Offering Coaching, Connections and Capital to Build Community Wealth in Richmond
SUMMARY

What is Cooperation Richmond?
Cooperation Richmond is a not-for-profit cooperative incubator. It is a one-stop-shop for the incubation, education, training, mentorship and capital support required to create, convert, and continue to develop successful cooperative enterprises in Richmond that build community controlled wealth by and for low-income communities and communities of color in Richmond whose wealth has been extracted.

Cooperation Richmond will acquire a physical location offering in-person services for those who commit to forming a democratic cooperative enterprise operating in Richmond. Formal and informal matchmaking of co-op business founders and members will be encouraged. Outreach to the public and education regarding worker and community-owned cooperatives will also be offered.

MISSION

Cooperation Richmond builds community controlled wealth through worker-owned and community-owned cooperative businesses and enterprises by and for low-income communities and communities of color in Richmond whose wealth has been extracted.

We encourage, incubate and facilitate the launch and successful operation of diverse cooperative enterprises in Richmond operated by local residents, especially those of us coming from legacies of systemic marginalization and barred opportunity.

VISION

The economy of Richmond is powered by local worker and community-owned and operated businesses. The people once excluded from the economic opportunity of the extractive economy are now empowered through a regenerative economy and are actively building a socially just and ecologically sustainable economic system.

VALUES

- SOLIDARITY – We can do more and better together, and cooperatives are the perfect vehicle.
- FAMILY & COMMUNITY – We view community as a larger family and call upon others to do the same in order to create the world in which we wish to live.
- INTEGRITY – We do our utmost to practice what we expect of every worker-owner and community member.
- RESILIENCE – We firmly believe and understand that worker-cooperatives and community-owned enterprises are a game-changing and necessary strategy for resilience in Richmond and beyond.
- EQUALITY & JUSTICE – Cooperatives represent a means to economically empower those most affected by income inequality, therefore moving toward a more just Richmond.

SERVICES

Cooperation Richmond will provide incubation services for existing and developing democratic enterprises in Richmond including:

- Cooperative Education
- Matchmaking
- Assessment
- Coaching
- Capital & Credit Development and
- Financial Literacy
MARKET RESEARCH AND ANALYSIS

The Need for Economic Empowerment in Richmond

The City of Richmond’s median income of $54,638 is already lower than other cities in the Bay Area. However, the statistics regarding particular neighborhoods point to an even more pressing urgency for economic empowerment. The median household income is $32,343 for the Iron Triangle and $37,396 for North Richmond, more than one-third less than the median income for the city as a whole. Unemployment and poverty data support this conclusion. There is wide variation in unemployment in both Iron Triangle and North Richmond, ranging from a high of 22.1% in North Richmond to 10.4% in the Iron Triangle. Similarly, the poverty level reaches as high as 61.6% in some parts of the Iron Triangle and 59.8% in North Richmond. (http://www.city-data.com/neighborhood/Iron-Triangle-Richmond-CA.html).
KEY PARTNERS

Cooperation Richmond is fortunate to have strong support from a host of key partners. Our partners work in a variety of sectors supporting local economic, social and cooperative development within communities in Richmond and West Contra Costa county most impacted by economic injustice. They not only bring their constituencies to the table, but also bring their experience in workplace readiness, soft skills, and hard skills so that potential incubator clients will be more ready to develop successful cooperative enterprises.

Business and Job Training Partners

Our Business and Job Training Partners provide training in hard skills such as carpentry, hazardous waste removal, solar energy, energy efficiency, electrical wiring & theory, gardening, urban farming, landscape maintenance & installation, food related business, bicycle maintenance, micro-enterprise and retail service management. We are creating a pool of potential partners with real skill sets and offering the opportunity to refer potential clients to these partners to develop their skill set before starting a cooperative enterprise.

While hard skills are important, these partners also develop their clients’ soft skills providing them with the social, intellectual and political skill sets and framing to empower them to be successful cooperative enterprise members. Because their clients include re-entry, immigrant and other populations historically excluded from traditional pathways to living wage employment, there is potential for their clients to become interested in starting or joining a cooperative enterprise.

Cooperative Development Partners

Cooperatives are a unique type of enterprise, and Cooperative Development Partners bring needed expertise on all the facets of starting a cooperative. Whether it’s sharing case studies, providing support around cooperative models, or supporting with legal requirements, our Cooperative Development Partners support potential clients with resources that are needed to establish a sustainable cooperative.

Funding Partners

The Funding Partners provide important capital and financial resources to support Cooperation Richmond and potential client cooperative enterprises. Given that many of our communities do not have sufficient and ready capital, Funding Partners play an important role in helping cooperative enterprises launch and be sustainable. One key partnership is The Working World, and Cooperation Richmond is a member of the a national Financial Cooperative that provides non-extractive finance to worker and community owned cooperatives.

Political and Social Education Partners

Being a productive member of cooperative enterprise requires the development of skills in communication, cooperative decision-making, conflict resolution and an interest in power sharing that may have larger political ramifications. The constituents and members of Political and Social Education Partner organizations help prepare Cooperation Richmond clients for the challenges inherent in cooperative and democratically governed enterprises.
In order to achieve the greatest success in creating a cooperative economy, Cooperation Richmond will provide a variety of services that span the stages of cooperative development from beginning to end, including customized technical assistance and capital based on the needs of each project.

These services will include:

**SERVICES**

**COOPERATIVE EDUCATION**
- Outreach and education about cooperatives as relevant to the mission.
- A cooperative center established as a physical office and source of information and entry into the cooperative movement primarily for Richmond residents, though to some extent also for Contra Costa County and Northern Alameda County.
- Outreach would be via knowledgeable staff, informative materials such as a library of books, videos, etc.; a website, and events.
- Education program: workshops on cooperative economics and just transition with key partner organizations throughout Richmond (unions, churches, youth groups, grassroots organizations, existing partners, etc.) - these are targeted workshops based in participatory and popular education to teach about the opportunities in cooperative economics and the role of the incubator in supporting this work.
- Public workshops on cooperation and cooperative economics: These can be tailored to specific strategies (worker-ownership, start-ups, conversions, community cooperatives, finances, etc.)

**MATCHMAKING**
Cooperation Richmond will offer a “matchmaking” service for prospective cooperative starters and owners looking for others with whom to form an enterprise. This would be via messaging, websites and occasional events meant to gather interested people together.

**ASSESSMENT**
- Assessment of capabilities, needs, business plan, programs, products, and/or skills to strengthen the worker-owners or cooperative.
- Each team (at least 3 cooperators who have chosen to create a worker cooperative business together or a community cooperative) is interviewed in detail 1 or 2 times after having completed extensive questionnaires as part of the their application. They are being assessed for solid, reliable participation in a program designed for them and must show commitment. Their business idea will receive supportive scrutiny at this point with an evaluation of the business plan and a critical examination of what would move them to success.
- The staff and coaches then assess the team in regard to their ability to operate as a cooperative. This assessment itself can stand alone as a service and may be all that’s needed for some teams.

**COACHING**
- Cooperation Richmond will provide coaching as part of a team-specific program developed from the assessment. Cooperation Richmond can recommend and arrange a specific program of courses, coaching, and mentoring in business and cooperative skills that are required for the team’s success.
- There will be a prioritization of the services that are needed, and the creation of a Business Development Plan that outlines the sequence and types of assistance needed.
- Cooperation Richmond would provide, whether in-house or through partnerships, trainings or coaching in a variety of issues needed for cooperative development, such as:
  - The traditional core business fundamentals of sales and finance, including tax rules.
  - Sustainability principles and values.
  - The skills of communication, democratic management, and decision-making that distinguish a cooperative from other kinds of businesses.
  - Legal assistance with business incorporation and structuring.
  - Website development and other marketing assistance.
  - Training and support in fundraising.
  - Mentorship in funding pathways for members of each cooperative team.
- Coaching and mentoring is relevant for building capacities found to be needed in the team during assessment. Some cooperative teams know what they need and only need specific coaching and mentoring.
- Ongoing assistance and support toward independence: Independence is usually reached in 3-5 years. The cooperative then becomes a member of a community of coops through the incubator and beyond. Cooperatives will be able to access a peer-support network on an ongoing basis.
- In addition to supporting start-up enterprises, we will provide comparable assistance for converting existing businesses to cooperatives.

**CAPITAL, CREDIT DEVELOPMENT AND FINANCIAL LITERACY**
- Cooperators will be assisted in establishing and developing credit to improve access to capital under more equitable terms without extractive debt.
- Resources will be provided to support financial literacy, knowledge, and expertise on the financing necessary to form sustainable enterprises.
- Cooperation Richmond will have funds for investing and may choose to invest in qualifying enterprises whose teams go through the assessment and capacity-building. Cooperation Richmond may choose to engage other lenders for this purpose as well, such as the Richmond Worker Cooperative Loan Fund or others.
- The revolving loan fund will aggregate capital from a variety of sources, including divestment capital, individual lender-supporters, and gift funding. The revolving loan fund will operate on the principles of non-extractive finance, creating not only capital resources for projects, but also expanding local wealth generation by re-investing to create more projects through profit-sharing of the existing cooperatives.
GOVERNANCE & MANAGEMENT TEAM

Overview
In order for Cooperation Richmond to succeed, staff and board must be able to guide and manage a non-profit efficiently, act entrepreneurially and adhere to cooperative values. Determining feasibility of businesses proposed by client teams as well as acting on funding opportunities in a timely manner are key. The staff and board must bring a variety of relevant skills and experience as well as cultivating helpful relationships with partner organizations, service vendors, governments and universities.

Governance of Cooperation Richmond
The incubator will be a 501c3 non-profit, initially with a 6-person unpaid board of directors drawn from local diverse members of the interested Richmond community. Founding board members are:

NAJARI SMITH
Social Activist, former Richmond Arts and Culture Commissioner, Najari Smith has devoted his life to creating a sustainable city, through local activism in the City of Richmond, using bicycles as vehicles for healthy, active, economic and cultural social change. Growing up he had to experience family members and friends suffer from diabetes and other health related ailments that could have been alleviated through proper nutrition and increased physical activity. This experience made him aware of the consequences of poor health choices and the systemic environmental factors that contributed to health disparities between members with histories of living in marginalized communities and those from more affluent areas. In August of 2012 he founded Rich City Rides to increase the use of bicycles as a low cost, healthy and sustainable mode of transportation and create jobs in an emerging green economy. Since the creation of Rich City Rides, Najari has donated thousands of hours of his time and personal finances to host over 200 community bicycle repair workshops, lead over 200 social rides, and establish a commuter bicycle program that has provided over 200 free bicycles to members of Richmond’s disadvantaged community. Realizing it takes more than getting people on bikes to promote healthy active transportation, he has been a leader for local bicycle advocacy; collaborating with city government to create safer streets and obtaining support for more bicycle safety education classes. In 2013 he was elected Chair of Bicycle Pedestrian Advisory Committee for the City of Richmond and is an organizational member of Friends of the Richmond Greenway. Najari’s most recent accomplishment has been the planning and cofounding the Rich City Rides Community Shop, a democratically operated cooperative bicycle shop run by staff all living in Richmond. The shop serves families, youth and commuter cyclists and is used for hosting community events that encourage social inclusion and a safe space for the most vulnerable members of society.

DORIA ROBINSON
Doria is 3rd generation resident of Richmond, California and the Executive Director of Urban Tilth, a community based organization rooted in Richmond dedicated to cultivating a more sustainable, healthy, and just food system. Urban Tilth hires and trains residents to develop the capacity to produce 5% of our own food supply. Raised in a strong church community where her grandfather was the minister, Doria spent weekends and summers on the church’s 500 acre ranch in Fairfield California. It was on the ATOT ranch where she was taught her first strong lessons on the power of cooperative economics by her grandfather Elder Vernon V. Robinson. Doria has also worked on organic farms in Western Massachusetts, where she attended Hampshire College; at Veritable Vegetable, a women-owned organic produce distribution company; at Real Food Company and was a worker member of the Mixed Nuts Food Co-op. In 2014 she led the charge to develop Urban Tilth’s first three-acre urban farm in Richmond, relaunch the Farm to Table countywide CSA using hyper local produce, and seeded the Richmond Food Policy Council’s effort to install salad bars in every Richmond school in order to increase access for all Richmond kids to healthy whole foods. Doria currently lives in the neighborhood she grew up in in Richmond with her wonderful 13 year old twins.
Cooperation Richmond: Business Plan, April 2016

Marilyn Langlois

Marilyn Langlois is a Richmond resident and founding board member of the Richmond Worker Cooperative Revolving Loan Fund, which was started in 2012. She served as a Community Advocate on the staff or former Richmond Mayor Gayle McLaughlin, who in 2010 began bringing attention to Richmond as fertile ground for worker cooperatives, and put City funds into preliminary initiatives to support cooperative development. Ms. Langlois is also a co-coordinator and founding member of the Richmond Progressive Alliance, a grassroots organization advocating since 2003 for racial, economic and environmental justice in Richmond.

Vivian Yi Huang

As a child growing up in a Chinese immigrant family, Vivian Yi Huang experienced the injustices facing immigrant communities. Currently, she is Campaign and Organizing Director for Asian Pacific Environmental Network (APEN), organizing alongside immigrant community members to develop collective power, leadership, and a new regenerative economy for social justice. Prior to working at APEN, Vivian spent a decade advocating for policy, legislation, and budget funding for immigrants, communities of color, and migrant farmworkers at Asian Americans for Civil Rights & Equality, the California Primary Care Association, and the Presidential Management Fellows Program. As part of her commitment to popular education and leadership development, she was a mentor for the Women’s Policy Institute for 9 years, teaches a health policy course at the San Francisco State graduate school of public health, and is a trainer for the School of Unity and Liberation (SOUL).

Hank Herrera

Hank is President & CEO of the Center for Popular Research, Education & Policy (C-PREP). C-PREP serves vulnerable communities with participatory action research, training, technical assistance and policy. His work specifically focuses on food justice and building community resilience. He recently formed New Hope Farms, a network of small cooperative farms linked to a network of small corner stores selling only healthy food. He is also co-founder and Director of the Sacred Community Land Trust, devoted to conserving farmland for farming by low-income farmers and ranchers. He plays the alto saxophone, writes poetry, and makes photographs. He lives in Pinoé, California.

Gopal Dayaneni

Gopal has been involved in fighting for social, economic, environmental and racial justice through organizing & campaigning, teaching, writing, speaking and direct action since the late 1980’s. He currently serves on the Staff Collective of Movement Generation: Justice and Ecology Project, which inspires and engages in transformative action towards the liberation and restoration of land, labor, and culture. MG is rooted in vibrant social movements led by low-income communities and communities of color committed to a Just Transition away from profit and pollution and towards healthy, resilient and life-affirming local economies.

Gopal serves on the boards of The Center for Story-based Strategy, The Working World and The ETGroup, and is on the advisory board of the Catalyst Project. He also teaches in the Urban Sustainability program at Antioch University, Los Angeles. He is the father of two amazing children and lives in a cooperative community with 9 adults and 8 children in Oakland.

Founding Board

The founding board will hire the incubator’s initial three staff members. Once hired, the paid staff members will also serve on the board.

Each new democratic enterprise (worker or community cooperative, incorporated as an LLC or cooperative corporation) will have one of its members serve on the incubator’s board. After Cooperation Richmond has at least 5 incubated cooperatives represented on the board, the initial founding board members will be phased out.

All board members, including incubated cooperatives, must abide by the Conflict of Interest Policy and recuse themselves from any and all board decisions and decision-making processes that may affect their cooperative financially, such as the review and approval for loans or other in-kind services.

A majority of the board members must be Richmond residents in order to ensure that Cooperation Richmond serves the needs of the Richmond community.

Cooperation Richmond’s board will function using collective decision-making to model cooperative values. The board will use a collective decision-making process to make decisions in the following areas, including but not limited to:

- Establishing and revising the name and mission statement.
- Establishing and revising bylaws that reflect cooperative values.
- Establishing and revising short term and long range programmatic goals.
- Hiring of initial paid staff.
- Adding and removing board members.
- Approving and monitoring annual budgets, action/strategic and fundraising plans.
- Making changes or adjustments in the organization’s mission.
- Approving loans to incubated cooperatives.
- Establishing and revising fee schedules for member cooperatives.

Management Team

The paid staff of Cooperation Richmond will function among themselves as the management team using collective decision-making to model cooperative values. The staff will use consensus and modified consensus processes to make decisions in the following areas, including but not limited to:

- managing and carrying out the day-to-day operations of Cooperation Richmond within the programmatic and budgetary frameworks approved by the board
- engaging the services of outside coaches and consultants to aid in the incubation process
- maintaining relationships with supportive organizations and partners, such as USFWC, DAWN, NoBAWC, NASCO, NCBA, Project Equity and the Coop Blueprint, EBCLC, SELC, UC Berkeley Haas Business School and Boalt Law Schools
- presenting the full board with recommendations on all areas of board decision-making
LAUNCH & OPERATING BUDGET

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<th>Y2</th>
<th>Total Est. Cost</th>
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<td>Operating Costs</td>
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<td>Workshops, events, translation, etc.</td>
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<td>Coop Financing Fund</td>
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<td>Loan Fund Capital to be lent</td>
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METRICS FOR SUCCESS

Evaluation & Metrics for Success

Cooperation Richmond’s ultimate metric for success is evaluating the number of sustainable cooperatives created in Richmond after its launch. Although there are some factors and conditions influencing the sustainability of a cooperative that go beyond the incubator’s control, we envision that Cooperation Richmond will play an important role in nurturing these businesses to existence into Richmond.

Other Metrics for Success Include:

- Increased profitability
- Number of people participating in our public events around cooperatives
- Increased understanding and knowledge of the cooperative model
- Increased public support for cooperatives, including among local and state government
- Number of people who are matched through the incubator to be prospective cooperative starters
- Increased number of cooperative teams coached and supported by the incubator
- Number of coaching and mentoring sessions provided
- Numbers and amounts of loans provided
- Number of loans repaid
- Number of new partners for the incubator, including technical assistance providers, community supporters, etc.
- The creation of a cooperative governance structure for the loan fund
As part of the campaign for a “Just Transition” in Richmond, community members are advocating for an economic transformation from our current extractive economy to a regenerative economy that is owned and governed by our communities. A core part of this Just Transition is the creation of cooperatively-owned businesses that are committed to improving conditions in the community through their products and services, advocacy and philanthropic contributions. By building a cooperative economy through our collective efforts, we strengthen community resilience, the ability to withstand and recover from shocks and disruptions.

The dominant economic model extracts wealth from communities and concentrates it in the hands of a few, the 1%. The extraction of wealth happens in many ways, from dirty industries that pollute communities causing health and environmental problems, to wage exploitation, to forcing people into debt traps. In an extractive economy, even the relatively better paying jobs take more wealth out of the community than they put in, because the profits are controlled by corporations rather than by the workers or the community. From Wal-mart to Wells Fargo, from Chevron to pay day loans, Richmond has suffered under the extractive economy, resulting in poverty and pollution.

Just Transition is a framework for a fair shift to an economy that is ecologically sustainable, equitable and just for all its members.

Just Transition strategies were first forged by labor unions and environmental justice groups who saw the need to phase out the industries that were harming workers, community health and the planet; while also providing just pathways for workers into new livelihoods. This original concept of Just Transition was rooted in building alliance between workers in polluting industries and fence-line and frontline communities. Building on that history, Just Transition to us represents a set of aligned strategies to transition whole communities toward thriving economies within their control that provide dignified, productive and ecologically sustainable livelihoods; democratic governance and community resilience.

Cooperation Richmond helps foster a Just Transition by supporting cooperative businesses that provide what our community needs to thrive such as community solar projects, urban farms, grocery stores, bike shops, cafes, construction trades, and so much more. Core to a Just Transition is deep democracy in which workers and communities have control over the decisions that affect their daily lives.

Cooperation Richmond, as members of the national Financial Cooperative, provides loans to cooperative enterprises based on a set of shared values and lending principles:

- **PRODUCTIVE SUSTAINABILITY**
  
  As a member of the Financial Cooperative, Cooperation Richmond will only support enterprises that can demonstrate a clear path to financial sustainability. This is required for the Financial Cooperative to be an integral part of community Self Determination and economic independence. Placing financing in unsustainable entities will require dependence on philanthropy or will deplete and destroy our efforts.

- **MAXIMIZING COMMUNITY BENEFIT**
  
  The Financial Cooperative seeks to maximize benefit to the community. It does this by financing projects that meet community needs as they promote social, economic and environmental justice. These enterprises will distribute economic power as they distribute ownership. As such, the FC promotes worker ownership and collective community ownership.

- **RADICAL INCLUSION**
  
  The Financial Cooperative seeks to be radically inclusive. This means that we lend and facilitate lending to people who are typically excluded from access to finance. This requires that we provide access to the technical assistance and support necessary to assure the proper planning and success of the projects.

- **NON-EXTRACTION**
  
  The Financial Cooperative is non-extractive in its financing processes. This means the repayment of loans and returns on investments will come from net surplus (profit sharing). Repayment will not be extracted from prior existing business assets nor the personal assets of the people who make up the enterprise. Collateral will be restricted to items purchased through the FC financing.

- **BUILDING COOPERATIVE, DEMOCRATIC OWNERSHIP WITHIN COMMUNITIES**
  
  The Financial Cooperative seeks to shift resources, particularly financial, from a few large institutions (banks and markets) and wealthy individuals to many smaller, diverse institutions in which the benefits of investment are distributed among more people and communities. Members of the Financial Cooperative (local funds such as Cooperation Richmond) and investment recipients will participate democratically and cooperatively in assuring the well-being of The Financial Cooperative through governance of local funds. Also, repayment of the loans plus a portion of the profits earned from the loans helps grow the fund and its ability to reinvest in more cooperative businesses in the community.