

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

Neighborhood Council: Historic Highland Park Neighborhood Council

Name: Nicholas Pisca

Phone Number:

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The Board approved this CIS by a vote of: Yea(11) Nay(0) Abstain(0) Ineligible(0) Recusal(0)

Date of NC Board Action: 06/03/2021

Type of NC Board Action: For

Impact Information

Date: 06/25/2021

Update to a Previous Input: No

Directed To: City Council and Committees

Council File Number: 19-1235

Agenda Date:

Item Number:

Summary: The Historic Highland Park Neighborhood 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). 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.

**HISTORIC HIGHLAND PARK NEIGHBORHOOD
COUNCIL**

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Certified as NC #33 May 28, 2002

**CITY OF LOS
ANGELES**

CALIFORNIA



**DEPARTMENT OF NEIGHBORHOOD
EMPOWERMENT**

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Historic Highland Park Neighborhood Council

COMMUNITY IMPACT STATEMENT

June 3rd, 2021

Attn: Council President Nury Martinez, Councilmember Kevin De Leon, Councilmember Gil Cedillo

From: Historic Highland Park Neighborhood Council

RE: AB 857 / California Law / Municipal Bank of Los Angeles (MBLA) / Establishment / Public Bank License ([Council File: 19-1235](#))

Dear Los Angeles City Councilmembers,

The Historic Highland Park Neighborhood 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).

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.

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 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 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.

The Historic Highland Park Neighborhood Council recommends that:

- 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 MBLA will make loans to support affordable housing development, in the form of both construction loans and long-term bond and mortgage loans for multi-unit housing developments. A Municipal Bank could, over time, be expanded to become a significant supplier of long-term affordable housing credit. A Municipal Bank could fund a property acquisition program that would acquire existing rental properties and place them into permanently affordable cooperative housing arrangements and land trusts, as well as work with a regional housing authority to fund social housing.
- A Municipal Bank will help ensure that future housing development that is linked to publicly funded transit investments does not result in rampant and widespread displacement of residents of predominantly African American, Asian, and Latino working class neighborhoods.
- A Municipal Bank will help address the environmental crisis and reduce the impacts of climate change by financing clean energy infrastructure, increasing renewable-energy lending, and incorporating sustainability investment goals into the City's redevelopment plan.
- A Municipal Bank will be chartered with socially and environmentally responsible mandates. This includes a transparent Board of Directors and an anti-corruption ethos to ensure the bank operates under sustainable and ethical guidelines. The bank's lending activities would be subject to strict mandate to adhere to its principles and fulfillment of its public policy goals, including a Public Commission made up of local stakeholders to oversee the bank and ensure it is meeting its anti-corruption mandates.

The motion was approved by a vote of: [11] Yes, [0] No, [8] Abstention, [8] Absent.

Sincerely,

A handwritten signature in black ink, appearing to read 'Estrella Sainburg', written over a horizontal line.

Estrella Sainburg

President,

Historic Highland Park Neighborhood Council