

President's Column

3

Cooperatives Go Solar: Bringing Renewable Energy to Low-Income Cooperatives (UHAB)

6

Dear Board Members: Please Speak Up

7

A Smart Step to Protect Your Cooperative: An Overview of Certificate of Insurance

8

Weak Insurance Coverage Could Expose Boards

10

Committee Corner

RCM Update

11

It's So Simple: What Does a Housing Cooperative Membership/Share Purchase Buy?

12

People and Places

News from All Over

13

The NAHC 59th Annual Conference Promises Cooperative Learning and Fun

14

List Your Membership for Sale with the National Association of Housing Cooperatives

15

Member Association News

16

Member News

18

Report from Washington

19

Cooperative Calendar

20

COOPERATIVE HOUSING QUARTERLY

A member service of the National Association of Housing Cooperatives

Summer 2019

Fifty-One Homeless Vets Given Cooperative Keys to a New Home & Life

By David J. Thompson



A feature at Soldier On in Agawam is its palatial façade front door.

CREDIT: SOLDIER ON

In 2018, in Agawam, Mass., the last of a group of homeless veterans was handed their keys to home ownership. In total, 51 homeless veterans were not just given keys to their own housing cooperative but keys to a new life. For the first time in a long time, these veterans had a stable roof over their head and a host of supportive services to give them independence on their new journey.

When Anthony Wilson moved in that first week, he told his case manager, "Walking into my unit

brought tears to my eyes. This is MY home, and no one can take that away from me."

For Soldier On, a Northampton, Mass.-based veterans' organization, the Gordon H. Mansfield Veterans Community in Agawam was a key chapter at the end of an almost 10-year struggle for this site to be a veterans' community. When staff from Soldier On set its eyes on the empty former home of the Western Massachusetts Regional

Continued on page 4 >



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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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Disaster Planning is Important for Housing Cooperatives

By Fred Gibbs

WHETHER OR NOT you believe that climate change is real, natural disasters have become more frequent and more devastating. Many communities have no plan. The real disaster is failing to plan.

Disaster preparedness is particularly important in cooperative communities because of multi-family density. There is no shortage of guidance for creating a safe, effective emergency preparedness plan. Most sources use, at least, a four-point approach. Those points include: 1) Plan; 2) Prepare; 3) Respond; 4) Recover.

Each phase of the approach provides a series of tasks that will ultimately reduce the possibility of injury or loss of life. Property can be rebuilt; lives cannot be replaced. The focus of any preparedness must, as its target, save lives.

PLAN This is the huddle before there's any hint of disaster. Using the human resources in your communities create teams with specific assignments. Team members must be vested with decision-making authority and provided access to communication channels with first responders, utility companies, insurance claims professionals and other local officials.

The plan must deputize these team members by name and title at the first declaration of an emergency. These varied authorities must be part of a policy adopted by the cooperative. Many sources provide a detailed chain of command for the development of teams. The cooperative community should carefully study many sources of material to craft a plan that fits their specific needs. Educate the team and access areas of greatest risk. Then, formulate your plan to reduce those risks. Seek expert assistance to review your plan for efficacy. Huddle first.

PREPARE This phase of the plan needs to address key functions that will need to be mobilized leading up to and during an emergency event. Of foremost importance is a plan for communications that doesn't rely solely on a single communication protocol. Communities should assume interruptions in traditional forms of communication and develop work around ideas that will enable all members of the community the ability to be accounted for and assisted when quick contact is critical.

Care should be taken to safeguard critical documents and files, both physical and electronic. Therefore, physical and electronic redundancy must be given first place in your preparation strategy. This redundancy should begin early and should be reviewed and updated often. Cooperatives should consult with technology specialists to establish a backup and data storage plan to safeguard information.

Having a complete inventory of materials, supplies, furnishings and even video recordings of property conditions and equipment must be part of the plan and will assist your insurance professional should there be a claim filed.

RESPOND Planning to take action based on the severity of the disaster would be the next step in your strategy. The teams must know the order of response to execute at any given time.

Items to be considered include: community demographics, cultural and religious considerations, pets and service animals, shelter/rendezvous locations (aka safe zones) and detailed building and site plans, just to name a few.

Knowing your community demographics and having a list of persons who need special assistance or who may have a disability will help in your attempts to respond to any emergency situation. Identifying persons who have service animals and preparing to accommodate them is an important step to ensure that all residents are properly cared for during the event. Every plan should identify safe zones for shelter and rendezvous after an event. This plan will give families the comfort of knowing they will be reunited. Finally, there should be a paper and an electronic record of all utility shut offs, exits and approved shelter locations in the community. Note: Utility shut offs should be clearly marked using approved marking labels. See your local fire department or codes department for guidance on marking.

RECOVER Once the emergency event is no longer active, the community can focus on recovery efforts. Your list of professionals will assist at this point. Insurance, legal, finance, contractors and engineers will be among the first people to arrive on the scene. Be prepared to provide reports of damage and loss to each of these people. Each has a different focus as they arrive. Protect your community by making sure your legal representative is made aware of all communications. This step will allow them to institute the appropriate safeguards to avoid scams and simple but costly mistakes.

While preparing your plan, you may find an insurance checklist to be in order. Has your insurance professional tested your level of coverage against potential losses? Are your buildings insured sufficiently? Could you rebuild, if needed? Do you have the appropriate coverage for loss of income? These are a few questions to consider when testing your coverage.

Be sure to include local contacts such as the Red Cross, Salvation Army and other such service agencies. You will want to include their contact information in any literature you distribute to the community. The government's Federal Emergency Management Agency (FEMA) should be included with this information as well.

Before making your plan, consult the following websites for guidance: FEMA.gov, HUD.gov, Ready.gov, NMHC.org

Be safe and plan ahead. [CHA](#)



Fred Gibbs
President

NAHC is garnering support for the FEMA bill that would provide housing cooperatives with direct FEMA relief grants for common areas of housing cooperatives in the event of a nationally declared disaster. The bill had 19 bipartisan co-sponsors. NAHC is hoping one or more of the previous co-sponsors will take the lead for this legislation in this congressional session.

Housing for Veterans

These new housing cooperatives are not the first of their kind, but there should be many more. Thompson has written elsewhere about how after World War II housing cooperatives gave a home to veterans and their families (www.thenews.coop). Former NAHC Executive Director Doug Kleine also has written about them. From 1945 on, veterans housing cooperatives helped returning veterans to re-build their lives. In an amazing national effort, 46 housing cooperatives for veterans were built in 15 states providing 14,721 units of cooperative housing for almost 50,000 members of veteran families.

Soldier On Statistics

- A homeless vet can cost the public nearly \$80,000 each year.
- The annual cost of a veteran at Soldier On is \$17,000.
- This is a savings of roughly 80 percent for taxpayers.

Gordon Mansfield

Gordon Mansfield, a former deputy secretary of Veterans Affairs, was a Pittsfield native and highly decorated Army veteran who survived two tours of duty in Vietnam. As company commander of the 101st Airborne Division, Mansfield sustained a spinal cord injury during the 1968 Tet Offensive for which he received the Distinguished Service Cross — the second-highest personal decoration for valor in combat.

Police Academy, it was love at first sight. The academy with its classic architecture of white Greek columns highlighted the stately four-story building on seven acres of landscaped open space. It would surely be an uplifting palace for poverty stricken homeless veterans.



Anthony Wilson resident poses at Soldier On in Agawam.

CREDIT: ANTHONY WILSON

The state of Massachusetts handed over the property to Soldier On for \$1 in 2010. Massachusetts Lt. Gov. Timothy P. Murray called the act “a generational responsibility” to help the nation’s veterans. John (Jack) F. Downing, president of Soldier On, joined Murray in saying there is an obligation to help out “those who aren’t as gifted or able.” State Rep. Rosemary Sandlin, D-Agawam, who initiated the project and filed the state bill to allow for the sale, characterized the project as “a hand up, not a handout.”

Not only does the community provide veterans with housing, but it also prepares them for practical living. The veterans go through a 35-hour life skills program, involving decision making, cooking, budgeting, weight loss, anger management and coping with mental health issues. The program also offers day trips, games and art to spur personal interests such as reading groups, performing arts and museum visits, fishing and camping excursions and professional sporting events. It also

encourages veterans to volunteer in the community. For example, residents partnered with the Agawam Garden Club to weed and plant along Main Street.

After years of homelessness, fighting isolation is a priority objective of Soldier On said Casey DiCicco, director of

communications at Soldier On. Thus, each veteran is assigned a case manager, along with peer support, transportation to appointments in the community and a meal a day that veterans can eat in the dining room or take to their apartment.

In addition to regular checkups, Soldier On has supplied each apartment with a 32-inch monitor that is both a TV and an interactive computer. The monitor, set up to encourage face-to-face meetings, is tied into a Soldier On service desk where the resident veterans can get immediate help and support through Skype or text. The organization has

created a \$2 million-dollar call center to serve its thousands of clients including the vets at Agawam.

These units will also build community by announcing activities via calendars for Agawam and other Soldier On sites. Additionally, the veterans will be able to make appointments on line with a case worker or medical staff. Currently, residents not only Skype with their case managers, but they are able to attend groups at different campuses and Skype with their families and other residents.

The community hosts 47 one-bedroom apartments of 475 square feet each and four studios with vaulted ceilings with large windows. The common areas include two patios with gas grills, a dining area for special events and social events, a greenhouse, laundry rooms, onsite office rooms and a converted auditorium that houses two units, a library and/or meeting room.

The organizational structure of the Soldier On cooperatives is modeled on Gordon

Mansfield Agawam Veterans' Village. The property is owned for the first 15 years by Agawam Veterans Village LLC, which used state and federal historic tax credits to obtain the equity financing. The limited equity cooperative is the non-profit partner in the ownership of the project. The intent is for the cooperative to have an advisory board of four to five members elected by the residents and one or two board members appointed to the board from the Agawam community. After 15 years, the board of the limited equity cooperative will assume the property from the LLC.

Homeless veterans who meet U.S. Department of Housing and Urban Development Veterans Affairs Supportive Housing (VASH) and low-income housing credit income thresholds are eligible to be cooperative members. Due to the VASH vouchers, the monthly carrying charge or rent to live at Agawam is set at one third of their income.

Members of the cooperative have to obtain \$2,500 to invest in one share. However, many of the homeless veterans are not able to raise the full amount. Fortunately, Soldier On has worked with a number of local banks and credit unions on a pool of funds. Those dollars can be donated or lent to prospective members. At the end of the year, if there are surplus funds after paying off all obligations, the cooperative issues a rebate to each member.

The Gordon H. Mansfield, Veterans' Community in Agawam is a replication of the idea of the first limited equity cooperative that Soldier On completed nearby in Pittsfield, Mass., in 2010. The Pittsfield cooperative provides housing for 39 veterans in a community of all newly built housing.

Downing conceived and spearheaded the program for limited equity housing. Just before the dedication, Downing said, "Agawam is a community that many of our people would be comfortable living in. It offers a lot of supportive services, and this building is on rural property that allows our veterans to live together and do very, very well."

Many groups involved in housing veterans are beginning to take a look at the veterans' cooperative housing program at Soldier On that promotes ownership and involvement.

To learn more about Soldier On, visit its web site at www.wesoldieron.org. **CHQ**

This article first appeared in Shelterforce.



David J. Thompson has visited Soldier On twice to learn about the progress of the limited equity cooperative model. He has worked on the California legislation and successful bond measure in 2014 which made \$1 billion more available to house veterans in new ways. David is president of Twin Pines Cooperative Foundation and a co-principal of Neighborhood Partners, LLC. www.npllc.org



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 or phone at 202.727.0797.





Co-ops Go Solar: Bringing Renewable Energy to Low-Income Cooperatives

By Clara Weinstein

As politicians across the country scramble to put together a “Green New Deal” to deal with the deleterious effects of climate change, the Co-ops Go Solar campaign in New York is asking: what would happen if the cooperative principle of self-determination was applied to a transition to renewable energy?

On June 21, UHAB honored 22 Housing Development Finance Corporation cooperatives who are leading the transition to renewable energy.



Clara Weinstein works on energy services and building resiliency at UHAB. If you're interested in Co-ops Go Solar, please contact her at weinstein@uhab.org.

The Co-ops Go Solar campaign is a collaboration between two nonprofits: the Urban Homesteading Assistance Board (UHAB) and Solar One. UHAB is dedicated to serving low-income housing cooperatives while Solar One provides education to create a more sustainable and resilient urban environment. Together, the organizations provide free technical assistance to cooperatives considering solar adaptation.

Both groups believe cooperatives are uniquely positioned to lead New York's transition to renewable energy. Cooperatives will be heavily impacted by climate change. Many are located in flood zones, and erratic weather will wreak havoc on New York's aging building stock. Furthermore, limited-equity shareholders don't have the luxury of picking up and moving somewhere else if the climate becomes inhospitable. Unlike renters, however, they have self-determination over their housing, and incentives on the state and federal level make it possible to transition to renewable energy sooner.

Furthermore, cooperatives have a long history of energy justice. In 1976, Heartstone Co-op installed solar panels and a windmill on its roof, becoming the first cooperative in New York City to do so. Con Edison promptly sued the cooperative in a case that led to the birth of net metering. This decision mandated that Con Edison buy the excess energy the cooperative generated and put it into the grid. This precedent of net metering makes solar financially feasible today. Renewable energy fits in perfectly with the inventive, practical, DIY spirit of cooperatives.

The Co-ops Go Solar team works around the barriers low-income housing cooperatives face in pursuing solar. For boards too busy juggling full-time jobs with building management to dedicate time and research to solar, the team makes it easy by explaining solar in simple language and working with cooperatives' schedules. Go Solar combats misinformation with free educational workshops at the cooperatives and conducts tours of functioning solar installations. Go Solar works with cooperatives whose residents primarily speak Spanish by providing bilingual materials and trainings. Go Solar helps cooperatives budget and give them different options for financing to make solar accessible to buildings with varying financial situations. Everything the cam-

paign does, from estimates to board presentations to site assessments, is free. By working with low-income housing cooperatives in a way that's accessible regardless of language, finances or technical expertise, Co-ops Go Solar is slowly breaking down the barriers these cooperatives face in solar implementation.

More cooperatives are going solar every month, including a cluster of buildings in Northern Manhattan, throughout downtown Manhattan and Brooklyn, and the first ever Bronx cooperatives signed up to install panels (for details see the spring/summer issue of the CHQ). The Co-ops Go Solar campaign forms purchasing groups of low-income cooperatives to select installers, driving down the price through the power of bulk purchasing. This arrangement can make a huge difference in affordability, especially for smaller buildings. So far Go Solar has created two purchasing groups through the campaign and are forming another.

Low-income cooperatives are already leading the way in transitioning to renewable energy. Because of the special challenges these cooperatives face, however, from language barriers to a lack of technical expertise, a mediating party that can work with them to create estimates, organize buildings into purchasing groups and guide them in selecting an installer can make all the difference. The campaign has only been around for a year, and Go Solar has already helped almost 20 buildings sign up for solar.

UHAB is a New York City-based nonprofit that provides support and services to low-income cooperatives and renters across the city. Founded in 1973, UHAB is instrumental in guiding distressed rental buildings to become thriving cooperatives under the ownership and maintenance of their residents. They empower low-to moderate-income residents to take control of their housing and enhance communities by creating strong tenant associations and lasting affordable cooperatives. Solar One is a nonprofit organization whose mission is to empower learning and innovation that results in a more sustainable and resilient urban environment. Through the Here Comes Solar program, staff facilitates solar adoption in traditionally hard-to-serve markets by providing comprehensive technical assistance to building owners and community groups. [CHQ](#)



Dear Board Members—Please Speak Up!

By Cindi Phallen

Each year you work hard to bring on new board members who will help you do your important work. They're smart, eager, connected and ready to roll. The excitement is palpable, and they jump in with both feet.

And then something happens. At some point, most board members' productivity slows down a bit. Like a receding tide, you see them moving away and out of reach. But you still need them. The community is counting on all of you. How can you keep them where the action is, focused on the right things, leveraging their unique gifts?

Several years ago, even as a seasoned executive director, I stopped paying attention to a veteran board member because I just assumed he was still feeling valued and doing meaningful volunteer work. After all, he had been with us for over six years. Then one day I turned around, and he handed me his resignation. I had no idea he had lost interest and was moving on. He hadn't spoken up, and I wondered why not.

Why Does this Matter?

When you have a shared leadership structure, teamwork is vital to success. And when the team is humming along together:

- ▶ Your meetings run smoother;
- ▶ Your action items actually get completed;
- ▶ You raise more money;
- ▶ You have more ambassadors telling the story of your good work in the community;
- ▶ You serve more people because you're running more efficiently.

Require Board Members to Speak Up

Yes, you've given them an orientation and helped coach them on the ins and outs and culture of the organization when they first joined. But you also might not know what they don't know that early on. We all realize that open communication generally creates a more positive and productive environment, so set up simple ways of knowing if your board members are doing okay and are still satisfied with their involvement.

Three Quick and Easy Steps to Encourage Board Members to Speak Up:

1 Enroll a board member or two to serve as champions among their peer circles. Don't overcomplicate it. Just ask them to check in with board members who seem to be drifting away. Or maybe seem frustrated about something. Part of your role is leadership development. Not only do you not have to do all the work, but this is a way to involve others who have influence to help strengthen the team.

2 Encourage board members to reflect on what matters to them most in regard to their service. Then ask them to speak up and share it so you can support them in achieving it. Maybe they want to be more connected to the mission somehow or they're motivated by the relationships they've made on the board. Once you know, you can be more effective in supporting them.

3 Have a conversation with individual board members without an agenda. When was the last time that happened? Just ask about their dog, find out when their next vacation is, how that challenge at work is going, etc. This is simple relationship building and sometimes we're just too darn "busy" to focus on our most precious assets – our people. Time to slow down and chat.

All of us can get distracted or lose motivation from time to time. It's tough to maintain a high level of participation over long stretches. Ask your board members to tell you what they need – in the beginning, middle and end of their term. And remind them they have a responsibility to share their ideas, questions and concerns. Most of us aren't mind readers so if you need something, dear board members, please speak up! [CHQ](#)



Cindi Phallen is a nonprofit strategist and the founder and president of Create Possibility.



A Smart Step to Protect Your Co-op: An Overview of Certificate of Insurance

Your cooperative may rely on working with other businesses in order to succeed. But, that can leave the cooperative exposed because it can be held legally liable for damages if contractors do not have adequate insurance coverage. Doing business with vendors, buyers, contractors/subcontractors and suppliers can have implications on the cooperative's own insurance coverage and pose a serious threat to the cooperative's financial health.

To protect your cooperative, it is important for you to work with only those who are adequately insured and can prove that coverage exists. And that's where certificates of insurance apply.

What is a Certificate of Insurance?

A certificate of insurance verifies that someone wanting to do business with you has adequate limits of insurance and that the insurance is in force and current. Certificates are usually issued by an insurance agent or broker but also may be issued directly by an insurance company. A certificate is for informational purposes only and is not an actual contract between the certificate holder and the insurance company. A certificate is not a guarantee that the policy does not contain additional exclusions/coverage. Any contractor should be able to easily obtain a certificate of insurance by contacting his or her agent or broker.

It's Important to Make the Request

When you are making the important decision of whether or not to work with a vendor, buyer, contractor/subcontractor or supplier, obtaining a certificate of insurance can provide a level of confidence as you enter into a contract with them. A certificate of insurance contains valuable information that can help businesses avoid major losses.

Keep the certificate on file. If a policy is set to expire before a contractor's work is completed, you should request another certificate for the renewal policy.

Make Sure to Review the Certificate

Insurance requirements will often be written into a contract, but you may also want to supply a required insurance coverage form to the contractor or other party (see "Required insurance coverage" section in the right column). Always obtain the

certificate before any work is performed. Most businesses require certificates before the contractor can even set foot on their property.

After obtaining the certificate, review it for the following information:

- The name of the insured;
- The proper coverage(s) being provided;
- The required limits;
- The effective dates; and
- Your name as the certificate holder.

Required Insurance Coverage.

Before providing a service or product to you, the party with whom you are doing business must provide a certificate of insurance that names you as the certificate holder and meets the minimum requirements listed below.

Please note: If the other party either does not provide you with a certificate of insurance, or if they provide one with limits lower than the requested minimums, you should discuss this with your agent before work begins.

General Liability

\$1 million each occurrence/\$2 million general aggregate/\$2 million products completed operations aggregate; \$1 million personal and advertising injury each occurrence.

Workers' Compensation and Employers' Liability

\$500,000 bodily injury by accident, each accident;
\$500,000 bodily injury by disease, each employee;
\$500,000 bodily injury by disease, policy limit.

Auto

\$1 million CSL (combined single limits).

Umbrella liability

\$1 million each occurrence.

For an explanation of how these limits would be applied in the event of an actual loss, consult with your agent.

What You Can Learn from a Certificate.

Most certificates of insurance are issued on an ACORD 25 form, a standard form used by the insurance industry. Here's a brief description of each section of the form with a sample to review (below):

Identification Section

This section identifies the agent/broker, the insured and the insurance company providing coverage.

- 1 The date the certificate was issued by the agent/broker or insurance company.
- 2 The name of the insurance agent/broker. Their address, contact name and phone number should be listed in case you need to ask additional questions or confirm coverage.
- 3 The name of the insured. Be sure to verify that it is an exact match to the name of the person or company you are hiring.
- 4 The names of insurers. One insurer often provides insurance for all coverages, but at times, different insurers are used for different policies.

Coverage Section

This section lists the names of the insurers by coverage provided. Make sure the insurers meet your minimum requirements for financial strength and are reputable carriers.

- 5 The insurer for a particular coverage, keyed to the corresponding letter in item #4.
- 6 The type of coverage. Ensure that the person or company you are hiring has, at a minimum, general liability and workers' compensation insurance.
- 7 Additional insured column. Verify that a "Y" appears to indicate you have been added as an additional insured for ongoing and products/completed operations. Best practice is to ask for copies of the additional insured endorsement to ensure that coverage complies with your insurance requirements.
- 8 The policy number. Identifies the number of the policy in force between the policy effective date and expiration date listed in the next two columns on the form.
- 9 The policy coverage dates. Check these to ensure they cover the period in which work will be performed. If a policy is set to expire before the job is completed, request another certificate for the renewal policy.
- 10 Coverage limits. Make sure the limits held by the contractor meet the limits you require.
- 11 Description of operations/locations/vehicles. Make sure you understand the meaning of any comments made here and how they may impact your project's insurance program.

Certificate Holder Section

- 12 Identification of certificate holder. Make sure your company's name appears here.
- 13 Notification procedures if the policy is canceled. Ask to see the policy provisions or endorsements regarding how notice will be given, to whom, and how many days advance notice will be provided. Make sure they meet your contract requirements.
- 14 Signature of authorized representative. Make sure the certificate is signed here by the agent or other individual representing the person or company you are hiring.

Editor's Note: When requesting the certificate, you should require that the cooperative be named as an additional insured. Neither this article nor NAHC proposes to give legal advice. Thus, the cooperative should consult with an attorney.

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Weak Insurance Coverage Could Expose Boards

By Michael S. Hale, Esq.

Purchasing insurance is indeed a complicated endeavor. All policies differ in their terms and conditions, and it is critical that the board spend quality time every year in assessing the cooperative's coverages and getting the input of qualified advisors.

While many board members believe that the cooperative's directors and officers liability insurance would cover them if there was a claim for inadequate insurance, this may very well not be the case.

The purpose of this article is to examine common insurance issues found in reviewing cooperative insurance programs and to make some general recommendations to boards on these important issues.

Cooperative Policy Contracts, Not Commodities

Insurance is one of the few industries where the product (i.e. the policy) is almost always purchased sight unseen with the actual policy contracts coming weeks or even months after buying them. This practice is a travesty that has hurt more businesses than can be imagined. Adding to the problem, many business attorneys, including those who specialize in cooperative law, may not have a good handle on insurance coverages and options and may, in fact, shy away from advising you in this area. Yet, when you think about it, one of the most important risk management measures a business can take is to transfer the risk of loss to an insurer so understanding the coverages is critical.

Think about this. How often would an executive enter into a lease agreement without checking with their legal counsel? What about a construction agreement or a purchase agreement? How about a land contract or equipment rental agreement? Most businesses engage their attorneys before signing such contracts. Insurance policies should be treated much the same way, but this is usually not the case.

The insurance buying process is one of the most serious tasks that a board can undertake.

As a board member, you should:

▶ Read your current cooperative business insurance policies. Get copies for yourself. You always want to be able to say as a board member that you made an attempt at reading these important policy contracts. However, even where policyholders do read their policies, they usually do not understand what they are

reading or the options available to address the gaps so recognize that there are technical aspects of the policies that you most likely DO NOT understand. Check with your agent for further direction.

▶ Recommend the formation of an insurance buying subcommittee that can spend quality time understanding the cooperative's policies and what is not covered.

▶ Avoid supporting a process of regular "bidding" of the cooperative's insurance. Bidding implies that a commodity is being purchased and looks to which vendor has the lowest price. The lowest insurance premiums do not necessarily mean that the coverages are what are needed to properly protect the cooperative.

▶ Perform due diligence. Interview and hire insurance agents before agreeing to buy insurance from them. Evaluate their proposal based on the expertise and advice being offered. A cooperative is usually not served well by an agent who is a mere order-taker. Ask questions of insurance agents quoting on the insurance, including the following:

- How many cooperatives do you insure?
- Do you represent specific insurance companies that specialize in insuring cooperatives?
- What is the commission your agency would earn on this?
- What other related services do you include such as loss control and claims handling?
- How does the cooperative's current program differ from the one you are proposing? [Note: If the agent has not asked for a copy of the current policies, this is a major "red-flag."]

▶ Ask for specimen copies of insurance policies being proposed.

▶ Consider recommending to the board that it hire an expert consultant or insurance attorney to review proposals and advise you of the price and coverages. Some of the things a good insurance coverage attorney or consultant does include:

- Analysis of cooperative's insurance policies in relation to how they cover the exposures of the business and what critical gaps exist;



Michael S. Hale, Esq. is founder of the firm Hale & Hirn, PLLC and the consulting company Clairmont Advisors, LLC, both of which specialize in helping cooperatives with insurance coverage and risk management matters.

COMMITTEE CORNER

Member Service Committee

NAHC will celebrate its 60th anniversary at the Downtown Hilton in Portland, Ore., November 3–7, 2020. Potential locations for the 2021 through 2023 conferences are: Reno, Nev.; Puerto Rico; Saint Thomas U.S. Virgin Islands; Saint Croix U.S. Virgin Islands; and Nashville, Tenn. [CHQ](#)

RCM UPDATE

The RCM Board of Governors Welcomes New RCMs, One Renewee



Left to right: Samantha Mumford, Lindsay Pollard, Paula Wynn, Brady Savage, Jonathan Donahue, Nicole Redding and Linda Brockway, NAHC board member and trainer

FIVE REGISTERED COOPERATIVE MANAGERS

(RCM) candidates passed the course and received their certificates and RCM pins on May 6–7, 2019 at the offices of the National Association of Housing Cooperatives in Washington D.C. In addition, one RCM renewed her RCM status.

The new RCMs are Jonathan Donahue, Forest Hill Cooperative and Trinity Management, LLC., Boston, Mass.; Samantha Mumford, Reservoir Hill Mutual Homes, Baltimore Md.; Lindsay Pollard, Northridge Homes and Trinity Management, LLC., Boston, Mass.; Brady Savage, no affiliation, Altamonte Springs, Fla.; and Paula Wynn, The Mendota Apartments, Washington, D.C.

Nicole Redding, London Townhouse, Chicago, Ill., passed the ethics course required every three years to stay in good RCM standing. [CHQ](#)

- Review of contracts as to how the exposures presented might or might not be covered by insurance policies;
- Drafting insurance requirements and waiver of subrogation provisions;
- Reviewing and comparing insurance coverage proposals offered by competing insurance agencies and advising the cooperative board on what it is buying;
- Interviewing and making recommendations on insurance agencies;
- Working with the cooperative's existing law firm on coverages.

Board Members May Not Be Adequately Covered by D & O Policies:

While board members might think that any liability, he or she may have resulting from an insurance decision would be covered by the cooperative's Directors & Officers (D & O) policy, this may not be the case. Many D & O policies contain an exclusion for decisions related to insurance coverages. If this is the case on your D & O policy, it would place an even greater emphasis on properly managing the insurance process and getting the right advice.

Other Suggestions

A checklist can be used to look for critical coverages.

1] Determine if the property insurance of the cooperative contains a dangerous coinsurance penalty provision that could make the cooperative a "co-insurer" of the loss with the insurer. Ask this question of your insurance agent. If the answer is "yes," it may be time for a new agent.

2] One of the most common under-insured losses is in the area of having inadequate limits of insurance to replace a building following a fire or other covered cause of loss. How do you know if the selected limit is adequate? Especially in current times with building costs on the rise, this is a more important consideration than ever.

3] If you had to rebuild in a more expensive way to comply with current ordinances or laws, would you be properly covered? Look for what limit of insurance you have. [CHQ](#)

An Insurance Attorney's Top Tips in Buying Insurance

- ▶ Before anything, assure that you have a competent and qualified insurance agent who is more than an "order-taker." Sometimes, the insurance agent can be even more important than the insurer.
- ▶ Where necessary, consult with or retain outside experts to advise on the integrity of the business insurance program and to provide options to you. Insurance coverage counsel can be of assistance.
- ▶ All policies differ – some significantly – from each other. Don't look at insurance as a commodity.
- ▶ Use checklists when evaluating competing proposals.
- ▶ Look carefully at D & O policies to see how the board is protected.



It Is So Simple: What Does a Housing Cooperative Membership/Share Purchase Buy?

By Herbert H. Fisher

[It is all in the documents. It is all described in the bylaws.](#)

Purchase of a membership or shares issued by a housing cooperative buys more than an undivided ownership of the cooperative corporation. It also buys the right to occupy a dwelling unit owned by the cooperative corporation. The ownership and possessory rights can be described as the “cooperative interest.” The term member or shareholder does not, in usual parlance, include the possessory right but only the corporate ownership interest.

In most states, this interest is considered personal property, in some others as real estate. But in either event, it is saleable, and it can be inherited. It must be noted in most all cooperatives the purchaser must be approved by the cooperative or the heir qualified under the cooperative’s membership criteria and any agreements with third parties.

In some cooperatives, the interest owner’s right to sell is inalienable. In others, it may be subject to the cooperative’s first option to buy at a price to be calculated by a formula in the bylaws or to be set by the cooperative. The cooperative may waive or fail to exercise the first option, in which event, the interest owner has an inalienable right to sell.

Whether held to be personal or real property, the interest can be inherited. Inheritance is governed by state laws, usually preferring the spouse and children, then other relatives. State law may be superseded by the interest owner signing a will or a living trust spelling out who should inherit. Cooperatives can adopt a policy to acknowledge the terms of a will, unless it is contested, in which event a court proceeding to “probate” the will would be required.

Cooperatives also can adopt a policy that would permit an interest’s owner to transfer ownership into a living trust controlling the transfer of the interest into the living trust. In either event, state laws permit the transfer where the cooperative interest is part of a small estate by use of a small estates affidavit.

In the event there may be a sale to or an inheritance by a person not qualified to live in a Section 8 subsidized unit, that person would not be eligible to reside in the cooperative or

some other disqualifying factor (credit, family size or criminal background issues consistent with recent HUD guidelines) that person would be entitled to the proceeds paid by an eligible member from the waiting list.

What is described above is what a housing cooperator acquires when cooperative stock or membership is acquired. It is part of the overall governing contract consisting of the articles of incorporation or charter, bylaws and the occupancy agreement or proprietary lease enforceable by the cooperative AND the member or stockholder.

But Wait, Things Are Not So Simple in Some Cooperatives

The Chicago Area U.S. Department of Housing and Urban Development (HUD) office has dictated to cooperatives with Section 8 project-based contracts that all of that doesn’t matter. HUD regulations say that residents have to be chosen from a HUD supervised chronologically maintained waiting list. That HUD office says that a member cannot be permitted to exercise their right to sell or gift the membership to another family member, a friend or person of their choice, nor to permit a family member, friend or other designee to inherit it. The HUD office’s dictate means the cooperative is required to exercise its option to repurchase even if the price (transfer value) described in the bylaws is higher than that for which the cooperative can resell to someone from the waiting list. The practical result is to force such cooperatives to violate their own documents to avoid losses detrimental to their member residents.

Additionally, the HUD office puts forth the argument that there is a greater chance of a violation of the non-discriminatory law even though those laws can be enforced against the member seller as well as a cooperative seller if such an event occurs.

So, these cooperatives are caught in a vice between their HUD-approved documents and HUD regulations. The HUD regulations are designed to govern such situations within rentals where the tenants do not have such rights to sell or have their possessory lease interest inherited. Only if the



Herbert H. Fisher is retired as an attorney after 63 years of practice, including 44 years representing housing cooperatives in the Chicago area and providing services to housing cooperatives across the nation. He was a past NAHC president and board chairman and NAHC Jerry Voorhis, Author of the Year, National Cooperative Business Association Honored Cooperator and Midwest Association of Housing Cooperative Lifetime Membership awards recipient.

heir resided with the deceased would the right to participate in the Section 8 program pass to that heir, and they could become a member by inheritance.

Not so simple anymore.

Facts and Figures of Cooperative Membership

The term “cooperative interest” was introduced by cooperative legislation proposed by the Uniform Commissioners for Uniform State Laws.

In some housing cooperatives, the cooperative has the first right of first refusal in which the cooperative can preempt a private sale by a cooperative member or stockholder by matching the price offered by the proposed purchaser. This price also may be higher than which the cooperative can resell it.

The conclusions that cooperative interests are personal property are a result of state court decisions; that they are real estate are the result of state legislatures having adopted a version of the Commissioners for Uniform State Laws’ proposals governing housing cooperatives.

HUD model bylaws provide for a formula by which the sale price of a cooperative interest increases annually. The product of this formula is described as “transfer value” to be paid if the cooperative exercises its option to re-purchase the cooperative interest. In limited equity cooperatives, it also represents the maximum that a member can sell a cooperative interest.

Whenever a party to a contract does not and cannot comply with the provisions of a contract, a breach of contract may have occurred with resulting liability. The bylaws and the occupancy agreement are contracts between the cooperative and each member. There is also a question whether a law can abrogate rights under a pre-existing contract.

If cooperatives seek to create policy (rules and regulations) relating to these matters, the cooperative should consult with an attorney. Neither this article nor NAHC proposes to give legal advice. The opinions expressed are those of the author.

The author wishes to thank Creighton Gallup, Esq., of Pentiuk, Couvreur and Kobiljak for constructive comments on the article. [CHA](#)

Paul Bradley Elected to NCBA CLUSA Board of Directors



NCBA CLUSA elected Paul Bradley, founding president of ROC USA®, a nonprofit social venture that has made manufactured (“mobile”) home communities feasible, viable and successful nationwide, as one of two new board members. Bradley is also a member of NAHC’s Development and Preservation Committee.

Diane Gasaway was the other. She is executive director of the Northwest Cooperative Development Center, a nonprofit organization devoted to assisting new and existing cooperative businesses in Oregon, Washington and Idaho, from homecare worker cooperatives to community solar cooperatives.

Former NCB Capital Impact CEO Moves to LISC



THE LOCAL INITIATIVES SUPPORT CORPORATION recently announced Annie Donovan, former director of the federal Community Development Financial Institutions Fund (CDFI Fund), as its new chief operating officer.

Donovan most recently served as senior fellow at the Center for Community Investment at the Lincoln Institute of Land Policy. Prior positions include chief operating officer (CEO) of CoMetrics Inc; senior policy advisor to the White House from 2012-2013, working collaboratively with the Office of Social Innovation and the Council on Environmental Quality; and CEO of Capital Impact Partners (formerly NCB Capital Impact), a certified CDFI. [CHA](#)

NEWS FROM ALL OVER

THE NATIONAL LOW INCOME HOUSING COALITION

recognized the Mutual Housing California for its voter registration campaign. Mutual Housing achieved a 14 percent increase in the number of registered voters in the cooperative. Residents made over 44,000 voter contacts in the primary and general election in 2018. The effort paid off with statewide housing bonds for up to \$6 billion and a city of Sacramento measure that will funnel tens of millions of dollars to affordable housing. [CHA](#)



The NAHC 59th Annual Conference Promises Cooperative Learning and Fun

Cooperatives' futures will shine during the 59th annual conference of the National Association of Housing Cooperatives (NAHC) at the Miami Downtown Hilton in Miami, Fla., October 16-19, 2019.

On Wednesday, October 16, the Registered Cooperative Management (RCM) Board of Governors will offer two-days of training. The first class is for members who are interested in strengthening their cooperative housing management skills, thus helping the profession achieve ever-increasing higher professional standards. After this training, the second class will be for current RCMs who will take the required ethics class. NAHC will include registration information for these courses in the conference registration package.

The other highlights of NAHC's conference will include the opening reception on Wednesday, October 16, starting at 7:00 p.m.

In addition to the RCM classes, NAHC will present a wide variety of learning opportunities and is still selecting the best speakers for the conference experience.

The Strut Your Stuff luncheon will be held on Thursday, October 17, where members will "strut" their stuff and dance with their cooperative t-shirts and hats and participate in a dance contest with NAHC board member Ralph Marcus. The RCM participants will also receive their certificates and pins.

On Friday, October 18, NAHC will present its award luncheon, sponsored by NCB, granting the Voorhis Award, the Cooperative Star Award, the Cooperative Distinguished Service Award and the President's Award, along with a few other special honors.

Exhibitors also will present their products, trinkets and information regarding the services they can offer cooperatives.

Additionally, members will have the chance to sightsee in Miami via the following tours:

EVERGLADES Visitors will tour this expansive area of land situated on 1.5 million acres of wetland and witness its natural treasures for four hours of discovery.

DOWNTOWN Tourists will view the booming revitalization of Downtown Miami, highlighting cutting-edge tech industries, fashion and fantastic dining options. During this five-hour tour, guests will also visit the shops.

THE MOJITO MAKING/SALSA DANCING EXPERIENCE

Guests will learn how to make the great mojito and dance the salsa, shaking your autonomy as you "get your groove on" for the four-hour class.

THE MIAMI SHOPPING SHUTTLE Shoppers will visit more than 150 shops in the Miami area. The shops include high-end retailers, such as 7 for All Mankind, Dolce & Gabbana, Kate Spade New York, Tory Burch, Salvatore Ferragamo, Burberry and Ted Baker. Other popular brands include Juicy Couture, 2b bebe, American Apparel, Guess J. Crew, GAP and others. Guests should wear comfortable shoes and sunglasses and bring a bottle of water.

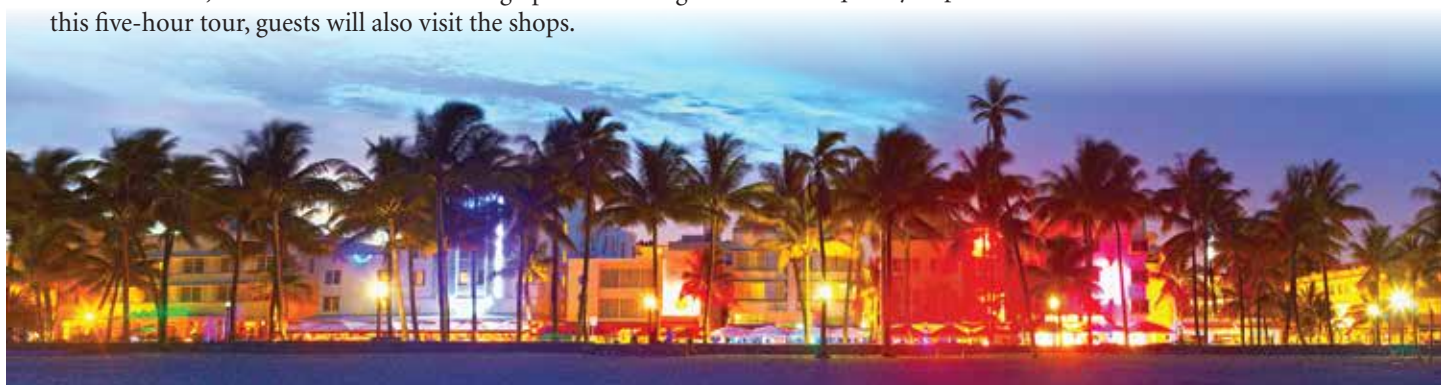
THE SOUTH BEACH FOOD TOUR Visitors will spend four hours walking through the South Beach area and experiencing the wide variety of food including that from Havana.

THE PRIVATE WINE TASTING TOUR Guests will visit two to three wineries, "sip" five different wines while learning about their details and history.

Members having questions about the tours should contact either Linda Brockway, chairperson, Member Services Committee at ljbecho@aol.com or Hope Turner, co-chairperson, at hturner627@hotmail.com.

Those who want to go on their own adventures will receive a list of excursions in the conference package. Tours include Little Havana, South Beach, Bayside Marketplace, Jungle Island, Coral Gables, One Day Bahamas Cruise, Domino Park and the Port of Miami.

To book a hotel room for the conference, members can access the NAHC website to get a direct link for the reservations. NAHC has reserved guest rooms at a severely discounted rate that will be available through October 3, 2019, or until sold out. Rooms do go fast, so please reserve your room as quickly as possible. [CHQ](#)



List Your Membership for Sale with the National Association of Housing Cooperatives

The NAHC Cooperative Membership Sales Program features an online directory of available listed housing cooperative memberships/shares. If you are looking for a cooperative in your area or to advertise an available cooperative membership, this network will help. Visit www.nahc.coop/cooperativesharelistings/ to search the directory or add your listing.

What Makes Us Different?

► The NAHC Cooperative Membership Sales Program promotes your available shares to NAHC's entire membership and is able to be searched by the public looking specifically for cooperative homes in their area.

► Unlike many competing platforms, NAHC's pages are not oversaturated with content, creating a prime resource to increase your visibility.

How to Post Your Listing

Posting your membership listing is easy. The advertising rate for a 90-day period is \$60, and your ad will appear in the property search accompanied by up to seven photos and 150 words describing the listing. You have the option to renew at the end of the 90-day period if unsold.

NAHC will highlight the membership sales listing webpage in upcoming newsletters, social media posts and promotional emails to its contact database at no additional cost to you.

NAHC is excited to offer this program to



housing cooperatives around the country and looks forward to providing exposure for your housing opportunity. Please contact the NAHC representatives below with your questions about the program:

Karen Harvey, Committee Chair:
kareharvey7@aol.com

Carlos Aznar:
caznar@jscsco.net

Linda Brockway:
ljbecho@aol.com

Donna Marie Curvin:
curvindonna27@gmail.com

Hope Turner:
hturner627@hotmail.com



Members click on image to download card.

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.

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.



California Association of Housing Cooperatives (CAHC)

SIXTY MEMBERS of the California Association of Housing Cooperatives (CAHC) and the San Francisco Community Land Trust (SFCLT) held their fifth annual town hall meeting at the Freedom West Hall Community Center on May 11, 2019.

Joan McNamara from the city of San Francisco, along with James Yelen from the Enterprise Foundation, discussed a new program for cooperatives. In April, the city signed an agreement with the Enterprise Foundation that provides up to \$150,000 each year to 10 local limited equity cooperatives for training, strategic planning and for minor/major issues.

Currently, the organization is helping a cooperative refinance its outstanding mortgage. Yelen also distributed a questionnaire so that each cooperative could indicate their goals. He also explained how the agency will review them.

In addition, Jo Anne Moore of Northridge Coöperative gave her presentation, "Cooperative Leadership," discussing how each cooperative member could serve on the board of directors.

In his talk, "Financing for the Future," Hugh Jeffers of the Centennial Mortgage Company highlighted the 221 (d) (3) and the Section 213 loans through the U.S. Department of Housing and Urban Development and the use of the Fannie Mae and Freddie Mac loan products to round out financing.

Lastly, NAHC board member Linda Brockway and Moore presented a detailed presentation of the conflict interest model followed by a detailed group discussion on how to manage the such issues.

CAHC will convene its next event on July 27, 2019.



Megan Svovoda, (left) education and outreach manager at San Francisco Community Land Trust, Linda Brockway, NAHC board member and Norma Robinson-Brown, president of the California Association of Housing Cooperatives take a break during May's town hall meeting.

Council of New York Cooperatives & Condominiums (CNYC)

ON JULY 17, 2019, management executive Dan Wurtzel will walk participants through best practices of integrating new members as such members require solid instruction and training to understand their roles and fiduciary duties. Wurtzel will discuss how operating a cooperative or a condominium involves many of the same responsibilities as any other business, yet board members are volunteers who may not have experience in such matters. He will introduce a proactive approach to integrating

new members, setting the tone and positioning the entire board for success. He also will talk about how management companies are an important partner in empowering new board members and helping them learn the ropes.

CSI Support & Development Services (CSI)

The CSI education department has started planning its management conferences. This year the conference theme is "Creating Your Co-op Masterpiece." Each volunteer is a brush stroke and together they create their cooperative masterpiece. The management conference is an opportunity for both new and experienced volunteers to gain knowledge and skills to assist in the daily management of their cooperative (see the cooperative calendar for the schedule of conferences).

Federation of New York Housing Cooperatives and Condominiums (FNYHC)

ON JUNE 4 AND 11, 2019, Attorney Marc Luxemburg and FNYHC Executive Director Gregory Carlson examined all aspects of operating cooperatives in "Introduction to Co-op Board Responsibilities: An Intensive Seminar for New Directors." CNYC, FNYHC and the Association of Riverdale Cooperatives jointly sponsored the two-session class.

Midwest Association of Housing Cooperatives (MAHC)

MEMBERS OF MAHC chose from courses included fair housing, ethics, legal structure of cooperatives, policy making, decision making, financial integrity, and battling renter mentality in today's cooperatives during its annual conference in Seattle, Wash., April 28-May 3.

During the awards luncheon, River Oaks, celebrating 50 years of service, in Chicago, Ill. received the Solidarity Award for the fellowship and common responsibility that a board projects on behalf of its membership to seek and share knowledge.

KARLYNN WILBURNE of Pentiuk, Couvreur, Kobiljak (not pictured) and Shelley Evankovich won the Executive Directors Award for outstanding service to MAHC by a person or organization other than a member of MAHC's board of directors.

SHAWANNA COLLINS of Noble Square in Chicago garnered the Leadership Award given to a person who works above and beyond the call of duty to lead cooperatives now and in the future.

KAREN HARVEY of Concord Consumer Co-op got the Dr. Herman E Curtis Co-oper of the Year Award bestowed upon a co-oper for outstanding service to their home cooperative.

LINDA ASMI of Retreat Cooperative received the Almeda Ritter Award for devotion and contributions to the cooperative housing community.

KAREN SANDERS of Yorktown Homes Cooperative got the A Morley Presidents Gavel Award for outstanding cooperative board president.

KAREN MITCHELL MAHC board member, received the C. March Miller II Award for outstanding service by a MAHC board member.



Top row: Shawanna Collins, Karen Harvey, Linda Asmi, Karen Sanders, and Tom Hutch

l to r: Shelley Evankovich, Blaine Honeycutt, Karen Mitchell, Richard Berendson, and Bruce Clemans accepted the Solidarity Award for River Oaks.

TOM HUTCH, former MAHC board member, post humorously, received the Life Long Service Award for displaying the confident belief and trust in the housing cooperative concept and assisting cooperatives in attaining their goals today and in the future.

BLAINE HONEYCUTT of MAHC board garnered the Bill Magee Spirit Award in recognition for promoting and consistently displaying dedication and commitment to the preservation of the Cooperative Housing Movement and the MAHC organization.

RICHARD BERENDSON, MAHC president, received a special award presented by the MAHC Board of Directors for his continued service to cooperatives around the country.

Potomac Association of Housing Cooperatives (PAHC)

SEVENTY-FOUR participants representing 11 cooperatives and individual members participated in PAHC's annual conference at the Holiday Inn Hotel in Ocean City, Md. on April 25-27.

PAHC dedicated this year's conference to former board member, William J. Brawner. The dedication included a moment of silence and a slide presentation honoring his work on PAHC's board. Brawner posthumously received a Lifetime Achievement Certificate presented to St. James Mutual Homes in Washington, D.C., designated for its community room bearing his name.

During the conference, participants chose from numerous topics: "Fair Housing," "Seasonal Maintenance," "Running the Cooperative from Board and Management Perspectives," "REAC," "Managers - Separating Personal and Business Relationships," "Officers' Roundtable" and "Ethics." The facilitators were Bernard Cook, Dennis DiBello, Linda Brockway, Daniel Costello, Tracina Leake, Tameesha Hill, Rhonda Dozier and Jeffrey Turner. Attendees also showcased their moves and styles in the "Co-op Pride Strut Your Stuff" Parade.

At the annual membership meeting, the membership nominated Annie Hill, Second Northwest Cooperative Homes, Washington, D.C.; Leake, Northwest Cooperative Homes, Inc., Washington, D.C.; Maxine Dennis, Yorkville Cooperative, Fairfax, Va.; William Broadus, St. James Mutual Homes; and Patricia Fletcher, Village Green Mutual Homes, Hyattsville, Md.

Immediately following the annual meeting, PAHC board members elected Hill, president; Dozier, vice president; Ruthie L. Wilder, treasurer; Leake, assistant treasurer; and Bernice Thomas-El, secretary. Broadus, Dennis, Melinda Rickey and Fletcher are members at large. The conference concluded with a dinner and dance.

PAHC's fall Training will convene on November 9, 2019, venue details to follow. PAHC's 2020 Annual Conference will be held at Dover Downs Hotel & Casino, Dover, Del., April 23-25. [CHQ](#)



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MEMBER NEWS

CSI Refinances Two Cooperatives with a Third in Progress

CSI closed on the refinancing of LaBelle Towers Co-op in Highland Park, Mich., and Riverview Towers Co-op in Riverview, Mich., with 4 percent low-income housing tax credits (LIHTCs), tax exempt bonds, a first mortgage from the Michigan State Housing Development Authority (MSHDA) and MSHDA's gap financing program. The financing for Riverview Co-op closed in December of 2018, and the financing for LaBelle Co-op closed in March of 2019.

The planned scope of work at LaBelle will be a little over \$7 million and includes the installation of an e-call system, an upgrade of the existing intercom system, an upgrade of lighting and security and the reconfiguring and updating of common areas throughout the cooperative. Units will receive individual heating and cooling controls and updated bathrooms.

The planned \$6.8 million scope of work at Riverview includes the upgrading of the existing e-call system, fire alarm system and the installation of a camera system. In addition, the first floor will be reconfigured, and two service coordinator offices will be built, along with the installation of a new roof, new windows throughout the cooperative, a new parking lot and updated heating and cooling systems. All units will receive new lighting and updated bathrooms. The construction of both projects will be completed by the end of 2019.

Clockwise from right: Royal Oak Manor Co-op, Riverview Towers Co-op and LaBelle Towers Co-op.



CSI also submitted the Notice of Intent to Apply Package to MSHDA for the refinance of Royal Oak Manor Co-op in Royal Oak, Mich., using MSHDA financing on February 15. CSI anticipates the full financing application will be submitted to MSHDA later this year after MSHDA reviews and provides feedback on the initial application. This refinancing will allow CSI to invest significant capital into the renovation and anticipates the scope of work to be around \$6 million. [CHQ](#)

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, renewed 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.



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.

Democracy Is Messy



DEMOCRACY is not a perfect form of government. It's messy, and it does not progress forward in a straight line. It's important to keep this in mind during troubling times such as the ones we are living in today. I am often asked about the situation and atmosphere in Washington, D.C. In meetings and gatherings all over town people shake their heads in

dismay over the political and administrative chaos. Yes, it's as bad as you think it is here. For many of us, we have never before seen such extreme partisanship, such arrogance and such chaos. There are serious concerns about a possible war with Iran, the immigration crisis, climate change, the affordable housing crisis, as well as possible contempt of Congress and impeachment proceedings.

Closer to our specific housing cooperative interests, the U.S. Department of Housing and Urban Development released a 14-day Real Estate Assessment Center Inspection Notice that is wreaking havoc with property owners and managers. Congress is considering changes to the Violence Against Women Act reauthorization that would potentially cause serious problems for victims needing to relocate from a housing cooperative. A recently proposed rule would separate "mixed status" immigrant families that are living in public and other subsidized housing.

Democracy has faced crises in the past. Our founding fathers argued fiercely over whether or not we would be an agrarian or industrialized nation. They fought over whether our capitol would be in New York City or Washington. Abraham Lincoln's presidency was involved in the Civil War even before he was inaugurated and was at war with itself during his entire presidency. It is believed that the only official who wasn't corrupt during Ulysses S. Grant's presidency was Grant himself.

The making of our laws is often compared to making sausage because so many interests including urban/ rural and regional weigh in on making them. Our laws are subject to future amendments and even sometimes completely overturned by future Congresses. Our laws are not static, not carved in immutable stone.

Yes, democracy is messy, but it's important to remember that:

"Many forms of Government have been tried, and will be tried in this world of sin and woe. No one pretends that democracy is perfect or all-wise. Indeed, it has been said that democracy is the worst form of government except all those others that have been tried from time to time." (Winston Churchill) [CHO](#)



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Visit us online at www.ncbassociationbanking.coop

2019 COOPERATIVE CALENDAR

JULY

19-20 NAHC Board of Directors Meeting; InterContinental Hotel; Chicago, Ill.

AUGUST

1 CSI & Support Services: Massachusetts Regional Management Conference: Somerville Holiday Inn, Boston

7-9 CSI & Support Services: Maryland Regional Management Conference: Turf Valley Resort, Ellicott City

14-16 CSI & Support Services: Michigan Regional Management Conference: The Marriott, Troy

27-29 CSI & Support Services: California Regional Management Conference: Pacific Palms Hotel, City of Industry

SEPTEMBER

26 CSI & Support Services Annual Meeting, Burton Manor, Livonia, Mich.

OCTOBER IS CO-OP MONTH

2-4 NCBA CLUSA Co-op Impact Conference; Sheraton Pentagon City Hotel, Arlington, Va.

14-15 RCM Training; Hilton Miami Downtown, Miami, Fla.

15 NAHC Board of Directors Meeting; Hilton Miami Downtown, Miami, Fla.

16-19 NAHC's 59th Annual Conference; Hilton Miami Downtown, Miami, Fla.

19 NAHC Annual Meeting of Members and Board of Directors Meeting;
Hilton Miami Downtown, Miami, Fla.
NAHC Board of Directors Meeting; Hilton Miami Downtown, Miami, Fla.



NOVEMBER

9 PAHC's Fall Training; Location to be announced.

17 39th Annual Housing Conference of the Council of New York Cooperatives and Condominiums;
Local 32BJ SEIU, New York, N.Y.



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