



# FRESNO PUBLIC BANKING

Banking for People and Planet | Presentation for Fresno City Council - September 25, 2025





# The Case for Change

## Big Banks Drain Public Resources

Cities send millions yearly to commercial banks in fees and interest, money that could be used for housing, infrastructure, and public services.

## A Financial System That Excludes

Too many low-income and communities of color lack access to affordable credit and investment, deepening inequality.

## Investing Against Our Values

Fresno's public funds sit in big banks that often finance industries causing economic harm.

## Limited Control, High Costs

Big banks put profit first, costing the city more and limiting its ability to invest in what Fresno communities need.

# What's a Public Bank? The Solution.



## A Financial Institution Owned by the People

A public bank is a non-profit institution owned by local governments, and **exists to serve the public, not private shareholders** like schools and fire departments.

Public banks are wholesale banks, not retail facing. No brick and mortar, ATMs



## What Public Banks Do

- **Deposits** – From cities and public agencies (not individuals)
- **Lending** – Direct loans, expand local lending
- **Investment** – Fund housing, green projects, small business

Earnings are reinvested into community projects and **returning profits to the city**.



## Community Partnership with Fresno's Local Lenders

Public banks team up with local lenders: **community banks, credit unions, and CDFIs** to bring capital to cities like Fresno where poverty rates are high.

Public banks are designed to put community needs first, reinvesting public dollars into public good, not private profit.

# LEARNING FROM THE STATE-OWNED BANK OF NORTH DAKOTA



## Public Banking Works

The Bank of North Dakota (BND), America's 100-year-old public bank, supports small businesses, weathers financial crises.

- **BND has an 18% return on investment, returns** hundreds of millions in profit to the general fund annually.
- Provides loans for homes, students, agriculture, and infrastructure.
- Partners with community banks for over half its loans.

### Global Context

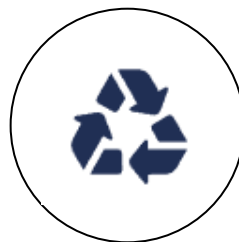
- 40%+ of banks worldwide are publicly owned (\$55T in assets).

# Built for Public Benefit



## Unlocks Public Financing Power—\$1 Becomes \$10

A public bank **leverages city funds with a 10x multiplier**. \$1M can generate up to \$10M in community lending.



## Fiscally Responsible

Recycling public dollars helps cities meet urgent needs **without raising taxes, cutting borrowing costs by nearly 50% and doubling investment power**.

Tax-exempt and low-cost, public banks stretch public dollars further.



## Independent Governance & Separate Legal Entity

A public bank is set up as a **separate nonprofit legal entity**. Its debts and obligations belong to the bank itself, not the city.

Mobilizing public revenue to serve the public good.



# Turn City Revenue into Community Investment

City Hall puts public funds into a public bank, which lends them for local needs like housing.

Cities can use existing funds to start a public bank, which begins small and grows by reinvesting its earnings.

**As loans are repaid, the money is recycled**, keeping public dollars working for the community.

## HOW A LOCAL PUBLIC BANK REINVESTS IN THE COMMUNITY



# Funding and Governance

- **Capitalizing the Public Bank**

Cities can use existing funds to start a public bank, which **begins small and grows** by reinvesting its earnings.

- **Managing Risk & Safeguards**

Feasibility study will define risks and safeguards before moving forward.

- **Strong Oversight**

A public bank is overseen by an **independent board** and regulated to ensure transparency, safety, and stability.

- **Builds Public Financial Infrastructure**

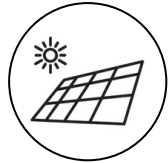
With federal funding uncertain, it gives cities a reliable, long-term way to **fund local needs grounded in public control**, not politics.

# Benefits of a Public Bank for Fresno



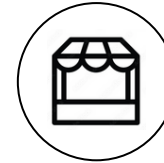
## Financing for Affordable Housing

The public bank provides low-interest loans and helps **simplify a process that often requires 12 or more funding sources**, making it easier and faster to build affordable housing.



## Investing in a Sustainable Economy

The bank can fund energy, electrification, and **infrastructure projects** without relying on private lenders.



## Expanding Access for Small Businesses

By working with local lenders, a public bank can reach **small businesses** that big banks ignore.



## Disaster Response

A public bank gives Fresno the power to **quickly fund disaster relief and climate-ready infrastructure**, when federal help fall short.

A public bank helps Fresno cut costs, move money faster, and fund housing, infrastructure, and small businesses.



# California Public Banking Act

California passed the nation's first law letting cities create public banks in 2019. State regulations were finalized in 2022.

California public banks will be created for the purposes of: (1) cost savings, (2) strengthening local economies, (3) supporting community economic development, (4) addressing infrastructure and housing needs for localities.

**Regulatory Approval.** To open a public bank, cities must apply for a license from state and federal regulators: DFPI and FDIC.

**Feasibility Study.** Roadmap outlining costs, needs, ROI, lending, and financial models to show how a public bank could be economically viable and beneficial for Fresno.

**Public Transportation  
Public Hospitals  
Public Libraries  
Public Schools  
Public Airports  
Public Utilities  
Public Parks**

**Why not Public Banks?  
We need Public Banks because  
many large banks overlook  
local community needs.**

**Public Parks  
Public Utilities  
Public Airports  
Public Schools  
Public Libraries  
Public Hospitals  
Public Transportation  
PUBLIC BANKS**



# Fresno Community Support

The Academy of Financial Education

Central Valley Urban Institute

Central Valley Immigrant Integration  
Collaborative (CVIIC)

Education & Leadership Foundation (ELF)







# Q&A

California Public Banking Alliance | [capublicbanking.org](https://capublicbanking.org)