

1 [Supporting California State Assembly Bill No. 1177 (Santiago) - The Public Banking Option  
2 Act]

3 **Resolution supporting California State Assembly Bill No. 1177, authored by Assembly**  
4 **Member Miguel Santiago, the California Public Banking Option, to expand access to**  
5 **banking services for unbanked and underbanked Californians by providing a zero-fee,**  
6 **zero-penalty public option for essential financial services.**

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8 WHEREAS, Removing key barriers to financial stability is a touchstone of an equitable  
9 economic recovery for the low-wage workers and workers of color who have been especially  
10 hard hit by the pandemic and historically excluded from financial services and face greater  
11 rates of financial insecurity; and

12 WHEREAS, Nearly 1 in 4 Californians are unbanked, meaning they lack a bank  
13 account altogether, or are underbanked, meaning they have a bank account but still largely  
14 rely on alternative financial services, such as payday lenders, prepaid debit cards, and pawn  
15 shops; and

16 WHEREAS, Unbanked or underbanked households pay proportionally more for their  
17 financial services, lack savings accounts, have fewer opportunities to build credit, and face  
18 increased rates of loan rejection; and

19 WHEREAS, Limited access to financial services is a problem that disproportionately  
20 impacts low-income communities and communities of color, with nearly half of Black and  
21 Latino California households unbanked or underbanked, and workers who make just under  
22 \$15 an hour make up 80.7 percent of the unbanked in our state; and

23 WHEREAS, Not only have low-income communities and communities of color suffered  
24 greater rates of infection and fatalities from COVID-19, but they also face disproportionately  
25 greater challenges to recover financially; and

1           WHEREAS, Providing banking services to the unbanked and underbanked is too  
2 expensive for community banks, credit unions, and CDFIs to do comprehensively; and

3           WHEREAS, AB 1177 (Santiago, Carrillo, Chiu, Garcia, Gipson, Gonzalez, Kalra, Lee,  
4 Ting, Wicks; Co-authors: Assembly Members Bonta, Friedman, Jones-Sawyer, L Rivas,  
5 Senators Durazo, Gonzalez, Hueso and Wiener) is pending in the state legislature and would  
6 help close the financial services divide, bolster the economy and ensure an equitable recovery  
7 by creating a stable, accessible financial services platform with the BankCal program; and

8           WHEREAS, BankCal builds on the success of California’s other financial programs,  
9 CalSavers and CalKids, and would allow all Californians, no matter how much money they  
10 make or where they live, to create a BankCal account, use a BankCal debit card, access a  
11 vast network of ATMS, deposit funds, automate bill pay, and set up direct deposit with no fees  
12 and penalties; and

13           WHEREAS, AB 1177 reduces Californians’ risk of falling into catastrophic debt traps  
14 and brings us closer to bridging the racial wealth gap; and

15           WHEREAS, AB 1177 is sponsored by Service Employees International Union (SEIU)  
16 California, which represents more than 700,000 workers who work to make our state, cities,  
17 and counties safe and healthy places to live and raise our families and who nurse our sick,  
18 educate our children, clean our schools, and care for our seniors and developmentally  
19 disabled; and

20           WHEREAS, AB 1177 is sponsored by the California Public Banking Alliance and the  
21 California Reinvestment Coalition, two organizations that advocate for public banking and  
22 community reinvestment; now, therefore, be it

23           RESOLVED, That the City and County of San Francisco supports California State  
24 Assembly Bill 1177 and urges the Assembly and Senate to pass the bill; and, be it

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1            FURTHER RESOLVED, That the Board of Supervisors hereby directs the Clerk of the  
2 Board to send a copy of this Resolution to the California State Assembly and the California  
3 State Senate.

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