

ORDINANCE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. This ordinance shall be known and may be cited as the “Chicago Public Banking Initiative Pilot Program”.

SECTION 2. The intent of the Chicago Public Banking Initiative Pilot Program is to ensure all City residents have equitable access to a full range of financial services. Using public-private partnerships and community co-designed models, this program will leverage government-owned assets to expand residents’ access to capital and prioritize programmatic investments that address the root causes of systematic inequities and foster racial wealth equity.

SECTION 3. For purposes of this ordinance, the following definitions shall apply:

“Certified financial institution” means a bank or credit union that provides to the public Bank On certified transactional accounts that meet the Cities for Financial Empowerment Fund’s National Account Standards.

“City” means the City of Chicago.

“Commissioner of Fleet and Facility Management” has the same meaning as in Section 2-51-030 of the Municipal Code of Chicago, or that Commissioner’s designee.

“Comptroller” has the same meaning as in Section 2-32-020 of the Municipal Code of Chicago, or the Comptroller’s designee.

“Credit union” has the same meaning as in the Illinois Credit Union Act, 205 ILCS 305/1.1.

“Financial services” means services typically provided by banks and credit unions, including, but not limited to, checking accounts, savings accounts, and money market accounts.

“Unbanked person” means an individual who resides in a community area of the City without adequate financial services through a state or federally chartered bank or credit union.

“Underbanked person” means an individual who resides in a community area of the City with limited access to financial services through a state or federally chartered bank or credit union.

SECTION 4. The Comptroller shall identify community areas of the City where the availability of financial services is low by comparing the number of financial institutions in a community area with the population to determine the locations of the greatest number of unbanked persons and underbanked persons. The Comptroller shall also identify government-owned property within those community areas in order to determine where certified financial institution branches may be located in order to serve underbanked persons and unbanked persons. After identifying community areas of the City that have high underbanked persons or unbanked persons or both, and identifying locations where certified financial institution branches could be located, the Comptroller shall solicit certified financial institutions to locate there.

SECTION 5. The Comptroller, in consultation with the Mayor’s Office, shall engage the community where the Comptroller plans to solicit a certified financial institution to locate in order to seek to understand and incorporate the experience of underbanked persons and unbanked persons and the services they most desire in a potential financial institution. At least one

community meeting shall be held in a community area where a certified financial institution branch is being considered prior to the establishment of said certified financial institution branch.

SECTION 6. Any certified financial institution that signs a lease under the Chicago Public Banking Initiative Pilot Program shall provide its customers financial services that shall include, but not be limited to, the following:

- (a) savings accounts;
- (b) checking accounts;
- (c) ATM and cash services;
- (d) lending and mortgage services;
- (e) overdraft and fee protection; and
- (f) wire transfers and remittances.

SECTION 7.

(a) The Comptroller, subject to approval of the Corporation Counsel as to form and legality, shall have the authority to enter into and execute instruments and agreements with certified financial institutions that bind the certified financial institution to the requirements of this ordinance.

(b) The Commissioner of Fleet and Facility Management, in consultation with the Comptroller and subject to approval of the Corporation Counsel as to form and legality, is authorized to:

(1) enter into intergovernmental agreements for the leasing or licensing of space in government-owned buildings, which may include terms providing for indemnification, in order to sublease or sublicense the space to a certified financial institution that meets the requirements of this ordinance and that signs an agreement with the City that binds the certified financial institution to the requirements of this ordinance; and

(2) enter into a lease, sublease, license, or sublicense agreement, which may include terms providing for indemnification, and execute related instruments and agreements with certified financial institutions that sign an agreement with the City that binds the certified financial institution to the requirements of this ordinance.

(c) A lease, sublease, license, or sublicense agreement may be signed with a certified financial institution for up to thirty-six months of service and for such amount of time as necessary to build-out the space for the certified financial institution.

(d) No leases, subleases, licenses, sublicenses, or other occupancy agreements may be entered into after June 30, 2029, under this Section 7.

SECTION 8. The Comptroller shall monitor the certified financial institutions participating in the Chicago Public Banking Initiative Pilot Program to make sure that they are providing the financial services required by Section 6 of this ordinance and by the terms of any agreement entered into with the City. The Comptroller may require such certified financial institutions report back to the Comptroller regarding the metrics set out in their agreement with the City.

SECTION 9. To the extent that any ordinance, resolution, rule, order, or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause, or provision of

this ordinance shall be held invalid, the invalidity of such section, paragraph, clause, or provision shall not affect any of the other provisions of this ordinance.

SECTION 10. Nothing in this ordinance shall be construed as permitting the regulation of banking to the extent that such regulation is not permitted under the statutory or home rule authority of the City.

SECTION 11. This ordinance shall be in full force and effect following due passage and approval.