



Loretta C. Scott, President
Councilmember At-Large

November 22, 2021

Willie J. Lightfoot, Vice-President
Councilmember At-Large

Carl E. Heastie
Speaker of the Assembly
1446 East Gun Hill Road
Bronx, NY 10469

Andrea Stewart-Cousins
Senate Majority Leader
28 Wells Avenue, Building #3
Yonkers, NY 10701

Malik D. Evans
Councilmember At-Large

Mitch Gruber
Councilmember At-Large

Dear Assembly Speaker Heastie and Senate Majority Leader Stewart-Cousins:

LaShay D. Harris
Councilmember
South District

As members of the Rochester City Council, we respectfully urge you to support [S1762A](#) (Sanders)/[A8290](#) (Fahy), the New York Public Banking Act. This carefully crafted bill creates a safe and appropriate regulatory framework for cities, counties, and regions in New York seeking to establish public banks. It also authorizes the New York State Department of Financial Services to issue special-purpose public bank charters, paving the way for public banking in Rochester.

Mary Lupien
Councilmember
East District

Miguel Meléndez
Councilmember At-Large

Under current state law, localities seeking to establish public banks must apply for a commercial bank charter. This forces local governments to retrofit their public bank business models into a regulatory system that was designed for private, for-profit enterprises. By passing the New York Public Banking Act this session, the New York State Legislature will help to facilitate the responsible formation of public banks by cities, counties, and regions around New York State.

Michael A. Patterson
Councilmember
Northeast District

Jose Peo
Councilmember
Northwest District

Even before COVID-19 gripped our communities, our State and City faced widening financial inequality and other daunting challenges. As the COVID-19 crisis deepens, local governments need new tools, including public banks, to ensure a just recovery and a stable future for all New Yorkers. Because of revenue shortfalls caused by the COVID-19 pandemic and the refusal of the Federal Government to provide direct aid to municipalities, a public bank in Rochester would allow us to use our own public money to generate revenue and spur local investment.

We support the efforts of the Rochester Public Banking Coalition in advocating for public banks that have a clear mission to advance racial, economic, and environmental justice. Public banks would reinvest in New York's neighborhoods that need it most, including low-income neighborhoods, immigrant communities, and neighborhoods that are primarily comprised of people of color. Public banks serve critical community needs and strengthen the resiliency and ability of communities to withstand future crises.

As you know, COVID-19 has laid bare the vast inequities at the core of so many of our institutions. Recent reports showing that big banks prioritized their most lucrative customers for Paycheck Protection Program (PPP) loans at the expense of struggling small businesses is only the latest warning that we need bold action to transform our financial system. For decades, Wall Street banks have blocked low-income people, immigrants, and people of color from mainstream banking, relegating them to high-cost, predatory financial services that extract massive amounts of wealth from communities and perpetuate poverty and inequality.

Public banks would partner with our state's numerous community-based lenders to deliver responsible financing and emergency funding to the small and worker-owned businesses – including MWBEs – hardest hit by COVID-19. They would invest in economic development initiatives that build-wealth, such as permanently-affordable housing, community-controlled renewable energy, and more. Finally, they would expand access to high-quality, affordable banking services in New York's historically redlined communities of color.

Public banking is a proven model; it is common throughout the world, from Costa Rica to Germany. In the U.S., the Bank of North Dakota has successfully financed public projects and made responsible loans to small businesses, farmers, and others for more than a century. The Bank of North Dakota recently has been credited with helping North Dakota small businesses access more PPP funding per private sector worker than small businesses in any other state in the country.

In 2020, California enacted legislation to facilitate public banking at the local level. Just last month, Los Angeles City Council voted unanimously to take the first steps in establishing a public bank. It's time for New York to take action and usher in democratic financial institutions that meet the needs of New York's communities, during the COVID-19 crisis and beyond.


Sincerely,



Loretta C. Scott
President



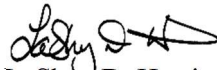
Willie J. Lightfoot
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Malik D. Evans
At-Large Member



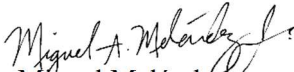
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