

Resolution in Support of California State Assembly Bill 310

WHEREAS, the State of California Infrastructure and Economic Development Bank (IBank) was created in 1994 with state funds to provide infrastructure finance in California using funds from tax-exempt revenue bonds and, in April 2020, the Office of the Governor of California allocated \$50 million to the IBank to expand loan guarantees for small businesses run by low-income individuals who did not qualify for federal funds, including undocumented individuals;

WHEREAS, with no public banking option, a portion of the state's \$99 billion Pooled Money Investment Account (PMIA) is invested in large, out-of-state corporations and commercial banks, unable to address pressing local needs in California communities;

WHEREAS, currently pending in the California State Assembly is Assembly Bill 310 (Santiago), the California Public Bank Act, which would (i) invest 10% of the PMIA into the IBank to increase lending and credit to local governments and small businesses for purposes of economic recovery and (ii) convert the IBank to a depository institution serving as a public bank for the State of California;

WHEREAS, increasing the IBank's lending capacity immediately will help address pressing local needs more quickly and reduce the long-term human and economic costs of a meager, prolonged response;

WHEREAS, Assembly Bill 310 can expand the IBank's role by converting it into a state bank that can finance economic recovery efforts by conducting direct lending to local governments, and partnership lending to small businesses through relationships with existing local financial institutions (community banks, credit unions and CDFIs) to offer emergency lending especially to hard hit communities of color;

WHEREAS, a state public bank will allow us to build a shared infrastructure of support and receive technical support and funding to create local and regional public banks as authorized by AB 857, the Public Banking Act that was passed into law in 2019, which will direct local funds to address local priorities in a locally accountable manner;

WHEREAS, instead of prioritizing shareholder returns, a state public bank will prioritize equitable small business loans, local government support, and public infrastructure;

NOW, THEREFORE, BE IT RESOLVED, the _____ County Democratic Committee supports and endorses Assembly Bill 310 and urges the California State legislators to pass the bill and continue efforts in California both to address immediate recovery efforts while also setting up our state for future success.

BE IT FINALLY RESOLVED, copies of this Resolution will be sent to the Governor of California and the _____ County Supervisors.