



Ron Herrera
President

Thom Davis
Chair

March 25, 2021

VIA EMAIL

The Honorable Nury Martinez
Los Angeles Council President
200 N Spring St, Ste 470
Los Angeles, CA 90012

Dear Council President Martinez:

On behalf of the over 800,000 workers represented by the Los Angeles County Federation of Labor, we strongly support the creation of a public bank for the City of Los Angeles.

The City of Los Angeles has taken many historic steps to improve the conditions of workers during the time of COVID-19. However, it must continue addressing the ever-increasing economic fallout caused by this pandemic which is devastating our hospitality, entertainment, janitorial, and retail industries, its workers, and their families.

Los Angeles will be a progressive leader by building an economic road to recovery and growth driven by the people, for the people. Our recovery rests on investing more in our communities to rebuild our economy while ensuring the long-term prosperity of our community. A public bank is fundamental to this.

What the city of Los Angeles currently pays in banking fees and interest could be reinvested into our communities. Our public tax dollars would be in a publicly owned and accountable financial institution, keeping our taxpayer money in our city instead of powering Wall Street and other outside banking institutions that don't put Angelenos first. Nearly 50% of the cost of all infrastructure projects goes towards paying interest and fees to private banks. If we deposit city money and fund public projects through a public bank, we could cut the cost of infrastructure and double our power to invest in our communities, prioritizing the creation of good, quality jobs. The new funding could also spur growth opportunities in job training and development through apprenticeship programs and upskilling the existing workforce.

A Los Angeles public bank will carry out most of its activities by partnering with community banks and credit unions that lend responsibly to localities to increase the availability of credit in areas that Wall Street banks are not serving. A public

bank would help meet the financial needs of the unbanked and underbanked population, historically underserved communities of color. It could also enhance the ability of working families to become homeowners, with more empowerment in their neighborhood.

Our prosperity as a city coming out of this pandemic depends on us prioritizing our local economy while serving the public good - that starts with institutions that support working people. The City of Los Angeles should take yet another historic step forward for our community by creating a public bank.

In Solidarity,

A handwritten signature in black ink that reads "Ron Herrera". The signature is written in a cursive, slightly slanted style.

Ron Herrera
President