

# California Public Banking Alliance

## Information for Prospective Member Organizations



### OUR MISSION

The mission of the California Public Banking Alliance (CPBA) is to promote and facilitate the establishment of socially and environmentally responsible public banking institutions throughout California. These banks will operate with a focus on supporting local economic development and fostering partnerships with community banks and credit unions to provide financial services to all members of their communities, particularly those who are underserved.



# ABOUT CPBA

THE CALIFORNIA PUBLIC BANKING ALLIANCE IS A COALITION OF VOLUNTEER PUBLIC BANKING ACTIVISTS IN CALIFORNIA.

The California Public Banking Alliance (CPBA) is a coalition of public banking advocates working to establish socially and environmentally responsible public banks in California. In 2019, CPBA members from various regions in California were successful in passing AB 857, the California Public Banking Act, which made California the first state in the country to formally allow the creation of municipal public banks.

Since the passage of the California Public Banking Act, several local governments have passed legislation to establish public banks in their areas, including San Francisco, Los Angeles, Oakland, Berkeley, Richmond, and the Central Coast. The CPBA is dedicated to creating a new alternative banking system through locally-controlled, socially and environmentally responsible public banks. This will allow cities and counties to reclaim public dollars and have more control over the financing of their communities.

In addition to supporting the development of public banks, the CPBA is also working to provide financial services to nearly 10 million unbanked or underbanked Californians. In October 2021, Governor Newsom signed the Public Banking Option Act (AB 1177 or CalAccount) into law. This legislation enables the offering of fee-free and penalty-free debit cards to all Californians, providing access to basic financial services such as check cashing, deposits, and bill paying. This will help to improve financial inclusion and address the challenges faced by those who lack access to traditional banking services.



# ONBOARDING NEW MEMBERS

Thank you for expressing interest in becoming a member of the California Public Banking Alliance. We have a few simple requirements for new member organizations:

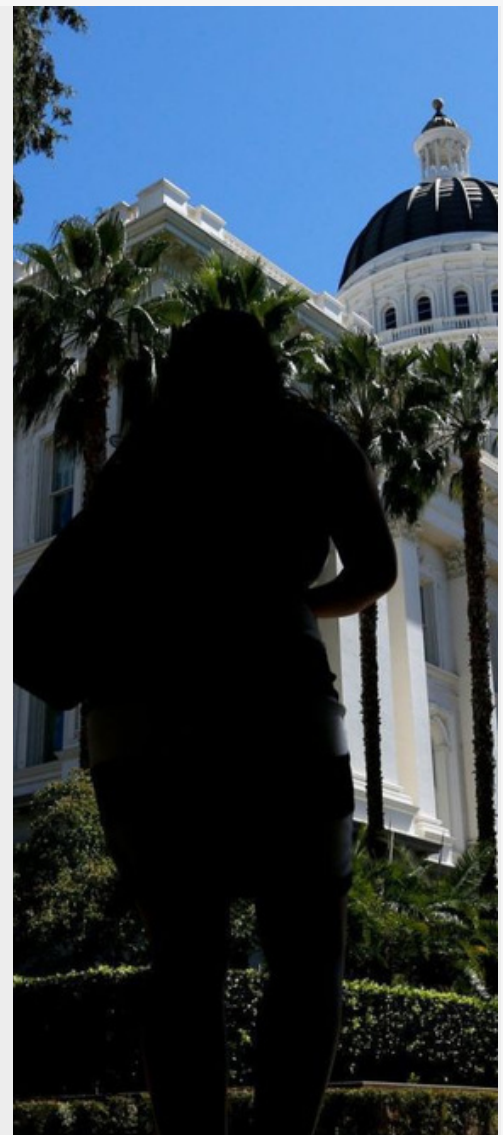
1. The organization must have a core group of active members.
2. The organization must have an online presence (website, social media).
3. The organization must agree to adhere to our Code of Conduct, mission statement, and governance policy.
4. Regional representatives are expected to actively participate in our monthly statewide Zoom meetings on the third or fourth Monday of each month. While not mandatory, regular attendance is strongly encouraged.

## PUBLIC BANKING LAW

Passed in 2019, the California Public Banking Act (AB 857), allows cities and counties to establish their own public banks. The California Public Banking Alliance played a key role in the conception and passage of this law.

To establish a public bank, municipalities must follow these three key steps:

1. Conduct a study to assess the viability and develop a business plan for the proposed public bank
2. Obtain approval for the business plan and governance proposal from the local government agency. For counties and non-charter cities, voter approval is also required
3. Obtain approval from state and federal regulators, including the DFPI and the FDIC, for the application

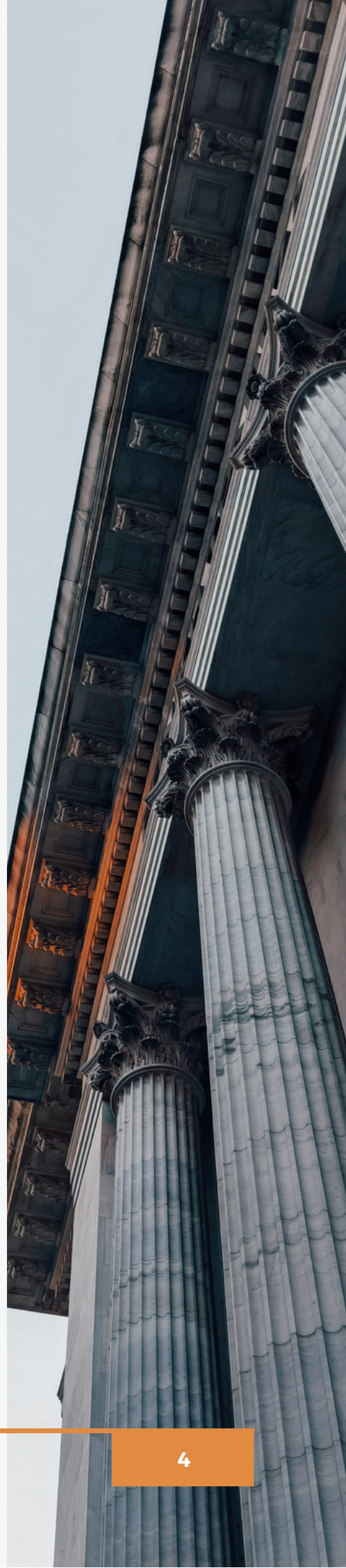


# PUBLIC BANKS ARE CRITICAL FINANCIAL INFRASTRUCTURE

A public bank is a financial institution owned and operated by a government entity such as a city or county, with a non-profit public purpose and governed by a mandate to serve the community. Unlike private commercial banks, the profits and interest of a public bank are returned to the community it serves.

## **BENEFITS OF A PUBLIC BANK:**

- Keeps public funds invested locally
- Returns profits and interest to the community
- Reduces banking costs for participating agencies, freeing up revenue for other priorities
- Reflects community values and prioritizes community-identified investments
- Increases transparency and democracy in banking and investment of public funds
- Leverages the bank's resources to benefit the public instead of private shareholders
- Significantly cuts infrastructure construction costs through low-interest loans
- Strengthens local banks and credit unions by supporting their loans and credit
- Creates a long-term source of capital to benefit residents and local businesses



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# CALIFORNIA PUBLIC BANKING ALLIANCE

IMPLEMENTING SOCIALLY AND ENVIRONMENTALLY RESPONSIBLE POLICIES AND PRACTICES IN CITY AND REGIONAL PUBLIC BANKS IN THE FOLLOWING AREAS:

CENTRAL COAST — PEOPLE FOR PUBLIC BANKING CENTRAL COAST

EAST BAY — PUBLIC BANK EAST BAY

LONG BEACH — PUBLIC BANK LONG BEACH

LOS ANGELES — PUBLIC BANK LOS ANGELES

NORTH COAST — NORTH COAST PROGRESSIVE ALLIANCE

POMONA VALLEY — PUBLIC BANK POMONA VALLEY

SACRAMENTO — PUBLIC BANK SACRAMENTO

SAN DIEGO — PUBLIC BANK SAN DIEGO

SAN FRANCISCO — SF PUBLIC BANK COALITION

SILICON VALLEY — PUBLIC BANK SILICON VALLEY