
CALIFORNIA PUBLIC BANKING ALLIANCE: INFORMATION FOR PERSPECTIVE NEW MEMBER ORGANIZATIONS



California Public Banking Alliance

We are a coalition of public banking activists working to create socially and environmentally responsible city and regional public banks.

Publicly
owned,
local,
ethical
banking.

OUR MISSION

To encourage and support the development of socially and environmentally responsible city, county, and regional public banks in California.

Each of these public banks will support the economic development of its region and follow transparent, ethical, sustainable, and regenerative investment guidelines; strengthen existing financial institutions through its partnership with local community banks and credit unions; and serve the needs of its entire community by ensuring the meaningful involvement of their underserved members.



ABOUT CPBA

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

Public banking serves as a powerful tool to keep taxpayer dollars in local communities. Cities and counties hold billions of dollars of public money in Wall Street banks. Legally, these corporate banks own and control this money which they use to finance harmful industries including: private prisons, immigrant detention centers, weapons manufacturers, fossil fuel pipelines, and other investments that prioritize corporate profit over the people and the planet. These too-big-to-fail banks are also engaged in risky and fraudulent practices similar to or worse than those that crashed the global economy in 2008.

The California Public Banking Alliance (CPBA) is a coalition of public banking activists in California founded in 2018 to create socially and environmentally responsible city and regional public banks. Public banking activists in Los Angeles, San Francisco, the East Bay, the South Bay, Santa Rosa, Santa Barbara, Humboldt-Eureka, the Central Coast, Pomona, and San Diego worked together to write and pass [AB 857](#), the California Public Banking Act, in 2019. This legislation made California the first state in the nation to authorize the chartering of municipal public banks.

We have the opportunity now to build a new alternative banking system through locally-controlled socially and environmentally responsible public banks, enabling cities and counties to recapture public dollars and have a say over the financing of our own communities.

CPBA is working to bring banking services to the 25% of California's population that is unbanked or underbanked. [AB 1177](#) the Public Banking Option Act (CalAccount) was signed into law by Governor Newsom in October 2021, and will begin the process of offering fee-free and penalty-free debit cards to all Californians, which will provide basic financial services such as check cashing, deposits and bill paying.

CPBA is also involved with federal legislation to support public banking. The Public Banking Act, a 2021 bill co-sponsored by Congresswomen Alexandria Ocasio-Cortez (D-NY) and Rashida Tlaib (D-MI) would make it easier for states and local governments to form public banks.

ONBOARDING NEW MEMBERS

Thank you for your interest in joining the California Public Banking Alliance. Our requirements are straightforward; any new city, county, or regional group must:

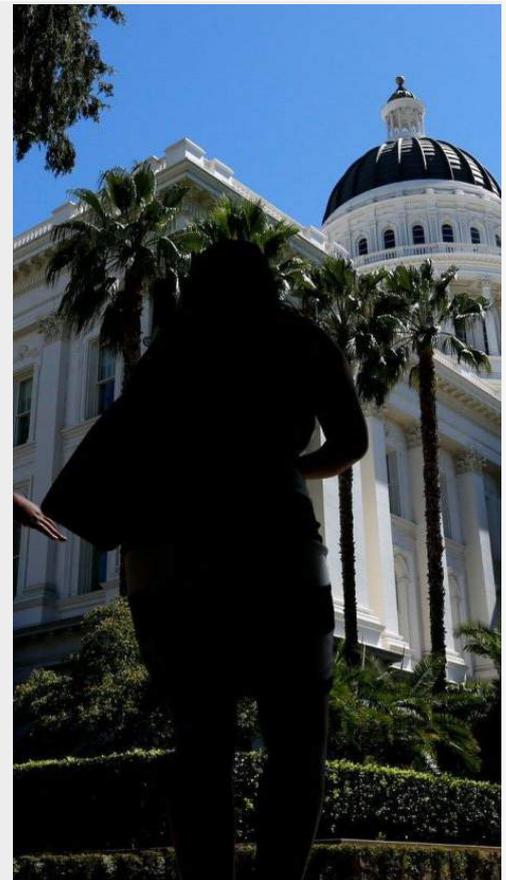
- 1) be well-enough established to have several active members,
- 2) have a public presence online (website, Twitter, Facebook page, etc.),
- 3) agree to sign on to our [Mission Statement and our Governance Policy](#), and
- 4) attend the CPBA statewide monthly calls; usually the third Monday of each month.

PUBLIC BANKING LAW

Passed in 2019, AB 857, the California Public Banking Act, is the law that permits cities and counties to form their own banks. AB 857 was conceived of and led by the California Public Banking Alliance.

The 3 key elements for municipalities seeking to establish public banks are:

1. A local agency must conduct a study to assess viability and develop a business plan for the proposed public bank.
2. The business plan and governance proposal requires approval from the local government agency. Counties and non-charter cities require voter approval.
3. Approval of an application from the California Department of Financial Protection and Innovation (DFPI).



PUBLIC BANKS ARE CRITICAL FINANCIAL INFRASTRUCTURE

A public bank is a bank owned by a government entity (“local agency”), like a city or county, with a non-profit public purpose and governed by public mandate. Unlike private commercial banks, the interest and profits of a public bank belong to the community.

BENEFITS OF A PUBLIC BANK:

- Keeps public money invested locally.
- Returns profit and interest to local communities.
- Reduces cost of banking to participating agencies, which increases available revenue to spend on other priorities.
- Reflects community values and invests in community-identified priorities.
- Brings democracy and transparency to banking and investment of public funds.
- Uses a bank's ability to leverage money to benefit the public instead of private shareholders.
- Cuts infrastructure construction costs significantly by providing low-interest loans.
- Strengthens local banks and credit unions by backing their loans and letters of credit.
- Creates a multi-generational source of capital that invests long term to benefit residents and local businesses.



CALIFORNIA PUBLIC BANKING ALLIANCE

ADVANCING SOCIALLY AND ENVIRONMENTALLY RESPONSIBLE CITY AND REGIONAL PUBLIC BANKS IN:

CENTRAL COAST – PEOPLE FOR PUBLIC BANKING
CENTRAL COAST

EAST BAY – PUBLIC BANK EAST BAY

HUMBOLDT COUNTY – COOPERATION HUMBOLDT

LONG BEACH – PUBLIC BANK LONG BEACH

LOS ANGELES – PUBLIC BANK LOS ANGELES

NORTH COAST – PUBLIC BANK NORTH COAST

POMONA VALLEY – PUBLIC BANK POMONA VALLEY

SAN DIEGO – PUBLIC BANK SAN DIEGO

SAN FRANCISCO – SF PUBLIC BANK COALITION

SILICON VALLEY – PUBLIC BANK SILICON VALLEY