



# COOPERATIVE HOUSING BULLETIN

A member service of the National Association of Housing Cooperatives

Summer 2010

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

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## NAHC 50th Anniversary Conference in New Orleans

**THE NATIONAL** Association of Housing Cooperative's 50th Anniversary Conference includes a full offering of educational tracks, with new sessions this year on reverse mortgages, training, and share loan financing, thanks to the planning of your Member Services Committee and staff. See the complete list of Tracks and Classes in the enter fold of this Bulletin. The RCM Board of Governors presents the return of the RCM track for certified RCM attendees, with sessions on HUD regulatory requirements, insurance standards and principles, and how to manage and supervise people.

Networking opportunities with fellow cooperators are ranked high in importance with past Conference participants. This year, in addition to our usual social functions, we offer two new activities.

Thursday's Lunch includes an effort to surpass the *Guinness Book of World Records* for the "World's Largest Mac & Cheese", plus New Orleans style entertainment and celebrity guest servers. Co-op members can Show Their Pride by wearing their Co-op's logo apparel.

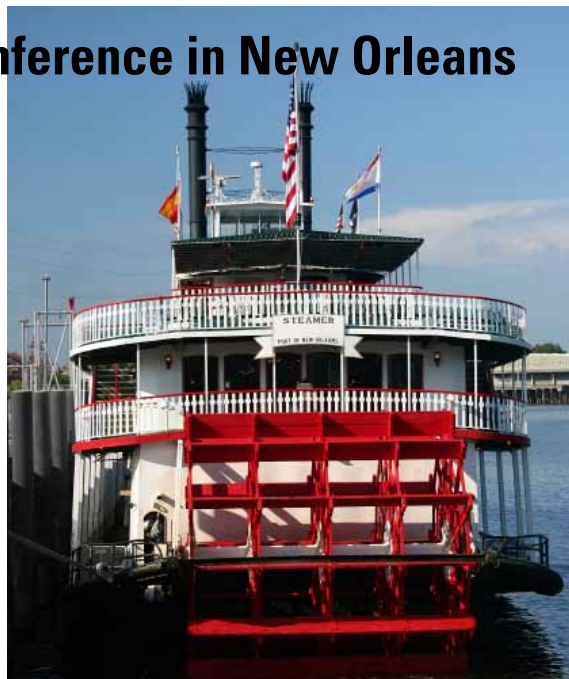
Friday evening's special party Sponsored by the National Cooperative Bank, will celebrate our 50th Anniversary, with plenty of food and entertainment in New Orleans' style.

Friday's Awards Luncheon will highlight important contributors to Cooperative Housing, including presentation of NAHC Awards:

**THE JERRY VOORHIS MEMORIAL AWARD**, honoring an individual who, in Jerry's footsteps, has made substantial lifelong contributions to cooperative housing;

**THE DISTINGUISHED SERVICE AWARD**, recognizing outstanding contributions of cooperative members who helped a cooperative or association of cooperatives better serve its members;

**THE COOPERATIVE STAR AWARD**, distinguishing a housing cooperative that demonstrates sound leadership, management, and housing value for their members and has systems in place to assure prudent preservation of their members' interests.



**Keynote Speaker > ROC USA's Cheryl Sessions, In-house Counsel & Director of Policy, will speak on Expanding Co-op Development.**

### Thank you to NAHC Exhibitors and Sponsor

Our exhibit area offers a number of services for your needs. Make sure you visit these supporting companies and consider their services whenever applicable. Exhibitors include:

- Arbor Commercial Mortgage
- CSI Support Development Services
- Dwyer Products
- Midwest Association of Housing Cooperatives (MAHC)
- National Association of Housing Cooperatives (NAHC)
- National Cooperative Business Association (NCBA)
- New Benefits – the NAHC Pharmacy Cards program
- Potomac Association of Housing Cooperatives (PAHC)
- Tailor Made Property Services, Inc.

### Conference Sponsor

National Cooperative Bank (NCB)

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Letters to the Editor or the Committee are Welcome!  
Please send them to [willcox@juno.com](mailto:willcox@juno.com).

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 Penttiuk	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

See the NAHC website – [www.NAHC.coop](http://www.NAHC.coop) – for addresses of Associations and Committees.

**About Bostrom**

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



## Schedule of Events

### Educational Tracks

This year's conference features educational sessions in six tracks on more than 30 topics. Tracks include: Finance, Board Essentials, Communications, Marketing and Development, Operations and Co-Op Bootcamp, Regulatory and Legal and RCM.

### 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 the French Quarter and just a short walk to Bourbon Street.

To make reservations, call the Sheraton New Orleans at (888) 627-7033.

There are still incentives available, including:

**Rebates for Cooperatives who bring more than 4 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.

**RCM referral program.** Refer a friend to the RCM 3-in-1 Course at the NAHC Annual Conference in New Orleans and receive a \$50.00 rebate on your NAHC Annual Conference Registration! Phone the NAHC office to obtain your referral form at 202-737-0797. Your form must be submitted prior to the RCM registration.

**Questions? Contact NAHC at**  
**(202) 737-0797 or [info@nahc.coop](mailto:info@nahc.coop)**

#### Monday, September 20

**Registered Cooperative Manager Course, Part I** 9:00 AM – 5:00 PM

#### Tuesday, September 21

**Registered Cooperative Manager Course, Part II** 9:00 AM – 5:00 PM

#### Wednesday, September 22

**Conference Registration** 8:00 AM – 5:00 PM

**Registered Cooperative Manager Course, Part III and Exam** 9:00 AM – 12:00 PM

**NAHC Committee Meetings** 9:00 AM – 1:00 PM

#### TOURS

**New Orleans School of Cooking Tour** 10:30 AM – 1:30 PM

**Oak Alley Plantation Tour** 12:00 PM – 4:30 PM

**Swamp & Bayou Tour** 1:00 PM – 5:00 PM

**Exhibit Hall Open** 12:00 PM – 5:00 PM

**NAHC Board of Directors Meeting** 1:00 PM – 5:00 PM

**First Time Attendee Orientation** 5:00 PM – 6:00 PM

#### Thursday, September 23

**Conference Registration** 8:00 AM – 5:00 PM

**Exhibit Hall Open** 8:00 AM – 5:00 PM

**Opening General Session & Keynote Speaker** 9:00 AM – 10:30 AM

**Morning Educational Sessions** 10:45 AM – 12:15 PM

**World's Largest Mac & Cheese Luncheon** 12:15 PM – 2:15 PM

**Afternoon Educational Sessions** 2:30 PM – 5:45 PM

**Reception in Exhibit Hall** 6:00 PM – 7:30 PM

#### Friday, September 24

**Exhibit Hall Open** 8:00 AM – 2:00 PM

**Conference Registration** 8:00 AM – 5:00 PM

**Morning Educational Sessions** 9:00 AM – 12:15 PM

**Awards Luncheon** 12:15 PM – 1:45 PM

**Afternoon Educational Sessions** 2:00 PM – 5:15 PM

**Member Association Caucuses** 5:15 PM – 6:00 PM

**50th Anniversary Celebration** 6:30 PM – 10:00 PM

#### Saturday, September 25

**General Session** 9:00 AM – 10:30 AM

**Annual Meeting of Members** 10:30 AM – 12:00 PM

**NAHC Board of Directors Meeting** 12:00 PM – 1:00 PM

**Hurricane Katrina Tour *Tour sold out!*** 1:30 PM – 4:30 PM

***Click here to register today!***

# NAHC Government Relations Committee Report Works on Behalf of Members

## **Veterans loans in Cooperatives:**

Representative Carolyn Maloney and Senator Chuck Schumer co-authored Public Law 109-461 in 2006 which enabled veterans to use their loan guaranty benefits for purchasing shares in housing cooperatives, but this law sunsets in 2011, and the guidelines (VA Circular 26-08-6) for its implementation present problems. Maloney and Schumer are working on new legislation to make the VA guaranteed share loan program permanent and remove barriers to purchases in limited equity cooperatives; modify FNMA approval requirements and require the VA to provide a simple and clear procedure for veterans to obtain these low interest loans to purchase shares in housing cooperatives.

## **Protect co-op past due carrying charges in mortgage relief legislation:**

Pending mortgage relief legislation could cause co-ops to lose revenue and the ability to collect from members who are behind in paying monthly carrying charges. NAHC is watching this legislation, which passed the House on March 5, 2009 and is waiting for action in the Senate Committee on Banking, Housing, and Urban Affairs.

## **H.R. 4868 – Recapitalization of Affordable Housing:**

This legislation is designed to create investment opportunities for developers to rehabilitate aging affordable housing stock in the form of grants that are structured like tax credits. It targets rental housing and is not a likely vehicle for funding housing cooperatives. Nevertheless, NAHC will continue to monitor the progress of this legislation and will try to insert the concept of conversion to housing cooperatives.

## **IRS Section 216 and Land Only Cooperatives**

Currently, members of land only cooperatives (bungalow colonies, mobile home parks, etc.) cannot get the same benefit of deducting a share of co-op mortgage interest and real estate taxes as currently enjoyed by members in co-op-owned buildings. NAHC continues to work cooperatively with ROC USA toward the goal of Section 216 eligibility for its members and other land only co-ops.

## **Regulatory Issues – HUD**

### *Home Equity Conversion Mortgages (HECM's) Guidelines*

In 1998, NAHC was successful in getting legislation

passed that authorized reverse share loan mortgages in housing cooperatives. More than a decade later, there are still no regulations for the implementation of this legislation. Absent these guidelines from HUD, the institutions of the secondary market will not consider purchasing reverse share loan mortgages and therefore lenders have little or no appetite for offering these loans. Reverse mortgages can help senior citizens with substantial investments in share loans live on in their homes when other sources of funds have been exhausted. NAHC is actively working with NCBA, HUD, the National Reverse Mortgage Lenders Association (NRMLA) and Representative Maloney's office to push for these long awaited guidelines.

## **NAHC Leaders Meet with Carol Galante, HUD Assistant Deputy Secretary for Multi Family Housing**

In June, NAHC and NCBA leaders and Andrew Reicher, President of UHAB, met with Secretary Galante to discuss ways in which HUD could promote development of affordable housing cooperatives (reactivating Section 213, etc) and promote better understanding in field offices of the differences between cooperatives and rental properties. Secretary Galante and two of her top staff members were receptive to our suggestions regarding the necessity of reviving HUD programs (221d3, 213, 203n) to help develop new housing cooperatives, and our request, upon learning that HUD was accepting 213 applications, that more HUD staff be trained in 213.

## **Rural rental housing conversion to co-op**

NCBA (the National Cooperative Business Association): has secured funding from the Department of Agriculture through The American Recovery and Reinvestment Act of 2009 for a feasibility study of converting rental housing to cooperatives in rural areas. NCBA has formed an Advisory Committee for this project and Vernon Oakes, chair of the Development & Preservation Committee, has agreed to represent NAHC on this Advisory Committee.

## **The United Nations has named 2012 the year of the cooperative.**

The NAHC Board applauds the United Nations for making 2012 the Year of the Cooperative. NAHC pledges to redouble its efforts to increase awareness of the benefits of the cooperative model and to help in the celebration of cooperatives in 2012 and beyond. **CHB**

## Proposed Federal Guidelines Harmful to Cooperatives with Transfer Fees

On August 12th the Federal Housing Finance Agency (FHFA) issued a proposed set of Guidelines for federal home loan banks, including Freddie Mac and Fannie Mae. These new Guidelines would prohibit home loan banks from purchasing mortgage loans where a transfer fee is involved. Although intended to address situations where an outside third party (generally the developer) is the recipient of such fees, this Guideline, as currently worded, will apply to transfer fees (sometimes called “flip taxes” or “waiver of option fees”) which many cooperatives collect upon the sale of a unit, using the funds to preserve the soundness of the building and keep carrying costs affordable. If these new Guidelines take effect, their impact will be devastating, inhibiting sales and lowering the value of units in such buildings.

There is a sixty day period for comments on these proposed Guidelines. NAHC and many other organizations involved with cooperatives are presenting strong comments. NAHC will explain that in cooperatives, transfer fees do not benefit an outside third party but go on instead to help bolster the reserves used to fund needed repairs and upgrades of building systems and thus help preserve affordability for existing residents. We want the Guidelines modified with specific language to clarify that the transfer fee restriction will NOT apply to loans on units in cooperatives and condominiums.

Notices will be posted shortly on the NAHC website with more details on this issue and suggestions for letters to write to your representative in Congress and to your Senators asking for their help to ensure that this Guideline be changed to state specifically that home loan banks can purchase mortgage loans in cooperatives with transfer fees.

—Mark B. Shernicoff, NAHC President

### About NAHC's GE/Hotpoint program

Did you know that BOTH individual NAHC co-op members AND co-op managing agents can get first rate competitive prices for all kinds of appliances through NAHC's GE/Hotpoint discount program? And that deliveries can be made directly to your door and include installation and removal of the old appliance you are replacing? And that there can be MORE savings for larger orders?

To get started, your Co-op needs to get a GE account number. How to do that is explained at the right.

If you are an individual member of a NAHC member co-op with an account number, and YOU want to buy an appliance under this program you can use your own Credit Card to make the purchase. You do not need to involve your Cooperative's credit and payment arrangements.

For more information, call Pam Sipes, 800-782-8031, option 4.

## Ordering appliances at a discount through NAHC's GE/Hotpoint program is as easy as 1, 2, 3...

### 1. Establish an account.

If you don't already have a GE account number for the NAHC program, call Pam Sipes at 1-800-782-8031 Option 4 to establish one. If you have an account number but don't remember it, or if you're not sure whether you have one, call Pam Sipes. You will need to fill out a credit application form, available from Pam.

### 2. Select the products you wish to purchase.

Once your account number is established, GE will send discount price and availability material directly to the account number address. Note that volume discounts may be available. Even if you're not interested in ordering now, you can always request a catalog of GE products from NAHC at 202-737-0797.

### 3. Place your order.

Call the regular GE customer service number, 1-800-654-4988, to place an order.

The GE/Hotpoint program is an NAHC member service.



## ( Treasurer's Corner )

By Linda Brockway

The National Association of Housing Cooperatives (NAHC) is a national organization representing Housing Cooperatives and Housing Associations. NAHC was incorporated in 1960 as a non profit 501(c) 3 organization.

NAHC has been working diligently over the last two years to overcome the loss that they experienced when the 2008 Houston Conference was cancelled due to a hurricane. The amount that NAHC insured for the Conference was \$220,000.00. NAHC did submit information to the insurance adjustor that indicated that that we budgeted \$262,000.00 for income and \$169,000.00 for expenses. The budget identifies a proposed conference surplus of \$93,000.00. Although our budget for a proposed surplus was \$93,000.00, we also experienced other costs. NAHC requested \$132,000.00 from the insurance company, we were awarded \$90,000.00.

The San Francisco Conference was successful and we did achieve our goals with a \$76,000.00 surplus from the conference. We are currently planning the New Orleans Conference. To date, there are 300 registrations for the conference. The planning team is budgeting for a surplus of more than \$80,000.00 for the total conference.

The conference will be especially exciting as we are partnering with Cabot Cheese Cooperative to break the Guinness record of largest macaroni and cheese. We are also celebrating our 50th anniversary and we throwing a BIG PARTY on Friday evening.

NAHC currently has \$50,000.00 in a saving account to assist us with conference expenses and currently has \$31,187.87 in our operating account. We are looking forward to using our current funds to throw an exciting conference September 22, 2010 through September 25, 2010.

NAHC has received over \$4,000.00 in grant funding in the last three months. We have written a grant for a total of \$10,000.00, which should be awarded soon.

Currently, the NAHC is in good financial standing and we are looking forward to increasing our savings over the next several months.

**We hope you join us in our celebration on Friday, September 23, 2010. CHB**

## ( CNYC Report )

By Mary Ann Rothman  
CNYC Executive Director

CNYC continues to represent the interests of its member, monitoring legislation and regulations put forth by City and State governments. Recent evening classes have addressed Laundry Room Contracts, Exterior Restoration, Responsibilities of Co-op Board Members, Self Management, Reviewing Admissions Applications, Planning is proceeding for its 30th Annual Housing Conference to be held on Sunday, November 14, 2010 at Baruch College in Manhattan.

As always, CNYC invites any members of NAHC to attend this Conference at the modest member rates. Advance registration is required and each registrant must select the classes they wish to attend, so that tickets can be sent to them. The Conference brochure will be posted on the CNYC website — [www.CNYC.coop](http://www.CNYC.coop) — towards the end of August and will be mailed to members. Copies can be requested from the CNYC office by calling 212 496-7400 or sending e-mail to [info@CNYC.coop](mailto:info@CNYC.coop). CHB

CNYC's 30th Annual  
Housing Conference

Sunday  
November 14, 2010

Baruch College  
Manhattan, NY

## ( PAHC News )

**2010 ANNUAL CONFERENCE** > PAHC Annual Conference was held in Lancaster, PA., April 22-24, 2010. Workshops included HUD, Greening Your Co-op, Prospective Member Orientation, Application Screening Process, and Co-op Employee Benefits. 2010 theme; Co-ops in the Garden of Good & Evil. It was well attended, in excess of 80 participants.

**THE ANNUAL MEMBERSHIP MEETING AND ELECTION OF THE BOARD OF DIRECTORS FOR THE POTOMAC ASSOCIATION** was held on April 24th. Elected Directors then held their organizational meeting. PAHC officers and Board members are now Ruthie Wilder, President; Annie Hill, Vice President; JoAnn Ball, RCM- Secretary; W. McKoy, Treasurer; Maxine Lyons, Secretary; Holly Winfrey; Debra Campbell, Jackie Brown, and Yousef Muhajir. New Members and returning PAHC members

include Bywater Mutual Homes, Inc., Poppleton Cooperative, Arbor Commercial Mortgage, Stout, Jeffrey, Charles & Associates, and Causing & Horning. This fall, we will begin updating our database and subsequently, our website to reflect additional information on our members.

**2010 SUMMER TRAINING** was held at Pear Tree Cooperative in Newport News, VA on July 10, 2010. The topic was “ABCs – Response-Ability”

**2010 FALL TRAINING** will be held at 2nd NW Cooperative in Washington, DC on November 13, 2010. For additional information, please go to [www.potomacassoc.com](http://www.potomacassoc.com).

**2011 ANNUAL CONFERENCE** will be held on April 24-26, 2011 in Alexandria, VA.

Information dissemination: PAHC received several calls from coop board members regarding the NAHC Annual conference. Callers are saying that their business offices have not received information regarding the Annual Conference nor have they received updates from NAHC. This is of concern to PAHC, as well as to Board Members of its Cooperatives. In light of the amount of dues paid to NAHC, PAHC suggests that NAHC make a stronger effort to reach out to those cooperatives that do not have access to the internet; one true tested approach would be to revert to the old fashioned way “via hard mail”.



***A good time  
was had by all***



**Fond Farewell to  
Ms. Ina C. Sherman**

Ina C. Sherman was a volunteer community liaison before becoming a co-op employee in March 1970. In her spare time she served as Treasurer for the Boards of both Washington Hill Mutual Homes Inc. and the Potomac Association. She also served for several years on the NAHC Board. She was a “Woman of Strength.”

A strong woman works out every day to keep her body in shape

But, a woman of strength kneels in prayer to keep your soul in shape

A strong woman isn't afraid of anything

But, a woman of strength shows courage in the midst of her fears

A strong woman won't let anyone get the best of her

But, a woman of strength gives the best of herself to everyone

A strong woman makes mistakes and avoids the same in the future,

But a woman of strength realizes life's mistakes can also be God's blessings and capitalizes on them

A strong woman walks sure footedly

But, a woman of strength knows God will catch her when she falls

A strong woman wears the look of confidence on her face

But, a woman of strength wears grace.

A strong woman has faith that she is strong enough for the journey

But, a woman of strength has faith that it is in the journey that she will become strong.

—Luke Easter

## CNYC Training Events Scheduled this Fall

The Council of New York Cooperatives and Condominiums has several workshops scheduled for this Fall. Two of general interest are shown below. NAHC members are welcome to attend at the same rates as CNYC members

### SELF-MANAGEMENT 101

#### A 3-Session Program for Small Buildings

*Tuesdays, September 21, October 19 and November 22, 2010  
7:00 – 9:00 pm*

*Location to be announced*

The Self Management series gives boards of small buildings the tools they need to run their buildings efficiently, and to use professionals and vendors to best advantage. Registrants are strongly encouraged to attend all three sessions, the first presents an administrative overview; the second focuses on the physical plant and the third on financial responsibilities. Representatives of CNYC member buildings attend the series for \$100; non-affiliates are welcome at a fee of \$90 per session, payable in advance. Advance reservations are required. Call the CNYC office at (212) 496-7400 or send e-mail to [Workshops@CNYC.coop](mailto:Workshops@CNYC.coop) to pre-reserve your place. Your payment confirms your registration. To pay in full at the door at the first session, pre-register and add \$15.

### INTRODUCTION TO CO-OP BOARD RESPONSIBILITIES

#### An Intensive Seminar for New Directors

*Wednesdays, October 20 and 27, 2010  
6:00 - 9:30 pm*

*Queens Location to be announced*

In this two-session seminar, attorney Marc Luxemburg and property manager Gregory Carlson examine all aspects of operating a cooperative. The class is jointly sponsored by CNYC, the Federation of New York Housing Cooperatives and Condominiums and the Association of Riverdale Cooperatives, each of whose members attend at the member rate; it is limited to board members housing of cooperatives. Advanced registration is required. A light supper is served in the break. The cost is \$125 per person if your cooperative is a member of CNYC; ARC or FNYHC, \$200 for non-members. To pre-reserve, call CNYC at (212) 496-7400 or register by e-mail to [Workshops@CNYC.coop](mailto:Workshops@CNYC.coop). Payment sent to CNYC at 250 West 57 Street, Suite 730, NYC 10107 confirms your registration. To pay at the door at the first session, preregister and add \$15. [CHB](#)



# United We Stand as Housing Cooperatives, United We Grow as a Cooperative Economy, United We Are our Nation's Salvation

By Herbert H. Fisher, Esq.

Editor's Note: *The following was the keynote speech delivered at the Opening Session of the Midwest Association of Housing Cooperative's Annual Conference in Las Vegas, Nevada on May 24, 2010.*

President Magee, Members of the MAHC Board of Directors and staff and my dear colleagues in the Midwest Association of Housing Cooperatives. I want to thank you for this opportunity to provide your keynote speech. I was with you when the Midwest Association held its first conference as MAHC, upon the transformation of the then Michigan Association of Housing Cooperatives into MAHC. And I am with you now some 35 years later. The times are different, although we were then experiencing one of the every-decade recessions we have had in this Nation since World War II. And before that the every generation of recessions and depressions since our Nation's birth. For those among you born during and since World War II, that may take you by surprise; for those born before World War II can recall all too well living in the impact of the Great Depression of 1929 throughout the 1930s, or hearing vivid stories told by your parents, unless, of course, you come from families who were earning in excess of \$100,000 per year during those days for whom those difficulties were not life shattering.

As members of housing cooperatives participating in a cooperative community we can feel relatively comfortable and secure compared to fellow Americans who are not so fortunate. We cannot ignore high percentage who are facing homelessness through foreclosure, unaffordable rent levels and a restricted mortgage market due to the recession of 2008, now into its second year. Or do we call it a depression. Ten million people unemployed in the 30s. Are we not at that figure now? But in the 30s we had employed and unemployed. Today we have employed, unemployed and underemployed. Bear in mind the Department of Labor has released a prognosis that people earning \$27/hour before the Fall of 2008 will be earning \$13/hour over the next 10 years.

## Cooperative Responsibility

Housing cooperative leadership needs to face up to the current hard facts and the hard facts of the future. We have to learn and be conscious of the difference of the economic system that produced

recurring depressions and recessions during the history of our beloved United States of America and the economics of cooperation. They are both part of the free enterprise system, which is what our Constitution proclaimed. Our Constitution does not control how our economy works. Our Constitution does not proclaim or protect one economic form or system over another. It does proclaim that systems can be competitive as long as they support democracy and, in the words of the Declaration of Independence, "life, liberty and the pursuit of happiness".

## History

Historically, the early needs of our expanding economy brought about the dominance of private investment capital, but not without a lot of political turmoil. Following the Andrew Jackson presidency, private investment capital economics gained a dominant position and maintained its dominance for over one and a quarter centuries; while in other countries mixed economies evolved. Rural America was not electrified nor was telephone communication established by investment capital companies, which had, with extensive government land grants, brought railroad transportation and shipping to the nation, or, with the government building of canals, levees and dredging of rivers, brought internal water movement, and then with government post World War II road building, produced the endless production of automobiles and new massive trucks.

Rural America was electrified by the self help of rural electric cooperatives surviving today in competition with investment capital companies, which have moved out of the concentrated cities into the suburbs now occupying rural lands. Rural Americans obtained telephone communications through the rural telephone cooperatives, some of which still survive today as part of more solidified communication system than existed in the 1920s and 1930s. During the Great Depression, there was the need for saving American agriculture, and the Department of Agriculture, under its great Secretary Midwesterner Henry Wallace, promoted farmer



Herbert H. Fisher is an attorney in Chicago, Illinois, frequent contributor to the CHB, former NAHC President and Chairman of its Board of Directors.

cooperatives and chartered a system of regional Co-op Banks (not to be confused with the National Consumer Cooperative Bank).

The freedom of competition that is guaranteed by our Constitution is not only the freedom of investment capital companies to compete with each other, but also the more important freedom of economic systems to compete so that the public can decide which is best for the people.

Cooperatives have proven they can successfully compete with investment capital companies. Observe the list of successful businesses known to you: Welch Grape Juice, Associated Press, Ocean Spray Cranberry and other products, Credit Unions, Mutual Insurance Companies, Land of Lakes dairy products, Cabot Creamery Cooperative in New England, True Value and Ace Hardware stores. These are all cooperatives: production, distribution, or consumer cooperatives. We also enjoy orange juice from Florida through Florida orange growers' cooperatives. Also there are the products and services through cooperative grocery products distributors, and even credit data services through bank-owned data processing cooperatives. There are worker cooperatives selling, processing and manufacturing products and services.

### Today's Needs

For survival today, it is imperative that all cooperatives, including housing cooperatives, have to concentrate on involvement of their memberships in all activities of the cooperative and with cooperative education. The associations representing cooperatives need to concentrate on the education of cooperators, not just board members, and promoting the involvement of cooperators in the vital activities of their cooperatives.

Cooperatives and cooperative associations have to give thought to the need to change cooperative operations to meet the challenges of a changing economy. The Bureau of Labor Statistics (BLS) says that of 30 jobs projected to produce the biggest job growth over the next decade, 23 will not require a college degree and a number will demand no special training. 55% of the projected job growth will be in categories paying \$32,380 or less. By 2018, only 22% of anticipated new jobs will require at least a bachelor's degree. And as I pointed earlier, and emphasize now, the BLS also tell us that the bulk of employees earning \$23/hour before Fall of 2008 can expect an income of \$13/hour.

This produces questions that society has to be asking and answering. It does not appear, from

what we know that society, or the government, is doing that. But we can ask those questions and find our answers within the democracy that is a cooperative. Otherwise we are headed, as predicted by social and economic observers, toward a third-world style social structure, without adaptation of operations and, more importantly, attitudes; and our cooperatives may not be able to overcome the obstacles created by a self-interested, profit-motivated investment capital economy. And if our cooperatives do not survive as a proven example of a democratic economy to support a democratic political system, as they have for over 150 years, our nation's economy may not survive either. Our nation's debt problems are not going to be solved by investment capital companies, conglomerates and cartels. It will be solved by people.

### The Philosophical Character

Investment capital economic philosophy, which we have been taught from early childhood, governs our reflex reactions, is the philosophy of "competition." The philosophy of cooperative economics is, as it names states, the philosophy of cooperation.

Just as White and Black people in the United States, since challenged by the civil rights activities of the early 60s, had to be conscious in all our activities and thoughts to shake off the psychological and controlling impact of being reared in a segregated and racist society, so do we now have to be conscious in all of our activities and thoughts, that we will survive by cooperation, and not competition, to be conscious of, and shake off, the lifetime impact on our thinking left by growing up and being educated in the precepts of competition.

One can be successfully competitive in the lonely sport of long distance running, but one cannot be competitive with one's football or basketball or soccer or baseball teammates and have a successful team. And life is not a solitary long distance race, it is a team effort. And that does not mean the Smiths competing with the Joneses to keep up. It means the Smiths keeping up with the Joneses in cooperation.

As Jerry Voorhis, cooperative leader, philosopher and author wrote, "Cooperation will be the only chance for the little man in a big world." The little person's chance in the world of bigness today is not in the bigness of corporations but in the smallness of business enterprises organized into strong national entities, retaining their small personal democratic base, operating as consolidated local democratic economic entities, like housing cooperatives, that can compete with the monolithic corporate structures.

**"Cooperation will be the only chance for the little man in a big world."**

—Jerry Voorhis

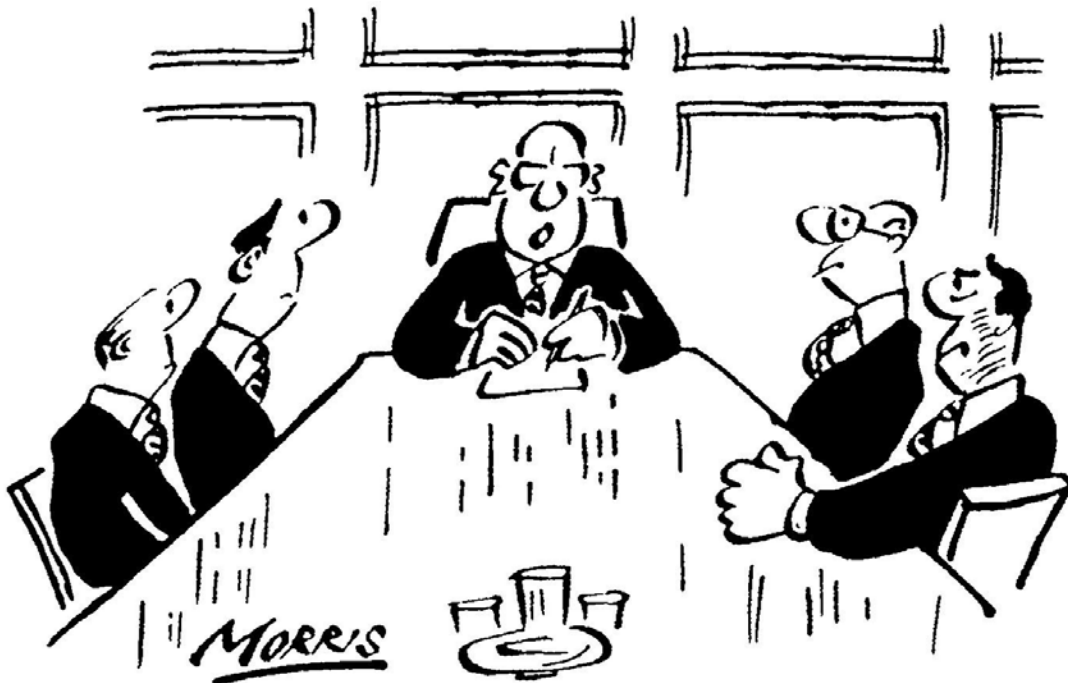
**Cooperatives small and large are going to have to think about applying the principles of cooperation down to the manner in which they conduct their own organizational activities.**

### Cooperation and Day to Day Business

Cooperatives small and large are going to have to think about applying the principles of cooperation down to the manner in which they conduct their own organizational activities. Cooperating in self help among cooperators may be the future answer for many housing cooperatives survival. The strengthening of, and the expansion of, cooperative associations and of the services and support they must provide to their operating cooperatives is essential for the future of housing cooperatives. This means thought and effort needs to be given to the involvement of the operating cooperative members in the development of these services and support. The principles of cooperation need to pervade our thinking and decisions.

So, let us now go to classes and learn from experienced cooperators and cooperative

professionals on the techniques of operations but keeping in mind the question: How do I apply this, with a cooperative message to my brother and sister cooperators, when I leave this conference. How do I engender the cooperative knowledge from which springs spirit, and the volunteerism which President Obama and Michelle speak about so often, and assuming responsibilities, which is the heart of cooperation. Responsibility for myself and my family, which in turn, rests on each of our responsibilities for our neighbors and our communities. May the God in which you believe strengthen you, and may this Conference give you the knowledge to use that strength. You can all be missionaries for a better life for all who matter in your life. **CHB**



**"So, I make it four 'yesses' and one 'no, no, a thousand times no'."**

# The Functions and Duties of Directors of a Housing Cooperative

By Robert Szold

*Editor's note: Robert Szold is considered by the cooperative community to be a giant in the housing cooperative field. He served as legal counsel for the pioneering New York union-sponsored housing cooperatives built in the 1920s. He was counsel for the United Housing Foundation and helped establish the National Association of Housing Cooperatives. He wrote this article in 1927. It has been reprinted several times, most recently in the Cooperative Housing Bulletin for May/June 2001.*

*In presenting this re-publication, the Editors decided not to change the original statement, although if written today, it would be gender-neutral and some terminology such as use of the words "stockholders" and "tenant stockholders" would generally be called "members" today. Several footnotes have been added, reflecting changes since the 1920s.*

A housing cooperative is a unique combination of a business organization and a residential community. As a residential community, it has many attributes which are not found in an ordinary business corporation. Nevertheless, it is important to emphasize that the functions of the directors of a housing cooperative are in large measure those of the directors of an ordinary business corporation.

At the outset, it may be said that directors function as a board; that is, as a collective body. They do not function as individuals. The powers and duties of directors reside in the board as a whole.

The board of directors lays down policy. The board does not execute policy. It does not concern itself with the details of day-to-day management. (1)

It is the duty of the board of directors to provide a sound corporate structure with sufficient capitalization. It is the duty of the board to see not only that the capital structure is sound, but also that the operations are in balance. Expenditures must not exceed income. (2) To control expenditures, before the beginning of any fiscal year, a budget for the ensuing year should be in hand. The fixing of a budget of prospective income and expense for the ensuing years is a most important function. In fixing the budget, the board should keep in mind the necessity for full, adequate maintenance of the project in order to safeguard the permanent value of the property. If it appears that income may not meet the prospective expenses, the Board has the duty to make arrangements for the necessary income.

Monthly operating statements should be furnished by the management. (3)

The board elects officers and defines their responsibilities. (4) The directors should select

competent independent auditors who should be certified public accountants. (5) The auditors report to the directors. The board selects counsel for the corporation. (6) The board should provide adequate insurance and fidelity bonds.

The director owes a duty of fidelity to his co-op. He may be called a trustee or a fiduciary. His trust requires that he subordinate any personal advantage. His loyalty is to the co-op as a whole, and any action he takes should be within the structure of the board's meetings unless specifically delegated otherwise.

There is a line of demarcation between the functions of the board and those of management. (7) The board, of course, should make sure that management is operating in accordance with policy laid down by the board. If management is not so functioning, the board should not take over management itself, but obtain new management. The board should not concern itself with subordinate employees. This responsibility is for the senior officers or the management. Within the overall policy, management should be free to function without interference. In particular, management should be free from interference by any individual member of the board. Many a housing co-op in this country has been ruined by excessive zeal of certain individual directors who have sought to impose their personal viewpoints as to details.

For example, such questions as whether special consideration is to be given to any individual tenant whether repairs should be performed in one manner or another, whether hallways are to be decorated in white paint or green paint, are matters of detail which management should be permitted to decide on its own within the framework of general policy laid down by the board.

It is often difficult to obtain able management

for cooperatives, because cooperatives are likely to pay less compensation than private enterprise may pay for similar services. (8) If in addition to lack of competitive compensation, a manager is frustrated by too much attention to day-to-day affairs by members of the board, it becomes impossible to obtain adequate personnel.

Another line of demarcation is between the functions of the board of directors and the powers of the stockholders. The stockholders elect the board. Their votes are necessary in case of a mortgage of the property. (9) Otherwise, however, and generally speaking, it is not the function of the stockholders to make policy. If stockholders do not approve of the policy decisions made by the board of directors, they elect a new board of directors at the next annual meeting.

The relation of the board of directors to the stockholders in a housing co-op differs from the relation of the board to the stockholders in an ordinary business corporation. Stockholders of a housing cooperative are not only owners interested in profits and dividends, but in a housing co-op the stockholders also are, in effect, sole consumers of the corporation's product. (10)

More important, however, a housing co-op is a co-op. It is the duty of the board to build up and maintain the cooperative spirit, the atmosphere and the morale of a cooperative community.

The board of directors should furnish to the tenant stockholders not only periodic balance sheets and operating statements, but information on all pertinent aspects of the operations as well—vastly more information than stockholders of an ordinary business corporation are entitled to receive. Also from time-to-time the board will no doubt consult the stockholders or groups of stockholders about various phases of operations which as a matter of precedent, custom, logic, efficiency and law are within the province of the board alone to decide.

There are lines of demarcation between the functions and duties of the board of directors, the management and the stockholders. In practice, items of a marginal or peripheral nature arise which may go one way in one co-op and other way in another. A small co-op, for example, may afford stockholders greater participation than a large one, but the general lines of demarcation are clear. An important function of the board of directors is to maintain the separation of functions.

Co-op directors are not paid. They put in long hours in thankless jobs. Their contributions are useful, indeed necessary. The value of their contributions depends upon their understanding, their devotion and the sagacious application of their experience.

Housing cooperatives are good. They have already demonstrated their value in their impacts on a national problem—affordable housing. The rewards of directors are to be found in the establishment and maintenance of permanently sound cooperatives. **CHB**

#### COMMENT AND FOOTNOTES.

Robert Szold's eighty year old statement of basic relationships between a housing cooperative's members, its board of directors and management is in many respects still sound. But Szold's experience was exclusively related to large urban housing cooperatives. Today there is a broader spectrum of housing cooperatives and consequently of management arrangements.

The following footnotes are contributions of former NAHC Executive Director, Douglas M. Kleine, CAE, PCAM, (DMK) and former NAHC president and chairperson, Herbert H. Fisher, Esq. (HHF).

1. Recent changes and regulations regarding corporate governance emphasize the importance of the Board's role in evaluating management performance and legal liability for failure to do so. (HHF, DMK)

2. Experience has shown that sometimes because of an interest in improving environmental conditions and changes in legal and building code requirements, housing cooperatives have had to engage in "deficit spending." But in doing so a board has to carefully, with expert advice, ensure that its cash flow and capital position is not impaired. (HHF)

3. As a general rule, written arrangements for management should be established which include appropriate separation of functions, clarifying who is responsible for each. An essential element of any management plan is good control over all financial transactions and proper, preferably monthly, operating statements. (HHF, DMK).

4. The Bylaws set forth specific duties of officers. The board can add to that list, but cannot subtract duties without amending the Bylaws. (HHF, DMK)

5. This article was written before the regulation of corporate finance that followed the Great Depression. Standards have since been written by the American Institute of Certified Public Accountants and the Financial Accounting Standards Board to protect the public. Those standards limit who can perform an audit to CPAs only, and a CPA performing an audit must be independent from the cooperative and management. (DMK)

6. Too often, auditors and attorneys come unofficially with a management agent package through the agent's professionals or agent-selected "independent" professionals, which is not a responsible

practice to follow. (HHF)

7. Reference to "management" can be referring to 1) the hiring of a management firm to render all or partial management services, in which case separation of functions are defined in the management agreement and the services are reviewed by the Board, or 2) to the employment of a manager and office staff, in which event the cooperative-employed manager's functions are more closely supervised by the Board, or 3) management provided by the officers of the cooperative in their respective capacities with or without paid staff. (HHF).

8. This statement has not proven to be correct over the years, except for small cooperatives which have the same difficulty as other small properties and condominiums. Housing cooperative boards have found it is important to engage management agents who understand and are willing to work with cooperatively oriented housing communities. Cooperatives have proven their value to management agents who have developed an industry to service them (HHF)

In markets where the number of cooperatives is significant, management professionals have recognized the "co-op difference" and have modified their rental practices to include an appropriate role for the board. In more isolated markets, boards have found less willingness in the management industry to adapt to co-ops. (DMK)

9. Most housing cooperatives established before and survived the great depression of the 1930s, including those Robert Szold worked with, were "deep equity" market rate co-ops or had financing outside of traditional mortgage financing at the time. Approval of any blanket financing by the members was considered a protection to the cooperators and share lenders in deep equity co-ops. Today, the lending community has advanced in its understanding of co-op financing, and blanket financing of affordable housing is an accepted practice. Most co-op documents do not give cooperators the right to approve a blanket mortgage. (DMK)

10. Housing cooperatives then and now differ in this respect from other kinds of cooperatives. Excess income in other cooperatives is usually distributed in the form of patronage refunds. In housing cooperatives the general practice is to put excess income into reserves for future years' operations and to upgrade depreciating assets. (HHF)

## Hermitage Manor Cooperative – The Survivor

By Lucille Morgan Williams and Herbert H. Fisher, Esq.\*

Editor's Note: *Hermitage Manor, built under the FHA insured investor-sponsored program, is an example of a housing co-op whose members, officers and legal counsel had to work hard just to survive.*

Hermitage Manor was built under the HUD investor sponsor program which allows prospective members of a cooperative up to two years of occupancy on a rental basis before taking title.

Hermitage Manor Cooperative was the third cooperative in the Chicago area built with a mortgage loan under the Section 221(d)3 below market interest rate provisions of the National Housing Act.

It took title to its 108 newly constructed townhouses in 17 buildings in February, 1971. Located in the evening shadows of Chicago Housing Authority's Henry Horner Homes, it provides resident owned affordable housing in an area where such housing is not provided by anyone else.

Hermitage Manor was built under the HUD investor sponsor program which allows prospective members of a cooperative up to two years of occupancy on a rental basis before taking title. However it only became obvious after the cooperative took title that there were some serious "latent defects", principally condensate water dripping from second floor room ceilings due to lack of weep holes in the brick that sealed in the spaces between ceilings and roof.

While getting that problem solved, the co-op's resident owners were shocked to find that their real estate taxes were being assessed at \$63,000 per year, nearly three times the HUD approved budget of \$23,000. Undaunted, its resident elected leadership went to work on reducing real estate taxes, and also costs of utilities and other necessary expenses to keep its members well housed. They developed a well planned scenario including default on its new HUD mortgage and negotiating a modified HUD held mortgage within 18 months. The Cooperative claims this is a national time record for achieving that successful mortgage modification.

The Cooperative also secured a flexible subsidy loan to pay for some major repairs including replacing the flat roofs with pitched roofs on three of their buildings to solve the continuing repair and maintenance costs of poorly designed flat roofs

The Board of the Cooperative, concerned about future pressures that developers might put on their membership to sell their Cooperative to make room for more \$300-\$500,000 townhouses being

built around them, got their members to vote for and record their own Restrictive Covenant which perpetuates the income limitations for new members to deter those who might want to move into the Cooperative with the thought of selling out after the Cooperative pays off its HUD mortgage and is released from the HUD Regulatory Agreement.

The Hermitage Manor Board later developed a "we employ our youth" program. Its then and current President, Lucille Morgan Williams, worked with the youth to seek job placement for them in place of the distractions of the street.

Recently, the Cooperative completed a \$5,000,000 refinancing, paid off its HUD mortgage and flexible subsidy loan and made substantial property improvements including replacing flat roofs with pitched roofs on its buildings. When the substantial increase in monthly charges required to pay its new non HUD related mortgage obtained from a locally based Community Investment Corporation, the Cooperative protected its members who otherwise would be paying more than 30% of their income by obtaining HUD funded Section 8 Housing Assistance payment vouchers for 33 of its families.

Hermitage Manor Cooperative has been the living example, the beacon that housing cooperatives are not just another organizational form of housing ownership, like a limited partnership or a corporation or a condominium. It is a current example of the over 160 years of history and experience of modern cooperatives, which makes up the backbone of the business of cooperation today, including housing cooperatives. It is the concept that ordinary people can band together to make a difference. It is the belief that mankind can achieve and benefit more through cooperation than through competition.

The 108 member families of Hermitage Manor Cooperative are ordinary people who are banded together to make a difference and to reap the benefits of their cooperative efforts over their 41 years of cooperative ownership of 108 townhouses on Chicago's near West side, just a block away from the historic First Congregational Baptist Church



Lucille Morgan Williams,  
President of Hermitage  
Manor Cooperative

which served as a station on the “underground railroad” and now in the shadows of the United Center that Michael Jordan made famous.

Hermitage Manor Cooperative has forged new alliances by being an over 40 year partner in the networking offered by the National Association of Housing Cooperatives and the Midwest Association of Housing Cooperatives. It has an experienced Board of Directors in its President Lucille Morgan Williams, Vice President Pearlie Williams, Secretary

Janice Tillman and Board member Barbara Williams with Andy Simpson, in his first term, serving a Treasurer (None of the Williams are related). **CHB**

\*Footnote: Lucille Morgan Williams was elected to the Hermitage Manor Board in 1992 and as its President in 1998 and has served in those positions ever since. Herbert H. Fisher, Esq., was retained as the Hermitage Manor Cooperative General Counsel in 1971 and has service in that capacity since that time.

## What the Board Can Do

By Joel Welty

One delightful summer evening I had to attend the board meeting of one of the Michigan housing co-ops I was managing at the time, prepared to hear the board’s instructions as they decided how to handle the usual variety of problems. To my surprise, one of the problems brought up by an elderly board member was the minimal clothing worn by several young female co-op members sunbathing in a comfortable spot. He felt they had undressed too far and wanted the board to require them to wear more clothing. Discussion on this issue went on and on. I became worried that the board seemed to be leaning toward asking me to draw up a policy for them to consider about just which parts of the women’s anatomies had to be covered and which parts could be exposed to the sun — and public view. This was not a chore I was eager to take on, especially as I thought about probable lawsuits the outraged females could bring against the co-op. And me.



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.

So I said, “Unless these women are stark naked, I don’t believe they are breaking any law. I know that neither the mayor nor the police chief has the power to make them dress more demurely, and I’m sure the Co-op — as owner of the property — doesn’t have that power either.” The board was not happy to hear this restriction upon their powers, but they did put off any action. They seemed pleased when I assured them that I would keep a sharp eye on the situation, until autumn clouds, rain and frosts enforced modesty.

The board does have broad powers, representing the interests of the member-owners, to maintain the buildings, assure safety, and provide decent housing in a decent neighborhood. Board members exercise these powers within our democratic society, which guarantees individual freedoms — under law. The board cannot order a member to be shot at dawn, no matter how logical and persuasive the arguments in favor might be in that case. The board’s powers are spelled out in a set of statutes and contracts

written out and available for perusal by all co-op member-owners.

The board acts as a board, in a board meeting, and not as individuals. The details of these board powers vary from state to state and even from co-op to co-op, for we do like to fiddle with the language in our laws and contracts. You need to be familiar with what your own state law and your own cooperative bylaws and occupancy agreements say. How do you enforce payment of the monthly charges? The procedure is spelled out in detail for you to follow in landlord-renter law. How do you enforce the extermination of insects within members’ homes? By following the law and your responsibility under the bylaws and occupancy agreement.

For example, how much should you put into reserve funds? Meet the requirements of your bylaws at least, and be sure the maintenance expenses you can expect in coming years will be met. Yes, it’s a guess, and usually maintenance costs run higher than what anyone would guess. So build up a little extra in your

...you can encourage members to organize themselves around any interests they might have, even including support groups for members having to cope with chronic disease, chronic depression or whatever they need support for.

reserves, just to be on the safe side.

If you have a question about what the law says, ask your attorney. He is the one who will have to defend the co-op in court if there is disagreement about what the law says.

But there is more power in the hands of the board than you might think from just reading law, contracts and bylaws. The member-owners chose you to make decisions on their behalf. Members retain the power to recall you from the board if they are dissatisfied with your performance. So you will accomplish more in your role as leaders who inspire than in your role as enforcers who command. Want a neighborhood with security for children and pedestrians? Announce that you are organizing a neighborhood watch committee, invite members to come to a meeting to hear how it works, and ask them to sign up for turns in watching the neighborhood. Your members who have cell phones can form a network for instant communication about problems on the grounds.

Want to hold a potluck and encourage members to get to know one another? Announce it well ahead of time, suggest dishes members might bring, and

be prepared to welcome a crowd in your community building.

Want to consider ways of minimizing energy use and reducing the emission of greenhouse gases? Want to organize a barbershop quartet — perhaps with a dozen members, not just four? Want to have a book club to discuss current events? Want to set up a couple of baseball teams to play on your diamond?

Want to reduce the amount of vandalism you may be suffering? Set up a Boys and Girls Club in your community building, so the children will have something to do besides desecrating your buildings.

There is no limit to what you can organize among your members. And you can encourage members to organize themselves around any interests they might have, even including support groups for members having to cope with chronic disease, chronic depression or whatever they need support for.

All this is within your power as board members. You are one of those people who shape society. Your Co-op is a social institution which can help you mold your society according to your own ideas of service and humanity. Take full advantage of it. **CHB**

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**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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