

# COOPERATIVE HOUSING QUARTERLY

A member service of the National Association of Housing Cooperatives

Winter 2018

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## NAHC Honors Its Outgoing Chair with the Jerry Voorhis Award

**N**AHC Member Services Committee Chair Linda Brockway presented the Jerry Voorhis Award to retiring NAHC Chairman Ralph J. Marcus for his 30-year dedication and commitment to the cooperative housing movement. As a child, Marcus and his family lived in a cooperative community. As an adult, he is president and CEO of Marcus Management, Inc., a Michigan-based property management company, specializing in cooperative housing and condominium association management in and around the greater Detroit area.

Marcus, a cooperative advocate, was instrumental, and the driving force, in affecting state legislation and in writing regulations during 1993 that made it possible for cooperative housing corporations to qualify as homeowners under Michigan's Homestead Act. He also provides training at the annual conferences of the Midwest Association of Housing Cooperatives (MAHC) and NAHC. Additionally, he serves on the RCM Board of Governors, co-chair of NAHC's Governance and Strategic Planning Committee and a member of the finance committees.



Membership Services Chair Linda Brockway presents Ralph Marcus with the Jerry Voorhis Award along with Karen Harvey, Membership Services vice chair.

Marcus, who holds a bachelor of science degree from the College of Business from Michigan State University, is vice-chairman of the Board of Volunteers of America, Michigan.

The Jerry Voorhis Award recognizes significant leadership in both theory and practices. NAHC's board created this lifetime achievement award in memory of its namesake. As president of the Co-operative League of the USA, Voorhis was a NAHC founder and a California congressman and author of books on cooperation. A man of integrity, Voorhis believed in and did his best to teach, apply and widen the use of basic cooperative principles. [CHO](#)

SAVE THE DATE

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## COOPERATIVE HOUSING QUARTERLY

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### About NAHC

The National Association of Housing Cooperatives is a nonprofit national federation of housing cooperatives, other resident-owned or -controlled housing, professionals, organizations, and individuals interested in promoting cooperative housing communities. Incorporated in 1960, NAHC supports the nation's more than a million families living in cooperative housing by representing cooperatives in Washington, DC, and by providing education, service, and information to cooperatives.

### Mission Statement

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

## NAHC Board of Directors 2017–2018

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### Member Associations

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

### NAHC Principal Committees and Chairs

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Finance Committee – Linda Brockway  
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International Committee to the International Cooperative Alliance (ICA) & Cooperative Housing International (CHI) – Randy Pentiuk  
Membership Services Committee – Linda Brockway  
Mutual Marketing and Advocacy Committee – Anne Hill

### RCM Board of Governors – Robin Lay

For addresses of all associations and committees, please email [info@nahc.coop](mailto: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 is Cooperating with Other Cooperatives at Home, Around the World

**HAPPY NEW YEAR!** May 2018 be the best year ever for our members.

In early October, Linda Brockway and Greg Carlson attended the Co-op Festival and National Cooperative Business Association CLUSA's Impact Conference. Both Brockway and Carlson networked with representatives of the cooperative sectors that make up the cooperative community, which includes housing.

This event clearly assisted cooperative members in meeting the Rochdale's 6th principle, "Cooperation among cooperatives." Let us continue to seek out neighboring cooperatives in other sectors, so that the cooperatives can work together to enhance the community. NAHC would like to encourage our member associations to do business with other cooperatives.

Later in the month, NAHC held its annual conference October 25-28, 2017. This conference was one of the best. The attendees had an educational experience like no other (please read accompanying articles in this publication for more details).

During the annual meeting of members, the NAHC membership elected, and our member associations appointed several new members to the NAHC board. Congratulations to Carlos Aznar, Marlene Dau, Aletha Davis and John Gordon as our new board members. May your NAHC experience be a fruitful one. The NAHC board elected new officers: Fred Gibbs stepped up to the chair of the board, Randall Pentiuk is NAHC's new executive vice president and our new secretary is Karen Harvey. Good luck to all.

NAHC would like to extend sincere appreciation to our outgoing Chair Ralph Marcus (NAHC's 2017 Awardee of the Jerry Voorhis Memorial Award) and previous Secretary Anne Hill. Thank you both for your many years of service and devotion to NAHC and our mission.

In early November, Karen Harvey represented NAHC at the North America Students of Cooperatives Organization (NASCO) annual institute meeting. NASCO is a partner with NAHC. Our members have been going to the NASCO conference for some years to get a younger point of view and to have NASCO become involved in NAHC.

NAHC is now a member of the International Cooperative Alliance (ICA). By being a member of the ICA, NAHC is also a member of the Cooperative Housing International (CHI). NAHC is very happy to be part of the international cooperative community. In November, Brockway traveled as the NAHC delegate to the CHI board meeting in Kuala Lumpur, Malaysia, and was elected to the CHI Board for a two-year period.

As 2017 ended, Congress passed a new tax code, which was signed by President Donald Trump in December. This new tax code doubles the standard deduction while capping or restricting the previous itemized deduction. This change may be advantageous for many of our members, but for those in urban areas like New York, Chicago and San Francisco, it may not be beneficial. Only time will tell.

NAHC, along with our governmental relationship specialist, Judy Sullivan, continues to fight cooperative discrimination on the federal level regarding the Federal Emergency Management Agency (FEMA) relief for housing cooperatives, reverse mortgages for housing cooperative seniors and veteran home loan mortgage guarantees for housing cooperatives.

Please be sure to mark your calendars for the NAHC's 58th annual conference in Phoenix, Ariz., which will be held October 24-27, 2018. Please watch out for the "Save the Date" postcards, which should be forwarded to you in early April. [CHA](#)



Linda Brockway



Greg Carlson



Fred Gibbs



Karen Harvey



Randall Pentiuk



## COMMITTEE CORNER

### Finance Committee

**THE BOARD** approved the 2018 budget. NAHC also mailed dues statements and used the proceeds from its maturing certificate of deposit (CD) to pay its outstanding invoices. As a result, NAHC's current bank balance is \$16,543.00 in addition to \$25,250 in CDs.

### Membership Services Committee

**THE MEMBERSHIP SERVICES COMMITTEE** awarded East Blair Cooperative in Eugene, Ore., the Hardship Grant to enable Michelle Hopkins to attend the conference. In thanking NAHC, Hopkins said going to the conference gave her an opportunity to learn more about cooperatives. On returning to East Blair, she said she plans to use that experience to teach her colleagues on the board what she learned about cooperative housing.

NAHC will convene its 58th annual conference at the Pointe Hilton Squaw Peak Resort in Phoenix, Ariz., October 24 – 27, 2018. Save the date post cards will be sent to members in April. For 2019, the committee has requested bids from three locations in the Miami, Fla. area. In honor of the 60th conference in 2020, NAHC is planning a celebration for the tentative site, Portland, Ore.

The committee continues to develop new business relationships, providing members with discounts on various products including the Academy Utility Consultants, ACE, True Value Hardware and the ongoing GE Program.

NAHC will travel to your cooperative to conduct board training. The Registered Cooperative Management program provides training on understanding management duties. The Three R's class offers governance training. Strategic Planning assists the board in developing the goals for the cooperative. Lastly, the financial class aids the board in developing a financial management system. If your board is interested in finding out about one of these classes, please email your request to [info@nahc.coop](mailto:info@nahc.coop).

NAHC also has produced a new membership brochure, featuring its mission, history, member benefits, member associations and membership categories. The brochure is posted on NAHC's website. To receive copies, contact Linda Brockway at [ljbecho@aol.com](mailto:ljbecho@aol.com). [CHQ](#)



NAHC Executive Director Mik Bauer, NAHC President Greg Carlson and Scott Jackson, CHF Canada, greet Hardship Grant recipient Michelle Hopkins of East Blair Cooperative.



The 2017 Cooperative Housing Journal is now online!



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# Project Costs: What's the Bottom Line?

By Leon Yudkin Geoxavier



“How much will this cost?” is one of the first and foremost questions addressed when a capital project is presented for board review and approval. Whether the project in question is mandatory (like a code required fix) or discretionary (like new landscaping or interior finishes), the cost should and will inevitably be a key factor in the decision making.

If one has ever bought a car, one knows that there is always a difference between the initial price and what one pays at the end of the transaction. Though hardly alone in doing so, the automobile industry is notorious for touting the sticker cost or minimum monthly payment in large writing while effectively burying the fine print (taxes, licensing fees, optional items). By the time they are added, along with financing, the cost is unsurprisingly much higher.

Such, too, are the costs of capital projects; it can be difficult to assess a total project cost based on the estimate or proposal. A roof replacement is a good example. First, there are the hard costs: roofing materials themselves and labor associated with their installation. Lumped in with these hard costs are optional extras, like smaller roofs nearby (bulkheads, awnings, etc.) that should be replaced at the same time, or maybe additional insulation or possibly even extras on top like solar panels. Squaring away all the potential add-ons, should leave the cooperative with the base hard costs of the project.

It is also necessary to include soft costs in these calculations. Depending on the location and circumstance, there will be further costs for permitting, taxes and insurance. For the roof replacement, there may be a permit required from the local town or city, taxes on the roofing materials (if not included in the contractor's price or exempted) and supplemental insurance if the cooperative's carrier requires it.

Oversight can be another tricky soft cost to estimate. Depending on the scale of the project, personnel on behalf of the cooperative will need to be available for coordination and periodic observation to confirm that the project is completed correctly. This person can be a volunteer board member or a member of the cooperative management team; just remember that the cost of involvement in a larger scale project may not be included in the management team services.

Additionally, depending on the project, neither the board member nor management team may be technically proficient enough to observe the project properly, in which case an outside professional (like an architect/engineer) may be needed.

Last, but not least, once all the soft costs have been added, there must be contingency allowances. A certain percentage of between 5 and 15 percent varying by project should be added and set aside in case of unforeseen problems that may arise. If one has ever seen one of the popular home improvement shows on cable where people renovate or flip houses, one knows something always goes wrong: unexpected damage that was previously concealed; unexpected delays due to weather; a surprise potentially hazardous material (like mold or asbestos) that needs to be tested and abated. As with the roof example, one could come across all three: structural beams that were damaged and now need to be repaired, a delay due to rain or snow, older roofing materials that contained asbestos at some point in time and may need to be tested and/or abated.

At the end of the day, the project's soft cost combined can add up to the cost of the base project itself. This scenario may sound crazy, but it is true. The consumer company, SoFi Lending Corp.\*, had an advertisement placed in the Black Friday shopping circulars of several newspapers; it was designed to look like a normal advertisement for holiday shopping from a department store, but it featured a teddy bear for \$87.56, a waffle iron for \$182.67 and blender for \$1,458.71. Its point was that with bad financing from high interest credit cards, one pays much more than one realizes for consumer goods. The same holds true for capital projects: a base proposal from a contractor may come at one price, but the true cost will undoubtedly be higher. [CHA](#)

*Note: Leon Yudkin Geoxavier, Walker Consultants and NAHC do not endorse the services or products of this private outside company.*



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



# Seven Common Budgeting Mistakes and How to Avoid Them

By Bill Henley

Each year, a cooperative's board of directors must decide on a budget for the coming year in order to pay the bills in a timely manner, fund reserves and maintain the asset. This is a principal responsibility of the board of directors as outlined in the corporate bylaws.

Budgeting is challenging for all boards, regardless of the cooperative's age, location, condition and needs. Here are a few considerations for your cooperative "budgeteers."

## 1. The Annual Optimist

No one likes to increase monthly carrying charges for the membership. Often there is a tendency to make optimistic assumptions concerning what the coming year holds. You may want to assume that things will run smoothly without change and without special problems or needs. It never works out that way. A tree dies. A galvanized pipe breaks. A key employer in the area closes and lays off workers. The city increases property taxes. There is a fire, and you have a \$10,000 deductible. Truly, you cannot predict the future. It is okay to base your budget on prior experience, but beware of assuming everything will run without incident. When you demand that a proposed increase be skimmed to save a dollar, you may be skimming the cooperative and not the budget.

**Your reserve funds may net you better operations by planning replacement of old equipment.**

## 2. Investing to Manage Expenses

What are you currently earning in interest on your reserve accounts? Unless you have an investment secret that you need to share with all of us, most likely your interest income has been a fraction of what it used to be. Perhaps the best way to increase the return on your reserve funds would be to use reserves to update a specific facet of your operations to reduce an expense. A terrific example is replacing those old toilets with low-consumption toilets that reduce the water bills. It costs nothing to have an analysis done to see what the return on investment may be. Many cooperatives still have old HVAC systems that use the obsolete R-22 refrigerant. The cost of R-22 has sky rocketed. Your reserve funds may net you better operations by planning replacement of old equipment. Any savings can be invested back into your reserve accounts.

## 3. The Annual Pessimist

The only thing worse than trying to enter the fiscal year too optimistically is the damage done by that board member (or members) who are never satisfied with anyone or anything. "How dare you suggest that the rates be increased when nothing is done right in the first place? We pay too much for this or that. Staff is incompetent. No one monitors what is paid."

You know this person. He wants to complain about everything, regardless of reality, aging of the asset, the challenges involved in the daily operations of the cooperative, especially in a constant, negative environment. Should you manage the property efficiently? Of course.

Should you expect champagne conditions on a beer budget? Perhaps not. Work to control costs but do it with a positive attitude that does not create friction.

## 4. No Long-Range Plan

Do you have a 10-year plan for your cooperative? A 5-year plan? Have you forecast operations, income needs and reserve usage? NAHC holds seminars on long-range planning. As a member of the board of directors, you are a fiduciary, responsible not only for the moment but for the



Bill Henley serves as the vice president of The Columbia Property Group, Inc. He provides over 40 years of experience in multifamily housing with extensive knowledge in cooperatives and real estate management. Henley oversees the Georgia portfolio which contains over \$51 million of multifamily assets.

future. If you do this year's budget without measuring it against long-term needs, you are passing on a problem to future board members. They may be faced with a 10 percent increase due to the failure this year to increase rates by 3 percent. Your cooperative should never just be a place where people live solely for the "low rents." Your cooperative should facilitate community living, too. Budget carrying charges/maintenance fees properly; do not budget just for a "low rent" philosophy. You may end up with only "low rent" residents who do not understand cooperative living.

## 5. Current Events

On a national, state and local basis, things change and things happen that affect the economy of individuals, businesses and governments. Does your board of directors pay attention to these events and trends? You will find you are not immune to these changes. For example, after September 11, 2001, insurance rates sky-rocketed. Today, unemployment is at record low levels nationally and in many states. You are competing for professional staff and services. So how will you adjust your budget to anticipate higher personnel costs, higher health and employee benefit expenses? New HUD mandates on property upkeep? New demands for security and security systems in a social time where crime is down, violence is up and everyone is suing property owners if the victim suffers injury. As a board member and trustee, you need to keep up with current events and not assume immunity from the impact of these events.

## 6. Reserves

Reserves, reserves, reserves! Board members, do you know what your reserve balances are?

Do you know how much is set aside monthly for your reserve accounts? Do you know where they are invested? Are they fully FDIC insured? Do you know the trend in reserve funding over the past years and the forecast for the coming 5-10 years? Reserves and proper funding of the reserve accounts, both for capital replacements (RR) and for the general operating reserve (GOR) are the difference-maker for your cooperative. They provide you with operational and budgeting strength if well-funded and planned for the future.

## 7. The Big Picture

A board of directors, as stewards of the corporation, acting in the best interests of the cooperative as a whole, should view the budget process in the overall, big picture and less as a microscopic examination of each and every individual expense. Whatever one tries to pin down to an exact value will mean absolutely nothing as soon as the new budget year begins.

Have a long-range plan. Commit to that plan and do not allow the skimpers to take over the budget process. Each year, NAHC has training in budgeting. Do you attend that class? Do you need to go back and not only attend it but pay attention to what is presented?

In conclusion, as a steward of the cooperative corporation, avoid the common mistakes and attitudes mentioned earlier. Be a positive participant in your cooperative's operation. See if one or two of the "budget mistakes" noted in this article are familiar to your board of directors. Focus on those to strengthen your budget and in the end, your cooperative. [CHQ](#)

**Work to control costs but do it with a positive attitude that does not create friction.**

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### 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.**







# Green Rewards Could Save Your Cooperative Money

By David Wilkins

Many stories have been written about the value of employing energy savings devices throughout cooperatives. These stories explore the virtue of cost savings and the benefits of living green. But, did you know that going green can also reduce the cost of mortgage interest for your community's loan?

**Freddie Mac and Fannie Mae do not require a minimum cost outlay to achieve the savings benchmarks.**

## What are Green Rewards?

The Department of House and Urban Development (HUD), Fannie Mae and Freddie Mac, collectively the government sponsored entities (GSEs), previously rolled out incentives including lower interest rates or reduced mortgage insurance cost for cooperative community loans that have adopted green or intend to adopt green energy programs. These green incentives have been extremely successful with borrowers.

## What are the benefits?

The GSEs offer two avenues of achieving Green Rewards: a) those properties that were previously designed or renovated to be Green Certified under one of the several Green Energy Certifications or b) those properties that will do Green Energy retrofits as part of a refinancing of the property. Each of the GSEs has differences in their respective programs. It is important to consider each program individually and not confuse their attributes. As a loan underwriter recently said to me; "On the surface each program looks similar; however, in actual practice, the Fannie and Freddie programs are quite simple while the HUD program is cumbersome."

## How does my cooperative tell whether this program is a benefit?

Before considering the program differences, a broader approach is in order. Each of these programs have cost associated with them. These costs must be balanced against the potential savings. The savings come in two varieties: a) the actual utility cost savings and b) the interest rate or in the case of HUD, the reduction of mortgage insurance premium (MIP) that can be saved as a result of refinancing. Professional contractors will evaluate the property to determine potential utility savings and cost; however, paybacks from utility savings alone can be quite lengthy.

On the other hand, the "loan savings" being either a lower interest rate or a reduction of the MIP are generally +/- .25 percent reduction in rate.

Obviously saving a .25 percent point of interest is far more meaningful to a larger mortgage versus a smaller mortgage. To further illustrate, a \$2.5 million mortgage at a rate of 4.50 percent versus a rate of 4.25 percent creates a savings of approximately \$4,400 annually. Some Green HUD reports can have an up-front cost of as much as \$10,000 to \$15,000. Therefore, it would take nearly three years to repay the cost of the HUD report alone. On the other hand, a .25 percent point reduction in rate on a \$20 million loan can create savings of over \$35,000 annually. Therefore, it is essential to understand upfront what the potential loan and utility savings are versus the cost of reporting.

To have an existing property be Green Certified means something very different to each of the GSEs. Under the HUD programs, the MIP can be reduced to ¼ of 1 percent if the property is Green Certified. However, if the property is already deemed "affordable" by HUD (90 percent subsidized), then the property already qualifies for a reduction in MIP. The cooperative cannot stack the Green MIP reduction upon the affordable MIP reduction. As well, HUD requires more initial due diligence and ongoing monitoring than Fannie Mae or Freddie Mac under the certification program.

## How do the programs compare?

Both Fannie Mae and Freddie Mac offer a Green Certification program. We recently had a client develop a new building (opened in 2016) that included significant energy conservation design and construction elements. There was little doubt that the client could obtain the Green Certification Program for either Fannie Mae or Freddie Mac.

The cost of the certification of approximately \$20,000 was significantly larger than the annual Green interest rate savings the \$7.5 million loan would have generated. This is not to say Green Certification reward programs don't work, but rather that they should be evaluated closely at the onset to insure cost and rewards are properly aligned.

The Green Certification programs continue to evolve and grow. A board should work closely with



David Wilkins is a managing director in the Pillar Finance Division of SunTrust Bank. Pillar is an approved lender for Fannie Mae, Freddie Mac, as well as, HUD. Wilkins has been providing multifamily and cooperative financing throughout his 34-year career in lending.



### Foundation Inducts Housing Advocate into the Cooperative Hall of Fame

**PAUL BRADLEY**, founder and president of ROC USA, will be one of four outstanding cooperative leaders inducted into the Cooperative Development Foundation's Hall of Fame on May 2, 2018, at the National Press Club in Washington, D.C.

In 1988, Bradley joined the New Hampshire Community Loan Fund. At that time the fund was implementing an innovative program to help owners of manufactured homes buy their communities and gain economic security. During Bradley's 18-year tenure, he expanded the program, adding home financing and new development in the early 2000s. Twelve cooperative communities became 80, and now exceed 120, representing 27 percent market share.



**Paul Bradley,**  
ROC USA

In 2008, Bradley turned the experience in resident-owned community (ROC) development into a market-based social venture called ROC USA®. Implementing the business model, he developed through NeighborWorks® America's Achieving Excellence program at the Kennedy School at Harvard University, Bradley began scaling cooperative ownership nationally. The social venture develops cooperatives now in 15 states through a network of affiliated nonprofits and a national community development financial institution called ROC USA Capital.

In its first nine years, ROC USA has helped convert 119 communities in 14 states, keeping 8,400 families in their homes. With legacy cooperatives, ROC USA now represents over 210 cooperatives and 13,400 homeowners. No cooperatives purchased with ROC USA's assistance has ever failed or reverted to commercial ownership. Key to that track record is the integrated financing and technical assistance model pioneered by ROC USA.

In 2014, NAHC recognized Bradley with its Jerry Voorhis Award. The other Hall of Fame inductees are Rudy Hanley, retired president and CEO of SchoolsFirst Federal Credit Union in Santa Ana, Calif.; cooperative business consultant and developer, Rosemary Mahoney of Arrington, Va.; and Marilyn Scholl, manager at CDS Consulting Cooperative, in Putney, Vt.

### Fla. Homeowners Form Solar Panel Purchasing Cooperatives

**FLORIDA** homeowners are forming purchasing cooperatives to acquire solar panels for their homes according to the September 25, 2017 edition of the *Tampa Bay Times*. A St. Pete Solar cooperative member reports that she has reduced her August electric bill to \$5.49. Florida Solar United Neighborhoods is launching cooperatives in neighboring counties. In 2016 solar energy systems increased 40 percent with an 8 1/2 year pay back and 25-year warranties. The cooperatives put out requests for proposals to solar panel installers and knowledgeably negotiate for all members. The League of Women Voters is supporting the effort. [CHQ](#)

its lender at the outset to insure that the Green Certification rewards exceed the cost and commitment.

The second broad class of Green loans comes from properties that would benefit from retrofitting to achieve Green energy savings. In each of the programs the onset is similar. An independent third-party company inspects the property and its records. A detailed report is prepared wherein building components are evaluated and charted such that retrofits and anticipated savings are readily identifiable.

In a Green retrofit, your HUD lender should work with you through the report to identify what aspects of the property can be modified to reduce energy consumption. HUD requires a significantly high level of savings with annual monitoring. If initial repairs do not meet the required goals, then additional retrofitting may be required.

Your Freddie Mac or Fannie Mae lender will work with the board to understand the reports and focus to find energy savings in either energy (gas and electric usage) or water savings. The required benchmark is currently 25 percent of utility savings for either water OR energy (gas/electric) cost. You cannot combine water savings and energy savings to meet the benchmark. In the Midwest, properties that have gone through the experience find energy savings are too cost prohibitive to meet the required benchmarks. Generally, the best savings come from water conservation directly related to efficient toilets and low-flow outlets.

Freddie Mac and Fannie Mae do not require a minimum cost outlay to achieve the savings benchmarks. Fannie Mae will pay for the report if the Green program is used. Freddie Mac will pay for the report regardless of the outcome. Both agencies require some annual reporting; however, there are not further retrofitting requirements if the savings are not achieved as anticipated.

HUD as well doesn't require a minimum retrofitting expense, but its benchmark guidelines are challenging. HUD also requires an assurance that if the energy goals are not met after one year that additional retrofitting requirements will be added until the goal is met. Therefore, cooperatives should consider having "comfortable room" in their initial estimates and costs to achieve the savings within the first year.

Energy conservation has been and will continue to be a hot topic for the managers and owners of properties. The GSEs have all created programs to address and incentivize properties to get certified or retrofitted. As with any incentives, these programs have changed and likely will continue to evolve. It is important to compare and contrast each of the GSEs programs before selecting a single course of action. Go green and save green but be wise. [CHQ](#)



Members of High Park Gardens rally their cooperative spirit during the Strut Your Stuff Luncheon.



Kirkpatrick Management sponsored the conference hotel key cards and are represented by Alyson Aldering, Roger Hall, Cat Fisher and Latisha Billy.



NAHC members enjoy the Texan-style reception.

## NAHC Members Get New Knowledge, Relax in San Antonio

Members from 86 cooperatives chose courses from six tracks at the NAHC's 57th annual conference, October 25 - 28, 2017, in San Antonio, Texas. Nearly 30 speakers instructed members on cooperative finances, governance, operations, legislation, marketing and responsibilities related to the Registered Cooperative Managers (RCM) program. Total attendance was 350 people.

Participants chose as the top workshops: Kimalee Williams' Manage your Property Manager/Govern your Board; Doug Kleine's Put your Board into Overdrive; Greg Carlson and Al Reynolds' HUD Update 2017; Creighton Gallup, April Knoch, Randall Pentiuk's Cooperative Membership Succession Rights and Karen Braunscheidel's Aboard the Leader-Ship.

Keynote speaker Andrew Reicher, executive director of Urban Homesteading Assistance Board in New York City, spoke of the importance of Roger Willcox's contributions to his work and the ongoing need for affordable housing (see separate article for Reicher's speech).

After the opening session, cooperatives selected from close to 40 courses. Brent McNeil, maintenance supervisor at Noble Square Cooperative in Chicago, was one of the 62 first-time attendees. McNeil said he learned more about boards and cooperatives by attending the conference.

Cooperators also had a chance for festivity. A mostly female mariachi band circulated throughout the opening reception singing and playing music and dancing to members' delight. Attendees also bopped during the Strut Your Stuff: Cooperative Pride luncheon while showing off blinking cowboy hats, straight out of Brooks-Sloate Terrace Cooperative t-shirts and the latest moves. The RCM Board of Governors pinned new RCMs and recognized those who renewed their RCM designations. At the awards luncheon NAHC honored other outstanding cooperators (See the Member Recognition article for details).

NAHC thanks the following sponsors for their support: Kirkpatrick Management Company (KMC) for the room keys; National Cooperative Bank (NCB) for the awards luncheon; and Centennial Mortgage, Inc. for the conference bags. [CHQ](#)

## THEY (LAWYERS) SAID IT

### Reading is Fundamental

"So many times, I get a call from a board member asking, 'Can we do this?' And the answer lies within their documents; they just haven't read them. You cannot know you are within the boundaries if you don't have a clear view of what those boundaries are."

—David C. Hartwell, Penland & Hartwell, Chicago, Ill.

### Board Governance Gone Wrong

"You'll see with some frequency instances where an officer or president runs the board as if it's a one-man show. They'll refuse to approve an applicant solely because they don't like them, or they'll approve a contractor without proper bidding or full documentation."

—Stewart Wurtzel, Tane, Waterman & Wurtzel, New York, N.Y.

### Questions Lead to Understanding the Law

"Listen up and understand what is happening. If you don't follow something, ask questions. Understand what the law is and how it applies to your community."

—Michael E. Chapnick, Siegfried, Rivera, Hyman, Lerner, De La Torre, Mars & Sobel, West Palm Beach, Fla.

# Membership Elects NAHC Board Members

At the October 2017 Annual Meeting of Members, the membership elected Aletha Davis and Carlos Aznar and re-elected Fred Gibbs, Ruthie Wilder, Rich Berendson for three-year terms and re-elected Stephen Somuah, Sr. for a one-year term.

**D**avis is president of United Winthrop Tower Cooperative in Chicago, Ill. Aznar supervises two cooperatives in San Francisco as senior regional manager at John Stewart Company. Gibbs is owner of FK Gibbs Company in Kansas City, Mo. Wilder of Reservoir Hills Mutual Homes in Baltimore, Md. is PAHC secretary and Berendson of Cumberland Green Cooperative in St. Charles, Ill. is MAHC president. Somuah is president of Lakeview Towers Residents Association in Chicago.

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, John Gordon 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, Marlene Dau, Randall Pentiuk and Tony Beck; New Jersey Federation of Housing Cooperatives, Donna Marie Curvin; and Potomac Association of Housing Cooperatives, Anne Hill.

After the membership meeting, the board convened its organizational meeting and elected officers: Gibbs as chairman; Greg Carlson (executive director of the Federation of New York Housing Cooperatives and Condominiums in Forest Hills, N.Y.), as president; Randall Pentiuk (partner of Pentiuk, Couvreur and Kobilijak, PC in Wyandotte, Mich.), as vice president; Karen Harvey of Concord Consumer Housing Cooperative in Brownstown, Mich.), as secretary; and Linda Brockway (president of Economic Consultants for Housing Opportunities, Inc. in Lansing, Mich.), as treasurer. The board also elected Williams, Berendson, Hill and Hope Turner (of Concord Consumer Housing Cooperative) to the executive committee. [CHC](#)



## BOARD TRAINING SEMINAR

# ROLES, RISKS & REWARDS

## *The 3Rs for Cooperative Boards*

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

### *Who should participate?*

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

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







## Keynote Speaker Andy Reicher: Serve and Grow the Cooperative Community

I started my work with cooperatives as a VISTA Volunteer in the South Bronx in 1974 at a time when the Bronx was burning so to speak. I was organizing and assisting a dozen buildings to become housing cooperatives. I joined the Urban Homesteading Assistance Board (UHAB) in 1978 where our cooperative work has grown from a few urban homesteading projects to include 1,300 cooperatives in 1,600 buildings. Much of my earliest learning about cooperatives came from here, NAHC conferences and from many of you in this room and some who are not here. Special among those was Roger Willcox. Roger was one of my earliest cooperative mentors, generous in sharing lessons of the past and his vast cooperative knowledge. Roger's Foundation for Cooperative Housing Services alone created about 50,000 cooperative units using the whole litany of financing including 213, 236 and 221d3 BMIR. We became colleagues when we served together on early committees to create the National Cooperative Bank and later on the board of CATCH Mutual Housing Association in New York City.



Andy Reicher

**We found over 3,000 cooperatives with 300,000 units. 166,000 units are still limited equity or affordable.**

Roger was one of my go-to sources for all things cooperative as long as I had the time for the history and war stories. As I got to know Roger, I learned that we shared an addiction – sailing – and Roger became my dealer when I was looking for a pair of small sail boats for my kids and nieces and nephews to learn to sail on our Upstate N.Y. lake. Driving around Westchester County with my mother to pick up our pair of boats, I discovered a family connection to Roger. When I introduced my mom to Roger, she realized that he was the brother of her college roommate and lifelong friend, Sally.

Losing Roger is a loss to me as a friend, colleague, an enabler of my sailing addiction, a family friend and a great loss to all of us, the cooperative community. And how is that cooperative community, in which Roger was so instrumental, so prolific, and for which he had boundless energy and passion?

About four years ago, while seeking funding for UHAB's cooperative work, we were challenged by a foundation officer about why the limited equity cooperative community was so numerous and active and yet seemingly disorganized and the Community Land Trust movement which he funded was so well organized but with far fewer housing units? So with some funding from the Ford Foundation and later from the Cooperative Foundation, we set out to answer his challenge and took a look at the limited equity cooperatives across the country and learn if

the lack of organization was a problem, a feature of the cooperative community or an opportunity looking for a solution.

We hired Alex Roesch as our researcher and set about to do four things:

- 1] A census of all of the limited equity cooperatives in the nation – many of your cooperatives;
- 2] A census of the support organizations and professionals that serve housing cooperatives, many of you in the room;
- 3] A survey of the limited equity cooperatives to find out how they were doing (issues, challenges and needs); and
- 4] A similar survey of the cooperative support organizations with additional questions about creating new cooperatives.

We started out looking for the 425,000 units that was commonly believed to be the number of limited equity cooperatives. This number was detailed in a March 2012 NAHC article and in many papers authored by Roger and co-authors. We learned that 425,000 was derived as an estimate of what the existing cooperative programs were predicted to have produced. We also started our work consulting Roger and Greg Carlson here at NAHC and Mary Ann Rothman of the Council of New York Cooperatives & Condominiums and some of you to find lists and data bases and more cooperative support organizations and individuals working with cooperatives who knew of someone with yet another database. For months, we searched

Andy Reicher is the executive director of UHAB in New York, N.Y.



for sources, counted and built our database. The Department of Housing and Urban Development (HUD) data was the hardest to come by and interpret, but there was always someone with knowledge and a generous cooperative spirit to help. Websites and articles led to more lists and databases and resources, organizations and more people who worked with and loved cooperatives.

### So what did we find? So far:

- ▶ Over 50 cooperative support organizations that work with cooperatives in some capacity and 150 individuals and professionals that work with cooperatives;
- ▶ Databases, lists and referrals that resulted in a census of over 3,000 cooperatives with more than 300,000 units. But not 425,000!
- ▶ Part of the discrepancy is optimistic over-estimation. For example, our cooperatives listed as tenant self-converted/UHAB were over-estimated at 50,000 and actually are 30,000. Co-op City was doubled counted for a 15,000-unit discrepancy. Some cooperatives may no longer exist, and others we haven't found yet. You can help with that.
- ▶ Further, when we went to put an address, a dot on the map and information for each of these cooperatives, a significant number, 140,000 units, were no longer limited equity. These were mostly HUD financed and/or insured and had paid off their mortgages – the document that had the limited equity restrictions.
- ▶ In high cost markets, cooperatives without resale price and income restrictions become less and less affordable over time. But in markets that are not hot, yet, some 15,000 cooperatives that were no longer limited equity but remain affordable and were labeled as Naturally Occurring Affordable Housing, NOAHs.
- ▶ And it was exciting to include about 10,000 units of new cooperatives particularly manufactured home community cooperatives, most assisted by ROC USA and 6,000 units of student cooperatives mostly through the North American Students of Cooperation.
- ▶ So in total: We found over 3,000 cooperatives with 300,000 units. 166,000 units are still limited equity or affordable.

But we are still searching and adding to our database and map. And then we surveyed.

We learned from the cooperatives that 25 percent have affordability covenants and limited equity restrictions that will expire. The possible loss over time of another 40,000 units of affordable cooperatives. Seventy percent of the limited equity cooperatives receive no ongoing operating subsidies, and 54 percent are self-managed. This means that for decades our limited equity cooperatives have been doing a remarkable job of providing affordable homeownership to thousands of households with little ongoing support, but this legacy from earlier years is disappearing.

**There remains across the nation more than 100,000 units of affordable government assisted cooperatives where restrictions could end.**

Cooperatives also report that their shareholders cannot obtain share loan financing (70 percent), and the cooperatives themselves have trouble accessing affordable financing for repairs and capital improvements. This makes it harder for families in need to take advantage of this affordable homeownership opportunity and harder for the cooperatives to maintain.

For the cooperative support organizations, we found that most provide at least the basic ongoing technical assistance and training and other support services. But many cooperatives don't have support organizations or professionals with cooperative experience in their location. Or don't know how to find them. Those organizations interested in providing more for the cooperatives they worked with were interested in providing services like bookkeeping and insurance.

Most organizations (60 percent) feel that government support would be necessary for the creation of new cooperatives.

We also discovered a resurgent interest in cooperatives in general – worker cooperatives, retail cooperatives and the cooperative model – across the country. Because we were out and about counting housing cooperatives and talking to folks across the country, we also received calls and emails from interested local governments and organizations. By phone, internet and in person, we have provided cooperative information and referrals and discovered new housing cooperatives being created in:

- ▶ Seattle, Wash.;
- ▶ Yellow Springs, Ohio;
- ▶ Syracuse, N.Y.;
- ▶ Boston, Mass.;
- ▶ Chicago, Ill. (Washington Park, Pilsen and other neighborhoods);
- ▶ Portland and Lewiston, Maine;
- ▶ Bridgeport and New Haven, Conn.;
- ▶ Los Angeles, Calif.;
- ▶ Newark and New Brunswick, N.J.;
- ▶ Oakland, Calif.;
- ▶ Washington, D.C.;
- ▶ Asheville, N.C.;
- ▶ And organizations – including APA, Architectural League.

### **Policy: In the face of a growing housing affordability crisis, there are some clear policy issues.**

Some 140,000 cooperative units are no longer limited equity, and most have resale prices that make them less affordable or not affordable to the next generations of lower-income households they were created to serve. This is mostly due to expiring limited equity restrictions that were tied to HUD mortgages or mortgage insurance, now paid off. This suggests a policy for future limited equity cooperative programs to have permanent affordability restrictions built into the Articles of Incorporation or the deed or other foundation documents.

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There remains across the nation more than 100,000 units of affordable government assisted cooperatives where restrictions could end. For those of us from high-cost areas like New York City, preserving existing affordable opportunities for generations to come is part of our mission. In areas that have yet to see gentrification and high housing costs, it could just be a matter of time. When I started in New York City, most of the buildings we converted into cooperatives were abandoned by their owners and had no value. We need to have the policy discussion about preserving affordability and thinking about local, state and federal incentives for cooperatives and members to opt into continued affordability and incentives for the 15,000 units no longer restricted but still affordable to opt into permanent affordability.

We all know we are in the midst of an affordable housing crisis, and affordable homeownership is nowhere to be seen. We also know that preserving what we have already created, our affordable cooperative housing legacy, is the easiest place to start.

The resurgent interest in the cooperative housing model gives us the opportunity to think about new affordable cooperative development. This development could include creating new or using existing and updated government programs and models for the creation of new affordable cooperatives at the federal but especially the state and local level.

We need to learn from the past and address current contexts as states and local governments begin to look at new ways of creating affordable homeownership through cooperative housing.

## 6th Principle Coalition

So when we were done counting, mapping and surveying and we had all our information and analysis, when we thought we had a sense of the state of the cooperative community, there is the inevitable question of what to do to build on the strengths and confront the challenges.

I had this overarching feeling from viewing this work that we have a rich legacy, Roger's legacy, and that we were losing this legacy, cooperative by affordable cooperative. We found a history and existing cooperatives all around the country that no one knew about. There were resources in cooperative support organizations and professionals including NAHC that weren't known and weren't being used by the cooperatives with the need. There was a resurgent interest in cooperative housing and limited equity homeownership and few resources and tools to create new cooperatives. The cooperative community we counted and surveyed is a 20th century model not well prepared to meet the needs and demands of the 21st century, especially today's 21st century.

To meet this challenge UHAB, along with our advisory partners (NAHC, CNYC, City First Enterprises, Grounded Solutions, CU4ML), are creating the 6th Principle Coalition – the 6th Principle of course is “cooperation among cooperatives.” This coalition will belong to, and be a tool to be used by, all cooperative organizations, professionals and cooperatives that choose to become part. It will be a platform to plan and address policy issues such as the continuing loss of affordable cooperatives and securing the support and resources for the creation of new cooperatives at scale.

And it is an online platform to share information, the map, the database, the directory of services, organizations and professionals, best practices and model documents, cooperative information and the like to try to meet the needs of our cooperative community. It is a work in progress with support from the Ford Foundation and the Cooperative Foundation.

All this information is now available on UHAB's website. There under cooperative research you can find our reports and an interactive map. If you live in a limited equity cooperative or work with limited equity cooperatives or just know about such a cooperative, check the map and make sure it is there and let us know if it isn't so we can count it and map it. Fill out the survey if your cooperative hasn't already done so. If you are from a town or a city where you don't think that there are any cooperatives, take a look – you might be surprised. And if there are no cooperatives now, maybe someday soon.

We all have a part to play in trying to meet this challenge. Immediately. In this season of hurricanes, floods and fires, I am reminded of Superstorm Sandy 5 years ago Sunday (October 29, 2017) when 13 of our cooperatives on New York's Lower East Side were flooded. As they recovered, we were surprised to learn that cooperatives do not qualify for FEMA grant assistance like other homeowners. We need to fix this. NAHC and many of our regional associations are supporting the Disaster Assistance Equity Act of 2017 (HR 3238), which will correct this problem for community associations, condominiums and housing cooperatives. It is awaiting Republican leadership to move it forward, and once it is moving, our support efforts will need to be redoubled before the next hurricane season is upon us.

Going forward, we need to nurture the resurgent interest in the cooperative model in cooperative housing. Everywhere we researched, the cooperative housing model has been rediscovered. We have to become the passionate cooperative advocates that share our experiences and tell our own cooperative stories.

Finally, when I first came to an NAHC meeting, I was among the young people in the room. Sometimes it feels like I still am. We need to recruit a new generation of practitioners passionate about cooperatives, to be the new cooperative leaders, a new generation of Roger Willcoxes. [CHQ](#)



## MEMBER RECOGNITION

### Roger Willcox Posthumously Receives the President's Award

#### NAHC PRESIDENT GREG CARLSON

named Roger Willcox, president emeritus, as the recipient of the Roger Willcox President's Award. Willcox, who passed last summer, was a NAHC co-founder, served as its president for 10 years, received the Jerry Voorhis Award and was inducted into the Cooperative Development Foundation's Cooperative Hall of Fame. He also worked as CEO and president of FCH, Services, Inc., organizing housing cooperatives and helping more than 55,000 families in 30 states. Willcox also was a principal officer of NAHC's Cooperative Housing Association of New England. In addition, he created NAHC's publications, serving on its Communications Committee and editorial board. Willcox also authored many technical cooperative manuals, bulletins and articles.

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



Roger Willcox

### RCM Chair Gets the Ida Curtis Fisher RCM of the Year Award

**CARLSON PRESENTED** the Ida Curtis Fisher Registered Cooperative Manager (RCM) of the Year Award to Robin Lay. Lay, who is vice president of Leasing and Management Company Inc. in Chicago, is currently the chair of the RCM program. She has master's degrees in business administration and human resources. Lay also holds the Communication Association Manager certification and the Certified Property Manager certification and is an Illinois licensed real estate broker.

As the new chair, Lay said her goal is to work hard in implementing branding efforts for the RCM Program that will bring the value and recognition that the housing cooperative educational program deserves. With these new branding initiatives, she said the RCM Board of Governors' expectation is that it will attract and educate more future RCMs.

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 RCM Board of Governors established the award 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.



Mary Ann Ruff of Golden Ring Cooperative accepts the Development and Preservation Award.



NAHC President Greg Carlson presents the Ida Curtis Fisher Registered Cooperative Manager of the Year Award to Robin Lay.

### Maryland Senior Cooperative Wins the Development and Preservation Award

**HUGH JEFFERS**, chair of Development and Preservation Committee, announced Golden Ring Cooperative Apartments in Essex, Md., as the winner of the Development and Preservation Award.

Golden Ring opened its doors in 1993. Over the past 24 years, the cooperative has thrived in its community due to its unique management through CSI and its affordable senior living.

In order to continue providing the highest quality, affordable senior living through the cooperative experience, Golden Ring undertook a \$5 million renovation in 2017. The renovations included the following:

- ▶ New flooring in kitchens and bathrooms;
- ▶ New cabinets and countertops;
- ▶ New appliances;
- ▶ Renovation of the community and community kitchen;
- ▶ New layout and finishes in the front lobby area including a fire place and mail room;
- ▶ Mechanical equipment upgrades;
- ▶ Corridor carpet and painting; and
- ▶ Renovation of the office space.

Throughout the renovation, the cooperative focused on the principle of "democratic control." A renovation committee was created from the members. This committee and the cooperative members were involved in every step of the process from decision making to coordinating construction work and work flow throughout the building. With these renovations, the cooperative will continue to provide a rewarding living environment for the next generation of seniors in the Essex community.

The Development and Preservation Award recognizes an organization, association or business that displays innovation, creativity, breakthroughs, leadership or business judgement that improves the likelihood and volume of successful cooperative development or the long-term viability of existing cooperatives.

### Boston Cooperative Star-like Qualities Earns an Award

**BROCKWAY** presented the Cooperative Star Award to St. Joseph's Cooperative Community, Inc., the oldest cooperative housing community in Boston, Mass., established in 1969 to provide affordable living for a diverse membership.

In 2011, St. Joseph's paid off its mortgage. Fiscally prudent, the board of directors

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continued to deposit the mortgage amount in a reserve, ensuring ample funds for future needs. Routine maintenance is supplemented annually by capital improvements. In 2017, St. Joseph's installed new security alarms, decks and basement windows and completed repairs to exterior masonry.

St. Joseph's received the 2016 Solidarity Award from the Midwest Association of Housing Cooperatives for providing "fellowship" and "training" for members. The board encourages members to become actively engaged through participation on 16 committees: SJC Youth, SJC seniors, membership selection, security, audit committees, among others. Working together, the board members ensure safety, fiscal health, and 98 percent occupancy. Annual social events include Youth Day and National Night Out. Seniors on the Move programs include day trips. Members are kept engaged and abreast of activities with a monthly newsletter, Facebook page and website.

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



**Membership Services Chair Linda Brockway congratulates Sarah Yankey Frempong, the Cooperative Distinguished Service Award recipient.**

## Chicago Cooperator Receives the Cooperative Distinguished Service Award

**LINDA BROCKWAY**, chair of the Membership Services Committee, presented Sarah Yankey Frempong of Gill Park Cooperative in Chicago, Ill., with the Cooperative Distinguished Service Award. Frempong is the treasurer and the youngest serving board member. She advocates for affordable housing, the affairs of the cooperative, including attending resident meetings and serving on building committees.

As skeptical as some of the older board members were about the value of contributions made by someone with limited experience, Frempong immediately studied the association documents, sought out information from professional advisers and asked questions

at the meetings. Within the first few months of her involvement, she was able to provide valuable contributions and was making suggestions for program improvement, changes in operation and options for cost efficiency. Her leadership approach has been a catalyst in the development of new and creative approaches to solving the cooperative's challenges.

At the cooperative, she exhibits energy and enthusiasm, as well as concern for the residents' welfare that has resulted in a number of members attending the meetings and feeling that after many years of stagnation, the board has finally become productive and attentive to its members.

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.

## Nearly 20 Members and Staff Become Registered Cooperative Managers, Six Renew

**SIXTEEN** cooperative members and staff completed the two-day RCM program at the NAHC annual conference in San Antonio, Texas. Subsequently, the following new RCMs received their certificates and pins: **Geneive Amy**, Park Shore East Cooperative, Chicago, Ill.; **Carlos Aznar**, John Muir Homes #1, Antioch, Calif.; **Mirza Baig**, Southgate Town & Terrace Homes Inc., Sacramento, Calif.; **Mik Bauer**, NAHC Executive Director, Chicago; **Maribel Concepcion**, Trinity Management, Boston, Mass.; **Hannah Diggs**, Reservoir Hills Mutual Homes, Inc., Baltimore, Md.; **Sheila Harper**, United Housing Management, Dorchester, Mass.; **Darlene Johnson**, Stony Brook Cooperative Housing Corp., Jamaica Plain, Mass.; **Winnie Lamour**, United Housing Management,



**Membership Services Chair Linda Brockway presents St. Joseph's Cooperative Community (Audrey Dickerson, Barbara Loatman and Gregory Dias) with the Cooperative Star Award.**



Dorchester, Mass.; **Grivel Mora**, Wildwood Park Towne Houses, Atlanta, Ga.; **Mi'Chelle Posey**, United Winthrop Tower Cooperative, Round Lake Beach, Ill.; **Crystal Rivers**, Wildwood Park Towne Houses, Atlanta; **Surinderpal Singh**, Southgate Town & Terrace Homes Inc., Sacramento; **Naeida Stevens**, River Oaks Towne Houses Cooperative, Calumet City, Ill.; **Carolyn Stewart**, Bethel Terrace, Chicago; and **Mimi Tefara**, Reservoir Hills Mutual Homes, Inc., Baltimore.

Six RCMs successfully passed the ethics course and received certificates. They were **Cornelius Bracy**, Pondersosa Estates, Inc., Marin City, Calif.; **Patricia Byrd**, Arrowwood Hills Cooperative, Ann Arbor, Mich.; **Sandy Isaac**, Park Forest Cooperative IV, Area

E, Park Forest, Ill.; **Ralph Marcus**, Marcus Management, Inc., Farmington Hills, Mich.; **Tania Sylvester**, Park Forest Cooperative III, Area J, Frankfort, Ill.; and **Tarlochan S. Walia**, Southgate Town & Terrace, Sacramento. [CHQ](#)



Left: Tania Sylvester, Cornelius Bracy, Sandy Isaac and Ralph Marcus show off their RCM certificates awarded for passing the ethics course while NAHC President Greg Carlson, NAHC Vice President Gibbs and RCM Chair Robin Lay look on.

Above: NAHC's Newest RCMs proudly display their certificates.



## 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](http://www.coophousing.org).



## INTERNATIONAL COOPERATION

### Cooperative Housing International Elects NAHC Board Treasurer to Its Board

**THE COOPERATIVE HOUSING INTERNATIONAL** (CHI) elected NAHC treasurer Linda Brockway to its board on November 14, 2017, in Kuala Lumpur, Malaysia. Brockway was one of five board members elected by acclamation. The other board members include Anders Lago, president, Sweden; Guido Schwarzensdahl, vice president, Germany; Blasé Lambert, treasurer, United Kingdom; Errum Sharif Bhajji-Karachi, Pakistan; Thor Eek, Norway; Datak Mohammed Bin-Hasan, Angkasa, Malaysia; Kieron Brennan, Ireland; Mauricio De la Barra, Chili; Hans Rupp, Allgemeinc Baugenossenschaft, Switzerland; Dr. Bernd Rie Bland, Austria; and Nicholas Gazzard, Canada.

After the CHI member meeting, Brockway spoke during a panel, stating the United States government's position on cooperatives and how NAHC is working with the government to promote government relations in connection with the development and preservation of cooperatives.

### International Organization Elects Argentinian Cooperator

**THE INTERNATIONAL CO-OPERATIVE ALLIANCE** elected Ariel Guarco president at its biennial General Assembly held in conjunction with the CHI meeting. Guarco is president of Cooperar, the Co-operative Confederation of Argentina and has been a board member of the Alliance since 2013.

As president of the Alliance, Guarco said his priorities are to strengthen the interactions between its regional and sectoral organizations, as well as consolidating youth and gender spaces. He also wants to improve the quality and quantity of information given to alliance members on income, balance sheets and projects—and, in doing so, equip member organizations for better decision making.

### Nicholas Gazzard retires as CHF Canada's Executive Director

**NICHOLAS GAZZARD** retired last fall after serving 18 years, 12 of them in the position of executive director of CHF Canada. The organization has appointed Karla Skoutajan to the position of acting executive director.

### The Canadian Co-operative Investment Fund Reaches Investment Goal

**CANADIAN CO-OPERATIVES AND MUTUALS**, including CHF Canada, have committed \$25 CDN million to establish the Canadian Co-operative Investment Fund (CCIF). The CCIF will provide financing for new and expanding Canadian co-operatives. The \$25 CDN million in committed investment to date is the threshold agreed by partners as the start-up capital required for a self-sustaining fund. [CHA](#)

## MEMBER ASSOCIATION NEWS

### California Association of Housing Cooperatives (CAHC)

**CAHC**, in collaboration with the San Francisco Land Trust, will hold its 25th annual meeting on May 5, 2018, at the African American Art and Culture Complex in San Francisco, Calif.

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

**SEVERAL HUNDRED** registrants explored topics of interest at CNYC's 37th Annual Housing Conference on November 12, 2017, at the Eleanor Roosevelt High School in Manhattan. They also had the opportunity to view products and services provided by 47 exhibitors.

In this new high school setting, CNYC benefitted from the technology of 'smart boards' in every classroom, and student volunteers acted as gracious hosts and guides, helping some of the 93 speakers learn to use this technology.

Manhattan Borough President Gale Brewer greeted attendees at the closing assembly where John Lee of the Mayor's Office of Sustainability spoke of the multiple benefits of improvements that help buildings conserve energy and lower their carbon footprint.

### Midwest Association of Housing Cooperatives (MAHC)

**RECENTLY**, the MAHC board members updated its strategic planning with a focus on how cooperative housing needs efficiency goals to achieve effective operation along with a need to have a "trained and fully engaged" board members to do so.

In that vein, MAHC is gearing up for its annual conference May 20–23, 2018, at the Green Valley Ranch Resort & Spa in Henderson, Nev. As a part of the conference, on May 19–20, MAHC will convene its Certified Cooperative Director course, designed for board members, committee members and cooperators, encompassing cooperative history, corporate law and ethics in the board room. The course will also review budgets, audits, other financial components and cooperative marketing and management.

Concurrently, MAHC will hold its Certified Cooperative Manager course for managers and assistant managers covering fair housing, ethics, legal structure of cooperatives, policy making, decision making, financial integrity and battling renter mentality in today's cooperatives.

At the conference, MAHC also will offer new board member and officer training. Other topics include sexual harassment, ethics and leadership and a legal update on the audit review. MAHC also will confer awards and will hold its annual meeting and election.

### Potomac Association of Housing Cooperatives (PAHC)

**THIRTY-SEVEN** participants representing 10 cooperatives from Maryland, the District of Columbia and Virginia attended PAHC's fall workshop on November 12, 2017 at Capital View Mutual Homes in Landover, Md. PAHC President Anne Hill discussed cooperative documents and roles and responsibilities of the board of directors. Attorney Daniel Costello followed with an overview of community associations, state, local and county laws, the fair housing act and rules enforcement. After questions and answers, the PAHC Board of Directors met. [CHA](#)



## Record-breaking Manufactured Home Cooperative is Formed



Myrna Yunits, board member at large, and Nancy Froio, board president, are homeowners in Halifax Estates Mobile Home Park in Halifax, Mass.

CREDIT: THOMAS CHOATE AT THE COOPERATIVE DEVELOPMENT INSTITUTE.

### Record-breaking Manufactured Home Cooperative is Formed

**HOMEOWNERS** in Halifax Estates Mobile Home Park, Halifax, Mass., have made history, closing on the largest-ever limited equity manufactured home cooperative purchase while helping secure the financial futures of the 700 retirement-age residents who live there.

The resident association has purchased the 430-home community for \$27 million with assistance from Cooperative Development Institute, a certified technical assistance provider with ROC USA® Network. ROC USA is a non-profit that works nationally through a network of nine such technical assistance providers to assist residents of for-sale mobile home parks form resident corporations and buy their communities cooperatively. Technical assistance will continue to be provided by the Cooperative Development Institute (CDI) to the association for the length of the mortgage — a minimum of 10 years.

Financing for the project came from ROC USA® Capital in collaboration from TD Bank, Bank of America, Boston Community Capital and Leviticus 25:23 Alternative Fund. ROC USA Capital is a wholly owned subsidiary of ROC USA and a U.S. Department of Treasury-certified Community Development Financial Institution. ROC USA Capital increased its credit line with Bank of America to \$24 million to quickly accommodate the acquisition financing. TD Bank will provide \$20 million in long-term permanent financing soon after the purchase is finalized. Boston Community Capital and Leviticus 25:23 Alternative Fund are also participants in ROC USA's subordinate loan.

The size of the community supports a wide array of amenities and activities, such as a community workshop

where residents can work and borrow all sorts of woodworking tools, a clubhouse with billiards, table tennis, exercise equipment, an impressive library, bingo setup and more. Residents also enjoy shuffleboard, bocce (outdoors and in winter, indoors), monthly bus trips, card clubs, a community garden and crafting groups.

The Helping Hands Committee in the cooperative holds fundraisers to support those in Halifax Estates who are struggling, including paying for heating fuel, fixing leaky roofs, mowing lawns, as well as providing transportation to and from medical appointments. All work is carried out anonymously.

Halifax Estates residents also give back to their greater community. The Singing Seniors perform at the clubhouse and take the show on the road to perform at nursing homes and other local institutions. The annual craft fair raises money that residents use to shop for needy children during the holidays.

ROC USA President Paul Bradley praised the Halifax Board and CDI for leading the community through the purchase process. He said the size of this purchase demonstrates not only the motivation of homeowners to gain ownership of the land as a group but also the expanding capacity of the nonprofits that support them.

### Senior Cooperative is Proposed for Iowa

**THE VIEWS**, a senior housing cooperative proposed for Urbana, Iowa, will be funded by the U.S. Department of Housing of Urban Development (HUD), according to an article by Faith Ann Brown in Vinton Newspapers on November 17, 2017.

The 24-million-dollar project will include assisted living and memory care along with the housing cooperative. The first portion of the project will begin with marketing the 31 units. Once 18 of the units are sold, construction will begin. Plans include one- and two-bedroom units. The one-bedroom units will be 925 square feet and will be approximately \$80,000 in addition to a monthly fee. The monthly fee will include such items as utilities as well as building and ground maintenance. Each unit will also have built-in appliances including laundry and underground parking with two parking spaces for each apartment.

After the cooperative is opened, work will begin to expand the offerings to assisted living and then, if necessary, to memory care. While residents in the cooperative will own their homes, the assisted living and memory care rooms will be a month-to-month rental.

The Fehr Graham & Associates in Cedar Rapids is the engineering firm for the project. [CHQ](#)

## REPORT FROM WASHINGTON

By Judy Sullivan

### One Vote

**A RECENT ELECTION** in Virginia made the national news because it was ultimately decided in an unusual manner.

Shelly Simonds, a Democrat, ran to represent the state's 94th District. The race was tied, and Simonds lost to Republican incumbent David Yancey after the state's board of elections decided the race by drawing a name from a bowl.

The vote was especially significant because it also determined the leadership of the Virginia House of Delegates. Had Simonds won the House of Delegates, Democrats and Republicans would have had to share leadership 50-50. With Yancey's win the Republicans won control of the House of Delegates. Leadership is incredibly important because it means control of the committees as well as control of the agenda and all of the issues under consideration. Leadership can also determine which issues will not be considered.

Simonds plans to run again, but please keep this race in mind the next time you think about voting because your vote could be that one vote that makes a huge difference in the outcome of an election.

### Washington, D.C. Housing Cooperatives

**ANITA BONDS**, D.C. Council chair of the Housing and Community Development Committee has introduced bills that would promote cooperative housing as a way to stem the tide of gentrification in D.C. One of the measures, Bill 22-099, establishes a task force to provide recommendations on improving existing limited equity cooperatives, ensure appropriate training and issue recommendations on how the District can assist in the formation of limited equity cooperatives.

This development is significant because it could incentivize other cities to help solve affordable housing by creating and supporting the development of limited equity cooperatives. The committee hopes to markup the bill this winter.

### Federal Emergency Management Agency (FEMA) Relief for Housing Cooperatives

**AFTER HURRICANE SANDY** in 2012, many housing cooperatives learned that although the inside of their units were covered under FEMA, the common areas and outsides of their housing cooperatives were not entitled to FEMA grants. This year NAHC has two bills that address housing cooperative disaster relief:

1. HR 1684 (Nadler, D-N.Y.): 6/26/17 passed House; 6/27/17 received in Senate and referred to Committee on Homeland Security and Governmental Affairs.
2. HR 3238 (Sanford, R-S.C.) introduced HR 3238; 7/14/17 referred to Subcommittee on Economic Development.

Although Representative Mark Sanford's bill would have remedied the problem and allowed disaster relief for the common areas of a housing cooperative in the event of a nationally declared disaster, the House instead chose to proceed with Representative Jerrold Nadler's bill, which recommends that FEMA provide a report to the House Committee on Transportation and Infrastructure within 90 days after the date of enactment on "how to provide eligibility for disaster assistance with respect to common areas of housing cooperatives." Rep. Nadler's bill (HR 1684) is included in the budget reconciliation measure currently pending in the Senate. [CHO](#)

Judy Sullivan is NAHC's government relations representative and the 2016 recipient of the Roger Willcox President's Award.

## COOPERATIVE CALENDAR

### APRIL

**26-28** Annual Conference of the Potomac Association of Housing Cooperatives; Virginia Beach Oceanfront Hotel; Virginia Beach, Va.

**30-May 1** The Registered Cooperative Management Training; NAHC office; Washington, D.C.

### MAY

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

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

**3** National Cooperative Bank's Annual Meeting and Reception; National Housing Center, Washington, D.C.

**5** Annual Meeting of the California Association of Housing Cooperatives; African American Art and Culture Complex, San Francisco, Calif.

**20-23** Annual Conference of the Midwest Association of Housing Cooperatives; Green Valley Ranch Resort & Spa, Henderson, Nev.

