



SAN DIEGO COUNTY
LODGING
ASSOCIATION



CALIFORNIA
RESTAURANT
ASSOCIATION
SAN DIEGO COUNTY CHAPTER



Southern California
Rental Housing Association

August 26, 2024

TRANSMITTED ELECTRONICALLY

Honorable Nora Vargas
County of San Diego, Board of Supervisors
1600 Pacific Coast Highway
San Diego CA, 92101

Re: Item #19 - County of San Diego Fair Chance Act Ordinance (OPPOSE)

Dear Chairwoman Vargas and Members of the Board,

On behalf of the undersigned organizations, we are writing to express our **OPPOSITION** to the adoption of the proposed Fair Chance Ordinance currently under consideration at this time.

While we appreciate the intent behind the proposed ordinance, we believe, if adopted - will create serious unintended consequences as well as exorbitant liability that may be imposed on employers across the entire region. While we agree with the importance of ensuring that applicants with a conviction history are provided with fair access to the job market, the potential impacts of the draft ordinance - are significant. Our concerns include the following:

- **Requiring all individualized assessments to be in writing:** Under the existing California Fair Chance Act, the employer may, but is not required to, explain its reasoning for denying an applicant in writing. The proposed ordinance would require an explanation in writing, which could be used in litigation or enforcement actions. This is extremely troubling, especially for small employers with no legal counsel or representation whose written individualized assessments or statements may be misinterpreted or misstated in a court of law.
- **Unnecessary Hiring Delays:** Today, thousands of small and mid-size businesses in the San Diego region conduct background checks. Should an employer make the business decision to retract an employment offer, transfer or promotion, the proposed ordinance would now require them to wait five days before they can fill the open position. This costly delay could be crippling for any small or midsize business seeking to expand quickly to meet consumer demand in the region.

- **Regional Application - Excessive Penalties:** The enforcement and penalty provisions proposed are unclear and overreaching. The ordinance, as proposed, would apply to “any individual applying for employment, transfer, or promotion whose employment position involves performing at least two (2) hours of work on average each week within the unincorporated areas of the County.” This definition ultimately establishes a countywide ordinance that will directly impact small business owners who may be headquartered in one of San Diego incorporated cities - yet occasionally provide products or perform services in the unincorporated region, including but not limited to special event and catering services. Lastly, the administrative penalties put forth in the ordinance are excessive, including a proposed first violation penalty of up to \$5,000 dollars, \$10,000 dollars for second violation and \$20,000 for the third violation.

It is for these reasons, we respectfully **OPPOSE Item # 19: Proposed County of San Diego Fair Chance Act Ordinance**. We believe that the carefully crafted state of California Fair Chance Act passed in 2018, provides the best balance and protects the interests of both employees and employers.

Sincerely,



Chris Duggan
Director of Local Government Affairs
California Restaurant Association



Molly Kirkland
Director of Public Affairs
Southern California Rental
Housing Association



Fred Tayco
Executive Director
San Diego County Lodging Association



Jerry Sanders
President & CEO
San Diego Regional Chamber of
Commerce

cc: The Honorable Joel Anderson, District 2
The Honorable Terra Lawson-Remer, District 3
The Honorable Monica Montgomery-Steppe, District 4
The Honorable Jim Desmond, District 5
Ebony Shelton, Chief Administrative Officer