

## Lew, Lisa (BOS)

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**From:** Board of Supervisors, (BOS)  
**Sent:** Wednesday, February 20, 2019 1:57 PM  
**To:** BOS-Supervisors; BOS Legislation, (BOS)  
**Subject:** FW: California Bankers Association Letter Re: Resolution on Public Banking  
**Attachments:** SF Board of Supervisors Ltr-Public Bank.pdf

**Categories:** 190118

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**From:** Dee Peach <dpeach@CalBankers.com>  
**Sent:** Wednesday, February 20, 2019 12:54 PM  
**To:** Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>  
**Subject:** California Bankers Association Letter Re: Resolution on Public Banking

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Good afternoon,

Attached please find a letter regarding Resolution on Public Banking, to be distributed to the Board of Supervisors.

Please let us know if you have any questions.

Kind regards,

Dee



**Dee Peach**  
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California Bankers Association  
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February 20, 2019

Members of the San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place  
City Hall, Room 244  
San Francisco, Ca. 94102-4689

RE: San Francisco Public Bank

Dear Members of the Board of Supervisors:

Earlier this month, the San Francisco Board of Supervisors unanimously approved a resolution urging California State legislators to enact legislation amending the Government Code to enable local agencies to create public banks through an option for a public banking charter. The resolution cataloged a variety of reasons a public entity is preferable to private commercial banks, including the ability of a public bank to achieve sustainable community investments (i.e., affordable housing, small business development, loans to low-income households, public transit, infrastructure and renewable energy).

We maintain our view that establishing a public bank at the municipal level is unnecessary given the numerous choices in the financial services marketplace. According to the Federal Reserve, in the San Francisco area alone, community banks with assets under \$5 billion have generated more than \$44 billion dollars in loans during the past year. We remain unconvinced that a public bank in San Francisco can achieve an equal level of commitment to the community as the 58 FDIC-insured banks operating in the city.

Beyond banking services where we help customers save, invest for their future, and borrow, our members provide employment opportunities for residents of the city, and pay taxes to support the city's general fund. We are proud of the work that our member banks do throughout the San Francisco area. Bankers in the city routinely volunteer hours of community service and make significant philanthropic financial donations to various non-profit organizations. Our members play a valuable role in local economic development, including the financing of renewable energy projects and affordable housing programs that support the homeless, low-to-moderate income individuals and veterans.

The resolution also refers to North Dakota as a model for public banking. We would like to remind you that North Dakota's annual GDP for the last reportable year (2017) is just under \$51 billion dollars, while San Francisco's GDP for the same year is more than \$500 billion. The level of complexity and cost involved in operating a public bank for the city of San Francisco far exceeds that of North Dakota, which saw its public bank lose money for 12 years before breaking even.

Banks in San Francisco are deeply committed to their community and to moving the local economy forward. We invite you to see the social impact that banks are having in their communities at [www.calbankers.com/socialimpact](http://www.calbankers.com/socialimpact). Please feel free to contact me directly at [jlane@calbankers.com](mailto:jlane@calbankers.com) or (916) 438-4420 if you have any questions.

Sincerely,



Jason Lane

VP & Deputy Director of Government Relations

JL:dp

cc: The Honorable David Chiu, California State Assembly  
The Honorable Scott Wiener, California State Senate