

Officers' Column

3

Tax Escalation  
Clauses Save Money

4

Committee Corner

Registered Cooperative  
Managers Plan Spring,  
Conference Training

6

HUD's Proposed  
Harassment Rule  
Would Be Painful for  
Cooperatives

7

Conflict Resolution for  
Cowards

9

They Said It

10

Reserve Study: A Two Act  
Play — What Is It? How  
Do I Use It?

11

FHA to Cut Insurance Rates  
on Multifamily Mortgages

13

The Early Warning Signs of  
Failure for a CooperativeThe Source of Cooperative  
Success or Failure is  
Recognition

14

Cooperative Development

15

Member Association News

16

Welcome to NAHC New  
Members

17

News from All Over  
People and Places

18

Report from Washington

19

NAHC

COOPERATIVE HOUSING  
QUARTERLY

A member service of the National Association of Housing Cooperatives

Spring 2016

## Hush-Hush No More

Florida Appeals Court Rules that Manager Involvement  
in Legal Matters Can Break Attorney-Client Privilege

By Randall A. Pentiuik

A recent court ruling may have a significant effect on housing cooperatives with regard to how they communicate and share documents with their attorneys. While this case took place in Florida and dealt with a condominium association, its implications are far-reaching and is a concern for housing cooperative boards, their attorneys and management agents.

The case, *Las Olas River House Condo. Ass'n, Inc. v. Lorh, LLC*, No. 4D15-2289, 2015 WL 8347977 (Fla. Dist. Ct. App. Dec. 9, 2015), involved a condominium association, the firm it retained to manage its property and officers who sought to overturn a court order compelling them to produce documents despite their assertion of the attorney-client privilege. In their appeal, they argued that the trial court departed from the essential requirements of the law by ordering production of documents without conducting an *in camera* (in the judge's chambers) inspection. In pre-trial discovery requests, the opposing party, the residents, asked for production of communications between the board and their attorneys that mentioned any of the residents. The condo association denied the request, asserting the attorney-client privilege.

Following a hearing, the trial court compelled the condo to produce many such documents based on the argument that the privilege was waived

because the documents were received by, or copied to, third parties: either the association's community association manager, his immediate supervisor, or both. The condo association argued there was no waiver of the privilege because the individuals were agents of the association who were required to communicate with counsel on the association's

behalf. The trial court—without an *in camera* inspection of the relevant documents—rejected that argument, and found that the privilege was waived because the two individuals were not “employees” of the association.

Under Florida law, “[a] client has a privilege to refuse to disclose, and to prevent any other person from disclosing, the contents of confidential communications when such other person learned of the communications because they were made in the rendition of legal services to the client.” Further, the court cited the evidentiary rule that: “A communication between lawyer and client is ‘confidential’ if it is not intended to be disclosed to third persons other than:

- 1] Those to whom disclosure is in furtherance of the rendition of legal services to the client.
- 2] Those reasonably necessary for the transmission of the communication.”

**The court cited a five-part test for determining whether a corporation's communications are attorney-client privileged.**

Continued on page 5 &gt;

**Roll Away Your Cooperative's Dickey Issues**

NAHC  
National Association of Housing Cooperatives

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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.

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## NAHC Makes Membership Plans, Passes the Budget, Works on Cooperative Legislation

**ON FEBRUARY 19**, the NAHC Board of Directors held a special workshop entitled Membership Envisioned Intent, focused on increasing NAHC membership. The workshop was a full day of exploration on the roadblocks and opportunities of membership building. NAHC has approximately 60,000 units that have been steady for the past few years. These units encompass nearly 400 cooperative communities. In addition, almost 60 professionals and 18 individuals are members.

The board and RCM members and 12 percent of the membership completed a survey. Using this data, the Board will push ahead with developing a membership plan to be implemented over the next three years. The proposed membership drive is expected to increase the membership by three percent a year. The Board is exploring other methods to increase conference and membership revenues, such as developing a group discount purchase program, online educational sessions, technical assistance and fostering new cooperatives.

The Board also examined the differences and similarities among member housing cooperatives. If NAHC could expand its membership, it could then generate more leverage and increase conference attendees and revenue. Additionally, the Board explored untapped potential for new membership such as in rural areas, modular homes, other forms of owner-occupied housing and new senior housing cooperatives. It also discussed creating a marketing plan to attract new members in Florida where currently none exist.

The Board developed 12 tasks for increasing the membership and assigned members to different committees or groups. If you want to be included in this endeavor, please email NAHC at [info@nahc.coop](mailto:info@nahc.coop). If you have neighboring housing cooperatives that are not NAHC members, please encourage their membership and refer them to us.

In addition, the Board agreed that education, governmental relations and the conferences are the services the membership most favors. The Board also passed the 2016 budget. In legislative news, NAHC's Government Relations Committee, along with our special government relations specialist, Judy Sullivan, is striving to move NAHC's federal agenda forward:

- **FEMA Relief for Housing Cooperative** – Common areas do not qualify.
- **Under FEMA Flood insurance** – to close the disparity between condominiums and cooperatives – At present the cap is \$250,000 for a condominium and only \$100,000 if the community is a cooperative.
- **Reverse Mortgage for Seniors** – getting HUD to issue the guidelines.
- **Veteran's Cooperative Share Loans Guarantees** – The Veterans Administration will not make share loans to cooperatives.

Finally, NAHC has a new program for your cooperative community – The Wells Fargo Insurance Program. It has been in existence for about a year. Go to [www.nahc.coop](http://www.nahc.coop) for information about the Wells Fargo Insurance Program and learn about possible savings for your community. See you at the Annual Conference, October 26 – 29 in Las Vegas. [CHQ](#)

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

# Tax Escalation Clauses Save Money

By Howard Schechter

Want to maximize commercial rents? A real estate tax escalation clause is just such a technique. It imposes an increase in rent each time the property's real estate taxes rise. Since these taxes are the cooperative's largest variable expense, increases in commercial rents should be proportionate to increases in real estate taxes. These rent increases insulate the cooperative against reductions in net commercial rental income.

**S**killful drafting is key to maximizing the income generated from tax escalation clauses and avoiding disputes with tenants over their implementation. Here are items that should be written into a strong tax escalation clause:

Carefully define the critical concepts used in the clause. How are the real estate taxes determined: is it the amount billed, the amount actually paid, the tax rate multiplied by the assessment? It is important to include all taxes that are imposed regardless of how they are designated. It can be a mistake to omit special district charges if the property is in such a district or to make clear that future impositions that don't exist when the lease is written are included.

How are abatements and other special credits to be handled? Special consideration should be given those that are reduced over time and need to be clearly addressed in the escalation clause.

Pick the right variables. You will have to set or negotiate the percentage of the property attributed to the commercial space and the base tax year.

The percentage is used to determine what portion of the increase in taxes is payable by the tenant. Cooperatives are often lax in determining the fair proportion of tax increases to be paid by a tenant. For example, if the tenant is deemed to be responsible for 5 percent of the increases, the amount generated by the clause will be twice as high as if the tenant is responsible for only 2.5 percent.

The base tax year is also crucial. Since the clause provides for increased rent when the taxes increase, there must be a base tax against which increases are measured. Choose the base tax year that will assure that increases in cost are captured. If you do the calculations, you will see that over time even choosing a base year that starts one year later reduces the increase in every subsequent year.

Many areas of potential dispute are predictable. The clause should address these issues.

**1]** What happens if the base year taxes are reduced after the lease is signed? Are the original or the reduced taxes used as the base?

**2]** If there is a tax reduction caused by a landlord challenge, does the tenant benefit, and if so, is the landlord compensated for the costs of obtaining the reduction?

**3]** Does the rent go down if the taxes go down or can it only go up under the clause?

**4]** Are the increases compounded or does each year stand alone as compared to the base year?

**5]** Is there a time limit for the tenant to challenge the landlord's calculation of the tax increase?

Finally, boards should be vigilant to assure that the managing agent is aware of the various provisions of all the commercial leases and that the charges due under the tax escalation as well as other changes in rent are timely billed and collected. [CHO](#)

**Choose the base tax year that will assure that increases in cost are captured. If you do the calculations, you will see that over time even choosing a base year that starts one year later reduces the increase in every subsequent year.**



Howard Schechter has been representing cooperatives and condominiums for over 40 years. He is a founding partner of Schechter & Brucker, P.C., a New York City law firm that is general counsel to over 200 housing cooperatives and condominiums.



Among the items at issue in this matter were statements made by management's employees to the attorney. The court cited a five-part test for determining whether a corporation's communications are attorney-client privileged:

1] The communication would not have been made but for the contemplation of legal services;

2] The employee making the communication did so at the direction of his or her corporate superior;

3] The superior made the request of the employee as part of the corporation's effort to secure legal advice or services;

4] The content of the communication relates to the legal services being rendered, and the subject matter of the communication is within the scope of the employee's duties; and

5] The communication is not disseminated beyond those persons who, because of the corporate structure, need to know its contents.

The Court of Appeals ruled that the trial court should have applied the foregoing five-part test and should have determined—in the course of an *in camera* inspection—whether the privilege as to each document or class of documents was waived by disclosure to the property manager and his supervisor.

Consequently, a housing cooperative would be wise to heed the rule in this case regarding when a communication between a lawyer and client is actually “confidential.” It should also take care to ensure that its managing agent, employees, and board of directors are strictly adhering to the aforementioned five-part test for determining whether its communications are, indeed, attorney-client privileged. Disregarding the rules surrounding the attorney-client privilege rules puts the cooperative at risk of having to disclose communications that are sensitive, damaging, or embarrassing. The cooperative's attorney must be involved in protecting the confidential information of the board. **CHA**



Randall A. Pentiuk, Esq. is the founding member, attorney, and managing shareholder at Pentiuk, Couvreur & Kobiljak, P.C. in Wyandotte, Michigan.

**Under Florida law, “[a] client has a privilege to refuse to disclose, and to prevent any other person from disclosing, the contents of confidential communications when such other person learned of the communications because they were made in the rendition of legal services to the client.”**



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### The Development and Preservation Committee Focuses on the Future

**THE DEVELOPMENT AND PRESERVATION COMMITTEE'S** 2016 goals are to focus on bringing the design of cooperatives to the forefront and developing a regional team that can help support a project. Hugh Jeffers will chair the committee, and Steve Sarine will be the vice chair. Following 2015 success of convening two conference sessions rather than one, the committee will give two sessions, at the 2016 conference in Las Vegas, aligning with its goals of cooperative design and architecture and cooperative development.

The committee welcomes a member who might be interested in working on the issues outlined for this year.

### Member Service Committee Develops a New Grant

**THE NAHC BOARD OF DIRECTORS** approved a Hardship Grant in February. The Member Service Committee developed a \$2,500 grant program to assist a financially troubled cooperative to send one of its members to a NAHC Annual Conference. The grant will cover the conference registration fee, meals and other associated costs based on the federal per diem. For Las Vegas, that amount is \$61 per day. The allowance also pays the \$159 per night hotel charge. NAHC distributed grant details to members via email the first week of April.

### Financial Committee Approves Budget, Financial Report

**THE FINANCIAL COMMITTEE** approved the 2016 budget and financial reports on February 20. The current balance in the operating account is \$63,000 with \$50,409 in savings. The committee is also on the team to increase the membership base and to enhance the conference. [CHQ](#)

### Registered Cooperative Managers Plan Spring, Conference Training

The RCM Board of Governors has drafted the tentative RCM track for the 2016 NAHC Annual Conference, October 26 – 29 in Las Vegas. It is as follows:

- How to Change the Cooperative's Underlying Documents
- Insurance Issues
- Aging in Place in a Cooperative
- Legal Issues for Management
- New Technologies in Management
- For Board Members Only – Understand an RCM and what they do
- RCM Roundtable – If there are any HUD issues, they will be discussed at the roundtable. The RCM Board reiterated that this track is for RCMs only, except For Board Members Only – Understand an RCM and what they do.

Additionally, the RCM spring training class is scheduled for May 5 and 6 at Bostrom in Washington, DC. Visit the NAHC Website to learn more: <http://coophousing.org/education/rcm/>



# HUD's Proposed Harassment Rule Would Be Painful for Cooperatives

By Douglas Troyer and Matt Gaines

When the dentist says, “This won’t hurt a bit,” most of us know to brace for intense pain – or at least acute discomfort. The same assumption applies when government officials say new laws or regulations won’t impose new obligations or create additional liability to rentals and all common interest communities.

The U.S. Department of Housing and Urban Development (HUD) has offered that assurance for regulations the agency has proposed, clarifying the standards for assessing harassment claims under the Fair Housing Act.

The rules are needed, the agency says, to better protect victims of harassment by explaining more clearly what constitutes harassment and how to assess those claims. Although the proposed regulations primarily target the rental housing sector, they apply equally to other forms of housing, including cooperatives, which is why the governing boards of cooperatives should be concerned about them.

**Most cooperative rules and occupancy agreements contain provisions prohibiting behavior that creates a “nuisance” for residents and ensuring the right of occupants to peacefully enjoy their homes.**

would be “vicariously liable” for the acts of their agents even if they are unaware of the behavior if it is facilitated by the agent’s position. Additionally, and critically, providers would be directly liable for the acts of third parties who are not their agents. In a cooperative setting, this means boards may be liable for the actions of a resident if board members are aware that one resident is harassing another one and fail to take “prompt action” to stop it.

The proposed regulation is clear about its application to cooperatives, noting that third party liability “can derive from an obligation to the aggrieved person created by a contract or lease (including bylaws or other rules of a homeowner association, condominium or cooperative).

The meaning is clear. Most cooperative rules and occupancy agreements contain provisions prohibiting behavior that creates a “nuisance” for residents and ensuring the right of occupants to peacefully enjoy their homes. Because harassment arguably is a nuisance that may interfere with the right to peaceful enjoyment, the rules would require boards to respond if one owner claims that he or she is being harassed by another. It is this obligation to intervene in owner vs. owner disputes that is most problematic for cooperatives.

## An Untenable Choice

Like other attorneys, we typically advise board members to avoid interfering in owner vs. owner disputes, unless they affect the community as a whole or endanger the health and safety of its residents. These proposed rules would turn that advice on its head. They would create an untenable Hobson’s choice for boards: Become embroiled regularly in

## HUD’s Proposal Addresses Two Types of Harassment:

- **Quid Pro Quo** – defined as “subjecting a person to an unwelcome request or demand and making submission to the request or demand a condition related to the person’s housing”; and
- **Hostile Environment** – which involves subjecting an individual to “unwelcome conduct that is sufficiently severe or pervasive such that it interferes with or deprives the person of the right to use and enjoy the housing.”

## Expansive Liability

Citing the importance of housing and the need to preserve its “sanctity,” the proposed rules establish expansive liability standards. Housing providers, including landlords and cooperatives, would be directly liable not only for their own discriminatory acts, but also for the discriminatory acts of their agents if the providers know or have reason to know of the illegal behavior and fail to end it. Providers



Doug Troyer is a Partner and Matt Gaines is an associate at Marcus, Errico, Emmer & Brooks, PC, located in Braintree, Mass. The firm represents common interest communities, community managers and developers in Massachusetts, Rhode Island and New Hampshire. This article is adapted with permission from the MEEB newsletter.



disputes between neighbors and in any litigation resulting from them or refuse to intervene and risk being sued for violating the Fair Housing Act.

Disputes between neighbors arise frequently and for many reasons. How is a board to determine when a dispute is just that – a conflict between people who don't like each other and when a dispute involves a Fair Housing violation the board must address? The proposed regulation acknowledges that "not every quarrel among neighbors amounts to a violation of the Fair Housing Act." But the proposed regulation doesn't provide much guidance on where the line should be drawn.

That's just one potential problem; there are many others. For example:

- The proposed regulation would impose a heavy burden on boards and other housing "providers" – to investigate harassment claims, to take steps to end the harassment if they find evidence of it and then to follow-up to make sure the behavior has ended. But it doesn't explain the steps boards and other housing 'providers' are required to take nor how far they are required to go to deal with the problem. Investigating the complaint, trying to mediate it, ordering an offender to stop the illegal behavior and possibly levying fines, if appropriate, would seem to be reasonable responses for a board forced to deal with a harassment claim. But whether those measures would satisfy HUD or a court that the board has met the compliance burden these regulations impose isn't at all clear. Is eviction the only answer to a zero tolerance policy?

- The proposed rules set a relatively low bar for proving a harassment claim. Residents don't have to demonstrate that the harassment caused physical or psychological harm; they have to prove only that the harassment occurred. And the illegal behavior can take many forms. The regulation notes: "The unwelcome conduct could be spoken or written....it may include gestures, signs and images.... [and] it may be communicated to the targeted individuals in direct and indirect ways...." It's not hard to imagine a situation in which one resident accuses the other of making threatening, harassing statements, which the accused resident

**Residents don't have to demonstrate that the harassment caused physical or psychological harm; they have to prove only that the harassment occurred.**

denies. Absent corroborating evidence from someone who overheard the encounter, how can a board decide which owner is telling the truth? Equally problematic from the standpoint of a

board charged with investigating these claims, the proposed rules don't require evidence of multiple incidents that might create a "pattern or practice" of discrimination – the standard required to prove employment discrimination claims. A single incident is sufficient to establish quid-pro-quo harassment, the regulation notes, and "if sufficiently serious" to establish

a hostile environment claim as well. So it is possible that a one-off comment an insensitive member makes to an overly sensitive one could be catapulted into a formal harassment complaint.

- The purpose of the regulation, as stated by HUD, is to make it easier for individuals to initiate harassment claims. That will certainly be the case in cooperatives if this regulation is approved in its current form. Because it creates an obligation that boards do not currently have to intervene in disputes between owners, the regulation will create a new avenue through which owners can pursue harassment complaints. In addition to suing the cooperative directly and at their own expense (currently their only recourse), residents would be able to file a complaint with a regulatory agency (HUD or the state fair housing office), which could investigate the complaint and file suit on the resident's behalf. If it is easier and less costly for residents to bring harassment complaints, it is reasonable to expect that more of them will do so. The implications for cooperatives (more time spent mediating disputes, more litigation, more legal expenses) are obvious and unpleasant. Cooperatives and their attorneys should monitor this proposal as HUD's rulemaking process continues. (The Comment Period ended December 15th of 2015). Our hope is that the final rules will recognize the shared community aspect of cooperatives and eliminate the severely negative impacts the proposed rule would have on them. Without these essential changes, a dentist examining this proposal would have to tell a condominium client: "To be perfectly honest, this is going to hurt a lot." [CHA](#)



# Conflict Resolution for Cowards

By Heather Uczynski

How much time do you spend intervening in employee disputes? According to one survey, managers spend, on average, 18 percent of their time or about a full day every week, intervening in employee disputes.

Another study revealed that 65 percent of performance issues result from strained relationships between employees. And yet how many managers receive any training in conflict resolution? One of the most dreaded responsibilities for a boss is dealing with conflict. A brewing conflict can turn the most confident manager into a sweating, shaking coward. This is not surprising, since most of us are, let's face it, conflict avoiders.

Of course, conflicts are inevitable, most of which are the result of miscommunication, personality clashes and authority issues. Employees with different goals and perceptions can become territorial and develop personal vendettas, which ultimately can cause valued employees to disengage from their jobs or leave them permanently. And it's not just the people involved in the conflict who are affected. A tense office vibe creates added stress for everyone.

Some managers choose to look the other way when they become aware of a conflict, in exchange for short-term peace. But this will only make things worse in the long run. At the first sign of conflict, managers need to decide whether and when to get involved. Jump in too soon and you won't be giving your staff a chance to figure out their own solutions. If you let a situation fester too long, employee morale and productivity can suffer.

At the first sign of conflict, managers need to decide whether and when to get involved.

If the parties involved aren't able to come to resolution themselves, try mediating the conflict. Talk to each employee individually to get both sides of the story, with an attempt to get to the underlying issues. Make sure to use active listening skills, such as attentive body language, good eye contact and confirming responses, such as "uh huh" or "yes, go on." Ask each employee to repeat what they heard from the other to prevent misunderstandings. Recognize that the problem presented is not always the actual problem because anger is often used as a defense to cover up fear or hurt.

As the mediator, you can help to de-escalate a conflict by calming both parties. According to Jim Melamed, a divorce mediator and trainer, "You cannot effectively move toward conflict resolution until each participant experiences himself/herself to be fully heard with regard to their perspective, what they want and why." Make sure to validate feelings and ask questions, such as: What troubles you most about this situation? Can you tell me more about that? What would you like to see happen?

This type of open-ended questioning can help you to uncover the real issues. Also, check to see whether the information you've received about the conflict is accurate and challenge assumptions made by both parties. Don't focus on

blame or who is at fault for the conflict. Instead, focus on solving it.

Trust your intuition and let it lead the mediation process. If you're uncomfortable trying to mediate, or the conflict can't be resolved, consider bringing in a professional. Whatever you do, don't just ignore a workplace conflict, hoping it will go away. It won't! Serious unresolved conflicts will poison the atmosphere, so it's crucial to nip situations in the bud before they get contentious.

To mediate effectively, you need to manage both yourself and the relationship between the parties. In managing yourself, you need to maintain control of your own emotions. Remind yourself that no matter how frustrating their behavior, both parties are just trying to meet their own needs. As St. Francis of Assisi put it, "Seek first to understand" by trying to view the situation from each person's perspective.

In terms of managing the relationship, be sure the focus is on behavior, not personalities, and direct participants to use "I" statements, such as "I feel frustrated when you..." If you notice an employee getting defensive, step back from the content of the conversation and verbalize your feelings about the process. Also, look for subtle signals that the parties may be willing to cooperate and build on areas of commonality or possible agreement. Focus on the future, not the past, and realize that not all conflicts can be resolved.

If one of your employees is the common denominator in most conflicts, you need to decide if that employee is worth the trouble they're causing. Some aren't. There are plenty of intelligent and talented people who fail in their jobs because they just can't get along with others. According to Daniel Goleman, author of *Working with Emotional Intelligence*: "The ultimate act of personal responsibility at work may be in taking control of our state of mind." The greatest challenge for an employee may not be the work itself, but rather the ability to treat coworkers respectfully and work together as part of a team.

Remember, behavior that gets rewarded, gets repeated. So, make sure you're rewarding behavior you'd like to see more of. [CHA](#)

*Editor's Note: If your building is covered by a collective bargaining agreement, then of course follow the dispute resolution processes called for in the agreement. Nevertheless, the suggestions in this article are applicable to other disputes such as those involving members.*

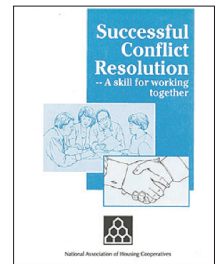
**At the first sign of conflict, managers need to decide whether and when to get involved.**



Heather Uczynski, a business psychologist and executive coach, is the owner and operator of Leading Edge Business Consulting in Leesport, Pa. Reprinted with permission from *Reading Eagle*.



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## THEY SAID IT

### Delivering Bad News is Sometimes a Silver Lining

**NONE OF US** are very motivated to deliver bad news to anyone. Sometimes the reason is that we simply don't like to admit failure. Other times we want to avoid the consequences of failure. It's not always about 'us' though; often we don't want to communicate bad news because it's painful to the receiver, and we don't like inflicting pain of any sort.

This presents us with a problem. If we want to avoid consequences, we must receive bad news in time for us to act, change course, behave differently. Bad news is often times the only effective motivator for change. Without it, we sail blindly into the reefs.

Peter de Jager is on staff at Interthink Consulting in Brampton, Ontario.

# Reserve Study: A Two Act Play — What Is It? How Do I Use It?

By Leon Yudkin Geoxavier

NASA scientists believe we are going to have strong indications of life beyond Earth in the next decade and definitive evidence in the next 10 to 20 years. But more locally, will you need a new roof in the next 10 to 20 years? And will you be able to pay for it?



Leon Yudkin Geoxavier is a registered architect (NY/NJ/ PA) and restoration consultant with Walker Restoration Consultants in New City, N.Y. He is president of Southridge Cooperative Section #1, Inc., in Jackson Heights (Queens), N.Y.

In my own cooperative, we have had a healthy reserve fund for many years. However, lately there has been growing concern among our Board asking, “How much is enough to have in reserves?” The savers among the Board remember scarier, leaner times when the cooperative needed major repairs and had to make tough decisions about a loan, assessment or cashing in those precious reserve funds that took a long time and lot of discipline to build. The spenders among the Board will point out that keeping a large amount of cash in the bank (with today’s interest rates) does not benefit the cooperative compared to putting those funds to good use.

At a particular Board meeting, the spenders were advocating for an energy efficiency project: specifically replacing light fixtures in hallways. The

benefits included better/brighter light and a reduction in energy consumption, which would save money in the long run. But this project (like all others) required funds and a considerable capital outlay at the start: the contractor had to buy all the materials.

So, where to get the funds? The reserve fund? Well, not if the savers had anything to say about it. Although the savers could see the benefits of this project, they were against taking directly from the reserve fund. To many the reserve fund is sacrosanct and should be used in case of emergencies only. Using the reserve funds on a non-emergency project like hallway lights would (in their opinion) put the cooperative in a more vulnerable position should a serious problem arise such as emergency elevator repairs or boiler repairs.

Continued on page 12 >

## Glossary

*Courtesy of the Association of Professional Reserve Analysts*

### Component Assessment and

**Valuation** – The task of estimating useful life, remaining useful life and repair or replacement costs for the reserve components.

**Deficit** – An actual (or projected) reserve balance less than the fully funded balance.

**Financial Analysis** – The portion of a reserve study where current status of the reserves (measured as cash or percent funded) and a recommended reserve contribution rate (reserve funding plan) are derived and the projected reserve income and expense over time is presented.

**Physical Analysis** – The portion of the reserve study where the component inventory, condition assessment and life and valuation estimate tasks are performed.

**Remaining Useful Life (RUL)** – Also referred to as “remaining life” (RL). The estimated time, in years, that a reserve component can be expected to continue to serve its intended function. Projects anticipated to occur in the initial year have “zero” remaining useful life.

**Replacement Cost** – The cost of replacing, repairing or restoring a reserve component to its original functional condition. The current replacement cost would be the cost to replace, repair or restore the component during that particular year.

**Reserve Balance** – Actual or projected funds as of a particular point in time that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also known as reserves, reserve accounts and cash reserves based upon information provided and not audited.

**Surplus** – An actual (or projected) reserve balance greater than the fully funded balance.

**Useful Life (UL)** – Total useful life or depreciable life. The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present application or installation.

The spenders countered with the notion that at some point the existing hallway lights would need to be replaced in the future anyway (whenever they break). Therefore, (again in their opinion), would it not be better to plan ahead and replace the lights under a coordinated program than spend more money down the road replacing lights on an emergency as needed basis?

### Enter the Reserve Study

A reserve study can go by many other names like a capital needs assessment, a physical condition survey, a property analysis, etc. Basically, this is a guide to what you, as a cooperative, have and what it will take to keep going over time, physically and financially. In terms of the physical component, this portion will discuss what you have (land/buildings/systems), their condition and the repair/replacement costs over time. The financial component reviews current reserve funds levels, incomes versus expenses and makes recommendations about how much a cooperative should be contributing to the reserve fund.

And the reserve study at the end of the day is the written report with recommendations.

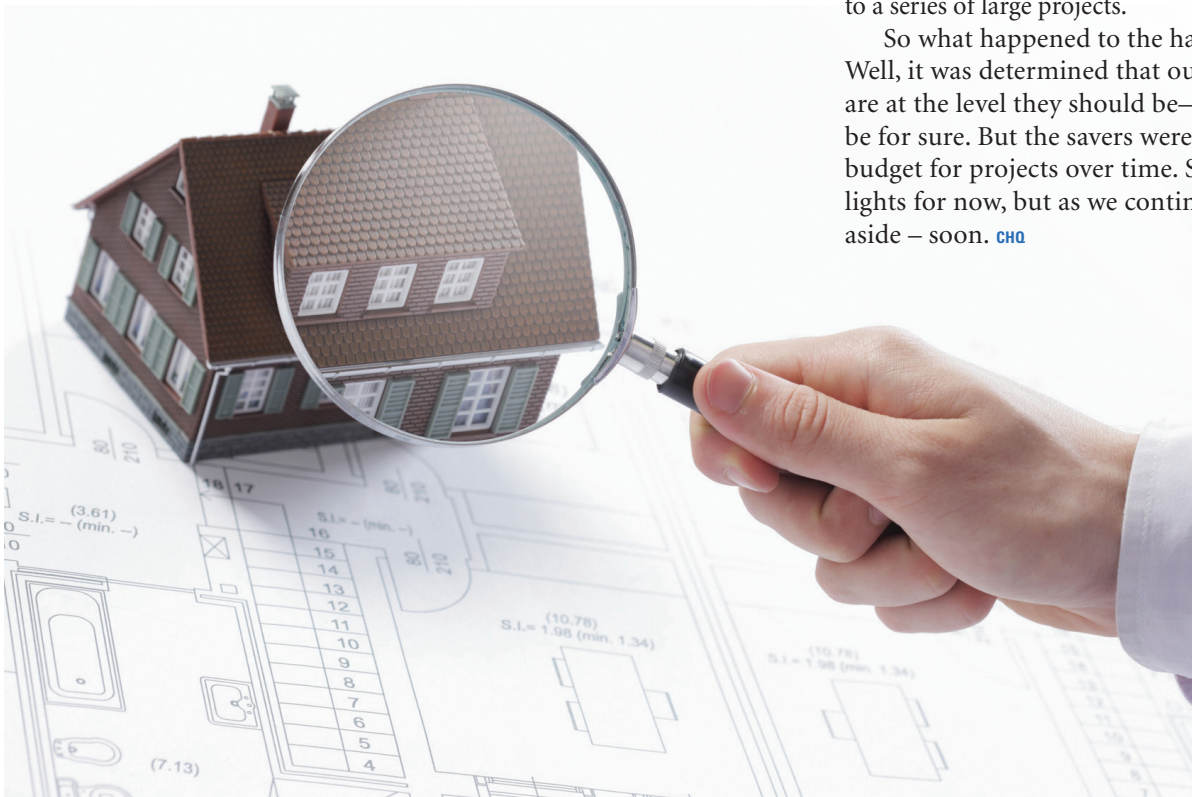
How much does this cost? Well, the cost very

much depends on two things: what is this report for, and what is the property like? If this report is mandated as part of the government program or is for a bank for financing, there are guidelines for what the report must contain and how it is presented. The size and complexity of the property will play a role in how much generating a report will cost, depending on how much time will be required of the professionals who will generate it.

Could you do it yourself? Not really. Aside from the expertise required, this report is generally performed by an outside professional because he or she can be independent. A cooperative member who lives on site every day may have strong opinions regarding the condition of a property and how much should be set aside for the reserve funds. An independent professional is able to look at a property with fresh eyes and is able to provide a fair assessment because his or her fee is not tied to the amount they recommend for reserves in the future.

How often should this report be commissioned? Given the expense, many cooperatives do not have this report prepared or updated as often as they should (which is every year). However, as noted above, certain conditions may make it necessary to have it prepared, such as during refinancing or prior to a series of large projects.

So what happened to the hallway lights? Well, it was determined that our reserve funds are at the level they should be—a good place to be for sure. But the savers were right, we have to budget for projects over time. So no new hallway lights for now, but as we continue to put funds aside – soon. [CHO](#)





# FHA to Cut Insurance Rates On Multifamily Mortgages

In an effort to help preserve and increase the amount of affordable, quality rental housing across the country, the Federal Housing Administration (FHA) recently announced a multifamily insurance rate reduction designed to encourage capital financing of affordable and energy-efficient apartments. The reductions took effect on April 1, and will directly impact FHA's Multifamily Housing Programs and properties housing low- and moderate-income families and/or developments installing energy-efficient systems or building within federal energy guidelines. [Read FHA's new Multifamily Insurance Rates.](#)

FHA is also reducing  
upfront premiums to  
support the affordable  
housing and energy  
efficiency goals...

U.S. Housing and Urban Development (HUD) Secretary Julián Castro made the announcement during a visit to an affordable housing complex in Columbus, Ohio. FHA estimates that the multifamily insurance rate reductions will spur the rehabilitation of an additional 12,000 units of affordable housing per year nationally, meaning over the next three years nearly 40,000 families could benefit from higher quality and affordable housing.

"Families across the country are struggling through an affordable housing crisis," said Secretary Castro. "By reducing our rates, this Administration is taking a significant step to encourage the preservation and development of affordable and energy efficient housing in communities large and small. This way, hard-working families won't have to make the false choice between quality or affordable housing."

FHA's new annual multifamily insurance rates include:

- For 'Broadly Affordable' housing (at least 90 percent of the units are under Section 8 contract and/or covered by Low Income Housing Tax Credit (LIHTC) affordability requirements), FHA is lowering annual rates to 25 basis points, a reduction of 20 or 25 basis points from current rates (A basis point is a hundredth of one percent of the loan amount).
- For affordable mixed-income properties that is properties that set-aside units based on affordability including partial LIHTC, partial section 8, inclusionary zoning or other local affordability requirements, FHA is lowering annual rates to 35 basis points, a reduction of 10 to 35 basis points from current rates.
- For energy-efficient properties (those committed to industry-recognized green building standards

and committed to energy performance in the top 25 percent of multifamily buildings nationwide), FHA is lowering annual rates to 25 basis points, a reduction of 20 to 45 basis points. Qualification for the top 25 percent will be determined using EPA's Portfolio manager 1-100 score.

- To ensure that the Broadly Affordable and energy-efficient properties benefit directly from the lower rates, FHA will limit the fees that can be charged on these loans.
- Multifamily insurance rates for **market-rate properties** that are not energy efficient (as defined earlier) will remain **unchanged**.

FHA is also reducing upfront premiums to support the affordable housing and energy efficiency goals stated above and to streamline the premium structure. Upfront insurance rates will be set at 25 basis points for Broadly Affordable and Energy-Efficient properties and 35 basis points for Mixed-Income properties. Upfront premiums for market rate properties that are not energy-efficient will remain unchanged.

Each year the U.S. loses more than 300,000 affordable housing units. FHA's multifamily rate reductions will help preserve and maintain affordable housing by making rehabilitation more cost-effective and allowing the U.S. to better preserve its limited affordable housing stock. Most of the affordable housing in the United States was built prior to 1980, making it more than 30 years old. These premium reductions will allow developers to renovate this housing, providing families with better quality places to live. The reductions will allow owners of affordable housing developments to free up the capital needed to support higher levels of rehabilitation or increase the number of affordable units—both of which will increase the access families will have. [CHA](#)

# The Early Warning Signs of Failure for a Cooperative

By Peter Couchman and Murray Fulton

It is never too late to act, but acting on earlier signs rather than waiting for the inevitable can dramatically reduce the loss of member value and increase the chance of survival.

Co-operatives do fail, and we need to be able to acknowledge this and talk about it in a serious and thought-provoking way, in everything from global conferences to day-to-day conversations.

In short, the antidote to the problem is to ensure that there is a conversation about the value of co-operation and the role that we can all play in unlocking it. [CHO](#)



Peter Couchman is Chief Executive of the [Plunkett Foundation](#). Professor Murray Fulton is the Director of the Centre for the Study of Co-operatives at the University of Saskatchewan.

A co-operative which **falls silent** on its co-operative identity and its need to engage with its members.

Board members who exhibit **little understanding** of the nature of a co-operative business.

Managers appointed, either externally or internally, who have **no interest or belief** in the co-operative model.

A board which is **unable to explain** how the major changes it is pursuing will **help add value** for their members.

A shift in power and authority to a very **small group** within the co-operative, a group that is **increasingly isolated** from the membership and the employees (both senior and junior).

A shift in focus of the board and management from **what is good for the members** to what is good for them personally.

## The Source of Cooperative Success or Failure is Recognition

By Ryszard Stocki

Ryszard Stocki is a research fellow at St Mary's University in Halifax, Nova Scotia.

In business environments, the sources of success may come from us and our unique maturity as human beings, but they can also come from an unjust legal system, an access to hidden information or decision makers. We might also have misguided customers or have found a market niche – both having only a temporary effect.

Very often the companies do not know that their success was rooted in following cooperative values and principles—simply recognizing people

as exceptional individuals who deserve respect. When the sources of a cooperative's success are not recognized as following from inner development but considered to derive from the market (environment) opportunities, the enterprise will sooner or later abandon the cooperative values and principles and follow the for-profit market path. Soon the cooperative fails and only a very attentive observer knows why. [CHO](#)

## Tax Credit Cooperative Rises in Vermont's Most Diverse Neighborhood

By Doug Kleine

**CHAMPLAIN HOUSING TRUST** (CHT), in partnership with Housing Vermont (a nonprofit tax-credit syndicator), is moving ahead on creating a new 40-unit zero equity housing cooperative in Burlington, Vt. Construction began last summer



The 40-unit Bright Street Housing Cooperative will open in Burlington, Vt. in the fall.

and is expected to be completed in the fall of 2016. A \$100,000 grant from TD Charitable Foundation kicked off two years of planning work to redevelop an urban Brownfield into the Bright Street Housing Cooperative. The Federal Low Income Housing Tax Credit (LIHTC)

program accounts for almost two thirds of the \$11.7 million in funding. Other sources include the Vermont Housing and Conservation Board, energy incentives, Burlington City's Housing Trust Fund, HOME funds from HUD and a Brownfield's program cleanup loan. The cooperative has an option to buy the property at the end of the tax credit period. The democratically run cooperative operates the housing under the lease.

The cooperative will feature a mix of apartments and townhomes to accommodate a wide mix of household sizes and incomes. Three units will be available regardless of income, two units will be for households earning less than 80 percent area median income (AMI), 21 units will be for households earning less than 60 percent AMI, and 13 units will be for households at less than 50% AMI. There will be 13 one-bedroom units and 21 two-bedroom units. Five units will have three bedrooms, and one unit will have four bedrooms. Monthly carrying charges will range from \$700 to \$1,500. A share price of \$830 for all will be indexed for inflation. Amenities will include underground parking, covered bike parking, a laundry room and hookups in the units, a community room, an elevator, and shared outdoor space with raised gardening beds. The Housing Trust is also working with the city to try to create a community garden right next to the cooperative.

Developing new affordable housing in Chittenden County is critical with a 1 percent vacancy rate in the county and rents that have

increased by nearly 50 percent since 2007. A selection committee, made up of members of other housing cooperatives, is reviewing applicants. Over 50 households have applied, 13 have been approved as of February and one was denied. The approved members include a new American family with five children who are excited to lease the four-bedroom townhouse.

This is the fourth leasing cooperative developed by CHT. In 2003, CHT was recognized for its efforts with the Jim and Patty Rouse Award from Enterprise Foundation for its urban revitalization work in the Bright Street area of Burlington, and in 2008 CHT was recognized with a United Nations Habitat Award for its use of the land trust model for affordable housing. [CHQ](#)

*The author thanks Julia Curry, cooperative and community organizer of CHT, for assistance in preparing this description of an underutilized technique for affordable cooperative development.*

## State Agency to Provide Financial Support for Maine Cooperative

### THE MAINE STATE HOUSING

**AUTHORITY** announced its intent to support a manufactured housing community conversion to cooperative ownership. The authority recently provided \$1.8 million in financing for the 76 lot Sunset Terrace community in Rockland, Maine, which was the eighth conversion in the state.



Doug Kleine is former NAHC executive director, presently the manager of the editorial board of the *Cooperative Housing Quarterly* and the *Cooperative Housing Journal*. He is president of Professional Association Services in Alexandria, Va.

## California Association of Housing Cooperatives (CAHC)

**CAHC** held committee meetings and training sessions on February 10 at Martin Luther King – Marcus Garvey Square, Inc. in San Francisco. CAHC is educating members with the publication, *A Practical Guide for Cooperative Success – Toolbox Series*, published by Northcountry Cooperative Foundation in partnership with Northcountry Cooperative Development Fund. Designed for use by housing cooperative boards of directors, resident members and cooperative partners, the guide assists housing cooperative members make more informed decisions and take appropriate actions.

Members also suggested a BYOB (Bring Your Own Binder) brunch meeting. At this gathering leaders will assist members with using their housing binders to explore the benefits and challenges of cooperative housing, such as economic and social benefits, member rights and responsibilities, democracy and cooperative models, legal structure, annual membership meetings, board of directors' duties and much more.

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

**CNYC** convened its 35th annual housing conference on Sunday, November 15, 2015. Many NAHC members attended the conference. NAHC treasurer Linda Brockway and NAHC President Greg Carlson presented a class on ethical challenges. They also worked with NAHC President Emeritus Roger Willcox, staffing the NAHC booth in the exhibit hall.

CNYC continues to work closely with the Federation of New York Housing Cooperatives (FNYHC) to assist members' understand their responsibilities and in turn helping government officials comprehend the special nature of owner-occupied housing. They also sponsored an issues breakfast for their professional affiliates who raised a wide variety of current topics such as property taxes, energy efficiency, waste reduction, short term rentals, incentive verses mandates and affordable housing initiatives.

CNYC will convene its 36th annual housing conference on Sunday, November 13, 2016 at Baruch College in Manhattan. CNYC invites NAHC members to attend at member rates.

## The Federation of New York Housing Cooperatives and Condominiums

**THE FEDERATION** has been actively pursuing numerous city legislative and regulatory initiatives and continues to collaborate with its sister organization, CNYC in conducting several Basic Co-op 101 courses.

The Federation, along with Phipps Housing Services, a not for profit owner, developer and management company, is joining forces with the NYC Housing Authority to preserve a 475-unit affordable cooperative in which the agreement between the cooperative and the city is expiring. The cooperative will become a Housing Development Fund Corporation.

The Federation also is exploring ways to expand the viewership for its website that is routinely updated with topical information for its membership.

## Federation of New Jersey Housing Cooperatives

**NAHC PRESIDENT GREG CARLSON** distributed N.J. legislation information regarding reverse mortgages for seniors to representatives from High Park Garden Cooperative and High Park Terrace at the Federation's November 7, 2015 meeting. Federation President Blonnie Watson also presented the characteristics of successful cooperatives and led members through related questionnaires and an open discussion.

## Midwest Association of Housing Cooperatives

**MAHC** is preparing for its annual conference May 22-25 at the Hilton Orlando Lake Buena Vista at the Walt Disney World Resort in Orlando, Fla. Registrations are still available by registering either on line at the [MAHC website](#) or by contacting JoAnn at 734/955-9516.

MAHC also just completed a January training session in Chicago last month for those in its Certified Cooperative Directors (CCD) program.

## Potomac Association of Housing Cooperatives

**IN CELEBRATING** PAHC's 40th anniversary, presenters will educate members in significant cooperative topics from insurance requirements for owners and emergency preparedness to fair housing at its annual conference at the Sheraton Norfolk Waterside Hotel in Norfolk, Va., April 28-30, 2016. Members will also convene an annual meeting during the conference. [CHA](#)



# Welcome to NAHC New Members

These cooperators are all direct members who joined in 2015 without the benefit of a member association.

## Cooperatives

- ▶ **Riverside Braemar Inc.** is a 90-unit housing cooperative located in Riverside, Calif., founded in the early 1960s.
- ▶ **Greenbelt Homes, Inc.**, a community for people who value community near Washington, D.C., is a 1,600-unit historic housing cooperative located in Greenbelt, Md.

## Professionals

- ▶ **Douglas Elliman Property Management** is located in Brooklyn, New York.
- ▶ **Housing Resource Center, Inc.**, based in Atlanta, Ga., offers multi-family property management services.
- ▶ **Urban Homesteading Assistance Board (UHAB)**, New York City, provides technical assistance, organizational support, training, cooperative development, preservation and insurance purchasing. UHAB empowers low-to-moderate income residents to take control of their housing and enhance communities by creating strong tenant associations and lasting affordable cooperatives.
- ▶ **Arthur Chapman Law Offices** (Arthur Chapman Kettering Smetak & Pikala, P.A.) located in Minneapolis, Minn., provides litigation counsel in the areas of civil and business litigation.
- ▶ **Vitus Group**, based in Seattle, Wash., is a developer of smart, affordable housing and a catalyst for community revitalization.

## Individuals

- ▶ **Milan Hamilton** resides in Redlands, Calif.
- ▶ **Ciaran Doran**, president of Life Renewal Homes, is located in La Jolla, Calif., is a non-equity cooperative housing for low-income clients.

## Member Associations

One individual, two professional members and 31 cooperative members representing 2,469 units joined through member associations. [CHQ](#)

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

### 1. Establish an account.

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

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

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

### 3. Place your order.

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

The GE/Hotpoint program is an NAHC member service.



## NCB Dominates Cooperative Lending in New York

**NATIONAL COOPERATIVE BANK (NCB)** reported nearly \$1.1 billion in real estate lending during 2015. Of that billion, NCB arranged more than \$694 million in financing for housing communities. Properties in the New York metropolitan area, the largest number of cooperative housing communities in the country, received \$648 million. NCB captures the majority of the market share as the leading lender in the New York area.

## Diane Yentel to Head National Low Income Housing Coalition

**THE NATIONAL LOW INCOME HOUSING COALITION (NLIHC)** recently named Diane Yentel, veteran affordable housing policy expert and advocate, its new president and CEO. She is replacing the retiring Sheila Crowley.

Yentel is currently the vice president of Public Policy and Government Affairs of Enterprise Community Partners where she leads its federal, state and local policy, research and advocacy programs. She also worked at the U.S. Department of Housing and Urban Development in the Office of Public and Indian Housing and as a senior domestic policy advisor for Oxfam America.

Prior to her career in D.C., Yentel was the housing policy coordinator for the Massachusetts Coalition for the Homeless and a volunteer with the United States Peace Corps working as a community development specialist in Zambia from 1995-1998. Yentel, a graduate of the State University of New York at Stony Brook, has a Masters of Social Work from the University of Texas.

## Treasury, NCUA Partner to Double Capacity for Low-Income Credit Unions

**THE U.S. TREASURY DEPARTMENT'S** Community Development Financial Institutions Fund and the National Credit Union Administration, the independent federal agency created by the U.S. Congress to regulate, charter and supervise federal credit unions have signed an agreement that will streamline the application process for low-income credit unions to become certified as Community Development Financial Institutions (CDFI).

Credit unions that obtain CDFI certification can access training and competitive award programs provided by the CDFI Fund, and these resources can aid these institutions' capacity to provide underserved communities with access to safe and affordable financial services.

This action launches a plan with a goal of doubling the number of certified CDFI credit unions by the end of 2016. Increasing the number of certified CDFI credit unions could significantly expand funding that can be used to offer financial services to underbanked low-income individuals and make investments in local businesses, affordable housing, and community facilities. There are currently 295 credit unions certified as CDFIs. The majority of these also hold NCUA's low-income credit union designation. [CHQ](#)

## NCB Loans Gill Park Cooperative \$17.9 Million for Rehab

**THE NATIONAL COOPERATIVE BANK (NCB)** granted Gill Park Cooperative, an affordable housing cooperative in Chicago, Ill., \$17.9 million in financing. The 260-unit limited equity housing cooperative, which from the beginning operated as a 100 percent Section 8 project, secured a competitive mortgage to complete its planned capital improvements over the next two years without incurring an increase in current maintenance fees.

Planned improvements at the cooperative include new plumbing and HVAC systems, a redesigned lobby and laundry facility, as well as a number of exterior improvements. In addition, the cooperative will renovate the interior units with new kitchens, floors and wall finishes.

## UHAB Deputy Awarded Influential People in Brooklyn

**BROOKLYN MAGAZINE** named Cea Weaver, assistant director of the Organizing and Policy Team of the Urban Homesteading Assistance Board in New York, as one of the 100 most influential people in Brooklyn culture. Weaver has been an active advocate for tenants' rights and organizing housing cooperatives.

## Mutual Housing California receives grant from Enterprise to enhance Green Maintenance

**ENTERPRISE COMMUNITY PARTNERS, INC.** recently awarded Mutual Housing California (MHC) a grant to deepen organizational capacity to develop and manage energy efficient properties. MHC will use a portion of the grant to enhance and expand its Green Operations and Maintenance Manuals across 19 affordable home communities.

The manuals will cover such topics as solar panel maintenance, eco-friendly landscaping, maintaining water-wise irrigation systems and utilizing non-toxic building components. Other subjects will include green conscious contracting, waste management, energy management, maximizing energy efficiency of HVAC systems and non-toxic pest management. [CHQ](#)

## Legislation and Regulations

By Judy Sullivan

### FEMA Relief for Housing Cooperatives Needs More Co-Sponsors

#### *HR 3863 Disaster Assistance Equity Act of 2015*

HR 3863 amends the Robert T. Stafford Disaster Relief and Emergency Assistance Act to modify the definition of “private nonprofit facility” to include any facilities (including roads, bridges, sewer systems, and other critical community infrastructure) owned or operated by a common interest community that provide essential services of a governmental nature. HR 3863 currently has 17 co-sponsors:

Rep Capuano, Michael E. [MA]	Rep Meng, Grace [NY]
Rep Connolly, Gerald E. [VA]	Rep Nadler, Jerrold [NY]
Rep DeSaulnier, Mark [CA]	Rep Pallone, Frank, Jr. [NJ]
Rep Engel, Eliot L. [NY]	Rep Pascrell, Bill, Jr. [NJ]
Rep Fattah, Chaka [PA]	Rep Rangel, Charles B. [NY]
Rep King, Peter T. [NY]	Rep Rice, Kathleen M. [NY]
Rep Lofgren, Zoe [CA]	Rep Sanford, Mark [SC]
Rep Maloney, Carolyn B. [NY]	Rep Sires, Albio [NJ] and
Rep Meeks, Gregory W. [NY]	Rep Israel (D-NY)

You can download a copy of HR 3863 at: [www.congress.gov/bill/114th-congress/house-bill/3863/text](http://www.congress.gov/bills/114/congress/house-bill/3863/text). We need sponsors nationwide to push for this legislation.

Residential buildings containing more than four units are eligible for up to \$250,000 in building coverage and up to \$100,000 on personal property flood insurance.

Under the RCBAP Form a condominium association can purchase coverage on a building, which includes all the units within the building and the improvements within the units, up to \$250,000 times the number of units within the residential building. Personal property coverage on the form is limited to \$100,000 per building. Cooperatives are personal property.

### Reverse Mortgages/HECMs for Housing Cooperative Seniors

Legislation passed in 2000 authorized reverse mortgages for housing cooperatives and mandated that HUD develop guidelines for these mortgages. No such guidelines have been promulgated, nor is HUD making reverse mortgage loans (HECMs) on cooperatives. Lenders could still develop their own reverse mortgages (proprietary loans) for cooperatives but have not done so in recent years. New York state regulations now specifically prohibit reverse mortgages on cooperatives. The N.Y. NAHC members are working to change this stance. If they are successful, there is great demand in N.Y. cooperatives for reverse mortgage loans.

### The “Amateur Radio Parity Act of 2015” (H.R. 1301/S.1685)

Directs the Federal Communications Commission to amend regulations concerning the height and dimensions of station antenna structures to prohibit a private land use restriction from applying to amateur service communications if the restriction precludes such communications, fails to accommodate such communications, or does not constitute the minimum practicable restriction to accomplish the legitimate purpose of the private entity seeking to enforce the restriction.

### House Committee on Energy and Commerce Subcommittee on Communications and Technology

NAHC staunchly defends the right of each cooperative to set policy for its own community and therefore opposes this legislation.

Directs the Federal Communications Commission to amend regulations concerning the height and dimensions of station antenna structures to prohibit a private land use restriction from applying to amateur service communications if the restriction precludes such communications, fails to accommodate such communications or does not constitute the minimum practicable restriction to accomplish the legitimate purpose of the private entity seeking to enforce the restriction.

## Partnerships and Alliances

### Cooperative Tax Coalition

Credit Unions and the National Cooperative Bank have called together representatives of all cooperative sectors to understand the nuances of the federal tax advantages that each group has, so that they will be prepared to work together to defend the interests of any group whose tax structure comes under attack.

### Promulgating the Cooperative Model

Howard Brodsky, co-founder, chairman, and chief executive officer of CCA Global Partners, is organizing the international cooperative community to work together to get the word out about the cooperative model. Here’s a link to CCA Global Partners’ website: [www.ccaglobalpartners.com/leadership](http://www.ccaglobalpartners.com/leadership)

### Congressional Co-op Business Caucus

NCBA/CLUSA formed a Co-op Business Caucus. Congressional co-chairs are Rep. Ed Royce, R-Calif. and Rep. Mark Pocan, D-Wisc.

### Donut Group

This multi-family affordable housing coalition provides updates on and advocates for low income multi-family housing programs.

## COOPERATIVE CALENDAR

### MAY

- 2-4** NCBA CLUSA Annual Business Meeting and Annual Cooperatives Conference, Washington, D.C.
- 4** Cooperative Development Foundation Cooperative Hall of Fame and Issues Forum; National Press Club, Washington, D.C.
- 5** National Cooperative Bank Annual Meeting and Reception; Women in the Military Memorial, Arlington Cemetery, Arlington, Va.
- 5** Registered Cooperative Manager (RCM) Training; Bostrom, Washington, D.C.
- 6** RCM Ethical Practices Recertification; Bostrom, Washington, D.C.
- 22-25** Midwest Association of Housing Cooperatives Annual Conference; Hilton Orlando Lake Buena Vista, Orlando, Fla.

### JUNE

- 10-11** National Association of Housing Cooperatives Board of Directors Meeting; Embassy Suites, Alexandria, Va.

### OCTOBER

*October is Co-op Month*

- 24** Registered Cooperative Manager (RCM) Training; Monte Carlo Resort and Casino, Las Vegas, Nev.
- 25** RCM Ethical Practices Recertification; Monte Carlo Resort and Casino, Las Vegas, Nev.
- 26-29** NAHC's 56th Annual Conference; Monte Carlo Resort and Casino, Las Vegas, Nev.

### NOVEMBER

- 13** Council of New York Cooperatives & Condominiums' 36th Annual Housing Conference; Baruch College, Manhattan.

REPORT FROM WASHINGTON

[continued from page 19]

### HUD Proposed Rule to Make Public Housing Smoke Free

[http://portal.hud.gov/hudportal/HUD?src=/press/press\\_releases\\_media\\_advisories/2015/HUDNo\\_15-144](http://portal.hud.gov/hudportal/HUD?src=/press/press_releases_media_advisories/2015/HUDNo_15-144)

Group sent a Donut Letter regarding Streamlining Inspection Process and Project Based Section 8 vouchers on December 7, 2015 regarding HR 3700 (HR 3700 approved by House Financial Services Committee on December 9, 2015). Comments were due: January 19, 2016.

### Priya Jayachandran

Jayachandran is the new HUD Acting Deputy Assistant Secretary for Multifamily Housing.

### Expanding NAHC Goals

#### NAHC Social Policy

Consider social policy positions, e.g., minimum wage.

### Bill Would Give Cooperative Owners New Tax Deduction

Two U.S. Representatives from California, Anna G. Eshoo and Mike Thompson, introduced the *Helping Our Middle-Income Earners (HOME) Act*, which would allow homeowners making up to \$115,000 in annual income to deduct up to \$5,000 in community association fees from their federal tax liability. [CHQ](#)



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