September 25, 2019

The Honorable Gavin Newsom
Governor, State of California
State Capitol, Governor’s Office
Sacramento, CA 95814

Re: AB 857 (Chiu) Public Banks.

City of Beverly Hills – Request for Signature

Dear Governor Newsom,

On behalf of the City of Beverly Hills, I am pleased to write to you in SUPPORT of AB 857 (Chiu) and respectfully request you SIGN this measure when it comes before your desk. This bill will allow local governments to establish a public bank. This will provide more local control, transparency, and self-determination in how local taxpayer dollars are leveraged in the banking system by allowing local governments to charter their own public banks.

As you know, public banks are financial institutions that are owned by a public entity and are established to provide financial services to local communities, often in partnership with other local financial institutions. What sets a public bank apart from its privately-owned counterparts is that public banks are free from the responsibility to provide shareholders with profits and can instead, focus on leveraging their deposits and lending power on meeting local needs.

Granting localities the authority to establish a public bank would allow them to create and utilize a financial institution that prioritizes public benefits rather than shareholder profits. These institutions will allow local governments and agencies to transfer their financial services from a private bank to a public institution that will reinvest and create capital in their community. Public banks can prioritize activities that benefit the public like providing capital at a lower cost for preferred uses such as infrastructure, affordable housing projects, public transportation, and social programs.
Providing local governments with the ability to establish a public bank will give them another tool to help ensure that the financial needs of their communities are met by an institution that reflects their values and goals. For these reasons, the City of Beverly Hills is pleased to SUPPORT AB 857 (Chiu). Thank you for your consideration.

Sincerely,

[Signature]

John A. Mirisch
Mayor, City of Beverly Hills

cc: The Honorable David Chiu, 17th Assembly District
    The Honorable Ben Allen, 26th Senate District
    The Honorable Richard Bloom, 50th Assembly District
    Andrew K. Antwih, Shaw / Yoder / Antwih, Inc.