

Communication from Public

Name: Los Angeles County Democratic Party
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Council File No: 19-1235
Comments for Public Posting: LA County Democratic Party Support Letter for the Municipal Bank of Los Angeles



April 2, 2023

The Honorable Karen Bass
Los Angeles City Hall
200 N. Spring St.
Los Angeles, CA 90012

RE: CF 19-1235 - SUPPORT

Dear Mayor Bass,

The Los Angeles County Democratic Party (LACDP) considers and debates many bills submitted by lawmakers and organizations and have voted overwhelmingly in support of the motion authorizing the city to hire a consultant to develop a business plan for the creation a Los Angeles Municipal Bank, CF 19-1235.

California and Los Angeles County have always been on the forefront of cutting-edge and progressive policies that can lead the way for America and with CF 19-1235 Los Angeles has the opportunity to lead our state and the nation towards a more equitable, sustainable and affordable system of local banking which would extricate the city's finances from predatory for-profit banks to which Los Angeles pays 100 million dollars in fees and interest payments annually and 1.3 billion per year to service debt on loans from Wall Street banks.

The people of Los Angeles would be better served keeping that money at home, spurring investment in our infrastructure and in our communities at a fraction of the costs incurred when borrowing from a commercial bank.

It's also worth noting that when the "too big to fail" banks' risky behaviors crashed the economy in 2008, the only state with a public bank, North Dakota, escaped the economic fallout from the banks' malfeasance and remained profitable throughout the recovery.* Uncoupling Los Angeles from the vicissitudes of Wall Street speculations is smart fiscal policy.

Twelve years ago activists "occupied" the grounds of City Hall calling attention to the insufficient federal response to Wall Street's role in the misery caused and the housing crisis exacerbated by their actions. Little has changed. Los Angeles can choose to make that change now. We urge you to support CF 19-1235.

LACDP is the official governing body of the Democratic Party in the County of Los Angeles and works in cooperation with the State and National Democratic Committees. LACDP is the largest local Democratic Party entity in the United States, representing more than 3.1 million registered Democrats.

If the LACDP can be of assistance, please contact Andrés Molina, LACDP Executive Director, at andres@LACDP.org or (562) 351-8410.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark J. Gonzalez', with a stylized flourish at the end.

Mark J. Gonzalez, Chair

* https://www.huffpost.com/entry/the-savings-and-stability-of-public-banking_b_58ed5d96e4b0ea028d568de5