

1 [Request for Proposal - City's Cash Management Banking Services]

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3 **Resolution supporting the City's Office of the Treasurer-Tax Collector's efforts to**  
4 **integrate community reinvestment measures and social responsibility language into**  
5 **the City's Cash Management Banking Services Request for Proposal.**

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7 WHEREAS, It has been over nine years since San Francisco has released a Request  
8 for Proposal(RFP) for Banking services; and

9 WHEREAS, The City's Office of the Treasurer-Tax Collector is currently drafting a  
10 Cash Management Banking Services RFP to be released in February 2012; and,

11 WHEREAS, Collecting data and information on the lending practices of the financial  
12 institutions that the City contracts with is vital in order to make the most informed decisions  
13 that best serve the City and residents of San Francisco; and,

14 WHEREAS, The 2008 financial crisis was a consequence of inadequately regulated  
15 financial practices with little accountability; and,

16 WHEREAS, Institutional predatory lending including bundled high risk mortgages will  
17 result in an estimated 12,410 foreclosures in San Francisco by the end of 2012; and,

18 WHEREAS, In 2008 the Board of Supervisors established the Fair Lending Working  
19 Group(FLWG), whose official recommendations are hereby declared to be a part of this  
20 resolution, and are on file with the Clerk of the Board of Supervisors in File No. 120086,  
21 FLWG proposed several recommendations that included; the city use its influence to demand  
22 more responsiveness by lenders/servicers to assist more homeowners, and urges the Office  
23 of the Treasurer-Tax Collector to modify its investment policy to consider bank foreclosure  
24 and lending practices; and,

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1           WHEREAS, In October of 2010, the Office of the Treasurer-Tax Collector modified its  
2 investment policy to consider bank foreclosure practices; and,

3           WHEREAS, In July of 2010 the Dodd-Frank Wall Street Reform and Consumer  
4 Protection Act was passed by Congress which implemented changes to the financial  
5 regulatory system including transparency and accountability; and,

6           WHEREAS, According to the 2011 Wall Street Wrecking Ball report, which is on file  
7 with the Clerk of the Board of Supervisors in File No. 120086, and is hereby declared to be a  
8 part of this resolution as if set forth fully herein, as a direct result of the foreclosure crises  
9 since 2008 there have been 1.2 million foreclosures in California and in San Francisco  
10 homeowners are estimated to lose \$6.9 billion in home values and an estimated \$42 million in  
11 property tax revenue; and,

12           WHEREAS, Other cities including Philadelphia and Los Angeles have passed  
13 legislation supporting transparent banking requirements and community reinvestment  
14 standards and expectations of their contracted financial institutions; and,

15           WHEREAS, The City of Cleveland's current Banking Designation and Banking  
16 Services RFP included Community Reinvestment inquiries into financial lending practices to  
17 residents and businesses including those in Low and Moderate Income (LMI) census tracts  
18 as well as minority and women owned residences and businesses; and,

19           WHEREAS, in October of 2011 Supervisor Avalos held a hearing in City Operations  
20 and Neighborhood Services Committee that highlighted the need for the City to responsibly  
21 invest in financial institutions that are responsive to San Francisco; and,

22           WHEREAS, The Office of the Treasurer-Tax Collector has been working in  
23 partnership with Supervisor Avalos' office and with community groups to include into the  
24 upcoming RFP specific questions regarding lending practices and the track record of banks in  
25 providing loans and modifications to homeowners and local businesses; now, therefore, be it

1           RESOLVED That the Board of Supervisors commends the Office of the Treasurer-Tax  
2 Collector's collaborative efforts during the drafting process for the City's Cash Management  
3 Banking Services RFP; and,

4           FURTHER RESOLVED, That the Board of Supervisors supports the Treasurer-Tax  
5 Collector plans to include during the RFP selection process a strong consideration of the  
6 empirical data collected from the community reinvestment measures on the lending practices  
7 from the submitted proposals; and,

8           FURTHER RESOLVED, That pursuant to all federal and state legal requirements that  
9 socially responsible lending language and other social accountability measures be  
10 incorporated into future contracts that are up for bid within the City and County of San  
11 Francisco.

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