Midwest Association of Housing Cooperatives

MAHC

The MAHC Messenger

August–September 2020

LOCAL CLASSES THIS FALL

In the late fall early spring we are going have our MAHC Board Members reach out to the states and work with the cooperatives to teach a selection of local classes. This of course assumes that conditions will be safe. These will be small classes taught by MAHC Board Members or state vice presidents living in the area.

The classes may include:

- New Board Members,
- Knowing Your documents,
- Team Building,
- Cooperative Committee Charges,
- Emergency Preparedness,
- Effective Board Meetings, etc.

This selection represents a limited number of topics taken from our core class list, which will be expanded in the coming year.

The classes will be offered at no charge to the co-ops. We are all working our way through some difficult times. MAHC is a nonprofit with the specific mission of providing cooperative education and advocating for cooperative housing. The MAHC Annual Conferences have long been the cooperative housing educational events of the year.

We cannot allow the cancellation of the MAHC Annual Conference 2020 in Denver to create a two-year long delay in the education of our cooperative membership.

Some of the classes we are working on:

- Ethics,
- Fair Housing,
- Long Range Planning,
- Newsletters for Newbies
- Parliamentary Procedure

In This Issue:

Editor-in-Chief ..... Randall A. Pentiuk, esq.
Associate Editor .... Ben Sanders, PhD, CCS
Copy Editor .... Karlynn Wilburne

A Word from the Marketing Coordinator–Ben Sanders

Almost a year has passed since I stepped into this new role, and I have to say it has been an interesting ride.

The cancellation of the Denver 2020 conference was a big letdown.

I was looking forward to the opportunity to personally meet the co-op associate members and all the professionals and instructors. Now we must focus our attention on the upcoming conference in New Orleans 2021.

A lot has been accomplished over the last few months, particularly building the MAHC image and branding identification. The most essential brochures and publications have been rewritten and redesigned with a consistent brand ID.

The MAHC Messenger Newsletter has become an active platform for the exchange of information and the presentation of professional profiles and co-op highlights. The objective is to make the newsletter a storytelling medium for the people of MAHC and the larger cooperative housing community.

The promotion of our cooperative and professional members takes precedence over the marketing of MAHC as an organization. Our role is to showcase and give a voice to MAHC members and the cooperative movement.

The MAHC website at www.mahc.coop is a conduit for information about MAHC cooperatives and professional members. The MAHC website also serves as a portal into a vast nexus of links to cooperative housing information.

I welcome your suggestions, comments, and contributions to the MAHC Messenger Newsletter. Do not hesitate to contact me at sanders@mahc.coop with new ideas for articles and content for the newsletter.

The Midwest Association of Housing Cooperatives (MAHC) Annual Meeting was held on Saturday, August 15 utilizing the ZOOM online meeting platform. Vice President Blaine Honeycutt conducted the meeting.

A quorum was present. There were five candidates nominated for the MAHC Board. A motion was made and seconded to elect the five nominees by acclamation. The motion was then carried. The five elected board members are:

- Richard Berendson
- Christine Johnson
- Barbara Jackson
- Karen Mitchell
- Randall Pentiuk

Newly Elected MAHC Director: Barbara Jones Jackson

MAHC is proud to welcomes our newest director, Barbara Jones Jackson. Barbara has excellent professional credentials, including a doctorate in education from Loyola University Chicago.

She is a professional educator, having taught at every level of the public school system. Her teaching experience includes serving as an adjunct professor in both graduate and undergraduate programs.

Barbara's professional affiliations include the Illinois Principal Association, the National Alliance of Black School Administrators, the Illinois State Board of Education Provider of Professional Development, the Park Forest Veterans Commission, and the Rotary.

Barbara is a Disabled American Veteran, as well as a published author and the mother of two teachers. She is a long-time resident of the Park Forest Area E Cooperative.

The **MAHC** *Messenger* is going green. MAHC members who wish to continue receiving a printed copy of the newsletter will have to notify the MAHC office by postcard, phone or email.

MAHC Office Phone: 734-955-9516 Email: info@mahc.coop

Calling all MAHC cooperators and professionals! Now is the time to start planning for the MAHC Annual Conference 2021 in New Orleans. 2020 certainly has turned out to be a year to forget.

The annual conference in Denver 2020 just was not meant to happen, but we will be there in 2022 with bells on. We can all get together and sing a chorus of John Denver's "Rocky Mountain High, Colorado."

Now we can all turn our attention to the MAHC Annual Conference 2021 in New Orleans. New Orleans in 2021 will be a wonderful consolation for the 2020 washout. The Conference will be the Cooperative Housing Educational Event of the Year 2021. MAHC cooperators can always be counted on to bounce back, especially if that means bouncing to over to New Orleans.

MAHC members can look forward to three days of education and recreation in the "Big Easy from Monday, June 28-Wednesday, June 30. The Conference will feature over 50 sessions on relevant topics taught by experienced industry professionals, including 2-day Certified Cooperative Specialist (CCS)training taught on Saturday & Sunday, June 26-27. Conference registration will start on December 4, 2020 and end on June 4, 2021. Early bird registration will end on May 7, 2021.

The conference will be held in the Hilton New Orleans Riverside on the banks of the Mississippi in the city center. The hotel is adjacent to Convention Center and Outlet collection and across the street from the Harrah's Casino. Everything you need is within walking (or electric scooter) distance. Of course, you will probably want to step out on the town. In that case, the Riverfront Streetcar stop is right in front of the Hilton Riverside on Polydras Street. The French Quarter and Bourbon Street are minutes away by streetcar.

New Orleans is famous for its many fine restaurants and unique Cajun cuisine. The city boasts 1,400 restaurants, music venues, museums, zoological parks, and aquariums. There are no special tours scheduled for the 2021 Annual Conference because New Orleans itself is one giant tour attraction.

We are going to New Orleans to further the cause of cooperative housing education, but we may as well have some fun. As they say in the Big Easy: *Laissez les bon temps rouler!* "Let the good time roll."

MAHC Website www.mahc.coop Highlights

Supporting and championing the cause of quality housing through education is a fundamental component of the MAHC Mission Statement. We carry out the mission in a via several venues, including our annual conferences, extension classes, the newsletter, and both free and paid publications. A vast amount of cooperative educational content is directly accessible on the MAHC website at www.mahc.coop. We have prepared a chart to help guide you directly to specific areas of interest. WARNING! The Resources tab leads to such a vast network of informational links and websites that you may be gone for weeks and weeks . . . notify your family!

All kidding aside, below the chart we have provided a simplified plan to jump start your cooperative housing educational plan. You can read up on the basics and be better prepared for the annual conference and your Certified Cooperative Special and New Board Member classes.

Mapping the Website:

Home →	About	Members	Resources	Training	Photos	Contact
	↓	↓	↓	↓	↓	↓
	Advantage	Board of Directors	Newsletters	Conference Info	Cooperative Photos	Send
	History	Cooperatives	Video Books and DVD	Upcoming Training	Conference Photos	Message
	Past Presidents	Individual	Information Sharing	Webinar Training	50 Years of Photos	info@mahc.coop
	Past Conferences	Professionals	Portal to Cooperative Housing Information			
	Award Winners		Brochures and Forms			
	2020 Annual Meeting		What is a Cooperative?			
			FAQ			
			Links			

Here are a couple of sly tips on how to jump-start your cooperative housing pre-conference self-education program:

» Go to the **Training** tab and see what is available now or coming up for online webinars. The schedule changes as we add new training sessions.

» Go to the **Resources** tab and pull down **Information Sharing**. Here you will find several basic training books available for free download. The *New Board Member Training* book is one of the essentials. The *Cooperative Dictionary* is a listing of the essential vocabulary required to understand the financial and operational demands of cooperative housing.

To learn more about MAHC and cooperative housing, pull down the **Resources** tab to **Brochures and Forms**. Here you will find a wide selection of brochure, flyers, and forms, some of which are for special purpose. For starters, download *Introduction to MAHC*, the *2019 Annual Report*, the *Certified Course Brochure*, and the *Benefits of MAHC Membership*. Of course, this is just scratching the surface, there is a universe of cooperative housing information stored behind the **Portal to Cooperative Housing Information**. In the next issue of the newsletter we will enter the "Portal" and explore the exciting knowledge that lies within. Bon voyage!

Home About Members Resources Trainng Photos Contact

MIDWEST ASSOCIATION OF HOUSING COOPERATIVES

The Nation's Leader in Cooperative Education

Board Training is More Important Than Ever

by Creighton Gallup

Why is cooperative housing Board of Directors training important? Co-op members are shareholders who annually elect their Board of Directors to oversee and protect their investment.

This is a major entrustment of membership resources and faith. The training of Board members is an investment in a multi-million dollar corporation, and members have a fiduciary duty to protect that investment.

Boards of Directors and co-op members must keep up with recent trends in cooperative law, finance, and operations. Learning about these issues in advance prevents problems which could eventually increase exposure to lawsuits and other problems.

Training is a form of insurance to prevent problems before they happen, rather than after.

The MAHC Annual Conferences have become the national focus for cooperative housing education and training. The MAHC Annual Conferences feature instructors with diverse expert knowledge in the cooperative field.

The training sessions are taught by experts ranging from management agents, lawyers, accountants, service professionals and experienced cooperators

They provide insight and expertise on nearly any topic you can think of ranging from fair housing, legal updates, running effective meetings, trends in marketing memberships to taking just taking good board minutes.

Some say that 2020 will be a year to remember, but most of us are saying it will be a year best forgotten. The MAHC Annual Conference in Denver had to be canceled, as so many other events, due to the Covid-19 pandemic.

The MAHC leadership and staff had made all the conference arrangements. The hotels were booked, the classes were scheduled, and cooperators were registered. We were packed and ready. But it was not meant to happen.

Fortunately, the hotel reservation was rolled over to 2022, so we are still going to Denver, just a bit later. Even better, the 2021 Annual Conference in New Orleans is already on the horizon. Look for further details in the MAHC Messenger newsletter.

But what to do in the meantime? Board members have a fiduciary duty to assure their members that they are up-to-date on all the financial, legal, and operational details of managing a cooperative. The clock does not stop, there is no timeout.

In fact, the pandemic has made the reality of managing a cooperative much more problematic. Holding board and annual meetings, dealing with delinquent carrying charges, covering employee salaries and other issues have suddenly become more difficult to address.

The MAHC mission is to support the cooperative housing community and provide education and training to Boards of Directors and their membership. MAHC has been moving quickly to fill the needs for timely education and training in 2020, despite the loss of the conference.

MAHC leadership and staff have greatly expanded the organizational website at www.mahc.coop. The website is your portal to cooperative housing information. Training resources and manuals for Boards of Director are available for reading online and download.

The portal features 15+ subsections of cooperative housing information, each one leading to additional multiple links to research, articles, books, topics, and websites. Many other resources are available, including training books, sample forms, and DVDs, as well as MAHC informational brochures and flyers.

MAHC president Rich Berendson has initiated a series of online webinars designed to address the immediate educational needs of new board members and provide important review materials to experienced cooperators.

The new series of online internet classes started on June 6, 2020. The online series opened with a ***New Board Members*** class and continued once a month through August. The classes are presented by MAHC president Rich Berendson via the ZOOM online service and are FREE OF CHARGE.

The class schedule also included ***Knowing Your Cooperative Legal Documents***, ***Evaluating Your Cooperative Board***, and ***Effective Board Meetings***.

President Berendson also presented an online webinar of ZOOM practice sessions. ZOOM is a video conferencing tool in wide use that allows individuals to meet and work together face-to-face via computer teleconferencing. Co-op Boards of Director may find ZOOM to be a valuable resource in this year of the pandemic.

Information about the classes was included in the *MAHC Messenger Newsletter June-July 2020*. Additional classes are being planned for the fall, so look for more information in the newsletter.

MAHC leadership is in the process of reviewing a schedule of online classes aimed at providing the most timely and effective benefits to our membership.

The MAHC Messenger will provide an ongoing educational and training resource with articles and information on current issues affecting cooperatives.

The June-July 2020 issue featured a very pertinent article by attorney April Knoch on the legal issues surrounding the uses of remote technology and teleconferencing for co-op annual meetings.

If your co-op is in a quandary about using technology, then April's article is a good place to start. The newsletter will continue to feature articles and information on current issues related to the difficulties imposed by the pandemic.

Training is like a muscle. It must be constantly challenged or else it weakens, and you fall behind in your knowledge to the detriment of your community.

The education and training of directors and co-op members are under greater challenges than ever before. Please take advantage of the resources that MAHC offers now and in the future. Your co-op members are depending on you.

Never forget you are not only protecting your own investment, but that of dozens if not hundreds of other members in your community. Any training you obtain is worth it and in the long run your members will thank you for it.

Creighton Gallup

Creighton Gallup is a partner of Pentiuk, Couvreur & Kobiljak, P.C. and has nearly 20 years' experience representing housing cooperatives and is the supervising attorney for the firm's cooperative landlord/tenant litigation department.

He has also drafted important legislation for housing cooperatives in an effort to achieve state recognition of the unique form of housing provided by cooperatives.

Creighton is a regular instructor for both MAHC and NAHC conference seminars, teaching about various cooperative legal issues to keep conference participants apprised of current legal issues and trends.

THREE FOUNTAINS COOPERATIVE EAST

"A family-friendly oasis on Indianapolis' Eastside"

Three Fountains Cooperative East has been described as an oasis on the Eastside of Indianapolis, Indiana. This area of the city has seen its share of challenges over the decades. Benefiting from a solid 47-year partnership with Kirkpatrick Management Company, Three Fountains has risen above to become a safe and amenity-rich place to call home.

A dedicated Board of Directors leads the community, including Jim Hermsen - President, Carolyn Cook-Cazzell - 1st Vice President, Latosha Walker - 2nd Vice President, Vivian Cook - Secretary and Samantha Daniels - Treasurer. Jim Hermsen has served on the Board for 41 years.

Mr. Hermsen was instrumental in securing a tax abatement through the Marion County Tax Board, resulting in a 1% property tax instead of 2%. This made continued revitalization possible for the community.

Recent additions to Three Fountains East include the construction of a state-of-the-art Clubhouse, Leasing Office, and Maintenance Shop.

The Cooperative has also invested in enhanced security measures to keep the members safe, including secure fencing, surveillance cameras property-wide, perimeter alarms in every unit, and round the clock security officers.

The Three Fountains East staff has an average tenure of 13+ years.

That expertise adds up to 118 years with the Cooperative!

With an average occupancy rate of 97.5%, amenities included in the affordable carrying charges are a park/playground, lawn care, enclosed patio, cable TV, utilities, numbered parking spots, and a washer/dryer in every home.

Model Co-op Rehab in Chicago

NCB financing helps an aging Chicago high-rise make a much-needed renovation. Chicago's Gill Park Cooperative is standing prouder than it has in years.

The 27-story apartment building has just come through a three-year, $20 million renovation, most of it financed by NCB. The top-to-bottom overhaul gave each of its 260 units a new kitchen and bathroom with up-to-date plumbing. The interior common areas, including hallways, lobby, and community room, were also completely redone.

"It was a complete gut-job of the building," says Mike Levine, president of Leasing and Management Company, which serves as the managing agent for Gill Park. "We stripped every apartment to the bare walls."

Finding financing

Located four blocks from Wrigley Field on the city's north side, the Gill Park high-rise had fallen into poor physical condition since being built in 1969. With new leadership on its board of directors, upgrading the building became a priority in 2013. The first step toward that goal was finding financing to make much-needed repairs.

Gill Park has a Section 8 designation from the U.S. Department of Housing and Urban Development (HUD), which assists residents with their rent. The co-op's board and management approached HUD as well as several other alternatives for financing.

The process was tedious and unfruitful until they reached out to NCB, which is dedicated to providing banking solutions to cooperatives nationwide.

"NCB came up with the best program, with flexible loan terms and favorable interest rates," Levine recalls. "NCB also had minimum restrictions and covenants, unlike HUD."

Once the financing was secured, the Board worked with an architect to plan the rehab and then took bids from general contractors. The long rehab process began in 2015 and was completed in early 2019.

During the rehab project, Gill Park's board and management worked with a relocation coordinator to minimize disruptions to residents. The renovation progressed two floors at a time. Residents were temporarily moved to vacant apartments elsewhere in the building until their floors were completed.

"The mood at Gill Park today is great," Levine says. "Residents love the final product. The rehab transformed the building into a wonderful living space for them. There's a three- to four-year waiting list to move in."

"NCB is here to support and create safe and affordable housing for co-ops," adds Larry Mathe, senior vice president for the bank. "The Gill Park Board and management were instrumental in making the Gill Park project successful. They did a tremendous job."

Happy 50th Birthday for the Arrowwood Hills Cooperative in Ann Arbor, MI

The Arrowwood Hills cooperative combines a beautiful location with the convenience and cultural attractions of Ann Arbor, Michigan. The co-op is nestled in a lovely setting surrounded by nature areas and golf courses.

The region is serviced by TheRide municipal transit system, linking to co-op to the University of Michigan and the cultural and entertainment venues of Ann Arbor.

The community is made up of 350 townhouses situated on a landscaped, 44 acre lot on the north side of Ann Arbor, Michigan.

The Pontiac Trail bus line is minutes away from the university, hospitals, several shopping malls, the post office, two branches of the Ann Arbor Public Library, and downtown Ann Arbor.

Nearby recreational facilities include the Fuller swimming pools, tennis courts, soccer fields and the Leslie Golf Course and Park.

Looking at the co-op today, it is natural to assume that this is a great place to live, but the situation was not always quite so idyllic. In 1979 Arrowwood Hills was a very poor cooperative with more than 50% vacancies.

Vendors would no longer extend credit to the co-op. If something broke in an occupied unit, parts were cannibalized from vacant units. If someone was moving into the cooperative, parts had to be taken from vacant units. The inability of the c-op to pay its bills prompted HUD to start foreclosure proceedings.

The resident manager and co-op board members teamed up with the Ann Arbor city council, the mayor and other civic leaders and sent representatives to Washington D.C. They also carried letters of support from those who could not make the trip.

The co-op representatives convinced HUD not to proceed with the foreclosure, but to originate a loan to improve the property.

The new funding was approved and much needed maintenance work to the inside of all the units commenced. Non-productive members were evicted from the cooperative.

Along with many basic, general improvements, grants were written for the funding of a computer center. Funding was obtained for a summer camp program for the co-op children in the community center.

50th Anniversary

Arrowwood Hills Cooperative

Celebrating 50 years of affordable housing and cooperative living. Member-owned in the heart of Ann Arbor, Michigan.

www.arrowwoodhills.org

For over 30 years Arrowwood Hills Community Center (AHCC) has been serving members of the Arrowwood Hills Cooperative and individuals living in the north side of Ann Arbor.

The AHCC aims to build better communities and families through year-round programming and services in areas such as academic and social development, health and nutrition, technology education, and social activities.

In June of 2014 the Arrowwood Hills Community Center became a non-profit 501(c)(3) organization to provide greater outreach to members of the Washtenaw County community. The cooperative has partnered with the Community Action Network (CAN) of Washtenaw County to sponsor several vital programs.

Educating Children & Youth

- Free 6-week Educational Summer Camp designed to prevent summer learning loss.
- Free After School Program that provides homework & reading support, enrichment activities, social-emotional development, snack, and more.
- CAN Art & Design program in which students develop creative skill sets to inquire, design, build, and connect with their broader community
- School-Family Liaison Services.

Stabilizing Families

- Food distributions on the 2nd Friday of every month from 11am-1pm for Arrowwood Hills Co-Op residents.
- Holiday gift support (for Arrowwood Hills Co-Op families).
- Referrals to additional Washtenaw County resources.
- Free food is provided to the children & youth attending Arrowwood Hills's After School and Summer Programs.

Building Community

- Regular holiday and community parties/events.
- Relationship-building between teachers, CAN & Arrowwood Hills staff, and families.

The outreach programs supported by Arrowwood Hills demonstrate the real-life application of the cooperative principles of education, cooperation, and concern for community. No wonder that Arrowwood Hills no has a consistent waiting list of people wanting to become members. We can all wish Arrowwood Hills a Happy 50th Anniversary and perhaps add the Italian toast "Cent'Anni," "May You Live 100 Years!"

Spotlight on Winfield Village Cooperative

Located in Savoy, IL, the co-op belongs to the University of Illinois Urbana–Champaign community.

by Philip Brewer, Board President

My wife and I considered moving to Winfield Village twice.

The first time was in 2001. My employer was moving to a new building just a mile and a half away, so Winfield Village would have been within walking distance. Unfortunately, at the time my salary as a software engineer put me outside the income range of people Winfield Village could accept. We ended up staying where we were, a pretty nice apartment complex.

Fast-forward a decade and a half: I'd become a full-time writer (no longer earning a software engineer salary) and the apartment complex where we'd lived for many years had changed hands (and become much less nice).

We remembered liking a lot of things about Winfield Village, so once we got our first look at the new lease from the new owners of our apartment complex, our very next stop was Winfield Village. A few of the things that we noticed first thing:

- The grounds were well-kept. There were lots of trees, flower gardens by the entrances--and many individual units had their own flower gardens.
- The office staff were friendly and competent. They knew the rules for living at Winfield Village--such as the income restrictions that had hampered us twenty years ago--and were not put off by our questioning them closely on the details of those rules.
- The neighborhood suited us very well, with a grocery store and other shops within a 15 minute walk, an adjacent park, a natural area with a reconstructed prairie, and a small creek that runs along the edge of the property. It was also on a bus line that provided access to the larger communities of Champaign, Urbana, and the University campus.
- The residents create a diverse community. There are a lot of grad students, many of them from overseas. There are retired folks, families with young kids, single people of all ages, etc. And they're out interacting with their neighbors--sitting on balconies or patios, watching their kids at the playgrounds, cheerfully chatting with into one another on the way to and from the mail room.

We put our name on the waiting list that very day. It took a few months to get a unit, but we've been absolutely delighted with everything about living here.

There's not enough room here to fit all the things we like about living at Winfield Village, but here's a short list, in roughly the order that we noticed them:

- Our townhouse is much nicer than our old apartment--more privacy (our own front door), quieter (no upstairs or downstairs neighbors), a better floor plan, and a marvelous back patio.
- The maintenance people are skilled at their work--and there are enough of them to handle the work of maintaining the units.
- The office staff are friendly and competent.

But most of those things could be true at any well-run townhouse complex. What makes Winfield Village special comes from it being a cooperative.

For example, a few years ago the board invested in having us build our own fiber internet infrastructure with a connection to the local internet backbone. This has not only meant that we all have access to cheap, high-speed internet service, it has also meant that this year we could decide to upgrade the hardware to make it much faster.

Another example--one that may not matter as much to most people, but that is a big deal to me--is the luxury of not having to sign a new lease every year. (Where we used to live it was a multi-month ordeal. In April they'd ask if we wanted to renew our lease. In May they'd ask us to stop by the office where somebody would go through a 13-page document and tell us what was different this year--but I'd feel obliged to read the whole thing anyway, because what if there was something else different?)

One thing I don't notice as much as I might, because I've gotten used to it, is that it's cheaper to live here than at any of the other places nearby. (Because the owners aren't skimming off the profits.)

Perhaps most important, although admittedly a mixed blessing, is the opportunity to be involved with running the enterprise.

I got involved with the cooperative's governance structure gradually. The first year, I volunteered to serve on the Finance Committee, primarily because I was curious to know where the money went. (Wages? Taxes? Utilities?)

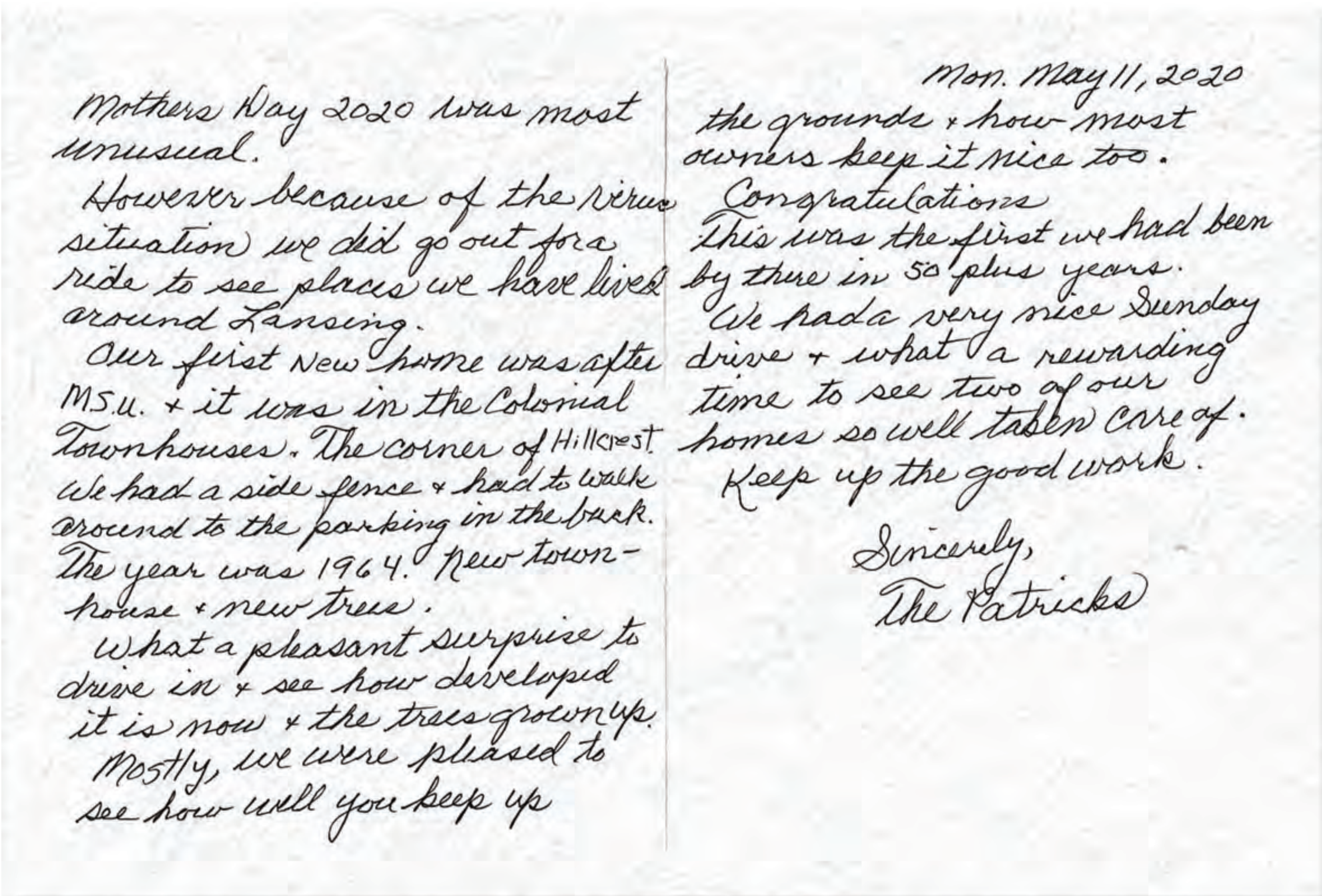
Serving on the Finance Committee put me in contact with the board, and when I learned there was a vacant slot, I volunteered and was appointed to fill it, and then was elected to the board at the following annual meeting. Over the years since then I've served as Vice President, Secretary, Treasurer, and now President.

The board can't take much credit for things functioning smoothly--that's mostly down to our management--but around the edges, I think we've made changes that have enhanced Winfield Village for everyone who lives here.

Mother's Day Note to Colonial Townhouses in Lansing, MI

Colonial Townhouses received a lovely note from a former resident about their Mother's Day visit to the cooperative on May 11, 2020. The Patrick family moved into the co-op back in 1964 and after a few years had moved on. They hadn't visited the cooperative in more than 50 years, and this is what they had to say:

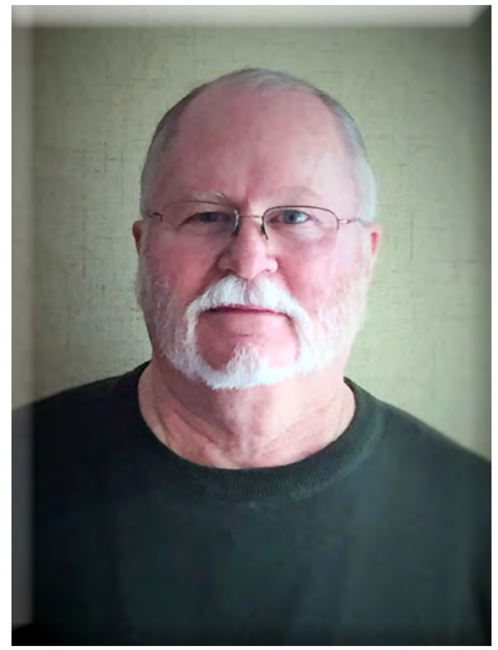
> *What a pleasant surprise to drive in and see how developed it is and how the trees grown up. Mostly we were pleased to see how well you keep up the grounds and how most owners keep it nice too.*
> *Sincerely, The Patricks*


Mothers Day 2020 was most unusual.
However because of the virus situation we did go out for a ride to see places we have lived around Lansing.
Our first New home was after MSU. + it was in the Colonial Townhouses. The corner of Hillcrest. We had a side fence + had to walk around to the parking in the back. The year was 1964. new townhouse + new trees.
What a pleasant surprise to drive in + see how developed it is now + the trees grown up. Mostly, we were pleased to see how well you keep up

Mon. May 11, 2020
the grounds + how most owners keep it nice too.
Congratulations
This was the first we had been by there in 50 plus years.
We had a very nice Sunday drive + what a rewarding time to see two of our homes so well taken care of.
Keep up the good work.
Sincerely,
The Patricks



Meet the Board Member: Mike Reading



How long have you been living in Cooperative Housing?

After serving in the Navy for four years, I moved my family to Lawrence, Kansas. I wanted to find affordable housing while attending the University of Kansas. It was 1970, finding Pine Tree Townhouses with its brand-new construction and great price was perfect for our young family.

How long have you been on the board at t Pine Tree Townhouses?

It's now fifty years later. Pine Tree is still our home. Fourteen years ago, I was elected to the PT Board and over the years I have held every position including alternate. My goal has always been to keep PineTree a great place to live now and into the future.

How do you explain the Cooperative Housing to folks who are unaware of the advantages?

When people ask "What is co-operative living" I tell them it's a housing complex in which each member has a voice. Therefore, a vested interest in how things happen. This is done by a board elected by the membership. Another advantage is in house maintenance.

Tell us about your experiences as a board member at your cooperative.

After I was elected to the board, I quickly realized I needed training on the "nuts and bolts" of co-op management. At work I did a lot of new employee training and program development. That and training in Continuous Improvement came with me to Pine Tree. That helped but not with the "nuts and bolts".

What would be the first thing you would tell a new cooperative board member?

This is where MAHC training comes in to play. The first thing I learned was, I was a board member of a multi-million-dollar real estate property. The second, I am a board member only in a board meeting the rest of the time I am just a member.

Do you have a most memorable conference?

One of the most memorable was at the MAHC meeting in Jacksonville, Florida. My wife and I were sitting in the hotel lobby waiting for the rain to stop. Bill Mage came over, I introduced him to Betty. It wasn't long into our chatting that Bill started playfully teasing Betty. Little did she realize that Bill would remember her and continue teasing her from then on. I have met some great people at MAHC. Everyone is committed to making their co-op a great place to live.

When did you first join the MAHC Board of Directors?

It was five years ago that I joined the MAHC Board. Sitting at the raised head table for the first time looking out at the assembled membership was intimidating. At the same time, it's exciting because I am there to help all those members. I am willing to share my knowledge and training with anyone who needs help.

As MAHC moves into the future, what are some areas you would like to see enhanced and expanded?

Covid-19 has forced everyone to make changes. MAHC and our local boards must adapt to move forward. First, we can all use online meetings and other online items. This means we will all need training and must make the effort to help each other.

Years ago, at work in the Lawrence, Kansas pet food the plant we spent two days learning how to use "Continuous Improvement" in making Kibbles and Bits. At the end of the two days the instructor said his 8 year old daughter told him they use "Continuous Improvement" at school all the time. She said:

"Good, Better, Best -- we shall never rest until our Good is Better and our Better Is Best."

This is a goal we should all strive for.

What are your favorite sayings?

The great rocker Jerry Garcia said ***" Don't be the best at what you do. Be the only one that does what you do."*** This is how I would describe MAHC. We are the only ones who do what we do.

THE APPLICANT INTERVIEW: DO YOU KNOW WHAT NOT TO ASK?

by April Knoch
Pentiuk, couvreur & Kobiljak, P.C.

Time and again we teach our students during conference about the pitfalls and literal legal terrors of fair housing (seriously, those judgments are not for the faint of heart or the poor in cash). For those who spent time with us during our fair housing classes, you know that there are a lot of issues that spring up all the time.

Not only are you fighting the external pressures of surprise testers out in the field, but it seems you are also in a constant run when it comes to internal protocols. For a lot of cooperatives, the Board leads the charge when it comes to interviewing new member applicants. This is fine, but, if untrained in fair housing, it is extremely unwise. Some examples we can use to demonstrate traps for the FHA weary are as follows:

Let's say Marcia applies to your cooperative. Marcia is a single mom of three so she is applying for a 3-bedroom townhouse. Her credit is spectacular and she has no criminal history. The Board decides to interview Marcia because good credit means good payment history but you have that one Board member who believes that children should always have a babysitter and intends to ask Marcia about childcare plans.

Marcia leaves her children with her mother so that she can focus on the housing interview with the Board, but, upon arrival the first question out of the Board member's mouth is "how are you going to work full-time and make sure your children are taken care of? We don't allow children to be left unattended on the premises." This is followed quickly by another question asking Marcia if she intends to have anyone else move in with her or if she will plan on getting married. (Yikes!) Surprisingly, the rest of the Board members remain silent and look expectantly at Marcia. Marcia gets up and leaves the interview without another word. The Board denies her application based upon a rule/procedure that children are to never be left unattended on the premises. One week later there is a petition from the local HUD offices on the Property Manager's desk. Marcia filed a fair housing claim for discrimination.

Let's say John is now applying to your cooperative. The Board member who caused Marcia to file an FHA complaint is busy at a deposition on that matter so that Director is not available to interview John. Now John also has great credit and no criminal history so he too is a good candidate for the interview process. John is asked questions inquiring into what likes to do in his spare time, how he learned about the cooperative and whether he understands cooperative living. John enthusiastically responds and begins sharing information about himself. John starts talking about his disability. The Board President interrupts and starts to ask questions about the disability. Turns out John was honorably discharged from the Marines having been injured while on his second tour.

John has a dog that aids with PTSD and assists with other mobility issues but the dog is currently with the groomer. The Board President says no pets are allowed in a tone that suggests the interview is over. John leaves with a few colorful parting words and some mention about his rights being infringed. The Board discusses the interview and decides to deny the application because there is a no pets rule. A week later another petition for fair housing claim is filed. Turns out John, although a disabled vet with a service animal, is also a Tester for HUD. The Board is stunned.

A cooperative has the right to screen applicants for membership and proposed occupants for authorization to live in the premises. A cooperative has the right to know who will be living in the cooperative. A cooperative does not have the right however, to engage in discussion involving any protected class. Neither does a Board have the right to determine how one should be living their life. As a cooperative, your only concern is to provide housing to qualified applicants. It does not matter if you did not mean to or did not intend to discriminate under fair housing because intent is not necessary to support a successful claim. Also, even if the applicant raises a protected issue during the interview process it does not mean you should proceed with questioning the issue. Rather, it means you need to steer away from it and focus on what makes a member a good occupant or a good neighbor for your community. But what does that mean?

It means you can ask questions about the following topics, by way of example:

- Renovation plans and then you can talk about how cooperatives work and how your cooperative works (this could tell you if they truly understand how coops work and more importantly, how your coop works; if they are talking about making some large-scale changes, they may not be a good fit for your community if you have aged infrastructure);
- What they do for work or if they work from home (this could tell you if their approval could cause a lot of traffic at the cooperative or interfere with other's peaceful possession);
- Whether they like to host parties (this will tell you if you are likely to run into a situation where neighbors will be complaining about unnecessary noise);
- Whether they play any musical instruments (again, if the applicant says they like to play the drums and you are a joined townhouse community, this is probably not going to be a good fit);
- Whether they smoke (if you are non-smoking community and they smoke they will probably not be a good fit);
- What their last interaction with a neighbor was like or when their last interaction with a lawyer occurred (this may tell you if they are a busy-body or like to complain about everyone and everything, or, alternatively, if they are litigious).

Exploration of topics such as the above can give you a more meaningful glimpse into the world of the applicant and what they intend to bring to your community without having to interfere with their life choices such as whether their 12 year old is mature enough to be at home alone after school while they are working. It is also much more meaningful than allowing the applicant to openly discuss a protected issue which could be an intended trap for you like in John's case. John was clearly looking to see if the Board understood the difference between a pet and a service animal and whether the Board knew better than to ask questions about his disability. It means you never ask questions or inquiries, about the following topics, even it the applicant is the one bringing it up:

The History of the Midwest Association of Housing Cooperatives (MAHC)

PART ONE: Setting the Stage for Cooperative Housing
The Need for Affordable Housing and Legislative Actions

Forms of cooperative housing can be traced back to the first days of urban civilization in Babylon and Rome. Cooperative housing began to develop as higher-end communities in the United States in the early 1900's in New York and Chicago.

Later, in the period following the First World War, unions used a combination of pension fund capital and conventional loans to finance affordable housing. The Great Depression and World War II slowed the development of cooperatives until the late 1940's and the subsequent post-war housing shortage.

In the period during and after World War II, several demographic and financial factors converged to eventually make cooperatives an attractive housing choice. In 1942 Section 16 of the IRS Code was enacted to allow income tax deductions for mortgage interest and property taxes for cooperative members.

The National Housing Act of 1950 authorized the Federal Housing Administration (FHA) to insure blanket mortgages held on cooperatives and rental communities.

The years between 1945 and 1950 saw an increase in cooperative development, although investors were reluctant to commit capital. This reluctance was not resolved until mortgage insurance was enacted, resulting in an influx of private capital to cooperatives.

The National Housing Act of 1950 authorized the Federal Housing Administration (FHA) to insure blanket mortgages held on cooperatives and rental communities. This in turn helped attract more private capital for housing. Section 213 was added to the 1950 Act to include middle-income cooperatives.

Section 213 of the Act included middle-income cooperatives and stimulated the growth of co-op units across the country. The National Housing Act of 1959 supported the development of low and moderate income communities during the 1960's and 1970's.

FHA mortgage insurance programs made housing cooperatives an increasingly popular choice for residence in the early 1960's.

The History of the MAHC *(continued)*

The Cooperative Housing Movement in Michigan

The housing base in Michigan was rapidly expanding with the development of cooperatives under Section 213 of the National Housing Act. Housing cooperatives were becoming a popular choice for residence in the early 1960s, primarily due to FHA mortgage insurance programs.

The National Housing Act provided for 40-year FHA government insurance on cooperative blanket mortgages.

The Foundation for Cooperative Housing (FCH) was the recognized leader in the development of housing cooperatives in Michigan.

Early in 1960, the FCH joined with several other institutions to create the National Association of Housing Cooperatives (NAHC), in which all established cooperatives were eligible for membership. NAHC provided a model for cooperative advocacy, representation, and education.

By 1963 several housing cooperatives in Michigan were in varying stages of development. Many of the cooperatives had not yet reached final endorsement, and there were numerous concerns and unanswered questions regarding the future of the properties and their governance.

A meeting was held at the Book Cadillac Hotel in Detroit with members from approximately 14 housing cooperatives in attendance. The member discussed forming an association of housing cooperatives.

At that time, it was decided that they would not establish a formal organization at that time. However, the member did decide to begin publishing a newsletter.

The newsletter contained articles regarding the operations of housing cooperatives, including many tips on the do's and don'ts for board members, who were in the early stages of learning the rule of organization.

Part Two in the next issue of the MAHC Messenger: The Michigan Association of Housing Cooperatives is chartered in 1963.

The History of Housing Cooperatives published in the National Cooperative Law Center (2017) contributed to this article.

The Applicant Interview *(continued)*

- Marital status, pregnancy status or number of children;
- Sexual orientation;
- Age, religion or gender;
- Citizenship, national origin or race;
- Military status or disability.

Understanding what topics are off-limits during an applicant interview are important in avoiding the inevitable complaint that will follow such as in our two scenarios above. A lot of times, an interview will start off innocent enough but can quickly escalate to a situation where the Board is exposing the Cooperative and themselves personally, to a fair housing claim that is not only embarrassing but costly. Neither scenario appeared to be based on any ill will or malice on the part of the Board; both scenarios were very clearly a result of a lack of training. Both scenarios were 100% preventable.

The only way to avoid unforced errors such as those that occurred with Marcia and John is to (1) have fair housing training for every single person on the Board, every member of staff and management and maintenance; and (2) have scripted questions that are preapproved by your cooperative attorney who is familiar with fair housing laws at not only a federal level, but you own state because sometimes, states have additional protected classes that could change your scripted questions and may expand the areas you should not discuss with an applicant in an interview.

The most important thing to remember is always consult with your cooperative attorney about fair housing laws because while training will give you knowledge, it is still a legal standard that should not be interpreted by non-lawyers without his/her expert guidance. And remember, if it is not directly related to the provision of housing itself, you probably should not ask.

Dear Co-op Counselor: Policy on Face Masks and Social Distancing in Common Areas

We have a number of members and household occupants who run through common areas without face masks and crowd the laundry room and elevators. There is concern from some members that social distancing and masking requirements are being ignored while inside the building. Is there anything we as a Board should be doing from a policy standpoint? Should we be enforcing mask policies and social distancing inside the buildings?

Sincerely,
Worried Board

Dear Worried Board:

Most cooperative Bylaws contain a provision outlining the Board's powers and duties. Such powers and duties are generally that it shall have all the powers and duties necessary for the administration of the Cooperative when not otherwise prohibited by law or the bylaws. Enumerated powers often include the ability to create and implement rules and regulations pertaining to the use and occupancy of the premises.

Currently, government mandates concerning social distancing and masking can be driven at not only the state level, but the county and local city level as well where restrictions can become more restrictive the lower the level of government. To start, you will want to have your cooperative attorney go over all applicable governing guidelines to see what exactly is in place as far as social distancing and masking requirements are concerned. This will also cover indoor and outdoor gatherings in excess of a certain number. You will want to look for guideline applicability to businesses generally and whether there are any exceptions carved out. If your cooperative fits within one of those guidelines you may be able to implement a policy that mirrors local requirements and enforce those guidelines on a micro-level.

Additionally, you will want to review what is permissible for purposes of eviction. For example, is there still a moratorium in place in your state or locally. Again, your cooperative attorney will be able to tell you what your courts and your state are doing with regard to evictions. The purpose behind the eviction guidelines is to make sure that if you enforce your masking and social distancing policy and a member violates that policy, he/she may be subject to a special exception for termination for a health/hazard or violation of public health code or law.

Arguably, a cooperative should mirror local health guidelines if for nothing else but to minimize its own culpability in the event someone falls ill. It is also not a bad idea to contact your insurance provider to see whether you have exclusions for (1) virus; (2) bacteria; or (3) communicable diseases. Other steps you can take that really involve no policy enforcement are to provide a safer environment by (1) having your maintenance staff clean, disinfect or wipe down common areas and surfaces more often; (2) closing common areas such as clubhouses, exercise areas, playgrounds or pools; and (3) installing hand sanitizer dispensers in the common areas for members, residents and guests to use.

Having an appropriate policy in place would include a requirement for all members, residents and visitors who are medically able, to wear a mask when outside his/her cooperative home such as in hallways, common areas and elevators. Additionally, if you have laundry facilities, you may want to consider implementing an appointment system and limit the number of individuals who can be in the laundry room during any given time. This would require a laundry monitor to be in place to ensure the guidelines and procedures are followed.

In the event any member or a household occupant under the member's control is found in violation of the masking requirement in common areas, hallways and elevators, it becomes grounds for issuing a warning letter to the member that if they violate again, it will be considered material and a notice of termination will be issued.

Before you make any such policies, do communicate your concerns with your cooperative attorney and discuss with him/her the end result of such a policy to determine the best possible way to achieve the result you want. As always, any decision of the Board should be issued through a duly authorized resolution of the Board indicating the reasons for the Board's determination and its desire to maintain such a policy until such time as masking and social distancing mandates are deemed no longer essential by local health authorities.

Very truly yours,
Co-op Counselor

Your Co-op Counselor

April E. Knoch is an Associate Attorney with Pentiuk, Couvreur & Kobiljak, P.C. and the Supervising Attorney for all cooperative document review, research and drafting.

She is involved in the many varied aspects of representing housing cooperatives including cooperative governance issues, attending and chairing Board and Member meetings, researching legal issues and drafting legal opinions and representation of housing cooperatives in civil litigation.

April is a regular instructor for both the MAHC and NAHC Annual Conferences and she serves on the NAHC Member Services Committee.

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