



Legislation Text

File #: Res 31578, **Version:** 3

CITY OF SEATTLE **RESOLUTION _____**

A RESOLUTION reaffirming the City of Seattle's support of Somali communities to continue remittances to Somalia and the Horn of Africa.

WHEREAS, Merchants Bank of California closed down the accounts of all Somali-American Money Transfer Operators (MTOs) on February 6, 2015 due to federal government action and this has devastating consequences for the tens of thousands of Somalis in our country; and,

WHEREAS, Somalia's dependence on remittances is exacerbated by the lack of a credible functioning commercial banking system, and the existing Central Bank of Somalia has limited relationships with foreign banks and other commercial banking services; and,

WHEREAS, over the past few years, MTOs have found it increasingly difficult to comply with Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) regulations; and,

WHEREAS, every year Somalia receives approximately \$1.3 billion in remittances and more than 730,000 people in Somalia are dependent on financial assistance for survival. Funding from remittances accounts for basic needs including food, water, shelter and education. One in every five children in Somalia dies before their fifth birthday, and only 30 percent of the population has access to clean drinking water; and,

WHEREAS, remittances are crucial in the empowerment of women entrepreneurship in Somalia, as many banks will not provide loans to women entrepreneurs who have no savings of their own because they are considered riskier loan recipients than men; and,

WHEREAS, the closing of authorized money remittance companies due to federal action contributes to the increase and proliferation of illicit dealers; and,

WHEREAS, banning money transmittals may swell rates of unemployment, poverty and other socioeconomic challenges in Somalia that make youth vulnerable to street gangs and push families apart; and,

WHEREAS, remittances sent from overseas help pay tuition for a majority of youth who are currently going to colleges and universities; and,

WHEREAS, Seattle has one of the biggest Somali communities in the United States and thousands more are estimated to be in King County; and,

WHEREAS, the vast majority of our Somali residents are law abiding community members, many of whom were refugees, and our new residents need effective systems that will support them in staying connected to their loved ones back home; and,

WHEREAS, Somalis are critical to Seattle's economic vitality because they purchase goods and services and run small businesses, which in turn create jobs and generate revenue for the region; and,

WHEREAS, the City of Seattle recognizes that over the past few years the U.S. government has taken small and crucial steps to help Somalia gain financial stability, including collaboration with the Central Bank of Somalia to help it improve its public financial management system and the passage of the Money Remittances Improvement Act. NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR CONCURRING, THAT:

Section 1. The City of Seattle reaffirms its support of our Somali community in their desire to support their loved ones in the Horn of Africa. Furthermore, the City of Seattle strongly urges concerned parties to find an amicable solution that facilitates the normal flow of remittances without compromising the safety and security of the United States.

Section 2. The City Council and Mayor request that staff from the Seattle Office of Immigrant and Refugee Affairs, Office of Intergovernmental Relations, City Attorney's Office, and Finance Department work with community based Somali organizations to review options for the State, City or local banks to continue servicing remittances. The City Council and Mayor request that these parties consider, among other things, how best an advocacy strategy can be established to influence state and federal officials for the relief sought in this resolution.

Section 3. As the City of Seattle demonstrates its support for Somali communities to continue remittance to Somalia and the Horn of Africa, the City of Seattle also supports the facilitation of stronger

relationships between our Somali residents and local lending institutions and credit unions in order to achieve access to capital and credit. The City of Seattle believes such efforts can be major factors in assisting the Somali community.

Adopted by the City Council the ____ day of _____, 2015, and signed by me in open session in authentication of its adoption this _____ day of _____, 2015.

President _____ of the City Council

The Mayor concurred the ____ day of _____, 2015.

Edward B. Murray, Mayor

Filed by me this ____ day of _____, 2015.

Monica Martinez Simmons, City Clerk

(Seal)