

**TO:** SANTA CLARA COUNTY  
CITIES ASSOCIATION

**FROM:** Mayor Sam Liccardo  
Councilmember Chappie Jones

**SUBJECT:** MINIMUM WAGE STUDY

**DATE:** September 9, 2015

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## REQUESTS

- 1. Support for a regional approach to increasing the minimum wage, and acknowledgment that a regional approach furthers the interests of equity for workers, predictability for employers, and regional economic growth for cities to move together in our efforts to raise the living standards.**

This would not undermine or stall those city efforts that are already underway and commits to returning to the Board to discuss the results of the study. The primary objective is to take a regional approach to raising the minimum wage. Results would be brought back to each community / city organization / city council for consideration. No City will be bound to approve what emerges from the Cities Association, and city-specific modifications may be made.

- 2. Approve expenditure of \$1,000 by the Santa Clara County Cities Association to support a study on the countywide impact of a regional minimum wage.**

The City of San Jose will bear a majority of the cost associated with a study that analyzes the impacts of both a countywide and San Jose-specific minimum wage increase. Individual cities may elicit city-specific results by contributing separately to the study to expand the consultant's scope of work, but cities are not required to do so. All cities in the County will get the countywide results of the study. More information can be given to individual cities who wish to pursue a jurisdiction specific analysis.

- 3. Nominate a representative to serve on the selection panel for a consultant through a Request for Proposal (RFP) for services to perform the study.**

The City of San Jose will choose a consultant to perform the regional minimum wage study through a competitive bid process. The City has already selected the South Bay Labor Council and San Jose / Silicon Valley Chamber of Commerce to serve on the panel along with experts from the City's Office of Economic Development.

## **WHY NOW / WHY TOGETHER**

In this period of affluence, the County of Santa Clara area leads the nation in job growth, yet ample evidence demonstrates a growing gap between rich and poor. Beyond the gap lies the growing intensity of struggle of our poorest residents. For example, San Jose apartment rents climbed 13.4% last year to January, after successive years of double-digit growth. Other large cities on the West Coast, including Seattle, San Francisco, and Los Angeles, have passed minimum wage hikes that would achieve \$15/hour within a few years.

The oft-identified flaw in such efforts is a lack of understanding of regional impacts. Progressive large cities impose additional costs on their local businesses, while more affluent suburbs—whose consumers and business owners can better absorb the impacts of minimum wage increases—offer business owners vastly favorable labor cost structures. We aspire to avoid those common mistakes with a thoughtful approach that lifts the tide for all residents, without leaving any underwater.

We also seek to avoid unnecessary battles. If a statewide minimum wage increase looks imminent, we should defer in light of the preemptive impact of a state law on local ordinances.

## **REGIONAL STUDY**

The City of San Jose will be seeking proposals from a qualified firm(s)/individual(s) to conduct a non-partisan analysis to support exploration of the impact of increasing the minimum wage in the County of Santa Clara. The study would assess the net economic effects of increasing the minimum wage in the County and City of San Jose. The analysis would be conducted for the following areas:

- County of Santa Clara
- City of San Jose (two scenarios: adjacent cities raise minimum wage; adjacent cities do not)
- Potential other cities in Santa Clara County (other cities in Santa Clara County may request individual analysis related to increasing the minimum wage)