

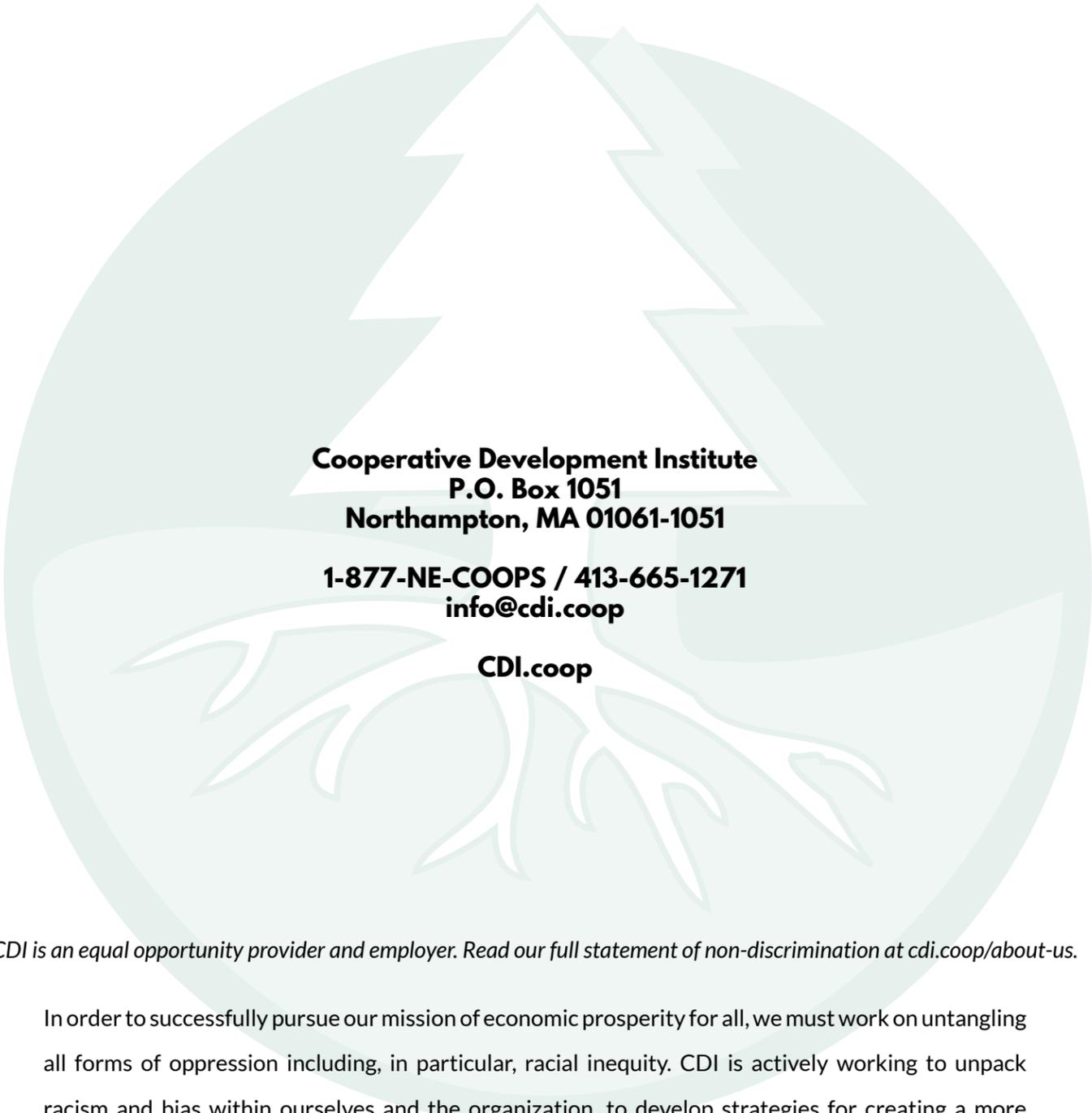


2017 Year in Review

Cooperative Development Institute

We envision a democratically-owned and just economy where everyone can fulfill their needs and aspirations.





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CDI is an equal opportunity provider and employer. Read our full statement of non-discrimination at cdi.coop/about-us.

In order to successfully pursue our mission of economic prosperity for all, we must work on untangling all forms of oppression including, in particular, racial inequity. CDI is actively working to unpack racism and bias within ourselves and the organization, to develop strategies for creating a more inclusive board and staff and to co-create strategies for equitably working with communities of color and other marginalized communities and to promote these practices within the co-op movement.

Front cover photo: Members and workers of the Raise-Op housing cooperative in Lewiston / Chris Busby, *The Bollard*

Table of Contents

- » Getting There from Here: Building Bridges.....2
- » Leveraging Co-op Power to Build Stronger Communities.....9
- » Updates on Our Partnerships11
- » NEROC Notes: One for the Record Books..... 13
- » Using Resources for Impact.....14
- » Changes to CDI Staff in the Last Year.....16
- » Changes to CDI’s Board.....17
- » Policy Matters!.....18
- » Vision Matters: Shaping Policy.....19
- » Advancing Our Mission and Delivering Value to Our Funders.....21
- » The Co-op Advantage: Coming Home to Opportunity *and* Quality of Life.....25



How our clients describe CDI

Getting There from Here: Building Bridges

The Cooperative Development Institute is in the business of building bridges. To build a bridge is a deeply hopeful act. You have to believe that there is something worthwhile on the far side, something worth working for. Over here, we face some problems. Over there, we are solving those problems—together.

And that's another thing about building a bridge—it's cooperative. A one-sided bridge can't get you where you want to go. It takes a team of people working together. And every contribution counts. Every rivet, every cable, every plank in the bridge is necessary and makes the bridge whole.

Finally, to build a good bridge, you need know-how, but also humility. Every bridge is unique, grounded in the particular landscape and the needs of the people who will use it. And even expert bridge builders need to learn from their experience.

The people we work with value our savviness, but also our compassion and willingness to listen.

In 2017, CDI began to put in place key elements that will propel us toward tangible progress in realizing our vision of a democratically-owned and just economy where everyone can fulfill their needs and aspirations.

Food Systems

Everybody needs to eat! And CDI's Cooperative Food Systems program wants to make sure that everybody has access to healthy food grown in their region. A web of new and rebuilt support needs to be woven among producers, processors, distributors, retailers, food service workers, and consumers to realize this vision. And co-ops need to be central to that vision so that values are solidly anchored within food enterprises.

At the heart of food systems work are groups of people working to bring healthy, local food to their communities. CDI was proud to work with the board and staff of the Morrisville Food Co-op (MoCo) in their final push to open their doors in September 2017, after six years of planning and organizing.

Our work with food systems in rural areas is supported by the USDA, with the Rural Cooperative Development Grant, Socially Disadvantaged Groups Grant, and Rural Business Development Grant. In addition, the John Merck Fund renewed its support for our initiatives with New Americans. Highlights include business planning for the first Somali Bantu-owned farm-to-table restaurant in the country, Isuken Co-op. CDI is partnering with the Sustainable Livelihoods Relief Organization and received planning support from a class of Bates College students. In 2017, our work with New Americans expanded into the Connecticut River Valley, as we started working with the Wakulima Cooperative and a group of Somali Bantu farmers in Connecticut.

New Americans, who often come from farming backgrounds in their native countries, struggle to adapt to conditions in their newfound homes. They were able to tell their particular stories of setbacks and successes through cooperation at several conferences this year, including at an event with the Resident-

Owned Communities network in Portland, the Eastern Conference for Workplace Democracy, the National Incubator Farm Training Initiative, the National Community Food Systems Conference, Slow Money Maine, and the Common Ground Fair.



Members of Isuken Co-op share Somali Bantu food at a closing event for their collaboration with a Bates College class.

Photo Credit: Daryn Slover, *Sun Journal*



CDI's Omar Hassan joins members of the Sustainable Livelihoods Relief Organization at the Common Ground Fair in Unity, Maine.

One promising avenue for integrating New American farmers, as well as beginner farmers more generally, is to build the institutional support for cooperative farming. CDI is working in collaboration with Democracy at Work Institute, NIFTI (National Incubator Farm Training Initiative), Greenhorns, DFTA (Domestic Fair Trade Alliance), Maine Farmland Trust, Land for Good and others on developing, collecting, and organizing models of cooperative farms and land, labor, and equipment sharing. With these service providers on board, retiring farmers and new farmers will be aware of their options.

“Food hubs” are a burgeoning area in food systems work—enterprises that create connections and serve multiple constituencies. We see these as natural cooperatives, and are working with existing food hubs to refine their approach to cooperative ownership.

Ideally, we'd like to see a cooperative value chain stretching from farm and sea to store and plate. One link in the chain we're particularly pleased to have forged is the agreement by Crown O'Maine Organic Cooperative to distribute New Roots Cooperative Farm produce to the Portland Food Co-op and other co-ops in the region.

With all this action, it's no wonder that CFS program director Jonah Fertig-Burd was named both to the Food Systems New England Leadership Institute and as a Business Alliance for Local Living Economies (BALLE) Fellow this year. Together with the CFS staff, he will be bringing the case for democratic ownership into local, state, regional, and national food system planning and deepening partnerships at every level.

Housing

Safe, secure and affordable housing is the foundation of a healthy life. CDI works with hundreds of residents in dozens of groups throughout our region to establish that stability through democratic ownership of their manufactured home communities. In 2017, we helped an additional four communities become resident-owned, three in Massachusetts and one in Vermont, totaling a record-breaking 775 homes—that's nearly 6% of all the homes preserved in the 33-year history of manufactured home co-op development throughout the U.S. (Read more about the historic Halifax conversion on page 13.)

Housing program staff do far more than ensure that resident groups can buy and successfully run their communities without defaulting. They organize peer networking opportunities, connect communities to an array of local services and resources, establish training plans for boards and members, and often provide intense project management services for major infrastructure and infill initiatives. Housing program director Andy Danforth is supporting a number of communities whose investor-owners slid into receivership, so that residents can keep their homes and gain control.

A striking example of CDI's work this year includes stepping in to save Country Sky Mobile Home Park from closing, when its owner decided he could not afford mandated sewage system upgrades. With CDI's help, a newly-formed residents' association will have access to grants and financing that could ensure the 40

families can buy the park and the upgrades without a large increase in rent.

Our staff also doesn't just work in manufactured home communities. This year we began to consult with Cochituate Homes Co-op in Framingham, a 160-unit apartment building with a bilingual board of directors. We are beginning to explore more work with apartment building co-ops, and will be partnering in 2018 with the Urban Homesteading Assistance Board, a co-op development agency based in New York City with massive experience creating and supporting limited-equity apartment-building cooperatives.

Business Conversions

The Business Ownership Solutions (BOS) program works with business owners and employees to plan and execute conversions to worker ownership to sustain and grow local jobs, businesses, and wages. Such conversions are a cornerstone of the strategies detailed in a piece for the *Maine Policy Review* published this past spring, written by BOS program lead Rob Brown and CDI Board Vice-Chair Prof. Davis Taylor of College of the Atlantic. (See the separate feature on the *Maine Policy Review* article on page 19.)

The effects of conversion to worker ownership are not just good public policy—they are personal and profound. For Peter Baldwin, the former sole owner of Baldwin Apple Ladders, bringing his workers into ownership meant that in mid-July—the busiest season for shipping out ladders—he was able to take time to build benches and platforms for a gathering of

300 people at a Wabanaki Cultural Healing Center. Vaughan Woodruff, founder of Insource Renewables, envisions that the transition to employee ownership and shared responsibility will mean he can spend more time with his young family, enjoying the quality of life he came back to Maine for. (See “Coming Home” on page 25 and our video about Insource Renewables at vimeo.com/coopdevinst/bos-insource.)

Last year, we reported on the advocacy work to craft and promote LD 1300 in the Maine legislature. A bipartisan majority of both the Maine House and Senate approved that legislation, but, unfortunately, it then died in the end-of-session political fighting that brought the legislative process to a near standstill. A new version, LD 1338, is poised to advance this year, with strong support from legislative leaders. (See our Policy Matters feature on page 18.)

If LD 1338 does pass, it will make more stories like Peter Baldwin’s and Vaughan Woodruff’s possible, as well as Susanne Ward’s. In 2018 Susanne sold Rock City Roasters to its workers after deciding to retire from the business she’d built. We’re looking forward to Insource Renewables and Rock City Roasters becoming the newest worker co-ops in Maine this year, and an inspiration to others. (See Insource and Rock City Roasters tell their stories in our videos at vimeo.com/coopdevinst.)

As with all of CDI’s work, BOS thrives on healthy, strong partnerships. In 2017, we built on connections with local partners in Maine, such as Sunrise County Economic Council in Washington County, Eastern Maine Development Corporation, and MaineStream Finance in the Midcoast region, to bring more resources and support to business owners considering

conversion to worker ownership. We also expanded our partnership with Worcester Roots, through a regrant from Surdna through the Workers2Owners Collaborative.

The W2O Collaborative recently published a collective impact report on the state of the field, with aggregate data from 16 practitioners, including CDI. Together, in about a year and a half, the Collaborative’s partners have assisted in 21 conversions worth over \$8 million and securing 215 jobs. The groundwork is being laid for expansion and impact at a larger scale.

Co-op Networking

At CDI, we’re not just interested in helping individual co-ops, we hope to catalyze conditions for a thriving economy to develop in our region, sustained by dense networks of cooperatives, like the ones found in other parts of the world with vigorous cooperative systems. We are working on local, state, regional, and national levels.

In the Lewiston-Auburn area of Maine, we are continuing to pilot a new (to us) model of co-op development, in which we concentrate our capacity in a tighter geographic region and bring to bear all of our sector expertise, creating a positive impact on that community while also demonstrating the impact of a cooperative economy on a community facing serious economic challenges.

The Lewiston-Auburn metro region is the second-largest metro area in Maine, including 2 of the

poorest census tracts in the state, and where over 12% of the population are immigrants, including a large number of Somali refugees. As shown in our cover photo, important work is already taking place in Lewiston, where RAISE-Op launched in 2014 as a successor to the Faire Bande à Part housing co-op. RAISE-Op addresses social and financial equity in housing. CDI is working with RAISE-Op, New Roots, and emerging co-ops such as a Somali-Bantu childcare co-op and a restaurant co-op to anchor a commitment to cooperative development in the area. Other partners in this effort include the LA Metro Chamber of Commerce, Community Credit Union, University of Southern Maine-Lewiston-Auburn College, Bates College, and St. Mary’s Nutrition Center.

On a statewide level, CDI is fostering the emergence of the Cooperative Maine Business Alliance, a successor to the Cooperative Maine network. A steering committee formed following last year’s Principle Six conference in the Spring, and has just hired a part-time Network Coordinator, Bria White, to implement outreach, training programs, advocacy efforts, and association development. We look forward to seeing what 2018 brings for CMBA!

One of CMBA’s ongoing projects is to maintain a list of co-ops in Maine. With major support from Cabot Creamery Cooperative and other Northeast co-ops, CDI undertook a census of cooperatives not just in Maine but throughout our region. In addition to CMBA we enlisted area co-op groups, including Cooperative Economics Alliance of NYC, Research | Action



Rob Brown, director of Business Ownership Solutions, talking with Wheeler Insurance employees

Cooperative, Ash Trull, Worcester Roots, Worcester Solidarity and Green Economy, Cooperatives for a Better World, Vermont Co-op Network, and the Vermont Employee Ownership Center. The resulting database identifies thousands of co-ops, as well as community gardens, community land trusts, and community supported agriculture. This information will be useful for catalyzing even greater co-op-to-co-op business linkages and networks.

Arts Co-ops

When we talk about building a new economy where we can all flourish as full human beings, art-making is both a crucial means and a deeply desired end. Cultural production, for better or for worse, shows us how to live and what to value.



CDI co-sponsored the East Orange MAC Fest, A Celebration of Music, Arts and Culture, which featured the Art Box project.

In July 2017, Vernon Oakes, host of the [“Everything Co-op” radio show](#), interviewed [CDI Executive Director Noémi Giszpenc about what co-ops can do for artists and artisans](#), and why there are not more of them. At CDI, we believe that more widespread awareness and use of cooperative business models would be a boon to cultural workers of all kinds, and be good for the rest of us, too.

This past year we started a collaboration with the New Economy Coalition to convene people interested in the intersection of arts and social enterprise. Our first project, which will launch in early 2018, is to feature the work of cultural and economic innovators in [Creative Exchange](#), the publication of Springboard for the Arts, another NEC member. We hope to kick-start a larger conversation and gathering at the CommonBound conference in June. See you there!

Leveraging Co-op Power to Build Stronger Communities

Greg Brodsky, business strategist and CDI Board Chair

Although you could say that I was born into the world of cooperatives, I really didn't understand how they worked, why they were so important, and why they were different than other businesses. I first observed the co-op world when I was in high school watching my father transform his single local carpet store in Manchester, NH into a national purchasing co-op representing over 2000 flooring stores around the country.

Many years later, we used a similar model to help build the nation's only purchasing co-op for retail bicycle stores (The Bike Co-operative). For the past 2 years, I have been working with a group of brewers to form the nation's first purchasing co-op for craft brewers, helping them negotiate better prices on items such as cans, bottles, cardboard, and kegs. We currently have over thirty really strong independent brewers around the country representing over 530,000 barrels of beer!



I love helping to build purchasing co-ops that leverage scale to help local independent businesses actually stay local and independent. I continue to be amazed at the transformative power of cooperative development and believe we are at a pivotal moment where the cooperative movement is poised to have an even greater impact improving people's lives

through democratic ownership of our workplaces, our housing communities, and our food systems.

What I am also amazed by are the personal stories of how cooperative development has empowered the people we serve, and the stories

of how cooperative developers are drawn to this work. At CDI, we believe that each of us has a story to share and we are committed to lifting up our stories. Recently, I was asked to reflect on my own experience developing cooperatives, how I was drawn to this work, and what co-ops mean to me. This is my story.

When I was young I thought co-ops were “cool,” but like most people, I didn’t really understand them. For me, as for many people, co-ops had a mystique, but what it meant to actually be a co-op was confusing to me. First of all there are just so many types of cooperatives. To this day, most people don’t know that Ace Hardware, Cabot Cheese, Ocean Spray, the local credit union, and the local food co-op, are all cooperatives in one form or another. And secondly, what do those models all have in common that the average person can understand?

Because of my family’s experience with co-ops, I’ve always been on the lookout, trying to understand co-ops better. For example, when I arrived at college, there was a natural foods bulk purchasing group that seemed co-op-like to me. But was it truly a co-op? It helped college students gain scale, but there was no ownership involved. I found myself asking “what really makes a co-op, and how do you know one when you see one?” To this day, the amount of theories about what makes a co-op a co-op is still something of great interest to me, and a great discussion among people I meet.

To me, what a co-op is, at its very basic essence, is an organization or business that is democratically owned by its core constituents, and exists for those constituents, rather than

being owned by a single person or outside shareholders. As I continue to evolve in this work, I see more and more how much that ownership matters. When businesses are owned by the people themselves, it encourages the right sort of business incentives and it also holds the co-op management directly accountable to its members.

Collective ownership and democratic decision making may be what defines a co-op, but for me the essence of a co-op is also something more. Co-ops are about each diverse community coming together to address the challenges and inequality of our current economic system. When I see a co-op, I see groups of people discovering the economic power of shared ownership and how transformative it is for them and their communities. That is why I am eager to support CDI in every way I can, to bring that power to people everywhere in the Northeast.

This is my story, and I want to hear yours. Send your story to contact@cdi.coop.

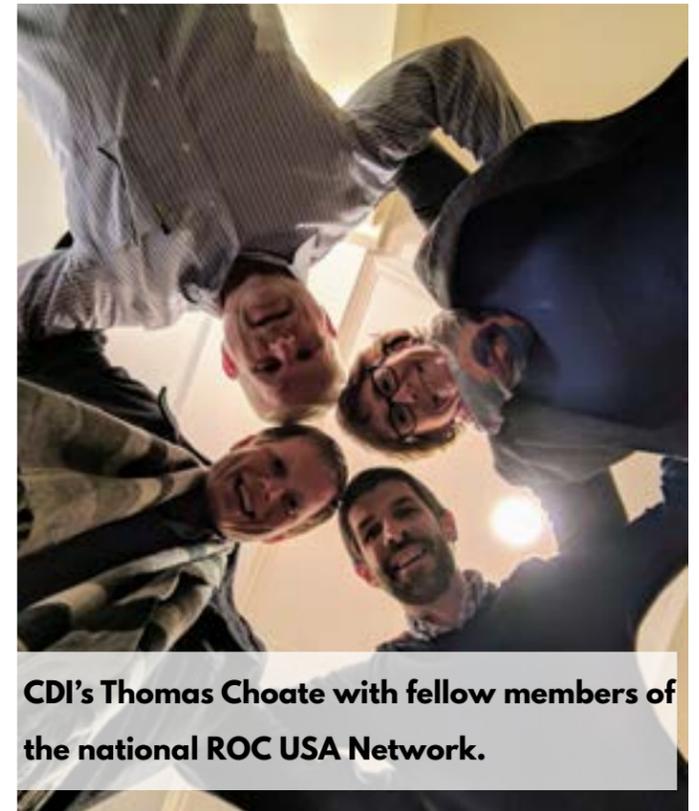
Let’s build a movement, together!

In Cooperation,
Greg

Updates on Our Partnerships

In this year of building bridges, CDI worked with numerous organizations at many different stages of partnership. A planning grant from New Visions supported work with our long-time partner Cooperative Fund of New England on development of a vision for Building Regional Inclusion through Democratically Governed Enterprise (BRIDGE.coop), a process that included Cooperative Economics Alliance of NYC, Nuestras Raíces, Rhode Island Jobs with Justice, Worcester Roots, Immigrant Workers Center Collaborative, Greater Boston Chamber of Co-ops, and Sustainable Livelihoods Relief Organization.

The BRIDGE work built on collaborations that we established in Maine, resulting in a Maine Strategic Plan shared with CFNE and Genesis Community Loan Fund. That work is funded by a number of Maine foundations and aims to elevate co-ops as a go-to solution for economic development. In turn, we are hoping to apply a similar partnership model



CDI’s Thomas Choate with fellow members of the national ROC USA Network.

with national partners such as the Democracy at Work Institute, both as part of the Workers2Owners Collaborative and in their work establishing local co-op ecosystem supports. The work that CDI staffers have done as DAWI Fellows in the Network Building cohort is providing a key foundation to the nascent Cooperative Maine Business Alliance.

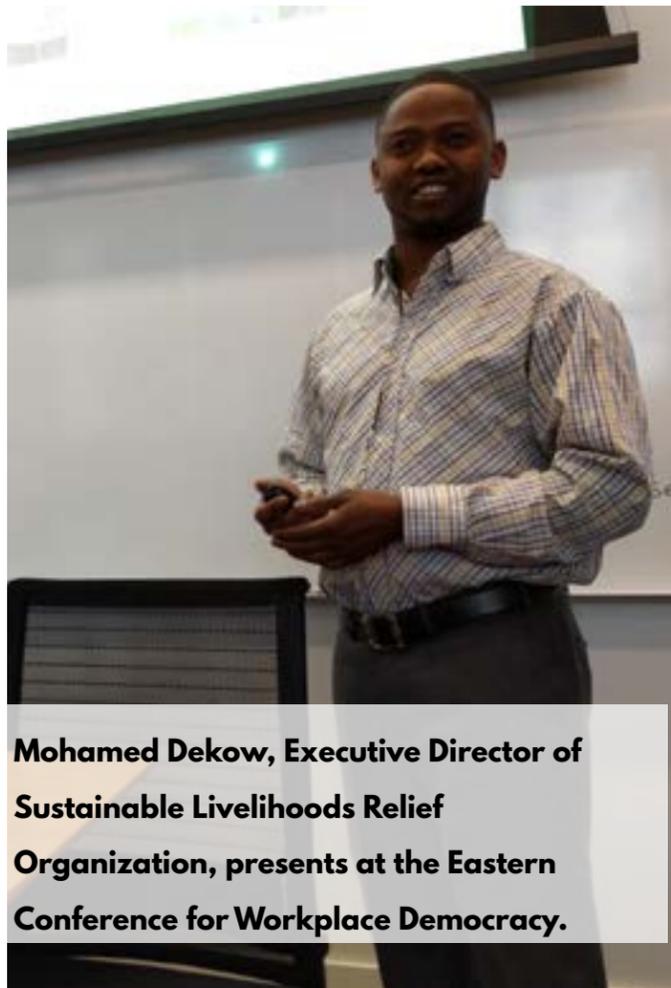


Pável Uranga of the Immigrant Workers Center with Heiny Maldonado and Raul Figueroa of Fuerza Laboral.

Also through DAWI, CDI was able to win two re-grants from Surdna to pursue development of partnerships with Worcester Roots and MaineStream Finance. These will advance our efforts to expand the pool of business owners who hear about conversion to employee ownership as an attractive succession option. Matt Feinstein, co-director of Worcester Roots, told us, “Worcester Roots had a thoroughly fantastic experience collaborating with CDI in 2017—from mapping co-ops in Massachusetts, to building pipelines for conversions of companies to cooperatives in the Worcester area—and we have big visions and hopes for regional co-op development capacity building in 2018!”

In Lewiston-Auburn, ME, CDI is working to support the collaboration of St. Mary’s Nutrition Center, the Somali Bantu Community Association and Whiting Farm. This collaboration is funded by a Community Food Project grant and seeks to secure land access for Somali Bantu farmers, engage the community at Whiting Farm and increase food access in the community. Complementing this work, CFS Director Jonah Fertig-Burd has been a part of the Good Food Council of Lewiston-Auburn and has been increasing his connections to food organizations in the community.

Sometimes, all CDI can do is support a collaborative project spearheaded by others. We were especially pleased this year to lend a hand to the Cooperative Financial Education Kit, a new resource developed by and for the cooperative movement. The Cooperative Financial Education Kit is being designed by Open Bookkeeping, AORTA, A Bookkeeping Cooperative



Mohamed Dekow, Executive Director of Sustainable Livelihoods Relief Organization, presents at the Eastern Conference for Workplace Democracy.

(ABC), and TESA Collective in collaboration with over a dozen project partners. In their research, the collaborative working on the kit found that existing financial education resources are English-only, culturally insensitive, cost-prohibitive, dry in presentation, and linear in design. That’s why the kit they’re producing will be free, available in both English and Spanish, center storytelling and popular education training techniques, and provide many access points.

NEROC Notes: One for the Record Books

Nine-woman Board leads 430-home manufactured home community in record-breaking neighborhood purchase!

In 2017, homeowners in [Halifax Estates Mobile Home Park](#) made history, closing on the largest-ever limited equity manufactured home cooperative purchase while helping secure the financial futures of the 700 retirement-age residents who live there.

While the \$27 million purchase is certainly a milestone in the cooperative and manufactured housing sectors, the largest ever in the ROC USA network, the impact is life-changing for the people who live in the 430 homes in Halifax Estates. Nancy Froio, president of the residents’ association that purchased Halifax Estates, and her husband downsized into Halifax more than 12 years ago and fell in love with the community. A widow for nine years now, Froio is thankful that her neighborhood won’t be sold again now that she and her neighbors own it.

“I’m so excited about this, it means the world to me because it’s the best thing for the residents,” said Froio, a retired printing company employee in her 70s.

“With so many of our residents retired and on fixed incomes, knowing we’re going to own it and run it the way we want to run it is such a relief. Now everyone is going to have a say.”



Resident owned communities are so much more than affordable housing. At Halifax Estates, the Helping Hands Committee holds fundraisers to support residents who are struggling, including paying for heating fuel, fixing leaky roofs, mowing lawns, as well as providing transportation to and from medical appointments. All work is carried out anonymously. The annual craft fair raises money that residents use to shop for needy children during the holidays. “We always have a wrapping party and tell folks to show up with scissors and tape,” Froio said. “This year we’ll sponsor 12 kids.”

The resident association purchased the community with assistance from CDI and ROC USA. Assistance will continue to be provided by CDI to the association for the length of the mortgage—a minimum of 10 years.

Halifax Estates is the 18th Massachusetts community supported by ROC USA Network and the 210th nationwide. Financing for the project came from ROC USA® Capital in collaboration with TD Bank, Bank of America, Boston Community Capital and Leviticus 25:23 Alternative Fund.

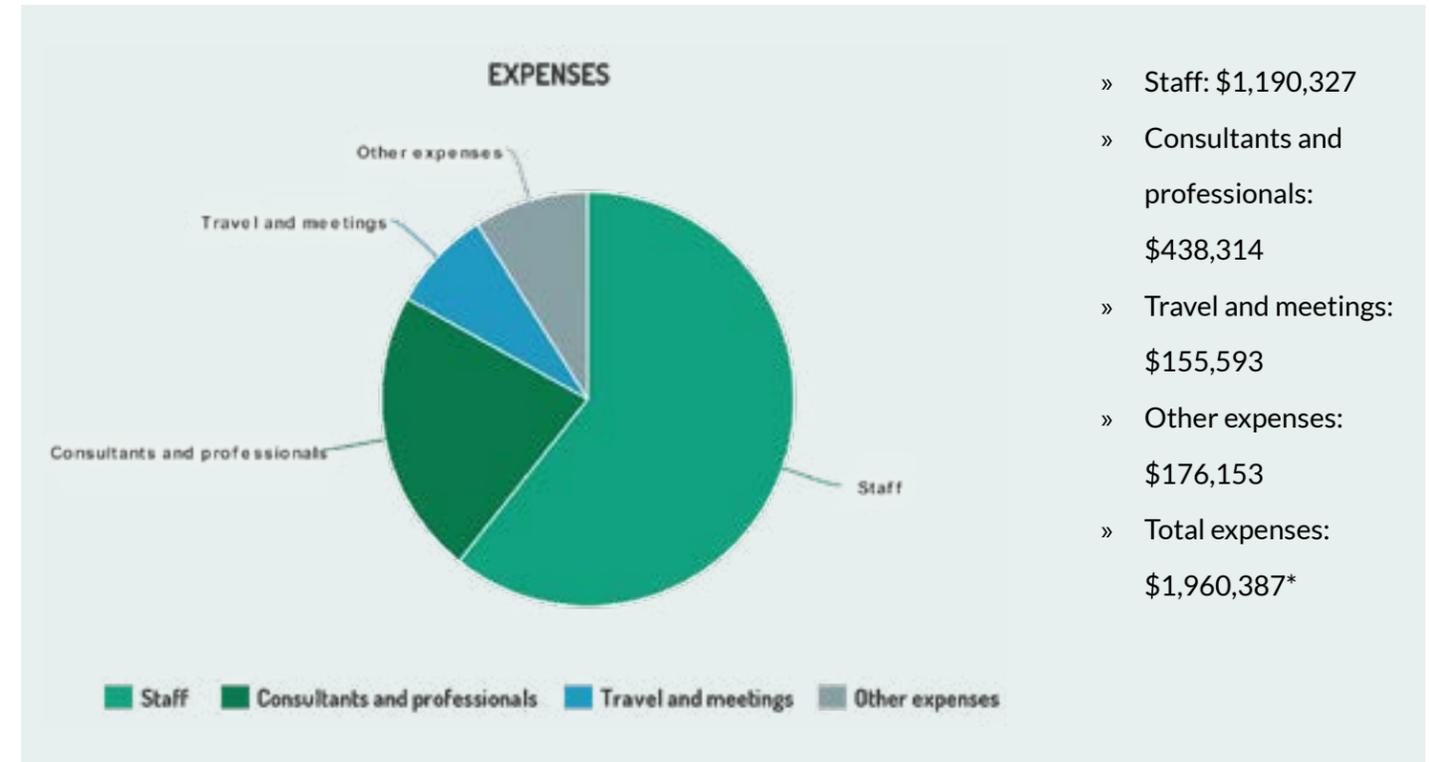
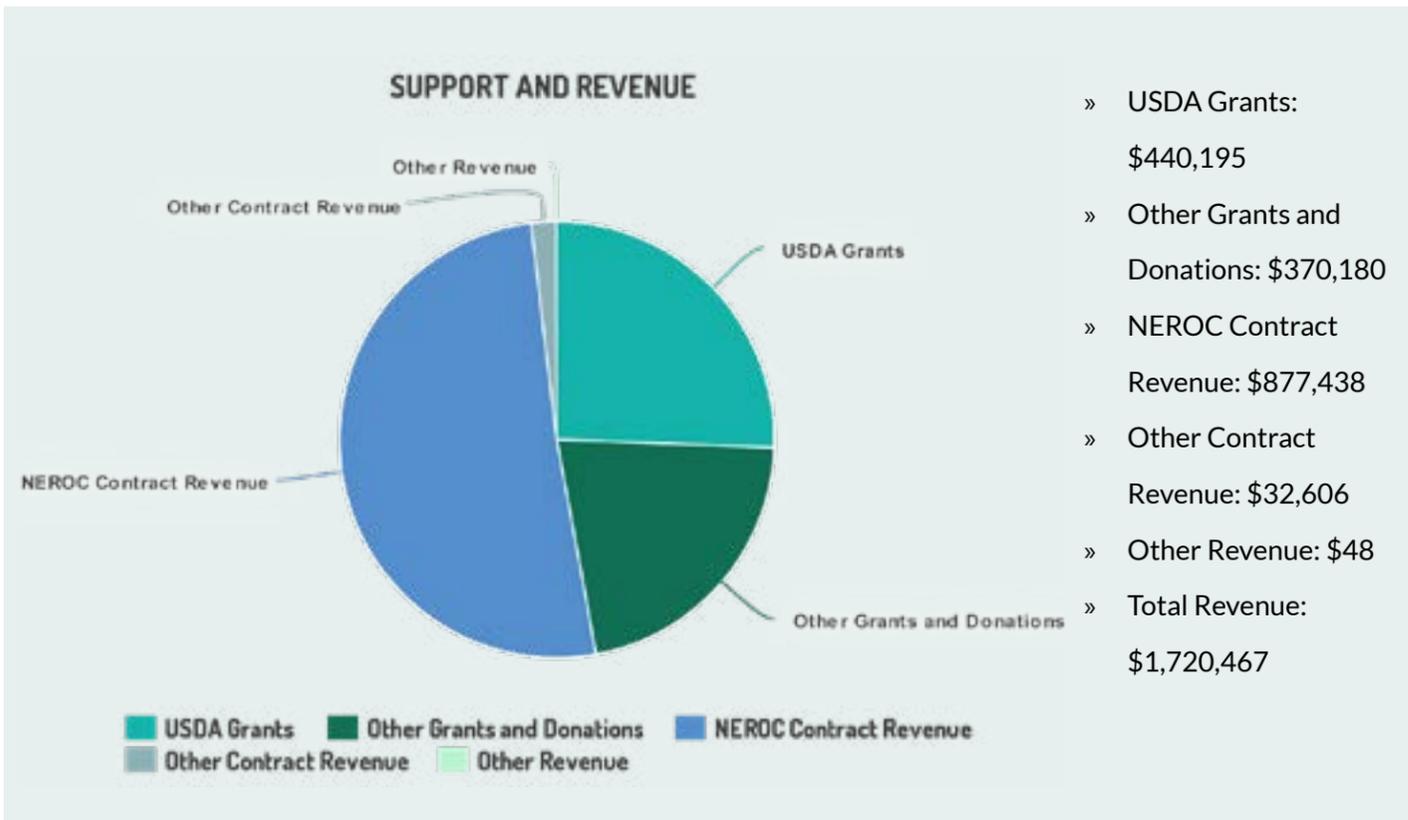
Using Resources for Impact

This past year, CDI once again provided a great deal of support in a wide range of ways. We assisted cooperatives employing at least 182 people, and helped 55 cooperatives strengthen operations. We provided about 38 educational events to about 1,600 people, as well as delivered targeted trainings for socially disadvantaged groups with about 200 participants. We respond to over 80 new inquiries a year and work intensively with over 50 groups.

In 2017, we:

- » Helped create four new manufactured housing co-ops, preserving 772 affordable homes

- » Provided ongoing technical assistance to another 30 existing manufactured housing co-ops
- » Assisted nine other residents' associations that are working to buy their land
- » Helped one cooperative trade association incorporate and one cooperative business alliance steering committee form
- » Helped one worker co-op form as an LLC, and three businesses prepare for conversion to worker ownership
- » Published a peer-reviewed policy paper that was downloaded over 300 times (see page 19)



*In our last fiscal year, expenses exceed revenues, mostly due to the timing of certain grant awards and other events. The current fiscal year is well on track to showing a compensating surplus.

Last year we grew our operations by about 20%. We continue to focus our attention on cooperative development, education and communications/networking, with just about 90% of resources going to program work. But 2017 was also a year of investment in our organizational capacity, to enable us to step up to the growing demands for our services. In addition to bringing a Director of Development and Communications on board, we also professionalized our accounting and continued to refine our organizational development practices. Our annual client survey showed that we assist

clients in a variety of ways. Nearly two-thirds said we helped them plan for the future; almost half said our assistance helped them improve board skills and improve management skills. Overall, our services were rated 8.3 out of 10 by clients, and their likelihood of recommending us to a friend or family member was 8.6 out of 10. Our strengths, as in prior years, include being knowledgeable and supportive.

Our ability to provide services depends on our having access to resources. Our revenue continues to come about half-and-half from grants and contract income. We'd like to see a growing amount come from individual donors who can sustain our work for the long haul. The need for cooperative development in the Northeast is only growing, and we want to meet that demand with the best services available!

Changes to CDI Staff in the Last Year

2017 was another year of major changes at CDI. We bid farewell to Jo-Anna Jackson, a NEROC staff person in Maine. Best wishes for her continued career!



We also welcomed **Melissa Mullineaux**, who started in April. Melissa is a Cooperative Development Specialist for CDI's NEROC Program in Maine. Melissa received her Associate's degree studying behavioral sciences through Granite State College and her BA in social work through the University of Southern Maine.

Melissa worked in Portland, Maine as a social worker for 8 years, working with communities and individuals struggling in homelessness, poverty, mental health issues and substance abuse. She earned her Master's degree in Policy Planning and Management with a track in Sustainable Development and Geospatial Technologies and a graduate certificate in Community Planning and Development in May of 2016. While

earning her graduate degree, Melissa remained working as a Cumberland County mental health emergency response crisis worker and did various work for the Association of State Wetland Managers in Windham, Maine and the Center for Business and Economic Development in Portland, Maine.

Melissa has lived in Maine on and off for most of her life. She has a passion for equity for all and environmental issues. Melissa enjoys the outdoors and nature and spends much of her spare time with her friends and family.



The Cooperative Food Systems program has grown with the addition of **Omar Hassan**. Omar works as the Cooperative Marketing and Development Assistant with CFS. Born in Somalia and raised in Kenya, Omar speaks Maay Maay, Af Maha, and English. He provides translation and interpretation support to Somali farmers throughout New England. He works with farmers and community members to develop

democratic businesses, assisting them in developing cooperatives and supporting them as they access local markets. He works closely with New Roots Cooperative Farm, an operation owned by Somali Bantu farmers in Lewiston, Maine, the state's first New American-owned cooperative farm. He is currently enrolled at the University of Southern Maine where he is pursuing a degree in Social and Behavioral Science with a minor in Sustainable Food Systems. He lives with his wife and two children, Isra and Fithi in Lewiston, Maine.

Congratulations also to our current staff whose names have changed—two weddings this year mean we now work with **Maureen Carroll Dennis** and **Jonah Fertig-Burd**! Update your Rolodexes...

Changes to CDI's Board

This year marked the end of the terms for two CDI board members, Betsy Garrold and Gowri Krishna. Our thanks to them both for their service, and we look forward to continued work together in building a cooperative economy!

Meanwhile, a warm welcome to our newest board member, **Carolyn Lagomasino Edsell-Vetter**. Carolyn is a worker-owner and co-CEO of A Yard & A Half Landscaping Cooperative in Waltham, MA. In 2013, she led the conversion of A Yard & A Half Landscaping to a worker-owned co-op, allowing the primarily Salvadoran immigrant employees to purchase the company from their retiring boss.

Carolyn has been involved in co-ops and consensus communities since living in a cooperative house in college. She graduated summa cum laude in Religious Studies from Cornell University and holds an MDiv from Harvard Divinity School. She was also a graduate of the 2015 Boston cohort of Inner City Capital Connections. Carolyn, her partner Jesse, and their two boys enjoy running, dancing, and growing ridiculous amounts of food in their small urban garden.





Rhode Island Governor Gina Raimondo signs a cooperative development bill as members of Fuerza Laboral look on.

Policy Matters!

Rules and regulations at state and federal levels have huge effects on cooperative development. Here are a few recent policy initiatives that help bend the curve in favor of cooperation in the Northeast.

CDI's Legislative Advocacy in Maine

In its 2018 session, the Maine legislature considered a straightforward proposal ([LD 1338](#)) to spur cooperative development in the Pine Tree state by offering tax incentives to business owners who sell their businesses directly to the employees. The bill had bipartisan support.

CDI Allies Make Big Gains in Rhode Island

Thanks to steadfast organizing by our friends at Fuerza Laboral, Rhode Island Governor Gina Raimondo signed legislation in 2018 that creates an incentive for workers to create enterprises that are democratically controlled and operated by their own employees.

New York

New York State has created a special commission to recommend strategies that would promote the creation and development of employee-owned businesses in New York state.

Massachusetts

In Massachusetts, Representative Denise Provost introduced [H-3017](#), An Act to Preserve Affordable Housing through a Local Option Tenant's Right to Purchase. The proposed legislation will authorize municipalities to grant tenants of residential buildings with three or more units the right of first refusal to purchase such buildings at fair market value. The bill is still being considered.

Vision Matters: Shaping Policy

In July of 2017, the Maine Policy Review [published an article](#) by CDI board member Davis Taylor and staffer Rob Brown. Articles in MPR frequently play a role in shaping state policy debates. This article makes the case for cooperatively owned businesses as a solution to Maine's economic challenges and includes policy recommendations. Here is an excerpt.

Maine's economy could follow a wide range of possible paths. We focus on three possibilities: (1) maintaining the status quo, (2) expanding application of traditional community and regional economic development measures, and (3) fostering a cooperative economy.

“Cooperatives in general are a good way for communities to help build themselves. Brought to scale, with supportive state level policies, they are also an excellent solution to solving the systemic economic challenges Maine faces. These challenges include an aging workforce and ownership, an over-reliance on service jobs that offer low wages and no path toward equity, and outmoded methods of utilizing Maine's distinctive natural resources. Staying the course with current economic policy will at best only serve to guarantee that Maine's economy will stay where it is, and that is not in anyone's best interest. Maine is uniquely poised to expand our economy through cooperative development in every kind of business.” –Ken Greenleaf, Business Advisor, MaineStream Finance

The most challenging factor in the first scenario is Maine's aging population, with its wave of baby boomer retirements. Meanwhile, mechanization and offshoring of jobs carries on unabated, leading to fewer good-paying jobs in rural Maine. Communities caught in a spiral of diminishing jobs, population, tax revenue, and services, slip further into poverty and isolation. A few southern coastal counties prosper while the rest are struggling economically and socially.

In the second scenario, Maine invests massively in higher education, physical and broadband infrastructure, and tax breaks meant to lure businesses.

These strategies, however, are extremely expensive, their benefits flow disproportionately to the communities that were already doing relatively well, and the approach leaves Maine jobs and incomes in a tenuous position because the firms attracted to Maine can easily depart anytime thereafter.

Consider a third scenario in which Maine is well on its way toward a more diversified and equitable economy, with more sustainable and growing businesses across many sectors and communities. The linchpins of this economy are cooperatively-owned businesses. The creation of consumer cooperatives provides needed services and jobs in small towns. The opportunity to be a worker-owner of a small business helps retain and attract more qualified, self-directed workers and turns jobs in one of the state's largest industries, tourism, into lucrative and satisfying career paths for many



Cooperatives Build a Better Maine

Mainers. Cooperatives formed by farmers, artisans, and other small-scale producers lower the cost of inputs and expand access to new markets. Independent businesses join together to share the expense of professional back-office operations or marketing and supply agreements. More young people, low-income people, women, Native Americans, and New Americans have the basic knowledge and access to resources and assistance to start new cooperatives or convert existing businesses into employee ownership. These consumer-, worker-, and producer-owned businesses are deeply rooted in their communities and are better able to compete; they implement technological improvements in ways that balance employment and profitability.

Without question, cooperative and employee ownership delivers material benefits to, and improves the economic health of, workers, families, and communities.

However, cooperatives provide much greater benefits: cooperative ownership provides hope and a sense of control over one's future, which many Mainers currently lack in their economic lives.

Advancing Our Mission and Delivering Value to Our Funders

The US Department of Agriculture plays an integral role in assisting rural communities, their entrepreneurs, and their economies to grow, prosper, and become more self-reliant. The USDA devotes over \$100 billion to ensure that rural communities have the resources they need to access healthy nutritious food, technical assistance for small business development, and a strong infrastructure to meet their economic needs. Rural communities have unique challenges that often require innovative, community-based solutions. Cooperative development is just such a solution. CDI is proud of our accomplishments and our ability to serve rural communities, listen to their needs, and deliver the specialized services and technical assistance required to build stronger, resilient local economies.

CDI is the designated USDA partner in the Northeast, steadfastly assisting rural communities with their cooperative development needs. For the nineteenth year, CDI was awarded the Rural Cooperative Development Grant (RCDG) of \$200,000 for the fiscal year beginning October, 2017. Last year, this generous support from the USDA directly enabled CDI to leverage over \$1.2 million in contract income and grant foundation support—resources that CDI was able to utilize to deliver even more technical assistance services to rural co-ops in the Northeast. These financial resources allowed CDI to assist rural co-ops in our service area to access an additional \$700,000 in grants, equity and debt financing for growth and development. The USDA Rural Cooperative Development Grant

is integral to CDI's mission of working with rural communities to create a democratically owned and just economy where everyone can meet their basic needs through expanding cooperative development and building self-reliance at the local level. CDI's long-time partnership with the USDA allows us to leverage over two decades of experience in delivering technical assistance services to people in the Northeast, and to provide free or low-cost services to co-ops and other businesses throughout our region.

Our partnership with the USDA is valued by people across the Northeast as it has allowed CDI to work directly with them to create cooperative businesses and networks that grow a more prosperous, equitable economy.

In 2017, utilizing this funding, CDI helped form 6 rural co-ops, helped to create 57 jobs, and preserved 1900 units of affordable rural housing. CDI provided direct assistance to 38 cooperatives and provided 34 educational, training and network events to over 1500 people interested in cooperative development.

CDI was also awarded USDA grant funding for our work with Socially Disadvantaged Groups (SDGG). The \$175,000 award allowed CDI to continue our important work with New Americans, Native Americans and other marginalized communities. In 2016, this support from the USDA enabled CDI to launch our Cooperative Food Systems program. The 2017 funding allowed us to build on our work, add capacity, and expand our technical assistance to 22

groups including Western MA immigrant farmers' groups, the New American Farmers Cooperative in Dunbarton, NH, and the New Roots Cooperative Farm in Lewiston, ME. The New Roots Cooperative Farm is poised to expand their product offerings including value added products for the retail market, and to market to institutions through a partnership with Crown O'Maine Organic Cooperative.

CDI will continue our work with organizations representing marginalized populations in the communities of Lewiston and Auburn, Maine. These groups include the Somali Bantu Community Association and Sustainable Livelihood Relief Organization. Plans are underway to create a Somali Bantu Childcare Co-op and for the creation of the nation's first Somali Bantu farm to table restaurant.

CDI continued to provide training and technical assistance for New American farmers in the Connecticut River Valley to ensure long-term access to farmland, create and sustain support networks among New American farmers, and to lower operating costs through collective buying. The USDA SDGG award also allowed CDI to assist the New Lands East Africa Farmers which formed the Wakulima Cooperative, and to continue our support for the Concord Women's Farming Group (now Umoja Farmers).

This year the program adopted the name Umoja Farmers which means "United Farmers" in their common language of Swahili. This name and the focus on uniting and togetherness is reflective of their mission, as well as their culture.

CDI continued our work with Native American farming initiatives including Mic Mac Farms and the Mohawk ONKWE Farming Collective. In addition to the USDA funding, a generous grant from John Merck Fund supported this important work.

In 2017, CDI significantly expanded our work with new socially disadvantaged groups and organizations led by women. These included the Commercially Licensed Cooperative Kitchen (CLiCK) which offers commercial kitchen facilities to people developing value added food businesses; and Equity Solutions, which is a majority women owned start-up collective that provides training and consulting focused on issues of poverty and economic inequality to state agencies, social services organizations, schools, and businesses. In Maine, CDI provided technical assistance to Herban Works, an emerging cooperative of seven women who are developing an herbal medicine business.

CDI also used two other USDA grants to help specific co-ops. The rural Housing Preservation Grant is helping the Pioneer Cooperative of Franklin County rehab units for low-income residents, and the Rural Business Development Grant is supporting the Morrisville Food Co-op (MoCo) in its launch of a member-owned retail grocery.

CDI is investing heavily in establishing a multi-sector, cooperative ecosystem in Maine, and so are Maine's state-based foundations. In 2017, the Broad Reach Foundation, a long-time funder of CDI, committed to funding a three-year strategic plan that CDI is

implementing in partnership with the Cooperative Fund of New England and the Genesis Community Loan Fund. The three organizations formed the Cooperative Maine Partners, and have developed a plan to align CDI's cooperative development efforts with lending partners to accelerate cooperative conversions with business owners, farmers, and manufactured home parks and other property owners. The funding will also allow the Partners to expand our capacity for communications, marketing, fundraising and policy development. Funding provided by the Broad Reach Foundation to our lending partners will allow them to leverage additional loan capital from the U.S. Treasury and other private sources to expand and accelerate cooperative conversions across multiple sectors.

The Elmina B. Sewall Foundation and the Maine Community Foundation are also generously supporting parts of this exciting plan. CDI and our partners are actively engaging additional Maine foundations and donors to help us achieve our development goals to fully support this dynamic effort.

The collaborative funding enabled the Cooperative Maine Partners to launch the Cooperative Maine Business Alliance, which will serve as the state-wide, multi-sector platform to connect all cooperatives in Maine, and align our collective efforts to advance the cooperative economy. At the Maine Principle Six conference held in April, representatives from a variety of co-ops formed the steering committee which will oversee its continued development and growth. This funding also allowed the Partners to engage with a



Generous funding of the Maine Strategic Plan allowed us to produce [a video promoting co-ops as a rural development solution.](#)

broad range of economic and community development agencies across the state to promote the cooperative model for their communities; and supported ongoing educational opportunities for Mainers to learn how to run cooperative enterprises and to practice the habits of cooperation.

We would also like to acknowledge the New Visions Foundation for their generous grant to support CDI's overall operations, and a special acknowledgement for CDI's former director and sustaining contributor, Bob Rottenberg. Bob's significant contribution will act as a matching grant for our expanding major donor campaign.

Finally, many thanks again to Cabot Creamery Cooperative for their support of the region-wide Cooperative Census. In 2017 we completed the census, working with Cooperative Economics Alliance of NYC and Research | Action Cooperative to research upstate New York, and with Cooperatives for a Better World to research New Hampshire. All of the research partners are working together, along with other co-op researchers nationwide, to develop protocols for sharing and maintaining the data over the long term. The Data Commons Cooperative is providing the forum for these data sharing organizations to come together.

CDI's Lynda Brushett with Pine Island Community Farm participants in Colchester, Vermont, part of our Socially Disadvantaged Groups Grant work.



The Co-op Advantage: Coming Home to Opportunity and Quality of Life

Vaughan Woodruff, founder and owner of Insource Renewables



Nearly a decade ago, I permanently returned to my hometown of Pittsfield for the first time since graduating from high school in 1992. My return had little to do with economy and a lot to do with place—my family has been within an hour's drive of my house for nine generations and the community-centered ethic of rural Maine was something that would clearly benefit my family.

But, like many of those who grew up here and feel the tug to come home, I returned for quality of life, rather than to shoulder the risk and workload of being a small business owner. I would gladly trade profits in exchange for time to share the fleeting moments of my children's youth.

If we are going to revitalize our rural communities and reverse the dangerous trend of exporting our upwardly mobile young people, we need to avoid the situation common to rural Maine where one is often left to choose between living in his or her hometown and economic opportunity.

How do we provide an approach where our homegrown entrepreneurs are not saddled with significant risk that

offers little reward or separates them from the reasons they returned home in the first place?

Employee-owned businesses specifically address this challenge.

At Insource Renewables, we have embarked on the conversion of our single-member LLC to a worker's cooperative with three goals in mind:

- » Our success as a company is based on the commitment of our workers, who are actively involved in daily decision-making. Their direct economic benefit from our success provides an authentic mechanism for accurately aligning responsibility and reward within our company.
- » By offering ownership to my employees, sharing the risk and reward among those committed to the long-term success of our firm, we are able to work on a collective vision of what our company will become, and we are able to be more competitive and adaptable as a business.
- » Our team is comprised of young men in their mid-20s who are committed to living in central Maine. Becoming members of a worker's cooperative provides greater opportunity and job security without shouldering the risk of running their own business, thus increasing workers' quality of life.

Throughout this process, we have relied on the assistance provided by the Cooperative Development Institute to chart our course. We could not have done this without CDI.



Cooperative Development Institute

*We envision a democratically-owned and just economy where everyone
can fulfill their needs and aspirations.*

Visit us online at CDI.coop