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# COOPERATIVE HOUSING QUARTERLY

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Winter 2020



## Cooperative Advocate Leads Washington, D.C.'s Efforts to Increase LECs

By Paul Hazen

I was sitting in the living room of a friend's home in Northwest Washington the spring of 2018, waiting to hear D.C. Council Member Anita Bonds make a campaign speech for a second term. Council Member Bonds is also the chair of the council's Committee on Housing and Community Development. I did not know much about Council Member Bonds even though we attend the same church, and I know several of her staff members. However, the first thing she said surprised me. Council Member Bonds said the solution to Washington D.C.'s affordable housing crisis

is limited-equity housing cooperatives. I thought to myself it is rare to have a policymaker promote cooperatives as a corner stone of their campaign. I should know. I have over 30 years' experience advocating for cooperatives in Congress.

In follow-up conversations with Council Member Bonds, I learned that she had taken it upon herself to visit several Mitchell Lama cooperatives in New York City. She was impressed with the size of the cooperatives and the strong community she witnessed inside the buildings. This was her inspiration for a new limited-equity housing cooperative initiative in our nation's capital. Several months later I received a call from Council Member Bond's staff asking me to become the chair of a task force on cooperative housing that she was proposing to the D.C. Council and mayor. The purpose of the Task Force would be:

"To establish a Limited-Equity Cooperative Task Force (LEC) to provide comprehensive policy recommendations, assist district residents and the district government with improving existing limited-equity cooperatives, establish new limited-equity cooperatives and help all limited-equity cooperatives succeed and prosper."

The task force was to have representatives from housing cooperatives, housing advocates and those who provide services to housing cooperatives such as financial institutions, lawyers, property managers and representatives of the D.C. government.

The other members of the task force are: Jade

Hall, Housing Counseling Services; Louise Howells, University of the District of Columbia Law School; Amanda Huron, University of the District of Columbia; Vernon Oakes, Oakes Management, Inc.; Lolita Ratchford, Ella Jo Baker Intentional Community Cooperative; Risha Williams, D.C. Housing Finance Agency; Ana

Van Belen, D.C. Department of Housing and Community Development; and Elin Zurbrigg, Mi Casa, Inc.

The task force began working in the fall of 2018 and throughout the winter and spring gathering information. We did not have a budget or any staff, and I soon learned there was little hard data on housing cooperatives in D.C. No one knew how many limited-equity housing cooperatives were in D.C. This was going to be a true grass roots volunteer effort. However, there was a study from 2004 by Kathryn Howell at Virginia Commonwealth University that assessed housing cooperatives and the support systems, but the data was out of date. I was afraid that without current data the task force's policy recommendations would not be taken seriously. However, the task force was grateful that the National Cooperative Bank, Capital Impact Partners and the Local Initiatives Support Corporation stepped forward and provided funds so that the study could be updated.

Washington, D.C., like most other major cities in the United States has an affordable housing crisis. However, low- and-moderate income families in D.C. have one advantage, the Tenants Opportunity Purchase Act (TOPA). The D.C. Council passed

**The solution to Washington D.C.'s affordable housing crisis is limited-equity housing cooperatives.**

— D.C. Council Member Anita Bonds

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## COOPERATIVE HOUSING QUARTERLY

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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.

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

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By Fred Gibbs

## Reach Out to Those Least Likely to Apply to Join Your Cooperative



**Fred Gibbs**  
President

**THOSE OF US WHO** operate in the world of U.S. Housing and Urban Development (HUD) compliance know all too well the requirement to draft and implement an approved Affirmative Fair Housing Marketing Plan (AFHMP). The purpose of this plan is to ensure diversity in communities that benefit from HUD funding and affiliation as well as to attract those who are least likely to apply. HUD form

235.2A and its companion worksheets are used to draft the plan that is submitted to the office of Fair Housing and Equal Opportunity for review and approval.

Many housing cooperative communities do not have HUD affiliation and therefore are not required to complete this document nor have any knowledge that it even exists. In this welcomed moment of heightened social awareness, cooperative boards would do well to consider a method of measuring community demographics and addressing any disparities they discover. With or without HUD oversight, cooperative communities should seek to adopt methods to test their demographics and make policy changes that would result in communities that reflect the overall market demographics.

It may be surprising to many cooperators that their communities have been socially engineered toward specific demographic trends. For years developers, city planners, investors and local government officials have perpetuated practices that resulted in economic, racial and ethnic imbalances in cities across America. One of the architects of this type of development, Jesse Clyde "J.C." Nichols of Kansas City, Mo., began a practice of developing communities that were designed to influence city planning to ensure restrictive housing segregation in perpetuity. Nichols' ideas about real estate and planning helped to shape methods for restrictive covenants and zoning. This occurred, not only in Kansas City, but in many major cities across America. Author Tanner

Colby captures much of the history and the lasting effects of Nichol's practices. These practices may have influenced the communities surrounding your cooperative.

No one will argue the need for a comprehensive marketing strategy. However, once you compare your demographics with those of your census tract, city or county, your need to expand that strategy to appeal to those least likely to apply will become evident. The value of a diverse community pays huge dividends to cooperative members in many ways. By fostering an open policy related to membership, the cooperative can guarantee its survival as municipalities seek to gentrify neighborhoods, raise taxes and affect property values. Dismantling economic dividing lines only serves to strengthen communities. Well-planned marketing is one important step to achieving this goal.

The tools to complete a solid marketing plan are free and available on HUD's website. Simply go to [www.hud.gov/sites/documents/935-2A.PDF](http://www.hud.gov/sites/documents/935-2A.PDF). You will find tools and instructions to perform a demographic analysis of your community. With a bit of imagination, you may expand this analysis to include income levels, family composition and much more. Reach out to find those who are least likely to apply and raise the value of your cooperative community. [CHQ](#)

**By fostering an open policy related to membership, the cooperative can guarantee its survival as municipalities seek to gentrify neighborhoods, raise taxes and affect property values.**

### Free Pharmacy Discount Cards and Cooperative Healthy Savings Program



The Cooperative Healthy Savings (CHS) Program is for families living in NAHC member cooperatives. The Cooperative Healthy Savings Program provides pharmacy discounts that make getting prescriptions simple and more affordable. This is a prescription discount plan, not insurance.



# Fair Housing, Discrimination and Sexual Harassment: The Law, Examples, and Best Practices to Avoid Discrimination and Sexual Harassment Claims

By Matthew T. Nicols

With discrimination claims on the rise and the possible expansion of protected classes (i.e., sexual orientation or transgender status) from a recent United States Supreme Court opinion in *Bostock v. Clayton Cty, Georgia*, Nos. 17-1617 et. al., 590 U.S. \_\_\_, (more) 140 S. Ct. 1731 (2020), in which the court held that under Title VII, it is unlawful discrimination for employers “to fail or refuse to hire, or to discharge any individual, or otherwise discriminate against any individual” because of their sexual orientation or transgender status, there is never a better time for housing cooperatives to refresh their knowledge of fair housing and employment issues. The law pertaining to fair housing, discrimination and sexual harassment claims are ever evolving and a complex field, so knowledge of key factors and best practices will put cooperatives in a better position to avoid unwarranted discrimination lawsuits. First, a recap of some fundamental laws, concepts and illegal conduct.

## The Fair Housing Act and the Protected Classes

The Fair Housing Act makes it unlawful for a housing provider to discriminate on the basis of race, color, religion, sex, national origin, familial status or handicap (42 U.S.C. 3601 et seq). These groups, or categories, are known as the “protected classes.” With the recent United States Supreme Court’s decision in *Bostock*, supra, ruling that one’s sexual orientation and transgender status falls within the meaning of “sex” for purposes as a protected class although the case involved an employment Title VII discrimination case because the Fair Housing Act prohibits discrimination on the basis of sex, it is likely that the court’s conclusions in *Bostock* may be equally applied to other federal statutes’ meanings of this term and protected classes.



Matthew T. Nicols is an associate attorney at the Pentiuk, Couvreur & Kobiljak, P.C., with offices in Wyandotte, Michigan and Chicago, Illinois. Nicols focuses his practice primarily in areas of cooperative housing law, and other community and condominium association law.

Within the more pragmatic application and concern for housing cooperatives, the Fair Housing Act provides a detailed list of prohibited and discriminatory conduct. The specific language, found at 42 U.S.C. 3604, are summarized by the following:

► In the sale and rental of housing, it is illegal to discriminate because of race, color, religion, sex, disability, familial status or national origin in the following ways:

- Refuse to rent or sell housing;
- Refuse to negotiate for housing;
- Make housing unavailable;
- Set different terms, conditions or privileges for the sale or rental of a dwelling;
- Provide a person different housing services or facilities;
- Falsely deny that housing is available for inspection, sale or rents;
- Make, print or publish any notice, statement or advertisement with respect to the sale or rental of a dwelling that indicates any preference, limitation or discrimination;
- Impose different sale prices or rental charges for the sale or rental of a dwelling;
- Use different qualification criteria or applications, or sale or rental standards, procedures, such as income standards, application requirements, application fees, credit history analyses or other requirements;
- Evict a tenant, member or guest;
- Harass a person. It is illegal under the Fair Housing Act to harass a person because of their race, color, religion, sex, disability, familial status or national origin. This includes sexual harassment;
- Fail or delay performance of repairs;
- Limit privileges, services or facilities;

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- Discourage the purchase or rental of a dwelling;
- Blockbusting; and
- Deny access to or membership in any multiple listing service or real estate brokers' organization.

In addition to these types of prohibited discriminatory conduct, the Fair Housing Act also requires housing providers to make reasonable accommodations to housing cooperative members and occupants to allow for reasonable modifications that may be necessary to allow a person with a disability to enjoy their housing. See Section 504 of the Fair Housing Act; 42 U.S.C. 3604(f)(3)(A) and (B). Lastly, it is important to know that discrimination also includes the threatening, coercion, intimidation or interference with anyone exercising their right or assisting another person exercising a right protected by the Fair Housing Act, including the filing of a fair housing complaint.

### **The Takeaway on Fair Housing for Cooperatives**

Housing cooperatives should have internal policies and procedures, including training materials for incoming staff that educate and remind staff of prohibited and discriminatory conduct in violation of the Fair Housing Act. These policies and internal guidelines, while not be foolproof, nor entirely insulating a housing cooperative from facing Fair Housing Act complaints should provide a basis and standard of conduct for the housing cooperative, its board of directors, committees, office employees and staff to avoid falling in situations and legal pitfalls that may cost the cooperative monetary and punitive damages.

### **Sexual Harassment and Safe Interactions**

While the Fair Housing Act prohibits discrimination based on the basis of one's sex, so do other federal laws such as Section 109 of the Housing and Community Development Act of 1974, Title IX of Education Amendments of 1972 and Title VII of the Civil Rights Act, which also prohibit sexual harassment and sexual discrimination. Sexual harassment claims typically arise in one of two main types of claims. First, are "quid pro quo" sexual harassment claims. In the context of fair housing, "quid pro quo sexual harassment" is best described as situations where the housing provider or staff requires someone to submit to unwelcoming requests to engage in sexual conduct in order to obtain or maintain housing or housing related services. Examples include, but are not limited to, situations where a staff member says that an applicant will not be reviewed or approved unless they succumb to sexual acts; threatening to evict or evicting a person for refusing to perform sex acts; and/or refusing to perform repairs unless the member or resident performs sex acts. Sex acts include a variety of things from sexual intercourse, the transmission of sexual content, photographs or videos (i.e. sending profane or pornographic pictures, text

messages, emails or other content), the uninvited touching or groping, making sexually explicit comments or remarks, catcalls, ogling or cornering someone. Inappropriate or sexually-content laden jokes can also be considered forms of sexual harassment.

The second type of sexual harassment claims include what is known as a "hostile environment" or "hostile work environment." This type of sexual harassment deals with the workplace environment. However, in the context of providing housing to others, such instances may include the following:

- Subjecting someone to severe or pervasive unwelcomed touching, kissing or groping. This may also include more subtle acts such as brushing up aside someone, breathing on someone or physically blocking someone's movement;
- Making lewd comments about a person's body, looks or appearance; and
- Sending severe or pervasive unwelcomed text messages, photos or content as described above.

The list of types and examples of acts, conduct, statements or cues that fall within the scope of sexual harassment are too long to list in a brief article. However, the important takeaway the reader should know is that sexual harassment does not merely consist of overt and grotesque acts. Sexual harassment can also be considered in many subtle ways, through actions or conduct, or even omissions, body language or other subtle gestures. With the United States Supreme Court's decision in *Bostock, supra*, it is ever more so important to be aware that sexual orientation and transgender status are considered to be a protected class within the meaning of "sex" in a Title VI employment case. Best practices and caution should be equally applied to housing. Nevertheless, this case shows additional layers and types of conduct, statements, acts or suggestions pertaining to one's sexual orientation or transgender status may also be considered sexual harassment under fair housing.

Housing cooperatives should at a minimum require a basic level of education and training pertaining to sexual harassment both in the work environment and in the fair housing realm. These trainings and programs should be made available for the cooperative's directors, officers, employees and staff. Given that the law is fluid and constantly changing with the times, continued education in this area is highly recommended and necessary. Further education is an obvious benefit to all. However, putting action to these best practices and the law may better insulate the housing cooperative from legal action and will also provide for a safer work and housing environment within the cooperative.

For more on sexual harassment in housing cooperatives, see *An Anti-Harassment Policy-A Model Policy-is Needed*, written by Herb Fisher and published in the summer 2018 issue of the *Cooperative Housing Quarterly*. [CHQ](#)

**Housing cooperatives should at a minimum require a basic level of education and training pertaining to sexual harassment both in the work environment and in the fair housing realm.**

this legislation in the 1970s that provides that if a building owner plans to sell or convert a rental property, they must provide the current residents first right to purchase. This often leads to the formation of the tenants' association and ultimately a housing cooperative. The catch is that the tenants only have one year to complete the transaction. The TOPA has ensured that thousands of affordable housing units have remained affordable.

In the early years of TOPA, the D.C. Council provided funds that supported the conversions by tenants' associations and housing advocates. Funding was available for education, training, feasibility studies, predevelopment funding and most importantly financing for building improvements and long-term financing. However, in the 1980s, D.C.'s city government experienced severe financial problems, and many of the programs that housing cooperatives accessed were underfunded or eliminated. Council Member Bonds and the task force set forth to change the current situation for preserving existing affordable housing units and creating new limited-equity housing cooperatives.

Today, D.C. has approximately 4,400 units of limited-equity housing cooperatives in 99 cooperative buildings. These units are spread across the city with more than half in low-income neighborhoods. Many cooperatives are in gentrifying neighborhoods representing a stable form of homeownership. A 2019 report from the National Community Reinvestment Coalition found that D.C. had the highest percentage of gentrifying neighborhoods of any major U.S. city. The task force knew that as housing prices continue to soar and lower-income residents find themselves squeezed into unaffordable housing or out of the city, there is a renewed sense of urgency.

To address the housing crisis in D.C., Mayor Muriel Bowser has set a goal of creating 36,000 units of new housing by 2025 including 12,000 units of affordable housing. The task force saw this commitment as an opportunity and proposed that the city should establish a goal of increasing the number of limited-equity housing cooperative units in D.C. by 45 percent by 2025 from 4,400 units to 6,400 units. Our strategy was to build upon the mayor's commitment and complement her larger goal, but we knew that a lot of work needed to be done to build an ecosystem that could support existing cooperatives and create a new generation of limited-equity housing cooperatives.

The task force began working on our understanding that limited-equity housing cooperatives are effective at creating and preserving affordable housing. Housing cooperatives provide stability in housing costs. Studies confirm that the average limited-equity housing cooperative carrying charge was less than half than the U.S. Department of Housing and Urban Development determined fair market rents for D.C. neighborhoods. For low-income people who could never qualify for a conventional mortgage, cooperatives offer a chance at homeownership and the opportunity to build wealth. Data shows that limited-equity housing cooperatives stay affordable longer than low-income tax credit projects. As owners, cooperative members build community; the property is better maintained, is safer and is often the anchor of the neighborhood. The task force's conclusion was that to meet the goal of creating more

cooperatives the city would need to invest in the cooperative ecosystem so that D.C. residents could create their own long-term, affordable and stable housing.

The task force presented its recommendations (see the sidebar) to Council Member Bonds and the D.C. Council in February just before the COVID-19 pandemic hit the United States. The D.C. Council soon found themselves with budget shortfalls reaching \$750 billion, and it was clear that the city had other priorities. Just before COVID-19 started to affect D.C., Council Member Bonds offered two bills related to the task force report. The first was to make the task force a permanent entity required to submit two reports to the D.C. council each year. The second bill would provide a property tax abatement for all D.C. limited-equity housing cooperatives. Both bills have the support of the majority of the council and are still pending. It is our hope that they will be considered by the council in the fall. In the 2021 D.C. budget, Council Member Bonds was able to include funding for a staff person at the D.C. Department of Housing and Community Development to focus on cooperatives, another recommendation.

Once we have COVID-19 under control, the task force plans to continue working. We now have a website [www.dchousing.coop](http://www.dchousing.coop) where the recommendations can be found and other information about the work of the task force. [CHQ](#)



Paul Hazen is the Executive Director of the U.S. Overseas Cooperative Development Council in Washington, D.C.

## Recommendations of the LEC Task Force

The task force report outlined a set of 16 recommendations that will allow Washington, D.C. to build upon the success of nurturing the development of limited-equity housing cooperatives.

- 1** Provide a full tax abatement for all limited-equity housing cooperatives;
- 2** Provide an additional \$5 million for ongoing education and stewardship;
- 3** Develop a uniform Asset Management Scorecard;
- 4** Require training and expertise in cooperative management for property management companies;
- 5** Ensure cooperative members have access to affordable or pro bono legal services;
- 6** Provide translation and interpretation services to cooperative members;
- 7** Designate the Department of Housing and Community Development as responsible for cooperatives.
- 8** Develop a toolkit of financial and technical resources;
- 9** Create a cooperative database and collect information annually;
- 10** Create a group purchasing program for cooperatives;
- 11** Increase the number of new cooperative units by 2,000 by 2025;
- 12** Provide annual funding for construction and long-term financing;
- 13** Develop other sources of financing;
- 14** Provide pre-development funding;
- 15** Improve the availability of acquisition financing tools; and
- 16** Improve the dependability of take-out and rehabilitation financing.



# Postwar Interracial Cooperatives and the Struggle against Redlining

By David J. Thompson

Levittown on Long Island in New York State is regarded as America's first modern planned suburb. Built to accommodate returning World War II veterans, Levittown opened its doors on October 1, 1947. When complete, Levittown had 17,447 homes with a population of over 50,000. Levittown became the posterchild of the postwar USA and was featured proudly and prominently in all the mainstream magazines such as Life, Look, and Fortune. To many among a war-weary public, Levittown exuded everything associated with living the American Dream. There was, however, an American element nowhere to be found in any of the 17,447 homes in Levittown—a black family.

In 1948, the U.S. Supreme Court ruled in *Shelley v. Kramer* that racially restrictive covenants were unenforceable. Blacks and whites had fought together in brotherhood all over the globe during World War II to defend democracy. However, a grateful government that welcomed home “the Greatest Generation” but fought that war with a segregated army had no desire to let returning black soldiers live together with white ones. Fascism had been beaten abroad but not racism at home.

Levittown was the direct creation of U.S. government policy. The purchase of every single home in Levittown was insured by the Federal Housing Administration (FHA). Every Levittown homeowner's contract barred buyers who were “not member(s) of the Caucasian race.” Thousands lined up to apply for America's most publicized low-cost home ownership opportunity, but any black people who turned up were turned away. The American future was bright for some, but due to racial covenants, it was legally off-limits to black Americans.



David J. Thompson is a former director of the western region of the National Cooperative Bank where he funded development of over 1,500 units of low- and moderate-income integrated cooperative housing.

Thurgood Marshall, then legal counsel for the National Association for the Advancement of Colored People (NAACP), submitted a brief in the landmark case on housing discrimination. Levittown removed the offending language from its contracts, but the FHA continued to insure loans only to whites who wanted to buy homes in Levittown. William “Bill” Levitt remarked at the time, “We can solve a housing problem, or we can try to solve a racial problem. But we cannot combine the two.”

In 1950, Eugene Burnett, a black former G.I., drove from his rental in the Bronx to Levittown to get in line for an application for ownership, but was told by a salesman, “It's not me, but the owners of this development have not yet decided to sell to Negroes.”

Burnett was one of the million black G.I.s who were eligible for a federally guaranteed mortgage under the G.I. Bill of Rights. Turned down, Burnett drove back to the Bronx.

As of 2017, only 1.19 percent of 51,800 Levittown residents were African American (617 people). Federal policy has left at least a three-generation legacy of continued de facto discrimination. Home ownership gave millions of white former G.I.s and their families a leg up on the American ladder even as one million black G.I.s found their economic path blocked.

## Open Membership and the Cooperative Struggle against Racial Covenants

Millions of black and white G.I.s fought together to defend democracy. Many came home with a wish to build a better America in which they could live together. A few racial walls were coming down—slowly.

In a number of American communities, former G.I.s proposed new integrated communities. Winning the war against fascism abroad created interest in building a new America at home. Among these were a number of housing cooperatives. The many cooperative housing

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communities that sprouted after the war proudly followed the Rochdale Principles, named after the English town that launched the cooperative movement in 1844. The first cooperative principle is open membership, which means simply that membership is open to all who wish to avail themselves of the services of the cooperative and are willing to bear the responsibilities of membership.

Interracial housing cooperatives formed after World War II were specifically meant to be inclusive of families of any color whatsoever. However, the same FHA that financed hundreds of post-war white suburbs was adamantly opposed to integrated suburbs. As a result, the FHA opposed the establishment of interracial housing cooperatives.

Among the projects blocked were the following:

► **Community Homes, Reseda, Calif.:** Based in Reseda near Los Angeles, the cooperative housing group had purchased 100 acres in 1945, upon which they planned to build 280 homes. They spent four years buying the land, paying for site plans and floor plans and meeting with the local planning department. Yet, it all stopped with the FHA's decree that the inclusion of people of color ("blacks") jeopardized good business practice. A 1949 memo from Marshall to President Truman referred to the FHA's prohibitive actions against Community Homes and York Center Cooperative Community in Illinois. The two co-ops were the only communities referred to in his memo. Truman then advanced some of Marshall's suggestions in the National Housing Act of 1949.

► **Peninsula Housing Association (PHA):** Based in Ladera, west of Palo Alto, Calif., the PHA was formed in 1944 mainly by members of the local food cooperative. By 1946, the housing cooperative's 150 members had purchased 260 acres of ranchland in the nearby Portola Valley. Denied FHA loans, the PHA ultimately closed and sold the land and plans to a developer who agreed to sell homes only to

whites. In the 2010 U.S. Census, Ladera's 535 households have a population of 1,426, of whom only three people (0.2 percent) are listed as black.

► **Mutual Housing (now Crestwood Hills) Association:**

Three ex-servicemen returned to Los Angeles from the war with the idea of building an affordable integrated community based upon cooperative principles of open membership. By the late 1940s, the founders had recruited 500 members and with a \$1,000 deposit per member, they had raised the funds to buy 800 acres in Kenter Canyon in West Los Angeles. At first, the FHA was against all the land being owned cooperatively. Then, the FHA required the MHA to have racial covenants forbidding anyone other than a Caucasian to own and live in the housing. By 1952, with no progress and lots of development costs, the MHA was broke and had to dissolve. The resurrected Crestwood Hills Association had to accept the cutting of the collectively owned land into individual parcels, and it had to apply racial covenants to each lot in the first tract to get financing. By the time of the second tract, the cooperatives had forced the FHA to follow the law, and no racial covenants were required.

**An Exception that Proves the Rule:  
The Case of Sunnyhills**

When Ford moved its plant from Richmond, Calif., to Milpitas, Calif., in 1954, one issue seemed insurmountable. Many blacks worked for Ford in Richmond, and a number of them had worked on building Liberty ships during the war in the same community. However, there was not any housing open for blacks in or near Milpitas, an hour's drive from Richmond.

In the 1950s, the United Auto Workers union (UAW) and its president Walter Reuther had taken a strong interest in sponsoring integrated housing cooperatives for their members. Ben Gross, a black UAW Local 560 leader in Richmond who was

part of the national union task force on housing, was given the role of locating land near Milpitas. The UAW wanted to sponsor integrated housing cooperatives that could be built to accommodate the existing UAW Richmond workforce, which was about 20-percent black.

Both local landowners and local governments were repulsed by the efforts of Gross and others in the Richmond UAW Local 560. Santa Clara County had few black residents, and segregation and racial covenants had kept it that way. When the UAW pursued funding for the homes in the development, it ran into the same FHA rules, regulations, and culture that had stymied the other cooperatives. Once again, the FHA, local developers and local government agencies looked like they were going to stop an integrated cooperative.

However, in this instance, the UAW officers pursued a new and different tack. The UAW

Continued on page 9 ►

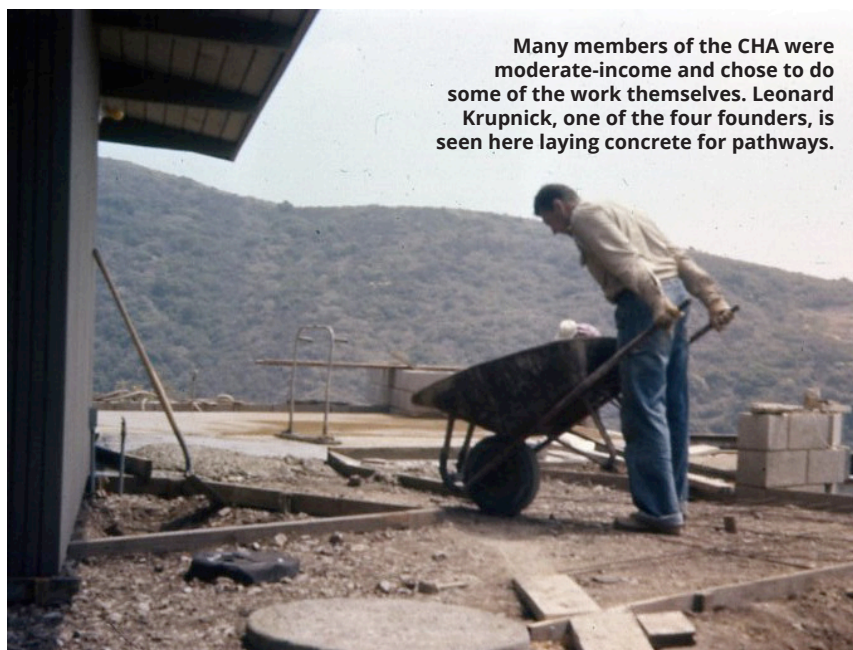


PHOTO COURTESY OF WENDY KRUPNICK



arranged for a long-term mortgage through the Federal National Mortgage Association (Fannie Mae). In this case, the UAW applied under a new cooperative ownership program called Section 213 of the Federal Housing Act of 1950. The Cooperative Development Office of the FHA administered this program rather than the FHA's single-family home program.

Without the UAW's organizational and financial muscle, Sunnyside would never have come about. Few other entities had the resources, people power and time to withstand the years of struggle and the costs of litigation and development. Coming along a few years later than the other interracial cooperative efforts also helped. Ultimately, Sunnyside got built as an interracial cooperative, becoming the first one ever approved by the FHA.

When Sunnyside was finally mapped out, the UAW saw to it that Gross and other union leaders were perpetually honored. Gross Street in particular paid homage to the UAW-backed leader behind Sunnyside. Due to his civic commitment, Gross went on to become the first black mayor of any city in California. He served as mayor of Milpitas from 1966 to 1970.

However, Gross played one other unique role in U.S. history. When Prime Minister Nikita Khrushchev visited the United States in 1959, President Eisenhower wanted Khrushchev to see the fruits of a vibrant postwar America. One afternoon, after a visit to an IBM plant in San Jose, Khrushchev was whisked off secretly to see Gross and his family in their home in Sunnyside. Eisenhower wanted Khrushchev to see a home in an integrated neighborhood where black and white families were living together. The Secret Service did not allow any photos to be taken and even confiscated the Grosses' personal camera. The only U.S. housing seen by the leader of Russia was an interracial housing cooperative that 10 years earlier would not have been allowed.

### Segregated Housing's Legacy Today

It is painful to record that in that postwar era and economy that saw so many changes in American society, racism was brushed under the rug. The housing segregation fortified by the policies of the FHA then has built the society we live in now. America, of course, continues to have a whole lot of work ahead of it if the country wishes to build an integrated society. The legacy of the blocked postwar cooperative ownership projects—and of redlining more generally—is, of course, a central reason behind the nation's large and still growing racial wealth gap.

Although in their time these cooperators did not always succeed, their efforts, along with the NAACP and other groups, for a better and racially diverse America were not in vain. It is hard to imagine the Fair Housing Act of 1968 coming to

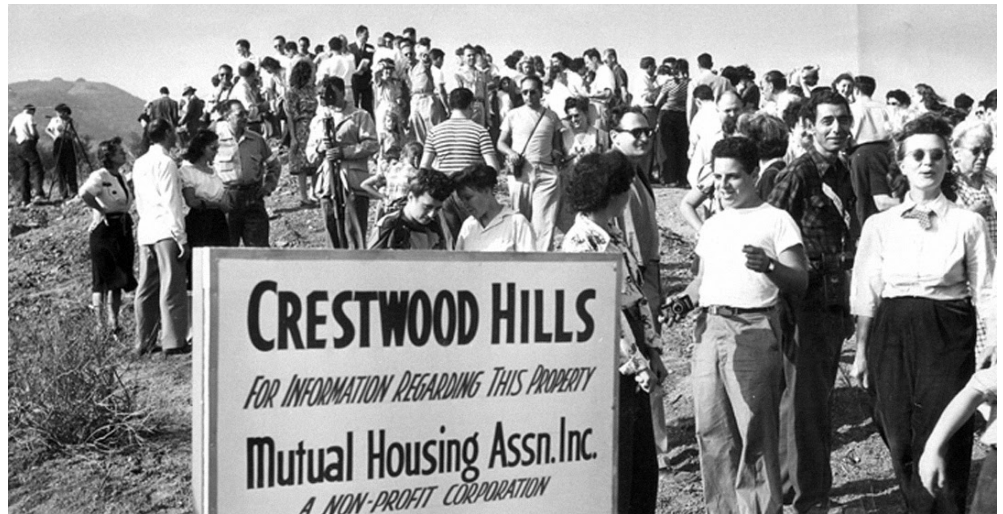


PHOTO COURTESY OF © J. PAUL GETTY TRUST. GETTY RESEARCH INSTITUTE, LOS ANGELES (2004.R.10)

**By the time of the second tract, Crestwood Hills Mutual Homes, Inc. had forced the FHA to follow the law, and no racial covenants were required.**

fruition, for example, without these earlier struggles to painstakingly, project by project, break down the edifice of federally supported housing segregation.

But that is not to ignore the enormous human cost that the participants in these efforts often faced. In almost all of the proposed communities described above, hundreds of people lost their life savings after dedicating years of effort to build interracial communities.

This article is dedicated to those brave cooperators who in fighting to overcome the color bar in housing did, through their considerable personal sacrifice, help bring an end to de jure discrimination and who remain, even today, an example to us all. [CHQ](#)

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## "I Was There:" A First-hand Account of Redlining Faced by One Cooperative

By Herb Fisher

It must not be forgotten that even after fair housing rules forced the Federal Housing Administration (FHA) under the U.S. Department of Housing and Urban Development (HUD) to reluctantly change its attitude, the public opposition to integrated housing and consequential integrated schools remained strong. In the mid-1960s plans were made for the development of an 803-unit pre-sold management housing cooperative just south of the Interstate Bishop Ford freeway on the far side of Chicago. The freeway was designed to be a barrier to the African American community that was still north of the freeway, just as the north south branch, the Dan Ryan freeway, was to be a barrier to keep the African American community on the east from moving westward.

**T**he Dan Ryan branch worked as that barrier for years, but the Bishop Ford barrier was short-lived. With the London Towne Houses Cooperative sales office opening, the traffic was all white. When the first mortgage section's pre-sale program reached about 50 percent and was all white, to the credit of Roger Willcox's leadership of FCH Services, the sponsor, started advertising in the Chicago Sun Times, favored by African Americans and the African American published Chicago Defender over the Chicago Tribune.



Herbert H. Fisher, a retired attorney, represented London Towne Houses Co-op, Inc., for 43 years.

When white applicants began seeing African Americans parking in the parking lot, white applicants dropped off as African American applicants soared. The prejudices of the time brought cancelled applications and the abandonment of the best housing buy possible with a membership price of \$200 and monthly charges of under \$100 a month in the late 1960s. Mortgage section 1 and subsequent sections

closed with all African American occupancy except for a few inter-racial couples.

With closing of the last mortgage section, HUD employees predicted early default of this almost 100 percent black occupied and led cooperative. A few years later a HUD management office manager told his subordinate to take back his 100 perfect inspection report and go back out and find some faults. Almost 40 years later, London Towne House pre-paid its section 1 mortgage after HUD defaulted its section 1 mortgage over a disagreement with a HUD directive to change inside key screen-storm doors with no key ones because of the concern of its members, particular seniors with safety. Subsequently, London Towne prepaid the rest of its mortgages with a single mortgage from Community Investment Corporation, a local lender, which financed the first of its improvement programs. [CHQ](#)



### Cooperative Share Listing Program

A new NAHC member benefit is to help cooperatives post and list their available shares on the NAHC website for a small fee. If you have an available share, then the Share Listing Program is here to help. Click the logo to find out more.



# Comparative Study of 4 Affordable Home Ownership Models and Market-Rate Ownership and Renting Shows Strength of Housing Cooperatives for Low- to Moderate-Income Citizens

By Mikaela Fenton

The United States is facing a housing crisis. The American workforce of moderate-income citizens—or people who make between 80 percent and 120 percent of the area median income (AMI)—has been highly affected. This group is often stuck paying a significant portion of their income towards rent and cannot make the jump to homeownership due to such high home prices and their inability to save. When people are contributing so much of their income to housing, it makes it difficult to pay for other necessities such as food and health care, according to T. Duggan's 2018 article, *How Families Slip Through* published in the *San Francisco Chronicle Fair Housing Rhode Island Technical Assistance Guide*.

**W**hile there have been numerous efforts to address housing affordability for moderate-income households, the problem seems insurmountable. The city of Davis's long experience with affordable housing provides unique insight into different affordable ownership models. To inform future affordable ownership housing initiatives and legislation supporting households from 80%-120% of income, the author compared four different models of affordable housing in the city of Davis with market-rate and rental models to determine their strengths, deficits and capacity for long-term affordability.

## The Study

The four models included Aggie Village, Dos Pinos, Southfield Park and the city of Davis Affordable Ownership Housing Program (Davis AOH Program). Aggie Village is a form of university housing. The university owns the land and caps sale prices for residents who own the homes. Dos Pinos is a limited-equity housing cooperative (LEHC). Southfield Park is one of the city of Davis's affordable housing projects. It features 2- and 3-bedroom condos that are limited to income-qualified buyers and can only appreciate 5.5 percent a year. The Davis AOH Program also offers opportunities for income qualified households that can appreciate 3.75 percent per year. The market-rate models are referred to as Purchasing Market Rate and Rental Market Rate.



Mikaela Fenton is a senior at the University of California, Davis, studying community and regional development.

The research for the study was mainly quantitative. The author selected a 3-bedroom unit from each model to analyze and the earliest available sale price, down payment and monthly payment were compared with 2019. Using the monthly payment, the author used the U.S. Department of Housing and Urban Development's (HUD) definition of affordable—paying 30 percent or less of income—and the area median income (AMI) to determine if the unit was affordable to extremely low, very low, low or moderate-income four person families in Yolo County.

## Findings

In terms of income levels, Dos Pinos and Aggie Village were affordable to low-income families. The Davis AOH Program and Southfield Park were affordable to moderate-income families and Rental and Purchasing Market Rate were only affordable to high-income four person families in Yolo County.

The average income for a family of four in Yolo County is \$87,900. At a 30 percent HUD cap, they would be able to spend \$2,198 a month on housing. This family would be able to afford to purchase a home/unit at Aggie Village, Dos Pinos or through the Davis AOH Program. If the families were to purchase a home on the market in Davis, Southfield Park or rent in Davis, they would be contributing significantly more of their incomes towards housing than the other models.

Continued on page 12 >



The level of affordability changed over time. Aggie Village and Dos Pinos were the only two models that became more affordable over time. Purchasing Market Rate has also become more affordable, but it is still only considered affordable to those who make 160 percent of the AMI. In contrast, the Davis AOH Program, Southfield Park and Rental Market Rate have all become less affordable over time.

All of these affordable ownership models are less expensive than Purchasing Market Rate, but some also offer considerable savings as compared to renting. The most significant savings appear at Aggie Village and Dos Pinos where residents would save over 13 and 18 thousand dollars respectively per year as opposed to renting at market rate.

## Discussion

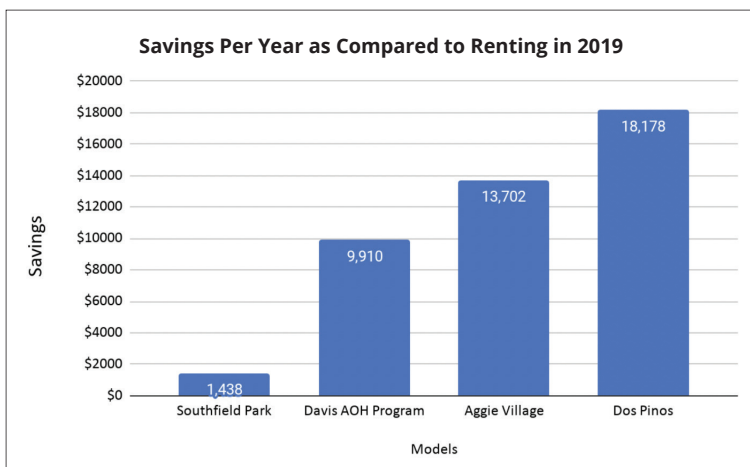
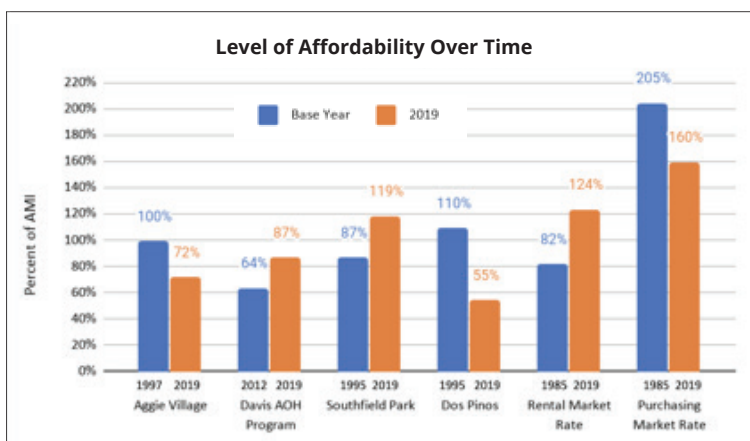
Of the four models, Dos Pinos is the most affordable model by monthly housing costs and has been shown to become more affordable over time. These facts are based on research conducted by K. Temkin, B. Theodos and D. Price's in the 2010 study, *Balancing Affordability and Opportunity: An Evaluation of Affordable Homeownership Programs with Long-term Affordability Controls* and D. Thompson and M. Lund's 2012 article, *A Tale of Two Communities: The Longitudinal Effect of Limited-Equity Housing Cooperatives*.

It bears noting that the monthly carrying charges for the apartments at Dos Pinos are not statistically accurate in their comparison. The Dos Pinos monthly carrying charge is extremely inclusive and covers virtually all of the housing expenses including interest payments, mortgage insurance and repairs. Thus, in reality Dos Pinos carrying charges are much lower than the monthly costs of the other models.

However, as a model, LEHCs do have some downsides. If the cooperative pays market price for land and buildings, when first built, the initial residents will need to be in a higher-income bracket to afford living there. For a LEHC to be affordable to a moderate-income family, there needs to be either leased land or a below market price concession on the land, the buildings or the financing. Over time, the monthly payments will become affordable to lower income residents, but the share will rise in price. The share price could make living there out of their reach even if potential residents could afford the monthly payments. At Dos Pinos, the full share must be paid up front, and members cannot use the share as loan collateral.

Yet in spite of these downsides, the monthly payment becomes remarkably affordable over time. Perhaps the most outstanding statistic in all of this study is the savings for families who live at Dos Pinos compared to a market-rate rental. The median family of four living in the average three-bedroom apartment in Davis would pay \$2,731 per month. By living at Dos Pinos (and paying \$1,212 per month), this family would save \$18,228 per year. The median income family renting the average apartment in Davis is paying 37 percent of their income. Their overpayment of rental housing cost by the median income family in Davis prevents them from ever saving for the conventional down payment.

	Monthly Payment	Necessary Income	AMI	Affordable to...	Yolo County Income Cap
Dos Pinos	\$ 1,212	\$ 48,480	55%	Low-Income	70,300
Aggie Village	\$ 1,585	\$ 63,400	72%	Low-Income	70,300
AOH Program	\$ 1,901	\$ 76,040	87%	Moderate-Income	105,500
Southfield Park	\$ 2,607	\$ 104,280	119%	Moderate-Income	105,500
Rental Market Rate	\$ 2,731	\$ 109,240	124%	High-Income	> 105,500
Purchasing Market Rate	\$ 3,574	\$ 142,960	160%	High-Income	> 105,501



## Conclusions

As the United States faces a housing crisis, and more presently an economic downturn, the issue of affordable ownership housing has only become more important. Policy makers and planners should know that models like Dos Pinos are best for creating and preserving affordable ownership housing.

LEHCS become more affordable over time and provide savings for residents who would have spent that money on housing if they lived in market-rate rental units.

Affordable ownership housing is a unique strategy that can significantly impact people and communities in a positive way. Our workforce of middle-income families needs more of it.

Read full study here: [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3621065](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3621065) [CHQ](#)



## Cooperative Business Head is the Keynote Speaker at the NAHC Virtual Summit

The National Association of Housing Cooperatives (NAHC) will convene its first ever virtual summit November 11–13, 2020. The summit will feature a keynote speaker and deliver seven online learning sessions and special events, such as social activities, engaging breaks and games.



**Doug O'Brien**  
Keynote speaker

**D**oug O'Brien, president and chief executive officer (CEO) of the National Cooperative of Business Association (NCBA), will be the keynote speaker on November 11. During his address, O'Brien will educate participants about the various types of cooperatives that exist and the significance of NAHC's federal issues such as the Paycheck Protection Program, disaster relief (H.R. 5337) and reverse mortgages for housing cooperatives.

Later that day, a panel will discuss the various measures communities have taken in response to COVID-19 and share the best practices for your cooperative. The last session will highlight conflict resolution in light of the pandemic. The day will end with a game of NAHC bingo.

Thursday's summit will present sessions on finance, management and disaster preparedness. The finance session will focus on refinancing during these low-interest rate times. The management session will deal with how to lead your property manager and help them navigate the COVID-19 safety procedures, and the final session will be a discussion on your cooperative's readiness for disaster. After the sessions, the NAHC talent show will begin.

On the last day of the summit, participants will get an update on legal and governance issues. The legal session will expound upon the rights you have as a cooperative, and the governance session will be a new board member panel discussion. The NAHC trivia session will conclude the day.

The summit will take place via Zoom, a video communications application. Prior to the start of this event, registrants will receive a unique Zoom link to join the program. [CHQ](#)

*Please register today for the  
NAHC Virtual Summit.*



### Schedule

#### Wednesday, November 11

12:30 pm – 1:00 pm	Opening Remarks
1:00 pm – 1:45 pm	General Session/Keynote Speaker
1:45 pm – 2:00 pm	Break
2:00 pm – 3:00 pm	Session #1: COVID-19 Prevention and Preparation
3:00 pm – 3:15 pm	Break
3:15 pm – 4:15 pm	Session #2: Conflict Resolution
4:15 pm – 5:00 pm	NAHC Bingo

#### Thursday, November 12

12:30 pm – 1:30 pm	Session #3: Finance
1:30 pm – 1:45 pm	Break
1:45 pm – 2:45 pm	Session #4: Management: How to Manage Your Manager
2:45 pm – 3:00 pm	Break
3:00 pm – 4:00 pm	Session #5: Disaster Preparedness
4:00 pm – 4:45 pm	NAHC Talent Show

#### Friday, November 13

12:30 pm – 1:30 pm	Session #6: Legal
1:30 pm – 1:45 pm	Break
1:45 pm – 2:45 pm	Session #7: Governance
2:45 pm – 3:30 pm	NAHC Trivia



## Resources for You

[www.NAHC.coop](http://www.NAHC.coop) delivers relevant information for the cooperative housing community. Whether you're looking for details on how to start your own cooperative, need advice on governance and legal issues or you're looking for the latest news regarding your rights as a cooperative, we've got you covered.

**N**AHC's mission is to support and educate existing and new cooperative housing communities as the best and most economical form of homeownership. We are committed to being an informative resource that provides a network of information to help you make mindful decisions for your community.

On the website, the Government Relations and COVID-19 Resources webpages are among our most popular pages. Here's an overview of how they can help you:

### Government Relations

The Government Relations webpage has undergone a complete refresh, offering a new look and feel for a better user experience. Bookmark this page to stay current on the issues affecting your cooperative including important updates including need-to-know information regarding:

- The Federal Paycheck Protection Program (PPP);
- Disaster Relief and Emergency Assistance;
- Reverse Mortgages for Housing Cooperatives;
- Veterans Administration (VA);
- Home Loan Guarantees;
- Limited Equity Cooperative (LEC) Development for Washington, D.C.;

- HUD (U.S. Department of Housing and Urban Development) updates; and
- Real Estate Assessment Center (REAC).

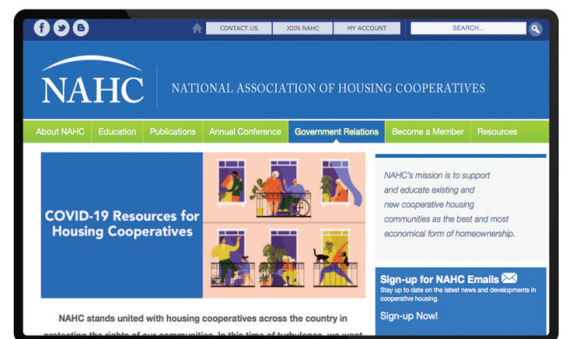
To learn more about these important topics and more, visit [coophousing.org/government-relations](http://coophousing.org/government-relations).

### COVID-19 Resources

NAHC members are facing new obstacles every day in the wake of COVID-19, and we are here to help. We have compiled a number of resources on a dedicated webpage to outline how cooperatives should address the current environment and ensure the health, safety and financial needs of your members and specific actions that should be taken.

We look forward to expanding on this topic at the 2020 NAHC Virtual Summit. This online program will address issues brought on by COVID-19 and feature passionate cooperators ready to help you to make a plan for the road ahead. Real-world solutions and community pride is what we're focused on. Registration is open – see the details.

Visit [nahc.coop](http://nahc.coop) to learn about this event and take advantage of the resources created for you as a cooperator. [CHQ](#)







## NAHC Book Store

The NAHC online bookstore offers educational publications for you and your cooperative members. Printed manuals are available to NAHC members for \$10.00 a piece or \$20.00 for non-members. They offer a valuable deep dive into best practices including:

- Cooperative Housing Governance
- Physical Management of Housing Cooperatives
- Operating Housing Cooperatives
- Financial Issues of Concern to Housing Cooperatives
- Tax Issues of Concern to Housing Cooperatives
- Developing Housing Cooperatives
- Mortgage Payoff & Refinancing
- Cooperative Housing Vol. 1 and
- General Materials and Information on Cooperative Housing

Skills booklets are shorter pamphlets available to NAHC members for \$2.00 apiece and just a quarter more for non-members. These publications provide practical guidance to hone cooperative skills like:

- How to Develop Your Decision Making Skills
- How to Develop Your Leadership Skills
- How to Have Successful Meetings
- Be a Volunteer
- Parliamentary Procedure—A Matter of Order
- Successful Conflict Resolution—A Skill for Working Together

Visit the [NAHC Bookstore](#) to explore these publications for your housing cooperative. Previous issues of the Cooperative Housing Quarterly are available for FREE download in the digital [CHQ Archive](#). [CHQ](#)

### THEY SAID IT

*Everything we do in this industry is predicated on trust. Trust is extraordinarily fragile—very difficult to build and very easy to break.*

—Rolf Crocker, CEO, OMNI Community Management, Sacramento, Calif.



The National Association  
of Housing Cooperatives

### BOARD TRAINING SEMINAR

# ROLES, RISKS & REWARDS

## *The 3Rs for Cooperative Boards*

**Roles, Risks and Rewards—The 3Rs for Cooperative Boards** is a six-hour, in-person, seminar that will build your cooperative knowledge and show you how to work together as a board. The 3Rs seminar assists board members in developing excellence in governance right at their own cooperative!

### Who should participate?

Housing cooperative board members, management and anyone interested in cooperative governance.

Download the information sheet and complete the application available on the NAHC website. Contact the NAHC office with any questions via [info@nahc.coop](mailto:info@nahc.coop) or phone at 202.727.0797.



## COOPERATIVE DEVELOPMENT

### Capital Impact Offers Funds for Developers of Color

**CAPITAL IMPACT** is proud to announce that it has received \$3.5 million in grants from the U.S. Department of the Treasury's Community Development Financial Institutions Fund (CDFI Fund) to increase lending and investment that support equitable access to capital and social services in communities across the country. Capital Impact is the fourth-highest awardee amongst the 397 organizations recognized in the FY2020 application process.

The award includes \$557,000 Financial Assistance (FA) to help Capital Impact Partners expand its efforts to provide acquisition and predevelopment loans to developers of color in Washington, D.C., Maryland and Virginia for affordable housing projects and community facilities. It is the organization's goal to use the new loan products to create pathways of success for developers who have not been able to enter the real estate industry due to lack of capital, equity and experience as a result of systemic barriers and disinvestment. This assistance will build upon the organization's recently launched loan product called the Diversity in Development – Detroit Loan Fund.

### Creating Affordable Cooperatives is Akin to Layering a Cake

By Hugh Jeffers



Hugh Jeffers  
is originator  
at Centennial  
Mortgage.

**WITH CONSTRUCTION COSTS** so high in most areas of the country, it is nearly impossible to create a new housing cooperative that is affordable or attainable using the traditional model of blanket debt and share financing covering the entire development cost.

In order to create affordability in a new cooperative, the trick is to use a layered approach to financing to bring “soft” money to the project to cover the gap between the total development cost of the project and proceeds generated by blanket debt and share sales. Soft money is no or low-cost capital given to a project in exchange for creating housing that is affordable to certain lower-income groups.

The first step in the process of closing the gap between the total cost development less the amount you will get through the blanket debt and share sales is to identify what is available from local government resources and other social “investors” that may be available to your project. These resources come in a variety of options that may differ from location to location. A good place to start, includes the following:

- Local housing authority;
- Local economic development offices;
- State housing finance agencies;
- Local and state U.S. Housing and Urban Development offices;
- Local and state U.S. Department of Agriculture offices;
- Social “investors” or lenders;
- Regional federal home loan banks; and
- Local land banks.

The resources provided by these groups can come in many forms including the following:

**TAX ABATEMENTS** – Most jurisdictions provide tax abatements in exchange for affordability. This abatement allows the property to pay a lower than normal or no real estate taxes for a given period of time in exchange for a certain number of units that will be affordable to a certain income level. The abatement provides for a lower operating cost for the property and increases the amount you can borrow on your blanket debt.

**DIRECT GRANTS** – Some jurisdictions provide direct funding to your project in the form of a grant that does not require repayment in exchange for a certain level of affordability.

**LOW-COST, LONG-TERM LOANS** – Many jurisdictions also offer low-cost loans to a project in exchange for affordability. The loans will be made in a subordinate position to the main blanket debt, often at interest rates of 1 percent or 2 percent annually and don't require payment until maturity.

**LAND GRANTS OR LONG-TERM LAND LEASE** – Many local governments are granting government-owned land to local developers in exchange for affordability. In addition, land banks and governments may provide long-term land leases at very low cost to developers for the same purpose. This lowers the overall development cost for the project, making it more affordable to cooperative members in the long run.

**FUNDING FOR ENERGY EFFICIENCY OR GREEN RETROFIT** – Many jurisdictions have funding available for environmentally friendly projects.

**HOME BUYER'S ASSISTANCE** – Many local governments have homebuyer's assistance or down payment assistance for certain income groups. Some allow this assistance to be used to lower the share prices for cooperative members.

**OPPORTUNITY ZONES** – If your project is in a qualified opportunity zone, there may other special lending programs or investment programs available.

It is not unusual for one or all of these types of soft type of funding in a project to help close the gap. You may also see several layers of soft loans to a project from a variety of sources. While most projects don't have more than three or four layers of soft financing, it is not unusual to have six or seven layers depending on the resources available.

I am working with a number of developers who are building affordable cooperatives that are taking a very creative approach to raising capital in addition to what is listed above. A couple are looking at crowd funding platforms to raise capital from like-minded individuals. Others are creating investment funds to attract socially conscious investors to fund cooperative development. Still others are looking at approaching local businesses to invest in the housing cooperative to create affordable housing so members can live close to where they work.

In conclusion, while it is difficult to gather all of the financing mechanisms together today to create affordable and attainable housing cooperatives, it is possible, and it is being done.

Continued on page 17 >

Individual developers see the value cooperative housing has for both its members and the community, and they are being creative and pulling various different layers of funding together to make new cooperatives a reality. NAHC can help you identify the resources available for your new cooperative as well.

### Royal Oak Tower Gets New Name of Ferndale Park Co-op and Upgraded Facility

**DUE TO RESTRICTIONS** imposed by the pandemic, CSI Support & Development recently held a virtual celebration on its Facebook page ([facebook.com/csisupport](https://facebook.com/csisupport)) to launch the name of its newest acquisition, Ferndale Park Co-op.

Ferndale Park is 10-story senior building in Ferndale, Mich., near Detroit. With this addition, CSI preserved 200 units of quality, affordable housing for seniors.

CSI also has begun enhancements to the building interior and exterior, the first step in a five-year, \$6 million renovation. The plan includes significant replacement of building systems, extensive upgrades to unit interiors and communal areas and improved landscaping.



CSI employees unveil the new name of the recently acquired cooperative.



Sandra Hardy lives at Old Grace Housing Co-op in Winnipeg and has seen the development of the cooperative from just an idea to a full-fledged community.

### Canadian Members Work to Create their Own Cooperative

**THE JOURNEY** to create Old Grace Housing Co-op began in 2012 when the Manitoba provincial government announced that the former site of the Grace Hospital in central Winnipeg would be available for redevelopment.

Along with other

local residents and community activists, Sandra Hardy was a member of the steering committee that developed a proposal for a cooperative that would provide affordable housing for a diverse mixed-income community.

The development team worked collaboratively, raising over \$3.6 million in member shares as well as fundraising a further \$200,000 to ensure the shares could be affordable for even the lowest income cooperative members. In addition, the team secured a \$2.8 million loan from the province for construction and leased the land at a nominal cost. Today, Old Grace Housing Co-op is an affordable option for 64 families in Winnipeg.

Hardy was the president of the Old Grace Housing Co-op and the chair of its building committee during most of its development and all of its construction. Her best advice to anyone interested in cooperative housing development: "Understand that it's a long game and get in touch with your local cooperative housing federation representative early on."

Blair Hamilton, CHF Canada's regional manager, was able to assist the cooperative volunteers interested in the development. [CHQ](#)

## PEOPLE AND PLACES



Victoria Clark

### North Country Foundation Announces New Executive Director

**NORTH COUNTRY FOUNDATION** (NCF) recently announced the promotion of Victoria (Tory) Clark to the role of executive director. Clark first joined NCF in 2016 and has led the formation of new resident-owned

cooperatives in manufactured home communities since 2019.

Clark brings breadth and depth of direct experience in NCF's programs and a demonstrated commitment to the organization's mission of transforming lives and communities through cooperative enterprise. Originally from southwest Minnesota, Clark is devoted to the rural and urban communities that NCF serves in the Upper Midwest.



Tina Stevens

### CHF Canada Elects a New President

**CHF** Canada's board of directors recently elected as its new president, Tina Stevens, the director representing indigenous communities. Stevens' journey with cooperative housing began when her mother joined as one of the first members

of Native Inter-Tribal Housing Co-op in London, Ontario. Stevens lived in the cooperative for around five years as a child only to return to it later to raise her own three sons.

As president of CHF Canada, Stevens is hoping to engage with the federal government on the National Housing Strategy and promote cooperative housing as the best model for affordable housing in Canada. [CHQ](#)



## MEMBER ASSOCIATION NEWS

### Council of New York Cooperatives & Condominiums (CNYC)

#### *Conference in Cyberspace*

Like NAHC, CNYC has opted to make its 40th Annual Housing Conference an online event this year. This virtual mini-conference will be held on Sunday, November 15. Each registrant will be able to select one morning class and one afternoon class and to attend a plenary session in the middle of the day. As in the past, NAHC members are invited to take part in the CNYC event at modest member rates.


#### *Legislative Efforts Continue*

Even in times of crisis, law makers push harsh legislation to control the admissions process in New York housing cooperatives. CNYC continues to oppose these laws strongly. CNYC also persists in its efforts to amend last year's reverse mortgage legislation to meet concerns that the governor expressed when vetoing that bill. Now, more New York seniors than ever urgently need these loans to be able to live out their lives in the housing cooperatives that have long been their home.

### Midwest Association of Housing Cooperatives (MAHC)

**MAHC** held a free zoom webinar on parliamentary procedures on September 19, 2020 and is planning others on ethics and legal issues. For details select webinar under the training tab on the MAHC website.


In addition, MAHC has created a portal for cooperative housing information. It includes 250 files on the role and responsibilities of boards, finances, governance, history, legal issues and strategic planning. The 16 subsections also lead to multiple links to research, articles, books, topics and websites. [CHQ](#)



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By Judy Sullivan

### In Light of COVID-19, the Country Continues to Suffer



**AFTER CONGRESS** failed to reach agreement on a stimulus package this summer, President Trump signed the following Executive Orders on August 8:

- An extension of the federal unemployment supplement at a reduced rate of \$400 per week;
- A payroll tax holiday through the end of the year for Americans earning less than \$100,000;
- An extended student loan relief through the end of the year; and
- A call for federal agency leaders to try to find funds to help curb evictions.

Unfortunately, these measures are insufficient to curb the

devastating effects the COVID-19 epidemic is having on our country today. The following are some of the reasons why. The unemployment supplement requires a \$100 state match, and many of the states simply don't have the funds to support this match. The tax benefit for discontinuing withholding the payroll tax only benefits people who have jobs, and many employers don't plan on discontinuing it. Also, the payroll tax is used to pay social security, and there's no plan on how and when to reimburse these funds. Student loans will still have to be repaid in January, and without jobs there's no assurance that people will have the funds to begin repaying their loans. Evictions will only be studied for funding sources, not halted with this Executive Order.



Judy Sullivan is NAHC's government relations representative. She is also the recipient of NAHC's Jerry Voorhis and the Roger J. Willcox President's awards.

Not having a crystal ball to know which party will be in control of the Presidency or Congress, it's difficult to predict what will happen later this fall and next year. However, Congress is still likely to have to deal with COVID-19 and hopefully the rollout of a vaccine. Congress may also need to consider an additional stimulus package to keep our economy afloat. It is also going to need to address spending measures to fund the federal government. It's a very volatile situation because Congress has had great difficulty in reaching agreement. Let's hope for the sake of our country they can do so. [CHQ](#)

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# 2020 COOPERATIVE CALENDAR

## OCTOBER IS CO-OP MONTH

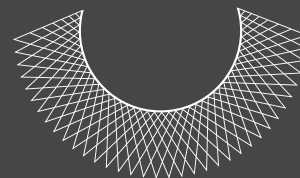
### NOVEMBER

**6-8** North American Students of Cooperation Institute (Virtual)

**11-13** 2020 NAHC Virtual Summit: Moving Forward Together

**15** 40th Annual Housing Conference of the Council of New York Cooperatives and Condominiums (Virtual)

Due to the uncertainty resulting from COVID-19, these events are subject to change.



NAHC pays its deepest condolences to the family of Former Associate Justice of the Supreme Court of the United States Ruth Bader Ginsburg, who was a champion of justice, a trailblazer and an icon.

## THE RCM PROGRAM



**The Registered Cooperative Managers (RCM) Program** builds upon the work of cooperative housing management and helps the profession achieve ever-increasing higher professional standards, expectations, and rewards. The designation is awarded to managers who meet the RCM standards of excellence, understanding, and achievement in the area of cooperative housing management following participation in a series of courses, then pass certification exams. RCM course topics provide exciting insight into housing cooperatives and help develop skills necessary for a successful career in management. The courses refine the understanding of housing cooperatives, renew dedication to the principles of cooperative housing, codify the ethics of cooperative housing management, and improve housing management practices.

**The Registered Cooperative Manager Certification Program** is the only nationally-recognized designation and certification specializing in Cooperative Management recognized by the Registered in Apartment Managers (RAM program). RCM is a sought-after professional designation for cooperative housing managers. You can find the application and more information on [www.coophousing.org](http://www.coophousing.org).



The National Association of Housing Cooperatives

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[www.NAHC.coop](http://www.NAHC.coop)