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HOUSING AND COMMUNITY DEVELOPMENT
LOCAL GOVERNMENT
NATURAL RESOURCES

January 23, 2024

San Jose City Council
200 E. Santa Clara St.
San Jose, CA 95110

Letter of Support for New Wage Theft Ordinance

Honorable Mayor Mahan and City Councilmembers:

I write in strong support of your efforts to empower local workers to stand up against criminal wage thieves through the Responsible Construction Ordinance, and in support of the proposal in the Jan. 18, 2024 memo submitted by Councilmembers Davis, Jimenez, Torres, Ortiz, and Foley.

As the Assemblymember representing California's 25th Assembly District, and as current Chair of the Assembly Judiciary Committee, I am committed to using the authority entrusted to me to ensure that we keep all Californians safe and hold offenders accountable. Wage theft is one of the most common crimes committed against California residents. The victims are often our most vulnerable residents: low-wage workers, immigrants, women and workers of color. Yet unlike retail theft or burglary, municipal police do not pursue wage thieves. So, unfortunately, most wage thieves get away with it, and may go on to steal again and again with near impunity.

In June 2015, when I was serving on the San Jose City Council, the Council ranked wage theft prevention as our number one policy priority. While San Jose has made important progress since that time, including implementing wage theft prevention policies for City purchasing and for public works projects, it is alarming that nothing has been done to prevent wage theft or to catch repeat offenders in one of the industries where this crime is most prevalent: private construction.

The large majority of construction companies in our state are responsible businesses; they pay their workers and follow the law. But those handful who have adopted worker exploitation as a business practice employ multiple underhanded methods of cutting costs on the backs of their workers, such as not paying breaks or overtime, misclassifying their employees, falsifying records, demanding kickbacks from their workers, threatening retaliation against workers or workers' families, employing multiple tiers of subcontracting to disguise their relationship, or even shutting down a company or declaring bankruptcy in order to start up a new company under a relative's name. Developers who hire these scofflaw companies are well aware that their impossibly low bid prices are not being achieved through normal business practices.

Recognizing the tremendous negative impact of construction wage theft on our communities and local businesses, and the lack of avenues for victims to seek support from their municipalities (since local law enforcement does not pursue wage theft in the same way it does other types of theft), several Silicon Valley cities have passed local Responsible Construction Ordinances. These innovative ordinances give victims of wage theft a new tool to recover the wages that are owed to them.

When offenders have already been found guilty and ordered to pay back the stolen wages, but refuse to do so, current local laws allow them to continue to operate with impunity. The Responsible Construction ordinance forces them to comply with the judgment against them and pay back the stolen wages before receiving a local Certificate of Occupancy.

I commend the Mayor and City Council for voting last month to support this important concept.

I urge you now to cross the finish line on this critical tool to empower victims of criminal wage theft by enacting the Responsible Construction Ordinance, without delays or loopholes.

Sincerely,

A handwritten signature in black ink, appearing to read "Ash Kalra". The signature is fluid and cursive, with the first name "Ash" and last name "Kalra" clearly distinguishable.

Assemblymember Ash Kalra
25th Assembly District