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Approved as to Form and Legality


City Attorney's Office

OAKLAND CITY COUNCIL
RESOLUTION NO. 87607 C.M.S.

INTRODUCED BY COUNCIL PRESIDENT KAPLAN

RESOLUTION IN SUPPORT OF PUBLIC BANKING ACT, AB 857

WHEREAS, the last few decades have exposed troubling and unethical practices at private banking institutions from predatory lending practices and the defrauding of customers to the financing of fossil-fuel extraction, firearms, and detention centers; and

WHEREAS, Wells Fargo bank was fined \$185 million for fraudulently opening-up accounts without customers' consent which led to damaging credit scores and charging illegal banking fees; Citigroup Inc. paid fines of \$100 million for manipulating global interests rates; and in a federal-state civil settlement by the Department of Justice, the nation's five largest mortgage providers paid \$25 billion "for deceptive practices in the offering of loan modifications and failures to offer non-foreclosure alternatives"; and

WHEREAS, financial and foreclosure abuses have spurred calls across the country for the creation of publically owned banks that move taxpayer money from privately owned financial institutions to be held by public institutions that measure their return on investment not only by profits, but by their success in supporting communities and prioritizing loans for low and moderate income communities; and

WHEREAS, a public bank will allow jurisdictions like the City of Oakland to have more local control, transparency, and self-determination, and allow us to move in a direction to achieve sustainable community investments such as affordable housing, small business development, loans to low-income households, public transit, infrastructure, and renewable energy; and

WHEREAS, the United States has an established public bank in North Dakota since 1919, that successfully spurs community economic development with a net of \$385 million to the General Fund of North Dakota in the last 20 years; and

WHEREAS, in Resolution No. 86483, the City of Oakland acknowledged that "public banking operates in the public interest, through institutions owned by the people through their representative governments and are able to return revenue to the community"; and

WHEREAS, in Resolution No. 86483, the City Council of Oakland directed the City Administrator “to prepare an informational report with the cost estimates of commissioning experts in public banking to conduct a study analyzing the feasibility and economic impact of establishing a public bank for the City of Oakland and on September 19, 2018, City Council adopted Resolution No. 86905 approving the contract with Global Investment Company (GIC) to complete a feasibility study for a public bank; and

WHEREAS, the Multi-Jurisdictional Public Bank Feasibility Study prepared for Council by GIC as part of File No. 18-0698 and heard by Finance & Management Committee on September 11, 2018, found that “a multi-jurisdictional public bank for the East Bay region is feasible,” but noted that the state legislature may need to create a public bank charter; and

WHEREAS, the State of California’s lack of a public-banking charter option, whether at the municipal, county, regional, or state level, imposes a major obstacle to efforts to explore a public bank and prevents public banks from obtaining a banking charter and becoming operational; and

WHEREAS, Assemblymembers Chiu and Santiago, with the support of the California Public Banking Alliance have introduced the Public Banking Act, AB 857, a bill in the California state legislature that allows local governments to apply for a banking charter to establish a public bank under the regulatory purview of the Commissioner of Business Oversight; and

WHEREAS, AB 857 “provides more local control, transparency, and self-determination in how local taxpayer dollars are leveraged in the banking system by allowing local government to charter their own public banks”; and

WHEREAS, support of AB 857 will bring the City of Oakland closer to the goal of establishing a public bank, whether that is an East Bay public bank or a regional bank that includes the City and County of San Francisco, who is also simultaneously introducing a resolution support of this bill; now, therefore, be it

RESOLVED: That the Oakland City Council hereby endorses AB 857 and urges the California State Legislature and Governor Gavin Newsom to support its enactment into law; and be it

FURTHER RESOLVED: That the City Council requests that the City Administrator transmit a copy of this Resolution to the following: City of Oakland's legislative representatives including Senator Nancy Skinner, Assemblymember Rob Bonta, Assemblymember Buffy Wicks; Governor Gavin Newsom; President Pro Tem of the California Senate Toni Atkins; Assembly Speaker Anthony Rendon; and to the lobbyist for the City of Oakland to advocate for passage of AB 857.

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IN COUNCIL, OAKLAND, CALIFORNIA,

APR 16 2019

PASSED BY THE FOLLOWING VOTE:

AYES - FORTUNATO BAS, GALLO, ~~WASDIN~~ ~~WELLS~~, KALB, REID, TAYLOR, THAO AND
PRESIDENT KAPLAN - 7

NOES - 0

ABSENT - 0

ABSTENTION - 0

Excused - 1 *McElhenny*

ATTEST:

Latonda Simmons
LATONDA SIMMONS
City Clerk and Clerk of the Council of the
City of Oakland, California