



Legislation Text

File #: 14-1448, **Version:** 3

Resolution to Adopt Recommendations Regarding the Application of the City's Living Wage Ordinance (LWO)

Attached for your consideration is a resolution to adopt recommendations from the Housing and Human Services Advisory Board (HHSAB) regarding the application of the City's Living Wage Ordinance (LWO).

BACKGROUND

In September of 2012, City Council considered a resolution that directed a policy and impact review of the Living Wage Ordinance. The conversation was in response to the first request for a waiver from a non-profit organization in more than a decade, and noted disparities in living wage rates (up 18%) and allocated human services funding (down 11%) over the period of 2008-2012. The resolution was withdrawn with the direction that the HHSAB provide recommendations to City Council regarding how the LWO should be enforced, how waivers should be reviewed, and what impact the LWO has on human service nonprofits.

In November of 2012, OCED conducted a preliminary survey to gauge impacts of the LWO on non-profit contractors. The HHSAB followed up on the issue with a commissioned study by Professor Ian Robinson and his students at the University of Michigan, with a final report provided to the HHSAB in July 2013.

The resulting "Report on the Impact of Ann Arbor's Living Wage Ordinance on Washtenaw County Non-Profit Human Services Providers" provided anonymous survey information on these agencies and is attached to this resolution for background and reference.

Based on these collective reviews, the HHSAB is now making recommendations to the City Council through the attached resolution to improve the application of the LWO in the City of Ann Arbor.

Prepared by: Mary Jo Callan, Community and Economic Development Director

Reviewed by: Steve Powers, City Administrator

Whereas, The Office of Community and Economic Development and the Housing and Human Services Advisory Board examined the Living Wage Ordinance (LWO) and recommend adoption of this resolution;

Whereas, The HHSAB recommends the City Council takes steps regarding the application of the City's Living Wage Ordinance (LWO); and

Whereas, The HHSAB has conferred with the Human Rights Commissions regarding recommendations that body's proposed role in oversight of the LWO compliance;

RESOLVED, That the City Council directs the City Attorney to prepare revisions to the Living Wage Ordinance consistent with the attached Report and Recommendations for City Council action, with

the exception of recommendation #2, including providing for a more effective education and oversight system and potentially designating the Human Rights Commission as an oversight body of the Living Wage Ordinance;

RESOLVED, That the amendments authored by the City Attorney provide for a raise of the minimum threshold for LWO coverage from \$10,000 to \$25,000;

RESOLVED, That the City Council directs the HHSAB to align the Coordinated Funding Process (COFU) with actual or anticipated Living Wage Ordinance increases so that COFU applicants are better able to develop effective budgets. The Coordinated Funding application process will include notice and request acknowledgement (from applicants) of the City and County Living Wage compliance requirements (unless a waiver is granted) and that the Living Wage is adjusted upwards from time to time;

RESOLVED, That the City Administrator or her/his designee be authorized to take necessary administrative actions and to execute any documents necessary to implement this Resolution; and

RESOLVED, Each year as part of the budget process the administrator shall report to Council the cost to ensure that human service funding keep up with living wage adjustments and if there is a shortfall between living wage compliance and the the human service allocation in the administrator's proposed budget.

Sponsors: Housing and Human Services Board, Councilmembers Briere and Eaton

As Amended by Ann Arbor City Council on October 6, 2014 and October 20, 2014.