

UNITEHERE! Local 11

April 21, 2021

VIA EMAIL

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

RE: Support the Los Angeles Public Bank

Dear Council President Martinez:

On behalf of the over 30,000 hotel, restaurant, airport, sports arena, and convention center workers represented by UNITE HERE Local 11, we strongly support the creation of a public bank for the City of Los Angeles.

Los Angeles city leaders are taking big steps toward creating the Municipal Bank of Los Angeles (MBLA), a city-owned public bank. A public bank is a financial institution owned by a government local agency, such as a city or county, with a non-profit public purpose and governed by public mandate.

A public bank provides a democratically-governed local bank that will keep funds in our neighborhoods by lending to projects that benefit our local communities, rather than redirecting public funds to benefit the unaligned priorities of Wall Street banks. A public bank reflects community values and invests in community-identified priorities such as affordable housing, local small businesses, and renewable energy infrastructure.

The Municipal Bank of Los Angeles will allow our city to:

- 1. Save Money**—The City of Los Angeles pays \$100 million a year in banking fees and interest and spends over \$1.3 billion in debt services to borrow money from Wall Street banks. A public bank will be able to leverage money to benefit the public instead of private shareholders.
- 2. Develop Our Community**—Deposits generate loans locally with profits and interest returned to Los Angeles, enabling our city to focus on affordable housing, infrastructure, co-ops, small businesses, and other projects determined at the local level.
- 3. Invest Money in an Ethical Way**—A public bank creates a multi-generational source of capital that invests long term for impact purposes for residents and businesses. It will serve as part of the foundation of priorities and tools to address generations of racial inequality and exclusion.
- 4. Democracy and Transparency**—The people of the city will have a say over the financing of our own community, not private financiers. A public bank will bring democracy and transparency to banking and investment of public funds.

A Bank of Los Angeles would be able to multiply the impact of public funding by leveraging the bank's capital into targeted recovery loans. This would allow the city to quickly and efficiently distribute assistance to individuals and make low-interest loans to businesses, utilities, and school districts to help them get back on their feet. We must recover from this crisis with a healthy and regenerative social and economic order by creating a new financial institution that invests in our communities—accountable to the people.

Small and medium-sized businesses remain the core economic driver for long term economic stability for Los Angeles families. Congressional stimulus funds will provide small and medium-sized businesses with needed lending and capital access to develop and scale, and ensure the continued functioning of critical services. Newly created money will directly help individuals, families, and communities, instead of private shareholders and executives. Public banks can guarantee that money is lent to those who need it, not just those with close relationships with private commercial banks.

As the City of Los Angeles explores local funding for small business and worker recovery, a public bank could be the mechanism to allow for low-cost lending at a local level to support the resurgence of our restaurant and small business corridors. A public bank will lay the foundation for a more equitable local economy by financing projects including local public infrastructure, renewable energy, affordable housing, and more, that create good paying and union jobs.

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.

Sincerely,



Kurt Petersen
Co-President
UNITE HERE Local 11

cc:

Council Member Gil Cedillo
Council Member Paul Krekorian
Council Member Bob Blumenfield
Council Member Nithya Raman
Council Member Paul Koretz
Council Member Monica Rodriguez
Council Member Marqueece Harris-Dawson
Council Member Curren Price
Council Member Mark Ridley-Thomas
Council Member Mike Bonin
Council Member John Lee
Council Member Mitch O'Farrell
Council Member Kevin de León
Council Member Joe Buscaino

MAIN OFFICE

464 LUCAS AVE., SUITE 201
LOS ANGELES, CA 90017
213.481.8530
FAX 213.481.0352

GARDEN GROVE OFFICE

13252 GARDEN GROVE BLVD., SUITE 200
GARDEN GROVE, CA 92843
714.750.4373
FAX 714.750.5638

AIRPORT OFFICE

4634 W. IMPERIAL HWY.
INGLEWOOD, CA 90304
310.671.0720
FAX 310.671.5021

PHOENIX OFFICE

1021 S 7th Ave.
PHOENIX, AZ 85007
480.795.5330
FAX 480.795.5326