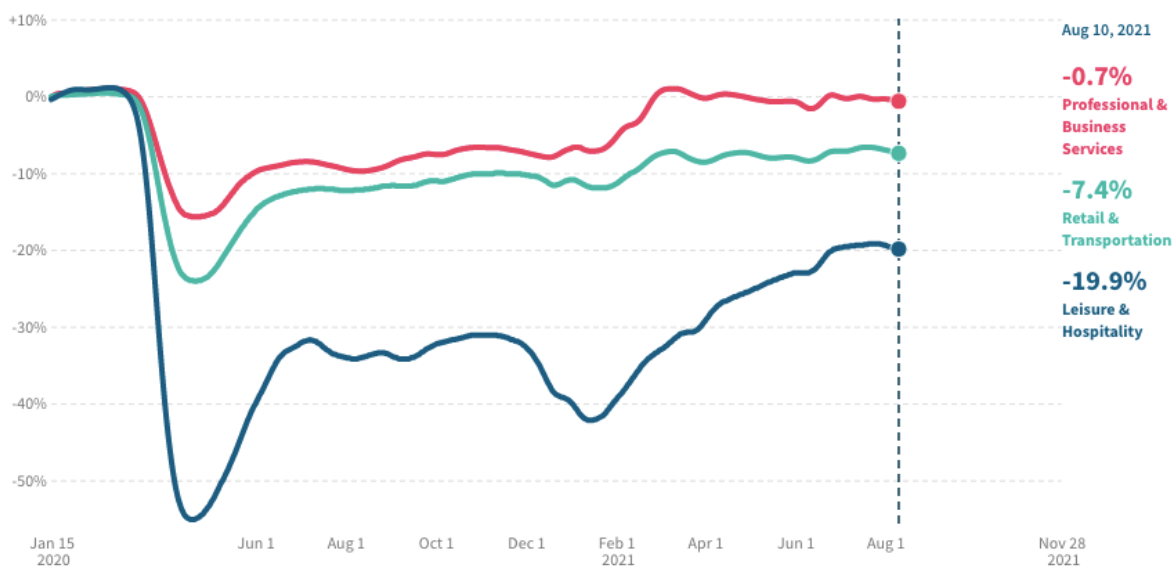
The Problem

In the same memo, Director Keisler stated that, "there is still a long way to go before the local economy is expected to return to pre-COVID-19 levels."

As it is essential that these protections are not sunset until Long Beach's workers have had a chance to return to their previous jobs, it is important to understand just how far the local economy needs to go to return to pre-pandemic employment levels, particularly in the sectors targeted by Worker Retention and Worker Recall Ordinances. The most recent employment recovery data available by sector shows that the employment situation among leisure and hospitality workers is still somewhat grim, with workers returning to their jobs much more slowly than those in other industries:²

In **California**, as of August 10 2021, employment rates in leisure and hospitality decreased by **19.9%** compared to January 2020 (not seasonally adjusted).

DOWNLOAD CHART



data source: Earnin, Intuit, Kronos, Paychex

The Economic Development Department's memo also notes that the citywide hotel occupancy rate is currently 66%, which is 14 points below its normal pre-pandemic level of 80%.³

² "Opportunity Insights: Economic Tracker". Nov. 28 2021. <https://www.tracktherecovery.org/>

³ "Hotel Valuation Index – Long Beach" 2018. https://hvi.hvs.com/market/united-states/Los_Angeles_-_Long_Beach



Although sector data for the last three months is unavailable, until it can be determined that the leisure and hospitality sector has fully recovered from COVID-19, and that the workers laid off during the pandemic have had a chance to return to their prior jobs, sunsetting these ordinances would be a mistake. The City should not take the risk of excluding 20% of its leisure and hospitality sector workers from important protections at a key moment in its economic recovery.

Director Keisler's memo also highlighted another key reason the recommendation might change between November 1 and the proposed sunset date of December 31: new variants of COVID-19.

“Although COVID-19 infections are down across much of California and the majority of residents are now vaccinated, new variants of the virus have the potential to cause disruptions to the community and the economy. Additionally, there continue to be residents and visitors who refuse to receive the vaccination, and the cooler holiday season caused a significant spike in transmission, infection, and hospitalization in Long Beach last year in 2020.”

In the time since the memo was published, South African scientists have discovered the emergence of the Omicron variant of COVID-19, a variant which public health experts warn may be even more contagious and prone to breakthrough transmission than the Delta variant.⁴ Sunsetting the three provisions listed in the memo without fully understanding the possible impacts this new variant could have on the labor market, especially going into the winter, might jeopardize Long Beach's ability to recover from another surge.

The Opportunity

Long Beach's COVID-19 worker protections have laid the city a path to a truly equitable recovery, where workers in all sectors have opportunities to return to well-paying jobs and return to their pre-pandemic levels of consumption, which benefit the City's economy. Sunsetting these protections now, without strong evidence of negative impacts on local businesses, before the hospitality sector has fully recovered, and during the emergence of possible new variants of COVID-19, would undermine that mission.

This matter was reviewed by Budget Manager Grace H. Yoon on December 1, 2021.

⁴ “What we know about the Omicron variant” Nov. 27, 2021.
<https://www.cnn.com/2021/11/26/health/omicron-variant-what-we-know/index.html>



Fiscal Impact

The recommendation requests the City Manager to sunset LBMC Chapters 5.53, 5.55, and 8.110 no sooner than February 28th, 2022. Implementing this recommendation is anticipated to require a minimal level of staff hours beyond the normal budgeted scope of duties and is expected to have a minimal impact on existing City Council priorities.

Suggested Action

Approve recommendation.