

A better way to choose members for our co-ops?

by Nicholas Gazzard

Is it time to rethink the way we do member selection? Are we making it too hard for people to become members of our housing co-ops? And, in the process, saying no to good people and ending up with more empty units than we should?

Let's flash back. It's 20 years ago, you're looking for affordable housing, and you apply to move into a housing co-op. Chances are, your name goes on a waiting list. While you're on the list you might be invited to an orientation session put on by the co-op. Or, you might just wait. And wait. Which isn't the co-op's fault of course – there's a long line-up on the list ahead of you and they're all waiting as well. Then, one day (if you're lucky), your name floats up to the top of the waiting list and you're asked to come to an interview.

Now comes the hard part: getting through the interview itself. You'll be facing a delegation from the member selection committee – or maybe the whole committee – whose job is to find out if you've got the right stuff to join the co-op. You answer every question in good faith, even if some of them are a bit, well, personal. But you're not done yet. The interview panel has to make its judgment. Can your answers be trusted? Will you really make a good member? Or are you just pretending? They may even visit your present home to take a look at your housekeeping. A week later, maybe two, you get a decision...

Now let's flash forward to the 21st century. Keeping a housing co-op full can be more of a challenge now. Not because people don't want to move in to co-ops. They just don't want to wait two months (or two years) to get in. They'd rather find somewhere else to live. And in many areas there's more competition from the homeownership market than there was.

So today co-ops need to make more streamlined decisions on new members; it only makes sense. But are they?

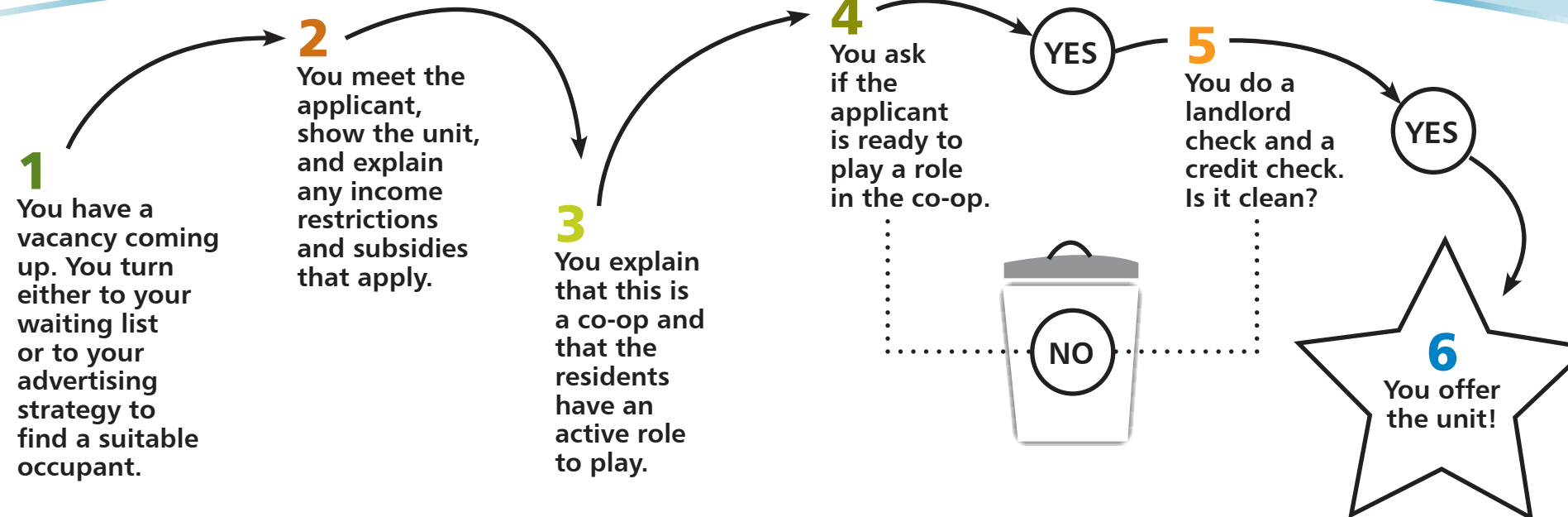
Well, maybe not. Waiting lists may be a thing of the past for many co-ops but painful member selection processes are still with us. That can cost co-ops members and lead to vacancies.

And even where there's no danger of a vacancy, where lots of people desperately need housing, you have to ask yourself this: is the gruelling business of the co-op interview really helping? Or is it doing more to reject applications than accept them? Are the successful interview candidates really going to make the best members? Or are they just good at interviews?

Decent affordable housing can make a life or save one. Should a family's right to it be decided by an unelected selection panel going on its gut? We think there's a better way. A way that's more open and gives every applicant a decent chance. Here it is.

Six steps that should take no more than a day, once you have a candidate for membership. That's right, 24 hours. In a soft market even that's long. Oh, and don't go to their homes. Don't ask to talk to their children. None of that is the co-op's business.

Six steps to selecting new members



Pay up or step down? Dealing with board members in arrears

Housing co-ops need to manage their arrears. This means having clear, firm rules that the co-op, through its board, applies to everyone. But what should co-ops do if board members are in arrears themselves? How can co-ops be sure that the board is following its own rules?

When directors are in arrears they are breaking the rules they have been elected to uphold. That can reduce the members' confidence in the board. CHF Canada believes that board members should not be in arrears and that board members in arrears should have to step down.

How do you make that happen? Co-ops have taken different approaches. Some co-ops' by-laws do not allow board members to stay on the board at all if they are in arrears. Others let board members stay in office if they are keeping up with payment agreements. In a few co-ops, board members sign an ethical conduct agreement that says they must resign if they are in arrears. CHF Canada's own board members sign an agreement like this. Whichever approach you choose, make sure it is written down, approved by the members and followed consistently.

How does the co-op know if board members are in arrears? Make sure that arrears reports go to all the directors. Don't leave it up to one director – or co-op staff person – to monitor arrears. Directors should not benefit from any special confidentiality just because they are on the board.

Failing to deal with board arrears can lead to arrears problems among the members generally. Boards aren't good at monitoring rules they aren't keeping themselves. Make sure this can't happen at your co-op.

For more information for boards of directors of housing co-ops, see *Getting Governance Right*, available in the Resources section of www.chfcanada.coop.

Good governance starts with you.
Pin this up on your co-op's bulletin
board to share with members.



Who carries out these six steps? Members can certainly be very good resources to explain what co-op living is. But, your manager should handle the landlord and credit checks, and if time is tight the manager can handle the whole process if members aren't available. As for the idea of a member selection committee, well perhaps it's time we sailed it off into the sunset.

But what if the new member turns out to be no good? After all, we have a right to expect that co-op members be responsible and take an active role in the democratic functioning of the co-op. Won't we just be admitting tenants rather than members if we do away with the full member selection interview?

Well, for every new member selected using the six-step method that turns out to be a liability to the co-op, we'll show you just as many bad members that were selected using the interview method. Occasionally an applicant is going to lie about being committed to the co-op, interview or no interview. Either way you'll get two kinds of people in your co-op: good members and good liars. The liars are always a tiny minority.

What about orientations? Great idea. If you have a waiting list, and can put your energy into an information session for those on it, that's all fine and good. Just don't turn the session into an interrogation.

Otherwise you can always do an orientation when the new member has moved in – right after you've sent the welcoming team around to say hello and present a little housewarming gift. What a great way to show that living in a co-op really is about community.

The first co-op principle talks about membership being open. Let's make sure we live up to it, that we're creating opportunities for co-op membership, not barriers to it.