

COOPERATIVE HOUSING

BULLETIN

A member service of the National Association of Housing Cooperatives

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NCB Refinances Affordable Housing Co-Ops

By Mary Alex Dundics, Vice President, NCB

For the past 30 years, NCB has had a mission to finance housing cooperatives nationwide. While most of the cooperative housing market is in New York, NCB has been fortunate to work with a large number of cooperatives, both market rate and limited equity located in Washington, D.C., the Midwest, the Southeast and on the West Coast to help preserve the cooperative building with mortgage financing.

Recently, NCB has worked with several cooperatives to refinance HUD loans for the HUD 236 program. NCB's loan structures are customized to meet the cooperatives' needs. Loan terms can range from fixed terms from 10-20 years, with amortizations for a 10- or 15- year fixed rate loan up to 30 years. A 20- year fixed-rate loan is self-amortizing and must be paid off in 20 years. In addition, the first mortgage can be coupled with a second mortgage or a line of credit to assist for

any future repairs. Below are two recent examples of how NCB helped two HUD 236 Cooperatives refinance existing debt and have money for necessary repairs on the property.

Bywater Mutual Homes Annapolis, Md.

In December 2006, Bywater Mutual Homes, Inc., a 302-unit limited equity cooperative for

low- and moderate-income families celebrated an important milestone when it paid off of its 40-year mortgage, a loan underwritten by Section 236 of the U.S. Department of Housing and Urban Development (HUD).

As one of a handful of government-subsidized housing entities for low- and moderate-income families in increasingly upscale Annapolis, Maryland, Bywater comprises 43 two-story brick townhouses. It's residents had reason to celebrate this accomplishment with even greater fervor. Not too long before, Bywater had faced the unhappy possibility of foreclosure [page 16 >](#)



Why Houston?

Join Us for NAHC's 48th Annual Conference in Houston, Texas!

Houston is a vibrant international city that heartily enjoys its tradition of being a place of firsts. General Sam Houston, the city's heroic namesake, was the first president of the Republic of Texas. Houston, the city, was the first word Astronaut Neil Armstrong spoke when he landed on the moon. And, Houston was the first to build an air-conditioned sports stadium – the Astrodome!

Houston is the fourth largest city in America with a population approaching three million. It's the home to the Houston Astros, the Houston Rockets and the Houston Texans!

Houston has a diverse population – 37.4 percent Hispanic, 49.3 percent Caucasian, 29.3 percent African-American and 5.3 percent Asian. And, 90 languages are spoken throughout the area.

Houston has the largest theatre district outside New York City and it's one of only five cities in the U.S. with resident companies in the four disciplines of the performing arts: Alley Theatre, Houston Ballet, Houston Symphony and Houston Grand Opera.

Houston is home to the Museum of Fine Arts, the sixth largest museum in the country, and Houston Museum of Natural Science. Space Center Houston is the Official Visitors Center for NASA's [page 19 >](#)

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Rosie the Riveter Lived Here

“Rosie the Riveter” along with 100,000 men and women hammered out hundreds of Liberty ships at the Kaiser Shipyards in Richmond, California, in the 1940s. Women comprised 27% of the workforce. Rosie, wearing her polka dot bandana, rolled up sleeves and the slogan “You Can Do It!” symbolized women’s contribution that helped to win World War II. Even today, she inspires millions. Although Rosie was a mythical figure, she stood for real women who flooded into traditional male-dominated jobs and built Liberty Ships as well as other vitally needed supplies for the war. Everyone in America knew where Rosie worked, but only a few knew where she lived, which was Atchison Village in Richmond, California. It is included in the Rosie the Riveter National Historical Park in Richmond.

To house Kaiser Shipyards workers, the U.S. government built thousands of homes in Richmond. The British “Garden City” principles of low density, open space, neighborhood facilities and sense of community influenced Atchison Village’s design. Although it was built quickly, the environment is a lively, affordable and secure community. Its 30 acres of curved streets, open space, grassy areas and courtyard living, plus

another 4.5 acres of a city park, baseball ground and soccer field, provide a quiet haven within the dense East Bay city of Richmond. *A Guide to Architecture in San Francisco and Northern California* (Gebhard, 1973) describes Atchison Village: “This World War II housing project offers an object lesson in the meaning of housing quality. It demonstrates that environmental concern and tender, loving care can make the difference between decent housing and a slum.”

After the war, the U.S. government either demolished or turned wartime housing properties over to the private sector. Two were sold to their residents “lock, stock and barrel” and both continue to operate as cooperative housing today. Residents formed Woodstock Homes Corporation to buy their 200-unit development as a co-op in 1946 (see sidebar). In 1956, Atchison Village residents had the chance to buy their entire community consisting of 450 homes, streets, open space and community buildings: more than 8,000 sq. ft. of offices, meeting hall and a credit union.

They were ordinary working people, none were rich and few had savings. Yet, the opportunity to own rather than rent compelled them to stick together as the clock ticked. The asking price was \$1.5 million, or \$3,333 per unit.

Howard Palmer, who was 20 years old when he was elected to the original board, recalls that residents had to come up with at least \$3,000 to finance a unit share. Ninety-nine of the 450 households couldn’t do it but many others could. Plenty of people wanted to buy into Atchison Village.

Atchison Village Today

The purchase of a single membership share conveys ownership of 1/450th of all of Atchison Village. A share can be sold at a market value but the transfer must be approved by the AV board. At AV, the share value equals the value of the unit. In 2007, share values ranged from \$60,000 for a one-bedroom unit to \$130,000 for a three-bedroom unit. Five different types of buildings make up the complex, which has 97 one-story buildings and 65 two-story buildings. There are 68 one-bedroom units, 272 two-bedroom units and 110 three-bedroom units.

Once a member has arranged the financing and obtained board approval, they get their membership certificate and permission to move in. The member’s only remaining housing costs are for individually billed utilities, maintenance of the member’s unit and a modest monthly charge for the cooperative’s expenses.

A staff of six maintains the buildings and grounds and two more keep the administrative tasks in order. Wayne Ashcraft is now general

Photos
www.rosietheriveter.org/parkav.htm

Atchison Village is unique

Looking at Atchison Village online using Google's Earth View, the area is roughly bounded by MacDonald Ave., W. Ohio St., First St., and Richmond Parkway in Richmond, California. Tom Butt, a local architect, Richmond City Council member and trustee of the Rosie the Riveter Trust has written excellent accounts of the origins of Atchison Village. His in-depth history can be found at www.rosietheriveter.org/parkav.htm.

Atchison Village is in the Rosie the Riveter WW II/Home Front National Historical Park, established by Congress and signed into law by President Clinton in October 2000.

Atchison Village is the only co-op housing within any of the 43 National Historical Parks and was entered onto the National Register of Historic Places on May 30, 2003.

Thanks to Wayne Ashcraft, general manager of Atchison Village, for the background and statistics on current operations. Thanks also to current and former AV board members for the historical background.

David J. Thompson of Neighborhood Partners, LLC is actively involved in developing cooperative and nonprofit housing. He is author of more than 250 articles and a number of books about cooperatives. He was born near Rochdale, England, and has been developing cooperatives in California since 1968. He is president of the Twin Pines Cooperative Foundation.

manager and Rosie Martinez is assistant manager. Both speak Spanish and have reached out to the growing number of Hispanic residents. Many AV documents are now bilingual.

With no cooperative mortgage payments or individual unit maintenance costs, the current co-op monthly charges are only \$244 for a one-bedroom unit, \$254 for a two-bedroom unit and \$264 for a three-bedroom unit. There are slight variations according to unit type. These Co-op monthly charges cover property taxes, property insurance, water, sewer, garbage pickup, landscaping, external repairs and replacements, and administration. They also include \$32 per unit per month for replacement reserves. AV pays for nearly all of its long-term renovations out of those reserves.

Atchison Village Credit Union

The resident ownership of Atchison Village is not readily understood by first-time buyers and financial institutions, so conventional financing is not readily available. Atchison Village formed its own credit union in 1959 specifically to assist residents by providing signature loans to buy their shares. The credit union's offices in the main community building are staffed by three full-time people and one half-time person. Nancy Blackstock, its manager, reports that its 975 members have current assets of \$5 million. Village members use AVCU loans to finance their shares, home improvements, cars and other consumer loans. AVCU loans significant sums toward share purchases, but only if the member-buyer has a co-signer with other real property in California. This unusual form of financing has worked for decades with very few problems, undoubtedly because a family member, employer or good friend is putting their own home on the line.

The cost of homes at Atchison Village is low compared with others in Contra Costa County. At the height of the recent real estate scramble, the *West Country Times* described Atchison Homes as "an unbelievably inexpensive island in a sea of soaring East Bay home prices. The average 3-bedroom unit in AV goes for about \$130,000. A similar type and age home in the Richmond area is almost three times higher.

Until recently, turnover averaged about 20-30 a year. No matter the size

or type of unit, turnover has been relatively fast, usually within a 30 to 90 days. Members can specify their line of succession in the event of their death, although a successor must be approved by the board and must move into the unit rather than renting it out. Not surprisingly, transfers often occur between family members. A number of units have now been occupied by three generations of the same family.

The Atchison Village Co-op operates on a one-member one-unit vote system and elects the 11 member board of directors for one-year terms. Its board oversees management of the corporation and its \$1.2 million annual operating budget. At present there appears to be strong membership support for a change to having two- or three-year staggered board terms, providing better member continuity to deal with management, the budget and long-term planning issues.

Nicholas Jones, the current AV president, and Gretchen Blais, the former president and now AV's vice president, both say people are attracted to AV because "it is the lowest cost ownership housing in the Bay Area" and "because of its sense of



Atchison Village today.

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➤ **Rosie the Riveter**

Woodstock Homes Corporation, a similar 200-unit cooperative corporation in Alameda, California, was built for the U.S. Navy's then new Alameda Naval Station in 1940. As at Atchison Village and other wartime housing developments, effort went into site planning for life quality. The entire Woodstock site was sold to the residents as a cooperative in 1946. The Housing Authority of Alameda built 4,800 units during the wartime years and Woodstock Homes is the only housing of that era remaining.

Woodstock Homes Corporation owns everything as one piece of property, and purchasing a share conveys the right to occupy a specific unit. Woodstock share prices now average about \$300,000, half the cost of similar homes in Alameda, which average \$600,000. Woodstock Homes offers the least costly home ownership opportunity on Alameda Island.

community." Gretchen intends to stay when she retires. She sees the top three management issues as developing a budget and reserves in line with their expenses, acting faster to re-fill the units left empty by former seniors living at AV, and tightening the procedures on phantom owners who rent their units under the table. AV is an anomaly under California law and there is limited existing law to guide AV's policies, rights and responsibilities. If the board had a better handle on these issues, it could substantially cut expenses.

In October 2007, Atchison Village celebrated its half century of cooperation. Residents gathered in the community hall for a pot luck dinner and dance. Many former members returned and shared stories. That night, in the glowing faces of the lively female seniors the spirit of "Rosie the Riveter" was still very much alive. Rosie would be grateful that the energy of the wartime effort has evolved into a successful and stable cooperative community today serving about 750 people. Fifty years later, they are still a cooperative community caring for each other. Rosie would be proud to edit her slogan to say "We Can Do It." **CHB**