



# MEL KING COMMUNITY FELLOWSHIP

LEADERS IN NY GOVERNMENT REPORT

# TABLE OF CONTENTS

	LETTER FROM COLAB'S EXECUTIVE DIRECTOR	3
01	EXECUTIVE SUMMARY AND RECOMMENDATIONS	5
02	COLAB: WHO WE ARE AND WHAT IS THE MEL KING COMMUNITY FELLOWSHIP	8
03	OVERVIEW OF 2017-18 PROGRAM	11
04	POLICY RECOMMENDATIONS	14
	Industrial Land (Advanced) Manufacturing	15
	Housing and Land	17
	Public and Civic Procurement	19
	Energy and Utilities	21
	Health and Well-Being	23
	Education	25
	Economic Development and Planning	26
05	CONCLUSION: ECONOMIC DEMOCRACY AND FREEDOM	29

# LETTER FROM COLAB'S EXECUTIVE DIRECTOR

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Dear Fellows,

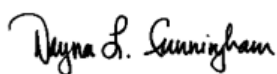
This Report synthesizes findings and recommendations from your shared learning experience about economic democracy during the Mel King Community Fellowship: Leaders in NY Government Program. Specifically, it summarizes the critical insights gained from the fellowship and its capstone event, the Joint New York City-State Hearing on Economic Democracy in November 2018. It also outlines recommendations and proposals that the Fellows developed during the program, as well as additional recommendations from CoLab staff and students given additional reflection on the current pandemic moment and its effects on African American and Latinx people in New York.

Overall, the recommendations focus on implementing shared ownership and economic democracy frameworks for creating a New York economy that works for communities of color. The events of 2020 have drawn attention to the need for a recovery and reconstruction agenda that addresses racism as a public health emergency and lays a foundation for an equitable next-generation, shared wealth economy built from the ground up. As the incoming Biden/Harris Administration has made COVID recovery and economic revitalization a key focus, lessons and recommendations from progressive BIPOC government leaders can help make the case for centering racial justice. This report focuses on health & wellness and economic development. For example, in order to address health disparities faced by Black and brown communities across the city and state, the Report recommends expansion of a statewide cross-sectoral “healthy buildings” program that addresses housing-related determinants of health and energy efficiency in multifamily buildings. In order to ensure that jobs and revenue generated through this program remain in communities of color, the Report proposes incorporating local workforce development and local MWBE and high-road construction contracting into the program.

Addressing the statewide need for equitable economic recovery post-COVID-19, the Report recommends creation of \$100 million reconstruction loan corporations at both the state and city levels to capitalize local small businesses and worker cooperatives owned by people of color. These loan corporations would be financed by pension funds, and by banks that lent inequitably under the Trump Administration’s Payroll Protection Program. Such an approach will fill a critical gap in existing COVID relief loan and grant programs. Additionally, the Report proposes, as part of an effort to better define and serve the cooperative sector, establishment of a year-long commission to report to the legislature on steps to update and revitalize New York State’s cooperative statute (including but not limited to worker cooperatives). It also recommends support for commercial community land trusts to prevent local business displacement. At the City level, the Mayor’s November, 2020 launch of Employee Ownership NYC, providing resources for workers seeking to buy businesses from retiring owners, is a step in the right direction.

It was an honor to work with you and to learn from you. We look forward to hearing how this Report will aid your work going forward.

All the best,



**Dayna Cunningham**

Executive Director | **MIT Community Innovators Lab (CoLab)**



# 01

## EXECUTIVE SUMMARY



2017-2018 Mel King Fellow Class Collaborate in Mondragón Photo by: MIT CoLab

This Report summarizes the activities and recommendations of the Mel King Community Fellows (MKCF): Leaders in NY Government Program. The fellows were legislators of color representing over 1.7 million New Yorkers in the Bronx and Brooklyn. The Fellowship began with a learning journey to the Mondragón Cooperatives in the Basque region of Spain, and culminated in a joint New York City and New York State hearing on economic democracy and building an economy that works for people of color.

### The goals of this report are to:

- Summarize the critical insights gained from the fellowship and its joint city-state hearing on economic democracy in November 2018.
- Summarize recommendations and proposals that the Fellows developed during the program, as well as outline some additional recommendations from CoLab given the impacts of the current global pandemic on Black and Latinx people in New York.

**While elected officials work to meet the emergency needs in their communities caused by the COVID-19 pandemic and police violence, the clear lesson of this moment is that Black and Latinx communities and Black and Latinx leaders must do more than react to crisis. They must propose bold solutions that not only lead to a just recovery from COVID-19, but actually create the possibility of transforming the systems that produce poor health, poverty, and violence that disproportionately and egregiously harms Black, Latinx, poor, working class, and other communities of color.**

Our recommendations cut across multiple areas, but share a common approach: initiating or expanding initiatives that build shared wealth and ownership, embedding principles of economic democracy into existing systems, institutions, and agencies. These approaches seek to build or redefine government and community partnerships so as to tackle large-scale challenges of intergenerational poverty in New York's Black and Latinx communities.

The events of 2020, from the pandemic to popular uprisings for racial justice and reconstruction, under-

score the urgent need for structural reforms to build a society in which not only do Black and Latinx lives matter, but Black and Latinx people exercise political and economic power and self-determination. As New York makes its way towards a better economy and a better future for people of color, it is critical that social movement, labor, and government leaders learn from creative economic approaches being implemented in local economies in other parts of the world that can help foster the emergence of economic democracy. The specific recommendations below are directed towards state and municipal policy and are based on the Fellows' own learnings during travel to Mondragón, as well as their shared examination of models elsewhere in the world.

## RECOMMENDATIONS

### Public Procurement

- Develop Metrics and Standards: articulate "good business protocol" and evaluation tool for procurement including evaluation metrics for labor practices.
- Amend A1123: standardize measurement of the social benefits that worker-owned cooperatives provide after passage of state amendments facilitated by Bill A1123.
- Amend NYS Finance and General Municipal Law to incorporate local preference, redefining what constitutes Local Business Enterprise and an 'Economically Distressed Area.'

### Land Use and (Advanced) Manufacturing

- Invest in innovation spaces for Minority and Women Business Enterprise (M/WBE) and cooperative enterprises in Brooklyn and the Bronx as prototype demonstration facilities for additional investment from public and private sources.
- Create an advanced manufacturing-oriented TIF district with a sectoral strategy for shared ownership in the green energy supply chain, from manufacturing to energy efficiency and maintenance.
- Charge Industrial Business Zones (IBZs) with providing tax incentives to worker cooperatives in addition to MWBE, paired with cooperative conversion policy.

**Housing and Real Estate:**

- (NYC) Develop community land trusts and a land bank for tax liens, drawing on initial proposals from the 2015 Council bill.
- (NYS) Explore land value recapture as a mechanism to fund community development and stem speculation and overdevelopment.

**Energy and Utilities:**

- Build a Green bond program that can be used across multiple sectors, including for NYCHA capital needs.
- Implement Community Choice Energy at the Council District or other sub-municipal district
- Create and deploy a Revolving loan fund for energy efficiency retrofits, including predevelopment. Couple this with a loan loss reserve to make a portion of predevelopment loans forgivable, thus reducing risk for landlords and increasing uptake.
- Pass State level enabling legislation for Energy Investment Districts.

**Health and Well-being:**

- Expand statewide the cross-sectoral “healthy buildings” collaborative that addresses housing-related determinants of health and ER visits, combined with workforce development and shared ownership of building services firms.
- Designate special use and economic zones with economic incentives for healthcare industry worker cooperative formation, with direct ties to other occupations related to the healthcare industry.

**Education:**

- Create a research center for the study of cooperatives within the CUNY/SUNY system that also houses an employee ownership center for developing an employee ownership conversion pipeline.
- Advance the inclusion of cooperative management and cooperative development in the CUNY/SUNY system, creating a curriculum development task force.

**Economic Development Planning/Coordination:**

- The Black, Latino/a, and Asian caucuses should create a state and local policy think-and-do tank specifically for policy in shared ownership and wealth to support short-staffed state and municipal elected officials and governments.
- Start a year-long State commission to make recommendations to the legislature for overhauling the entire legislative scheme governing cooperatives (including but not limited to worker cooperatives), informed by best practices from the US and other OECD countries.
- Introduce a 70% state tax exemption on all individual capital accounts in worker cooperatives and 100% on indivisible reserve investments for all cooperatives.



# 02

## COLAB: WHO WE ARE AND WHAT IS MKCF



*MKCF Fellow Congressman-elect Ritchie Torres and Barika Williams in Mondragón Photo by: MIT CoLab*

## COLAB BACKGROUND

CoLab is a center for planning and development within the MIT Department of Urban Studies and Planning (DUSP). CoLab supports the development and use of knowledge from excluded communities to deepen civic engagement, improve community practice, inform policy, mobilize community assets, and generate shared wealth. We facilitate the interchange of knowledge and resources between MIT faculty, students and community organizations, believing that community knowledge can drive powerful innovation and can help make markets an arena for supporting social justice. We engage students to be practitioners of this approach to community change and sustainability.

## MEL KING COMMUNITY FELLOWS PROGRAM

CoLab's Mel King Community Fellows program brings together leaders across sectors and places to explore how to advance economic democracy in their cities and regions. The programs are designed around specific themes related to economic democracy and self-determination, and they seek to address strategic questions defined by the Fellows themselves. The program organizes learning journeys for Fellows to experience economic democracy in action and it facilitates sustained discussions to advance thinking, strategic capacity, and partnerships for collaborative action amongst the fellows.

MKCF was founded in 1970 by long-time Boston community leader, Mel King, who served at the time as an adjunct professor within DUSP. Since 2011, CoLab has hosted six classes of Mel King Community Fellows. Fellows cohorts have focused on base-building organizations, community development and green development experts, labor and worker centers, socially engaged artists, and socially responsible bankers. Each class of Fellows has a substantive focus related to economic democracy, community well-being and the future of cities. Fellowship classes typically span two years during which time, Fellows are not compensated for their participation.

Past Fellows have included such distinguished persons as:

- **George Gresham** - President, 1199 SEIU UHWE
- **Reverend Dr. William J. Barber, II** - Pastor, Greenleaf Christian Church; Chairperson, Rebuilding Broken Places Community Development Corporation; President, North Carolina State Conference of the NAACP
- **Ai-Jen Poo** - Executive Director, National Domestic Workers Alliance
- **Sarita Gupta** - Former Executive Director of Jobs with Justice, now Director of the Future of Work(ers) at the Ford Foundation
- **Mel Chin** - Conceptual artist and social activist Rick Lowe- Conceptual artist and founder of Project Row Houses

Barber, Poo, Chin and Lowe have each gone on to win MacArthur Fellowships.



# MKCF CLASS OF 2017-18



**JAMAAL BAILEY**  
NY State Senator  
NY Senate - 36th District  
Chair: Codes



**KEVIN PARKER**  
NY State Senator  
Senate District 21  
Chair, Energy and Telecommunications



**RODNEYSE BICHOTTE**  
NY Assembly Member  
Assembly District 42  
Chair, Subcommittee on Oversight of  
Minority and Women-Owned Business En-  
terprises (MWBES)



**MARCOS CRESPO**  
NY Assembly Member  
Assembly District 85



**WALTER MOSLEY**  
NY Assembly Member  
Assembly District 57  
Chair, Commission on Skills  
Development and Career Education



**DIANA RICHARDSON**  
NY Assembly Member  
Assembly District 43 Brooklyn



**LATRICE WALKER**  
NY Assembly Member  
Assembly District 55  
Chair, Subcommittee Renewable Energy  
Cair, NY State Association of Black and  
Puerto Rican Legislators



**TREMAINE WRIGHT**  
NY Assembly Member  
Assembly District 56 Brooklyn  
Chair, Black, Puerto Rican, Hispanic & Asian  
Legislative Caucus  
Chair, Subcommittee on Foster Care



**ROBERT CORNEGY**  
NYC Council Member  
Brooklyn - 36th District of Bedford  
Stuyvesant and Crown Heights  
Chair, Committee on Housing and Buildings



**RAFAEL ESPINAL JR.**  
Former NYC Council Member  
Brooklyn - 37th District  
Chair, Committee on Consumer  
Affairs and Business Licensing



**VANESSA GIBSON**  
NYC Council Member  
Bronx - 16th District  
Deputy Leader of the City Council  
Chair, Subcommittee on Capital Budget



**RAFAEL SALAMANCA JR.**  
NYC Council Member  
Bronx - 17th District  
Chair, Committee on Land Use  
Subcommittee on Planning,  
Dispositions, and Concessions



**RITCHIE TORRES**  
NYC Council Member  
Bronx - 15th District  
Chair, Public Housing Committee  
Oversight and Investigations Committee



**HONORABLE ROGER L. GREEN**  
Co-Chair Coalition to Transform Interfaith  
Previous member of the New York State  
Assembly and Chair of the New York State  
Black and Puerto Rican Legislative Caucus

# 03

## OVERVIEW OF MKCF LEADERS IN NY GOVERNMENT PROGRAM



*MKCF Fellow, Assembly Member Tremaine Wright with MIT Students Photo by: MIT CoLab*

# OVERVIEW OF MKCF LEADERS

## OVERVIEW OF MKCF LEADERS IN NY GOVERNMENT PROGRAM

MKCF Leaders in NY Government began with a weeklong learning journey to Mondragón in Spain to explore the possibilities of advancing economic democracy through City and State government. The goals of the fellowship for this delegation included:

1. Educating participants about the Mondragón experience of developing a regional development ecosystem based on principles of cooperation and economic democracy and exploring connections between Mondragón’s strategies and work underway in NYC.
2. Developing and deepening relationships among participants so as to support and advance the development of economic democracy-based ecosystems in the Bronx and Brooklyn.
3. Identifying and advancing partnerships with specific Mondragón institutions to advance ecosystem-building projects in NYC.

### Program Rationale

In New York, City and State legislators have struggled for years to focus on and advance a set of policies, governmental programs and public investments that can comprehensively advance the economic conditions of residents in low income and communities of color. For the last 30 years these communities have

experienced declining wages and wealth even as NYC has experienced rapid economic growth, drawing talented people from across the globe to contribute to, and share in, its world class opportunities.

For the last several years, within the City’s and State’s legislative bodies there has been a growing interest in advancing new strategies for community and economic development amongst low income and communities of color. Instead of consistently “putting out fires,” legislators have sought to advance more comprehensive, systemic, and citizen-engaged policies and strategies for changing the material conditions of communities. They seek to explore community wealth-building, more effective job creation connected to energy, health and manufacturing; local minority-owned business creation tied to local procurement; improved health and well-being; and significant increases in housing affordability in the face of large scale displacement pressures.

*Moreover, while elected officials work to meet the emergency needs in their communities caused by the COVID-19 pandemic and police violence, the clear lesson of this moment is that Black and Latinx communities and Black and Latinx leaders must do more than react to crisis. They must propose bold solutions that not only lead to a just recovery from COVID-19, but actually open the possibility of and further towards the transformation of the systems that produce poor health, poverty debt, and violence that is disproportionately and egregiously harmful to Black, Latinx, poor, and working class, and other communities of color.*

SEPTEMBER 2017	JANUARY 2018	APRIL 2018	NOVEMBER 2018
MONDRAGON LEARNING JOURNEY	REFLECTION SESSION	MIT CAMPUS VISIT	NYC/NYS HEARING ON ECONOMIC DEMOCRACY



*The vastly disproportionate impacts of the COVID-19 pandemic on Black and Latinx New Yorkers and other low income people of color - from health outcomes to disproportionate loss of job security and income, as well as disproportionate loss of educational opportunities arising from the digital divide - speak to the intersecting nature of race, gender, and economic power in NY State and City. These ongoing impacts speak to the urgent necessity of charting a path from a just COVID recovery to a state and local economy that offers a promise of economic democracy: shared prosperity and well-being for all people, particularly people of color who have been the most severely impacted by economic inequities.*

### Learning from a Robust Regional Economy: The Mondragón Experience

In Spain, the Basque cooperative economy, and its Mondragón corporation, are a successful example of building a prosperous and equitable regional economy based on worker cooperatives and employee ownership. It demonstrates that a cooperative approach can help achieve significant success on key equity measures (high income and wealth equality, very low unemployment and locally, strong and stable business growth). The Mondragón Corporation is one of the leading business groups in Spain with \$33b in assets and 85,000 employees, most of whom have an ownership stake in one of the 120+ worker cooperatives within the business group. The Mondragón example is instructive for New York City and State officials because it also represents an ecosystem of institutions that support worker-owned businesses and community wealth in sectors such as education, research and development, banking and more -- areas of strength in the NYC economy. The Basque ecosystem is supported by public policies that provide a basic legal infrastructure to guarantee fair access to the capital and talent that keeps wealth growing and circulating regionally.

**“IT DEMONSTRATES THAT A COOPERATIVE APPROACH CAN HELP ACHIEVE SIGNIFICANT SUCCESS ON KEY EQUITY MEASURES ”**

### Key Themes from Mondragón Learning Journey

The MKCF Fellows visited important sites in the Mondragón cooperative enterprise network, representing critical infrastructure that supports the worker-owned regional economy:

- Finance: The Mondragón bank, Laboral Kutxa, functions as a critical pillar in the overall regional economy, supplying a wide range of financial services and supporting small business development.
- Research and Development: A variety of research and development cooperatives, as well as the Bilbao Innovation Factory, provide a network of innovation capacities for the regional economy in multiple sectors.
- Education: Mondragón University and workforce training cooperatives supplement the formal classroom environments with real-world experience in cooperative management, business planning, and collaborative work culture.

Reflecting on their time in Mondragón, Fellows developed the following priorities:

- Culture and Education: Translate lessons from the cultural context of the Basque Region to the cultural context of New York so as to support cooperative thinking and ownership in Black and brown communities
- Public Narrative: Advance the narrative of cooperative ownership as part of a “Pathway to Shared Prosperity” in NYC
- Action Steps: Adapt cooperative concepts from Mondragón to design actionable policies for the people of the Bronx and Brooklyn.

### Key Themes from January 2018 Engagement

Fellows met again in Manhattan in January of 2018, having had several months to reflect on lessons and inspiration from the Mondragón learning journey. Now back in their districts, they worked together seeking to

reconcile the realities of their districts with the transformative possibilities they experienced and discussed months earlier. Fellows acknowledged the difficulty of consistently advancing new ideas and initiatives given limited legislative staffing capacity. This contributed to their frustration with “putting out fires” rather than building towards improvements for their constituents. They expressed the need for something like a “think-and-do” tank for a “Shared Prosperity Agenda” that would support policy and program development for economic democracy across local and state policy and align their respective caucuses to work together for the betterment of their communities. Going forward they decided to focus their exploration on: advanced manufacturing, procurement, education, land use and housing; energy and utilities, health and wellbeing, and economic development planning (including cooperative development infrastructure). Fellows also expressed a desire to host a joint hearing on economic democracy, to continue to advance these ideas in the public eye.

### Key Themes from April 2018 Fellows’ Convening at MIT

The Fellows met with students and faculty and toured the MIT Media Lab and the Fab Lab at the Center for Bits and Atoms. They reflected on their Fellowship experience from the Mondragón example of a large-scale coordinated ecosystem of cooperatives, to the January convening exploring promising economic democracy initiatives in the Bronx and Central Brooklyn. Fellows heard from community leaders and local Boston elected officials about their equitable economic development work, including nascent cooperative development initiatives. Key lessons from Boston included:

- *Coordination and transparency at multiple levels of government are critical for advancing economic inclusion*
- *Economic democracy policy must address both equity (ownership) and control,*
- *Small businesses need diverse access to capital*
- *Educating and informing the public about coops is critical*
- *Economic and displacement pressures have helped build political coalitions in Boston for progressive economic policy*

Fellows discussed opportunities for further learning experiences, including examining the impacts of tech and health sectors, building mixed industrial-residential developments, developing infrastructure such as a holding company to support acquisitions and conversions to worker-ownership, and financing options for economic democracy projects.

### Joint Hearing: November 20, 2018 at New York City Council Chamber, New York City Hall

This event created space for the Fellows to share program learnings to date, as well as hear ideas from community leaders advancing economic democracy across New York City and State. Common Themes from the Hearing:

- Given decades of neglect and disinvestment in Black and Latinx communities, there is great need for wealth-generation tools such as collective ownership and governance of land and utilities, small business development, democratic decision-making in the form of participatory budgeting and collective purchasing.
- The social determinants of health are integral for thinking about sustainable ways to build wealth. Funding sustainable infrastructure can help to create place-based ecosystems linking health and well-being, financial services, worker cooperative resources, workforce resources and affordable housing all in one place.
- Legislation and policies are needed to support high road business practices, cooperative ownership, and access to capital, as well as procurement programs adhering to sustainability practices as put forth by the Green New Deal
- A curriculum of study is needed that supports a common definition of economic democracy and the possibilities it offers for equitable outcomes. This could be in the form of training, cooperative incubation centers, public education afterschool programs or in-class materials.
- Programs that foster development, both real estate and community/economic development without displacement are needed.

# 04

## POLICY RECOMMENDATIONS



*Fellows listen to civil rights leader Mel King in Cambridge Photo by: MIT CoLab*





## INDUSTRIAL LAND AND (ADVANCED) MANUFACTURING

### Where are We Now? / What's At Stake?

New York's historic legacy of manufacturing primes it for the next generation of advanced manufacturing and digital fabrication. In order to prepare for advancements in manufacturing, it is necessary to future-proof jobs and create pathways to upskill existing workers. **Between 2007 and 2017, Fellows' districts collectively lost about 3 million square feet of factory space and 1,000 lots zoned for manufacturing.** This makes it difficult to find adequate space for advanced manufacturing firms and the jobs they bring, which generally pay above-average wages for people without advanced education.

The manufacturing sector pays living wages, which for a family of four in the NYC area is approximately \$63,000. In contrast, hotel, retail, and other service jobs seldom meet AMI levels. The shift in US manufacturing toward low-wage industries threatens the livelihoods of blue-collar workers who built New York City, including the 75% of Bronxites over the age of 25 without a college degree. Advanced manufacturing worker cooperatives are a wealth creation tool for Black and Latinx communities without the educational backgrounds required for traditional white collar jobs.

In addition to providing livable wages, advanced manufacturing also tends to be more compact, cleaner, and less of a nuisance compared with traditional manufacturing. Businesses, residential and commercial uses can exist alongside advanced manufacturing plants, without the same levels of air and noise pollution typical of older forms of manufacturing, making it suitable for denser urban areas.

Currently, due to structural disinvestment in public education and the decline of the labor movement, Black and Latinx communities do not have access to training and job pipelines, much less the funding and financing mechanisms needed to form capital-inten-

sive manufacturing small businesses.

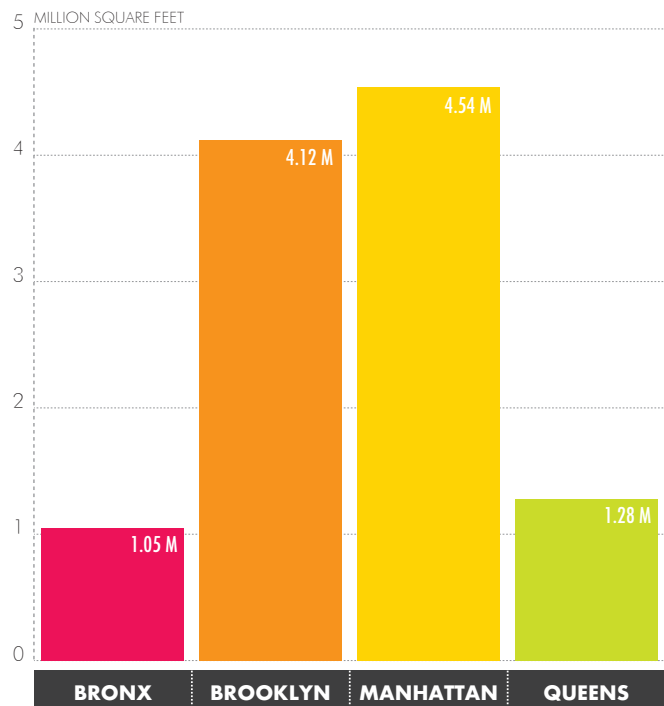
Key policy and planning issues to be considered as part of an NYC shared wealth creation strategy:

- Lack of affordable + industrial/manufacturing zoned land
- The race and gender gap in manufacturing, technology, and digital fabrication
- The need for above-average earnings for those without a college degree

### Where are we headed?

The human and economic toll of the COVID-19 pandemic have shown the need for a regionally resilient supply chain in essential goods that is inured to a variety of potential disruptions -- from extreme weather to pandemics. A green industrial and advanced manufacturing/digital fabrication sector in New York that invests, among other things, in decarbonization, and health and well-being, with a targeted approach to ownership and training for Black and Latinx communities would address several of these intersecting issues at once and serve a vital role in the overall emergency preparedness and resilience of New York City and New York State.

INDUSTRIAL SPACE **REZONED** IN THE LAST DECADE



Source: "About 11M sf of industrial space has vanished in NYC. Here's what happened to it." Eddie Small, June 28 2017. <https://therealdeal.com/2017/06/28/about-11m-sf-of-industrial-space-has-vanished-in-nyc-heres-what-happened-to-it/>

**Fellow Recommendations:**

Sectoral strategy for shared ownership in green energy supply chain, from manufacturing to energy efficiency and maintenance.

- \$50 million initial investment in shared-wealth innovation spaces for MWBE and cooperative enterprises in Brooklyn and the Bronx from state and city sources, leading to prototype facilities that could serve as demonstration projects and leverage additional investment from public and private sources.
  - Establish an advanced manufacturing-oriented TIF district
  - Charge IBZs with providing incentives to worker coops in addition to MWBEs, pair incentives with coop conversion policy and support infrastructure
  - Scale- up (city) and replicate (state) worker cooperative funding streams and orient these resources in line with a strategic action plan for expanding coop ownership

**CoLab additional recommendations:**

- Strengthen Community Reinvestment Act accountability and shift economic development mechanisms to establish a certifiable fund for low-interest lending to develop manufacturing capacity for essential goods.
- Within the Department of Economic Development or through Empire State Development Corporation, create an MWBE certification and technical assistance and loan program specific to manufacturing, design, and innovation/maker-spaces that are owned/operated and serve majority women and communities of color. State and local economic development resources, such as the New York State MWBE Development and Lending Program, would support MWBE fabrication lab development and advanced manufacturing workforce training in the CUNY system. These spaces can be of particularly synergistic use in tandem with investment in NYCHA capital projects and green retrofit spending across the state.

- [City] Public Land Strategy + Land Use
  - Create a land bank of city-owned manufacturing land for coordinated industrial strategy
  - Support land use reform to create co-located zoning permissions for large-scale fabrication labs and advanced manufacturing facilities that allow for flexible production of essential goods

**“THE HUMAN AND ECONOMIC TOLL OF THE COVID-19 PANDEMIC HAVE SHOWN THE NEED FOR A REGIONALLY RESILIENT SUPPLY CHAIN IN ESSENTIAL GOODS THAT IS INURED TO A VARIETY OF POTENTIAL DISRUPTIONS - FROM EXTREME WEATHER TO PANDEMICS.”**



## HOUSING AND LAND

### Where are We Now? / What's At Stake?

As COVID-19 demonstrates, secure housing is inextricably tied to community well-being. In New York City, rising rents, coupled with stagnating wages over the past two decades have created immense rent burdens. The financial precarity of households contributes to overcrowding, and subsequently higher infection rates. Housing is a key social determinant of health. The disparity in housing security we observe today stems from Black and Latinx communities' systematic and historic lack of access to home ownership through redlining and predatory lending. Rent burdens create a vicious cycle and negative ripple effects, falling especially hard on communities of color, creating adverse health and well-being outcomes that in turn are exacerbated by increasing transportation costs from longer commutes to work, under-funded public schools, and barriers to building wealth through homeownership.

In NYC, Initiatives to advance collective wealth-building and affordable housing ownership have a foundation to build on. In fact, Fellows' districts contain 429 democratically- owned and -governed cooperatives. Of these cooperatives, 382 are Housing Development Fund Corporations (HDFCs.) And because affordable housing preservation is a necessary starting point for shared wealth-creation, many of these cooperatives that are facing financial distress must receive assistance.

**“THIS REPORT CALLS FOR A SHARED WEALTH APPROACH THROUGH PRESERVING EXISTING HOUSING STOCK, ACQUIRING PERMANENTLY AFFORDABLE LAND, TO PRESERVE PERMANENT AFFORDABILITY.”**

### Where are we headed?

There is a longstanding relationship between race and property values resulting from decades of race-based redlining and exclusionary zoning. **This report does not advocate for individual homeownership strategies or an individual asset ownership approach, but rather calls for a shared wealth approach through preserving existing housing stock, acquiring permanently affordable land, to preserve permanent affordability.**

#### Fellow Recommendations:

- A report from the New York City Comptroller in 2015 recommends tax lien sale reform as a property acquisition mechanism. It proposes transferring lien sale homes, or vacant properties that fail to pay their taxes, to a CLT or land bank that would maintain them as affordable housing or other mixed uses. Examples of these land banks include the Land Bank Authority of Chatham County and City of Savannah.<sup>1</sup>
- Use land value capture as a mechanism to fund community development and stem speculation and overdevelopment.
- Apply municipal or county-level AMI for affordable housing development and finance.
- Expand statewide the cross-sectoral “healthy buildings” collaborative that seeks to address housing-related determinants of health and reduce ER visits. Combine these measures with workforce development and shared ownership of building services firms.

#### CoLab additional recommendations:

- Pass Rent Relief Emergency Housing bill (S8175/A10265).
- Modernize private housing laws to include limited equity cooperatives and Community Land Trusts under the New York State Cooperative statute.
- Add “solidarity cooperative” incorporation designation to state cooperative law for both hybrid and multi-stakeholder cooperative enterpris-

1. “Land Bank Authority,” Savannah Government <https://www.savannahga.gov/485/Land-Bank-Authority>



es and for Community Land Trusts. As certified cooperatives, all limited equity housing and CLTs will be permanently prohibited from demutualizing under cooperative law in New York. All assets from dissolved or failed entities would be transferred to other cooperative structures and assets.

- **Bank-Donated Properties:** New York State should consider moving vacant and abandoned properties, including so-called “zombie” properties stuck in the process of bank foreclosure, as another potential source of affordable housing.<sup>2</sup> Banks could receive Community Reinvestment Act credit to remove these properties from their books. A racial equity lens must be applied to The Zombie Homes initiative from HPD, which conducts exterior surveys, designs new approaches to return zombie homes to productive use, and conducts outreach to homeowners at risk foreclosure.

- **Bolstering the Cooperative Housing Sector:**
  - Convert scattered site and unfunded NYCHA properties to CLT
  - Provide tax-free or matching reserves for coop longevity
  - Offer financial and technical support for CLTs at the City and State level through Cooperative Development Centers

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2. “How underused property in NYC can be turned into affordable housing” Center for New York City Neighborhoods. February 24, 2016. Visti: <https://cnycn.org/how-underused-property-in-nyc-can-be-turned-into-affordable-housing/>



## PUBLIC AND CIVIC PROCUREMENT

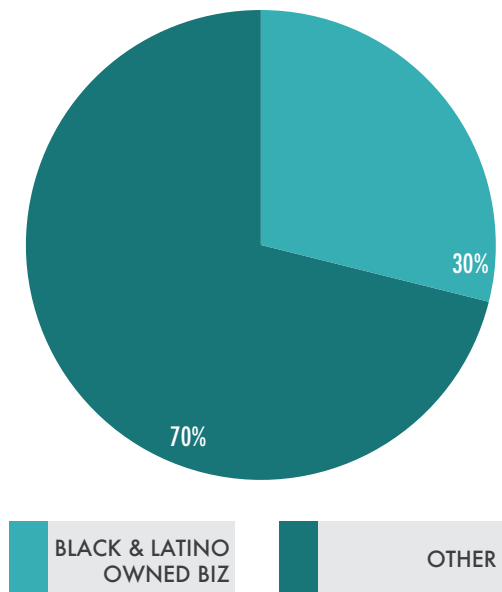
### Where are We Now? / What’s At Stake?

In an age of climate risk and pandemics, the opportunity to create resilient, equitable, and local supply chains cannot be ignored. Addressing civic infrastructure and procurement is an underappreciated mechanism for investing in jobs and development.

Even before the COVID-19 pandemic and federal PPP bypassed Black and Latinx small business owners, 640 City-certified MWBEs existed in Fellows’ districts, but they were 70% less likely to receive contracts than others. As we found in previous research,<sup>3</sup> only about 0.02% of NYC’s total \$19 billion procurement spend went to businesses in these areas in 2017. To make matters worse, less than half of that small fraction actually went to MWBEs.

3. “Fixing the Accessibility Gap in Municipal Procurement” Emily Holloway and Nicholas Shatan. March 5 2019. Visit: <https://metropolitix.org/Fixing-the-Accessibility-Gap-in-Municipal-Procurement.html>

**M/WBE INVESTMENT INVESTMENT FOR  
BRONX AND CENTRAL BROOKLYN (2016)  
OUT OF \$81 MILLION**



Source: “Fixing the Accessibility Gap in Municipal Procurement” Emily Holloway and Nicholas Shatan. March 5 2019. Visit: <https://metropolitix.org/Fixing-the-Accessibility-Gap-in-Municipal-Procurement.html>

### Where are we headed?

The COVID-19 pandemic has illustrated the ways in which import substitution for goods deemed essential under emergency circumstances (among other non-emergency goods and sectors) can be of value for the public and for local business resilience. Under a broader plan for import substitution across a variety of areas, public spending could be a powerful driver of an equitable New York State economy that advances goals of decarbonization, good jobs, and shared ownership for New Yorkers. This would require increased capacity for innovation, research, and mentorship opportunities for businesses to meet the needs of the public and civic sectors in the state. Key industry areas include: decarbonized energy-creation and systems maintenance, transportation infrastructure, healthcare/homecare, sanitation, and commercial and residential facilities/building services and manufacturing (such as institutional furniture and supplies for schools, hospitals, government).

### Fellow Recommendations

- Develop Metrics and Standards
  - Create a “good business protocol” that refers to current certification standards and best practices from B Corps and Best for NYC. This protocol will serve as an evaluation tool for procurement - metrics for labor practices, sustainability, and MWBE standing
- Use the concept of “net economic impact” to quantify social benefit from high-road companies
  - In 2015, Assemblymember Kevin Cahill introduced A1123 to amend State Laws to consider net economic benefits. There is a need to standardize measurement of the benefits that worker-owned cooperatives provide after passage of the State Amendments facilitated by Bill A1123.
- Amend NYS Finance and General Municipal Law to incorporate local preference / write a new bill for Local Business Enterprise certification or rewrite the definition of ‘Economically Distressed Area’
- **Local Procurement Platform** Local and small businesses are often unable to access lo-

cal institution procurement contracts as a result of limited visibility, financing challenges, and technology limitations. A digital procurement platform such as the BronXchange offers an innovative solution to these barriers by amplifying local goods and service offerings, enabling digital transactions, and automating invoice financing to overcome these structural barriers. The platform also vets and prequalifies businesses utilizing an impact assessment tool for institutions to evaluate vendor decisions based on community impact.

**CoLab additional recommendations:**

- Establish a regional procurement R+D budget for public and civic sectors that connects to an independent SUNY/CUNY institute for public sector innovation, with priority strategies of M/WBE and democratic enterprise development and conversion. The School of Labor and Urban Studies (SLU) within CUNY would be a good fit for this for New York City.
- Create state-level enabling legislation for umbrella/services cooperatives that could directly meet public and non-profit procurement needs and also acquire and retool/convert local businesses into cooperatives or employee owned enterprises.
- Amend existing legislation: establish preferred contracting for City and State agencies through bid discounts or a new “carve out.” Under NY General Municipal Law § 103, public contracts must be awarded to the lowest competitive bidder, or, in certain cases, on the basis of “best value.” NYS would create a new “carve out” for democratically-owned and -managed firms as preferred contractors for public contracts. This rule could be introduced as an amendment to State Finance Law § 162; or under the Executive Law, e.g., Article 17-B.
- Change eligibility: Amending the law from requiring that a qualifying firm perform “at least 25% of its work in an economically depressed area in New York City, or employ a workforce of which at least 25% are economically disadvantaged persons” to requiring that firms “employ a workforce of which at least 35% are economically disadvantaged persons, or procure at least 20%

of goods and services within the same county” would incentivize local hiring and procurement

- Enable use of IDNYC in all business certification processes. Many businesses, especially among MWBEs and worker-owned cooperatives, struggle with documentation required for certification.

**“ADDRESSING CIVIC INFRASTRUCTURE AND PROCUREMENT IS AN UNDERAPPRECIATED MECHANISM FOR INVESTING IN JOBS AND DEVELOPMENT.”**





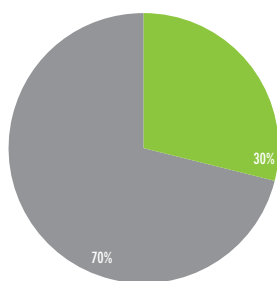
## ENERGY AND UTILITIES

### Where are We Now? / What's At Stake?

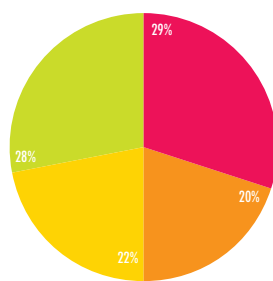
Addressing the climate crisis is an economic and moral imperative that also offers a significant opportunity for innovation and equitable wealth creation. Public sector investment and creative partnerships can help New York State chart a more equitable path forward. Working toward a green future can help overcome the digital divide exacerbated by COVID-19.

Repeated city-wide blackouts in 2003 and again in 2019 speak to the need for an energy infrastructure transformation, requiring dismantling entrenched legacies of environmental racism across the state. Under the paradigm of ‘consumer choice’, lower income and Black and Latinx communities across the state have been underserved due to discrimination and differential access. For decades, communities of color have been exposed to toxic pollution, are limited to poor electric/digital utilities coverage, and bear the brunt of price-gouging because of limited competition. Disparities in energy and utility access among New Yorkers arise from unexpected challenges of remote working and learning in the COVID moment. Now, the Digital Divide in New York City is more evident than ever:

PERCENTAGE OF HOUSEHOLDS WITH BROADBAND INTERNET ACCESS



RACIAL DISPARITY: LACK OF BROADBAND INTERNET ACCESS BY RACE



Source: “Census and the City: Overcoming NYC’s Digital Divide in the 2020 Census.” Bureau of Budget, Bureau of Policy and Research. July 2019 Visit: [https://comptroller.nyc.gov/wp-content/uploads/documents/Census\\_and\\_The\\_City\\_Overcoming\\_NYC\\_Digital\\_Divide\\_Census.pdf](https://comptroller.nyc.gov/wp-content/uploads/documents/Census_and_The_City_Overcoming_NYC_Digital_Divide_Census.pdf)

- Differential Access: 917,239 New York City households, or 29 percent of all City households lack broadband internet access.
- Racial Disparity: About 30 percent of Latinx and Black New Yorkers lack broadband internet access, compared to 20 percent of white, and 22 percent of Asian New Yorkers.<sup>4</sup>

### Where are we headed?

City and State energy generation and distribution, and broadband internet infrastructure for an information and innovation economy should be advanced under the broad umbrella of energy and economic democracy. The COVID-19 pandemic has illustrated with even greater clarity and urgency that the digital divide is a racial justice issue. Students without home internet access, already disproportionately likely to be poor or Black or Latinx, have fallen further behind as teachers and schools have struggled to maintain standards under remote learning conditions. Providing zero-carbon, resilient energy and broadband as public goods vital infrastructures for energy democracy involves connecting green energy development to efforts to close the digital divide.

As the State affirmed through passage of the Climate Leadership and Community Protection Act, valuing a green energy future is essential for our collective survival. The FCC under the Obama Administration classified the internet as a public utility, indicating a desire to move the country toward regulation of the internet as a public good. Economic and energy democracy will help achieve a green future by giving Black and Latinx communities additional control and shared wealth derived from ownership over energy generation in their communities.

Democratization of public goods and utilities such as energy and broadband internet involves public and/or cooperative control (or public-cooperative control, as established by FDR’s New Deal-era rural energy coops that persist today and continue to provide energy to rural US communities). The core values of this vision are to resist, reclaim, and restructure for

4. “Census and the City: Overcoming NYC’s Digital Divide in the 2020 Census.” Bureau of Budget, Bureau of Policy and Research. July 2019 Visit: [https://comptroller.nyc.gov/wp-content/uploads/documents/Census\\_and\\_The\\_City\\_Overcoming\\_NYC\\_Digital\\_Divide\\_Census.pdf](https://comptroller.nyc.gov/wp-content/uploads/documents/Census_and_The_City_Overcoming_NYC_Digital_Divide_Census.pdf)

a public utilities future that is:

- Motivated by the moral and economic imperative of decarbonization and a just transition
- Creates enduring alliances between unions, environmental groups and city officials
- Supports community wealth-building by sharing energy access and assets
- Strengthens community control and capacity, energy production, and consumption

#### Fellow Recommendations:

- Green Bond Program: New York City would borrow to execute environmentally-beneficial capital projects from the growing pool of “double bottom line” institutional and individual investors, thereby expanding the investor base for New York City’s debt. This lending raises awareness within the capital budget process and creates a means to prioritize such projects.
- Implement Community Choice Aggregation at the scale of the Council District or other sub-municipal district.
- Establish a revolving loan fund for energy efficiency retrofits, including predevelopment. Couple this with a loan loss reserve to make a portion of predevelopment loans forgivable, thus reducing risk for landlords and increasing uptake.
- Locate shared renewables facilities in low-income and environmental justice areas.

#### CoLab additional recommendations:

- Amend and Pass (S7645/A9856) the Climate and Community Investment Act
- Amend and Pass A8938/S7232 calling for all generation and transmission of state and munic-

ipal properties to be renewable and for the New York Power Authority (NYPA) to be the sole generation and transmission source by 2025.

- Amend and pass (A8937/S7243) NYPA Right of First Offer and Refusal
  - Requires NYPA to own generation facilities, all of which must be renewable, and sell energy directly to customers.
  - Authorizes NYPA to possess first offer and subsequently match the purchase price of any new renewable energy project. Projects for which NYPA chooses to price-match will be owned by NYPA, including new renewable energy facilities, projects, or any renewable energy created by a new facility or project. Prohibits all for-profit Energy Service Companies.
- Amend and pass (A8887/S7273) to create Downstate Power Authority that takes over Con Ed, National Grid, and Central Hudson G&E either through purchase or exercise of eminent domain to guarantee lower rates, and uphold prevailing wages. Requires that the state-owned facility is governed by a democratically-elected board of trustees with one representative from Westchester, Rockland, Orange, Putnam, Dutchess, Ulster, Columbia, Greene, and Albany counties.
- Provide full-fiber access to all, overcoming the digital divide and ensuring everyone is able to access high-speed, reliable, broadband connection. Connectivity is a basic need that should be met free at the point of use for all, with the foundational goods and services all New Yorkers need to participate fully in society made universally accessible. State-level enabling legislation for municipal/county-level broadband internet access with a “public option” using the Chattanooga, TN model would help accomplish this.<sup>5</sup>
- Pass state-level Energy Investment District EID enabling legislation
- Apply loan financing and workforce development programs from the Green Jobs Green New York to projects that adhere to the Governor’s Clean Energy Standard

**“THE COVID-19 PANDEMIC HAS ILLUSTRATED WITH EVEN GREATER CLARITY AND URGENCY THAT THE DIGITAL DIVIDE IS A RACIAL JUSTICE ISSUE.”**

5. “Broadband at the Speed of Light” Christopher Mitchell. April 9, 2012. <https://ilsr.org/broadband-speed-light/>



## HEALTH AND WELL-BEING

### Where are We Now? / What's At Stake?

Before the COVID-19 pandemic, the contours of inequality showed up in disproportionate health outcomes impacting Black and Latinx communities in New York State, New York City, and across the country. The shocking impacts of the COVID pandemic have only emphasized the nature of structural inequity in health and well-being in the state. A better New York for Black and Latinx people must seamlessly integrate wealth and health.

Racial disparities are the result of years of disinvestment in poor and Black and Latinx communities, including the closure of hospitals and schools, environmental racism, and years of structural policy choices that perpetuate poverty and racism and drive the social determinants of health towards poor outcomes. The recommendations below aim to move New York State and City towards a just and equitable recovery.

### Where are we headed?

Substantive policy and planning reform to protect the well-being of communities involves introducing democracy and reframing the racial ideologies and preconceptions that currently structure housing, government services, and health care delivery. Wellbeing transcends hospital walls and must be a key metric for evaluating the performance and implementation of policies, instead of the typical economic growth numbers like income or job growth. COVID-19 has laid bare how vulnerable at-risk communities are. A majority of frontline essential workers are Black and brown, and must go into work in the gig economy and other industries without adequate hazard pay or health benefits. Economic democracy in health is heavily impacted by race and has significant implications on economic security.

### Fellows Recommendations:

- Designate special use and economic zones with economic incentives for healthcare worker cooperative formation aiming for majority minority ownership, with direct ties to other occupations related to the healthcare industry
- Healthcare and Related Tangential Circular Economy Zones:
  - Urban manufacturing and distribution center aligned with \$40 billion NYC health care sector supply chain. Accommodate entrepreneurs and industries ancillary to the healthcare sector in technical services and common services.
  - Equip with an interconnected network of Fab Labs (fabrication laboratories) contained in innovation factories offering an array of flexible computer controlled tools that have the potential to make products for the healthcare system (furniture, appliances, robots, medical devices etc.)

**“RACIAL DISPARITIES ARE THE RESULT OF YEARS OF DISINVESTMENT IN POOR AND BLACK AND LATINX COMMUNITIES, INCLUDING THE CLOSURE OF HOSPITALS AND SCHOOLS, ENVIRONMENTAL RACISM, AND YEARS OF STRUCTURAL POLICY CHOICES THAT PERPETUATE POVERTY AND RACISM AND DRIVE THE SOCIAL DETERMINANTS OF HEALTH TOWARDS POOR OUTCOMES.”**



**CoLab additional recommendations:**

- Pass New York Health Act to establish a single payer health insurance system in New York State.
- **Community Investment models:** Dignity Health addresses upstream social determinants of health through direct and indirect loans as a patient capital lender, leveraging \$100 million from savings in low-interest loans. Trinity Health invests a percentage of portfolio in CDFIs, credit lenders, and financial and technical service providers to under-resourced neighborhoods, affordable housing, grocery stores, transit oriented development, and business start-ups.
- **Health in all Policy Strategy:** The City of Richmond highlighted health equity and inequity stressors that further racial disparities such as: racial profiling, poor air quality & lack of safe recreation space; residential segregation, economic insecurity; street, neighborhood, and school violence; overburdened social services; high food prices/lack of healthy foods; lack of affordable health care
- **“Evergreen Investment Model:”** Cleveland University Hospitals leveraged \$1.2 billion construction investment over a 5-year period to support “green” employee-owned businesses linked to hospital and university employment.
- Institute a health equity economic development (quadrennial) census as a lens for strategy across all departments including Economic Development with specific metrics and timelines. This will establish a closer link between affordable housing and community health well-being.
- Establish special districts/zones for healthy, equitable investments and policies to advance well-being-based development and development without displacement
  - Improving Governor Cuomo’s “Health Across All Policies” program in New York State, requiring health improvement strategies target social determinants of health and other complex factors including housing, economic development, and education.<sup>6</sup>
- Investing in a “high-road” homecare workforce: Senator Rachel May recently proposed a \$15 million investment (\$5m/year) for Home Care Jobs Innovation Fund for the aging NYS population. This is an opportunity to set a course for a well-paying and resilient homecare sector for the future of our state, particularly for its disproportionately women and Black and brown workforce.

6. “Health Across All Policies Initiative Launched to Support the Prevention Agenda Goal of Becoming the Healthiest State”. September 2019. [https://www.health.ny.gov/prevention/prevention\\_agenda/health\\_across\\_all\\_policies/](https://www.health.ny.gov/prevention/prevention_agenda/health_across_all_policies/)



## EDUCATION

### Where are We Now? / What's At Stake?

There is a fundamental mismatch between what our public education system is designed to achieve and the current and future needs of our economy and society. In New York City and across the state, black, brown, and poor young people are more often treated as threats to be contained than as future leaders and sustainers of society. The contradiction between training young people to be obedient and competent workers and to also be active and thoughtful members of a democratic society cannot hold any longer. Black students and students of color will continue to suffer disproportionately from this public and systemic failure.

### Where are we headed?

From elementary school to community colleges and workforce development, economic democracy in the twenty-first century demands a renewed commitment to schooling and training for deeper democracy in society and an economy where shared control and ownership is widespread.

For an information and innovation-led economy and a post-industrial multi-racial society, preparing Black and brown young people for jobs that will not provide wealth or control in society is an abdication of our responsibility to their future and ours.

#### Fellows Recommendations:

- Create a center for the study of cooperatives within the CUNY/SUNY system that also houses an employee ownership center (S2184-2019). This “think-and-do” tank would be similar to the many statewide employee ownership centers that exist across the country, as well as the nation’s foremost center for cooperative research, the University of Wisconsin Center for the Study of Cooperatives and the Rutgers Institute for the

Study of Employee Ownership and Profit Sharing.

- Advance the inclusion of cooperative management and cooperative development in the CUNY/SUNY system, creating a curriculum development task force composed of grassroots leaders, professors, and subject matter experts. This effort is already underway at the CUNY School of Labor and Urban Studies for a certificate program and should be expanded to include degree bearing options at undergraduate and graduate level programs.

#### CoLab additional recommendations:

- Technical education that trains for democracy and shared ownership modeled on Mondragón’s “team academy” approach for community colleges and undergraduate work.
- Create a subchapter code in NY State Education Law enabling the creation and certification of “economic democracy academies” modeled on US freedom schools, Basque “Ikastolas” in Mondragón, and the Reggio Emilia model of cooperative education in the cooperative regional hub of northern Italy for middle and high schools in New York State, with a pilot in two cities across the state.

**“THE CONTRADICTION BETWEEN TRAINING YOUNG PEOPLE TO BE OBEDIENT AND COMPETENT WORKERS AND TO ALSO BE ACTIVE AND THOUGHTFUL MEMBERS OF A DEMOCRATIC SOCIETY CANNOT HOLD ANY LONGER.”**



## ECONOMIC DEVELOPMENT AND PLANNING

### Where are We Now? / What's At Stake?

From its inception, economic development has prioritized economic growth over human development. In New York City specifically, for 30 years, we have had a real estate strategy disguised as a jobs strategy. For the rest of the state, we have seen elected officials and economic developers resorting to casinos and prisons as economic growth and development strategies - neglecting the long-term and counterproductive social costs and of these institutions. As income and wealth inequalities have continued to worsen in that period of time, the overarching assumptions of economic development practice have not fundamentally changed.

### Where are we headed?

Why does the execution of economic development in our city and state, from casinos to Hudson Yards to Amazon HQ2 stay the same regardless of who is in office? It is because the assumptions about who understands and is an expert and a leader in the economy does not substantially change across administrations. Economic expertise across the state, from Empire State Development to Regional Economic Development Councils to Local Development Councils must incorporate a wider set of stakeholders and

**“ECONOMIC EXPERTISE ACROSS THE STATE...MUST INCORPORATE A WIDER SET OF STAKEHOLDERS AND ENGAGE MORE DEEPLY IN UNDERSTANDING AND ADDRESSING ROOT CAUSES OF INEQUITY.”**

engage more deeply in understanding and addressing root causes of inequity. Economic democracy and an economy that works for Black and brown New Yorkers means that a framework for high-road, equitable economic development and shared ownership and wealth must be at the center of state economic development strategy and priorities, both in terms of stakeholder diversity and resource allocation.

### Fellows Recommendations:

- The Black, Latino/a, and Asian caucuses should have a state and local policy “think and do” tank specifically for advancing policy agendas in their interests
- A yearlong commission to report to the legislature on steps to modernize the entire cooperative statutes of New York State with best practices from the US and other OECD countries.
- At least every other year census of all cooperatives in the state, and economic impact report for the state, also broken down by Regional Economic region.
- Establish incorporation process and structure specifically for worker-owned co-operatives in line with recent modernization legislation in California and Illinois.
- 70% state tax exemption on all individual capital accounts in worker cooperatives and 100% on indivisible reserve investments for all cooperatives
- An biennial diversity and inclusion audit of diversity on all Regional Economic Development Councils across the state.

### CoLab additional recommendations:

Economic democracy as a frame for the state and the city replaces a “grow and redistribute” approach with a “pre-distribution” approach that generates equitable value and wealth at the source of its creation, leading to a more efficient and equitable outcome while also empowering people as workers, owners, and more adept practitioners of democracy in their everyday lives. It took over a generation to get stuck in the framework we are in today. A national model for a coordinated cooperative economy and equitable economic development through economic democracy is a generational task to reconstruct. Our recommen-



dations overlap with the recently released report from the De Blasio administration on shared ownership.<sup>7</sup> Our recommendations begin but do not end with the following:

- The economic development statute of New York State is outdated and does not reflect principles of multi-racial democracy. Rewrite the economic development statutes to include the affirmative goals of economic development as human development, the creation of shared wealth, promotion of racial equity.
  - At least every other year census of all cooperatives in the state, and economic impact report for the state, also broken down by Regional Economic Development Council (REDC) region.
  - Quadrennial racial wealth gap study for NY State and all REDC regions.
  - The leadership of REDCs and the NYC Economic Development Corporation (NYCEDC) are not reflective of diverse and innovative regional equitable economies. Their core governance structure (not just working groups) should be mandated by law to include community and labor representation as well as experts and practitioners of community development finance and cooperative enterprise management and development.
  - All cooperatives in New York should be incorporated under a modernized set of cooperative statutes, including community land trusts, credit unions, worker cooperatives, housing cooperatives and HDFCs.
  - Create Solidarity-Cooperative incorporation (S-Coop) to form multi-stakeholder special purpose cooperative enterprises which may have ownership from multiple parties, including non-profits or other community organizations for marginalized populations.
- **Financing mixture of public and enterprise/member capital**
    - Blanket exemption of investor's securities rule for investment in cooperatives to allow

New Yorkers to direct community fundraising for cooperative enterprises.

- State tax deduction for Community Economic Development investments of this type for all New Yorkers.

- **Parallel or integrated planning and coordination apparatus (including data collection)**

- Mandate cooperative membership in cooperative sectoral and regional associations with 0.2% of annual sales/revenues/income as fee
- Mandate cooperatives in NY direct 10% of annual surplus to firm social funds, to be used for cooperative principles 5, 6, 7: member education and training, cooperative network development, and community support activities.
- Mandate 15% of net surplus to indivisible reserves for resilience and sustainability.
- NY State: \$30 million Regional Cooperative Development fund for NY State to fund regional Development Centers
- NYC: \$10 million for borough-based offices of the NYC Regional Coop Dev Centers

7. "Municipal Policies for Community Wealth Building" Bill de Blasio, Lorelei Salas. 2020. <https://www1.nyc.gov/assets/dca/downloads/pdf/partners/Municipal-Policies-for-Community-Wealth-Building.pdf>

# 05

## CONCLUSION: ECONOMIC DEMOCRACY AND FREEDOM



*Mel King Community Fellows in Spain 2017 Photo by: MIT CoLab*

This year has witnessed a confluence of events that bring to the forefront the best and worst of the American experiment. For those who seek freedom, justice, equality, and prosperity for the black diaspora, we have been confronted in the harshest ways that we live in a racialized economy and society. From police and state violence to disproportionate Black mortality from COVID-19, there is no denying the racialized machinery of these systems.

The promise of economic democracy and Black liberation is not a new one, but to paraphrase the words of Audre Lorde, while there may not be new ideas, there are always *new ways of making them felt*. We are living through a moment in which we are collectively feeling and sensing towards different ways of being together - the essence of living in a democracy.

To emphasize these echoes, we can revisit the words of Dr. King, who said

*I am not sad that Black Americans are rebelling; this was not only inevitable but eminently desirable. Without this magnificent ferment among Negroes, the old evasions and procrastinations would have continued indefinitely. Black men have slammed the door shut on a past of deadening passivity. Except for the Reconstruction years, they have never in their long history on American soil struggled with such creativity and courage for their freedom. These are our bright years of emergence; though they are painful ones, they cannot be avoided. The black revolution is much more than a struggle for the rights of Negroes. It is forcing America to face all its interrelated flaws—racism, poverty, militarism, and materialism. It is exposing the evils that are rooted deeply in the whole structure of our society. It reveals systemic rather than superficial flaws and suggests that radical reconstruction of society itself is the real issue to be faced.*

The above policy agenda and recommendations are a part of this next stage for us in New York and in this country. The promise of economic democracy is to construct and sustain an economy where those most impacted by the problems of society can lead the way towards its renewal and reconstruction. The leadership of Black and indigenous people across the Americas will continue to light the way forward. The

role of Black and brown elected officials is to listen, hear, and formulate the economic and civic institutional configuration that forms those visions into reality.



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