



COOPERATIVE HOUSING BULLETIN

A member service of the National Association of Housing Cooperatives

Spring 2012

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NAHC

US Co-op Leaders Warmly Welcomed to the White House First Ever Event for NAHC Leaders and Others

David J. Thompson

ON MAY 4TH, for the first time in US history, the White House held a national briefing for the widest range co-op leaders from around the country. The trigger for this historical event was the United Nations declaration of 2012 as the International Year of Cooperatives (IYC).

Seeing co-ops as a particular bright spot in the US economy, the Obama Administration asked NCBA to invite 150 co-op leaders to come to Washington, DC. The White House wanted to engage US co-op leaders in a national dialogue around community development, job creation and economic opportunity. Representing NAHC were President Vernon Oakes; Anne Sackrison of CSI Support & Development Services, and Mary Ann Rothman of the Council of New York Cooperatives and Condominiums.

Paul Hazen, past President of the National Cooperative Business Association (NCBA) and one of the early champions of IYC, remarked, "The IYC 2012 has provided a platform to raise the cooperative profile. We did that earlier this year with a Senate Resolution and now this event at the White House."

With every seat filled in the auditorium at the White House, the US cooperative community represented what Chuck Snyder, CEO of NCB calls "America's best kept secret." In the room were representatives of 29,000 cooperatives which serve one in three Americans, do \$652 billion dollars in annual sales and support over 2 million jobs.

Kyle Lierman of the Office of Public Engagement



spoke of the White House's excitement at working with the cooperative sector. It was evident that NCBA and the White House staff were working together at the highest level in a productive partnership.

On their part, the White House Office of Public Engagement pulled out all the stops to show the importance they placed on the briefing to

co-op leaders. Although not listed on the program, the surprise entrance and remarks of Jack Lew, Obama's White House Chief of Staff were the highlight of the President's policy lineup.

On behalf of the President, Chief of Staff Lew welcomed the cooperators to the White House. He said it was "an honor to have so many of you here that as part of the cooperative community are building our economy and creating jobs." As a member of a credit union, Lew praised credit unions for being a fundamental source of banking services to so many Americans. Lew spoke to the President's goals and took questions. Vernon Oakes pointed out the opportunity to form multi-site housing co-ops out of foreclosed single family homes and a similar opportunity to convert some public housing to limited equity co-ops.

Members of the President's policy team making formal presentations were in order of appearance; Greg Nelson, Deputy Director for Private Sector Outreach, Judy Canales, Deputy Under Secretary of the United States Department of Agriculture (USDA), Danielle Gray, Deputy Assistant to the President, National Economic Council and Carlos Monje, Chief of Staff, Domestic Policy Council.

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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

Support and educate existing and new cooperative housing communities as the best and most economical form of homeownership.

NAHC Board of Directors 2011-2012

Chairman	Ralph Marcus	Elected 2013
President	Vernon Oakes	Elected 2013
Vice President	Gregory Carlson	Appointed by FNYHC 2012
Treasurer	Linda Brockway	Elected 2012
Secretary	Mark Shernicoff	Appointed by CNYC 2012
NAHC President Emeritus	Roger Willcox	Elected 2014

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Tony Beck	Appointed by MAHC	Bill Magee	Elected 2012
Richard Berendson	Appointed by MAHC	Randall Pentiuik	Appointed by MAHC
Jackie Brown	Elected 2012	Alfred Reynolds	Elected 2012
William Eaton	Appointed by NJFHC	Norma Robinson	Appointed by CAHC
Fred Gibbs	Elected 2014	Mary Ann Rothman	Appointed by CNYC
Wendy Harshaw	Elected 2013	Stephen Somuah	Elected 2014
Karen Harvey	Elected 2013	Hope Turner	Elected 2013
Annie Hill	Appointed by PAHC	Billie Walker	Appointed by CSI
Eugene Jones	Elected 2014	Ruthie Wilder	Elected 2014
Charlotte Lann	Appointed by CSI	Roger Willcox	Elected 2014
Barbara Loatman	Elected 2012	Kimalee Williams	Appointed by CHANE

Member Associations

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

NAHC Principal Committees and Chairs

Audit Committee – Barbara Loatman
Executive Committee – Ralph Marcus
Development & Preservation Committee – Vernon Oakes
Finance Committee – Linda Brockway
Governance and Strategic Planning Committee – Ralph Marcus and Mark Shernicoff, Co-Chairs
Government Relations Committee – Mary Ann Rothman
Member Services Committee – Linda Brockway
Mutual Marketing and Advocacy Committee – Anne Hill
Publications Committee – Roger Willcox
Public Relations – Eugene Jones
RCM Board of Governors – Gregory Carlson
Website Committee – Gregory Carlson

See the NAHC website – 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. Mitch Dvorak serves as NAHC Executive Director.

(left to right) International Cooperative Alliance President Dame Pauline Green, NAHC President Vernon Oakes and Council of NY Condos and Co-ops Executive Director Mary Ann Rothman at the White House briefing.



Jack Lew, Chief of Staff to the President of the United States, welcomes co-operative representatives to the White House.



David J. Thompson was born near Rochdale, England. He is President of Twin Pines Cooperative Foundation and Co-partner with Neighborhood Partners, LLC, a firm that specializes in developing cooperatives, mutual housing and similar affordable housing. He is the author of *Weavers of Dreams: Founders of the Modern Cooperative Movement*, published to commemorate the 150th anniversary of the Rochdale Pioneers and the origins of the cooperative movement.

The back and forth between the White House presenters and the co-op participants was rapid-fire. In a discussion with Danielle Gray and Carlos Monje, Vernon Oakes touted the benefits of housing co-ops and noted that limited equity housing co-ops

require less Section 8 funds since co-op carrying charges are usually less than market rents. The three hour dialogue covered every co-op segment with discussion of issues about agricultural cooperatives, consumer cooperatives, credit unions, health and housing cooperatives, mutual insurance, rural electric cooperatives and worker cooperatives. The overall discussions moved through every generation, from co-op hospitals to child care cooperatives to student cooperatives and all the way to senior cooperatives.

It was easy to see that the White House staff was somewhat stunned to hear that there were so many types of cooperatives, playing such a substantial role in the economy and serving America in so many ways. You could see the surprise on the White House staffers' faces. Almost every co-op questioner took a little time to give a thumb nail sketch of their particular segment. Cooperators everywhere in the US would be proud of the education effort put on by their representatives.

The day before, at the NCB Annual Meeting, Dame Pauline Green, President of the International Co-operative Alliance, had urged upon cooperators the importance of being ready to "tell your co-op story." Dame Green was a special guest in the audience at the White House, and she was very impressed by how enthusiastically American cooperators rose to the occasion.

The second part of the White House program was a Listening Session conducted by Jon Carson, Director of the White House Office of Public Engagement. When Carson laid out his co-op lineage, he was immediately anointed by the audience as the White House winner of the "How many co-ops have you been in" award. Born on a farm in Wisconsin, on which his family has resided on for over 100 years, Carson talked proudly of the co-ops his family were members of; a supply co-op, rural electric co-op and credit union, and how his dairy co-op was now a member of Organic Valley.

Carson listened intently to comments and questions from the assembled co-op leaders. He and his staff feverishly took notes as cooperators throughout the room rapidly used the opportunity to give the Obama Administration ideas and feedback. David Thompson, (the author and an NAHC member) commented that nearly 50 veterans housing co-ops created almost 13,000 units of housing for returning vets after World War II. He then talked of the tremendous housing and service needs of today's returning vets. Thompson then asked how the Obama Administration could help create a new wave of co-op housing for veterans. Carson liked the idea a lot and asked his staff to add that to one of the things they could work on with the cooperative sector.

The third part of the program consisted of "Breakout Sessions" for co-op leaders to meet separately with officials of US Department of Agriculture, the Domestic Policy Council, the Small Business Administration and Treasury. The attendees were honored to have Rosa Rios, Treasurer of the United States, chair the Treasury session. These sessions were particularly helpful to those with specialized interests. At the Domestic Policy Council breakout, in response to White house interest in things that could be done by the Executive Branch without further legislation, Vernon Oakes advocated for a change in HUD regulations so that co-op lenders could use the Mortgage Accelerated Processing program, which would save time for lenders and developers while also saving staff effort by HUD. Oakes also called for HUD to issue overdue regulations to permit FHA-insured reverse mortgage share loans.

The entire group then came back together for closing remarks. Kyle Lierman, of the White House Office of Public Engagement, thanked the cooperators in attendance for their participation and ideas and outlined numerous concrete ways in which the relationship would move forward.

It was there that the historic photo was taken

Continued on page 10 ►

Report of the Board from Old San Juan, Puerto Rico

The 51st Annual Conference, which was a grand success, was held in Old San Juan, Puerto Rico between November 9th and November 12th, 2011. Registrations for the Conference bumped up against the 400 mark, and with staff, guests, spouses, and/or partners we impacted the local economy with an estimated total attendance of 550.

Once settled in town, the first order of business was our “Get Acquainted Beach Party,” which, because of inclement weather, was actually held indoors. We had the pleasure of live music and the band’s playing provided a lot of opportunities for dancing and many new friends were made!

Our Host City, San Juan Puerto Rico, is a shining example of how Cooperative Housing can positively impact local economies and provide excellent housing opportunities. Ken Odenheim, who

has been a long-time contributor to NAHC and had previously worked in San Juan developing housing cooperatives, connected us with Mr. Jose Torres, Director of the Puerto Rico Cooperative Development Commission. Mr. Torres, who reports directly to the Governor of Puerto Rico, captivated our assembly with an incredibly comprehensive and concise history of Cooperative Housing in Puerto Rico. Mr. Torres presented evidence of the economic impact and interaction with governmental agencies. His slides are available at www.nahc.coop. Mr. Torres received a resounding standing ovation for his enthusiastic advocacy of cooperative housing!

This Annual Conference included our usual repertoire of excellent instructional classes, informative and interesting speakers, awards presentations, our RCM program, exciting tours, and our ever popular “Strut Your Stuff” luncheon parade. Of note, our tours included some of Puerto Rico’s oldest housing cooperatives, the El Yunque Rainforest, a trip to Metro Casino, and a tour of the Bacardi Rum Distillery. We also had a record 17 participants in the RCM program, all of whom passed and received their RCM designation and RCM Pin during our Awards Luncheon.

At the Awards Luncheon, NAHC recognized the following recipients:

COOPERATIVE STAR AWARD: Northwood

Cooperative in San Francisco, California was this year’s recipient based upon all the hard work with their members during their mortgage payoff and refinancing process, which included many repair programs, educational uplifting of the membership, and dedication to Cooperative Housing principles.

DISTINGUISHED SERVICE AWARD: The Distinguished Service Award was presented to “Uncle” Bobby Joe Johnson, President of Lafayette Plaza Cooperative in Chicago, Illinois. “Uncle” Bobby has been responsible for enhancing several programs to include the after school program, the snack and dinner program, the movie night program, Great Amusement Park Program, summer lunch program, and Bingo Night.

THE VOORHIS AWARD: This year’s recipient of our most coveted Award was Mr. Jim Jones. Jim Jones has worked diligently for the past 40 years with the North American Students in Cooperation (NASCO). Our children are our future, and Jim continues to provide significant leadership and accomplishments in both the student cooperative and non-profit arenas. They both follow cooperative principles, and are instrumental in assisting NAHC’s efforts to broaden the application of the Cooperative Model.

THE PRESIDENT’S AWARD: When appropriate, NAHC’s President has discretion to bestow the NAHC President’s Award to an individual deserving recognition for service to NAHC. This year’s recipient was Ralph J. Marcus. Mr. Marcus currently serves as Board Chair of NAHC and has exhibited leadership and vision for NAHC, to strengthen its national, regional and local impact on housing cooperatives. President Vernon Oakes presented the Award to Mr. Marcus, who was very surprised. Mr. Marcus dedicated the Award to the NAHC membership.

ANNUAL MEETING AND ELECTION: At the conclusion of the Annual Conference, NAHC held its 51st Annual Meeting. There were six positions



puerto rico
nov 9-12 2011

open for election; the normal five positions and the remaining term of Mr. Paul Solomon, who had resigned. Re-elected to the Board were Eugene Jones, Stephen Somuah, Ruthie Wilder, and Roger Willcox. Newly elected to the NAHC Board were Fred Gibbs and Karen Harvey. Please see the biographies of each of the newly elected and appointed Board members located on page 5 in this edition of the CHB.

BOARD BRIEFS: The NAHC Board of Directors has been very busy, tending to the business of Cooperative Housing nationwide, as well as our own governance improvements. Some of the Board's recently completed work, or work in progress, includes, but isn't necessarily limited to:

- A comprehensive overhaul of NAHC Board Policies
- Re-writing all NAHC Committee Charters
- Establishing Succession Plans for Committee Chairs
- Creation of an NAHC Audit Committee
- Creation of an NAHC Public Relations Committee
- Inclusion of volunteers on Committees
- Opposition to a Massachusetts bill that would limit the basis for rejection of potential members to only an economic basis
- Participation in International Year of Cooperatives (IYC) activities
- An Increasing Membership Initiative
- Enhanced partnership with the National Cooperative Bank (NCB)
- Increasing partnerships with other Cooperative Housing organizations
- Mailing hard copies of the CHB to members without e-mail
- Updating and expansion of the NAHC Website www.nahc.coop
- Creation of ad rates and sponsorship levels
- Outreach to credit unions to work together with housing co-ops
- Many legislative efforts including pushing legislation to renew the authority of the Department of Veterans Affairs to guarantee share loans for veterans.

Mr. Phil Lesser of Bostrom Management provided the Board with the beginning of our newly focused Strategic Thinking Process. Strategic Thinking, rather than Strategic Planning, is a fairly new concept in enhancing and focusing an organization's effort to effectively execute its mission. All Board members are participating in this process and view the process as having a significant and positive impact. **CHB**

Introducing New NAHC Board Members

FRED GIBBS is an active member of the Midwest Association of Housing Cooperatives. Founder and President of FK Gibbs Company, LLC, a Missouri-based property management company, Gibbs started his career in 1984 at the Kansas City housing authority. During this time, he forged long-lasting relationships with client organizations and regulatory agencies. It was due to this experience that Gibbs's business received its first management contract with the local public housing authority in 2005.

At the urging of the regional HUD office, he began to look into the world of housing cooperatives. He subsequently earned the designation of Registered Cooperative Manager (RCM). Gibbs has begun a new chapter in the life of his company by successfully winning a management contract for a limited-equity cooperative in the Kansas City, MO area.

KAREN ANN HARVEY serves on the Concord Consumer Housing Cooperative Board of Directors in Brownstown, MI as Secretary, where she has been a member since 1994. She handles the majority of communication between her board and community members via informative handouts, and as editor of the "Concord Chronicles" semi-annual newsletter. She is a tremendous advocate for community involvement and has implemented many programs to achieve this

task, such as the annual "Concord Family Safety Day," which not only involves the Concord Community, but also the City of Brownstown and surrounding cities.

Harvey has immersed herself into learning as much as she possibly can by attending regional Midwest Association of Housing Cooperatives and National Association of Housing Cooperatives conferences, participating in classes and seminars, including the Certified Cooperative Directors Course, the HUD Fair Housing Essentials course and many others.

BILLIE J. WALKER moved into Blue Ledge Cooperative Apartments, a CSI Support & Development community in Roslindale, Massachusetts, in 2009. Walker has held many positions in support of and promoting the co-op way of life including floor representative and leasing committee member. She is currently the treasurer of Blue Ledge Co-op and also serves as their leasing committee chairperson. As Walker attended meetings with members from other CSI co-ops, her commitment for the cooperative way of life deepened and in 2011 she decided to run for an open position on the Board of Directors of CSI Support & Development. Walker is the CSI-appointed representative to the NAHC Board. During her working career, Walker distinguished herself with her customer service and marketing skills.

NAHC New Direct Members 2011

Welcome to these new members who joined NAHC directly. Cooperatives and professional members can also join NAHC or renew their membership through one of NAHC's Member Associations. A Member Association is an association of housing cooperatives offering membership in a geographic area or to a special type of co-op like senior co-ops. For a list of Member Associations and contact information see the NAHC home page, www.nahc.coop.

Cooperatives joining NAHC directly

711-721 Hamlin Street Cooperative, Washington, DC—19 units—(market-rate) located near Catholic University, the buildings were converted to a cooperative in 1981 and have maintained an involved board of directors throughout.

Alexandria Housing Cooperative, Chicago, IL—six units (market rate)

Amber Wood Cooperative, Indianapolis, IN—200 units (limited equity)

Babcock Manor Cooperative, Redford, MI—16 units (market rate)

Black Point Owners Corp., Great Falls, VA—8 units (resale limited to family members), Family Cooperative Corporation in upstate New York.

Chippewa Apartments Association, Chicago, IL—54 units (market rate)

Diamond View Resident's Association, San Francisco, CA—58 units, low to moderate income housing located in the Diamond Heights area of San Francisco, CA.

Dos Pinos Housing Cooperative, Davis, CA—60 units (limited equity), 25-year old cooperative of sixty 1, 2, 3 bedroom units in a townhouse format. It is located in the college town of Davis, CA.

The Joseph Cardona Memorial HDHC, New York, NY—seven units (limited equity), a low-income housing cooperative that is part of a community land trust on the lower east-side of Manhattan, which includes nine HDHC buildings.

Mayfair Golden Manor, Inc., San Jose, CA—210 units (limited equity), FHA mortgage insurance under section 221 (d) (3) for low-income seniors and persons with disabilities.

Palisades, Inc., Washington, DC—11 units (market rate), in the heart of the Palisades neighborhood, near Georgetown, converted to a cooperative in 1990.

Plaza Apartments, St. Paul, MN—20 units, established in 1951 and located in the Summit Hill neighborhood in St. Paul, MN.

Willmar Cooperative Apartments, Seattle, WA—15 units (market rate), built in 2009 on a large tract of land, 4 story co-op located at the top of Queen Anne Hill, a mile north of the Space Needle.

Professional firms and organizations joining NAHC directly

Community and Economic Development Law Clinic/American University, Washington College, Washington, DC—CEDLC provides transactional legal services for client groups engaged in neighborhood-based community development.

Caulkins & Bruce, PC, Arlington, VA—legal representation to housing cooperatives and homeowners and condominium associations in the District of Columbia and Virginia.

Professional Community Management (Wendy Bucknum), Laguna Woods, CA—expert community management services for cooperative housing, high-rise condominiums, and master planned communities and active adult communities.

Daniel Dennis and Company, LLP (Randall Davis, CPA), Boston, MA—auditing and tax services.

Enhanced Value Strategies, Inc., St. Louis, MO—Real Estate Advisory Services, capital resources, operations and development/renovations.

Goldklang Group CPAs, P.C., Reston, VA—audit and taxes.

Meditate Management Company (Catherine Wells), Boston, MA—full service property management firm founded in 1985, the company oversees many of Boston's residential and commercial properties.

Smith Barlow & Challenger, LLC, Pikesville, MD—law firm providing legal representation to individuals and businesses.

Individuals

Patricia Bailey, Kettering MD
Frank L. Baker, New Haven, CT
Donald F. Campbell, Sedona, AZ
Mari Da Silva, Yonkers, NY
Mark Desbro, Portland OR
Terry Edlin, Chicago, IL
J. Robert Ouimet, Montreal Quebec, CA
Joseph P. Huntton, Belfast, ME
Gary Mason, Cornell, CA
Robert Steve Peryea, Winfield Park, NJ
Carol L. Robinson, Arlington, VA
Stephen T. Sarine, Sacramento, CA
David J. Thompson, Davis, CA
Audrey Walsh, Bryn Mawr, PA
Kimalee Williams, East Hartford, CT

The Rochdale Pioneers had housing in mind

The Rochdale Pioneers set out housing objectives in their founding documents.

"The objects and plans of this society are to form arrangements for the pecuniary benefit, and the improvement of the social and domestic condition of its members, by raising a sufficient amount of capital in shares of one pound each, to bring into operation the following plans and arrangements.

- *The establishment of a store for the sale of provisions and clothing, etc.*
- *The building, purchasing or erecting a number of houses, in which those members desiring to assist each other in improving their domestic and social condition may reside."*

However, until 1862, the law did not allow co-op housing building societies to develop more than one acre. As a result, co-ops could hardly start building housing for their members. Nonetheless, the Co-operative Land and Building Company was formed in 1860 and began to build housing in 1861. The Pioneers took over the company, and by 1868 the co-op had built 37 homes for its members. The first homes still stand on Spotland Street. Later the Pioneers built Pioneer and Equitable Streets just behind the railway station. Most of those 60 or more terraced homes still stand today.

Britain's largest housing co-op forms overnight

By David Thompson



CREDIT: ROBERT WADE

The Seven Sisters, a housing block of 761 apartments owned by the Rochdale Boroughwide Housing Co-operative, overlooks the town's Magistrates Court.

168 years to the hour after the opening of the Toad Lane cooperative store in Rochdale, England, tenants of Rochdale Boroughwide Housing (RBH) resoundingly voted to take ownership of all 13,800 housing units previously owned by the Borough of Rochdale. RBH will immediately become the largest housing co-operative in Britain. The cooperative will operate on a budget of over \$5 million and 620 employees, and it will be home to 40,000 people.

RBH will transform into a multi-stakeholder co-operative where the representative body will consist of 15 elected tenants, eight elected employees, three members from the tenant management organization, four from the Rochdale Borough Council and three from other organizations.

The vote will result in a \$260 million improvement program in the first five years – much more than would have been possible if the property had remained as rental. The ballot was carried out by the independent organization, Electoral Reform Services. Almost 9,000 tenant households voted — a turn-out of 65% with three to one in favor of the transfer.

Noel Chambers, Chair of the RBH Board, also welcomed the news: "Throughout this process we've worked hard to ensure that tenants were provided with all the information they needed to make an informed decision. I'd like to say a big thank you to tenants for voting and to staff and Council colleagues. We're delighted and proud that we are able to move towards creating the UK's biggest housing mutual here in the birthplace of co-operation." The headquarters



of the new housing co-op will be in the architecturally distinct old Post Office directly opposite Rochdale Town Hall.

The tenant vote took place weeks after the International Co-operative Alliance named Rochdale as the Co-operative Capital of the World and the co-op will begin life in 2012, the

Year the United Nation's declared the International Year of Co-operatives. When thousands arrive in Manchester and Rochdale in October and November of 2012 to participate in the closing ceremonies of IYC, they will be greeted by a new co-op carrying out the dreams of the Rochdale Pioneers set down in 1844. [CHB](#)

This article first appeared in, and has been adapted from, Cooperative News, a newsletter in the United Kingdom.

David J. Thompson was born near Rochdale, England. He is President of Twin Pines Cooperative Foundation and Co-partner with Neighborhood Partners, LLC. He is the author of *Weavers of Dreams: Founders of the Modern Co-operative Movement*, published to commemorate the 150th anniversary of the Rochdale Pioneers and the origins of the cooperative movement.

Unethical Conduct Is Not Always Obvious

By Ida Curtis Fisher

Unethical conduct can be something just as simple as not respecting the parameters of a staff/board relationship. Without a doubt, it is critical for management and the board to enjoy a good relationship. That relationship should be clear. The board is the decision maker, and management carries out the board's decisions. The relationship should be businesslike and one of mutual respect.



Ida Curtis Fisher, CEO Preferred Property Services of Illinois, Chicago. Inspiring, organizing and managing housing co-ops since the 1960s.

However, it is easy, especially for site management staff, to get caught up in having a secret and personal relationship with a board member. It is easy because the board member can have the illusion of ultimate power or influence over all, (including staff); and, it is common sense that currying favor with those who are in apparent power can be of benefit to keeping one's job and getting pay increases. At the same time, board members, as would anyone, enjoy having special privileges and would enjoy a relationship that can provide them with confidential information and special access.

There are a number of examples of the ease with which these covert relationships occur:

- ▶ A staffer answers a board member's question regarding a personal matter of a resident or about other staff members.
- ▶ A board member asks that their monthly payment not be deposited for a few days.
- ▶ Confidential management information about the company or site manager is given to a board member.
- ▶ A board member requests staff to add a friend's name to the cooperative's waiting list ahead of others.

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What should you say or do?

If you are asked to do something that your gut says is inappropriate or unethical, how do you handle the situation, especially if the requester is in a position of power or influence?

- ▶ Refer to policy. Say, "The co-op's/ management company policy is not to do that." (If there is not a policy, ask your supervisor to establish one.)
- ▶ Appeal to fairness. "That would not be fair to other members (or other bidders)."
- ▶ State a personal boundary. "I meet so many nice people in this line of work, but I have found that I need to keep work and personal business separate, and the only way to do that is have a strict personal rule about not dating other staff or residents."
- ▶ Remind the requester of status. "We need action of the full board, not just one board member to do that."
- ▶ Invoke higher written authority. "I don't see language in the rule/ bylaws/occupancy agreement that allows for the exception you are asking for."
- ▶ Invoke higher management authority. "I will need to ask my supervisor."

If the requester is persistent – the staffer should seek support in handling the situation from his/her supervisor or the management agent. The supervisor would:

- ▶ Show support for the staffer. Acknowledge that the staffer did the right thing by reporting the matter.
- ▶ If the supervisor is on site – he/she should discuss this with the management agent so they can together decide on an appropriate strategy.
- ▶ A private and polite conversation should be scheduled with the requester to assure there is a clear understanding of the possible consequences of the request being made and the reason for the need for denial.
- ▶ If a private conversation does not resolve the situation favorably, the supervisor should raise the issue with: (a) the president, if the requester is a board member or (b) with the full board if the requester is the president.

- ▶ Contractors, vendors and service people are put in direct contact with board members who can circumvent the working relationship with the management office as to bidding and contractor performance.
- ▶ A staffer solicits proxies for a board candidate.
- ▶ The office secretary recommends a friend as a candidate for the board.
- ▶ A maintenance person solicits help from the president on an issue he/she has with the maintenance supervisor.
- ▶ A staffer participates in gossip with a board member about another staff person or the agent.
- ▶ A board member dates a staff person or security employee.

Engaging in any of these kinds of activities is unethical; and usually is done for a personal reason: to gain favor with the person for whom a favor is given. It is most likely a clandestine relationship/situation. Those involved most likely feel it is not appropriate, but the exercise of power, gaining approval from others or avoiding disapproval appears more important than maintaining integrity. Rarely is the board member punished. If something goes

Rarely is the board member punished. It is usually the staffer who suffers.

wrong, it is usually the staffer who suffers.

The main issue here is: are these kinds of activities harmful to the cooperative and its operations? To the board/management relationship overall? The answer is “Yes.”

It could serve to undermine the corporate organizational structure which usually guides the functioning of the cooperative corporation. It compromises the basic understanding of the chain of responsibility and channels of communication. It encourages

micro management. And it violates the expectation of confidentiality for other employees, residents and the management agent, who are required to oversee and discipline a nonperforming staffer. An inappropriate relationship would make it difficult, especially if the board member is able to gain support or protection from the full board. Business decisions are compromised. And, in the end, the agent is still contractually accountable for the operations – regardless of that employee’s poor performance and inappropriate behavior.

If you are ever asked to be part of this kind of relationship – stop and give consideration to the matter. It is not the right thing to do. It’s not ethical. And word travels, within the co-op and to future employers. **CHB**

People and Places

GREENBELT, MD, one of the first planned communities in the US, is celebrating its 75th anniversary. The community was created in 1937 under a New Deal program to provide affordable rental housing to low and moderate income families and to create jobs during the Great Depression. In 1952, the community was converted to a housing cooperative and is known today as Greenbelt Homes, Inc.

PAUL HAZEN has been named the Executive Director of the U.S. Overseas Cooperative Development Council. Hazen brings more than 30 years’ experience in international and

domestic cooperative development to the organization. He recently stepped down as President and CEO of the National Cooperative Business Association (NCBA).

TERRY EDLIN AND DOUG KLEINE completed a several-week training session for technical assistance providers who work with shared equity housing organizations, such as limited equity co-ops and community land trusts. The training was offered by Cornerstone Partnership, a program of NCB Capital Impact, with funding from the Ford Foundation. **CHB**

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

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The GE/Hotpoint program is an NAHC member service.



RCMs from San Juan Course

Pamela Carthan
820 W. Belle Plaine Cooperative

Valerie Critten-Stewart
Madison Terrace Cooperative, Inc.

Angela Dixon
Lake View Towers Residents Association

Mitch Dvorak
NAHC

Chanel Franklin
Florin Gardens Cooperative Inc.

Modesta Gatihi
Mayfair Golden Manor

Lisa Holden
Reservoir Hill Mutual Homes, Inc.

Amanda Huron
Madison Terrace Cooperative, Inc.

Sandy Isaac
Park Forest Cooperative IV Area E

Gloria Lewis
Veronica Lopez Mayfair Golden Manor

Marnie Moore
Loren Miller Homes

Carol Mosqueda
Florin Gardens Cooperative East #1

Monica Priestley
Lafayette Plaza Housing Coop

Steve Sarine

Akua Warren
Florin Gardens Cooperative East #1

RCM speaks up on licensing managers

Greg Carlson, Chairman of the Registered Cooperative Manager program, asked that pending property manager licensing legislation in Maryland (SB372) recognize the RCM designation. The legislation is aimed at managers of condominiums, cooperatives and homeowner associations, and gives managers with existing designations a leg up in the licensing process, but did not recognize the RCM designation for that purpose. Carlson also asked for a seat on the licensing commission for a manager with the

RCM designation. The sponsor of the bill, Senator Delores Kelley, altered her testimony before a Senate Committee and asked for additional time to include Carlson's points.

NAHC President Vernon Oakes, also a member of the RCM Governing Board, later attended a hearing on the bill, and NAHC Government Relations Committee Chair Mary Ann Rothman helped coordinate the RCM/NAHC position with the Community Associations Institute, the primary advocate of the legislation. **CHB**

Housing co-op managers in India to be tested

The *India Times* reports that, following a large number of complaints from housing cooperatives, the Mumbai (also known as Bombay) state cooperative department has decided to eventually make it mandatory for every housing co-op to have a manager to streamline its affairs. To make this possible, the state government held the first examination for a diploma in housing in May this year. There are over 70,000 housing cooperatives in the state.

For several years, the department has been conducting exams for a diploma in housing cooperative audits. Now, the department will hold exams for those who wish to get a diploma in housing co-op management. A few months ago, the department had issued a manual to help co-op

members run their affairs smoothly.

It was recognized that the appointment of a housing co-op manager should be left to the discretion of the co-op, as many would not be able to afford the services of a manager. But there is agreement that a trained manager would be able to handle affairs more effectively. It was thought that smaller co-ops could form groups and appoint a shared manager. In many co-ops, officers did the job free of cost as a social commitment.

"It is a good idea that [co-ops] will be managed professionally. A lot of retired persons are employed on an honorary basis. The knowledge [from the manual and studying for the exam] will help them," said one official. **CHB**

► US Co-op Leaders Warmly Welcomed to the White House [continued from page 3]

of a meeting that had taken 236 years to arrange. Everyone seemed excited about the morning event, but even more excited about the collaboration and partnership that was ahead. For the attendee cooperators, the International Year of Cooperatives was definitely a change maker.

After the meeting, Liz Bailey remarked that, "It was impressive to observe the White House staff taking notes as they learned new information and gained new awareness of the co-op footprint in the US economy. It's a meeting that put cooperatives on their

radar screen and laid the groundwork for a multi-faceted ongoing dialogue."

The IYC has meant that numerous cooperatives have been telling exceptional stories to Main Street America about their stability, job creation, investment in community and lending to small business. By shining light on our successes, cooperatives are less of a secret. In an era of economic downturn and despair with corporate conduct, trust in cooperatives has risen extensively. The question now is how to build beyond the IYC. The White House Briefing was a good place to start the

dialogue and plan the actions.

Vernon Oakes summed up the meeting from NAHC's perspective, saying "I was very impressed with the White House staff; I felt that they heard us and they will do what they can." He cautioned, "The responsibility for promoting the cooperative business is ours. We have to create our own data base and promote the co-op message with and through our members."

Documents developed for the White House meeting and from the meeting will be placed online at www.ncba.coop. **CHB**

Compiled by Doug Kleine

Union pensions provide funds to preserve affordability of historic co-op

The AFL-CIO Housing Investment Trust (HIT) is making an investment of \$134 million to preserve affordability and make capital improvements at the historic Penn South Cooperative, a major source of affordable housing in midtown Manhattan. The loan will keep Penn South's 2,820 housing units affordable for current residents for an additional 20 years, while also providing funds to renovate the 10-building residential development and create 610 union construction jobs. Renovation work will include replacement of HVAC systems and remediation of asbestos wall insulation.

The extension of the project's affordability restrictions allows working families to remain in the city despite the

continued high cost of housing. Without it, many of Penn South's residents could not afford to live in Manhattan, where the average one-bedroom coop costs \$535,000 compared to \$63,000 at Penn South.

Nationwide, the HIT has made investments of \$963 million in 34 projects across the country in the last two years while creating or preserving 12,752 housing and healthcare units. In New York City, the HIT has provided \$640 million to finance housing since 2002 under its New York City Community Investment Initiative. Those investments have created or preserved more than 24,000 housing or healthcare units at more than 30 projects in New York City.

Unions have been closely tied to Penn South since it was first developed in 1962 by the International Ladies Garment Workers Union, now UNITE HERE. It has been home to many union members, including, A. Philip Randolph, the prominent labor leader and civil rights activist. Penn South is one of the largest developments to come out of a 1950s union movement, spearheaded by the United Housing Foundation, to create limited-equity cooperatives for moderate-income people in New York. Its property management staff is represented by OPEIU Local 153, while the janitors and porters belong to SEIU Local 32 B-J. This is the second time the HIT has helped the residents of Penn South Cooperative. In 2003, the HIT invested \$33 million to help lower the debt service of the cooperative.



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Senior co-ops hold value

While economists and homeowners nationwide look for signs indicating a bottom has been reached in the housing market, senior citizens in Minnesota keep plugging along with a unique niche in the market that seems oblivious to national housing and financial crises, according to Lee Egerstrom, Economic Development Fellow at Minnesota 2020, a progressive think tank. Senior housing cooperatives are a market segment that hasn't collapsed. They haven't played a role in the financial crisis that spread out from bursting the nation's housing bubble. And while construction of new housing has nearly stopped, senior co-ops have more projects under development in Minnesota and a few other states, he says. The average single-family home in the Twin Cities metropolitan area has lost more than \$70,000 in value since reaching a peak in 2006. But senior co-op housing gains about 1 percent in member value each year.

ROC-USA receives funding

Bank of America has provided \$13 million in credit to ROC USA Capital, including a \$10 million revolving line of credit for short-term liquidity needs and a \$3 million Program Related Investment to meet longer term capital requirements for resident controlled cooperatives to purchase the land underneath their manufactured homes from private rental park owners.

Continued on page 12 >

Employers must post new poster on employee rights: Free copies available

The National Labor Relations Board (“NLRB”) has recently made available on its website a workplace poster that describes the rights of employees pursuant to the National Labor Relations Act (“NLRA”). Private sector employers subject to the NLRA are required to post a notice entitled “Employee Rights Under the National Labor Relations Act.” The posting must be “in conspicuous places where they are readily seen by employees.” The posted notice must be at least 11-by-17 inches in size and may be printed in black and white or in color.

The NLRB has provided links for the free download and printing of the poster in either an 11-by-17 version or a two-page 8.5-by-11 version.

[Employee Rights Under the NLRA – 11 x 17 PDF](#)

[Employee Rights Under the NLRA – 11 x 8.5 PDF](#)

Employers may download and print the Notice in landscape format, in black and white, on two standard sized pages 8.5-by-11 inches in size. These pages may be taped or bound together to satisfy the size mandate. Copies of the Notice are also available, without charge, from any NLRB regional office.

Study documents ill effects of housing instability on children

A recent study has again confirmed that unstable housing has a significant, negative impact on the health and development of young children. Published in the *American Journal of Public Health* in August 2011, the study found that when children are moved multiple times a year or live in households where there is overcrowding, they have a greater risk for poor health (18 percent) than children living in secure households (11 percent). In addition, 22 percent of caregivers in households reporting multiple moves within a single year reported developmental problems in their children, whereas only 14 percent of caregivers in secure households reported similar risks.

These problems are compounded when families are poor and there’s not always food on the table. In 2010, 25.3 percent of children under the age of six lived in poverty in the US, according to the Census Bureau. When housing insecurity is combined with food insecurity, the risk for poor health, developmental delays and hospitalization are even greater.

Homeownership stabilizes family housing with remarkable results. A study by NeighborWorks America found that children of homeowners are 25 percent more likely to graduate high school, 116 percent more likely to attend college and teenage pregnancy is 20 percent less likely. Consistent housing also produces higher reading and math scores and lower rates of becoming involved in the juvenile justice system.

NCB reports 2011 loan totals

NCB, FSB, (NCB) reported strong lending activity in 2011, during which the Bank arranged over \$186 million in new share loans for 823 tenant shareholders/members of housing cooperatives and over \$654 million in building financing for 223 housing cooperative communities nationwide. Steven Brookner, President & CEO of NCB, FSB, said, “Our role in this community makes us proud to be a strong supporter of the United Nations’ 2012 International Year of Cooperatives initiative to educate the public on the benefits of cooperative communities and businesses.” Over the past year, NCB’s residential lending activity remained robust with the New York City-based lending team originating \$63 million for 147 co-op members along the East coast. In California, NCB loan officers arranged \$84 million for cooperative customers in Walnut Creek, San Francisco and Los Angeles. The Washington, DC, Illinois and Washington State cooperative markets also remained strong with over \$31 million in new originations. Financing activity for cooperative housing communities continued to soar in 2011, with the Bank arranging \$635 million in new loans for 233 buildings mostly in the New York area. That region is home to the largest concentration of cooperative housing in the country, and a very active market for NCB, which experienced a solid increase from the previous year. **CHB**



National Association of Housing Cooperatives 52nd Annual Conference

will be held at the
Atlantis Casino Resort Spa
from
October 10 – 13, 2012

Join your fellow housing cooperators and industry
professionals for the housing educational event of the year.

www.nahc.coop



Compiled by Doug Kleine

Mutual Housing Association Starts 16th Community in Central California

Ground has been broken for New Harmony, a 69-unit community developed by the Sacramento-Yolo Mutual Housing Association (S-YMHA), a resident-controlled organization in Davis, California. When completed in December 2012, the community will have one-, two- and three-bedroom apartments for families of modest means. Each apartment will have a private patio, energy-efficient appliances, environmentally-friendly building materials and finishes, as well as high-quality indoor air filters. The apartments will be wheelchair accessible, have free Internet access, and minimal utility bills.

The vacant parcel was one of the few multifamily-zoned lots left in Davis. Applications for residency began in the fall of 2011.



Eligibility is based on income with preference given to members of the local workforce, senior citizens, and people with disabilities in the city's lottery system.

New Harmony is an energy-efficient development with a solar-powered community building where financial education and ongoing workshops and classes will be held. Residents will also have a computer lab. Through S-YMHA's focus on leadership, the nonprofit also provides training and mentoring as well as educational programs, community-building activities, and services for residents and neighbors.

Since the community is next to Owendale—one of SYMHA's other communities in Davis—residents will be able to share open space, a children's playground, a basketball court and community garden. When completed, it will be connected to the city greenbelt bike path.

Funding for New Harmony came from partners, such as, the California Tax Credit Allocation Committee, Merritt Community Capital Corporation, Bank of America, and the Federal Home Loan Bank of Atlanta. City of Davis used funding from the local redevelopment agency and federal HOME funds as well as land under the local inclusionary requirements. Part of the green design was funded by a \$75,000 grant from the Home Depot Foundation that included evaluating costs and benefits of various green building options.

New Hampshire Achieves 100 Resident-Owned Communities with Big W (Derry, NH)

The resident-owned manufactured-housing communities in New Hampshire have reached a milestone with the creation of the 100th cooperative community—Big W Mobile Home Park in Derry.

The Derry homeowners join more than 5,600 others in New Hampshire, who enjoy the security, stability, and affordability that cooperative resident ownership provides. As a testament to this model's success, in the 27 years since New Hampshire's first conversion, resident-owned communities have not experienced any mortgage defaults.

Resident-ownership also means that the New Hampshire homeowners have access to the New Hampshire Community Loan Fund's NEXT Award-winning Cooperative Home Loans. The only program of its kind in the United States, Cooperative Home Loans provides fair, fixed-rate mortgage and home-equity loans to homeowners and homebuyers in manufactured-housing cooperatives. In all, the Community Loan Fund has made \$51.6 million in acquisition loans, which leveraged another \$143.2 million in capital investment. In addition, the Community Loan Fund has made a variety of other loans to co-ops (for predevelopment, infrastructure, refinance, construction, etc.) totaling \$15,004,020 and which brought another \$18,272,952 in investments by others.

Grant May Expand Lending to Manufactured Home Co-ops in Washington, Wisconsin and Florida

ROC USA® Capital, the lending subsidiary of ROC USA, LLC, is one of six Community Development Financial Institutions (CDFIs) to be awarded a \$20,000 planning grant through the NEXT Awards for Opportunity Finance, administered by Opportunity Finance Network (OFN). OFN received 72 applications from CDFIs across the nation for the first ever NEXT Awards Planning Grant, a funding program for CDFIs, supported by Wells Fargo, the MacArthur Foundation, and the Kresge Foundation.

The grant will be used to expand national lending to resident-owned manufactured home communities in the states of Washington and Wisconsin, where Housing Finance Agency funds can be leveraged. The grant will also be used to assess the market for ROC USA Capital's loan products in Florida, a state with over 2,000 manufactured home communities. [CHB](#)

CSI Support & Development Services

Trenton Towers Co-op, a CSI Support & Development community in Michigan, was honored in February with a visit from Mayor Stack during the co-op's general monthly meeting. The Mayor recognized Trenton Towers Co-op as an inspiring example of a cooperative. Similarly, Royal Oak Mayor, Jim Ellison, recognized both Royal Oak Manor and Barton Towers Co-ops in May. Both mayors are recognizing 2012 as the International Year of Cooperatives (IYC). CSI staff is providing all its communities with monthly toolkits to help promote the IYC.



Old Court Estates Co-op, CSI's newest, and its builder, Southway Builders, received the ABC Excellence Award from the Baltimore Area Chapter of the Associated Builders and Contractors. In 2004, Randallstown Villa also received this award together with its builder, SBER.

CSI Support & Development recognized its volunteers at events held during National Volunteer Month. CSI has 161 employees and over 2000 volunteers. CSI owes its success to its volunteers as they continue to inspire the staff on a daily basis.

Anne Sackrisson, CSI National Operations Manager, has the pleasure of attending a White House community leader briefing on "Cooperatives, Jobs and the Economy" with the National Cooperative Business Association (NCBA) and other cooperative community leaders on May 4.

CSI Support & Development has a new logo and will be launching its new website soon. www.csi.coop

Federation of New York Housing Cooperatives and Condominiums (FNYHC)

FNYHC continues its activities at the city level with numerous legislative and regulatory initiatives. Working together with its sister organization, the Council of New York Cooperatives and Condominiums (CNYC), the Federation is considering strategies for dealing with the Cooperative Abatement in Real Estate Taxes, which will expire in June 2012.

As a member of the IYC 2012 host city committee, The Federation is hosting events throughout 2012. Later this year, The Federation is planning several "Basic Co-op 101" courses along with CNYC, and is developing a series of webinars. Also this year, the Federation is redoing its website, which will be available for viewing on mobile devices.

Midwest Association of Housing Cooperatives

MAHC held its 2012 Annual Conference in San Diego, California. At the conference, attendees had the opportunity to study and educate themselves on a number of topics affecting housing cooperatives today. Among the topics addressed were long-range planning, refinancing, curb appeal, fair housing, reading financial statements, crime prevention, running effective board meetings, and legal updates. As usual, MAHC also offered classes for Certified Cooperative Director and Certified Cooperative Manager.

Potomac Association of Housing Cooperatives

The PAHC Board of Directors held its strategy meeting on February 4 in Baltimore, Maryland. The board reviewed its accomplishments from 2011, which included the acquisition of three new member cooperatives, revisions to their travel policy, updates to the PAHC website, completion of a marketing brochure, and the production of quarterly newsletters. PAHC also hosted its 2012 Annual Conference in Virginia Beach, Virginia on April 26–28.

PAHC continues to recruit potential member's cooperatives and volunteers, and to improve its educational, marketing, and technical assistance activities. Additionally, PAHC is re-focusing on its mission, by soliciting knowledgeable professionals, individuals, and firms to facilitate training in cooperative and fair housing. [CHB](#)

Bill Would Spur More Urban Cooperatives

Congressman Chaka Fattah (D-PA) has introduced the National Cooperative Development Act. The bill, H.R. 3677, authorizes \$25 million a year through 2016 to create and fund the National Cooperative Development Center.

“It’s high time for cooperatives — a great idea that has emerged from and gained success in our urban neighborhoods as well as rural communities — to move onto the national radar,” said Fattah, whose Philadelphia district includes numerous co-ops. “This legislation brings federal resources and a policy priority to the effort. We have food deserts in low-income urban areas where food cooperatives are often the only enterprises willing to bring food security and nutrition, while anchoring the buy-local campaigns we see happening everywhere,” he said.

Fattah pointed out that cooperatives still face many problems, including difficulty in gaining access to capital, which can stunt the growth of even the most successful enterprises. In addition, he noted, “the unique nature of the cooperative ownership model requires that cooperative operators receive specialized training and assistance in setting up the governance, operations, and financial structures that are required to run a successful cooperative. Co-ops need help that the federal government will now be in a position to provide,” Fattah said. “The legislation addresses these

problems by establishing the Development Center to provide capital, training, and other resources to foster cooperative development.”

The National Cooperative Development Center will:

- ▶ Award grants to nonprofit organizations, colleges, and universities, so that they can provide technical assistance to operating cooperatives or groups that are attempting to form cooperatives;
- ▶ Provide guidance, information on best practices and technical assistance to communities seeking to establish cooperatives;
- ▶ Create a revolving loan fund to provide loans and seed capital to groups who are attempting to form cooperatives;
- ▶ Provide funding for training of providers of technical assistance and supporting existing professional development training for organizations engaged in cooperative development;
- ▶ Establish cooperative development centers in areas that currently do not have them.

NAHC members are urged to contact their Representatives to co-sponsor the bill. [CHB](#)

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