

# A COMMUNITY-LED RECOVERY FOR NEW YORK:

## 5 BOLD PROPOSALS FOR RACIAL JUSTICE & ECONOMIC DEMOCRACY IN 2023



The New York State Community Equity Agenda is a broad-based coalition of more than 45 organizations committed to fighting for a just economy and to building institutions that are led by and support Black, brown, and working class New Yorkers and communities. The Equity Agenda coalition believes that New York must pursue economic development that creates infrastructure for building wealth, power, resiliency, and self-determination, particularly in historically-redlined communities.

Our priorities for 2023 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 economic, racial and social justice, 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. Public banks will allow local governments to capture the investment potential of public deposits and drive equitable local economic development and recovery.

A powerful grassroots movement has emerged in New York, as groups demand the creation of local public banks across the state. We are pursuing a vision of local public banking in which communities determine how public banks will best meet local needs. Through public banking, local governments can divest from Wall Street banks that fail to serve Black and brown communities, profited off of the COVID-19 crisis, and fueled climate change. Instead, public banks will 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 New York Public Banking Act. The bill 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 gross racial disparities in the Paycheck Protection Program. Fringe and predatory financial services companies – including check-cashing outlets and financial

technology (“fintech”) companies – fill the void created by mainstream banks, 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, especially in light of recent judicial attacks on the Consumer Financial Protection Bureau at the federal level. 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 effectively ban predatory payday lending in our state.
- 👉 The NYS Department of Financial Services and Attorney General must crack down on pervasive redlining and other forms of racial wealth extraction around NYS. They must publicly document and expose how racial discrimination in our financial system harms New Yorkers and communities and perpetuates inequality throughout the state. They must 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, that strengthen New Yorkers’ ability to challenge systemic wealth extraction from marginalized communities.

## Strengthen NY's Community-Controlled Financial Institutions

New York is home to one of the nation's highest concentrations of Community Development Financial Institutions (CDFIs) — community development credit unions, loan funds, and banks that serve low-income people and small businesses, especially in historically-redlined neighborhoods. By funding CDFIs, the state will expand the capacity of these institutions to create good jobs, develop and preserve deeply-affordable housing, and promote equitable financial services that build community wealth.

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. More needs to be done, however, to ensure equitable financial services across the state.

### ACTIONS NEEDED:

- The Governor must immediately distribute the remaining \$20 million of the \$25 million allocated to the NYS CDFI Fund in 2020, after failing to distribute any of the committed funds in 2022. We call on New York to replicate the federal Rapid Response CDFI program, as an effective model for administering the state CDFI Fund.
- This year, the Governor and Legislature must allocate an additional \$100 million to the NYS CDFI Fund. The funds will provide capital grants to expand community-controlled financial institutions and fund community development rooted in racial justice and economic democracy.
- The Governor and Legislature must enact the New York Public Banking Act this session. Creating a structure for local public banks is the best way to strengthen and expand community-controlled financial institutions statewide. Local public banks can partner with CDFI-credit unions and other financial institutions to expand their capacity to leverage public dollars and drive responsible lending in Black and brown communities.

## Expand Democracy in the Workplace

New York has an 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. 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, educate small business owners and workers on the benefits of cooperative conversions, and support existing worker co-ops.
- 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 NY.
- 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.
- By enacting the New York Public Banking Act and funding the NYS CDFI Fund, New York can help direct much-needed capital to worker cooperatives, which have historically struggled to access financing from commercial banks.

## Advance Housing as a Human Right

We believe that New York must transform our housing system based on principles of racial and social equity, community control, and economic democracy. This starts with taking housing out of the speculative market and affirming housing as a human right. 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 community land trusts (CLTs) and other vehicles.

### ACTION NEEDED:

- The Governor and Legislature must enact the Tenant Opportunity to Purchase Act. TOPA gives tenants the first right to purchase their buildings when they go up for sale and to operate them cooperatively in their shared interest.
- The Governor and Legislature must enact Good Cause Eviction, ensuring housing stability and economic security for tenants across the state.
- The Governor and Legislature must enact the Fair Taxation for Community Land Trusts Act, which would ensure equitable tax treatment of CLTs, enabling the expansion of CLTs providing deeply-affordable housing across the state.

Learn more: [www.equityagendany.org](http://www.equityagendany.org)