

## Communication from Public

**Name:** United Way of Greater Los Angeles

**Date Submitted:** 05/30/2023 12:43 PM

**Council File No:** 19-1235

**Comments for Public Posting:** May 24, 2023 The Honorable Karen Bass The Honorable Paul Krekorian The Honorable Curren Price Los Angeles City Hall 200 N Spring St. Ste 303 Los Angeles, CA 90012 Dear Mayor Bass, Council President Krekorian, and President Pro Tempore Price, United Way Los Angeles would like to express our strong support for the Municipal Bank of Los Angeles (MBLA), CF 19-1235 and the allocation of funding needed to move forward with the public bank RFP. The MBLA will bring about a significant and positive impact on our community. The city's ability to reduce borrowing costs and access revenue streams faster through a public bank will give it a valuable tool in financing affordable housing and retrofits. A public bank can help tackle the affordable housing crisis in Los Angeles by providing low-cost financing options to housing developers. The MBLA would accomplish this not as a standalone bank, but as a "banker's bank," allowing the existing network of affordable housing lenders to expand their activities with the backing of the City of Los Angeles. This centralization of funding will give developers the necessary resources to preserve existing housing and construct new, affordable options, ultimately reducing the City's interest payments and financing costs, thereby increasing access to affordable housing for residents in need. The public bank's mission to support community development can help to lower the cost of financing affordable housing projects. This is done by providing long-term, low-cost financing options for affordable housing, retrofits, and acquisitions. This support can help to reduce the cost of mortgage debt, make it easier for affordable housing operators to adopt energy efficiency measures, and create positive cash flows for these organizations. The public bank's support can help to strengthen the operating budgets of affordable housing operators and support the co-payment for energy efficiency programs, contributing to the overall goal of increasing access to affordable housing options in the City. Public banks provide many advantages such as keeping local funds within the community, promoting accountability, and optimizing tax revenue. By utilizing a public bank to finance public projects, we can greatly reduce the cost of infrastructure projects, as nearly half of their cost is typically spent on bank interest and fees. By funding projects through a public bank, the City can save a

significant amount of money, freeing up more resources to be invested back into the growth and development of the Los Angeles community. United Way Los Angeles supports the establishment of the Municipal Bank of Los Angeles and believes it has the potential to create a more sustainable revenue model while providing more affordable housing options for our community. By utilizing a public bank to centralize funding and simplify the financing process, the City can more effectively address the pressing need for affordable housing and other crucial projects. With a focus on community development, the public bank can play a key role in addressing the challenges faced by Los Angeles and supporting the well-being of its residents. Sincerely,  
Tommy Newman Vice President, Engagement & Activation  
United Way of Greater Los Angeles



May 24, 2023

The Honorable Karen Bass  
The Honorable Paul Krekorian  
The Honorable Curren Price

Los Angeles City Hall  
200 N Spring St. Ste 303  
Los Angeles, CA 90012

Dear Mayor Bass, Council President Krekorian, and President Pro Tempore Price,

United Way Los Angeles would like to express our strong support for the Municipal Bank of Los Angeles (MBLA), [CF 19-1235](#) and the allocation of funding needed to move forward with the public bank RFP. The MBLA will bring about a significant and positive impact on our community. The city's ability to reduce borrowing costs and access revenue streams faster through a public bank will give it a valuable tool in financing affordable housing and retrofits.

A public bank can help tackle the affordable housing crisis in Los Angeles by providing low-cost financing options to housing developers. The MBLA would accomplish this not as a standalone bank, but as a "banker's bank," allowing the existing network of affordable housing lenders to expand their activities with the backing of the City of Los Angeles. This centralization of funding will give developers the necessary resources to preserve existing housing and construct new, affordable options, ultimately reducing the City's interest payments and financing costs, thereby increasing access to affordable housing for residents in need.

The public bank's mission to support community development can help to lower the cost of financing affordable housing projects. This is done by providing long-term, low-cost financing options for affordable housing, retrofits, and acquisitions. This support can help to reduce the cost of mortgage debt, make it easier for affordable housing operators to adopt energy efficiency measures, and create positive cash flows for these organizations. The public bank's support can help to strengthen the operating budgets of affordable housing operators and support the co-payment for energy efficiency programs, contributing to the overall goal of increasing access to affordable housing options in the City.

Public banks provide many advantages such as keeping local funds within the community, promoting accountability, and optimizing tax revenue. By utilizing a public bank to finance public projects, we can greatly reduce the cost of infrastructure projects, as nearly half of their cost is typically spent on bank interest and fees. By funding projects through a public bank, the City can save a significant amount of money, freeing up more resources to be invested back into the growth and development of the Los Angeles community.



United Way Los Angeles supports the establishment of the Municipal Bank of Los Angeles and believes it has the potential to create a more sustainable revenue model while providing more affordable housing options for our community. By utilizing a public bank to centralize funding and simplify the financing process, the City can more effectively address the pressing need for affordable housing and other crucial projects. With a focus on community development, the public bank can play a key role in addressing the challenges faced by Los Angeles and supporting the well-being of its residents.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tommy Newman'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Tommy Newman  
Vice President, Engagement & Activation  
United Way of Greater Los Angeles