

1 **RESOLUTION NO.**

2 **WHEREAS**, the City seeks to utilize new technologies and innovations to
3 improve government processes and better serve Austinites; and

4 **WHEREAS**, a public bank is a bank that is owned and operated by a public
5 institution, such as a municipal government, and operated in the public interest;
6 and

7 **WHEREAS**, a national movement is occurring of state and local entities
8 creating public banks with the intent to create loans for a public purpose, re-invest
9 city revenues locally, and provide non-predatory banking services for the public;
10 and

11 **WHEREAS**, local cities, such as Philadelphia, San Francisco, and
12 Los Angeles have filed legislation to create local public banks; and

13 **WHEREAS**, federal funding is becoming more available, such as, the
14 Inflation Reduction Act of 2022 through the National Clean Investment Fund and
15 Clean Communities Investment Accelerator; and

16 **WHEREAS**, a public bank can help support the investment of City revenues
17 for local benefit in ways that are consistent with the City's values and policy goals;
18 and

19 **WHEREAS**, a public bank supports the local economy and provides fair
20 and equitable financial services to the City, businesses, and residents; and

21 **WHEREAS**, publicly owned banks, versus private banks, are legally
22 obligated to operate in the interest of the public, meaning the community as a
23 whole; and

24 **WHEREAS**, local governments pay oversized fees to private banks to
25 manage their deposits and payments, and a public bank can provide services and
26 credit “at cost,” returning any profits to the public purse to be used for local
27 development and services; and

28 **WHEREAS**, a public bank promotes economic development in the region,
29 follows transparent, ethical, sustainable, and regenerative investment practices, and
30 partners with local community banks and credit unions to strengthen existing
31 financial institutions; **NOW, THEREFORE**,

32 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

33 The City Manager is directed to create a feasibility study which includes
34 requirements, legal barriers, benefits of a public bank compared to currently
35 available banking and finance options, and potential governance models and
36 business plans for establishment of a public bank.

37 **BE IT FURTHER RESOLVED:**

38 The City Manager is directed to provide an overview of existing City
39 programs that may already accomplish the goals of a public bank.

40 **BE IT FURTHER RESOLVED:**

41 The City Manager is directed to include the following, but not limited to, in
42 the feasibility study:

- 43 • credit access for small businesses, especially those owned by or
44 employing residents in socioeconomically disadvantaged
45 neighborhoods,
- 46 • affordable, below-market, and social housing finance,
- 47 • climate change mitigation and green energy investment,

- governance and accountability,
- transformative credit programs for preserving and developing local economic growth and worker and tenant ownership, and
- developing and promoting inclusive, low cost, privacy-respecting and consumer-friendly payments services.

BE IT FURTHER RESOLVED:

The City Manager is directed to report back to Council by November 1, 2024.

ADOPTED: _____, 2024 **ATTEST:** _____

Myrna Rios
City Clerk