BUILDING CAPACITY TO SERVE AND GROW THE COOPERATIVE HOUSING COMMUNITY

PROJECT OVERVIEW AND UPDATE
The Urban Homesteading Assistance Board
With support from The Ford Foundation
March 2015

Project Overview
Shared-equity cooperative housing provides the benefits of homeownership, the stability of affordable housing, and the social capital of a co-op community to thousands of households in New York City and around the country. In contrast to market rate co-ops, the shared-equity model limits the growth in equity between initial purchase and eventual resale of the co-op shares, a mechanism that can preserve affordability in perpetuity. Since 1973, the Urban Homesteading Assistance Board (UHAB) has worked to create and support some 1,600 shared-equity housing co-ops in New York City, representing more than 33,000 units of affordable housing in one of the most difficult real estate markets in the country.

This project aims to inform collaborations that will foster the development of new cooperatives and offer support to existing cooperatives. Through our internal strategic thinking process, UHAB has concluded that the best way to grow the shared-equity co-op movement is for organizations like UHAB, that create and/or support co-op housing, to share their intellectual capital – tools for organizing and training, websites and online resources, publications, sample documents and legal expertise, internal training and capacity building, and much more. UHAB is now in a position to share its experience with relevant organizations and housing co-ops that are not yet part of our network. With the support of the Ford Foundation this project will identify interested partners, start necessary dialogue and begin collaboration to further build capacity for the shared-equity cooperative housing community.

This planning grant project consists of two principle activities: outreach and research, and demonstration projects.

Outreach and Research
To understand the landscape of the shared-equity cooperative community, a national census is needed to compile an up-to-date list of cooperatives, their locations, and their sizes. The creation of the census will involve an extensive outreach effort that simultaneously loops key individuals and organizations into the project.

Once the co-ops are identified, we will need to understand in more depth their local context: How did they come to be? How are they sustained? What are their needs and challenges? To answer these questions, a survey of co-ops will uncover a myriad of information. Of particular importance is information related to training and technical assistance; legal assistance; expiring use restrictions; restructuring and refinancing for systems and repair needs; financing for new purchasers; insurance; and energy efficiency.
Demonstration Projects
A vital component of the grant activities will be testing our research results in the context of pilot or demonstration projects. Options for such projects include these:

1. Identify an existing community of co-ops that does not have the assistance of a support organization. Organize the community and deliver trainings, technical assistance, or other services in collaboration with a local organization. Washington, D.C., is a potential location for this demonstration project.
2. Work with the Newburgh Land Bank to create a new cooperative in Newburgh, New York, from an expiring LIHTC project.
3. Create a homeownership loan program that will provide end loans in New York City and around the county as needed.
4. Expand the cooperative community in New York City to include Community House Co-ops.
5. Build a platform for a national, shared-equity housing cooperative network.

Project Update
Outreach
Outreach for the project has reached 100 contacts, which include people from a variety of organizations related to the creation, support, organization, and study of co-ops. Individuals connected with other nonprofits (46), associations of housing cooperatives (18), universities (10), government agencies (8), individual housing cooperatives (7), and property management companies (4) have all been contacted for this effort.

The main method of outreach has been to contact referrals from our existing co-op housing network. The other primary method of outreach has been contacting relevant organizations found from the research of journal articles, books, and Internet sources.

This outreach effort is crucial to introducing the project to the key members of the co-op community, and in finding potential collaborators for the demonstration projects. The other main objective of the outreach is to facilitate data collection for the census and contingent survey effort.

Data Collected
Thus far, data has been obtained from 18 sources: 10 nonprofits, 2 co-ops, 2 co-op associations, 2 government organizations, 1 university and 1 property manager. Most of the nonprofit data sources are organizations that work directly in the creation and support of co-ops such as land trusts and lending organizations. Some state governments have legal statutes that regulate the incorporation of cooperatives, so their databases have been fruitful resources. While all data obtained so far exists in either MS Excel or MS Access format, the attributes contained for each dataset are not uniform and we are in the process of standardizing the data in the aggregate.

From our working master file, we have collected base census information for 2,251 co-ops representing 116,368 units of housing. Currently separate from the master database is a Florida database with an additional 814 co-ops (86,483 units) that needs further work to differentiate between market rate and shared-equity co-ops. In addition, some databases for Boston, Chicago, and parts of California contain thousands more shared-equity units but these data also need further refinement and verification before inclusion in the master file. Accounting for anticipated units to be added in our total count, we can say that we have information for roughly half of the extant 425,000 units of shared-equity co-ops estimated by the National
Association of Housing Cooperatives (NAHC). NAHC estimates are shown below.

**Cooperative Housing Units in the USA**

<table>
<thead>
<tr>
<th>Limited-Equity Cooperatives</th>
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<tbody>
<tr>
<td>HUD-insured and assisted</td>
<td>148,000</td>
</tr>
<tr>
<td>Lanham Act</td>
<td>35,000</td>
</tr>
<tr>
<td>Former public housing</td>
<td>20,000</td>
</tr>
<tr>
<td>Farmers Home</td>
<td>5,000</td>
</tr>
<tr>
<td>Mitchell-Lama (NY)</td>
<td>60,000</td>
</tr>
<tr>
<td>State housing finance agencies</td>
<td>45,000</td>
</tr>
<tr>
<td>United Housing Foundation (NY)</td>
<td>40,000</td>
</tr>
<tr>
<td>Tenant self-converted/UHAB</td>
<td>50,000</td>
</tr>
<tr>
<td>CDBG/LIH tax credit</td>
<td>7,000</td>
</tr>
<tr>
<td>Mutual housing</td>
<td>15,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>425,000</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Market-Rate Cooperatives</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Conventional, new construction</td>
<td>100,000</td>
</tr>
<tr>
<td>HUD-insured</td>
<td>109,000</td>
</tr>
<tr>
<td>Membership-sponsored</td>
<td>6,000</td>
</tr>
<tr>
<td>Conventional conversions of rental</td>
<td>550,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>765,000</strong></td>
</tr>
</tbody>
</table>

| **U.S. Total, All Cooperatives** | **1,190,000** |

**Source:** “Profiles of a Movement: Co-operative Housing around the World.” International Cooperative Alliance Housing, p. 86. (2012)

**Contributor:** Roger Wilcox and the NAHC Publications Committee, National Association of Housing Co-operatives (NAHC)

**Typology of Shared-Equity Housing Co-ops**

The size of cooperatives typically reflects the different eras and modes of co-op production. The 1930s through 1970s period of federal, state, and union-sponsored co-op development produced housing on a large scale, often in vast complexes with hundreds of units. For example, the 97 co-ops that came under the New York State Mitchell-Lama program average 718 units each.

A second major era of co-op production occurred during the 1970s through the 1990s and included the sweat-equity movement and the conversion of distressed, multifamily rental properties to cooperative ownership. From this second era, New York City Housing Development Fund Corporations (HDFCs) number 1,595 co-ops with an average of 20 units each.

Today’s cooperative housing development (often emergent from the land trust movement, intentional communities, manufactured homes conversions, and a new interest in the “solidarity economy”) produces co-ops at a variety of scales. For example, we can look at new trio of three-unit co-ops in Maine or the 163 ROCUSA mobile home co-ops that average 60 units each.

To look at typology in model variation, we see a variety of co-op arrangements that tweak income requirements, resale restrictions, and stewardship plans to meet the needs of the individual cooperative. Limited-equity co-ops in conjunction with land trusts, zero-equity co-ops and mixed market-rate/limited-equity co-ops are just some examples of the multitude of model types seen thus far in the research.

While the variety of typologies is a strength of the co-op model overall and testament to its local adaptability, it presents a challenge to the research effort. Similar models have different names in
different places, and the models themselves blur the lines of conventionally understood categories of shared-equity homeownership, as in the case of the limited-equity/land trust model. As the research moves forward, these typologies will be further distinguished and established.

Preliminary Census Mapping
Processing our census data with geographic information systems (GIS) software illuminates basic characteristics of the co-ops such as their location and size. Additionally, GIS holds the potential to further analyze the co-op community alongside other geographically referenced information.

The national map shows the working count of shared-equity co-ops by state. As data continues to be collected and processed, we know that certain states will show higher counts, particularly the Midwest states, Florida, and New Jersey. We anticipate that the New York City metro area will account for approximately half of all cooperatives nationwide.

Our two maps of co-ops in the Bronx nicely reflect the differences in scale of production between the first and second waves of co-op development. The New York State-sponsored Mitchell-Lama program came to produce and/or maintain 22,868 units of housing in 28 separate co-ops in the Bronx, while the co-ops that came out of conversions of distressed housing stock represent 6,657 units in 229 different HDFC co-ops in the borough.

The map of New Hampshire was included to exemplify a growing movement of cooperative development, the conversion of mobile home parks and manufactured home parks. The model started in New Hampshire where 111 parks have been converted, and has been applied across the country by the nonprofit ROCUSA. Nationwide, 163 co-ops have been created, representing 10,020 units of housing.

The maps of San Francisco and Washington were included to show two other cities for which we have especially reliable data. The co-ops in these cities represent production from government sponsored programs as well as the work of smaller scale, sweat-equity development and co-ops developed by nonprofits and land trusts.

The way in which the data is stored in GIS allows us to make city-level maps of any area that has a concentration of cooperatives and the maps shown are just some examples.

Next Steps
Over the next months we will be continuing the outreach to co-ops and organizations, beginning the survey effort, and planning for a demonstration project(s). In addition, we are creating a webpage for the project and an online interactive map of the co-ops and related organizations. The webpage and map will serve as a networking tool for the co-op community and as a research tool for the project. This step is crucial in giving the project a public face to share information with those already in our network, and to engage those who are not yet a part of our network.
Count of Shared-Equity Co-ops by State: 2,251 Co-ops

This map shows the working count of co-ops in each state from the national database. As more data is obtained and processed, these counts are expected to increase, particularly in the Midwest, Florida, and New Jersey.

Legend

# of Co-ops by State

- No Data
- 1-50 Co-ops
- 50-200 Co-ops
- 200+ Co-ops

Scale: 250 0 250 500 750 1000 km
Mitchell-Lama Housing Co-ops in the Bronx, NY

28 Co-ops provide 22,868 units of affordable housing. 15,372 of those units are in one development, Co-op City in the northeastern corner of the borough.

Data from the Furnman Center.

Legend
- The Bronx
- Co-op Location

Co-op Size
- Green: 40 - 300 Units
- Purple: 500 - 1000 Units
- Pink: 1000+ Units

Scale: 2.5 0 2.5 5 7.5 10 km
HDFC Housing Co-ops in the Bronx, NY

229 Housing Development Fund Corporation (HDFC) Co-ops provide 6,657 units of affordable housing.

Data from the NYC Housing and Preservation Department.

Legend
- The Bronx
- Co-op Location

Co-op Size
- 2 - 25 Units
- 25 - 100 Units
- 100+ Units
Shared-Equity Cooperatives in New Hampshire

111 manufactured home and mobile home parks in New Hampshire have converted to resident-owned, shared-equity cooperatives that provide 6,296 units of affordable housing.

Data from ROCUSA.

Legend

- New Hampshire
- Co-op Location

Co-op Size
- 6 - 50 Units
- 50 - 200 Units
- 200+ Units

12.5 0 12.5 25 37.5 50 km
Shared-Equity Housing Cooperatives in San Francisco

16 co-ops provide 2,107 units of housing, approximately 1,000 of which are affordable.

Data from San Francisco Community Land Trust

Legend
- San Francisco
- Co-op Location

Co-op Size
- 8 - 20 Units
- 20 - 200 Units
- 200+ Units
Shared-Equity Housing Cooperatives in Washington, DC

101 Co-ops provide 3,175 units of affordable housing.

Data from City First Homes.

Legend
- District of Columbia
- Co-op Location

Co-op Size
- 0 - 25 Units
- 25 - 100 Units
- 100+ Units

Scale: 1 0 1 2 3 4 km