COOPERATIVE HOUSING
QUARTERLY

A member service of the National Association of Housing Cooperatives WINTER 2026

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PRESIDENT'S COLUMN

The Cooperative Mirror: Seeing the Talent Within

Today's economic and social climate requires housing cooperative corporations to examine their position in the overall housing market as well as the business environment. Data gathered by the National Association of Housing Cooperatives and other organizations that study U.S. housing cooperatives show that market forces that favor new builds over existing housing stock in historic and gentrified urban centers leave aging housing cooperatives wanting for members as well as a seat at the table where housing policy and development decisions are made. They also tell us that it is time for a long, honest look at the strength of the cooperative.

Preservation of cooperative housing depends on the active engagement of its members, particularly as corporations face the challenges of aging infrastructure and complex financial landscapes. Affordable cooperatives often contend with severely aged housing stock that requires structural support for both physical repairs and shareholder engagement. To ensure these older buildings remain sustainable, members must transition from being passive housing cooperative consumers to being active participants in management and decision-making.

Passive cooperative housing consumers are members who are not involved in the governance or operations of their housing cooperatives. They might offer excuses like, "I work all day and don't have the energy for meetings and such." "The same people always run everything anyway." "It's too political." "They're just going to do what they want anyway." "They've been doing this for many years." "I don't have anything to offer." In short, passive consumers simply reside in the cooperative.

How do we challenge this mindset? How do we get the members, first, to care about the issue; and then to become involved in the solution? We can take our lead from the fifth cooperative Principle: Education, Training, and Information. This Principle suggests that cooperatives provide education and training for members, elected representatives, managers, and employees, enabling them to contribute effectively to the development of their cooperatives. Cooperatives also can inform the public about the nature and benefits of cooperatives.

Boards, managers, and professionals must develop marketing campaigns that focus on each demographic in the cooperative.

Educating people who are not necessarily seeking information is the core principle of marketing. This means that a strategic marketing plan should be part of the cooperative's arsenal of awareness. Boards, managers, and professionals must develop marketing campaigns that focus on each demographic in the cooperative. This may require reaching beyond the board table and engaging the guidance of professionals. Additionally, there are amazing AI tools that are available to create marketing campaigns.

Leave no stone unturned.

Leveraging intellectual and professional assets among the cooperative membership to reduce operating costs and improve oversight is another step that can give the cooperative a unique

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Fred Gibbs
NAHC President

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PUBLISHER: National Association of Housing Cooperatives
EDITOR: Bonnie Jacob CHQeditor@outlook.com

EDITORIAL BOARD
Manager: Douglas M. Kleine dougk@verizon.net
Herbert H. Fisher HHFisher1@aol.com
Randall Pentiuk rpentiuk@pck-law.com
Mark Shernicoff Mark@Shernicoff.com
David J. Thompson dthompcoop@aol.com

Emails, letters, and comments to the Editor and Communications Committee Members are welcome. Please send them to info@nahc.coop.

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NAHC
The National Association of Housing Cooperatives

About NAHC

The National Association of Housing Cooperatives is a nonprofit national federation of housing cooperatives, other resident-owned or controlled housing, professionals, organizations, and individuals interested in promoting cooperative housing communities. Incorporated in 1960, NAHC supports the nation's more than one million families living in cooperative housing by representing cooperatives in Washington, DC, and by providing education, service, and information to cooperatives.

Mission Statement

NAHC's mission is to support and educate existing and new cooperative housing communities as the best and most economical form of homeownership.

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Nicole Redding, Co-chair; Kimalee Williams, Co-chair; Fred Gibbs, NAHC President; Ralph Marcus, NAHC Chairman

For addresses of all associations and committees, please email info@nahc.coop.

About Bostrom

Bostrom Corp. is the professional services firm managing National Association of Housing Cooperatives affairs. Paul Doggett serves as NAHC Executive Director.

advantage. Retired and working members often possess skills in marketing, budgeting, loan management, and legal affairs that are vital for the corporation's survival.

For example:

MENTORSHIP AND PEER SUPPORT: Experienced members can serve as advisors, drawing on their history with the building to guide newer residents with fresh energy and ideas through the complexities of cooperative living without slowing the process of change. Leveraging the relationship between long-time members and new members creates a culture of trust and ensures that common knowledge about the building's physical systems and the cooperative's governance is passed down.

SELF-REDEVELOPMENT: In other cooperative sectors, particularly worker cooperatives, members lead and manage self-redevelopment projects, enabling them to retain control over the process and ensure that surplus benefits are used for the collective good rather than private profit.

INTERNAL OVERSIGHT: Members are encouraged to take on leadership roles, ensuring that power is distributed evenly and that the board remains accountable and resident focused.

By focusing on these human-centric assets, cooperatives can move beyond simply providing shelter to creating resilient, people-centered communities capable of maintaining their physical and financial health for generations.

When the cooperative leaders look in the mirror they may be surprised to see the talent within the membership. Putting this talent to useful and fulfilling work requires that the cooperative get to know its members and what they have to offer. Any member can hold the mirror. By focusing on these human-centric assets, cooperatives can move beyond simply providing shelter to creating resilient, people-centered communities capable of maintaining their physical and financial health for generations.

Using the professionals to evaluate the physical plant to determine the remaining useful life of every aspect of the housing cooperative buildings and systems is key. Comparing this data to existing budgets and reserves, as well as evaluating the value of the amenities offered to members, allows the cooperative to realistically understand its place in the housing market in their area. This provides a baseline for improvements that should guarantee the preservation of the cooperative housing corporation.

Hold the mirror and honestly evaluate what you see. CHQ

NAHC
The National Association of Housing Cooperatives

BOARD TRAINING SEMINAR

ROLES, RISKS & REWARDS

The 3Rs for Cooperative Boards

Roles, Risks and Rewards—The 3Rs for Cooperative Boards is a six-hour, in-person, seminar that will build your cooperative knowledge and show you how to work together as a board. The 3Rs seminar assists board members in developing excellence in governance right at their own cooperative!

Who should participate?

Housing cooperative board members, management and anyone interested in cooperative governance.

Download the information sheet and complete the application available on the NAHC website. Contact the NAHC office with any questions via info@nahc.coop or phone at 202.727.0797.





NAHC'S 65TH ANNUAL CONFERENCE

Celebrating Cooperative Progress and Pride

For more than three generations, NAHC Annual Conferences have given members valuable opportunities to gain new knowledge and skills to take back to their home cooperatives—as they share fellowship and pride with cooperators from all over.

At our 65th Annual Conference, 284 attendees gathered at the Riverfront Marriott Hotel in Savannah, Georgia's, famed Historic District where they engaged in a full schedule of educational and social events.

Members gather in the Riverfront Marriott's spectacular lobby for refreshment and conversation.

Breakout Sessions: Active Learning, Relevant Updates

Knowledgeable practitioners shared their knowledge and skills on topics of importance to cooperatives, their members, and the professionals who serve them. Here is a summary of the sessions and some comments from participants.

Professional Skills

LEGAL BEST PRACTICES Advice from leading attorneys on how to operate a cooperative more effectively and deliver the highest quality of service to members. **The best part: "knowledge obtained that can be implemented at my co-op."**



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ATTORNEY ROUNDTABLE — Interactive discission on trending legal topics affecting boards and cooperatives. **The best part: "I enjoyed the roundtable session and open forum." "The lawyers were well informed and told me exactly what I needed to know."**

REGISTERED COOPERATIVE MANAGER (RCM) ROUNDTABLE Interactive discussion for RCMs only. **The best part: "Listening to the commonality among all of the managers. I am extremely inspired to do and be the best RCM I can be."**

Board Education

NEW BOARD MEMBER TRAINING: ROLES AND RESPONSIBILITIES Concise primer on bylaws, rules and regulations and other tools board members need to know to keep their communities on course. **The best part: "Offered added value to assist with my cooperative/firm/professional life." "Every session was very important and very informative to keep growing our cooperative and community."**

STAY IN YOUR LANE Where a board member's responsibilities begin and end, and the possible consequences of not staying in your lane. **The best part: "Great guidance on roles and duties, clearly presented." "Understanding the job of a good board knowing we are one."**

DUTIES OF THE SECRETARY Debunking misconceptions and gaining practical strategies to elevate the role of secretary to a pivotal asset in driving a cooperative's success. **The best part: "Great presenters and clearly knowledgeable and warm/welcoming."**

SPECIAL MEETING PETITIONS AND ELECTIONS Insights and best practices for how to legally and effectively deal with contentious events such as special meetings, recalls, and contested elections. **The best part: "Very knowledgeable of co-op laws; very good communications."**

Stay Current with the Law

FAIR HOUSING Practical insights into fair housing laws that affect every cooperative in the U.S. **The best part: "Information about legal protections identifying and preventing discrimination, reasonable accommodations and modifications, compliance and documentation."**

HOW TO APPROVE REASONABLE ACCOMMODATIONS Creating and implementing a reasonable accommodation policy. **The best part:"Learning what is a reasonable accommodation." "The legal info was very helpful."**

Protect Your Cooperative's Value and Quality of Life

BUILDING FOR THE FUTURE: CAPITAL IMPROVEMENT PROJECT PLANNING AND EXECUTION Skills and information to equip board members, managers, management companies and shareholders to navigate the complex stages of a capital project. **The best part: "The presentation and materials offered added value to assist with my cooperative/firm/professional life."**

EFFORTLESS BATHROOM TRANSFORMATIONS How Bath Fitter's cost-effective and time-saving solution helps members and managers achieve a refreshed bathroom without the mess, stress, or extended downtime of traditional remodeling.

DON'T LET IT DIE Ensuring that a building remains vibrant, internally and externally, while fostering enthusiasm and commitment among its board. **The best part: "Continue to provide and get more like it!" "Nice to hear from younger people who are passionate about cooperatives."**

INCREASING MEMBER PARTICIPATION Sparking engagement, removing barriers, and inspiring responsibility to transform passive members into active contributors. **The best part: "Love this new innovative and informative class! Please keep this on the roster. Super knowledgeable & personable trainer. Kudos!"**

TECHNOLOGY Tools and how to use them. **The best part: "Learning about new tech. to use in the coop to communicate and**



Keynote Presentation Celebrates Past, Present, and Future of Cooperatives

Cornelius Blanding, Executive Director of the Federation of Southern Cooperatives/ Land Assistance Fund, inspired Conference attendees at the Opening Session with a keynote address that highlighted the resilience and innovation of housing cooperatives.

His address, "Stronger Together: Housing Cooperatives Embracing Success, Meeting Challenges and Shaping the Future," showcased achievements of the cooperative movement, addressed current challenges, and outlined strategies for collective growth — empowering leaders, members, and advocates to build vibrant, sustainable communities.

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get tasks done more efficiently." "Information about reusing old computers." "Got some great ideas for tools to use."

COOPERATIVE DEVELOPMENT AND THE FHA 213 PROGRAM History of cooperative development in the U.S. and current efforts to develop new cooperative housing. **The best part: "Topics that were covered gave me a clearer understanding of the funding process and lenders' obligations and requirements."**

Financing and Reserves

GENYSIS CREDIT UNION An alternative to traditional solutions, Genysis has provided numerous cooperatives with lending options. Topics included loan structure, terms, and general guidelines on cost of loans. **The best part: "Explanation of how co-op loans are processed."**

RESERVES AND HOW THEY WORK Demystifying housing cooperative reserve funds and providing knowledge participants need to make informed, responsible decisions. "Stayed focus and on track; had a wealth of information to share." **The best part: "The exercise to figure out the reserve requirements. Exemplary presentation."**

INSURANCE AND ORGANIZATIONAL WELL-BEING Review of employee benefits, general property insurance, HO6, and what the industry is seeing today and tomorrow. **The best part: "Having two instructors who were extremely knowledgeable and gave a great description and information that was easy to digest and retain."**

FINANCING PROGRAMS FOR COOPERATIVES Overview of financing programs available for cooperatives and the process for accessing financing to obtain the needed funding. **The best part: "Super informative and breaks down the loan process in detail." "That having reserves are very important for a co-op to be able to get a loan."**

ESTATE PLANNING Policies and documentation that cooperatives need to safeguard assets, honor member wishes, and protect the corporation and its staff. Key steps to ensure a smooth and respectful process when a member passes away. **The best part: "Concise information, but enough depth to see where we need to review for deficiencies and possible violations." "Will review our document and use this format as a guideline." "I am better educated on how to advise and set up the co-op for success in the future."**



Annual Awards: Saluting Success and Achievers

At its 2025 Conference, NAHC honored two co-operatives and five cooperators who represent the highest levels of achievement in promoting cooperative principles and the cooperative way of life.

Cooperative Star Award

Recognizes a cooperative that displays sound leadership and management and that creates value for its members. The honored cooperative will have systems in place to assure prudent preservation of members' interests and will honor the basic principles of cooperative housing. It will have systems in place to provide safe, sound, and valuable housing and to protect the interests of its members.

Presented to Palm Terrace II Co-op, Ontario, CA, by Kim Marcus

Built in 2009, Palm Terrace II is a three-story, 48-unit affordable senior community, diverse and multicultural, where residents enjoy sharing their traditions, food, and music in a welcoming, harmonious environment. The co-op is easily accessible to the 10 Freeway and Ontario International Airport, as well as convenient access to public resources and entertainment for active seniors.

As a democratically run cooperative, Palm Terrace II members elect officers and committees each year to plan events such as potlucks, luncheons, classes, and game nights, and to collaborate on property improvements, such as upgraded flooring and touchless water fountains.



Kim Marcus Presents the Cooperative Star Award to Shirley Moreland of CSI Support and Development, who accepted the award on behalf of Palm Terrace II Co-Op.

Thanks to the dedication of volunteers, management, and service staff, Palm Terrace Co-op II remains a vibrant, safe, and affordable home that embodies the true spirit of cooperation.

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Hugh Jeffers and Valerie Hall honoring Robert S. Kirkpatrick, Jr.

Alfred Reynolds Development and Preservation Lifetime Achievement Award

Established in 2023 to honor NAHC pioneer Al Reynolds, this award recognizes cooperators who are lifelong advocates for cooperative housing. Honorees demonstrate the values of NAHC, through their leadership, talent, and selfless service to housing cooperatives, while creating significant, positive, and lasting progress on behalf of cooperative development and preservation.

For 2025, two cooperators were honored with this award.

#1 Presented to Robert S. "Rob" Kirkpatrick, Jr., by Hugh Jeffers

As president of Kirkpatrick Management Company, and through his decades of leadership and advocacy, Rob has worked tirelessly to promote the values of NAHC — fostering equity, empowerment, and community in every cooperative he has served. His vision and persistence have led to the development and preservation of numerous cooperative housing communities, ensuring affordable and sustainable living options for decades to come.

With his selfless commitment, mentorship, and hands-on approach, Rob has inspired residents and professionals to carry the cooperative movement forward. His enduring impact and devotion have brought about lasting change, making him a true champion of cooperative housing and a deserving recipient of this distinguished award.



Kim Marcus with Hakeem Durojaiye of Gill Park Cooperative, accepting the Alfred Reynolds Development and Preservation Lifetime Achievement Award.

#2 Presented to Hakeem Durojaiye by Kim Marcus

As the long serving president of Gill Park Cooperative on the north side of Chicago, Hakeem Durojaiye has led with integrity, vision, and unwavering dedication to the cooperative housing movement — transforming Gill Park from a struggling property into a vibrant and well-maintained affordable housing community. His leadership preserved the cooperative model during critical times of external pressure, ensuring long term affordability and democratic governance for residents.

Hakeem's contributions to NAHC have advanced education, preservation, and leadership for cooperatives nationally. A mentor, advocate, and steward of cooperative values, he embodies the spirit of this award, building better homes and more equitable communities for all.



Hope Turner presents the Gregory J. Carlson Development and Preservation Award to Dunn Family Senior Coop.

Gregory J. Carlson Development and Preservation Award

Honors an organization, association, or business that displays innovation, creativity, breakthroughs, leadership, or business judgement that supports successful development of new cooperatives or the long-term viability of existing cooperatives.

Presented to Dunn Family Senior Coop, Centerline, MI, by Hope Turner

Redevelopment of Dunn Family Senior Co-op exemplifies the spirit of this Development and Preservation Award. Preserving 108 units of high quality, affordable senior housing and creating 49 additional units, CSI Support and Development Services executed a complex, creative, and transformational development — promoting the long-term viability of an existing cooperative community and setting a perfect example of an organization deeply rooted in cooperative principles.

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Jerome Rayford receives the Cooperative Distinguished Award from April Knoch.

Cooperative Distinguished Service Award

Recognizes the achievement and contribution of a cooperative member who helped a cooperative or association of cooperatives to serve its members more effectively.

Presented to Jerome Rayford, by April Knoch

Through leadership and tenacity, Jerome Rayford continues to bring innovation and leadership to the development and preservation of housing cooperatives. A lifelong cooperator, he devotes his time and energy to Fountain Court, his home cooperative, as well as to the Midwest Association of Housing Cooperatives (MAHC).

In just three short years, Jerome has shown dedication to the organization and the cooperatives it serves by leading MAHC on a constant upward trajectory. His leadership provides assurances to MAHC's members and to cooperatives across the United States that they are receiving the best of the best in education on cooperative principles. The man and his service are excellent examples of what can happen when leaders promote positive change and commitment to the teaching and principles of the cooperative movement.



Ruthie Wilder receives the Jerry Voorhis Award from Karen Harvey.

Jerry Voorhis Award

NAHC's highest honor, this award recognizes significant leadership in both theory and practice of cooperative principles. Regarded as NAHC's founding father, Jerry Voorhis was a man of impeccable integrity who was devoted to teaching, applying, and expanding these principles.

Presented to Ruthie Wilder by Karen Harvey

Ruthie always goes above and beyond, stepping up wherever and whenever she is needed, serving NAHC with work that promotes the success of the cooperative movement, including service on NAHC's board.

She continues to inspire others through her dedication, compassion, and commitment to community empowerment — exemplifying the true spirit of cooperation and fostering unity and progress wherever she serves.

NAHC and the cooperative community are stronger and more strongly connected thanks to Ruthie's contributions and unwavering heart.



NAHC President Fred Gibbs presents the Roger Willcox Award to Blonnie Watson.

Roger Willcox President's Award

Presented annually to an honoree selected by NAHC's president, this award recognizes people who have made significant contributions to the Association and to the cooperative housing movement.

Presented to Blonnie Watson by NAHC President Fred Gibbs

Blonnie Watson embodies the spirit of the Roger Willcox President's Award through her exceptional leadership, dedication, and lifelong commitment to the cooperative housing movement. Her visionary leadership has strengthened countless communities, empowering residents to take pride in cooperative living and shared governance.

With grace, wisdom, and determination, Blonnie champions the values of equity, inclusion and cooperation that define NAHC's mission. Her mentorship has inspired generations of leaders to continue to build sustainable, people-centered housing for all.

Blonnie's legacy is one of compassion, integrity, and service — a true and heartfelt testament to the power of cooperative leadership.

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Exhibitors and Sponsors Promote Cooperative Values

This year twelve businesses hosted tables in the Exhibit area where they greeted cooperatives and shared information about their products and services:

- All Weather Comfort Solutions
- Bath Fitter
- CSI Support & Development
- DTE Energy
- Gallagher
- Genisys Credit Union
- Georgia Cooperative Development Center
- Midwest Association of Housing Cooperatives
- National Cooperative Bank
- Professional Property Services
- Rivers Investment & Management Group, Inc.
- Rocket Construction Group

Seven companies participated as sponsors, providing the support that makes our Annual Conference a high-quality experience:

- California Association of Housing Cooperatives (General Sponsor)
- Curvin & Curvin Accountants (Thursday Coffee Break Sponsor)
- KMC/Kirkpatrick Management (Registration Stuffer Sponsor)
- Legacy, LLC (Conference Program Sponsor)
- Marcus Mgt (Lanyard Sponsor)
- National Cooperative Bank (Gold Sponsor)
- Rocket Exteriors/Rocket Construction Group (Bag Sponsor)

THE RCM PROGRAM

NAHC



The Registered Cooperative Managers (RCM) Program builds upon the work of cooperative housing management and helps the profession achieve ever-increasing higher professional standards, expectations, and rewards. The designation is awarded to managers who meet the RCM standards of excellence, understanding, and achievement in the area of cooperative housing management following participation in a series of courses, then pass certification exams. RCM course topics provide exciting insight into housing cooperatives and help develop skills necessary for a successful career in management. The courses refine the understanding of housing cooperatives, renew dedication to the principles of cooperative housing, codify the ethics of cooperative housing management, and improve housing management practices.

The Registered Cooperative Manager Certification Program is the only nationally-recognized designation and certification specializing in Cooperative Management recognized by the Registered in Apartment Managers (RAM program). RCM is a sought-after professional designation for cooperative housing managers. You can find the application and more information on www.coophousing.org.

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2025 Class of RCMs celebrate with their instructors.



Recertifed RCMs Carolyn Williams, Blackstone Cooperative; Karen Harvey, Concord Consumer Housing Cooperative; Hope Turner, Concord Consumer Housing Cooperative; and Shirley Robert, Michigan Shores Cooperative with course instructors.



Cooperative Achievers Show their Pride

At our Friday "Strut Your Stuff" luncheon, cooperators were invited to celebrate the Conference experience with music, fun, and applause. Attendees met candidates for NAHC's 2026 Board of Directors and honored new recipients of Registered Cooperative Manager (RCM) certification and recertification.

Registrants for RCM certification included Rick Ames, Champlain Housing Trust; Cassidy Bender, Legacy, LLC; Cinda Brown, Rexmill Square; James Claggett, Greenbelt Homes, Inc.; Kelly Cooper, Park Forest Cooperative III, Area J; Jacquie DeLosSantos, Alexander Magnolia Cooperative; Alejandra Garcia, Pilsen Housing Cooperative; Lashon Hill, Vision Realty Management, LLC; Charmaine Hutchinson, Lexington Square Townhouses; Timothy Lee, Colonial Townhouses Cooperative, Inc.; Sharlean Levy, Wildwood Park; Shelley Lopez, Genesis Cooperative Corporation; Linda Lutton, Pilsen Housing Cooperative; Linda Maddox Mason, Marksdale Gardens Cooperative; Izayo Mazehualli, Pilsen Housing Cooperative; Brittany Merrell, Professional Property Services; Geneive Moreno, CRN/SCO; Maria Nelson, Heron Court Cooperative; Jeannae Owens, Marksdale Gardens Cooperative; Kyle Rivers, Rivers Investments; Aneitra Scott Gamble, Ponderosa Estates, Inc.; Celesta Shropshire, Marksdale Gardens Cooperative; Joann Sistrunk, Lexington Square Townhouses; Angela Thomas, Genesis Cooperative Corporation. CHQ



Tired of Winter?

Look forward to NAHC's 66th Annual Conference, November 4-7, 2026, at the Wyndham Grand Rio Mar Rainforest Beach and Golf Resort in Rio Grande, Puerto Rico. As always, the Conference will combine breakout sessions on topics of importance to cooperatives and other high-quality learning opportunities; a keynote address and annual awards luncheon; plus fellowship and fun with cooperators from throughout the U.S.

On the beach, between the ocean and the El Yunque Rainforest, the Conference hotel makes you welcome with sophisticated accommodations, fresh tropical cuisine, casino, and other getaway amenities just 30 minutes from San Juan airport. The property received the Trip Advisor Travelers' Choice Award for 2025.

Keep posted on plans for NAHC's 66th Annual Conference at www.NAHC.coop.

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About NCB

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gdaniszewski@ncb.coop
www.ncb.coop

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WHERE THE FUTURE IS NOW

The Role of Artificial Intelligence in Cooperative Management

By Robert S. Kirkpatrick, Jr.

Artificial intelligence (AI) has its virtual fingers in work of every kind these days, from powering production in huge manufacturing plants to helping us write emails on our home computers.

For managers of housing cooperatives and other properties, AI is nothing less than a seismic shift that the sector has not experienced since the introduction of PCs and accounting software in the 1980s — offering significant opportunities for increased efficiency, improved resident satisfaction, and smarter decision making by property managers and board members.

Like any major technology breakthrough though, AI brings challenges as well as opportunities. As cooperative managers consider how best to use AI — while avoiding the pitfalls — here are some things it is helpful to know about how you can manage this new and exciting tool.

Present and Potential Benefits

Most of us can remember the time when machines that think and perform like human beings were recurring characters in science fiction. Thanks to today's advanced computer science, we now can interact daily with AI devices that learn from experience, identify patterns, make decisions, and learn other skills that enable them to perform tasks once limited to humans. In the workplace, this means AI already is helping employees do many jobs more easily, faster, and often better. Here are some of the ways it can help, now and in the future:

Automating Routine Tasks

AI will increasingly handle repetitive and time-consuming administrative back-office functions. For example,

PAYABLE AND RECEIVABLE ACCOUNTS. Streamlining invoice processing, data entry, and GL coding. AI also can identify patterns in late payments and initiate follow-up actions.

MEMBER WORK ORDERS. Intelligently processing member work requests and tracking their progress.

DOCUMENT MANAGEMENT. Automatically classifying, storing, and retrieving documents, making record-keeping more organized.

COMPLIANCE TRACKING. Ensuring cooperatives remain compliant with federal and state Fair Housing regulations.

Enhancing Member Communications

AI-powered chatbots and virtual assistants can provide instant, 24-7 responses to common member questions about rules and regulations, by-laws, amenities, special cooperative events, or account information. AI also can send automated updates on work orders, community announcements, and policy changes.

Smarter Financial Management

Cooperatives can use AI tools to anticipate and plan for current and future income and expenditure needs. For example,

AUTOMATED BUDGETING AND EXPENSE TRACKING. Analyzing historical data and trends to create and manage budgets, flag overspending, and recommend potential cost-cutting measures.

FUTURE RESERVES. Forecasting future capital expenditure needs and optimizing reserve funding.

Predictive Maintenance and Asset Management

AI tools also can help cooperatives gather data that helps them use and maintain resources more effectively.

PROACTIVE ISSUE RESOLUTION. AI-powered analytics can monitor HVAC, electrical systems, pools, and other facilities to predict maintenance needs before they become emergencies—reducing costly repairs and downtime.

OPTIMIZED ENERGY EFFICIENCY. AI also can monitor temperature, pressure, and energy consumption in real time, supporting strategies to maximize cost savings and improve sustainability.

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Robert S. Kirkpatrick, Jr., is President of Kirkpatrick Management Company, Indianapolis, Indiana.

Asset Tracking

AI tools make it possible to maintain detailed records of community property—tracking service requests, replacement schedules, and costs.

Advanced Security and Access Control

AI tools make it possible for cooperatives to upgrade their systems and procedures to protect their residents and property.

AI-BASED ACCESS CONTROL SYSTEMS Smart gates and keyless entry systems, with AI features such as license plate and facial recognition and visitor management, monitor and manage visitors to cooperative properties and provide real time alerts for unusual activity.

EMERGENCY RESPONSE. AI-powered systems can produce faster communications and response times.

Data-Driven Decision Making

Thanks to its ability to process large volumes of data, AI can provide cooperatives with valuable insights into trends, market demand, and operational efficiencies, leading to better-informed strategic decisions.

With the assistance of AI, cooperative management can focus on the jobs people do best, while knowing that routine tasks are being handled properly, a plus for both managers and members.

What Cooperative Managers and Members Can Gain

With the assistance of AI, cooperative management can focus on the jobs people do best, while knowing that routine tasks are being handled properly, a plus for both managers and members. Here are some of the benefits:

INCREASED EFFICIENCY AND PRODUCTIVITY. Automating mundane back-office tasks frees up management to focus on higher value work.

REDUCED OPERATIONAL COSTS. Potential savings result from minimizing labor costs as well as preventing expensive emergency repairs through preventive maintenance.

IMPROVED MEMBER SATISFACTION. For example, by providing instant responses, proactive updates, and personalized services for better member experiences.

ENHANCED FINANCIAL ACCURACY AND TRANSPARENCY. Resulting from streamlining financial processes, reducing errors, and offering clear, real-time financial reports.

BETTER DECISION MAKING. Thanks to data-driven help for budgeting and maintenance.

ENHANCED SECURITY. With the more robust community protection offered by AI-powered surveillance and access control systems.

SCALABILITY. AI systems can easily scale to handle increased workloads.

Challenges to Consider

Despite the numerous benefits, implementing AI in cooperative property management will present several challenges:

INTEGRATION WITH EXISTING SYSTEMS. Ensuring seamless compatibility between new AI tools and existing software can be difficult and costly.

UPFRONT COSTS. The initial investment in AI software, hardware, and training can be substantial.

DATA PRIVACY AND SECURITY. AI systems rely on large volumes of data—much of it sensitive personal information. This naturally raises concerns about privacy and security, especially as cyber threats become more common. It is essential that AI-powered platforms not only comply with privacy laws but also take strong measures to protect personal data and maintain residents' trust.

SYSTEM FAILURES AND ERRORS. AI is not perfect; it can make mistakes. Whether that means miscalculating rent, mishandling work order requests, or misinterpreting member data, these mistakes can have serious consequences. Human oversight remains critical to catch and fix issues quickly.

ACCOUNTABILITY AND LEGAL LIABILITY. Determining who is responsible—the developer, the platform, or the end user—when an AI system makes a harmful or faulty decision remains a grey area in existing legal frameworks.

WORKFORCE ADAPTATION. The shift to AI requires training staff to use its technology and interpret its insights effectively. It also potentially means reallocating employees whose tasks have been automated.

LACK OF HUMAN INTERACTION; LOSING THE PERSONAL TOUCH. While AI excels at routine tasks, it lacks the emotional intelligence and human touch needed to resolve complex disputes. AI cannot problem-solve or foster civil community relationships.

Looking Forward with Eyes Open

AI offers exciting opportunities to enhance property management and improve cooperative members' experience. The success of AI, however, depends on thoughtful and intentional implementation, including the use of user-friendly tools, strong data protection and a continued focus on the human side of property management.

AI should be seen as a partner that empowers property managers and boards—not a replacement for them. When used well, AI can help boards and management more proactive, efficient and focused on members—a win/win for everyone involved. CHQ

Bath Fitter® and NAHC are a perfect fit!

Cooperatives and their members are able to enjoy a partnership relationship with Bath Fitter, the tub and shower renovation experts.

Details of the program are now available. Meanwhile, Bath Fitter has provided this preview:

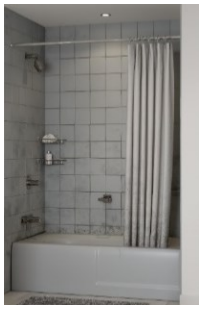
Imagine transforming a bathroom in as little as one day. Superpower, you say. Not exactly. It's the power of Bath Fitter. Their bath-over-bath process means work is completed quickly and cost effectively — with no mess from demolition.

Bath Fitter offers an innovative process that they've been perfecting for 40 years. Bath Fitter acrylic sheets are custom molded into the baths, showers, accessories, and exclusive one-piece wall panels that millions of customers have come to rely upon. Even the adhesive used at installation is manufactured in-house to our exacting standards to ensure the lasting, perfect fit synonymous with the Bath Fitter brand.

Cooperatives will find that Bath Fitter will install a new bathtub within their budget, and without displacing residents. The durable, easy-to-maintain surfaces will protect members' investment for years to come. Also, Bath Fitter's low-profile walk-in shower options are perfect for seniors and others with limited mobility. Many safety accessories like shower seats and grab bars are available to provide residents and staff with the security they need.

"Perfect fit. Premium-quality products. No disruption. Installed in as little as one day. That's the Bath Fitter promise." Bath Fitter is offering special pricing for bathroom renovation. Call or email today to find out more about the Bath Fitter/NAHC program and how to connect with a Bath Fitter expert to schedule an appointment.

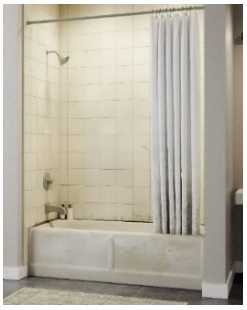
Questions & information :
francogiannelli@bathfitter.com
Or 1-888-856-6828



BEFORE



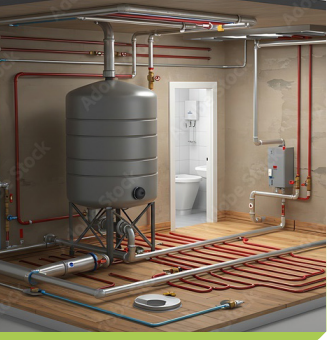
AFTER - TUB OVER TUB



BEFORE



AFTER – TUB TO SHOWER CONVERSION



RESERVE STUDIES

A Practical Guide for Housing Cooperatives

By Leon Geoxavier

Reserve studies are among the most misunderstood planning tools available to housing cooperatives. They also are among the most consequential.

When done well, reserve studies function as long term assessments of the health of the cooperative, aligning its physical needs with financial reality. When misunderstood or ignored, though, reserve studies often lead to deferred maintenance, emergency assessments, and friction between boards and shareholders.

In simple terms, reserve studies evaluate a cooperative's major components, such as roofs, façades, elevators, boilers, windows, plumbing risers, electrical infrastructure, and similar systems. They estimate:

- how long each component is expected to last,
- when repairs or replacement will likely be required,
- what those future costs might be, and
- how much money should be set aside annually to prepare for those costs.

Think of reserve studies the way a physician thinks about preventive care. The goal is not just to treat emergencies, but to anticipate issues early, plan interventions, and avoid crisis-driven decisions.

Full Funding vs. Funding for Sufficiency

At the heart of most reserve study discussions is a fundamental question: Should a housing cooperative aim for full funding, or should it fund reserves to a level of sufficiency over a defined period? Understanding the difference — and what each approach means for the board, property management team, professionals, and shareholders — is essential.

Pros and Cons: Full Funding

Using a full funding strategy, the cooperative's reserve balance is projected to equal (or closely track) the total amount of wear and tear that has accumulated across all major building components at any given time.

For example, if a roof has used up 50 percent of its expected life, the reserve fund should already contain roughly 50 percent of the cost to replace it. The same logic applies simultaneously to every major system in the building.

Full funding has several advantages, including:

- strong financial posture and predictability;
- reduced likelihood of surprise assessments;
- favorable perception by lenders, purchasers, and regulators; and
- clear alignment between physical condition and financial planning.

Full funding is often viewed as the gold standard, but it is not always the most practical or equitable path for every cooperative. Among the possible challenges of full funding:

- it is likely to require higher maintenance or reserve contributions in the near term,
- it might not be realistic for older buildings or cooperatives that start from underfunded reserves, and
- it can be difficult to explain to shareholders focused on short-term affordability.

Pros and Cons: Funding for Sufficiency Over Time

Funding toward a target of sufficiency focuses less on theoretical perfection and more on ensuring the cooperative can meet its known obligations when they arise and without financial distress.

Rather than fully funding all components at once, by funding for sufficiency over time the cooperative:

- identifies the most critical capital needs over a defined time horizon (often 5, 10, or 15 years),
- builds reserves strategically to cover those needs, and
- accepts that reserve balances may temporarily fall below full funding levels as long as cash flow and planning remain sound.

In medical terms, this is closer to managing a chronic condition thoughtfully rather than optimizing every metric at all times.

A sufficiency approach has several advantages, including:

- It's more flexible and often more affordable in the short term.
- Boards can phase in increases gradually.
- It can align better with planned financing, refinancing, or known capital campaigns.

Continued on page 16 >



Leon Geoxavier is a Senior Associate with Saghari Architectural Services, PC. He is a Registered Architect in the State of New York and New Jersey, and a Quality Exterior Wall Inspector (QEWI) in New York City. He serves on the board of directors of his home cooperative in NYC, and on the board of NAHC as a regional appointee of the Council of New York Cooperatives and Condominiums (CNYC).

- It often is more realistic for legacy buildings with deferred maintenance.

However, sufficiency funding also involves some risks and needs watchful attention:

- It requires discipline and regular updates.
- It depends heavily on accurate assumptions and follow-through.
- It can drift into underfunding if the plan is not actively managed.

In short, sufficiency is not the same as underfunding, but that distinction depends entirely on execution.

What Should a Cooperative Consider?

In choosing the right path, there is no one-size-fits-all answer. Every board should evaluate:

BUILDING AGE AND CONDITION. Older buildings with deferred maintenance might need a transitional strategy rather than immediate full funding.

CURRENT RESERVE BALANCE. A severely underfunded reserve might make full funding unrealistic without sharp increases or assessments.

UPCOMING CAPITAL PROJECTS. Façade work, roof replacement, elevator modernization, and mechanical upgrades should drive funding priorities.

SHAREHOLDER PROFILE AND AFFORDABILITY. Stability matters. A technically perfect reserve plan that shareholders cannot support is not sustainable.

ACCESS TO FINANCING. Planned loans or lines of credit can complement a sufficiency-based approach if used appropriately.

REGULATORY ENVIRONMENT. Local laws, façade inspection cycles, and energy mandates increasingly affect capital planning timelines.

Assemble a Well-Functioning Team

Reserve studies only work when participants understand their roles, how they fit together and what they need to get their jobs done:

THE COOPERATIVE BOARD sets priorities, approves funding strategies, and ensures discipline over time.

THE PROPERTY MANAGEMENT TEAM implements the plan, tracks spending, and maintains continuity year to year.

THE ARCHITECT/ENGINEER/CONSULTANT provides realistic assumptions, not optimistic guesses.

THE AUDITOR/ACCOUNTANT integrates reserve planning into budgets and financial statements.

THE SHAREHOLDERS need clear, consistent communication: what is being funded, why it matters, and what happens if those needs are not met.

When the team is aligned, reserve studies become decision-making tools instead of abstract reports.

Reserve studies only work when participants understand their roles, how they fit together and what they need to get their jobs done.

Residential Cooperative Managers (RCMs): The Vital Connection

Residential Cooperative Managers play a critical role in whether a reserve study becomes a living management tool or a document that just sits on a shelf. Importantly, RCMs are trained to understand that the distinction between full funding and funding for sufficiency is not theoretical; it directly affects budgeting, shareholder communication, vendor coordination, and board confidence.

From a management perspective, a full funding strategy provides clarity and structure. It simplifies long-range budgeting, strengthens lender and purchaser confidence, and reduces last-minute financial surprises. However, it often requires helping boards and shareholders absorb higher near-term contributions. RCMs are frequently the translators — connecting abstract reserve numbers to real building systems and real consequences.

A sufficiency-based strategy, when done responsibly and demands even more active management. It requires:

- close tracking of reserve balances versus planned expenditures;
- regular updates to the reserve study as scopes, costs, or schedules change;
- strong coordination between engineers, accountants, and contractors; and
- clear documentation so institutional knowledge does not disappear with board turnover.

RCMs are uniquely positioned to keep these plans on track. They see the operational pressures, the political realities of boards, and the financial limits of shareholders. Their role is to ensure that flexibility does not quietly turn into underfunding — and that short-term relief does not become long-term risk.

Most importantly, RCMs set the tone. When reserve planning is framed as part of routine asset management rather than crisis response, it builds trust. When it is deferred or minimized, it almost always returns as an emergency.

In short, a cooperative with a thoughtful reserve strategy and a disciplined managing agent is far more resilient than one relying on good intentions alone.

The Bottom Line

Full funding and funding for sufficiency are tools, not competing philosophies. The right choice depends on a cooperative's physical reality, financial capacity, and governance discipline.

A well-prepared reserve study does not eliminate tough decisions, but it makes it possible for those decisions to be informed, deliberate, and made on the cooperative's terms rather than under emergency pressure. In housing, as in healthcare, planning early is always less expensive than reacting late. CHQ

Pending Legislation Can Do More for Housing Cooperatives

By Judy Sullivan

WE CONTINUE TO WORK with lawmakers to support actions that support housing cooperatives. Members can help by contacting state and local elected officials and urging them to protect affordable housing priorities.

As of mid-December 2025, we were watching the following legislation:

Road to Housing Act

Introduced by Senators Elizabeth Warren (D-MA) and Rick Scott (R-FL), the Road to Housing Act of 2025 (S 2651) is a comprehensive federal housing package designed to tackle America's housing affordability and supply shortages by combining about forty housing-related reforms into one bill. It was reported out of the Senate on October 9.

Unfortunately, housing cooperatives were not included in this bill and no amendment was allowed in committee or floor consideration. We are now working with Representative Nydia Velasquez (D-NY) to offer a Housing Cooperative Amendment during House consideration. A shout out to Aaliyah Nedd (NCBA), the Massachusetts Housing Cooperative, and the California Association of Cooperatives for their letters and assistance with our amendment.

Corporate Transparency Act (CTA)

The CTA is a U.S. law requiring corporations, including housing cooperatives, to report and update "beneficial owners" to the Financial Crimes Enforcement network (FinCEN). FinCEN has temporarily paused the reporting requirements.

To date, the following bills have been introduced:

- HR 736 One Year Extension (12 Cosponsors) Passed House
- S 505 One Year Extension (12 Cosponsors)
- HR 425 Repeal CTA (186 Cosponsors)
- S 100 Repeal CTA (34 Cosponsors)

Disaster Relief

Under current law, in the event of a natural disaster declared by the Federal Emergency Management Agency (FEMA), only the inside of a housing cooperative unit is covered by FEMA. Common areas, such as a hallway, roof, or laundry room, are not covered.

The Environmental Defense Fund has indicated its support for our efforts to amend current law.

HR 834: Rep. David Rouzer (R-NC) This bill amends current law to have FEMA cover the common area of a housing cooperative. (10 Cosponsors)

HR 5366: Reintroduced by Rep. Greg Steube (R-FL), the Clean Up DEBRIS Act amends current law to have FEMA cover debris removal from housing cooperatives and condominiums. (5 Cosponsors)

Veterans Administration (VA)

We are working with New York City Veterans Affairs Commissioner James Hendon and U.S. Rep. Grace Meng (D-NY) on legislation to have the VA provide Home Loan Guarantees for housing cooperatives.

HR 1803: Rep. Grace Meng (D-NY) provides these VA guarantees with a 3.25% additional fee. (3 cosponsors) CHQ



Judy Sullivan is NAHC's government relations representative. She also is the recipient of NAHC's Jerry Voorhis and Roger J. Willcox Awards.

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2. **Select the products you wish to purchase.**
   Once your account number is established, GE will send discount price and availability material directly to the account number address. Note that volume discounts may be available. Even if you're not interested in ordering now, you can always request a catalog of GE products from NAHC at 202-737-0797.
3. **Place your order.**
   Call the regular GE customer service number, 1-800-654-4988, to place an order.

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FOR MORE INFORMATION:

Andy Lopez
National Account Manager
561-591-5032
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2026

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Midwest Association of Housing Cooperatives
MAHC's 2026 Annual Conference
Hard Rock Hotel, Cancun, Mexico
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30999 W. 10 Mile Road
Farmington Hills,
Michigan 48336
202/737.0797
www.NAHC.coop