NYC Department of Finance

City Council Finance Committee Hearing on Public Banking, April 19, 2023

Good morning, Chair Brannan, and members of the Finance Committee.

My name is Mary Christine Jackman, and I am the City's Treasurer at the New York City Department of Finance (DOF). I am joined today by my colleague Hua Tan, the Director of Banking Relations and Services. We are here to discuss legislation in relation to the City's Treasury.

First I'd like to give a brief overview of the current New York City banking process.

New York State law requires all municipal bank deposits to be fully collateralized. The New York City Banking Commission, staffed by DOF's Treasury Division, requires that City deposits are protected by being placed only in designated, financially secure banks. The City's procurement process promotes competition among designated banks endeavoring to provide financial products and services to the City to reduce costs and ensure that appropriate products and services are selected. Treasury staff monitors the billing and administration of all City bank accounts. The Comptroller's Office approves the opening of all City bank accounts.

Regarding the legislation under discussion at today's hearing, my testimony will focus primarily on Intro 498. The Office of Management and Budget has submitted written testimony addressing Intro 499, and while we are willing and eager to participate in any taskforce created in the future, Intro 999 is reliant on state legislation that has not yet been passed.

Intro 498, introduced by Council Member Powers, would require DOF to make quarterly reports regarding the City bank accounts of deposit, disaggregated by account and re-aggregated by bank or trust company. We are largely supportive of the legislation and will work with the Council to ensure that the bill achieves increased transparency and usable data sharing.

When considering reporting requirements, it is relevant to discuss the two major types of bank accounts the City employs. There are many accounts for which the City has fiduciary responsibility, but not ownership. These accounts are held under the City's Taxpayer ID but are not technically or legally "City funds." Examples of fiduciary accounts are the Comptroller Custody Accounts and the HPD Escrow Accounts.

The other type of prominent account is what we refer to as working accounts, which have money moving through them constantly. These daily fluctuations complicate reporting, and result in overstated average balances that would not be available to be invested or otherwise used.
Let's use last Friday, April 14th, as an example:

The City of New York had payroll disbursements of $785 million. That money went into a bank account in the morning and was cleared out by the end of the day. Each quarter, there is an average of six pay periods with comparable amounts moving through the accounts. This makes the average balance of the payroll account look high, but the truth is that the money is moving through the account, not sitting idly. The Treasury Division works diligently to make sure money is not inactive. Every morning balances are verified, outgoing amounts are subtracted, and any residual amounts are invested by the Comptroller's Office until they are needed. These funds do not remain at the bank.

Another example: Some have expressed concern over the $60 million in City funds on deposit at Signature Bank the day that it was taken over by federal and state regulators. However, almost $30 million of that total was for Housing Preservation & Development participation loans, which help multifamily building owners throughout the city "to facilitate the moderate or substantial rehabilitation and affordability of housing for low-to-moderate income households." The remaining $30 million was for Administration for Children's Services payments to voucher childcare providers, which always leave the bank shortly after their deposit. Importantly, in both of these instances, at this point the funds at Signature Bank were in use by these programs and not available for investment or other use.

With respect to Signature Bank—and to all of our depository banks—all City deposits were fully collateralized in accordance with state law. That means that Signature had to have secure assets protecting the entire value of the deposits. Because they were collateralized, the City's deposits were secure before the Federal Reserve, U.S. Treasury, and Federal Deposit Insurance Corporation acted to guarantee all deposits.

The Department of Finance believes that it could support Intro 498 as long as a few minor changes are made, such as providing adequate time for implementation. Overall, this bill is something that we look forward to working on with the Council.

Intro. 999, which also was introduced by Council Member Powers, establishes a task force to study options and make recommendations for a plan to implement a municipal public bank. The Department of Finance will have to play a key role in this process, if the State passes legislation giving the city authorization. We look forward to discussing this bill further with all relevant stake holders, and the challenges and complexities regarding public banking.
For example, the two highest costs of a new bank are capitalization and compliance with federal and state regulations. The FDIC requires at least a three-year plan that demonstrates how startup costs and expected expenses and losses will be covered.

This bill states that "there will be no material negative impact of the public bank on the City's financial condition." However, this may not be possible to guarantee, as even profitable banks regularly experience losses. As this new public bank would be geographically constrained to economic activity in New York City, its losses would be disproportionate in the event of an economic recession in our city. Should such losses occur, it may be necessary to allocate additional funding from the City budget to the bank during already challenging economic times. There are certainly reasons why the Bank of North Dakota is the only state-owned, state-run financial institution in the United States. Incidentally, Last year North Dakota Bank, the only public bank in the U.S., spent $33 million in banking expenses with a population of approximately 775,000 while NYC spent $24 million in banking fees with a population of almost 8.5 million.

Finally, the Law Department is reviewing this proposed legislation and may raise additional concerns once the review has completed.

As always, I want to thank Chair Brannan, the legislation sponsors, and the members of the committee for taking the time to hear my testimony, and I am happy to answer any questions you may have regarding the legislation.

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Jacques Jiha, Ph.D.
Director

TESTIMONY OF THE NEW YORK CITY MAYOR'S OFFICE OF MANAGEMENT AND BUDGET TO THE COMMITTEE ON FINANCE
APRIL 19, 2023

Good Afternoon,

Thank you to the New York City Council Committee on Finance and Chair Justin Brannan for holding this hearing and for providing the opportunity to submit testimony. My name is David Womack and I am the Deputy Director for Financing Policy and Coordination within the NYC Mayor's Office of Management and Budget. I would like to provide some brief remarks on one of the proposed pieces of legislation for this hearing, Intro 499-A.

OMB shares a commitment to transparency with the Sponsor, the Committee, and the City Council, and much of the information requested is already publicly available. We would be happy to work with the Council to determine if there is a way to improve the accessibility or clarity of this information. However, it is important that we do not institute new reporting requirements that would prove unnecessarily burdensome with respect to information that is already publicly available. We also suggest that any such information be provided annually, rather than quarterly.

On a technical note, I would like to add that the City does not utilize certain financial instruments outlined in the legislation, such as non-pension investment pools or credit default swaps.

Thank you again for allowing me the opportunity to submit testimony to the Committee on this legislation.

THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
BRAD LANDER

Testimony of Comptroller Brad Lander before the New York City Council Committee on Finance

April 19, 2023

Good afternoon, Chair Brannan, Majority Leader Powers and members of the Committee on Finance and thank you for inviting me to testify about the transparency legislation before you this afternoon and my office's commitment to ensuring the City's deposits further community reinvestment goals.

As Comptroller, I am one of three members of the New York City Banking Commission, the body responsible for designating banks eligible to provide treasury services or hold deposits of City funds. The Commission has long embraced its role to ensure that banks entrusted with the City's funds are properly and equitably serving and lending to City residents; indeed the Charter and the Commission's own rules mandate that the Commission secure and evaluate non-discrimination commitments from banks. Consumer banks play a vital role in New York City's communities, and their practices in lending, employment, and banking products and services reverberate through all five boroughs. In pursuit of a shared and prosperous economy for all, the City must be vigilant in evaluating the banks that hold its money and hear from New Yorkers about their experiences with these institutions. I am grateful to Mayor Adams and Commissioner Niblack for their partnership in this work, as we continue to take a hard look at who the City is choosing as banking partners. In February, we announced two important transparency measures that will help gauge the consumer and community service experience of the city's designated banks and provide a tool for better assessing the commitment

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of banks looking to hold City deposits to non-discrimination in lending and employment. Starting with this year's biennial designation cycle, the Banking Commission will include a public comment process culminating in testimony on May 25 ahead of the Banking Commission's vote to designate banks that will be eligible to hold deposits of City funds. Additionally, the certificates banks must submit ahead of designation have been revised to reinforce the obligation for depository banks to provide detailed plans and specific steps to combat different forms of discrimination in their operations.

Since taking office, my office has been vigilant in monitoring the banks currently designated by the Banking Commission in 2021. On April 8, 2022, Mayor Adams and I wrote to Wells Fargo to express grave concerns about the alleged disparate mortgage practices revealed in reporting by *Bloomberg*. We indicated that this required a swift response by Wells Fargo and that in light of a persisting track record of discrimination, New York City would not be opening any new depository accounts with them. The letter invited Wells Fargo to make clear how it would seek to resolve its pattern of discrimination and take public steps in partnership with community reinvestment and civil rights organizations to institute additional best practices for fair lending. After the CFPB fined US Bank last summer for violations of consumer financial protection law, I wrote to their CEO to elicit responses regarding the number of impacted New Yorkers, the measures taken by US Bank to remediate harm caused to consumers, and problematic employee incentive compensation programs. And on March 2 of this year, I sent a letter to senior executives at JPMorgan Chase seeking information about an announced set of early closures by the bank with potential deleterious impacts on BIPOC and low- and moderate-income communities.

Turning to the legislation being heard this afternoon, I am proud to testify before the Committee, as a former cosponsor of previous versions of Res. 203 and Int. 498 and 499 and to organize alongside a broad coalition of community groups and elected officials to help build support for and shape a public bank for New York City.

Embracing New York's reputation as a center for prosperity and opportunity requires addressing financial inequities facing communities of color. A history of discriminatory banking policies have left low-income New Yorkers struggling to build credit and receive loans. Albany can act now to establish public banking opportunities so that all communities have the path to build wealth and achieve the prosperity that New York promises. A public bank rests on the underlying principle that the bank must serve the interest of working New Yorkers, especially in the communities of color that big banks have neglected for so long. A public bank would create new opportunities to support existing community development financial institutions to dramatically expand their footprint and provide basic high-quality banking services to the 780,000 New York families who remain unbanked or underbanked; support social housing models citywide; and support a just transition away from fossil fuels towards community- and municipally-controlled renewal energy sources and fund weatherization and climate impact mitigation infrastructure the City desperately needs.

We however do not need to wait for the State Legislature to take steps to actualize this bold, transformative vision. This starts with transparency measures like Int. 498 and 499 which provide New Yorkers with detailed information on New York City's current holdings in major financial institutions including what we are spending on services. My office coordinates many of these services through the Bureau of Asset Management and I look forward to participating in conversations about legislatively providing sunlight to these dealings. The taskforce proposed by Int. 999 will prepare a draft plan to satisfy the governance and charter requirements for a public bank, allowing the City to take prompt advantage of this important opportunity as soon as the law permits.

The necessary investment in the preservation and fostering of a thriving and equitable city cannot come with racial wealth extraction, predatory lending, and the degradation of our environment. Such equity stripping actions harm not only the citizenry but also undermine our commitment to community wealth building. Bringing sunlight to our existing financial relationships and investing in new mission-driven institutions is integral to live up to that abiding obligation and protect New Yorkers and New York City alike. I appreciate the ongoing collaboration my office shares with Mayor Adams and Commissioner Niblack to address our shared commitment to making a deposit in equity and resiliency via the Banking Commission and look forward to the continuing conversation about moving forward with the critical measures before the committee.

NYBA
New York Bankers Association

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SUBMITTED WRITTEN STATEMENT
OF
CLARE M. CUSACK
PRESIDENT & CHIEF EXECUTIVE OFFICER
NEW YORK BANKERS ASSOCIATION

For

NEW YORK CITY COUNCIL COMMITTEE ON FINANCE

APRIL 19, 2023
NEW YORK, NEW YORK

The New York Bankers Association ("NYBA")[1] appreciates the opportunity to comment through this submitted written statement on Introductions 0999-2023, 0498-2022 and 0499-2022 and Resolution 0203-2022, under consideration at the New York City Council Committee on Finance hearing scheduled on April 19, 2023. The proposals relate to creating a task force to study the potential for public banking in New York City and include an analysis and reporting of City monies on deposit with financial institutions. The Resolution proposed for consideration relates to measures introduced in the New York State Legislature which would allow for the creation of a New York State owned public bank or for the creation of public banks by municipalities and cities in New York State such as New York City.

As the New York City Council considers these proposals relating to the creation of a public bank whether at the State or City level, NYBA respectfully encourages lawmakers to weigh whether any prospective benefits of a public bank will outweigh the many risks, including the prospect of precarious loan making with little capitalization, a lack of proper FDIC insurance and regulatory oversight, a scattered business focus, and the potential for external influence on lending and other decisions. By contrast, commercial banks must meet strict regulatory and collateral requirements, must be assessed and insured by the FDIC, and are regularly examined on their risk, safety and soundness, and community reinvestment. Look no further than the events of the last several weeks, and the failure of two large banks in the United States (including one in New York City), for proof of the grave importance of these requirements. Instead, a public bank poses greater potential danger to a safe and sound financial system in New York and beyond, placing taxpayer funds in institutions that may not be properly collateralized or have deposit insurance and whose business decisions could be driven by political priorities instead of sound risk management.

A public bank would also devastate our community banks across New York City and New York State, whose operations are dependent on the municipal funds on deposit that would necessarily be extracted to create a public bank, thus leading to a loss of business growth, jobs and tax revenue from these vitally important institutions.

Advocates promote a public bank as a quick fix for solving issues resulting from New York's devastated economy post pandemic. However, this unrealistic time frame and expectation does not take into account the complexities of starting, capitalizing and overseeing a bank of any kind. As the *Los Angeles Times* has pointed out, "San Francisco recently studied three models for a public bank. The version that would have provided the most services would have required $119 million in start-up funding and $2.2 billion in public subsidies until the bank could break even — in 56 years. Few public agencies have the budget for such huge upfront costs or the ability to wait decades for a bank to become self-sustaining."[2]

[1] NYBA is comprised of the smaller community, mid-size regional, and large banks across every region of New York State. Together NYBA members employ nearly 200,000 New Yorkers, safeguard $2 trillion in deposits, and extend nearly $70 billion in home and small business loans. NYBA members also support their communities through an estimated $200 million in community donations and 500,000 employee volunteer hours.

[2] See: https://www.latimes.com/opinion/editorials/la-ed-public-bank-bill-20190527-story.html; see also: https://sftreasurer.org/sites/default/files/2019-08/1.%20Municipal%20Bank%20Report%20Executive%20Summary-03-01-19.pdf

In New York City, current law requires that any municipal fund that is deposited in a bank must be collateralized, *dollar for dollar*, in order to protect consumers and taxpayer funds. While a feasibility study has not yet been undertaken, it is readily apparent how monumental an undertaking this could be just in comparing San Francisco's numbers to our own. By contrast New York City spends about *$100 billion per year*, which would be required to be collateralized and protected in the same way, costing billions of dollars and what can only reasonably be inferred to be a significant amount of time before it may break even or be useful to city residents.[3]

Furthermore, as noted in the San Francisco plans, all banks- wherever they are located and whether public or private- must and should be well capitalized and regulated in order to succeed and pass regulatory muster. In the case of entrusting and securing public taxpayer monies that would be utilized by a public bank, regulators and experts agree that *even more* capitalization should be required.

Conservative projections of minimum capitalization costs frequently equal to a significant share of the state or municipality's annual budget.[4] By way of example, below are a few sample projections from past feasibility studies:

- Oakland, CA 2016: 42% of the municipal budget
- Santa Fe, NM 2016: 12.2% of municipal budget
- Vermont 2013: 8% of the state's budget
- Massachusetts's 2011 feasibility study: 12.5% of the state's budget

Beyond this, every credible study shows there are significant operating costs at the startup phase in opening a public bank, in addition to capitalization.[5] These startup costs, in the millions or even billions (depending on the purpose(s) proposed for the bank), would be funded by taxpayers and consumers, who would also be required to pay should the bank fail to manage its risks properly. Given New York City's outsized municipal budget- in fact bigger than all but a handful of states- as well as the sizable startup costs necessary to open any bank, and the significant amount of time it would take for the bank to break even, the real cost and potential risk to taxpayers is untenable.

In fact, plans released by the city of San Francisco in February of this year showed that the process to create the bank will in fact take a significant amount of time, given the state and federal regulatory hurdles that the city must overcome to establish a de novo public bank. Further, consultants there recommend that a public bank should *not* be created until there is *gradual* development of "capacity, success, resources, and credibility" for a public bank. Instead, the report recommends that the city develop a

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[3] https://www.ibo.nyc.ny.us/iboreports/understandingthebudget.pdf

[4] Capitalization data taken from Public Bank Feasibility Study Report, Government of the District of Columbia (May 29, 2020) (available at https://static1.squarespace.com/static/528921fce4b089ab61d013d3/t/5edae1469a897a32cd113837/1591402837127/)

[5] See: The Study of the Studies: A comprehensive review of state, municipal, city, and public banking, Office of the State Treasurer, Washington State; (October 2018) at: https://tre.wa.gov/wp-content/uploads/Public-BankingReport-Study-of-the-Studies.p

non-depository corporation first, so not to waste taxpayer money on “financially fragile” and historically untenable de novo public banks.[6]

Currently, the only public bank operating in the U.S. is the Bank of North Dakota, which was formed a century ago and serves a very limited purpose, with the stated intention of avoiding competition with the state’s commercial banks and credit unions, which is the opposite of what is sought here.[7] Instead, the Bank of North Dakota *partners* with commercial banks and originates all of its lending through commercial banks. It does not offer ATMs, debit cards or branch banks; it is entirely focused on economic development. By contrast, public proposals in New York are expressly proposed to compete with commercial banks, with scattered focus on any number of different areas such as commercial lending, consumer banking, cannabis banking, student lending, local infrastructure and housing, and/or community development. As noted above, it would be difficult enough to open a de novo bank, must less one that can cost-effectively serve the public for any number of these purposes while meeting regulatory requirements for safety and soundness, and protecting public funds.

North Dakota’s bank is the last one remaining of the nearly two dozen other failed public banks that have been attempted over the last one hundred years. Many of those banks ended in expensive failures that posed great risk to public funds. Furthermore, several states and municipalities have spent millions in taxpayer dollars to study various public bank proposals and all have reached the same conclusion: banking is a complex, expensive and extremely risky endeavor for a government entity to take on and realistically operate.

While the New York Bankers Association recognizes that low-income communities and communities of color were hit the hardest by the pandemic, a public bank is not the answer and would in fact create false hope for a quick solution that will be long, drawn out, untested and unpredictable. Given New York City’s outsized budget, its risk is far greater than any reward conceived. NYBA is committed to working with legislators and interested stakeholders in finding workable and practical solutions to help all of our communities recover and rebuild equitably and to expanding access to the financial system. We believe strongly that there are alternative programs we can advance and improve that can achieve the same goals that are sought through various public banking proposals.

In the alternative, NYBA respectfully suggests that current programs meant to empower individuals and communities through access to banking be enhanced and modernized to better serve the needs of communities.

NYBA has always had as one of its missions making banking accessible to New Yorkers. In this regard, with NYBA's support, New York was among the first states to pass basic banking legislation and is still unique in the breadth of coverage of its basic banking account. Further, in recent years, we supported a basic banking incentive program regarding the earned income tax credit, which was spearheaded by the New York City Department of Consumer Affairs and the then State Banking Department.

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[6] https://sfgov.org/lafco/sites/default/files/rwg081822_item6.pdf
[7] See: https://bnd.nd.gov/history-of-bnd/

Through our combined efforts, hundreds of consumers were able to open new bank accounts with their federal income tax credit checks - introducing a whole new generation of consumers to the advantages of banking with a reliable community partner - their neighborhood banks. Today, NYBA members are working with the FDIC and the Cities for Financial Empowerment Fund to promote BankOn certification for accounts, to ensure that all New Yorkers have access to a safe, affordable transactional banking account.[8]

Another NYBA supported program is the Banking Development District (BDD) Program, overseen by the NYS Department of Financial Services. Its original purpose was to promote and encourage banks to build and maintain branches in communities that are not served by a physical branch within a set geographic area by offering municipal and State deposits as an incentive. Nearly 2/3 of the BDD designations in New York State are within New York City. Here, the New York City Banking Commission assists in the administration of the BDD program at locations across the City with the authorization of additional City deposits to these BDD branches. While its underlying purpose and intent is a good one, the BDD program has been mired in bureaucracy and regulation, and an outdated view on the necessity for brick and mortar branches in this digital world. It would be much more efficient for New York to improve this tried and tested program and to make participation more attractive to financial institutions seeking to provide more services and build community relationships in these underserved communities. Improvements to this program at the State and City level would utilize an existing reliable framework to achieve the goals of expanded access to the banking system.

Additional opportunities to serve communities across New York City exist through expanded funding for Community Development Financial Institutions, ("CDFIs"), which share a common goal of expanding economic opportunity in low-income communities by providing access to financial products and services or local residents and businesses. CDFIs are capitalized through the federal CDFI Fund, which has long been underfunded.[9] NYBA is proud to count among its members several CDFIs, and to see several other New York City members increase investment in CDFIs, bringing a much needed infusion of capital into the communities they serve. The CDFI program is one example of a successful public-private partnership that fosters economic growth in distressed communities by offering affordable lending options to individuals and businesses within those communities.

Along the same lines, another option for improving and expanding access to financial services is increased funding for Minority Depository Institutions (MDIs), as well as other measures to promote their growth. The Federal government defines an MDI as any depository institution where 51% or more of the stock is owned by one or more socially and economically disadvantaged individuals, recognized as Black American, Asian American, Hispanic American, or Native American. A second way an institution can qualify as an MDI is if the community it serves is predominantly minority and minorities occupy a majority of the seats on its Board of Directors. Increased funding to these institutions would serve communities in reliable, insured financial institutions. As with the CDFI program, NYBA is proud to count among its members several MDIs, and to

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[8] For more information about the BankOn Certification program, please see: https://joinbankon.org/ .

[9] For more information about CDFIs and the CDFI Fund, please see: https://www.cdfifund.gov/

see several other New York City members increase investment in MDIs in recent months as well. In fact, pandemic recovery efforts at the federal level have shone a spotlight on the work of these vital institutions. They currently possess the resources, community expertise and capitalization to help underserved New Yorkers build businesses and financial stability.

NYBA values this opportunity to provide comments and insights on Introductions 0999-2023, 0498-2022 and 0499-2022 and Resolution 0203-2022. NYBA will continue to advocate for expanded access to financial services across New York City and appreciates the contributions of its members serving communities through participation in these existing programs.

NYIC 35 YEARS OF BUILDING IMMIGRANT POWER

Testimony in Support of the Public Banking Act
Submitted to the Finance Committee
by the New York Immigration Coalition
April 19, 2023

Thank you to Chair Brannan and Members of the Finance Committee. Thank you for the opportunity to testify today in support of Introductions 498, 499, and 999, and Resolution 203A, collectively called "The People's Bank Act." These measures promote vital public transparency about the City's finances and financial relationships, and lay the foundation for a municipal public bank.

The New York Immigration Coalition (NYIC) is an umbrella policy & advocacy organization that represents over 200 immigrant and refugee rights groups throughout New York. This includes many groups working to improve the financial stability of immigrant parents, families, and workers. New York's immigrant families have long struggled with a private banking system that denies them access to the tools that everyone needs to build a successful, financially stable life. Predatory banking services, historic redlining, and exploitative financial penalties for low-income families keep many immigrant families from the economic mobility that the formal banking system should ensure.

According to the American Immigration Council, immigrants in New York City contribute $84.5 billion to New York State taxes, and have spending power of around $182.6 billion. Despite these substantial dollar amounts and the major contributions immigrants make to the NYC workforce, immigrants can struggle to access fair banking practices, leaving them without the same access to small business loans, personal loans, and at risk of exploitative banking practices. Passing the Public Banking Act is an important step towards creating local public banking institutions in New York City and other municipalities across the state that would invest their profits back into the communities they serve, increase transparency for local banking practices, and ensure that all New Yorkers can access fair banking services.

This year, the City of New York will collect more than $100 billion in revenue, from taxes and other sources, to fund public services. Currently, this money is placed on deposit with large, commercial banks that systematically harm New Yorkers and finance fossil fuels, gun manufacturers, speculative real estate, and other destructive industries. Public banking offers a bold alternative, and we urge the City Council to take immediate steps toward establishing a public bank, starting with swiftly passing "The People's Bank Act."

A public bank is what its name suggests: a financial institution created by a government and chartered to serve the public interest. Through public banking, the City can divest our public money from predatory big banks and reinvest in permanently affordable housing, community solar, and other cooperative and community-led wealth-building initiatives. Public banks partner, rather than compete, with local community development financial institutions (CDFIs) and other responsible lenders to expand fair and affordable financial services in historically-redlined communities.

Where we put our public dollars is a fundamental matter of public concern. Last year, the City cut ties with Wells Fargo after the bank was exposed, yet again, for lending discrimination, this time against Black homeowners seeking to refinance their mortgages. The problems with our financial system go beyond Wells Fargo, however. It recently came to light that the City had $60 million of our public money on deposit with Signature Bank when the bank imploded last month. Meanwhile, JPMorgan Chase – the bank holding more city deposits than any other – is the world's largest bank financier of fossil fuels, having pumped more than $382 billion into the fossil fuel industry since 2016. And, as has been well established, many of the banks with which the City does business routinely redline and otherwise exploit working New Yorkers.

Amid the sudden collapse of Silicon Valley Bank and Signature Bank and ongoing turmoil in the financial sector, "The People's Bank Act" is needed more than ever. Introductions 498 and 499 will shine a light on NYC's financial relationships with commercial banks, promoting much needed public scrutiny and accountability. These two urgently needed bills require the City to provide the public with a quarterly summary of its accounts at "designated banks," including balances and fees charged.

Resolution 203 urges the Governor and NYS Legislature to enact the New York Public Banking Act [S1754 (Sanders) / A3352 (Hunter)]. The New York Public Banking Act would create a statewide regulatory framework for local public banking – making it easier for New York City and other local governments to establish public banks.

Introduction 999 creates an implementation plan for a public bank. It establishes a task force to immediately get to work on preparing a business plan and other charter requirements for a municipal public bank. As the bill was only recently introduced, we look forward to working with the Council on a few technical changes and to ensure its swift Passage.

The NYIC strongly urges the NYC Council to pass "The People's Bank Act," and to continue working with our organization and others to establish a municipal public bank, as a matter of racial, economic, and environmental justice. Thank you again for the opportunity to submit testimony. Please do not hesitate to contact me with any questions.

Presented by:

Liza Schwartzwald
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My name is Kyle Giller, staff attorney at NYPIRG, the New York Public Interest Research Group, and I am writing in support of the package of public banking bills before the committee. NYPIRG is a non-partisan, nonprofit, research and public education organization. We organize college students around New York State to advocate on a variety of social justice issues, and engage New Yorkers in public education campaigns designed to produce policies that strengthen democracy, enhance the rights of consumers and voters, and protect the environment and public health.

Thank you for the opportunity to provide testimony.

Every year, municipalities and counties throughout New York State collectively deposit hundreds of billions of dollars in tax revenue with Wall Street banks. New York City alone keeps roughly $100 billion on deposit with some of the largest financial institutions in the world, with 80% of NYC tax dollars held by Chase, Bank of America, and Citibank.

In a bid to maximize profit, banks leverage deposits, including our public dollars, to invest in harmful, extractive industries, including fossil fuel companies that actively contribute to the rapidly worsening climate crisis. From 2016 to 2021, Chase, Bank of America, and Citibank have invested nearly $1 trillion in oil and gas companies. Other designated banks that hold municipal deposits have invested trillions more.

Banks also continue to engage in risky and harmful practices that contribute to the ever-widening socioeconomic disparities in our country, including banks that continue to engage in exclusionary, racist practices such as redlining. Last year, New York City limited the ability of Wells Fargo to hold public deposits after reports that they were disproportionately rejecting Black mortgage applicants. Just in the last month, Signature Bank, which held hundreds of millions of dollars in local deposits across New York State, failed after years of fueling predatory equity and speculative real estate development, which has contributed to gentrification and lack of affordable housing in many cities.

Instead of relying on self-interested, profit-maximizing Wall Street banks, New York City should deposit our public dollars in a public bank.

Intros 498, 499, 999, and Resolution 203 will put New York City on a path to public banking by bringing much needed transparency and accountability to the city's financial relationships with designated banks, establishing an implementation plan for a municipal public bank, and calling on the State to enact the New York Public Banking Act.

Intros 498 and 499 require New York City to produce quarterly public reports on the accounts that the city maintains with private banks. The Department of Finance (DOF) and the Office of Management and Budget (OMB) will be required to submit quarterly reports which will include the average daily balance, interest rate or earning allowance, interest earned, costs and fees reported for both net and gross on each account. DOF and OMB will submit the reports to the Speaker of the City Council and publish on their websites for the public. According to the City

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Charter, the DOF commissioner is already required to keep a record of the accounts of deposits in, monies drawn from, and banks and trust companies in which the deposits shall be made—essentially, the data covered by Intro 498.

However, currently, it is very difficult to obtain information about the city's banking relationships as well as the banking fees incurred by the city. The city purports to have open data goals, and these bills will allow the public to see where their tax dollars are being maintained and the cost of depositing our money with Wall Street banks. All information pertaining to bank deposits of public funds should be available as a matter of transparency and public interest.

Intro 999 would create a task force to study the potential for an NYC public bank, recommend a draft plan of governance and charter requirements proposed under the New York Public Banking Act, and issue a report on their findings. The task force would consist of appointees by the mayor, comptroller, and city council, some of whom would need a community banking background to serve. The task force will create a report that will examine aspects of the public bank including: achieving minimum capitalization, establishing adequate reserves and liquidity, creating an organizational chart, creating qualifications for management of the bank, putting anti-corruption measures in place, creating internal audit procedures, a plan to comply with the Community Reinvestment Act, a business plan, a plan for raising capital, and anything else that may be required by the Department of Financial Services. In doing so, NYC will have a blueprint for establishing a public bank and will be prepared to implement this plan in a timely and intentional way.

Taken together with Resolution 203, which calls on the state legislature to pass the New York Public Banking Act, these bills will put New York City in a prime position to establish a public bank in the near future.

A public bank will enable New York City to leverage public money to support local economic development, including affordable housing, investing in green energy and infrastructure, expanding the important work being done by credit unions and other CDFIs, and more. On the climate justice front, public banks could invest in solar co-operatives, resilience infrastructure, and creating green jobs. For example, a public bank in NYC could leverage public money to help finance the upgrades that are necessary for buildings to comply with Local Law 97, an important step towards reducing greenhouse gas emissions in the city and bringing the state in line with the goals of the CLCPA.

Intros 498, 499, 999, and Resolution 203 are crucial steps that will lay the groundwork for creating a public bank in New York City. NYPIRG strongly urges the Council to pass these bills as soon as possible. Thank you.

New York City Council Committee on Finance
Testimony by Andy Morrison on behalf of New Economy Project
April 19, 2023

Good morning Chair Brannan and Members of the Committee. My name is Andy Morrison and I am the Associate Director at New Economy Project. Thank you for the opportunity to testify today in support of Introductions 498, 499, and 999, and Resolution 203A, collectively called "The People's Bank Act." These measures promote vital public transparency about the City's finances and financial relationships, and lay the foundation for a municipal public bank.

New Economy Project's mission is to build an economy that works for all, based on cooperation, neighborhood equity, social and racial justice, and ecological sustainability. New Economy Project co-founded and coordinates Public Bank NYC, a citywide coalition of more than 50 community and labor groups and community development financial institutions (CDFIs) organizing to win a public bank for New York City.

This year, the City of New York will collect more than $100 billion in revenue, from taxes and other sources, to fund public services. Currently, most of this money is placed on deposit with large, commercial banks that systematically harm New Yorkers and finance fossil fuels, speculative real estate, and other destructive industries. Public banking offers a bold alternative, and we urge the City Council to take immediate steps toward establishing a public bank, starting with swiftly passing "The People's Bank Act."

Introductions 498 and 499 will shine a light on NYC's financial relationships with commercial banks, promoting much needed public scrutiny and accountability. These two urgently needed bills require the City to provide the public with a quarterly summary of its accounts at "designated banks," including balances and fees charged.

Resolution 203A urges the Governor and NYS Legislature to enact the New York Public Banking Act [S1754 (Sanders) / A3352 (Hunter)]. The New York Public Banking Act would create a statewide regulatory framework for local public banking – making it easier for New York City and other local governments to establish public banks.

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Introduction 999 creates an implementation plan for a public bank. It establishes a task force to immediately get to work on preparing a business plan and other charter requirements for a municipal public bank. As the bill was only recently introduced, we look forward to working with the Council on a few technical changes and to ensure its swift passage.

Where we put our public dollars is a fundamental matter of public concern. Last year, the City cut ties with Wells Fargo[1] after the bank was exposed, yet again, for lending discrimination, this time against Black homeowners seeking to refinance their mortgages.[2] Amid the sudden collapse of Silicon Valley Bank and Signature Bank and ongoing turmoil in the financial sector, "The People's Bank Act" is needed more than ever.

A public bank is what its name suggests: a financial institution created by a government and chartered to serve the public interest. More than 900 public banks exist worldwide in many shapes and sizes – from national development banks to municipal banks providing everyday financial services.[3] What they share is an explicit mission to serve the public good.

A public bank will serve as a mission-aligned banking partner to the City, ensuring public money is reinvested locally in ways that advance public policy goals. Each year, the City deposits billions of public dollars in banks that engage in risky and abusive activities that run counter to the City's policy objectives. The recently failed Signature Bank is a case in point. Last month, *Gothamist* reported that the City had $60 million of our public money on deposit with Signature when the bank suddenly imploded.[4] For years, advocates have sounded the alarm bell over the bank's deliberate and widespread speculative multifamily lending to abusive landlords,[5] which fueled tenant harassment and displacement in low-income communities and communities of color.

In fact, many of the banks entrusted with holding city funds are notorious for engaging in harmful activities, from predatory lending and redlining to fossil fuel finance. Four of the biggest banks holding New York City's public deposits – Bank of America, Citi, JPMorgan Chase, and TD – have pumped more than $1.2 trillion in financing into the fossil fuel industry, between

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[1] *NYC Cuts Off Wells Fargo From New Bank Contracts Following Discrimination Claims*, at https://www.thecity.nyc/2022/4/8/23016957/nyc-wells-fargo-ban-adams-lander
[2] *Will NYC Bar Wells Fargo From Municipal Deposits After Alleged Discrimination Against Black Homeowners?*, at https://www.thecity.nyc/2022/3/29/23002335/wells-fargo-black-homeowners-refinancing-nyc-contracts
[3] *Public Banks: Decarbonisation, Definancialisation and Democratisation*, at https://doi.org/j62r
[4] *NYC has $60M in Signature Bank accounts, fueling calls for more scrutiny*, at https://gothamist.com/news/nyc-has-60m-in-signature-bank-accounts-fueling-calls-for-more-scrutiny
[5] *Public banking is a win for New York's tenants*, at https://citylimits.org/2023/04/19/opinion-public-banking-is-a-win-for-new-yorks-tenants/

2016 to 2022 alone.[6] According to a recent report, "the City had more than $515 million in Bank of America accounts and $495 million in Chase accounts" on February 28 of this year – together representing more than three-quarters of the funds the City had in its standard deposit accounts on that day[7]

Over nearly three decades, New Economy Project has documented persistent patterns of bank redlining and other barriers that block – or actively expel – the working poor and people of color from mainstream banking, including prohibitive minimum balance requirements, discriminatory identification policies, abusive overdraft fees, and consumer reporting databases that effectively blacklist people from mainstream financial institutions. Our research estimated that banks with which New York City does business charged struggling New Yorkers nearly $1 billion in overdraft fees during the first year of the pandemic – disproportionately extracting wealth from low-income, Black, brown, and immigrant New Yorkers.[8]

We have regularly published maps showing striking disparities in the distribution of bank branches throughout NYC, notwithstanding state and federal laws that require depository banks to treat all communities that they serve equitably, within the bounds of safe and sound banking principles.[9] One in three New Yorkers – and more than half of Bronx residents – are among the so-called "unbanked" or "underbanked." Households without a bank account are concentrated in neighborhoods with high poverty and unemployment rates; that are majority Black and/or Latino; and that have the least access to brick-and-mortar bank branches.[10]

We could go on, but the foregoing examples raise a fundamental question about how the City banks: Should we entrust billions of our public dollars to institutions that actively harm New Yorkers and NYC neighborhoods? The obvious answer is no. The City urgently needs a public option for holding public deposits in the form of a municipal public bank.

A public bank will hold city deposits and reinvest in historically-redlined communities, with a focus on supporting cooperative and community-controlled economic development that builds collective wealth. Through extensive community engagement across the city and

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[6] *Banking on Climate Chaos*, at https://www.bankingonclimatechaos.org/
[7] *Which Banks Should Get to Hold NYC's Billions in Cash?*, at https://hellgatenyc.com/the-fight-for-nyc-public-bank
[8] *New Analysis Shows Banks Drained $1.7 Billion in Fees From New Yorkers' Accounts During Pandemic*, at https://www.neweconomynyc.org/2021/06/new-analysis-shows-banks-drained-1-7-billion-in-fees-from-new-yorkers-accounts-during-pandemic/
[9] *Absence of Bank Branches in NYC Communities of Color*, at https://www.neweconomynyc.org/wp-content/uploads/2022/11/Branches_2022.pdf
[10] *Where are the Unbanked in NYC?*, at http://on.nyc.gov/3hMU7VY

other research, the Public Bank NYC coalition has identified several areas of focus for a public bank's investment portfolio, including:

Affordable Housing

To meet the housing crisis head-on, New York must invest deeply in social housing. Social housing is non-speculative, permanently-affordable housing that is owned by the public or under democratic community or tenant control. To get New York on track, we must move away from profit-driven housing finance that ratchets up costs, further enriches Wall Street speculators, and fuels displacement in Black and brown communities. A public bank will expand social housing in New York City by:

- Providing low-interest loans to nonprofit housing developers and community land trusts (CLTs) for acquisition, construction, and rehabilitation of affordable rental and shared-equity housing. A public bank could help establish a secondary market for social housing loans, creating opportunities for pension funds, foundation endowments, and other investors to support social housing development.[11]

- Expanding the lending capacity of CDFIs and other responsible lenders. Across the city, CDFIs are financing shared-equity housing cooperatives, deeply affordable rental housing, and CLTs. A public bank will partner with CDFIs to significantly increase lending for social housing through participation loans and by making secondary capital equity investments in CDFI credit unions.

- Purchasing state and municipal bonds to fund social housing. A public bank could become a major buyer of shorter-maturity bonds issued by the NYS Housing Finance Agency, New York City Housing Development Corporation, local land banks, and other bonding authorities.[12] In doing so, the public bank will lower the cost of borrowing for city government and recapture interest payments currently extracted by Wall Street investors. Bond yields will grow the public bank's capital base and, in turn, further expand its social housing financing.

Climate Solutions

A public bank will give New York City a powerful tool to invest in community-led, ecologically-sustainable energy solutions that create local jobs and build wealth in low-income, Black, brown

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[11] *Municipal Banking: An Overview*, at https://rooseveltinstitute.org/wp-content/uploads/2020/07/RI-Municipal-Banking-Overview-201604-1.pdf

[12] *Ibid*.

and immigrant neighborhoods. Costa Rica's public Banco Popular and Germany's public KfW, for example, finance renewable energy development, energy efficiency retrofits, and other sustainable infrastructure.[13] Similarly, a New York City public bank can help bridge persistent "financing gaps" for green infrastructure and sustainable development. Working with community-based organizations and local lenders, a public bank can support projects like:

- Community Solar and Wind Energy: A public bank will provide low-income, Black, brown and immigrant communities with affordable loans to finance community-controlled renewable energy infrastructure, helping to reduce dependence on fossil fuels, ensure democratic governance over energy development, and lower utility costs.

- Sustainable Building Renovations and Equitable Electrification: A public bank will provide nonprofit affordable housing providers and others with low-interest financing to rehabilitate and retrofit buildings – NYC's single largest source of greenhouse gas emissions – helping to reduce emissions, improve energy efficiency, and create good-paying jobs.

- Community-Controlled Green Space: A public bank will provide CLTs with needed capital for community gardens, rooftop farms, and publicly accessible green space in Black and brown neighborhoods to support healthy and ecologically sustainable communities.

Small and Worker-owned Businesses

The pandemic further exposed inequities in commercial lending that disadvantage small and minority- and women-owned business enterprises (MWBEs).[14] Furthermore, New York City is home to a strong and growing network of worker cooperatives – businesses that are democratically-owned and controlled by workers. Employee ownership has been shown to create and preserve sustainable, living wage jobs.[15] Yet employee ownership remains a vastly underutilized economic development tool, in part because "conventional lenders remain skeptical about financing businesses that have multiple owners and don't typically provide voting shares to outside capital."[16] It is important to note, also, that a majority of worker-owners in New York

[13] *Public Banking Around the World: Lessons for New York*, at https://www.neweconomynyc.org/2021/10/public-banking-around-the-world-lessons-for-new-york/
[14] *Report of Firms Owned by People of Color*, at https://www.fedsmallbusiness.org/survey/2021/2021-report-on-firms-owned-by-people-of-color
[15] *The Case for Employee Ownership*, at https://project-equity.org/wp-content/uploads/2020/05/The-Case-for-Employee-Ownership_Project-Equity_May-2020.pdf
[16] *Are Cooperatives Really so Difficult to Finance?*, at https://medium.com/fifty-by-fifty/are-cooperatives-really-so-difficult-to-finance-3adec81c70a8

City are Black, Immigrant, and women of color[17] – communities that face persistent barriers to banking – and therefore face a double whammy when it comes to accessing financing. A public bank would dramatically increase the availability of affordable financing for small and worker-owned businesses, with a particular focus on serving minority-owned businesses. It would do this through direct low-interest loan programs, and by partnering with CDFIs and other responsible lenders to expand small business lending in historically-redlined communities of color throughout the city.

Fair Lending and Financial Justice

A public bank will expand fair lending and banking access in historically-redlined Black, brown and immigrant communities, while helping to level the playing field for small credit unions and other responsible lenders that build community wealth. The century-old public Bank of North Dakota (BND) is credited with bolstering local financial institutions. The BND has a loan portfolio of nearly $2 billion, lent out in partnership with community banks and credit unions. As a result, North Dakota has more local banks and credit unions per capita than any other state and nearly six times the number of financial institutions per capita than the U.S. overall.[18] Similarly, a NYC public bank will:

- Strengthen the Local Banking Sector: A public bank will provide community-based lenders with key support – such as liquidity, secondary capital, and credit enhancements – to help them expand and diversify their lending.

- Expand Access to Responsible Financial Services: By partnering with community credit unions and other responsible lenders that serve historically-redlined neighborhoods, a public bank will expand access to safe and affordable banking products and services that build community wealth.

- Provide Needed Capital for Community-led Economic Development: A public bank will meet the credit needs of communities that the private banking sector has long failed to serve by channeling investment to equitable economic development – such as permanently-affordable housing, CLTs, MWBEs, worker cooperatives, community-controlled renewable energy, and more.

Finally, a public bank will promote public accountability and fiscal responsibility. Public banks are established to serve a public purpose – not to maximize short-term profits for private

[17] *NYC Network of Worker Cooperatives*, at https://nycworker.coop/coopfutures/
[18] *Public Banks: North Dakota*, at https://ilsr.org/rule/bank-of-north-dakota-2/

shareholders. A New York City public bank will engage in equitable and responsible lending, following strict financial principles that ensure safety and soundness.[19] By leveraging public money to fund affordable housing, small businesses, renewable energy and other projects, a public bank will build a diverse loan portfolio that generates reliable returns, minimizes risk, and maximizes local economic impact.

Under the New York Public Banking Act (NYPBA), now pending in the state legislature, New York City will be eligible to apply to the NYS Department of Financial Services (DFS) for a special purpose public banking charter. The City will be required to demonstrate in its application to DFS that the public bank will have adequate reserves and liquidity, robust internal audits and controls, and sufficient capital. DFS will regulate all public banks chartered under the NYPBA, ensuring that they adhere to strict financial management standards.

Further, the daily operations of the public bank will be run by independent banking professionals. It will be governed by an accountable board of directors that includes community leaders representing historically-redlined neighborhoods, individuals with community banking experience, and other stakeholders with relevant expertise. The NYPBA requires that a majority of public bank board members be independent of the local government, shielding the bank from political interference while promoting meaningful community representation and accountability.

Successful public banks exist around the world,[20] and studies show they frequently outperform private banks in terms of safety, accountability, and profitability.[21] For example, here in the U.S., the BND has been credited with helping North Dakota weather the 2008 financial crisis better than other states, as the state maintained "a low foreclosure rate and abundant credit for entrepreneurs looking for loans."[22] Public banks also responded quickly and effectively to the economic devastation caused by COVID-19, for example, shoring up small businesses and other critical infrastructure.[23] The BND, in particular, partnered with community-based financial

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[19] *Public Banks: A Viable, Safe Way to Leverage Public Money*, at https://www.bondbuyer.com/opinion/public-banks-a-viable-safe-way-to-leverage-public-money

[20] *Public Banking Around the World: A Comparative Survey of Seven Models*, at https://www.vancecenter.org/wp-content/uploads/2021/10/Public-Banking-Around-the-World-A-Comparative-Survey-of-Seven-Models.pdf

[21] *Public Development Banks: Toward a Better Model*, at https://www.eurodad.org/public_development_banks_towards_a_better_model

[22] *The People's Bank: How did deep-red North Dakota end up with the nation's most populist financial institution?*, at https://prospect.org/power/people-s-bank/

[23] *Public Banks and Covid-19: Combatting the Pandemic With Public Finance*, at https://publicbankscovid19.org/images/PDF_FILES/Public_Banks_and_Covid19_-_Full_Book.pdf

institutions to enable North Dakota to distribute more federal Paycheck Protection Program (PPP) relief loans per-capita than any other state in the country.[24]

New Economy Project strongly urges the NYC Council to pass "The People's Bank Act," and to continue working with our organization and others to establish a municipal public bank, as a matter of racial, economic, and environmental justice. Thank you again for the opportunity to testify today. Please do not hesitate to contact me with any questions: andy@neweconomynyc.org.

[24] *North Dakota Businesses Dominated the PPP. Their Secret Weapon? A Century-old Bank Founded by Radical Progressives*, at https://www.washingtonpost.com/business/2020/05/15/north-dakota-small-business-ppp-coronavirus/

New York City Council Committee on Finance
Testimony by Jodie Leidecker of Cooper Square Committee
April 19, 2023

Good morning Chair Brannan and Members of the Committee. My name is Jodie Leidecker, organizer, at Cooper Square Committee. Thank you for the opportunity to testify today in support of Introductions 498, 499, and 999, and Resolution 203A, collectively called "The People's Bank Act." These measures promote vital public transparency about the City's finances and financial relationships, and lay the foundation for a municipal public bank.

Cooper Square Committee is a tenants rights organization in the Lower East Side that works to preserve affordable, environmentally appropriate housing. Many of our tenants have faced displacement pressure with financial backing from NYC banks.

This year, the City of New York will collect more than $100 billion in revenue, from taxes and other sources, to fund public services. Currently, this money is placed on deposit with large, commercial banks that systematically harm New Yorkers and finance fossil fuels, gun manufacturers, speculative real estate, and other destructive industries. Public banking offers a bold alternative, and we urge the City Council to take immediate steps toward establishing a public bank, starting with swiftly passing "The People's Bank Act."

A public bank is what its name suggests: a financial institution created by a government and chartered to serve the public interest. Through public banking, the City can divest our public money from predatory big banks and reinvest in permanently affordable housing, community solar, and other cooperative and community-led wealth-building initiatives. Public banks partner, rather than compete, with local community development financial institutions (CDFIs) and other responsible lenders to expand fair and affordable financial services in historically-redlined communities.

Where we put our public dollars is a fundamental matter of public concern. Last year, the City cut ties with Wells Fargo after the bank was exposed, yet again, for lending discrimination, this time against Black homeowners seeking to refinance their mortgages.

The problems with our financial system go beyond Wells Fargo, however. It recently came to light that the City had $60 million of our public money on deposit with Signature Bank when the bank imploded last month.[1] We and other housing justice advocates have long denounced Signature's widespread financing of predatory real estate speculators that seek to "drive out tenants and raise rents as a core business model."[2] Meanwhile, JPMorgan Chase – the bank holding more city deposits than any other – is the world's largest bank financier of fossil fuels, having pumped more than $382 billion into the fossil fuel industry since 2016.[3] And, as has been well established, many of the banks with which the City does business routinely redline and otherwise exploit working New Yorkers.

Amid the sudden collapse of Silicon Valley Bank and Signature Bank and ongoing turmoil in the financial sector, "The People's Bank Act" is needed more than ever. **Introductions 498 and 499** will shine a light on NYC's financial relationships with commercial banks, promoting much needed public scrutiny and accountability. These two urgently needed bills require the City to provide the public with a quarterly summary of its accounts at "designated banks," including balances and fees charged.

Resolution 203 urges the Governor and NYS Legislature to enact the New York Public Banking Act [S1754 (Sanders) / A3352 (Hunter)]. The New York Public Banking Act would create a statewide regulatory framework for local public banking – making it easier for New York City and other local governments to establish public banks.

Introduction 999 creates an implementation plan for a public bank. It establishes a task force to immediately get to work on preparing a business plan and other charter requirements for a municipal public bank. As the bill was only recently introduced, we look forward to working with the Council on a few technical changes and to ensure its swift passage.

Cooper Square Committee strongly urges the NYC Council to pass "The People's Bank Act," and to continue working with our organization and others to establish a municipal public bank, as a matter of racial, economic, and environmental justice. Thank you again for the opportunity to testify today. Please do not hesitate to contact me with any questions.

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[1] https://gothamist.com/news/nyc-has-60m-in-signature-bank-accounts-fueling-calls-for-more-scrutiny
[2] *Ibid*.
[3] https://www.ran.org/wp-content/uploads/2022/03/BOCC_2022_vSPREAD-1.pdf

New York City Council Committee on Finance
Testimony by Linda Levy of Lower East Side People's Federal Credit Union
April 19, 2023

Good afternoon, Chair Brannan and Members of the Committee. My name is Linda Levy and I am the retired CEO of the Lower East Side People's Federal Credit Union, currently an Executive Consultant and member of the Board of Directors. Thank you for the opportunity to testify today in support of Introductions 498, 499, and 999, and Resolution 203A, collectively called "The People's Bank Act." These measures promote vital public transparency about the City's finances and financial relationships, and lay the foundation for a municipal public bank.

The Lower East Side People's Federal Credit Union (LES People's), is a community development financial institution (CDFI) that has been serving low income, immigrant New Yorkers since 1986. We have branches on the Lower East Side and East Harlem in Manhattan, and the North Shore of Staten Island. We are currently serving the Bronx with our mobile banking branch and plan to open a physical branch in the Bronx in early 2024. In addition to people who live or work near our branches, any low income resident of the City of New York is eligible for membership in our credit union. Currently, 90% of our members are low income and 65% are Latinx.

At $90 million in assets, we are the largest community development credit union in NYC, yet clearly this is very small for a financial institution. We have been working with the coalition, Public Bank NYC, for over seven years to establish a public bank that will increase our capacity to serve more New Yorkers. A public bank will help us build our credit union, and other CDFIs like ours, through capital investments and participation lending. As a financial institution with deep roots in our communities and a successful track record of serving the unbanked, we will work in partnership with a public bank to bring more financial services, affordable housing, and community investment throughout the city.

This year, the City of New York will collect more than $100 billion in revenue, from taxes and other sources, to fund public services. Currently, this money is placed on deposit with large, commercial banks that systematically harm New Yorkers and finance fossil fuels, gun manufacturers, speculative real estate, and other destructive industries. Public banking offers a bold alternative, and we urge the City Council to take immediate steps toward establishing a public bank, starting with swiftly passing “The People’s Bank Act.”

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Where we put our public dollars is a fundamental matter of public concern. Last year, the City cut ties with Wells Fargo after the bank was exposed, yet again, for lending discrimination, this time against Black homeowners seeking to refinance their mortgages.

The problems with our financial system go beyond Wells Fargo, however. It recently came to light that the City had $60 million of our public money on deposit with Signature Bank when the bank imploded last month.[1] We and other housing justice advocates have long denounced Signature’s widespread financing of predatory real estate speculators that seek to “drive out tenants and raise rents as a core business model.”[2] Meanwhile, JPMorgan Chase – the bank holding more city deposits than any other – is the world’s largest bank financier of fossil fuels, having pumped more than $382 billion into the fossil fuel industry since 2016.[3] And, as has been well established, many of the banks with which the City does business routinely redline and otherwise exploit working New Yorkers.

Amid the sudden collapse of Silicon Valley Bank and Signature Bank and ongoing turmoil in the financial sector, “The People’s Bank Act” is needed more than ever. **Introductions 498 and 499** will shine a light on NYC's financial relationships with commercial banks, promoting much needed public scrutiny and accountability. These two urgently needed bills require the City to provide the public with a quarterly summary of its accounts at “designated banks,” including balances and fees charged.

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[3] https://www.ran.org/wp-content/uploads/2022/03/BOCC_2022_vSPREAD-1.pdf

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Lower East Side People's Federal Credit Union strongly urges the NYC Council to pass "The People's Bank Act," and to continue working with our organization and others to establish a municipal public bank, as a matter of racial, economic, and environmental justice. Thank you again for the opportunity to testify today. Please do not hesitate to contact me with any questions.

sane energy project

New York City Council Committee on Finance
Testimony by Nicolas Shearman of Sane Energy Project
April 19, 2023

Dear Chair Brannan and Members of the Committee,

My name is Nicolas Shearman, Core Team Volunteer at Sane Energy Project, a climate justice advocacy organization based in New York City. Thank you for the opportunity to testify today in support of Introductions 498, 499, and 999, and Resolution 203A, collectively called "The People's Bank Act." These measures promote vital public transparency about the City's finances and financial relationships and lay the foundation for a municipal public bank.

Sane Energy Project is an environmental organization with a mission to build a potent grassroots movement pushing for a rapid and just transition to 100% publicly owned renewable and sustainable energy in New York. We do our work through a lens of racial, social, and economic justice. Sane Energy Project is a member of the Public Bank NYC Coalition and strongly supports the passage of the "The People's Bank Act" as a tool for advancing climate justice. The legislation would provide a robust framework for public banks and equitable investment in social, economic, and environmental needs that make our communities healthier and more resilient to crises like climate change.

This year, the City of New York will collect more than $100 billion in revenue, from taxes and other sources, to fund public services. Currently, this money is placed on deposit with large, commercial banks that systematically harm New Yorkers and finance fossil fuels, gun manufacturers, speculative real estate, and other destructive industries. Public banking offers a bold alternative, and we urge the City Council to take immediate steps toward establishing a public bank, starting with swiftly passing "The People's Bank Act."

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[3] https://www.ran.org/wp-content/uploads/2022/03/BOCC_2022_vSPREAD-1.pdf

Introduction 999 creates an implementation plan for a public bank. It establishes a task force to immediately get to work on preparing a business plan and other charter requirements for a municipal public bank. As the bill was only recently introduced, we look forward to working with the Council on a few technical changes and to ensure its swift passage.

Sane Energy Project strongly urges the NYC Council to pass “The People’s Bank Act,” and to continue working with our organization and others to establish a municipal public bank, as a matter of racial, economic, and environmental justice.

Thank you again for the opportunity to testify. Please do not hesitate to contact me with any questions.

Sincerely,

Nicolas Shearman
Core Team Volunteer
Nicolas.Shearman@gmail.com

New York City Council Committee on Finance
Testimony by Judith Hertzberg of True Blue New York
April 19, 2023

Good morning Chair Brannan and Members of the Committee. My name is Judith Hertzberg with True Blue New York. I am also a retired money center banking executive having worked for many years in credit, lending as all aspects of risk management. Thank you for the opportunity to testify today in support of Introductions 498, 499, and 999, and Resolution 203A, collectively called “The People’s Bank Act.” These measures promote vital public transparency about the City’s finances and financial relationships, and lay the foundation for a municipal public bank.

About True Blue New York: True Blue New York is a grassroots group founded to defeat the IDC, elect Democrats to the New York State Senate, and advocate for the passage of much needed voting reform and good government reform legislation . We continue to advocate for such reforms as well as the passage of progressive legislation to support a wide variety of economic and social justice reforms that a public bank would support.

A public bank is what its name suggests: a financial institution created by a government and chartered to serve the public interest. Through public banking, the City can invest in permanently affordable housing, community solar, and other cooperative and community-led wealth-building initiatives. Public banks partner, rather than compete, with local community development financial institutions (CDFIs) and other responsible lenders to expand fair and affordable financial services in historically-redlined communities.

Where we put our public dollars is a fundamental matter of public concern. This year, the City of New York will collect more than $100 billion in revenue, from taxes and other sources, to fund public services. Currently, this money is placed on deposit with large, commercial banks that systematically harm New Yorkers and finance fossil fuels, gun manufacturers, speculative real estate, and other destructive industries. Public banking offers a bold alternative, and we urge the City Council to take immediate steps toward establishing a public bank, starting with swiftly passing “The People’s Bank Act.”

It should be noted that last year, the City cut ties with Wells Fargo after the bank was exposed, yet again, for lending discrimination, this time against Black homeowners seeking to refinance their mortgages.

The problems with our financial system go beyond Wells Fargo, however. It recently came to light that the City had $60 million of our public money on deposit with Signature Bank when the bank imploded last month. Housing justice advocates have long denounced Signature’s widespread financing of predatory real estate speculators that seek to “drive out tenants and raise rents as a core business model.” Meanwhile, JPMorgan Chase – the bank holding more city deposits than any other – is the world’s largest bank financier of fossil fuels, having pumped more than $382 billion into the fossil fuel industry since 2016. And, as has been well established, many of the banks with which the City does business routinely redline and otherwise exploit working New Yorkers.

Amid the sudden collapse of Silicon Valley Bank and Signature Bank and ongoing turmoil in the financial sector, “The People’s Bank Act” is needed more than ever. **Introductions 498 and 499** will shine a light on NYC's financial relationships with commercial banks, promoting much needed public scrutiny and accountability. These two urgently needed bills require the City to provide the public with a quarterly summary of its accounts at “designated banks,” including balances and fees charged.

Resolution 203 urges the Governor and NYS Legislature to enact the New York Public Banking Act [S1754 (Sanders) / A3352 (Hunter)]. The New York Public Banking Act would create a statewide regulatory framework for local public banking – making it easier for New York City and other local governments to establish public banks.

Introduction 999 creates an implementation plan for a public bank. It establishes a task force to immediately get to work on preparing a business plan and other charter requirements for a municipal public bank. As the bill was only recently introduced, we look forward to working with the Council on a few technical changes and to ensure its swift passage.

True Blue New York strongly urges the NYC Council to pass “The People’s Bank Act,” and to continue working with our organization and others to establish a municipal public bank, as a matter of racial, economic, and environmental justice. Thank you again for the opportunity to testify today. Please do not hesitate to contact me with any questions.

New York City Council Committee on Finance
Testimony by Scott Trumbull of The Working World
April 19, 2023

Thank you all for the opportunity to testify today. My name is Scott Trumbull, and I am Co-Executive Director at The Working World, a nonprofit Community Development Financial Institution (CDFI) that provides financing and technical assistance to worker cooperative businesses. Today I am here to encourage you all to support **Introductions 498, 499, and 999, and Resolution 203A, collectively called "The People's Bank Act."** These critical pieces of legislation will make City finances more transparent and lay the groundwork for a municipal public bank. A public bank would allow New York City to divest our tax dollars from big banks that finance speculative real estate, private prisons, other destructive industries and reinvest that money in the city neighborhoods that need it most.

For over a decade, The Working World has worked closely with New York City's small business community, providing fair financing and technical support to worker cooperatives and other social enterprises across all five boroughs. These businesses create good paying jobs, build new wealth in working-class neighborhoods, and give New Yorkers more control over their economic lives. One of the biggest challenges they face, however, is accessing the capital they need to grow and thrive. By passing "The People's Bank Act," New York City can lay the foundation for a municipally owned public bank that would partner with CDFIs like The Working World and ensure that local businesses, MWBEs, and cooperatives have the financing they need to reach their full potential.

In addition to facilitating greater investment in New York City's cooperatives and business community, a public bank would also capitalize other kinds of community-led initiatives, such as permanently affordable housing projects, community-owned renewable energy infrastructure, local credit unions, and more. These kinds of investments would not only help to expand access to critical community resources, such as housing and financial services; they would also have an economic ripple effect in historically disinvested neighborhoods, creating new employment opportunities for residents and a more sustainable local economy that serves and empowers working-class New Yorkers and communities of color.

Before we can make this bold vision a reality, however, we first need to better understand New York City's current relationships with commercial banks. **Introductions 498 and 499** will help to make these relationships more transparent by requiring the City to release a quarterly report summarizing its accounts at “designated banks,” including current balances and fees. This information will allow for greater public scrutiny and clarity with regard to how City deposits are currently held and what it costs to keep them in private commercial banks.

In addition to making City finances more transparent, The People’s Bank Act bill package also lays critical groundwork for the establishment of a municipal public bank. **Resolution 203** urges the Governor and New York State Legislature to enact the New York Public Banking Act [S1754 (Sanders) / A3352 (Hunter)], which creates a statewide regulatory framework for municipal public banking. Furthermore, **Introduction 999** creates a special task force and implementation plan for a New York City public bank. We look forward to working with Council to refine and enact this bold legislative package so that New York City can be one step closer to putting our tax dollars to work in the neighborhoods that need it most.

In conclusion, The Working World strongly urges New York City Council to pass “The People’s Bank Act,” including Introductions 498, 499, and 999, and Resolution 203A. This legislation will shine a much-needed light on City finances and lay the foundation for a municipal public bank, which will uplift small businesses and cooperatives and facilitate long overdue investments in our city neighborhoods. Thanks again for the opportunity to testify today and for your consideration.

MOBILIZATION FOR JUSTICE

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ıstice.org

New York City Council Committee on Finance
Testimony by Christopher Fasano of Mobilization for Justice, Inc.
and Legal Services Staff Association Local 2320
April 19, 2023

Good morning Chair Brannan and Members of the Committee. My name is Christopher Fasano, senior staff attorney at Mobilization for Justice, Inc. and a member of Legal Services Staff Association Local 2320. Thank you for the opportunity to testify today in support of Introductions 498, 499, and 999, and Resolution 203A, collectively called "The People's Bank Act." These measures promote vital public transparency about the City's finances and financial relationships and lay the foundation for a municipal public bank.

Mobilization for Justice's (MFJ) mission is to achieve justice for all. MFJ prioritizes the needs of people who are low-income, disenfranchised, or have disabilities as they struggle to overcome the effects of social injustice and systemic racism. We provide the highest-quality free, direct civil legal assistance, conduct community education and build partnerships, engage in policy advocacy, and bring impact litigation. We assist more than 14,000 New Yorkers each year, benefitting over 24,000.

This work positions MFJ at the front line of the affordable housing crisis, where we represent tenants facing eviction and homeowners facing foreclosure. Similarly, New Yorkers who are denied credit and other basic financial services, and who fall victim to predatory lenders, come to MFJ for help. And while direct legal services are vital, structural problems call for structural solutions. A public bank promises to provide the lending that private banks will not, to build permanently affordable housing, originate and refinance affordable home loans, and provide credit to historically redlined communities that commercial banks have long ignored.

This year, the City of New York will collect more than $100 billion in revenue, from taxes and other sources, to fund public services. Currently, this money is placed on deposit with large, commercial banks that systematically harm New Yorkers and finance fossil fuels, gun manufacturers, speculative real estate, and other destructive industries. But public money should remain in the public realm and serve the public good. The public—not Wall Street—should decide how its tax dollars are deployed. Public banking offers this bold alternative to a status quo in which Wall Street taps public wealth to serve private gain. MFJ and the Legal Services Staff Association urge the City Council to take immediate steps toward establishing a public bank, starting with swift passage of "The People's Bank Act."

A public bank is a financial institution created by a government, chartered to serve the public interest and which remains accountable to the people it serves. Through public banking, the City can divest our public money from predatory commercial banks and reinvest in permanently affordable housing, public infrastructure, green energy initiatives, and other cooperative and community-led wealth-building initiatives. A public bank would democratize municipal finance by putting the people served by the bank on the bank's board. And public banking promises to create an ecosystem of responsible lending. Where public banks are chartered, local community banks flourish because public banks provide institutional support for responsible lenders that serve the community, including community development financial institutions.

The contrast with commercial banks is stark. Just last year, it came to light that Wells Fargo discriminated against Black homeowners seeking to refinance their home loans during the pandemic, when interest rates were historically low. Wells Fargo denied 27 percent of white New Yorker's refinancing applications, but it denied 53 percent of Black New Yorker's refinancing applications.[1] Although the disparity was not as staggering among other lenders, they too discriminated – their denial rates for Black homeowners was over fifty percent greater than their denial rates for white homeowners.[2] New York City rightly cut ties with Wells Fargo for this discriminatory practice. But no amount of discrimination is acceptable. New York City should not bank with lenders that exclude Black New Yorkers from affordable home financing which, in turn, makes their housing more expensive and precarious, and which undermines their ability to build intergenerational wealth.

The problems with our financial system, though, extend well beyond Wells Fargo and home loans. When Signature Bank imploded last month, the public learned that $60 million of its money was on deposit with that troubled institution.[3] We and other housing justice advocates have long denounced Signature's widespread financing of predatory real estate speculators. Signature also bet big on cryptocurrency.[4] Unlike a bank that serves high wealth clients that extract community wealth and invest in unproductive, unreliable assets, public banks invest in the public interest through plain vanilla lending. They take

[1] https://www.publicbanknyc.org/_files/ugd/1833d2_695c01840d74458480d2df8275edd213.pdf
[2] *Id*.
[3] https://gothamist.com/news/nyc-has-60m-in-signature-bank-accounts-fueling-calls-for-more-scrutiny
[4] https://www.nytimes.com/2023/03/12/business/signature-bank-collapse.html

deposits, underwrite, and make loans that ultimately benefit the communities they serve. This fiscally sound model of relational banking means that a public bank like the Bank of North Dakota can generate profits year after year, including during the Great Recession[5] and during the most recent economic downturn after the Covid-19 pandemic.[6] In times of economic uncertainty, when commercial banks pull back from lending, public banks have shown that they can lend countercyclically and still generate a return.[7]

The need has never been greater as banks grow in size, become unmoored from local communities, and either sit on vast amounts of cash or chase returns without regard for their impact on the public. Public banking breaks from this trend. So while a bank like Signature Valley Bank can invest a massive share of its assets in fixed-income securities,[8] a public bank like North Dakota deploys its capital to lend to consumers and small businesses. And while JPMorgan Chase – the bank holding more city deposits than any other – is the world's largest bank financier of fossil fuels, [9] a bank accountable to the public could finance to green energy alternatives.

Amid the sudden collapse of Silicon Valley Bank and Signature Bank and ongoing turmoil in the financial sector, "The People's Bank Act" is needed more than ever. **Introductions 498 and 499** will shine a light on NYC's financial relationships with commercial banks, promoting much needed public scrutiny and accountability. These two urgently needed bills require the City to provide the public with a quarterly summary of its accounts at "designated banks," including balances and fees charged.

Resolution 203 urges the Governor and NYS Legislature to enact the New York Public Banking Act [S1754 (Sanders) / A3352 (Hunter)]. The New York Public Banking Act would create a statewide legal framework for local public banking – making it easier for New York City and other local governments to establish public banks.

Introduction 999 creates an implementation plan for a public bank. It establishes a task force to immediately get to work on preparing a business plan and other charter requirements for a municipal

[5] https://www.nemw.org/wp-content/uploads/2019/09/Public-Banking-White-Paper.pdf
[6] https://bnd.nd.gov/pdf/2021_bnd_annual_report.pdf
[7] https://www.nemw.org/wp-content/uploads/2019/09/Public-Banking-White-Paper.pdf
[8] https://www.nytimes.com/2023/03/10/business/silicon-valley-bank-stock.html
[9] https://www.ran.org/wp-content/uploads/2022/03/BOCC_2022_vSPREAD-1.pdf

public bank. As the bill was only recently introduced, we look forward to working with the Council on a few technical changes and to ensure its swift passage.

Mobilization for Justice, Inc. and the Legal Services Staff Association Local 2320 strongly urge the NYC Council to pass "The People's Bank Act," and to continue working with our organization and others to establish a municipal public bank, as a matter of racial, economic, and environmental justice. Thank you again for the opportunity to testify today. Please do not hesitate to contact me with any questions.

Hello everyone. My name is Edison Tian, I am a student at City College and am also part of their NYPIRG chapter.

Like many other young people and students, climate change is a very important issue for me. Every year, the climate crisis grows exponentially worse, leading to more heat waves, droughts, wildfires, and flooding. This was especially the case for my borough of Queens. In 2021, Hurricane Ida hit Queens very hard, specifically in Woodside, Elmhurst, and Jackson Heights. Many basement homes were flooded, resulting in loss of life. New York state suffered 18 deaths during this storm. 11 of those were in Queens alone.

As climate change continues to get worse, we need urgent action on both the local and federal level to drastically reduce carbon emissions and quickly develop green energy solutions.

A big impediment to this necessary, large-scale transition to a green economy are Wall Street banks. From 2016 to 2020, Chase Bank invested $317 billion into oil and gas companies. In total, 5 Wall Street banks collectively invested over $1 trillion into fossil fuels over this same 4-year period. Not only are Wall Street banks failing to invest in renewable energy, they are using our public dollars to invest in fossil fuels and exacerbating the climate crisis.

Instead of depositing our public money with Wall Street, we need a public bank that will let us finally get serious about investing in climate justice. By divesting our tax dollars from Wall Street banks, we will send a clear message that we will not let our money further fuel the climate crisis. Instead, we can redirect our public money into developing green infrastructure and renewable energy projects, like community-owned solar panels, building resilience against future storms which will help my community and many other low income communities, and upgrading our building infrastructure. This will ensure that New York meets our ambitious climate goals and starts to seriously cut carbon emissions in our state. I urge the Council to pass Intro 498, 499, 999, and Resolution 203, to help bring a public bank to New York. Thank you.

Edited Version

NYPIRG organizes students across the state to advocate for social and environmental justice. What are the top concerns of young people in New York and how does public banking address them?

Climate change is a high priority for students and other young people. Recent reports on the rapid pace of global warming from international entities like the UN and the IPCC only underscore the need for urgent action on both the local and federal level to drastically reduce carbon emissions and quickly move towards developing renewable energy infrastructure.

A big obstacle to this necessary, large-scale transition to a green economy are Wall Street banks. These banks, which are some of the largest financial institutions in the world, are also some of the largest investors in the fossil fuel industry. Chase Bank is the leading funder of fossil fuel companies in the US. From 2016 to 2020, they invested $317 billion into oil and gas companies. In total, 5 Wall Street banks collectively invested over $1 trillion into fossil fuels over this same 4-year period. Not only are Wall Street banks failing to invest in renewable energy and green infrastructure projects, they are actively investing in fossil fuels and exacerbating the climate crisis. What's worse, our public dollars, which are on deposit at these banks, are being used to invest in this extractive industry.

Edison - any personal anecdotes or experience about climate change you might be able to add here? For example, do you know anyone who was personally affected by Hurricane Sandy, or Hurricane Ida?

Without a doubt there are some experiences amongst friends and family that were affected by climate change. Just last year, Hurricane Ida hit Queens very hard, specifically in Woodside, Elmhurst, and Jackson Heights. Especially people who lived in basement homes were hit the hardest since their already legally questionable living spaces were flooded. New York state suffered 18 deaths during this storm.11 of those were in Queens alone.

This demonstrates that we are incredibly vulnerable when another disaster may come. There needs to be investment in green resources and perhaps resources that may direct working class people with better living conditions in this great city as those costs will increase significantly if we remain reactive instead of proactive. And this is where a public bank comes in.

A public bank would allow us to reclaim our public money and finally get serious about investing in climate justice. By divesting our tax dollars from Wall Street banks, we would send a clear message that we will not let public money further fuel the climate crisis. We could then redirect that public money into developing green infrastructure and renewable energy projects. For instance, NYPIRG is currently working to enforce Local Law 97 in New York City, which requires landlords of larger buildings to upgrade their infrastructure and cut carbon emission. As buildings are by far the largest source of carbon emissions in the city, this law will be crucial to ensuring the city meets and exceeds our climate goals in the next few years. A public bank could be a key tool to help provide the capital needed to make these upgrades. The public bank will also invest in the cooperative economy, such as the development of community-owned solar panels. This cooperative model will ensure that the economic benefits of the transition to renewable energy are equitably distributed.

Another important issue for students is cost of living and affordability. It is very difficult to balance the costs of tuition and housing in an increasingly unaffordable city like New York.

Again, Wall Street banks have played a key role in making New York unaffordable for those of us who grew up and work here. Banks are the main funders for luxury real estate developers, pouring millions of dollars in loans and investments into the construction of luxury housing, which leads to rising rents and eventually the displacement of working class families. This pattern has played out again and again throughout the city, particularly in communities of color. Especially here in Flushing as more projects take root.

Edison - any personal anecdotes about your experience living in Flushing to add here? How has the neighborhood changed in recent years? Do you know anyone personally who's been pushed out by rising rents?

As stated before, living here in Flushing I have been seeing luxury housing and high rises appearing at an increasing rate without any regard for working class people for the past decade. My family's rent has gone up almost 20% within the last year alone.

With a public bank, we could invest our public dollars in long-term solutions to the affordability crisis, like permanently affordable housing and community land trusts. This will help keep our communities strong and stop the displacement of families.

Finally, as college students, student debt is also a huge concern. Student loan debt totals $1.6 trillion for 43 million borrowers, making it the largest form of debt held by Americans. One of the missions of the public bank will be to assist students in refinancing their loans. The ability to refinance loans will be crucial to ensuring that students are not burdened with debt for the long-term.

New York City Council Committee on Finance
Testimony by Gregory Jost
April 19, 2023

Good morning Chair Brannan and Members of the Committee. My name is Gregory Jost and I am a long time community researcher, educator and organizer in the Bronx. I also am a consultant with Banana Kelly Community Improvement Association and an adjunct Professor of Sociology at Fordham University and I am writing a book about grassroots responses to redlining and other forms of systemic racism. I thank you kindly for the opportunity to testify today in support of Introductions 498, 499, and 999, and Resolution 203A, collectively called "The People's Bank Act." These measures promote vital public transparency about the City's finances and financial relationships, and lay the foundation for a municipal public bank.

From my various perches, I have seen how hard communities have had to struggle against a never-ceasing tide of extractive capitalism that enriches some at the expense of others. The financial sector has been central to backing these extractive practices going back to colonialism, slavery, and dispossession of land from indigenous peoples. More recently, we have seen the damage done by bank and insurance redlining and the two-tiered financial system that continues today. Those who have had their wealth extracted continue to be targeted for predatory and high cost loans and the disrepair and harassment that stems from speculative real estate practices in multifamily apartment buildings. In both my archival research and on-the-ground work, we have discovered and developed better ways to design systems. We in our communities that have been targeted are also experts who must be part of the decision making process for how investment flows into our neighborhoods. Perhaps unsurprisingly, the private banking world does typically care to take guidance from us. Public Banking, on the other hand, offers new opportunities to forward and invest in this type of work and we are excited to be having this conversation with the City Council right now.

As you likely know, the City of New York will collect more than $100 billion in revenue this year to fund public services. In our current status quo system, this money is placed on deposit with large, commercial banks that we have demonstrated systematically harm communities like ours. These banks finance speculative real estate practices, climate change-inducing fossil fuels, and various forms of violence including gun manufacturers.

Their interest is in pleasing shareholders with increasing profits, with little consideration for our communities, our city and our planet beyond their public-relations campaigns.

Public banking offers a bold alternative to this status quo, and we urge the City Council to take immediate steps toward establishing a public bank, starting with swiftly passing “The People’s Bank Act.”

I am sure that any and all of you can think of better ways to invest the city’s valuable resources. And that’s the point! A public bank would be chartered to serve the public interest. That means we could divest from harmful and extractive practices and stem the tide of harm that flows through our neighborhoods. Instead, we could reinvest in alternative models that have been proven to work for our communities, including permanently affordable housing, community solar, and other cooperative and people-led initiatives that build wealth in historically redlined communities. One thing I especially love about public banks is how they partner with local community development financial institutions (CDFIs) and other responsible lenders that know our communities well to expand fair, affordable and convenient financial services and products. We are currently part of the Bronx Financial Access Coalition that is trying to make up for the loss of bank branches in the Bronx and the proliferation of fringe financial services that fill that void. Our work with the Lower East Side People’s Federal Credit Union to launch the Bronx People’s Federal Credit Union is a prime example of the type of initiative that a public bank could invest in.

Let us stop investing in banks that engage in highly questionable and problematic practices like Wells Fargo (who the City cut ties with last year for lending discrimination against Black homeowners seeking to refinance their mortgages) and Signature Bank. I have personally been part of numerous efforts over many years that called attention to the questionable multifamily lending practices of Signature Bank and we see now that no banks have come forward to buy their toxic loan portfolio from the FDIC. Then there are the “too big to fail” banks that take advantage of their size to extract profits from our people and the planet with little accountability.

We need “The People’s Bank Act” now more than ever. **Introductions 498 and 499** will shine a light on NYC's financial relationships with commercial banks, promoting much needed public scrutiny and accountability. These two urgently needed bills require the City to provide the public with a quarterly summary of its accounts at “designated banks,” including balances and fees charged.

Resolution 203 urges the Governor and NYS Legislature to enact the New York Public Banking Act [S1754 (Sanders) / A3352 (Hunter)]. The New York Public Banking Act would create a statewide regulatory framework for local public banking – making it easier for New York City and other local governments to establish public banks.

Introduction 999 creates an implementation plan for a public bank. It establishes a task force to immediately get to work on preparing a business plan and other charter requirements for a municipal public bank. As the bill was only recently introduced, we look forward to working with the Council on a few technical changes and to ensure its swift passage.

I strongly urge the NYC Council to pass “The People’s Bank Act,” and to continue working with our communities and these organizations to establish a municipal public bank as a matter of racial, economic, and environmental justice. Thank you again for the opportunity to testify today and for strongly considering passing these bills.

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. ________ Res. No. 203-A

☑ in favor ☐ in opposition

Date: 4/19/23

(PLEASE PRINT)

Name: Logan Noodle

Address: [redacted] Garnet St Brooklyn, NY 11231

I represent: Communications Workers of America D1

Address: 80 Pine Street, New York, NY 10005

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. ________ Res. No. ________

☐ in favor ☐ in opposition

Date: ________

(PLEASE PRINT)

Name: Mary Christine Jackman

Address: City Treasurer

I represent: NYC DOF

Address: ________

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. ________ Res. No. ________

☐ in favor ☐ in opposition

Date: ________

(PLEASE PRINT)

Name: Hua Tan

Address: Dir. Banking Regulations

I represent: & Services

Address: DOF

Please complete this card and return to the Sergeant-at-Arms

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. [illegible] Res. No. ______

☐ in favor ☐ in opposition

Date: [illegible]

(PLEASE PRINT)

Name: Joyce [illegible]

Address: ______

I represent: [illegible]

Address: [illegible]

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. ______ Res. No. ______

☐ in favor ☐ in opposition

Date: [illegible]

(PLEASE PRINT)

Name: [illegible]

Address: Ridge Blvd [illegible] 5 B, Brooklyn

I represent: [illegible]

Address: [illegible]

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. ______ Res. No. ______

☐ in favor ☐ in opposition

Date: ______

(PLEASE PRINT)

Name: Ruth López Martínez

Address: [illegible] Av. [illegible] 113[illegible]

I represent: NYCNOW. [illegible]

Address: [illegible]

Please complete this card and return to the Sergeant-at-Arms

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. 498, 499, 999 Res. No. 203A

☑ in favor ☐ in opposition

Date: 04/19/23

(PLEASE PRINT)

Name: Christopher Fasano

Address: 47th Street Sunnyside NY 11104

I represent: Mobilization for Justice

Address:

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. 498, 499, 999 Res. No. 203A

☑ in favor ☐ in opposition

Date: 4/19/23

(PLEASE PRINT)

Name: Andy Morrison

Address:

I represent: New Economy Project

Address:

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. 498, 499, 959 Res. No. 203A

☑ in favor ☐ in opposition

Date: 04/19/2023

(PLEASE PRINT)

Name: Edison Tian

Address: College Point Blvd, Flushing, NY, 11355

I represent: NYPIRG

Address:

Please complete this card and return to the Sergeant-at-Arms

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. 498, 499, 999 Res. No. 203A

☐ in favor ☐ in opposition

Date: 04/19/23

(PLEASE PRINT)

Name: Damien Andrade

Address:

I represent: Nypirg

Address:

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. 498, 499, 999 Res. No. 203A

☐ in favor ☐ in opposition

Date: April 19th

(PLEASE PRINT)

Name: Jodie Leidecker

Address: E 4th St. New York, NY

I represent: Cooper Square Committee

Address:

THE COUNCIL
THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. 498, 499, 999 Res. No. 203

☑ in favor ☐ in opposition

Date: 4/19/23

(PLEASE PRINT)

Name: Kyle Giller

Address: W. 107th St. #13G

I represent: NYPIRG

Address: 9 Murray St

Please complete this card and return to the Sergeant-at-Arms