

From the 2018 Submission from AMHOA to government tenancy task force

1. ALTERNATIVE MODELS – RESIDENT OWNED COMMUNITIES Part of the Task Force mandate is to explore alternate models that might be useful in an affordable homes strategy. One that fits with the context of our discussion is the “Resident Owned Communities” model used in many parts of the United States.

Information on these communities can be found on the organization’s web site¹⁹ or the websites of the many “ROCs” formed under this program. The web site provides a basic picture:

In a resident-owned community (ROC), homeowners form a non-profit business called a cooperative. Each household is a Member of the cooperative, which owns the land and manages the business that is the community. Members continue to own their own homes individually and an equal share of the land beneath the entire neighborhood.

There are many benefits to living in a ROC, including: • Control of monthly lot rent, community repairs and improvements; • Lifetime security against unfair eviction;

19 For more detailed information see <https://rocusa.org/>. - 23- • Liability protection (Members are not personally liable for association loans), and • A strong sense of community.

In a ROC, Members continue to own their own homes individually and an equal share of the land beneath the entire neighborhood. Everyone has a say in the way the ROC is run, and major decisions are made by democratic vote. Members elect a board of directors, which appoints committees to carry out various tasks and manage the day-to-day operations of the organization.

ROC USA helps resident groups in for-sale communities come together and purchase their neighbourhoods. It has Certified Technical Assistance Providers who work with the community to decide if the ROC approach is viable for their community. They look at the economics of the purchase and if it looks promising, speak to community members about the purchasing process.

If the community decides to move forward, it needs to form a cooperative association to hold the land and hire impartial experts to assess the community’s infrastructure and the purchase itself. If the community wants to proceed, financing assistance is provided through ROC USA Capital a company that is equipped to meet the special needs of the resident corporations, from pre-development loans to community acquisition-permanent loans at 100% of a community’s appraised value plus closing costs.

The details of this program are beyond this submission, but the model is worth exploring in creating a new framework to increase the usefulness of the co-investor community approach in addressing affordable housing need.