



Democratizing Our Economy

Housing Finance & Social Equity

March 7, 2023

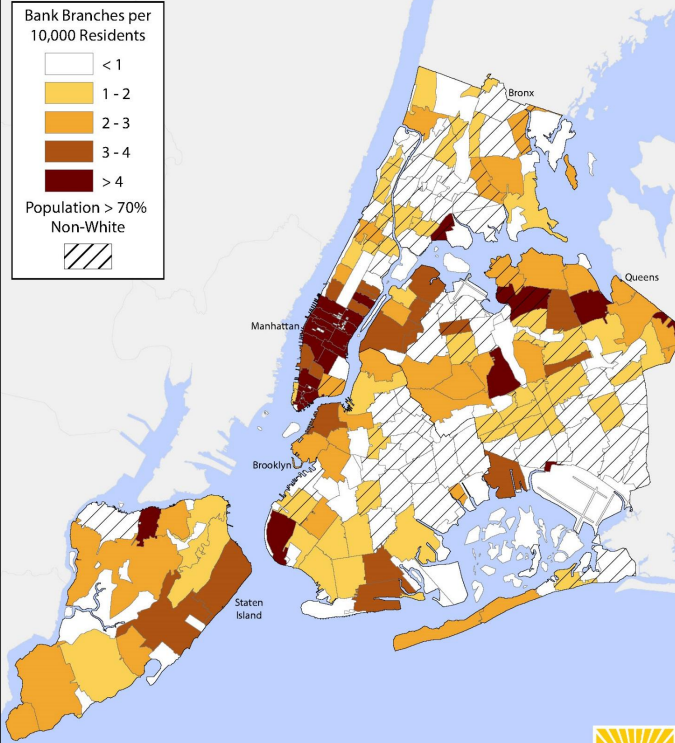
New Economy Project's mission is to build an economy that works for all, rooted in cooperation, equity, social and racial justice, and ecological sustainability.

We work with community groups to:

- promote cooperative, community-controlled development
- challenge systems that harm communities and perpetuate inequality and poverty.

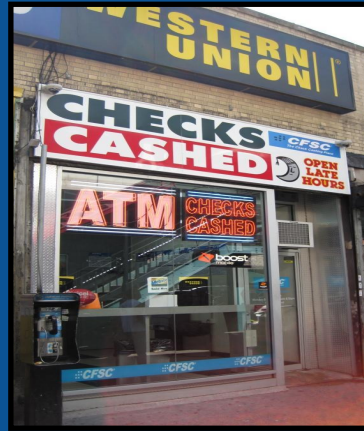


Absence of Bank Branches in Communities of Color
New York City, 2016



Sources: FDIC Summary of Deposits (6/2016); American Community Survey (2014)

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www.neweconomynyc.org



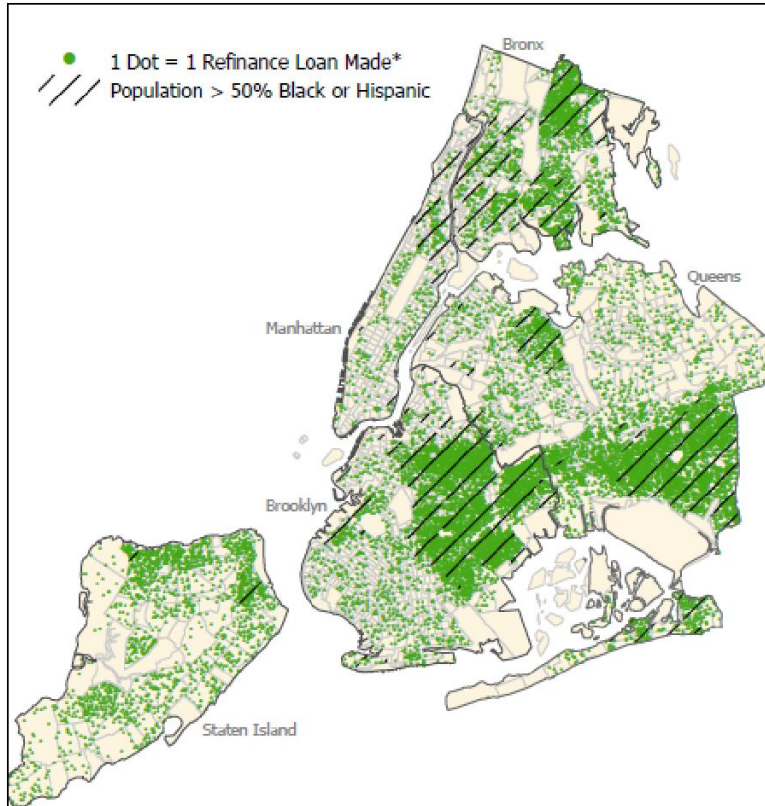
Need Cash?

Get up to
\$1500.00
FAST!

- No Credit Checks! • No Paper Hassles!
- Nothing to Fax!



HIGH-COST REFINANCE LOANS MADE - 2006

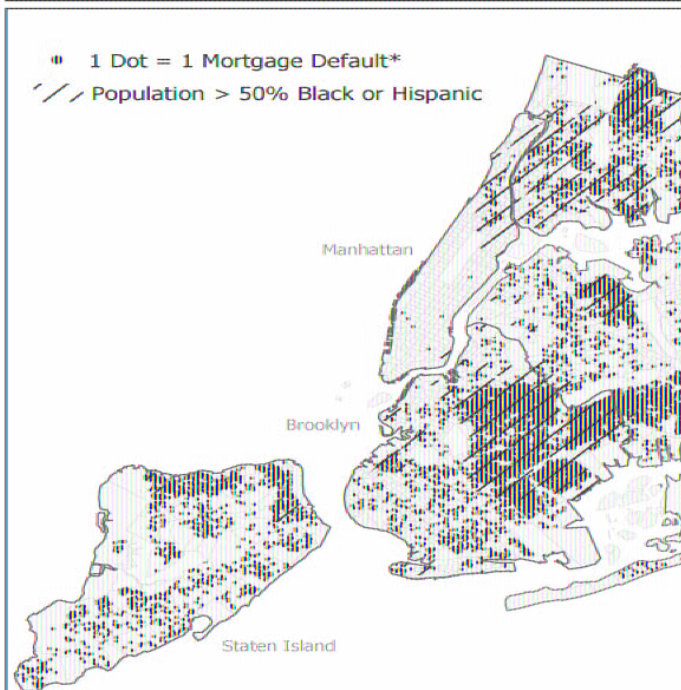


*first-lien loans with annual percentage rates of 3% above Treasury securities of comparable maturity

16,590 high cost refinance loans were made in NYC in 2006

FORECLOSURE PATTERNS

New York City - 2008



Neighborhood Economic Development
Advocacy Project (NEDAP)
(212) 680-5100 | www.nedap.org
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*based on list of mortgage defaults, reported between December 31, 2007 and December 31, 2008
Data Sources: Profiles Publications; L



U.S. GDP: \$23 trillion



Combined Assets of Six Largest U.S. Banks: \$9.4 trillion



Japan GDP: \$4.9 trillion



Germany GDP: \$4.2 trillion



U.K. GDP: \$3.2 trillion

© CBS NEWS

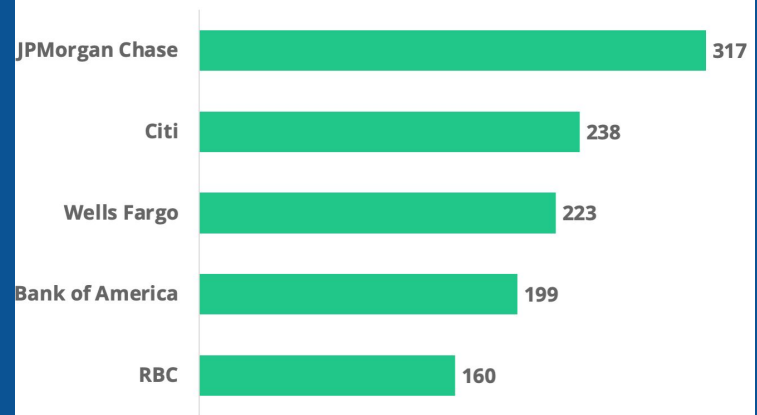
MONEYWATCH >

Bank overdraft fees hit record highs during pandemic



The Paycheck Protection Program failed many Black-owned businesses

Top Banks for Fossil Fuel Financing, 2016-2020 (\$B)



Source: Banking on Climate Chaos Fossil Fuel Finance Report 2021

Wells Fargo Rejected Half Its Black Applicants in Mortgage Refinancing Boom

Fewer than half of Black applicants were approved by the biggest bank mortgage lender

By [Shawn Donnan](#), [Ann Choi](#), [Hannah Levitt](#) and [Christopher Cannon](#)
March 11, 2022

Community Wealth-Building

A system-changing approach to community economic development that works to produce broadly shared economic prosperity, racial equity, and ecological sustainability, through the reconfiguration of institutions and local economies on the basis of greater democratic ownership, participation, and control. (Democracy Collaborative)



Public Banking

Currently...

...Wall Street banks – including JPMorgan Chase and Bank of America – hold the City's funds.



Public Funds



City of New York

Public Funds



Wall Street banks harm New Yorkers and NYC neighborhoods, and profit from exploitative and extractive activities.

What if...

...that money went into a public bank, owned and controlled by the City and accountable to New Yorkers?

A public bank would build community wealth by investing in New Yorkers and NYC neighborhoods.

Public Funds

**It's time for a change.
Together, we can reshape how New York City's economy works.**

**Financial
Justice**

A public bank could partner with community development credit unions and loan funds – mission-driven, community-led financial institutions that provide safe and affordable financial services across the city.

**Climate
Justice**

Through a public bank, NYC could divest from banks that fuel climate destruction. It could invest in ecologically sustainable development, such as community-controlled renewable energy and other vital infrastructure.

**Worker
Justice**

A public bank could provide access to financing for worker cooperatives and small businesses – including those owned by women, people of color, and immigrants – that provide living wage jobs and increase people's control over their workplaces.

**Housing
Justice**

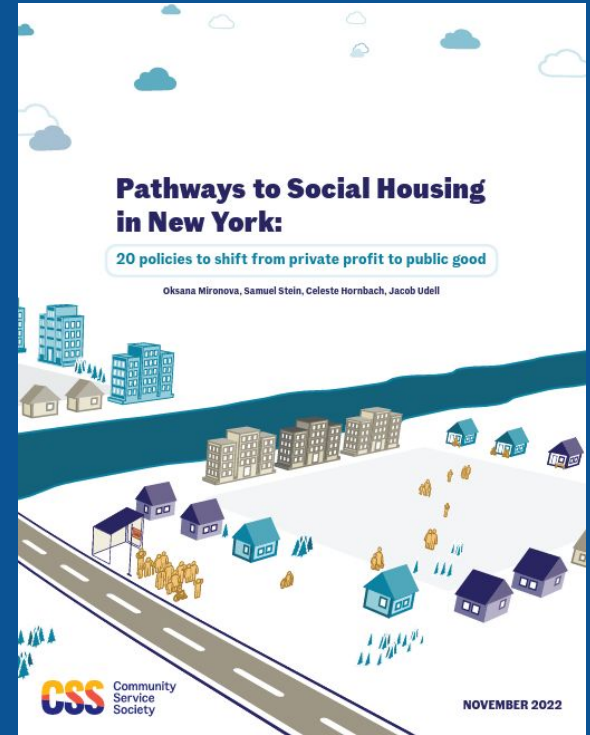
A public bank could support non-speculative housing models, such as community land trusts and mutual housing. These models promote community-controlled development and permanent housing affordability, and can help stem gentrification and displacement.

Social Housing

- Housing as a human right
- Removes housing from speculative market
- Permanent affordability & security of tenure
- Social and racial equity
- Democratic resident control

Models include:

- Shared-equity cooperatives
- Mutual housing
- Public housing
- Community Land Trusts



NYC Community Land Trusts

SHELTERFORCE

New York City Becomes a Hotbed of Community Land Trust Innovation



The CLT owns the land and works to ensure it is used in ways that benefit the community.



NYC Just Made Its Biggest Commitment Ever To A Radical Affordable Housing Model

NYC Community Land Trust Initiatives



Case Example: East New York CLT, Brooklyn



Policies to Expand CLTs & Social Housing

PUBLIC LAND
FOR PUBLIC
GOOD

ABOLISHING
TAX LIEN SALE

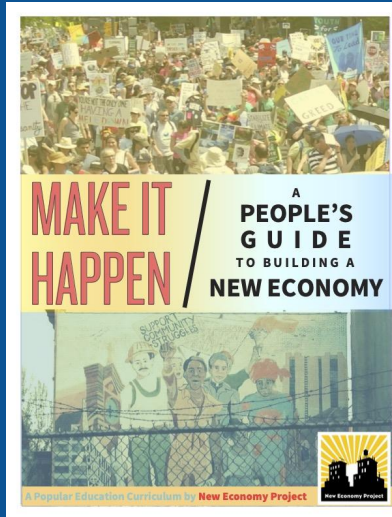
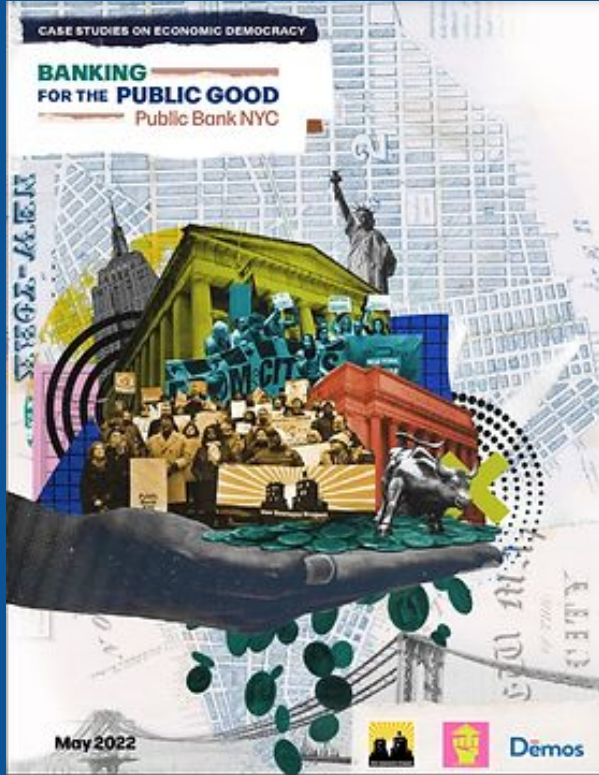
OPPORTUNITY
TO PURCHASE

LAND BANK

FUNDING FOR DEEP
& PERMANENT
AFFORDABILITY



Resources





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