

Commission Recommendation
Economic Prosperity Commission
Recommendation Number: 20170315-0036
Recommendation Regarding Worker Cooperative

WHEREAS the Imagine Austin Comprehensive Plan prioritizes the creation of “pathways to prosperity” for all Austinites as well as “promoting the formation of worker-owned and community-owned businesses (co-ops) that sell local products”; and directs the City of Austin to "Investigate the feasibility of creating a program of...cooperative, affordable and permanent supportive housing";

WHEREAS Austin currently enjoys a robust economic climate, but continues to struggle with staggering rates of racial and economic segregation which signal that the economic benefit is not being enjoyed by Austin’s citizens equitably;

WHEREAS Low and middle-income households in Austin struggle to access employment and housing options that meet their financial needs, provide them with the means to create wealth, and empower them to make the decisions that control their homes and livelihoods;

WHEREAS cooperative businesses define themselves by providing benefits to their members equitably rather than seeking to provide more benefit to some participants at the expense of others;

WHEREAS cooperative business offer higher take-home wages and better working conditions especially for traditionally low-wage jobs such as home care attendants, taxi cab drivers, and janitorial services;

WHEREAS current cooperative housing providers offer housing options that meet the needs of their tenants at the price point determined by their membership which is typically at 50-70% of prevailing market rates; and existing cooperative housing is available in Austin that is accessible to those earning 30% or less of area median family income rates;

WHEREAS community-owned consumer cooperatives provide goods and services which their host communities negotiate to be fairly priced, appropriate to their needs, and provided in a way consistent with community values (such as emphasizing fair wages and hiring practices; or offering needed products and services in underserved communities);

WHEREAS The City of Austin recently received a report commissioned from Morningside Research and Consulting which identified policies that other cities have employed to promote cooperative development across the country, with the intention to provide the City of Austin a menu of options to support cooperative development;

WHEREAS Existing programs in the City of Austin such as The Economic Development Department and the Office of Neighborhood Housing and Community Development can provide a spectrum of services that support the development, expansion, and stability of cooperatives;

NOW, THEREFORE, BE IT RESOLVED THAT THE ECONOMIC PROSPERITY COMMISSION:

RECOMMENDS The Economic Development Department offer training on cooperative development and management;

RECOMMENDS The Economic Development Department provide technical, legal, and other professional expertise specific to the needs of cooperatives;

RECOMMENDS The Economic Development Department offer training and expertise oriented towards facilitating cooperative conversions for existing small businesses;

RECOMMENDS The Economic Development Department perform outreach to existing small businesses to inform them of the option and resources available for cooperative conversions;

RECOMMENDS Economic Development Department staff ensure that cooperatives have access to the Small Business Program's Family Business Loan Program or a comparable, cooperative-specific loan program;

RECOMMENDS That eligible prospective cooperative members be granted access to Neighborhood Housing and Community Development's Down Payment Assistance Program for the purchase of shares in those housing cooperatives which allow members to build equity;

RECOMMENDS that cooperatives be awarded 10 or more additional points in "Initiatives & Priorities" scoring criteria for the Rental Housing Development Assistance Program;

RECOMMENDS that Neighborhood Housing and Community Development award limited equity and common equity cooperatives an additional 25 or more points in affordability scoring criteria for Acquisitions & Development Homeownership Program;

RECOMMENDS that Neighborhood and Community Development staff investigate other incentive programs that could promote the development of cooperative housing and explore the ability to add points for cooperative ownership and/or management to their scoring matrices;

RECOMMENDS that City staff investigate the possibility of requiring and/or incentivizing owners of rental housing developments that are chronic code violators to offer first opportunity to purchase to a cooperative corporation formed by residents with City of Austin-provided or contracted support;

RECOMMENDS That the City of Austin hire dedicated staff with expertise in cooperative development or provide equivalent staff time;

RECOMMENDS that the City of Austin dedicate resources to cooperative development in the form of grants as well as a revolving low-interest loan fund for new cooperative development or expansion to existing cooperatives;

RECOMMENDS that the City of Austin investigate expedited permitting for community-owned consumer cooperatives;

RECOMMENDS that City of Austin create municipal loan programs for community-owned consumer cooperatives and incentivize cooperatives in food and grocery sectors to increase locations in food deserts;

RECOMMENDS that City of Austin staff review City procurement policies, identify possible barriers to cooperative participation and what can be done to remediate these barriers, and consider awarding points to cooperative businesses in addition to those points already available for locally owned businesses;

RECOMMENDS that the City of Austin convene a task force of citizens and stakeholders to monitor progress on these and other recommendations made by the City Council or other governing body of the City of Austin.

The aforementioned recommendations should be made accessible to limited English proficient communities.

Date of Approval: 03/15/2017

Record of the vote: Unanimous on a 6-0 vote

Attest:


Roberto Rondon de Mosier