

Accelerating Reinvestment in Community (ARC) in Somerville through Community Wealth Building (CWB)

A memo to the Somerville City Council from The Democracy Collaborative

Somerville is in the midst of transformation, with unprecedented levels of development driving economic growth and an associated jobs boom, alongside large investment from the American Rescue Plan, creating many new and exciting opportunities. In this moment of huge possibility, we must ensure that all of Somerville's citizens thrive from this economic success, with strategies, policy and action that securely harness wealth, support marginalized communities, and build economic and social resilience for the benefit people, place, and planet.

At this inflection point it is crucial to develop a positive route map, to link economic opportunities more intentionally to local residents and communities and ensure that transformation does not lead to further gentrification, pricing citizens out of the city and exacerbating economic and social insecurities. This is the goal of the City of Somerville's Accelerating Reinvestment in Community (ARC) program.

The Democracy Collaborative has been engaged to advise the city on how to deliver on this through community wealth building (CWB). CWB is a people-and-place-centered approach to local economic development that reorganizes local economies to be more equitable and sustainable by design. CWB develops economic institutions and interventions so that wealth is broadly held and generative, with local roots, so that income is recirculated to the benefit of community, and people are provided with equal opportunity and dignity.

The Democracy Collaborative is in the process of developing specific actions and strategies for Somerville and will produce a full report in the new year to help the Mayor's office to identify, knit together, amplify and develop winning strategies for building community wealth. Below are some early emerging actions to advance CWB in the City, which, along with additional recommendations, will be further detailed and augmented in the final report next quarter. These are initial findings drawn from targeted interviews with local stakeholders and leaders – more work needs to be done to determine how best to advance these actions, and in some cases special legislation may be needed where the city may not yet have the authority to intervene.

Interconnected actions to build a CWB ecosystem in Somerville:

- **Baseline spend analysis.** The City of Somerville and other local anchor institutions act as economic agents, yet they do not have a collective understanding or baseline of their spending and investment patterns. A more comprehensive understanding would allow them to identify strengths and gaps and thus provide a more solid basis to leverage their role in the local economy.

- **Sophisticated anchor network:** A number of the local anchor institutions – such as Tufts University, Massachusetts General Brigham, Cambridge Health Alliance, and the Public Schools – already have good collaborative relationships. Building off of the spend analysis, a formal anchor network would allow institutional leaders to meet regularly to discuss shared challenges and identify opportunities for solutions, purchasing, job training, and hiring.
- **Jobs for Somerville brokerage.** At present there are significant and growing job opportunities across the city. However, the linking between the vacancies (particularly in local anchor institutions) and Somerville residents and communities (especially those most distant from opportunities, including BIPOC communities) could be stronger and more strategic. A publicly supported ‘one stop shop’ brokerage and training service, which acts as a hub for training, application support, and recruitment could transform the job market for residents.
- **Cooperative support network ecosystem.** Cooperative development offers a collective and coordinated approach to markets, building shared ownership opportunities where gaps in services exist and connecting residents of Somerville with wealth building opportunities. In order to foster a cooperative ecosystem across Somerville, the city should conduct a comprehensive review across identified sectors (i.e. day care, home care, maintenance and repair) to determine which are ripe for cooperative development, while also growing capacity and support through networked services.
- **Social enterprise zones and growing Community Land Trusts.** Development and land appreciation is, in many instances, pricing out local enterprise, traditional industry, services and local retail, and commercial outlets. To counter this, the city should create support mechanisms, such as a retail/commercial Community Land Trust and a social enterprise zone for the local economy, to keep land out of the speculative market and retain a diverse economic base and nurturing local innovation, creativity and talent.
- **Innovative solutions to ensure affordable housing:** In addition to the city’s 100 Homes program, and support for the housing Community Land Trust, the city should also explore investing pension fund capital (which has already committed to fossil fuel divestment) to finance-ready projects to build or rehab local housing stock for affordable rent for key workers in Somerville, as well as models such as limited equity housing cooperatives.

If taken together, these strategies will develop the generative and supportive social and economic infrastructure that can connect Somerville’s new growth and incoming investment to the long-term benefit of community.