



Incubator

INTERESTED RESIDENTS
TO SIGNED PETITION

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1. Organizing your group

Defining organizing
Different types of groups

2. “Models of Ownership” training

Getting ready to train

3. Milestones to co-op conversion

Predevelopment
Construction
Co-op conversion

4. Modeling co-op behavior

Setting expectations
From fighting landlord to building together

5. Tenant petition

6. Q&A

**INTERESTED RESIDENTS
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Organizing is leadership that enables people to turn **the resources they have** into **the power they need** to make **the change they want**, together.



FEATURE

The Tenants Who Evicted Their Landlord

Covid-19 has deepened the depths of the nation's rental housing crisis — but a group of Minneapolis tenants has shown that a different future is possible.

The night after tenants of the Corcoran Five apartment buildings in Minneapolis bought the buildings, they removed their landlord's signs in celebration — their first major act of collective ownership. Alec Soth/Magnum, for The New York Times

A Landlord 'Underestimated' His Tenants. Now They Could Own the Building.

When a new landlord bought their building in the Bronx and threatened to raise rents and kick them out, tenants banded together. They never expected how far they might get: the chance to buy their apartments for \$2,500 each.

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From left to right, Courtland Hankins III, Claudia Waterton, Lizzette Concepcion and Kevin Stone, tenants of a building in Poet Morris, the Bronx, fought their landlord who planned to raise their rents and are now poised to own their apartments. Karsten Moran for The New York Times

ORGANIZING RESIDENTS

What are our shared goals?

How will we work together?

What roles will we play?

What do we expect from each other?

Activity: Renting vs. Owning

Aim: To learn the differences between renting and owning and the advantages of being an owner in a housing cooperative.

Task: Read the following scenario and answer the questions below.

700 Angel Avenue is being converted from a rental building to a cooperative. Many of the residents want to stay renters because they say they don't understand why they should have to pay to buy their apartment and then still pay rent. Ms. Rodriguez, the building's president, disagrees and says she can't think of a single good reason to remain a renter. At the next Tenant Association meeting, the residents decide to make a list of the differences –both good and bad – about being renters and shareholders so they can make a better choice.

List 3 differences between being the owner or the renter of an apartment.

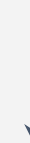
<u>Renters...</u>	<u>Owners...</u>
1.	1.
2.	2.

Which Ownership Model are *You*?

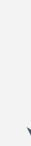
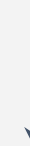
1. **Your neighbor is in between jobs and has fallen two months behind in rent. You'd prefer:**
 - a. To have no idea about whether my neighbors are paying rent or not, and expect management to send them late notices or take them court if needed. It's just none of my business!
 - b. To not know about individual neighbors, but I'd like to know if people falling behind on rent is affecting the building's finances.
 - c. To know who is behind in rent and be able to work with them directly on a payment agreement, or take them to court if necessary. It should be everyone's duty to make sure the building is doing okay financially.

2. **Your kitchen needs a few repairs; one cabinet won't close, and the fridge has been making a funny noise. You'd prefer:**
 - a. To call a phone number and put in a request to have the repairs made.
 - b. Make a repair request and attend the next tenant meeting, with management present, to share your repair needs and to highlight that your neighbors need similar repairs done, too.
 - c. Call a handyman you trust who you know will do a good job and pay for the repairs yourself. It's the fastest thing to do, anyway and you know the work will be done well.

HDFC Shareholders



Board of Directors



Accountant

Super

Manager

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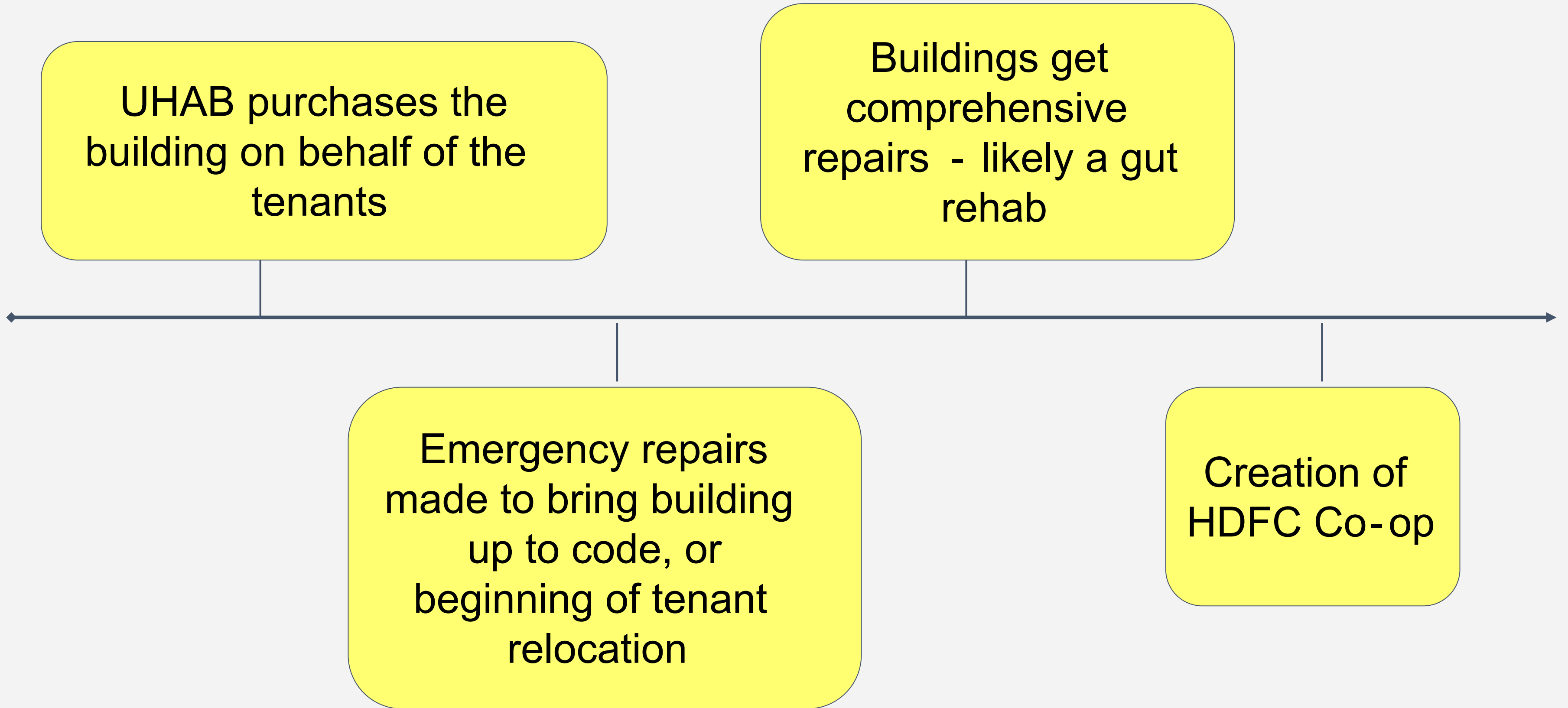
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MILESTONES TO CO-OP CONVERSION

1. Predevelopment period
2. Construction period
3. Co-op conversion period

(Milestones for the developer are **in yellow** on the next three slides.)

PREDEVELOPMENT

<u>Milestone</u>	<u>Training Needed</u>	<u>Technical Assistance Needed</u>
"Resident Group" or formal Resident Association is formed	Training: What is a Co -op?	leads "visioning" session: What kind of a co -op do we want? What steps are necessary to get there?
Resident Group meetings held and minutes created, circulated	Training: Resident Association Roles and Responsibilities	assists with the "Expression of Interest" petition
Building Stabilization Plan developed and implemented as needed	Training: Co -op Documents Intro	assists Resident Group / Assoc to distribute apartment condition surveys, analyze results and communicate those to developer
Resident Relocation Plan developed and implemented as needed	Training: Understanding By -Laws	advises residents on the appropriate use , and/or amendment of the by -laws.
Residents review and understand construction scope	Training: Effective Meetings and Participation	helps arrange and attend a meeting with developer and architect to review the scope of work
Resident Group/Association establishes Construction Committee		helps arrange a meeting with developer and property manager to review the relocation plan for renovation
		helps arrange a meeting with developer and property manager to review the building stabilization plan for immediately hazardous conditions
		coaches construction committee, attends some construction walk -throughs with the developer, architect, and contractor as needed

CONSTRUCTION

<u>Milestone</u>	<u>Training Needed</u>	<u>Technical Assistance Needed</u>
Resident Assoc board is elected		facilitate first election, helps new Board choose its officers
Board selects officers	Training: Understanding the Development Process	coaches board to prepare for and chair meetings; coaches secy to circulate minutes
	Training placeholder: Co -op Docs XXX Government Agreement	assists Board and leaders to maintain the operation of the Resident Association even though residents may be scattered by relocation
Construction loan is closed	Training: Working with Manager and Reading Management Reports	convenes regular meetings to update Board (via developer) on the status of construction work
Tenants move out for renovation to begin	Training: Developing Policy	assists to create newsletters or eblasts, etc., helps Board to schedule regular Resident Association meetings for updates on progress of construction, promote attendance at trainings, etc.
Construction starts	Training: House Rules	assists Resident Assoc to review current management reports, including budget -to-actuals, rent collections and operating expenses
Substantial completion	Training: Budgeting for your Co -op	convenes a Resident Association meeting to explain rent restructuring, section 8 subsidy if available, other individual rental assistance as relevant
Residents move back to renovated units		assists residents with moves back to renovated units and restoring individual utility services
Rents are restructured in anticipation of the co -op's operating budget needs		assists residents and Resident Association with any conditions issues in rehabbed apartments
		assists residents to comply with governmental requirements for Section 8 or other available rental support

CO-OP CONVERSION

<u>Milestone</u>	<u>Training Needed</u>	<u>Technical Assistance Needed</u>
Co-op Offering Plan is approved (by relevant municipal or state authority)	Training: Shareholder Education	assists Resident Assoc to form a Shareholder Selection Committee (if relevant)
Permanent financing loan is closed	Training: New Resident Selection	assists the Resident Association to form a Maintenance and Repair Committee
Insiders purchase shares	Training: Who Represents Us?	answers questions about co -op conversion
Vacant units sold	Training: Steps to Cooperative Conversion	assists Board to find an attorney to represent the Association through the conversion
Co-op Plan is officially declared "Effective"	Training: Who Fixes What?	offers to help developer walk residents through sales formalities (Purchase Agreements and Purchaser Affidavits, etc.)
Residents assume control of co -op		facilitates the co -op's first organizational meeting, assists developer or sponsor to distribute shares and to schedule first election of shareholder Board

MODELING CO-OP BEHAVIOR

Resident Association election uses corporate format: residents vote for their Board and the Board chooses its officers

- Election follows projected co-op corporation bylaws:
 - Proper election notice is given
 - “Good Standing” is required to vote or be on the ballot
 - A quorum is required for the election
 - If proxies are allowed, the proxy procedure is followed
- Board sets up committees as needed
 - Committees advise the Board
- Board acts as representative body for residents
 - Board meets with property manager regularly
 - Board is liaison between residents and developer as co-op conversion proceeds
- Role of developer / “people development”
 - Increasing # of leaders, expanding their view of their power, creating opportunities for involvement

TENANT PETITION AND MOU



THE UNDERSIGNED RESIDENTS OF 15 QUINCY SUPPORT THE OFFICERS AND BOARD OF OUR CURRENT TENANTS ASSOCIATION IN ITS EFFORTS TO NEGOTIATE FOR THE PURCHASE THIS BUILDING, KEEP IT AFFORDABLE AND CONVERT IT TO A LOW INCOME COOPERATIVE. WE RECOGNIZE AS OUR BARGAINING REPRESENTATIVES THE BOARD OF DIRECTORS ELECTED BY THE TENANTS ASSOCIATION.

- President:
- Vice President:
- Secretary:
- Treasurer:

[Note: This document is an expression of interest only and not a binding agreement or commitment to purchase. The proposed conversion of this building to cooperative ownership and the requirements of and documentation governing such conversion and share purchase by individuals must first be reviewed and approved by ___(local gov't agency)___ and the office of the NYS Attorney General.]

- **EXPRESSION OF SUPPORT**

- _____, date

- We, THE UNDERSIGNED RESIDENTS OF _____ support the effort by _____ our Tenant Association _____ or _____ (“the Developer”) to create an affordable housing co-op from our building.

- We understand the plan to renovate the building and create a co-op will happen through the _____ Program. The general requirements of the financing and resulting renovation plan have been described to us.

- We understand that we will be required to move out of our apartments temporarily and present to _____ the Developer _____ a completely vacant unit for renovation. We understand we will be given Relocation Agreements to review and execute which guarantee our right to return to our current apartments after renovation is complete.

ISSUES FOR THE MOU

The sponsor/developer must address how deeply it plans to engage the Resident Assoc during renovation and co-op conversion in the MOU. Will it:

- Only work with lenders who will work with the Resident Assoc?
- Only work with contractors, architects, etc. who will work with the Resident Assoc?
- Only enter into contracts, agreements, loans, etc. with approval of Resident Assoc?
- Direct people/businesses/contractors etc. to regard the Resident Assoc as their client?

THANK YOU

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