

Meeting Minutes

Westwinds Residents Association Board of Directors

Monday, March 23, 2020, 7:00 p.m.

Present: Lisa Baill,-Antonio Bastida, Jim Canova, Debbie Clark, Vince Flores,-Dexter Goody, Patrick Grimes, Jennie Wilstead, and Stacey Winkelman

Most of tonight's meeting was a conference call with Kim Coontz from California Center for Cooperative Development (CCCD) and Paul Bradley from Resident Owned Communities (ROC). Paul explained how ROC (and their California associate, CCCD) helps mobile home owners across the nation create limited equity housing cooperatives. These cooperatives then negotiate with the current landowner to purchase the land. Once it is sold, the land is owned by a legal entity that is controlled by the residents through the board of directors of their homeowners association. Some of the money needed to purchase the land comes from the residents. More than half the residents must join the association by purchasing a share in the cooperative for perhaps \$1,000 or less. The rest of the funds are borrowed from third party lenders, which ROC helps to arrange. The interest rate on these loans tends to be low because the land is used as collateral. Residents continue to pay space rent (now to the resident-controlled cooperative). Normally, 60% of space rent goes toward debt retirement, and the rest toward operating expenses and reserves. It takes about a month to incorporate. That process sometimes starts concurrent with negotiation with the landowner, securing financing, and the city due diligence.

Resident-owned communities make housing affordable by eliminating the profit motive. People moving into the park can purchase a share in the corporation. When they move out, they sell their share back to the cooperative for exactly what they paid. Studies show that space rent in ROCs tends to rise slower than in traditional mobile home parks. Because of this, home values are, in some cases, about 16% higher.

Some miscellaneous points: Most ROCs start with about 75% membership; after the successful land purchase, almost all residents usually join. Some government grants are available; while this reduces the amount of cash needed for debt retirement, it can also complicate space rent calculations. Our city council win helps us because the land is worth less without higher-profit uses. During the negotiations, ROC would help us run the numbers to decide whether to accept the Nicholsons' offer or walk away. For a park this size, we would still need to hire a management company, but we would have a choice who to use. Finally, please do not denigrate the Nicholsons; we do not want to make enemies, because we will want to negotiate the sale with them.

After Paul and Kim signed off, Patrick read a proposed letter to Trina, and Vince read a letter to Equity Lifestyles. We agreed to send both letters.

Our next meeting will be 7:00 p.m. next Monday, March 30

(<https://hangouts.google.com/call/xw0ZGzVjRzll7UuJQTQCAEEE>).

Respectfully submitted,
Patrick Grimes