

WESTWOOD NEIGHBORHOOD COUNCIL

May 12, 2021

Agenda Item # 8

MOTION TO SUPPORT THE LOS ANGELES PUBLIC BANK

The Westwood Neighborhood Council, recommends that the Los Angeles City Council advise, 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.