



**City of Santa Ana**  
**20 Civic Center Plaza, Santa Ana, CA 92701**  
**Staff Report**  
**April 18, 2023**

---

**TOPIC:** Ordinance Amendment No. 2023-02: License Requirements of Contractors and Subcontractors

---

**AGENDA TITLE**

First Reading of an Ordinance to Amend Section 8-6 of the Santa Ana Municipal Code (SAMC) Pertaining to License Requirements of Contractors and Subcontractors to Include the Collection and Disclosure of Information Regarding Pending or Prior Enforcement Actions for any State or Federal Labor Violations

**RECOMMENDED ACTION**

Conduct a first reading of Ordinance Amendment No. 2023-02 – An ordinance of the City Council of the City of Santa Ana amending Section 8-6 of the Santa Ana Municipal Code (SAMC) pertaining to license requirements of contractors and subcontractors to include the collection and disclosure of information regarding pending or prior enforcement actions for any state or federal labor violations.

**EXECUTIVE SUMMARY AND DISCUSSION**

At the regular meeting of March 7, 2023, the City Council discussed a goal of promoting transparency pertaining to fair labor and business practices by contractors in the construction industry. The City Council discussed and provided policy directions and directed staff to draft an ordinance to achieve the following objectives:

1. Require the disclosure of information regarding pending or prior enforcement actions for any state or federal labor violations in addition to information currently being required pertaining licensing and insurance information; and
2. Apply the new disclosure requirement only to projects involving 20 or more residential units or 20,000 or more square feet of commercial and industrial development.

The existing Section 8-6 (License requirements of contractors and subcontractors) of the SAMC requires the applicant of a building permit to provide verification of workers' compensation insurance, state contractor license and license category, City business license, and federal tax identification number for contractors and subcontractors working on a construction project within the City. The draft ordinance amends these requirements to include the disclosure of any pending or final adverse determinations for state or federal labor code violations and any paid penalties to a government agency related to the provisions of the California Labor Code within the prior five-year period. The additional disclosures are applicable only to projects consisting of 20 or more residential units, or 20,000 or more square feet of commercial or industrial development.

As directed by the City Council, the draft ordinance establishes practical thresholds for when the information must be provided to not burden small projects and a reasonable applicable time period to promote and incentivize corrective labor practices and compliance with labor regulations.

**ENVIRONMENTAL IMPACT**

Pursuant to the California Environmental Quality Act ("CEQA") and the CEQA Guidelines as amended, the adoption of this Ordinance is exempt from CEQA review pursuant to sections 15060(c)(2) and 15060(c)(3) of the State CEQA Guidelines because it will not result in a direct or reasonably foreseeable indirect physical change in the environment, as there is no possibility it will have a significant effect on the environment, and it is not a "project," as defined in Section 15378 of the CEQA Guidelines.

**FISCAL IMPACT**

There is no direct fiscal impact associated with this action.

**EXHIBIT(S)**

1. Ordinance

Submitted By: Minh Thai, Executive Director of Planning and Building Agency  
Kathryn Downs, Executive Director of Finance and Management Services

Approved By: Kristine Ridge, City Manager