[Urging California State Legislators to Allow for the Creation of a Public Banking Charter]

Resolution urging California State legislators to enact legislation amending the Government Code to enable local agencies to create public banks through an option for a public banking charter.

WHEREAS, San Francisco taxpayer money currently is held in private commercial banks that engage in socially and environmentally destructive practices that are fundamentally against the values of San Franciscans, from predatory lending practices for low-income communities of color, to funding fossil fuel extraction, firearms, prisons and detention centers, to charging the City high interest rates on loans for retrofitting our schools and hospitals; and

WHEREAS, A bank owned by the City and County of San Francisco would allow the city to have more local control, transparency, 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, renewable energy, and;

WHEREAS, A recent report from the Budget and Legislative Analyst notes that "a public bank would be better equipped to meet the city's business needs and public policy goals", prompting Treasurer José Cisneros to convene a Municipal Bank Feasibility Task Force as recommended by the Board of Supervisors (via Resolution 152-17) to identify and pursue opportunities to create a municipal bank;

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

WHEREAS, The Bank of North Dakota is the one operational public bank in existence in the United States, founded in 1919;
WHEREAS, Public banking is actively being explored in municipalities across the
country, including Seattle, Oakland, Los Angeles, Santa Fe, St. Louis, Philadelphia, New York
City, and the states of Maryland and New Hampshire;

WHEREAS, The creation of a San Francisco Public Bank has been endorsed by the
San Francisco Democratic County Central Committee, Harvey Milk Democratic Club, Rose
Pak Democratic Club, San Francisco Latino Democratic Club, Richmond District Democratic
Club, San Francisco Tenants Union, San Francisco Rising Alliance, Alliance of Californians
for Community Empowerment, California Faculty Association - San Francisco State University
Chapter, California Nurses Association - Northern California Chapter, Democratic Socialists of
America - San Francisco Chapter, and San Francisco Berniecrats;

WHEREAS, On July 15, 2018, the California Democratic Party adopted a resolution
supporting the creation of state-chartered public banks; and

WHEREAS, The California Department of Business Oversight (DBO) oversees the
operation of California's state-chartered banks, and the only licenses available for depository
banks are commercial, industrial, and credit unions;

WHEREAS, The State of California does not currently have a public banking charter
option, whether at the municipal, regional or state level, providing a major obstacle in the
efforts to explore a public bank and preventing public banks from obtaining a banking charter
and becoming operational;

WHEREAS, The California Public Bank Alliance is currently working to introduce a bill
in the state legislature creating a uniform regulatory framework for municipal and regional
public banks, which would allow for an option for a public banking charter, under the
regulatory oversight of the California Department of Business Oversight; now, therefore, be it
RESOLVED, That the San Francisco Board of Supervisors supports the continued
efforts in San Francisco to create and operationalize a municipal public bank; and, be it
FURTHER RESOLVED, That the San Francisco Board of Supervisors urges California State legislators to enact legislation amending the Government Code to enable local agencies to create public banks, to be regulated by the Department of Business Oversight as special-purpose state-chartered wholesale banks; and, be it

FURTHER RESOLVED, That the San Francisco Board of Supervisors requests the Mayor to direct San Francisco City and County's lobbyist to support efforts to create a pathway for a public banking charter in the state of California; and, be it

FURTHER RESOLVED, That this Resolution is specific to the creation of a state charter mechanism for public banks, and does not commit the City and County to a position on any other provisions that may be included in such legislation; and, be it

FURTHER RESOLVED, That copies of this Resolution be sent to the following parties: Governor Gavin Newsom; Senator Scott Wiener; Assemblymember David Chiu; Assemblymember Phil Ting; San Francisco Mayor London Breed; San Francisco Treasurer and Tax Collector Jose Cisneros; San Francisco Office of the Controller; and members of the San Francisco Municipal Bank Feasibility Task Force.
Resolution urging California State legislators to enact legislation amending the Government Code to enable local agencies to create public banks through an option for a public banking charter.

February 05, 2019 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE
Ayes: 11 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee

February 05, 2019 Board of Supervisors - ADOPTED AS AMENDED
Ayes: 11 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee

I hereby certify that the foregoing Resolution was ADOPTED AS AMENDED on 2/5/2019 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, or time waived pursuant to Board Rule 2.14.2, became effective without his approval in accordance with the provision of said Section 3.103 of the Charter or Board Rule 2.14.2.

Angela Calvillo
Clerk of the Board