

# THE COOPERATOR

*News and updates for leaders of resident-owned communities*

## A Little History of Cooperatives

Each one of the resident-owned communities (ROCs) NCF supports is organized and governed by cooperative principles. These principles are based on democratic member control and participation, and equitable economic involvement by all members.

National Cooperative Month is observed annually in October to celebrate the contributions the cooperative sector makes to the nation's economic and social health. In recognition of National Cooperative Month, NCF put together a brief history of the cooperative ownership sector to help ROC leaders understand their place in the larger context of cooperative history.

The development of the first cooperatives can be traced to the upheavals that were caused by the Industrial Revolution in England during 1750-1850. During this period, rural people were forced from their land and moved to cities, where they faced harsh working conditions and low wages. In the cities, home-based enterprises disappeared and people went to work in factories.

### Cooperative Roots

The model for today's co-op association developed at about this time in Rochdale, England, where a group of struggling weavers pooled their funds so they could supply themselves with quality goods at cost.

## IT'S NATIONAL CO-OP MONTH!

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### Co-ops Arrive in U.S. Through Agriculture

In the U.S., cooperatives first appeared in the agricultural sector. The first recorded dairy and cheese cooperatives were organized in 1810, and cooperatives for other agricultural commodities soon followed. The Order of the Patrons of Husbandry, known as the Grange, was formed after the Civil War to improve farming conditions.

The successors to those early agricultural cooperatives—think CHS and Land O'Lakes—are now among the largest corporations in the country and are part of the global marketplace.

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### The National Impact of Co-ops



U.S. co-ops provide nearly 2 million jobs and create more than \$74 billion in annual wages with revenue of nearly \$650 billion.



One third of Americans have ownership in a cooperative.



Nearly a million of the nation's farmers belong to a cooperative, accounting for 55% of the total U.S. agriculture sales.



For every \$1 that is spent at a food co-op, \$1.60 is generated in the local economy.



Electric co-ops account for more than one third of the nation's electric utility industry, powering over 18 million homes, schools, and businesses.

**85%**

Co-op day cares reduce childcare costs for working parents by as much as 85%.

*Co-ops impact the national economy in significant ways, providing solutions to some of the nation's toughest challenges. The statistics above are a sampling of the way co-ops, in various sectors, sizes, and forms, work to build a better world. Statistics from [www.coopmonth.coop](http://www.coopmonth.coop)*

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## Other Forms of Co-ops: Credit Unions, Electric, and Food

Credit unions are a form of cooperative, and the first credit union was formed in Massachusetts in 1909.

Until the 1930's, most farms were operating without electric power. The Rural Electrification Act (REA) of 1937 established a lending agency to finance an electric infrastructure expansion effort. Farmers, familiar with the cooperative model, quickly established rural electric cooperatives to take advantage of the program.

Consumer food cooperatives experienced a resurgence beginning in the mid-1960s, driven by a lack of access to natural and organic foods.

## Housing Co-ops

The first recorded cooperative type housing community appeared in New York City in 1876 as a luxury 'home club' for upper class society. Cooperative dwellings were marketed towards wealthy people who wanted the advantages of individual home ownership without all of the responsibilities. Before the days of fair housing laws, it was common for cooperatives to reject membership to persons who were not of the desired racial, ethnic, or religious background.

The first relatively large scale affordable housing cooperatives were developed in the 1920s in New York City, and were primarily for members of the Amalgamated Clothing Workers Union.

The 1929 Stock Market crash almost brought the cooperative move-



Go to [www.coopmonth.coop](http://www.coopmonth.coop) for shareable images and information like the one pictured above.

ment to a standstill. The luxury cooperatives were hit especially hard and most of the high-income housing cooperatives failed. By 1934, over 75 percent of cooperatives in New York and Chicago had gone bankrupt. Only two of New York's higher-income co-ops survived the Depression.

Rent controls, combined with IRS tax law changes, induced a resurgence of upper and middle-income co-ops in New York City during World War II.

In one of the most momentous events of the housing cooperative movement, Title VIII of the Federal Civil Rights Act was passed in 1968. This "Fair Housing Act" prohibited discrimination in housing due to race, color, national origin, or religion.

## Cooperative Manufactured Housing Community Concept Goes National

In May 2008, ROC USA® was launched by national and regional nonprofits that joined together to serve one mission: "To make quality resident ownership viable nationwide and to expand economic

opportunities for homeowners in manufactured (mobile) home communities."

Prior to ROC USA's inception, manufactured housing communities were being organized as co-ops by several organizations across the U.S. The launch of ROC USA helped organize all the work into a more unified, systematic coalition.

Nine regional nonprofits (including NCF) currently represent the Certified Technical Assistance Providers (CTAPs) in the ROC USA Network. The CTAPs provide the day-to-day governance support and loan servicing to resident-owned communities throughout the U.S.

Collectively, ROC USA CTAPs work with over 200 resident-owned communities in 14 states. For more information about ROC USA, visit:

[rocusa.org](http://rocusa.org).

# Why Cooperative Ownership?

Let's face it. Cooperative ownership, for all its glory, is pretty hard work. Leaders of resident-owned communities know this first-hand. It is difficult to keep community members engaged (let alone get people to run for the Board!), complicated dynamics between community members can make governing and rule enforcement tricky (and, sometimes, downright intense!), and finding the time to come together and make democratic decisions can sometimes feel like an impossible task.

Some days, it can feel like the only thing cooperative ownership has given us is a headache. When this negative spiral happens—and it's bound to happen—it is important to take a step back and remember "The Why": why we are here and why we continue down the cooperative path.

The NCF Technical Assistance team decided to share our "Why" stories with you. It is our hope that by sharing our stories, you may recall your own and be lifted up, if only for a moment, to a "big picture" place, a place where we can see the larger purpose of our actions and the deeper meaning of our choices.



**Tom Guettler**  
*Governance Advisor*

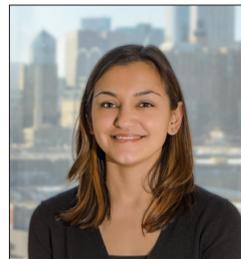
When I was mopping floors after-hours at the Mississippi Market food co-op in 1990, I never imagined that I'd one day be helping residents of manufactured home parks buy and run their communities as cooperatives. Back then, being part of a cooperative meant that, because I was on a tight budget, I could volunteer and get a discount on my groceries. Plus, the co-op had bulk foods (cheaper and healthier than packaged), and staff and shoppers at the co-ops were kinda funky (this coming from a guy who grew up in the 70's).

I was fortunate to grow up in a small town in Minnesota, population 500. We lived in a single-family home and never had to worry about being displaced, or whether the sewers worked, or if the water would always run. Neighbors and family were always there to help, and

I was free to roam the town (mostly unsupervised!). I didn't realize it then, but the town really functioned like a small cooperative.

Over the years, I've come to realize that most people want their own home, at a price that they can afford, in a place where they know and are supported by their neighbors, with utilities that work, with space for their kids to play. They want the same things I enjoyed as a kid.

I believe that a resident-owned manufactured home park co-op offers all of the above. My work at NCF allows me to use the skills and experience that I've acquired over the years to help residents achieve those goals. Most importantly, I'm learning and growing from residents who teach me what it's like to have more secure and affordable housing.



**Julie Martinez**  
*Cooperative Housing Specialist*

Growing up in Minnesota I was always familiar with the cooperative model, my parents were members of the Wedge Food Co-op in the 80s, back when volunteering was how you paid for membership. I knew that co-ops were 'good' but didn't realize how they worked or how many industries could be organized this way.

I began my career working in the nonprofit field in 2006, first working on a hotline for renters and helping folks learn about their rights regarding landlord-tenant law. I quickly understood the immense impact that housing has on one's ability to thrive. I counseled thousands of Minnesota renters who were usually just trying to get the landlord to make basic repairs, enforce rules, and return their security deposits.

What was apparent was that we could help them understand their rights, fight evictions, and pressure their landlord to act, but they were never going to be on equal footing, no matter how savvy they were.

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While there are exceptions, most landlords and owners have little to no incentive to invest in their properties, respond to resident needs, or ensure a safe environment if there is no return on those investments. Even the best owners are businesspeople at the end of the day and are looking out for their bottom line. Advocating for renters, and later working as a financial counselor made me want to work towards a longer-term solution, which led me to NCF.

I have experienced firsthand, from the initial resident meeting to closing and beyond, the many challenges that ROC leaders face and the amount of work that it takes to run your community. But when I ask folks if they would ever go back to how it was before, and I'm met with a resounding 'NO!', and am reaffirmed that it is all worth it.

For all the tireless work and headache that resident ownership can be, at the end of the day your members own it. The boards NCF supports are leading multi-million dollar corporations, the first of their kind in the Midwest, and creating their own destinies. That is something very powerful, and it inspires me every single day.



**Victoria (Tory) Clark**

*Cooperative Housing  
Technical Assistance  
Provider*

About a year ago, I attended a panel discussion on worker cooperatives. One of my favorite artists, Ricardo Levins Morales, was giving the keynote address on the importance of cooperative ownership. In addition to being a talented artist, Ricardo is also an activist and an inspiring public speaker. During his remarks, Ricardo talked about the immediate and long-term transformational qualities of co-

op ownership. He used a great metaphor to describe the impact of shared ownership.

“When a community is thirsty and hot, you give them bottles of water,” Ricardo said. “But you also plant a tree.”

What Ricardo was saying was, when there is a problem, we should do what we can to relieve the immediate effects of the problem, but we should also take steps to improve the system that caused the problem in the first place. In this way, we ensure future generations don't run

into the same problems down the road. We give a bottle of water to quench the thirst, but also plant a tree, so future generations will be able to stay cool.

In the case of manufactured housing communities, co-op ownership offers relief for the immediate problems of lack of control of the land underneath peoples' homes and the insecurity created by reliance on a profit-motivated investor-owner. In this way, becoming a co-op is a “bottle of water” that provides relief for the immediate problem of lack of control and security.

But becoming a co-op also fundamentally changes the long-term landscape of a community. As years go by, co-ops return the wealth generated by lot rent payments back to members in the form of infrastructure improvements, improved operations, and below-market lot rents. Not to mention the social wealth generated by being a co-op—residents get to know each other better and a stronger sense of community is built. In these ways, becoming a co-op is like “planting a tree.” As the co-op grows and matures, it becomes stronger, providing greater financial stability and community health.

Here's the thing. We focus a lot on the “bottle of water” of co-op ownership—the immediate problems solved through shared ownership. What I love so much about Ricardo's metaphor is that it reminds us is that in forming a co-op, we have also “planted a tree.” And, the thing about a tree is, it takes a long time to grow. It takes the patient, nurturing hands of generations to tend to its growth, trimming branches and watering in times of drought.

Every day, I get to work with community leaders who know the importance of taking care of the tree they have planted. They understand the tree's slow growth and do the hard work anyway, because they care about the future generations who will sit in the tree's shade. It is this long-term concern for community that I admire so much about cooperatives and what makes me excited to be part of the journey.

# Preparing Your Home for Winter

Remember the old adage, "a pound of prevention is worth a pound of cure"? This phrase rings especially true for home weatherization.

September and October are a great time to remind residents in your community to take proactive measures to prepare their home for winter. In the long run, proactive winter weatherization can save both residents and the ROC at-large considerable time and money.

Here are some do-it-yourself actions homeowners in your community can take before the snow flies. Some of these tips could even save your life!

## Under The Home

No one enjoys crawling under their home, but this is where most of your problems are likely to occur.

**Supports** - The blocks or jacks that support your manufactured home should be in good condition. If they're not, have them repaired immediately to prevent sagging, which can cause damage to windows, doors, joints and walls.

**Belly Pan Insulation** - Inspect under your home for sagging, torn or water spotted insulation.

**Skirting** - Check your home's skirting. It should be secure, but not so tight that it stops ventilation.

**Heat Tapes** - Confirm that your heat tape is installed properly and still plugged in. If it's worn or loose, replace it, but be aware:

- Make sure you never overlap heat tape, because overlapping can cause a fire!

- Use correct tape for the job: Exterior vs. Interior tape; Metal vs. Plastic pipe
- Not every pipe surface should be covered; More IS NOT better

## Siding, Doors, Windows, and Roof

**Caulk** - Plumbing and furnace vent pipes, around flashing seams between roof and siding, around door and window frames, along siding joints, around the dryer vent, at the TV antenna wire entrance and at pipe openings.

**Windows and Doors** - Look at doors for signs of leaking around the sill and threshold. Make sure weather stripping and seals are okay. Be sure your storm windows and doors are in place and in good repair. To detect heat loss, just hold your hand at the edge of a window or door frame on a windy day. If you feel a draft, weather-strip the area.

**Roof** - Check shingled roofs for damaged or missing shingles.

**Gutters** - To avoid water damage, clean out gutters.

**Roof Vent(s)** - Confirm that all roof vents are unobstructed and no leaks around flashing.

## Heating

**Furnace** - You can perform many routine furnace maintenance jobs, while other procedures are best handled by a qualified repair person.

Most furnace manufacturers recommend a professional inspection of fuel lines, safety controls, burner and flue pipe every year. Your utility



**Never attempt to repair gas lines in your home.**

If you smell gas, get out of the house and call a repair person or your gas company immediately.

company may provide a free inspection. Here are some maintenance jobs you can do on your own:

- Replace disposable furnace filters regularly. Remove the cover of the thermostat and vacuum away dust and dirt.
- Inspect blower motor. Vacuum any accumulated dirt. Inspect V-belt and pulleys for wear. If the belt moves more than an inch when you push it, tighten it.

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**October is a great time to send a letter to residents with winter weatherization reminders.**

**If mobility or time is an issue for some residents, boards may consider putting together a team of volunteers to help assist residents with home weatherization projects.**

**Helping residents prepare their homes in advance will save the entire community time and money responding to major crises like water breaks or fires.**

# Capitol Corner

**Kevin Walker**

*Acting Executive Director, NCF*

With fall leaves now filling lawns with color, Minnesota's legislators are starting to meet with stakeholders interested in outcomes from the 2018 Legislative Session.

As with prior years, NCF, on behalf of the cooperatives we serve, will have strong interests at the Capitol. In particular, we plan to pursue:

1. Dedicated infrastructure funds for manufactured housing communities;
2. Restoring renters' credit to Minnesota manufactured housing cooperatives.

As 2018 is a bonding year, the Legislature will meet only for six to eight weeks, starting on February 20, 2018. In bonding years, the focus is on passage of a big bonding bill that provides for major public investments to go into key priority projects of the Legislature or the Governor. Most observers think the Legislature will not take up major policy bills, but will pass a multi-million dollar bonding bill and perhaps a small spending bill.

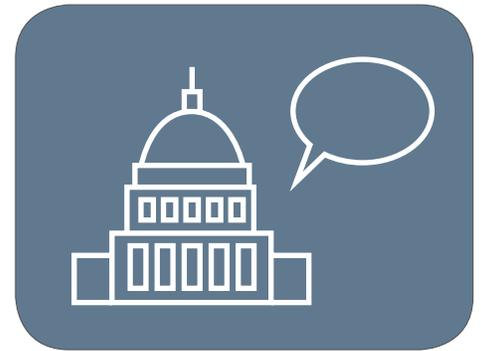
## NCF Agenda

As you may remember from last year, due to our lobbying efforts with your help, the Legislature created an infrastructure fund. Despite broad support, the renters' credit did not make it into the final bill. We think that there was very solid groundwork laid at the Legislature for both initiatives. We may also advocate for a Minnesota state capital gains tax credit for park owners who sell their parks to residents.

Three other organizations are also advocating for important legislation that would expand residents' rights and create more opportunity for resident ownership. The organizations working on resident opportunity to purchase legislation are: All Parks Alliance for Change (APAC), Minnesota Coalition for Homeless (MCH), and Aeon are also advocating for important legislation that would expand

## How To Keep Track Of And Contact Legislators

Learn and keep track of the NCF bill numbers and the bill numbers of the initiatives that APAC, MCH, and Aeon are pushing. Be prepared to call, email, or write your or other



key legislators when asked.

Your voice is the most important for legislators, especially those in your district to hear. From phone calls to postcards, your strong message about the importance of infrastructure funding, renters' credit, and how resident ownership has made a difference in your communities moves policymakers into 'YES' voters.

Your Board can invite legislators to visit your community, join your annual meeting this fall, or come down before Session starts early next year. Your direct relationships with legislators mean that when your lawmaker is on the floor casting a vote, they are thinking of the impact they are making and the prominence of your voices (and votes) as citizens in future elections.

Contact information for organizations working on expansion of opportunity to purchase:

- **APAC:** contact Dave Anderson, [dave@allparksallianceforchange.org](mailto:dave@allparksallianceforchange.org)
- **MCH:** contact Fatima Moore, [fatima@mnhomelesscoalition.org](mailto:fatima@mnhomelesscoalition.org)
- **Aeon:** contact Malika Phelps, [mphelps@aeonmn.org](mailto:mphelps@aeonmn.org)

Did you miss the last issue of *The Cooperator*? Check out the archive on the NCF website for all past issues. Visit [northcountryfoundation.org/the-cooperator](http://northcountryfoundation.org/the-cooperator).

# Welcome to resident-ownership, Zumbro Ridge Estates!

On Thursday, October 12, 2017, the residents of Zumbro Ridge Estates, Inc. (ZRE) concluded several months of intense effort, led by their interim Board of Directors, with the purchase of their 122-site community from the former investor-owner.

“This closing allows the residents to make the changes needed to improve our community,” ZRE Treasurer, Krista Paulsen said.

NCF supported residents’ efforts to organize the new nonprofit corporation, perform due diligence, and helped the nonprofit secure financing from ROC USA® Capital, a national lender specializing in financing for resident-owned manu-

factured housing communities.

The ZRE transaction is the eleventh NCF-supported resident-ownership conversion in the Midwest.

“Zumbro Ridge Estates, Inc. residents’ purchase of their community shows what can happen when people come together to take control of their common future,” NCF’s Senior Development Counsel, Shaun McElhatton said.

Financing for ZRE was provided by ROC USA Capital and the Greater Minnesota Housing Fund, a community development lender in Saint Paul, Minnesota.

ZRE members are planning a community-wide celebration to mark their successful purchase.



Members of the ZRE interim board and NCF staff pose for a picture at closing.

Read the [full press release](#) about the ZRE purchase and read [a local news report](#) on the purchase by visiting [northcountryfoundation.org/media](http://northcountryfoundation.org/media).

## Preparing Your Home continued from page 5

- Check air intake. Most manufactured home furnaces draw combustion air from beneath the home, so make sure your skirting is vented to allow free air passage.
- Check flue assembly for alignment and rigidity. It should run in a straight line from top of the furnace through ceiling. Be sure flue is attached to furnace collar. Check to make sure there is no loose wiring near flue.
- Clean out debris in furnace area, and don't allow even

small amounts to accumulate. Never use your furnace closet for storage or drying clothes; this is a fire hazard!

**Dryer Vent** - Ensure that your dryer vent is not plugged with lint, and that it vents outside your home.

**Other Heat Sources** - In addition to your furnace, you should also properly maintain your space heater or other heat source. All space heaters must be placed at least three feet from anything combustible.

### Fire and Electrical

**Fire Extinguishers** - Keep one fire extinguisher in the kitchen and another near the

furnace. Use a multiple-purpose dry chemical extinguisher suitable for use on Class A, B and C fires. Small home fire extinguishers operate only five to ten seconds, so take careful aim before using.

**Smoke and Carbon Monoxide (CO) Detectors** - Test your smoke and CO detectors to be sure they're operational, and replace batteries. You should have one smoke detector in each bedroom and another in the kitchen. Position a combination smoke/CO detector near bedrooms.