

RESOLUTION NO. 68,826-N.S.

RESOLUTION IN SUPPORT OF AB 857, THE PUBLIC BANKING ACT

WHEREAS, a public bank is defined as a financial institution owned by one or more public entities such as a state, city, or county; and

WHEREAS, public banks are created in the public interest rather than to maximize profit, and income from their investments can be re-invested in public benefit programs; and

WHEREAS, a public bank can decide to have no investments in industries that run contrary to Berkeley's values, such as fossil fuels, weapons, or tobacco; and

WHEREAS, a bank owned by the Cities of Oakland, Richmond, and Berkeley and the County of Alameda will allow those jurisdictions to have more local control, transparency, and self-determination, and allow us to invest in public goods such as affordable housing, loans to low-income households, public transit, infrastructure, and renewable energy; and

WHEREAS, public banks are run by qualified bankers serving a public mission and these banks partner with and support local banks and credit unions; and

WHEREAS, the Bank of North Dakota, a public bank founded in 1919, is extremely successful and avoided a foreclosure crisis in 2008 because it did not issue risky mortgages; and

WHEREAS, in September 2018, the Oakland City Council accepted the East Bay Public Bank's Feasibility Study; and

WHEREAS, the State of California's lack of a public-banking charter option imposes an obstacle to efforts to explore a public bank and prevents public banks from becoming operational; and

WHEREAS, Assemblymembers Chiu and Santiago, with the support of the California Public Banking Alliance, have introduced AB 857 in the state legislature creating a uniform regulatory framework for municipal and regional public banks, which would allow for public banking charters under the regulatory oversight of the California Department of Business Oversight;

NOW THEREFORE, BE IT RESOLVED that the Council of the City of Berkeley supports the continued efforts to create and operationalize the East Bay Public Bank; and

BE IT FURTHER RESOLVED that the Council of the City of Berkeley urges the California state legislature to enact legislation amending the Government Code to enable local agencies to create public banks regulated by the Department of Business Oversight; and

BE IT FURTHER RESOLVED that the Council of the City of Berkeley hereby supports AB 857

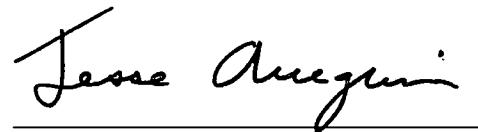
BE IT FURTHER RESOLVED that copies of this Resolution will be sent to Governor Gavin Newsom, Senator Nancy Skinner, and Assemblymember Buffy Wicks.

The foregoing Resolution was adopted by the Berkeley City Council on April 23, 2019 by the following vote:

Ayes: Bartlett, Davila, Droste, Hahn, Harrison, Kesarwani, Robinson, Wengraf, and Arreguin.

Noes: None.

Absent: None.



Jesse Arreguin, Mayor

Attest: 
Mark Numaihville, City Clerk