



NASCO

Development Services



Annual Report

2014-2015

Growing the Cooperative Movement!

NASCO Development Services, as part of the NASCO family of organizations, seeks to make member-run cooperatives widely available to those with limited financial assets. With over 45 years of experience in affordable housing co-op organizing and development, we provide **free technical assistance** to start-up groups, and low-cost, comprehensive development consulting for co-ops purchasing new property, undertaking major renovations, or re-financing. We are able to offer these services through the generous, ongoing support of NASCO Development Services' members who see the shared value in growing our sector and investing in the future of the cooperative movement.

Mission: To promote the establishment, expansion and use of student-owned cooperative enterprises in college and university campus areas to meet student and community needs.

Letter from the Director

The past year was a very exciting one for us at NASCO. We brought two new development projects to completion with acquisitions in Baltimore, MD and Athens, OH. We also were able to increase the total number of new groups served with initial consulting services to grow the field of potential cooperative development. There are several factors spurring interest in new cooperatives right now, and I'm happy we have been able to increase our capacity to provide advice and support to more of these groups.

One area in which interest has been growing and now reaches an urgent pitch, is in urban campus areas. While urban student housing was long considered a sleepy real estate market, we see luxury, high-rise student housing developments reshaping urban near-campus communities. From coast to coast, from Madison to Austin, a similar pattern has been at work for the past several years, creating new challenges for students seeking affordability and a place to live that is designed for community rather than luxury.

Now more than ever, young people attempting to pull together a housing cooperative are racing against the clock. In College Park, MD, students saw rental rates in existing properties jump up to 20% over the prior year. Despite years of careful growth and development as an organization, the student housing cooperative there may be running out of time to purchase a property that can sustain affordable rents. Meanwhile, much of San Francisco, New York City, and Washington DC have become infeasible for new co-ops without substantial equity.

I hope you will take this opportunity to think about where you can best leverage your strengths to support new cooperatives and draw new partners into this important project.

-Corrigan Nadon-Nichols
Director of Development



2015 Statistics

35 Requests for Assistance
30 Free Consultations
4 Active Projects
1 New Co-op Formed
2 Purchases Completed

NASCO Development Services

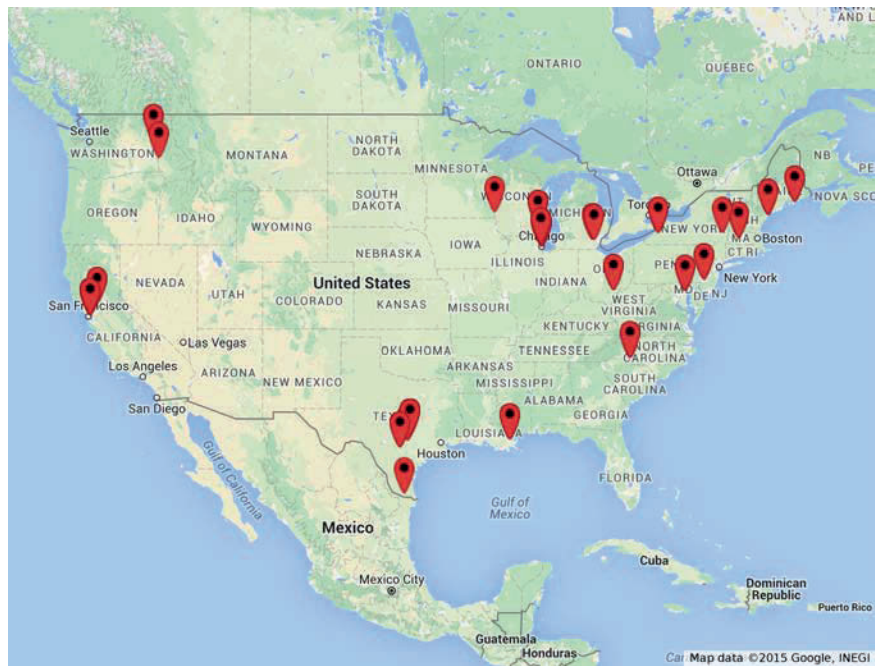
| | May '14 - Apr '15 |
|-----------------------|----------------------|
| Income | |
| Dues revenue | 46,107 |
| Total Income | 46,107 |
| Expense | |
| Staff & Management | 41,497 |
| Governance | 1,296 |
| Admin & Misc | 1,996 |
| Other Program Expense | 3,312 |
| Prior Year Income Tax | 207 |
| Total Expense | 48,308 |
| Net Surplus | -2,200 |

| | Apr 30, '15 |
|---------------------------------------|---------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | 20,931 |
| Accounts Receivable | 285 |
| Total Current Assets | 21,216 |
| TOTAL ASSETS | 21,216 |
| LIABILITIES & EQUITY | |
| Equity | |
| Retained Earnings | 23,416 |
| Net Income | -2,200 |
| Total Equity | 21,216 |
| TOTAL LIABILITIES & EQUITY | 21,216 |

NASCO Ramps Up Number of Projects

Development activity has picked up around the country, with 35 groups contacting NASCO for technical assistance, an increase from 24 groups in 2014-15. This reflects both a broad increase in interest in cooperative and community-oriented housing, as well as the greater amount of time NASCO staff have been able to devote to outreach and active follow-up with inquiring groups.

During the 2014-15 year, NASCO provided free consulting to over 30 groups and has engaged with four projects to coordinate an acquisition. Over half of the groups we worked with were start-up groups. Start-up groups typically need education on the development process, the financial aspects of purchasing a property, and assistance on structuring their organization. Genesee Valley Cooperative was one start-up group that started renting their first property in the fall of 2014. We worked with this group throughout the year to create member labor systems, bylaws, and plan for the future. In the fall of 2015, Genesee Valley was able to expand to renting a second building.



Five of the groups we worked with were up-and-running communities with control of a property who were exploring conversion to a formal cooperative structure, while another four were existing cooperatives that are now trying to purchase a leased property or a new property. Two co-ops, Stone Soup in Chicago, IL and Devonshire Co-op in West Lafayette, IN were informed in the beginning of the year that their institutional landlords had new plans for their homes and would not be able to renew their leases. After exploring a few purchase options, Stone Soup chose to secure a new location to master-lease. Devonshire Co-op, a member of the Purdue Cooperative Council, was able to negotiate another year lease in their current house from the University, but is still trying to find a place to purchase for 2016-17.

We have also provided assistance to four member co-ops looking to expand. Solar Cooperative Housing Association (Davis, CA) is working with the UC Davis and the Tri-Coops to master lease and manage the three houses comprising the Tri-Coops, under a similar structure to their current management of The Domes. In 2011, the University sought to close The Domes but they were saved through a management agreement and renovations through the independent SCHA co-op. NASCO has provided consulting and support for SCHA and Tri-Coops in exploring this merger process.

NASCO contracted with Student Cooperative Organization (Athens, OH) and Horizontal Housing (Baltimore, MD) to purchase new properties, both of which were able to close on purchases in May 2015. We have also been assisting Qumbya Housing Cooperative (Chicago, IL) to find a new 10-20 bed property to purchase in Chicago and plan to complete that project within a year.

Horizontal Housing Acquires Complete Row of Properties

Tucked in by the old mills in the Hampden neighborhood of Baltimore, was a small block with vacant lots, derelict buildings, and a lot of potential for living more sustainably. In 2010, a handful of young people looking for a better way to live in the city organized the Baltimore Free Farm. They turned vacant lots into community gardens, created neighborhood events to share food, skills, and other resources. They also had their eyes set on three adjacent row houses, two of which were abandoned, to use for collective residences. Individual members bought two of the houses and the group began fixing them up.

After meeting with members of Red Clover Collective, a NASCO and NDS member, Baltimore Free Farm decided to formalize their cooperative structure and move toward putting their houses into cooperative ownership. With NASCO's assistance, they were able to form Horizontal Housing as a cooperative and purchase one of the three row houses in 2014.

A year later, in 2015, the group learned that the middle house, which had been in ownership limbo, was being foreclosed on and the new owner was interested in selling the property to the co-op. NASCO helped the co-op secure financing from Northcountry Cooperative Development Fund (now Shared Capital Cooperative) and the Kagawa Student Co-op Reinvestment Fund to cover acquisition and renovation. With donated labor from other nearby intentional communities and donated materials, the group is completing the renovation and expects to open in February 2016.

THANK YOU, MEMBERS!

*The following co-ops supported NASCO Development Services as dues-paying members in 2014-15.
Member dues are \$2.20 per co-op member, per month.*

| | | |
|---------------------------|---|-----------------------------|
| Boulder Housing Coalition | MSU-Student Housing Cooperative | Portland Collective Housing |
| College Houses | NASCO Properties | Horizontal Housing |
| ICC Ann Arbor | Santa Barbara Student Housing Cooperative | Qumbya Housing Co-op |
| ICC Austin | Red Clover Collective | |

...with an additional donation from: Madison Community Cooperative

We would also like to thank our lending partners on this year's projects:

Northcountry Cooperative Development Fund (now Shared Capital Cooperative)
Kagawa Student Cooperative Reinvestment Fund

Student Cooperative Organization Expands with 'Firehouse'

After 25 years of successful operation, the members of the Student Cooperative Organization were ready to expand beyond The Vine, their eight bedroom housing cooperative in Athens, OH.

The SCO worked closely with NASCO Properties and NASCO Development Services to plan the timeline, set target rents, and find the right property. Athens has faced aggressive development of high-end student housing, leaving fewer affordable options each year, and fewer homes suitable for a group to share.

After several months of searching and several dead ends, the Firehouse property was located. This charming eight bedroom house is a short walk from campus, and walking distance from The Vine.

The sale was negotiated through NDS at the end of the 2015 fiscal year, and the property was purchased in May 2015. This expansion doubled the size of the Student Cooperative Organization, and gives the members a larger presence in Athens, with more stability to build on for the next expansion.



Want to support the creation of
new cooperative housing?

Interested in cooperative
housing for students in your
organization?

Need technical assistance with
your development project?

Contact us! info@nasco.coop