



THE  
RESURRECTION  
PROJECT



# Housing Cooperative Governance Guide

**Cooperative housing governance** refers to a system where residents collectively own and manage their housing community. In this model, residents are both the tenants and the decision-makers, typically forming a cooperative association or board to oversee operations, set policies, and manage finances. Decision-making is usually democratic, with each member having an equal say, regardless of the size of their unit or investment. This structure promotes shared responsibility, fosters community engagement, and can offer more affordable housing options. Key elements include transparency, collective ownership, and mutual support among members.

Este libro de recursos ofrece información, recursos y herramientas valiosos para ayudarle a estructurar y respaldar eficazmente su cooperativa de viviendas. Sirve como una guía de referencia integral para organizar y mantener su cooperativa.

# **Board of Directors**

A housing co-op board of directors is a group of elected residents who are responsible for overseeing the governance and management of a housing cooperative. The board typically consists of members chosen from the co-op community, and their role is to represent the interests of the members, make decisions on important issues, and ensure the smooth operation of the co-op.

The board's responsibilities may include managing finances, setting policies, handling maintenance and repairs, approving new members, and ensuring that the co-op complies with legal and regulatory requirements. Board members are usually volunteers and are expected to act in the best interest of the entire cooperative community.

In a housing cooperative, the **Board of Directors** plays a crucial role in overseeing the cooperative's management and ensuring its smooth operation. The main roles and responsibilities of the board include:

**Oversight and Governance:** The board ensures that the cooperative operates in accordance with its bylaws, articles of incorporation, and legal requirements. They provide overall guidance and make high-level decisions for the co-op.

**Financial Management:** The board is responsible for overseeing the cooperative's finances, including approving budgets, managing expenses, and ensuring the financial health of the co-op.

**Policy Setting:** They establish policies for the cooperative, such as rules for membership, use of common areas, and guidelines for renting or selling shares. They ensure these policies are fair and aligned with the cooperative's mission.

**Hiring and Supervision:** If the co-op has paid staff, the board hires, supervises, and evaluates key staff members, such as property managers or maintenance personnel.

**Conflict Resolution:** The board helps resolve conflicts among members and ensures the cooperative's rules are followed, maintaining harmony within the community.

**Long-Term Planning:** The board works on strategic planning for the future, including building maintenance, community development, and any necessary capital improvements.

**Representation:** The board represents the cooperative to outside parties, such as lenders, government agencies, or potential partners.

Overall, the board ensures that the cooperative is managed efficiently, financially stable, and aligned with the interests of its members.

**Oversight and governance** supports a housing cooperative by ensuring it operates transparently, legally, and in the best interest of its members. They provide accountability through regular monitoring of finances and operations, ensure compliance with regulations, and foster democratic member engagement in decision-making. Effective governance guides strategic planning and long-term growth, while oversight helps prevent mismanagement and resolves conflicts. Overall, these structures promote stability, fairness, and sustainability, ensuring the cooperative thrives and meets the needs of its community.

**Oversight and governance:** are the processes and structures that ensure the cooperative is managed properly, follows its rules, and operates in the best interest of its members.

**Oversight:** This involves monitoring and supervising the cooperative's day-to-day operations, financial health, and compliance with legal and regulatory requirements. The board of directors is primarily responsible for this, ensuring the cooperative is operating effectively, within its budget, and meeting its obligations. They review financial reports, evaluate staff performance, and ensure that any issues or risks are addressed.

**Governance:** Governance refers to the system of decision-making and leadership within the co-op. This includes setting policies, guiding the cooperative's mission and values, and making decisions that impact the cooperative's direction. Governance ensures that decisions are made democratically, with member participation, and in alignment with the cooperative's founding principles, bylaws, and articles of incorporation.

The **oversight and governance** ensure that a co-op is transparent, accountable, and responsive to the needs of its members while staying aligned with legal and organizational standards.

**Financial management:** in a housing co-op refers to the processes and practices used to manage the cooperative's finances, ensuring its stability and long-term sustainability. This includes budgeting, overseeing income and expenses, managing operating costs, and maintaining reserves for repairs or emergencies. The cooperative's board of directors typically oversees financial management, approving budgets, monitoring cash flow, and ensuring that members' monthly fees or dues are sufficient to cover the co-op's costs. Financial management also involves financial planning for future needs, such as capital improvements, and ensuring transparency and accountability in financial reporting to the members. Proper financial management helps keep the cooperative financially healthy, affordable, and able to meet its goals.

In a housing cooperative, the **board of directors** is typically responsible for overseeing the financial management. They approve the budget, monitor income and expenses, and ensure the co-op's financial stability. The board often works with a **property manager** or **finance committee**, if one exists, to manage day-to-day financial operations like collecting member dues, paying bills, and maintaining reserves for repairs. Additionally, some co-ops may hire professional accountants or financial advisors to assist with managing finances and ensuring accurate financial reporting. Overall, the board ensures that the co-op's finances are managed responsibly and transparently.

**Financial management** is crucial in housing co-ops because it ensures the cooperative remains financially stable, sustainable, and capable of meeting its members' needs. Proper financial management helps the co-op cover operational costs, maintain the property, and fund necessary repairs or improvements. It also ensures that the cooperative can manage debt responsibly and maintain reserves for unexpected expenses. Effective financial oversight promotes transparency, keeps monthly fees affordable, and ensures that the co-op operates within its means. Without sound financial management, a co-op could face financial difficulties, leading to deteriorating conditions, higher costs for members, or even potential legal issues. Ultimately, good financial management helps maintain a healthy, thriving co-op that benefits all its members in the long run.

**Policy setting** in housing co-ops involves creating rules and guidelines that govern the daily operations and member behavior within the cooperative. These policies are typically developed by the board of directors in collaboration with co-op members, ensuring they reflect the needs and values of the community. The process generally includes:

- **Member input** Policies are often discussed and voted on by members during general meetings. This ensures that members have a say in the decisions that affect their living environment.
- **Board proposal** The board may propose new policies or changes based on issues like maintenance, safety, or community guidelines. The board helps shape these policies to align with the co-op's mission and goals.
- **Approval process** Policies are usually voted on and approved by the members, either in meetings or through ballots, depending on the co-op's bylaws. This democratic process ensures that policies are agreed upon by the majority.
- **Enforcement:** Once approved, the board is responsible for enforcing policies, ensuring compliance, and handling any violations in accordance with the established rules.
- **Review and adaptation** Policies are periodically reviewed to adapt to changing circumstances, ensuring they remain relevant and effective in managing the co-op.

**Policy setting** supports a housing co-op by creating a structured framework for how the cooperative operates and how members interact with each other. Clear, well-defined policies help maintain order, ensure fairness, and protect the rights of all members. They set expectations for behaviors, responsibilities, and community standards, reducing conflicts and misunderstandings. By addressing key areas like maintenance, safety, rent policies, and decision-making processes, policies ensure smooth day-to-day operations. Additionally, policy setting helps align the co-op's actions with its mission and values, providing consistency and stability. Overall, effective policy setting fosters a harmonious living environment, supports community engagement, and ensures the long-term success and sustainability of the cooperative.

## Hiring and supervision

In a housing cooperative, **hiring and supervising** typically involves the board of directors overseeing the recruitment, management, and performance of all staff employed by the co-op. Here's how it generally works:

**Hiring:** The board is responsible for hiring key staff, such as property managers, maintenance workers, or administrative staff. In some co-ops, the board may create a hiring committee to assist in the hiring process, making sure candidates meet the necessary qualifications and align with the co-op's values.

**Oversight:** Once hired, the board (or a designated committee) oversees staff to ensure they are performing their duties effectively. This includes overseeing day-to-day operations such as maintenance, managing finances, or handling member concerns. The board sets expectations, reviews staff performance, and provides support or feedback as needed.

**Evaluations:** Periodic performance evaluations are often conducted to assess the work of staff and ensure they are meeting the needs of the cooperative. These evaluations may also include feedback from members, especially if staff interact directly with members.

**Accountability:** Staff members are accountable to the board of directors, and if problems arise (such as poor performance or conflicts), the board is responsible for resolving them, which could involve corrective action, additional training, or in some cases, termination.

Hiring supervisors in a housing cooperative ensures that staff are working efficiently, meeting the cooperative's goals, and providing quality service to members. It also ensures that the cooperative's assets and resources are being managed appropriately.

**Conflict resolution** is essential in a housing co-op because it helps maintain a harmonious and cooperative living environment, where members work together for the collective good. In a shared community, disagreements can arise over issues like maintenance, community rules, or interpersonal relationships. Effective conflict resolution ensures that these issues are addressed fairly and efficiently, preventing them from escalating and potentially disrupting the community.

Here's why conflict resolution matters:

**Maintaining harmony:** A clear process for resolving conflicts helps prevent tension from building up, promoting a peaceful living environment where everyone feels respected and valued.

**Fairness:** Conflict resolution ensures that all parties involved have an opportunity to present their concerns and that decisions are made impartially, in line with the cooperative's rules and values.

**Preventing Disputes from escalating:** By addressing conflicts early, it helps prevent them from becoming larger issues that could divide the community or negatively impact the co-op's operations.

**Encouraging Cooperation:** Conflict resolution encourages members to engage in open communication, promoting mutual understanding and strengthening the cooperative spirit.

**Upholding the Co-op's Mission:** A cooperative environment relies on collaboration and respect among members. Effective conflict resolution supports these principles by ensuring that disagreements are managed constructively.



**Long-term planning:** in a housing cooperative involves creating strategies and goals for the co-op's future, ensuring its sustainability, financial health, and the well-being of its members over time. The board of directors, often in consultation with the members, is responsible for setting these long-term goals. Here's how long-term planning typically works:

**Assessing current needs:** The first step in long-term planning is evaluating the current state of the co-op—its financial health, maintenance needs, property condition, and member satisfaction. This helps identify areas that need improvement or attention in the future.

**Setting goals:** Based on assessments, the co-op will set long-term goals such as major repairs or upgrades (e.g., building renovations, energy efficiency improvements), financial goals (e.g., maintaining affordable fees, creating reserve funds), or community goals (e.g., improving member engagement or expanding membership).

**Budgeting and financing:** Long-term planning includes budgeting for major expenses or capital improvements, such as setting aside reserve funds for unexpected repairs or planning for large-scale projects. The co-op may also explore financing options, like loans or grants, to fund these goals.

**Member involvement:** Because housing co-ops are democratic, long-term planning typically involves input from members. This ensures that the co-op's plans align with the collective interests of the community. Members may participate through surveys, meetings, or committees focused on long-term planning.

**Strategic action plan:** Once goals are set, the board creates action plans to achieve them, which might include timelines, milestones, and specific responsibilities. This helps keep the co-op on track and ensures progress is made toward long-term objectives.

**Review adaptation:** Long-term plans are periodically reviewed and adjusted as needed, based on changing circumstances, new opportunities, or unexpected challenges. This flexibility allows the co-op to stay responsive and adaptive to evolving needs.

**Representation:** in a housing co-op refers to how the interests and needs of the co-op members are voiced and acted upon within the decision-making processes, both within the co-op and with external entities. This typically involves elected members of the co-op, such as the board of directors, who represent the collective interests of all members in discussions, negotiations, and decisions.

### **Here's how representation works in a housing co-op:**

**Board of directors:** Elected by the members, the board represents the community's interests in making decisions about policies, budgets, maintenance, and other operational matters. The board ensures that the co-op's actions align with the members' collective values and needs.

**Member voice:** Through general meetings and voting processes, members have a say in important co-op matters. This participatory structure ensures that each member's opinion is represented when key decisions are made.

**External representation:** The board may also represent the co-op in dealings with outside entities such as local government, financial institutions, or contractors. This ensures that the cooperative's interests are well-represented in external matters that could affect the community.

**Advocacy:** Representation can also involve advocating for the co-op's needs, such as securing funding for improvements or influencing local housing policies that may impact the co-op.

Representation in a housing co-op ensures that members' voices are heard, both internally and externally, and that decisions made reflect the collective interests of the community.

# **The Democratic Model**

The democratic model of cooperative housing is based on the idea that all members have a say in decisions that affect the property and the community. Instead of a single person or entity making the decisions, management is done collectively. Each member can vote on important matters such as the budget, improvements, rules of coexistence and maintenance of the property, which encourages more transparent and equitable management. In addition, each member has one vote, regardless of the number of shares they own, which guarantees equality in the decision-making process. Decisions are made in democratic meetings, where relevant issues are discussed and voted on, which promotes collaboration and solidarity among members. This model also implies shared responsibility, as members not only participate in decisions, but are also responsible for the care and maintenance of the building and its common services, creating a fairer and more participatory environment.

## **Democratic model**

Cooperatives claim to be democratic institutions, but the true meaning of democracy requires further examination. The term democracy, derived from the Greek word for rule by the people, suggests that every individual has an equal vote. While many nations claim to be democratic, participation in decision-making can often be limited. Historically, democracy was met with skepticism, with critics arguing that while its ideals are noble, the conditions for success are difficult to achieve.

## **Democratic principles**

For democracy to succeed, it needs a close-knit community where people know each other, equality in wealth and status to ensure fairness, and the absence of excessive luxury, which can lead to greed and corruption. These factors help preserve integrity and prevent society from being dominated by wealth or public influence.

The **housing cooperative government** refers to the system of governance used to manage and oversee the operations of a housing cooperative. In a housing co-op, governance is typically democratic and member-driven, meaning the members collectively make decisions about the cooperative's operations. Key features of a cooperative housing government include:

**Board of directors:** Elected by the members, the board oversees the cooperative's day-to-day operations, including finances, maintenance, and policy decisions. The board is accountable to the members.

**Membership Participation:** All members generally have voting rights, allowing them to influence key decisions such as rules, budgets, and significant changes to the cooperative.

**Meetings:** Regular general meetings provide members with opportunities to discuss and vote on matters that affect the cooperative, ensuring transparency and democratic decision-making.

**Committees:** Some cooperatives have committees to handle specific tasks (e.g., finance, maintenance), and members often serve on these committees.

Cooperative government is designed to be democratic, where members have an active role in decision-making and maintaining the cooperative's operations.

# Bylaws

Housing co-op bylaws are the rules and guidelines that govern the day-to-day operations of the co-op. They outline how the co-op will operate, including procedures for membership, voting, meetings, and the responsibilities of members and the board of directors. Bylaws may also cover issues such as share allocation, fees, maintenance obligations, and dispute resolution. Essentially, they provide a structured framework to ensure that the co-op runs smoothly and fairly for all members.

The bylaws of the corporation state how the corporation will operate, how meetings will be held, how many directors will serve on the board, the structure of membership meetings and other rules of the corporation. The bylaws generally can be amended by a majority vote of the membership. Amendment procedures are outlined in the bylaws. Board members should be familiar with the bylaws, which should be reviewed on an annual basis.

## **Bylaws**

<b>Article I</b>	<b>Name and location of housing co-op</b>
<b>Article II</b>	<b>Purpose and Powers</b>
<b>Article II</b>	<b>Membership</b>
<b>Article III</b>	<b>Membership Meetings</b>
<b>Article IV</b>	<b>Member Meetings</b>
<b>Article V</b>	<b>Directors</b>
<b>Article VI</b>	<b>Officers</b>
<b>Article VII</b>	<b>Committees</b>
<b>Article VIII</b>	<b>Financial Regulations</b>
<b>Article IX</b>	<b>Seal</b>
<b>Article X</b>	<b>Waiver of Notice</b>
<b>Article XI</b>	<b>Repeal or Amendment of Bylaws</b>
<b>Article XII</b>	<b>Member Dissolution and Property Interests</b>

Housing cooperative bylaws are legal documents that officially establish the cooperative as a formal entity. Filed with the appropriate government agency, they outline the cooperative's purpose, structure, and governance. Key details include

**Name and purpose** of a co-op defines its official title and its mission, which typically focuses on providing affordable housing and fostering community among members.

**Membership** in a housing cooperative refers to the status of an individual who has been accepted into the co-op, typically by purchasing shares, and is entitled to live in a unit, participate in decision-making, and share in the responsibilities and benefits of the cooperative community.

**Meeting of members** in a housing cooperative is a gathering where co-op members come together to discuss important issues, make decisions, vote on proposals, and elect the board of directors. These meetings ensure member participation in the co-op's governance and allow for transparent communication between the board and the members.

**Board of directors** in a housing cooperative is responsible for overseeing the co-op's operations, making key decisions, setting policies, managing finances, and ensuring the cooperative aligns with its mission and goals. They represent the members, provide leadership, and are accountable for the cooperative's overall success and well-being.



## **Bylaws support a housing cooperative in several keyways:**

**Legal recognition:** By filing bylaws, the cooperative becomes a legally recognized entity. This allows it to enter into contracts, own property, and operate within the legal framework of the jurisdiction. Without this recognition, the cooperative would not have the ability to formally conduct its business.

**Defines ownership structure:** Bylaws set out the cooperative's ownership structure, including how shares and the rights associated with those shares are issued and transferred. This provides clarity on how members interact with the cooperative, setting out rules governing their rights and obligations.

**Establishes governance:** Bylaws set out the cooperative's governance system, including the election and responsibilities of the board of directors, membership rules, and voting procedures. This framework ensures that the cooperative operates in an organized and transparent manner, with clear lines of authority and accountability.

**Clarifies purpose and mission:** Articles define the purpose of the cooperative, such as providing affordable housing, supporting community involvement, or collectively managing property. This purpose guides the cooperative's activities and ensures that all members are aligned with the cooperative's mission.

**Legal protections for members and directors:** These often include provisions that protect the cooperative's members and directors, such as indemnification clauses that protect them from personal liability for actions taken on behalf of the cooperative. This encourages active participation and leadership, as individuals are assured that they will not be personally liable for the cooperative's debts or legal problems.

**Creates stability and continuity:** Articles define the cooperative's duration and the process for its possible dissolution. This stability reassures members and stakeholders that the cooperative is meant to exist for the long term, fostering trust and commitment within the community.

**Powers and duties of the board** of the board of directors in a housing cooperative include overseeing the co-op's operations, managing finances, setting policies, making strategic decisions, and ensuring that the cooperative complies with legal and regulatory requirements. The board is responsible for representing the interests of the members, handling day-to-day management, and making decisions on issues such as budgeting, maintenance, and governance. Additionally, they are tasked with ensuring transparency, accountability, and long-term sustainability of the cooperative.

**Officers** in a housing cooperative, such as the president, vice president, secretary, and treasurer, support the co-op by fulfilling specific roles that help manage its operations. The president leads meetings, ensures the board's decisions are implemented, and represents the co-op externally. The vice president steps in when the president is unavailable. The secretary manages records, including meeting minutes and official documents, while the treasurer oversees the co-op's finances, ensuring proper budgeting, financial reporting, and maintaining reserves. Together, officers provide leadership, ensure smooth operations, and support the cooperative's long-term success.

**Committees** in housing cooperative support the co-op by focusing on specific areas of responsibility, such as maintenance, finance, membership, or community activities. These committees are usually made up of members who have expertise or interest in the area they oversee. For example, a maintenance committee could handle repair and upkeep of the property, while a finance committee could manage budgeting and financial planning. Committees report to the board of directors and help distribute tasks, allowing for more efficient management and ensuring that important issues are addressed by those with relevant experience or knowledge.

**Voting and elections** in a housing cooperative are key components of its democratic decision-making process. Members typically vote on important issues such as approving budgets, electing board members, or amending bylaws. Elections are usually held annually or as specified in the co-op's bylaws. The voting process ensures that all members have a say in the cooperative's governance, with each member often having one vote. The board may set up specific rules on voting procedures, quorum requirements, and how votes are counted, ensuring fairness and transparency in the decision-making process.

**Voting and elections** are essential for democratic decision-making, allowing members to have a say in important matters like electing board members, approving budgets, and amending bylaws. Each member typically has one vote, and elections for board positions are held during annual or special meetings, with members nominating themselves or others. Voting can occur in person, by proxy, or by mail, and a quorum may be required for the election results to be valid. Decisions are usually made by majority vote, often requiring a simple majority or two-thirds, depending on the co-op's rules. The process is designed to be transparent, ensuring that members are informed about voting procedures, deadlines, and issues being voted on.

**Financial management** involves overseeing the co-op's finances, including budgeting, accounting, and ensuring financial stability. It includes tasks such as setting membership fees or rents, managing reserves for maintenance and repairs, and tracking income and expenses. The board of directors, often with the help of a treasurer or finance committee, ensures that the co-op remains financially solvent, prepares regular financial reports for members, and conducts audits when necessary. Effective financial management is essential for the long-term sustainability of the co-op, ensuring it can cover operating costs, maintain the property, and invest in future improvements while keeping housing affordable for members.

**Conflict resolution** in a cooperative board involves encouraging open communication, active listening, and a collaborative approach to identifying and addressing problems. It is critical to focus on understanding the underlying interests of all parties, rather than their stances, and to seek fair and equitable solutions that align with the values of the cooperative. In some cases, mediation may be necessary, and agreements should be explored to find solutions that satisfy everyone. Documenting resolutions and following up to ensure their effectiveness can maintain confidence and clarity. Establishing a formal conflict resolution policy can also help guide future disputes in a consistent manner.

**Amendments:** Cooperative boards amend bylaws through a structured process that includes proposing changes, revising them, and notifying members of proposed amendments. Members have the opportunity to discuss changes at a meeting, after which a vote is taken. Depending on the rules of the cooperative, a certain level of approval from members is required, often a majority or a supermajority. If approved, the amendments are incorporated into the official bylaws and members are notified of the changes. This process ensures transparency, legal compliance, and member participation in the governance of the cooperative.

**Responsibilities and compensation.** In a housing cooperative, residents have responsibilities related to their own actions, such as damage to their unit or common areas, and are responsible for paying their share of the cooperative's expenses, including maintenance and mortgage payments. Failure to meet financial obligations could result in penalties or eviction. While cooperative members do not receive personal compensation for routine actions, cooperative boards typically include indemnification clauses to protect directors and officers from personal liability when they act in good faith for the benefit of the cooperative, covering legal fees or damages in certain situations. Credit union insurance policies can also help mitigate shared responsibilities, but members should be aware of their responsibilities and the protections offered by the cooperative's rules and coverage.

**The dissolution of a housing cooperative** involves its legal dissolution and the liquidation of its assets, usually by a vote of the members, which often requires a qualified majority. Following the vote, the cooperative's assets are sold to settle outstanding debts, and the remaining funds are distributed among members according to their equity share. The process must comply with the cooperative's bylaws, state laws, and tax regulations. Dissolution is usually a last resort, and occurs when the cooperative can no longer function or members decide to dissolve it for other reasons.

# Articles of Incorporation

Housing cooperative articles of incorporation are the legal documents that formally establish the cooperative as a recognized entity. These documents are filed with the appropriate government authority and define the cooperative's purpose, structure, and governance. They include details such as the cooperative's name, mission (such as providing affordable housing), legal structure (usually nonprofit or member-owned), membership rules, board responsibilities, and financial management guidelines. Essentially, articles of incorporation create the legal basis for the cooperative to operate within the law.

# Articles of Incorporation

The articles of incorporation legally establish the cooperative as a business, defining its name, purpose (typically providing housing), and structure. They allow the cooperative to operate at cost and offer discounts for patronage.

When drafted correctly, bylaws allow for tax benefits under subchapter T of the Internal Revenue Code, which allows members to deduct mortgage interest and real estate taxes.

The bylaws should also describe the cooperative's purpose, restrictions (such as government programs), and include provisions for amendments and board governance.

## Articles of Incorporation

<b>Article I</b>	<b>Name</b>
<b>Article II</b>	<b>Address of the housing cooperative</b>
<b>Article III</b>	<b>Location of the registered office (if any)</b>
<b>Article IV</b>	<b>Name and address of the resident agent</b>
<b>Article V</b>	<b>Purpose of the cooperative</b>
<b>Article VI</b>	<b>Number of directors</b>
<b>Article VII</b>	<b>Share capital</b>
<b>Article VIII</b>	<b>Distribution of dividends</b>
<b>Article IX</b>	<b>Names of the founders and directors</b>
<b>Article X</b>	<b>Termination of Membership</b>
<b>Article XI</b>	<b>Duration</b>

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<b>Article XI</b>	<b>Duration</b>

The **Articles of Incorporation** support a housing cooperative (co-op) in several vital ways by providing a clear legal and structural foundation for its operation:

**Legal Formation:** The Articles of Incorporation officially create the housing cooperative as a legal entity. This is essential for the co-op to operate within the law, allowing it to own property, enter contracts, and be recognized as a legitimate organization by government authorities.

**Defining the Purpose:** The Articles clearly outline the purpose of the housing co-op, such as providing affordable housing or managing a shared residential community. This formal definition helps guide the co-op's activities and ensures that the operation aligns with the goals of its members.

**Ownership Structure:** The Articles lay out how the ownership of the cooperative is structured. In a housing co-op, members do not own individual units but rather own shares in the cooperative. The Articles explain how shares are issued, transferred, and the rights associated with those shares, ensuring clarity on membership and ownership.

**Governance Framework:** The Articles outline the governance structure, including decision-making, board elections, officer roles, and member voting, ensuring the co-op is managed democratically and efficiently.

**Member Rights and Responsibilities:** The Articles define the rights and obligations of the members, such as the right to vote on key decisions, access to housing, and the obligation to contribute to the co-op's financial well-being. This helps maintain a fair and balanced relationship between the co-op and its members.



**Cooperative bylaws:** of a housing cooperative outline the rules and procedures for the governance and operation of the co-op. These bylaws provide the framework for how the co-op functions on a day-to-day basis and how decisions are made. Here are some common articles that are typically found in the bylaws of a housing co-op:

**Name and purpose:** This article outlines the official name of the cooperative and describes its mission or purpose, often focusing on providing affordable housing and fostering a sense of community among members.

**Principal office:** of a cooperative serves as the official address for the housing activities, record-keeping, and receiving legal communications.

**Duration:** is the length of time the cooperative is intended to exist. It typically states whether the cooperative is established for a specific period or indefinitely ( in perpetuity) and outlines the conditions under which the co-op dissolve if necessary.

**Membership:** This section defines who can become a member, the rights and responsibilities of members, the process for applying for membership, and how membership can be terminated or transferred.

**Number of directors** refers to how many individuals are elected to serve on the board of directors in a housing cooperative. This number is typically outlined in the cooperative's bylaws and can vary depending on the size and structure of the co-op. The board of directors is responsible for making key decisions, overseeing operations, and ensuring the cooperative runs smoothly and in line with its goals.

**Shares:** represent a member's ownership interest in the cooperative. When a person becomes a member, they typically purchase shares in the co-op, which gives them the right to live in a specific unit and participate in the co-op's governance. The number of shares may vary depending on the co-op's rules, and these shares are not like traditional stock; they usually cannot be sold for profit but can be transferred or refunded when a member leaves the co-op.

**Liability of member:** in a housing cooperative refers to the extent to which members are financially responsible for the co-op's debts or obligations. In most co-ops, members' liability is limited, meaning they are not personally responsible for the co-op's debts beyond their initial investment (e.g., share purchase) or other agreed-upon financial commitments. However, some co-ops may have provisions for additional liability if specified in their bylaws or articles of incorporation. Generally, the goal is to protect members from personal financial risk beyond their membership stakes.

**Amendment procedures** in a housing cooperative outline the steps for making changes to its governing documents, such as bylaws or articles of incorporation. Typically, the board of directors or members propose amendments, which are then presented for discussion and a vote. A specified majority, often two-thirds, is required for approval. Once approved, the amendments are incorporated into the co-op's documents and filed with relevant authorities if necessary, ensuring transparency and member involvement in the process.

**Dissolution** is the process of formally ending the co-op's existence, liquidating assets, settling debts, and distributing remaining funds according to the bylaws or legal requirements.

**Officers:** If applicable, this section outlines the roles of officers (such as president, vice president, secretary, and treasurer), their duties, and how they are elected or appointed.

**Committee:** Some co-ops create committees (e.g., finance, maintenance, or membership) to assist in various areas of management. The bylaws define the role and responsibilities of these committees.

**Voting and elections:** This article describes how decisions are made, including the voting process for electing board members, approving budgets, or other significant matters. It also outlines voting rights, such as one member, one vote, and any quorum requirements.

**Financial management:** This section outlines how the co-op will manage its finances, including budgeting, membership dues, reserves, financial reporting, and audits.

**Conflict resolution:** This article provides a process for resolving conflicts between members, or between members and the board, in a fair and structured manner.

**Amendments:** This section describes the process for making changes or amendments to the bylaws, typically requiring approval by the board or a vote of the membership.

**Liabilities and Indemnification:** This article specifies the liability protections for the board members, officers, and other individuals involved in the co-op's operations, protecting them from personal responsibility for the co-op's actions under certain conditions.

Housing cooperative governance plays a crucial role in supporting both the cooperative and its members by ensuring democratic decision-making, collective ownership, and long-term sustainability. In a housing cooperative, members collectively own and manage the property, and the governance structure helps ensure that decisions are made with the best interests of all members in mind. Here are some keyways that cooperative governance supports the cooperative and its members so that it is democratic, transparent and accountable, conflict resolution oriented, long –term sustainable, supports the community and empowers its members.



# YOUR PATH TO SECURE COOPERATIVE HOMEOWNERSHIP STARTS HERE



For more information about housing cooperatives, workshops, programs, events and free consultations, please contact us.

Visit us at

<https://resurrectionproject.org/co-op-housing>

Or use the QR code



TRP's mission is to build trusting relationships and empower individuals, immigrants, and families to achieve their social and economic aspirations, stable homes, and equitable participation. Housing cooperatives offer an alternative to traditional homeownership. They empower residents with shared ownership and responsibility in their housing community.



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