

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: Boyle Heights Neighborhood Council

Name: Miriam Gonzalez

Phone Number:

Email: gonzalez.bhnc@gmail.com

The Board approved this CIS by a vote of: Yea(14) Nay(0) Abstain(0) Ineligible(0) Recusal(0)

Date of NC Board Action: 05/26/2021

Type of NC Board Action: For

Impact Information

Date: 06/04/2021

Update to a Previous Input: No

Directed To: City Council and Committees

Council File Number: 19-1235

Agenda Date:

Item Number:

Summary:



Boyle Heights

Neighborhood Council

Boyle Heights Neighborhood Council
2130 E. First Street, Suite 110
Los Angeles, CA 90033

May 20, 2021

Attn: Los Angeles Council Members and Committees

**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 Boyle Heights Neighborhood Council, recommends that the Los Angeles City Council advises, through its Economic and Jobs Development Committee, the City's Office of Finance to 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.

Three out of ten Angelenos do not have either access or adequate access to a checking or savings account and therefore cannot build credit, and are susceptible to theft, fraud and the predatory practices of financial alternatives such as payday lenders or check cashers. A public bank would help meet the financial needs of the unbanked and underbanked population, largely composed of minority, working-class communities and immigrant households, by partnering with local community banks to offer low-cost consumer services to Angelenos.

Thank you,

Boyle Heights Neighborhood Council