



Strengthening the Cooperative Economy: Practical Tips for Current and Prospective Co-ops

Webinar Series

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COOPERATIVE
DEVELOPMENT
INSTITUTE

CFNE
FUNDING THE FUTURE

COOPERATIVES

BUILD A BETTER MAINE

Co-op Month
October
2022



Session 5 | Housing Co-ops: Now and the Future

November 2, 2022

Panelists:

Joe Cicarelli	Director, Cooperative Development Institute, NEROC Program
Craig Saddlemire	Cooperative Development Organizer, RAISE-Op
Nora Gosselin	Market Development Specialist, Cooperative Development Institute

Agenda

PART 1	Introduction
PART 2	Market Rate, Limited Equity, Group Equity
PART 3	Resident Owned Communities
PART 4	Multi-unit Housing Cooperatives
PART 5	Q + A



Equity Options

3 Different Types of Housing Cooperatives

- Market Rate
- Limited Equity
- Group Equity

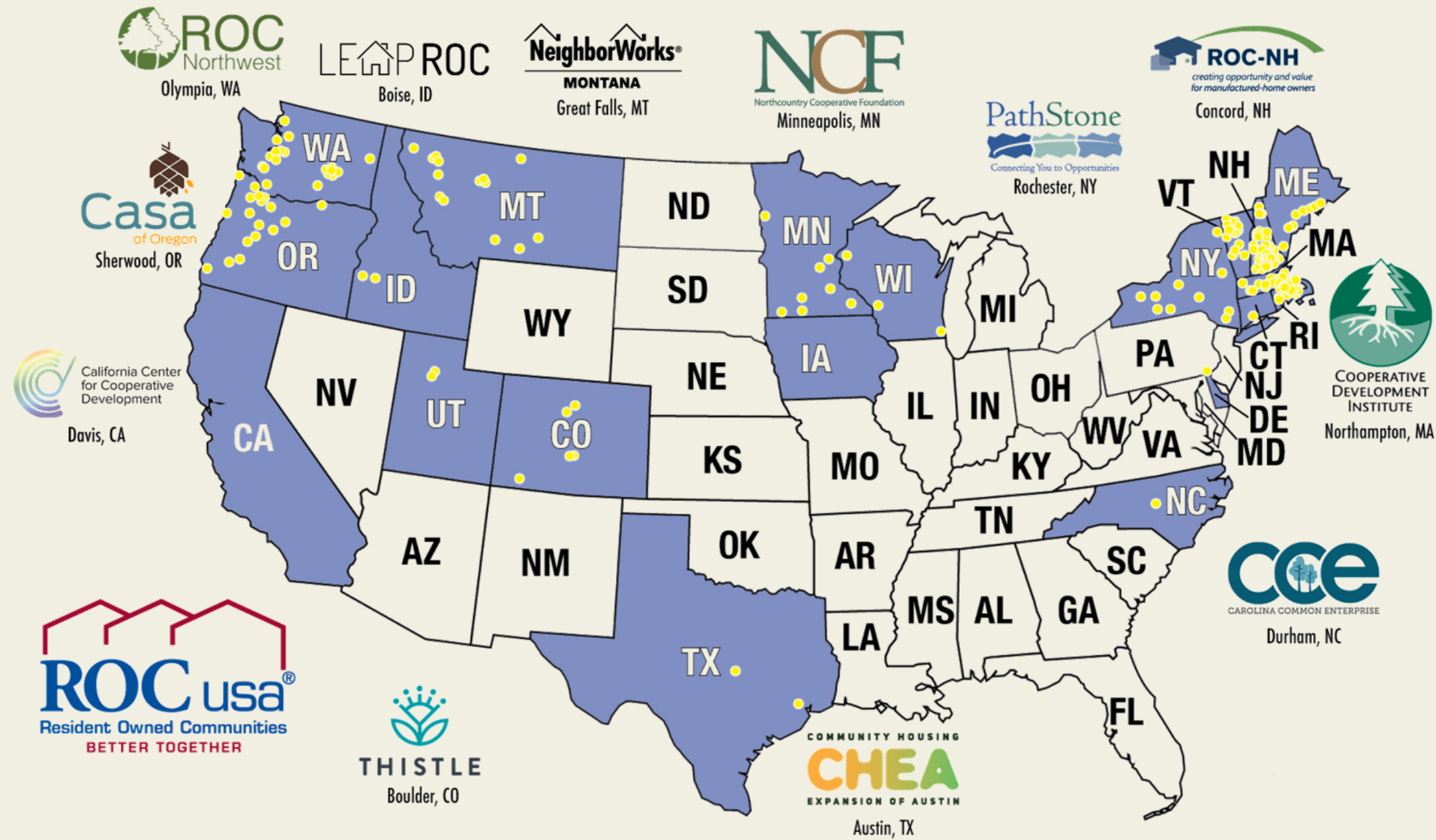




COOPERATIVE DEVELOPMENT INSTITUTE

- CDI is a 501(C)3 nonprofit founded in 1994 by co-op leaders in the Northeast region.
- Mission: Cooperative Development Institute's mission is to build a cooperative economy by creating and developing successful cooperative enterprises. We are transforming ownership of our economy, so all people can meet their basic needs.
- CDI's work includes:
 - Business Ownership Solutions
 - Cooperative Food Systems
 - **New England Resident Owned Communities (NEROC)**

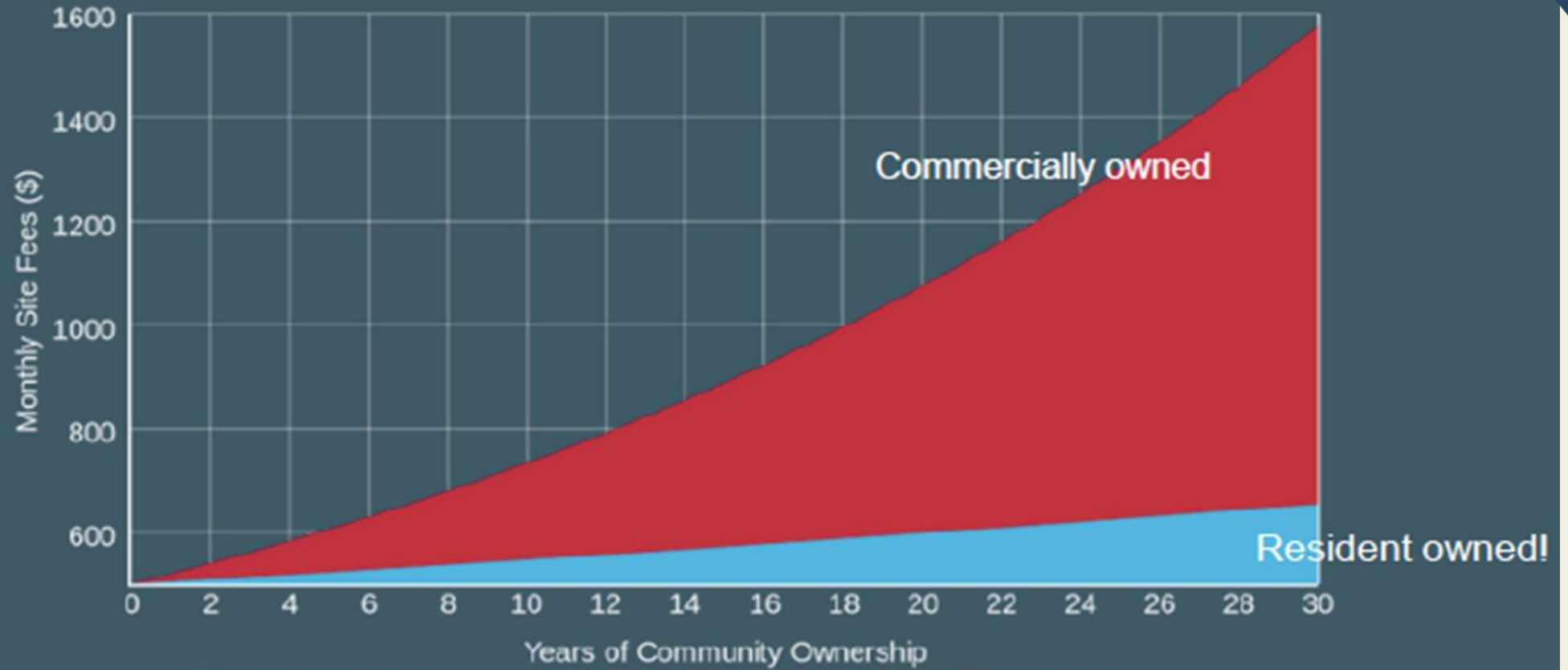
303 Resident-Owned Communities Across the U.S.





Annual savings of
\$3,672!

RENT INCREASE OVER TIME



\$572

Monthly lot fee in a resident owned community after 15 years.

Based on an initial \$500 monthly lot fee increased by 0.9% annually.

\$888

Monthly lot fee in a commercially owned community after 15 years.

Based on an initial \$500 monthly lot fee increased by 3.9% annually.



CDI ROC Portfolio

- 58 ROCs throughout New England (does not include NH's 143 ROCs!)
- 5,547 Homes
- \$250MM+ in total development costs

Maine ROCs

- 10 ROCs in Maine since 2012 - growing slower because no Opportunity to Purchase (OTP) statute in Maine
- 500 Homes
- \$9MM+ in total development costs



Raise-Op

Maine's oldest urban, multi-unit, affordable housing cooperative.

- Established 2008
- Started as Limited Equity, converted to Group Equity
- 15 Apartments, 50 Residents
- Community Organizing Model



New Construction

18 New Units

- Urban Infill
- Passive House Certified
- 4% LIHTC
- Coop as Developer or Tenant
- Open-Source Design





Future of Housing Coops

Housing Cooperatives have existed in the United States for over 100 years. They are relatively new in Maine, starting in the early '90s, and growing more beginning around 2008.

Demand

There is a lot of interest in cooperative housing in Maine, primarily by renters who cannot afford single family homes.

Economic demand for cooperative housing varies by region.

Development Capacity

Currently, not a huge economic incentive for experienced housing developers to create cooperative housing.

Most people who want to live in cooperative housing don't have the support or resources to develop it themselves.

Policy and Funding

Maine has a good statute regulating Cooperative Affordable Housing Corporations.

Not much direct programming or funding support.



Thank you!

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