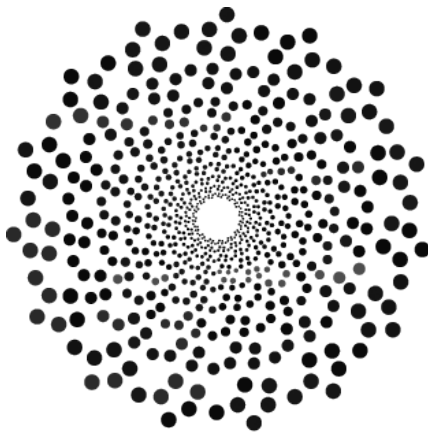


Advancing community wealth building in the City of Somerville

A report to
the City of
Somerville, Mass.

May 2022



**DEMOCRACY
COLLABORATIVE**

What would it mean for Somerville to build a more democratic economy?

Could Somerville be a city better insulated from the shocks of gentrification and displacement? Where city residents would have strong, accessible pipelines to good jobs and secure housing? Where workers increasingly have a stake in their enterprises through co-op ownership? Where young families can access affordable daycare knowing that caregivers are well paid and building their own futures? And those late in life can secure the assistance they need on the same terms?

Community wealth building (CWB) is an endeavor committed to the potential to do all this. By opening up structures of ownership and control to community participation, CWB finds ways to keep money circulating within local economies instead of being pulled out by larger economic

forces. At a moment of intense growth and development in Somerville, now is the time to assure that wealth generated in Somerville stays in and benefits the people of Somerville.

The Democracy Collaborative (TDC) is working closely with local governments in the U.S and globally to advance community wealth building at scale, deepening and honing its practice so that it becomes *the* new reality, the preeminent means to deliver economic recovery and development post-COVID.

Collaborating with Somerville at this crucial moment, we offer suggestions for how to create a community wealth building infrastructure that increases the capacity of the community to create a sustainable, just, and inclusive economy for all.

***Now is the
time to assure
that wealth
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TDC would like to thank the City of Somerville and colleagues for the opportunity to work with them to advance community wealth building (CWB) in action. This pro bono work served to both road test and develop our emergent methodology for direct engagement with local governments. It also allowed us to learn from the CWB journey that the city is on and iterate based on the needs of the city. We would especially like to thank Anne Tate, Erica Satin-Hernandez, and all of the people we spoke to as part of this work .

Full list of recommendations

Inclusive and democratic ownership

- Develop an external inclusive ownership platform: The “Somerville Community Wealth Hub”

Targeted opportunity: Childcare worker cooperative

- Create a centralized childcare one-stop shop
- Explore worker-owned and shared-services cooperatives

Targeted opportunity: Anchor institutions

- Create a formal “anchor network”
- Develop stronger relationships and concrete mechanism for local anchor hiring
- Explore the value of a back-end business service cooperative for anchor institutions, with revolving funds

Targeted opportunity: A robust workforce ecosystem

- Create a jobs brokerage to support a more integrated workforce system
- Support strategies to facilitate the development and success of worker-owned businesses

Targeted opportunity: Local investment

- Explore commercial community land trusts
- Create additional “Main Streets” nonprofits connected through a shared services cooperative

Targeted opportunity: Housing affordability

- Invest in Somerville’s nascent community land trust
- Explore new ways to finance and support more inclusive, democratic housing models

1. Introduction

Community wealth building (CWB) aims to reorganize the local economy so that wealth is not extracted but broadly held and generative, with local roots, so that income is recirculated to the benefit of community, and people have the opportunity to reach their full potential. CWB seeks to hotwire social justice and ecological benefits directly into the economy, rather than add on fixes after the fact to ameliorate the worst effects of an unequal system.¹ When practiced in an intentional and interconnected way, CWB delivers maximal benefit to community, transforming local economies through local and broad-based ownership.

Somerville is in the midst of transformation and in need of CWB. With the Green Line transportation extension, aligned with growth in the Life Science industry, there are and will continue to be unprecedented levels of development driving economic growth, with an associated jobs boom. At present, the City of Somerville enjoys a relatively healthy financial situation, after years of fiscal scarcity. In this moment of huge possibility, we are already seeing aggressive gentrification, with lifelong residents and people from historically marginalized groups leaving the city they can no longer afford. The city must ensure that all of Somerville's residents benefit 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 of people, place, and planet.

The City of Somerville has identified CWB as a key means of delivering equitable economic development as part of their Accelerating Reinvestment in Community (ARC) program. This agenda is emergent, with aims to ensure that CWB is woven into the way the city operates broadly, ultimately becoming the norm. This includes ensuring America Rescue Plan Act (ARPA) funds have a CWB lens. These funds offer a huge opportunity to adopt CWB at scale, moving it from the fringes to the mainstream and accelerating its ability to have maximal impact in people's lives. Many cities throughout the U.S. (e.g., Chicago) are considering how ARPA funds can be used

to advance CWB strategies, such as the development of local supply chains and hiring pipelines, and the creation of new forms of land ownership and development that lock in local wealth. This includes ensuring that Request For Proposals (RFP) guidelines highlight the importance of CWB and weigh proposals based on consideration of strategies focused on CWB.

Somerville is positioned to be a leader among cities seeking to advance equitable economic development. In essence, by piloting new CWB strategies, Somerville can demonstrate what is possible, excite other communities, and grow more extensive efforts that could have wider, deeper, and more sustainable impact. TDC is engaging directly with a number of local governments in different geographies and at various scales both to deliver citizen outcomes and to “show by doing”—to develop a clear, accessible, replicable, and ordered methodological process to mainstream CWB practice. The City of Somerville is among the first partner cities that TDC is working with to advance this thinking in place.

Approach and method

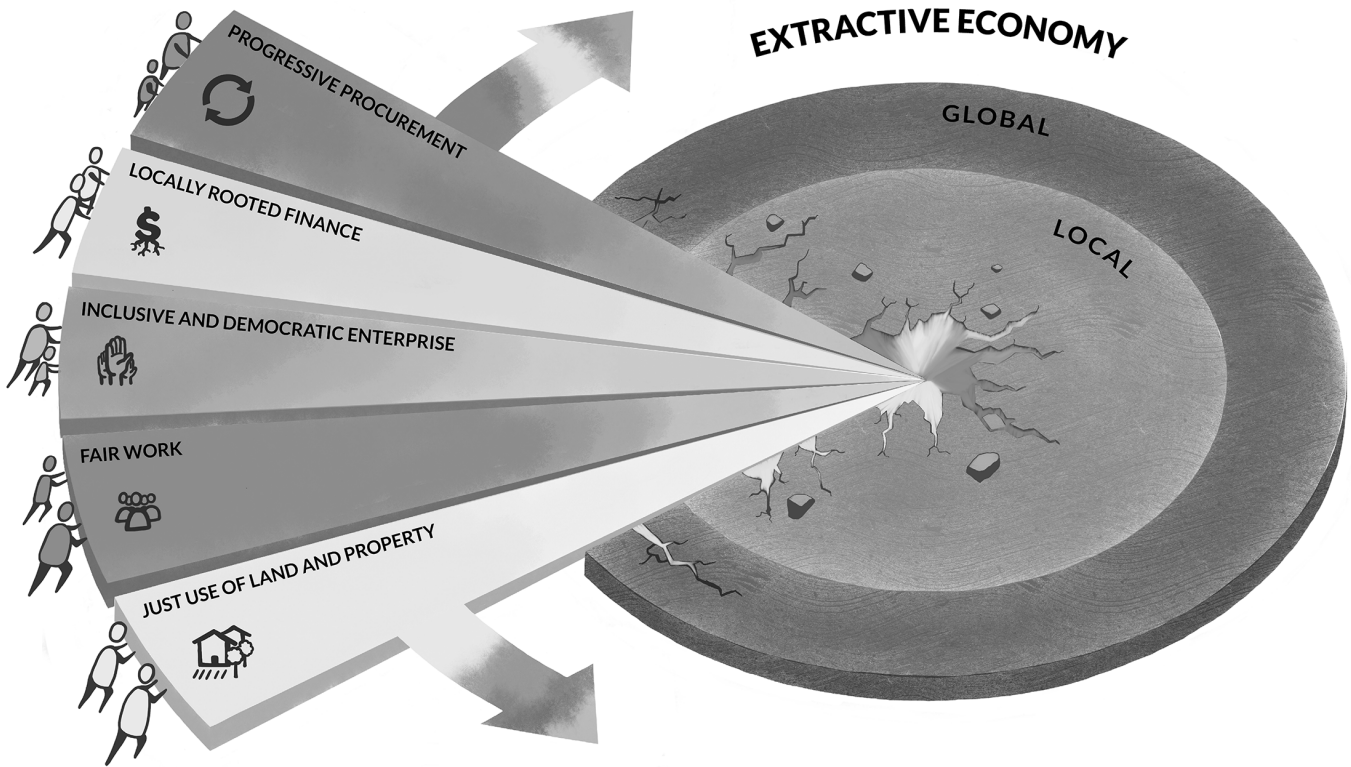
Community wealth building focuses on developing targeted strategies and approaches across five interrelated pillars of the local economy to harness existing resources and enable local economies to grow and develop from within (referred to as ‘pillars’—see full attached appendix on CWB for more). These are:

Inclusive and democratic enterprise. Cities should have multiple forms of worker and consumer co-operatives, social enterprises, municipal ownership/enterprise, and more, based on the recognition that the ownership of productive capital is at the heart of where power lies in any political-economic system.

Locally rooted finance. Cities and local institutions should redirect money in service of the real economy through public and community banks, credit unions, targeted public pension investments.

Fair work. Every worker must receive a living wage and

1 See appendix for more detail on CWB



The "community wealth building wedge."

real power in and control of their workplace for decent work and conditions, and advancing trade union rights.

Just use of land and property. Cities should mobilize land and property assets to build real wealth in communities, bring local land and real estate development back under community control, and combat speculation and displacement.

Progressive procurement. Local governments and place-based "anchor institutions" should lead with procurement practices that re-localize economic activity, build local multipliers and end leakage and financial extraction.

There are various elements of CWB (such as community land trusts, cooperatives, community development financial institutions and so forth) that sit within each of these five pillars as actions that democratize local economies from the ground up.

When these five pillars come together, they form the community wealth building "wedge." The wedge represents CWB's truly transformative power—pulling together the actions within these pillars in an intentional and interconnected way, disrupting and displacing the extractive economy, and creating a new model that drives a more democratic economy from the local to the global.

The methodology TDC has adopted in Somerville is a be-

spoke variant of this. We started with exploring and analyzing Somerville's current challenges and opportunities, through material review and interviews with key stakeholders, focusing in on key areas in which CWB strategies could have maximum positive impact. We have used the findings from this process, alongside the wider experiences and insight from TDC's work over 20 years, to make key recommendations, broken out by sections of targeted opportunities in this report.

This report is in no way a comprehensive review of Somerville's local economy, covering all details of economic development activity and related policy touch-points. Instead, this report aims to provide a broad overview of CWB efforts within Somerville, and covers key opportunities and challenges, identifying and lifting up strategic recommendations to advance CWB across the city. Therefore, this work is strategic but selective, using our experience to focus on what we perceive to be the key opportunities for the ongoing advancement of CWB in the city. In this, we have two main categories of recommendations:

"Build": We outline what we see as the top priority actions to powerfully build CWB in the city overall.

"Augment": We outline ideas for how to augment and connect or modify existing programs and practice.

2. Inclusive and democratic ownership

Inclusive and democratic ownership is the centerpiece of any community wealth building effort. CWB is concerned with the governance, ownership and management of the assets which make up the economy—including enterprises, land, and workforce. As with all CWB activities and interventions, the aim is to make the overall economy less “extractive” and more “generative,” so that the benefits of asset ownership are broadly shared and recirculatory.

The need to expand democratic forms of ownership of the economy has taken on even greater significance in the post-COVID-19 world. Traditional policies and approaches are demonstrably failing to alter deteriorating long-run trends on income inequality, concentrated wealth, community divestment and displacement, persistent place- and race-based poverty, and environmental destruction. As a consequence, we have witnessed in recent years an explosion of interest in and practical experimentation with a variety of alternative economic institutions and models of ownership. They range from public and municipal ownership to employee ownership in manufacturing, consumer cooperatives in retail, producer cooperatives in farming, social enterprises serving non-profit missions, and more inclusive and sustainable forms of local private ownership such as locally-rooted small and medium-size enterprises. These organizational forms have proved capable of altering the balance of ownership and producing dramatically better distributional outcomes as a matter of course.

CONTEXT In this section we look explicitly at inclusive and democratic ownership of enterprise as a key backbone of the economy (and in all sections of this report, you will see that we highlight opportunities for broadening inclusive and democratic ownership in each opportunity area). The aim of these forms of enterprise is not solely profit or efficiency, but wider values associated with achieving greater racial equity and social justice, profit sharing and wealth distribution, participation and community control over decision-making, and environmental sustainability to tackle climate change. Inclusive and democratic ownership of enterprise demands pluralism—or a multiplicity of forms—and a

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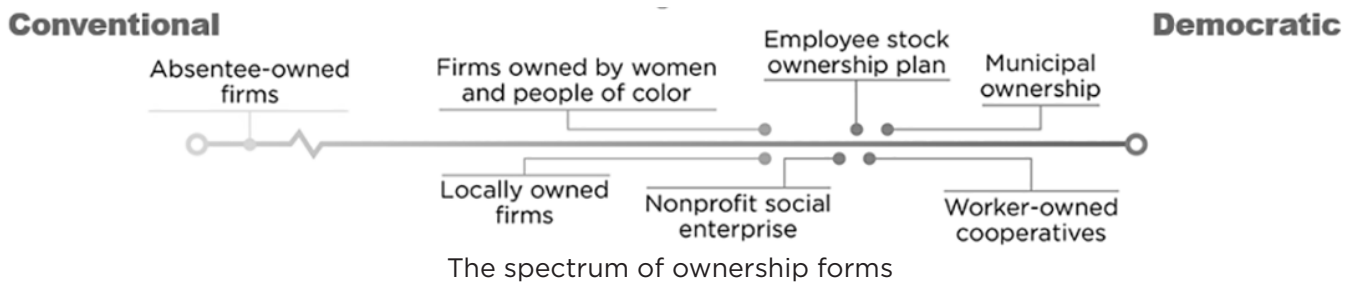
respect for historical and geographical context and culture; there is no one-size-fits-all approach.²

There is a broad spectrum of inclusive ownership in enterprise, from more conventional locally owned to more democratic forms of worker-owned cooperatives (see figure above).

Unlike a traditional business, in which ownership and control is separate from and often antagonistic to the workers who create value for the enterprise, a worker cooperative provides for both democratic ownership of the workplace, with each worker holding an equal interest in the business, and democratic governance, with each worker able to cast an equal vote in key decisions—such as electing the Board of Directors.

While worker cooperatives represent only a very small percentage of U.S. businesses, the sector is growing and poised for a significant increase in scale. Only approximately 6,800 workers in the U.S. are members of worker cooperatives—but there has been significant growth in the sector, which has doubled in size over the past decade. Small investments in worker cooperative development capacity have demonstrated a significant impact. For instance, a relatively small amount of funding from New York City—currently less than \$4 million annually—

² From Cities Building Community Wealth: <https://democracycollaborative.org/learn/publication/cities-building-community-wealth>



sparked an increase in the number of worker co-ops in the city from 12 when the effort started in 2014 to 80 by 2018. A major opportunity to scale the sector stems from the impending retirement of millions of baby boomer business owners, many of whom lack a robust succession plan for their firms. Conversion to worker cooperatives offers a job-preserving pathway. This is also a particular concern in the ongoing COVID crisis which has disproportionately impacted small business.³

This move towards more democratic forms of enterprise ownership has momentum in Somerville. Worker-ownership can play a crucial role in “saving” local businesses and preserving and elevating the quality local jobs. Many city business owners are approaching retirement and conversion to worker-ownership could prevent the sale, closure, and/or asset stripping of those businesses, keeping those businesses and the jobs and services they provide in the city. A relatively easy first step in this direction would be for the city to detail the size, field, and locations of its “legacy businesses,” which could inform how the city approaches this issue.

However, there is a common conception that the ecosystem around various forms of democratic enterprise ownership, and specifically cooperatives, is limited and infertile. The result is a lack of amplification and ability to scale up, with coops being inadequately connected to mainstream business support mechanisms and democratic ownership is perceived as marginal to mainstream activities.

Recommendations to advance inclusive and democratic ownership

There is no shortage of nationwide examples of how cities can support the advancement of inclusive ownership, including cooperatives. This includes:

³ A new mechanism to prevent enterprises in this latter state from being asset stripped or consolidated – Local Economic Preservations Funds – can hold viable companies during a crisis period and then offer them an exit to community ownership once in recovery. This is already being considered as an option in the Boston area. For more on LEPFs: <https://democracycollaborative.org/sites/default/files/2020-11/Local-Economy-Preservation-Funds-concept-Nov2020.pdf>

Developer cities, such as Cleveland, Ohio and Rochester, N.Y., that drive cooperative development directly through municipal-led initiatives.

Endorser cities, such as Oakland, Calif. and Philadelphia, Pa., that assist and bolster grassroots-led advancement and advocacy; and

Cultivator cities, like Madison, Wisc. and New York, where the city invests in cooperative capacity and proliferations but the grassroots leads the development activities.

The City of Somerville currently stands in a position to act in any of the above-mentioned capacities—driving cooperative development through its own progressive procurement initiatives, supporting existing on the ground cooperative efforts through supporting infrastructure and ecosystem development, and/or investing directly in cooperatives through various investment and fund vehicles.

1. Develop an external inclusive ownership platform: The “Somerville Community Wealth Hub”

There is a lack of support architecture for inclusive and democratically owned enterprise within Somerville, with evidence to suggest that support for these types of businesses, while publicly strong, is in practice rather tame and weak. There is a pressing need for a dedicated supported architecture and ecosystem for inclusive ownership, and especially employee-owned cooperatives, within the city.

To address this, the city, along with partners across the greater Boston region, should consider creating a dedicated “Community Wealth Hub” as a physical site and base for the ecosystem development program—a “front door” of sorts for all things related to inclusive and democratic ownership. Aside from amplifying the status of CWB in the city, this hub would coordinate networks of activities and provide services tailored to the needs of inclusive ownership models, including cooperatives. This should be distinct but related to other business support. This could mean a partial repurposing of the traditional local business support landscape with greater consideration of how the support engages with BIPOC and other marginalized communities and offers information, capacity, and support regarding inclusive and democratic ownership of enterprise.

Specifically, a community wealth hub would look to develop an ecosystem of financial, technical, and social support, which will be critical to enabling these generative organizations to flourish. Specifically, such a hub could:

- Provide basic information and resources to all community residents interested in cooperative enterprises.
- Offer trainings and educational events to ensure entrepreneurs are aware of the cooperative model.
- Provide legal and advocacy support including a basic licensing scheme for cooperatives.
- Support the development of “platform co-operatives”—umbrella organizations in target sectors to provide the scale needed for small generative organizations to compete in public sector and commercial markets.
- Create a worker cooperative grant program for worker cooperative start-up and operating businesses in vulnerable and most impacted communities, especially those hit hardest by COVID.
- Create a worker cooperative revolving loan program on the city level that can support worker cooperatives to scale to meet the need of local procurement and other general demands.
- Identify and support potential firms for cooperative conversion. Across Somerville, there are a number of small and medium enterprises that are likely to face a change of ownership in the next five years. Research has shown that these firms are likely to face issues around succession, and that there is a danger that a lack of planning can mean companies closing and local jobs being lost. This offers potential inception points for more cooperative conversion, but will require greater awareness and support.
- Help to advance cooperative and worker ownership ideas and plans identified elsewhere in this report. This includes:
 - Exploring worker-owned and shared services cooperatives in the care sector. Worker coop-

eratives promise to elevate the quality of child-care jobs and could include a network of worker cooperatives to offer affordable care across Somerville. (See full explanation in recommendations 2 and 3 below).

- The creation of a back-end business service cooperative that would make it easier for small local businesses to meet the city’s large anchor procurement needs. A back-end business service cooperative could serve as a one-stop-shop for anchors to share RFPs and contract opportunities, connect local businesses so they can partner on larger contracts that exceed their current capacity, and provide the back-end business services companies often need to work with anchors and that are critical to overall business success. (See full explanation in recommendation 6 below).
- Support the development of worker-owned businesses in immigrant communities. Developing ways to catalyze and then grow worker-owned enterprises could be an especially promising job creation strategy for undocumented populations, while also filling gaps in the local economy and meeting supply chain needs for local institutions and other large employers. (See full explanation in recommendation 8 below).
- Developing a network of “Main streets” nonprofits connected through a shared services cooperative. East Somerville Main Streets and Union Square Main Streets provide models of on-the-ground nonprofits focused on ensuring that local, neighborhood-based economies thrive. Other areas of the city could work to create similar entities and form a network of “Main Streets” focused nonprofits collaborating to reduce costs and improve services. (See full explanation in recommendation 10 below).

3. Targeted opportunity: Childcare worker cooperative

In Somerville, there is a mismatch between most Somerville families' needs and resources, and the price and availability of quality childcare, which has created a system that is inequitable at its core. The current market is dominated by for-profit childcare chains and small businesses (most of which are not rooted in the community), which struggle to retain staff. Existing “solutions” can exacerbate the challenges—e.g., the training of workers to boost quality of care has resulted in workers moving onto jobs with more stable hours and better wages, thus deepening inequities. The issue threatens the city’s ability to attract and retain families, and thus underscores the importance of exploring CWB strategies that can nurture a more equitable system that better supports families and childcare workers.

As we presented in the previous section, worker cooperatives provide a clear and intuitive example of the democratic economy in action. Examples such as Cooperative Home Care Associates in the Bronx⁴ demonstrate the empowering potential of worker cooperatives, particularly for women, communities of color, and all workers in exploitive sectors.

In advancing childcare options under the orbit of CWB, it is essential that we do not gender stereotype this sector or view it as a “dead-end job.” Direct care cannot be automated and should be seen as a vibrant sector offering family supporting jobs that can foster career development, financial stability, and empowered and included individuals and communities. A shift to investment in care (which is too often seen as a cost) is an essential part of economic development and vital to advancing human decency and a good society.

⁴ Founded 25 years ago as an employee-owned home care agency in the South Bronx, Cooperative Home Care Associates is now the largest worker cooperative in the United States, employing roughly 2,000 African American and Latina workers in the poorest urban county in the United States. CHCA's nonprofit training arm, Paraprofessional Health Institute, annually trains more than 450 inner-city women to become home health aides.

The lack of affordable, quality childcare threatens the city’s ability to attract and retain families, and thus underscores the importance of exploring community wealth building strategies that can nurture a more equitable system that better supports families and childcare workers.

CONTEXT Somerville’s high cost of living creates huge problems within the childcare market. With high cost of living comes a limit to the pool of prospective childcare workers, as many cannot afford to live in Somerville and, currently, standard wages for childcare workers are very low, given the importance and critical nature of the service they provide. To counteract this shortage of available workers, some centers do offer higher salaries to attract potential employees. But this comes with higher tuition rates, making high quality childcare too expensive for both low as well as some higher income families.

As such, this is no longer a crisis affecting just the poorest; now families with incomes up to \$120,000 cannot afford quality care. The wealthiest are able to access the city’s small number of quality daycare providers, while others are forced to rely on informal home providers (i.e., “friends and family care”), which are not licensed. Also problematic, the number of licensed family childcare providers has been decreasing overtime. This follows the na-

tional trend, but is likely more acute in Somerville because it is so hard to find affordable space for new centers due to the high cost of real estate and stringent state licensing requirements.

The issues highlighted above have resulted in a polarized system. On the one hand there is a small portion of families who are able to access centers boasting credentialed staff housed in licensed, well-resourced facilities. On the other, there are numerous home providers that employ noncredentialed though critical workers, who with great empathy provide culturally relevant and much needed affordable, quality care. Some of these have owners or workers who face immigration issues, and their fears may prevent them from seeking state licensure and formal credentials.

This polarized system is exacerbated by a lack of a central information/coordination point from which families can get information about the range of childcare options and possible support. While a number of efforts have been made from the Somerville Hub to the state-based tool, there are still many barriers to accessing information and learning about the full gamut of opportunities. The system is therefore extremely difficult to navigate and deepens inequities, as those with the fewest resources and time available to access this information end up even more disadvantaged.

Recommendations to develop childcare cooperatives

This crisis is now affecting higher-wage families as well. Could these families be tapped to grow a movement that could re-conceptualize the provision of affordable, accessible, quality daycare as a public good? A strong political movement around this could prompt the city to provide free or extremely affordable space to providers and/or incentives to childcare workers. With the promised influx of ARPA dollars and the potential to deliver through the ARC program, the time is ripe for this type of advocacy.

There are a number of ways that the city can help improve the childcare situation in Somerville. This includes changing or tweaking existing programs or efforts, lifting up and scaling (augmenting) ongoing provision, and developing new activities that lay the groundwork for a fairer childcare landscape in Somerville moving forward.

BUILD As highlighted above, it is critical to find a way to lower childcare costs while boosting the quality of childcare jobs to foster a more stable, quality workforce. Having an ecosystem that includes centers and home-based options is important to ensure that all families' needs/preferences can be met, and that people

who want to work from home can do so. However, the system must be equitable—i.e., one that provides quality, accessible care to everyone. Therefore, we recommend the following actions to build an equitable, democratic, and recirculatory childcare ecosystem for Somerville:

2. Create a centralized childcare one-stop shop

Providing a one-stop shop through which Somerville residents can learn about the rich array of daycare options, subsidies, etc. could help families navigate the system and reduce providers' costs by enabling them to share core administrative functions. Co-locating numerous providers within a shared space could help even further by enabling providers to share supplies, resources, and staff (e.g., a nurse). It is worth considering creating a few hubs across the city so providers can take advantage of shared services/functions without limiting accessibility.

3. Explore worker-owned and shared services cooperatives

Somerville has had some experience with consumer cooperatives in the food and childcare fields, but the realities of parents' demanding schedules make it unlikely for this model to succeed now (e.g., childcare cooperatives that offer members discounted rates in exchange for their volunteer hours are unlikely to gain traction because parents lack time to participate and just want services). Worker cooperatives (i.e., providers whose workers are also the facility's owners), though, could be a better, especially impactful interesting option since they promise to elevate the quality of childcare jobs (since workers are empowered to become decision-makers and can build wealth through their ownership).

A network of worker cooperatives could be even more impactful—by relying on shared services/resources, the co-ops could reduce overall costs without sacrificing care (and possibility even enhance care by making training and resources easier to access).

AUGMENT In addition to the new actions suggested above, it would be very helpful if the city were to encourage and support the connection and scaling of other areas of work to support the development of childcare cooperatives:

Provide more affordable housing options for childcare workers. In a city with high housing costs, could the city help incentivize jobs in the childcare field by offering housing subsidies to childcare workers or by creating affordable housing developments specifically geared to childcare workers? Can anything be learned from the arts community's live/work model, in which affordable artist housing is built above studio space? See the section on housing that lays out steps and opportunities

for creating more affordable options, particularly for marginalized and immigrant communities in Somerville.

Tap the economic power of anchor institutions. Some of Somerville’s larger employers, particularly its nonprofit anchor institutions (e.g., Tufts, Cambridge Health Alliance), have a vested interest in ensuring qualified workers can live in the city and afford childcare. Could these anchors be motivated to provide affordable space to centers (thus ensuring accessible, quality care to their employees)? See the below section on Anchor Institutions for more specific ideas on how to do this.

Add daycare to existing schools. Could schools open up space to co-house daycare (including properties surplus to requirements), thus creating spaces that enable families to access care a) before children reach school-age, and b) for all children outside of traditional school hours? Given the broader needs of families with children, could

other key services (e.g., healthcare, mental healthcare, etc.) be offered in these spaces as well, creating truly holistic centers? In particular, could the existing program, Somer-Promise, which focuses on leveraging cross-sector resources to support children’s success from “cradle to career,” be a resource or a base from which to catalyze and launch new cross-sectoral efforts to address this challenge?

Incentivize training and credentialing. To raise the quality of Friends and Family and other care options, it is valuable to encourage workers to receive additional training. By offering workers loans to cover the cost of further education, and then forgiving loans for those who remain employed by certain facilities for a set period of time, there could be a way to make these jobs less transitional. There are models of this across the country and at the national level (e.g., the Teacher Loan Forgiveness program for those employed at low-income schools).

4. Targeted opportunity: Anchor institutions

Working more intentionally with its local anchor institutions provides a huge opportunity for Somerville to increase local investment and keep wealth circulating in the community. Anchor institutions are place-based public or not-for-profit institutions such as universities and hospitals that are rooted in communities and are themselves large economic actors. They are often the largest employers and purchasers in many cities, and own numerous assets including land and property. Harnessing the economic might of anchor institutions is a hugely important tool in shaping local markets in the direction of greater equity and inclusion. In this section, we offer recommendations for how best to tweak, augment and build anchor-oriented CWB strategies, informed by interviews conducted with key anchor leaders as well as city officials.

CONTEXT Somerville is home to several large nonprofit and public anchors, which include Mass General Hospital—Brigham, Tufts University, Cambridge Health Alliance, Somerville Public Schools, and the City of Somerville itself. All of these anchors recognize their potential role and power as economic engines and express strong interest in and commitment to having a positive impact in the larger community. It is clear, however, that they are not yet exerting their full potential to affect positive change through their hiring, procurement, construction and other policies and behaviors. Given the relative size, density, and prestige of these anchor institutions, combined with their general willingness as community actors, it is integral that Somerville more intentionally harness and direct this potential for the benefit of all.

Notably, Somerville’s anchors lack a regular way to connect with each other as well as with representatives from the Somerville government, making it especially challenging for leaders and institutions to share information and ideas, and develop meaningful relationships and collaborative efforts. Even taking small steps to better connect institutional leaders (as demonstrated in our interview)

Harnessing the economic might of anchor institutions is a hugely important tool in shaping local markets in the direction of greater equity and inclusion.

can open anchors’ eyes to numerous new ideas and possibilities while growing recognition that many of their core challenges are not unique ones. For example, some of the challenges the institutions articulated include:

- Without a central coordinating office or person, it is difficult for anchors to assess the full scope and scale of institutional community relationships and partnerships.
- Local anchor institutions still do not fully recognize or understand their economic impact locally, focusing more on their mission and charitable works.
- The anchors are unaware of all the existing local businesses that could meet their needs and have limited capacity to reach out to minority and women-owned businesses, cooperatives, and other nontraditional suppliers.

Simply creating a structured means for the anchors to more intentionally connect with one another and with local stakeholders from both Somerville city government and the local community would help address a number of these challenges. This, alongside additional recommendations presented below, will go a long way not only in overcoming some of these difficulties, but also in taking full advantage of the opportunities these institutions represent.

Recommendations: Growing a strong anchor ecosystem in Somerville

As noted above, Somerville’s anchor institutions already have a positive impact in the community. For example, Cambridge Health Alliance is committed to supporting and growing local businesses and has a brand new strategy to enhance their supplier diversity program. Somerville public schools offer incredibly strong vocational training programs in state-of-the-art classrooms at the high school. However, there is still much more that they should and could be doing—and they too recognize this.

Centrally, they see value in deepening their relationships with one another as well as with the Somerville government and community-based organizations. Advancing these partnerships could help them address two current identified pain points:

- COVID-related supply chain challenges: better partnerships could surface existing local vendors that anchors may be unaware of; and
- Attracting quality local candidates for job opportunities: the anchors have numerous well paid job opportunities with minimal educational requirements.⁵ Local anchor partnerships could help a) spread the word about these jobs, and b) provide the supportive services job seekers may need to overcome employment-related barriers (e.g., finding childcare, etc.).

BUILD To that end, our top-line recommendation to ensure that Somerville’s anchor institutions have long-term, sustainable, and equitable impact in the community is to *create a city position (or small department/office) that could focus exclusively on city-community-anchor relationships and partnerships*. This position could spearhead and coordinate many of the proposed recommendations below while serving as the backbone of a new ecosystem that ensures Somerville’s anchors can maximize their potential value as genuine community-focused economic engines.

Experience from other cities indicates that this position should be embedded in one of the city’s established departments/divisions (rather than embedded in the Mayor’s office) so that it is immune to electoral cycles. Furthermore, this work should be funded by a permanent, guaranteed source rather than from variable or unpredictable grant funding.⁶

5 For example, at the time of this report, Tufts alone had over 280 job openings currently, including many opportunities in fields such as security, plumbing, and dining services.

6 In 2014, after 2 years of planning, Baltimore released an extensive Anchor Plan that it created in collaboration with key anchors, and the then Mayor created a new “Special Assistant” position to

This position could act as a “one stop shop” and would help to deliver the below recommendations:

4. Create a formal “anchor network” with representatives from all key anchors and city government

A regular, structured way to connect will greatly facilitate information-sharing and the development of impactful collaborative efforts. Having the city itself coordinate and support such a network would help ensure that the group focuses on authentic community needs (vs. smaller challenges affecting key anchors) and has the resources and stability needed to function on a long-term basis. The city could also help facilitate reciprocal communication channels between anchors and under-represented groups, which will be critical to ensure the network’s efforts are as relevant and impactful as possible. Ideally, the city would also grow its own awareness and practice as an economic actor in place through more progressive procurement, hiring, and asset development. This network could potentially be housed in the Community Wealth Building Hub recommended in the above section on Inclusive and Democratic Ownership. The network’s responsibilities could include:

Performing a baseline spend analysis. The anchor institutions do not have a comprehensive and collective understanding or baseline of their spending and investment patterns. There needs to be a comprehensive understanding of this, so their role in the local economy can be better understood, identifying strengths and gaps and thus providing a more solid basis to the shaping of local markets and sectors.

Facilitating local procurement among anchor institutions. Key to local business success is strong demand for local goods/services. At the most obvious level, it is extremely valuable for anchors to buy a substantial portion of their goods/services from the types of businesses that they want to succeed and grow (vs. prioritizing the lowest bidder). Exploring solutions that improve operations on both the anchor and business sides is important, including the growth of inclusive/democratic ownership models.⁷ Together this approach will support a number

ensure the plan’s implementation. When the Mayor did not seek reelection, the newly elected Mayor wanted to launch her own new programs and eliminated the position and the anchor work—despite having a detailed action plan—waned and eventually stopped altogether without a point-person. Baltimore had initially received a three-year grant to support its anchor work and the formation of the Baltimore Integration Partnership (BIP). However, when the grant ended and BIP could no longer support a staff person to direct the effort, this work dwindled and eventually ended.

7 An example from Baltimore is illustrative: Anchors found it hard to order food from small, local restaurants because many did not have websites nor would accept credit cards and/or P-cards (the form of payment required by local universities). On the flip side, local

of the recommendations in the section on inclusive and democratic enterprise.

Creating and maintaining a “matchmaking” database of local businesses with details about the businesses’ locations, field, and core goods and services. This will enable 1) anchors to identify local businesses that a) could meet their procurement needs, or b) might be appropriate tenants for retail spaces they own; and 2) the city to determine opportunities for new business development (if there are anchor procurement needs that cannot be met at the local level).

Exploring ways to better connect anchors and community-based organizations. Anchors need ways to reach more diverse communities. The strategies anchors typically use to advertise job and contract opportunities rely on information technologies (e.g., social media, on-line job portals, etc.) that are not accessible to all community residents. Moreover, outreach is typically in English. As such, to ensure more residents know about such opportunities, it’s important for anchors to develop relationships with trusted community-based organizations like churches and neighborhood associations that rely on broader and/or multilingual ways to reach their networks. Deeper relationships with these groups should also help anchors identify new ways to ensure their job opportunities are as accessible as possible (e.g., offering paper and electronic job announcements and applications).

5. Develop stronger relationships and concrete mechanisms for local anchor hiring

This includes:

Creating and maintaining a hiring database of public and nonprofit groups involved in the workforce development field to help anchors 1) ensure current job opportunities are shared as widely as possible, and 2) identify partners that could help existing employees and potential job candidates access needed training and/or supportive services.

Expanding and publicizing the city’s new job board. The Office of Strategic Planning and Community Development’s (OSPCD’s) Economic Development

restaurants were wary to accept anchor orders, as they often could not pay immediately. Buy Local Foodify solved this by creating a one-stop shared website that displays participating local restaurant menus and an easy-to-use system from which anchors can place orders using credit and P-cards. Moreover, the businesses are reimbursed from a shared fund so they do not have to wait the typical 30 or 60 days it may take anchors to pay invoices. Participating restaurants pay Foodify for this through a % of each order, which also covers other services (e.g., invoicing, marketing, etc.), enabling entrepreneurs to focus on their core business (vs. admin functions). This model could generate even more values linked to CWB by establishing this type of back-end entity as a cooperative.

Division has created a Somerville job board that highlights job opportunities that meet quality standards (e.g., offering livable wages, benefits, etc.). Key city employers including the anchor institutions are largely unaware of this tool. As such, it is critical for the city to better connect its job board to anchors’ HR departments to ensure a) the job board includes the full range of quality employment opportunities at city anchors, and b) residents have a real one-stop-shop through which they can see good local jobs.

Connecting Somerville High School to larger anchor institutions. In light of some anchors’ immediate need for workers in trade fields, helping the anchors connect to Somerville High School could be a useful first step in nurturing better anchor-community relationships. At the most basic level, this could help ensure potential candidates know about good job opportunities. Ideally, this could also foster new opportunities that are a win-win—e.g., by developing a collaborative apprenticeship program, the school could provide students with a way to earn money and receive real on-the-ground training while completing their education, and anchors could have a pool of qualified potential hires who match their needs.

Use PILOTs to incentivize key anchor institutions to invest more in workforce development. To fill some of their immediate workforce needs locally, anchors should engage more proactively on numerous fronts in exchange for being connected to promising local candidates. The time may be especially advantageous for making new demands on city anchors because at the time of this report Tufts’ and Mass General Brigham’s PILOTs are about to expire. Therefore, direct financial contributions, training resources and services, hiring (as well as procurement) goals, could be required of anchor institutions in fulfillment of PILOTs. Furthermore, local institutions could offer stipends to residents who may need to access training in specific fields or paid training-in-the-field to candidates. Or, along with the city, they could establish a fund for training programs to subsidize additional services that could support trainees. Similarly, encouraging anchors to take more impactful actions like sharing job salaries on their public websites and setting concrete local hiring commitments will establish a framework that ensures local recruitment and hiring become part of the anchors’ standard practices.

6. Explore the value of a back-end business service cooperative for anchor institutions, with revolving funds

Anchor procurement needs are often too large for local enterprises to handle on their own. A back-end business service cooperative could a) serve as a one-stop-shop for anchors to share RFPs and contract opportunities, b) connect local businesses so they can partner on larger

contracts that exceed their current capacity, and c) provide the back-end business services companies often need to work with anchors and that are critical to overall business success (e.g., proper estimation, cash flow management, invoicing, tax and human resources compliance, project management, etc.). Moreover, because anchor payments for goods/services tend to be slower than what many local businesses need to survive, there is value in including within the co-op a revolving fund that could assist participating businesses in meeting cash-flow requirements. While the city and/or anchors would need to support the establishment of such an entity (See recommendation 4 above), it is reasonable to assume that it could ultimately pay for itself (e.g., by assessing a percentage fee on the contract income that the cooperatives' services generate for its business member-owners).

AUGMENT The city, as well as anchor institutions, already has some efforts underway that could be scaled and better connected to have

maximal ability to open up positive opportunities for residents. Notably, we recommend that the city:

Consider creating “Community Navigator” positions. Cambridge Health Alliance shared that they employ “patient navigators” to help people navigate through their systems and suggested creating new “community navigators” positions, i.e., staff trained to speak “both languages” to facilitate community-anchor relationships. These staff would help local small enterprises to navigate the different institutional procurement processes. The city could lead by example in developing such a position for their own procurement procedures and incentivize other anchors to do the same, potentially including as part of institutional PILOTs agreement. (See Recommendation 5 above). Since current practices are not enabling anchors to meet their supplier diversity and hiring goals, employing staff specifically focused on creating authentic anchor-community connections could clearly have significant impact.

5. Targeted opportunity: A robust workforce ecosystem

At the core of a generative, local economy are family-supporting, empowering, dignified jobs and skill/career development opportunities. A CWB approach seeks to address inequality and instability, and particularly the growing trend of wage stagnation, by building wealth alongside income. One important means of doing this, as discussed in Section 5 on anchor institutions, is to use the power of local public sector anchor institutions to help shape an equitable labor market. Another key CWB lens related to workforce is to grow ownership opportunities for workers so that they can share in profits and access wealth beyond wages (As discussed in Section 2 on inclusive and democratic ownership).

Somerville's economic boom offers many new and exciting job opportunities. However, there is great risk that these opportunities do not connect to and benefit those most in need of stable and quality employment, resulting in the further displacement of lifelong residents and people from historically marginalized groups who cannot afford the increasing cost of living across the city. The wealth and opportunities generated by Somerville's recent growth, combined with its longstanding anchor institutions, must be leveraged to ensure a) all Somerville residents can live quality lives, and b) the city can build sustainable community wealth for years to come. New workforce strategies that help ensure all residents can access and retain (as well as grow and progress in) quality jobs at local companies and institutions could play a key role in fostering these important outcomes. Integrated and supportive pipelines to employment will not only ensure success for job seekers and keep the wealth of Somerville's economic boom circulating to the benefit of local residents, but also help shore up a steady and stable workforce for local employers. This opportunity should be directly connected to and integrated with recommendations suggested in the above section on anchor institution strategies.

CONTEXT Somerville already has a number of strong workforce development and training programs and institutions. In addition to the

The wealth and opportunities generated by Somerville's recent growth, combined with its longstanding anchor institutions, must be leveraged to ensure all residents can live quality lives, and the city can build sustainable community wealth for years to come.

Somerville Community Corporation, a nonprofit organization with a workforce program that serves everyone with no prerequisites, the Somerville High School offers students the option of pursuing a specialized career/vocational technical track. The school's vocational programs now boast state-of-the-art technologies and classrooms offering 16 top-rated programs, all of which prepare students for jobs in high wage fields (i.e., people can earn starting salaries of \$60-\$100K per year). Moreover, student interest in technical/vocational education is growing, and the number of students participating in the technical tracks is higher than the number of students following the traditional academic track.

Importantly, Somerville has a dedicated revenue stream to support workforce development in the form of the Jobs Creation and Retention Trust. The Trust has a dedicated revenue stream, the Jobs Linkage Fee, which provides funding for programs/services that can help Somerville residents access and maintain quality jobs. Commercial developers pay the fee, which is set at \$2.60 per square foot of commercial development over 15,000 square feet. To date, the fee has generated over \$1.3 million.

Despite these excellent efforts, however, there remain a number of barriers that make it difficult for job seekers to learn about and access both training programs and new job opportunities. Challenges stem not only from a lack of knowledge about hiring, employment practices, and job opportunities—particularly within the city and at key nonprofit anchors such as Tufts University and Mass General Brigham (see Section 5 on opportunities with anchor institutions for more on this)—but also from language and legal barriers affecting immigrant and at risk populations.

Another big challenge is that many of the existing training programs are tailored neither to the needs of certain job seekers nor to the requirements and expectations of the growing job opportunities in Somerville.

A more integrated system that coordinates and creates greater connection across employers (and particularly anchor institutions), training programs, the city (and particularly the Job Creation and Retention Trust), and job seekers could help to address many of these challenges.

Recommendations: Creating a robust and diverse workforce ecosystem across Somerville

There are a number of ways that the city can help ensure that the job opportunities emanating from Somerville’s economic boom connect to residents and those most in need. This includes changing or tweaking existing programs or efforts, lifting up and scaling (augmenting) ongoing work, and developing new bodies of work that lay the groundwork for a fairer workforce landscape moving forward. The recommendations below connect to and compliment recommendations in other target opportunity areas, particularly with anchor institutions.

BUILD There are several immediate and relatively simple new incentives and requirements that the city can introduce for new and existing local employers that will help build and support a more connected and accessible local workforce infrastructure. However, the city can also take supportive steps to build and shape new, more diverse, and equitable workforce opportunities for more Somerville residents that advance a maximalist approach to community wealth building. Below we offer recommendations for how this can be done:

7. Create a jobs brokerage to support a more integrated workforce system

The city should support the creation of a hub that would act as a brokerage to tie together training and support

services that would provide a) an easy entry point for residents, and b) a one-stop-shop through which people can learn about training options and supportive services. The most impactful version of this model would integrate area employers by creating a central platform, connected to the city’s new job board, through which they can post available jobs and connect to promising job candidates, while also gaining access to all city expectations, incentives, and supports for employers, including the below recommendations.

8. Support strategies to facilitate the development and success of worker-owned businesses

Worker-owned businesses foster a range of individual, business, and community-level benefits (see section on Cooperatives and ecosystem support). One often “below-the-radar” benefit is that they provide a way to create empowering, family-supporting job opportunities for immigrant populations since there is no federal or state law that prohibits an immigrant who has no legal immigration status from starting his or her own business. Developing ways to catalyze and then grow worker-owned enterprises in Somerville and regionally could be an especially promising job creation strategy for undocumented populations, while also filling gaps in the local economy and meeting supply chain needs for local institutions and other large employers (see section 5 above). One noteworthy model is the New York City-supported Center for Family Life’s CFL Cooperative Development Program, which has incubated and supported more than 20 cooperative businesses, collectively employing 450 worker-owners, many of whom are immigrants.⁸

AUGMENT As noted, there already exists a number of programs and initiatives that could be scaled and better connected in order to more powerfully open up workforce opportunities for residents. Notably, we recommend that the city:

Expand/strengthen the Somerville Economic Development Office’s involvement in workforce development and related issues. In order to connect good job opportunities to residents with the skills to fill those roles, we recommend that the city’s ED Office: 1) publicize the city’s expectations for new employers and ensure existing employers meet their respec-

8 This program a) provides a proven way to catalyze a range of worker-owned businesses designed to meet community needs, and b) further boosts cooperative businesses’ success by offering shared back-end administrative services to the enterprises in its network. Especially relevant to Somerville, one cooperative business launched through CFL is Beyond Care, a childcare co-op that has grown from its founding group of 17 women immigrants to nearly 40 worker-owners. See section on “cooperative childcare” targeted opportunity.

tive commitments; 2) coordinate and ensure the success of the type of one-stop-shop hub described above; and 3) collect data on employment conditions in Somerville on a regular basis, including what type of jobs local residents work in, what opportunities are available to them, and wages, and share those data with the public to ensure transparency. The Somerville job board is a great first step.

Support the development of a robust adult training program at the newly renovated high school. During the day, the high school offers 16 high quality vocational programs in state-of-the-art classrooms. To make full use of the facility and these stellar programs, the city should support the school in offering similar programs to adults in the evenings. If these publicly funded training options could be expanded to adults, then community nonprofits would no longer need to stretch their resources to serve as training providers, and instead could focus on what they do best—i.e., providing the wrap-around supports that people need to succeed in the workforce. Moreover, the school should prioritize adding new vocational tracks tailored to anchor institutions' identified

workforce needs in specific trade fields that pay quality wages and are not part of the school's current focus areas. Especially groundbreaking would be the addition of a cooperative training module that could be offered to participants across vocational programs, with units focused on core worker-owner skills (e.g., democratic decision making, conflict resolution, business financing, etc.), that could help spur the development and success of new cooperatives across diverse fields.

Use the Job Creation Trust as an incentive for companies to hire local residents. As noted above, commercial developers are already paying a "job linkage fee" on all projects larger than 15,000 square feet, that can be used to create new training programs. This should be used as a tool to excite companies about local hiring. For example, if a company was planning to create specific job opportunities and was committed to local hiring, then the city and company could collectively design a new training program through the Job Trust to ensure local residents have the skills needed to take advantage of these new opportunities.

6. Targeted opportunity: Local investment

Local economic development and investment should be practices which ensure that an economy is developed in a way in which local people and communities benefit, positive social outcomes are secured, and wealth is fairly distributed. However, investment and development are failing to ensure that economic gains and wealth are delivering for those most in need or at scale. Poverty, wage stagnation, underinvestment, low productivity and widening inequalities of income and wealth are now entrenched features of many local economies.

It has been long recognized that economic growth is limited in that it only refers to an increase in quantity only, e.g. more jobs, more goods, more services. However, development implies a change in character or structure and it refers to a more qualitative shift in resource use, labor market operations, modes of production, ownership of businesses, income distribution patterns and financial capital arrangements. Broadly, local economic policy assumes that once investment capital had been enticed (often to our large metropolitan cores) wealth creation will flourish, the business supply chain will benefit and long-lasting local jobs will be secured. However, this assumed pathway has been found badly wanting: “trickle down” and a geographic “trickle outward” does not work at the scale required.

Furthermore, investors are now increasingly global, often with little or no attachment, connection or affinity to local places. This means that the return on investments is not readily recirculated by local investors into our local economies. There is interest in exploring the potential value of a public bank or community development financial institution (CDFI), and eagerness to see how community-focused banking/lending could ensure that monies flow into the city from the outside are used in a way that doesn't further inequities, and instead, helps build community wealth.

The long-term solution is therefore to redirect wealth and

“Trickle-down” and “trickle-outward” economic development policies have been found badly wanting. The long-term solution is to redirect wealth and economic activity to employees and communities through broader ownership models.

economic activity to employees and communities. This can be achieved through broader ownership models, where more people have a stake in production and thus wealth is more readily harnessed for local good (See section 3 on inclusive and democratic ownership).

CONTEXT Somerville boasts a diverse set of small, local businesses, which has made it the place where people want to be. The Green Line extension means that the area will be even more accessible, likely further expanding demand and opportunities, but with heightened potential for displacement and gentrification.

More specifically, gentrification—already widespread in residential areas—impacts small, local businesses because their customer base is forced to move further away. For example, a South American international market in operation for 30 years recently closed because it no longer had a nearby customer base. East Somerville is beginning to see early signs of commercial gentrification.

East Somerville Main Streets and Union Square Main Streets provide models of on-the-ground, community-

focused organizations that can foster collaboration among diverse stakeholders (e.g., community residents, businesses, property owners, and policymakers) and provide direct technical assistance to small and locally-owned businesses.

Generally, though, there is a lack of expertise and infrastructure to support local businesses' needs. Indeed, only 2 of the city's 10 business squares have entities with the funding, capacity, and relationships needed to provide small, local, and minority-owned businesses with the technical assistance they often need. City government lacks the capacity to handle the volume of services requested in a timely manner (e.g., business owners need a certificate of occupancy to open, and city backlogs are creating month-long delays). Since English speakers tend to have an easier time navigating city bureaucracies, these business owners have the most success "moving" the system. This inevitably creates a tiered, inequitable system, with certain businesses facing greater obstacles than others.

Recommendations for increasing local investment in enterprise development

BUILD Clearly, Somerville's local economy is at a critical juncture: the city's special character will be lost if it cannot retain its unique mix of small, local, and minority-owned businesses. Strategies to help ensure commercial space remains affordable for smaller businesses include:

9. Explore commercial community land trusts

Development and land appreciation is, in many instances, pricing out local enterprises and traditional industry. 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 nurturing local innovation, creativity and talent.

The city's newly established community land trust, Somerville Community Land Trust, aims to create and preserve permanently affordable housing. While less common across the U.S., this model can also ensure the permanent affordability of commercial properties. Could the Somerville CLT be re-conceptualized to include a commercial component? Another interesting possibility

would be to encourage the development of new land trusts that could bring commercial properties under community ownership, and then to connect these smaller entities (including Somerville CLT) through an umbrella shared services cooperative that reduces administrative costs and boosts the capacity of all its members (similar to Baltimore's SHARE, an umbrella organization for the city's 6 small CLTs).

10. Create additional "Main Streets" nonprofits connected through a shared services cooperative

As highlighted above, East Somerville Main Streets and Union Square Main Streets provide models of on-the-ground nonprofits focused on ensuring local, neighborhood-based economies thrive. Could the city's other squares work to create similar entities, and could a network of "Main Streets" focused nonprofits collaborate to reduce costs and improve services, thus making it easier for other corridors of local economic activity to establish their own on-the-ground efforts? The interviews revealed that small, hyperlocal-focused nonprofits are valuable, as strong relationships with diverse partners are essential for success, but an admin-focused shared services cooperative could help ensure these small nonprofits can have more on-the-ground impact with fewer resources.

AUGMENT Considering inclusionary zoning for commercial development: The city's inclusionary zoning law ensures the city's new residential developments include more affordable units. Could a similar law be structured for commercial developers—i.e., requiring a certain percentage of new commercial space to be set-aside for businesses meeting set criteria and offered at more affordable rates?

Rewarding property owners for offering affordable space to specific business types. Federal historic tax credits demonstrate the value of offering incentives to encourage community-focused development goals. Could local government use similar "carrots" (e.g., a tax credit) to make it more attractive for property owners to rent to small, locally-owned, employee-owned, and/or minority-owned businesses?

Helping local, small, and minority business owners transition from renters to property owners. The city could rely on a variety of mechanisms for this (e.g., low-interest loans, tax credits, etc.) as a way to boost small business resiliency and success.

7. Targeted opportunity: Housing affordability

Access to affordable housing is currently one of Somerville's biggest challenges, with the economic boom that the area is experiencing leading to an extremely inequitable housing market. This, combined with an aging housing stock and limited available land/space for development, has resulted in limited—if any—affordable opportunities for Somerville's lower-income residents and, in particular, people/families needing ADA-accessible units/homes. Strong and growing demand to live in Somerville further raises rents and for-sale home prices, which were already high, threatening to displace current residents. As a city that prides itself on its unique character and eclectic mix of locally-owned businesses, it is critical that the city actively develop and preserve housing options to retain and continue to attract the diverse set of residents, businesses, and workers that make it so special. The good news is that there are many exciting and creative opportunities for Somerville to address this challenge connected to existing programs and initiatives under way.

CONTEXT For many years, the main concern for Somerville residents was the need for more jobs. Now, however, in the face of the recent economic boom, housing is the greatest concern, with increasing demand for real estate pushing prices and rents higher and higher. The result is gentrification and a growing risk of displacement, especially of the city's most vulnerable populations. Demonstrating this, at the time of our interview with city officials, we learned that only three Black families and only 10 Latino families have been able to buy homes in the community. Soaring real estate prices are exacerbated by a number of factors, including the fact that most existing housing is controlled by the private market (i.e., not owned by nonprofit or public entities); a lack of existing programs developing homeownership options for the lowest-income residents of Somerville; and insufficient infrastructure and capacity to provide adequate support to city residents needing housing-related services.

There are a number of exciting and important opportunities in Somerville to address affordable housing needs while balancing various land-use tensions.

Furthermore, the city's traditional triple-decker housing stock is aging, and many long-term residents cannot afford the repairs necessary to stay. Because many long-term residents rent units in their triple-deckers to other people/families, this challenge results in a loss of affordable homeownership and rental options in the city. There is very little undeveloped land remaining in Somerville, and the city is already the densest in New England. This is especially important to recognize because it makes it impossible for the city to meet its 2040 goals of increasing the availability of affordable housing from 10 to 20%.

While the city is committed to housing affordability, it has other priorities that also have large, supportive constituencies involving land such as commercial development (and thus, job creation) and greening/open space development. Similarly, there is a real tension between those advocating for the creation of long-term, affordable housing with other city stakeholders' staunch interest in ensuring all residents can build individual and generational wealth through private home ownership. Furthermore, the city's default tactics have favored commercial development over housing. For example, the city relies on eminent domain for large-scale, high-end commercial and residential development projects (e.g., Union Square), but not to drive affordable housing.

Fortunately, the city is very aware of the need for affordable housing and is committed to making it a priority.

In fact, when the mayoral candidates talked about their priorities, housing affordability was always mentioned as number 1 or number 2. Furthermore, there are a number of exciting and important opportunities in Somerville that seek to address affordable housing needs while balancing these various land use tensions. These include:

The Somerville Community Land Trust. While this organization is currently more aspirational than operational (with limited funds and no land or properties), it is exciting that there is an on-the-ground nonprofit that is starting to educate and inspire residents and other city stakeholders about the community land trust model. The CLT already has an interim board comprised of active volunteers, and funding from the city for its first two hires: a full-time Executive Director and a part-time community organizer.

The city's existing inclusionary housing program. While this does not help the city's lowest income residents, this program ensures that a portion of all new for-sale and rental developments are below market rate.

The city currently controls a number of plots. This publicly-owned land could be offered to efforts that embrace affordable housing models like community land trusts through a bidding process. An example already exists: ten years ago, the Somerville Community Corporation (SCC) drafted a proposal to change the RFP process for the public disposition of land so that it would be weighed towards affordable housing.

Recommendations for developing affordable housing while building wealth for Somerville residents

As highlighted above, developing strategies through which the city can develop and preserve more affordable housing options is critical to Somerville's long-term vitality, by keeping long-term residents in the city and opening up opportunities to new forms of land ownership and control. Given the conflicting tensions expressed between a) ensuring long-term affordability and b) providing residents with the opportunity to build personal and generational wealth through private home ownership, there is likely value in the city exploring a range of tactics that could collectively achieve both outcomes.

BUILD Given the scarcity of land and property in Somerville driving increasing costs, it is integral to think creatively and collectively about those assets to not only ensure affordability but also build in long-term democratic ownership of those assets. There are two key

actions the city can take that would be crucial to building a diverse housing landscape in Somerville that would maximize CWB opportunities:

11. Invest in Somerville's nascent community land trust

Community land trusts play a critical role in building community wealth because: a) they help balance the needs of creating permanent housing affordability and providing residents with some opportunity to build equity through homeownership, and b) with a board dominated by community residents, they foster direct, grassroots participation in decision-making and community control of local assets. As such, capitalizing the Somerville CLT so that it has funding to a) build its organizational structure, and b) begin to purchase properties, is a way to take land off the speculative market immediately and ensure long-term community stewardship.

Also noteworthy, because CLTs can include uses beyond housing, the community land trust model could provide a solution to what now appears as a city conflict: i.e., should land be used for housing *or* jobs *or* open space? Illustrating the CLT's potential is the nearby Dudley Street CLT, which now protects over 30 acres of community-controlled land that includes affordable homes, urban farm sites, parks, open space, and commercial properties.

12. Explore new ways to finance and support more inclusive, democratic housing models

There are a number of creative ways to finance democratic housing models. One is to allocate a portion of municipal pension funds to support local, low risk investments. This could stand as a model for other public sector and union pension fund investment schemes. Similarly, the city/community could start a social impact fund raising money from residents who may want a return on their investment. This could be deployed to support not just community land trusts (as above), but other models that provide quality, affordable, long-term housing options for those not well-served by current programs, including lower-income populations and those needing ADA-compliant units/homes. For instance, limited-equity cooperatives (LECs) provide a way to ensure permanent affordability: residents collectively own the building, and there is a resale formula that limits the equity a person can earn to ensure affordability overtime.

As efforts like the San Francisco Community Land Trust demonstrate, combining the community land trust and limited equity cooperative models could be even more impactful, as the co-op model nurtures robust community participation, while the CLT provides the additional supports that boost the model's overall sustainability and resiliency.

AUGMENT As noted, there already exists a number of programs and initiatives that could be scaled and better connected in order to protect affordable housing for all. Notably, we recommend that the city:

Continue to creatively combine governmental programs to make existing housing stock more affordable. For example, combining the city’s existing 100 Homes Program with other programs (e.g., subsidies for first time homebuyers) brings down the purchase price of homes, making them affordable to lower-income people/families. Since it has been especially hard for Somerville residents to tap the Federal Section 8 Housing program, it may be especially worthwhile to explore how to combine this with a city subsidy or program.

Reimagine how existing city tools could be tapped to help create and retain affordable housing. For example, within the city’s current zoning code and RFP process for developers, the city could add concrete criteria to help incentivize/prioritize the creation of affordable (and/or permanently affordable) housing.

The city could use eminent domain to acquire any derelict, underutilized, or speculator-targeted land that could be used for affordable development. Dudley Street (a Boston CLT) provides a nearby example of this—in the 1980s, the Boston Redevelopment Authority gave Dudley Street

eminent domain over a significant portion of privately-owned land in the 62-acre “Dudley Triangle.” This may include advocating for a change in State legislation to include consideration of maintaining affordability and preventing speculation as a viable reason for eminent domain.

Assist people or families who cannot afford to make needed renovations or improvements on their homes. As highlighted above, the city’s triple-decker houses are aging, and many residents are forced out when they cannot afford needed repairs. As such, providing financial assistance to these residents could prevent this type of residential displacement and result in homes that provide healthier living environments. The city has provided resources to help people afford lead abatement, so there is precedent for this type of program.

Another possible solution is to adopt a program similar to Baltimore’s Housing Upgrades to Benefit Seniors (HUBS), which provides home modifications, repairs, and any other needed supportive services (vs. just funds) so low-income Baltimore residents can age in place. Given the shortage of quality jobs in Somerville, a “CWB-flavored” solution could involve the city supporting the development of new, local worker-owned businesses that could provide needed repairs/improvements, with contracting with these enterprises so they can perform work for low-income city residents.

8. Pulling it all together: The architecture for long-term community wealth building in Somerville

In the preceding sections, we have laid out 12 key “build” recommendations to powerfully advance CWB approaches in Somerville, alongside recommendation to augment and improve existing work so that it aligns to and supports these efforts moving forward. Taken as a whole, they represent a practical set of actions that the City of Somerville can take to secure an equitable future for its residents, where the city’s considerable wealth is broadly held and recirculated for the benefit of people, place, and planet for generations to come.

These key recommendations are:

1. Develop an external inclusive ownership platform: The “Somerville Community Wealth Hub”
2. Create a centralized childcare one-stop shop
3. Explore worker-owned and shared-services cooperatives in the childcare sector
4. Create a formal “anchor network”
5. Develop stronger relationships and concrete mechanisms for local anchor hiring
6. Explore the value of a back-end service business cooperative for anchor institutions
7. Create a jobs brokerage to support a more integrated workforce system
8. Support strategies to facilitate the development and success of worker-owned businesses
9. Explore commercial community land trusts
10. Create additional “Main Streets” nonprofits connected through a shared-services cooperative
11. Invest in Somerville’s nascent community land trust

A practical set of actions that the City of Somerville can take to secure an equitable future for its residents.

12. Explore new, more inclusive, democratic housing models

To support the successful delivery of these strategic actions, there are some key prerequisites or enabling factors—an architecture to support and grow these CWB actions over the long term. Key to this is shaping and creating a coherent narrative around this work. We acknowledge that Somerville has a busy and complex landscape with much history and layering of many agendas and programs. Thus, there is often the issue of gaining the required institutional space for new concepts like CWB so areas and institutions can move swiftly on demonstrable outcomes. In this, we must secure wider institutional recognition and buy in, with a snowballing of credibility leading in turn to more action and positive outcomes.

There are already a number of ongoing efforts to build community wealth at play across the city, though they are not always recognized as such or coordinated. CWB needs to be better understood and articulated within the city government, sister agencies, anchor institutions, and across the city broadly. This includes presenting CWB as the main means of achieving a more inclusive, sustainable, equitable Somerville with re-circulating wealth that benefits all residents. The following recommendations offer guideposts for how to weave both existing CWB efforts and thinking as well as our key recommendations above

into existing practices and a new way of doing economic development in the City of Somerville that can be sustained beyond this moment to create a just and resilient economy for the long haul.

Effective training and governance for CWB scale-up

To scale and deepen CWB, it is important to increase understanding and buy-in among all city departments and staff. To do this, we recommend that the city consider providing CWB training to staff through shared materials and annual staff workshops, which reinforce key values including CWB, as well as health, equity, racial and social justice- in all policies. This should include educational programming to increase understanding around all the pillars of CWB, and in particular the different forms of inclusive and democratically-owned enterprise and asset forms.

At the same time, a CWB working group needs to be set up, comprised of key stakeholders and leaders within various city departments and across community-based organizations and movements. This group will be responsible overseeing and taking forward the recommendations in this report. It would coordinate the various other hubs of CWB activity recommended below.

This group should be chaired or convened by an individual or entity that can bring a diverse group of partners together while also having the gravitas to drive action—this could be the mayor or the mayor’s office, for example. We suggest that this entity have a full-time staff member to support and drive its group. The group should be constituted by representatives from an array of city departments, especially the economic development department, as well as key community stakeholders including community activists and organizations, anchor institution leaders, local philanthropy, and enterprise leaders. This group should also reflect the diversity of Somerville in terms of race, gender, age, and class.

Once formally constituted, this committee would act as the city’s front door and oversight body for all things related to community wealth building.

Enhance grassroots democracy

Creating a narrative to excite residents about this vision is vital. Part of this relates to grassroots democracy. On one hand, the city seems to have many (too many?) opportunities for grassroots participation, making it impossible for residents to contribute to all the discussions in which they

may be interested. There are many voices, and it would appear that there is a lack of coordination around the opportunities people have to participate.

On the other hand, there appears to be a “democratic deficit,” with inadequate levels of transparency and opportunities for meaningful grassroots participation and engagement, even when given the opportunity to participate. This leaves the community with a sense that the city is going about decision making and policy in a rather tokenistic way—that this is being “done to them” rather than with them.

Therefore, it is imperative to foster a robust, supportive ecosystem that moves forward and maintains local engagement and participation. To do so, we recommend:

Developing community programs to convey information and knowledge about key CWB models/strategies, including cooperatives and community land trusts

As noted, there is a need to demonstrate how CWB strategies can help Somerville address its current challenges. As such, it is essential to develop wider community training programs, that could be administered by the above-mentioned governance group, that serve to:

- educate stakeholders about CWB models/strategies,
- explicitly demonstrate how such models/strategies will help address core challenges such as growing inequities and gentrification,
- highlight how/why these models/strategies can deliver more equitable, sustainable solutions than other possible strategies.

Assessing municipal service delivery and democratic practices

The city has a large number of residents who want to be engaged. Reviewing the city’s procedures for resident engagement is critical to ensure people can participate in meaningful ways without feeling overwhelmed or overburdened by the process. Similarly, with services that are complex to navigate and backlogged, it seems useful to conduct a public audit/analysis of municipal services, especially those important to local business operations and success. Moreover, with the second highest concentration of millennials among 1,000 cities in New England, Somerville should tap its younger, digital-savvy residents to help design new technological solutions that improve municipal transparency, facilitate grassroots participation, and enhance its overall operations.

Appendix 1: List of Interviews

	Name	Organization
Racial and Social Justice (Intro)	Denise Molina Capers	City of Somerville, Office of Racial and Social Justice
	Maria Teresa Nagel	Somerville Office of Immigrant Affairs
Racial and Social Justice (Providers)	Francisca Sepulveda	Somerville Workers Center and The Welcome Project
	Alex Pirie	Immigrant Service Providers Group on Health
	Jessica Boston-Bavis	Somerville Public Schools
	Ashley Speliotis	Somerville Department of Health and Human Services, Council on Aging
Anchors	Rocco DiRico	Tufts University
	Michael James	Cambridge Health Alliance
	Ingrid Beckles	Mass General Brigham
	Susana Morgan	Somerville Public Schools
Jobs/Labor	Vickie Choitz	Somerville Jobs Creation and Retention Trust Fund
	Danya Najmi	Somerville Community Corporation
	Rand Wilson	Somerville Stands Together
	Tom Bent	IBEW Electrical Local 103 Union
Childcare	Chris Hosman	Somerville Department of Health and Human Services, SomerPromise
	Nomi Davidson	Somerville Family Learning Collaborative, Somerville Public Schools
	Terri Chiasson	Riverside Early Head Start
Local Enterprise	Jessica Eshleman	Union Square Main Streets
	Lindsay Allen	East Somerville Main Streets
	Steve Mackey	Somerville Chamber of Commerce
Housing	Ellen Shacter	Office of Housing Stability for the City of Somerville
	Mike Feloney	Office of Strategic Planning and Community Development, Housing Division, City of Somerville
	David Gibbs	Community Action Agency of Somerville
	Gonzalo Puigbo	Somerville Community Corporation
Economic Development Policy	George Proakis	Office of Strategic Planning and Community Development, City of Somerville
	Tom Galligani	Office of Strategic Planning and Community Development, City of Somerville
Mystic Land	Ellin Reisner	Mystic View Taskforce
	Bill Shelton	Mystic View Taskforce
	Wig Zamore	Mystic View Taskforce

Appendix 2: What is community wealth building?

Community wealth building (CWB) is a people-and-place-centered approach to local economic development. It reorganizes local economies to be more equitable and sustainable by design. It stops wealth flowing out of our communities, neighborhoods and cities for the benefit of a privileged few. Instead, it places control of this wealth in the hands of local people, communities, businesses, and organizations so that they can determine their own economic futures.

When practiced in an intentional and interconnected way, CWB delivers maximal benefit to community, transforming local economies through local and broad-based ownership.

The current economic development model is failing many locations and communities and especially our most vulnerable communities who have been hardest hit by the pandemic. In Somerville, with significant growth and development, there are many potential pitfalls, in which growth and gentrification threaten to generate wealth for some, but also displace and leave many behind.

In response, CWB has emerged as a powerful new approach to local economic development. First developed and articulated in Cleveland, Ohio over 10 years ago through a collaborative effort to connect local institutional spending to cooperative enterprise development in disinvested communities, CWB is an action-oriented means of correcting deep, and often racialized, economic injustices.

Community wealth building aims to reorganize the local economy so that wealth is not extracted but broadly held and generative, with local roots, so that income is recirculated to the benefit of community, and people have the opportunity to reach their full potential. CWB seeks to hotwire social justice and ecological benefits directly into the economy, rather than add on fixes after the fact to ameliorate the worst effects of an unequal system.

Key to CWB practice is a focus on harnessing the wealth of local anchor institutions. These are large public and

nonprofit institutions (including local government, universities, and hospitals) that have a significant stake in a place.

The way in which these anchor organizations use their land, property, and financial assets can make a huge difference to a local area. Used in the right way, these assets can generate wealth beyond income, meaningful jobs, and opportunity for local people to have a stake in the local economy. Anchors can exert sizable influence on the economic, social, and environmental outcomes of a place by adopting CWB strategies.

Community wealth building focuses on developing targeted strategies and approaches across five interrelated pillars of the local economy to harness existing resources and enable local economies to grow and develop from within (referred to as ‘pillars’ throughout this document).

Progressive Procurement

Taking an approach to procurement which is progressive means consideration on contracts is given not just to price and quality but also to achieving greater economic, social, and racial justice for people, place, and planet. Increasing local spending creates local jobs, contributing to a multiplier effect which in turn creates additional jobs via a general increase in demand for goods and services within the local economy.

Locally Rooted Finance

Community wealth building seeks to increase flows of investment within local economies by harnessing the wealth that exists locally, rather than by seeking to merely attract national or international capital. For example, mainstream public investment can be encouraged to redirect investment from global markets to local efforts. Publicly-owned banks, credit unions, cooperative banks, and community development financial institutions (CDFIs) charged with enabling local economic development are a key part of this ecosystem.

Just Use of Land and Property

Land and property represent an asset base from which local wealth can be accrued. In CWB the function and ownership of these assets is broadened to ensure that any financial gain from these assets benefits local residents. Furthermore, CWB develops local economic uses and extends community use of these assets. Indeed, much public sector land and facilities are part of our “commons” and should be used to develop greater citizen ownership of the built, green, and natural environment.

Fair Work

Quality employment and fair work are a defining feature of community wealth building, directly affecting incomes and overall prosperity of local people and local communities. Commitment by local anchor institutions to pay the living wage, have inclusive employment practices, intentionally recruit from lower-income areas, build progression

routes for workers, and support union-protected employment opportunities can stimulate the local economy and bring social improvements to local communities.

Inclusive and democratic ownership

All of the pillars feed into the encouragement and progression of a diverse blend of ownership models: returning more economic power to local people and institutions. As such, CWB asserts that locally-owned business, social enterprise, cooperatives, and forms of municipal ownership are more recirculatory and generative within the local economy than large companies or public limited companies.

More than just an approach to local economic development, community wealth building lays the groundwork for a new political-economic system that is democratic, inclusive, and sustainable by design.



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