

COOPERATIVE HOUSING QUARTERLY

A member service of the National Association of Housing Cooperatives

Winter/Spring 2019

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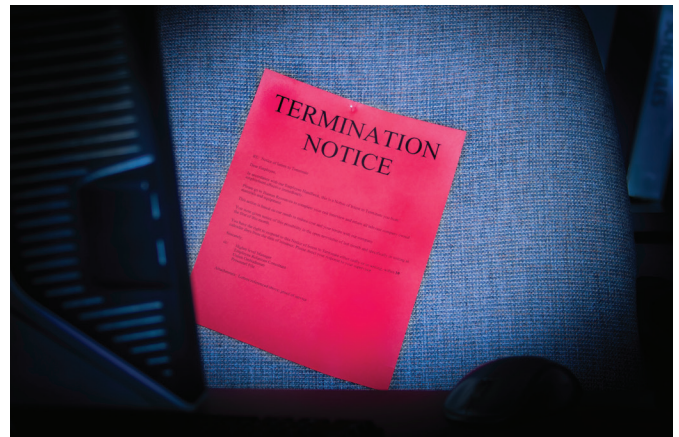
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Sticky Details of Sensitive Employee Terminations Require Boards to be Diligent

By Randall Penttiuk

As all cooperative boards are challenged with the potential of having a contested termination of a member's membership and occupancy, there is nothing more challenging than a cooperative having to litigate a contested termination action against one of its employees who is also a member of record. It can be quite common in a cooperative to have a maintenance employee reside in the cooperative. In many cooperatives, the cooperative may have had a janitorial unit built into the original dwelling unit arrangements, or the cooperative may have repurchased a unit to retire it as an apartment unit; and then rent it to the maintenance employee to be on premises. In some instances, the cooperative hires a member to be a maintenance employee, or the employee wants to become a member or is required to do so. It is possible the employee might be a resident site manager. It is also possible that the maintenance or manager person may not be a cooperative employee, but an employee of the management company. Also, in this article, the use of membership also means "share ownership," and "cooperative interest" is the joint interest of the membership and the right of occupancy. Occupancy agreement also includes "proprietary leases." The problems discussed herein are the same.

One may think that it is hard to fathom that the beloved maintenance employee, whom you wave and say hello to on a daily basis and willingly let into your



home for maintenance purposes, would do anything to jeopardize his or her employment with the cooperative and/or his or her membership and occupancy within the cooperative. However, this dismal situation has been happening all too often at many cooperatives and unfortunately at the expense of the cooperative. In recent years, various cooperatives have had to terminate their maintenance employee's employment as well as his or her membership and occupancy as a result of embezzlement, fraud, immoral, illegal and criminal activities, self-dealing activities, forgery, timesheet and overtime fraud, material noncompliance with employment duties, drug and alcohol abuse, violations of the rules and regulations of the cooperative's governing documents as well as other atrocious actions committed against the cooperative at the hands of the maintenance employee. Said cooperatives were

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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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CAHC	California Association of Housing Cooperatives
CHANE	Cooperative Housing Association of New England
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CSI	CSI Support & Development Services
FNHYC	Federation of New York Housing Cooperatives & Condominiums
MAHC	Midwest Association of Housing Cooperatives
NJFHC	New Jersey Federation of Housing Cooperatives
PAHC	Potomac Association of Housing Cooperatives

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For addresses of all associations and committees, please email info@nahc.coop.

About Bostrom

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

NAHC Works to Enhance Partnerships, Increase Revenue

THERE ARE PIECES MISSING from the proverbial white picket fence once longed for by the baby-boomer generation. In many housing markets, the children of this generation see little hope of homeownership in the current economic and social climate. U.S. Department of Housing and Urban Development (HUD) data indicate that an estimated 12 million Americans spend more than 50 percent of their earnings on housing. Further, a recent study by the Joint Center for Housing Studies at Harvard University reported that nearly half of the America's renting population is "cost burdened" — i.e., they pay more than 30 percent of their income for rent.

Many argue that values and expectations have changed; that millennials don't value homeownership as their parents and grandparents once did. However, data shows that this part of the American Dream has become increasingly more illusive and virtually impossible for many hardworking Americans. As evidence of this fleeting mainstay of American wealth building, experts point to an affordable housing crisis and a diminished appetite for the development of medium density affordable housing communities. The increasing development of high-end, luxury housing units, restrictive zoning ordinances and the lack of community development incentive packages add to the crisis in practically every state.

The National Association of Housing Cooperatives (NAHC) is challenged with the task of bringing industry and government attention to the benefits of cooperative housing, fulfilling its mission statement, "...support and educate existing and new cooperative housing communities as the best and most economical form of homeownership." Among the focus points of NAHC in 2019 will be the development of a strategy aimed at moving local and federal policy discussions in the direction of housing cooperatives and offering this model as a solution to an ever-increasing need to affordable housing of all types. The diversity of housing choices enjoyed by NAHC members evidences the ability to employ the cooperative model to a variety of housing choices. Gone is the notion that affordable housing must be limited to townhome construction in high-density neighborhoods. The cooperative model can be used anywhere housing is needed and can thrive as long as there are members willing to cooperate. NAHC is among the few organizations that understand the benefit that housing cooperatives have on the U.S. economy. It's time NAHC takes its place at the table, influencing the development community toward the creation of new and different types of housing

cooperatives that meet the needs of individuals and families across the country.

NAHC continues to study various cooperative sectors, both in the United States and abroad, to understand and adopt best practices of cooperative commerce. NAHC's relationship with CHF Canada is one such opportunity to look at new ways to serve cooperative housing communities. Additionally, NAHC's membership in the International Cooperative Alliance affords a look at cooperative commerce that reaches far beyond the boundaries of the housing sector, yet it offers a fresh perspective on cooperative principles. As NAHC learns, the organization grows. That growth better equips NAHC for the task of advancing the agenda of housing cooperative development.

Getting NAHC's House in Order

The 2018 annual conference displayed the commitment of NAHC to offer greater, more in-depth educational content to attendees. NAHC committees continue to work hard with a focus of maintaining a high standard of professional growth offerings, understanding that an informed cooperator is a value to his/her community. While the membership is learning, so is NAHC. Through the efforts of the management staff and committee structure, NAHC gathers information from the member organizations to better understand their needs and to find ways to meet them. Membership participation is vital and is greatly appreciated. NAHC's 2019 conference destination is Miami, Fla. For this conference, a larger number of attendees is expected, in part, because of the desirable location. Attendees should expect fresh classes and material, as well as a variety of presenters who are experts in their respective fields. As always, NAHC seeks to obtain the best and most informed speakers to address the conference. This year will be no different.

Looking ahead, NAHC is working to enhance the strategic partnerships and increase revenue. Chairman Greg Carlson has created a task force that is charged with the single job of developing revenue generation strategies. These efforts are intended to insure the viability of this organization and provide the financial support to NAHC's efforts to affect change in the housing industry throughout the United States.

There have been recent changes in leadership within NAHC. However, the expectation for the new officers is not a change of direction, rather an acceleration of the pace of growth and accomplishment. NAHC will be better prepared to maintain its rightful place as the leader in cooperative housing. [CHQ](#)



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Communications

THE COMMUNICATIONS Committee enjoys uninterrupted success with its ongoing efforts to produce quality publications on a timely basis. The Communications Committee continues to mind its treasure trove of knowledge and to access a seemingly unending stream of data on cooperatives to gather insightful and educational materials for NAHC's audience.

Based on a recommendation from the Finance Committee, NAHC board has decided to reduce the production rate for the CHQ from four issues to three for 2019 and forego production of the *Cooperative Housing Journal* until funds are budgeted for a full-production schedule.

Contract Review

THE CONTRACT REVIEW Committee received and reviewed evaluations for financial training and the Roles, Risks & Rewards: The 3Rs for Cooperative Boards seminars. On September 22, 2018, NAHC Treasurer Linda Brockway led financial training at Washington Hill Mutual Homes in Baltimore, Md. The following week on September 29, she taught the 3Rs seminar at Northridge Cooperative Homes in San Francisco, Calif., receiving excellent evaluations for both sessions.



Cooperative Membership Sales Program

THE COOPERATIVE Membership Sales Program Committee, (formerly Ad Hoc Share Listing), continues to work hard to promote the program. The committee has held several conference calls and is constantly reviewing and brainstorming ideas.

NAHC Chairman Gregory Carlson, Brockway and NAHC board members Anne Hill and Ruthie Wilder promoted the program at NAHC's booth at the National Cooperative Business Association CLUSA Co-op Festival in October on the National Mall in Washington, D.C.

As in the prior two years, committee chair Karen Harvey promoted the program at NAHC's booth during the North American Students of Cooperation Conference in Ann Arbor, Mich., on the University of Michigan campus in November (See People and Places for details.)

After much discussion and input from various colleagues, it

was decided to rebrand and change the name of the program from the "Share Listing" Program to "Cooperative Membership Sales." To avoid potential confusion concerning the wording, the committee changed the name to one that is easier to understand and is self-explanatory. To view the cooperative membership sales, visit the NAHC website.

Moving forward, the committee has had made great progress working with Bostrom Management and the Registered Cooperative Managers Board of Governors. Further action items are as follows:

- Ensure that the necessary "branding" changes are properly incorporated;
- Continued promotion of the program in various publications;
- Continued E-Blasts to RCMs and others;
- Continued promotion of the program through the RCM tracks; and
- Continued promotion of the program on regional levels.

The committee's main focus is to stay on track, follow up on ideas and keep the momentum going for the program. The committee welcomes any ideas for the further promotion of the Cooperative Membership Sales Program at info@nahc.coop.

Development & Preservation

THE DEVELOPMENT & PRESERVATION Committee continues to work on its "business plan" to promote cooperative development. Current projects the committee is providing assistance to:

- St. Matthews Cooperative, Riviera Place and Park Place in Detroit, Mich.;
- Saggio Cooperative in Sacramento, Calif.;
- Applegate Cooperative in Winston-Salem, N.C.;
- Seneca Village Cooperative in Clemson, S.C.;
- Gemini Cooperative in Portland, Ore.;
- Wajidir Cooperative in Tukwila, Wash.;
- Southside Cooperative in Atlanta, Ga.; and
- THoW Cooperative in Denver, Co.

The committee is also assisting three cooperatives with preservation efforts: Parade Park, Kansas City, Kan.; Freedom West, San Francisco, Calif.; and 2nd Northwest Cooperative, Washington, D.C. In addition to its development and preservation endeavors, the committee is working on a NAHC purchasing cooperative and the production of development and preservation services marketing material.

Finance

BOSTROM FORWARDED PROPOSALS to the Audit Committee to decide on a firm to complete the 2018 review. Upon selection, Bostrom will assist the committee in scheduling the review. Additionally, the Executive Committee decided to close the NCB Certificate of Deposit and in February deposited the \$25,000 into the NAHC checking

Continued on page 18 >

successful in terminating the employment as well as the membership and occupancy of the maintenance employee where full termination was warranted. The cooperatives have also been successful in instituting membership probationary measures against maintenance employees whose employment was terminated but was permitted to continue their membership and occupancy at the cooperative. The remedy to the complex, sensitive termination of a maintenance employee who is also a member of record is not only for the cooperative to have zealous and tenacious legal representation but to also have a board of directors that will not stand for such immoral and illegal behavior from its employees.

While it may seem beneficial to have a maintenance employee on the premises 24/7, it does not come without difficulties. There are many downsides to having a maintenance employee reside on the complex. There are far fewer downsides to have a non-member employee on the premises than an employee who is also a member. The board has a lot of sensitive details that it must consider if it so chooses to offer a unit to a maintenance employee. Because of the multiple legal and employment complexities involved, it is vital that the Board consult with its attorney during this process.

The first complexity that the cooperative will be faced with is the drafting of the employment and the needed rider to the occupancy agreement, if the employee is a or to become a member. If the employee is a union member and the cooperative is subject to a union agreement or master union agreement, the cooperative has to negotiate the employment contract and/or the terms of occupancy with the union. The cooperative must have an “air tight” employment and, if applicable, occupancy agreement. The employment and occupancy agreement, in the appropriate document, must include, but are not limited to provisions such as job description; hours to be worked per day/week; on call or emergency maintenance protocols; overtime; labor union requirements, if applicable; rules and regulations; insurance; indemnification; alterations/modifications; termination; etc. The attorney can assist the cooperative in drafting these agreements so that the cooperative would not only be fully protected, but to also make sure that the agreement does not violate any employment laws.

The second complexity that the cooperative will without a doubt encounter is how to be sure that a maintenance employee who resides in his/her unit does not abuse the convenience of living on the complex. Trust plays a huge role in this situation. The cooperative does not want a maintenance employee who takes advantage of the convenience by constantly going back and forth to his/her unit during working hours for breaks, lunch, attending to personal/family matters, inviting of guests, working on his or her own personal dwelling unit or violating the rules and regulations of the cooperative. Most importantly, the employee is privy to a lot of sensitive information other members are not and can be prone to engage in politicking with the other members on or off cooperative time in cooperative elections, policy matters or in his own personal interest, like the employee’s differences with management, pay,

The more air tight the employment and occupancy agreement is; the more protection the cooperative has with respect to having a remedy mechanism available to it when the maintenance employee abuses the convenience of living on the complex.

treatment, etc. The more air tight the employment and occupancy agreement is; the more protection the cooperative has with respect to having a remedy mechanism available to it when the maintenance employee abuses the convenience of living on the complex.

So what happens when the board has determined that the member of record maintenance employee has violated a term of his/her employment agreement and/or a provision of the cooperative’s governing documents? In this case, the cooperative must not only abide by its respective state’s employment laws and union requirements, if applicable, but it also

must abide by its respective state’s laws, statutes and ordinance in recovering possession of the dwelling unit. The cooperative must also abide by the governing documents in terminating the member of record maintenance employee’s membership and occupancy. As the maintenance employee is a member of record who executed an occupancy agreement and has a membership interest in the cooperative, the termination of the membership and the determination of the equity or interest due back to the individual upon move out will be determined by the governing documents.

If a union member, these situations will usually involve grievance procedures with the union where just cause for employment termination needs to be shown. Many attorneys advise clients to always have a due process hearing with respect to the membership termination.

In the event that the cooperative decides to terminate the employment of a member of record maintenance employee but permits the individual to remain as a member, the cooperative must be mindful of potential negative attitudes or treatment that may come its way from the terminated employee. It is vital for the benefit of not only the cooperative and the terminated employee, but also for the membership, that both parties remain cordial. The parties must remember that while the employer/employee relationship has been terminated, there is still a cooperative/member relationship that must continue on a respectful level.

In conclusion, there are multiple legal and employment related complexities that are involved when a cooperative permits a maintenance employee to reside in the complex. As demonstrated, it is vital that the board consults with its attorney with respect to this arrangement. Moreover, the cooperative must be mindful that it is vital that it comply with all state laws and statutes as well as its own governing documents when the cooperative determines that the maintenance employee’s action rises to the level where a termination of his/her employment and/or membership is warranted.

The author acknowledges contributions made by Herbert H. Fisher to this article.



Randall Pentiuk, Esq., is the founding member, attorney and managing shareholder at Pentiuk, Couvreur and Kobiljak, PC. in Wyandotte, Mich.



NAHC's 58th Conference Lights the Way for Cooperative Members

Awicked witch, Snow White, Raggedy Ann, a gorilla, an assortment of M&Ms and a slew of other characters kicked off the 58th annual conference of the National Association of Housing Cooperatives (NAHC) during a Halloween-style opening reception in Phoenix, Ariz.

Nearly 400 people representing 80 cooperatives, including 77 first-time attendees, learned more about cooperatives. During the opening session, President Greg Carlson

Linda Brockway listens while NAHC Education Endowment Grant awardee Sharon Thigpen of University Court Cooperative in Newark, N.J., speaks.

Paul Hazen (left), executive director of the Overseas Cooperative Development Council, said in this keynote address that housing cooperatives are the key to affordable housing. He shares a moment with NAHC Chairman Greg Carlson.



welcomed attendees, and Chairman Fred Gibbs introduced the NAHC officers and acknowledged board members.

Former NAHC President and owner of Oakes Management Company, Vernon Oakes also discussed his radio show, Everything Co-

op. He mentioned he had won an affordable housing award from City First Bank for it. Oakes said NCB purchased recording equipment so he could go on the road with his show now in existence for five years. Oakes said he has travelled to Seattle, Wash., Birmingham, Ala. and to NCBA CLUSA's Co-op Impact Conference in Alexandria, Va., interviewing cooperative experts. He invited conference attendees to sign

up for his show. Audrey Dickerson, president of St. Joseph's Community in Roxbury, Ma., took up Oakes on his offer.

Additionally, conference attendees had a variety of courses from which to choose. They evaluated the top workshops as "Are You in Trouble? Common Problems Cooperatives Face & Solutions" presented by Fred Gibbs and Hugh Jeffers. "Dealing with Difficult People" facilitated by Karen Braunscheidel and "Three P's in a Pod, Policies, Procedures, & Best Practices" given by Natalie Mabbitt tied for second place. The third-place winner was Dawn Bauman and Judy Sullivan's "Public Policy Trends Impacting Housing Cooperatives and Condominiums."

Kevin Thorbourne of 236-unit in Huntington Station in New York said his favorite workshops were "What Tears Down a Cooperative" and "Dealing with Difficult People" that had standing room only. Thorbourne said the cooperative's mortgage has been paid off and that the Phoenix conference was his 8th or 9th.

Mamoon Nabilis, board treasurer from Forest Hills Cooperative in Ann Arbor, Mich., said he came to the conference, his third, to become a better board member.

"It's not just to solve cooperative issues, but to get to meet people," he said. "It's a luxury to learn new things."

Nabilis, who has lived in his cooperative for 22 years, moved in when his son was crawling. Now his son is a member in his own right and lives in the cooperative with his own family.

This was William Hunter's first conference. His favorite courses were "3 Ps in a Pod" and "Technology for the Cooperative." Hunter is board parliamentarian of Greenbriar Townhouses in Albuquerque, N.M., a cooperative with two- and three-bedroom units. He said carrying charges range from \$436 for two bedrooms and \$550 for three bedrooms. Hunter said the limited equity cooperative costs \$10,500 to move into a two bedroom and \$15,500 for a three bedroom. He said the cooperative's mortgage was paid in December 2017 and held its mortgage burning in January 2018. Now he said the cooperative is working on a strategic plan and



Above: NAHC members "haunted" the open reception. Right: A member of Highlands Cooperative Association in Lansing, Wis., shares her cooperative spirit with Ralph Marcus, NAHC board member.



is increasing its reserves and transferring money into its capital program.

This was also Gracie Johnson's first conference. Johnson, who has been a member of Washington Hill Mutual Homes, Inc., in Baltimore, Md., for 30 years said she came to the conference because her cooperative does not offer board training. Her goal was to network, take classes and find out how other boards run their meetings. Johnson is president of the 218-unit market-rate cooperative that has a mix of apartment and townhouse style units.

Speaking of learning, this year's Education Endowment Grant recipient was Sharon Thigpen of University Court Cooperative in Newark, N.J. The fund enables a member of a cooperative that is experiencing financial hardship to attend the NAHC Annual Conference and gain the education and training from the programming to help improve their cooperative's financial status. The fund covers the cost of the member's conference registration, air travel, hotel expenses and a per diem for food and beverage expenses, which was set at \$124 a day for Phoenix.

Fun included the Strut Your Stuff luncheon. Participants danced to lively

tunes by Michael Jackson, Aretha Franklin and other pop stars. Cooperators of High Park Gardens in Newark, N.J. wore blue and white jerseys with the number of years they have served on the board printed on the back. They also donned blue and gray camouflage hats. Members of Highlands Cooperative Association in Lansing, Wis., wore pink cowgirl hats, shook pink pom poms with one member wearing a pink tutu. United Winthrop Towers in Chicago, Ill., wore matching purple and white track suits with white baseball caps. RCMs were also recognized (see Member Recognition for details).

Attendees also had the opportunity to visit many exhibitors: Blue Hawk Cooperative, Midwest Association of Housing Cooperatives, NAHC, National Cooperative Bank (NCB), New Views for Non-Profit Housing, Realty & Mortgage Company and Walter & Dunlap.

NAHC thanks its sponsors: Centennial Mortgage Company for the conference bags; Kirkpatrick Management Company, hotel key cards; and NCB for the lunches.

This year NAHC will celebrate its 59th annual conference at the Hilton Miami Downtown in Miami, Fla. Registration opens in June. [CHQ](#)

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

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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.

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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.



NAHC Board Member Addresses College Students on Housing Cooperatives

IN NOVEMBER, NAHC board secretary Karen Harvey spoke with diverse attendees at the North American Students of Cooperation (NASCO) Institute's 2018 Annual Conference and forged connections to educate and encourage participants to take advantage of NAHC's resources.

Leadership at this year's Ann Arbor, Mich., conference encouraged attendees to try new things, expand their cooperative skills toolboxes, make lasting connections with fellow co-operators and use the conference theme, "A Legacy of Cooperation" to explore ways that cooperatives are connected to a resilient global movement.

Conference attendees followed a set of agreements as ground rules throughout the institute. The framing and language for these community agreements were created in partnership with Anti-Oppression Resource and Training Alliances (AORTA) and borrowed from various people's movements for justice. To learn more, access AORTA's website at www.aorta.coop. Here are a few with a short explanation which would be useful for many business meetings and conferences:

- One Diva: One Mic. In both large and small groups, one person speaks at a time.
- No one knows everything; together we know a lot. Practice being humble because we all have something to learn from everyone in the room.
- What's said here stays here; what's learned here leaves here. Respect confidentiality. Keep personal stories confidential but share what you learn.

The keynote speaker, Esteban Kelly, was interesting and enlightening. NASCO inducted Kelly into its Cooperative Hall of Fame in 2011.

NASCO offered the usual cooperative course tracks, such as Staff and Management, Building Cooperative Skills and Creating New Cooperatives, along with other tracks such as Anti-oppression, and Connection to the Cooperative Movement. Their caucuses provide opportunities for participants with shared identities to raise issues, build connections, and organize for change. The caucus groups are:

- Women's Caucus
- People with Disabilities Caucus
- Queer and Trans Caucus
- Working Class Caucus
- People of Color Caucus

NASCO encourages the importance of NAHC networking with millennials for there is much each group can learn from the other to ensure the future of cooperatives.

2019 Cooperative Hall of Fame Inductees Announced

FOUR OUTSTANDING cooperative leaders will receive the cooperative community's most prestigious honor on May 8, 2019, when they are inducted into the Cooperative Hall of Fame at the National Press Club in Washington, D.C.

The inductees are: Terry Appleby, retired General Manager of Hanover Consumer Cooperative Society; Richard L. Ensweiler, retired president and CEO of Cornerstone Credit Union League; Anne Reynolds, former Executive Director of the University of Wisconsin-Madison's Center for Cooperatives; and Richard Stammer, retired president and CEO of Agri-Mark Inc. and Cabot Creamery Cooperative.

Under Appleby's leadership, Hanover Consumer Cooperative Society quadrupled its store locations and created hundreds of jobs, grossing more than \$75 million in annual sales and transforming the regional food economy. Hanover sells \$13 million dollars of local and regional products. Appleby also helped form National Co-op Grocers that represents close to 150 cooperatives operating in 37 states with combined annual sales of more than \$2.1 billion.

In 2013, Ensweiler led an effort to merge the Texas Credit Union League with the Credit Union Association of Oklahoma and the Arkansas Credit Union League, forming Cornerstone Credit Union League. He helped build Credit Union House, a facility cooperatively funded by each of the 38 state credit union leagues. At Texas Credit Union League, Ensweiler created Juntos Avanzamos ("Together We Advance"), an outreach program focused on serving Texas' Hispanic population.

Reynolds, who overhauled the university's course on cooperatives, is the force behind the Madison Cooperative Development Coalition, community-based organizations, unions and cooperatives. The group is currently implementing a \$3.2 million City of Madison program that creates jobs and increases equity by developing unionized worker cooperatives. Reynolds also continues to develop and direct workshops on strategic planning and board training and business feasibility with groups like Cooperative Network and CooperationWorks!

Stammer helped New England dairy cooperatives sidestep bankruptcy with a merger with Agri-Mark, a cooperative of dairy farmers, and Cabot, a creamery cooperative that today generates sales approaching \$1 billion and helped shape public policies to protect the economic interests of the nation's dairy farmers. In 2014, Cabot received the U.S. Dairy Sustainability Award for Outstanding Dairy Processing and Manufacturing Sustainability.

CSI Upgrades, Rebrands and Refinances Its Kalamazoo, Mich., Cooperative

CSI SUPPORT & DEVELOPMENT announced this summer that it would invest \$300,000 to upgrade its senior housing cooperative in Washington Square—the first step in a five-year, \$6 million renovation plan. The near-term enhancements include improvements to the interior and exterior, enhanced security and a name change for the Kalamazoo, Mich., cooperative.

Washington Square Co-op will be known as City View in the Square. CSI's immediate plans for the cooperative include exterior improvements to the building and entryway, additional lighting, ornamental fencing, enhanced landscaping and parking entrance gates for added security. [CHA](#)

MEMBER RECOGNITION

Midwest Cooperative Leader Receives the Roger Willcox President's Award

NAHC President Greg Carlson named Richard Berendson as the recipient of the Roger Willcox President's Award. Berendson has been president of the Midwest Association of Housing Cooperatives (MAHC), where he is responsible for the training classes for cooperative board members for several years, also served as secretary. He has also been president of Cumberland Green Cooperative in St. Charles, Ill, for 16 years, along with serving as vice president and secretary.

Prior to being honored with the President's Award, MAHC presented Berendson with the C. March Miller II, the Alameda Ritter and the William "Bill" Magee Spirit awards.

Carlson said Berendson is respected among his peers at MAHC and by his fellow board members. In accepting the award, Berendson said he tries his best to help promote cooperatives and NAHC.

The Roger Willcox President's Award recognizes individuals, selected by NAHC's president, who have made significant contributions to NAHC and the cooperative housing movement.



NAHC President Greg Carlson (right) presents Richard Berendson with the Roger Willcox President's Award.



Carlos Aznar (left) presents Nicole Redding with the Ida Curtis Fisher Registered Cooperative Manager of the Year Award.

NAHC Honors Chicago Manager as the Recipient of the Ida Curtis Fisher Registered Cooperative Manager of the Year Award

CARLOS AZNAR, acting Registered Cooperative Manager (RCM) chair, presented Nicole Redding, manager at London Town Homes Cooperative in Chicago, Ill., with the Ida Curtis Fisher Registered Cooperative Manager of the Year (RCM) Award.

Redding, who has served at the 800-unit cooperative for the past six years, has worked in property management for 30 years. The cooperative's board of directors, who nominated her, described Redding as a woman of integrity, dependable, sharp, creative and experienced yet compassionate and strong.

"You have got to have a love for it being in this business and have a passion about it," Redding said as she accepted the award. She also said she will continue to strive to be the best manager, professional and RCM for NAHC and London Town Homes.

A Chicago native, Redding has managed

properties in the city and has supervised over 3,000 units in Lansing, Mich., and Madison, Wis. She is also a certified property manager and an accredited resident manager through the Institute of Real Estate Management and is a licensed managing broker in the state of Illinois.

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

Fisher was also instrumental in selling memberships in London Towne Houses 52 years ago. The cooperative dedicated and renamed its community building after her in 2016.

10 Members Become Registered Cooperative Managers, Four Renew

TEN MEMBERS completed the two-day RCM program at the NAHC annual conference. Subsequently, the following new RCMs received their certificates and pins: Arlene Barros, Warren Gardens Housing Cooperative, Canton, Mass.; Latisha Billy,

Continued on page 10 >



New RCMS show off their certificates. Right: Renewed RCMs display their certificates.

Kirkpatrick Management Company, Clinton Township, Mich.; Angela Branch, High Park Terrace, Newark, N.J.; Audrey Dickerson, St. Joseph Community, Inc., Roxbury, Mass.; Gurdip Kaur, Southgate Town & Terrace Homes, Inc., Sacramento, Calif.; Annie Mefi, Homewood Terrace, Auburn, Wa.; Jennifer Mitchell, Trinity Management, LLC, Boston, Mass.; Brianna E. Pinzon, Greenbriar Townhouses, Inc., Albuquerque, N.M.; Sheriey Smith, Warren Gardens Housing Cooperative, Roxbury, Mass.; and Carolyn Williams, Blackstone Cooperative Manor, Detroit, Mich.

Four RCMs successfully passed the ethics course and also received certificates. They were Kevin Barr, Northridge Cooperative Homes, San Francisco, Calif.; Mary Howell, Legacy, LLC, Milford, Mich.; Brian Ross, Park Forest Cooperative Birch Street Townhomes and Euricka Young of Park Forest Cooperative III, Area J in Park Forest, Ill.

Indianapolis Cooperative Shiny Qualities Earns It an Award

CAT FISHER of Kirkpatrick Management Company presented the Cooperative Star Award to Mayfield Green Cooperative in Indianapolis, Ind., a cooperative that she said "...goes above to ensure their cooperative is more than a home. It is a little community within."

Mayfield Green is comprised of 42 one-bedroom townhouses, 32 one-bedroom bedroom flats, 204 two-bedroom townhouses and 66 three-bedroom townhouses. Amenities include a playground, swimming pool, basketball court and a ping pong pavilion. The cooperative's community resource center houses computers and a computer resource facilitator who helps children with their homework, provides a safe and fun environment for them after school and offers graduate equivalency degree (GED) classes.

Fisher said Mayfield Green is an incredible property because the cooperative members are committed to the greater good of their community. As examples, she said the Crime Watch Committee is active and makes it a priority to walk the community on a regular basis. Additionally, she said the Membership Committee ensures that perspective members are made to feel welcome and introduces them to the board of directors. "Their dedication, vision, passion and drive help them

to be the best cooperative," Fisher said. She also credits the staff for the cooperative's success. She describes them as "hardworking, brilliant and looking to the future of their community."

The Cooperative Star Award recognizes a cooperative that displays sound leadership and management and creates a particular value for its members. The cooperative should have systems in place to assure prudent preservation of their members' interests.



Kim Marcus (left) presented Patricia Byrd of Arrowwood Hills Cooperative in Ann Arbor, Mich., with the Cooperative Distinguished Service Award.

Michigan Cooperator Wins the Distinguished Service Award

KIM MARCUS presented Patricia Byrd of Arrowwood Hills Cooperative in Ann Arbor, Mich., with the Cooperative Distinguished Service Award. Byrd and her family moved into the cooperative in 1979. She attended her first board meeting because the cooperative had charged her a \$10 late fee. Asking to review the late policy and discovering that such a policy did not exist inspired Byrd to run for the board.

At the time of Byrd's election, the community was struggling with more than 50 percent vacancies. Marcus said Byrd was instrumental in convincing the U.S. Department of Housing and Urban Development (HUD) not to proceed with foreclosure. She also secured a loan to improve the property and stepped into the role of resident-manager with permission to change the image of the cooperative. During her tenure, Byrd supervised the rehabilitation of the property, wrote grants to fund a computer center and summer camp, created a funding program to assist new members pay their dues and ultimately secured a 100 percent occupancy rate.

"Her passion, hard work and persistence has put her in high regard to those who come in contact with her," Marcus said. "She is always willing to help those in need and go the extra mile to see it through."

Byrd said when HUD tried to foreclose on the cooperative, the membership started a battle with the agency. She said as a result, Arrowwood was one of the few cooperatives that won. Byrd thanked Marcus Management, NAHC board member Randall Penttiuk for his legal advice and the cooperative board of directors and members who have worked with her throughout



Cat Fisher (left) of Kirkpatrick Management Company presents the Cooperative Star Award to Frankie Morton, president of Mayfield Green Cooperative, along with board directors, Diane Mills and Jacquelyn Watkins.

the years. She also acknowledged the Midwest Association of Housing Cooperatives for its letters of support and cooperative education. Byrd said Arrowwood is now thriving with a three- to five-year waiting list.

The Cooperative Distinguished Service Award recognizes outstanding service to cooperative housing and the achievement and contribution of a cooperative member who helped a cooperative or association of cooperatives to better serve its members.



Herbert Fisher writes and edits himself into the Author of the Year Award.

NAHC Honors Herbert Fisher as the Author of Year

NAHC chair of the Communications Committee Fred Gibbs announced Herbert Fisher as the recipient of the Author of the Year Award. Gibbs said Fisher has been a regular contributing writer for NAHC publications, providing interesting and

informative writing for NAHC's growing audience.

In Fisher's absence, Gibbs introduced Doug Kleine, the editorial board manager, to read Fisher's acceptance letter. Kleine prefaced the reading by stating that at 91, Fisher had retired from the practice of law and is residing in an assisted living facility in St. Petersburg, Fla.

Fisher wrote that his ability to have authored articles for the *Cooperative Housing Quarterly* and the *Cooperative Housing Journal* had only been possible because of his experiences with housing cooperators beginning in 1960. He became familiar with housing cooperatives through the conversion of neighboring Chatham Park Village in Chicago, Ill., to a housing cooperative. Through his interactions with neighbors and the creation of the cooperative, its initial operation and the involvement of the individual cooperative culture, Fisher wrote he learned the value of his neighbors' opinions and their contributions to the new community.

This experience continued through his becoming a NAHC member and expanding this interchange with housing cooperatives around the country going through similar conversions. As a result of these experiences, Fisher wrote he changed his professional role by agreeing to represent new and developing housing cooperatives. Throughout this process, Fisher wrote he learned more about housing cooperatives and cooperatives generally and met many "fantastic" people who taught him much and subsequently he learned a new language

using words that correctly express cooperative living. Despite his retirement and health challenges, Fisher wrote he hopes to continue to contribute to NAHC publications for many years to come.

The Author of the Year is awarded to an individual in recognition of contributions to NAHC publications through writing, reviewing and editing. Nominations are made by the editor and reviewed by the Communications Committee. [CHQ](#)



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Membership Re-elects NAHC Board Members

At the October 2018 Annual Meeting of Members, the membership re-elected Tony Beck, Linda Brockway, Barbara Loatman, Al Reynolds and Stephen Somuah, Sr. for three-year terms.

Beck of Georgetown Place Cooperative in Taylor, Mich., serves as first vice president. Brockway is president of Economic Consultants for Housing Opportunities, Inc. in Lansing, Mich. Loatman is president of St. Joseph's Community in Hyde Park, Mass. Reynolds owns Alton Management Corporation in Oakland, Calif., and Somuah is president of Lakeview Towers Residents Association in Chicago, Ill.

During the meeting, members approved last year's minutes and heard officers' and committee reports. The member associations appointed board members: California Association of Housing Cooperatives, Norma Coignet Brown; Council of New York Cooperatives & Condominiums, Mary Ann Rothman and Leon Geoxavier; CSI Support and Development Services, Seretha Morton and Mary Ann Ruff; Cooperative Housing Association of New England, Kimalee Williams; Federation of New York Housing Cooperatives and Condominiums, Greg Carlson; Midwest Association of Housing Cooperatives, Robert Kirkpatrick, Randall Pentiuk and Kathy Sinicropi; New Jersey Federation of Housing Cooperatives, Donna Marie Curvin; and Potomac Association of Housing Cooperatives, Anne Hill.

Interested in Running for the NAHC Board?

Five three-year positions on the NAHC board will be up for election at the October Annual Meeting of Members on October 19. The following individuals' terms expire in 2019: Karen Harvey, Blaine Honeycutt, Hugh Jeffers, Ralph Marcus and Hope Turner.

According to NAHC's bylaws, to be eligible to be elected, a candidate must be: a representative of a housing cooperative that is either a direct member or a member through a member association, an individual member or a designated representative of a member firm or organization.

Candidate information packets and nominating petitions may be obtained from the NAHC office mid-July by calling (202) 737-0797 or emailing info@nahc.coop. The final deadline for submission of signed petitions is 5:00 p.m., Thursday, October 17. If your petition is received by August 13, NAHC will include your candidate statement and photograph in the fall issue of the *Cooperative Housing Quarterly*.

Those who are eligible for election will be given an opportunity to speak to the membership at the candidates' night prior to the caucuses during the annual conference convening at the Hilton Miami Downtown in Miami, Fla. A representative of a candidate may petition and speak on his or her behalf if the candidate is not able to attend as candidates need not be present to be eligible.

Membership Elects Board

After the officers' meeting, the board convened its organizational meeting and elected officers: Greg Carlson (owner of Carlson Realty, Inc., Forest Hills, N.Y.) as chairman; Fred Gibbs (owner of FKGibbs Company in Kansas City, Mo.) as president; Randall Pentiuk (partner of Pentiuk, Couvreur and Kobiljak, PC in Wyandotte, Mich.) as vice president; Karen Harvey of Concord Consumer Housing Cooperative in Brownstown, Mich.) as secretary; Hope Turner (Concord Consumer Housing Cooperative) as assistant secretary; Ralph J. Marcus (CEO of Marcus Management Company in Farmington Hills, Mich.) as treasurer; Richard Berendson (president of Cumberland Green Cooperative in St. Charles, Ill.) as assistant treasurer. The board also elected Brockway, Aletha Davis (president of United Winthrop Tower in Chicago), Blaine Honeycutt (president of Georgetown Place Cooperative) and Williams (president of Faith Asset Management, LLC.) to the Executive Committee. [CHO](#)

Council of New York Cooperatives & Condominiums (CNYC)

CNYC held its 38th Annual Housing Conference on November 11, 2018, in a new venue, on West 18th Street in the headquarters of Local 32BJ SEIU, that pleased all the exhibitors and most of the participants. Nearly 100 speakers presented 66 classes of varying length and content, covering virtually every aspect of operating housing cooperatives and condominiums. These included complying with all applicable laws, understanding governance and financial issues, becoming familiar with the needs of the physical plant and fostering congenial communities. Other classes addressed landscaping and amenities for the building, mediation to resolve disputes and even how to increase participation and avoid burnout.

As always, NAHC members, like members of the New York sister organizations serving housing cooperatives and condominiums, were invited to register for the conference at CNYC's modest member rates.

Greg Carlson, NAHC's chairman, helped present classes on property tax abatements for those New Yorkers whose cooperative or condominium is their primary residence. He also led a discussion on energy issues, reporting on the many cutting-edge energy innovations that he has brought to his building.

The day of learning ended with an informal reception with wine and cheese and time for a bit of talk about CNYC and its goals for the year to come. An informal seating arrangement provided an excellent chance for networking as well as relaxation. Manhattan Borough President Gale Brewer, a regular conference visitor, also offered words of encouragement and praise.

CNYC will hold its 39th Annual Housing Conference on Sunday, November 17, 2019, at the same location. Local 32BJ SEIU represents the union whose members work in many of CNYC's member cooperatives and condominiums.

Cooperative Services, Inc. (CSI)

IN AUGUST, hundreds of members traveled to their respective CSI management conferences in Boston, Mass.; Annapolis, Md.; City of Industry, Calif.; and Troy, Mich. MI, to Saddle Up for the Co-op Rodeo! Members who are willing to saddle up by learning new things and helping their cooperatives be the best they can be attended this educational event.



CSI members to Saddle Up for the Co-op Rodeo in Troy, Mich.

Guest speakers Rep. Debbie Dingell and Alanna Wooley, a representative from Rep. Brenda Lawrence's office, spoke during the Michigan management conference about the importance of preserving affordable housing for seniors. They also were able to hear about CSI's quality, affordable housing communities and see members in the act of learning.

Cooperative volunteers are part of the management of CSI's cooperatives. These volunteers have the opportunity to learn so they can lead. A cooperative leader is someone who motivates their cooperative members in achieving goals and inspiring people along the way.

Midwest Association of Housing Cooperatives (MAHC)

THE MAHC conference, its 47th, is offering its members a choice of 50 sessions and workshops covering strategy, integration and measurement at the Hyatt Regency Seattle in Seattle, WA., from April 28 to May 1, 2019. For more information and registration, visit MAHC's web page.

New Jersey Federation of Housing Cooperatives (NJFHC)

MEMBERS of High Park Gardens, High Park Terrace, University Court and Brook-Slotes Cooperative met September 29, 2018 for the quarterly meeting of the NJFHC. Donna Curvin reported on the July NAHC meeting that covered the:

- Sexual harassment and sensitivity NAHC board training stemming from the Metoo Movement and the training's effectiveness (NJFHC may have a similar workshop at the next quarterly meeting);
- Timely remittance of dues;
- Educational endowment grant;
- Share listing; and
- Re-election to serve as the N.J. representative to NAHC.

Blonnie Watson also presented a workshop on building bridges that included the components necessary to have an efficient and effective board of directors and the importance of a code of ethics, bylaws and policies. A roundtable discussion followed the workshop giving cooperative members an opportunity to share concerns, ask questions and help one another.

Additionally, Curvin announced that Hugh Jeffers, chair of the Development and Preservation Committee, is contacting cooperatives in an effort to identify those that may be experiencing issues that may affect the preservation of their respective communities. She said Jeffers would like to hear from them.

Potomac Association of Housing Cooperatives (PAHC)

MORE THAN 30 members representing 11 cooperatives from Maryland, Washington, D.C., and Virginia learned more about insurance and conflict resolution at PAHC's 2018 fall workshop on November 10, 2018, at Northwest Cooperative Homes in Washington, D.C. Marion Miller discussed the difference between cooperative and owner's insurance, and attorney Bernard Cook gave a presentation on conflict resolution. After lunch, members asked questions. Following the workshop, the board of directors met. [CHO](#)

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.

COOPERATIVE DEVELOPMENT

Cooperative Developers among Fund Recipients

THE U.S. Treasury Department recently announced the distribution of \$160,000,000 in funds to 221 community development financial institutions. Among the awardees are Capital Impact Partners (an affiliate of NCB), New Hampshire Community Loan Fund and Chicago Community Loan Fund.

Two Manufactured Home Communities Become Colorado's First ROC

HOMEOWNERS in Cañon City, Colo., purchased their 50-home neighborhood for just over \$2 million in December, becoming the first resident-owned community (ROC) in the state. The lot rent for the two communities is \$407.

The ROC is made up of what used to be two separate neighborhoods: Cañon Country and Cedar Village. Members of the Cañon City ROC, incorporated as Rocky Mountain Homeowners Cooperative (RMHC), which now owns the land under their neighborhood. ROC USA® Capital and the Colorado Division of Housing provided the financing and expertise.

The Colorado State Housing Board in Denver gave the cooperative a \$600,000 grant to help with the community purchase and future repairs. Staff from Thistle, a certified technical assistance provider of ROC USA® Network, will work with and coach residents for the duration of their loan, at least 10 years.

RMHC is the 228th ROC in the ROC USA network, which is made up of more than 14,700 homeowners nationwide. [CHQ](#)



Rocky Mountain Board Members and Thistle Staff went to the Colorado Housing Board in Denver, where they were

award a \$600,000 grant. L to R: Mary Duvall, President of Thistle; Katie Southern, Board President; Katrina Stiefel, Board Treasurer; and Marcia Sprague, a technical assistance provider with Thistle.

PHOTO COURTESY OF ANGELA ROMEO, NATIONAL ACQUISITION MANAGER AND PROJECT MANAGER FOR ROC USA® NETWORK.



(left to right): Juan Parra of Solar One; a representative of 770 Electric; Peggy Shepard executive director of WE ACT for Environmental Justice; Sasha Hill from UHAB; Gale Brewer the borough president; Cecil Corbin-Mark, Deputy Director of WE ACT; and the president and secretary of the cooperative, Carolyn Steinberg and Arlene James stand along the new solar panels on the roof of the HDFC co-op in Harlem.

PHOTO COURTESY OF ELIANA STEINBERG.

First New York City Cooperative Installs Solar Panels

IN DECEMBER, an affordable 60-unit cooperative known as 128 West 138th Street (the Co-op) became the first in the city to install solar panels under a program designed to bring renewable energy to buildings in upper Manhattan neighborhoods.

As a part of the Solar Uptown Now (SUN) campaign led by WE ACT for Environmental Justice (WE ACT), nine Housing Development Fund Corporation (HDFC) cooperatives will be completing solar electric installations on their rooftops, saving a total of \$59,000 in the first year. The solar installations will save a total of 4,117 tons of greenhouse gas emissions over the lifetime of the systems.

WE ACT brought in the nonprofit Solar One, which conducted a feasibility study, provided cost and savings estimates and studied tax breaks and incentives. Working in collaboration with WE ACT, Solar One produced a request for proposals that required the contractor to use some of the workers from WE ACT's neighborhood jobs-training program.

Since the 128 West 138th Street's board was in the middle of a major parapet replacement and brick-pointing project and the roof was nearing the end of its useful life, it decided to have the contractor resurface the roof before the installation. The roof resurfacing cost \$75,000, and the board authorized the expenditure of \$38,000 of the Co-op's funds to install the solar panels together with a \$22,000 grant from the New York State Energy Research and Development Authority. Various tax abatements and incentives will bring the board's Co-op's cost down even further – resulting in a recovery of its investment in less than six years.

NCB Finances Share Loans in New York Limited Equity Housing Cooperatives

NATIONAL COOPERATIVE BANK (NCB), recently closed a \$3.7 million line of credit to HomeOwnership Lending, LLC (HOL), a nonprofit Community Development Financial Institution and a subsidiary of Urban Homesteading Assistance Board (UHAB).

The loan facility will allow HOL to originate individual unit share loans to new residents of new or current limited-equity housing cooperatives such as a Mitchell-Lama or a HDFC building in the state of New York. NCB will provide the ongoing

servicing of the cooperative unit share loans.

The financing program between NCB and HOL will allow access to capital for residents to purchase shares in limited-equity housing cooperatives, which has been difficult in the past because of the small loan size and government restrictions limiting resales. The resale restrictions are typically in the cooperative's governing documents. The rate will be determined by the applicant's credit parameters.

The program, with a minimum loan of \$10,000 and a 15-year fixed rate term, will serve borrowers with incomes between 30 percent and 165 percent of the area median income in approved New York limited-equity housing cooperatives. [CHQ](#)

THEY SAID IT

Shared equity cooperatives proliferated when they were in a climate more like what limited equity resident owned communities (ROCs) experience today. They had access to long-term low-interest financing that did not require substantial equity (if any). Imagine the awesome proliferation of ROCs and cooperatives that would be possible if large scale federal support was made today.

—Emily Thaden, Director of National Policy and Sector Strategy, Grounded Solutions Network



Government Relations is a Member Benefit that Garners Many Cooperative Achievements

By Judy Sullivan

Housing Cooperative Victories

Over the years NAHC has had many successful victories legislatively and in the courts. As mentioned in the Report from Washington, a disaster relief bill for the Federal Emergency Management Agency to provide eligibility for housing cooperatives and condominiums was enacted into law on October 5, 2018. The following are some of the other major victories:

Veterans Affairs (VA) Home Loan Guaranty Benefits for Housing Cooperatives

In 2006, Congress passed legislation allowing veterans to use the Veterans Affairs' (VA) Home Loan Guaranty Program to purchase cooperative housing shares (units) using their low interest loan benefits. These loan benefits allowed veterans to buy

homes with no down payment and limited closing costs. However, the program to allow loans for cooperative housing ended at the end of 2011. In order to allow our nation's veterans to use the VA loan for all forms of home ownership, we will be reintroducing legislation that would permanently offer this benefit to housing cooperators. To ensure that veterans are aware they can use the loans for cooperative housing shares (units), we are adding a provision so that the secretary of the VA can advertise the program to eligible veterans, participating lenders, and interested realtors.

HUD Assistant for Cooperative Housing

Legislation enacted to create the position of senior adviser and special assistant for cooperative housing at the Department of Housing and Urban Development (HUD) resulted in the 2003 appointment of a point person for cooperative housing issues and policies reporting to the federal housing commissioner. Congress created the special assistant for cooperative housing role so that an appointee reporting directly to the Federal Housing Commissioner could focus on the critical issues facing cooperative housing.

Housing Cooperatives and Subchapter T of the Internal Revenue Code (IRC)

In 1999, after a long and difficult challenge, the Internal Revenue Service (IRS) finally agreed to no longer apply Section 277 of the IRC to housing cooperatives and found that housing cooperatives correctly belong under Subchapter T of the tax code.

Section 277 applies to membership organizations such as country clubs but never should have been applied to housing cooperatives. Interest income on reserve funds and revenue from parking facilities for the use of residents in the building should not be subject to taxation under Section 277 because housing cooperatives have no "net" income when the expenses of operating the cooperative are taken into account.

A cooperative action fund was created to help pay for expenses involved in the fight. NAHC waged an intense battle in Congress to gain support for bills to remedy the problem. Housing cooperators from all over the country contacted their members of Congress resulting in legislation in the House of Representatives and the Senate to stop the IRS from applying Section 277 to housing cooperatives. One senator even told NAHC he would definitely introduce legislation because they received so many calls on this issue that they were unable to use their phones.

The ultimate victory on Section 277 occurred in the courts after the 1998 successful decision in the Rutherford Tenants case brought to a successful close a long campaign waged in the courts and in Congress to establish that housing cooperatives are not subject to Section 277 of the IRC.

Looking Forward

NAHC's success depends on its members. NAHC needs members to respond to NAHC's "Calls to Action" and to stay informed about the issues. Remember, everyone in Washington wears a hat representing the issues they support. Wear your cooperative hat. [CHQ](#)

NAHC's success depends on its members. NAHC needs members to respond to NAHC's "Calls to Action" and to stay informed about the issues.



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.



Register your Cooperative with a unique domain name with .COOP

One member.one.vote.one domain. NAHC's members can benefit from dot.coop since it is available only to cooperative members. It gives your cooperative a better chance of registering all the memorable, meaningful names you wanted, but couldn't get under other domains. For more information visit <https://coophousing.org/the-dot-coop-domain-name/>



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.

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, renewdedication 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.

NAHC Plans Strategies to Strengthen Its Financial Footing

2019 BRINGS A NEW SET OF CHALLENGES

NAHC must face and resolve. As president, it is my task to see to it that the day-to-day operations remain focused on meeting these challenges and setting a course for fiscal recovery. I see this as an enormous opportunity to accelerate the growth and broaden the reach of this organization. NAHC's focus for the coming year will include an approach that prioritizes the needs of *people* in cooperatives.

At the core of the cooperative principles lies this concept of thought, "People Before Profits." NAHC's effort to fulfill its mission, tasks the organization with the responsibility to support *people* and educate *people*. People empowered through education and support, related to cooperative housing, are naturally more successful in their efforts to preserve the same. The fiscal health of NAHC is essential to its success in achieving this goal.

The board has requested Bostrom to send correspondence to NAHC's current sponsors and partners, introducing the new leadership structure and laying the groundwork for a series of meetings I plan to hold. These meetings will focus on leveraging NAHC's relationships in an effort to request a greater level of financial support from each of these entities. I am scheduled to meet with other not-for-profit executives, with whom I have professional relationships, to get additional fundraising strategies that NAHC may use to further increase revenue.



Fred Gibbs

In the meantime, the focus points for the coming year's activities must include:

1. Increased New Revenue
 - a. Conference fee adjustment
 - b. Targeted sponsorship opportunities
 - c. Fundraising – Seeking new donors
 - d. 15% increase in paid conference registration annually
2. Controlled Expenses
 - a. Reduction of non-essential expenses
 - b. Suspension of non-essential travel
 - c. Modification of publication schedules
 - d. Rescheduling annual report production to biennially

This year, I will be calling on all board members to a higher level of participation. I realize each of you have volunteered your time and service to this organization and desire to do all you can to see the continued success of NAHC. However, the approach to NAHC's volunteer roles must be one of full commitment by all, not just a few. Each of you will be asked to assess your productivity and commitment and then raise the level so NAHC is pushing with full force. Each board member has a set of skills that can benefit this organization. Albeit, many of you may not have used those skills or felt they weren't welcomed. That changes now. NAHC needs you. [CHQ](#)

COMMITTEE CORNER

[continued from page 4]

account due to a low balance at the start of the new fiscal year.

The primary work product of the Finance Committee has focused on the following tasks and objectives:

- Analyzed the 2018 operating budget and project expenses through 12/31/18;
- Identified the causes for expenses over income for 2018;
- Managed cash flow based upon available cash and accounts payable analysis;
- Further monitored and established cost-cutting controls for non-essential spending resulting from the board directive;
- Established a budget format that facilitates comprehension by all board members;
- Evaluated the treasurer and assistant treasurer's presentation of various iterations of the 2019 budget;
- Sent the final preliminary budget to the Finance Committee members for input, questions and revisions;
- Further revised the 2019 preliminary budget based upon comments and requests from Finance Committee members; and
- Sent the recommended 2019 preliminary budget to board members for review, comments and ultimate adoption. [CHQ](#)

The National Association of Housing Cooperatives' 2019 Objectives

Disaster Relief

A. The Disaster Relief legislation sponsored by Rep. Jerrold Nadler, D-N.Y., was enacted on October 5, 2018 (Public Law No. 115-254). It states that:

“Not later than 90 days after the date of enactment of this Act, the Administrator shall provide to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate a legislative proposal on how to provide eligibility for disaster assistance with respect to common areas of condominiums and housing cooperatives.” (Effective on date of enactment.)

NAHC will follow up with the committees in 2019.

B. The Federal Emergency Management Agency (FEMA) bill (HR 3238) sponsored by Rep. Mark Sanford, R-S.C., would have provided housing cooperatives with direct FEMA relief grants for common areas of housing cooperatives in the event of a nationally declared disaster. Currently, housing cooperative common areas are not covered for FEMA grants. HR 3238 has 19 bipartisan co-sponsors. NAHC will find a new lead sponsor and garner support for this legislation in the 116th Congress.

Reverse Mortgages for Housing Cooperative Seniors

NAHC will continue to pursue implementation of guidelines from the U.S. Department of Housing and Urban Development to obtain reverse mortgages for NAHC's seniors. NAHC will also continue working with N.Y. state in similar efforts to obtain reverse mortgages for housing cooperative seniors.

Veterans Affairs (VA) Home Loan Guarantees

NAHC will continue to pursue efforts to obtain legislation to allow veterans seeking share loans for a housing cooperative to receive VA home loan guarantees.



S.3231 – Task Force on the Impact of the Affordable Housing Crisis Act of 2018

NAHC will continue working with Dan Cheever in the office of Sen. Todd Young, R-Ind., in support of this task force. Young has a sign-on letter of support for S.3231. This bill has 14 bipartisan co-sponsors. NAHC would like to have pro-housing cooperative organizations added to the letter so NAHC can be included in the task force and/or as part of the solution to today's affordable housing crisis. Please contact the author if you would like a copy of the letter and also if your organization would like to be added to the letter of support for S.3231.

D.C. Housing Cooperatives

WASHINGTON, D.C., is moving forward with its plans to develop and create limited equity cooperatives. Paul Hazen, executive director of the Overseas Cooperative Development Council, has agreed to chair the D.C. Limited Equity Housing Task Force. NAHC will continue to work with Hazen to help the D.C. City Council with this initiative. [CHO](#)



Judy Sullivan is NAHC's government relations representative.

2019 COOPERATIVE CALENDAR

APRIL

25–27 Annual Conference of the Potomac Association of Housing Cooperatives; Holiday Inn Hotel & Resort, Ocean City, Md.

28–May 3 Annual Conference of the Midwest Association of Housing Cooperatives; Hyatt Regency Seattle, Seattle, Wash.

MAY

6–7 Registered Cooperative Management Training; NAHC office; Washington, D.C.

8 National Cooperative Business Association CLUSA's Annual Business Meeting and Virtual Town Hall; National Press Club, Washington, D.C.

8 Cooperative Development Foundation's Cooperative Hall of Fame and Issues; National Press Club, Washington, D.C.

9 Annual Meeting of the National Cooperative Bank and Reception; The National Archives, Washington D.C.

JUNE

5–8 Co-operative Management Conference of CHF Canada; London, Ontario.

OCTOBER IS CO-OP MONTH

14–15 RCM Training; 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.

NOVEMBER

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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