



DATE: September 21, 2022

TO: Council Budget and Finance Committee

FROM: Director of Finance

SUBJECT: Public Bank East Bay Update

RECOMMENDATION

That the Committee receives and provides feedback on the draft resolution of support for Public Bank East Bay, and the draft letter of support to the Alameda County Board of Supervisors and recommends approval of the draft resolution and letter to the City Council.

SUMMARY

This report presents two draft resolutions in support of the Public Bank East Bay and a draft letter of support to Alameda County Board of Supervisors. One was drafted by the Friends of the Public Bank East Bay (Attachment II) and one that was edited by City staff (Attachment III).

BACKGROUND

In September 2019, the California state legislature passed AB 857, the Public Banking Act. Public banking is a financial institution owned by public entities, such as cities and counties. Public banking is banking operated in the public interest, through institutions owned by the people through their representative governments. In November 2021, Public Bank East Bay provided the Committee with a presentation on its institution, an overview of how public banking works, and an overview of its model and next steps. In April 2022, Public Bank East Bay returned to the Committee with a presentation of the East Bay Viability Study and requested the Committee's support in moving forward with a draft resolution of support for the Public Bank East Bay, and letter of support to the Alameda County Board of Supervisors.

DISCUSSION

During the last fiscal year, Public Bank East Bay has presented the Committee with information about the services provided and requested support from the City of Hayward. A draft Resolution of Support of the Public Bank East Bay (Attachment II) was presented to the Committee in April 2022 with a request to support that the resolution and letter to be sent to the Alameda County Board of Supervisors on behalf of the City of Hayward.

The Committee expressed support for the draft resolution and letter to the Alameda County Board of Supervisors fully supporting its participation in Public Bank East Bay, but did not support the commitment of the City of Hayward to participating in Public Bank East Bay at that time.

In reviewing the draft resolution and letter of support, potential concerns were noted with specific language that may overstate the City's intentions and commitment to participating in Public Bank East Bay. Attachment III provides edits to the resolution and letter that staff recommends the Committee recommend for Council approval.

ECONOMIC IMPACT

This is an informational item and has no direct economic impact.

FISCAL IMPACT

This is an informational item and has no direct fiscal impact at this point in time.

NEXT STEPS

Upon direction from the Committee, staff will proceed with next steps based on the recommendation of the Committee.

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Reviewed by: Dustin Claussen, Director of Finance

Approved by:



Kelly McAdoo, City Manager