

RESOLUTION NO.

WHEREAS, investment practices and subprime lending policies by major national banks led to a global downturn in the economy and influenced a massive wave of foreclosures throughout the country, including in Austin; and

WHEREAS, foreclosures affect the stability of Austin's neighborhoods and place strain on a student's opportunity for academic success when families are forced to move throughout the school year; and

WHEREAS, it is in the interest of the City of Austin to ensure public funds are invested in financial institutions that support our local community; and

WHEREAS, the City of Austin has a long-standing tradition of supporting local businesses, which fosters sustainability of our economy; **NOW**

THEREFORE,

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

That the City Manager is directed to evaluate and report back to the City Council within 60 days regarding the following:

1. The current status of the city's depository contract, including information on renewal options and the timing for the solicitation process; and
2. Fiscal and operational impacts of terminating the current depository contract and contracting with an alternative local or regional bank, including the feasibility of a credit union; and

3. An assessment of the capacity of alternative banks, such as credit unions, to maintain and manage the city's banking needs.

BE IT FURTHER RESOLVED:

The City Manager is directed to review the city's current banking policies and make recommendations on changes to give preference to banks that support community reinvestment goals, such as the stabilization of the housing market, provision of loans to local homeowners and businesses, establishment of local branches in low-income communities, and opportunities for local employment.

ADOPTED: _____, 2012 **ATTEST:** _____
Shirley A. Gentry
City Clerk