

ORDINANCE NO. 1874

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GARDENA, CALIFORNIA, ADDING CHAPTER 15.64 (CONTRACTORS) TO TITLE 15 (BUILDINGS AND CONSTRUCTION) OF THE GARDENA MUNICIPAL CODE RELATING TO A LABOR TRANSPARENCY ORDINANCE

WHEREAS, the City of Gardena (the “City”) fosters a culture of accountability and safety among companies and organizations that transact business in the City; and

WHEREAS, unlicensed contractors lack accountability and compete unfairly with licensed contractors who operate with bonds, insurance, and other responsible business practices; and

WHEREAS, the City strives to protect human rights, workers’ rights, and eradicate labor exploitation by identifying and addressing labor violations, including but not limited to wage theft; and

WHEREAS, the City recognizes that companies and organizations’ compliance with labor standards enhances public health, safety, and welfare and is in the best interest of the City and its community; and

WHEREAS, the City desires to require contractors to disclose any pending or final determinations for state or federal labor violations within the prior five (5) years, and make the same disclosures applicable only to projects involving 20 or more residential dwelling units or 20,000 or more square feet of commercial or industrial development; and

WHEREAS, these disclosures are intended to uphold fair labor and business practices for contractors undertaking certain projects; and

WHEREAS, the City’s Building Official may suspend or revoke a permit issued pursuant to Title 15 whenever the permit is issued in error or on the basis of incorrect, inaccurate, or incomplete information;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDENA, CALIFORNIA DOES ORDAIN AS FOLLOWS:

SECTION 1. RECITALS. The foregoing recitals are true and correct, and are incorporated herein by this reference.

SECTION 2. Chapter 15.64 is hereby added to the Gardena Municipal Code to read as follows:

**CHAPTER 15.64
LABOR TRANSPARENCY**

15.64.010 Contractor Disclosure Requirements.

The disclosure requirements set forth in this Chapter apply to Projects as defined in Section 15.64.020. The disclosure requirements are in addition to such other information as required in order to obtain a construction permit from the City. Construction permits shall be granted only upon compliance with and in accordance with all of the terms and conditions of this Chapter.

15.64.020 Definitions.

The following definitions shall apply to this chapter.

- A. "City" shall mean the City of Gardena.
- B. "Construction permit" shall mean a building, electrical, plumbing or mechanical permit issued under Title 15 of the Gardena Municipal Code.
- C. "Contractor" shall have the same meaning as set forth in Gardena Municipal Code Section 5.04.010.
- D. "Person" shall mean any individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, partnership, joint venture, club, company, joint stock company, business trust, domestic or foreign corporation, association, syndicate, society or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit or otherwise.
- E. "Project" shall mean any development project within the City consisting of 20 or more residential dwelling units or 20,000 or more square feet of commercial or industrial development.

15.64.030 Permit Requirements.

No person shall be issued a construction permit unless the person is:

- A. A contractor licensed by the California Contractors State License Board;
- B. An employee, agent or authorized representative of a licensed contractor;

C. A representative of an electronically subscribed service acting on behalf of a licensed contractor;

D. An employee of the owner, provided that the owner shows evidence of workers' compensation insurance required by state and City laws, and their federal tax identification number; or

E. The property owner performing his or her own work.

15.64.040 Information Submission.

A. A person applying for a construction permit for a Project shall submit the following information in addition to the information set forth on the City's Building Permit form. Such information must be submitted prior to commencement of work for which the construction permit is issued:

1. A list of all subcontractors and verification of each subcontractor's workers' compensation insurance including the policy number and expiration date, state contractor license and license category, city business license and federal tax identification number. No person shall contract or subcontract construction work without a valid contractor's license pursuant to applicable provisions of the California Business and Professions Code.

2. A disclosure of any pending or final determinations pertaining to state or federal labor violations and any penalties paid to any government agencies related to such violations within the prior five (5) years, for contractor and all proposed subcontractors. A permittee may provide a sworn declaration from a contractor or subcontractor to satisfy this requirement.

B. In the event that the applicant cannot provide a list of valid subcontractors and the information required above upon permit application, the applicant shall provide to the city prior to commencement of any work pursuant to said permit, all information required by subsection A.

C. Failure to provide all information required under subsection A, including valid and current subcontractor listings prior to commencing work, or failure to comply with subsection D below, shall result in one or more of the following:

1. Issuance of a stop work order;
2. Withholding inspections for the construction work;
3. Revocation of the construction permit;

4. The permit applicant paying a penalty for default to the City in an amount equal to the original permit fee for each violation in order to defray city costs of enforcement of this section.

D. If at any time after the contractor's permit is issued, a change occurs in any information submitted to the city pursuant to this chapter, including the addition of a new contractor or subcontractor, contractor shall submit updated information to the city within three working days of contractor acquiring knowledge of such change. If a contractor is a subcontractor, the subcontractor must submit updated information to the contractor within three working days of subcontractor acquiring knowledge of such change.

E. Any work performed prior to satisfying the requirements of this chapter shall be deemed performed without the required construction permit.

SECTION 3. CEQA. This Ordinance has been reviewed by the City Council with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, §§ 15000 *et seq.*, hereafter the "CEQA Guidelines"), and any applicable local CEQA policies and procedures and City has determined that this Ordinance is not a "project" for purposes of CEQA, as that term is defined by CEQA Guidelines Section 15378, because City has determined, in its discretion and based on substantial evidence, that this Ordinance concerns organizational or administrative activities and presents no potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

SECTION 4. SEVERABILITY. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have adopted this ordinance and each section, subsection, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions thereof may be declared invalid or unconstitutional.

SECTION 5. EFFECTIVE DATE. This ordinance shall take effect on the thirty-first date after adoption. However, no enforcement action shall be taken until six months from the date of adoption.

SECTION 6. CERTIFICATION. The City Clerk shall certify to the adoption of this ordinance, and shall cause the same to be posted and codified in the manner required by law.

PASSED, APPROVED and **ADOPTED** at a regular meeting of the City Council on this 23rd day of July, 2024.

Tasha Cerda, Mayor

Tasha Cerda, Mayor

ATTEST:

Mina Semenza

Mina Semenza, City Clerk

APPROVED AS TO FORM:

Carmen Vasquez

Carmen Vasquez, City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF GARDENA)

I, **MINA SEMENZA**, City Clerk of the City of Gardena, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Ordinance, being **Ordinance No. 1874** duly passed and adopted by the City Council of said City of Gardena, approved and signed by the Mayor of said City, and attested by the City Clerk, all at a regular meeting of said City Council held on the **23rd day of July 2024**, and that the same was so passed and adopted by the following roll call vote:

AYES: COUNCIL MEMBERS LOVE AND TANAKA, MAYOR PRO TEM
 HENDERSON, COUNCIL MEMBER FRANCIS, AND MAYOR CERDA

NOES: NONE

ABSENT: NONE

for Becky Romero
City Clerk of the City of Gardena, California

(SEAL)