

# COOPERATIVE HOUSING BULLETIN

*A member service of the National Association of Housing Cooperatives*

Winter 2015

## Social Innovator Recognized for Creating Cooperatives, Preserving Homes

**NAHC RECOGNIZED PAUL BRADLEY** with its Jerry Voorhis Award for 2014 based on his work and social innovation in preserving and improving over 150 manufactured housing parks as resident owned cooperatives in 14 states, comprising nearly 10,000 units of affordable housing. Bradley is the founding president of ROC USA®, LLC, which supports conversion of parks to cooperatives through technical assistance and financial packaging.

Prior to his appointment at ROC USA, Bradley served as vice president for the New Hampshire Community Loan Fund. There he managed the Community Loan Fund's 25-year old Manufactured Housing Park Program, expanding its cooperative development program and initiating single-family lending and new production. During his 16-year tenure, the number of resident-owned communities in New Hampshire increased from 10 to 82, increasing resident ownership's market share in the state to nearly 20 percent. To date, the now 107 communities are all performing well, and post-purchase training and networking activities are robust.

By demonstrating successful single-family lending in resident-owned communities starting in 2002, a major sector change objective is being met: an unprecedented \$10 million initiative by Fannie Mae to conventionally finance single-family homes in resident-owned communities. Under Bradley's direction, the Loan Fund's program also developed the nation's first manufactured home community consisting entirely of EnergyStar® rated manufactured homes.

In 2004, Bradley initiated a national training program for non-profit organizations interested in developing resident-ownership programs. The success of this program, known as The Meredith Institute, led the Ford Foundation to provide

planning support for the development of ROC USA, launched in May 2008.

Paul received his bachelor's degree in economics from the University of New Hampshire. In 2008, he graduated from the NeighborWorks® America's Achieving Excellence Program, an executive training program offered through Harvard University's Kennedy School of Government. In 2011, Bradley was named an Ashoka Fellow in social entrepreneurship. In 2013 the Carsey Institute at University of New Hampshire named Bradley Social Innovator of the Year.

In accepting the award, Bradley thanked the national team in ROC's network and the hundreds of

cooperative leaders whose work every day has led to a deserved record of no defaults. He noted that Jerry Voorhis saw cooperatives as "the little person's choice." "In an era of consolidation and bigness, Jerry would have known that there is a better way—a cooperative way. We are happy to follow in his footsteps by giving manufactured homeowners a chance for local ownership based on cooperative principles." **CHB**



**Paul Bradley**

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## 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 cooperatives in Washington, DC, and by providing education, service, and information to cooperatives.

## Mission Statement

NAHC's mission is to support and educate existing and new cooperative housing communities as the best and most economical form of homeownership.

## NAHC Board of Directors 2014-2015

<b>Chairman</b>	Ralph Marcus
<b>President</b>	Gregory Carlson
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Karen Harvey	David Rudicil	Kimalee Williams
Blaine Honeycutt	Stephen Sarine	

## 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 & Development Services
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

## NAHC Principal Committees and Chairs

Ad Hoc National Cooperative Share Listing Committee – Karen Harvey
Ad Hoc Share Loan Committee – Ruthie Wilder
Audit Committee – Barbara Loatman
Communications Committee (includes Publications and the NAHC website) – Gregory Carlson and Fred Gibbs
Contract Review Committee – Hope Turner
Credentials Committee – Mark Shernicoff
Executive Committee – Gregory Carlson
Development & Preservation Committee – Stephen Sarine
Finance Committee – Linda Brockway
Governance and Strategic Planning Committee – Ralph Marcus and Mark Shernicoff
Government Relations Committee – Mary Ann Rothman
Membership Services Committee – Linda Brockway
Mutual Marketing and Advocacy Committee – Anne Hill

## RCM Board of Governors – Gregory Carlson

For addresses of all associations and committees, please go to NAHC's website at [www.NAHC.com](http://www.NAHC.com).

## About Bostrom

Bostrom Corp. is the professional services firm managing the National Association of Housing Cooperatives affairs. Mitch Dvorak serves as NAHC Executive Director.

## NAHC Fosters Partnerships and Plans for the Future

**FOR THE NAHC MEMBERS** who attended the 2014 conference, did we have a good time along with excellent training? You bet we did! For those who are NAHC members and could not make the 2014 conference, we are sorry you couldn't attend. However, the classroom presentations are available on the NAHC website in the member's only section. If you are a NAHC member and have not filled out your profile with your own unique username and password, please contact Bostrom at [info@nahc.coop](mailto:info@nahc.coop) and add your profile and contact information to the database so you can remain connected to NAHC.

One of our goals for this past year was determining how NAHC stays relevant to our current membership and also developing strategies to increase our membership. Since NAHC has a very limited budget, we determined our best strategy was to partner with other associations with similar purposes. Since the July board meeting, NAHC was represented at the Southeast Association of Housing Cooperatives (SAHC) meeting in August. During the meeting, NAHC continued to foster our working relationship with SAHC, and we agreed on more communication. NAHC also attended the National Cooperative Business Association (NCBA) Annual Conference in early September (see page 4 for separate article). Our participation and talks there helped strengthen our relationship. In early October, Linda Brockway represented NAHC at the 2014 International Summit of Cooperatives in Quebec, Canada, and participated in the International Cooperative Alliance housing presentation. NAHC also attended the North American Students of Cooperation in Ann Arbor, Michigan, on November 7-9. It was an experience to see the enthusiasm of the students for the cooperative model. We are extremely optimistic about our outreach efforts.

This past year the NAHC board has achieved an impressive list of accomplishments. We have expanded the responsibilities of our Executive Vice President, Mr. Fred Gibbs, who now participates with all matters dealing with the NAHC staff. The St. Thomas annual conference continued to expand the responsibilities of not only the officers but also the committee chairs. The Credential Committee's new committee charter, which emanated from the membership and was marshaled by Ruthie Wilder, will make our annual elections more transparent.

NAHC also extended Bostrom's Client Services Agreement (Management Agreement) through the end of 2016, held a meeting with HUD officials and NAHC interested members, increased the monthly hours of our government relations specialist, launched a new website, established an enhanced internet and mobile device friendly database, started a new member service for hazard and liability insurance through the Wells Fargo's Insurance Program, and plunged into web-based education through the Registered Cooperative Managers (RCM) program for the RCM recertification starting with the ethics course.

During 2015, you can expect to receive reports on our plans that include rewriting the NAHC bylaws, starting a social media plan, reviewing a revised dues structure, enhancing national share loans, launching a cooperative unit membership share listing site, and holding a cooperative-focused economic and development summit.

On the horizon, we learned while at the NCBA annual conference, that the millennium generation outnumbers the baby boomer generation (see page 4 for separate article). We also found out that these millenniums have the same value system that we are all most familiar with as cooperative housing leaders and participants. When the millenniums discovered how the cooperative housing principles worked, most responded that they did not know that cooperatives even existed. Clearly, NAHC, as part of the larger cooperative community, needs to do a better job of getting the cooperative model word out. If we do not start attracting this younger millennium generation and expand our enthusiasm and leadership positions to them, cooperative housing communities, as we know them, may be jeopardized.

In closing, we look to the NAHC board and membership for support in our grassroots' efforts on legislative initiatives, becoming a member of the Consumers Federation of America, reaching out to other cooperatively-minded associations, and taking advantage of NAHC's partnership programs with GE appliances, the Pharmacy Card, and now insurance programs through Wells Fargo. Please join us and help continue to develop and expand the cooperative principles that we hold near and dear.

—Greg Carlson, Ralph J. Marcus, Fred Gibbs, Anne Hill, and Linda Brockway



Greg Carlson



Ralph J. Marcus



Fred Gibbs



Anne Hill



Linda Brockway

# NAHC Leaders Reach Out

**N**AHC President Greg Carlson discussed the development of several partnerships during the president's report at the board and annual meetings held during the annual conference. Carlson said that NAHC would continue to develop cooperative partnerships with other cooperative organizations in order to strengthen cooperative goals.

Carlson introduced a few partners that NAHC is working with to enhance member services.

Therefore, brief overviews of three NAHC's partners appear below which include the National Cooperative Business Association (NCBA CLUSA), the North American Student of Cooperation (NASCO), and the Cooperative Housing Federation of Canada (See page 8 for 'Maple Leaf Lounge' for details).

Please contact [info@nahc.coop](mailto:info@nahc.coop) if you have any questions about NAHC's partnerships.

## National Cooperative Business Association CLUSA International

The National Cooperative Business Association CLUSA International held its annual cooperatives conference in Minneapolis, Minn., September 9-11, 2014. Carlson and NAHC Treasurer Linda Brockway participated in several sessions where the groups strove to enhance the building blocks of good cooperative governance.

During the conference, the Conversation on Cooperative Development presentation covered how NCBA CLUSA and Cooperation Works developed a unified strategy for cooperative development centers and other recipients of USDA Rural Cooperative Development Grants.

Amy Coughenour Betancourt, COO, NCBA CLUSA International discussed the international cooperative development programs it supports. For several years NCBA CLUSA has been implementing international development projects in Africa, Latin America, and Southeast Asia. NCBA CLUSA received \$70 million to further assist in increasing resilience and economic growth in Niger's and Burkina Faso's low-income communities.

At the Emergence of Cooperative Business Association's presentation, the discussion focused on the work of cross-sector cooperative groups around the United States. During A Profile of Cooperatives: From Start Ups to Established Cooperatives, presenters shared their experiences about the common challenges they faced and best practices they learned in developing a cooperative.

## North American Students of Cooperation (NASCO)

Carlson and Brockway joined nearly 400 registrants in attending the North American Students of Cooperation (NASCO) Institute November 7- 9 2014 at the University of Michigan Campus in Ann Arbor.

Brockway partnered with Matt Meyer, housing program organizer at the Cooperative Development Institute located in Shelburne Falls, Mass., to offer a session on the numerous types of equity in cooperative housing. Carlson attended to strengthen NAHC and NASCO ties since the two organizations provide an opportunity for members to bolster their housing organizations. During the conference, NAHC and NASCO agreed to

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## NAHC's New YouTube Channel



Let the world know about your cooperative programs and activities, email Megan Hart at [mhart@nahc.coop](mailto:mhart@nahc.coop) to post your videos on NAHC's new YouTube channel. In the meantime, view the 2012 Strut Your Stuff video from the annual conference by [clicking here](#). Check back periodically for more videos.



# NJ Supreme Court Rules Cooperative Violates Free Speech

By Mary K. Cusack, Esq.

In December 2014, the New Jersey Supreme Court ruled that housing cooperatives cannot infringe upon certain free speech protections of their members. In a ruling published on December 3, 2014, in the case *Dublirer v. 2000 Linwood Avenue Owners, Inc.*, the Court declared as unreasonable a “House Rule” barring leafleting. The Court relied on provisions in the New Jersey Constitution protecting free speech and past decisions interpreting the state constitution.

**The New Jersey Supreme Court decision reinforces the need for clear and reasonable written procedures for solicitations and leafleting.**

**A**ggrieved cooperator Robert Dublirer, a member at Mediterranean Towers in Fort Lee, New Jersey, sued the cooperative, 2000 Linwood Avenue Owners, Inc. Dublirer had often criticized the board of directors and planned to run for one of the vacant seats. To garner support, he planned to pass out leaflets to neighbors. Citing a House Rule banning solicitation and distribution of written materials, the board rejected his application, and Dublirer sued.

The New Jersey Supreme Court cited three reasons for finding the House Rule unreasonable. First, free speech rights apply to actions by private entities in New Jersey, not only government bodies. The Court determined this applied particularly to the cooperative board because residents elect the board to govern cooperative operations. Secondly, speech of a political nature deserves the greatest protection. Dublirer’s leaflets criticized the board and acted

as campaign material for upcoming elections. The Court determined the board disallowed leafleting based on the content of Dublirer’s message. This determination also factored into the final Court ruling that the Board did not apply its rule reasonably or uniformly. The board itself had distributed leaflets lauding its own accomplishments and made exceptions for outside organizations to solicit door-to-door. The Court rejected the board’s claim that the Rule was a reasonable restriction on speech to ensure quiet enjoyment and keep the common areas free of litter.

The New Jersey Supreme Court decision reinforces the need for clear and reasonable written procedures for solicitations and leafleting. States with similarly broad free speech protections may likewise hold cooperatives to similar standards. Cooperatives should consider reviewing rules and regulations in light of this decision. [CHB](#)

Mary K. Cusack, Esq. is an associate at William H. Eaton, Esq., LLC, located in Long Branch, New Jersey.

# Concrete: Understanding the Basics

By Gary O'Neill

If installed correctly, reinforced concrete should last for many years with a minimal amount of maintenance; however, it can be vulnerable in certain locations and uses to a number of possible defects, especially where used externally.



Concrete has excellent fire resistant qualities and is durable if constructed correctly and maintained well.



Gary O'Neill is associate department head for building courses at Coventry University in the United Kingdom. He spent 12 years in private professional practice as a chartered building surveyor. To read more of O'Neill's work, go to his blog at <http://surveyingproperty.blogspot.com/>

Concrete is an extremely popular material for construction and can be found in most parts of the world in one form or another. In many countries, along with the use of steel, because of its many positive attributes, concrete is the primary material used for buildings and structures of all shapes and sizes. These include being extremely strong in compression, which means that it can sustain large loads which are applied before it will start to deteriorate or fail. It is extremely flexible as it can be poured into infinite shapes, forms, and sizes. It can be applied on site in its wet form, or it can be cast in a factory and delivered to the site as a complete component (pre-fabricated). It has excellent fire resistant qualities and is durable if constructed correctly and maintained well. A significant disadvantage, however, is that concrete is extremely weak in tension, which in basic terms means that it will break up very easily when forces are applied that try to push or pull it apart.

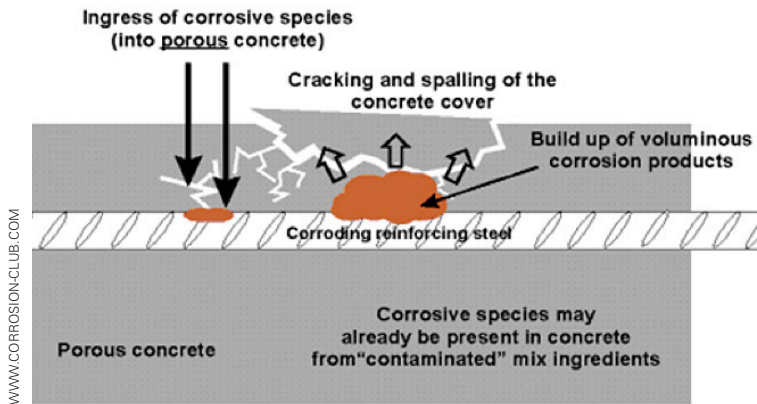
Concrete's weakness is mitigated by introducing steel reinforcement (which is strong in tension) at the position in the concrete which is weakest in tension, which is near the bottom of the beam. The result is a complete component which is strong

in both compression and tension and capable of withstanding extremely large loads and forces, which is ideal for building and construction.

If installed with the correct materials, mix, and good workmanship, reinforced concrete should last for many years with a minimal amount of maintenance; however, it can be vulnerable in certain locations and uses to a number of possible defects, especially where used externally. Some of the more serious concrete defects are a result of deterioration of the concrete which results in the reinforcement being exposed and starting to corrode. Concrete is a very alkaline material, typically 12.5 to 13 on the pH scale. When encapsulated in the very high alkaline environment of concrete, reinforced steel will be protected. Consequently, the steel will be much less chemically active than it would normally be as the alkaline concrete is effectively protecting it. A particular problem, however, is that concrete is porous allowing moisture and other contaminants to enter the concrete which can eventually lead to corrosion problems of the steel reinforcement. If corrosion to the reinforcing steel occurs, the result will be the build-up of corrosion generating internal stresses and subsequent cracking and spalling (breaking and falling away) of the concrete as demonstrated in the figure on the following page.

As explained above, when first installed, the reinforcement in the concrete does not corrode because the concrete provides a protective alkaline environment because of the presence of large quantities of calcium hydroxide which is produced as Portland Cement hydrates and cures (hardens). Portland Cement is the most common form of cement used in concrete for general purposes, which is produced from firing a mixture of clay or shale, and limestone or chalk. The clinker that is produced in the kiln as a result of the firing process is ground to the fine light grey powder for which most people will be familiar. However, when moisture and other contaminants enter the

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If corrosion to the reinforcing steel occurs, the result will be the build-up of corrosion generating internal stresses and subsequent cracking and spalling (breaking and falling away) of the concrete.



concrete, an environment for a range of different concrete defects is created.

Specific concrete defects are difficult to identify from a purely visual inspection. However, armed with the information discussed above and a little knowledge of what to look for, it is possible to arrive at a reasonable prognosis,

which can be later confirmed with sampling and testing of the concrete.

Concrete is a very dense, heavy material and when it starts to exhibit defects that can result in cracking and spalling, it can be very serious from a structural perspective as well as a health and safety perspective. These images provide some examples of what can happen when concrete starts to exhibit defects. [CHB](#)

## Get Your Cooperative Insured with Wells Fargo



The National Association of National Cooperatives has endorsed Wells Fargo Insurance as a preferred insurance broker. As the only national organization representing housing cooperatives, NAHC wants to make sure you and your members are protected. In today's fast-paced environment, you need an insurance broker who understands the challenges your cooperative faces and can quickly respond to issues as they arise.

The Wells Fargo Insurance Habitational Risk team understands that your housing cooperative is unique. From property to environmental to directors and officers coverage, your board of directors will have a dedicated risk management professional who can help you understand the insurance coverage that is right for your cooperative's needs.

To learn more about this benefit, contact J. Megan Davidson at 1-877-422-3732 or by email [Megan.Davidson@wellsfargo.com](mailto:Megan.Davidson@wellsfargo.com).



# Learning from Canada in the 'Maple Leaf Lounge'

By Scott Jackson

For several years, NAHC has cultivated a growing relationship with housing cooperatives north of the border. NAHC Chairman Ralph Marcus and Treasurer Linda Brockway have visited Canada to attend meetings of the Co-operative Housing Federation of Canada (CHF Canada), cultivating relationships with northern neighbours and comparing best practices in housing cooperative governance, management, and member services.

Canada's housing cooperatives are likewise thrilled to cultivate a friendship with NAHC leaders and members as per the sixth international co-operative principle: cooperation among cooperatives.

Over the past decade NAHC conferences have featured the occasional Canadian workshop, and thanks to this developing relationship 2014 featured several sessions. So many in fact that Canadians decided to put up a flag in their workshop room along with a 'Maple Leaf Lounge' sign, informing participants that they were now, symbolically, on Canadian soil. The only things missing were free samples of maple syrup and passport stamps.

Kim Weiman, managing director of CHF Canada's cooperative housing management company, known as The Network, facilitated a workshop called Getting Governance Wrong, featuring several thought-provoking case studies on cooperative governance.

Olga Tasci, director of operations for Canada's Agency for Co-operative Housing, which oversees Canada's federally-funded housing cooperatives, gave a presentation entitled The Power of Information, demonstrating how the

various reports they provide to cooperatives on their operating performance is generating positive results. Tasci explained how Canadian cooperatives can access data online to compare their results with others through a benchmarking service called HomeRun.

And CHF Canada's Executive Director Nicholas Gazzard gave a presentation about Co-operative Housing around the World. Gazzard, who also serves as the president of Co-operative Housing International (CHI), the apex organization of housing cooperatives worldwide, also spoke during the lunchtime plenary about the international co-operative housing movement and invited NAHC to get engaged internationally by joining CHI as a member to help guide the cooperative housing movement worldwide.

"We can only gain from sharing our experiences and our voices for the advancement of co-operative housing in North America and around the world," said Gazzard. "We look forward to welcoming NAHC representatives at our 2015 annual meeting in Charlottetown, Prince Edward Island, so we can return the wonderful reception we always receive at U.S. conferences." [CHB](#)



Scott Jackson is the program manager for National Communications at CHF Canada.

## Member Services Committee Oversees Many Services to Members

The Member Services Committee ensures that member benefits continue to grow, and ongoing programs are offered to members. As a part of its work, the committee coordinates the annual conferences, is expanding the 3 R's training and the Wells Fargo Insurance programs, as well as adding buying programs that will assist cooperatives in saving money.

At its last meeting, the committee decided to provide update reports in the CHB. In the interim, the committee meets monthly and solicits any suggestions members might have for inclusion in articles. To do so, contact Chair Linda Brockway at [ljbecho@aol.com](mailto:ljbecho@aol.com) and Co-chairs Hope Turner at [hturner627@hotmail.com](mailto:hturner627@hotmail.com) and Kimalee Williams at [kimalee@faithassetmgt.com](mailto:kimalee@faithassetmgt.com).



# NAHC Members Learn in the U.S. Virgin Islands, Plan for Hilton Head



Nearly 400 cooperative members and professionals providing services to the housing cooperative community convened for classes, networking, and awards. During the opening session, President and Chief Executive Officer, Michael Beall, of National Cooperative Business Association (NCBA) CLUSA International located in Washington, D.C. spoke of how the two organizations work together to increase the availability of technical assistance to all cooperatives. He particularly noted the main legislative issue that the two organizations are currently collaborating on, the Federal Emergency Management Agency's (FEMA's) treatment of cooperatives and condominiums after natural disasters. NAHC and NCBA are working to have new legislation passed so that FEMA recognizes cooperatives and condominiums as homeownership venues that can be assisted through the FEMA legislation (see page 10 for a separate article on Beall's keynote address).

Throughout the conference, attendees chose from among more than 30 workshops from six tracks: Financial Considerations for Cooperatives; Cooperative Governance Issues; Cooperative Planning and Marketing; Improving your Operations; Legal and Legislative Issues; and the Registered Cooperative Manager.

In addition, 50 conference members learned more about NAHC and the conference at the first-time

attendee orientation session.

Seven exhibitors provided information about their services: Arbor Financial, National Cooperative Bank (NCB), LOVE Funding, Midwest Association of Housing Cooperatives, NAHC, Kirkpatrick Management Company, and Wells Fargo Insurance Services, Inc.

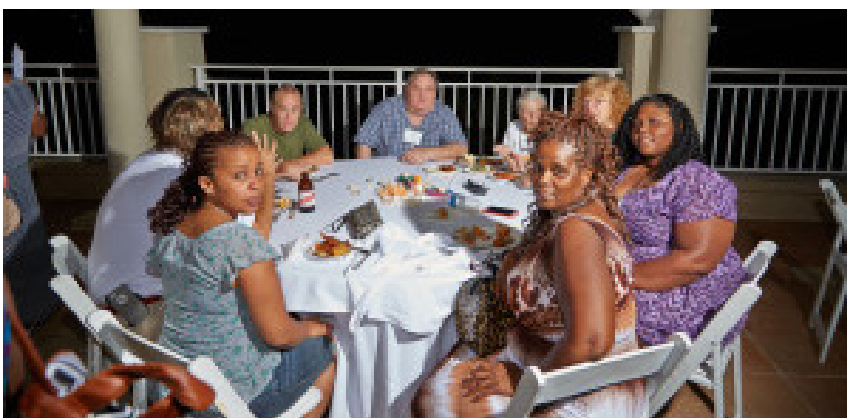
NAHC also celebrated members during the Strut Your Stuff luncheon where they wore their

cooperative gear. NAHC thanks the Cooperative Development Foundation for sponsoring the luncheon. The speaker was Executive Director Nicholas Gazzard of the Co-operative Housing Federation of Canada (CHF) and president of Co-operative Housing International [formerly

ICA Housing] of the International Cooperative Alliance (ICA). He spoke about the collaboration between CHF and NAHC over the past several years in assisting each other in meeting goals on behalf of their members.

NAHC appreciates NCB for once again sponsoring the annual awards luncheon (see various articles throughout the newsletter for individual award winners) and LOVE Funding for providing the conference bags. The 55th annual conference is scheduled for Hilton Head, South Carolina, October 21-24, 2015.

Clockwise from left:  
Members visiting an exhibitor; listening intently; and dining.



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## NCBA CLUSA's Role

NCBA CLUSA, a “chamber of commerce” for cooperatives, is the only national organization that addresses cooperative issues across industries. It represents the cooperative sector before Congress, government, private sector, and donors and executes international development projects that support cooperative development.

Beginning in 1953, NCBA CLUSA began implementing cooperative development programs overseas, organizing the Indian Farmers Fertilizer Cooperative in the country of India. Today NCBA CLUSA has projects in 15 countries implementing \$40 million U.S. dollars annually in international development.

NCBA CLUSA has key projects in the following countries: Senegal, Uganda, Indonesia, Niger, Burkina Faso, East Timor, Guatemala, and Mozambique. An example of NCBA CLUSA's overseas work is Yes Youth Can!, an empowerment cooperative model that encompasses 1,629 youth binges (groups) representing more than 83,000 individuals in Kenya. As a result of the program, 119,023 youth, including 50,674 women, obtained National Identity Cards, and 37,290 youth, including 14,910 women, were elected into leadership positions. Additionally, advocacy campaigns promoted gender equality, governance, and health.

NCBA CLUSA also benefits communities domestically. It provides cooperative sponsored community economic empowerment that promotes locally grown and made products. Nearly 35% of the current population in Marks, Miss., is at or below poverty level. The NCBA CLUSA program directly targets poverty alleviation through job creation, business development, and tourism. The program will also boost the economy, nutrition, health, combat the “food desert” syndrome, be a model for public and private partnerships, and focus on investing in local community.

renew their relationship starting with reciprocal memberships in each other's organization based on a 20-year history.

Carlson said students who were representing their cooperatives could be the next leaders of the cooperative movement if led in the right direction. Several NASCO representatives were strong in their belief that the cooperative housing movement should be carried into their future goals and projections. NAHC should offer a sponsorship program to assist the leaders of the student cooperatives in developing future cooperatives for all members.

The key theme throughout the conference was diversity and inclusion. [NASCO's website](#) indicates that it supports various caucuses: women, LGBT,

working class; people with disabilities; people of color; and collective liberation caucuses. The caucuses discussed who to vote for on the NASCO board as NAHC does, but they also concentrate on their own unique problems of trying to work within the dominant power structures of society and the barriers confronting them. The caucus's reports raised everyone's awareness on that particular group, and students are willing to try to accommodate them.

Since Brockway and Carlson were from a different generation, they had to spend some time adjusting to the “youngness” of the students surrounding them. They also had an opportunity to talk with Jim Jones, a recent Voorhis award recipient, and Holly Jo Sparks, who served on the NAHC Communications Committee.

The conference's two key note speakers discussed partnership and the positive aspects of the cooperative model. The speakers fortified the idea that the cooperative model should continue to be carried into the future.

Sparks, chair of the Development Services Board, invited Brockway and Carlson to NASCO's National Development Committee luncheon. During the luncheon, it became evident that a large need exists for more student cooperative housing development. Carlson offered technical assistance through the NAHC's Development and Preservation Committee. Carlson said he thinks the committee can work with NASCO's Development Committee to further develop the cooperative model.

During the conference, NASCO also held its banquet and hall of fame ceremony. Carlson said he suggested NAHC conduct a hall of fame of its own a few years ago.

Carlson said the conference was a different experience since he and Brockway were surrounded with very enthusiastic people. He said he looks forward to the partnership that is being developed between NASCO and NAHC to support future cooperative development. [CHB](#)



Mike Beall, president and CEO of NCBA CLUSA International, delivers the keynote address.

## Keynote Speaker Beall, NCBA Executive, Speaks about Cooperation among Cooperatives

Mike Beall, president and CEO of National Cooperative Business Association (NCBA) CLUSA International, spoke on the Co-op Connection: The Power of Principle 6 based on the International Cooperative Alliance's (ICA) principle, cooperation among cooperatives. According to ICA, "Cooperatives serve their members most effectively and strengthen the cooperative [movement] sector by working together through local, national, regional and international structures." Beall said cooperatives often lack the necessary resources to meet all the needs of its members and can achieve greater economies of scale by working with other cooperatives.

## NAHC, NCBA, and FEMA

To practice principle 6, NCBA is working with NAHC on the challenges and issues it faces with Federal Emergency Management Administration (FEMA). FEMA categorizes cooperative and condo associations as "businesses," deeming them eligible only for loans and not FEMA grants. Legislators believe owners of cooperative housing and condominiums are discriminated against under current FEMA policy. For example, when making their interpretations on disaster assistance, housing cooperatives and condos are treated differently when compared to single-family homes. Efforts to change the Stafford Act are to confirm that cooperatives and condos are not businesses but owner-run communities deserving of FEMA grants, just as those afforded to single-family residences. He cited a historical precedent. After Hurricane Wilma in Florida in 2005, condominium and homeowners' associations lobbied for assistance to pay for removal of storm debris, to no avail.

## NCBA CLUSA, NAHC, and Congress

NCBA CLUSA is working with NAHC to reach out and educate members of Congress for support of FEMA reform legislation. NCBA CLUSA has collaborated closely with the bill sponsor in the House, Rep. Steve Israel (D-NY). NCBA CLUSA galvanized its members, urging them to reach out to their representatives, connected with the media on key issues, and suggested modifications in support of NAHC and its members.

Established in 1916, NCBA CLUSA is the oldest and largest U.S. trade association for the cooperative sector—representing all cooperative sectors: housing, insurance, marketing, manufacturing, technology, utility, agriculture, child care and preschool, credit unions, financial services, food, funeral and memorial, societies, and healthcare.

Due in part to NCBA CLUSA and NAHC's combined efforts with Rep. Israel, FEMA was required to provide a report with options as a result of language that was included in the FY2014 Consolidated Appropriations Act (P.L. 113-76). This law required FEMA to describe current eligibility of members for disaster relief under the Individual Assistance Program (IA) and give a description of availability of IA for members and residents to pay for common areas. The law also compelled FEMA to provide options, including statutory changes, for housing cooperatives directly eligible for federal disaster assistance based on disaster to common areas through an existing program or a new program.

Housing cooperatives members and owners remain eligible for federal assistance for temporary housing and for repairs inside their individual units. Before Hurricane Sandy, most housing cooperative and condo associations had a master insurance policy to cover common area repairs such as the roof, the boiler, the hallways, and entrance, and other building components, but the insurance settlements were not enough to make the repairs necessary to make the areas habitable. The FEMA report from the FY2014 Consolidated Appropriations Act reaffirmed the need for statutory changes as provided in the Israel/Schumer bill. Its premise relates to fairness, i.e. that condominium or housing cooperative associations cannot receive FEMA assistance to supplement their insurance settlement for repairs to common areas that other single-family homeowners can or even receive an advance while waiting for an insurance settlement. **CHB**

**29,000 cooperatives exist in the U.S., creating 2 million jobs and generating \$652 billion in annual sales and \$3 trillion in assets.**



# Member Recognition

## Beall Garner the President's Award

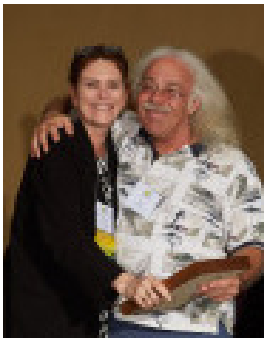
NAHC President Greg Carlson presented the President's Award to Michael Beall, president and CEO of the National Cooperative Business Association (NCBA) CLUSA International. Beall received the President's Award for assisting NAHC with ongoing cooperative legislative issues.

Carlson said Beall went "above and beyond his expectations." He and his staff met numerous times with NAHC representatives. Beall also assigned his government relations specialist to closely work with NAHC senior policy specialist Judy Sullivan on the FEMA, reverse mortgage, and veterans' mortgage issues.



**Mike Beall, president and CEO of NCBA CLUSA International, accepts the President's Award from President Greg Carlson.**

## Indiana Cooperator's Service Deemed Distinguished



**Member Services Chair Linda Brockway presents Edward Bruenjes, president of Lincoln Village Cooperative in Columbus, Ind., with the Distinguished Service Award.**

Edward Bruenjes of Lincoln Village Cooperative in Columbus, Ind., received the Cooperative Distinguished Service Award. Bruenjes, an active member of Lincoln Village for more than 25 years, is president, previously serving as secretary and treasurer. He has been instrumental in obtaining a decoupling 223(f) refinancing loan and guiding the cooperative through major renovation. As a member of the selection committee, he interviews and provides orientation to each new cooperator. In addition, Bruenjes has developed several member activities and programs for which he volunteers such as the bike safety training and

the annual cooperative yard sale.

The Cooperative Distinguished Service Award recognizes the outstanding service of a cooperative member to cooperative housing through better serving its members.

## Illinois Cooperative Star Shines at Conference

River Oaks Towne Houses Cooperative in Calumet City, Ill., garnered the Cooperative Star Award, based on the realization of its mission "to ensure that their members are provided with an affordable, well maintained and diverse cooperative community that enhances their social living experiences."

Communication is an important tool in fulfilling the social living aspect of River Oaks Towne Houses' mission. Thus, it keeps its membership informed of cooperative matters via a monthly newsletter, calendar,



**Member Services Chair Linda Brockway presents Terra Patterson, manager of River Oaks Towne Houses Cooperative in Calumet City, Ill. with the Cooperative Star Award.**

flyers, regular board meetings, its website, and Facebook page. Communication also fosters cooperation which enabled the membership to select their own cabinets, countertops, and flooring color preferences during a 2013 renovation of kitchens and bathrooms. This cooperation extends to the membership, property, activities, and committees.

Education is also a linchpin of the cooperative. During the membership selection process, the cooperative teaches its new members about self-responsibility, cooperation, democracy, and equality within the community. To keep abreast of cooperative developments, board and committee members take classes at the annual conferences of NAHC and the Midwest Association of Housing

Cooperatives and participate in fair housing training.

In conducting community outreach, the cooperative offers its clubhouse as a polling place during election season and allows the local alderman to speak to the public, along with city representatives who carry out pet and voter registration and other services for members.

The Cooperative Star Award recognizes housing cooperatives that demonstrate sound leadership, management, and housing value for their members and have systems in place to assure prudent preservation of their members' interests. Eligible candidates are housing cooperatives that honor the basic principles of cooperative housing, certify that systems are in place to provide safe, sound, and valuable housing for their members, and certify that systems are in place to protect the interests of their members.

## Illinois Manager Receives the Ida Fisher RCM Award

For the first time in Registered Cooperative Manager (RCM) history, the Board of Governors bestowed the Ida Curtis Fisher RCM Award. Its first recipient is Brian Ross, an eight-year manager of the Gill Park Cooperative in Chicago, Ill. for his demonstrated professionalism and work ethic.

In the words of Ross, "Being a manager is not just coming to work and sitting in the office but joining the community, their movement, and being part of it is what it takes to be a successful manager." A typical example of how strongly Brian is committed to the cooperative was witnessed when a member's unit recently caught fire. He rushed to the building and stayed until everything was under control, and the member's unit was secured. Brian has established outstanding relationships with members and has gained a reputation and respect to the point that many members

Continued on page 13 >



**Vice President Fred Gibbs presents Brian Ross, manager of the Gill Park Cooperative in Chicago, Ill. with the Ida Curtis Fisher Award.**

seek counseling and guidance from him. When he saw a member under financial stress, he went out of his way to present her with a coffee machine to help her save money. He is also devoted to the cooperative's Annual Back-To-School Program. He often uses his car to pick up children's school supplies and food and sees the program to its successful completion, including cleaning up before departure.

"Brian is one to be admired, always reliable, dependable, energetic, a great team player, and a hardworking fellow respected and acknowledged for his continuous dedication to help the cooperative achieve

its goals and mission," said Gill Park treasurer Sarah Yankey Frempong.

The Ida Curtis Fisher Registered Cooperative Manager of the Year Award honors the RCM who has demonstrated outstanding dedication by devoting time, energy, and talent to the RCM program and the local cooperative housing industry. The award was established in 2013 in memory of Ida Curtis Fisher and her efforts and devotion to the cooperative housing community.

Ms. Fisher was one of the founders of the RCM program and authors of the original RCM training materials. Her efforts and devotion to the cooperative housing had been recognized by the Voorhis award in 1992. **CHB**

## Eight New Managers Join RCM Ranks, 19 Recertified

**E**ight cooperative managers completed the two-day Registered Cooperative Manager (RCM) certification program at the NAHC annual conference in St. Thomas, U.S. Virgin Islands. Managers who received their certificates and pins at the award luncheon were Cornelius Bracy, Ponderosa Estates, Marin City, Calif.; Erika Cannon, University Court, Newark, New Jersey; Sue Chen, St. Joseph's Community/Trinity Management, Roxbury, Mass.; Peter Condich, 820 W Bellplaine Cooperative, Chicago, Ill.; Denise Hill, Retreat Cooperative, Indianapolis, Ind.; Latasha Pipkins, Lakeview East Cooperative, Chicago; Tania Sylvester, Park Forest Cooperative 3, Area J, Park Forest, Ill.; and Kimalee Williams, Faith Asset Mgmt., LLC, East Hartford, Conn.

Nineteen registered cooperative managers also successfully passed the recertification class. They were Kelly Barth, Rose Hill Townhouses, Commerce City, Colo.; Joe Beatty, Kirkpatrick Management Company, Indianapolis; Karen Harvey, Concord Consumer, Trenton, Mich.; Roger Hall, Kirkpatrick Management Company; Valerie Hall, Kirkpatrick Management Company; Michelle Raymond, Concord Consumer; Sandy Isaac, Park Forest Cooperative IV Area E; Brendan Keany, Mutual



**New RCM are starting left: Denise Hill, Cornelius Bracy, Kimalee Williams, Tania Sylvester, Erika Cannon, Peter Condich, Sue Chen, Fred Gibbs, Ralph Marcus, Greg Carlson, and Latasha Pipkins.**

Redevelopment, New York, New York; Christine Leake, Northwest Cooperative Homes, Washington, D.C.; Natalie Mabbitt, Kirkpatrick Management Company; Sandra Merriman, Lakeview Terrace Cooperative, Indianapolis; Carol Mosqueda, Florin Gardens Cooperative East #1, Sacramento, Calif.; Greg Nolan, Kirkpatrick Management Company; Melinda Richards, Concord Consumer; Steve Sarine, The Co-Optimist Group, Sacramento; Hope Turner, Concord Consumer; Akua Warren, Florin Gardens Cooperative East #1; Tammie Williams, Mayfield Green Cooperative, Indianapolis; and Linda Yaden, River House Cooperative, Troy, Mich. **CHB**



**starting left: Melinda Richards, Hope Turner, Akua Warren, Sandra Merriman, Linda Yaden, Natalie Mabbitt; next row: Valerie Hall, Michelle Raymond, Christine Leake, Carol Mosqueda, Karen Harvey, Joe Beatty; last row: Greg Carlson, Ralph Marcus, Fred Gibbs, Kelly Barth (beneath Gibbs), Sandy Isaac (next to Barth).**



# Membership Re-Elects NAHC Board Members

At the October 2014 Annual Meeting of Members, the membership reelected; Richard Berendson, Fred Gibbs, Stephen Sarine, Stephen Somuah, and Ruthie Wilder and for a one-year term, Roger Willcox.

Berendson is president of the Midwest Association of Housing Cooperatives. Gibbs is owner of FKGibbs Company, LLC in Kansas City, Mo. Sarine is president and senior living consultant of the Co-optimist Group in the Sacramento, Calif. area. Somuah is a member of the Lake View Towers Residents in Chicago. Wilder is PAHC assistant treasurer; and Willcox, NAHC president emeritus.

The Council of New York Cooperatives & Condominiums (CNYC) reappointed NAHC's newest board member, Leon Y. Geoxavier. Geoxavier, who was first appointed to the NAHC after the 2013 Annual Meeting, is a member of CNYC's board and is president of the Jackson Heights Residential Cooperative: Southridge Cooperative Section #1, Inc. Professionally, Geoxavier is an architect

(restoration consultant) who works extensively with cooperatives and condominiums. He said he is honored to be appointed to the NAHC board and has enjoyed attending meetings and conferences and working with committees, specifically the governance committee. He hopes that by forging toward mutual legislative goals will help bridge the divide between cooperatives from different regions.

During the meeting, members heard officers' and committee reports, approved last year's minutes, and appointed association board members.

After the meeting, the board reelected the following officers: Chairman Ralph Marcus, CEO and owner of Marcus Management Inc. in Farmington Hills, Michigan.; President Gregory Carlson, executive director of the Federation of New York Housing Cooperatives and Condominiums and president of Carlson Realty; Vice President Gibbs; Secretary Anne Hill, PAHC president; and Treasurer Linda Brockway, president of Economic Consultants for Housing Opportunities, Inc. [CHB](#)



## Senior Living at its Best

CSI Support & Development is a resident/member controlled organization that utilizes a cooperative management system and engages its resident membership in decision-making at every level of its operations.



### MICHIGAN

Belleville  
Carleton  
Dearborn Heights  
Detroit  
Ecorse  
Flat Rock  
Hazel Park  
Highland Park  
Kalamazoo  
Madison Heights  
Pontiac (Coming Soon)

### Plymouth

Riverview  
Romulus  
Royal Oak  
Southgate  
Trenton  
Warren  
Wyandotte

### MARYLAND

Baltimore  
Essex  
Randallstown

### MASSACHUSETTS

Charlestown  
Chelsea  
Everett  
Jamaica Plain  
Revere  
Roslindale  
South Boston

### CALIFORNIA

Beaumont  
Berkeley  
Cathedral City

Gardena  
Irvine  
Lawndale  
Maywood  
Moreno Valley  
North Hollywood  
Ontario  
Palm Springs



Our resident members benefit from:

- Democratic Control
- Diversity & Open Membership
- Continuing Education
- Social Interaction
- Senior Empowerment
- Not-For-Profit Operation



# 2015 Inductees for Cooperative Hall of Fame Announced

Four cooperative leaders will receive the cooperative community's highest honor on Wednesday, May 6, 2015, when they are inducted into the Cooperative Hall of Fame.



**Ann Hoyt**



**Daniel T. Kelly**



**William J. Nelson**



**Judy Ziewacz**

The inductees are consumer cooperative advocate and educator Ann Hoyt, retired professor and department chair of the University of Wisconsin-Madison (UW-M) Department of Consumer Science; cooperative agri-business leader Daniel T. Kelly, former GROWMARK, Inc. board chair; cooperative educator William J. Nelson, vice president of Corporate Citizenship and president of the CHS Foundation; and cooperative development strategist Judy Ziewacz, former executive director of the Cooperative Development Foundation.

Hoyt, an internationally known expert on cooperatives, began her distinguished career in the 1960s as a member of the Berkley Consumer Food Co-op. Her academic interest in cooperatives took root in graduate school at University of California at Davis, where her master's thesis focused on the Consumer Cooperative of Sacramento.

Hoyt was elected to the board of the National Cooperative Bank (NCB) in 1982. In 1985 she joined UW-M Department of Consumer Science and the UW Center for Cooperatives. In 1992 she began serving on the board of NCBA CLUSA where she served as chair from 2004-2006. In 1994 she was elected to the board of the UW Credit Union where she served as chair from 1996 to 2005.

Kelley's introduction into the cooperative sector began in 1970 when as a full-time farmer he joined his local cooperative, Evergreen FS. He later served as president of the organization from 1985 to 2008. During his tenure at GROWMARK, Inc., AgriVisor, a grain and livestock marketing analysis and brokerage service, was initiated which is a joint venture between the company and Illinois Farm Bureau.

In the 1980s, Kelley worked to reform the Farm Credit Banks, creating a foundation for success that co-ops, the Farm Credit System, its member-owners, and rural communities enjoy today. Kelly is on the board of Nationwide Mutual Insurance Company, CoBank, and Illinois Agriculture Leadership Foundation, which he chairs.

Nelson's involvement in cooperative education also began in the 1970s while serving as community education director for the Minneapolis public school system, focusing on connecting urban and rural schools around food and hunger issues. In this role, Nelson was first introduced to a new wave of food cooperatives in the Twin Cities. Later Nelson spent 13 years at the University of Minnesota-Waseca, teaching

courses on cooperatives, agriculture, entrepreneurship and leadership.

In 1992, Nelson joined CHS Inc. to revitalize its cooperative education grants program. Today the program works closely in conjunction with the newly established CHS Center for Cooperative Growth. In his current position, Nelson provides leadership to CHS Stewardship activities, including support of cooperative education programs. Through his tenure as president of The Cooperative Foundation, Nelson helped expand support for cooperative development, extension, education, and research. Nelson also serves on the National Council on Farmer Cooperatives' executive education committee, as well as the board of directors for NCBA CLUSA and the Farm Foundation.

For more than 35 years, Ziewacz has championed cooperative development. An early career in politics saw her, at age 26, named the youngest female chief of staff on Capitol Hill. Ziewacz became well versed in rural development, agriculture, and farm credit, including the myriad cooperative enterprises that support them. She later worked as chief lobbyist for Wisconsin Federation of Cooperatives where she played a key role in advancing legislation to foster cooperative growth and helped propel passage of major revisions to Wisconsin's cooperative statute. In 1985, she was instrumental in launching the nation's first statewide cooperative development center-the Wisconsin Cooperative Development Council, now known as Cooperative Development Services.

Ziewacz was a driving force behind the creation of favorable federal policy for dairy cooperatives and the establishment and funding of the Rural Cooperative Development Grant Program in the 1990 Farm Bill. In 1996, she became the executive director of the Cooperative Development Foundation and later led the application process to secure DotCoop as a new top-level Internet domain for use by the international cooperative community. Ziewacz currently serves on the boards of NCB and Capital Impact Partners and chairs the cooperative development committees of both organizations.

These cooperative leaders will be recognized at the annual Cooperative Hall of Fame dinner and induction ceremony at the National Press Club in Washington, D.C. In conjunction with the ceremony, a public forum on cooperative development and leadership will be held in the afternoon. [CHB](#)

## Cooperative President Helps Launch New Cooperative

Briarcrest Estates, the New Hampshire manufactured housing park, is up and running as a cooperative. With financing from TD Bank and the New Hampshire Community Loan Fund, the conversion took place in April 2014. Briarcrest, with 241 units, is the third largest park in the state. Orry Gibbs, president of nearby Lakemont Cooperative, agreed to serve on the interim board of Briarcrest, having been a resident of Briarcrest

of which \$677,000 represents debt service on the \$10 million financing package to purchase the park. The operating budget is about \$200,000, and another \$60,000 is designated for capital improvements, including equipment purchases. The budget includes a projected rent increase of \$10, which is less than the last increase set by the former owner.

## Developer Targets Younger Seniors with Lakeside Cooperative

Ecumen, a non-profit senior living organization affiliated with the Evangelical Lutheran Church and based in Shoreview, Minn., is developing an age-55 and older cooperative in Minnetonka. The proposed \$20 million project calls for a 58-unit complex to be located on the north shore of Glen Lake near two other senior housing developments. The proposed project is the first of five senior cooperatives Ecumen plans to pursue in the Twin Cities. Ecumen's other developments have included assisted living, continuing care, and independent living facilities serving 12,000 seniors in six states. [CHB](#)



**Briarcrest Estates is New Hampshire's largest manufactured housing park.**

for 22 years before moving to Lakemont. Gibbs said that 173 of the 240 current households have joined the cooperative, and membership is steadily rising. She said that new tenants are required to join the cooperative.

The interim board was convened to pursue and complete the acquisition of the park. The annual budget is approximately \$1 million



**A rendering of a proposed senior cooperative housing project proposed on Glen Lake in Minnetonka.**

## Cooperative Housing Association of New England

### THE COOPERATIVE HOUSING ASSOCIATION OF NEW ENGLAND

(CHANE) has added three new members and continues to grow its database of Connecticut and Massachusetts cooperatives through grassroots efforts that include scouring the secretary of state website, and collecting old HUD and State Finance Authority data. Additionally, NCBA CLUSA recently offered to forward any data it had in its national registry once it was updated.

## The Council of New York Cooperatives & Condominiums



Leon Geoxavier

### THE COUNCIL OF NEW YORK COOPERATIVES & CONDOMINIUMS

(CNYC) held its 34th annual housing conference on November 16, 2014, at Baruch College in New York City. Once again, several NAHC members took classes, saw old friends, and helped staff the NAHC booth in the Exhibit Hall where CNYC members received NAHC literature and learned more about the activities of NAHC.

NAHC board members Hugh Jeffers of Oakmont, Pennsylvania, and Stephen Somuah of Chicago participated, and, as in years past, St. Joseph's Homes near Boston sent a delegation.

NAHC members were among the speakers as well. NAHC board member Linda Brockway and President Greg Carlson taught a new class called Exploring Ethical Challenges, and Carlson also taught a class named Successful Interface of Board and Management. NAHC board member Leon Geoxavier presented a class detailing new New York City laws affecting cooperatives and condominiums. He also led a discussion group about special issues that arise in multi-building cooperatives.

CNYC will hold its 35th annual housing conference on Sunday, November 15, 2015, at the Conference Center at Baruch College. NAHC members are welcome to attend at the member rates. CNYC also presents evening classes throughout the year on topics of interest to New York cooperatives and condominiums. These are listed on the CNYC website at [www.CNYC.coop](http://www.CNYC.coop).

## CSI Support & Development Services

CSI SUPPORT & DEVELOPMENT SERVICES launched its year-long 70th anniversary celebration in December. CSI was incorporated in 1945 and forged a long history with a cooperative milk dairy, an optical service, and a credit union before moving on to affordable housing and the development of Wyandotte Co-op in 1965. CSI has come to specialize in cooperatively managed, affordable, rental housing throughout the years and today successfully manages 58 cooperatives

throughout four regions. To join the celebration, "Like" CSI's Facebook page at [www.facebook.com/csisupport](http://www.facebook.com/csisupport). Throughout the year, CSI will share archived photos and memorabilia.

CSI's Board of Directors for 2014/15 consists of Charlotte Lann (MD, president), Billie J. Walker (MA, vice president), Ethel Young (MD, treasurer), Barbara Shumake (MI, secretary), Suzanne Beattie (MI), Thomas Cooper (CA), Dorothy Duiguid (MI), John Gordon (CA), Mary Lacey (MA), Rudy Livernois (MI), Annie Mitchell (MI), Clarita Palma (CA) and Mildred Stanley (MI). In early October, the 13-member CSI Board assembled in Michigan. Over a period of four days, the board members received extensive training from the Michigan management staff, visited several Michigan cooperatives and learned about their roles on the board of directors.

## The Federation of New York Housing Cooperatives and Condominiums

### THE FEDERATION OF NEW YORK HOUSING COOPERATIVES AND CONDOMINIUMS

(FNYHC) has been active working on the city level on numerous legislative and regulatory initiatives.

The Federation also collaborates with its sister organization, the Council of New York Cooperatives and Condominiums (CNYC). Having completed several Basic Co-op 101 courses together, CNYC and the Federation are planning more for 2015.

CNYC Executive Director Mary Ann Rothman and Federation Executive Director Greg Carlson are on the reconstituted Queens Borough President's Coop/Condo Task Force. This task force usually focuses on local issues but at the last meeting a good part of the meeting was dealing with FEMA issues.

Rothman and Carlson are talking to legislators and administrative officials on cooperative issues. Cooperative abatement program, reducing cooperative members' real estate tax, is set to expire in June 2015. CNYC and the Federation are exerting much energy to get an extension of the abatement program while both the city council and Mayor de Blasio's administration are proposing an extensive real estate tax overhaul. Mayor de Blasio has issued a 114-page plan to reduce the carbon footprint by 80% by 2050. According to the report, buildings cause most of the city's carbon emissions. CNYC and the Federation will be meeting with officials to learn more details of the plan.

The Federation is also partnering with the NYC Housing Authority to preserve a 475-unit affordable cooperative in which the agreement between the cooperative and the city is expiring.

## Potomac Association of Housing Cooperatives

### AT THE POTOMAC ASSOCIATION OF HOUSING

COOPERATIVES fall workshop, 36 members representing nine cooperatives and one management company learned about the

Continued on page 18 >



traits of boards of directors and the fundamentals for carrying out the board's fiduciary duties. PAHC board officers, Ruthie Wilder, Myrine Buford and Maxine Lyons served as panelists for the cooperative boards of directors fall training on November 8, 2014 at Benning Road Cooperative, Inc. in Washington, D.C.

The goal of the course was to assist board members in becoming better directors and in promoting and encouraging the highest ethical behavior through basic honesty and good business practices. The discussion focused on roles and

responsibilities (do's and don'ts), corporate governance, ethics, conflicts of interest, and directors and officers insurance.

From the evaluation sheets, favorable responses were overwhelming. Of the 32 evaluations submitted: sixteen rated all 5s; five rated all 4s; nine rated 5s and 4s; and two rated 4s and 3s. The overall average rating score was 4.8 out of 5.0.

The PAHC 2015 conference will be held at the Clarion Resort Fountainbleau Hotel in Ocean City, Md., April 23-25, 2015. [CHB](#)

## WINTER/SPRING COOPERATIVE CALENDAR

### FEBRUARY

**21-22** NAHC Board of Directors Meeting in Chicago

### MARCH

**7** Washington Metropolitan Chapter Community Associations Institute Conference & Expo; Walter E. Washington Convention Center in Washington, D.C.

### APRIL

**11-16** Midwest Association of Housing Cooperatives Annual Conference; Royal Caribbean International Cruise to Mexico and Belize

**23-25** Potomac Association of Housing Cooperatives 39th Annual Conference; Clarion Resort Fontainebleau Hotel in Ocean City, Maryland

### MAY

**1-3** NAHC Board of Directors Meeting; Washington, D.C.

**4-6** National Cooperative Business Association CLUSA International's Annual Cooperatives Conference; National Press Club in Washington, D.C.

**6** Cooperative Development Foundation Cooperative Hall of Fame and Issues Forum; National Press Club in Washington, D.C.

**7** National Cooperative Bank Annual Meeting; Location to be determined



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## NY Cooperative to Vote on Future as Limited Equity

**MEMBERS OF SOUTHBRIDGE TOWERS** in New York City will soon vote on converting from a limited equity cooperative to a market rate cooperative as reported in the [New York Times](#). Shares for a one-bedroom unit which cost on average \$17,500 when the cooperative was formed in 1971, could resell for as much as \$550,000, and real estate experts estimate that shares for a three-bedroom unit could top \$1 million.

The 1,651-unit co-op is located in lower Manhattan near the Brooklyn Bridge. Southbridge Towers was built under New York's Mitchell-Lama program that provided low-interest loans and qualified the property for very low real estate taxes. Mitchell-Lama buildings are either rent controlled privately owned buildings or limited equity co-ops. About half of the rental buildings have converted to market rate in recent years as affordability restrictions expired. But only seven of 97 co-ops have opted to go market so far. One factor keeping the co-ops as limited equity is the property tax break. Taxes today on Southbridge are \$1.6 million (about \$1000 per unit), but if the cooperative went market rate, taxes would jump to about \$8.1 million, almost five times the current rate, and that would affect affordability. Carrying charges, now as low as \$620 per month would need to increase by 50% just to pay the property tax increase.

After an eight year debate on what to do, the board plans to present a three-part plan for member approval. A two-thirds vote is required. If the plan passes, members will have three choices. Those who choose to sell at market can do so, but they will incur a "flip tax" of up to 33% of the proceeds as well as various other taxes and fees, resulting in a significantly reduced windfall profit. Members who want to walk away will get their original share price plus interest. Members who want to stay can convert to rental status getting their original share price plus interest and be guaranteed that monthly rents will increase by no more than 5% per year. People who buy at market rate can resell later at market and pay a 2.5% flip tax. The cooperative will use the flip tax proceeds to subsidize monthly rents and keep them affordable.

## Engagement, Volunteering Can Prevent Youth Disconnection from School, Work

**CERTAIN TYPES OF CIVIC ENGAGEMENT** predict positive outcomes for at-risk and low-income youth, according to a report released by Opportunity Nation with support from the Citi Foundation. *Measure of America, Connecting Youth and Strengthening Communities: The Data Behind Civic Engagement and Economic Opportunity* finds that across the 25 largest metro areas

the chance of becoming disconnected from work or school drops in half (from 11.1 percent to 5.7 percent) when young adults volunteer. In addition, income inequality tends to be lower in places with higher rates of volunteerism. The report notes that through volunteering and civic engagement, young adults can build skills that link them to mainstream opportunities in education and careers.

## California Governor Brown Signs Cooperative Housing Bill

**CALIFORNIA GOVERNOR JERRY BROWN** signed AB 569, which will facilitate cooperative housing development in California, especially the creation of Limited Equity Housing Cooperatives (LECs).

AB 569 will remove two of the most significant barriers to develop new cooperatives and make one minor amendment to facilitate the operation of smaller housing cooperatives. Currently, the California Subdivided Lands Act prohibits the sale of housing cooperative shares when the units are subject to a mortgage secured by the entire property, which has the effect of banning housing cooperatives since most cooperatives finance the purchase of a building with a single blanket mortgage. AB 569 creates safeguards to protect members of cooperatives while allowing a cooperative to actually obtain a mortgage.

A second barrier for new cooperatives is the requirement to provide a public offering statement to buyers. Current law allows LECs to secure an exemption from the costly public offering statement requirement if the LEC operates under a regulatory agreement with a government financing agency. AB 569 adds state or federally chartered credit unions and state or federally certified community development financial institutions (CDFIs) to the list of financing agencies that can qualify an LEC for the public offering statement to buyers' exemption.

California's existing law spells out election procedures that are burdensome to small cooperatives, especially those in which all members serve on the board of directors (collectively governed co-ops). AB 569 exempts collectively governed cooperatives from election procedures in current law. [CHB](#)

## Cooperative Leader Heads Treasury Program



**Annie Donovan** is the new director of the Community Development Financial Institutions (CDFI) Fund, a U.S. Treasury Department program. As director of the 20-year-old fund, Donovan oversees the expansion of access to capital and financial services in critically underserved urban, rural, and tribal communities where one of the biggest obstacles to economic development is a lack of access to mainstream sources of private sector capital.

Donovan joined the treasury department from CoopMetrics where she served as CEO and led the firm's work to provide high quality, affordable business intelligence tools to small businesses and nonprofits seeking to improve financial management, better measure social impact, and increase capacity for innovation. Prior to that position, she was a senior policy advisor at the White House, working collaboratively with the Office of Social Innovation and the Council on Environmental Quality. Donovan's professional experience also includes having served as the chief operating officer of NCB Development Corporation (now Capital Impact Partners), a certified CDFI focused on education, healthcare, long-term care, and affordable homeownership finance.

## HUD Releases Guide for Establishing Smoke-Free Policies

**HUD RECENTLY RELEASED *CHANGE IS IN THE AIR***, an action guide for voluntarily establishing smoke-free policies in public housing and HUD-assisted multifamily housing. Encouraging smoke-free housing is part of a nationwide Healthy Homes effort involving coordination among federal agencies to address housing-related health hazards.

HUD issued a *Federal Register* notice on October 4, 2012 asking for public comment regarding how HUD could continue to support implementation of smoke-free policies. A summary of comments is included in an appendix to the guide. HUD has strongly encouraged public housing agencies and multifamily owners to voluntarily adopt smoke-free policies at some or all of their properties.

For a copy of *Change is in the Air* is at <http://portal.hud.gov/hudportal/documents/huddoc?id=SMOKEFREEACTIONGUIDE.PDF>

## Housing Trust Fund Receives Funding After 6 Year Wait

**THE FEDERAL HOUSING FINANCE AGENCY (FHFA)** recently directed Fannie Mae and Freddie Mac to begin setting aside and allocating funds to the Housing Trust Fund and the Capital Magnet Fund (CMF) pursuant to the Housing and Economic Recovery Act of 2008 (HERA). HERA required that Fannie Mae and Freddie Mac pay 4.2 basis points of their annual volume of business to the two funds. The NHTF was to receive 65% and the remaining 35% was to go the CMF. But HERA also authorized FHFA to temporarily suspend these allocations while Fannie Mae and Freddie Mac were in conservatorship, and FHFA did just that in 2008. FHFA has notified Fannie Mae and Freddie Mac that FHFA has reversed the temporary suspension.

The Trust Fund will provide block grants to the states, at least 90% of which must be used for the preservation, rehabilitation, or operation of rental housing. No less than 75% of the funds for rental housing will benefit extremely low income households with the rest benefiting those with very low incomes. Up to 10% of Trust Fund resources may be used for homeownership activities, including cooperatives, for people with very low incomes. The first funds are expected to be allocated in early 2016. **CHB**



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