**CREATIVE HOUSING SUMMIT**

**MARCH 2024**

**GETTING STARTED**

**ON YOUR HOUSING COOPERATIVE**

1. **Statement of Need**

List out top needs for you and your intended housing community(ies). What is currently not being met by available housing?

examples: cheaper rent, more flexible rental terms, a shared garden, housing security, more control over your rental space, etc.

|  |  |
| --- | --- |
| **Priority** | **Need** |
| 1 |  |
| 2 |  |
| 3 |  |
| 4 |  |
| 5 |  |

1. **Recruit People**

Who is part of your vision? Who will benefit? List out who will be involved and who will benefit. You can come back to this and edit over time.

**Planning and Organizing Partners**

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**Intended Recipients/House Mates**

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**After you build out your primary planning team, you’ll need to recruit specialists. These are the people you will probably need to hire or ask to donate services pro bono. Write out some ideas or connections here:**

**Specialists**

* **Lawyer:** verify zoning and review contracts
* **Real Estate Agent:** manage negotiations with sellers if buying property
* **General Contractor or Architect:** to plan and estimate renovation costs and code compliance

* **Property Inspector:** to assess the quality and safety of buildings
* **Appraiser:** to assess the fair market value of a potential property
* **Financial Consultant:** to evaluate financing options and coordinate loan package

1. **Visualize and Plan**

What do you want the property to look like? Size, number of units, amenities, and location? What will be non-negotiable? Sketch it out.

**Ideal size, number of units, and building needs:**

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| --- |
|  |

**Amenities:**

* Quality schools Others:
* Short work commutes
* Sidewalks
* Nearby groceries
* Distance from Freeway
* Assigned car parks
* Street parking
* Community gardens
* Shared bathrooms
* Private bathrooms
* Shared kitchen
* Common area(s)

**Town/City:**

* Rural, quiet, spacious Others:
* New development
* Affordable and growing
* Suburb community

OR

* Urban, convenient, connected
* Established community
* Aspirational and exclusive
* Walkable, mixed-use neighborhood

**Location / Neighborhood:**

**Home /Cooperative Type: Which best suits your needs?**

* **Market Rate**: sells shares at full market value in the original sale and permits a market rate of return on resales by members
* **Limited Equity Cooperative**: Limits the return allowed when shares are sold. The amount of return is determined by a formula established within corporation’s bylaws
* **Leasing Cooperative**: Leases the property from an investor on a long-term basis, sometimes with the option to buy. The residents operate the property as a cooperative
* **Mutual Housing Association**: non-profit corporation set up to develop, own, and operate housing. Generally, the association is owned and controlled by residents of the housing produced
* **Senior Housing Cooperative**: Cooperative that has design and service features appropriate for senior residents.

1. **Form Legal Entity**

Filing as a legal entity can include non-profit corporation, cooperative corporation, or LLC. This gives you legal and financial tools to share an asset among many people. Here is a [detailed map](https://www.nasco.coop/resources/group-equity-housing-cooperative-incorporation-statutes-state) of housing cooperative incorporation status by state.

**INDIANA:**

* May be eligible for 501c3 status, but not recognizable as a co-op by the state. Co-op will need to recreate all cooperative governance and member control in Articles and Bylaws.
* [Title 23, Article 17 of Indiana Code](https://iga.in.gov/legislative/laws/2022/ic/titles/001) - Forming a Nonprofit Corporation in Indiana
* [Step by Step by IRS](https://www.irs.gov/charities-non-profits/applying-for-tax-exempt-status)

***Seeking legal advice during nonprofit application status***

[**Pro Bono Indiana**](https://probonoindiana.org/)

A network of organizations and offices that offer pro bono legal services for Indiana citizens.

[**Indiana Free Legal Answers**](https://indiana.freelegalanswers.org/)

Free messaging board/virtual legal advice clinic where qualifying users post civil legal questions answered by pro bono attorneys.

1. **Acquire A Property**

There are several options for acquiring a property: co-ops can master lease a residential property, purchase an existing property, or build/renovate to suit the need. Many start out by leasing their first property and then purchasing a building later.

Refer to your earlier lists of community partners, specialists, and resources to chart out tasks.

IU Center for Rural Engagement can continue to help with project planning and management – in the meantime, [check out these helpful project planning templates to find ways of organizing your work.](https://crm.org/news/best-project-plan-templates)

Starting a new co-op typically takes 1 to 3 years – working with a timeline or chart can help you visualize the work over longer time periods.

**Fundraising**

Organizations like [**Cooperative Development Fund**](https://www.cdf.coop/cooperative-development-fund)can provide guidance on funding best practices. Talk with the IU Center for Rural Engagement about options to work with courses at O’Neill School of Public & Environmental Affairs on grant writing and grant planning.

**Help**

[**Indiana Cooperative Development Center, Inc**](http://www.icdc.coop/)

[**Cooperative Development Fund**](https://www.cdf.coop/cooperative-development-fund)

[**Cooperation Works! The Cooperative Development Network (National)**](https://cooperationworks.coop/)

[**Pro Bono Indiana**](https://probonoindiana.org/)

[**Volunteer Lawyer Program of Southwestern Indiana**](https://www.vlpswin.org/)

[**IU Student Learning Programs**](https://citl.indiana.edu/programs/service-learning/index.html)

Service-Learning Program at IU provides consultation on service-learning projects and connects the community with campus resources. Connect with Michael Valliant to inquire about students or courses that can fill the needs above.

Michael Valliant, Project Director

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**Resources**

[Excel Document of Housing Resources (2022)](https://indiana.sharepoint.com/:x:/r/sites/iurural/_layouts/15/Doc.aspx?sourcedoc=%7B31A29ABB-397C-4FB7-9879-92EC989B60CC%7D&file=Housing%20Resources%202022.xlsx&action=default&mobileredirect=true)

<http://www.icdc.coop/>

<https://www.cdf.coop/cooperative-development-fund>

<https://cooperationworks.coop/>

<https://www.nasco.coop/>

<https://www.nasco.coop/resources/group-equity-housing-cooperative-incorporation-statutes-state>

<https://www.irs.gov/charities-non-profits/applying-for-tax-exempt-status>

<https://iga.in.gov/legislative/laws/2022/ic/titles/001>

<https://ncdc.unl.edu/legal-questions-ask-when-forming-cooperatives>

<https://ncdc.unl.edu/Documents/coopHouse02%281%29.pdf>

<https://probonoindiana.org/>