



CITY OF HAYWARD

Hayward City Hall
777 B Street
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Cover Memo

File #: PH 20-007, **Version:** 1

DATE: February 4, 2020

TO: Mayor and City Council

FROM: City Manager

SUBJECT

Local Minimum Wage Ordinance: Introduce an Ordinance to Add Article 15 to Chapter 6 of the Hayward Municipal Code Establishing a Local Minimum Wage for Employees Working for Any Employers within the City of Hayward

RECOMMENDATION

That the Council introduces an Ordinance to add Chapter 6 “Minimum Wage Ordinance” to the City of Hayward Municipal Code adopting an increase of the minimum wage for employees working within the City of Hayward to fifteen dollars (\$15.00) per hour by 2021 for large businesses and 2022 for small businesses and finding that the proposed Ordinance is not a project under CEQA and, in any event, exempt under Section 15061 of the CEQA guidelines.

SUMMARY

On April 4, 2016, the State of California adopted legislation that will raise California’s minimum wage to \$15.00 per hour by 2022 for large businesses and 2023 for small businesses. As of January 1, 2020, the minimum wage is \$12.00 for small businesses and \$13.00 an hour for large businesses. As part of a City Council referral, Council directed staff to consider establishing a local minimum wage for employers that maintain a business in the City or perform any work/service within the City limits. At the October 15, 2019 work session, the City Council directed staff to develop a local minimum wage ordinance that accelerates the minimum wage to \$15 per hour in Hayward faster than the increases to the State of California’s minimum wage and to seek business and community input on timing and the potential phasing of a local minimum wage increase.

Based on the community and business input, staff has proposed a minimum wage ordinance that accelerates the minimum wage for large businesses to \$15 per hour by January 2021 and for small businesses by January 2022. Based on the community and business input, Council may want to consider several policy alternatives: 1) since the State law is so close to reaching \$15.00 an hour and due to the estimated cost impact on Hayward businesses, the City should not move forward with a local minimum wage and simply follow State law; 2) Consider OECD definition of small business (or other definitions), which would be 100 employees or less, versus the current State Minimum Wage Law, which defines a small business as 25 employees or less; and/or 3) Consider exemptions for businesses that receive

funding from the State and/or have their funding tied to the State Minimum Wage law.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Proposed Ordinance
Attachment III	Resident Demographics
Attachment IV	Business and Employee Demographics
Attachment V	Employee Income Comparison
Attachment VI	Employer Cost Comparison
Attachment VII	Economic Impact Analysis
Attachment VIII	Inventory of Bay Area Cities
Attachment IX	Engagement and Outreach Summary
Attachment X	Emails Received