



Michigan Community
LAND COOPERATIVE

Cooperative Land Trusts:

An Innovative Model for
Expansion and Solidarity



NASCO
Properties

Agenda

- Intros!
- History and Origin Stories
- Development Models and Theories
- Case Studies
 - Stone Soup/Doveland
 - GRACC/Atlantis
- Questions?

Us!

Rowan Price (*he/they*)

- ICC Ann Arbor Alum
- Spartan Housing Cooperative
- Educational background in Industrial Engineering and Complex Systems
- Involved in incorporating MCLC, also its current President
- Currently a renter *and hating it*

Maggie O'Connor (*they/them*)

- ICC Ann Arbor (various things)
- NASCO
 - Board, 2021-2023
 - Staff, 2023 - ???
- NASCO Properties general manager as of June 2024
- Likes: rats, open windows
- Dislikes: complicated recipes

You!

Quick Go-Around:

1. Name, pronouns, co-op
2. What brought you here today?

Michigan CLC Origin Story

- Monthly meetings at the Spartan Housing Co-op office in East Lansing, starting December 2022
 - ICC, SHC, GRACC, Spring Collective, other friends!
- What's stopping us from expanding?
 - Management capacity
 - "Sitting on our assets"
 - New co-ops are small, and hard to get financing for
- Looked at lots of models
 - Land Trust
 - Community Land Trust
 - Private Real Estate Cooperative
- Incorporated October 2023 and received 501(c)(3) nonprofit status
 - First Board meeting during NASCO Institute 2023!



NASCO Properties??

Origins of NASCO Properties

In 1988, there was a real estate crash in Austin

The ICC Austin co-ops needed help to keep from going bankrupt

NASCO Properties was formed to buy the House of Commons property, and lease it back to the ICC

This gave the ICC a cash infusion, but let them still operate HoC as their own co-op



What is NASCO Properties?

The Basics



NASCO Properties is a “co-op of co-ops.” It is also like a land trust.

Many individual member co-ops throughout the US band together to share expenses, assets, and staffing.

All NASCO Properties houses are legally part of one overall co-op and share a single Board of Directors.

What does



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do?

- Provides training, networking, and assistance to members and co-op organizing groups.
- A “co-op of co-ops” with 17 properties that are run by seven leasing cooperatives in TX, IL, NY, KS, and OH.
- Provides technical resources and assistance for new and expanding co-ops.

Why NASCO Properties?

The Benefits

- Shared Staff
- Credibility with lenders
- Access to reserves
- Shared Accounting
- Risk Management
- Training & Education
- Improved Management
- A network of other co-ops

A New Kind of Co-op System

The NASCO Properties model could do more than save ICC-Austin!

Other co-op start-ups might be rich in leadership and vision, but may be too small or too new to qualify for bank loans

NASCO Properties is a vehicle to help start co-ops around the country. With each success, it uses the assets of those co-ops to start more new co-ops!

When co-ops join NP, their assets also go towards starting new co-ops. In return, they receive management assistance, peer support, and a larger pool to borrow against.



Design Parameters and Operational Strategy

- Makes rapid development and expansion sustainable
 - Equity held by ICC Ann Arbor is of limited use in expanding GRACC, for example
 - The rate a co-op can grow its property management capacity is different from the rate at which it can buy more houses
- Use what we know of Michigan state-specific property tax law to keep charges low for members
- Separate something like the ICC in Ann Arbor into two co-ops:
 - A co-op of building operations (Property management)
 - **A co-op of building ownership (Asset management)**
- Pool equity to allow us to leverage multiple properties for new acquisitions
- Pool reserves to allow us to adequately do and perform long-term maintenance
- As an organization, build internal systems and expertise to make bringing a new co-op online into a rinse-and-repeat process



Big Dreams for the far future

- Co-op housing available in every town across Michigan
 - Ideally, lots of different kinds of cooperative housing- from group equity to limited equity, from group living to apartment-style!
- Enough spaces to have enough vacancy to meaningfully change how for-profit housing costs and works across the state (while still being able to pay our bills)
- A new co-op house coming on-line every month
 - Property tax clarity city-to-city
- Movement-wide self-insurance
 - Movement-wide collective bargaining creates savings we put towards building a movement-wide insurance pool
- Self-financing- Ability to do property acquisition *from cash flow*
 - Down payments from cash flow
 - Bridge financing from cash flow
 - Permanent financing from cash flow

Case Study: Stone Soup Cooperative— Doveland House

Stone Soup Cooperative

In the late 90's.....in Chicago.....

A group of friends started having regular community dinners in their small rental apartment. They were social workers, community organizers and activists. Dubbing their activities "Stone Soup," they began looking for larger spaces to host their events and cohabitate.

In 1997, they found their spot and started renting an old convent located at 4637 N. Ashland Ave.

By 2000, they purchased a nearby property at 1430 W Leland. In 2003, they expanded yet again to a cooperative house located far south in McKinley Park.





Enter NASCO Properties

In 2022, NASCO Properties was asked to include Stone Soup in an Illinois expansion project that was already in the works. The coop was defaulting on mortgage payments because one of the houses, Doveland (formerly Leland) House had fallen into operational and financial dysfunction.

In June 2023, NP closed on the expansion project, adding 4 houses to its portfolio. 2 of those were the Stone Soup houses. Although there were known issues with Doveland House, the extent was not fully realized until much later. The house was all but vacant, had many of the utilities shut off, and had piles of deferred maintenance and accumulated neglect.



Doveland House Today

NP searched for a year before finding a suitable group to take over the project, the daunting task of addressing both the physical and interpersonal structures of the home to return it to a state of cooperation.

The Doveland Reboot Group consists of 4 folks with varying levels of cooperative experience and a desire to see affordable community housing in a diverse area with little student presence.

Without NP's intervention, the co-op would long have been sold, likely to a private developer, and the Uptown neighborhood would lose an enclave of affordable housing that had existed for over 20 years.

MCLC Case Study: Atlantis

- Grand Rapids Alliance of Cooperative Communities (GRACC) owns one house, JR, and has been leasing a second house, Atlantis, which they couldn't keep doing forever
- Organizational trouble during COVID left GRACC with a business history that made buying a new house impossible
- MCLC *was* able to purchase Atlantis and ensure GRACC could continue to operate it!



Atlantis House, 18 members



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Because of our involvement
with Atlantis, we were able to:

- Create cooperative ownership of a huge, wonderful house!
- Keep the house operating in a cooperative way- and 18 people get to stay in their home
- Train a former GRACC member in co-op development
- Keep GRACC from losing 18 members
- Provide an educational and operational backstop for GRACC



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But we can't fix everything just
by existing!

- Changing ownership doesn't fix much- it just grows your team!
 - Membership and revenue don't change
 - Pipes are still pipes!
- Uncapping property taxes and higher interest rates increase costs for members at time of sale
- The appraisal came in lower than expected ... :(



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*Thanks for
Listening!*



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Questions??

Ask us stuff!



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