



Joint Statement of Principles on Shared Equity

The 20 undersigned organizations are pleased to respond to New York City's Shared Equity Request for Information (RFI). We believe that New York City should be a beacon for cooperative economics, advancing racial and gender equity and community-led development. Our organizations include cooperatives and community land trusts, as well as grassroots and member-led groups that have developed these and other shared equity strategies in Black, brown, and immigrant communities. Also included are organizations that provide critical financing, legal assistance, training and other support to community-led initiatives.

Collectively, we have decades of experience researching, designing, launching, and managing shared equity initiatives that respond to local community needs and expand democratic ownership and control of housing, jobs, land, finance, energy, and other sectors of our economy.

We appreciate the City's interest in deepening its support for shared equity initiatives that advance racial equity, true and lasting affordability, and a just recovery. Several of our organizations are submitting individual responses that focus on specific shared equity models and areas of work.

In this joint response, we urge the City to take bold action to strengthen and expand shared equity initiatives, by creating effective policy, funding and other frameworks. We outline core principles--centering racial equity and environmental justice--that must guide the City's work on shared equity, including in future Requests for Proposals.

Above all, we call on the City to move beyond project-specific support and to adopt a bold citywide agenda that concretely prioritizes community-driven solutions to the climate, health, housing, and inequality crises that our city faces. As the COVID-19 pandemic most recently underscored, these crises disproportionately affect Black, brown, immigrant, low-income, homeless, and other marginalized people and communities. For "shared equity" to be truly equitable, the City must prioritize its resources and support for initiatives that are led by and benefit frontline communities.

Finally, many individuals and organizations wanted, but did not have capacity, to respond to the Shared Equity RFI within the given timeframe. We encourage the City to seek input from, and continue engaging with, grassroots groups beyond the RFI, and we would be pleased to assist with these efforts.

I. DEEPEN CITY SUPPORT FOR EXISTING, COMMUNITY-DRIVEN EFFORTS.

New York City is home to strong and growing movements for "shared equity," from worker cooperatives, community land trusts (CLTs), and mutual housing associations (MHAs) to community development credit unions, community-owned solar and other renewable energy initiatives, food co-ops, and more--as well as citywide coalitions, trade associations, and technical assistance providers providing critical support and organization for all of these efforts. The City's approach to expanding shared ownership must be grounded in strategies that local communities have identified to meet their needs and are laboring to create.

The RFI asks respondents to share information about "new" or "novel" shared equity models, and suggests that the City is "already practicing" conventional CLTs, limited-equity housing cooperatives, mutual housing associations, worker cooperatives, and other models of shared equity effectively. As organizations that engage with the City extensively on these projects, we urge the City to deepen its understanding of and support for these efforts before embarking on new approaches.

For example, the City has directed important funding and programmatic support to CLTs in recent years, including to support capacity-building of new and growing CLTs. However, CLTs continue to face major hurdles with respect to acquiring land, securing appropriate financing, and entering into regulatory agreements with the City. Additionally, local CLTs are working to develop and preserve permanently-affordable housing, as well as commercial storefronts for local small and worker-owned businesses, community gardens and green spaces, arts and cultural spaces, microgrids and green infrastructure, and other community needs. This flexibility and holistic approach are key to the CLT model and mission. To a large degree, however, the City's engagement with CLTs has so far been limited to existing affordable housing programs. (See also, *Community Land Trusts as Holistic Tools for Shared Equity*, submitted by the NYC Community Land Initiative in response to the Shared Equity RFI.)

For CLTs to succeed in removing land and housing from the speculative market, combating displacement, and building community wealth, the City must address these and other impediments, including by:

- Tailoring housing financing programs that respect CLTs' structure and role overseeing housing and other development on CLT land. Too often, CLT projects are treated as square pegs in a round hole, and forced into accepting financing terms that undermine CLTs' unique governance and stewardship roles.
- Improving transparency, accountability, and interagency coordination with respect to public land disposition, across City agencies and for multiple land uses. Public land is a critical resource the City could leverage to support shared equity housing, businesses, energy, and other initiatives.
- Reserving City subsidy for projects that reach deep and permanent affordability, so that we do not end up with "shared equity" housing that is unaffordable to most New Yorkers or lost to the speculative market over time.
- Enacting policies to create property pipelines for CLTs, including abolishing the City's tax lien sale; prioritizing CLTs and social housing for public land disposition; and passing the Community Opportunity to Purchase Act.

The City also has an important role to play in supporting integration and collaboration within and across shared equity initiatives and sectors, to strengthen impact and build economies of scale. For example, CLTs are seeking to host worker cooperatives and co-op incubators, community-owned solar, and other shared equity initiatives on CLT land. Community development credit unions have long provided financing to the city's limited-equity housing cooperatives for building rehabilitation and other needs, and to households purchasing apartments in those buildings. The City could provide financial and technical support, as well as City-owned property and underutilized spaces, to support these kinds of partnerships, including in neighborhoods where multiple shared-equity initiatives already exist or are taking root.

II. PRIORITIZE RACIAL AND NEIGHBORHOOD EQUITY AND ENVIRONMENTAL JUSTICE

The COVID-19 pandemic has exacerbated poverty and inequality in our city, and further underscored the need to take bold action to advance racial justice. Our city is built on stolen land taken from indigenous people and prospered from the slave trade and the labor of enslaved people. Decades of redlining, urban renewal, and sustained periods of white flight and disinvestment have contributed to glaring racial disparities in intergenerational wealth, displacement, and ecological degradation in Black and brown communities. Community wealth-building initiatives must aim to repair these legacies of injustice.

Shared equity initiatives like cooperatives, community land trusts, and community development credit unions are rooted in movements for racial equity, housing and worker justice, immigrant rights, and climate and environmental justice. These values are core to shared equity and must

be reflected in the City's support, including in future RFPs and RFEIs. New York City should follow the lead of cities such as Seattle, Los Angeles, and Philadelphia that have taken proactive steps to direct land, housing, funding and other support to Black-led initiatives.

We urge the City to adopt a reparations framework that prioritizes funding, land, and other support for shared equity initiatives that:

- Are based in and led by low-income Black, brown, and immigrant communities
- Keep longtime residents who are facing displacement pressure in place
- Provide widely-shared benefits over time--for example, through creation of strong community institutions, participatory decision-making, collective vs. individual ownership, and permanent affordability of housing and other neighborhood assets
- Address longstanding racial disparities in our economy
- Promote equitable access to safe and affordable housing, living wage jobs, responsible financial services, healthy food and environment, and other essential needs

The City should prioritize community ownership also in its pandemic recovery and climate resiliency efforts. Shared equity initiatives, from worker-owned businesses and CLTs to public banks, have played important roles stabilizing communities, preventing foreclosures and displacement, and supporting recovery efforts following the 2008 financial crash and other economic and environmental crises. During the COVID-19 pandemic, many local CLTs and cooperatives mobilized mutual aid efforts, connected tenants with legal support, distributed federal PPP and other relief funds, and more--at the same time that they deepened their long-term work to promote shared ownership and collective decision-making over development in their neighborhoods. An equitable recovery must include strong City support for shared equity initiatives in communities hardest-hit by the pandemic and the effects of climate change.

III. BUILD STRONG CITYWIDE INFRASTRUCTURE

As noted in the City's 2020 report, *Municipal Policies for Community Wealth Building*, community ownership initiatives already benefit many thousands of New Yorkers. Community development credit unions provide historically-redlined Black and brown communities tools to save, borrow, build assets, and avoid predatory lenders. Worker cooperatives have improved wages and working conditions for their members. CLTs and Mutual Housing Associations give communities and tenants, rather than for-profit developers, decision-making control over land and housing.

NYC must build on this progress by establishing strong citywide infrastructure that includes comprehensive municipal support for cooperative and community ownership. Strong citywide frameworks must be responsive to and developed in close coordination with local shared equity organizations and could include, for example:

- Citywide targets for the expansion of community ownership initiatives that prioritize racial, gender and neighborhood equity
- Strong coordination across City agencies to achieve shared equity goals, potentially through a central office or deputy mayor for community ownership

- Baseline funding in the City budget to support organizing and education activities that are central to community ownership initiatives, and to test and develop these models
- Well-defined legal and regulatory frameworks that reflect fundamental differences between collective ownership and traditional models
- Dedicated grants, loan guarantees, and financing for shared equity initiatives
- Formation of a municipal public bank with an explicit mission to support shared equity initiatives
- City preference for shared ownership models with respect to public funding, land, and other subsidy

Thank you for the opportunity to submit this joint response. We look forward to working with the City to advance community and cooperative ownership and would be happy to discuss this submission in greater detail. For more information, please contact Deyanira Del Rio at New Economy Project (dey@neweconomy-nyc.org); Hannah Anousheh at East New York CLT (hannah@cypresshills.org); or Edward Garcia at Northwest Bronx Community and Clergy Coalition (edward@northwestbronx.org).

Submitted by:

Brooklyn Cooperative Federal Credit Union
 Bronx Community Land Trust
 Chhaya Community Development Corporation
 Cooper Square Community Land Trust
 East Harlem El Barrio Community Land Trust
 East New York Community Land Trust
 GrowHouse NYC
 Hester Street
 Lower East Side People's Federal Credit Union
 Mott Haven Port Morris Community Land Stewards
 New Economy Project
 Northern Manhattan Community Land Trust
 Northwest Bronx Community and Clergy Coalition
 Nos Quedamos
 NYC Community Land Initiative (coalition)
 NYC Network of Worker Cooperatives
 TakeRoot Justice
 This Land is Ours Community Land Trust
 Youth Ministries for Peace and Justice
 Western Queens Community Land Trust