

Coalition for a New Century
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Court Orders Hotels To Pay Workers A Living Wage

Long Awaited Legal Ruling Offers Hope to Thousands of Workers Who Are Living In
Poverty

Los Angeles— Faith and community leaders welcomed today's ruling by the California Court of Appeal to require hotels near LAX to pay their workers a living wage. The Court of Appeal rejected the claims of seven LAX hotels that the LAX Enhancement Zone Ordinance violated their constitutional rights, overturning a trial court injunction that had barred the Ordinance from going into effect.

Coalition for a New Century leaders applauded the wisdom of the court to mandate the hotels to help lift their 3,500 workers out of poverty.

"We were confident that the living wage legislation would prevail despite the opposition," said Rev. Anna Olson, deputy director of Clergy and Laity United for Economic Justice. "The hotels on Century Boulevard were determined to deny their own workers decent wages and a better life. Today's ruling is a real victory for these hard-working men and women."

Century Boulevard hotel workers also cheered the court's decision. "This is great news for us and our families, especially since it's the holiday season," said Isabel Brentner, a room attendant at the LAX Hilton. "I have dreams to give my children a better life and earning a living wage can make them a reality."

Hotels near LAX enjoy the highest occupancy rates in Los Angeles, yet many workers in these hotels still live in poverty. Hotel workers in the LAX/PCH submarket earn 20% less than their counterparts in downtown L.A. Average annual earnings for LAX/PCH workers is \$20,328 – barely above the federal \$20,000 federal poverty threshold for a family of four. Some workers qualify for multiple government assistance programs.

The nearby communities of Lennox, Inglewood and Hawthorne, where a large number of these workers live, suffer high rates of poverty, crime and overcrowding. One in four residents in these communities lives below the federal poverty line, a measure of extreme poverty, while more than 40% of children come from poor households. Median household income is 25% lower than in L.A. County as a whole.

The LAX Enhancement Zone Ordinance enacted in February of this year by the L.A. City Council would have applied the city's existing living wage rate of \$10.64 an hour (\$9.39 for those with employer-provided health benefits) to thousands of hotel workers who work at 13 hotels on Century Boulevard near Los Angeles International Airport.

The City Council passed a different living wage law for Century hotel workers in November 2006. In December, hotels and other businesses spent nearly \$1 million to collect enough signatures to qualify a ballot referendum on the ordinance. Business groups had reportedly planned to spend several million dollars to convince voters to repeal the living wage law. But a poll released in late January showed that 74% of votes supported the living wage law.

Business leaders subsequently dropped their efforts to use a ballot referendum to avoid a living wage requirement as part of an agreement between the Los Angeles Chamber of Commerce, Mayor Antonio Villaraigosa, the City Council and supporters of the living wage. The City Council rescinded the original Century Corridor living wage ordinance in January 2007 and passed the LAX Enhancement Zone Ordinance in February which would have raised wages for Century Boulevard hotel workers while addressing concerns raised by business leaders. The ordinance would have phased in the wage standard with three steps, created an enhancement zone paving the way for revitalization of the Century Corridor, established procedural guidelines for future Council consideration of living wage legislation and mandated studies on how the living wage law affects business and workers.

Despite these provisions, just before the February city council vote, the Chamber of Commerce unexpectedly announced it would not support the new ordinance, while acknowledging that it "contains provisions that were discussed in our negotiations..." In March, hotels and other business leaders filed suit against the compromise living wage law.

For the past 15 months, a coalition of community, civic and faith leaders has engaged in an effort to address conditions for LAX hotel workers and nearby communities. In February 2006 the coalition presented thousands of signatures to City Council asking for a comprehensive plan for the area. In April 2006, a blue ribbon commission headed by former Councilmember Ruth Galanter released a report calling for a major effort by city, industry and community leaders to address conditions for workers, communities and the hotel industry near LAX. Last December, community leaders from across the city supported hotel workers during a seven-day fast, joining them for daily actions on Century Boulevard.

"The hotel industry in Los Angeles is booming and workers deserve to also share some of that success," said Vivian Rothstein, Deputy Director of the Los Angeles Alliance for a New Economy. "Legislation such as the living wage ordinance is important because often hotel owners don't pay a fair wage to their employees and this is a perfect example of what our public officials can do to reverse the growing gap between the rich and the poor in our city."

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