

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

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

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

12 WHEREAS, A bank owned by the City and County of San Francisco would allow the
13 city to have more local control, transparency, self-determination, and allow us to move in a
14 direction to achieve sustainable community investments such as affordable housing, small
15 business development, loans to low-income households, public transit, infrastructure,
16 renewable energy; and

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

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

24 WHEREAS, The Bank of North Dakota is the one operational public bank in existence
25 in the United States, founded in 1919; and

1 WHEREAS, Public banking is actively being explored in municipalities across the
2 country, including Seattle, Oakland, Los Angeles, Santa Fe, St. Louis, Philadelphia, New York
3 City, and the states of Maryland and New Hampshire; and

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

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

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

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

20 WHEREAS, The California Public Bank Alliance is currently working to introduce a bill
21 in the state legislature creating a uniform regulatory framework for municipal and regional
22 public banks, which would allow for an option for a public banking charter, under the
23 regulatory oversight of the California Department of Business Oversight; now, therefore, be it

24 RESOLVED, That the San Francisco Board of Supervisors supports the continued
25 efforts in San Francisco to create and operationalize a municipal public bank; and, be it

1 FURTHER RESOLVED, That the San Francisco Board of Supervisors urges California
2 State legislators to enact legislation amending the Government Code to enable local agencies
3 to create public banks, to be regulated by the Department of Business Oversight as special-
4 purpose state-chartered wholesale banks; and, be it

5 FURTHER RESOLVED, That the San Francisco Board of Supervisors directs our San
6 Francisco City and County lobbyist to support these efforts in Sacramento; and, be it

7 FURTHER RESOLVED, That copies of this Resolution be sent to the following parties:
8 Governor Gavin Newsom; Senator Scott Wiener; Assemblymember David Chiu;
9 Assemblymember Phil Ting; San Francisco Mayor London Breed; San Francisco Treasurer
10 and Tax Collector Jose Cisneros; San Francisco Office of the Controller; and members of the
11 San Francisco Municipal Bank Feasibility Task Force.

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