

Contact Information

Neighborhood Council: Greater Echo Park Elysian Neighborhood Council

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The Board approved this CIS by a vote of: Yea(20) Nay(0) Abstain(0) Ineligible(0) Recusal(0)

Date of NC Board Action: 08/22/2017

Type of NC Board Action: For

Impact Information

Date: 09/05/2017

Update to a Previous Input: No

Directed To: City Council and Committees

Council File Number: 17-0330

Agenda Date:

Item Number:

Summary: Echo Park Neighborhood Council supports the motion for the City of Los Angeles to divest from Wells Fargo Bank and to create a public Bank of Los Angeles. EPNC also urges the City to develop ethics standards for the Los Angeles investment portfolio.

# ECHO PARK NEIGHBORHOOD COUNCIL

P.O. BOX 26557, L.A. CA 90026



## Community Impact Statement (CIS)

Wells Fargo Divestment and Creation of Public Bank

**Council File 17-0330**

August 25, 2017



**CERTIFIED NEIGHBORHOOD  
COUNCIL  
APRIL 16, 2002**

To: Honorable City Council, Los Angeles City Hall, 200 N. Spring Street, room 395, Los Angeles, CA 90012 c/o Office of the City Clerk

The Echo Park Neighborhood Council (EPNC) is requesting that the following Community Impact Statement be attached to City Council File 17-0330.

On August 22, 2017, with a quorum of 20, the EPNC Board of Governors held a Brown Act-noticed meeting to discuss, and adopt or not adopt, the motion in support of divestment from Wells Fargo Bank and the creation of a replacement Public Bank. With a vote of 20 yeas, 0 nays, and 0 abstentions, the EPNC voted to submit this CIS.

### Recommendations:

1. Follow the recommendations of DivestLA in ending financial ties with Wells Fargo Bank.
2. Develop ethics standards for the Los Angeles investment portfolio.
3. Create the Bank of Los Angeles as recently introduced on July 25<sup>th</sup> by Councilmembers Herb Wesson and Paul Krekorian, seconded by Gil Cedillo, Mike Bonin, Paul Koretz and Mitch O'Farrell.

### Rationale:

- Wells Fargo has been found to have 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 are a reflection of its values.
- On June 27th, Los Angeles City Council voted unanimously (14-0) to direct the Office of Finance and other city departments to report on options to divest approximately \$40 million in Wells Fargo securities. The motion also directs the Office of Finance and the City Attorney's office to report on ending the city's contract with Wells Fargo due to their downgraded Community Reinvestment Act (CRA) rating.
- The passing of this motion was a first step towards divestment but does not guarantee that full divestment will be approved by City Council.
- Divest LA is organizing community support for full divestment from unethical banks such as Wells Fargo, and moving Los Angeles public funds into an ethical bank that takes into consideration both the community and the environment.
- On July 25<sup>th</sup> Councilmembers Herb Wesson and Paul Krekorian introduced the creation of a public bank, seconded by Gil Cedillo, Mike Bonin, Paul Koretz and Mitch O'Farrell.
- The proposed Bank of Los Angeles would ensure that taxpayer dollars are reinvested in our communities, including affordable housing, local small businesses and the city's transition to clean, renewable energy:

Respectfully,



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Tad Yenawine,  
Chair, Echo Park Neighborhood Council



## ECHO PARK NEIGHBORHOOD COUNCIL



**Chair:**

Tad Yenawine

**Vice Chair:**

Darcy Harris

**Chief Information Officer:**

Paul Bowers

**Treasurer:**

Michael Galano

**Secretary:**

Tyan Schesser

CERTIFIED NEIGHBORHOOD  
COUNCIL  
APRIL 16, 2002

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August 25, 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

VIA EMAIL

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

ECHO PARK NEIGHBORHOOD COUNCIL  
Wells Fargo Bank/Options for Divestment  
August 25, 2017

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,



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Tad Yenawine, Chair  
Echo Park Neighborhood Council

cc:

Councilmember Gil Cedillo  
Councilmember Bob Blumenfield  
Councilmember David Ryu  
Councilmember Paul Koretz  
Councilmember Nury Martinez  
Councilmember Monica Rodriguez  
Councilmember Marqueece Harris-Dawson  
Councilmember Curren Price  
Councilmember Herb J. Wesson, Jr.  
Councilmember Mike Bonin  
Councilmember Mitchell Englander  
Councilmember Mitch O'Farrell  
Councilmember Jose Huizar  
Councilmember Joe Buscaino