

COOPERATIVE HOUSING QUARTERLY

A member service of the National Association of Housing Cooperatives

Fall 2023

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PRESIDENT'S COLUMN

HUD – Friend or Foe

By Fred Gibbs

The mere mention of the U.S. Department of Housing and Urban Development (HUD) within housing cooperative circles prompts a variety of responses ranging from applause to fervent rejection. Reactions vary, depending on who is talking and who is in the audience. Developers, management agents and housing cooperators all have different opinions of the agency and its role in the cooperative housing environment. Let us explore some of the root causes for these responses and how they affect the housing cooperative community.

From a development standpoint, HUD can be a vital part of the overall financing structure. NAHC's Development and Preservation Committee assists developers with an understanding of HUD's 213 loan program. This is an insurance vehicle that guarantees the mortgage loans for cooperative development and is afforded to us by the National Housing Act of 1954. With the loan guarantees come a variety of compliance requirements, such as physical inspections and reporting. The big win for developers is the ability to finance a deal with the weight of the federal government supporting the loan and the resulting low interest rates. The features of this loan are:

40-year loan term plus the construction period not to exceed 75 percent of the remaining useful life. Debt Coverage ratio of 1.00 of net operating income. 98 percent Loan to Cost (development costs plus as-is value). Loan is subject to statutory limits as published in Federal Register under Section 213. The loan is non-recourse. Low fixed interest rates, fully amortizing. Furniture, Fixtures and Equipment may be included as a mortgageable project cost. Developer fee,

marketing costs, and borrower's legal fees are mortgageable project costs.

Developers applaud the mention of HUD and welcome their involvement. Management agents are responsible for oversight of compliance with HUD regulations for both HUD-insured mortgages and housing subsidies, where applicable. Experienced practitioners view HUD as a partner to the cooperative in most HUD regions. This symbiotic relationship provides the property a safety net against default as both the agent and HUD rely on each other to make certain compliance goals are reached. Both the agent and the HUD account executive are evaluated on the success of the cooperative and therefore have a vested interest in its continued success.

There are, however, some areas where this relationship becomes strained particularly related to the physical inspection standards that the Real Estate Assessment Center of HUD (REAC) administers. These inspection standards were written without consideration to housing cooperatives and their unique ownership model. NAHC has been working to change this flawed dynamic. REAC must be made aware that cooperative members are owners who enjoy a certain amount of autonomy where improvements to their individual homes are concerned. This autonomy should not come at a cost to the entire cooperative's inspection score. Moving REAC beyond the (one size fits all model) is a goal of NAHC.

The aforementioned autonomy seems to drive the average housing cooperator's and cooperative



Fred Gibbs
President

In today's economy with
growing shortages in
affordable, attainable
housing, the cooperative
is a beacon of hope.



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About NAHC

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

Mission Statement

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

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



NAHC's Annual Attorney Roundtable Addresses Hot Topics Confronting Boards, Management

By Randall Pentiuik

The Attorney Roundtable remains one of the most popular training sessions at the National Association of Housing Cooperative (NAHC)'s annual conference where attendees have the opportunity to pose legal questions to attorneys and receive some free legal advice. This author took over the class from the esteemed legal icon, Herb Fisher, who led it for many years. Herb is an attorney from Chicago who served on the NAHC board and held many leadership positions with the organization. While now retired, he remains a valuable resource to this author and to NAHC where he remains active on many of its committees.

Having assumed the role as leader of the Attorney Roundtable, the author, along with fellow attorneys, always find these sessions enlightening as they yield an idea of what issues cooperatives face in their day-to-day activities and how the attorneys can help current clients run their cooperatives more effectively. The format is interactive, and the attorneys ask those in attendance to bring forward their legal questions and concerns. The attorneys then engage in a panel discussion on the subject.

Typically, the attorneys who participate are Creighton Gallup and April Knoch from Pentiuik, Couvreur & Kobiljak P.C. Other attorneys are welcome to join the discussion, and sometimes they do participate on the panel. By blending the thoughts of multiple lawyers, the guidance provided is enriched.

The kinds of questions vary widely. They range from the definitions of the types of cooperatives to one of the hottest topics—service animals. Below are highlights of some of the best questions posed to the attorneys at last year's annual NAHC conference.

Governing Documents

Bylaws, rules and regulations, along with the occupancy agreement, are the cornerstone documents for a cooperative, but they occasionally need revising to modernize them or to comply with new legal statutes or requirements. How of-

ten to revise these documents depends on the needs of the cooperative and the deadlines imposed by government entities. Boards may be tempted to clean up or remove bylaws or rules and regulations, but they need to consider that these changes could create possible exposure to the cooperative. Cooperatives should have their cooperative's attorney review their governing documents before making changes to them.

Roles & Responsibilities

Property site managers, management companies and boards of directors all have a role in the running of the cooperative, but when any of these groups get outside of their own lane, it can create problems within the dynamics of these groups and undermine the efficiency of the cooperative model. Things can become more confusing when site managers also live on the property and are members of the cooperative. Other serious problems occur when professionals inject themselves into the politics of the cooperative and try to influence elections. The board needs to watch for any potential conflict of interest that may occur. Property site managers, while handling many of the routine matters for the cooperative, should keep their board of directors informed of any matters that fall outside normal activities, especially when it comes to the cooperative's finances. The board of directors should work with the cooperative's attorney to develop policies that protect the cooperative from potential "rogue site managers." To keep the interactions professional, communication between property site managers, management companies and the board is vital along with clearly defined roles and responsibilities. Without them, acrimony can develop, which in turn may negatively affect how the cooperative runs and negatively impact the membership.

U.S. Department of Housing and Urban Development (HUD)

Some cooperatives welcome HUD; most do not. Dealing with HUD spawns a wide array of legal

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Join the panelists at the 2023 NAHC annual conference from November 8-11 and experience the Attorney Roundtable.



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issues if the rules and regulations are not clearly understood by those administering their programs. HUD's role in partnering with the property site manager, management company and the cooperative's board of directors should be clearly stated to all the parties involved so everyone understands their respective roles. While HUD requires Section 8, over housed or underhoused, to transfer to the unit that fits, the board may still have some leeway. One question that comes up often is "Can the board require BMIR/Market units to transfer?" If so, would the proposed member have to purchase the unit they are being transferred to? Along with unit transfers, applications for membership remain an issue for some cooperatives and may have American Disability Act and fair housing ramifications. The board of directors should work with its cooperative's attorney to develop a process for disseminating applications, interviewing, maintaining applications and purging applications. Once the process is in place, the board, where applicable, should oversee the process with the property site manager to ensure that applications are distributed fairly. Having a good member selection process will save the cooperative from potential costly litigation.

Service Animals

Service animals remain a hot topic with cooperatives and for good reason. Emotional support animals and working animals are growing in popularity and create challenges to boards who attempt to administer pet rules. No cooperative wants the backlash of not accommodating a service animal request, yet navigating the guidelines for service animals can become confusing. The law in this arena is quickly developing and requires legal expertise to properly address the issues in a proper manner. The legal exposure for a violation is significant. This top-

ic requires more discussion than this article will allow but see the article about service animals in this newsletter. Also, contact your cooperative's attorney for further guidance on this evolving and complicated legal issue.

Cooperative Businesses

Carrying charges are essential to running a cooperative, but sometimes, cooperatives want to create a side business that would bring extra income to the cooperative and benefit the membership. Before starting any new venture, cooperatives should check with their state statutes to determine if they can legally operate a business as a cooperative. If yes, cooperatives should work with their attorney to create the business entity, so it complies with all local, state and federal laws and protects the cooperative from potential liability. Tax ramifications also must be considered, including the impact of unrelated business income.

These topics reflect some of the types of concerns that cooperatives face, and NAHC's Attorney Roundtable provides a forum for board members and professionals to obtain some legal guidance on issues that may be a major concern for them, or just satisfy their curiosity. Many may need to pursue further discussion with their cooperative attorneys before taking any action. Those who attend the Attorney Roundtable receive general guidance and should seek their own legal counsel who will tailor advice to their jurisdiction and the specific facts of their situation. The Attorney Roundtable gives the panelists an idea of what "hot button" issues boards face and an opportunity to help board members make their cooperatives better.

Join the panelists at the 2023 NAHC annual conference from November 8-11 and experience the Attorney Roundtable. [CHQ](#)

► **HUD – Friend or Foe** [continued from page 1]

board members' opinion of HUD involvement in housing cooperatives. HUD is often viewed from this perspective as an intrusive or even oppressive overlord. Within the cooperative spirit is a concept of freedom from oversight.

With HUD-insured mortgages comes a degree of accountability to HUD that seems to irritate some housing cooperators. These irritated parties are generally persons who were not part of the original decision to engage HUD for the mortgage or subsidies but have come along far after the development. In today's economy with growing shortages in affordable, attainable housing, the cooperative is a beacon of hope. That hope requires capital and often HUD, one of the resources to which cooperatives can turn for the funds needed to develop the types of communities we desire.

Hearing cooperators boast of paying off their mortgage and no longer being "under HUD" is sometimes

concerning. Some of these communities have deferred maintenance and dwindling reserves. Carrying charges are kept artificially low, notwithstanding the rising costs of goods and services. To some, this is freedom. I argue that oversight can be a productive force and should not be dismissed out of hand.

In my opinion, HUD can certainly do more to support housing cooperatives, both market-rate and subsidized cooperatives. NAHC is working to bring that change. We urge our members to do the same. Become an active participant in the move to ensure affordable, attainable housing using the cooperative model by reaching out to your elected representatives and urging them to staff the position of Special Assistant for Cooperative Housings as required by the National Housing Act 12 USC section 1715e. With our collective voice, we can make new friends at HUD. [CHQ](#)

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HUD's Regulations Are the Source for Service Animals, Assistance Animals

By Kerry Lee Morgan

When reviewing the Fair Housing Act (FHA) as amended, the U.S. Department of Housing and Urban Development (HUD) does not typically draw a distinction between service animals and assistance animals/emotional support animals in the same way that the American with Disabilities Act (ADA) does. While the ADA applies to employers and governmental units, the FHA applies to housing providers. When addressing the obligations of housing providers, HUD uses the term “assistance animal” to be all-encompassing.

What is an Assistance Animal?

An assistance animal is an animal that works, provides help or performs tasks for the benefit of a person with a disability or that provides emotional support that alleviates one or more identified effects of a person's disability. An assistance animal is not a pet. Thus, “assistance animal” covers both service animals and, more typically, emotional support or comfort animals.

What are the Obligations of Housing Providers regarding Assistance Animals?

HUD advises that a housing provider, such as a cooperative, must provide accommodations to members that are reasonable. Individuals with a qualifying disability may request to keep an assistance animal as a reasonable accommodation to a housing provider's pet restrictions or prohibition. Housing providers cannot refuse to make reasonable accommodations in rules, policies, practices or services when such accommodations may be necessary to afford a person with a disability the equal opportunity to use and enjoy a dwelling.

The FHA requires a housing provider to allow a reasonable accommodation involving an assistance animal in situations that meet all the following conditions:

- 1) A request was made to the housing provider by or for a person with a disability;
- 2) The request was supported by reliable disability-related information if the disability and the disability-related need for the animal is not apparent;
- 3) The housing provider has not demonstrated that granting the request would impose an undue financial and administrative burden on the housing provider or that the request would fundamentally alter the essential nature of the housing provider's operations;
- 4) The specific assistance animal in question

would not pose a direct threat to the health or safety of others, absent other reasonable accommodations that could eliminate or reduce the threat; and

- 5) The request must also not result in significant physical damage to the property of others, despite any other reasonable accommodations that could eliminate or reduce the physical damage.

Unlike a request for the accommodation of an emotional support animal, a housing provider cannot require a service animal request to be supported by any certification of work the animal is trained to perform. When it is not obvious what service an animal provides, only then are limited inquiries allowed. The housing provider may only ask: (1) is the animal required because of a disability, and (2) what work or task the animal has been trained to perform.

For an assistance animal that “works, provides assistance, or performs tasks for the benefit of a person with a disability,” staff cannot ask about the person's disability or require production of a medical note, *unless the disability is not apparent*, require a special identification card or training documentation for the animal or ask that the animal demonstrate its ability to perform the work or task.

Conclusion

HUD's policy in “no pet” housing requires a reasonable accommodation with no reference to any specific definition of eligible animals or differentiation between “service animals, emotional support animals, and others.” Still, all requested accommodations must be necessary and reasonable. Cooperative boards and management should review their policies in this area and consult experienced legal counsel for additional direction and advice.

Finally, under HUD guidelines, a housing provider cannot charge a fee or deposit for a member's service or assistance animal even if it charges a fee or deposit for pets. Moreover, when in a public or common area, service and assistance animals as well as pets should be leashed, tethered or otherwise harnessed. The only exception to this is if the leash directly interferes with a service animal's duties. When this occurs, the service dog may be taken off the leash to perform the necessary task but must be kept under control by voice commands at all time. Apart from these exceptions, all other rules and regulations applicable to pets (including vaccination, licensing, no barking, responsibility for destruction of property, etc.), are also generally applicable to service and assistance animals. [CHQ](#)



Attorney Kerry Lee Morgan has extensive experience in matters related to state and federal accommodation laws and has assisted cooperatives with resolving contentious disputes. He previously served as an attorney-advisor with the United States Commission on Civil Rights in Washington, D.C. He is of counsel to the law firm of Pentiuk, Couvreur & Kobiljak, P.C. with offices in Wyandotte, Mich. and Chicago, Ill.



NAHC Supports New Development Cooperative Housing

By Hugh Jeffers

The National Association of Housing Cooperatives (NAHC) has a long history of supporting the development of new cooperative housing. In fact, NAHC's founding grew out of meetings held in the mid-to-late 1950s of groups interested in developing new cooperatives using, at the time, the recently created FHA 213 program. The Foundation for Cooperative Housing (FCH) started bringing

NAHC has been working with the U.S. Department of Housing and Urban Development (HUD) to revitalize the FHA 213 program.

these groups together to share experiences and information about developing new housing. By the end of the 1950s, it was recognized that there was a need to create a national organization to continue this process and provide support and continuing education

to new cooperatives being developed. Initial sponsorship and financial support for NAHC came from the United Housing Foundation (UHF), the AFL-CIO's Housing Division, Nationwide Insurance, the Cooperative League of the United States of America (CLUSA) and FCH.

That tradition continues today as NAHC has been working with several non-profits and developers nationwide to create new cooperative housing over the past several years. There has been significant interest in using cooperative housing as a primary tool to create new affordable housing. It has long been known by NAHC and housing cooperatives that the cooperative housing model provides the most sustainable, affordable housing long term. The non-profit development community is looking to this model to combat the housing crisis that exists throughout the United States.

In addition, NAHC has been working with the U.S. Department of Housing and Urban Development (HUD) to revitalize the FHA 213 program. This program provides mortgage insurance to private lenders to make loans for the construction and long-term financing of cooperative housing.

The program was developed in 1948. The first housing cooperative developed under the program, Belmar Gardens in Pittsburgh, Pa., was started in 1952. Over 900 cooperatives were developed in the 1960s and early 1970s in 48 states, the District of Columbia and Puerto Rico. Since 1979, most of the cooperatives developed

through the FHA 213 program were senior housing cooperatives. These were primarily in the Midwest. This model has recently started to gain traction in western states as well.

Over the past 5 to 10 years, there has been renewed interest in the cooperative housing model, especially within the non-profit development community. The model is seen as an effective tool to create home ownership for low- and moderate-income households, help revitalize communities and combat the rising cost of housing. This has resulted in revitalized interest in the FHA 213 program, which is the only program available on a national level for cooperative development. The program allows for 40-year, fixed-rate financing. Rates are better than what is available from other lending programs and commercial banks. Most other programs have terms between 5 and 30 years and a maximum of 30 years amortization. This makes the FHA 213 program greatly advantageous in the development of new cooperatives. NAHC has educated developers on how the 213 program functions and collaborated with HUD to ensure access to the program for non-age restricted properties.

In addition to teaming up with developers on the FHA 213 program, NAHC also provides guidance on the following:

- ▶ Determining project feasibility.
- ▶ Facilitating and identifying development team members and cooperative experienced professionals to assist in the development process.
- ▶ Assisting in finding other sources of financing.
- ▶ Educating and providing input into the FHA application process.
- ▶ Helping locate sources of grant and soft funding for projects.
- ▶ Creating the cooperative entity and legal issues and cooperative legal documents.
- ▶ Training for new cooperative members and cooperative board members.

Here is a sample of the projects that NAHC is assisting:

U-lex Cooperative

U-lex Cooperative is in the Othello Square neighborhood of Seattle, Wash. HomeSight is a minor-



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► New Development Cooperative Housing

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ity-led community development corporation that has been developing affordable residential communities for close to 30 years. Its mission is to promote social and economic equity to preserve and enhance economically and culturally diverse communities.

U-lex, pronounced “oh-lew,” means to gather and is a tribute to the Coastal Salish tribes that were the previous stewards of the land the cooperative will be built on. The project will total 68 units with 25 one-bedroom units, 35 two-bedroom units and 8 three-bedroom units. It will be affordable to households at 80 percent of the area median income.

The total project cost is \$41.5 million. The primary source of financing is a mortgage through the FHA 213 program of \$21 million. Other sources of funding include soft financing and grants from the city, county and state.

The building will be constructed to Enterprise Communities Standard and is located one block from the Othello Light Rail Station. To learn more about U-lex Cooperative, click [U-lex Cooperative Housing | HomeSight \(homesightwa.org\)](https://homesightwa.org).

Lambert Street Cooperative

Lambert Street Cooperative is a new housing cooperative in Portland, Maine, developed by the Maine Cooperative Development Partnership (MCDP). Although this construction will be this new developer’s first cooperative project, the partners individually have significant affordable housing development experience. MCDP’s mission is to create neighborhoods for people of all ages, backgrounds and incomes to live in harmony with nature and their neighbors. Their neighborhoods aim to provide a balance of green space, transit-orientation, walkability, community, privacy and affordability.

The project will total 91 units with 33 one-bedroom units, 24 two-bedroom units and 34 three-bedroom units. Twenty-five percent of the units will be affordable to individuals making 80 percentage of area median income or below.

Total project cost is approximately \$35 million. The primary source of financing will be a mortgage through the FHA 213 program of \$23 million. The city, county and state will provide soft financing and grants. The project will also receive a real estate tax abatement for 30 years.

The project will be built to a Passive House Standard and is designed to maintain the current ecological state of the neighborhood. To learn more about Lambert Street Cooperative, use this link [Lambert – Maine Cooperative Development Partners \(mainecooperativehousing.com\)](https://mainecooperativehousing.com)

Contact NAHC and the Development and Preservation Committee for additional information about the work NAHC is doing to promote the new development of housing cooperatives. [CHQ](#)



BOARD TRAINING SEMINAR

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

Who should participate?

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

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





Governing Documents Are the Key to Handling Member Petitions

By Daniel Costello and Jessica Blumberg

When presented with a petition, you want to determine if the petition is valid or invalid. Whether a petition is valid or invalid depends heavily on the terms of your cooperative's governing documents. As a threshold issue, check to make certain that the petition was delivered as required under the governing documents.

Typically, only members of the association are permitted to sign a petition. Therefore, each signature must be reviewed carefully to determine eligibility.

Most governing documents require the petition to be delivered to a specific officer of the board of directors. If delivery occurred as required, there are several other items to check to determine if the petition is valid.

The next step in determining the validity of a petition is whether the reason for the petition is one that is allowed under

your governing documents. Most governing documents permit, at minimum, petitions to call a special membership meeting. Some governing documents may permit petitions for other purposes. If the board receives a petition to "ban all dogs in the community" and the governing documents only permit petitions for the purpose of calling a special membership meeting, then the dog petition is invalid on its face. On the other hand, if the board receives a petition to call a special membership meeting, and the governing documents permit such petitions, then the stated purpose of the special meeting is valid.

If the petition's stated purpose is permitted under the governing documents, the board should next evaluate whether the petition contains the required number of signatures to be valid. Again, the board will need to consult its governing documents to determine how many signatures are required and who is permitted to sign. Typically, only members of the association are permitted to sign a petition. Therefore, each signature must be reviewed carefully to determine eligibility.

If the petition is invalid on the basis that it was not served correctly, it failed to request a permitted purpose, it did not have enough signatures or it failed to meet any other criteria required under the governing documents for a petition, the

sponsor of the petition should be contacted to let them know that the petition as received is not valid and will not be acted upon. This notification should be done in writing and include the specifics of why the petition was not valid. On the other hand, if the petition was served correctly, lists a valid purpose, contains the required number of signatures and meets any other specific criteria your governing documents require, the petition is typically valid.

What are the next steps when a valid petition requests a special membership meeting? In calling the special meeting, the board will follow the procedures for calling a meeting contained within the governing documents. Notice must be given to the membership usually within a specified time frame and delivered to the membership as required. The notice should also include an agenda for the special meeting. The agenda for the meeting is the wording of the petition itself. For example, if the petition is to call a special meeting to "discuss the financial health of the association," then the agenda will echo that wording, and the sole item before the membership at the special meeting is only a discussion of the financial health of the association.

Some governing documents permit voting at special meetings on certain topics like the removal of officers or directors. If the petition requests such votes, then the agenda will reflect voting. If voting is sought, the board will also need to ensure that ballots are ready at the special meeting to allow the members to vote. Again, what can and cannot be voted upon by the membership will be enumerated in your governing documents. The governing documents may specify that a certain issue may solely be within the power of the board of directors and not up for a vote by the membership.

Like any other membership meeting, a special membership meeting must also have a quorum present to start the meeting. Review your governing documents to determine the quorum requirement. If quorum is not reached, then the special meeting cannot move forward.



Daniel Costello and Jessica Blumberg are attorneys with the Washington, D.C. law firm, Costello, P.C. The firm focuses its representation on condominiums, cooperatives and homeowners' associations in Virginia, Maryland and the District of Columbia.

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COOPERATIVE DEVELOPMENT

NATIONAL COOPERATIVE BANK (NCB) originated mortgages totaling \$67 million to 27 New York area housing cooperatives and condominiums during the second quarter of 2023. This is a partial list that includes the cooperatives described below.

NCB financed a \$900,000 first mortgage and a \$300,000 line of credit for 67 Riverside Drive Corp., a 29-unit cooperative located at 67 Riverside Drive in Manhattan in May. Recent capital improvements at the cooperative include Local Law 11-Cycle 9A and Maisonette B floor repairs.

64-11 Owners Corp., a 118-unit cooperative situated at 64-11 99th Street in Rego Park, received a \$3.5 million first mortgage and a \$250,000 line of credit in June. The cooperative is planning capital improvements to modernize the elevator, FISP-Cycle 9C and Local Law 97.

The bank also financed a \$3.7 million first mortgage and a \$250,000 line of credit for 199 Warren Street Tenants Corp., a 26-unit co-op at 203-209 Warren Street and 52-60 Verandah Place in Brooklyn. Completion of the façade program is a capital improvement planned for the cooperative. [CHQ](#)



67 Riverside Drive Corp. received a \$900,000 first mortgage and a \$300,000 line of credit from NCB.



64-11 Owners Corp. is a 118-unit cooperative located at 64-11 99th Street in Rego Park, N.Y.



199 Warren Street Tenants Corp., a 26-unit co-op in Brooklyn, N.Y. plans to complete its the façade program.

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.





Left to right: Tim Braunscheidel, chief operations officer; Diane Smith, national finance and development manager; Cindy Lamb, chief financial officer; Nancy Evans; Marguerite D'Angelo, MA regional manager; Isa Woods, CA regional operations manager; Anne Sackrison, chief executive officer; and Brandon Moss, MD regional manager.

Former CSI CEO Receives Award from NAHMA

THE NATIONAL AFFORDABLE HOUSING Management Association (NAHMA) selected Nancy Evans, CSI's former CEO, for the 2022 NAHMA Industry Statesman Award. The award is presented annually to a NAHMA executive member, in or nearing retirement, in recognition of many years of outstanding leadership and service to NAHMA. During her tenure, Evans advanced quality affordable housing for persons in need at CSI and through NAHMA.

New Hampshire Residents Purchase their Manufactured-home Park

HOMEOWNERS IN MT. WASHINGTON VALLEY Mobile Home Village recently purchased their 32-unit park, making it New Hampshire's 147th resident-owned manufactured-home community (ROC).

With training and technical assistance from the New Hampshire Community Loan Fund's ROC-NH™ program, residents

organized and formed Mt. Washington Valley Cooperative this past January after being notified that park owners Sally Brassill and Odd-Aage Bersvendsen had received an offer to buy.

The cooperative matched the offer and bought their community for \$1,800,000 with financing from the Community Loan Fund. A separate \$250,000 revolving line of credit will be used to place seven new homes on vacant lots within the community.

Mt. Washington Valley Cooperative is in North Conway, making it a prime spot for redevelopment. The residents, many of whom have lived in this community for decades, have seen the booming hotel and short-term rental market dominate their town and knew that purchasing their park was the only way to save their homes.

Mt. Washington Valley Cooperative is Carroll County's 8th ROC. Those communities contain 680 permanently affordable homes.

Affordable homeownership is a major problem for employers and families in New Hampshire. A recent report highlighting the state's housing crisis found it currently needs an additional 60,000 homes before 2030, and the median rental rate for a two-bedroom apartment is \$1,584 per month.



Mt. Washington Valley Cooperative bought their community for \$1,800,000 with financing from the Community Loan Fund.

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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.



Pioneer Park Residents Community Cooperative is a 104-site neighborhood developed in 1996.

Oregon Homeowners Beaver State Buy their Community

HARD WORK, collaboration and a ton of tenacity were key to the community purchase of Pioneer Park Residents Community Cooperative.

Pioneer Park homeowners worked alongside CASA of Oregon and ROC USA® to purchase their neighborhood about 35 miles southwest of Portland. On May 23, their hard work paid off when the homeowners' cooperative purchased their manufactured home community for \$13.1 million.

They received a grant from the state of Oregon and favorable financing from the Network for Oregon Affordable Housing (NOAH) lenders.

Pioneer Park Residents Community Cooperative is a 104-site neighborhood developed in 1996. The developer's family managed the community for many years and during the conversion process, provided new board members with valuable assistance.

Pioneer Park Residents Community Cooperative is the 23rd resident-owned community in Oregon, with a total of 1,537 homes preserved across the state. There are 309 ROCs in 21 states across the nation.

Colorado Community Cooperative Is ROC USA's 312th Resident Owned Community

AFTER THREE PREVIOUS ATTEMPTS, the Golden Hills community bought their park on July 11. The Golden Hills Cooperative is a 39-site manufactured home community near downtown Golden, Colo., in the Denver metro area, located at the foothills of the Rocky Mountains. Golden Hills has easy access to outdoor activities, universities and is home to Coors – one of the world's largest breweries.

This deal garnered public support, and the city of Golden supported the residents in several ways, including a \$2 million deferred loan. Due diligence also revealed that 11 of the 39 lots have homes encroaching over the property boundary and into the city's right of way. The city issued an agreement that allowed the homes to exist over the boundary. Usually, the city grants these agreements for a maximum of six months but approved an agreement that covers the units for the full 10-year term of the loan.

ROC USA® Capital provided financing for Golden Hills. Golden Hills is another community to use a new financing vehicle that brought together nine organizations to create a below-market-rate pool of community acquisition capital for Colorado. Financing includes funds not only to purchase the land but also to make necessary infrastructure repairs or upgrades. Capital partnered with Thistle and the following investors to bring \$6.56 million to the table: Colorado Housing Finance Agency, Colorado Health Foundation, Colorado Trust, Ally Bank, Key Bank, Mercy Community Capital and JPMorgan Chase. ROC USA Capital will also provide a \$1.1 million, 2.5 percent interest only construction loan to Golden Hills Community Cooperative.

This transaction was also made possible by Colorado's opportunity to purchase laws. Passed in 2020, these laws give homeowners in manufactured housing communities the opportunity to purchase the land their community sits on. The residents of Golden Hills also worked with Thistle during the purchase process. Employees from this nonprofit, based in Boulder, Colo., coached them through the purchase process and will continue to provide technical assistance to the co-op for at least the length of the 10-year purchase loan.

The city committed up to \$1 million in January 2022 to support any transaction which would result in the residents or an affordable housing nonprofit owning and maintaining the park as long-term affordable housing. In February 2023, the cooperative board submitted an offer to the current owners – Harmony Communities – to purchase the park, and they accepted.

The residents, city staff and local advocacy group, Golden United, communicated with foundations, and county and state agencies on behalf of the residents, to obtain additional funding. Jefferson County was able to redirect funds to contribute to the city affordable housing initiatives. Following that action, Golden City Council voted to allocate \$2 million dollars in a loan agreement to support the cooperative purchase. [CHQ](#)



The Golden Hills Cooperative is a 39-site manufactured home community near Golden, Colo., in the Denver metro area, located at the foothills of the Rocky Mountains.

CSI Support & Development Services (CSI)

CONSTRUCTION IS UNDERWAY with CSI's newest cooperative, Clawson Manor Co-op in Clawson Mich. One-bedroom units, 85 of them, received new baseboard heaters, fresh paint, new flooring and cabinets, new sinks, toilets, new electrical panels, windows and unit lighting.

The renovation project began in January. In September 2022, members voted on the colors of the building's exterior panels to give the façade a modern upgrade. The panels are insulated, so once completed, they will envelope the building in an energy-efficient shell.

Upcoming construction includes updating and modernizing the common spaces. The first floor will be refitted to upgrade and add common areas: a library, fitness room, sundry shop, new kitchen/community room, barber shop and leasing office.

In addition, the renovation includes building 13 barrier-free units for accessibility. A new roof will be installed, and the building will receive a new transformer, generator and boilers. A new garden area and some landscaping will grace the cooperative.

Construction for Constitution Co-op, Charlestown, Mass., was completed this summer. The renovation included upgrades to the common areas and units. Unit work included installing new kitchen and bath cabinets and replacing cabinet countertops and sinks in the bathrooms. Plumbing valves have been replaced in the kitchens and bathrooms. New HVAC systems have been installed so that they can be individually controlled in each unit. In addition, a new ramp with a railing and wi-fi was installed.

Work has concluded this summer on Admiral's Tower Co-op in Chelsea, Mass. Units received a new HVAC system that allows for individual controls. New kitchen and bath cabinets and Wi-fi were installed. The common kitchen has been converted into an open concept style. Renovation work also included installing a new wellness area for members.

Renovation of 74 apartments at Highlandtown Plaza Co-op, a two-story cooperative in Baltimore, Md., has been completed. During the process, seven new apartments were added in previously unfinished space.

Renovations included installing a new roof, new exterior doors, replacement of exterior lighting and updating the existing apartment kitchens and baths.

Common spaces were updated and modernized. New mailboxes were installed at a lower height to make them more accessible. The library was renovated. There is also a new service coordinator office. Building exteriors and the courtyards were reworked and refinished.

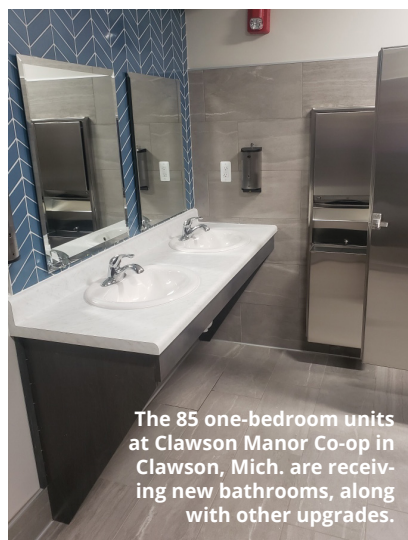
Continued on page 14 >



The Constitution Co-op's community room kitchen is in progress.



Admiral's Tower Co-op also received a ramp with rails in addition to the other renovations.



The 85 one-bedroom units at Clawson Manor Co-op in Clawson, Mich. are receiving new bathrooms, along with other upgrades.



Highlandtown Plaza Co-op added seven apartments and installed a new roof, new exterior doors, replacement of exterior lighting and updated the existing apartment kitchens and baths.

Midwest Association of Housing Cooperatives (MAHC)

DURING THE 2023 MAHC annual conference in Denver, Colo., the following members received awards:

ANNETTE DUKES of MAHC, Executive Directors Award for outstanding service to MAHC by a person or organization other than a member of MAHC's Board of Directors.

RALPH BUNCHE COOPERATIVE in Detroit, Mich., Dr. Herman E. Curtis Co-oper of the Year Award, awarded to a co-oper for outstanding service to their home cooperative nominated by the board of directors or members of the cooperative.

JEROME RAYFORD of the Fountain Court Cooperative in Detroit, the C. March Miller Award, awarded by the president of MAHC for outstanding service by a MAHC board of director.

ROSIE WILLIAMS of Southwood Cooperative in Indianapolis, Ind., A. Morley President's Gavel, awarded to an outstanding cooperative board president and nominated by the cooperative members or the cooperative board of directors.

PAMELA ELDRIDGE of Hermitage Manor Cooperative in Chicago, Ill., Almeda Ritter Award, awarded for devotion and contributions to the cooperative housing community.

RANDALL A. PENTIUK of Pentiuik, Couvreur & Kobiljak in Wyandotte,

Mich., William "Bill" Magee Spirit Award, in recognition for promoting and consistently displaying dedication and commitment to the preservation of the cooperative housing movement and the MAHC organization.

VANESSA JONES-CLEMONS of River Oaks Towne Houses Cooperative in Calumet City, Ill., Leadership Award, given to a person who works above and beyond the call of duty.

LEVIA HEFFNER, Grandville Cooperative in Yorktown, Ind., Special Award, for outstanding service in helping us to reach goals and objectives. Keep reaching for the stars.

STRATFORD TOWNHOUSES COOPERATIVE in Grand Rapids, Mich., Solidarity Award, for the fellowship and common responsibility that a board projects on behalf of their membership to seek and share knowledge.

VALERIE HALL of Kirkpatrick Management Company in Clinton Twp, Mich., Cooperative Leap of Faith Award, displaying the confined belief and trust in the housing cooperative concept and assisting cooperatives in attaining their goals today and in the future.

ALETHA DAVIS of United Winthrop Tower in Chicago, Life Long Service Award.

MAHC will be hosting its 2024 annual conference May 19-22 in Atlantis – Paradise Island in the Bahamas. [CHQ](#)

► Governing Documents Are the Key to Handling Member Petitions

[continued from page 9]

If your governing documents permit the use of petitions but are vague as to what constitutes a valid petition, or the process and procedures to follow after receipt of a petition are unclear, the board should consider adopting rules and regulations or a resolution to clarify these ambiguities and detail what is needed for a petition to be valid and what procedures are taken after a petition is received.

While most governing documents do not specify a time frame for the board to respond to a petition, the authors recommend that the board acts with reasonable diligence to determine if a petition is valid and to take the next steps as may be required. If your cooperative has an attorney, the authors recommend providing a copy of any petition received to your legal counsel for review and further action. [CHQ](#)

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

1. Establish an account.

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

2. Select the products you wish to purchase.

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

3. Place your order.

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

The GE/Hotpoint program is an NAHC member service.



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FOR MORE INFORMATION:

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

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NAHC Moves Forward on Its Legislative Issues

By Judy Sullivan

NAHC is progressing on significant legislation. The following is a quick status report:

Reverse Mortgages for Housing Cooperative Seniors

NAHC met with staff from Representatives Gregory Meeks' and Nydia Velázquez's offices. Both representatives are democrats and represent New York. NAHC also met virtually with the staff of Financial Services Ranking Minority Member Maxine Waters, D-Calif. NAHC is hoping they will attach legislative language to a housing bill that would state clearly that the U.S. Department of Housing and Urban Development (HUD) "shall" release guidelines for reverse mortgages for housing cooperatives.

Disaster Relief for Housing Cooperative Common Areas

Representative David Rouzer, R-N.C., introduced HR 3777, a bill to provide Federal Emergency Management Agency (FEMA) grants for the common areas (e.g., hallways, roofs, laundry rooms, etc.) in the event of a federally declared natural disaster.

Contact your [representative](#) and ask them to cosponsor HR 3777.

HUD Section 202 Appropriations

Congress is considering cuts to HUD's Section 202 program. The Section 202 program helps expand the supply of affordable housing with supportive services for the elderly. It provides very low-income elderly with options that allow them to live independently but in an environment that provides support activities such as cleaning, cooking, transportation and the like. Ask your members of [Congress](#) to support full funding for Section 202 for seniors.

HUD Multifamily Housing Issues

NAHC's Fred Gibbs, Ralph Marcus and Hugh Jeffers met with HUD Deputy Assistant Secretary for Multifamily Housing Ethan Handelman and his staff recently. They plan to discuss NAHC multifamily issues on a quarterly basis in the future. Some of the issues they will be discussing are:



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.

► Assist Leasehold Cooperative

Financing – Some cooperative corporations own their building that is located on land that the cooperative leases from a third party. These cooperatives continually experience difficulty refinancing their underlying mortgage. NAHC wants HUD to develop guidelines to facilitate mortgage refinancing for cooperatives in this challenging situation.

► Understanding Cooperatives

through the Asset Management Process

– Cooperatives, by design, allow members to make modifications, upgrades and improvements to the units they occupy. In turn, cooperative members are often responsible for interior repairs to their units. This arrangement differs from typical multi-family rentals where owners are responsible for all repairs. This scenario often puts cooperatives at a disadvantage during management reviews and REAC inspections. A different standard and understanding for cooperatives in this situation would be helpful.

► Ensuring the unique aspects of cooperatives are considered through the 213 FHA Program

– Cooperatives can differ substantially from typical multifamily projects in design, concept and operations. Many different types of cooperative housing projects exist including ones that include cottage/single family type structures as well as significant common space. Cooperatives span several different types of communities as well including intentional communities, affordable housing, green communities and senior housing. NAHC needs to insure the 213 program is open to all types of cooperative housing.

► **Housing Cooperative and Sustainability** – Green and sustainable housing is consistent with cooperative principles. New cooperatives are looking to build according to the strictest environmental standards and create a sustainable form of housing. Existing cooperatives are looking to complete rehabilitations of the physical plant with sustainability and energy savings in mind. Currently, cooperatives are not eligible for the Green Mortgage Insurance Premium reduction. Given the cooperative's interest in sustainability, NAHC needs to ensure that cooperatives benefit from the Green MIP just as other types of multifamily housing do. [CHQ](#)

2023 COOPERATIVE CALENDAR

OCTOBER IS CO-OP MONTH

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

NOVEMBER

- 6-7** Registered Cooperative Manager (RCM) Certification/Recertification; The Westin Beach Resort & Spa at Frenchman's Reef, St. Thomas, U.S. Virgin Islands
- 8-11** 63rd Annual Conference of the National Association of Housing Cooperatives;
The Westin Beach Resort & Spa at Frenchman's Reef, St. Thomas, U.S. Virgin Islands
- 12** Council of New York Cooperatives and Condominiums' 43rd Annual Housing Conference Virtual



Westin Beach Resort & Spa, at Frenchman's Reef
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