

RESOLUTION NO. 2010-303

Adopted by the Sacramento City Council

June 1, 2010

APPROVING A REVISION OF CITY'S INVESTMENT POLICY TO ENCOURAGE FORECLOSURE RELIEF AND COMMUNITY BANKING EFFORTS

BACKGROUND

- A. On August 18, 2009, by Resolution No. 2009-544, the City Council approved a comprehensive Investment Policy document ("Investment Policy") pursuant to which the City Treasurer will conduct investment of the City's pooled treasury funds.
- B. The high level of foreclosures that have occurred during the past three years and continue to occur within the city has caused significant harm to various residents, their families and their neighborhoods. Relief from immediate foreclosure necessarily requires the cooperation and effort by lenders, including banks and other financial entities, with loans secured by homes located in the city.
- C. There is a portion of the Sacramento population that does not have access to traditional banking services and must rely on providers of check cashing and similar services that charge an exorbitant fee for their limited services. This segment of the population is considered to be "unbanked" or "under-banked." Obtaining traditional banking services would bring this population into the financial mainstream and facilitate savings and growth in financial well-being.
- D. The City Treasurer proposes a revision to the City's Investment Policy to encourage the investment in entities that have demonstrated significant efforts in providing mortgage relief and offering free or low-cost banking services to the "unbanked" and "under-banked" in the local community. The revision is attached as Exhibit A to this Resolution.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The revision to the City's Investment Policy as set forth in Exhibit A to this Resolution is approved.

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Exhibit A_– Revision to City Investment Policy

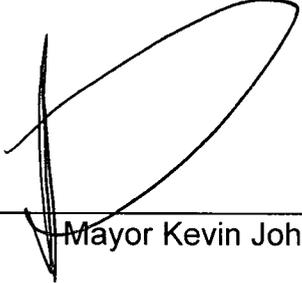
Adopted by the City of Sacramento City Council on June 1, 2010 by the following vote:

Ayes: Councilmembers Hammond, Pannell, Sheedy, Tretheway, Waters, and Mayor Johnson.

Noes: None.

Abstain: None.

Absent: Councilmembers Cohn, Fong, and McCarty.



Mayor Kevin Johnson

Attest:



Shirley Concolino, City Clerk

Revision to City's Investment Policy to add new subsection 3 to Article II, Section B of the Policy, relating to Objectives of the City's investment program, as follows:

B. Other Objectives

[...]

3. *Favored Investments*

Investments are encouraged in entities that have demonstrated significant commitment and cooperation (a) with foreclosure prevention efforts, including, without limitation, temporary moratoriums on foreclosures, renegotiation of the principle mortgage balances to reflect current values, and other good faith negotiations with homeowners in regard to delinquent mortgages, and/or (b) in offering free or low-cost banking services to low- and moderate-income residents who are part of the traditionally "unbanked" or "under-banked" population. The City Treasurer may take into consideration the level of effort an entity expends in either the foreclosure relief or community banking areas, or both, when considering competing investments. If the City Treasurer is satisfied with the record of an entity in regard to such efforts, then the Treasurer's investment staff may invest in the securities of the entity, provided that the investment is otherwise consistent with the requirements of this Investment Policy statement.