

## Communication from Public

**Name:** Trinity Tran

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**Council File No:** 19-1235

**Comments for Public Posting:** On behalf of the Public Bank LA Coalition, enclosed is our budget request letter, signed by 58 endorsing organizations, urging the council restore the funding for the Public Bank Feasibility Study that was redirected last year. Los Angeles faces urgent financial challenges, including budget shortfalls, wildfire recovery, and federal uncertainty, which makes long-term financing more critical than ever. Each year, LA pays \$1.4 billion in private bank fees, funds that could instead build affordable housing, support small businesses, repair roads, and strengthen climate resilience. A Public Bank of Los Angeles would keep these dollars working for our communities. With the Council's RFP funding approved, we now need your support to allocate \$460K for Phase 1 of the study, a small investment with major long-term returns.

# PUBLIC BANK LA COALITION

The Honorable Marqueece Harris-Dawson  
Los Angeles City Council President  
200 N Spring St., Room 450  
Los Angeles, CA 90012

March 4, 2025

## Re: Fund the Public Bank Plan and Invest in Our Future

Dear Council President Harris-Dawson,

On behalf of the 58 organizations that have signed on, the Public Bank LA Coalition is urging the LA City Council to immediately fund the Public Bank feasibility study. Los Angeles stands at the intersection of multiple crises—soaring housing costs, wildfire threats, aging infrastructure, and economic inequities. Every year, we watch a staggering [\\$1.4 billion disappear into interest payments and fees](#) to Wall Street banks. That's \$1.4 billion we desperately need to protect homes from the next disaster, fast-track affordable housing construction, and empower workers and local businesses. It's time we build a financial system that invests in us: **a Los Angeles Public Bank.**

A Public Bank is a nonprofit, city-owned, tax-exempt institution with one mission: ***keep public dollars working for the public good.*** Operating on a wholesale model—no branches, ATMs, or checking accounts—it maintains low overhead and reinvests resources, keeping profits in LA. Rather than competing with local lenders, it partners with them to bundle and leverage City funds for transformative, equitable projects. From new affordable housing to sustainable infrastructure, every loan aligns with our City's goals—accountable to the public interest, not private shareholders.

The Public Bank is governed by an independent board and managed by financial experts separate from City Hall, ensuring strict state and federal regulatory oversight while aligning every dollar with the City's equity and sustainability goals.

By leveraging its own resources, **a Public Bank can fund city needs without raising taxes, cutting essential services, or increasing debt.** It's a practical solution to bridge the gap in our perpetual budget deficit and immediately fund local priorities.

## Why a Public Bank Deserves Immediate Priority

1. **Supercharge Affordable Housing.** Today's affordable housing projects stagger under dozens of convoluted funding sources, slowing construction and inflating costs. By providing a streamlined "one-stop shop" for loans, the Public Bank can accelerate projects from concept to completion, helping families avoid the cascade into homelessness.
2. **Strengthen Disaster Response and Resilience.** Wildfires, floods, and earthquakes repeatedly strike with crippling effects. Relying on private banks in an emergency drags out financing—when time is critical. A Public Bank ensures rapid response funding stays at home, fueling fire-resistant infrastructure, landslide-prevention projects, and relief loans for families and small businesses.
3. **Save Millions Annually.** Nearly half of our housing and infrastructure costs stem from private bank interest and fees—funds that should stay in LA. Financing through our own Public Bank cuts these extraneous costs. Through fractional reserve lending, **each dollar deposited can generate up to ten dollars in lending power—10 times the impact**, with loan repayments reinvesting back into the Public Bank.
4. **A Proven Model—Bank of North Dakota.** The Bank of North Dakota (BND) is a century-tested blueprint for public-driven finance. Publicly owned since 1919, BND generated an [18% return on equity](#) in 2023 and has transferred [over \\$1 billion to the state's general fund](#). From home mortgages, to student and agricultural loans, it invests over \$1 billion in schools, water infrastructure, and healthcare. Its [A+ S&P rating](#) shows that a people-first, locally accountable Public Bank can be profitable, stable, and resilient.

**The City Council has already unanimously approved the RFP funding and selected consultants. Now, we urge you to allocate \$460,000 funds for Phase 1 of the RFP and launch the feasibility study.** This critical step, made possible by the California Public Banking Act, will develop financial models, detail the bank's business lines, mission, and capitalization strategies, showing how a Public Bank can create affordable housing, support labor, and build local wealth in Los Angeles. This small line item holds enormous potential to save millions in the short term, and reshape how we finance critical city projects.

## **Our Money, Our Values—Our Bank**

The Los Angeles Public Bank will build long-term equity, transforming the way we invest in our communities, and will:

- **Put equity and good jobs first** by investing in neglected neighborhoods, creating well-paying, union jobs, and uplifting marginalized communities.
- **Accelerate housing and climate resilience** by cutting out private lender bottlenecks and swiftly funding affordable housing and climate-ready infrastructure—without piling on new fees or debt.
- **Reinvest LA's wealth locally** by multiplying every deposit into local loans, **fixing our streets** and infrastructure, expanding public services, strengthening small businesses, and keeping millions from flowing to big banks.

On behalf of the working families, labor unions, and community organizations who keep Los Angeles running, we urge you to prioritize funding for the Public Bank feasibility study in the budget. As we brace for the next wildfire season and grapple with a deepening housing crisis, the time to act is now. Let's keep our money where our hopes—and our homes—are.

Thank you for your leadership and for recognizing the historic opportunity before us.

Sincerely,

**Public Bank LA Coalition**

**Public Bank Los Angeles**

**ACCE Action**

**Inclusive Action for the City**

**SEIU 721**

**LA County Federation of Labor, AFL-CIO**

**United Parents and Students**

**Move LA**

**Destination Crenshaw**

**ACT-LA**

**AFSCME 36**

**Americans for Democratic Action (ADA) - Southern California**

**Bend the Arc**

**Brotherhood Crusade**

**California Progressive Alliance**

**California Public Banking Alliance**  
**CareCen LA**  
**CHIRLA** (Coalition for Humane Immigrant Rights)  
**CLUE** (Clergy and Laity United for Economic Justice)  
**Coco South LA** (Community Coalition)  
**Community Power Collective**  
**Courage California**  
**Creating Justice LA**  
**Eastside Leads**  
**End Homelessness California**  
**FIX LA**  
**Ground Game LA**  
**Inclusive Action for the City**  
**Indivisible California**  
**Inner City Struggle**  
**IUOE Local 501** (International Union Of Operating Engineers)  
**KIWA** (Koreatown Immigrants Workers Advocates)  
**LA Voice**  
**LAANE** (Los Angeles Alliance for a New Economy)  
**LABWC** (Los Angeles Black Worker Center)  
**LA/OC Building and Construction Trades Council, AFL-CIO**  
**Librarians Guild**  
**Little Tokyo Service Center**  
**LIUNA 777** (Laborers' International Union of North America)  
**McCarty Memorial Christian Church**  
**Move LA**  
**NDLON** (National Day Laborer Organizing Network)  
**Public Bank Pomona Valley**  
**Rise Economy**  
**SAJE** (Strategic Actions for a Just Economy)  
**SCOPE LA** (Strategic Concepts in Organizing & Policy Education)  
**SEIU-USWW**  
**SoCal 350**  
**South Asian Network**  
**Southern Christian Leadership Conference**  
**Teamsters 911**  
**Thai Community Development Center**  
**The Church Without Walls - Skid Row**  
**The Democracy Collaborative, Joe Guinan, President**

**The Row LA**

**UTLA** (United Teacher Los Angeles)

**United to House LA**

**United Way LA**

**US Solidarity Economy Network**

**CC:**

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- Council President Marqueece Harris-Dawson ([councilmember.harris-dawson@lacity.org](mailto:councilmember.harris-dawson@lacity.org))
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