

RESOLUTION **RULES, ELECTIONS & INTERGOVERNMENTAL RELATIONS**

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must first have been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, the rapid worsening of climate impacts continue to grow in Los Angeles and the State of California, including extreme heat, extreme storms and floods, extreme wildfires, and a deepening megadrought; and

WHEREAS, the City has prioritized actions to reduce greenhouse gas emissions to the furthest extent possible, as soon as possible; and

WHEREAS, financial divestment from problematic countries or companies has proven to be an effective advocacy tool to achieve climate related goals; and

WHEREAS, the climate mitigation-related fossil fuel divestment movement has already achieved nearly \$40 trillion in commitments to full or partial divestment from coal, gas, and oil stocks, including enormous pension funds serving both New York City and State employees endowments, portfolios, and pension funds; and

WHEREAS, the California State pension funds, CalPERS and CalSTRS, are the largest public pension funds in the country and have over \$9 billion invested in fossil fuel production; and

WHEREAS, the CA Constitution grants the retirement board of a public employee retirement system plenary authority and fiduciary responsibility for investment of moneys and administration of the retirement fund, and qualify this grant of powers by reserving to the Legislature the authority to prohibit investments if it is in the public interest and the prohibition satisfies standards of fiduciary care and loyalty requirements; and

WHEREAS, existing law prohibits the boards of the CA Public Employees' Retirement System and the State Teachers' Retirement System from making new or renewing existing investments in a thermal coal company; and

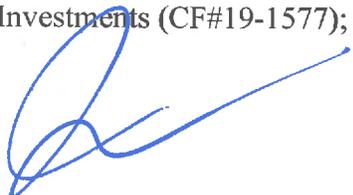
WHEREAS, investment in any fossil fuel companies, the business practices of which threaten stability of life on Earth, is short-sighted, fiscally irresponsible, and dangerous to humanity in both the short-term and long-term; and

WHEREAS, currently, the trend of fossil fuel investment returns is falling while clean energy returns are rising; and

WHEREAS, State Senators Gonzalez and Wiener have introduced State Bill 1173 which will require the State pension funds, CalPERS and CalSTRS, to fully divest from fossil fuel holdings; and

WHEREAS, the City has been examining its own relationship to the fossil fuel industry, including declaring local oil drilling a non-conforming land use and closely examining the LA City Employees Retirement System Investments (CF#19-1577); and

MAR 01 2022



WHEREAS, Mayor Garcetti signed the C40 Cities pledge to “take all possible steps to divest city assets from fossil fuel companies...call on city pension funds to do the same and increase financial investments in climate solutions to help promote decent jobs and a just and green economy;” and

WHEREAS, given the dangers of climate breakdown, it is in the best long-term interest of the City of Los Angeles to support the dismantling of the fossil fuel system, both physically and financially.

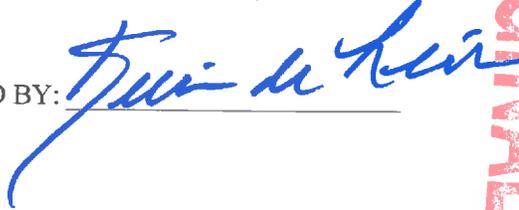
NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2021-2022 State Legislative Program SUPPORT for SB 1173 (Gonzalez/Wiener), which will require the CalPERS and CalSTRS public pension funds to divest from all fossil fuel holdings and prohibit any new investments or renewal of existing investments.

PRESENTED BY: _____


PAUL KORETZ

Councilmember, 5th District

SECONDED BY: _____



ORIGINAL