

February 8, 2021

The Honorable Farrah N. Khan
Members of the City Council
City of Irvine
1 Civic Center Plaza
Irvine, CA 92606

RE: Irvine Hazard Pay Proposal – OPPOSE

Dear Mayor Khan and Members of the City Council:

Orange County Business Council (OCBC), the leading voice of business in Orange County, is a strong advocate for balancing support for workers with relief for businesses also reeling from the pandemic. A hazard pay ordinance could inflict financial harm on employers at the worst possible time, while also unintentionally damaging workers and consumers. **Therefore, OCBC opposes a locate mandate requiring hazard pay for any workers and asks the City Council to conduct a complete economic impact assessment to fully examine the consequences of a hazard pay ordinance before progressing forward.**

Local grocery stores, pharmacies, retailers and other essential employers are committed to paying competitive wages and benefits to their employees. Since the start of the COVID-19 pandemic, they have invested significantly in infrastructure and enhanced safety protocols to protect frontline essential workers and shoppers. They have also provided incentive pay, bonuses and additional health benefits. According to an economic study released by the California Grocers Association, up to an additional \$5/hour increase in pay could raise grocery prices by about \$400 annually for the typical family of four at the worst possible time.

A hazard pay ordinance could also harm workers, rather than help them. The economic study concluded that, if grocers must offset savings in operational costs, they would need to reduce work hours by 24 percent across the board. Higher costs could even force employers to shutter store locations. Shutting down grocery stores will result in increased food insecurity and food deserts, especially in low-income and disadvantaged neighborhoods.

A hazard pay ordinance for any industry consider research and cannot be duplicative or rushed. **For these reasons, OCBC opposes a hazard pay ordinance and strongly urges the Council to perform a complete analysis of the costs of such an ordinance.**

Sincerely,



Jennifer Ward
Senior Vice President of Advocacy and Government Affairs