



# COOPERATIVE HOUSING BULLETIN

A member service of the National Association of Housing Cooperatives

Spring 2010

# 50

## NAHC

50TH ANNUAL CONFERENCE  
SEPTEMBER 22-25, 2010  
NEW ORLEANS, LA, USA

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## Building Growth in the Big Easy for NAHC's Next 50 Years

The National Association of Housing Cooperatives invites you to New Orleans and the 50th Anniversary of NAHC's Annual Conference.

**NEW ORLEANS**, most known for Mardi Gras and Jazz Fest, is one of the most popular tourist destinations in the world and offers an ideal backdrop for the business and networking opportunities that the NAHC conference provides.

### Educational Tracks

This year's conference features educational sessions in six tracks on more than 30 topics. Tracks and sessions will include topics such as:

#### ENERGY AND GREEN INITIATIVES

Lead Based Painting Training, Energy Management, and more;

#### OUTSIDE THE BOX

Share Loan Financing, The Right Way to Refinance, Working with Aging Membership, Choosing an Architect or Engineer, and more;

#### OPERATIONS

Elements of a Good Management Team Relationship, Evaluating Board Performance, New Board Member Training, and more;

#### FINANCIAL

Grants, Working with HUD, Basics for Treasurer, and more;

#### PROFESSIONAL

Cooperative Board Ethics, Developers Roundtable and more;

#### COMMUNICATING

Member Communication, Developing a Sense of Community, and more.



### Tours and Social Functions

A number of tours are available. Detailed information is listed on page 8 for each tour, including:

- New Orleans School of Cooking Tour
- Oak Alley Plantation Tour

- Swamp & Bayou Tour
- Hurricane Katrina Tour

### Host Hotel

The 50th Annual NAHC Conference will be held at the Sheraton New Orleans Hotel. Located on Canal Street, The Sheraton New Orleans is located near

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Registration is now open for **NAHC's 50th Annual Conference**: September 22-25, 2010 in New Orleans. Online registration is easy and takes just a few minutes to complete. **Click here to register online now!** Registration forms are found on pages 20 and 21.

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Letters to the Editor or the Committee are Welcome!  
Please send them by email!

The *Cooperative Housing Bulletin* is devoted to matters of interest to a housing cooperative's member/shareholders. The NAHC Board has agreed that every NAHC Association shall designate someone to provide the Editor with information on Association events for publication in the CHB. Also, all NAHC Associations and Members should advise their memberships on how to get and download CHBs when published.

The opinions expressed in this publication are those of the authors and not necessarily those of the Association. This publication is distributed with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional services. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

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THE NATIONAL ASSOCIATION OF HOUSING COOPERATIVES

**About NAHC**

The National Association of Housing Cooperatives is a nonprofit national federation of housing cooperatives, other resident-owned or -controlled housing, professionals, organizations, and individuals interested in promoting cooperative housing communities. Incorporated in 1960, NAHC supports the nation's more than a million families living in cooperative housing by representing co-ops in Washington, DC, and providing education, service, and information to co-ops.

**Mission Statement**

To represent, inform, perpetuate, serve, and inspire the nation's housing co-ops.

**NAHC Board of Directors 2009-2010**

<b>President</b>	Mark Shernicoff	Elected 2011
<b>Vice President</b>	Vernon Oakes	Elected 2010
<b>Secretary</b>	Ralph J. Marcus	Elected 2010
<b>Treasurer</b>	Linda Brockway	Elected 2012
<b>NAHC President Emeritus</b>	Roger Willcox	Elected 2011

**Directors**

Richard Berendson	Appointed by MAHC	Beverly Oulette	Appointed by CSI
Jackie Brown	Elected 2012	Randall Pentiuik	Appointed by MAHC
Greg Carlson	Appointed by FNYHC	Alfred Reynolds	Elected 2012
William Eaton	Appointed by NJFHC	Norma Robinson	Appointed by CAHC
Annie Hill	Appointed by PAHC	Mary Ann Rothman	Appointed by CNYC
Patricia Jacobs	Appointed by CSI	Mona Shyman	Elected 2011
Eugene Jones	Elected 2011	Paul Solomon	Elected 2010
Robert Kirkpatrick	Appointed by MAHC	Stephen Somuah	Elected 2011
Charlotte Lann	Appointed by CSI	Hope Turner	Elected 2010
Barbara Loatman	Elected 2012	Ruthie Wilder	Appointed by PAHC
Bill Magee	Elected 2012	Kimalee Williams	Appointed by CHANE
Barbara Meskunas	Elected 2010		

**Member Association Abbreviations**

CAHC	California Association of Housing Cooperatives
CNYC	Council of New York Cooperatives & Condominiums
CSI	CSI Support & Development Services
CHANE	Cooperative Housing Association of New England
FNYHC	Federation of New York Housing Cooperatives & Condominiums
MAHC	Midwest Association of Housing Cooperatives
NJFHC	New Jersey Federation of Housing Cooperatives
PAHC	Potomac Association of Housing Cooperatives
SEAHC	Southeast Association of Housing Cooperatives

**NAHC Principal Committees and Chairs**

- Executive Committee – Mark Shernicoff
- Development and Preservation Committee – Vernon Oakes
- Finance Committee – Linda Brockway
- Governance and Strategic Planning Committee – Ralph J. Marcus
- Government Relations Committee – Mary Ann Rothman
- Member Services Committee – Linda Brockway
- Mutual Marketing and Advocacy Committee – Paul Solomon
- Publications Committee – Roger Willcox
- RCM Board of Governors – Gregory J. Carlson
- Website Committee – Gregory J. Carlson

**About Bostrom**

Bostrom Corp. is the professional services firm managing the National Association of Housing Cooperatives affairs. Professional staff includes Executive Director Suzanne Egan.

# NAHC – The Benefits of Belonging

By Ralph Marcus

As far back as time is known, the satisfaction, and quite frankly the necessity for survival, of belonging to a group for the mutual benefit of all in the group, has been an integral part of societies. For cooperative housing communities, the benefits of belonging date back to the 1800's in England when the Rochdale Principles were born. A time proven phenomenon, mutually beneficial groups must have a recipe which combines organization, leadership and a vision; the essential ingredients that will produce the Benefits of Belonging.

In today's tough economic time, cooperative housing communities need to take advantage of every opportunity to create, maintain or improve their competitive edge in each market place to retain current members, recruit prospective members, and involve and educate all housing program participants (Board members, shareholders, staff, management, vendors, etc.) in the creation of a new sustainable recipe for success. One such ingredient in this new recipe should be taking advantage of the Benefits of Belonging by becoming a member of and maintaining membership in the National Association of Housing Cooperatives (NAHC). Our recipe for success is changing as we at NAHC look forward in today's tough times and we stand ready to help you spice up your recipe for success.

So, how can NAHC spice up your recipe? What are the Benefits of Belonging? NAHC continues to offer its longstanding membership benefits, such as:

**GENERAL ELECTRIC PARTNERSHIP:** NAHC members (meaning the Cooperative and its individual shareholders) have an existing direct partnership with GE for the purchase of any home appliances, be it a on a mass program for the Cooperative, or on an individual basis, one appliance per order, where deep discounts are provided, saving everyone money! GE promises to try to match other local competition.

**PHARMACY BENEFITS CARD:** In cooperation with every major drug store pharmacy, and many smaller drug stores as well, NAHC members can realize savings on co-pays and deductibles on many prescription drugs. These are real cost savings that keep money in the pockets of individual cooperators, and it has absolutely no cost to participate if your cooperative or company or you are a NAHC member.

## GOVERNANCE TRAINING IN YOUR COMMUNITY

**(3R'S):** NAHC has a team of highly skilled and educated trainers that will come to your Community and elevate the knowledge and working relationships between members of the Board of Directors, the Board and the membership at large, and between staff members and the membership.

## REGISTERED COOPERATIVE MANAGER

**(RCM):** NAHC has the only nationally recognized certification program for Cooperative Managers, which provides the foundation for successful on-site management. Fifty property managers now hold RCM status.

**LEGISLATIVE INITIATIVES:** NAHC retains a Cooperative Housing Advocate on Capitol Hill to watch and affect legislation as it is being considered by Congress. New banking laws, stimulus plans, grant programs, and rehabilitation fund releases are all being watched on a daily basis by NAHC's Legislative Advocate and many cooperatives have benefited by years of NAHC presence on Capitol Hill. NAHC advocacy has preserved for your cooperative the ability to take depreciation as a tax deductible expense and also to avoid being taxed on your reserve and investment income. A huge saving to the cooperative and therefore to the individual cooperators. For affected market rate cooperatives it got a redefinition of non member income to avoid loss of tax/interest pass through deductions for cooperators.

And, yes, NAHC is also taking its own advice and we are in the process of spicing up our own recipe for the future. There are a number of additional membership benefits currently under discussion and planning, some of which are:

## 50TH ANNIVERSARY CONFERENCE – NEW

**ORLEANS:** NAHC's 50th Anniversary Conference will include a sit down celebration dinner marking our 50th year of providing the Benefits of



Ralph Marcus

Belonging to cooperatives across the country and will be held in walking distance of Bourbon Street. Come celebrate with us! It'll be an event you won't want to miss.

**ENHANCED COOPERATIVE HOUSING BULLETIN (CHB):** A newly constituted Publications Committee is working hard on producing the CHB on no less than a quarterly basis and have it delivered electronically to as many email addresses you wish to provide.

**ENHANCED MEDICAL BENEFITS CARD:** An enhancement to the Pharmacy Card, the Medical Benefits Card will include vision care, hearing care, dental care, and physician consulting services for a very low and reasonable monthly rate.

**ENHANCEMENT OF THE RCM PROGRAM:** As many as 15 new management disciplines are being added to the training program for Cooperative Housing Managers and electronic interactive writeboards are being developed to network

managers across the country.

**NEW AND IMPROVED EDUCATIONAL SESSIONS:** While some of the fundamentally necessary training sessions will continue, topical sessions on “going green”, financial planning in tough economic times, creative marketing strategies, and how to get free money from the government will be offered in New Orleans.

Yes, there are many Benefits of Belonging to NAHC. Together we educate housing leaders, owners and managers on how to become better organized and focused, we provide training on leadership skills, and help open the windows of tomorrow's vision, all of which build stronger cooperative communities. To consider joining NAHC, please visit our website at [www.coophousing.org](http://www.coophousing.org) and pull down a membership application form. Also, please send us your e-mail addresses so we can send you your electronic CHB each time its published. Finally, make sure we get to see you in New Orleans! **CHB**

### Member Services Committee (MSC)

The MSC is working on a program to generate revenue from advertising in the CHB and other venues. Linda Brockway, the Committee Chair has also recommended establishment of an “interactive newsletter” to promote discussion via emails among NAHC members interested in specific topics. Details are to be presented in a report to the June NAHC Board Meeting.

### Governance and Strategic Planning Committee (GSPC)

The GSPC is currently focusing efforts on reviewing the content and clarity of the recently tabled bylaw amendments and will be providing the Board of Directors with a recommendation for inclusion on the Agenda for this year's Annual Meeting during the New Orleans Annual Conference.

In conjunction with several other Committees, the GSPC has also begun discussions relative to strategically planning for the future of NAHC, including the expansion of desirable programs and services, increasing memberships and establishing additional industry partnerships.

All comments, questions and/or suggestions should be directed to Ralph J. Marcus, GSPC Chair at [MarcusMgt@aol.com](mailto:MarcusMgt@aol.com).

## Cooperative Activities

By Joel Welty

Are there many babies and infants in your co-op? Perhaps parents would like to have some help setting up a baby-sitting co-op, to give each other a break from time to time.



Joel Welty first became involved with housing cooperatives in 1960 as sales manager for the conversion of rental townhouses to co-op housing. He served the Foundation for Cooperative Housing as director of property management, then as national information officer, conducting seminars for co-op leaders, and he has published scores of articles about housing co-ops.

Among the many advantages you enjoy as a housing co-op member, your co-op's social programs rank high. In many ordinary suburbs, you may not even know the name of those folks living across the street from you. But in a housing co-op, chances are you've served with them on a committee, taken part in a discussion group with them, and displayed your costumed children together at the Halloween party.

Most co-ops have a meeting space of some sort, which can be a major asset for your neighborhood. Some co-ops have an Activities Coordinator, paid or volunteer, to encourage its use and make sure various events do not stumble across each other's toes. Most co-ops have an Activities Committee to run the various events and help members organize events they'd like to put on.

Co-ops across the country have an astonishing variety of activities for members, ranging from parties to support groups for various afflictions. Sometimes the board of directors will ask for specific activities, such as a Springtime party to follow the annual membership meeting. Or, the board may simply ask the activities committee to do what appeals to themselves. The committee should report its actions at each board meeting, and be alert for further board instructions.

Among the favorite parties are Hawaiian luaus, Halloween haunts, Fourth of July parades, and Winter singing. Did people enjoy the winter singing? Great! Organize them as a Co-op choir that meets every month. Did the children enjoy being costumed ghosts? Organize an on-going kids' drama group, to put on plays, in costumes, from time to time.

Anybody like to square dance in your co-op? Is your meeting space large enough to swing a do-see-do?

Are there many babies and infants in your co-op? Perhaps parents would like to have some help setting up a baby-sitting co-op, to give each other a break from time to time.

When the weather permits, perhaps a cooperative-wide yard sale would benefit those who find themselves with things they no longer use but are too valuable to throw away. They might even barter books they've finished reading for some Christmas decorations that have become boring to

original owners.

Many of us share afflictions and would like to be able to discuss them with other members similarly afflicted. People with diabetes face a severe discipline, and talking with other diabetics can help them keep the rules. People with high blood pressure can compare notes and gain reassurance by meeting with others to talk about it.

Trying to quit smoking? Good. Every month, commiserate with others in the grip of demon tobacco to make sure you don't light up absent mindedly.

Your teenager devoted to music you can't tolerate? Send her/him off to the community room, to wallow in that music with other teens—out of your hearing.

A lot of us who shared our lives with loves for many years now face an empty apartment. Getting together with others in regular meetings can provide a little relief for that emptiness. Any excuse will do, such as sharing the showing of a feature film rented from the video store, or exploring a National Geographic travelogue. Or, even better, picking a community improvement project, such as a soup kitchen.

Got sports fans among the members? Share the big game on television. Have members with oil paints and brushes that are hardening from never being used? Bring them together to challenge one another, and to paint each others' portraits. Expert bakers among your members? Hold a co-op bake-off with community leaders among the judges.

Kids in your co-op have bicycles? Invite your local Optimist Club to hold a bicycle safety day, which most of them love to do. Kids enjoy trick-or-treating the neighbors for treats; do it as a co-op sponsored event, with members alerted and watching out for the children's safety. Some particularly ambitious co-ops have day care programs operating within the co-op.

There is no end to the kinds of membership activities you can conduct within your co-op. I'd like to hear from you: tell me what you do in your co-op. Send me photographs and your comments on how your programs work for you. e-mail: [jwtelty@power-net.net](mailto:jwtelty@power-net.net). I'll be glad to hear from you. **CHB**

## Schedule of Events

### Monday, September 20

9:00 am–5:00 pm \*Registered Cooperative Manager Course, Part I

### Tuesday, September 21

9:00 am–5:00 pm \*Registered Cooperative Manager Course, Part II

### Wednesday, September 22

8:00 am–5:00 pm Conference Registration  
9:00 am–12:00 pm \*Registered Cooperative Manager Program, Part III and Exam  
9:00 am–1:00 pm NAHC Committee Meetings  
10:30 am–1:30 pm \*New Orleans School of Cooking Tour  
12:00 pm–4:30 pm \*Oak Alley Plantation Tour  
1:00 pm–5:00 pm \*Swamp & Bayou Tour  
1:00 pm–5:00 pm NAHC Board of Directors Meeting  
4:00 pm–5:00 pm First Time Attendee Orientation  
5:30 pm–7:00 pm Opening Reception

### Thursday, September 23

8:00 am–5:00 pm Conference Registration  
8:00 am–5:00 pm Exhibit Hall Open  
9:00 am–10:30 am Opening General Session & Keynote Speaker  
10:45 am–12:15 pm Concurrent Breakout Sessions  
12:15 pm–2:15 pm World's Largest Mac & Cheese Luncheon  
2:30 pm–5:45 pm Concurrent Breakout Sessions

### Friday, September 24

8:00 am–5:00 pm Conference Registration  
8:00 am–2:00 pm Exhibit Hall Open  
9:00 am–12:15 pm Concurrent Breakout Sessions  
12:15 pm–1:45 pm Awards Luncheon++  
2:00 pm–5:15 pm Concurrent Breakout Sessions  
5:15 pm–6:00 pm Member Association Caucuses  
6:30 pm–10:00 pm 50th Anniversary Celebration

### Saturday, September 25

10:30 am–12:00 pm Annual Meeting of Members  
12:00 pm–1:00 pm NAHC Board of Directors Meeting  
1:30 pm–4:30 pm \*Hurricane Katrina Tour

*\*Separate Registration Fee Required*

++ See page 9 for information on nominating an individual or a cooperative.



### Interested in Exhibiting?

If your company is interested in Exhibiting or Sponsorship opportunities at the 50th Annual NAHC Conference, please contact Suzanne Egan at [segan@bostrom.com](mailto:segan@bostrom.com) or by calling 202-737-0797

the French Quarter and just a short walk to Bourbon Street. A limited number of guestrooms have been reserved at a discounted rate until Thursday, August 26, 2010. In order to receive this special rate, you must mention the National Association of Housing Cooperatives when making your reservation.

The following room rates are available for NAHC Attendee:

\$159 (Single) / \$179 (Double) – Main Level  
\$179 (Single) / \$199 (Double) – Club Level  
*\*additional state and local taxes not included*

After August 26, 2010, or once the block has been filled (whichever comes first), reservations will be accepted on a space and rate available basis. Also, once all main level rooms are reserved, club level rooms will be offered. To make reservations, call the Sheraton New Orleans at (888) 627-7033.

### The World's Largest Mac & Cheese Luncheon

Enjoy a serving of the World's Largest Mac & Cheese during our Thursday, September 23 lunch. NAHC, in cooperation with Cabot Creamery Cooperative and other partners, together create the "World's Largest Mac & Cheese" staging, as we strive to surpass the Guinness Book of World Records for the largest serving of Mac & Cheese.

NAHC members will enjoy a gourmet dish, highlighted by Vermont Cheddar Cheese from Cabot Creamery Cooperative's family farms. Renowned

Chef John Folsie a former "National Chef of the Year" will prepare the record feast! Chef Folsie is known for charitable endeavors such as leading a team that distributed more than 400 tons of food to areas shelters in the aftermath of Hurricane's Katrina and Gustav.

Partners for the lunch include:

- Cabot Creamery Cooperative
- National Cooperative Business Association
- Chef John Folsie & Company
- Harrah's New Orleans

Beneficiaries for the lunch include:

- New Orleans Habitat for Humanity
- The Magnolia School: campuses in the New Orleans area who work with mentally challenged adults
- New Orleans area Food Banks

Remember your apparel for the Strut Your Stuff! Co-op Pride display during Thursday's Luncheon!

## New in 2010

Two registration incentives are offered this year:

- 1. Tiered Pricing:**  
Register by June 4 for the best rates!
- 2. Rebates for Cooperatives who bring more than 4 attendees**

### Tiered Pricing

#### Register by June 4:

First attendee: \$725, additional attendees: \$650

#### Register by July 9:

First attendee: \$800, additional attendees: \$725

#### Register after July 9:

First attendee: \$825, additional attendees: \$750

### Rebates

Cooperatives who register more than four (4) attendees will receive a \$50 rebate per attendee beyond the fourth paid registration. Rebates will be processed following the conference.

## 50th Anniversary Celebration

Celebrate the 50 years of the National Association of Housing Cooperatives New Orleans style on Friday, September 24. Experience a taste of New Orleans food and music as we toast the National Association of Housing Cooperatives along with your fellow cooperators! Plan on celebrating with local style by wearing a Mardi Gras mask for the party! Bring your own or visit the nearby Bourbon Street French Quarter shops for some true local flavor. Cocktail attire.

## Transportation

The closest airport to The Sheraton New Orleans is Louis Armstrong New Orleans International Airport (MSY) which is located approximately fifteen miles from the hotel. Taxis are available outside the airport with a fee of approximately \$33.00 one-way.

Airport Shuttle New Orleans offers transportation service from Louis Armstrong New Orleans International Airport and cost \$20.00 one way or \$38.00 round-trip. Advanced reservations are not required but are recommended and can be made by calling 504-522-3500 or by visiting [www.airportshuttleneworleans.com](http://www.airportshuttleneworleans.com).

## NAHC Member Airlines Discount Available

NAHC has partnered with American Airlines to provide our attendees a 5% discount for our New Orleans conference. The valid travel dates for this discount are September 17-30, 2010. You can easily access American Airline's fares and apply this discount by going to [www.aa.com](http://www.aa.com) to book your flight. Place the Promotion Code listed below in the promotion code box and your discount will be calculated automatically. This special discount is valid off any applicable published fares listed for American Airlines, American Eagle, and American Connection. International originating guests will need to contact your local reservation number and refer to the Promotion Code. Online Promotion Code: 1790AK

You may also call 1-800-433-1790 to book your flights, referring to the Authorization Number below when you call. Please note there is a reservation service charge for all tickets issued by phone. Authorization Number when booking via phone: A1790AK

*Please use our preferred partner, American Airlines when you can because of the benefits provided to you as a traveler and to NAHC for extended partner value.*



## NAHC Member Car Rental Discount Available

NAHC has also partnered with Avis Rent A Car for our members to receive the best possible car rental rates available.

Call Avis directly at 1-888-754-8878 and use Avis Worldwide Discount (AWD) number J991675 to receive a quote for your rental car needs.

## Dress

Casual attire is appropriate for all meetings and tours. Friday's Anniversary Celebration is cocktail attire. Remember your apparel for the Strut Your Stuff: Co-op Pride Luncheon. The outdoor temperature and meeting rooms may vary. We strongly recommend bringing a sweater or light jacket. The average September temperatures for New Orleans are in the mid 80's F during the day and the low 70's F in the evenings.



# 50

**NAHC**

50TH ANNUAL CONFERENCE  
SEPTEMBER 22-25, 2010  
NEW ORLEANS, LA, USA

► **NAHC's Next 50 Years** [continued from page 7]

## TOURS

### **New Orleans School of Cooking Tour**

*Wednesday, Sept. 22, 10:30 a.m. – 1:30 p.m.*

Take a short walk thru the French Quarter to the New Orleans School of Cooking. At the New Orleans School of Cooking you will learn the basics of Louisiana cooking as you watch the chefs prepare your lunch. You will also hear the history and trivia of the meals that you will be eating. Fee includes cooking demonstration and lunch. Please note, you will be required to walk to and from the school which should take about 10 to 15 minutes each way.



### **Oak Alley Plantation Tour**

*Wednesday, Sept. 22, 12:00 p.m. – 4:30 p.m.*

Built in 1839, Oak Alley Plantation is one of the most recognizable plantations ever and has been used in many movies and television productions. The plantation is famous for the ¼ mile long alley of 28, 250 year old, Oak Trees. Your guided tour will reveal the fascinating stories of the home and its history. You will also have time to visit the plantation gift shop, or purchase a snack, salad or sandwich in the Café & Ice Cream Parlor (Cost is not included in tour price). Fee includes tour and roundtrip transportation.



### **Swamp & Bayou Tour**

*Wednesday, Sept. 22, 1:00 p.m. – 5:00 p.m.*

This tour includes a boat trip into the Louisiana Swamps & Bayous in a custom built swamp boat. Guides will reveal the mysteries of the swamps and bayous. Observe the nesting grounds of alligators, egrets, raccoons, nutria, and many species of snakes. You will also learn why the wetlands are disappearing and the efforts being used to correct the damage and restore this vital habitat. Snacks, sandwiches & refreshments are available for purchase (cost is not included in tour price). Fee includes tour and roundtrip transportation.

### **Hurricane Katrina Tour**

*Saturday, Sept. 25, 1:30 p.m. – 4:30 p.m.*

Hurricane Katrina was the most devastating natural – and man-made – disaster in the United States. The tour will give a “local’s” chronology of events leading up to Hurricane Katrina and the days immediately following the disaster. The tour will travel through neighborhoods including Lakeview, Gentilly, New Orleans East, St. Bernard, and the Ninth Ward. You will also see an actual levee that “breached.” You will learn about the history of the city and also the “rebirth” of New Orleans after Hurricane Katrina. Fee includes bus tour. **CHB**



# National Association of Housing Cooperatives Awards Welcomes Award Nominations

Each year, the National Association of Housing Cooperatives presents several awards at the Award Banquet, which will be held Friday, September 24 at 12:15 p.m. at the 50th Anniversary Conference in New Orleans. Three awards will be presented: The **Jerry Voorhis Award**, the **Cooperative Star Award** and the **Distinguished Service Award**. We welcome your applications for these awards.

## The Jerry Voorhis Award

The NAHC Board established the Jerry Voorhis Award in 1984 in memory of Jerry Voorhis, widely regarded as the principal founding father of NAHC. A man of impeccable integrity, he believed in and did his best to teach, apply and widen the use of basic cooperative principles.

The award was conceived as an annual lifetime achievement award. The plaque simply states “The National Association of Housing Cooperatives hereby recognizes the lifelong contribution of (name) to Cooperative Housing (date).”

Candidates considered each year are nominated by the Membership Service Committee, NAHC members, or members of the NAHC Board. Selections have been made with attention to the following aspects of “lifetime contributions”:

### SELECTION CRITERIA

- Long term commitment to and consistent application of the basic Rochdale principles and practices as applied to housing cooperatives-these were included in the original Bylaws, and continue to be an NAHC bylaw feature.
- Steadfast commitment to quality of cooperatives-in recognition that partial or opportunistic application of Rochdale principles and standards and the acceptance of expedient compromises is a prescription for ultimate disaster.
- Significant candidate activity on a leadership level in both the theory and practice of cooperative housing – either or both on the national organization level and in their home community(s).
- Actual experience by candidate in living and working in a housing cooperative.
- Agree that all application materials become the property of the National Association of Housing Cooperatives and may be used in print and other media.

Nominations for the Voorhis award are made by submitting a 250 word essay detailing why the nominee should receive the award. Nominations must be submitted by June 30. Nominations for the Jerry Voorhis Award should be directed to Ms. Linda Brockway, Committee Chair of Member Service Committee via email: [ljbecho@aol.com](mailto:ljbecho@aol.com).

## Cooperative Star Program

The Cooperative Star program recognizes housing cooperatives that demonstrate sound leadership, management, and housing value for their members and have systems in place to assure prudent preservation of their members’ interests.

Eligible candidates are housing cooperatives that honor the basic principles of cooperative housing, certify that systems are in place to provide safe, sound, and valuable housing for their members, and certify that systems are in place to protect the interests of their members.

This is a competitive award, and only one applicant will be selected by an appointed NAHC sub-committee to receive the *Cooperative Star* award from the applications that are submitted. You will receive a wall plaque suitable for display, one free registration to the NAHC Annual Conference for a representative from your cooperative, and your community will be recognized during the awards luncheon at the annual conference of the National Association of Housing Cooperatives.

### SELECTION CRITERIA

An applicant must:

- Be a cooperative member in good standing of the NAHC.
- Pay the required application fee of \$50.00.
- Demonstrate exemplary success in cooperative housing.
- Agree that all application materials become

the property of the National Association of Housing Cooperatives and may be used in print and other media.

- Submit a 250 word essay detailing why your Cooperative should win the award.

Applications for designation as a Cooperative Star community should be submitted to the National Association of Housing Cooperatives via email at [segan@bostrom.com](mailto:segan@bostrom.com). The completed applications must be received by June 30.

### **Distinguished Service Award**

The Distinguished Service Award is given to recognize outstanding service to cooperative housing. It recognizes the achievement and contribution of a cooperative member who assisted a cooperative or association of cooperatives to better serve its members.

Nominees may be an individual cooperator, professional member, or cooperative who deserves recognition from the National Association of Housing Cooperatives for their commitment to cooperative housing and their efforts on behalf of a housing cooperative or association of cooperative.

This is a competitive award, and only one applicant will be selected by an appointed NAHC sub-committee to receive the Distinguished Service

Award from the applications that are submitted. You will receive a wall plaque suitable for display, and will be recognized during the awards luncheon at the annual conference of the National Association of Housing Cooperatives.

### **SELECTION CRITERIA**

An applicant must:

- Be nominated by an NAHC member cooperative, association of cooperatives, or professional member.
- Demonstrate exemplary achievement on behalf of a housing cooperative or association of cooperatives.
- Nominees may be a cooperator, or professional member, whose work on behalf of the cooperative deserves recognition.
- Agree that all application materials become the property of the National Association of Housing Cooperatives and may be used in print and other media.
- Pay the required application fee of \$50.00.

Applications for designation as a Distinguished Service community should be submitted to the National Association of Housing Cooperatives via email at [segan@bostrom.com](mailto:segan@bostrom.com). The completed applications must be received by June 30. **CHB**

Visit the [NAHC website](#) to download the applications, noting the June 30 deadline. Nominations for the Jerry Voorhis Award should be directed to Ms. Linda Brockway, Committee Chair of Member Service Committee through her email at [ljbecho@aol.com](mailto:ljbecho@aol.com). Nominations for the Cooperative Star Program and the Distinguished Service Award should be directed to NAHC Executive Director Suzanne Egan at [segan@bostrom.com](mailto:segan@bostrom.com).

## Nassau Gardens Cooperative

By Margaret Nolan Mullinix

Nassau Gardens Cooperative Housing Association is a 204 garden-style apartment co-op with an Olympic-size swimming pool, a clubhouse, children's playground, and basketball court on 18 acres of rolling hillside in Norwood, Massachusetts.



After 11 years as a rental, Nassau Gardens went bankrupt in 1978, so HUD put the development into receivership. After most of the residents signed and submitted a petition to HUD asking they be given an opportunity to buy and own the property, HUD agreed to a conversion under provisions of Section 213 of the National Housing Act. Eight months later, title passed to the new tenant sponsored Nassau Gardens Cooperative on October 1, 1979. Roger Willcox and James Dancy helped write the necessary documents and assisted in getting us organized. Jim Dancy's TechniCo-op, of Connecticut, became our management company for the next two decades. During that time, Nassau Gardens was kept very affordable, with only minimal occupancy charge increases and limited capital improvements.

Turmoil and divisiveness hit our community in the mid 1980s because several members wanted to convert to condominiums. HUD pointed out that we were bound by a Housing Assistance Program (HAP) contract with HUD, and we were obligated

to fill 51 of our apartments with Section 8 members before we would be free to "go condominium." That contract was part of the original mortgage with the builder of Nassau Gardens and was transferred as part of the conversion to a cooperative, but not actively implemented by the new cooperative, although 20 of our members were subsidized by Section 8. The HAP contract with HUD ended in 1996. We did not choose to renew it.

At the same time the membership voted to remove the limited equity status, and created a committee to study market rate options, but discovered that the vote required approval of the Secretary of the Commonwealth of Massachusetts. If we want to revisit this issue, we would have to have another membership vote. That has not been done as of 2010 and we remain a limited equity cooperative.

In 1998, the Board wanted a management company located closer to the Co-op, and we chose a Boston-based firm. Over the next three and a half years the membership became increasingly discontented, complaining about management, and attending Board meetings to express their dissatisfaction, but the Board continued to support the management company. Some members sought Roger Willcox's counsel and were given the following advice: "To effect change you need to become a Director on the Board." Instead in February the dissidents submitted a petition to the Board requesting the Board fire the management company. In July, the Board conducted a survey of members' opinions, producing responses from one hundred and forty-eight members, all but one demanded the expulsion of the management company. The only result was that the property manager resigned and the Board continued to support the company and ignore the membership. Members were still unhappy.

Finally we took Roger Willcox's advice and several of us ran for the Board, and won! Not enough new directors won to change the vote on

Pegg Mullinix is Editor of *The Community Voice*, Nassau Garden's Monthly Newsletter and president of the Cooperative's Board of Directors.

management. However, when the management company hired a consultant to replace the Property Manager, they billed Nassau Gardens for her salary and travel expense, contrary to our management contract. This violation was brought to our attention by a newly elected Director. We apprised HUD of the violation, and following some exchange of correspondence, the company gave us their three-month resignation notice.

At the end of their tenure, that management company left our property in very poor condition both physically and financially.

### New Management

The next management company was headquartered close by and assured us in interviews that they worked with cooperatives all the time and knew exactly what was needed. This company and its personnel were insensitive, incompetent, and arrogant. All work on the property was done by “favored” contractors whose work was shoddy at best. The two-person maintenance staff drove around drinking coffee and making a mess of whatever they touched. The primary goal of the majority of the Board and the new management was to negotiate a six million dollar mortgage, the terms of which were untenable. Had we not had one thinking person on the Board—a long-time Clerk, Carolyn Thompson—who insisted on conditions being attached to the activating of the “approved” contract—we would no longer be an affordable cooperative. Actually, we probably would no longer be a cooperative. The primary condition that put us all on alert was not that our \$3.1 Million dollar mortgage would be paid off and we would no

longer be HUD insured. The shocker was that the \$3 Million dollars in Capital Improvements had to be spent within an 18-month period. Our complex would have become a construction site and based on the present management company then, the contractors would not be 5-star companies.

The conditions attached to the Board’s motion were not met. The management company gave us a 30-day notice and the Board President resigned in June 2004. We were saved by an old friend, Techni-Coop!

We immediately contacted TechniCo-op (TCI) in Connecticut and they responded at once, providing support and assistance with the transition. The exiting big management company left our property in deplorable condition; left our reserve account at about \$100K; and left us with \$130K in unpaid bills.

The first important hurdle we faced was how to pay our bills. Our dedicated Finance Committee—headed by the very talented Kent Lawson—prepared our budget. Unfortunately, our only choice was to increase the carrying charges by \$100 a month, fully supported by the membership. We had kept our membership informed of everything that was happening through notices and newsletter. When it finally came down to this very large increase, they knew it was the right thing to do to save our cooperative and to put it back on the road to financial health.

We were lucky; two of our current employees stepped into our lives. TCI interviewed and negotiated contracts with Robert Egan, our current Property Manager, and James Dickson, our Superintendent of Maintenance. The remainder of the staff has taken us awhile to develop but, again, we hit pay dirt with our latest maintenance mechanics (2) and our Senior Administrative Assistant.

During TCI’s time (June 2004 – September 2005), several things were taking place. Our Capital Needs Assessment Committee (CNA) met and decided that their committee members’ experience and background could, in fact, enable them to put together their own Capital Needs Assessment Plan without the expense of hiring an engineering company and we did just that.

Our CNA Plan has proven to be the backbone of our capital improvements and financial planning. We continually update this report based on whatever issues have arisen since the previous version. For instance, In November of 2006, we had to face the harsh reality that in order to get property insurance at an affordable rate, we would have to address the aluminum wiring. This meant that we had to reprioritize our Capital Improvements and amend our CNA Plan.

**Nassau Gardens Co-op swimming pool with its community building and offices in the background.**



**In September of 2005, TCI said goodbye to Nassau Gardens Cooperative, Maloney Properties came on board, and we began in earnest to pursue self-management.**

After investigating our options, we prepared specifications, issued requests for proposals—RFPs—and reviewed the responses. In the end, we chose an electrical company that was knowledgeable and certified to retrofit our aluminum wiring with the Consumer Product Safety Commission-approved method of cold welding copper wire to aluminum wire at outlets and switches in order to reduce the risk of fire. That project would be completed in phases over a three (3) year period; i.e., two buildings a year. This plan was acceptable to the insurance company and in 2007 we completed Phase I. We also faced the fact that the possibility of TCI being approved by HUD Boston was not going to happen. Therefore, we had to move forward without them. TCI did not leave us high and dry but rather promised to stay with us until we found another company.

During this time, the Board talked about being self-managed. The general consensus was that it would not and could not happen. After much discussion, we decided to try this approach. What could we lose? All that could happen was that HUD would say “no.” On the other hand, if we really did a good job, they may very well say “yes.”

### **Self-Management as Our Goal. . .**

We prepared an RFP, sent it out to six management/financial organizations, and received four responses. All four basically said “We are willing to give it a try but we are not sure that it will be accepted because as far as they knew it had not been done before.” We assured them that we too had the same feelings but since our intrepid attitude had gotten us this far, we were willing to go right through that “No Admittance” door. What we were asking these organizations to do was to provide oversight and reporting of our finances, as well as giving us professional advice when requested. From our side, all financial work would be done in our office (Accounts Receivables, Accounts Payable, signing of checks, management of bank accounts, etc.) and that data would be sent to their office via whatever computer software (email and fax) that they were presently using. All decisions concerning the management of the cooperative would be done by the nine-person Board of Directors.

It was a difficult choice because all candidates were excellent. We chose Maloney Properties out of Wellesley, Massachusetts. It has proven to be a very good choice.

In September of 2005, TCI said goodbye to Nassau Gardens Cooperative, Maloney Properties came on board, and we began in earnest to

pursue self-management. Immediately, together we prepared a letter to HUD for approval of the Financial/Advisory contract, along with our “plea” for self-management. HUD responded by requesting a list of documents. That “3-ring 3-inch binder” of documents was assembled with the assistance of Maloney and was submitted to HUD.

In January of 2006, HUD gave us a one-year temporary approval to self-manage with Maloney as our financial/advisory partner.

When we prepared the budget for 2006-2007, it became clear that we needed to find a solution to the cost of capital improvements needed at our 35 year old property. How could we pay for these upgrades and rehabs? The Finance Committee decided to explore the refinance option. Investigating both HUD insured mortgages and conventional mortgages, we determined that the requirements were too confining and there was a strong possibility that our carrying charges would increase substantially. Again, our intrepid spirit said “there has got to be a better way” that will keep us affordable, viable and a happy cooperative.

We created THE TEN YEAR PLAN! Our Treasurer and Chair of the Finance Committee, Kent Lawson, submitted a ten-year plan that would address our capital improvements, the CNA plan, and our continuation as an “affordable cooperative.” That Ten-Year Plan calls for increasing the carrying charges at the rate of \$30 a month each October 1st for the next ten years; completion of major renovations and replacements in accordance with our short-term and long-range plans. The Board approved the Ten-Year Plan as part of the 2006-2007 Budget and we submitted both to HUD.

By the time we completed our second year of that increase, our membership was satisfied that this was the right approach to improving and maintaining Nassau Gardens Cooperative.

In January of 2007, HUD gave its approval for permanent self-management with the caveat that we continue to meet all requirements.

### **Progress**

As of October, 2007, we had met all the requirements and more. Our property has never looked so good. We had . . .

- a) replaced boilers in 90 apartments;
- b) completed Phase I of the electrical retrofitting;
- c) installed smoke/carbon monoxide alarms in all apartments;
- d) restored our landscape (grass, trees, bushes, etc.) to better than it has ever been;
- e) inspected all apartments and created a

- maintenance database to contain information gathered;
- f) established a Standards & Inspections Committee that will oversee all inspections (annual, exit and entry, and in-house transfers), as well as recommend standards to the BOD for maintaining conditions of apartments, etc.
  - g) Rehab piping and equipment at pool (done by our own maintenance staff) and adding another five to ten years of life to our aging pool;
  - h) Seal coated all road and parking lot surfaces and painted lines and designations;
  - i) Refreshed all common hallways;
  - j) Extensive drain work completed in four areas;
  - k) And made many more improvements.

with this project, all 204 of our member files will be in A-1 condition. In addition, she is proving to be a wonderful resource for our office staff in answering questions that arise.

Some of the administrative tasks that we have accomplished since 2004 are:

- a) preparation of an Office Manual;
- b) preparation of notebooks containing:
  1. contracts
  2. electrical project documents
  3. time sheets for employees (5 binders)
  4. property insurance
  5. staff meeting documents
  6. townhouse Transfer List and Applications
  7. policies & procedures of the cooperative
  8. minutes of Open Board Meetings

Up through 2007, we had made good progress in the administrative area but there remained some major tasks not yet accomplished.

Our staff is becoming more familiar with the property management software. The property manager is holding weekly staff meetings where maintenance and capital improvement projects are discussed with the maintenance staff. A list of administrative tasks is on the agenda. An Action List is maintained on both maintenance and administrative tasks. One or two of the Board members attend the weekly staff meeting and keep the other Board members informed. Our property manager submits a weekly report via email to all members of the Board. Keeping the lines of communication open and on a frequent basis, benefits Board, management, and maintenance and, of course, the members. Many innovative ideas have come from these staff meetings.

By the time we reached 2009, we knew that self-management was working well. Is it hard work? Absolutely. Is that hard work worth it? Positively!

The three-phase/three-year electrical retrofitting project was completed in May of 2009. The total cost of that project was approximately \$475,000.00. The team work of our members, our staff and the electricians was most impressive. In addition to our insurance premium for 2007 and 2008 being reduced approximately \$15,000.00 annually, the light fixtures and supplies for those lights have been standardized, and all common area fixtures have energy-saving bulbs. Many members took this opportunity to upgrade units at their own expense with additional plugs, new fixtures and fans. The long-range benefits to our cooperative will be seen in lower electric bills, savings when purchasing inventory, the option of shopping for better and cheaper insurance coverage, not to mention the improved safety of our complex and our members.

The job-share project was not so successful.



**Nassau Gardens new playground equipment**

Throughout the entire period 2004 to 2007 we faced several challenges with regard to the administrative side of managing our property. We lost several of our administrative assistants, either to moving on or removal. During one of these transition periods, we decided to try a job share plan. This would give us two part-timers and we could get between 44 and 48 hours of coverage. To make a long story short, so far we have not been successful. The two people we hired to complement our computer literate part-time administrator have been a failure. We were hoping to have a qualified, experienced, secretarial trained person who could organize the office, answer correspondence and put our files in order. In the meantime, we have been fortunate to obtain the services of our former Clerk of 12 years who is working two days a week to put our membership files in order. When she is finished

We were unable to find a workable team. What we did find, instead, is an outstanding, efficient, intelligent and hard-working woman who came on board in January of 2008 as the junior member of the job-share team. For the first half of the year Veronica Johnson had to work through a period of uncertainty while we learned that job-sharing was not to be at Nassau Gardens. Since September of 2008 when she became a full-time Administrative Assistant, she has worked alone and has been successful facing the many and varied responsibilities of the job.

There have been many improvements in our office procedures and efficiency over the past two years. A new deposit system has been established with our primary bank. Since we deposit over 200 checks each month, this new process has saved time and improved accuracy.

A special project to put all of our member files (and other files) in good/excellent order has been completed. That project included a documented filing system for all member files so in the future the process will be continued. We were very fortunate to have the services of our long-time Clerk, Carolyn Thompson. Carolyn moved from Nassau Gardens but was willing to drive from her home on the Cape to take on this major task. It was her unique background, experience and expertise that took a filing system from chaotic to efficient and orderly.

We have begun a project to establish appropriate and legal file storage policies that includes examining and updating current stored files to be sure we are in compliance with current regulations, as well as creating an index identifying where specific files are located. This project will take several years to complete.

Late April of 2009 we had our first major fire. Over the years we have had only a couple of fires that damaged part of a unit and that impacted the other units and hallways of quads. However, this was the first one that completely destroyed an entire apartment and caused significant smoke damage in the hallway and the other three apartments. No lives were lost thanks to the quick action of the members in that quad, and the professional response of the Norwood Fire Department that contained the fire and smoke damage to one quad. We were pleased to learn that all of our fire and smoke alarms were working. The three units damaged by smoke were completely refurbished by June, 2009. The damaged unit will be completely restored by the end of July. We have learned a great deal from this experience and will apply that knowledge to many of our daily and annual tasks going forward.

We continue to benefit from weekly staff meetings, monthly newsletters, an active and involved Board of Directors, a talented maintenance staff, and a well-run office.

There has been a substantial impact made by the establishment of a Standards & Inspection Policy & Procedure and a committee of the same name. That hard-working committee has been responsible for overseeing our new policy that includes the refurbishing of apartments vacated by outgoing members. Based on our new policy, no apartment is shown to a prospective member-shareholder before it has been restored to meet our new standards. Over the past eighteen months, twenty-five apartments have been completely refurbished. Many of our members (hundreds actually) take very good care of the apartments they live in. Many have spent thousands of dollars to improve and upgrade kitchens, bathrooms, etc. Overall we have a very involved membership. They volunteer, they care for the hallways and apartments where they live, and they save everyone (including themselves) thousands of dollars a year. In 2009 we decided to temporarily suspend the 10-year plan because of the economic downturn and did not increase the carrying charges by thirty dollars (\$30) per month. Our membership was most appreciative.

This historical update cannot end without acknowledging the financial skill and hard-work of our Treasurer, Kent Lawson. His expertise and advice since 2004 has brought us from financial disaster to strong financial stability. Kent's work with the Property Manager, Bob Egan, HUD, the Finance Committee, the Capital Needs Assessment Committee and the Board of Directors has put us back on the road of solid financial health and long-range capital planning that has improved our property immeasurably.

Now in 2010 we will be tackling new roofing, moving forward with our boiler replacements (now at 122 completed), streamlining administrative tasks, reaching out and working with the Town of Norwood and its service organizations, and making plans for the time when our mortgage is paid in full (2019). This story does not include all of the extraordinary things we have accomplished since 2004, nor does it include the names of all those persons who have given of themselves and their talents to make our home a better and more beautiful place.

We are definitely A COOPERATIVE and very proud of it. **CHB**

**There have been many improvements in our office procedures and efficiency over the past two years. A new deposit system has been established with our primary bank. Since we deposit over 200 checks each month, this new process has saved time and improved accuracy.**

## **MAHC 2010 Annual Conference May 23-27 at Bally's Las Vegas**

The Midwest Association of Housing Cooperatives will hold their Annual Conference and meeting in Las Vegas on May 24-26. Herb Fisher, former NAHC President, will be the keynote speaker. The Conference provides both old and new Workshops and urges attendees to “Take a day before or after the conference & see awe-inspiring sites you’ll never forget – like the Grand Canyon, Hoover Dam, Zion National Park and MUCH more.”

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## **Changing of the Guard**

Cooperators attending London Towne Houses Cooperative, Inc., 43rd annual meeting witnessed a changing of the guard as Diane Moody and Rhonda Perdue were elected to succeed retiring 20 year board members, President Sylvia Waters and Secretary Gloria Merrill. The new Board subsequently elected John L. Griffin, a first term board member, as the new President.

The 803 townhouse Cooperative, on Chicago’s far south side, is the largest in the Midwest. It prepaid its HUD mortgage. It has completed a \$5+ million roof replacement program and is about to start a multi million dollar window replacement program.

Board Member JoAnne Kenner announced an effort to utilize a large grass area in the Cooperative to develop a community “Garden for Life” intergenerational program. “The committee is investigating the best way to organize and sustain the effort as a cooperative endeavor.”

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## **Calumet City, Il., Co-Op Holds Election**

256 member River Oaks Towne Houses Cooperative hosted 135 of its members at its community building to reelect Vanessa E. Clemons to the Board of Directors with 112 votes and elevate Bruce Clemons to the Board with 82 votes. Ms. Clemons was elected President at an organizational board meeting which followed and Mr. Clemons was elected 2nd Vice President. Barbara Meredith was elected 1st Vice President, Michael Brunson and David Reed were reelected as Secretary and Treasurer.

River Oaks Towne Houses Cooperative had been an employed management cooperative for many years, which it abandoned a few years ago and took on firm management. Kirkpatrick Management Company of Indianapolis, Ind., is the Cooperative’s current management agent.

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## **NCB, FSB Arranges Over \$21.7 Million in Loan Originations for Residential Properties Nationwide During First Quarter 2010**

These new loans were made to 131 residential unit owners, \$11.7 million for the West Coast cooperative housing market, \$5.8 million for the New York market and \$2.1 million in new loan originations in the DC Metropolitan area.

An earlier NCB News Release reporting on loans made during 2009 mentioned this item: “\$118 million for housing cooperatives and affordable housing initiatives nationwide.” As a result of telephone inquiries it appears that several housing cooperatives received loans to refinance previous loans in 2009 but no loans were made to assist in creating new housing cooperatives. **CHB**



# New Form of Coop Share Ownership in Illinois! Elsewhere?

By Herbert H. Fisher, Attorney at Law, Chicago, Illinois

Housing cooperative attorneys are frequently asked as to the form of ownership available in entering into housing cooperative ownership or for estate planning purposes. Historically, this author, as to the acquisition of the ownership, has encouraged two or more joint purchasers to take the ownership only as “joint tenants with the right of survivorship”, rather than merely in the two (or more) names which would leave the ownership as tenants in common. (1) Estate planning issues are a separate subject not dealt with in this article.

The survivor(s), who had already been approved for membership/share ownership and occupancy, would provide a continuity to the ownership. In contrast, if a tenant in common died, that tenant’s heirs would own an undivided interest together with the surviving member/shareholder.

## The Decision and The Court’s Thinking

A recent 7th Federal Circuit Court of Appeals, in the Maher case(2), has interpreted Illinois law as permitting cooperators to own membership/shares as “joint tenants by the entireties”. Previously the prevailing opinion was that the “tenancy by the entireties” form of ownership was not available in the ownership of cooperative memberships/shares, normally described as an interest in personal property rather than real property.

The position taken by the attaching creditor in the Maher case was the ownership by the entireties was not available to the debtor since a cooperative interest has been defined as an interest in personal property not real property; and, historically, ownership “by the entireties” had been considered to be an attribute of real property ownership, not of personal property. The creditor did not contest that the cooperator debtor was entitled to a real estate tax homeowner’s exemption by the express language of a statute making it applicable to a housing cooperative interest.

The Federal Appellate court utilized this exemption as one of its two bases for its conclusion. The other basis was that a statute created the right to own by the entireties, although contained within the “Illinois Tenancy Act”, did not in its language define “property” as only real estate. Therefore the Court concluded that housing cooperative membership/shares could be owned as tenants by the entireties.

The ownership by the entireties exists only as long as a husband and wife who acquire the interest occupy the dwelling unit related to the membership/shares as their domicile. If they divorce or separate, the status is lost and converts into a joint tenancy (this may vary from state to state) and the exemption from attachment no longer exists.

Not satisfied that this reasoning gave adequate support for its conclusion, the Court, as there has been a tendency for courts to do in recent years, felt compelled to pursue the topic further and look into the “hybrid nature of cooperative apartments” and then in a one sentence paragraph concludes that, because it is considered real estate for the purposes of the entireties statute and the homestead exemption, that “...the interest in the corporation constitutes an interest in real estate...” The opinion does state that this conclusion is with respect to qualifying for coverage of the homestead exemption statute. This conclusion is reached despite prior cases quoted by the Court itself that the stock is a personal property interest (3).

## The Cooperative’s Concern

It has been preferable for a cooperative to have its member/shareholders be owners as joint tenants with the right of survivorship so that in the event of the death of the joint tenants, the survivor(s) would own the entire membership. The survivor(s), who had already been approved for membership/share ownership and occupancy, would provide a continuity to the ownership. In contrast, if a tenant in common died, that tenant’s heirs would own an undivided interest together with the surviving member/shareholder. The cooperative would then have to contend with the issue of the right to occupy inherited by that heir. This issue is not dealt with in this article.

## Nature of Tenancy by the Entireties

The tenancy by the entireties has the same quality as the joint tenancy in the event of the death, permitting the surviving to become owner of the



Herbert Fisher

entire interest to the exclusion of any surviving heirs' interests. The benefit of the tenancy by the entireties to the owning cooperator is that it exempts the entire interest from being attached by any creditors of one of the tenant by entireties owners. Under joint tenancy or tenancy in common, the undivided half interest of a debtor cooperator can be attached forcing a sale of the entire interest for the benefit of the creditor leaving half of the proceeds for the non debtor cooperator.

Illinois law does provide the cooperator with the same homestead exemption from creditor's attachment as is available to owners of real estate. An attaching creditor has to pay the debtor owner or owners the \$15,000 exemption before the property can be sold. If held "by the entireties" none of it can be sold.

### **Other States**

This author is informed that in New York state the cooperative and tenancy in the entireties intertwine is handled by statute and that in California it would be applicable to those cooperatives which are classified by statute as having real estate interests.

### **Unintended Consequences**

It can be expected that this decision's quote "the interest in the corporation constitutes an interest in real estate" will be relied upon by some in the future to seek to further move away from the historic position enunciated in *Shore*, *Sinissippi* and a host of other cases, that the membership/stock interest

in the corporation is personal property. There is nothing in the authority relied upon by the Court to indicate any intent by the legislature to reclassify the cooperative interest. The Court's statement is totally gratuitous and should be considered as surplusage and not necessary to the decision, and, therefore, is not binding as precedence.

The impact of such a trend to make housing cooperative interests look like, smell like and perceived as interests in real estate (which in fact is owned solely by the cooperative entity itself) can be deleterious to the health and functioning of housing cooperatives in other settings, like sale of membership/shares, involuntary termination of membership and taxes.

The 7th Circuit in doing housing cooperators a favor on the one hand may be doing the housing cooperative, unnecessarily, a disservice on the other. [CHB](#)

### **FOOTNOTES**

(1) In joint tenancy, upon death the surviving joint tenant owns the property. In tenancy in common, the upon death the deceased's heirs own the undivided interest, previously owned by the deceased, together with the surviving owner.

(2) *Maier v. Harris Trust & Savings Bank*, #06-3565 (7th Cir 10-25-07) 2007 WL 31 02081 (7th Cir., Oct. 25, 2007)

(3) *State Taxation Commission v. Shore* (NY) 371 N.E.2d at 611, *Sinissippi Apts., Inc. v. Hubbard* (Ill. 1983), 114 Ill.App.3d 151

## A Laugh, at the End

John was selected by his co-op board to become President. The retiring President sat him down in the office and said, “Now, you’ll get into trouble sometimes, with the members howling for your scalp. So, I have prepared three envelopes for you, marked 1, 2 and 3. When that happens, open up the first envelope, and the others in order when it all happens again.”

John nodded, said, “Thank you.” And left the envelopes in the back of the desk drawer.

Sure enough, a few months into his term as President, members came storming in to complain about the level of maintenance. John excused himself, opened the first envelope and read, “Blame everything on the past President.” Oh. Okay. He did so, and members subsided, taking John’s assurance that things would change.

Only a few months later came another such dust-up, as members complained about pets running loose. Too much time had passed so that he could not blame this on the past President, so he opened envelope #2. He read, “Say you are going to re-organize all the member committees and impose new rules.” John did so, the members subsided and peace was restored.

However, after a few more months, more angry complaints came pouring in. Desperate, John opened envelope #3. There he read, “Prepare three envelopes.” **CHB**

### NAHC Offers Cooperative Healthy Savings Pharmacy Card

**VALUABLE** pharmacy discounts are now available for member/shareholding families living in NAHC member cooperatives and their staffs. The Cooperative Healthy Savings Pharmacy Card gives you discounts on your prescription drugs. Your Cooperative Savings card will save you 10 percent to 60 percent at participating pharmacies, including more than 60,000 national and regional pharmacies, including CVS, Walgreens, Walmart, Target and many more. You also can order medications through the mail. You will find participating pharmacies online at [www.locateproviders.com](http://www.locateproviders.com). Compare drug prices at [www.rxpricequotes.com](http://www.rxpricequotes.com).

Obtain your Cooperative Healthy Savings card from your cooperative’s office, which gets the cards by phoning the NAHC office: (202) 737-0797. **CHB**



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 202.737.0797 | fax 202.216.9646  
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## 3 EASY WAYS TO REGISTER

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 online registration

### FAX

Complete both pages of  
 the registration form and  
 fax to (202) 216-9646

### MAIL

NAHC  
 1444 I St, NW, Ste. 700  
 Washington, DC 20005

## 1 FOR INDIVIDUALS COMPLETING REGISTRATION

Please make copies of this form for multiple registrations. Please print or type.

Co-Op/Organization: \_\_\_\_\_

Name: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email Address: \_\_\_\_\_

## 2 ATTENDEE PROFILE REGISTRATION INFORMATION

First Name: \_\_\_\_\_ Last Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email Address: \_\_\_\_\_

(please include for confirmation and updated communications)

Do you have special dietary requirements? (please describe): \_\_\_\_\_

Do you have special access needs? (please describe): \_\_\_\_\_

**Please select all that apply**  I am on a Co-Op Board  I am a Professional in the Co-Op Field  
 I am a President or President Elect of a Co-Op Board  I am a first-time attendee

## 3 CONFERENCE REGISTRATION FEES

Registration fees include admission to all sessions, the exhibit hall, the World's Largest Mac & Cheese Luncheon on Thursday, the Awards Luncheon on Friday and the 50th Anniversary Celebration on Friday.

	Early By June 4	Regular By July 9	Late After July 9
<input type="checkbox"/> First NAHC Member	\$725	\$800	\$825
<input type="checkbox"/> Additional NAHC Member	\$650	\$725	\$750
<input type="checkbox"/> Non Member	\$850	\$925	\$950

**TOTAL CONFERENCE FEES** \$ \_\_\_\_\_

## 4 RCM CERTIFICATION COURSE FEES

The RCM Certification Course is an additional fee separate from the conference. If you plan to be RCM Certified, you must register below.

	Regular By July 9	Late After July 9
<input type="checkbox"/> Member	\$680	\$730
<input type="checkbox"/> Non Member	\$750	\$830

**TOTAL RCM COURSE FEES** \$ \_\_\_\_\_

**5 OPTIONAL TOURS/EVENTS**

All tours/events listed below are optional. Tickets are limited, so please book your tours/events early to guarantee availability.

- |   |      |   |      |
|---|------|---|------|
| <input type="checkbox"/> New Orleans School of Cooking Tour | \$40 | <input type="checkbox"/> Hurricane Katrina Tour   | \$40 |
| <input type="checkbox"/> Oak Alley Plantation Tour          | \$55 | <input type="checkbox"/> Guest Ticket for 50th Anniversary Celebration*   | \$75 |
| <input type="checkbox"/> Swamp & Bayou Tour                 | \$55 | <i>*Attendees receive one ticket as part of their registration, please only purchase a guest ticket if you plan to bring a guest.</i> |      |

**TOTAL TOURS/EVENTS FEES** \$ \_\_\_\_\_

**6 LUNCH TICKETS/50TH ANNIVERSARY TICKETS**

Some attendees prefer to not eat at the meal functions that are included in the above registration fees. The meals are factored into the registration fee, so you are entitled to eat with the group, **however, you must indicate below which meal functions you plan to attend in order to receive a ticket in your registration packet.**

I plan to attend the following:

- World's Largest Mac & Cheese Luncheon on Thursday     Awards Luncheon on Friday     50th Anniversary Celebration on Friday

**7 CONFERENCE TOTALS**

**Cancellation Policy**

All cancellations must be received in writing to NAHC via mail, email or fax. A refund less an administrative fee of \$95 per registration will be issued if received by Friday, August 20, 2010. Due to financial obligations incurred by NAHC, no refunds will be issued on cancellations received after August 20, 2010. Substitutions from the same company will be permitted at any time prior to the meeting start date without penalty. ALL refunds will be processed after the conference.

**Discounts for Cooperatives Registering More than Four Attendees**

**Cooperatives who register more than four (4) attendees will receive a \$50 rebate per attendee for each attendee beyond the fourth paid registration. Rebates will be processed following the conference.**

**TOTAL CONFERENCE FEES** \$ \_\_\_\_\_

STEP 3, PAGE 1

**TOTAL RCM COURSE FEES** \$ \_\_\_\_\_

STEP 4, PAGE 1

**TOTAL TOURS/EVENTS FEES** \$ \_\_\_\_\_

STEP 5, PAGE 2

**PROCESSING FEE** \$ **10.00**

You must pay the processing fee if you are mailing or faxing in your registration. **Save money by registering online!**

**GRAND TOTAL** \$ \_\_\_\_\_

**8 PAYMENT METHOD**

**NAHC requires pre-payment in order to process your registration.**

- Check # \_\_\_\_\_
- Mastercard     Mastercard Debit Card     Visa     Visa Debit Card     American Express     Discover
- Card No. \_\_\_\_\_ Security Code \_\_\_\_\_ Exp. Date \_\_\_\_\_
- Name on Card \_\_\_\_\_
- Billing Address (Exactly as it appears on the credit card statement) \_\_\_\_\_
- Signature \_\_\_\_\_

**Mail or fax this form with payment to:**

NAHC, 1444 I St, NW, Suite 700, Washington, DC 20005    Tel: (202) 737-0797    Fax: (202) 216-9646

**Register now and Save Money by registering online at [www.nahc.coop](http://www.nahc.coop)**