

Visioning Your Permanently Affordable Housing Co-op

A Solution for Permanently Affordable Housing
Inc **UHAB** 2024 ©



Uhab

COMMUNITY THROUGH COOPERATION



UHAB | URBAN HOMESTEADING ASSISTANCE BOARD

Introduction & Overview

Your Co-op Vision & Intro to Co-ops



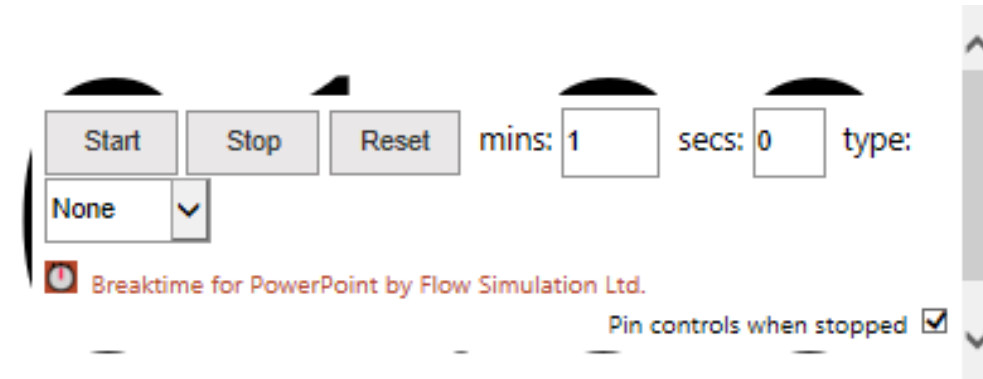
Agenda

1. Participant Introductions
2. Limited-Equity Co-ops – Typical Model Historically
3. Intro to different types of housing co-ops;
4. **Break**
5. Your Co-op Vision: Who is it going to serve?
6. Breakout Room Discussions
7. Group Share
8. Closing

Participant Introductions

In **1** minute, please introduce yourself and your organization using the following prompts:

- **What is your name & location?**
- **What does your organization do in your community, and how does it fit into the wider housing & co-op ecosystem? How would you like it to connect with co-ops?**



Intro to Co-ops

What Makes a Co-op a Co-op?

- Democratic control by members
 - Governed by a board elected by the members
 - Member economic participation
 - Members are the resident occupants
 - Open without discrimination
-
- Permanent Affordability mechanisms for co-ops we work with
 - For current and future members and the wider community

The 7 Principles of Cooperation

1. Voluntary and open membership
2. Democratic member control
3. Member economic participation
4. Autonomy and independence
5. Education, training and information
6. Cooperation among cooperatives
7. Concern for community



As adopted by the ICA 1997

Overview of the Types of Co-ops

- Housing Co-ops (Limited equity, market rate & membership)
- Worker Co-ops (like Co-op Healthcare Associates)
- Supplier Co-ops (like ACE Hardware, CCA Global)
- Consumer Co-ops (Grocery, REI)
- Farm Co-ops (like Cabot Cheese, Land-O-Lakes, CHS)
- Utility Co-ops (Rural electric co-ops, telecommunication co-ops)
- Credit Unions (Traditional and community development CUs)

What is a Housing Cooperative?



What is a Housing Cooperative?



Legal entity that owns the real estate, in this case '165-167-169 Avenue C Housing Development Fund Corporation'

What is a Housing Cooperative?

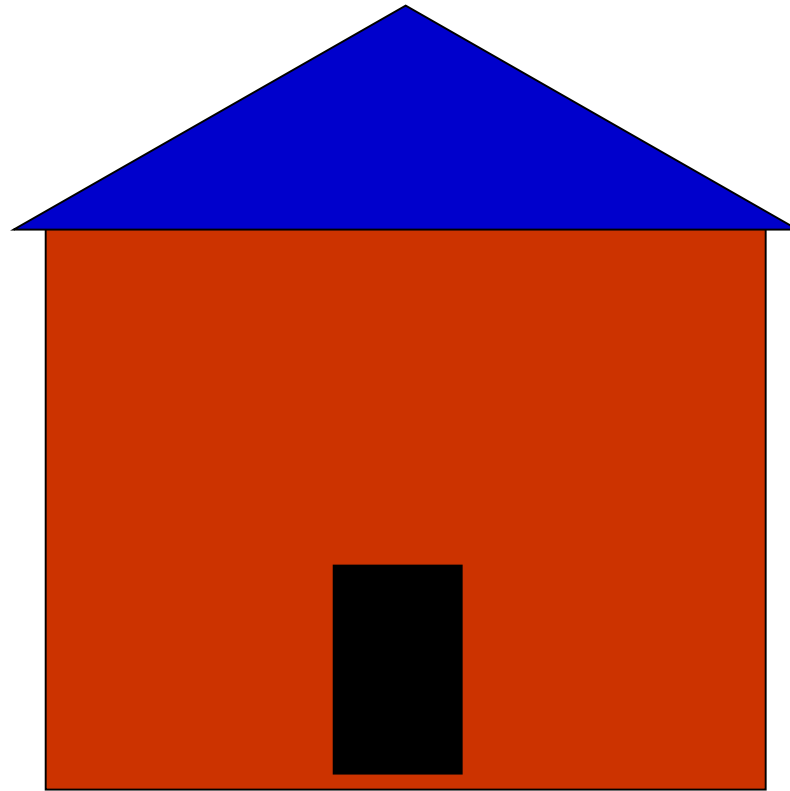
Cooperative Corporation Owns the Real Estate as Opposed to Individuals or a Landlord.

Residents Own Shares in the Corporation. These **Shareholders** Hold Proprietary Leases With the Co-op that Enables Them to Occupy Their Specific Unit.

Democratic Control – Shareholders Regularly Elect a Board, Each Shareholder Gets One Vote.



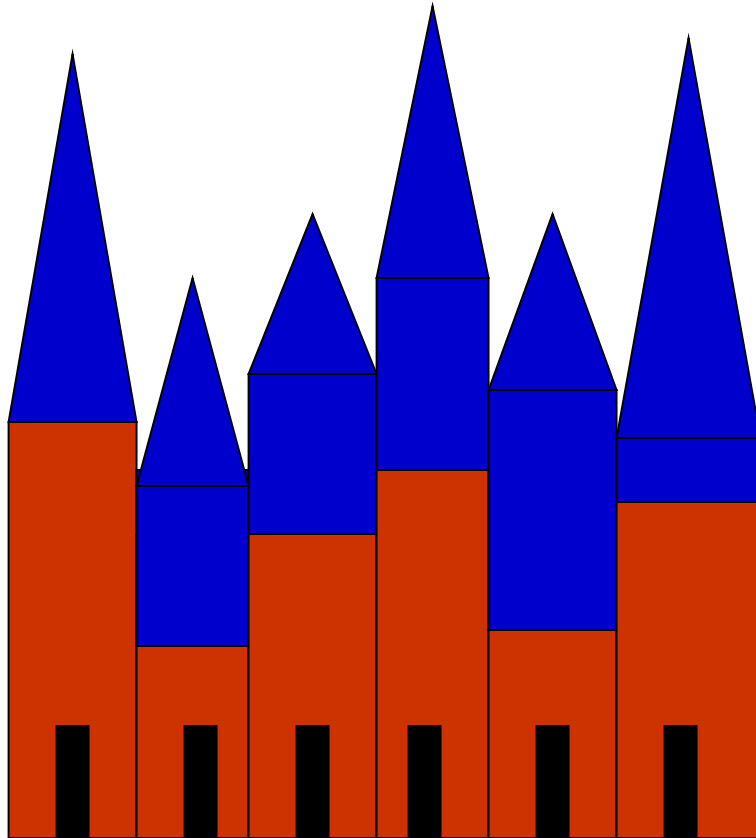
Financial Structure: Single Family Home



Equity: 20%

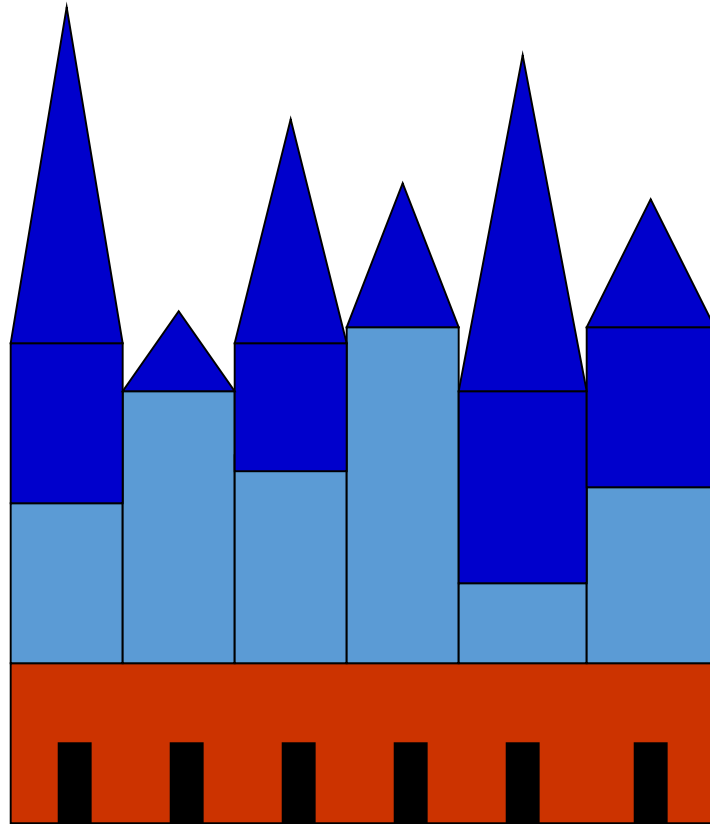
Debt: 80%

Financial Structure: Condominium



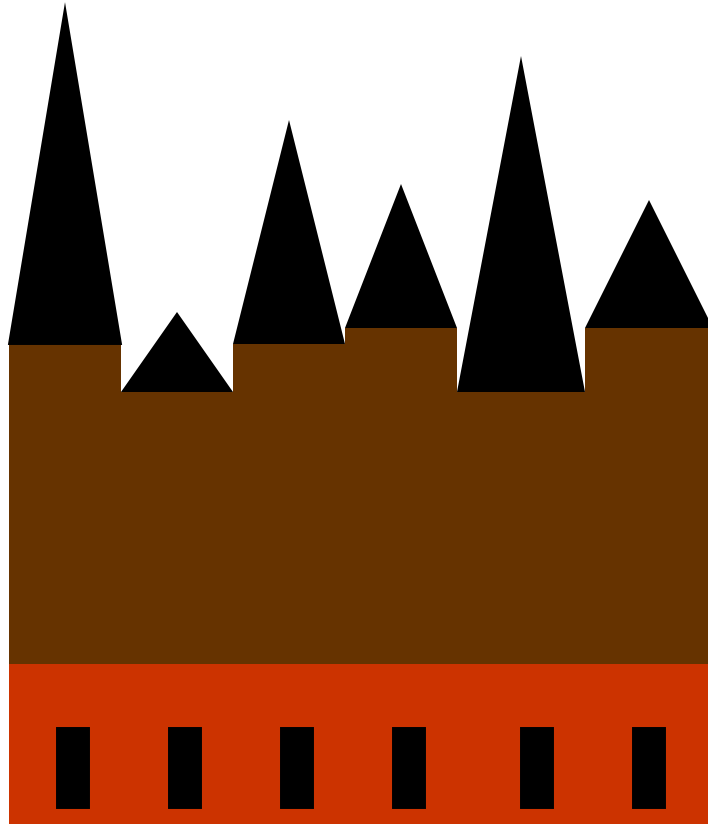
Different levels of **debt** and **equity** for each individual unit and unit-owner

Financial Structure: Market Rate Cooperative



Blanket debt with various levels of **Share debt** and **Equity** for each member-owner

Financial Structure: Limited-Equity Co-op



Limited Equity

Shared Equity

Blanket Debt

Affordable Housing Co-ops Around the Country



Newtown St. Co-op, DC



Echo Ridge Homes Co-op,
Albuquerque, NM



Sheraden Park Co-op, Pittsburgh, PA



Rexmill Square, Jonesboro, GA



Harper Square
Co-op,
Chicago



South Bend Mutual, South Bend, IN

Article Discussion

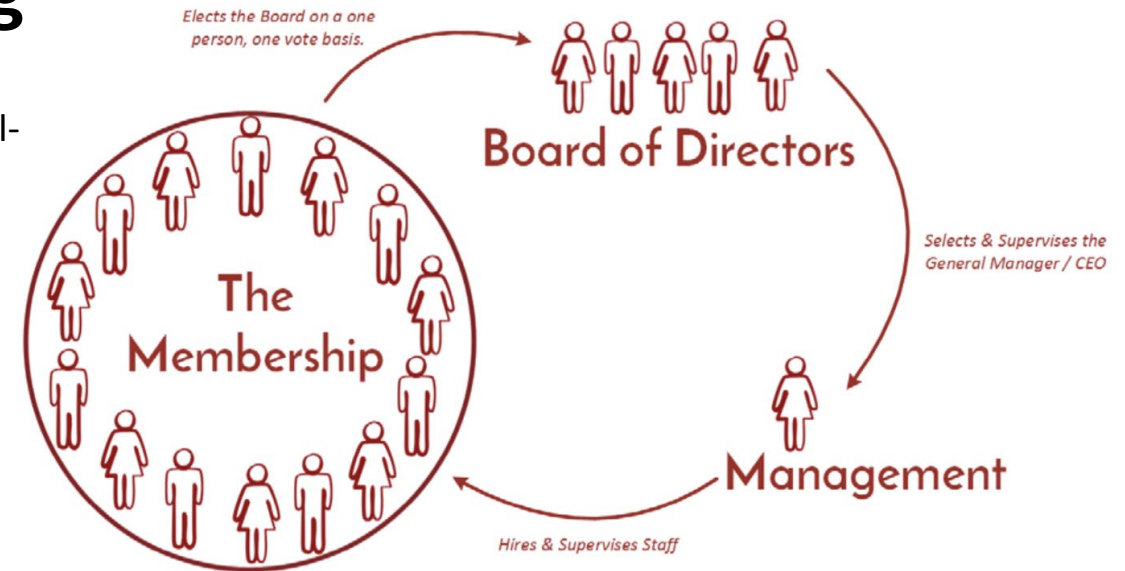
Let's take some time to discuss the article you read:

- **What did you notice? What questions emerged?**
- **What did you learn about co-ops?**

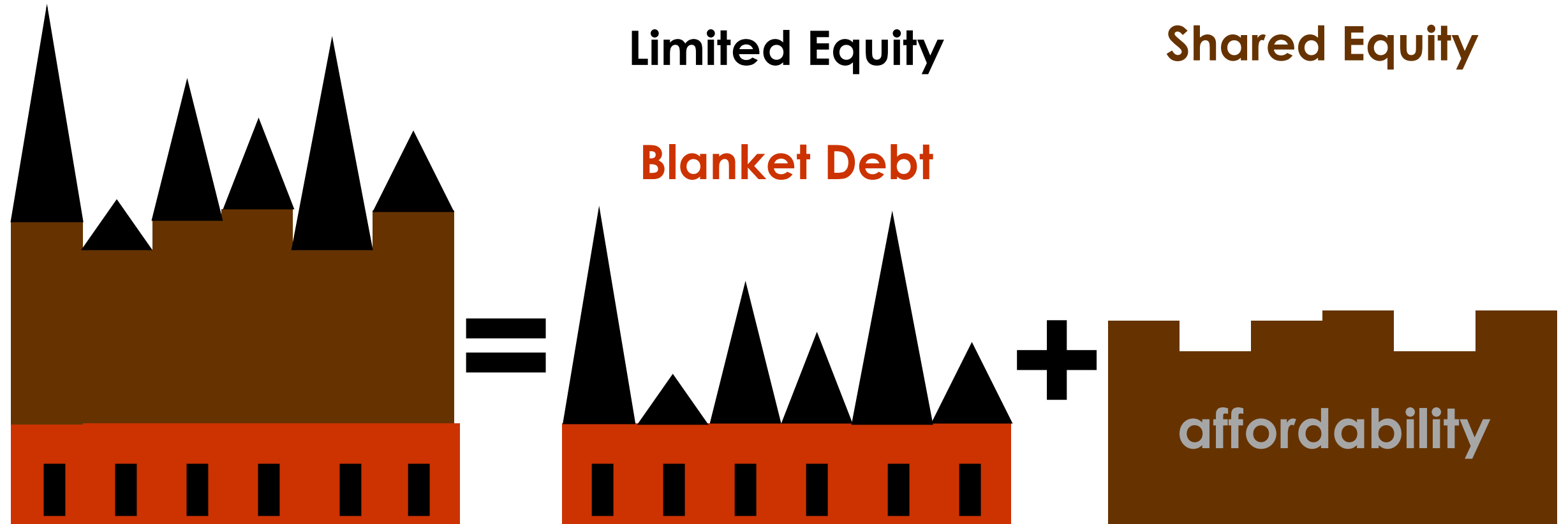
Cooperative Structures

Permanently Affordable Co-op Housing

- Limited Equity Housing Co-ops (UHAB, Mitchell-Lama, HUD, Many others)
- Membership Co-ops (CSI, NASCO)

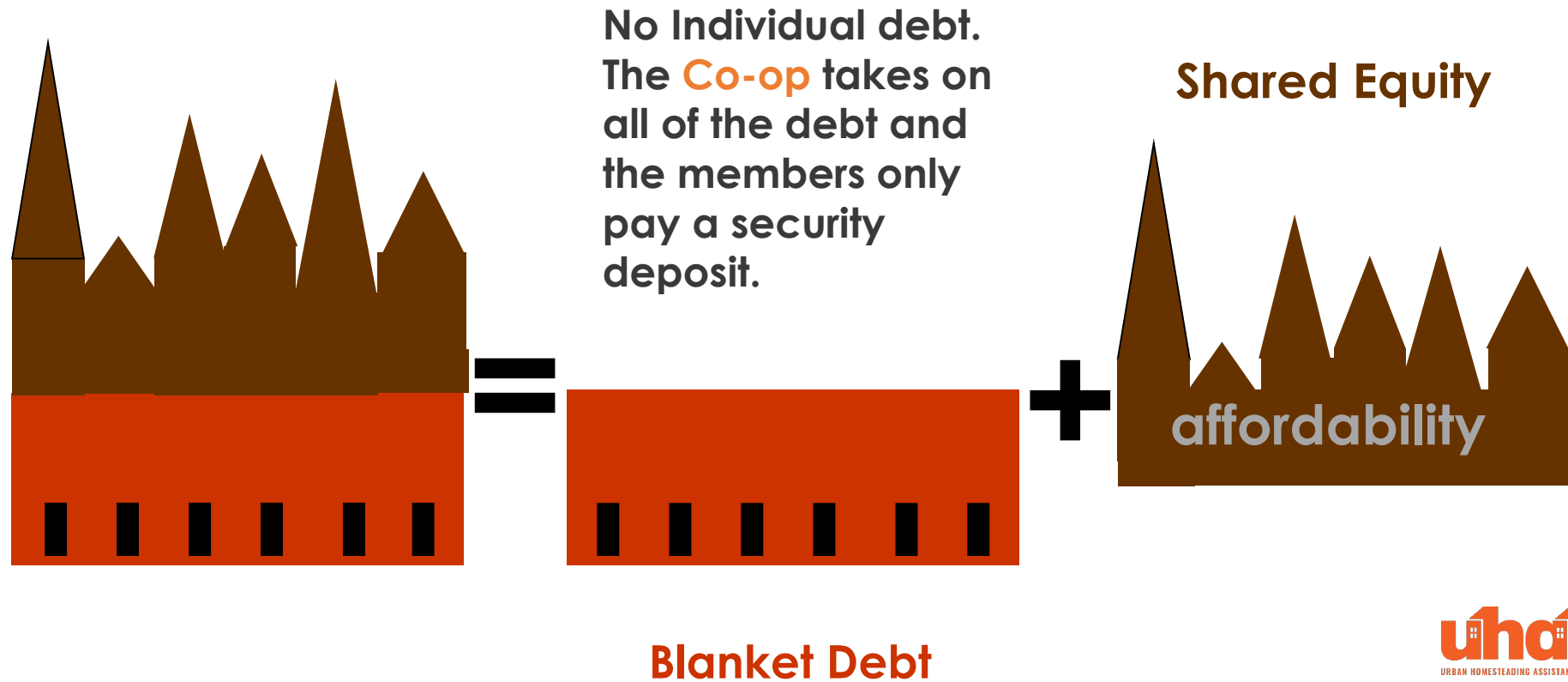


Financial Structure: Limited-Equity Co-op



Financial Structure:

Zero-Equity/Membership/Group-Equity Co-op



Common Co-op Types

1. Limited-Equity Co-ops
 1. Standard (UHAB, HUD)

Limited-Equity Co-ops Continued

2. Co-ops on CLTs

3. Income Surcharge (Mitchell Lama Co-ops NYC)

2. Membership Co-ops

- a. Cooperative Services Inc. (CSI) Co-op Model
- b. Group Equity Co-op (NASCO)
- c. Co-op on a Community Land Trust (CLT)

3. Mutual Housing Associations (MHA)

LIHTC Co-ops

1. Always Membership Co-ops
2. Management Co-op
3. Co-General Partner Co-op
4. Leasehold Co-op
5. Year 15 LIHTC conversion

Tools for Development

10. Tenant Opportunity to Purchase Act (TOPA)
11. HUD/FHA 213 and 223(f)
12. New Market Tax Credit (NMTC)
13. Direct Pay LIHTC

Growth and Additional Models

- **Growth?**
- **Canadian Housing Foundation (CHF) Membership Co-ops**
- **Rental Co-ops (Australia) (Co-op Cincy)**
- **Housing Development Co-ops**

Intro to Co-ops Q&A

- Do you feel comfortable with what makes a co-op a co-op?
- Do you have any questions about cooperative structure or how they are different from other organizational structures?
- What questions or challenges emerge for you when you think about the co-op model?
- Any other general co-op questions?

Co-op Vision

Why did UHAB Choose Co-ops? What is our Vision for Cooperative Housing?

- In synch with the **Self-Help** ethos on which UHAB was founded
- Embodied **democratic** principles
- Could be financed with **underlying mortgage** based on the real estate and not the residents credit.
- Facilitated **Sweat Equity** as everyone was an owner.
- Is **Homeownership**.
- Resources for **equity and financing** not available to rentals
- Can **remain affordable** for generations.
- A **proven model** with a long history around the world.



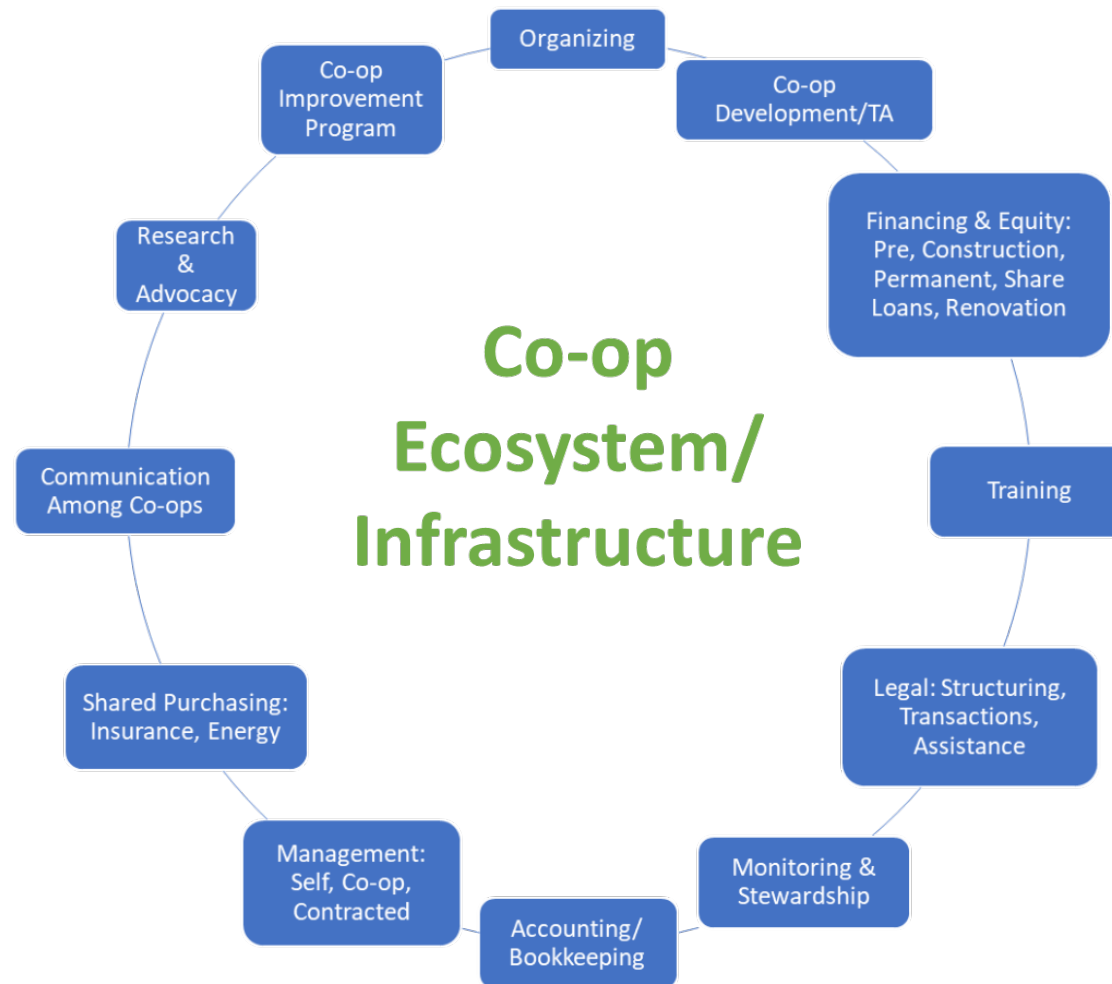
Co-op Vision Activity

1. We are going to break into 2 groups and discuss our co-op visions in the breakout room.
2. Andy and Peter will each join a room and facilitate the discussion.
3. We will take 20 minutes for this discussion.
4. When we come back from the breakout rooms, we will share our visions with the whole group. You will need to choose someone to scribe for your group to help report back.
5. Any questions?

Co-op Vision Discussion

1. Describe the vision of the co-op you hope to develop, or that you want to serve?
2. What Model might you use and why?
3. What is the role you want to serve in the co-op ecosystem?

What Parts of the Co-op Ecosystem Exist?



Breakout Room Assignments

Room #1 (Peter)

Room #2 (Andy)

Co-op Vision Discussion Guide

- How have the first sessions impacted or evolved your co-op vision?
- What support do you need in developing your co-op vision?
 - What questions or challenges have emerged?
- Do you already have a vision for a particular co-op?
- Where are you in the co-op development process?

Do you have any questions about the below considerations?

- Do you have a **population** you are working with that you'd like to co-op to **serve**?
- Are those **people** part of the **organizing** effort?
- Is there interest in local or state **government to support** your co-op development, or will you need to help organize that?
- Are you imagining **converting** existing Rental(s) to a co-op?
- Are you imagining **renovating** a vacant building or building **new**?
- Are there, or will you be working with an **existing co-op(s)**?

Co-op Vision Report Back

In 1 minute, please report back
on the following prompts:

1. Describe the vision of the co-op(s) you hope to develop, or that you want to serve?
2. Where are you in the co-op development process?
3. What is the role you want to serve in the co-op ecosystem?
4. What are some challenges to your co-op vision?

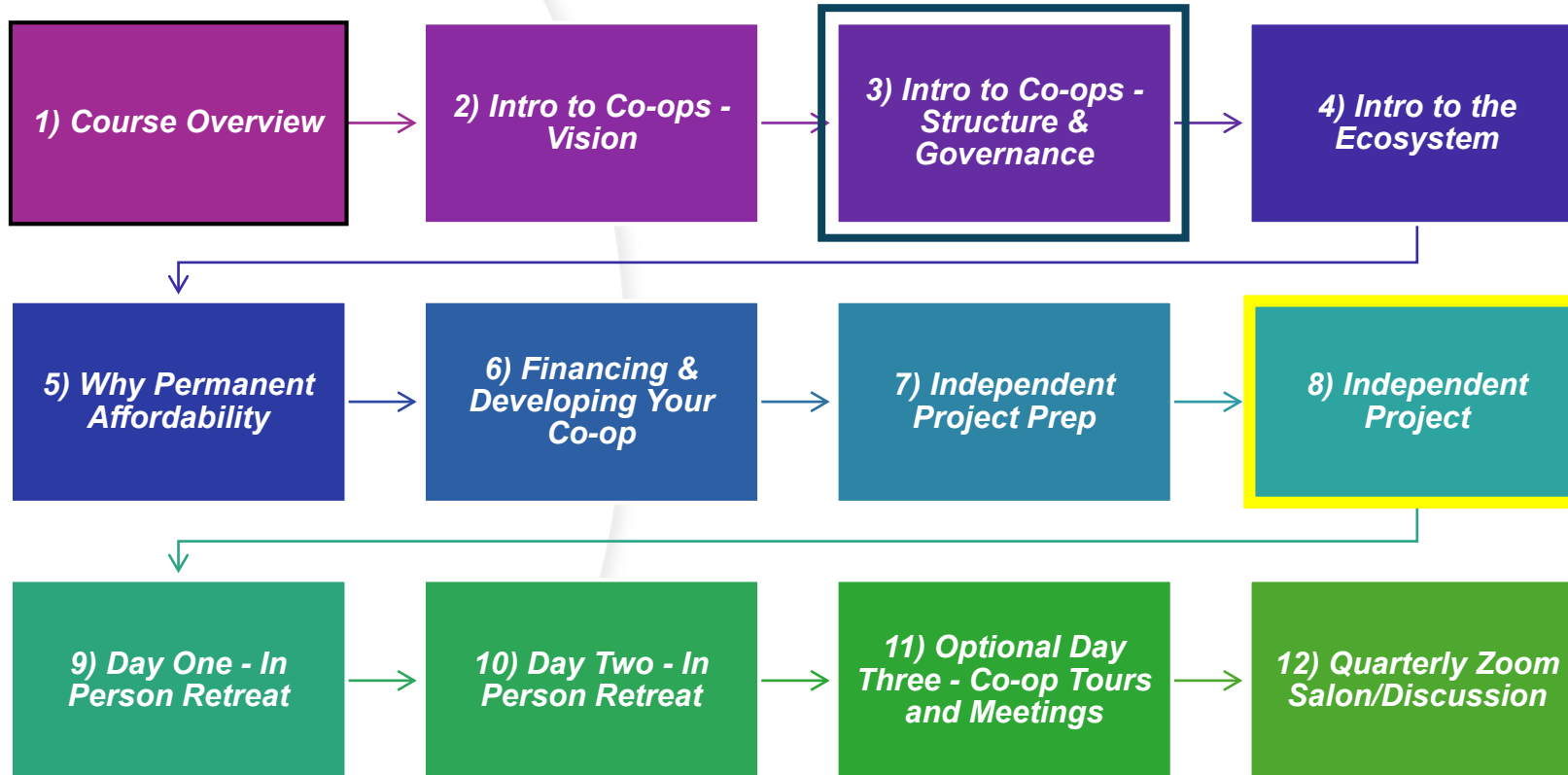
Closing

Closing Activity

1. What excited you about the different visions?
2. Our Assignments between now and next session are to think about and be ready to discuss the following prompts:
 - a. Has your organization worked with any co-ops before?
 - b. How did the co-op structure and style of governance impact your work together?
 - c. How does/might working with co-ops change the style and structure of your own organization?
3. Next Session we will cover: National Co-op Survey, Co-op Structure & Governance

Q&A and Survey

Incubator Sessions:



uhab

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www.uhab.coop

The End