

**Resolution of the Santa Rosa City Council in support of AB 857, Chiu/Santiago, “Public Banking”.  
Submitted for consideration by the Friends of Public Banking Santa Rosa.**

WHEREAS: Momentum is building in state, regional, and local venues across the USA for the adoption of public banks as a way to provide more adequate funding for rapidly increasing infrastructure, energy, rebuilding, and social needs (e.g. banking services for underserved communities) than what is available under conventional private-debt financing or tax-based financing; and

WHEREAS: Local and regional agencies’ deposits in large corporate banks increase the banks’ lending power which is then directed to environmentally and socially unsustainable enterprises including but not limited to the fossil fuel industry and private for-profit prisons; and

WHEREAS, A public bank would allow the city to have more local control, transparency and self-determination in order to provide sustainable community investments such as affordable housing, small business development, loans to low-income households, public transit, infrastructure, renewable energy, and

WHEREAS: The Bank of North Dakota, a public bank founded in 1919, manages the state’s financial accounts, partners with community banks and credit unions, and its continuing success confirms the viability of the public banking model when carefully structured and managed; and

WHEREAS, Public banking is actively being explored in municipalities across the country, including Seattle, Oakland, San Francisco, Los Angeles, St. Louis, Philadelphia, New York City, and the states of Maryland, Washington and New Hampshire; and

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; and

WHEREAS: The California State Assembly is now considering a bill (AB 857, Chiu/Santiago, “Public Banks”) that would create a uniform regulatory framework for municipal and regional public banks, allowing for the issuance of public banking charters to be regulated by the California Department of Business Oversight (DBO); and

WHEREAS, For the purposes of this document and as per AB 857, a public bank is defined as an independent financial institution with a state-issued bank charter owned by one or more public entities such as a city, county or regional Joint Powers Authority; and

WHEREAS, As defined by AB 857, the California DBO oversees the operation of California’s banks, and the only licenses currently available for depository banks are commercial, industrial, and credit unions; therefore be it

RESOLVED, That the Santa Rosa City Council urges California State legislators to enact AB 857, amending the Government Code to enable local agencies to create public banks, to be regulated by the DBO as special-purpose state-chartered wholesale banks; 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 to a position on any other provisions that may be included in such legislation.