

COOPERATIVE HOUSING QUARTERLY

A member service of the National Association of Housing Cooperatives

Spring 2022

President's Column

3

Low Income Housing
Tax Credits

4

Maintenance Can Help
Prevent Building Disasters
in Cooperatives

6

Create A Compliant Member
Selection Plan for Your
Cooperative

8

Prepare an Operating
Budget and Monitoring its
Performance: Best Practices

11

The Pandemic and Insurance
for Cooperative Housing: Boards
play an Important Role

13

NAHC Members will learn in
Sunny San Diego during the
62nd Annual Conference

14

Join NAHC's Cooperative
Housing Chats With hosts
Greg Carlson and Hugh Jeffers

15

Member Association News

16

People and Places

18

News from All Over

19

Report from Washington

21

Cooperative Calendar

22

NAHC

100,000 Affordable Housing Units to be built in California: Will Any be Cooperatives?

By David J. Thompson

As the author looks at the bond issues of billions of dollars passing at the state and local levels for low- to-moderate-income housing in California, he is witnessing the most funds in the state's history ever being made available for this purpose.

When the author views the potential applicants for those billions of dollars; however, he does not see even one housing cooperative developer lined up on the California horizon. What a pity it will be if cooperatives miss out on the largest largesse of California. And yet, it appears as if cooperatives will miss the boat. Not one newly built limited equity housing cooperative (LEHC) apartment community above 40 units was built in California since 1990. Are cooperatives destined to be a one-off peculiarity found only once in a century in the mythical village of Brigadoon, or do the advocates of LEHC cooperative housing in California want to build a strong structure for a thriving sector?

Compare 2022 to an era when California's housing cooperative sector was a major recipient of federal funds and builder of thousands of cooperative units.

From 1950 to 1970, there were three decades of measurable structural growth of housing cooperatives in California. The federal government through a range of U.S. Department of Housing and Urban Development (HUD) programs provided much of this expansion. As a

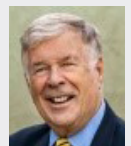
Continued on page 4 >



PHOTO CREDIT: DAVID J. THOMPSON

Top: St. Francis Square is on the left with Grace Cathedral in the background. **Above:** St. Francis Square on Geary Boulevard in San Francisco, Calif. is a 299-unit housing cooperative built in 1963. The International Longshoremen's and Warehousemen's Union (ILWU) sponsored the cooperative.

David J. Thompson is president of Twin Pines Cooperative Foundation and a co-principal of Neighborhood Partners, LLC, www.npllc.org.



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About NAHC

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

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

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Avoid the Affordability Trap

By Fred Gibbs



Fred Gibbs
President

AMONG THE MANY BENEFITS of housing cooperatives is affordability when viewed in comparison to other forms of homeownership. In fact, NAHC gives reference to this fact in the wording of our mission, "...to support and educate existing and new cooperative housing communities as the best and most economical form of homeownership."

Though this is one of the hallmarks of limited equity cooperatives, it may also be the source of their operational difficulties. The efforts of cooperative boards to maintain affordability are often without consideration of the long-term physical needs of the cooperative. While their desire to remain affordable is a noble one, boards must look ahead and not simply concern themselves with affordability at the current point in time. Carrying charge data for cooperatives is sparse and difficult to come by. However, NAHC's Development and Preservation Committee has received many calls for assistance from cooperatives that have, to their detriment, kept carrying charges too low for too long and have failed to fund incremental improvements that could ensure the life of the infrastructure (for further discussion on carrying charges, see Brian Dahlk's "Prepare an Operating Budget and Monitoring its Performance: Best Practices" in this issue). The thought behind this error is the opinion that any increase would be met with unfavorable comments from members and perhaps would endanger board members' chances of being reelected. This thought process is short-sighted and not in the best interest of the cooperative. Boards are expected to make the hard decisions. The result is aging infrastructure that fails to keep pace with the surrounding market and makes it difficult to attract new members.

A cooperative board, using the expertise of its managing agent, attorney and CPA, should educate themselves and stay abreast of surrounding market trends at similar sized cooperatives and rental communities. Periodic market studies would yield valuable data on share values, carrying charges, rental rates and property values, as well as new amenities

and other offerings that attract and maintain members. The board, its professionals or an independent third party can perform such a study. A wealth of information is also available online, at little to no cost. One example is current year and historic area Fair Market Rent (FMR) data. The U.S. Department of Housing and Urban Development (HUD) compiles this data, using a number of factors that include census data, the consumer price index, base-year recent mover adjusted FRMs and other reliable datasets. HUD's 24 CFR § 888.113 contains information related to the methodology for FMRs for existing housing. Such data can prove quite valuable to cooperative communities as they decide on the correct approach to affordability and sustainability.

Using area FMR data is one of among many tools cooperatives can use as a benchmark when making affordability assessments.

Using area FMR data is one of among many tools cooperatives can use as a benchmark when making affordability assessments. FRMs are based on the 40th percentile rent, the dollar amount below which the rent for 40 percent of standard quality rental housing units falls within the FMR area. The 40th percentile rent is drawn from the distribution of rents of all units within the FMR area that are occupied by recent movers (Cornell Law School Legal Information Institute). FRM data can be reviewed by county or metropolitan areas by visiting HUD's website for datasets. Both current and historical data are available for comparison and analysis. A good practice is to view this data in comparison to that of local real estate data sites, such as Zillow to compare the affordable model with the unregulated market for comparable size dwelling and amenities. Once this comparison is made, you are well on your way to understanding what the term "affordable" means in your locality.

A natural next step is to gather data on the cooperative in its current condition. This task can be accomplished through a comprehensive inspection program, geared toward building a dataset that reflects the condition of your cooperative's assets and determines how much life remains in each of them. First, establish the age of all assets, using manufacturers'

Continued on page 5 >



result, thousands of cooperative units were built in California during this productive era.

The author searched through past issues of the NAHC's Cooperative Housing Journal until he found the 1971 summer/fall issue. Articles about housing cooperatives in California painted a very different picture about cooperative housing development then rather than today.

Here are excerpts from page 9:

"Mutual Ownership Development Foundation (MODF) headquartered in San Francisco entered its fifth year of operation by making great forward strides in developing cooperative communities of which housing is the core.

Serviced by a staff of 78, MODF was instrumental in introducing the potential advantages of the cooperative approach to the Pacific states.

To date, cooperatives sponsored or otherwise assisted by MODF represent 1,596 housing units...

Among recent projects are a 46-unit cooperative in Merced, a 100-unit co-op in Watsonville and the second increment of John Muir Townhouses Villages in Martinez.

Also under way is the 85-unit Chi-Rho, co-sponsored by the Christ Evangelical Lutheran Church of San Jose; a 78-unit co-op in Garden Grove and a 100-unit project in Campbell.

Co-op membership sales for the 65-unit Voorhis Village in San Dimas and the 255-unit Co-op Village in Pasadena have reached the point where initial occupancy is expected momentarily.

In addition, the MODF-sponsored Donde Dios, co-sponsored by Gardners Neighbors, a 70-unit co-op in San Jose and the 112-unit Villa Avante in Morgan Hill, co-sponsored by Mexican Americans United for Progress are expected to start construction soon."

That single page of listings described California's thriving and expansive cooperative housing sector in the 1970s. The author believes that the primary component that boosted the numerical achievements in California the most was the powerful professional capacity provided and led by the staff members of MODF. The MODF staffing level intertwined with other external professional strengths in architecture, construction, finance, legal and management. The combination of resources was equipped to serve and fulfill the expansive plans of the cooperative housing sector in California. The HUD resources for housing cooperatives were also at a larger scale in both Washington, D.C. and the San Francisco statewide office. During these three decades HUD and MODF worked in tandem.

Two other cooperative development organizations are highlighted in the same issue:

- The Washington D.C.-based Foundation for Cooperative Housing and FCH Services, Inc. had started construction on 8,215 units in 1969-70 and began 4,739 units the year before. In 1970, the president of the nationally serving FCH Services reported that 60,000 cooperative units were in the pipeline. FCH had additional staff in eight regional offices.
- The New York City-based United Housing Foundation (UHF) was founded by a group of unions and consumer cooperatives in 1951. By 1965, UHF had started 23 housing cooperatives ranging from a 124-unit

Continued on page 5 ►

Low Income Housing Tax Credits

One thing Californian cooperators learned from the post-war decade of development is that after the 30- or 40-year HUD contract ends the income and carrying charge restrictions conclude, and those cooperative communities can go to market pricing. Like similar cooperatives throughout the nation, almost all of them do, and so the low- and moderate-income groups they once served can no longer afford the market price.

That is why a group of California cooperative advocates (including the author) fought for the passage of AB 1364 (Bates Bill of 1978), which made California the first state to provide Limited Equity Housing Cooperatives (LEHCs) legal standing in. AB 1364 gave legislative protection to the LEHC's ability to preserve permanent affordability for the same income groups. That 1978 legislation enabled NCB's Western Office to fund almost 2,000 LEHC units in California from 1978-1988.

Low Income Housing Tax Credits (LIHTC) are now the main funder of low-income rental housing in the United States. But, by the year 2030, the contracts (2 x 15 years) for 500,000 of those LIHTC units will expire. If not re-subsidized, those units will return to market pricing that those residents cannot afford. The potential for mass evictions should not be built into the LIHTC affordable housing policy. States have different number of years for the LIHTC units to be affordable, and those requirements go from a low of 15 years to a high of 55 years. Permanent affordability for low- to moderate-income groups needs to be the goal. Only LEHCs can do that in California.

Technically, there are some methods for spinning off a LEHC from a LIHTC project at year 15. However, this author has looked at that option and the regulations and does not believe there is a viable way to a true unsubsidized LEHC at year 15. In other words, no one yet has provided this author with proof of a LIHTC project that has emerged free and clear of LIHTC subsidization at year 15.

project to the more than 15,000 units in Co-op City. In total, over a 20-year period, UHF built 30,000 units to house 100,000 New Yorkers.

According to the number of units, the 1950s to the 1970s were the heights of cooperative housing development in the United States. Yet, sadly, the three major organizations written about are no longer in existence and have not been replicated.

However, from 1979-1986, there was an additional wave brought on by the opening of the National Cooperative Bank (NCB). As regional director of the NCB in Oakland, the author had worked a great deal with California state and local officials to get them ready to provide additional funds for the entry of NCB and the NCB Development Corp. (NCBDC) into California. As a result, the state of California provided additional funding and a program that worked in tandem with NCB to develop LEHCs.

During that period, NCB/NCBDC funded 13 cooperative communities in California totaling 1,032 units plus provided technical assistance to eight other cooperatives that totaled 699 units. Creating 1,731 cooperative units in seven years took much preparation, teamwork and supportive state housing programs.

As evidenced by the output of MODF, FCH and CHF described in the 1971 CHJ, new cooperative development organizations are a needed resource to develop cooperative housing at scale.

Numerous not-for-profit and for-profit entities in California are staffed up to compete for the billions of dollars that are available. For example, EAH Housing (founded in 1968) is the top non-profit housing developer in the state. As of the end of

2021, EAH employed 642 employees. EAH owns 222 properties comprised of 13,000 units and housing 25,000 people. They have acquired or are in development of another 106 properties making up another 8,400 units. EAH has relationships with 83 municipalities in California and Hawaii. The strengths highlighted above are the reason why EAH Housing is a major player in the California affordable market.

The time is now in California to utilize the billions of dollars for affordable housing. However, to accomplish what was done from the 1950s to the 1970s, cooperative advocates need to take their resources to scale for the development of cooperative housing.

This particular existing decade's long wave of dollars for development in California will likely by-pass the development of cooperatives. Those who believe strongly in the value of housing cooperatives have no organizational foundation from which to build. Cooperative advocates are not scaled for success, and while a few small one-off LEHCs will be opened, that will be the extent of it.

It is a pity, but in California and elsewhere, cooperative advocates should be planning for thousands of cooperative housing units replicated at scale. Cooperative housing activists need to address this organizational and structural gap if cooperatives are to be a viable and valuable option in the future of affordable housing not only in California but throughout North America.

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PRESIDENT'S COLUMN

[continued from page 3]

labeling, model and serial numbering systems. Most of these numbering systems have an embedded date code. For example, GE indicates their refrigerators' manufacture date can be discovered by using the first two letters in the serial number. These characters correspond with a key on its website. Visit manufacturer websites or repair forums to learn more about the date codes used. In the absence of this useful information, use purchase and installation documents. Additionally, board meeting minutes can help you determine when the cooperative purchased or installed key components, especially if these are large expenditures such as roofs, siding, windows, etc.

Following is the task of determining remaining useful life that your cooperative can achieve by consulting a useful life table such as the one on HUD's website. This pdf contains useful life information for most components in any multifamily dwelling. The data is presented for family and elderly properties as the table differs in lifespan. In this issue, Leon Geoxavier also includes a list of life expectancy for building materials in his article, "Maintenance can help Prevent Building Disasters in Cooperatives." Knowing the projected life of components such as the HVAC system or flooring coverings in your buildings provides critical calculating factors that will

allow your cooperative to arrive at replacement schedules. The cooperative must consider every component as nothing lasts forever. Maintenance history may require an adjustment to the projections in these tables. The environment and use may dictate a more aggressive replacement schedule.

Cost is an unknown and will require speculation on the part of the cooperative. Recent product cost increases as well as price spikes make it difficult to predict costs. However, a good rule of thumb is to review industry trends for the past three-five years, using the rate of increase and carrying it forward in your calculations. Some cooperatives use a flat 5 percent annual increase across the board. You will know what works for your region and the specific component you are pricing. Talk to distributors and others in the industry to get a clearer picture of these costs.

There is no substitute for good planning. You owe it to your successors and future cooperative members. Having the information listed here will set the cooperative on its way to creating a good plan for reserves, carrying charges and share values, thereby ensuring the cooperative's future for years to come. Avoid the affordability trap. Make a plan and pass it along to the next board. The cooperative's survival depends on it. [CHQ](#)



Maintenance Can Help Prevent Building Disasters in Cooperatives

By Leon Yudkin Geoxavier, RA

“It was the stuff of nightmares: Your home collapsing around you while you slept.”

-Rick Neale, *Florida Today*

At around 1:25 a.m. on June 24, 2021, a large section of the Champlain Towers in Surfside, Fla., suffered a partial pancake collapse. Engineering reports later surfaced outlining warning signs that were issued in years past. Ninety-eight people lost their lives in the tragedy.

In New York City, 17 people died in a high-rise fire on January 9. Fourteen people perished in a separate fire in a Bronx residential building in 2017, and two years earlier in the East Village, a gas explosion completely destroyed three buildings. In the aftermath of these incidents, legislation has been proposed or was enacted to address problems and hopefully prevent future tragedies.

The Champlain Towers incident, along with others, has renewed interest in understanding building disasters and how to prevent them. In such an aftermath, there is an investigation into the potential causes of failure. Even with fire-related disasters, investigators try to determine whether fire-suppression and fire safety systems were in place and functioning properly. In this autopsy of sorts, there is a probe into whether there were any initial construction concerns and if there was deferred maintenance or repair, intensive exposure to elements and excessive wear. The investigation also takes in consideration the general age of the buildings and systems.

For recently built or substantially renovated properties, a fundamental question involved the initial construction; was the building constructed the way it was designed? If there were unauthorized changes, they may have contributed to premature wear or failure. This investigative process looks into sign-offs, warranties, completion records (like as-built drawings) and test reports. In the Surfside Condominium collapse investigation, there have been reports that construction did not follow the original design and that there may have been material installation missteps

(specifically in concrete, steel reinforcement and waterproofing). These may be among the primary contributing factors in the collapse.

For more established communities, the investigation following a disaster shifts from the initial construction to that of deferred maintenance and repair. All buildings and systems require upkeep:

Useful Life Expectancy of Typical Building Materials

Material	Years
Caulking	5-10 Years
Paint (Exterior)	7-10 Years
Steel	100+
Concrete (General)	100+
Wood	5-40 Years
Masonry	100+
Stucco	50+
Aluminum Siding	25-40 Years
Asphalt	15-20 Years
Stone	100+
Window (All)	8-40 Years

Adapted from National Association of Residential Property Managers (www.narpm.org)



Leon Geoxavier is a registered architect at Stone Engineering & Architecture, D.P.C. in New York, N.Y. and is a board member of NAHC and the Council of New York Cooperatives & Condominiums.

Continued on page 7 >

MAINTENANCE – involves functional checks, servicing of equipment and systems.

REPAIR – involves implementing recommended and approved remedies to prolong service life.

DEFERRED – delayed or unimplemented maintenance and repairs.

For all communities, old and new, exposure to the elements is ever present and has the potential for damage. Most building materials and systems are designed for typical conditions with an allowance for isolated incidents. These conditions can include: extreme hot and cold temperatures; intense accumulation of snow,

Most building materials and systems are designed for typical conditions with an allowance for isolated incidents. These conditions can include: extreme hot and cold temperatures; intense accumulation of snow, ice or rain; or inundations of saltwater.

ice or rain; or inundations of saltwater. Ignoring required repairs and maintenance caused by these conditions can substantially impact the life expectancy period set out above.

There are steps that cooperative communities can take to help potentially prevent disasters. The first step is to assess the property periodically even when not required by law or by insurance review. This step goes hand in hand with researching and compiling records, so a cooperative board can monitor conditions over time. The second step is when assessments are prepared, it is important to ask questions to seek further guidance if there are unanswered questions. The final step is once an assessment is completed and decisions are made for upkeep, these maintenance programs must be funded and implemented.

The Surfside Condominium collapse was so disastrous that there have been dozens of investigations into what the board was told and when and what actions were taken (or not taken). While maintenance and repairs can be costly and demanding, at the end of the day, the structures are homes with real people whose lives are of substantial value. [CHQ](#)



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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.





Create A Compliant Member Selection Plan for Your Cooperative

By Kathy Sinicropi

Do you know why it is important to have a member selection plan for your cooperative? It is the most important document used in determining the guidelines your management staff will follow for the selection of members from a pool of applicants for your community.

Without a written plan, you could be setting your cooperative up for a fair housing violation.

Your plan should apply to new applicants, existing members wishing to add adult individuals to their household and existing members purchasing a new membership or transferring their membership and the requirements for each situation. Without a written plan, you could be setting your cooperative up for a fair housing violation.

While this may not be the most exciting work you will do as a board, it will set the tone for consistency to ensure everyone is treated the same, and that should always be the goal. You certainly do not want the staff, or the board, subjectively approving or denying an applicant based on their personal feelings or beliefs.

The plan should begin with a non-discrimination statement that says it will comply with all the federal, state and local laws, and you should consider listing those to show that you are aware of these laws and will comply with them. It should reference any local laws or ordinances that identify protected classes since these vary from municipality to municipality. Certain cities prevent you from discriminating against the individual's source of income, political affiliation, student or military status, just to name a few. You must be aware of these requirements in your area and address them in your plan.

Your plan should address reasonable accommodations and reasonable modifications. Reasonable accommodations could include items like providing auxiliary aids to ensure effective communication like visual alarms, visual doorbells, interpreters or large print applications. Reasonable modifications could include providing grab bars for bathrooms or a ramp if needed to enter the home. You need to understand, based on your property type, if the

cooperative is responsible for paying for these items or if it is the member's responsibility and address that in your plan.

The author suggests detailing the application intake process including how you will accept applications and what documents will be required to prove their identity. By detailing that you will accept applications in person, by email, fax or mail, you again have eliminated the ability for someone in your office to make a subjective decision that could get your cooperative into trouble. This procedure may seem like overkill, but remember, all it takes is one staff member to say "Sorry, you have to submit your application in person." This staff member may want to see each person, and they may have just precluded a person who does not drive due to a disability the ability to apply, therefore, creating a potential fair housing claim.

Outline the minimum income requirements (or maximum, if applicable) and what documents for proof of income will be accepted. Will you allow check stubs, tax returns and will they have to have the current source of income for a certain period to show stability? This information is important to help ensure they can afford the monthly carrying charges.

Outline the occupancy standards for your community including the minimum number of people allowed to live in each unit size, as well as the maximum number allowed to reside in each unit size. The old standard of two heart beats per bedroom is outdated and is no longer viewed as acceptable. Determine if your local area has published occupancy standards, and if no local standards exist, use the 2021 International Property Maintenance Code. The code details the square footage required



Kathy Sinicropi is the chief client officer for Legacy, LLC, a property management company based in Michigan. Sinicropi has 25 years' experience managing cooperative housing.

Continued on page 9 >

for the first occupant and the square footage required for each additional occupant. The author highly recommends the board work with a professional to determine maximum occupancy for your cooperative since this determination can be complicated and confusing.

If your cooperative performs a credit check and/or a criminal background check for criminal convictions, you should detail those requirements as well as the acceptable credit score and the details on what criminal convictions would preclude their application from being approved. New disparate impact laws refer to practices in housing that adversely affect one group of people of a protected characteristic more than another and need to be considered when creating the criminal conviction criteria in your plan. Consult your professional when working on this part of the plan to ensure compliance with these new laws. Using a screening company for these background checks allows you to outline your criteria within their system so the application would come back as either “approved” or “denied.” This process prevents subjectivity in reviewing and approving applicants’ reports and better protects the cooperative. If you decide to attempt to have your team review each credit and criminal report themselves without using a screening company, are you sure you can perform the task without creating potential fair housing claims by inconsistently approving or denying? This practice allows personal feelings to enter the equation and is not recommended.

Boards often want to interview applicants to see if they would be a good fit for their cooperative. I recommend having an orientation meeting after the applicant is approved by meeting all the criteria detailed in your selection plan

I recommend having an orientation meeting after the applicant is approved by meeting all the criteria detailed in your selection plan versus interviewing as a step in the approval process.

versus interviewing as a step in the approval process. There is nothing wrong with wanting to make them aware of the cooperative rules and regulations or educating them on community events or activities, asking questions about how they heard about your community and what made them want to live in your cooperative can all be a part of the orientation.

An interview as part of the approval process is not advised because board members have the best of intentions but often get off track and ask questions that violate fair housing laws that could put both them and the cooperative in jeopardy.

Finally, the Privacy Act of 1974 will safeguard the applicants’ or members’ information and state that you will not share their personal information with others. This provision of the act will give the applicant a sense of security when sharing all their personal information with your cooperative.

As a board member, you need to make sure and give the proper time and attention to this process to protect your cooperative from discrimination claims. Once the plan is written, the board should approve it and ensure everyone adheres to it. The cooperative should provide training for everyone involved in conducting these activities to ensure they understand and agree to follow the plan.

Finally, do not let someone put pressure on you to make an exception to the criteria once it has been established. Stand by your plan and explain that you are not able to make exceptions for anyone. Once you deviate from the plan, you are opening the cooperative to problems and potential fair housing claims.

This is a lot of information to take in and probably feels overwhelming. Do not forget to depend on your professional management team and attorney to help you with this task. [CHQ](#)



Cooperative Share Listing Program

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

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Prepare an Operating Budget and Monitoring its Performance: Best Practices

By Brian Dahlk

Why is it important for cooperative board members to be active, engaged and informed participants in the annual budget process? It is important because this is one of most crucial ways in which cooperatives apply economic control over the communities they govern. The budget process is a means of exercising oversight of the cooperative, and the budget is reflective of how the financial aspects of the cooperative's upcoming year should take shape. Sound financial planning, which includes developing the budget and then monitoring its performance, is a hallmark of an effective board.

Sound financial planning, which includes developing the budget and then monitoring its performance, is a hallmark of an effective board.

The first bit of advice is not to wait until the last minute (or even the last month of the year) to start the budget preparation process. It is probably going to take longer than you think. If your cooperative's fiscal year ends on December 31, you should probably begin the budgetary process well before Halloween.

Start with the anticipated costs that the cooperative will incur in the upcoming year. There are two categories of costs: necessary costs (those that are unavoidable) and elective costs (those that are incurred by choice). Necessary costs include mortgage payments, property taxes, insurance, utilities and personnel/management. Elective costs involve education, travel and training, common area enrichments and social events. Of course, some costs have components of both categories. For example, every cooperative always needs to anticipate some basic level of maintenance and repair expenses, but more extravagant projects to enhance the property are likely at the discretion of the cooperative.

What information should be used to anticipate the upcoming year's costs? Actual expenses incurred in the current year are a good starting point. Cooperatives sometimes use those figures as the only set of data for developing their budgets, but a good budgeting process should be more thorough than that. The author recommends analyzing costs expended over the prior two to three years (or more) to determine whether the current year results are an aberration and whether certain categories are trending in a particular direction. Other items to consider include inflationary movements, possible ways to implement projects and tasks

more efficiently and feedback from members about their discretionary priorities.

Budgeting does not just involve covering the anticipated costs for the upcoming year. It is also important to set aside adequate funds into the cooperative's reserves. The board cannot just consider the needs of the cooperative for the upcoming year; it must be cognizant of the community's long-term health. Has the cooperative conducted a recent study to determine its future major repair and replacement needs? If so, this a good planning device with respect to setting reserve fund balances. Taking this a step further, some cooperatives maintain capital budgets, which are formal plans for long-term spending on major renovation projects. Cooperatives should carefully evaluate whether the information in the operating budget (which anticipates revenue and expenses in the upcoming year) aligns with amounts in the capital budget (which shows increases to and spending from reserve funds over future years).

All the anticipated necessary and elective costs plus contributions to reserves constitute the uses of funds in the operating budget. All good budgets should anticipate enough revenue – the sources of funds – to fully cover the upcoming uses. Carrying charges are the most prominent source of revenue, but there might be other revenue streams as well such as contract processing fees, new member charges, guest charges and late payment fines. All anticipated income from those types of sources can reduce the carrying charges required to balance the budget.



Brian Dahlk, CPA, is a senior manager at Wegner CPAs in Madison, Wis.

Continued on page 12 >

Now comes the final piece of the puzzle: where do the carrying charges need to be set to obtain a balanced budget? (And when budgeting for carrying charges, please do not forget to account for the fact that the cooperative might have some vacancies during the year, and it might not actually collect all the charges assessed to its residents. It is not a good idea to anticipate revenue based on full capacity and full payment compliance). Are carrying charges going to increase significantly? If so, maybe the board needs to educate the members about the reasons so that members will hopefully view the situation with more understanding and less hostility. Or perhaps some of the elective costs need to be reduced at this point. Or perhaps the amounts contributed to reserves in the upcoming year need to be reduced, but the author would only recommend that approach as a last resort. A good budgeting process results in a product that has strong member support and is a good balance between satisfying the members for the upcoming year and strengthening the long-term health of the cooperative.

Once the budget has been developed and approved, has the board's responsibility ended? Absolutely not! As the new year progresses, the board has an important duty to monitor the budget to determine how it compares with the actual results.

The first and most basic point is to make sure management is providing the board with regular financial updates that compare budgetary projections with actual results. If such financial reports are not being provided, demand them.

The actual results will almost never exactly match budgetary projections. When deviations are significant, ask questions. It is important to be aware of why sizeable differences exist. Not all discrepancies are unreasonable. Sometimes seasonal fluctuations are present, for example. The author once served on a cooperative board whose fiscal year stated on June 1. Every time the board would review the financial statements for the first quarter of the year – June 1 through August 31 – the board would see that maintenance spending was far greater than 25 percent of the annual budget. Was this a reflection of poor planning or weak management? No, the cooperative always intended to complete lots of maintenance projects during the summer months, so the first quarter was naturally a period of relatively large maintenance expenditures.

Another important point to note when reviewing financial statements is whether the expenditures are presented on the cash basis (when cash is spent) or the accrual basis (when costs are actually incurred). Either method is fine, but the

presentation should be transparent and consistent. Assume the cooperative made a down payment of \$10,000 for an educational event that will not actually happen for another few months, and that's the only educational expenditure of

the year so far. Does the current budgetary report show the \$10,000 as an expense right now because the vendor has been paid; or does it show nothing because the event has not yet happened? Either way is acceptable. But it is important to know the method used because under the first approach it will appear that educational spending to date exceeds budgetary projections, and under the second approach, it will appear that education spending to date is below budgetary projections.

Good cooperative governance involves prudent financial oversight, and one of the best traits of prudent financial oversight is careful, thorough and comprehensive cultivation of the cooperative's budget – developing it and monitoring it. The results go a long way to influencing the fiscal health of the cooperative for the current year and beyond. [CHQ](#)

A good budgeting process results in a product that has strong member support and is a good balance between satisfying the members for the upcoming year and strengthening the long-term health of the cooperative.

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 Pandemic and Insurance for Cooperative Housing: Boards play an Important Role

By Michael S. Hale

Like many organizations, the pandemic has led to considerable uncertainty in both insurance coverage and premiums for housing cooperatives. This uncertainty includes how insurance relates to financial losses and potential liability and also how insurance premiums and the insurance marketplace have changed. Thus, the pandemic is a good reason to review and evaluate the entire insurance program for the cooperative. In doing so, the author will provide suggestions on how to protect the cooperative and its board.

The pandemic is a good reason to review and evaluate the entire insurance program for the cooperative.

Cooperative Board Members May Have No Liability for Deficient Insurance

Life is full of risk. Most would agree that the best way to deal with such risk is to face it head on, plan for it and manage against it. When it comes to commercial insurance programs for cooperatives, this is definitely advisable. This author has seen the demise of many organizations due to inadequately designed insurance programs. Under the law of most states, organizations are required to read their insurance policies and to raise any questions with their agent within a reasonable period of time. If they do not, they are stuck with the terms of the policies as written, many of which can be a surprise at the time of a claim. This means that board members need to spend time reading the policies or should designate such a task to a committee. This committee should meet with the insurance agent and raise questions and seek advice.

It is often advisable to retain an independent insurance consultant who knows the risks presented by cooperatives and can objectively advise the board. This is great due diligence to protect the board from potential claims by members of uninsured or underinsured losses. The reason for this protection is even if the committee members do read the insurance policies as part of its governance, it is unlikely that the members would know what to look for in terms of gaps in coverages. The fine print of insurance policies is extensive, and the terms of the policies have unique meanings. It must be remembered that such policies are drafted by insurers and their stable of attorneys. Such insurers also have the benefit of being able to

keep up with case law that has interpreted policy language and to alter their policies accordingly. Thus, it cannot be emphasized enough that the board take time every year to evaluate the coverages. This process does not necessarily mean shopping the insurance every year. The author usually advises that cooperative insurance programs be shopped every three years unless there is a compelling reason to do it sooner.

What might be a wakeup call for board members of cooperatives is that their directors and officers liability insurance policies might very well exclude mistakes related to insurance coverages or policies. Therefore, such board members may be personally exposed to liability for a very complicated area – the negotiation of commercial insurance coverages. The author will address how cooperatives can limit such liability and learn about recent exposures due to COVID-19.

COVID-19 and Your Cooperative: Are You Protected?

The pandemic has stymied many insurers who have taken an aggressive approach to how they cover such exposures. For example, most carriers have denied coverage for any business interruption losses due to pandemic closures. Most businesses have suffered loss of income during this time, but the insurers have taken the position that even though COVID-19 is contagious, it does not cause “property damage” that is a necessary precursor to triggering coverage under the commercial property insurance. Courts are beginning to largely

Continued on page 14 >



Michael Hale, general counsel at Clairmont Advisors, LLC, in Northville, Mich., has practiced insurance coverage and risk management law for over 25 years and has served as an expert witness in insurance and related matters in over 200 cases.

agree with this stance in decisions supporting that no property damage occurred, and, thus, there is no property insurance coverage or business interruption coverage that applies.

Insurers have also responded to the pandemic crisis worldwide by adding COVID-19 exclusions to liability insurance policies. These exclusions present significant exposures for organizations where the spread of such disease can create liability. Although it may be difficult to prove that such transmission was caused by the negligence of a cooperative in not preventing the transmission, such cases are being brought as to other businesses.

Amidst the pandemic, the insurance industry marketplace has also begun to harden with insurance companies beginning to raise rates and to curtail coverages they might otherwise extend. This scenario creates even more of a reason for why cooperative boards should engage professionals to review their policies and competing proposals.

While premiums have not fully skyrocketed as of the time of this writing and this increase is not currently expected for the next 12 months, there are increases occurring, particularly in the area of habitational risks such as cooperatives. Fires, slips and falls and other non-COVID related claims have driven many insurers to either stop writing insurance for such organizations or to raise their rates. This case is especially problematic for cooperatives that have had claims.

Despite the front row seat that insurance policies often play in the overall risk management of a cooperative, the author finds that most insurance buyers, including cooperatives, often give short-shrift to the insurance buying process and mistakenly assuming that all policies are fungible commodities like soap and attempting to compare quotes for policies “apples to apples.” This is misguided as most insurers, even where they use standardized forms such as from the Insurance Services Office (ISO), often modify their policies through endorsements to address what they are willing to assume as risk. Further, many boards too heavily rely upon pricing when making a decision as to which insurance program to purchase.

Conclusion

The pandemic has upended most of the world over the past couple of years. The unique risks presented by the pandemic should cause cooperative board members to take seriously the extent of coverage provided or not provided by the insurance policies purchased. Now is the time to do such a review. [CHQ](#)

NAHC Members will learn in Sunny San Diego during the 62nd Annual Conference



The Registered Cooperative Manager (RCM) Certification training will kick off the pre-conference programming on October 24-25 in San Diego, Calif. Participants will learn more about housing cooperatives, renew a commitment to the principles of cooperative housing, codify the ethics of cooperative housing management and discover methods to improve housing management practices. Cooperative managers will achieve these goals in three fundamental areas: history, business and ethical practices of housing cooperatives.

In the History of Housing Cooperatives module, participants will glean a perspective of cooperative housing that focuses on the underlying principles of cooperation and a history of modern cooperatives. The module covers the work of the Rochdale pioneers, considered the founders of the cooperative principles. It also examines significant government and non-government initiatives and their impact on the cooperative housing industry.

The Business of Housing Cooperatives module outlines the structure and business of housing cooperatives from their formation to management. A specific review of the cooperative's corporate documents gives participants a view of the factors, including governance, that influence the success of a cooperative.

Ethical Practices for Cooperative Management, a requirement of recertification every three years, reviews ethical considerations and requirements for an RCM and the cooperative board of directors.

Additional high-quality education will continue when the conference begins on October 26, along with the opening session, the first-time attendee orientation, community networking and vendors. Registration will open soon. [CHQ](#)



Join NAHC's Cooperative Housing Chats With hosts Greg Carlson and Hugh Jeffers

NAHC has launched a YouTube series, Cooperative Housing Chat, which is bringing together members of the cooperative housing community for conversations about the past, present and future of housing cooperatives in North America.



Fred Gibbs is RCM Board of Governors, NAHC president and founder of FKGibbs.



Judy Sullivan is NAHC's government relations representative.



Andrew Reicher is executive director of the Urban Homesteading Assistance Board.

Tune in to hear prominent members of NAHC and other organizations discuss the issues affecting our fellow cooperators. Hear stories from the hosts and guests plus frank and honest conversations that touch every facet of cooperative housing.

The first three episodes have captured diverse conversations, and there are plenty more to come.

Episode 1

NAHC President Fred Gibbs starts the series off with his take on the evolution of our organization and why its functionality is so valuable to cooperatives everywhere.

[Watch it on YouTube >>](#)

Episode 2

Judy Sullivan drives a passionate conversation about the shifting climate for housing cooperatives with updates from Washington, D.C. and beyond.

[Watch it on YouTube >>](#)

Episode 3

Guest Andrew Reicher, a recent Cooperative Hall of Fame inductee, talks about the history of Urban Homesteading, the 6th Principle Coalition, the cooperative housing landscape as it stands today, how the social justice movement has inspired change, what is on the horizon and more.

[Watch it on YouTube >>](#)

Meet our Hosts

Greg Carlson, RCM

Greg Carlson chairs the Registered in Apartment Management (RAM) program for the National Association of Builders and Owners (NABO). He



Gregory J. Carlson is the chair of NAHC's board and emeritus chair of the RCM program.

also serves as treasurer of the Council of New York Cooperatives and Condominiums (CNYC) and is executive director of the Federation of New York Housing Cooperatives and Condominiums (FNYHC).

"Cooperative Housing is usually the first time a person becomes a homeowner. I hope this

program will help those in cooperative housing navigate and understand what it is to be a cooperative member," he said.



Hugh Jeffers

Hugh Jeffers has over 15 years of multifamily and healthcare origination and underwriting experience and has developed particular expertise in affordable and senior housing.

"The future is bright for cooperative housing," Jeffers said. "This unique model of home ownership is critical to creating sustainable, affordable and strong

communities at a time when housing has become unattainable due to rising costs. My hope is that our show can highlight the advantages of housing cooperatives and how they can address the housing crisis in the country."

Apply to be a Guest

Please email Carlson or Jeffers to express your interest in appearing on the show. [CHQ](#)

MEMBER ASSOCIATION NEWS

California Association of Housing Cooperatives

MOST COOPERATIVES are convening meetings via Zoom and phone. Some cooperatives fulfilled their main goal during the pandemic of making sure their elderly and home-bound community members received nourishment. The cooperatives provided these members with food boxes and hot meals. Other cooperatives transported members to vaccine sites.

In the near future, CAHC will conduct two 45-minute classes through Zoom during a membership meeting. CAHC has also distributed copies of the Lowe's agreement to provide construction materials and other property needs at favorable prices to each cooperative board.



The CSI team built a library in the first-floor common area of LaBelle Towers.

CSI conducted extensive renovations in LaBelle Towers in Highland Park, Mich.

CSI Support & Development Services (CSI)

LABELLE TOWERS CO-OP, a CSI development in Highland Park, Mich., recently underwent major rehabilitation.

In financing the LaBelle renovation, CSI received support from both the U.S. Department of Housing and Urban Development (HUD) and the Michigan State Housing Development Authority (MSHDA). HUD allowed for a mark up to market of the existing housing assistance payments (HAP) contract and extended the contract for an additional 20 years. In addition to its first mortgage, MSHDA also provided over \$3 million in grants from its HOME and State Preservation programs. This support allowed CSI's construction team to complete over \$7.2 million in renovations to the existing cooperative.

The project's design enhanced member safety and security as well as improved access to social services, ensuring members can safely age in place. First, the construction team built two offices in convenient first-floor locations to house LaBelle's service coordinators. Second, the team added an e-call system connecting to central third-party monitoring. Lastly, CSI improved the transportation by purchasing a new van for

the building and replanning the front entrance to allow for safer member drop off.

CSI used this redevelopment opportunity to redesign all the interior and exterior common spaces. On the first floor, the team renovated the cooperative's offices, community room, sundry shop, game room and community kitchen. Additionally, the team built a library and computer room in the first-floor common area and created a new beauty/barber shop on an upper floor. On floors two through 10, the team enclosed the common area balconies to provide larger community floor lounges. Additionally, the team constructed a fenced outdoor patio just outside the newly renovated community room that allows residents to move safely between the two areas. The

cooperative's volunteer leadership uses the area to promote and enhance LaBelle's cooperative management system.

Renovations in the units included new kitchen and bath cabinets as well as kitchen and bath flooring and new appliances. The team completely redesigned the building's central HVAC system to allow for individual controls of the heat and air conditioning, thus eliminating the need of a seasonal change over. In the first year of operations, this new system was instrumental in reducing energy costs by 16 percent. Member involvement and leadership were instrumental in successfully completing this project. During construction, members made choices on color schemes, flooring material, cabinet design and common area décor and furnishings. Volunteer members formed renovation committees to act as liaisons between the membership and the construction team, ensuring that all members were notified about upcoming construction activities and kept comfortable while their unit was being renovated.



Rehab of Royal Oak Manor Co-op is Nearing Completion

THE \$7.2 MILLION renovation of CSI's largest cooperative, Royal Oak Manor

in Royal Oak, Mich., is nearing completion. Most units have been rehabbed, and many of the common areas and offices are complete. The parking lot has been resurfaced and expanded, and the exterior of the building is being painted with a new color scheme.

For Covid, CSI has created a strict protocol for contractors, including required masking, cleaning and limited use of elevators among other precautions. While their units are

Continued on page 17 >

being rehabbed, CSI gives members the option to spend the day in a safe, comfortable hospitality suite where food and entertainment are provided. At the beginning of construction, CSI held a vaccination clinic, so members of the cooperative had the opportunity to be vaccinated. Throughout construction, reported Covid cases at Royal Oak Manor have remained low.

Construction on Highlandtown Plaza starts in 2022

WHILE HIGHLANDTOWN PLAZA in Baltimore, Md. has existed since the mid-1990s, the building that houses the cooperative is more than a century old and used to be a trolley barn. The upcoming rehab will be the first substantial one since this building was repurposed as housing. CSI will substantially renovate and modernize the units and common areas and build seven new units of affordable housing that will have project-based rental support.

The development team is pulling together a number of competitive sources from a wide variety of partners to begin construction on Highlandtown in 2022. HUD, the State of Maryland, the City of Baltimore, Freddie Mac, M&T Bank and CSI's own investment will support this renovation.



Highlandtown Co-op is an old trolley car barn that was repurposed into a cooperatively managed senior housing community and has served Highlandtown since 1996.

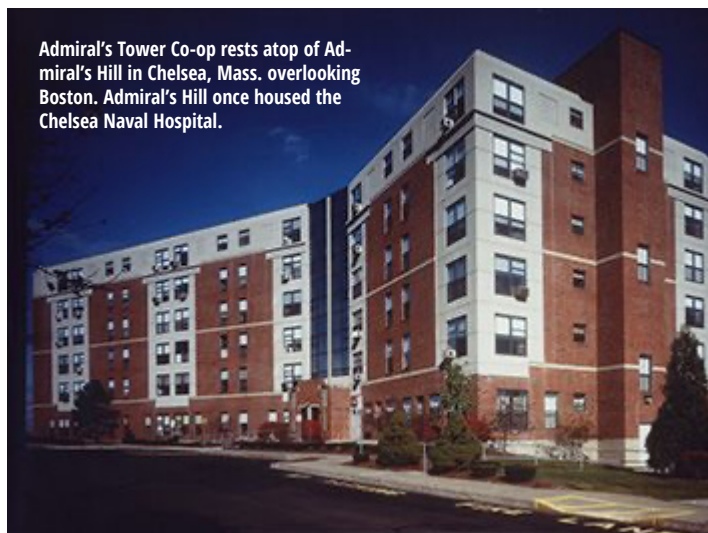
Dunn Family Co-op will undergo Renovation

CSI RECENTLY RECEIVED a competitive 202 Capital Advance from HUD. This award, combined with the competitive 9 percent tax credits HUD awarded earlier in the year, will provide sufficient funding to pursue the following work at the Dunn Family Co-op in Centerline, Mich.:

- ▶ A substantial rehab and improvement of the existing units and building systems;
- ▶ Improvements to the common areas and the creation of an enclosed courtyard;
- ▶ A new wing containing 49 new units;

- ▶ The hiring of a full-time service-coordinator; and
- ▶ The expansion of the building project-based rental support, which will lower rents for many members.

CSI is working with its partners to close on financing and begin construction in mid-2022 and complete the project by mid-2023.



Admiral's Tower Co-op rests atop of Admiral's Hill in Chelsea, Mass. overlooking Boston. Admiral's Hill once housed the Chelsea Naval Hospital.

Three Massachusetts Cooperatives are slated for Refinance, Renovation

CSI HAS ASSEMBLED an architecture, construction and finance team to renovate three Massachusetts cooperatives: Admiral's Tower Co-op in Chelsea, Constitution Co-op in Charlestown and Friendly Gardens in Revere. Each project will upgrade the kitchen and baths in the units, reconfigure common spaces to better meet the members' needs, modernize the mechanical and electrical systems and improve accessibility. In addition, CSI will look for opportunities to expand services to its resident members at each cooperative.

Admirals Tower is the furthest along in the process, with an anticipated closing this year. CSI is in the process of submitting loan applications for Constitution with a construction start in mid- to late-2022. Friendly Garden will follow in late 2022 to early 2023.

The CSI adds More Cooperatives to its Development Pipeline

CSI'S FINANCE and Development Department has continued to monitor the financial health of its cooperatives in order to identify needs and opportunities to invest in its portfolio and continue to provide affordable housing to its members. As a result of this work, CSI is preparing development plans for City View in the Square in Kalamazoo, Mich. and Essex Co-op in Essex, Md. [CHQ](#)

PEOPLE AND PLACES

NAHC President Gibbs Joins the NCBA CLUSA Board

NCBA CLUSA announced the addition of three new board members this year including NAHC President Fred Gibbs.

"Housing is a fundamental human right," Gibbs said in his candidate statement. "Cooperative business development discussions must have at their core an awareness of and solutions to the housing needs of communities."



Massachusetts Cooperative Leader is elected to ROC

DEBORAH WINIEWICZ, a longtime member and board president at Halifax Estates in Halifax, Mass., has been elected ROC Association Director for the New

England region. Winiewicz was nominated to run by her community's board of directors and elected by other ROC boards across the region. Winiewicz, lives in the largest ROC (430 homes) and is currently working with ROC USA.

ROC Association Directors are a vital part of the way ROC USA operates, providing ROC residents — those directly served by the work of ROC USA and its affiliates — with three peers, who they elect, on ROC USA's Board of Directors. Additionally, ROC Association Directors are spearheading new initiatives for the association, including the Outreach & Education and Policy & Advocacy Committees, as well as the Better Together monthly calls.

LaBelle Towers Co-op wins an Award

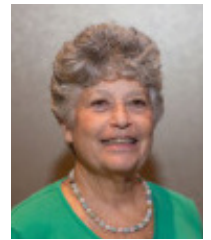
LABELLE TOWERS CO-OP, a CSI development in Highland Park, Mich., recently received the prestigious Vanguard Award from the National Affordable Housing Managers Association

(NAHMA). Annually, NAHMA recognizes newly developed or significantly rehabbed affordable housing projects that showcase high-quality design, resourceful financing, neighborhood transformation and innovative approaches to resident services and engagement. LaBelle Towers received its Vanguard Award in the category of Major Rehabilitation of an Existing Rental Housing Community.

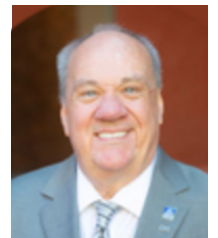
NAHC Board Members help negotiate a Labor Agreement in New York

THE REALTY ADVISORY BOARD on Labor Relations (RAB) recently reached a tentative labor agreement with 32BJ SEIU (32BJ), the union representing residential building service workers in Manhattan, Queens, Brooklyn and Staten Island. The expired contract covered more than 30,000 residential building service workers, including doorpersons, porters, handypersons and building superintendents in more than 3,000 RAB residential buildings, many of which are housing cooperatives.

NAHC board members, Mary Ann Rothman and Greg Carlson are on the negotiation team. They helped negotiate an average annual wage and benefit increase of 3.17 percent over the four-year contract. The agreement also includes a one-time \$3,000 bonus payable after ratification of the new agreement. Additionally, the new agreement includes provisions for a smoother grievance and arbitration process and an expedited, reasonable and consistent process for all staffing adjustments, as well as an increased new hire probationary period. Once ratified, the contract will extend to April 20, 2026. [CHQ](#)



Mary Ann Rothman



Greg Carlson

New NAHC Members

Welcome to the direct cooperatives, individuals and professional members who have joined NAHC this year:

Cooperatives

- ▶ Springton Housing Association Cooperative, Inc., is a 55+ community of 40 single-floor homes in Media, Pa., overlooking the Springton Lake Reservoir.
- ▶ University Square 2, located in Pittsburgh, Pa., is an 86 unit-high rise.

- ▶ The Rockin' Robbins Ranch, situated at the foot of Uinta-Wasatch-Cache National Forest, is a seven-room bed and breakfast on a working farm in Santaquin, Utah.

Professional Members

- ▶ SquareOne Villages is a nonprofit developer of permanently affordable housing cooperatives in Lane County, Ore., including Emerald Village Co-op in Eugene; Cottage Village Co-op in Cottage Grove; C Street Co-op in Springfield and Peace Village Co-op under development in Eugene.

- ▶ Martha Echols is a reverse mortgage advisor at Mutual of Omaha in Walnut Creek, Calif.
- ▶ Paradigm Property Managers LLC. is in Carrollton, Texas.

Individuals

- ▶ Sydney Mosowitz lives in New York, N.Y.
- ▶ Sarah Fox-Weaver resides in Hyattsville, Md.
- ▶ Rosalee Valley is a resident of Allenstown, N.H.



NCB originates \$241 Million for New York Area Cooperatives, Condominiums

NATIONAL COOPERATIVE BANK (NCB) originated \$241 million to 69 New York area housing cooperatives and condominiums during the first quarter of 2022.

In January, NCB financed a \$5.7 million first mortgage and a \$500,000 line of credit for Stewart Heights Corporation, a 102-unit cooperative located at 25-35 Stewart Place in Mt. Kisco, N.Y. The property consists of two 7-story elevator buildings that were constructed in 1969 and incorporated as a cooperative in 1981. The cooperative anticipates elevator modernization and facade, roof and balcony improvements.

In February, NCB financed an \$11 million first mortgage and a \$750,000

line of credit for The Seven Park Avenue Corporation, a 206-unit cooperative located at 7 Park Avenue in Manhattan. The 22-story building is in Murray Hill and was constructed in 1953 and incorporated in 1981. The cooperative will complete facade work and water tank improvements.

In March, NCB financed a \$6.6 million first mortgage and a \$500,000 line of credit for 30 Fifth Avenue Owners, Inc., a 142-unit cooperative located at 30 Fifth Avenue in Manhattan. The 15-story building is in Greenwich Village and includes a penthouse, cellar and elevator. It was constructed in 1923 and incorporated in 1969. The anticipated capital improvements for the cooperative include sidewalk replacement and energy upgrades. [CHQ](#)



Stewart Heights Corporation is a 102-unit cooperative located at 25-35 Stewart Place in Mt. Kisco, N.Y.



The Seven Park Avenue Corporation is a 206-unit cooperative located at 7 Park Avenue in Manhattan.



30 Fifth Avenue Owners, Inc. is a 142-unit cooperative located at 30 Fifth Avenue in Manhattan.

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.

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.



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National Association of Housing
Cooperatives.



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DEDICATED PRO ASSOCIATES

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6. Under **Payment Methods**, click **+ Add New Card** and enter your information.

FOR MORE INFORMATION:

Andy Lopez
National Account Manager
561-591-5032
Andy.Lopez@LowesProSupply.com

***We sent you an email with your Account ID. Email NAHC staff at info@nahc.coop to request your ID again.**

Washington, D.C. Today

By Judy Sullivan

EVERY SPRING the cherry blossoms bloom around the Tidal Basin. The trees were planted in 1912 and were given to the United States as a gift and sign of friendship from Japan. Spring also brings hundreds of busloads of school children who come to Washington, D.C. to learn about their government. Given the low poll numbers of the Biden Administration (40 percent), U.S. Congress (18 percent) and the U.S. Supreme Court (40 percent), it is a hopeful sign that these youngsters come here to study our democracy. Whether citizens like the government or not, the leaders of these institutions are the ones making many of the decisions that affect our lives. What I find most heartwarming about the annual student visits to D.C. is that the students are taught the way these institutions are supposed to work.

Students visit the National Archives and Records Administration and see the original Declaration of Independence, our Constitution and the Bill of Rights, which are the documents that form the basis for our democracy.

The Washington Monument stands as a midpoint on the mall with Congress, the **Legislative Branch** of our government, at one end where students learn about the U.S. Senate and the U.S. House of Representatives. Each state gets two senators regardless of their size for a total of 100 senators. The House's 435 members are allocated based on population. Rhode Island, the smallest state, has two representatives while California, the most populous state, has 53 representatives. The U.S. Census is important because that is how each state's congressional representation is determined.

Members of Congress introduce many bills that are immediately assigned to a specific committee. Although many bills are introduced, 90 percent of them die in committee. Most of the bills that pass are usually added to a larger must pass measure. These larger bills are colloquially known as the "train that is leaving the station." If you want a bill to pass, it is crucial for it to be on the "train."

Across from the Washington Monument is the White House, the **Executive Branch** of our government. Presidents can view the monument from the Oval Office. After a bill is agreed to by



both the Senate and the House, it is sent to the President to be signed and thus enacted into law. The agencies such as the Environmental Protection Agency, the Internal Revenue Service, the U.S. Department of Agriculture and the U.S. Department of Housing and Urban Development surround the mall. These agencies write the rules for the new laws and also enforce them.

The Supreme Court represents the **Judicial Branch** of our government and is one block behind the U.S. Capitol. It was once located in the basement of the Capitol but was moved to its own building to give it the grandeur and dignity it deserves as the highest court in the land. After appeals in lower courts, citizens are entitled to take their cases all the way to the Supreme Court for a final decision.

Today, our country is deeply polarized and divided but despite its failings, I find it immensely encouraging to see the throngs of school children come here to understand about how our democracy could and should work. These young people will one day be our leaders of tomorrow.

What I find so heartening is that we continue to strive to form a more perfect union. [CHQ](#)



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.

2022 COOPERATIVE CALENDAR

JULY

9 NAHC Board of Directors Meeting

OCTOBER IS CO-OP MONTH

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

24-25 Registered Cooperative Manager (RCM) Certification/Recertification; Loews Coronado Bay Resort, San Diego, Calif.

26-29 62nd Annual Conference of the National Association of Housing Cooperatives; Loews Coronado Bay Resort, San Diego, Calif.



NOVEMBER

13 CNYC's 42nd Annual Housing Conference Virtual

THE RCM PROGRAM



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

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



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