

Contact Information

Neighborhood Council: Los Feliz Neighborhood Council, Los Feliz Neighborhood Council

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The Board approved this CIS by a vote of: Yea(17) Nay(0) Abstain(0) Ineligible(0) Recusal(0)

Date of NC Board Action: 04/18/2017

Type of NC Board Action: For

Impact Information

Date: 04/20/2017

Update to a Previous Input: No

Directed To: City Council and Committees

Council File Number: 17-0330

Agenda Date:

Item Number:

Summary: The Los Feliz Neighborhood Council (LFNC) recommends that the Los Angeles City Council advise, 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. More information is provided in LFNC's attached resolution (17-0321 - Wells Fargo DAPL Divestment.)

STATE OF CALIFORNIA



ERIC GARCETTI
MAYOR

The Los Feliz Neighborhood Council (LFNC), representing over 36,000 resident stakeholders hereby submits the following resolution in a formal advisement to the Mayor and City Council and official Departments of the City of Los Angeles.

RESOLUTION

WHEREAS, according to Accufacts, Inc.'s independent investigation, the Dakota Access Pipeline (DAPL) represents a clear and present danger to the Missouri river and surrounding environment, which is host to over 17 million regular citizens' water supply; and

WHEREAS, multiple studies in peer-reviewed scientific journals, including the American Association for the Advancement of Science (AAAS), American Chemical Society (ACS), and the Intergovernmental Panel on Climate change (IPCC), among others, show 97 percent or more of actively publishing climate scientists agree climate-warming trends over the past century are extremely likely due to human activities and are a direct contributor to life-threatening climate change; resulting in floods, droughts, intense rain, as well as severe heat waves, the effects of which have already been felt in Los Angeles; and

WHEREAS, National Response Center's (NRC's) records show Energy Transfer Partners (ETP) – the company responsible for the Dakota Access Pipeline – has spilled at least 111,559 gallons of crude oil nationwide through pipeline leaks alone, from 2015-2016, ETP was responsible for a rate of 2.8 accidents a month; and

WHEREAS, NRC reports since 2010, both Federal and State governments have fined Energy Transfer Partners and its subsidiaries for more than \$22 million in environmental damages and other violations, and the subsidiary responsible for operating DAPL, Sunoco Logistics, is also responsible for more hazardous material leaks (~274) than any other energy company over the last decade; and

WHEREAS, the construction of the Dakota Access Pipeline ignores sacred and treaty-protected lands of the Standing Rock Sioux tribe, sites where the use of attack dogs, fire hoses in subfreezing temperatures, and militarized police, were inhumanely used against peaceful protestors; and

WHEREAS, Governor Edmund (Jerry) G. Brown Jr. and the State of California under Executive Order B-18-12 have committed to Zero Net Energy on all new state facilities built after 2025, including 50% of the square footage of all existing state-owned buildings; and

WHEREAS, Wells Fargo Bank is one of the largest investors in the controversial pipeline, investing over \$400 million in funding according to Foodandwaterwatch.org; and

WHEREAS, Wells Fargo recently settled a \$185 million-dollar lawsuit brought by Los Angeles City Attorney Mike Feuer, for unlawfully opening customer accounts without authorization, and further victimizing its customers by failing to inform them of (misuse of their personal information), (or) refund fees they were owed; and

WHEREAS, City Controller Ron Galperin found more than \$500,000 in overcharges paid to Wells Fargo for bills from services never rendered to the city; and

WHEREAS, in February 2017, The City of Santa Monica divested from Wells Fargo due to their involvement in the Dakota Access pipeline and has amended their investment policy section 17(b) as follows: "No investments will be made in fossil fuel companies as defined by the organization 350.org or in banking institutions that provide financing to said companies;" and

WHEREAS, – In September 2016, the State of California Treasurer John Chiang sanctioned Wells Fargo by suspending the purchase of Wells Fargo Securities, use of Wells Fargo as a broker dealer for investment transactions, and use of Wells Fargo as an underwriter for the negotiated sale of State bonds; and

WHEREAS, In October 2016, the County of Santa Cruz Board of Supervisors directed the suspension of any new business with Wells Fargo for one year due to fraudulent business practices the bank was later fined for; and

WHEREAS, in January 2017, the University of California announced it will terminate \$475 million in credit contracts with Wells Fargo over its ties to private correctional facilities; and

WHEREAS, in February 2017, the Seattle City Council voted to not renew a contract with Wells Fargo for Bank Depository Services beyond the initial term of December 2018 and to suspend the purchase any new investments in Wells Fargo securities for a period of three years; and


WHEREAS, in February 2017, the City of Davis' City Council voted to divest from Wells Fargo due to its financing of DAPL as well as other questionable business practices; and

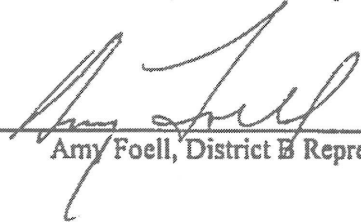
WHEREAS, in February 2017, the City Alameda voted unanimously to divest more than \$36 million from Wells Fargo, citing its funding of DAPL.

NOW, THEREFORE, BE IT RESOLVED, to support the indigenous population whose land and water stands to be endangered, concur with the scientific community at large against the unnecessary expansion of fossil fuel consumption and the dangers of climate change, and to ensure our City's public finances are not held within accounts of banks that have been found to participate in fraud and predatory practices, Los Feliz Neighborhood Council (LFNC) hereby requests and advises:

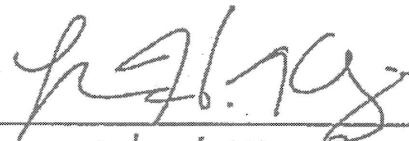
1. The Los Angeles City Council not renew any contract with Wells Fargo for banking services upon the expiry of the 2008 contract and immediately begin to wholly divest from Wells Fargo and sever all financial ties.
2. The Los Angeles City Council consider amending their banking policy to include explicit language requiring the city's banking services restrict themselves to institutions that do not invest in the fossil fuels industry.

3. The Office of Finance and City Controller, Ron Galperin, consider the use of a *public bank* as being utilized by the State of North Dakota and cited in the assembly bill passed by the legislature of California (AB 750) in 2011 – where return on capital could be directly invested in local community development, much needed infrastructure, and transition to green energy – rather than invested into pipelines that enrich a few and endanger many here in Los Angeles, the State of California, and others nationwide.

PRESENTED BY: 
Nello DiGiandomenico, District D Representative

SECONDED BY: 
Amy Foell, District B Representative

ADOPTED:
3-21-17

CONFIRMED: 
Luke H. Klipp, President