

Model Resolution Expressing Interest in Participating in a Viability Study for a Central Coast Public Bank

Whereas, a recent State law (AB 857) enabling the establishment of local and regional public banks in California has been passed by both houses of the State Legislature and signed into law by our Governor; and

Whereas, none of the public agencies in the Central Coast of California are large enough by themselves to easily create a public bank, and collaboration with other agencies will achieve an economy of scale that improves feasibility and benefits the entire region, so there is now growing interest in a Central Coast Public Bank; and

Whereas, a public bank can efficiently deliver funds to local governments impacted by the COVID-19 pandemic, other disasters, and the needed economic recovery; and

Whereas, public banks can increase funding to address infrastructure needs, homelessness, affordable housing, a regenerative future, climate change, solar energy production, education, public safety, health care and other public needs, without raising taxes, cutting public services, or selling off parks, water systems, roads, public lands, or other publicly owned assets; and

Whereas, public banks can help local governments to meet the needs of low-income residents of color; and

Whereas, capitalizing a public bank can leverage a city, county, or state's existing funds to a much greater degree than could a loan fund, and furthermore, in partnership with community banks and credit unions, public banks will be best suited to address our community's specific needs; and

Whereas, loan repayments through a public bank can be returned to the community to meet post-crisis needs, rather than lost to Wall St. shareholders and executives; and

Whereas, public banks can make emergency loans to social service providers, schools, small businesses and other vital functions, guaranteed by city, county and even state governments; and

Whereas, a public bank can purchase or broker municipal bonds issued by cities and counties to pay for emergency lending and direct subsidy programs, thus funding preventive measures for resiliency in future crises; and

Whereas, public banks have many other virtues, including the ability to avoid investments in firearms, tobacco, fossil fuels, etc., because public banks are under the control of local communities and are not committed to maximizing profit for shareholders; and

Whereas, the Santa Cruz County Board of Supervisors is taking the lead on developing funding for a viability study for a Central Coast Public Bank and is seeking expressions of interest from other counties and cities in the Central Coast (and possibly including other public agencies like water, sewer, fire, school, and transit/transportation districts) in participating in such a study; and

Whereas, once the interest of various Central Coast agencies in participating in a viability study of a public bank can be determined, a financial plan to fund the viability study with equitable contributions from involved agencies can be developed to be considered by the potential participants; and

Whereas, should a study demonstrate the viability of a Central Coast Public Bank, it would be followed by discussions of issues such as a governance structure for the public bank, sources of collateral and capital, policies of a Central Coast Public Bank, etc.:

THEREFORE, BE IT RESOLVED, THAT ____ (agency name) __ HEREBY EXPRESSES ITS INITIAL INTEREST IN PARTICIPATING IN A VIABILITY STUDY FOR A CENTRAL COAST PUBLIC BANK; and

BE IT FURTHER RESOLVED, THAT OUR AGENCY WILL SEND A LETTER TO SANTA CRUZ COUNTY BOARD OF SUPERVISOR MEMBER ZACH FRIEND, (zach.friend@santacruzcounty.us) EXPRESSING OUR INITIAL INTEREST IN PARTICIPATING IN A VIABILITY STUDY FOR A CENTRAL COAST PUBLIC BANK, AND CLARIFYING WHOM SUPERVISOR FRIEND SHOULD CONTACT FOR FURTHER DISCUSSIONS OF THIS MATTER.