

RESOLUTION

WHEREAS, [the City/County endorsed Assembly Bill 857, the Public Banking Act of 2019] and [any official position of the [City/County of XYZ] with respect to legislation, rules, regulations, or policies proposed to or pending before a local, state, or federal government body or agency must have first been adopted in the form of a Resolution by the City Council]; and

WHEREAS, the [City/County] has investments in the \$32 billion Local Agency Investment Fund (LAIF), which is invested in the \$99 billion Pooled Money Investment Account;

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, the [City/County] is projecting near record-breaking budget deficits, which are already having an immediate impact and will grow more costly to address if not invested in immediately;

WHEREAS, with no public banking option, the state and this [City/County], hold their assets with large out-of-state commercial banks, which charge excessive fees and have no particular incentive to invest in California communities;

WHEREAS, currently pending in the California State Assembly is Assembly Bill 310 (Santiago), the California State 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 provide technical support, funding, and financial services to create and operate local and regional public banks that are authorized by AB 857,

the Public Banking Act that was passed into law in 2019, and 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 the needs of local agencies addressing equitable small business loans and public infrastructure;

NOW, THEREFORE, BE IT RESOLVED, that by the adoption of this Resolution, the [City/County of XYZ] hereby includes in its 2019-2020 State Legislative Program SUPPORT for AB 310 (Santiago), which would provide immediate COVID-19 relief and expand the IBank into a state-chartered, depository institution.

Additional clauses for changing a City or County's investment policy

WHEREAS, the investment policy of the [City or County], in its current form, does not allow for the investment or deposits of public dollars in a public bank,

BE IT FURTHER RESOLVED, that the [City Council or County Board of Supervisors] [encourages the amendment of the investment policy to allow for investment of public dollars into a public bank] or [instructs the Treasurer to revise the City's/County's investment policy to allow for the investment and deposits of public dollars in public banks] and/or [specifies that at least 33% of the Treasurer's funds be invested and/or deposited in a public bank].