



MAYOR ROBERT GARCIA
CITY OF LONG BEACH

July 6, 2020

The Honorable Miguel Santiago
California State Assembly
State Capitol, Room 6027
Sacramento, CA 95814

Dear Assemblymember Santiago,

I am writing in strong support of AB 310, which will provide immediate economic relief for the COVID-19 crisis and pave the way for a California State Public Bank. This important legislation will expand the lending capacity of the California Infrastructure Economic Development Bank (IBank) by moving 10% of California's Pooled Money Investment Account into the IBank's loan fund. It will also convert the IBank into a depository bank able to leverage its capital up to ten times and direct its lending towards a just and equitable economic recovery.

AB 310 will provide a pathway to recovery and continued success for California's small businesses and local governments, as well as funding renewable infrastructure and affordable housing. The State Public Bank will partner with local banks and non-profit credit institutions to extend credit to underserved communities and expand services to the underbanked.

The State Public Bank will invest in California priorities, using California labor and creating California results, and will strengthen our communities by keeping money here in California, investing for the public good and reinvesting returns locally. The bill's requirements ensure that the Bank will be operated with the same safety and integrity required of all chartered banks and maintain a greater degree of accountability to Californians than private commercial banks.

The California State Public Bank will:

- Create a long-term source of stable financing for the state and its local governments, redirect existing investment funds into the state economy, and lay the foundation for resilient and equitable growth.
- Create jobs, conform to standards set by unions, and strengthen workers' rights to organize to move towards a more equal distribution of power towards labor.
- Invest in much-needed renewable infrastructure projects and green technology initiatives—large and small, local and statewide—that create jobs and result in quality of life improvements.

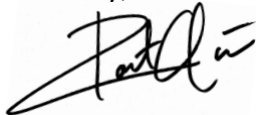
- Provide stable financing to help local governments address critical services, such as schools, food programs, and public health, which are facing calamitous revenue shortfalls that disproportionately harm communities of color.
- Allow for a stable means to divest public funds and investments from large banking organizations and industries that may not align with the values of our communities.
- Return interest and fee revenues to the State, creating value and revenue reserves.
- Bolster and enhance community banks and credit unions, allowing them to expand much-needed investment in their neighborhoods.
- Enable a viable means of publicly financing affordable housing and infrastructure projects to remediate our statewide housing crisis.
- Promote a transparent, independent and publicly governed finance system accountable to the people.

The California State Public Bank will leverage its capital and lending power to benefit the public. This allows it to focus on pressing local needs, like affordable housing, small business loans, and public infrastructure projects, such as rebuilding after wildfires and floods. The State Public Bank's lending guidelines and decisions will consider the needs of the community and leverage public funds to meet those needs at a lower cost than the private sector.

AB 310 creates financing mechanisms that will require partnerships with existing local financial institutions to provide retail services, enabling the State Public Bank to provide loans and lines of credit to support their activities.

For these reasons, I stand in support of AB 310 to create a California State Public Bank.

Sincerely,



Mayor Robert Garcia
City of Long Beach

cc: The Honorable Speaker Anthony Rendon, State Assembly
The Honorable Lena Gonzalez, State Senate, 33rd District
The Honorable Tom Umberg, State Senate, 34th District
The Honorable Steven Bradford, State Senate, 35th District
The Honorable Mike Gipson, State Assembly, 64th District
The Honorable Patrick O'Donnell, State Assembly, 70th District