



EQUITY FOR RENTERS

Common Roots' Renting Cooperative:
A New Model for Affordable Housing Management

- 1) Introduction to Common Roots
- 2) Renting Cooperative Model Overview
- 3) 7 International Cooperative Principles (Or, How it Works in Practice)
- 4) The Bigger Picture
- 5) Discussion/Q&A

COMMON ROOTS HUMANS

- Julie Wilson, *Director of Housing and Community Development*
- James Campbell, *Community Manager*
- Paul Davis, *Renting Cooperative Member*
- Jaime Kinder, *Mayor of Meadville*



Common Roots' mission is to create sustainable, permanently affordable homes that build wealth, security, and community for Meadville, PA.





Common Roots is....

- ✓ A community land trust.
- ✓ A grassroots, membership organization.
- ✓ A movement-building organization.







HOUSING COOPERATIVES

A cooperative is an organization that is owned and controlled by its members to meet their common economic and social needs.

- Market
- Limited Equity
- Group Equity
- Leasehold



EQUITY FOR RENTERS

In Common Roots' Renting Cooperative model, renters create value (RENTAL EQUITY) by staying long-term and by helping to care for and manage the property.

How the renting cooperative works



Common Roots owns the property. We're committed to permanently affordable housing that creates wealth, security, and community, so we will never sell the house.

Common Roots leases the house to the cooperative. As a cooperative, residents work together to care for and manage the home like it is their own.

As members of the cooperative, residents have responsibilities. These include:

- Attending monthly meetings to make decisions about the property.
- Completing regular maintenance assignments.
- Following the House Rules set by the cooperative and paying rent on time.



In exchange for taking on these responsibilities, residents build rental equity. Every month a resident fulfills their duties as a cooperative member, they earn credits.



Residents can earn up to \$10,000 worth of credits over 10 years.

When residents stay long-term and take good care of the property, Common Roots saves money. The money Common Roots saves is the equity that residents build.

Common Roots wants residents to:

- ✓ Love their home and stay.
- ✓ Have a voice.
- ✓ Build wealth.
- ✓ Grow our community.



After five years, residents are vested members of the cooperative. This means they can use the wealth they've built to buy a car, pay down debt, go to school, or whatever they want (in accordance with the rules of the program).

SCHEDULE OF RENTAL EQUITY CREDIT VALUES

DATE EARNED	NOTES	CREDIT VALUE	CUMULATIVE VALUE
1		\$57.78	\$57.78
2		\$58.11	\$115.89
3		\$58.45	\$174.34
4		\$58.79	\$233.13
5		\$59.14	\$292.27
6		\$59.48	\$351.75
7		\$59.83	\$411.57
8		\$60.18	\$471.75
9		\$60.53	\$532.28
10		\$60.88	\$593.16
11		\$61.24	\$654.39
12		\$61.59	\$715.98

MEMBERSHIP AGREEMENT

Membership. Common Roots operates rental housing as a Renting Cooperative. Residents are Members of the Renting Cooperative of the housing development in which they live. Each household has a vote in decisions about how we operate and the leadership of Common Roots. This agreement describes the role of the Renting Cooperative and the rights and responsibilities of Members.

Vision. Member-Residents are growing personally and financially by working together to keep our community sustainable, affordable, attractive and safe and treating each other with dignity.

Mission. Member-Residents monthly payments and daily actions preserve housing quality and generate savings to fund financial credits for long-term Member-Residents.

Values. As a cooperative, we follow the 7 International Cooperative Principles.



POWERS AND DUTIES

The Renting Cooperative is empowered to:

- ✓ Participate in review and approval of the operating budget.
- ✓ Develop operating policies such as House Rules.
- ✓ Conduct orientations and trainings.
- ✓ Coordinate events and activities.
- ✓ Elect representatives to serve on Common Roots Committees and Board of Directors.



ROLES AND RESPONSIBILITIES

- ❖ **Common Roots** owns the property and is legally and financially responsible for fulfilling obligations to lenders and Member-Residents, managing funds, hiring or appointing a Community Manager and other service providers, administering agreements, providing education and training as requested or required, and making Rental Equity payments to Member-Residents.
- ❖ **Member-Residents** are responsible for participating in Renting Cooperative meetings, observing House Rules, performing work assignments, paying dues on time, and otherwise abiding by the provisions of the Lease.
- ❖ **The Renting Cooperative and Community Manager** work together to establish operating policies such as the budget, house rules and work assignments, procedures for implementing policies, strategies to resolve conflict, and strategies for contributing to the neighborhood and broader community.



GOVERNANCE

- The Renting Cooperative meets monthly at a time and place determined by Member-Residents.
- Meetings are facilitated by the Community Manager to ensure there is no hierarchy and every member has an equal voice in decisions.
- Each household has one vote. A majority of Member-Residents present at the meeting shall constitute a quorum.



GOVERNANCE

- Member-Residents should bring items of interest, concerns, or suggestions requiring support or action to the Community Manager in advance of the Renting Cooperative Meeting so that they can be put on the agenda. Information and comments brought up at the Cooperative Meeting without being on the agenda may not be acted upon and may be deferred for consideration at the next meeting.
- Common Roots strives for consensus in decision-making. If there is no consensus, the majority may decide to: 1) form a committee to study the proposal and make recommendation or 2) decide by majority vote.
- Committees may be established and dissolved by the Renting Cooperative as needed.
- Once approved by the Cooperative, changes in policy or procedures may need to be approved by Common Roots to assure compliance with its legal and financial responsibilities.





SEVEN
INTERNATIONAL
COOPERATIVE
PRINCIPLES

1

VOLUNTARY AND OPEN MEMBERSHIP

Cooperatives are voluntary organizations, open to all people able to use its services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.



2

DEMOCRATIC MEMBER CONTROL


Cooperatives are democratic organizations controlled by their members—those who buy the goods or use the services of the cooperative—who actively participate in setting policies and making decisions.



3

MEMBERS' ECONOMIC PARTICIPATION


Members contribute equally to, and democratically control, the capital of the cooperative. This benefits members in proportion to the business they conduct with the cooperative rather than on the capital invested.



4

AUTONOMY & INDEPENDENCE

Cooperatives are autonomous, self-help organizations controlled by their members. If the co-op enters into agreements with other organizations or raises capital from external sources, it is done so based on terms that ensure democratic control by the members and maintains the cooperative's autonomy.



5

EDUCATION TRAINING & INFORMATION

Cooperatives provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperative. Members also inform the general public about the nature and benefits of cooperatives.



6

COOPERATION AMONG COOPERATIVES

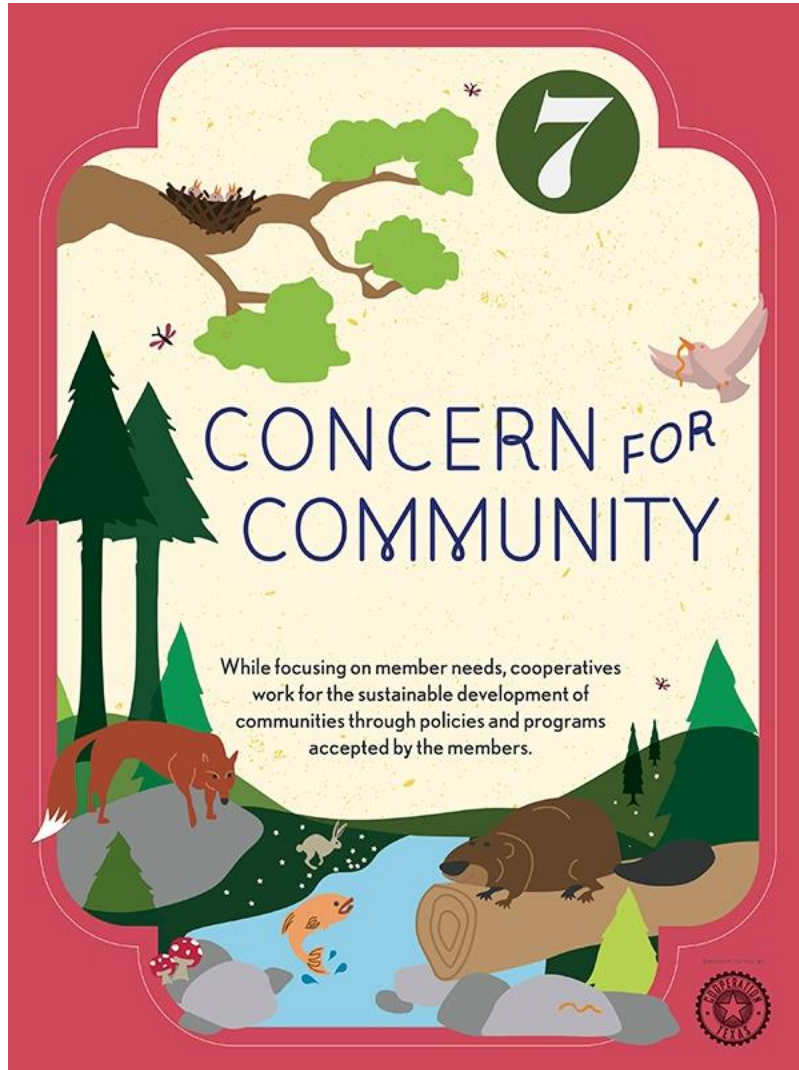
Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.



7

CONCERN FOR COMMUNITY

While focusing on member needs, cooperatives
work for the sustainable development of
communities through policies and programs
accepted by the members.







WHAT THIS
ALL MEANS
FOR MEADVILLE

THANK YOU!



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