

A COMMUNITY-LED RECOVERY FOR NEW YORK:

5 BOLD PROPOSALS FOR RACIAL JUSTICE & ECONOMIC DEMOCRACY IN 2022



The New York State Community Equity Agenda is a broad-based coalition of more than 40 organizations committed to fighting for a just economy and to building institutions that are led by and support Black, brown, and working class communities. Our coalition believes that New York must pursue community economic development that creates infrastructure for building wealth, power, resiliency, and self-determination, in historically-redlined communities.

Our priorities for 2022 include concrete actions that New York policymakers can and must take right now to lay critical groundwork for a just recovery and future rooted in racial and social justice, workers' rights, cooperation, and ecological sustainability.

Establish Public Banks to Invest in Community Needs

Public money should be used for the public good, but the reality is that our public dollars in New York – totaling in the billions – are deposited in massive Wall Street banks. These are the very banks that have redlined Black and brown communities, profited off of the COVID-19 crisis, and fueled the climate crisis, among many other harms. A powerful grassroots movement has emerged in New York, as groups demand the creation of public banks across the state. We are pursuing a vision of local public banking in which communities determine how public banks will best meet their local needs. Through public banking, local governments can divest from Wall Street, expand financial services in redlined communities, and invest in small and worker-owned businesses, deeply-affordable housing, renewable energy, infrastructure, and other critical needs.

ACTION NEEDED:

- 👉 The Governor and Legislature must enact the NY Public Banking Act (S1762A/A8290), which creates a safe and appropriate regulatory framework for New York cities, counties, and regions seeking to establish public banks.

End Redlining & Other Racial Wealth Extraction

Redlining and systemic wealth extraction remain pervasive in New York, and perpetuate long-standing racial wealth inequality. Mainstream banks continue to systematically exclude Black and brown and immigrant New Yorkers, exacerbated by the ongoing closing of bank branches in communities of color and by the gross racial disparities in the Paycheck Protection Program. Meanwhile, fringe and predatory financial companies – including check-cashing outlets and financial technology ("fintech") companies – fill the void, exploiting low-income and immigrant New Yorkers and New Yorkers of color. This must change.

ACTION NEEDED:

- 👉 The Governor and Legislature must strengthen state consumer protection laws as a matter of racial and economic justice. New York lawmakers must actively fight against any efforts to weaken our strong state interest rate caps – including our 25% criminal usury cap – and should in fact make them stronger.
- 👉 The NYS Department of Financial Services and the Attorney General must stand firm against financial technology ("fintech") companies that seek to erode and circumvent regulations – including New York's strong usury laws, which serve to ban predatory payday lending in our state.
- 👉 The NYS Department of Financial Services and the Attorney General must crack down on pervasive redlining and other forms of racial wealth extraction around NYS. They must publicly document and expose racial discrimination in our financial system, and engage in bold enforcement of state and federal fair housing and fair lending laws.
- 👉 The Governor and Legislature must enact laws, such as the Consumer and Small Business Protection Act (S6414/A2495A), that strengthen New Yorkers' ability to challenge systemic wealth extraction from marginalized communities.

Strengthen NY's Community-Controlled Financial Institutions

The Equity Agenda won an unprecedented \$25 million for New York-based Community Development Financial Institutions (CDFI) in 2020, securing critical support for New York's mission-driven, neighborhood-based financial institutions. By further investing in and expanding CDFIs — community development credit unions and loan funds that serve

low-income people and small businesses, particularly in historically-redlined neighborhoods and communities hardest-hit by COVID-19 — New York will create good jobs, develop and preserve deeply-affordable housing, promote equitable financial services that build community wealth, and democratize the financial system.

ACTIONS NEEDED:

- The Governor and Legislature must allocate \$100 million or more in this year's budget to the NYS CDFI Fund for capital grants to expand community-controlled financial institutions and finance a just recovery rooted in racial justice and economic democracy.
- In addition to the new allocation, the Governor must immediately distribute the remaining \$20 million of the \$25 million allocated to the NYS CDFI Fund in 2020. New York should replicate the federal Rapid Response CDFI program in the making and distribution of NYS CDFI Fund grants, for all committed and 2023 funds.
- By passing the New York Public Banking Act this session, New York will strengthen and expand community-controlled financial institutions statewide. Local public banks can partner with credit unions and other financial institutions to drive responsible lending in historically-redlined communities.

Expand Democracy in the Workplace

New York has a historic opportunity to empower workers and communities by supporting and expanding worker cooperatives. The COVID crisis has illuminated the need for greater protections for all New York workers, especially

low-wage, immigrant, Black, and brown workers. Many workers have been forced to choose between their safety and their income, while millions of others have lost jobs due to layoffs and small business closures. At the same time, New York will continue to experience significant job losses, as older small business owners close their businesses upon retirement. When workers own their business together and make decisions in their shared interest, they gain greater control over their working conditions, higher pay, generational wealth-building opportunities, and increased resilience to economic downturns and disruptions.

ACTION NEEDED:

- The Governor and Legislature must enact legislation to help workers purchase businesses at risk of closing or being sold and to help educate small business owners on the benefit of cooperative conversions.
- Implementation of New York's historic cannabis legalization law must prioritize the development and inclusion of worker cooperatives in the cannabis industry, as a key step to ensuring equitable benefits to communities hardest hit by both the war on drugs and the pandemic.
- This year's budget must provide funding for place-based cooperative development organizations across the state. Increasing the capacity of these local organizations is essential to developing robust worker cooperative ecosystems in all regions of New York. Similarly, New York must take action needed to eliminate pervasive barriers to financing faced by worker cooperatives.

Advance Housing as a Human Right

As the pandemic has driven home, New York's housing crisis is a public health crisis and housing justice is an issue of racial, immigrant, and economic justice. We believe that New York must transform our housing system based on principles of racial and social equity, community, and economic democracy. The NYS Community Equity Agenda stands in solidarity with the Housing Justice for All campaign and NYS Community Land Trust Coalition in the fight to end evictions and create permanently-affordable social housing through tools like community land trusts (CLTs).

ACTION NEEDED:

- The Governor and Legislature must enact the Tenant Opportunity to Purchase Act (S3157/A5971). TOPA allows tenants to collectively purchase their buildings and operate them cooperatively in their shared interest.
- The Governor and Legislature must enact the Fair Taxation for Community Land Trusts Act (S6326A/A7930), which would ensure equitable treatment of CLTs and enable CLTs to provide even more deeply-affordable housing across the state.

Learn more: www.equityagendany.org