

COOPERATIVE DEVELOPMENT INSTITUTE



An Assessment of Boston's Housing Cooperatives

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REPORT SUMMARY



Cooperative approaches to housing access and stability have been implemented worldwide. In the US, discussions of housing corporatization are becoming more widespread as the nation's wealth and land ownership reach unprecedented levels of concentration, and the resulting displacement and homelessness accelerate. Public agencies and nonprofit organizations have an opportunity to revisit previous discussions of housing cooperative projects to review the state of the field, locally and nationally. By assessing the condition of past efforts of housing cooperation, both rural and urban, communities and public officials can engage in supporting existing housing cooperatives, while preparing for new models, investment, and public support for additional housing stabilization.

In an earlier phase of this research, CDI determined that a number of cooperatives and/or tenant-controlled developments did not form as income-restricted developments and/or did not continue with tenant-control. In 2022, the boards we spoke to indicated a number of variations in the way they functioned, succeeded, and handled unexpected difficulties. Their participation in this study gave us the opportunity to observe their interactions, as well as their knowledge and experience. Although the survival rate was concerning, many of the accounts of the co-ops' contributions, resilience, and willingness to share ideas for solutions were inspiring.

This 2022 assessment of the Boston housing cooperative marketplace returned the following major findings:



- **The housing cooperatives of Boston have made positive community contributions beyond housing.** This adheres to the stated values of cooperatives internationally.
- **The co-ops are challenged and are currently under extreme internal and external pressure to survive and succeed.** The major concerns and needs fall into several themes:
 - Funding and financing for capital improvements
 - Property management services
 - Resident selection and orientation
 - External forces and relations
- **The study participants and CDI consultants have many recommendations for solutions which address each of these themes.** They include training, technical assistance, financial support, networking and more ideas to meet and provide support for the challenges of managing Boston's housing cooperatives.





PROJECT SUMMARY

The **Cooperative Development Institute (CDI)** was engaged by the **Community Economic Development Assistance Corporation (CEDAC)** to assess the portfolio of housing cooperatives in the City of Boston. For CDI, the goal was to learn more about the status, strengths, limitations, public support, and durability of previous urban multifamily housing cooperatives as it seeks to expand support for cooperatives in addition to its highly effective rural/suburban **Resident Owned Communities (ROC) model**.¹ CEDAC was interested in the subject as a part of its mission, as an investor –via funding and technical advising– in a number of the housing cooperatives, and as a partner of the City of Boston’s, Mayor’s Office of Housing. All three parties were responding to increased requests for information and support for cooperative housing solutions.

In the City of Boston, there are many models of housing cooperatives and/or tenant controlled housing, with and without public investment, income restrictions, and private or nonprofit partners. Many of the income-restricted housing cooperatives and tenant controlled developments were started in the 1980s and 1990s with public investment by federal, state, and city agencies. The wide array of possible housing cooperative or tenant-controlled arrangements has made it difficult for any one agency to keep track of all of these various cooperatives and developments. Adding to this difficulty, a majority of the income-restricted and/or affordable housing cooperatives that were created several decades ago have transformed over the years. Some have ceased operations as co-ops, transitioning to rental housing, or being sold in the for-profit marketplace.

In late 2021, the assistance of CDI was requested by the Community Economic Development Assistance Corporation (CEDAC), which was working with the Mayor's Office on Housing to determine what remained of the income-restricted, tenant-controlled developments and cooperatives that have been created with the assistance of the City over the decades. The purpose of this research was to learn as much as we could about the status, operations, and ongoing needs of income-restricted cooperatives and developments that had some form of tenant-control. We also asked board members for these developments about the types of support that they wished they would have had in their early years, or even in the recent past. This report provides a summary of our findings.

In addition to the board members who spoke with us from income-restricted, tenant-controlled developments around the City, as well as their property managers and consultants, CDI also consulted with a number of housing professionals who were and are involved² in structuring, financing, developing, leading, and/or residing in cooperatives in Boston. Their input has been invaluable in finding particular entities seemingly lost to public view, understanding the history of particular communities,² and gaining insight on the cooperative model and its challenges and potential.

1: See CDI's Report: Cooperative Solutions to the Massachusetts Housing Crisis, June 2021.
<https://cdi.coop/wp-content/uploads/2021/07/MA-Housing-Co-op-Solutions.pdf>

2: For reference, see: James Jennings, Juan Evereteze, Richard o'Bryant, Russell Williams, Sue Kim, and Melvyn Colon. The Demonstration Disposition Program in Boston, Massachusetts, 1994 to 2001: A Program Evaluation. Submitted to Mass Housing: Boston, MA, March 2002:
<https://sites.tufts.edu/jamesjennings/files/2018/06/reportsDemonstrationDisposition2002.pdf>



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Above all, we would like to thank the boards of directors, individual board members, property managers, consultants, attorneys, and cooperative members who shared their perspectives and expertise with us, providing an abundance of information on their own tenant-controlled developments or cooperatives, on the environment in which they continue to exist, and on the overall state of income restricted, tenant-controlled housing in the City of Boston. To all of these board members, in particular, we have only the deepest gratitude.³

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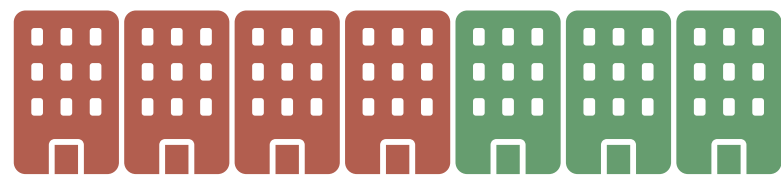
DATA COLLECTION & METHODS



From November, 2021 to mid-March 2022, CDI worked to combine, research, and update lists provided by CEDAC and the Mayor's Office on Housing (MOH), as well as to add these lists of developments that were believed to have some form of both tenant-control and income-restriction. Much of this work involved talking to experts in the field, searching the Massachusetts Secretary of State listings, searching the Boston Tax Parcel database, and consulting older lists from the MOH showing the last-known status of income restrictions and the last known property management company for each cooperative. Through these means, we both added to and subtracted from an original list of developments that fell into this target category.

By mid-March, we had reduced an original list of some 48 developments down to 21 developments that clearly fit into our category.⁴ Around that same time, we also added around two dozen newly-named developments that professionals in the field had suggested might also fit into the target category, but which had not yet been researched.

In mid-March, we began outreach to the 21 developments⁵ while simultaneously beginning research on the two-dozen newly named developments.⁶



4: Eight of these were put on hold by our partners in the Mayor's Office and were not contacted.

5: See previous note.

6: We were also asked to look further into six developments that our research had already discounted as not fitting into the target category but that our partners wanted reassessed. This additional research involved identifying last-known board members (if any), seeking contact information for them, and attempting to reach them and/or the last known property management companies. We learned a great deal through this time-consuming process though, ultimately, none of these cooperatives were found to fit into our target category, whether because they did not have income restrictions or because they no longer existed as cooperatives.

Research on newly-named developments involved searches in the Massachusetts Secretary of State database in order to find lists of board members for that development. Often, there were multiple entities (or there were no entities) that seemed related to the development in question. Therefore, property addresses were also searched in the Boston Tax Parcel database, which generally revealed the name of the property-owning entity. Property-owning entities were then cross-referenced with lists of possibly relevant Secretary of State entities. Once the presumably correct entity was identified, we searched for the names and addresses of the last known board members of the entity. Contact information for board members was sought through a paid subscription to Whitepages.com. In a handful of cases, property managers for the developments facilitated our communications with board members and, in some cases, assisted with meeting arrangements.

Methods: Participant-Centered CDI followed typical participant-centered research conventions in our data collection, including using in-depth interviews that allowed

participants to lead the discussion. The strengths of this approach include gaining more nuanced and comprehensive information on highest need areas, providing more space for creative solutions, respecting the expertise of participants, building trust, and inviting future engagement.

Another strength of this approach was that it enabled us to overcome (at least partially) the hesitancy that many boards and board members initially expressed around discussing the problems that they were experiencing and/or the details of those problems. As one board member put it, “when someone asks you what problems you have in your family, you don’t tell them about the problems, you say ‘none.’” By allowing board members and/or their selected representatives to lead our conversations, as well as to decline to discuss any particular areas of their operations that we might ask about, we were able to overcome a good deal of this hesitancy. Several boards and board members did point out to us that, in our hour or two hour conversations with them, they were “only scratching the surface” in what they told us about difficulties they had experienced.

Regardless, this “scratching the surface” allowed us to gather a tremendous amount of valuable data, including information on topics that we might not have otherwise uncovered, while also allowing board members to protect themselves against what some feared might be repercussions for speaking out on certain topics – particularly those relating to difficulties with external agencies. Because of our participant-led methods, the majority of boards that we spoke with were tremendously generous with us in what they did share.

It should be noted that a trade-off in collecting the higher value qualitative data through participant-led research is that some data are not easily quantified. Participants discuss different topics of importance to them. Some boards raised issues that we would not have thought to ask about, and not every board answered the same questions. This means that it is not always possible to provide a finite number for how many boards of developments are experiencing a particular issue. This is particularly and primarily the case when it comes to some of the most interesting information

discussed in this report –i.e., the things we found but didn’t know we would find. When necessary, we have carefully combed through our notes to provide quantified estimates that represent the number of boards/board members for whom a particular issue was raised and who voiced a similar experience. We ask readers to keep in mind that these numbers only represent those who spoke on a given topic, not necessarily the numbers of boards and developments who were impacted by that particular issue. There may be some instances in which we report on topics that one or two boards heavily emphasized in their conversation with us but that no other boards of developments have experienced. More often, we expect that the numbers we report will represent only the lowest possible range of developments that are impacted by a given issue.

Methods: A Variety of Means for Sharing Information

Once we succeeded in making contact with board members (and/or their property manager),⁷ we provided a written overview of our project, which included a range of options for boards to share information with us.

Options included: an in depth interview with the entire board, conducted over Zoom,⁸ in depth interviews with a group of board members and/or their selected representatives also conducted over Zoom, one-on-one phone calls with various board members and/or their selected representatives, the completion of a survey,⁹ some combination of the above, or any other manner that felt comfortable for/ was selected by board members.¹⁰ In-person meetings were offered though most boards were conducting their meetings remotely.¹¹

When we met with boards over Zoom and/or talked with boards or their designated representatives over the phone, we generally began our conversation by providing a quick refresher overview of our project, and asked board members to share stories of

cooperative successes and challenges, as well as information on the types of support that board members either wished they had received in the past or would find useful to have now.

7: Property managers were the main point of contact provided by the Mayor's Office. Though we attempted to always also identify, gain contact information for, and reach out to board members, some board members asked us to communicate with them through their property managers. More on this in the section on the Requested and Suggested Support and subsection on property managers.

8: Due to the ongoing pandemic, boards were comfortable with video meeting platforms, so CDI held all of the meetings with boards over Zoom.

9: CDI originally created multiple surveys for this project. The preliminary one, intended for internal use to help guide our conversations with boards, was later shared with 5-6 boards who requested to see our questions in advance. Only two of these boards (primarily those who had already met with us prior to their receiving the survey) completed and returned the survey. Other boards used the survey as a reference point for their conversation with us. In two cases, the range of survey questions appeared to alarm board members, leading to a shortened conversation, in one case.

10: We added this latter option (any other manner that felt comfortable to board members) early on in our research when we found that a number of board

10 (cont:.) members from different cooperatives expressed hesitancy to talk openly on a range of topics that they did not select for themselves. This hesitation appears to have been most concentrated among board members who had been active with their cooperative/development for decades and who had weathered a number of unfortunate incidents involving either misinformation, contradictory information, or lack of information. Most often, these incidents also involved external agencies taking actions, creating requirements, or acting in other ways that both created animosity with boards and that were experienced as interfering in board authority and tenant control of their developments/cooperatives.

In an effort to build trust and safety, CDI used participant-centered methodologies. By offering boards whatever opportunities they wanted to share with us, we obtained a wealth of information through a variety of ways. Most successful were the group-led meetings with board members who had a good deal to tell us.

11: One board did, later, ask us to sit down with them in person in order to help them with an ongoing matter. This was after we had met with the board twice over Zoom, learning in the second meeting about this matter. We will be following up with that board in the coming months.



Generally, the brief overview of our project was enough of an open-ended prompt for board members to launch into lively conversation.

If/when there were pauses in the discussion, CDI asked additional clarifying questions or new open-ended questions intended to cover the main aspects of cooperative operations and long-term cooperative stability, including: governance, fiscal health, long-term stability (including capital improvement planning), membership health, rules enforcement, collections, member-resident selection, maintenance and repair, and relations with property management.

In general, board members had so much information to share with us that we were able to successfully gather information from each of these categories without having to refer to the survey questions.

About half of the boards we spoke with had so much to say that we could have held multiple meetings with them while still only gathering a small portion of their vast knowledge and experience on the topic of the needs of income-restricted housing cooperatives and tenant-controlled developments.¹²

Many boards had been struggling – and succeeding – on their own for so long that it was not always easy for board members to identify all of the types of support that could make their roles easier. Our results section (Requested and Suggested Assistance), therefore, contains a combination of (1) specific requests for support that originated from board members, (2) suggested types of support that originated from us and were affirmed by board members, and (3) types of support that we later identified by us as means to address particular issues mentioned by board members.

12: Indeed, we did meet with a few boards more than once and still did not exhaust their knowledge nor the full range of their desired support.

Descriptions of Participants

In total, CDI was able to talk in some detail about cooperative/development needs with members of 16 of the boards of directors on our list, and held remote Zoom meetings with 10 of these boards, sometimes meeting more than once.¹³ During this process, we learned that two of these developments are no longer income-restricted.¹⁴ Summaries of our conversations with these two groups are included in this report because of the value of the information shared with us.

Of the six cooperatives/developments for which we were not able to meet with a group of board members at one time, but instead had only one-on-one conversations with individual board members, the communications were as follows:

- One board sent us an emailed statement (via their consultant) summarizing the information that they felt was important about their cooperative and referring us to their consultant, with whom we had a follow-up phone call.¹⁵
- In another case, we spoke with three members of the board individually, two of which talked in detail with us. One of those two cited internal divisions as a reason why the entire board would not be meeting with us.¹⁶
- In a third, we spoke with one board member in a detailed one-on-one conversation, while other members of that board whom we contacted suggested that we go through their property manager to set up a meeting with them. Repeated efforts to speak with the property manager were unrequited.

¹³: We are including in this count one cooperative whose board of directors sent us an emailed statement summarizing their cooperative's needs and successes, and who then referred us to their consultant, with whom we had a follow-up phone call.

Also included in this total 16 is the board of a cooperative-in-information, whose board members do not presently reside in the property that will become a cooperative. In this case, some of the board members work for a local CDC that is working to help get the property successfully organized as a cooperative. While this cooperative-in-information cannot inform our assessment of the needs of existing cooperatives, it can and has informed our assessment of the needs of new cooperatives, which are discussed at the end of the next section.

¹⁴: Several of the developments included here consist of a mixture of income-restricted units and non-restricted (sometimes market rate) units. In addition, we have received contradictory information on the existence of income-restrictions at another two, both of which provided very minimal information on their cooperatives (see the following two footnotes). Each of these appears to be income-restricted under the Boston Tax Parcel listings.

- In a fourth, we spoke at length with one board president and reached out to other board members, several of whom initially indicated interest in bringing our project to the full board. We did not hear back by our deadline and don't know whether the full board discussed our request to meet with them.
- Finally, we had detailed conversations with the board presidents of the two additional cooperatives in this category. In one case, we had a follow-up Zoom meeting with the board president. In the other case, we were referred to additional board members/ staff for further conversation, though this was not possible by the project deadline. Nevertheless, a wealth of information was obtained through our prior conversations with the board presidents.

Roles of Property Managers and Consultants

In addition to our meetings with boards of directors, we had several detailed conversations with property managers for a number of cooperatives/developments, as well as relevant Community Development Corporation (CDC) staff and/or consultants hired by boards of directors. Property managers for four of the properties, both attended a zoom call with board members and had one-on-one conversations with us about the cooperatives/developments they served.¹⁷ In a fifth case, property management staff attended and participated in the Zoom call with board members, though they deferred to board members to answer most questions. Consultants hired by two boards either attended our meeting with board members or had conversations with us outside of these meetings.

15: This is one of the two, above-mentioned (see previous note) cooperatives for which we received some very good, but also minimal, information. The information that we received did not address affordability, though the board and their consultant were responding to our materials regarding income-restricted, tenant-controlled developments. The Boston Tax Parcel database shows the development's properties as subsidized Section 8 housing.

16: This is one of the two-mentioned cooperatives for which we received minimal information, as well as some contradictory information on the existence of income restrictions (one board member said that they had paid off their HUD loan and were no longer under HUD or Section 8 Agencies, while the other board member identified the cooperative as being under HUD and requested more advocacy efforts for HUD tenants and the Boston Planning and Development Agency. The Boston Tax Parcel database lists this cooperative's property as subsidized Section 8 housing.

17: One of these four cases involved the board members/ CDC staff for the cooperative-in-formation, mentioned in the previous note.

One board of directors had their attorney present to help them answer questions during our meeting with them.

Participants Not Included

In addition to those 16 boards that we met with and/or learned from:

- There was one cooperative for which we were unable to reach any of the board members, but did have contact with their property manager. This conversation primarily focused on property management perspectives on cooperative boards of directors, in general, and not on the specifics of the cooperative in question. For this reason, this cooperative is not included in our count.
- In three developments/cooperatives, board members and/or leaders agreed to meet with us, but we were not able to hold these meetings by the assessment deadline. One of these meetings has been scheduled for August, after an upcoming board election is expected.¹⁸

- Outreach to an additional three of the newly named cooperatives/developments was underway at the time of this writing. We will remain open to meeting with board members at these cooperatives.

Declined Participation

There were two cooperatives / developments that we reached out to over a course of several months, both of which eventually indicated that they did not want to talk with us. In both cases, the board members that we reached asked us to communicate with them through their property managers. We spent months pursuing the property managers by phone and email.¹⁹ In each case, the property managers' eventual conveyance of our request to the full board resulted in the board declining to meet with us. In both cases, we received some feedback about board members not wanting to invite City involvement in their cooperative / development. One of these boards also cited not wanting to share internal information with an outside agency.

18: One of these meetings has been scheduled for August, after the upcoming board election which may create a new board dynamic.

19: One of the property managers delayed our request for more than two months, telling us that she needed permission from her district manager.

A member of the other board emphasized the board's additional unwillingness to get involved in City politics or to give up any control over their development / cooperative to the public agencies.

Newer Additions

As mentioned previously, in addition to all of the prospective cooperatives/developments that were eventually removed from our list because they no longer appeared to meet the criteria (having some form of tenant control and some form of income restrictions), there were a number of cooperatives/developments added

to our list around mid-March that had not yet been researched. Of these, our preliminary research suggested that 16 were likely to fit our criteria. We managed to reach out to about five of these, meeting with representatives from three of them and talking with board members and/or property managers for two more. Those developments are included in our counts, above. In two more cases, representatives had agreed to meet with us, but the meetings were not scheduled by our deadline. We were not able to establish contact with the remaining nine before the assessment deadline, despite our best efforts.



Notes on Terminology & Reporting



Development, Cooperative

Our research targeted income-restricted cooperatives and/or developments with some form of tenant control. It is not practical to use this lengthy descriptor repeatedly, though we will occasionally do so for emphasis. Therefore, we will primarily use the term development to indicate exactly this,²⁰ though we will also, on occasion, use the term cooperative as an interchangeable replacement. Throughout the remainder of the text, readers should understand that when we use these terms, development or cooperative, we are indicating income-restricted cooperatives and/or developments that have some form of tenant control. When there is some deviation from this meaning, such as when a cooperative is not income-restricted, we will note that in the text.

Rents, Carrying Charges

Several of the development boards of directors with whom we've spoken have emphasized that they do not use the term rent when referring to the monthly fees charged to resident-members. Instead –particularly when the development is owned by the collective resident-members– they use the term carrying charges. Some other boards did not express a preference and/or used the term rent on occasion when we spoke. Though our use of either term will be rare in this report, we will primarily use the term carrying charges, but may sometimes use the term rent as an interchangeable replacement, intended to refer to the same monthly fee.

20: The reasoning for this choice is that all cooperatives can be classified as developments, but not all developments can be classified as cooperatives.

Income-Restricted, Affordable

Though the above terms, development and cooperative will always indicate the presence of income restrictions unless otherwise indicated, we use the term income-restricted to refer to developments that have specific legal restrictions (including deed restrictions, US Department of Housing and Urban Development (HUD) and/or their main housing subsidy program, called "Section 8" restrictions, and/or restrictions under the City of Boston's affordability requirements) governing the amount of monthly carrying charges, often on the basis of resident-member income. However, we may also, on occasion, want to discuss the topic of affordability. In those cases, we will use the terms affordable and affordability to indicate costs that are in reach of low-income and/or very-low income individuals and families. If and when we use these terms to indicate something else, we will try to make that clear in the text.

Member, Resident, Tenant, Shareholder

Many of the developments that fall into our target category were the product of tenant organizing and association struggles in the 1980-90s, or previous decades. We want to recognize the value of these struggles by utilizing the word tenant primarily when we are referring to this type of tenant-association control of a development. We found the majority of boards used the term resident when referring to those who live their developments, and were sometimes caught off guard when we used the term member (a term CDI uses in most of its housing cooperative work). A handful of boards used the term shareholder, and one board made a particular point of emphasizing their use of the term member because the folks living in their development are all members, not just residents. In this report, CDI will most often use the term resident-member as a way of indicating the collective, self-determining power of those living in these developments. We may use the terms resident, shareholder, and member interchangeably. When we do so, it is not because we are suggesting that residents are anything less than members, but because our research is participant-led and we feel that it is important to represent the terminology used by participants.

Reporting

As a participant-led research project, our goal is to report the information as it was shared with us. When necessary and possible, we've asked clarifying questions. In some cases, we've looked, with our partners, more deeply into reported concerns.²¹ On the whole, we are recognizing the tremendous knowledge, experience, and expertise of the board members with whom we spoke by not filtering their comments through a lens that assumes we know better than they do. The board members in these developments –particularly those who have been involved in running their developments for decades– are the experts when it comes to the needs of their developments and members, the struggles and successes of their developments, and types of support that they wish they had access to over the past few decades. Our report is acknowledging this expertise by reporting it as it was reported to us.

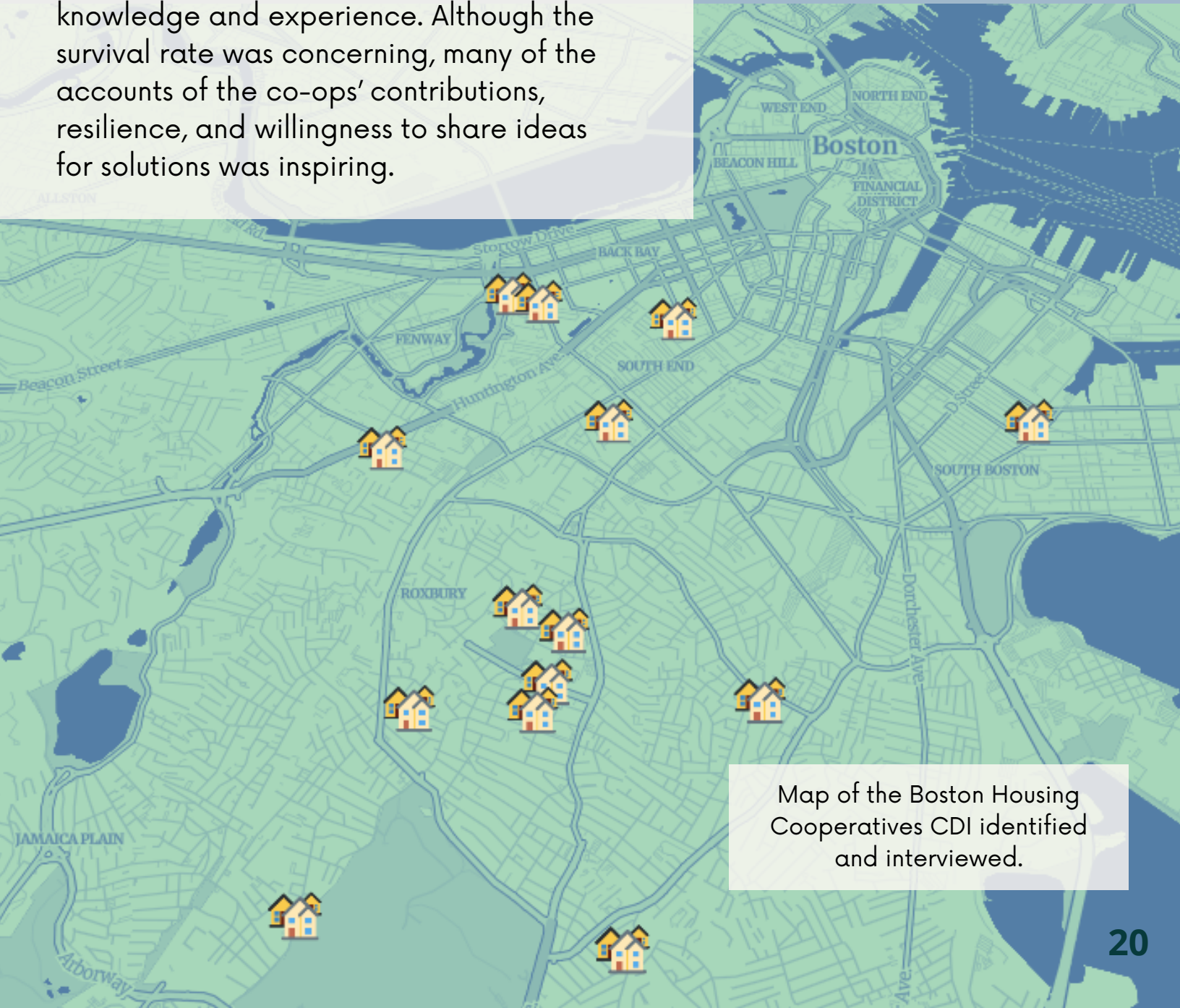
At the same time, CDI brings expertise in identifying needs through board or resident-member discussions, and in helping cooperative boards and/or members better address these needs. Some of our recommendations are included in the section entitled Requested and Suggested Support.

21: In two of these cases, we were checking into concerns that seemed somewhat urgent and could be addressed in the immediate short term.



RESULTS

The boards we spoke with indicated a number of variations in the way they functioned, succeeded, and handled unexpected difficulties. Their participation in this study gave us the opportunity to observe their interactions, as well as their knowledge and experience. Although the survival rate was concerning, many of the accounts of the co-ops' contributions, resilience, and willingness to share ideas for solutions was inspiring.



Map of the Boston Housing Cooperatives CDI identified and interviewed.

Cooperatives as Community Stewards



Any assessment of housing cooperatives as a model or as a sector should include some aspect of their local impact. The seventh principle of the International Cooperative Alliance is “concern for community” or what the economists may call a “positive social multiplier effect”. The reports of Boston housing cooperatives’ hosting, funding, and managing community services indicated their deep and long term commitments and successes.

Any and all tenant-controlled housing developments – indeed all complex organizations – inevitably face a number of difficulties, many of which can be ongoing and recurring. Though most of this report focuses on those difficulties that were reported to us, we are noting below the range of achievements that many developments reported.

Below is an overview of some of these achievements, demonstrating the level of resilience of Boston income-restricted cooperatives and tenant-controlled developments, as well as the major contributions that they are making to the well-being of their resident-members, their surrounding communities, and the city of Boston overall. This is not an exhaustive list of successes, achievements, and/or contributions. It is an indication of what is possible – particularly when cooperatives have the right support.²²

Shared Spaces to Serve Member-Residents

Some of the boards that we spoke with noted that their developments had available one or more spaces, beyond the housing units that were occupied by member-residents.

22: We want to note that the achievements reported in this section were done entirely by cooperative boards, the member-residents they recruited, and the community connections they built on their own, without the types of support we are most discussing in this report.

Those that reported having these spaces almost always also reported utilizing these spaces in ways that served their member-resident populations, and that sometimes also served the community beyond that. Two of the development boards we spoke with reported having technology centers, where resident-members could come and learn skills related to using a computer, setting up an email account, filling out forms online, and other technology-related skills that are increasingly needed and required in today's world.

A board member from one of these developments told us that they managed to fill their technology center with donated computers from local nonprofits. That same board member reported that her development sought to utilize the technology center to help kids get connected in positive ways, as well as to help senior citizens who might not otherwise have any way to gain an understanding of some of the most recent, rapidly-developing technology that is increasingly a part of daily life for mainstream society.

A few other boards reported having space that was set aside to serve as a community center for resident-members. One development

reported that resident-members could rent out the community center for their own parties and events (certain rules apply), but that their center also regularly hosted social, community-building events, such as movie nights for families or teens, and game nights where teenagers can connect over a pool table, a ping pong table, and a bag of popcorn. That development also reported hosting periodic "History Nights" where residents from different cultural backgrounds would come and talk about their culture and their history to others who came to listen and ask questions. That same development also allows member-residents to participate in the collective purchase of tickets for selected plays or other events, thereby building community through fun, collective social outings for those who wish to participate.

Shared Spaces Serve Community

One of the non-income-restricted cooperatives reported having a ground floor commercial space which they rented out to local businesses or franchises. Revenues from this commercial space not only subsidized rents for the cooperative, but also allowed the cooperative to maintain a unit owned collectively by the cooperative, that was used to

house one or more folks in need of housing. Right now that 6-room unit is hosting three veterans.

Another board of directors reported having an ongoing agreement with the City to house homeless folks in a certain percentage of their units.²³

Programs & Trainings for Serving Member-Residents

Four of the boards we spoke with reported that they had taken on the work of doing their own property management, while two more reported wanting to move in that direction. Of those doing their own property management, two reported having bookkeepers or a property management company continue to do the books, while the board and/or one or more residents manage the maintenance and repair work, the minor renovations, and the rules enforcement. Collections, payment plans, and evictions were sometimes managed in-house, but also often delegated to a contracted entity.

One board member reported that her development had a whole process through which lease violators get the benefit of the

doubt, are referred to resident services, and are offered payment plans and other assistance and opportunities to get back on track before action is taken against them. In some cases the development's resident services can provide assistance and/or connect residents with assistance that will help them get back on their feet. Similarly, another cooperative board reported members having such strong bonds with each other that they provide multiple, sometimes ongoing chances for resident-members to get caught up on rent. In some cases, when a resident-member falls behind on rent due to illness or other major life changes, everyone in the cooperative pitches in to help them get through the difficult period.

Some developments report that they provide training opportunities for board members and resident members. In addition to the annual National Association of Housing Cooperatives trainings, to which many boards send their directors, one or more boards also send directors to the Midwest Association of Housing Cooperatives trainings.

23: Board members reported that this program has run into some external obstacles in the past year or so, though they also reported that they are willing and ready for the program to proceed as it had been in years past.

One board reported holding training for resident-members who may want to consider joining the board of directors. These trainings are intended to get resident-members up to speed on everything that is happening with the board and everything that the different officers are responsible for doing. That same development also provides trainings to better inform board members how to compassionately and effectively interact with folks experiencing mental illness. The explicitly-stated philosophy of that board and all of the programming work that they are doing is to always be “helping others, caring for everyone.”

Programs & Trainings for Serving the Community

Some of the types of programs run by that particular board of directors include opportunities not only for cooperative resident-members but also for members of the larger community and/or for linking cooperative resident-members with the larger community. For example, this development runs what they've described as a 6-week summer drop-in center or “camp” for youth – both youth in the cooperative (at \$35/week) and youth in the wider community (at \$50/week).

The program includes an orientation for parents as well as minimum-wage-paid work opportunities for youth who want to gain skills working as camp counselors or doing landscaping, painting, or other work that benefits the cooperative and the community. Some youth are also given the opportunity to intern with the local fire department.

These summer drop-in center / day camp opportunities were described as providing kids with a safe, supervised opportunity to socialize with others throughout the summer, allowing kids to work on self-esteem without a fear of being bullied. An aspect of the youth programming in this development also includes helping young people to identify their feelings and their triggers and helping provide them with coping skills for dealing with triggers. The program also includes an element of career counseling, where young people are treated to talks by mentors in different professions, and are encouraged to begin thinking about college or trade school applications. The program is impactful enough for youth that it attracts volunteers from several former resident-members who grew up in the development and went on

to graduate from Harvard, but who now want to be sure to give back to the development that nurtured them as they grew up.

Developments have also made efforts to partner with local businesses or agencies, including a partnership with the local police station and/or a security company that is contracted by the development. In the latter case, boards have been able to get security companies or other contractors to make donations back to the cooperative. In the former case, one board has managed to develop healthy partnerships with local police departments whereby the police provide a van for particular development youth outings or drive an ice cream truck to the development to serve and build rapport with kids there.

This is not an exhaustive list of ways in which income-restricted housing cooperatives and/or tenant-controlled developments are using the opportunities that they have to excel in every possible way. Rather, the above description is just a taste of the types of inspiring accomplishments that are occurring throughout the City of Boston right

now –in no small part because of the efforts made by the City, advocates, and cooperative members, themselves, to create self-determined, democratically-controlled, stabilized housing for low- and very low-income folks, particularly BIPOC folks, who were previously threatened with housing insecurity and a destabilization of their communities.

These examples serve as a testament to how income-restricted cooperative and /or tenant controlled housing works in countless ways to benefit the City of Boston and the resident population of that city overall.

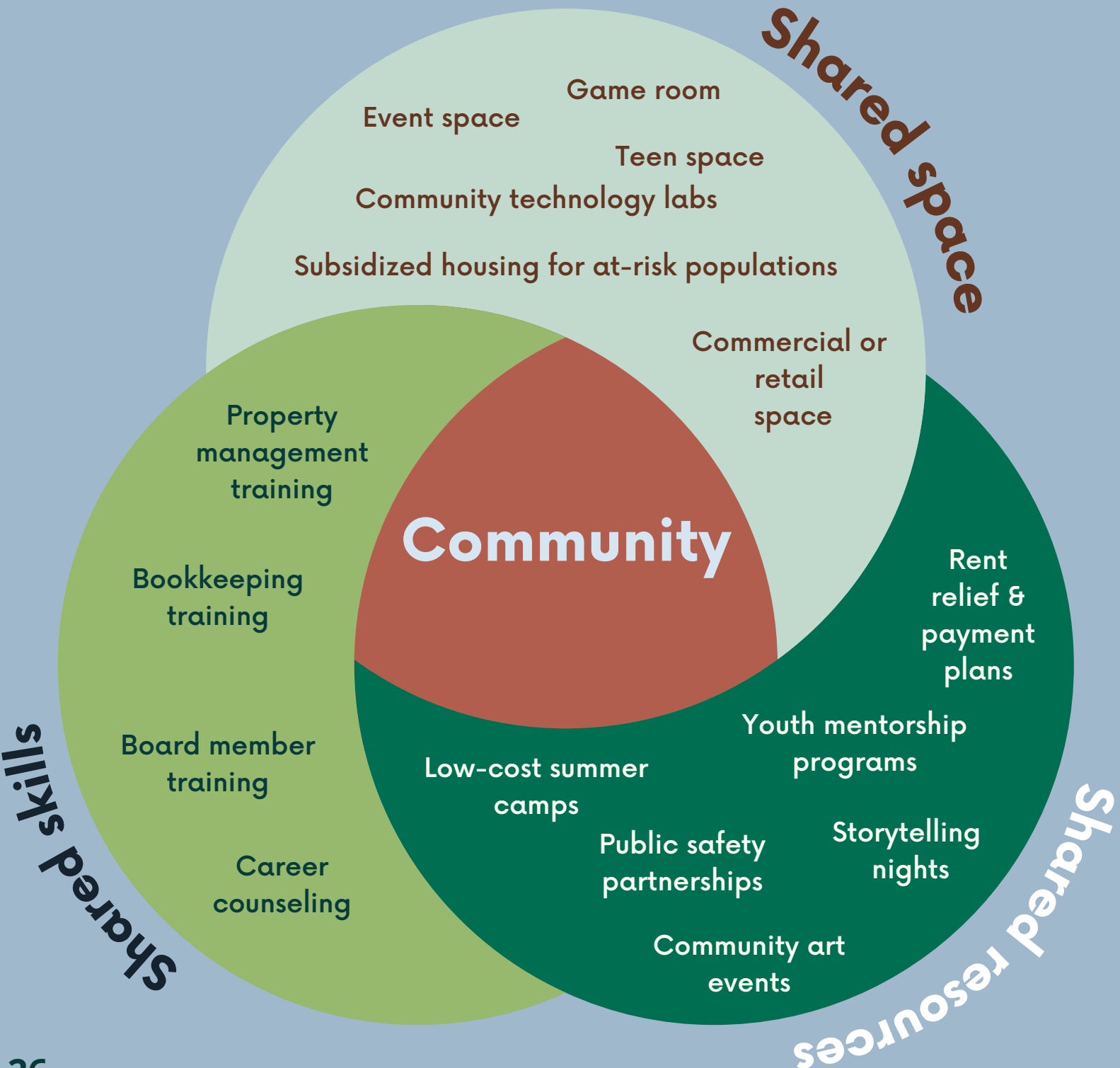


SHARED SPACE SHARED RESOURCES



How Boston's housing co-ops build community

Here are some innovative ways Boston co-ops are using their space together to provide resources for members and their broader community.



Requested & Suggested Assistance



Our conversations with board members (and, in some cases, property managers) produced a sizable list of areas in which training, support, guidance, and assistance has been (1) specifically requested by participants, (2) suggested by us and acknowledged as possibly helpful by participants, or (3) identified by us as necessary or useful to address particular concerns or difficulties raised by participants. Most of these fall into the category of technical assistance, or issues that can be addressed with the help of a technical assistance provider. In some cases, representatives from nearly every development that we contacted voiced relatively similar concerns (we will indicate these topics by including the term Major Concerns in the heading).

In addition to these matters that can be addressed through professional technical assistance, we also heard a number of concerns that went beyond what a technical assistance provider can accomplish. These larger matters will be addressed in our Recommendations section, while this section will focus on those matters that can be resolved through technical assistance.

Lack of Necessary Funding; Need for Capital Improvements - Major Concern



Lack of Necessary Funding

About a third of the cooperatives/developments that we spoke with had a number of outstanding capital improvement needs that were, as of report deadline, unfunded. Finding funding for capital improvements can be daunting, and the perceived lack of available grants and/or affordable loans has posed an additional burden on board members who were already spending considerable volunteer time running their multi-million-dollar developments and planning out those capital improvements that they were able to fund. Those boards that were already doing all of that, but were still not able to fund all of their needed capital improvements (some of which can be prohibitively expensive in older buildings), were often experiencing considerable amounts of stress, some of which will be discussed in greater detail in later subsections.²⁴

This is particularly true when some of the unfunded capital improvements are required under updated HUD codes and regulations.

Difficulties with HUD Loan Processes and Procedures

In 2-3 cases, development boards that we spoke with had spent years working with HUD to obtain loans for their required improvements.²⁵ Aside from the frustrations and inconvenience of waiting this long, these boards found that the budgets they had submitted with their original loan application were no longer adequate. Global supply chain disruptions and escalating inflation meant that their requested loan amount was no longer going to provide enough funding to cover all of the required renovations. In two cases, these boards reported that developments had applied for and are expecting to receive the maximum loan amounts for which they were eligible.

24: See, for example, our discussion in the subsections on Property Management and Gentrification.

25: One board, in particular, has been waiting for several years, reportedly because of a HUD recording error on one of their original loans.

This means that these cooperatives will likely have to delay some of the capital improvements that they need (and that may be required by HUD).

The stresses of not being able to fund all required capital improvement were compounded by the fact that HUD may violate developments that do not perform required improvements. In our conversation with boards in general, stories abound of past instances in which HUD took over tenant-controlled developments and/or disbanded them altogether when their buildings were not brought up to new codes in a timely-enough manner. No members of any board reported solutions for this issue, and we are not aware of any program, agency, or other form of assistance that can help developments who are in this situation. This matter will be discussed again in the subsection on Gentrification.

Interference from Investor Partners, Public Agencies

Of the boards that were actively seeking funding for some type of infrastructure project or community-building programming, most of them expressed to us that they wanted to be able to find funding sources that did not require partnerships with investors, such as those offered

through Low Income Housing Tax Credits or other avenues. These boards argued that investor partners undermined tenant-controlled, democratic decision-making. In a couple of cases, the tenants owned their own development, at least on paper. Yet, despite paying regularly on their mortgage, they were not reaping any of the benefits of owners. Everything they did or wanted to do, these board members asserted, was subject to the control or veto of investor partners (and/or HUD, in at least one case). Only two boards that we spoke with reported having favorable relationships with their investor partners; neither of these boards had any outstanding capital improvement needs.

Capital Improvement Planning

Regardless of whether they needed funding for outstanding capital improvements, a majority of boards that we spoke with were working from older capital assessments and/or no capital improvement plan.²⁶ This has led to a range of issues when it comes to planning, prioritizing, seeking funding for and/or budgeting for future capital improvement projects. Most of the

²⁶: The clear exceptions were those two boards awaiting HUD funds, as well as boards for developments that had recently completed a round of needed capital improvements.

boards in this boat said that they would welcome some form of support in this area, whether in updating existing plans, creating new plans, or facilitating discussions that help board members come to agreement in terms of what to prioritize first in their plans. Additionally, some board members mentioned that not all board members have the same level of understanding of their development's capital assessment/ capital improvement plan, nor do many board members feel comfortable explaining the plan to cooperative resident-members. For these boards, some form of training or support (such as a workshop going through the plan with board members) would be welcomed.

Funding/Capital Improvement Requested & Suggested Assistance



- Assistance with the creation of and annually updating existing Capital Improvement Plans (CIPs).
- Support and train board members to better understand existing CIPs.
- Assistance facilitating discussions about capital improvement prioritization among board members and/or among board members and residents.
- Assistance with strategies for funding, and timelines for implementing, CIPs
- Support and training for long-term financial planning for new board members and residents as prospective board members.
- Support identifying and helping board members to assess and select appropriate funding sources, with a review of possible grants and loans;
- Support applying for/obtaining funding from selected sources
- Assistance writing grants and/or assistance identifying and selecting competent professional grant writers.
- Assistance identifying (creating RFQs/RFPs) & selecting qualified grant writers, engineers, architects, project managers, & other contractors.
- Support and assistance for boards that wish to explore refinancing.
- This assistance would include doing a comparison of loan terms from various financial institutions.
- Possible support helping cooperatives to refinance and/or helping cooperatives that need to borrow (and can afford to) find the best loan terms if grants are not available.
- Could include working with boards at every step in borrowing process.
- Possible assistance administering grants obtained or finding competent grant administrators to do this work for boards of directors.
- Assistance accessing potential CDBG (Community Development Block Grants), through the City, to fund the urgent needs of multiple cooperatives.

Property Management - Major Concern



Almost every development had at least one board member who raised concerns about the development's current property manager and/or the lack of available cooperative-friendly property management in the City as a whole. The common theme in these complaints was that property management companies in Boston are neither knowledgeable about nor supportive of cooperative and/or tenant-controlled models of housing in which a democratically-elected board of directors seeks to run their developments according to the needs and desires of the tenants who elected them. Though these complaints were raised by one or more board members in virtually every development, the expressed overall levels of satisfaction or dissatisfaction varied among the boards with whom we spoke, as did the level of reliance on the property managers.

Before we go into the content of these complaints, we wanted to set aside a small amount of space to also mention the various ways in which property management companies in Boston are (at least

sometimes) getting things right when it comes to Boston's income-restricted cooperatives and/or tenant-controlled developments. Because the Mayor's Office had provided us with a list of developments that possibly fit our criteria, and because this list included the last-known property manager for each development, we spent some time contacting property managers –as well as board members– for most of the developments. In five cases, those property managers were incredibly helpful in sharing our information and requests with board members and in helping us to set up our meetings with boards. Two or three of these property managers were veterans in their field, meaning that they had been around and had been working with democratically-elected boards of income-restricted housing developments for more than a decade. At least one of these property managers was, herself, a former resident-member and board president of such a development, as well as a long-time advocate for the self-determination of these developments.

We are indebted and full of gratitude for all of the knowledge, experience, and assistance that these property managers shared with and/or provided to us. In particular, we have a great deal of admiration for these property managers who have at the top of their mind the success and self-determination of the developments they serve.²⁷

Some of the additional ways in which property managers are demonstrating their worth to those developments that they serve include those examples in which property managers are assisting board members with the review of contracts, the review of and understanding of bylaws, and the review of all board decisions to ensure that the decisions are in compliance with both of the former (contracts and bylaws). At least one board mentioned that they were receiving this level of service from their property management company, and we believe that we observed this (without it having been explicitly stated) in two other cases, as well. A couple of property

managers were reported to have assisted boards of directors with creating, revising, and/or planning how to implement capital assessments / capital improvement plans.

Certainly the boards of directors who received this assistance were appreciative of it. In at least two cases, we've come to understand that property managers are also serving as project managers on important infrastructure or renovation projects. Though this is a service that is often performed by property managers, it is also something that is not always part of a standard contract. Therefore, it is beneficial to all – particularly if there was a cost savings involved²⁸ – that these particular property management companies were willing to perform this work.

At least one veteran property manager was primarily responsible for an important agreement between the City and the development which she (the PM) serves. That agreement codified the forgiveness of interest on a loan that

²⁷: A few additional property managers let us know that the boards we were trying to contact were no longer active in running their developments. This was also helpful in allowing us to remove those developments from our target list. (We generally did our best to double-check this information by attempting to contact board members, if accurate contact information was obtainable. Our findings were generally in line with what the property managers told us).

²⁸: We do not know that there was.

the City made to the cooperative in question, which reportedly led to tremendous savings over the years. This was certainly going above and beyond the role of a property manager.

Finally, despite the variety of complaints that have been made about different property management companies and/or services throughout our discussion with boards of directors, we also understand that every single board of directors that is still contracting with a property management company enjoys having the contracted services done well, on time, and with board consultation. It is possible (maybe likely) that the instances in which this does happen are more frequent than the instances in which this does not happen, even if the latter instances are what stand out to boards of directors when they are asked about their property management companies and services.

With all of that said, let us now take a look at what boards of Boston's income-restricted, tenant-controlled cooperatives and developments are saying when asked about their development's property management company and services.

Summary of Board Relationships with Property Managers

A small number of boards appeared to rely heavily on their property management company. In some cases, board members appeared to defer to their property manager in a number of areas of board operations. For example, when CDI reached out to board members to ask about setting up a meeting with the board of directors, the members of a few boards requested that CDI go through their property management company. In one or two cases, the reason for this request appeared to be (and/or was stated as being) that the board members we contacted did not have accounts, did not know the email addresses of other board members, and/or were unable to print documents without going through the property manager. In these cases, the property manager was seen as the entity that communicated with board members and disseminated communications from external sources. Only some of these property managers were willing to disseminate our information to board members or to help us set up a meeting with the full board. In a few other cases, board members seemed to want their property manager to review our

information and then advise them on whether they should meet with us.²⁹ In both types of cases described in this paragraph, at least some members of the boards in question exhibited a robust reliance on their property manager; and in some cases, the property manager's role might have been veering slightly into the realm of board operations.

In contrast, other boards of directors were very clear that they were the ones we should be talking to because they were the decision-making body for their development. In one case, a resident who answered the phone for one of the developments delivered a helpful lecture on how CDI should not be reaching out to property management companies, because boards are the ones who are in charge.³⁰

Members of the same boards were sometimes deeply divided around the quality or desirability of their development's property management services. In at least four cases, we found that one or

more members of the board reported having a positive, symbiotic relationship with the cooperative's property manager, while one or more other members of the same board voiced complaints about their property manager, talked about wanting to find a different property management company, and complained about the lack of existing, cooperative-friendly property management services in Boston. These different ways that members of the same board viewed their property manager were often indicative of deeper divisions on the board as a whole.

In the majority of cases, however, the board members that we spoke with were fairly united in the frustrations they voiced about their property manager (or about past property managers, if the development had decided to do the property management work themselves). The overwhelming perception among these boards is that property management companies in Boston are neither

29: We don't know for sure what the board-property manager dynamics were, in these cases. What we can say is that, when the matter seemed to be left to the property manager to determine whether to share our information with the board of directors, more often than not we were unable to get a meeting with board members without finding board contact information on Whitepages.com and cold calling through the numbers until we found a board member willing to talk with us. We are tremendously thankful to those property management companies who did share our information with board members and/or who helped us to schedule meetings with boards.

30: This was a good sign of a strong board and a strong membership.

familiar with nor willing to learn about and work with democratically-elected boards of affordable/income-restricted housing cooperatives. One board member summarized this issue by noting that finding a property manager with a good understanding of – or any understanding of — housing cooperatives is “just not an option” in Boston.

Most of the boards who voiced complaints and dissatisfaction with property management options in Boston were doing their best to work with what they had and seemed resigned, for the present, to try to make that work. Three of the boards that we spoke with said that they had given up altogether on working with a property management company, and had taken on the work of managing their property themselves. In some cases this meant considerably more work for board members, but in other cases boards had either found tenants who performed work for the development or had contracted with handymen, bookkeepers, and consultants who reported directly to the board rather than to a large, hierarchical property management corporation. Several other boards were actively seeking to minimize their reliance on property management companies

by taking on parts of the work typically reserved for property managers. At least two of the boards that we spoke with were actively looking for a different property management company, in hopes that a different company would more closely respond to their needs.

Property Managers: Too Few And Too Big

We heard repeated complaints that Boston’s property management companies are too large and too few. Competing with each other for business, the top executives at these large corporations seem to expect to set the terms of what they do and how they do it. Such terms include corporate cost savings and uniformity in the corporate property portfolio as a way to attract elite clients. From this perspective, no matter how friendly, competent, and well-intentioned an individual property management staffer may be they will always have to prioritize corporate instructions over the wishes of cooperative clients. In these ways, the objectives of large property management companies may often be in misalignment with the interests of democratically-elected boards of tenant-controlled developments.

Property Managers: Undermining Boards of Directors' Self-Determination

When property managers prioritize direction from their corporate offices, rather than from the clients that pay them, they behave in ways that can undermine boards of directors and the residents that they serve. It is essential that boards of directors are able to make decisions about collections and payment plans, rules enforcement deadlines and remedies, responses to maintenance and repair requests, and all other matters of cooperative operations that their resident-membership has sought to self-determine. Self-determination is one of the foundational aspects of cooperative living.

Property Managers: Undermining Board Authority

Several board members' complaints about property managers included some version of the latter treating board members and cooperative residents, alike, as mere "disempowered tenants" – rather than as clients who are paying the company to follow their self-determined cooperative governing documents and board direction. Such disempowerment is particularly problematic when it comes to boards and resident members of

income-restricted cooperatives and tenant-controlled developments. Perhaps moving even beyond disempowerment, in some cases board members said that they had felt "strong-armed" by their property management company to make decisions that the property manager wanted or to agree with decisions that the property manager had made. Some of the board members who expressed these complaints reported not having had accurate, full, or reliable information when they experienced this pressure from their property management company. Others described instances in which their property manager was perceived to have overstepped their boundaries and pushed things on boards and member-residents that were not wanted. As one board member put it, the cooperative's property manager used to be "wanting to control things in a scary way."

Property Managers: Undermining Budgeting and Fiduciary Duties

In three or four cases, board members reported problems and/or interference from their property manager when it came to budgeting and/or board members' legal fiduciary duties. Problems with the latter primarily consisted of property management companies

being late and/or irregular when delivering development financials to the board and/or delivering financials that contained so many errors that, as one board member noted, it almost took the board more time to go through and correct the financials than it would have taken to have done the financials themselves.

In another case, board members told us that their property management company had charged the development for cleaning supplies and other items that were not in the cooperative budget and that neither the board nor the members wanted or needed. Further, the property manager charged the cooperative high retail prices for these unwanted supplies when the large cooperative could have easily ordered such supplies for themselves at wholesale prices (had they wanted the supplies at all). Faced with board member objections, the property manager reportedly defended the actions on the grounds that all clients had to pay a share of the supplies used by the property management company.

Property Managers: Undermining Board Authority on Capital Improvements

Property management companies have also been reported to make (and then implement) decisions about renovations without fully informing boards of directors or giving boards a chance to weigh in. Some of the examples that were discussed with us include:

1) The property manager for a cooperative in dire need of additional revenues told the board multiple times over several years that the cooperative's monthly carrying charges were at the maximum allowed and could not be raised. At some point, the cooperative board members learned elsewhere that, in fact, the monthly carrying charges were well below the maximum allowed and below what Section 8 would cover. Reportedly, the property manager had never looked at the criteria that governed rent increases for the cooperative. Despite having this information verified by a third-party consultant, the board of directors reported to us that they still had to fight the property manager to increase their monthly carrying charges.



2) Two boards of directors reported that the property management companies for their developments made decisions about their capital improvement plans that were not in line with decisions made by the board of directors or the needs of the residents. In one of these cases, we were told that the top executives of the property management company were insisting that the cooperative purchase new doors costing \$7,500 each. The board member who spoke with us about this matter saw no clear advantage to paying more than a couple hundred dollars for doors and believed that the board was going to have to fight with their property manager to prevent the purchase.

3) A board member told us of an incident in which new windows that were installed in the development by the property manager could not be opened more than a few inches without a key. This meant that every time someone wanted to clean their windows, they would need to find someone with a key. One member said the board of directors had not been fully informed about the windows and that she never would have approved placing a less-than functional product in the buildings had she known.

4) Another board of directors told us about their development's original plan to create a state-of-the-art technology center so that member-residents would have access to computers, the internet, and training opportunities. Though the board said that they were very clear in what they communicated to the property manager, the property management company ignored those communications, made its own decisions about what was needed, and installed wiring that is not able to handle the traffic or speed of today's internet use. All residents in the development continue to be adversely impacted by the previous property manager's decisions through both routine shut-downs of internet availability and ongoing security camera failures.

There are numerous additional examples. Some of these are anecdotal and may not necessarily reflect clear wrongdoing on the part of the relevant property management company. What these combined examples do reflect, however, is a clear gap in communication between property management companies and the boards of directors who pay these companies to serve their developments. These gaps in communication –intended or

unintended— can cause unplanned issues, expenses, and hardship for boards and member-residents alike.

Property Managers: Undermining Cooperative Continuity via Member Selection

Some of the complaints that fall into this category, voiced by a number of cooperatives and tenant-controlled developments, relate to the criteria and/or processes for the selection of new residents.

1) **At least two boards complained that their property management companies had ignored or discarded the wait lists that they had put together, replacing these lists with the property management company's own waitlist. For one board, this meant that all of the families and individuals who had gone through the board to get on that waitlist were no longer on record, and their information and place in line was lost forever.**

2. **In related cases, property management companies have reportedly (a) undermined or interfered with board processes for**

interviewing or speaking with prospective new residents,³¹ (b) failed or refused to properly vet prospective new residents to ensure that they both understood what a cooperative was and wanted to live in one, and/or (c) failed or refused to properly introduce new residents to the cooperative and/or tenant-controlled processes for decision-making.

These practices result in new resident-members entering the developments without an understanding that they are living in a cooperative controlled by tenants through a democratically elected board of directors. Without this understanding, new resident-members reportedly hold onto traditional landlord-tenant understandings in which the property manager is the landlord and the board of directors is likened to an ad hoc, self-appointed group that is trying to control what others do. This can lead to a number of problems.

³¹: Certainly, there are Fair Housing Laws that have to be complied with in all cases, but there are also ways to meet with, learn about, and share information with prospective new residents that are in compliance with these laws. It should be noted that Section 8 agencies reportedly treat income-restricted housing cooperatives as regular low-income housing developments, placing whatever tenants are at the top of the Section 8 list. Developments with Section 8 are not able to refuse tenants with Section 8 certificates, regardless of who the tenants are. At the same time, at least two of the development boards that we spoke with reported having no problems meeting with prospective new shareholders before those shareholders move in.

Some of the related problems that were reported to us include new resident-members:³²

1) Ignoring cooperative rules and requirements, such as the requirement that all residents perform certain maintenance in their apartments or follow certain rules in common areas.

2) Causing the cooperative to incur code violations, with costly fines, as a result of member-resident refusals to perform maintenance in their unit.

3) Causing other residents to withdraw and become distrustful towards each other as a result of certain activities being performed in common areas, contrary to rules or requirements.

The importance of member selection was a recurring theme voiced by the boards of directors with whom we spoke. Regardless of who is in charge of filling vacancies, vetting, and orientation of new prospective residents is key to the long-term success of any cooperative or

tenant-controlled venture.³³ Long-term stability is vulnerable when a tenant-controlled development hosts a disproportionate number of residents to residents who neither understand cooperatives nor accept the roles and responsibilities of cooperative membership.

Property Managers: Being in Charge

Regardless of how residents are brought into a cooperative and/or tenant-controlled development, nor how well they are vetted and/or oriented into cooperative living, if the property management company behaves or presents itself as the decision-making body, this undermines board authority and undermines the long-term continuity of a cooperative and/or tenant-controlled development. Some of the ways that property managers were said to do this include making decisions on matters of collections, payment plans, and rules enforcement without first consulting with (or sometimes even informing) boards of directors. It is clear that some boards of directors feel comfortable handing these tasks off

³²: We discuss these examples more in our section on Member Selection.

³³: In some cases, boards reported that they were told that they were no longer able to interview or even meet with prospective new residents prior to the move in of those residents. The board members who told us this suggested that this was a HUD restriction, though other developments also under HUD report that they are still very actively doing interviews of prospective new residents in order to ensure that residents know – and agree to – what they are getting into. (Sometimes prospective residents insist that they do know and agree, without following through on this later, however).

to property managers and receiving only periodic reviews of what is happening. But it is also clear that other boards of directors expect to review these matters and make decisions on them.

Though boards we spoke with cited many instances in which property management companies seemed to overstep their boundaries, there were also two complaints of property management companies failing to respond in appropriate or timely manners to tenant requests for maintenance and repair. One board speculated that their property management company was probably prioritizing larger properties in their portfolio. The board noted the tension that the property manager's delayed response was creating in the cooperative: members were frustrated, increasingly so with the board of directors, and the board felt pressure to get a quicker response time, but simply had no power to do so with the current property manager.

Getting On The Same Page

Though we spoke with a number of property managers during our

research, in most cases these discussions focused on the needs of the cooperative and the board of directors. In three cases, however, we caught a glimpse of how some property managers view the tenant-controlled boards of directors with whom they work. One former property manager, in particular, had a good amount to say about how boards attract directors who “want to be the boss” and/or who may enter office and stay there for decades.³⁴ Another property manager reportedly told a board member (who told us) that she has served on a variety of boards of directors in her life and she has never been on a board that wants to be involved to the extent that the housing cooperative board expected. The board member who reported this interaction to us had the impression that the property manager thought that the board of directors was veering too far into the property manager's work.

These anecdotes, along with the combined information in this section, suggest that property managers in Boston are not always operating on the same page as boards of directors for tenant-controlled developments and cooperatives.

³⁴: This person was very much in favor of providing an abundance of ongoing access to professional trainings of every stripe for board members in Boston cooperatives and tenant-controlled developments. The person saw how hard boards were working, but emphasized that they needed a great deal more support.

While there are a number of avenues for addressing each of the specific examples listed above, there are a few clear, tried and true avenues for working to build better, more sustainable and longer lasting relationships between property management companies and income-restricted cooperatives and tenant-controlled developments in Boston.



Property Management: Requested & Suggested Assistance

- Ongoing technical assistance that developments can draw upon to help them navigate through difficult relationships with property management companies. This technical assistance would include:
 - Workshops to help board members and property managers get on the same page around which body is responsible for what work, as well as what communication and collaboration is required for each of the categories of work.
 - Assistance creating policies and procedures that can guide the relationship between the property manager and the board of directors.
 - Workshops to help boards of directors and property managers carefully review and make adjustments to property management contracts.
 - Trainings to help board members better manage and communicate their needs to property managers.
 - Trainings for property management companies on the unique demands of working with housing cooperatives and the unique needs of housing cooperative board members.
 - Ongoing guidance and support for boards of directors to access when issues arise with their property management company, including potential mediation between boards and property management companies.
- In addition to the above, some board members requested assistance with the following:
 - Providing them with a list of cooperative-friendly property management options in Boston.
 - Guiding and supporting boards of directors who wish to take on more of their property management work and/or who wish to find more alternatives to working with the larger corporate property managers in Boston.

Resident-Member Selection & Orientation -Major Concern



A cooperative's ability to create a long-term stability can require the development of a shared, self-determined community culture in which neighbors know and can depend on one another; families raise their children together and pass their units on to their children; and multiple-generations of people are brought up participating in the unique community culture and governance system of a particular cooperative. Two of the factors that can help or hinder the development of a common, shared, and participatory community culture are resident-member selection and resident-member orientation.

Virtually every cooperative or tenant-controlled development board had something to say about the importance of being able to vet and orient new residents. As one board member noted, "cooperatives have to be based on cooperativity. If you can get that right, then you have a chance. But if you don't cooperate, there is no chance of success." Indeed, resident can determine

cooperative continuity and long-term success. Yet, virtually every board that we spoke with also discussed some of the challenges that they were having with resident selection, discussed below.

Obstacles to Vetting

Though this issue was raised across all of the developments that we spoke with, the obstacles to resident selection varied. Some development boards reported that HUD and/or Section 8 program administering agencies not only prevented boards from engaging in the selection of new member-residents, but also interfered with and/or disallowed the vetting of prospective residents. One cooperative reported that HUD directives no longer allowed for interviews of prospective residents; instead, some boards say that they are now only allowed to meet new residents after these residents have signed a lease and moved in.³⁵

Cooperatives and developments that work with Section 8 agencies report that, when there is a

³⁵: Other developments operating under HUD guidelines report that they are still doing member interviews, though they report a different type of problem in their member selection when working with Section 8 Agencies. More on this further below in this section.

Section 8 vacancy in their development, the agencies simply place whomever is at the top of the Section 8 list, without vetting residents for cooperative living. Developments complained that this has led to the placement of tenants with actively violent temperaments, histories of destroying their places of living, and current engagement in criminal activity (such as selling drugs out of their unit). These placements led to intimidation and withdrawal of other member-residents from common areas due to fear of the encounters with other member-residents, fines levied on the cooperative for code violations caused by destructive resident-members, heated and violent exchanges when one member-resident asked the other to stop selling drugs in the building, and an overall chilling effect on cooperative life as a whole, as fearful residents withdraw from social areas and activities, including resident and board meetings.

In at least one case, a cooperative board reported having no recourse against a group of resident-members who refused to maintain their units, even when this lapse in maintenance led to fines against the cooperative. One resident-member reportedly destroyed his unit, then filed a complaint against the

cooperative for “code violations” when the cooperative did not act to fix the unit. Though the cooperative had clearly codified rules and a schedule of fees for those who did not comply with these rules, the cooperative had to rely on the Section 8 Agency to compel the tenant to comply, which the Agency declined to do. As other resident-members observed the lack of rules enforcement, they, too, reportedly became more lax about following cooperative³⁴ rules and requirements. In this example, the board and the collective as a whole lost some of their authority along with a fair amount of their collective “cooperativity.”

Non-Income-Restricted Cooperative Struggles with Member Selection and Orientation

Income-restricted cooperatives and developments are not the only ones to experience obstacles to vetting new residents. The boards of the two non-income-restricted cooperatives and one mixed-rate (market and income-restricted) cooperative that we spoke with also affirmed the essential nature of good member selection practices for cooperative longevity while noting some of the obstacles that they were experiencing in this area.

In these cases, the difficulties were of a slightly different nature, and related less to interference by Agencies or property managers, and more to a dramatically reduced ability to follow a democratic selection process once units are no longer affordable.

In one case, a member of the board of a non-income-restricted cooperative noted that, despite their monthly charges being so affordable,³⁶ their limited equity share /unit prices had increased over the decades from a low \$1700 back in 1980 to \$22,000 today. Though these units would still seem like a steal to many, the lack of available loans for individuals purchasing cooperative shares meant that – without some other arrangements — units would only be going to folks who had \$22,000 in cash. This dramatically limits the pool of eligible, cooperative-minded occupants. Board members indicated that, amidst the smaller pool of folks with \$22,000 in cash, it can be more difficult to find folks who want to live cooperatively with others and share in the work of running their development.

In another, mixed-rate, cooperative, where about 2/3 of the units had been converted to market rate and 1/3 remained income-restricted, board members noted that only about 30% of the cooperative membership was participating regularly in any aspect of the cooperative. This particular cooperative had been founded on a sweat equity model, dating back to the 1980s, in which every member household committed to contributing a number of hours of work to the cooperative each month. Over time, with market-priced units turning over and going to new residents, the cooperative had to adapt to allow members to pay a prevailing wage to someone else, rather than doing the work themselves.

The Board President of this cooperative noted that condo associations share this problem of “disengaged loner-members” who are unwilling to participate or contribute, but the problem of non-cooperativity is much more acute for cooperatives that rely on member participation and in-kind contributions.

³⁶: This cooperative has \$460 monthly carrying charges for 6-room apartments with hardwood floors and fireplaces.

More Vetting Challenges

Even with the ability to interview prospective residents, vetting can be challenging. As one board member shared, her development's committee that interviews prospective residents asks every single interviewee if they know the difference between low-income housing and a cooperative, and if they are really interested in living in a cooperative. This board member found that prospective residents will always say "yes, yes, yes!" They insist that they want to live in a cooperative and that they know what this is/what this means. Yet, shortly after the resident moves in they begin behaving as if they are living in a traditional landlord-tenant set up. From the perspective of this board member, there seems to be a sizable lag between what new members think a cooperative is and what a cooperative actually is. It is all too easy for new residents to treat the cooperative as if it is a traditional landlord-tenant building where someone else is responsible for running everything.

New Resident Orientations

Though it might be incredibly difficult to convince HUD or Section 8 Agencies to change their policies to allow for better resident vetting and selection processes, cooperatives can compensate for some of what is lost in the resident placement process by providing new resident-members with one or more orientations into cooperative living. Given all of the other work that they have to get done, many developments³⁴ could use technical assistance to take this on. Successfully orienting new residents could involve creating information packets and presentation materials (which a few have done), and organizing a series of ongoing events to talk with resident members, new and old, about their rights as cooperative members, as well as their responsibilities. New resident-members could also use guidance on who they should contact for various issues that arise for them: maintenance and repair requests, rules violation complaints, seeking payment plans, and so on.



Member Selection & Orientation

Requested & Suggested Assistance



- Support and training for board members / prospective board members on their responsibilities regarding Fair Housing Law, tenant selection rules, and related topics.
- Assistance in creating procedures to guide member selection committees on processes that comply with Fair Housing requirements.
- Assistance entering into conversations with HUD and Section 8 Agencies pertaining to preferred cooperative / tenant-controlled processes for the purpose of seeking agreement and clear understanding of resident vetting activities.
- Assistance creating new resident orientation materials and guiding agendas for resident interviews and/or selection processes.
- Potential train-the-trainer workshops for board or committee members to be involved in giving new member orientations, support with creating orientation materials and, possibly, support in the form of co-piloting the first one or two of the orientation trainings.



Resident-Member Engagement



Most of the boards with whom we spoke indicated an interest in having assistance with resident-member engagement.

When cooperatives and/or tenant-controlled developments are in the process of forming or are newly formed, there tends to be a surge of resident-member participation and engagement. In part, this can be due to the ongoing need to keep resident-members active in making decisions about their cooperative, and due to the ongoing efforts of newly energized cooperative leaders. It is fairly normal for this high level of resident-member engagement to drop significantly (and sometimes dramatically) within the months or years following the successful formation of the cooperative. As board members and resident-members alike fall into new normal, daily rhythms of operations, there is less of an immediate demand for resident-member participation.

Regardless of why the decline in participation happens, boards of directors may have mixed or confused feelings in response. Some

board members may see the decline as a sign that resident-members trust the board to run things more on their own. Other board members may feel it's an indication that resident-members are no longer interested in helping with the work of running the cooperative, leaving board members to spend their individual free time working to benefit the collective without assistance. Still other board members might not have a second of free time to think about the declining resident-member engagement, having so much work to do with just the daily operations (and/or capital improvements) of their development.

Finally, those board members who think a great deal about this topic don't always know why participation has fallen or what can be done to increase participation. Boards that we spoke with generally all reported meeting the standard requirements of posting notices for upcoming meetings (board and member), posting minutes from previous meetings, and alerting resident-members to upcoming and/or recently passed decisions that impact them.

Though the decline in participation tends to be normal and expected (unless a board puts in a good deal of work to prevent a decline from happening),³⁷ boards generally begin to have some difficulties if they are not able to keep a core group of members engaged and active in some fashion – even if just to show up regularly to meetings and development events.³⁸ Without this level of participation (and even sometimes with it), boards tend to experience difficulties, which can range from the inconvenient to the more serious.³⁹

Some examples of the types of difficulties experienced by the boards we spoke with include resident-members not properly storing their trash, thereby contributing to rodent or roach problems, or resident-members

declining to read board announcements and thereby remaining uninformed of or non-compliant with important matters impacting them. Failure to achieve quorum on important member votes can also be a problem, as can lack of willing resident-members to fill new board or committee openings and share in the work of running the cooperative / development.

Whatever the cause or manifestation, board members and resident-members alike all stand to benefit from high resident-member engagement, and there are a number of ways that technical assistance providers can work to help boards to achieve improvements in the level of resident-member engagement.

37: In which case, a decline may be less dramatic, but will likely still happen to some extent.

38: There is some debate in the field around what portion of the membership would constitute a “core group.” The ROC USA Network, of which CDI is an affiliate, sets quorum for member meetings and/or important member votes at 30% of the membership who must be physically present at a meeting, while ballot votes (without a physical meeting) require a higher threshold of a majority of the entire membership voting affirmatively before a measure can pass. The 30% quorum threshold (for annual meetings that generally happen once a year) may be the “core group” standard for that network. On the other hand, maintaining a constant level of member engagement at 30% is no small feat, and may be impractical for a number of cooperatives and for a number of reasons. The actual “core group” needed by a given development may vary based on size, the amount of work being undertaken, the presence (or absence) of heated controversy, and so on.

39: Some additional factors that can lead to low-resident-member engagement were discussed in the section on property management.

Resident-Member Engagement Requested & Suggested Assistance



- Guidance, training, workshops, and resources to help board members formulate member-resident engagement strategies, ongoing outreach techniques, and dissemination of important information to residents.
- Assistance with resident-member meetings to review proposed changes to cooperative bylaws, rules, leases, or other corporate documents, operations, or procedures.
- Assistance/guidance in organizing social events and informational meetings for residents.
- Ongoing support with building community and shared agreements among residents and board members in each cooperative.
- Assistance creating a communication strategy to update residents on essential information.
- Assistance creating procedures, practices, and/or methods for providing resident access to bylaws, rules, and other essential information.
- Assistance creating a manual for residents with essential cooperative information.



Training for Residents



Integral to board training and communications as well as resident-member orientation, is the need for trainings for resident members. Some of the requested and suggested types of resident-member training assistance that we encountered in our study as follows:

- Trainings in understanding bylaws, rules, leases, and other important documents.
- Assistance with refresher trainings for existing residents, addressing:
 - what a co-op is;
 - what the purpose of a co-op is;
 - roles, rights, and responsibilities for each: residents, board members, property managers, and other related to the cooperative;
 - how decisions are made;
 - how residents can participate;
 - other topics as they emerge.
- Assistance with accessing agency resources and information.
- Conflict resolution training.
- Trainings on cultural diversity, to help cooperative members with different backgrounds more easily interact with one another.
- Introduction to mutual aid, and assistance with setting up cooperative mutual aid / support and networking projects.



Affordability & Equity



A majority of the boards of directors with whom we spoke raised issues pertaining to affordability and equity. This topic was raised regardless of whether the cooperative was income-restricted, mixed-rate,⁴⁰ or non-income-restricted. Though there can be a significant difference between units that are income-restricted and units that are affordable – as one board member pointed out, the latter term tends to be so vague as to include all kinds of housing that is not actually accessible to most low-income folks – it will be most informative to provide a summary of the full range of issues raised on this topic.

Affordability: While Maximizing Revenues

One or two boards talked about the difficulties that they were having raising revenues for needed capital improvements while also maintaining affordability and income-restriction requirements. Not all cooperatives reported having a clear system for calculating monthly carrying charges

As described in our property management section, one of these cooperatives mentioned that a previous property management company had for years insisted that the cooperative could not raise carrying charges at all. Eventually, the cooperative learned that their carrying charges were actually well below the maximum allowed, and that even their subsidized units were undercharging the Section 8 program. Expressing shock and frustration from having been misled for so many years, at the expense of the cooperative as a whole, these board members were looking for assurances and/or strategies to raise needed revenues in order to cover expenses – particularly expenses for costly capital improvements.

Perspectives on Affordability

A number of boards that we spoke with raised concerns over the no-equity or limited-equity models of their cooperatives. While board members universally appreciated the affordable nature of their

40: This term is used to indicate a cooperative that has both income-restricted and market rate units.

cooperative carrying charges, and the stability that this allows in their cooperatives and their neighborhoods, many also expressed the desire to allow residents/shareholders to build some form of equity in the shares that they owned. This ongoing conversation calls attention to two different but overlapping perspectives on affordable/income-restricted housing cooperatives.

One of these perspectives sees cooperatives as a source of ongoing housing stability in communities. Housing cooperatives provide stability and protect against resident displacement by gentrifying or other forces that sweep through urban neighborhoods. Neighbors in cooperatives know each other, families raise their children together, parents pass their units down to their children, and several generations of resident families participate in building a shared, self-determined community culture, over time, by collectively participating in the unique culture and governance system of their particular cooperative.

The other of these perspectives focuses on cooperatives as stepping stones; low-income folks who have

fallen on hard times are provided with a stable, healthy place to stay. Over the years, through hard work, these folks eventually enjoy incomes that increase beyond the income-restriction limits. Holding incomes equal to or above the area median income, these folks then move on to purchase their own homes.

Both perspectives are equally valid and can overlap. Folks tend to move back and forth between perspectives, sometimes within the same conversation.

Affordability Perspectives: Cooperatives as Stepping Stones

When study participants discussed income-restricted cooperatives as a stepping stone to other things, they tended to place more emphasis on the need for equity-building, which can allow member-residents the opportunity to generate wealth needed to eventually purchase homes or larger apartments elsewhere. There was a repeatedly-voiced concern that low-income folks are being deprived of this opportunity due to the limited (or no) equity structure of their cooperatives. As one board member noted, "homeownership is the primary way that folks are able to build equity in their lives, and there

are virtually no opportunities for low-income folks to build equity”.

Incoming members pay a small price for their share (in some cases only a dollar) and then receive that same amount, though sometimes with nominal increases, when they leave the cooperative. At the same time, gentrifying forces are causing rapidly-escalating rental and housing prices throughout the city. This means that holders of limited- or no-equity shares, whose incomes increase, are still not able to afford to move on from the income-restricted cooperatives in which they live. In this view, the cooperative is not serving as a stepping stone because of the lack of equity-building.

Affordability Perspectives: Cooperatives as Stabilizing Community

When viewing income-restricted cooperatives from the perspective that prioritizes stability, community-building, and affordability for low-income folks, it is less desirable that resident-members have an incentive to move on, but it still might be desirable to allow them to build equity in some fashion. However, as the mixed-rate and non-income restricted cooperative members

have pointed out, transitioning a cooperative from income-restricted, no- or low-equity models to models that build greater share-based equity can cause share prices to move rapidly out of reach for new low- and moderate-income members. It also removes a valuable source of safe, stable, and affordable housing in the city.

Differing Models for Equity-Building

One of the cooperatives we contacted provides a good example for the possible impacts of transitioning away from income-restricted models towards cooperative models that allow for greater equity building. In this cooperative, a few decades ago, 2/3 of the units were transitioned to near-market rates to allow for greater equity-building for those shareholders, while the remaining 1/3 were maintained as income-restricted units. A few decades later, share/unit prices for the near-market rate units are now in the hundreds of thousands of dollars, making them out of reach for most low- and moderate-income folks.

These high share costs have dramatically altered the composition of the cooperative,

which was originally founded on a sweat equity model that prioritized resident-member participation, and founded on values of “respect, responsibility, cooperation, diversity, and broad community involvement” that prioritized member diversity in race, ethnicity, gender, sexual orientation, ability, age, etc. Under the income-restricted cooperative model, the board of directors were able to utilize their explicitly-stated member selection criteria that prioritized the cooperative’s values. Under near-market rate share costs, there is now an expectation that outgoing members will be able to sell their shares for the best offer, since there is so much money at stake. The board now has very little say in who moves in; at most, they can suggest that the units are advertised in certain venues that might attract a diverse, participatory membership.

These changes have strongly impacted resident participation in the cooperative, which has declined significantly (leading to changes that allow new shareholders to pay a prevailing wage for work that they would have otherwise been asked to do). Board members report that these changes have decreased the level of cooperativity among

shareholders, placed a greater burden of work on the board, and impacted cooperative diversity (though they report that their cooperative is still fairly diverse). Overall, the board president suggested the transition of 2/3 of the units from income-restricted to near-market rate units was simultaneously “one of great things and one of the concerning things” that their cooperative has done.

Another model of limited equity-building was demonstrated in two other cooperatives: one non-income-restricted and one non-income-restricted. The income-restricted cooperative that has allowed share prices to increase into the double-digits has units ranging in price from \$12,045 for a one bedroom to \$26,000 for a five bedroom unit. This cooperative reports having a loan option for income members who cannot afford to pay the share all at once. The non-income-restricted cooperative with a limited equity building model makes modest, annual cost of living adjustments to the share cost that resident-member paid. This has allowed shares to increase from \$1,700 in the 1980s to \$22,000 today. The board of this cooperative is interested in exploring a way to

allow new resident-members to borrow and pay this share price off over time, otherwise the units are out of reach for most low- and moderate-income folks. At the same time, they do not compare to the equity gained by traditional home buyers in the escalating market. Board members in this cooperative emphasized their hope that their considerably low monthly carrying charges could provide shareholders with opportunities to save and build equity through other means.

Equity building can be complicated and fraught with unintended consequences down the road. It appears that a sizable number of cooperatives in our study are interested in knowing more about the range of possible equity-building options. Though most of the cooperatives are focused on building equity through housing, it would be worthwhile to help cooperatives also explore and think through a number of collective opportunities for non-housing-related equity-building so that members can leave with more than what they had when they entered, while income-restricted cooperatives can remain accessible

for their originally intended population: low- and very low-income folks who are otherwise being displaced across the city and left housing insecure and/or homeless.

Affordability: Loans for Cooperatives and Shareholders

The three cooperatives that were either mixed-rate or non-income-restricted each voiced concerns related to the lack of affordable financing. These cooperative boards report that lenders are unwilling to lend to cooperative shareholders,⁴¹ since cooperative shares are not the type of collateral that can be repossessed and resold to help a bank recoup the cost of a failed loan. This means that both incoming or prospective member-shareholders are left without many options for paying their share costs and existing members struggle to finance renovations in their homes.

The cooperatives also report struggling, themselves, when it comes to finding reasonably-termed loans for cooperative-wide renovations. Local banks do not want to lend to cooperatives, these boards report. In their struggles to find funding, at least one of these

41: Yet, this is not a problem in New York City, where bank loans to co-op members are available.

cooperatives wound up acting on poor advice that left them locked in unfavorable mortgages which carry hefty penalties for prepayment via a refinance. These cooperatives are all interested in having centralized resources that help prospective and current shareholders, as well as the cooperatives, themselves, to be fully informed on their options and to be able to access affordable financing as it is needed.

Affordability: Amidst High Property Tax Rates

Two of the cooperatives we spoke with – the mixed-rate cooperative and one of the non-income-restricted cooperatives with very affordable carrying charges⁴² -- reported having approached the City to request some assistance maintaining their affordability through tax breaks or a better tax rate. The City reportedly informed the mixed-rate cooperative that it would only receive more favorable tax rates if they came under the City's affordability covenant restrictions. This was not an answer that the cooperative felt to be helpful. The non-income-restricted cooperative with affordable, \$460/month carrying charges for its 6-room apartments, also reported

being unable to secure a more favorable tax rate, in part, because of the cooperative's ground floor commercial space, which generates revenues to help the cooperative remain affordable but also generates a real estate tax bill that was around \$122,000 in 2021.

Affordability: Moving Forward

Overall, the boards that we spoke with emphasized that, if affordable / income-restricted housing cooperatives are going to be a 'new norm' in the City of Boston, then available, favorably-termed loans are needed – both for cooperatives that need to borrow, as well as for homebuyers and/or owners of cooperative units.

At least one of the income-restricted cooperatives that we spoke with has established a revolving loan fund for new shareholders who need assistance paying off their share prices, while another non-income-restricted cooperative with extremely low monthly carrying charges talked about wanting to establish this type of fund so that their cooperative can remain accessible to very low-, low-, and moderate-income folks from all walks of life.

⁴²: For example, one of these cooperatives rents 6-room apartments with hardwood floors and fireplaces for a mere \$460 a month; but the \$22,000 share price and the lack of income restrictions has prevented this cooperative from being officially considered affordable

Board members of the cooperative with a ground floor commercial space highly recommended the benefits of future income-restricted cooperatives being developed with ground floor commercial spaces to subsidize costs of building upkeep and shareholder carrying charges.



Affordability & Equity Requested & Suggested Assistance

- Assistance exploring and setting up revolving loan funds for shareholders who need assistance purchasing or financing renovations.
- Assistance exploring alternative forms of collective equity-building for residents, including collective equity-building that is not housing based and that does not require increasing cooperative share prices.
- Possible assistance helping cooperatives / tenant-controlled developments access lower real estate tax rates, if these become available.
- Possible assistance helping cooperatives to explore options for generating non-housing-based income to supplement their operations, maintenance, and/or renovations.



⁴³: See the footnote under a similar item in the section on External Relations, below, for one board member's ideas on how to provide cooperatives and tenant-controlled developments with some form of additional tax break.

External Relations - Major Concern



Another area of major concern for many of the cooperatives and tenant-controlled developments falls into the broad category of external relations. As one board of directors told us, “often the people that we have to fight to maintain what we have are the very people who should be helping us.” From the perspective of some boards, this has been the case so often that they feel reluctant to talk freely about the issues impacting their developments. Some of these board members have expressed their impression that everyone in Boston is connected – from City officials and agencies to state and federal officials and agencies – and that, if they talk to people at one agency, everyone in the other agencies will have access to the details of that discussion. This leaves cooperative boards and members unsure of where they can go to seek help, particularly when the help requested involves a grievance or complaint about another agency or person in an agency.

For example, we were told repeatedly by boards that no one

wants to criticize HUD (even though most have numerous criticisms) because then HUD might not give them the funding that they need, or might respond in other ways that are harmful to the cooperative whose board members complained.

As one board of directors told us, when cooperatives see contradictory stories and/or wrongdoing from the agencies tasked with helping them, they lose trust. Right now, a number of developments in Boston are operating on a trust deficit. One board member asked, “how do you get the trust back to a level that will sustain you?” Cooperatives and developments expressed a high level of interest in finding a solution to this dilemma, though they don’t know who they can talk to about it. This leads to a more general sense of disempowerment. As one board member put it, it often “feels like an unseen force is working to keep them down, keep them in a condition that they can’t rise out of, to keep them from succeeding.” Cooperatives don’t know how to fight that, we were told.

Board members feel overwhelmed and unsure of how to overcome these tremendous barriers that leave their cooperatives in what feels like a perpetual state of struggling to survive rather than thriving.

Things were not always like this. Some Board members recounted previous networks of support: among each other, as well as within activist, advocacy, and even political circles of influence. A few of the solutions relating to networks of support are provided further below in the section on Networking Support and Training.

External Relations: Requested & Suggested Assistance



- Support and training for board members / prospective board members around city, state, federal and other housing requirements.
- Assistance navigating City, State, HUD, and other bureaucracies. ⁴⁴
- Assistance around board access to agency resources & information.
- Assistance clarifying confusing information and/or misinformation on City, State, HUD, or other agency rules, regulations, requirements, updates, and communications.
- Assistance seeking help from the City, including for things like stop lights, cracked walkways, parking.
- Assistance reviewing the fine points of contracts with board members.
- Interfacing with project managers, contractors to ensure quality work during capital improvement projects.
- Assistance with the creation of compliance calendars or other systems for alerting board members of approaching deadlines for inspections, etc.
- Assistance for board members in their interactions with their property management companies, including their contractual obligations.
- Assistance seeking to work with HUD/other agencies to establish more inclusive and more cooperative-friendly member selection processes.
- Assistance understanding and navigating ADA laws and accessibility requirements.

⁴⁴: Example: If subject to annual HUD physical inspection, assist with pre-inspection walk-thru and consultation/funding for minor repair to bring up to compliance.

Requested & Suggested Assistance (cont.)

- Assistance identifying lenders that offer financing at reasonable terms to cooperative residents/prospective residents needing assistance with unit upgrades and/or share costs.
- Assistance identifying attorneys, insurance companies, etc. that are cooperative-friendly.
 - Alternatively, identifying and communicating cooperative board requirements to attorneys and insurance companies willing to learn and to customize their services for cooperative board needs.
- Assistance accessing a lower tax rate, if one becomes available.
- Assistance exploring a CDBG (Community Development Block Grant),⁴⁵ through the City, to fund the more urgent needs of multiple cooperatives.⁴⁶



45: One board member of a non-income-restricted (but arguably affordable) cooperative suggested that the City consider options like the following as a way to maintain affordable housing in the city:

- Underwrite the cost of land as zero for housing cooperatives and affordable housing developments.
- Give land to affordable housing developments and/or to housing cooperatives for zero dollars, restricting the land use to certain ethical commercial spaces and housing arrangements.
- Set aside the land of affordable housing developments and/or of housing cooperatives, and put this land into a land trust.

46: This requested support was also included in the above section on Capital Improvements.

External Factor: Gentrification - Major Concern



In all of the cooperatives or developments we communicated with, board members voiced deep concerns about the rapid and unchecked pace of gentrification throughout the City of Boston, and the significant changes occurring as these forces rapidly mold Boston into something that is less and less recognizable. As one board member described it, what is happening now in Boston, as well as across the country, is a type of uniform, gentrifying transformation that is making Boston almost indistinguishable from Miami or Manhattan. By this, the board member was suggesting that small, locally-owned, and/or independent stores and buildings are being replaced with big-box stores and buildings that are newly-renovated or built and owned by multinationals or others living far from Boston. Many of Boston's original streetscapes are no more.

In some fashion, virtually all boards expressed the sentiment that (paraphrased from one board member) they are in fear of losing their city. Some boards felt more

immediately afraid of losing their homes. The sentiment that we heard repeated by board members throughout the city was something to this effect: At one time, their neighborhood had been multi-racial, diverse, with people from all over the world living there. In those days, their neighborhood was a place where low-income folks could come and stay. But this has changed in a way that does not reflect the collective desires nor needs of the people in Boston as a whole. The voices of the majority of people in the city have been eclipsed by the voices of the relatively few monied developers whose goal is to make more money at the costs of the homes and communities of countless families and individuals, as well as the cost of the well-being of the city's resident population overall.

One board of directors that we spoke with reminded us that the Demo-Dispo Program had described itself as bringing the opportunity of ownership to a diverse range of residents, and as providing accessible, affordable housing to all walks of life in the Greater Boston

area. There are ways that this has happened, and ways that this is not happening, these board members reflected. Some of the latter ways are finding expression through sales of HUD properties to private developers, and through the continual displacement of Black and Latino populations from the neighborhoods where income-restricted, tenant-controlled developments were originally founded in the 1980s and 1990s as a means of stabilizing these very populations.

Some board members reported that they knew these gentrification-created waves of displacement would eventually happen. They say that they saw many of the parties who were involved in the Demo-Dispo program had long-standing relationships with HUD and various government agencies, as well as a vested interest in continuing to buy up properties in low-income – particularly Black and Latino -- neighborhoods. A number of these same parties are now involved in buying up HUD properties and selling or auctioning them off to private investors, these board members reported. We were also

told by a number of boards that some of this gentrification has been enabled and/or subsidized by the City in various ways. We have not corroborated these assertions, though the examples that we were provided abound.

While Boston's rapid gentrification is of universal concern to virtually every board we encountered, those developments that are struggling to raise funds for required renovations and improvements are likely the hardest hit. Several developments fall into this category. Board members of these developments often report seeing new buildings going up everywhere around them: right across the street, down the street and up the street, anywhere within eyesight of their buildings, and even well beyond eyesight. One board member noted that every time she drives down the road, she sees a new construction site that wasn't there before.⁴⁷ Buildings that seemed to have existed forever are now gone and being replaced with new developments. Yet some of the income-restricted developments that we spoke with are struggling to find funds to make required renovations that will bring them up

⁴⁷: One board of directors voiced frustrations that they were not able to find any information on who the investors were who were buying the properties all around them, despite their repeated attempts to request this information. In some cases, they learned (through other avenues) that the new owners of a previously subsidized property do not even live in the country.

to new HUD codes. A couple of board members remarked that, in this context, their buildings look terrible when you drive down the street. This makes them feel like a target for speculative property investors.

Indeed, some board members told us that they know that their developments sit on prime property that everyone seems to want. As rents, housing prices, and property values are skyrocketing around them, and as lenders are selective about who gets (financing) to move into a given neighborhood, residents of developments report that they will have nowhere to go if they lose their homes. Board members in these developments are facing considerable stress from this, particularly when updated HUD codes are requiring renovations that the development cannot afford. Some board members mentioned an ongoing, background fear of a HUD takeover, which could signify the end of a tenant-controlled development, causing the city to lose yet one more source of affordable housing, and causing current residents to forever lose their homes. A board member summed up the exasperation and stress of many others as follows:



Why can't [... we] get the assistance that we need? We are owners. Why can't we negotiate and get what we need and have the okay for that [from government agencies like HUD]. We are just going back and forth with HUD. We are just the Lone Ranger, left on our own. We have been fighting this stuff for years and we are still standing. We should be able to feel secure in our land, our property, and our ownership of our business that we have. We need to sit down with somebody and make them understand that we are here and we are people and we need to live and survive and not be displaced. We need the City to come in and help us stay placed. We have multiple generations living here, four generations of people that are here. Where are they going? Why do they have to leave from where they were born and raised? We need to continue to feel stable. We need our families to feel stable. We shouldn't feel like we are going to lose our homes.

While this same board member expressed her desire for City support, she and other board members in various cooperatives also noted that they were highly wary of this support, given what they have seen in the past.

Board members at virtually every development reported that they have seen many instances in which the City has come in to help renovate buildings housing low-income tenants, moving tenants out while renovations are underway and then breaking a promise to allow tenants to return once renovations are complete. We heard of numerous cases of low-income and very-low-income tenants being forever displaced in this fashion. In some examples, we were told that the buildings, once fixed up and empty of tenants, were sold to private developers or filled with folks who were not low-income. It was clear to us from our conversations that gentrification is impacting every tenant-controlled development in the city, causing considerable stress.

Some of the types of “requested and suggested support” that could help boards deal with gentrification are outlined in other sections of this report. These include assistance with finding funding for capital improvements, creating a revived network of support, accessing a lower real estate tax rate to maintain affordability, improving external relations, and basic ongoing technical assistance to help

cooperatives manage the variety of challenges that they will face over the years. Although these are strategies to help minimize some of the symptoms developments are experiencing, they are not a fix for this complex problem.

One clear strategy for public agencies, when it comes to countering the rapid pace of gentrification, would be to commit to developing – and supporting, in an ongoing fashion – greater numbers of income-restricted cooperatives and tenant-controlled developments. Members of the existing developments in the city would like to see Boston remain authentic and diverse, economically and in all other ways. They would also, more than anything, like to keep their homes safe and stable, and keep their developments operating as successful multi-generational tenant-controlled dwellings that have some sort of insurance against dispossession well into the future. Most of the boards of directors we spoke with see cooperative /tenant-controlled housing as a key to doing this, and as key to protecting against the ongoing damage done by gentrifying developers.

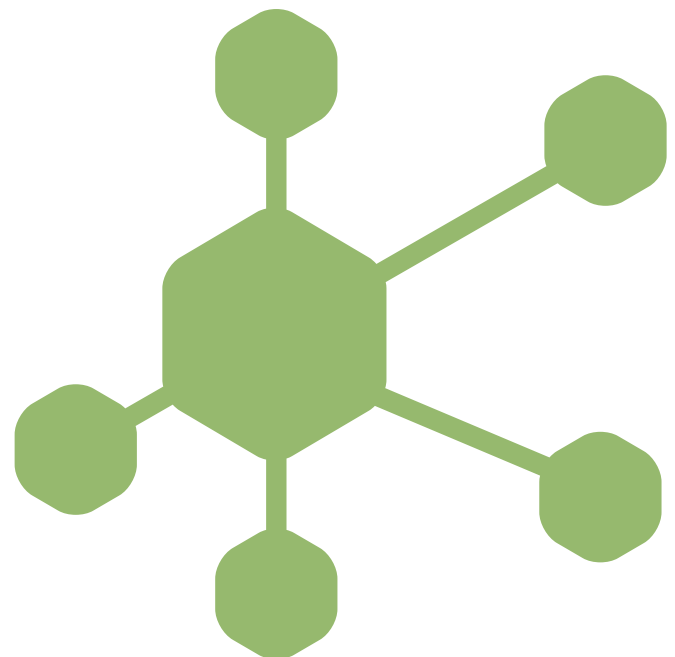
Network Support & Training



A number of development board members talked with us about the early days in their development's history, when everyone was struggling to figure things out, and when each board had far more established relationships with members from different developments, and with various advocacy organizations and City agencies. In addition, there were important connections between boards and technical assistance providers, including from: CEDAC, consultants, and attorneys hired by individual developments.

Over time, the relationships that had once provided so much support and so many resources were no longer vibrant or existent. Many of the leaders of the cooperative and tenant-control movement passed on, retired, and/or left boards and the advocacy organizations that they headed. Today, many board members look back at those times with nostalgia, longing for the network of support and that sharing of resources that they used to have, before the relationships were severed in various ways and boards were left to fend for themselves in isolation.

The benefits that came out of the networks of the cooperative/tenant-controlled leadership movement, and the resources from board members sharing stories, struggles, and solutions, are described as priceless and in need of revival or recreation. Though the National Association of Housing Cooperatives (NAHC) does offer annual conferences with training workshops, many cooperative / tenant-controlled boards report needing opportunities for training and support much more than once a year. These boards emphasized the value of local networking.



Network Support: Requested & Suggested Assistance



- Have professional technical assistance providers organize regular (once or twice a year, if not quarterly) networking & training events for Boston housing cooperatives and tenant-controlled developments. These events would feature:
 - Expert professionals to advise boards on topics of common concern;
 - Trainings on topics of interest that are offered by professionals in the field.
 - Professionally-facilitated workshops that can help boards to share problems, concerns, and successes in their cooperative;
 - Focused skill shares, where Members / Board Members from different cooperatives meet in groups, discuss common issues, and exchange ideas for how their cooperative does (or would like to) resolve the issue being discussed.
- Social/networking sessions to help board members meet, interact with, and feel supported by board members around the city.
- These events could also update board members on any key changes to rules and regulations from the City, the State, HUD, and other relevant bodies.
- Create a network of cooperative board members who can communicate outside of networking meetings using technology, and who can provide mutual aid, assistance, and advocacy support for each other when the need arises.



Board Financial Oversight



Some of the issues relating to board financial oversight are embedded in the property management and capital improvement planning and funding topics discussed previously.

Board members to whom we spoke indicated – implicitly and explicitly – that their boards would welcome “financial literacy” training to increase board members’ skills. Monthly financial packages can be confusing, particularly to those who have not spent time working with financials in their daily lives beyond their board positions. As new board members come in and veteran board members cycle out, these trainings can be particularly useful in supporting continuity in board financial oversight. Even when boards do not have any new members, it is frequently the case that long-term board members are juggling so many moving parts to keep their developments running smoothly that quick refreshers on key financial indicators can often save board members time and energy in the long run. Some of the types of new or refresher trainings and/or support that were mentioned or implied include the following:

Requested & Suggested Assistance

- Trainings to help board members better understand their monthly financials and their long-term capital improvement plan (“Financial Literacy” trainings).
- Trainings on the legal fiduciary duties of board members and what that entails.
- Training on creating simple but informative treasurer’s reports.
- Assistance creating and/or reviewing annual cooperative budgets.
Including:
 - feasibility, compliance, and other relevant criteria.
 - communications with membership around the budgeting process and the final proposed budget.
- Assistance finding new, qualified, and cooperative-friendly bookkeepers and/or training current bookkeepers to better serve co-ops.
- Assistance understanding and staying current on affordability restrictions, and ensuring boards can raise maximum revenues with their affordable rents.
- Assistance conducting or obtaining a marketing study.

Governance & Board Functionality



Some of the indicators that we considered when seeking to assess board functionality included whether a development was able to fill all board seats and have a full board of directors, and whether that board of directors: met and achieved meeting quorum on a regular basis; understood, regularly reviewed, and followed their own bylaws; posted board (and member) meeting announcements and agendas in accordance with these bylaws; and posted and/or gave members access to approved minutes from recent meetings.

We also sought to assess whether board members all had access to, and an understanding of, their bylaws and other corporate documents, as well as whether board members regularly reviewed, updated, and/or created new corporate documents. Other areas of board functionality also involved regular board oversight of cooperative financial statements, board financial literacy and awareness of board members' fiduciary duties to the cooperative, board member understanding of capital improvement plans, and

board oversight of a range of operations (rules enforcement, collections, maintenance and repair requests, and so on).

Because of the nature of our methodology, we allowed board members both to self-report on how they were functioning as a board, and to steer the conversation in the direction that made the most sense to them. This means that not every board specifically addressed every topic mentioned above, and several boards talked in-depth on other topics, not included above, that are also strong indicators of board functionality. Through board self-reporting, as well as our own observations, we have compiled the following summary of the state of boards of directors in our study. It should be noted that boards that are highly-functional often still have one or more areas in which they could use support (even if they are not willing to discuss these areas with strangers conducting a study). This is typical, normal, and expected. We make this point to suggest that even those boards who self-report having no issues, and who appeared highly functional may still benefit

from the availability of support in the future, if that support can be provided in a manner that is not perceived to threaten cooperative autonomy and self-determination, but that is, instead, presented in a manner that fosters these, as that is what is required to build trusting relationships with these developments.

Most of the boards that we met with⁴⁸ appeared to be functioning fairly well, and all self-reported the same. Four of these boards reported that they did not need any type of Governance-related assistance or training, though two of these four boards had mentioned non-Governance areas in which they would appreciate assistance. Of the two remaining boards in this category, one invited us to a Zoom meeting with the entire board of directors, as well as two property managers. This board reported that they are excelling in virtually every category we could think of to ask about, in part because the board president requires that everyone – property managers included – attend bi-annual trainings specifically targeted to inform and assist them in carrying out their roles and responsibilities.

The other of these two boards reported managing a number of inspiring programs and opportunities for youth, families, and shareholders in their community, a feat which seems to verify a high level of functionality among board members and their paid staff.⁴⁹

The remaining six boards of directors also self-reported being highly functional, and equally exhibited high levels of competency during our meetings. This group of boards, however, noted a variety of areas in which they wanted and/or would accept (if offered) various types of support relating to cooperative governance. One of these boards did not elaborate on what types of governance-related support they would accept; another said that they would be open to any and all trainings, but did not make any specific requests in relation to governance. The other four voiced a range of specific requests, all of which are included in our below subsection, entitled Requested and Suggested types of Governance Support.

The six additional boards in our study (those that did not meet with us but for which we had one-on-one

48: We met with 10 boards of the 16 that provided information for this study.

49: We were only able to meet with the development's board president, with whom we also had a phone conversation. The other board members did not appear on the scheduled Zoom call.

phone conversations with one or more board members) all reported doing well, though each also reported having their hands full with one or more areas of board and/or cooperative operations. One of these boards reported not needing anything at all, with the board president noting that “There is nothing the Mayor’s Office can do for us that we haven’t already done for ourselves. We have everything under control.” Each of the other boards in this category indicated – either directly or indirectly – both some hesitancy and that they were having some difficulties in some governance-related areas.

We want to emphasize that difficulties are predictable, typical, and even expected for any housing cooperative and/or tenant-controlled board of directors. The work of a board of directors can be overwhelming, and certain problems are almost inevitable, no matter how well-equipped, well-functioning, or well-trained a board is. The fact that these boards mentioned difficulties does not mean that they are not successful, well-functioning boards. It means that they are experiencing what almost every board experiences to some degree or another.

Some of the most commonly-cited struggles of these boards of directors included divisions, disagreements, and conflicts among board members; disruptive behavior such as power plays or other disagreeable conduct among some board members which further⁴⁹ contributed to these; board turnover and a lack of member-resident preparedness or willingness to fill vacant board positions; a need to better engage resident-members and to get them more involved in the development; a need to help board members feel confident in their roles, despite internalized messages from the surrounding society that stereotype how people in positions of power look and act; communications challenges due to diverse boards composed of members from multiple cultures who all speak English as a second language.

Some of the boards that did not (yet) meet with us, despite appearing to meet our target criteria, also mentioned or alluded to some of the above difficulties. In particular, divisions on the board were cited by a number of developments.

Governance

Requested & Suggested Assistance



- Trainings on understanding bylaws, rules, and other corporate documents.
- Assistance with revising bylaws, rules, leases, and other corporate documents.
- Assistance in the creation of policies, procedures, and other corporate documents.
- Assistance with establishing best practices and/or policies and procedures for rules violations, repair and maintenance requests, collections, and other aspects of cooperative operations.
- A regularly-available professional technical assistance provider to give trainings, assistance, and guidance to cooperative board members to help address ongoing and periodic issues.

Board Functionality

Requested & Suggested Assistance

- Assistance with board member recruitment & succession plans.
- Help new or prospective new board members to learn from the vast knowledge and experience of existing board members.
- Help residents ease into board work by feeling familiar, trained, and competent enough to join the board.
- Trainings to help board members work better together, including:
 - Decision making, democracy, common purpose
 - Preparedness and Accountability
 - Interpersonal relations
- Provision of various types of competency trainings that provide baseline board member skills to all board members & volunteers:
 - The basics of parliamentary procedure/Robert's Rules of Order.
 - Best practices for creating and following meeting agendas, meeting minutes, and other key board topics.
 - Business management training.
- Review/overview of roles and responsibilities for each board office and for directors-at-large.

Board Functionality

Requested & Suggested Assistance (cont.)

- Conflict resolution trainings.
- Meeting facilitation trainings for board chairs or others who may be facilitating difficult meetings on controversial topics.
- Having a professional technical assistance provider available to give regular trainings, assistance, and guidance to cooperative board members to help them deal with whatever comes up for them in their cooperative.
- Trainings on understanding the ADA and Requests for Reasonable Accommodations.
- Committee trainings for:
 - Board members on best practices for creating committees.
 - Committee members on their roles and responsibilities.



ADDITIONAL RECOMMENDATIONS & DISCUSSION



Additional Recommendations & Discussion



Reinstating Resources and Supports

The board members with whom we spoke, from a number of developments, told us stories of a previous time, decades ago, when Boston was virtually awash in supportive resources for the income-restricted, cooperative and/or tenant-controlled developments. Funding was accessible, networking opportunities abound, advocacy activity was a given, and technical assistance was regularly available so that developments had someplace to turn when they ran into difficulties, as democratic housing developments regularly do. This was in the early years in the history of these cooperatives, and it does not seem to have lasted beyond a decade, at most, for the majority of development boards who talked about this. The City of Boston, during that time, had truly created a climate conducive to the thriving of income-restricted, tenant-controlled housing throughout the city, and every single board member who raised this topic with us was looking back at these times fondly, with nostalgia and longing.

Since those early years, after decades of changing administrations (many of which may have had little-to-no interest in the well-being of these developments, and some of which may have preferred not to see them exist at all), the cumulative lack of adequate attention from City administrations of the past have left many of the Boston developments (that have managed to succeed) in a perpetual state of fending for themselves. Several are, quite literally, struggling to survive. Many more have fallen away, no longer showing any remnant of either a cooperative structure, a degree of active tenant-control, or income restriction. Some have been bought up outright by developers.

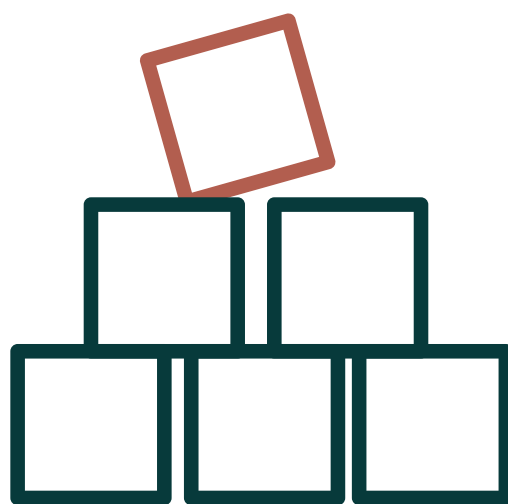
The City no longer has a current infrastructure for dealing with these developments in supportive or mutually-beneficial ways. Therefore, the primary task of public officials who are looking to support what remains of the developments from the 70s-90s should be to take considerably more time and energy to re-build trusting relationships with

board members and resident-members of income restricted housing cooperatives and/or tenant-controlled developments in the city.

They can best do this by restoring the variety of resources that were previously available to these developments: accessible funding to those with major infrastructure needs or community-based programs; networking opportunities that allow board members (and interested resident-members) to share their successes and challenges, to learn from each other, and to be recognized as the experts that they are; and the provision of ongoing, reliable, and quality⁵⁰ technical assistance so that these cooperatives are able to establish an ongoing, trusting relationship with a supportive professional who can help them with whatever arises.⁵¹

Understandably, creating – much less maintaining – the sort of infrastructure of resources and supports that are needed is no small task (which may well be the reason

why an infrastructure of resources and supports no longer exists for these developments in Boston). Further, a wide range of difficulties can arise (and have, in the past, arisen) if and when such supportive infrastructures are built and housed from within complex and ever-changing City administrations and/or city agencies. For these reasons, we recommend that the City either share the task of building this supportive infrastructure through contracts with professional organizations that do this work or, perhaps more reasonably, contract out the entirety of the work of building and maintaining this supportive infrastructure.⁵²



50: We will describe more what we mean by “quality” technical assistance further below under B) Ongoing, Quality, Professional Technical Assistance.

51: The ROC USA model of providing ongoing support to resident owned manufactured housing communities (ROCs) offers a starting place to consider what is needed, as well as for envisioning models of mutually-beneficial relationships in Boston.

52: Consider borrowing from the model of the City’s list of service providers for small businesses.

Component Parts of a Supportive Infrastructure



A) Funding & Financing

Increased Funding and Financing Opportunities

About a third of the development boards we spoke with were struggling to obtain funding and/or financing for required or needed capital improvements. Some of these boards said that they had already maxed-out the financing opportunities that were available to them without being able to cover all needed improvements.

We recommend agencies and elected officials find ways to increase funding and financing opportunities for developments that are most in need of them. One possible avenue for this could be through Community Development Block Grants or other sources of federal funding to address the needs of selected developments each year.⁵³

Loan Forgiveness

In at least one case, not detailed in this report, a development is struggling with a loan repayment

plan that is causing rents to increase beyond what many of the tenants report being able to pay. This has led to considerable stress and fear among resident-members and board members, all of whom are actively voicing worries of being priced out of their homes and their cooperative. The board members for this particular development cited other developments that have had their loans with the City forgiven. Clarification from the City on how and when loans can be forgiven, reconsidered, or restructured is recommended.

Investors Without Partnerships

A sizable number of boards of directors who spoke with us and who are seeking additional revenues made it clear to us that they have had poor experiences with investor partners in the past, and that they were not willing to consider financing that required a partnership in the future. Investor partners have been perceived and experienced as interfering in,

⁵³: Another possibility could be to explore whether the Massachusetts Office of Business Development's program for small businesses could be expanded to include cooperatives.

democratic, self-determined operations of tenant-controlled developments. If interference cannot be curtailed under current models, we recommend that new models are created that inhibit interference or that do not involve investor partners.

Alternative Forms of Collective Equity-Building

Many of the development board members we spoke with expressed a desire to offer some form of equity-building to resident-members. Over the last century, the primary means for households and families in the United States to build equity and trans-generational wealth has been through homeownership. Member-residents of no-equity and low-equity cooperative housing developments miss out on this wealth-building opportunity. On the other hand, removal of no- and low-equity-building cooperative models causes share prices to increase, quickly rendering affordable⁵⁴ housing cooperatives inaccessible to the very populations they were created to stabilize.

To both preserve affordable, income-restricted cooperative housing in Boston while also allowing member-residents to build equity and trans-generational wealth, we recommend that public agencies help identify and promote other, non-housing means for member-residents to build collective equity. Examples could include allowing developments to raise and/or pool funds that could be invested in local businesses or initiatives that can simultaneously help developments to build collective equity for their shareholders and provide beneficial outcomes to developments overall.⁵⁵

A variation on this idea involves providing developments with the guidance and support needed to (collectively and/or as individual developments) expand their operations into revenue-generating ventures – such as development-owned businesses – with profits going towards building equity for resident-members.⁵⁶

54: Here we are referring to Boston's affordability restrictions.

55: At least two of the developments with which we spoke expressed the desire to transition to solar energy for their developments, so resident-members and the development as a whole could both reduce energy costs and utilize more sustainable forms of energy. These developments would likely be interested in investing in solar energy initiatives both to benefit the developments now and to help grow equity in the long-term.

56: This could include access to the MA Office of Business Development's program for making loans to small businesses.

Two additional variations on this idea could be for the City to explore supportive savings accounts through which developments and/or individual homeowners have their savings matched by the City ⁵⁷ and/or for developments to explore and institute systems that allow a selling owner to realize a higher price than what unit will be sold for to the next owner. ⁵⁸

CDI recommends that the City of Boston and other partners explore additional opportunities to allow for and promote non-housing equity-building for developments and to consider public policies that institutionalize and expand upon a few of the most promising of these. ⁵⁹

Mutual Exchanges

In addition to the member benefits described above, it is notable that, were the City interested in continuing to gather and maintain information on the status of the remaining income-restricted, tenant-controlled cooperatives and developments in Boston, providing

funding, financing and/or ongoing professional technical assistance is an effective way to begin building the type of mutually-beneficial relationship that allows for this form of information flow. ⁶⁰



57: Such savings could possibly be placed into equity-building accounts, including 401(k) plans, IRAs, CDs, or other investments.

58: We've been told that Park View Cooperative in Cambridge has –or is developing– such a system.

59: One model to review is the process undertaken in Washington, DC: <https://dchousing.coop/>

60: Consider the ROC USA model for exploring ways to design these types of networks in Boston.

B) Ongoing, Quality, Professional Technical Assistance

Our research has yielded overwhelming affirmation that income-restricted, tenant-controlled cooperatives and developments in Boston need and would benefit from the ongoing availability of quality professional technical assistance. There were only three boards in our study who told us that, at present, they had no need for this sort of support because they were doing so well in every area.⁶¹ The remaining boards of directors told us of at least one area in which they wish they could have and/or wish they recently had this type of support. Most of the boards in our studies indicated numerous areas in which they were open to receiving external advice and guidance, as well as participating in a variety of trainings. This is reflective of the normal and natural degree to which boards of successful housing cooperatives maintain their skills. Managing a housing cooperative is complex and complicated, and

income-restrictions adds layers to this complexity. Successful boards typically need and benefit from ongoing support.

As an example of the integration of this type of support to cooperative long-term success, CDI's work with housing cooperatives typically involves 10-year contracts through which CDI is available to assist cooperatives with whatever arises. The national network that guides the Resident Owned Communities cooperative model, ROC USA Network, requires this type of 10-year contract to be in place for every Resident Owned Community (ROC), because they recognize the ongoing availability of quality professional technical assistance as being so integral to cooperative durability.

No One-Size-Fits-All Model

Quality professional technical assistance recognizes that tenant-controlled cooperatives and developments are going to vary in how they do things and what they do. While there is no one-size-fits-all

⁶¹:Two boards said this. Though, it should be noted that the member who spoke with us from one of those boards also mentioned that the development board was sometimes "frozen". By this, we inferred a suspension of elections, indicating that this board might still be willing to accept some technical assistance, if it were offered.

model that can be applied uniformly to every democratically controlled, self-determined development, there is a broad range of operational areas in which external, professional guidance, support, and assistance can sometimes be useful and/or necessary.⁶² Quality professional technical assistance providers are able to provide this support when and how it is needed, and are able to stand by the sidelines when it is not needed.

They are able to offer a range of customizable solutions for the various issues that cooperatives encounter, and they are able to help cooperative boards and members identify, customize, and implement the solutions that work best for their cooperative at the time.

This is the type of support that we have heard development boards of directors repeatedly suggest that they need, could use, and/or would benefit from.

Training the Trainer

It is important to note that there were 2-3 development boards who

aid that they either had no use for technical assistance⁶³ at this time or did not need anything in particular but would consider everything that was offered. Two of these boards specifically mentioned being willing to act as consultants, sharing their successes and skills with other development boards who are struggling with some of the things that these boards have managed to overcome.

We would like to suggest that public agencies aggregate and build on the tremendous amount of experience and expertise that has been developed among existing development boards of directors in a Train the Trainer program. The program could bring together interested board members from different developments. It would help these board members to draw from their expertise and develop trainings and workshops to provide to the members of other boards of directors. Board members would ideally be paid a stipend or consulting fee for their work.

⁶²: These areas include: governance and board functionality; fiscal oversight, health, and long-term financial planning; member health and relations; board and property manager relations; collections; rules enforcement; maintenance and repair; external relations and compliance; etc.

⁶³: Though, see note 55, above.

This program could support and cultivate the broad range of expertise that exists in Boston around owning and operating income-restricted, tenant-controlled cooperatives and developments in the city, as well as to ensure that the elected representatives of these developments have input into, and some degree of control over, their own resources. If done well, a portion of the future technical assistance could be provided by boards and/or board members who have participated in the program. Development boards that are unwilling to engage with city agencies may be more interested in learning from their peers.

Networking Opportunities

As mentioned in the Requested and Suggested Assistance section, a number of development boards with whom we spoke looked back on the 70s-90s with fondness, nostalgia, and longing for all of the connections and support they felt that they had during a portion of that time.⁶⁴ As it was told to us networking opportunities abounded, board members from different

developments knew each other actively skill-shared and problem solved together, and in various other ways were mutually supportive when it came to the survival and success of their respective developments. While the City of Boston cannot replace or recreate relationships between boards and board members across developments, the City and public agencies can support networking and training opportunities for these developments.

The most successful approaches to building these networks will be planned and implemented in a manner that includes participation from any board member and/or board of directors who want to help design these events. Ideally, such events will be attended not only by development boards and the professionals invited to provide trainings, but also by elected representatives who are willing to meet and talk with board members.

⁶⁴: The availability and the provision of ongoing technical assistance was also a frequently-mentioned feature of this longed-for past.

⁶⁵: Consider coordination with the Massachusetts Association of Housing Cooperatives: <https://www.masshousing.coop/>

C) Advocacy and Public Policy

Advocacy: Improved Relationships with Local Officials

Throughout our research, we also heard from a number of developments that they used to have relationships with their elected officials. Some development board members reported having had elected officials know them on a first name basis and pick them out of a crowd to say ‘Hello’. During the days when advocacy efforts for these developments were at a peak, board members in these developments felt that they were treated as respected and valued members of the larger Boston community. The types of relationships that were formed between development board members and City officials have long since faded, according to what has been reported to us.

There is work to be done to provide many of these surviving developments with the support they need to continue well into the future.

One challenge is for elected officials and their staffers from around Boston to begin to rebuild some of the relationships that have been lost over the years between public entities and these developments by finding ways to meet, speak with, and listen to the board members and members of these developments.⁶⁶

Public Policy: Prioritizing Income-Restricted and Affordable Tenant-Controlled Housing

Public policy can often be an effective way to create desired results. Unchecked gentrification is reportedly ravaging through every neighborhood in which income-restricted, tenant-controlled developments are located, causing stress for residents whose neighborhoods are transforming beyond recognition and leading to fears of eventual future displacement. Almost every board that participated in this study brought up – and many talked at length about – the problem of unchecked gentrification in their neighborhood. We recommend that public officials and agencies more

⁶⁶: Consider the model of a public/private task force formed in Washington DC: <https://dhcd.dc.gov/page/limited-equity-cooperative-task-force>

fully consider ways in which sizable portions of impacted neighborhoods are reserved for housing that is income-restricted and affordable under City affordability restrictions. This is particularly needed in neighborhoods with populations that are most vulnerable to permanent displacement, housing insecurity and/or homelessness.

Tax Privileges for Income-Restricted or Affordable Tenant-Controlled Developments

Another step that could help preserve and/or increase tenant-controlled affordable housing in the city could be to create more real estate tax privileges for tenant-controlled developments that can demonstrate income restrictions and/or comparable affordability.

D) Assistance for Broader Cooperative Community Programs

Following the examples listed in the previous Cooperatives as Community Stewards section, we would like to recommend that the public agencies provide more ongoing support to developments that want to engage in community building activities and/or start and maintain community-building programs. The types of programs listed are examples of ways that cooperatives can serve not only their resident-members, but also the surrounding community, to the betterment of everyone involved. Such services and activities contribute to the overall quality of life for residents of Boston. Outside consultants can assist with some of the technical assistance work involved in helping developments to create and run these types of programs. In addition, developments could use the support of the City and public agencies in the form of allowing for the flexible shifting of social services resources, making these accessible for developments that have clear plans in place to utilize those resources to serve the community in which they live.

E) Supporting Newly Formed Developments

Many of the boards who spoke with us indicated that newly formed developments should have access to all of the supports mentioned above, as well as:

- Ongoing professional guidance, support / technical assistance that is:
 - Intensely needed during start up and for 1-3 years after start up
 - Lightly, but still ongoing after the first 1-3 years
- Having a professional technical assistance provider available to give regular trainings, assistance, and guidance to cooperative board members to help them deal with whatever comes up for them in their cooperative.
- Provide ongoing guidance with the formation and review of corporate documents (including bylaws).
- Provide training for property management companies, to help them better understand housing cooperatives.
- Provide recommendations for the most-cooperative-friendly property management companies.
- Look for buildings that can allow for commercial space on the ground floor and cooperative housing above this.
- Consider new property tax calculations and new ways of leasing the land under cooperative housing developments.
- Train-the-trainer trainings on various topics.

CONCLUSION



This 2022 assessment and the 2021 research into the status, condition, leadership, and concerns of Boston housing cooperatives indicated that the sector is vulnerable and in need of attention and support. The challenges in the areas of funding and financing for capital improvements, property management services, resident selection and orientation, external forces and relations should be addressed as soon as possible with training, technical assistance, financial support, networking and more to maintain and renew this important portfolio as well as the cooperative housing model itself.



Appendix: Summary of Recommendations

Funding and Financing

- Increase levels of funding and financial support targeted to cooperative developments in need.
- Limit the degree to which investor partners are required and/or are able to interfere with democratic decisions in tenant-controlled developments.
- Secure Community Development Block Grant or other federal and state funds to help address the needs of selected developments each year.
- Provide assistance for developments around fundraising and grant writing.
- Consider forgiveness of outstanding loans from the City to successful developments.
- Assist developments and their members with finding non-housing forms of comparable equity-building for their shareholders, possibly including:
 - Investments in local small businesses, development-owned start-ups, or other revenue-generating activities.

Advocacy and Public Policy

- Rebuild relationships between elected officials and developments around the city.
- Set and enforce quotas and/or requirements that the City and developers maintain a sizeable / increased percentage of income-restricted housing in those neighborhoods whose populations are most at risk of permanent displacement.
- Create new and/or promote current real estate tax privileges for income-restricted development and/or cooperatives that can demonstrate meeting affordability requirements in the city.

Assistance for Broader Cooperative Community Programming

Support Newly-Formed Developments

- Including by providing all of the technical assistance, funding, and other opportunities discussed in this report.

Ongoing, Quality, Professional Technical Assistance for All Developments

- Make available for all income-restricted, tenant-controlled developments ongoing, quality, professional technical assistance. Ideally, this technical assistance will:
 - Recognize that there is no one-size-fits-all model for cooperative success.
 - Be available and accessible for whatever cooperative-related support a development needs.
- Provide Train-the-Trainer opportunities to invest in the skills and expertise that exists within these developments.
- Provide annual or bi-annual networking opportunities for boards of directors and development leaders.

Requested & Suggested Technical Assistance

FUNDING OR FINANCING CAPITAL IMPROVEMENTS – Major

Concern

- Assistance with the creation of /with annually updating existing Capital Improvement Plans (CIPs).
- Support and training to help board members better understand existing CIPs.
- Assistance facilitating (possibly lively) discussions about capital improvement prioritization among board members and/or among board members and member-residents).
- Assistance with strategies for funding, and timelines for implementing, CIPs
- Support and training for long-term financial planning for new board members and residents as prospective board members.
- Support identifying, and helping board members to assess and select appropriate funding sources, with a review of possible grants and loans;
- Support applying for/obtaining funding from selected sources
 - Possibly including assistance writing grants and/or assistance identifying and selecting competent professional grant writers.
- Support and assistance identifying (creating RFQs / RFPs) and selecting qualified grant writers, engineers, architects, project managers, and other contractors.
- Support and assistance for boards that wish to explore refinancing options.
 - This assistance would include doing a comparison of loan terms from various financial institutions.
- Possible support and assistance helping cooperatives to refinance and/or helping cooperatives that need to borrow (and can afford to) find the best loan terms if grants are not available.
 - This assistance could include working with boards through every step in the borrowing process

- Possible assistance either administering grants obtained or finding competent grant administrators to do this work for boards of directors.
- Possible assistance exploring the possibility of a CDBG (Community Development Block Grant), through the City, to fund the more urgent needs of multiple cooperatives.

PROPERTY MANAGEMENT – Major Concern

- Ongoing technical assistance that developments can draw upon to help them navigate through difficult relationships with property management companies. This technical assistance would include:
 - Workshops to help board members and property managers get on the same page around which body is responsible for what work, as well as what communication and collaboration is required for each of the categories of work.
 - Assistance creating policies and procedures that can guide the relationship between the property manager and the board of directors.
 - Workshops to help boards of directors and property managers carefully review and make adjustments to property management contracts.
 - Trainings to help board members better manage and communicate their needs to property managers.
 - Trainings for property management companies on the unique demands of working with housing cooperatives and the unique needs of housing cooperative board members.
 - Ongoing guidance and support for boards of directors to access when issues arise with their property management company, including potential mediation between boards and property management companies.

- In addition to the above, some board members requested assistance with the following:
 - Providing them with a list of cooperative-friendly property management options in Boston.
 - Guiding and supporting boards of directors who wish to take on more of their property management work and/or who wish to find more alternatives to working with the larger corporate property managers in Boston.

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RESIDENT-MEMBER SELECTION & ORIENTATION – Major Concern

- Support and training for board members / prospective board members on their responsibilities regarding Fair Housing Law, tenant selection rules, and related topics.
- Assistance in creating procedures to guide member selection committees on processes that comply with Fair Housing requirements, including wait list management.
- Assistance entering into conversations with HUD and Section 8 Agencies pertaining to preferred cooperative / tenant-controlled processes for the purpose of seeking agreement and clear understanding of resident vetting activities.
- Assistance creating new resident orientation materials and guiding agendas for resident interviews and/or selection processes. In addition, trainings on minor maintenance and preventative maintenance skills.
- Potential train-the-trainer workshops for board or committee members to be involved in giving new member orientations, support with creating orientation materials and, possibly, support in the form of co-piloting the first one or two of the orientation trainings.

RESIDENT-MEMBER ENGAGEMENT

- Guidance, training, workshops, and resources to help board members formulate member-resident engagement strategies, ongoing outreach techniques, and dissemination of important information to residents.

- Assistance with resident-member meetings to review proposed changes to cooperative bylaws, rules, leases, or other corporate documents, operations, or procedures.
- Assistance/guidance in organizing social events and informational meetings for residents.
- Ongoing support with building community and shared agreements among residents and board members in each cooperative.
- Assistance creating a communication strategy to update residents on essential information.
- Assistance creating procedures, practices, and/or methods for providing resident access to bylaws, rules, and other essential information.
- Assistance creating a manual for residents with essential cooperative information.

TRAININGS FOR RESIDENTS

- Trainings in understanding bylaws, rules, leases, and other important documents.
- Assistance with refresher trainings for existing residents, addressing:
 - what a co-op is;
 - what the purpose of a co-op is;
 - roles, rights, and responsibilities for each: residents, board members, property managers, and other related to the cooperative;
 - how decisions are made;
 - how residents can participate;
 - other topics as they emerge.
- Assistance with accessing agency resources and information.
- Conflict resolution training.
- Trainings on cultural diversity, to help cooperative members with different backgrounds more easily interact with one another.
- Introduction to mutual aid, and assistance with setting up cooperative mutual aid / support and networking projects.

AFFORDABILITY & EQUITY

- Assistance exploring and setting up revolving loan funds for shareholders who need assistance purchasing or financing renovations.
- Assistance exploring alternative forms of collective equity-building for residents, including collective equity-building that is not housing based and that does not require increasing cooperative share prices.
- Possible assistance helping cooperatives / tenant-controlled developments access lower real estate tax rates, if these become available.
- Possible assistance helping cooperatives to explore options for generating non-housing-based income to supplement their operations, maintenance, and/or renovations.

EXTERNAL RELATIONS – Major Concern

- Support and training for board members / prospective board members around city, state, federal and other housing requirements.
- Assistance navigating City, State, HUD, and other bureaucracies.
- Assistance around board access to agency resources & information.
- Assistance clarifying confusing information and/or misinformation on City, State, HUD, or other agency rules, regulations, requirements, updates, and communications.
- Assistance seeking help from the City, including for local items such as stop lights, cracked walkways, and parking.
- Assistance reviewing the fine points of contracts with board members.
- Interfacing with project managers, contractors to ensure quality work during capital improvement projects.
- Assistance with the creation of compliance calendars or other systems for alerting board members of approaching deadlines for inspections, etc.

- Assistance for board members in their interactions with their property management companies, including their contractual obligations.
- Assistance seeking to work with HUD/other agencies to establish more inclusive and more cooperative-friendly member selection processes.
- Assistance understanding and navigating ADA laws and accessibility requirements.
- Assistance identifying lenders that offer financing at reasonable terms to cooperative residents/prospective residents needing assistance with unit upgrades and/or share costs.
- Assistance identifying attorneys, insurance companies, etc. that are cooperative-friendly.
 - Alternatively, identifying and communicating cooperative board requirements to attorneys and insurance companies willing to learn and to customize their services for cooperative board needs.
- Assistance accessing a lower tax rate, if one becomes available.
- Assistance exploring a CDBG (Community Development Block Grant), through the City, to fund the more urgent needs of multiple cooperatives.

NETWORKING SUPPORT AND TRAINING

- Have professional technical assistance providers organize regular (once or twice a year, if not quarterly) networking & training events for Boston housing cooperatives and tenant-controlled developments. These events would feature:
 - Expert professionals to advise boards on topics of common concern;
 - Trainings on topics of interest that are offered by professionals in the field.
 - Professionally-facilitated workshops that can help boards to share problems, concerns, and successes in their cooperative;

- Focused skill shares, where Members / Board Members from different cooperatives meet in groups, discuss common issues, and exchange ideas and exchange preferred contractor information and referrals.
- Social/networking sessions to help board members meet, interact with, and feel supported by board members around the city.
- These events could also update board members on any key changes to rules and regulations from the City, the State, HUD, and other relevant bodies.
- Create a network of cooperative board members who can communicate outside of networking meetings using technology, and who can provide mutual aid, assistance, and advocacy support for each other when the need arises. ⁶⁷

BOARD FINANCIAL OVERSIGHT

- Trainings to help board members better understand their monthly financials and their long-term capital improvement plan (“Financial Literacy” trainings).
- Trainings on the legal fiduciary duties of board members and what that entails.
- Training on creating simple but informative treasurer’s reports.
- Assistance creating and/or reviewing annual cooperative budgets. Including:
 - feasibility, compliance, and other relevant criteria.
 - communications with membership around the budgeting process and the final proposed budget.
- Assistance finding new, qualified, and cooperative-friendly bookkeeper.
- Assistance understanding and staying current on affordability restrictions, and ensuring boards can raise maximum revenues with their affordable rents.
- Assistance conducting or obtaining a marketing study.

⁶⁷: Consider coordination with Massachusetts Association of Housing Cooperatives and the model of the DC Federation of Limited Equity Housing Cooperatives.

GOVERNANCE & BOARD FUNCTIONALITY

- Trainings on understanding bylaws, rules, and other corporate documents
- Assistance with revising bylaws, rules, leases, and other corporate documents
- Assistance in the creation of policies, procedures, and other corporate documents
- Assistance with establishing best practices and/or policies and procedures for rules violations, repair and maintenance requests, collections, and other aspects of cooperative operations.
- A regularly-available professional technical assistance provider to give trainings, assistance, and guidance to cooperative board members to help address ongoing and periodic issues.
- Assistance with board member recruitment.
- Assistance with board succession plans
 - To help new or prospective new board members to learn from the vast knowledge and experience of existing board members.
 - The help residents ease into board work by feeling familiar, trained, and competent enough to join the board
- Trainings to help board members work better together
 - Decision making, democracy, common purpose
 - Preparedness and Accountability
 - Interpersonal relations
- Provision of various types of competency trainings that provide baseline board member skills to all board members and members interested in volunteering, such as:
 - The basics of parliamentary procedure / Robert's Rules of Order,
 - Best practices for creating and following meeting agendas, writing meeting minutes, and other key board topics.
 - Business management training.
- Review/overview of roles and responsibilities for each board office and for directors-at-large.

- Trainings on cultural diversity, to help cooperative and board members interact with each other.
- Conflict resolution trainings.
- Meeting facilitation trainings for board chairs or others who may be facilitating difficult meetings on controversial topics.
- Having a professional technical assistance provider available to give regular trainings, assistance, and guidance to cooperative board members to help them deal with whatever comes up for them in their cooperative.
- Trainings on understanding the ADA and Requests for Reasonable Accommodations.
- Committee trainings for:
 - Board members on best practices for creating committees,
 - Committee members on their roles and responsibilities.

FOR NEW COOPERATIVES FORMED BY THE CITY IN THE FUTURE

Ongoing professional guidance, support / technical assistance.

- Intensely needed during start up and for 1-3 years after start up
- Lightly, but still ongoing after the first 1-3 years
- Having a professional technical assistance provider available to give regular trainings, assistance, and guidance to cooperative board members to help them deal with whatever comes up for them in their cooperative.
- Provide ongoing guidance with the formation and review of corporate documents (including bylaws).
- Provide training for property management companies, to help them better understand housing cooperatives.
- Provide recommendations for the most-cooperative-friendly property management companies.
- Look for buildings that can allow for commercial space on the ground floor and cooperative housing above this.
- Consider new property tax calculations and new ways of leasing the land under cooperative housing developments (more on this further below).
- Train-the-trainer trainings on various topics.