

# Independent Project

Following our intensive introduction sessions, you will be working on an Independent project. For your Independent project, you will complete a survey of your local Permanently Affordable Co-op Housing (PACH) ecosystem, and choose 1-3 of the ecosystem components for a deep dive (see the categories and map below). You should choose the categories that are most relevant to your context and existing development goals. Once you select your project focus area(s), you should set-up a time to meet with UHAB. In that meeting, you will workshop your project, and with the support of UHAB, develop a project plan, benchmarks and a timeline for your work. Some Independent project examples are below in the “Examples of Potential Projects.”

You may choose multiple areas of focus for your project, and if you are part of an organization with multiple members participating in the Incubator or if you want to collaborate with another organization(s) we won't expect every person to have a distinct project. Instead, your organization should choose a project that is most relevant to your goals and context, and then work in a team to complete your project. If your team has multiple areas of focus, you may want to have each member create a distinct presentation. Whether as an individual or a team, Internet research will be necessary, and we also expect you to start networking in-person in your local ecosystem. Making these connections in your ecosystem, organizing your community and identifying the needs of your organization will be invaluable as you move forward with cooperative development.

When we all come together in the Fall to complete the classes in-person, each individual or group will present a 5-minute summary presentation - generally with a PowerPoint and ideally recorded - focused on your Independent project. You should include an overview of your local ecosystem, and an in-depth review of the categories you focused on, why, and what you discovered. In turn, you can discuss challenges, potential solutions, and next steps. We would also like to hear a little about your methods, and how you were able to organize and network in your ecosystem.

## **Examples of Potential Projects:**

#1: If you don't have a building in mind you may look at the resources for co-ops and explore what subsidies: grants or below-market financing, as well as affordable property that is available in your region.

#2: You have a property in mind: conduct a feasibility study to determine how many units, the scope of work for construction, the development budget, and rough estimates for the various costs. Then, work with UHAB's sample proforma to develop a more complete understanding of the finances of the project. As part of that process, think about structure: limits on equity, entity structures, and what financing might be available: first-time homebuyer loans and grants, and share loans.

#3: What organizations and professionals make up your local Ecosystem: who can/will do what? What is already being provided or similar services that could be adapted for co-op housing? Where are the gaps?

#4: Development timeline: map out the phases and ecosystem you will need. Choices of partners and team. Also, map out the development team.

#5: Help develop a screening tool to assess projects. Based on financial feasibility, available resources, strong project support and/or other criteria?

#6: Identify other housing co-ops in your area. Research how are they organized: How are they incorporated? What financing and subsidies were used to create them and to keep them going over time? Who are the professionals that provide services (developers, lawyers, accountants, managers, others)? Some of this information can be found on the internet but other information will come from speaking with those involved and mentioned above but also seeking out co-op leaders and members, and local officials.

#7: Identify sources for Share Loans and sources of equity for individual purchasers. Are there sources for first-time homebuyer assistance from organizations, banks or government? Is homebuyer training and counseling available?

#8: Marketing: How will you find and prioritize buyers? What training, counseling and services exist to support homebuyers are available in your area and are they appropriate and available to co-op homebuyers?

#9: Look at other co-ops, not just housing co-ops: What can you learn from them? What resources might you share? Are there opportunities to take advantage of the economies of scale and jointly purchase goods and services? How can you build the co-op movement together?

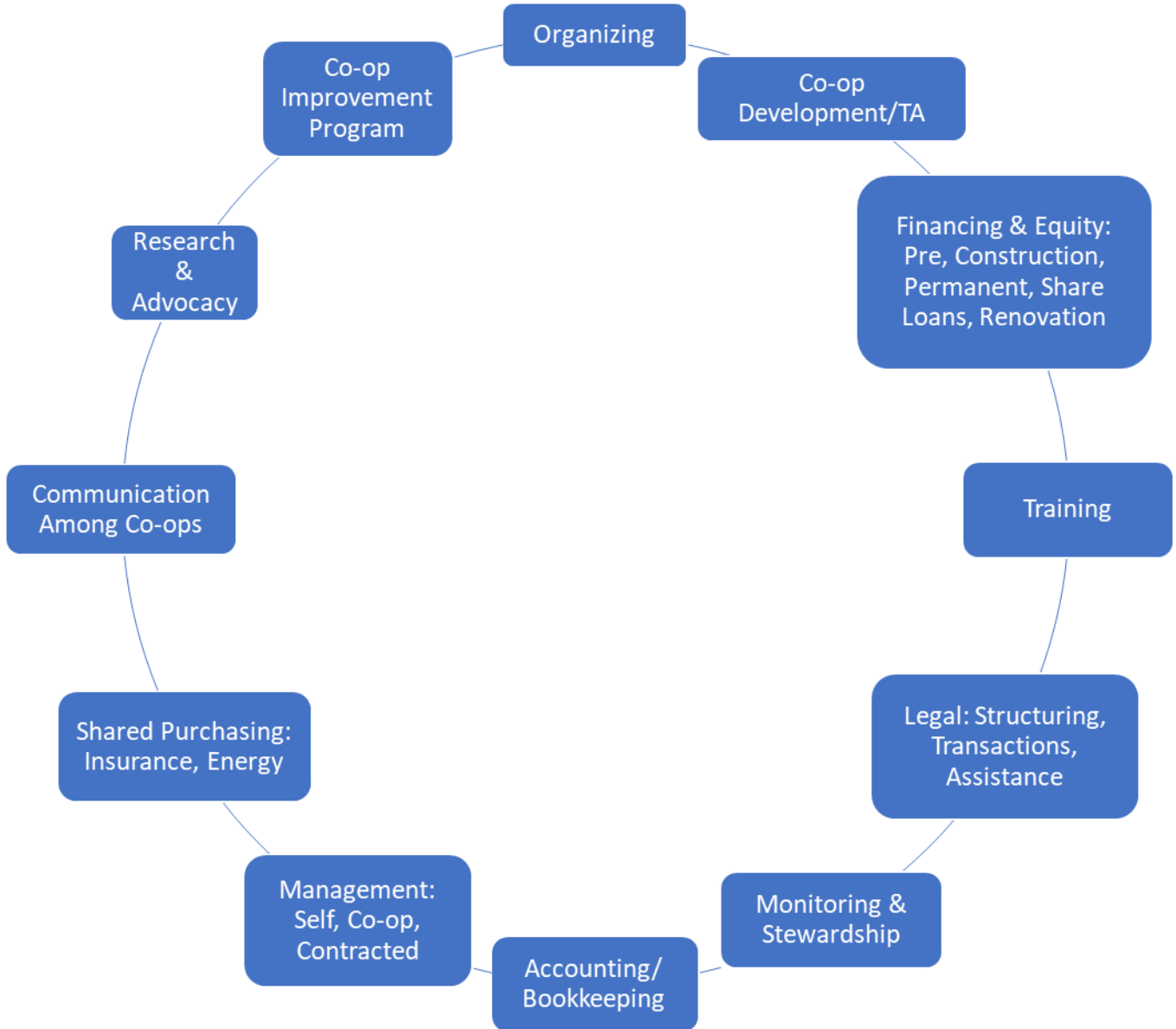
#10: Training capability and curriculum. How will you train and assist the potential and new co-op members to become a co-op? Create a curriculum from the initial meetings through the creation of the co-op to How to run your Co-op.

#11: Organizing: How will you build support and organize around Permanently Affordable Co-op Housing? Create a plan to build co-op knowledge in your area and/or to organize toward a specific project.

#12: Existing affordable housing co-ops: Locate them and gather the contact information. Put them on the co-op map. Find out how they are doing. What are their needs? Identify sources or gaps in the Co-op ecosystem to meet these needs. Begin developing a plan or strategy to fill the gaps and match the existing resources with the needs.

# Co-op Ecosystem Outline

UHAB



## **Major Ecosystem Categories:**

### **1. Development Opportunities (Building)**

- a. Who is the development team
  - i. Development Consultant
  - ii. Lawyers
  - iii. Architects
  - iv. Developer
  - v. Contractor
  - vi. Sponsor (501(c)3)?
  - vii. Steward
  - viii. Manager
- b. Financing/Subsidies
  - i. Financing Options
  - ii. Available Subsidies
  - iii. Available Equity/Balance Sheet
  - iv. Climate Money
- c. Property Selection
  - i. Affordable Housing Survey
    - 1. Types
    - 2. Financing
    - 3. Laws and Government Support
  - ii. Community Land Trusts
  - iii. Existing housing co-ops
- d. Organizing/Training/TA

### **2. Resources for a Co-op (Finance and Subsidies)**

- a. Subsidies
  - i. First-time homebuyer grants
  - ii. Section 8
  - iii. Real Estate Tax Abatement
  - iv. Pre-development loans and grants
  - v. Tax Credits (LIHTC, New Market, Historic)
  - vi. Climate Money
- b. Financing
  - i. Pre-development/Acquisition Loan
  - ii. Construction Loan
  - iii. Permanent Financing
  - iv. Share Loans
  - v. Refinance & Repair Loans
- c. Property Availability

- i. Land banks
- ii. Government
- iii. Institutional Partners
  - 1. Churches
  - 2. Universities
  - 3. Hospitals
- iv. Existing Rentals
- v. TOPA (Tenant Opportunity to Purchase)
- vi. Community Land Trusts
- vii. Existing housing co-ops
- d. Tax Abatement
- e. Legal Options for Incorporation
- f. State and Federal Support
- g. Other Co-ops
- h. Existing Policies
  - i. TOPA
  - ii. Existing State Co-op Law
  - iii. Tax Law (non-Federal)
    - 1. Real Estate
    - 2. Corporate
  - iv. Co-op Eligibility

### **3. Stewardship (Support for Co-ops)**

- a. Training
  - i. Member
  - ii. Board
  - iii. First-time Home Buyer
  - iv. Community Training About Co-ops
- b. Organizing
  - i. Renters
  - ii. Potential Members
  - iii. Existing Co-ops
- c. Advocacy Organizations
  - i. Affordable Housing
  - ii. Co-op Advocacy Organizations
  - iii. Tenant Advocacy Organizations
- d. Technical Assistance
  - i. Ongoing
  - ii. Preservation/Distressed
  - iii. Financial Packaging

- e. Monitoring/Stewardship
  - i. Regulatory Agreements
  - ii. Annual Meetings/Budgeting/Elections
  - iii. Sales
- f. Lawyers
  - i. Co-op Expertise
  - ii. Legal Clinics
  - iii. Pro Bono Legal
- g. Accountants
- h. Property Managers
- i. Ongoing Financing
  - i. Climate Money
  - ii. Share Loans
  - iii. Refinancing/Repair Loans
- j. Major Institutions:
  - i. Property
    - 1. 501(c)3s
    - 2. Colleges
    - 3. Hospitals
- k. Services and Group Purchasing
  - i. Utilities
  - ii. Insurance
  - iii. Services
  - iv. Bulk Purchasing
  - v. Marketing
  - vi. Bookkeeping
- l. Other Co-ops
  - i. Types:
    - 1. Affordable housing co-ops
    - 2. Credit Unions
    - 3. Worker
    - 4. Retail (REI, grocery)
    - 5. Other (Ace, Cabot, rural electric co-ops)
  - ii. Training/Mentorship
  - iii. Mutual Support
  - iv. Co-op Advocacy
  - v. Meeting Space