



**MAYOR ROBERT GARCIA**  
CITY OF LONG BEACH

January 7, 2020

To: Members of the City Council

RECOMMENDATION:

Request the City Manager to conduct a feasibility study on Public Banking in Long Beach. This study should explore a possible partnership with the County of Los Angeles as they consider a regional public banking program. (Citywide)

DISCUSSION:

During this legislative session, the California State Legislature passed Assembly Bill 857, the Public Banking Act. After the bill's passage, I wrote Governor Gavin Newsom and gave my support for the bill (letter attached). The Governor signed AB 857 into law, allowing cities and counties in California to create their own public banks.

The Legislature's intent is to achieve cost savings, strengthen local economies, support community economic development and address infrastructure and housing needs. Under AB 857, there will be a pilot program with up to two licenses issued each year.

City staff are requested to provide a review of the concept of public banking, including the State legislation that has created the program, a review of the current pilots, the process for becoming a public bank, and any information on the benefits, costs or other features of this new concept.

FISCAL IMPACT:

This recommendation is a request for a feasibility study. This would be a moderate use of staff time and dependent on possible Los Angeles County partnerships. Any additional study costs would come back to the Council to be discussed. Information on the potential costs and benefits of public banking would be included in the report.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert Garcia".

Mayor Robert Garcia  
City of Long Beach  
Dated: December 30, 2019



**MAYOR ROBERT GARCIA**  
CITY OF LONG BEACH

September 25, 2019

The Honorable Gavin Newsom  
Governor, State of California  
State Capitol, Suite 1173  
Sacramento, CA 95814

**RE: Support for AB 857 (Chiu and Santiago): Public Banks**

Dear Governor Newsom:

I am writing to express my strong support for AB 857, Public Banks, which would allow California to take the first steps towards the creation of a public banking system. The ability to establish public banking in California would increase local control over taxpayer funds, ensuring those funds provide the most benefit to the community, rather than placing assets in out-of-state commercial banks and seeing budgets diminished by banking fees.

Public banks could also provide retail services that serve the interests of depositors and the community at large, rather than simply serving the financial interests of the bank and its shareholders. The opportunities for localities to support their own economic needs and those of their constituents are tremendous, and could provide an important balance to the concerning trends of economic inequality and wealth concentration.

I believe AB 857 could be of great benefit to Long Beach and to the many cities and jurisdictions of Los Angeles County and Southern California.

Given these reasons, I support AB 857 (Chiu and Santiago) and respectfully request your signature on this bill.

Sincerely,

Mayor Robert Garcia  
City of Long Beach

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