

Communication from Public

Name:

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Council File No: 19-0229-S2

Comments for Public Posting: On behalf of the Los Angeles Business Community, we urge Council Members to reject all ordinances that would further strain the city's already dire budget situation and risks the viability of critical city services.



Los Angeles City Council
 200 N. Spring Street
 Los Angeles, CA 90012

Dear Honorable Members of the Los Angeles City Council:

On behalf of the greater Los Angeles business community, we write to express our deep concern over the City's current fiscal crisis and to urge the Council to **adopt a fiscally responsible budget that prioritizes economic recovery, protects essential services and supports job retention**—especially for the City's hundreds of thousands of small businesses.

- **The City's Budget Crisis Is Immediate and Severe:** Los Angeles is confronting a confirmed budget deficit of nearly \$1 billion. In response, Mayor Bass' [proposed \\$13.95 billion budget for fiscal year 2025–26](#) includes 1,647 layoffs—approximately 5% of the city's workforce—and the elimination of over 1,000 vacant positions. January's devastating wildfires have only compounded these fiscal pressures.
- **Protect Core Services and Jobs—Not New Costly Mandates the City Can't Afford:** At a time when the City is proposing significant layoffs and service reductions, it's imperative to avoid new costly mandates and programs that would further strain the City's limited resources. Proposals such as the [Living Wage Ordinance](#), the [Hotel Worker Minimum Wage Ordinance](#) and the [Costly Restaurant Ordinance](#) would require hiring additional City staff in the very same departments slated for significant staff reductions.

For example, the proposed budget would **eliminate nearly half (48%) of the Office of Wage Standards' workforce**. The [Bureau of Contract Administration](#) (BCA) warned **these cuts will severely limit its ability to enforce existing labor ordinances**—stating wage claim investigations could take up to **three to four years** to resolve. The BCA also warned it will be "very challenging" to absorb new responsibilities, such as administering the [Hotel Worker Minimum Wage Ordinance](#) or [expanding Fair Work Week to fast food workers](#). The City should not implement new mandates it cannot afford to administer, especially when doing so will further strain an already overwhelmed system.

- **The Business Community Is Already Under Pressure:** Local businesses drive economic growth and tax revenues in the City. But these local businesses—especially small and minority-owned businesses—are grappling with high inflation, rising labor costs, sluggish consumer spending and a slow post-pandemic recovery. New regulatory and financial burdens will result in **fewer jobs, reduced worker hours, higher prices for Angelenos and lower City tax revenues** to fund essential services. The City should focus on supporting job creation, streamlining permitting and attracting investment to stimulate growth and rebuild critical industries.
- **Protect Affordability for Angelenos:** With the cost of living continuing to rise, the City Council should prioritize policies that lower costs and create economic opportunity—not eliminate jobs, raise prices and make Los Angeles even more unaffordable. **Every decision this budget cycle must be evaluated through the lens of affordability, economic recovery and sustainability.**

The stakes have never been higher. **With essential services on the chopping block and thousands of jobs at risk, the Council must ensure every dollar and staff hour is focused on solving real problems—not expanding symbolic or duplicative programs that would deepen the crisis.**

We stand ready to partner with the City to help chart a path forward that protects all Angelenos.

Sincerely,

Tracy Hernandez, Founding CEO
Los Angeles County Business Federation

Jason Riederer, VP, State & Local Government Affairs
American Hotel & Lodging Association

Rachel Michelin, President & CEO
California Retailers Association

Fred Sutton, SVP Local Public Affairs
California Apartment Association

Brooke Armour Spiegel, EVP
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Sabrina Demayo Lockhart, Executive Director
California Attractions and Parks Association

Barb Newton, President & CEO
California Travel Association

Tricia La Belle, President
Greater Los Angeles Hospitality Association

Katherine Chrisman, President
National Association of Women Business Owners – LA

Lilly Rocha, President & CEO
Latino Food Industry Association

Sean Piazza, Chair
California Alliance of Family-Owned Businesses

Dennis J. Huang, Executive Director & CEO
Asian Business Association – Los Angeles

Nancy Hoffman Vanyek, President & CEO
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Ruben Guerra, Chairman of the Board
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Jeffrey Faller, President
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Roberto C. Arnold, Chairman & Founder
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Anthony Bedgood, President
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