FILE NO. 260535

LEGISLATIVE DIGEST

[Charter Amendment - Municipal Finance Corporation and Public Bank]

Describing and setting forth a proposal to the voters at an election to be held on November 3, 2026, to amend the Charter of the City and County of San Francisco to authorize the establishment of a Municipal Finance Corporation and Public Bank as nonprofit corporations, and to set forth the mission, principles, and governance structure of those corporations.

Existing Law

Existing law does not provide for the establishment of a municipal finance corporation or a public bank.

Amendments to Current Law

The proposed measure would authorize the establishment of a Municipal Finance Corporation (MFC) and a Public Bank as non-profit corporations, subject to the availability of adequate funding and resources. It would also set forth the mission, principles and governance structures of those organizations, including authorizing the creation of an MFC Oversight Commission, Bank Oversight Commission, MFC Board of Directors and Bank Board of Directors.

Background Information

In 2019, the California Legislature approved AB 857, the California Public Banking Act, which authorizes the creation of local public banks. In 2021, the San Francisco Board of Supervisors passed an ordinance establishing the Reinvestment Working Group ("RWG"). In 2023, the RWG prepared a Final Governance Plan, Business Plan, and Viability Study for a San Francisco Municipal Financial Corporation and a San Francisco Public Bank, which was accepted by the Board of Supervisors. In 2025, the Board of Supervisors passed a resolution urging the Treasurer-Tax Collector to establish the MFC.

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