

Your Community Impact Statement has been successfully submitted to City Council and Committees.

If you have questions and/or concerns, please contact the Department of Neighborhood Empowerment at NCsupport@lacity.org.

This is an automated response, please do not reply to this email.

Contact Information

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The Board approved this CIS by a vote of: Yea(24) Nay(1) Abstain(1) Ineligible(0) Recusal(0)

Date of NC Board Action: 07/13/2021

Type of NC Board Action: For

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Date: 07/19/2021

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Agenda Date:

Item Number:

Summary:



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June 9, 2021

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Honorable City Council
c/o Office of the City Clerk
Los Angeles City Hall
200 North Spring Street, 5th Fl
Los Angeles, CA 90012-2601

The Mid City West Community Council recommends that the Los Angeles City Council advises, through its Economic and Jobs Development Committee, the City's Office of Finance support the establishment of the Municipal Bank of Los Angeles (MBLA) CF 191235.

The Los Angeles public bank has the potential to improve critical aspects of community life, such as affordable housing, small business development, and infrastructure. Today, all city projects require money. Crucially, our city pays interest on every loan they take out with our tax dollars, which is paid to private commercial banks. A public bank would finance public works at a fraction of the price of private capital and operate according to a public mandate, serving the interest of the city and its people.

The MBLA would accept and insure city deposits, ensure liquidity, and provide all the banking and purchasing services the city requires. It would make prudent, targeted loans to the city itself, as well as to responsible parties in sectors of the local economy where capital would make a measurable difference in the lives of Angelenos.

The bank should contain the following elements in its charter: explicit social/environmental responsibility and anti-corruption clauses in its charter with bankers held accountable to public scrutiny, 100% transparency, and a board of directors that includes persons associated with community development and financial experts. These safeguards will ensure the most democratic bank possible.



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A public bank will allow Los Angeles to create sound investments that will save money and allow our city to invest public deposits in fiscally, socially and environmentally responsible activities. 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.

The municipal public banking model serves to directly address the common grievances against private banking, as the laundry list of unethical and damaging behavior grows. This includes but is not limited to consistent acts of fraud, corruption, collusion, manipulation, predatory sales and lending practices, funding major environmentally and socially destructive projects and oil pipelines, as well as discriminatory practices that have directly contributed to racial and social inequalities in Los Angeles, creating large areas of Los Angeles that have been underserved from the financial sector.

The Municipal Bank of Los Angeles will provide a public alternative to the vital function of banking by placing the institution's loyalty toward people and planet—all while maintaining a fiduciary responsibility toward responsible financial management within this ethical framework. In this way, all bank policies will reflect a pro-people and policy agenda.

The City of Los Angeles has an economy that is larger than the entire state of North Dakota, with sufficient capital reserves to provide startup funding. This means that the Bank of Los Angeles is ethical, sustainable, inclusive, profitable, and financially feasible. The beneficiaries of this proposition are the people of Los Angeles—the taxpayers, the underprivileged, the small business owners and the workers as well as the environment—almost everyone with the exception of private finance profiteers at big banks with long rap sheets of corruption and financial crimes against the people.

San Francisco, San Diego, and Alameda County are among the California cities and regions currently moving toward public banking. Although one state public bank currently exists in North Dakota, the Municipal Bank of Los Angeles would be the first municipal bank in our history, cementing this move and all who brought it to fruition into history. As a leader, Los Angeles will light the flame of



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vision and hope to inspire cities across the state and the U.S. to follow suit with their own regional and municipal public banks, as we pave the way for a new era of an economic system that prioritizes people and planet, through local and public control of finance.

Sincerely,

Lauren Nichols
Chair

Cc: Daniel School, Chair Planning and Land Use Committee MCWCC