

RESOLUTION NO. 070803

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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RESOLUTION IN SUPPORT OF ASSEMBLY BILL 2337 (AMMIANO), PUBLIC  
RETIREMENT SYSTEM: PREDATORY INVESTMENT PRACTICES

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**RESOLVED**, by the Board of Supervisors of the County of San Mateo, State of California, that

**WHEREAS**, the California Pension Protection Act of 1992 provides that the Legislature may by statute prohibit retirement board investments if it is in the public interest to do so and provides that the prohibition satisfies the standards of fiduciary care; and

**WHEREAS**, CalPERS and CalSTRS, two of the state's largest pension funds, have lost over \$600 million from the retirement funds by investing in businesses involved in predatory equity, including in a cluster of 1,800 rental houses and apartments in East Palo Alto; and

**WHEREAS**, predatory equity is a particularly bad form of real estate investment in which investors pay more for rent-regulated housing than can be justified by the actual rental income at the time of purchase, as part of a plan to force rent-regulated tenants out of their homes and replace them with higher-rent tenants or purchasers; and

**WHEREAS**, Assembly Bill 2337, the Socially Responsible Investment Act, would require all public pension systems adopt a policy to prevent any investments in

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companies engaged in predatory business practices that rely or result in the displacement of residents in affordable housing; and

**WHEREAS**, Assembly Bill 2337 would require that retirement systems report to their respective boards on the existing private equity investments that involve companies engaged in predatory investment practices, on the impact these investments are having on tenants and to recommend a strategy to address and mitigate these impacts and that these reports be provided annually to the Legislature starting in 2012.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board of Supervisors by the adoption of this resolution hereby supports Assembly Bill 2337 (Ammiano) regarding public retirement system, predatory investment practices.

\* \* \* \* \*

Regularly passed and adopted this 8<sup>th</sup> day of June, 2010.

AYES and in favor of said resolution:

Supervisors:

MARK CHURCH

CAROLE GROOM

RICHARD S. GORDON

ROSE JACOBS GIBSON

ADRIENNE J. TISSIER

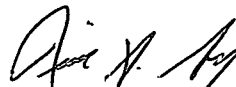
NOES and against said resolution:

Supervisors:

NONE

Absent Supervisors:

NONE



President, Board of Supervisors  
County of San Mateo  
State of California

Certificate of Delivery

I certify that a copy of the original resolution filed in the Office of the Clerk of the Board of Supervisors of San Mateo County has been delivered to the President of the Board of Supervisors.



Marie L. Peterson, Deputy  
Clerk of the Board of Supervisors

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