



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Councilmember Jimenez

**SUBJECT:** SEE BELOW

**DATE:** November 18, 2019

Approved

Date: 11.18.2019

**Subject:** SP18-001 and T18-001 - Special Use Permit and Vesting Tentative Map for Certain Real Property Located at Southeast Corner of South 1st Street and East Reed Street.

## RECOMMENDATION

1. Direct staff to provide a progress report to the City Council on the status of the Wage Theft Prevention Policy and include the following: an update on what work has been done to date, an evaluation of the proposed policy language and a model Wage Theft Prevention ordinance developed by the Santa Clara County Wage Theft Coalition, a work-plan and timeline for bringing a recommended policy update and a draft Wage Theft Prevention ordinance to the City Council;
2. Direct the City Manager to include an attachment with approved planning permits, effective immediately, notifying developers that they may be required to follow a Wage Theft Prevention Ordinance pending completion of the consideration and approval of such an ordinance by Council. Staff should utilize the notification attachments presented at the August 2, 2019 Council Meeting (regarding potential Diridon area fees) and in Mayor Liccardo's September 23, 2019 memo on the Housing Crisis Action Plan (regarding a potential Commercial Linkage Fee) as model notification language;
3. Direct staff to return to Council with a progress report on items raised within the 2017 audit of the Office of Equality Assurance, including whether the current staffing within the Office allows for timely and adequate enforcement of our wage theft, minimum wage and prevailing wage policies, and an update on efforts to upgrade technology.

## ANALYSIS

On March 5, 2019, my Council colleagues and I voted to prioritize updating the City's Wage Theft Prevention Policy to cover construction workers, including both 1) expanding the current policy to public works contracts and 2) developing a responsible construction ordinance and potential penalties for private construction projects that receive City incentives and commit wage theft violations on those projects. The most recent status update on Priority Setting reported that this item is only 5% complete and that staff were still "in the process of developing a work plan for this priority." That status update identified only a single next step of continuing to hold meetings.

In the many months since setting this policy as a priority we have approved numerous projects, and are set to consider yet another large residential project, the Garden Gate. In the interest of transparency, the City should begin notifying developers of the intent to develop such a policy, using the recent efforts around Diridon Area fees and Mayor Liccardo's proposal to notify developers on the forthcoming Commercial Linkage Fee as an example, by including an attachment to future planning permits addressing the forthcoming Wage Theft Prevention Ordinance.

As we move forward with residential development during our housing crisis, we cannot be absent minded about protecting the rights of the workers who build our much needed housing units.