



COOPERATIVE DEVELOPMENT INSTITUTE 2018 Year in Review

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

COOPERATION AMONG COOPERATIVES

WE ARE STRONGER TOGETHER



GREETINGS!

2018 saw the flowering of many partnerships at CDI, aimed at better solving community problems by working together. In past years, we focused on reaching out to find others committed to building an economy that works for all. In 2019 and beyond, we will start to see the fruit of our collaborations as we continue to reach out and build partnerships across the region.

The difference we are making is substantial. Women in leadership, overcoming the trauma of war and forced migration through cultivation of healthy food enterprises. Business owners secure in their legacy and communities thriving with locally-anchored employers. Residents living without fear of eviction or the burden of failing infrastructure. A support system for cooperatives that delivers peer assistance, shared learning, collective marketing, and a strong voice in government.

No one has the answers on their own - but together, we are stronger, smarter, and better able to build lasting, resilient solutions. Thank you for working with us toward an equitable, prosperous economy in our region!

In cooperation,

A handwritten signature in blue ink that reads "Noémi Giszpenc". The signature is fluid and cursive.

Noémi Giszpenc
Executive Director



**Growing our Cooperative Economy in
the Northeast since 1994**

150

New Cooperatives

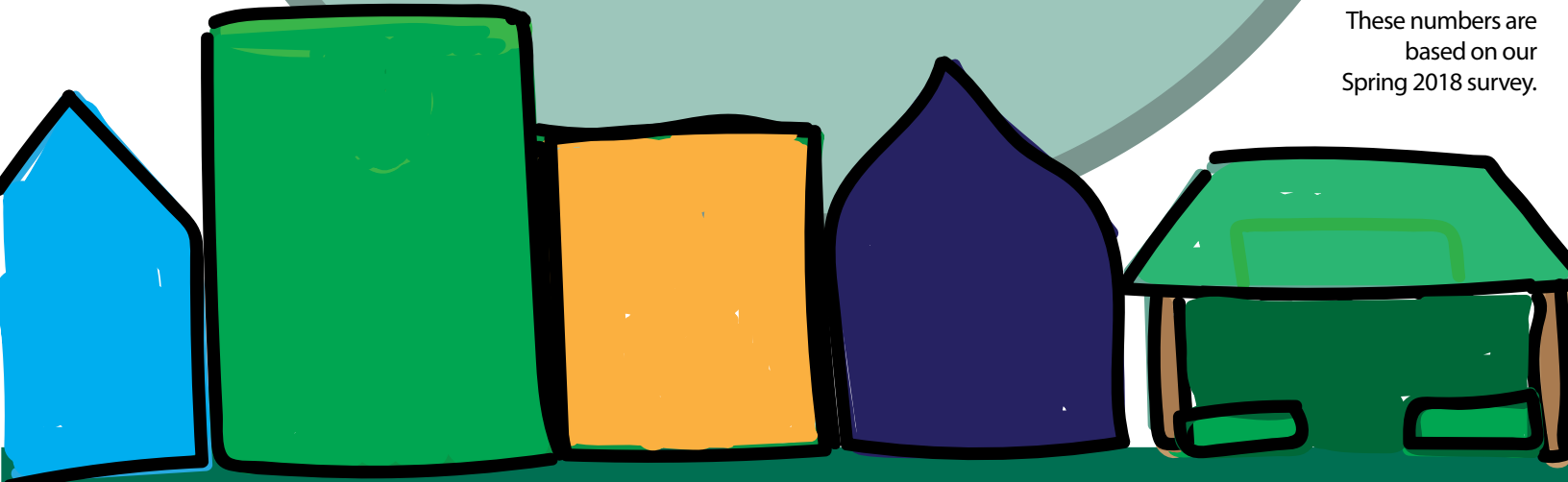
3700 units of affordable
housing preserved

11,250 people have participated in our
education and training programs

78% of clients we helped start were
profitable within 4 years

8.5 rating from our clients
on a scale of 1-10

Each year we
survey our clients
and collaborators.
These numbers are
based on our
Spring 2018 survey.



Transforming Ownership of Our Economy

"It really looked hopeless. It was kind of like praying for a miracle and the miracle came. That's what these people are. They're a miracle".

**Tina Hart,
New Beginnings Resident Owner & Board Secretary**



ROCS OF COMMUNITIES

40 # OF NEW RESIDENT-OWNED COMMUNITIES CDI HELPED START

6 NEW COMMUNITIES IN 2018

3,584 NUM
IN N

\$154 MILLI

LOANS OBTAINED FOR NEW C
TO PURCHASE THEIR LAND

\$25 MILLIO

IN 2018

6 STATES WHERE
NEROC WORKS
(MA, VT, ME,
RI, NY, CT)

LOANS OBTAINED FOR UPGRADING INFRASTRUCTURE: **\$3.6** MILLION **\$1.3** MI

GRANTS OBTAINED FOR UPGRADING INFRASTRUCTURE: **\$2.8** MILLION **\$2.4** MI

NEW ENGLAND RESIDENT OWNED COMMUNITIES

IT'S ALL ABOUT NEW BEGINNINGS

All of our communities are special, but one story about a conversion in upstate New York really stands out. In August of 2017, the owner of the Country Sky Mobile Park discovered that the septic system that served the park was failing and the \$1 million expense to fix it was overwhelming. The New York Department of Energy and Conservation informed him that if it was not fixed, the park would need to be shut down. Feeling that he had no other option, he started to serve eviction notices to the 50 families that lived at Country Sky. The residents were devastated. Local news reporter Kelly O'Brien of WCAX interviewed resident Tina Hart: "When this all started last August it was very heartbreaking to see people falling apart, kids crying in the streets and everything," she said.

That's when CDI got involved. CDI helps communities that either are going up for sale or facing foreclosure to help the residents organize and purchase their park. NEROC's Sarah Martin met with the owner of the park and the residents to discuss becoming a cooperative and having the residents own the community under democratic management. Residents purchased their community for \$1.8 million on June 14, 2018, which included the financial resources to fix their ailing septic system. Financing came from ROC USA Capital and from New York State Homes and Community Renewal. Enterprise Community Partners provided a \$530,000 grant to the community and Community Block Grant funding from Clinton County as well.

Country Sky Mobile Home Park now has a new name. They are called New Beginnings Mobile Home Association. Residents run it as a cooperative, which means they are charging themselves rent, they're making their community rules, making bylaws; they own it.

"It really looked hopeless and it was kind of like praying for a miracle and the miracle came - that's what these people are. It's our miracle," said new resident owner and Board Secretary Tina Hart.

The Cooperative Development Institute will provide New Beginnings Board members support with managing their community for the duration of their mortgage, at least 10 years.

Photo by Kayla Breen, Plattsburgh Press-Republican



LLION IN 2018
LLION IN 2018

HOUSING

"For many refugees, farming is a piece of continuity in all they have been through. Being able to work the land and provide for their families is empowering."

**Hannah Spare,
CDI Contractor & Director of All Farmers**



CREATING A COOPERATIVE FOOD SYSTEM

THE COOPERATIVE DEVELOPMENT INSTITUTE IS WORKING WITH CO-OPS, FARMERS, FISHERMEN, FOOD PROCESSORS AND DISTRIBUTORS IN THE NORTHEAST TO HELP GROW A COOPERATIVE FOOD SYSTEM. HERE'S SOME OF THE CO-OPS IN OUR REGION:



A COOPERATIVE FOSTERS CONTINUITY AFTER TRAUMA

CDI had the great pleasure of supporting a diverse group of farmers to incorporate as a cooperative farming business. Made up of many resilient and resourceful African refugees, the New Families Community Farm Cooperative (NFCFC) demonstrated immense potential and progress in 2018.

NFCFC leaders gained core sustainable farming skills, grew their knowledge of cooperative structures, made progress towards securing land tenure and prioritized a strong governing body led by female farmers. The group's progress was so impressive that NFCFC membership grew from fifteen to thirty families in a very short span of time. CDI contractor Hannah Spare translates the group's strong commitment as a strategy to heal after the trauma of refugee resettlement. She explained, "for many refugees, farming is a piece of continuity in all they have been through. Being able to work the land and provide for their families is empowering. NFCFC is eager to show people in this country that they have things to contribute and are committed to giving back to the community."

Hassan Aden, a prominent member of NFCFC, shared that in 2019 he and the other farmers plan to continue searching for new land, growing their capacity, improving their communication channels and strengthening their governing body. Asked why NFCFC is committed to advancing the role of female leaders, Hassan said, "NFCFC has elevated the role of females and will continue to support them because they are in the majority and deserve to have their voices heard."

CDI is extremely privileged to have the opportunity to support a cooperative as unique as NFCFC and looks forward to the prospect of identifying and supporting similar businesses that work to advance food justice, racial and gender equity and community healing.

EM

PRODUCERS AND NON-PROFITS IN
REGION.

110
Retail Food
Co-ops &
Restaurants

2

Compost Co-ops

FOOD



“Even someone who may be a barista who works part-time has a stake in the company and the direction it’s going to go in. I think that is really appealing to people. Instead of being told what to do they actually help make the decisions.”

**Kevin Malstrom,
Rock City Employee Owner & General Manager**

STRENGTH OF NUMBERS

2018

Year in which CDI received its first
USDA Rural Community
Development Initiative
grant (RCDI)

2



WASHINGTON COUNTY

**LEWISTON-AUBURN
& W. MAINE**

Regions where partners will receive training
in co-op development through RCDI

3

Partners in the Washington County
Ownership Transition Initiative and
RCDI: Sunrise County Economic
Council, Axiom Education and
Training Center, Husson College

6

Organizations that are receiving
training in L-A: Community
Concepts, Center for Wisdom's
Women, St. Mary's Nutrition Center,
Somali Bantu Community
Association, Center for Ecology
Based Economy, Sustainable
Livelihoods Relief Organization

6

Four
match
JT Gorm
Fund, El
Maine C
John Me

2

Other regi
are taking
Upstate N
Central MA

THIS IS WHAT DEMOCRACY RUNS ON



Photo by Abigail Curtis, Bangor Daily News

Employee ownership provides a sense of hope and control over one's future. It promotes self-reliance and entrepreneurship, and it does so through locally rooted, private-sector enterprises.

In 1992, Susanne Ward and her husband, Patrick Reilley, founded Second Read Books and Coffee, Maine's first espresso bar-bookstore. Rockland's Main Street was a highly unlikely place for the two entrepreneurs to choose at that time, as the city was struggling with a collapsing fishing industry and many boarded-up storefronts downtown. But the community welcomed this new enterprise and it grew rapidly, adding a coffee roasting business, twice moving to larger locations and becoming Rock City Café and Coffee Roasters.

In 2010, as Rockland was becoming a vibrant national model of downtown rejuvenation, with Rock City as an anchor of that development, Susanne's husband succumbed to cancer, leaving her alone to manage the businesses they had founded.

In the face of so much change, Susanne began thinking about her own retirement and wondering what would happen to the businesses. Many of her employees had been with her a long time. To preserve the businesses she built, reward the employees who helped build them and ensure an adequate retirement income for herself, she decided the best bet was converting the businesses to a worker-owned cooperative. With several years of planning and assistance led by the Cooperative Development Institute, the Rock City Employee Cooperative now owns the business, and has become Maine's second largest worker cooperative.

"I wanted to ensure the succession of the business," Ward said. "It's such an important part of the community. It's really the social heartbeat of the community. I really wanted to reward the employees who have been with me for so long. Without them, we would be nothing. I thought, who better to run it than the people who built it? It's the employees. I also wanted to reward myself — payback for me. The co-op satisfies all these."

As with Susanne Ward, employee ownership can often provide business owners the best chance to secure their retirement, while sustaining the jobs and economic activity our communities depend on. "I just hope that we as a co-op are an inspiration for people because I think we're frontrunners in many ways," said Ward.

"We were all in love with this place, which is why we were all working here, but when we all have a stake in the ownership, none of us are scared of doing what needs to be done. Everyone has stepped up. It's amazing to see the community of the owners that we're forming now," added Production Assistant David Butler.

FOUNDATIONS

Using the RCDI Grant
from the
John B. Sewall Foundation,
Community Foundation,
Merck Fund, Surdna Foundation



Locations where ownership succession partnerships
shape:
Partnership with Adirondack North Country Association
Partnership with Worcester Roots.

EMPLOYEE OWNERSHIP

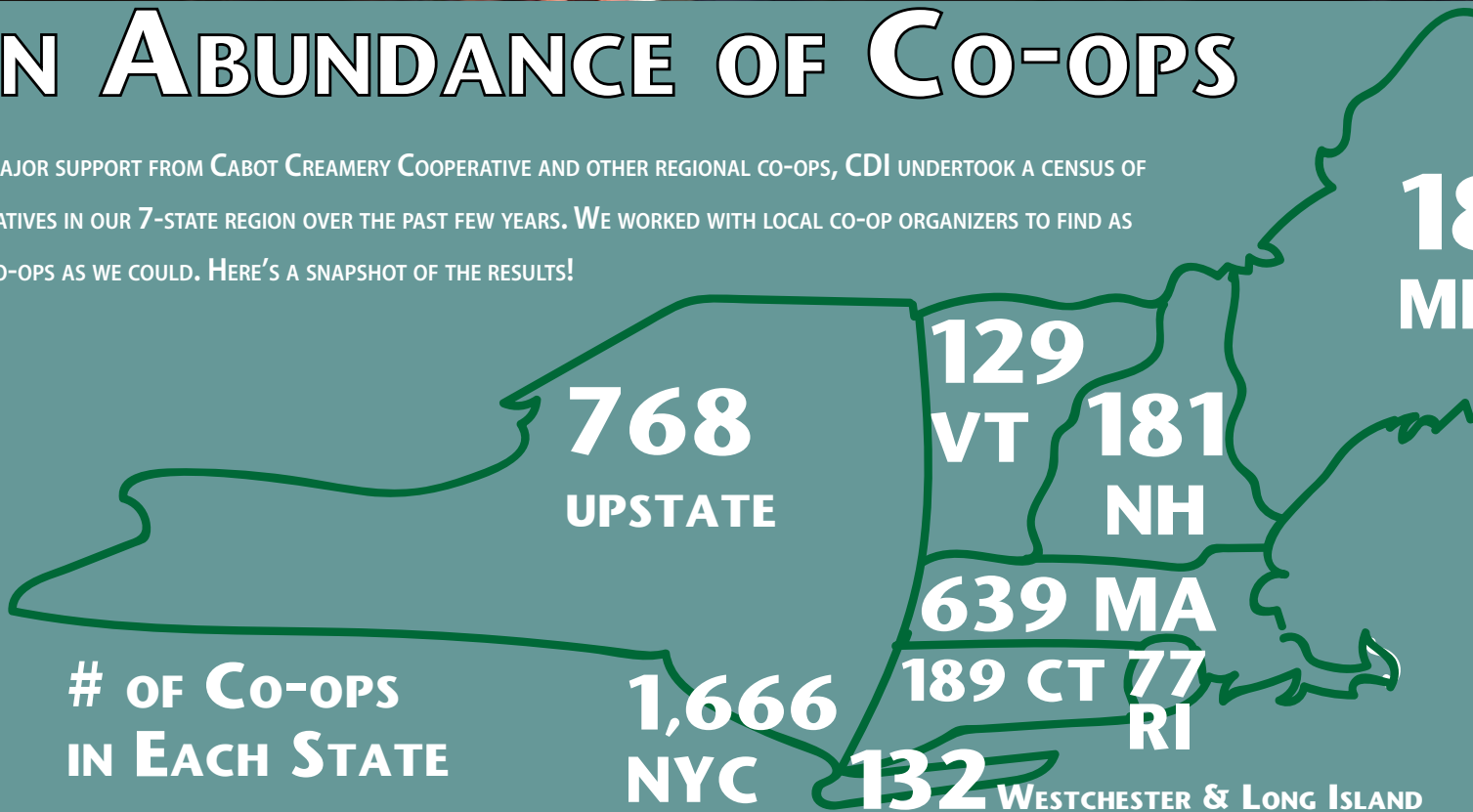


“When all get together collectively in a co-op network, we are able to pool our resources together and accomplish things that none of us would be able to do individually,”

**John Crane,
Portland Food Co-op General Manager**

AN ABUNDANCE OF CO-OPS

WITH MAJOR SUPPORT FROM CABOT CREAMERY COOPERATIVE AND OTHER REGIONAL CO-OPS, CDI UNDERTOOK A CENSUS OF COOPERATIVES IN OUR 7-STATE REGION OVER THE PAST FEW YEARS. WE WORKED WITH LOCAL CO-OP ORGANIZERS TO FIND AS MANY CO-OPS AS WE COULD. HERE'S A SNAPSHOT OF THE RESULTS!



**# OF CO-OPS
IN EACH STATE**

**1,666
NYC**

**18
MI**

BUILDING ALLIANCE AMONG COOPERATIVES

The vitality of Maine co-ops has been on CDI's radar for a long time. As an incubator of new programs, particularly cross-sector initiatives, Cooperative Business Services sought out crucial funding support from Maine foundations and accessed training and networking offered by the Democracy at Work Institute and US Federation of Worker Cooperatives. This allowed CDI staffers Rob Brown and Jonah Fertig-Burd to offer services to the informal Cooperative Maine network to intensify and re-launch as the Cooperative Maine Business Alliance. CMBA got its new start at the Principle Six Conference in 2017, evolving from Cooperative Maine which originally started in 2006. Its mission is to connect Maine co-ops to each other for mutual support and education, and to amplify the voices of Maine co-ops in the public sphere.

CMBA is lifting up the number and variety of co-ops that are already making Maine a better place, and advocating for policies that would make co-ops an even stronger and more prevalent response to community needs such as affordable housing, good jobs, and healthy local food. The CMBA, led by a seven-member steering committee, has several goals, including increasing co-op to co-op purchasing, setting up peer mentoring among co-ops and advocating for favorable policies for co-ops in Maine.

2018 was a great year for CMBA. Our thanks to Network Coordinators Bria White and Brianna Bowman, who have stepped in to do the work of facilitating CMBA. Leading up to and following a smash hit P6 Conference, the group engaged co-op members to speak out for LD 1338, prospective legislation that would facilitate conversions of existing businesses to employee, resident, or consumer ownership. In a contentious political landscape, this measure sailed through the legislature, gaining support from every corner. This coming year CMBA will once again mobilize Maine co-ops, this time in support of even more co-op friendly measures (See Policy Matters, next page.)

Co-ops exemplify the motto "better together", and can get more done when they work together. CMBA is providing a place for Maine co-ops to be heard, be supported, and be effective. We are looking forward to 2019 and beyond!



85
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3966
CO-OPS
IN OUR
REGION

NETWORKS & BUSINESS



Voice of a Board Member

Emma Yorra, Board Treasurer & Worker-owner at A Bookkeeping Cooperative

For an Economy that Works for ALL

I grew up on a dirt road in a tiny town in rural Vermont,

surrounded by neighbors struggling for affordable housing, good jobs, and vibrant food systems. I am drawn to co-op work as a way to build an economy that works for all. Our current economic system has produced a lot of wealth, but that wealth has too often been built on exploitation, violence, inequality, and environmental degradation. Cooperatives are a better way of doing things; they constitute a productive economy that is founded on justice and sustainability. I'm inspired to work shoulder to shoulder with people building a new world out of the old.

My entire career is dedicated to creating and sustaining life-changing cooperatives. I'm a proud worker-owner at A Bookkeeping Cooperative, which works with organizations who want to co-create a solidarity economy based on sustainable alternatives. Previously I worked at the Center for Family Life in Sunset Park, Brooklyn, developing immigrant cooperatives in the domestic work sector. I also founded and directed the Nicaraguan office of the cooperative finance fund, The Working World. I recently completed a Masters in Social Economics and Cooperative Business Management from Mondragón University in Spain.

When I found CDI, I was thrilled to see an organization building much-needed viable alternatives that materially improve lives and build systems in my home state and across the Northeast. I've seen first-hand the impact of CDI's work with manufactured home residents in Berlin and Burlington, VT, and I'm ceaselessly inspired by CDI's work. I love seeing CDI's impact on agriculture in the region, connecting refugee farmers to the land, building the new generation of rural farmers.

Furthermore, I am proud of the work CDI is doing internally, building our organizational capacity, examining systems of oppression and figuring out how to grow as a liberatory organization. I participate in the Freedom and Justice for All committee focused on building equality. This work has been bolstered by a grant we received from the John Merck Fund this year to increase our internal capacity. This has involved making changes to our hiring processes, building transformative partnerships, and most recently, launching a study group. All of CDI's staff and board are participating in this group, which is currently listening to and discussing the "Seeing White" podcast from Scene on Radio. I am thrilled to keep building a better world through CDI.

Policy Matters:

FINDING OUR VOICE, HARNESSING OUR COLLECTIVE POWER

Our cooperatives exist to accomplish together what we can't accomplish on our own. Because we put so much effort into sustaining and building our individual co-ops, it's easy to overlook the political power that all cooperatives could have if we worked together and spoke with one voice. Laws are changed or created through advocacy and, while we may not have the money power of the corporate interests, we do have far greater people power than we realize. Here are a few examples of how we've worked with our many allies to organize strategic advocacy campaigns that will strengthen the cooperative economy.

State Level: Maine Co-ops Advocate to Support Business

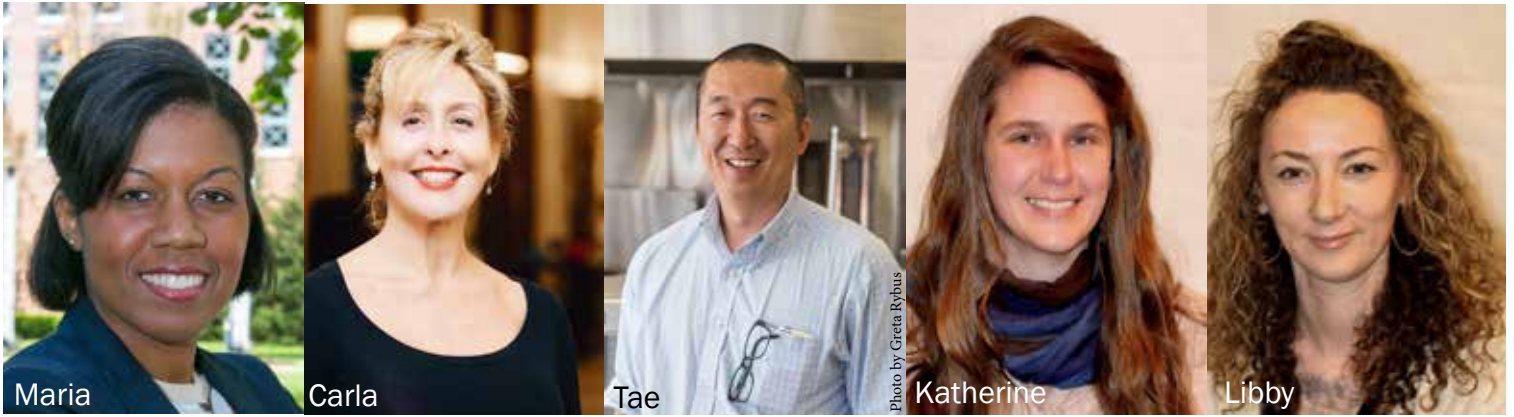
A broad coalition led by the CMBA worked to advance LD 1338, An Act to Create and Sustain Jobs Through Development of Cooperatives and Employee Owned Businesses. It would have helped create many more cooperatives in Maine by supporting the conversion of businesses, farms, manufactured home parks and apartment buildings to cooperative and employee ownership. This proposal was unanimously passed by the Taxation Committee and both the Maine House and Senate. While the proposal fell victim to a government shutdown, the grassroots organizing and collective advocacy efforts created real momentum and has been re-submitted in 2019 and this time will include the creation of a Maine Employee Ownership Center.

National: Main Street Employee Ownership Act Becomes Law!

In August of 2018, Senator Gillibrand's Main Street Employee Ownership Act became law. The law's passage represents the most significant federal legislation passed by Congress in two decades to assist small business owners to convert to employee ownership. Coordinated advocacy by our cooperative community at the state and federal level helped to make this possible, including National Cooperative Business Association, the United States Federation of Worker Cooperatives, and *Cooperation Works!* Local advocacy by CDI and our allies helped secure co-sponsorship from Senators Jeanne Shaheen (D-NH) and Susan Collins (R-ME). "As they prepare for retirement, many older business owners are concerned about what will happen to the enterprise they created and nurtured with so much time and effort. An employee ownership arrangement helps to ensure that the business will continue to thrive with a loyal workforce that is literally invested in its future," said Senator Collins. "I strongly advocated for this new law that makes it easier for business owners to make this transition, and I appreciate the work of organizations like CDI who help employers understand their options."



Sen. Kirsten Gillibrand, Rep. Nydia Velázquez, and members of the United States Federation of Worker Cooperatives



CDI Welcomes New Staff and Board Members

We are thrilled to have two new staff members who joined us in 2018, Libby O’Flaherty and Katherine Bessey. They have both dived in to work at CDI. Libby joined us in August and became the newest member of the NEROC housing team. Her previous work with the Prison Birth Project and Community Action’s Family Center, as well as her studies at Tufts, the School of the Museum of Fine Arts, and MIT, contribute to her broad knowledge, sharp skills, and compassionate approach. Katherine is a recent graduate of the Muskie School of Public Service and a former CDI intern. When she joined us in October she significantly increased the capacity of Cooperative Food Systems, Business Ownership Solutions, and Cooperative Business Services at a critical time of growth in these programs. Her project design, management, and reporting skills are in constant demand.

The new energy on staff is being matched by a strong crew of new Board members: Maria Fernandes-Dominique, Tae Chong, and Carla Zottoli are a phenomenal addition to our stellar Board. Maria is a manager in the national NeighborWorks Community Building and Engagement Program, making sure that innovative, impactful programs to cultivate resident leadership are enacted. She has joined the Finance Committee and supports our Communications team. Tae, one of Maine’s 50 most influential people, has been advocating and creating innovative programs for Maine’s immigrant and refugee population for, among others, Catholic Charities and CEI. He is chairing CDI’s Strategic Planning committee. Carla brings a diverse background in business, government, and nonprofit philanthropy to CDI and her work as Executive Director of the Mount Wachusett Community College Foundation. She has joined the Fundraising Committee.

We are honored to welcome such passionate, talented people to our team!

Diversity, Equity and Inclusion Statement

We promote economic prosperity for all through our work with our clients, our hiring practices, and our vigorous commitment to cooperative principles. We strive daily to acknowledge and eliminate all forms of oppression. By examining bias within ourselves and our organization, we work mindfully to make our board and staff more inclusive. We actively fight against racism, classism, gender inequality and all efforts to marginalize anyone. The nature of our work engages us directly with the working poor, the educationally disadvantaged, the elderly, immigrants and refugees. It is our goal to see all of our clients prosper within the cooperative movement.

Thank You to our Funders!

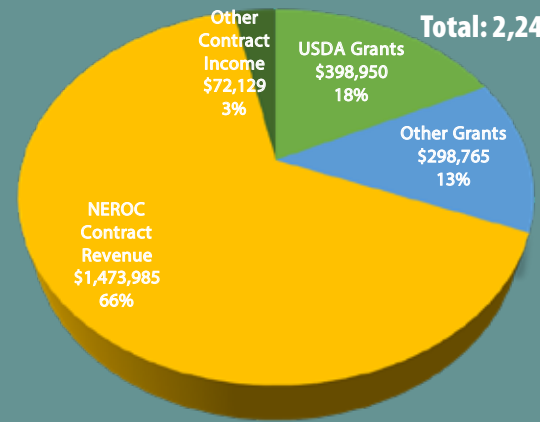
The Cooperative Development Institute is grateful to all of our funders who make our work possible. We simply could not do it without you!

United States Department of Agriculture
The John Merck Fund
New Visions Foundation
Elmina B. Sewall Foundation
Broad Reach Foundation
JT Gorman Foundation
Maine Community Foundation
Bangor Savings Bank

We are also incredibly grateful to our individual supporters, including an anonymous \$25,000 donor to support our work with New American immigrants, to Bob Rottenberg for his continuing support, and to our Board members, all of whom contributed meaningfully in 2018.

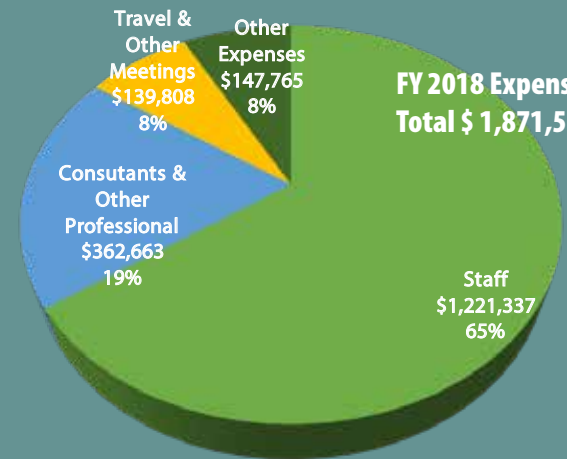
CDI's Income

FY 2018 Revenue:
Total: 2,244,434



CDI's Expenses

FY 2018 Expenses:
Total \$ 1,871,573



CDI Staff at our November Retreat



New Roots Cooperative Farm at their Farmstand, Lewiston, ME



ROC Leaders at a Regional Gathering in Massachusetts



Our mission is to work with people in the Northeast to create cooperative businesses and networks that grow a prosperous, equitable economy.

**www.cdi.coop 877-NECOOPS
PO Box 1051, Northampton, MA 01061-1051**



First Annual Meeting of the Rock City Employee Cooperative in Rockland, ME