

ECONOMIC AND COMMUNITY DEVELOPMENT COMMITTEE REPORT relative to the public bank formation process.

Recommendation for Council action:

INSTRUCT the City Administrative Officer (CAO) and Chief Legislative Analyst (CLA) to:

- a. Identify and report in the upcoming Financial Status Report with funding in the amount of \$460,000 for consultant services needed to conduct policy, fiscal, and economic analyses for a Phase I study related to the formation of a public bank serving the City of Los Angeles.
- b. Recommend suitable funding sources for said Phase I study.

Fiscal Impact Statement: None submitted by the CLA. Neither the CAO nor the CLA has completed a financial analysis of this report.

Community Impact Statement: Yes

For:

Boyle Heights Neighborhood Council
Central Hollywood Neighborhood Council
Central San Pedro Neighborhood Council
East Hollywood Neighborhood Council
Eagle Rock Neighborhood Council
Echo Park Neighborhood Council
Empowerment Congress West Area Neighborhood Development Council
Historic Highland Park Neighborhood Council
Mid City WEST Neighborhood Council
North Hollywood Northeast Neighborhood Council
Palms Neighborhood Council
Silver Lake Neighborhood Council
Hollywood Studio District Neighborhood Council
Arroyo Seco Neighborhood Council
Reseda Neighborhood Council
Atwater Village Neighborhood Council

For, If Amended:

Empowerment Congress North Area NDC

Against:

Northridge West Neighborhood Council

Summary:

On June 7, 2023, your Committee considered a December 9, 2022 joint CAO/CLA report relative to the public bank formation process. According to the CAO/CLA, on October 5, 2021, Council authorized the CLA to draft and release an RFP seeking consultant services needed to conduct policy, fiscal, and economic analyses related to the formation of a public bank serving the City of Los Angeles. A competitive bid process was held and the City received one bid. The bidder satisfied the requirements of the RFP, including the submission of a work plan in two phases. The bidder submitted a total budget of \$700,000, with a Phase I budget of \$460,000. Council action is needed to appropriate funds for the Phase I study. Were Council to decide on a banking model option and opt to move forward with additional formation studies, the Phase II budget would be \$240,000, to be funded at a later date.

If Council wishes to move forward with a Phase I study, \$460,000 will need to be provided to fund the study. No funds have been set aside for this study in the City Budget. Council may choose to request the CAO and CLA to identify and report in the mid-year Financial Status Report with funding in the amount of \$460,000 to retain HR&A Advisors for consultant services needed to conduct policy, fiscal, and economic analyses for a Phase I study related to the formation of a public bank serving the City of Los Angeles. Upon receipt of a Phase I study from HR&A Advisors, Council will have the option to decide on a banking model and move. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the joint CAO/CLA report, as amended. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Economic and Community Development Committee

COUNCILMEMBER	VOTE
PRICE:	YES
SOTO-MARTINEZ:	YES
PARK:	YES

ARL
6/7/23

-NOT OFFICIAL UNTIL COUNCIL ACTS-