

Contact Information

Neighborhood Council: Central Hollywood Neighborhood Council

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The Board approved this CIS by a vote of: Yea(9) Nay(0) Abstain(0) Ineligible(0) Recusal(0)

Date of NC Board Action: 08/28/2017

Type of NC Board Action: For

Impact Information

Date: 09/10/2017

Update to a Previous Input: No

Directed To: City Council and Committees

Council File Number: 17-0330

Agenda Date:

Item Number:

Summary: The Central Hollywood Neighborhood Council (CHNC) recommends that the Los Angeles City Council advises, through its Budget and Finance Committee, the City's Office of Finance to divest from Wells Fargo Bank (and any other financial institutions investing in the destruction of our environment) and to reinvest those funds in responsible financial institutions that respect the rights of all individuals to be treated fairly and equitably, and protect the environment. The establishment of a public bank for the funds of the City of Los Angeles should be considered in conjunction with the divestment movement. During the major economic crash of 2008, the State Bank of North Dakota turned record profits while private institutions were forced to ask for public bailouts. This type of control over funds allows investment opportunities directly benefiting the City, where opportunities include: rebuilding our crumbling infrastructure, transitioning to a green energy grid, and bolstering environmentally friendly public transportation, among others.

September 10, 2017

The Honorable Eric Garcetti
Mayor, City of Los Angeles
200 North Spring Street
Los Angeles, CA 90012

The Honorable Paul Krekorian
Chair of the Budget & Finance Committee City of Los Angeles
200 N. Spring St.
Los Angeles, CA 90012

Re: Wells Fargo Bank/Options for Divestment

Dear Mayor Garcetti and Chairman Krekorian,

We are in support of the Divest LA campaign to end the City of Los Angeles' financial ties with Wells Fargo for their complicit involvement in fraudulent conduct including: opening illegal bank accounts, targeting communities of color, and financing the Dakota Access Pipeline and Keystone XL Pipelines.

The institutions that the City chooses to support with public funds is a reflection of its values, and it is therefore incumbent on the City to ensure that institutions sustained with taxpayer dollars support socially and environmentally responsible endeavors, and desist from doing business with institutions that violate ethics that Angelenos hold.

As the center for economic power and influence, the City of Los Angeles is tasked with an incredible opportunity to be a true leader in innovative policy and environmentalism- this requires that all financial endeavors of the City reflect these values. Los Angeles must therefore take the legislative steps to change the fundamental relationship between the City and big banks to ensure a similar situation does not repeat in the future.

Local leaders must commit to baseline standards for socially responsible banking performance, and leverage the city's financial resources to penalize corruption and reward financial institutions for socially and environmentally conscious business practices, ensuring that consumers and communities thrive.

We also urge the City to develop an ethics standard for its investment portfolio. It is crucial for Los Angeles to take the lead and divest from socially and environmentally destructive institutions and reinvest into renewables, social good funds, and renewable energy in accord with the City's own goals of having a 100% renewable energy portfolio.

We commend Los Angeles City Council for taking its first courageous step towards full divestment. Los Angeles must now join dozens of other major cities like Seattle, Santa Monica, Philadelphia, and New York City, and dissolve its relationship with Wells Fargo, and move the City's money into a more ethical and responsible bank.

We look forward to witnessing the final vote to divest, which will pave a path towards a new era of accountability for financial institutions and corporations doing business with the City of Los Angeles.

Sincerely,

CC:

Councilmember Gil Cedillo
Councilmember Bob Blumenfield
Councilmember David Ryu
Councilmember Paul Koretz
Councilmember Nury Martinez
Councilmember Marqueece Harris-Dawson
Councilmember Curren Price
Councilmember Mike Bonin
Councilmember Mitchell Englander
Councilmember Mitch O'Farrell
Councilmember Jose Huizar
Councilmember Joe Buscaino