

June 7, 2022 GHI Transition Task Force Working Session

Table of Contents

1. [Draft Purpose and Agenda](#) – June 7, 2021, pages 2-3
2. Transition Task Force and GHI Board [Issue Planning Worksheet](#) - Draft May 18, 2021
- working document to be updated as transition advances - pages 4-6

Appendices

- A. GHI Transition and Sustainability [Issues Report](#) - September 24, 2020 - pages 7-20
- B. GHI Succession Planning Task Force [Research on Comparable Coops](#) May 23, 2020, - pages 17-20
- C. [Governance Work Group – Interim Report](#), May 17, 2021, pages 21-22
- D. [Revenue Generation Work Group – Interim Report](#) May 17, 2021, pages 23-24

1. Draft Purpose and Agenda – June 7, 2021

Meeting Purpose: To review with Board work to date of the Transition Task Force and its predecessor Succession Task Force and engage with Board on next actions in preparing GHI for a general manager transition and related transitions

Draft Agenda and Discussion Topics

- 1) Welcome to new Board members and Board
- 2) Context for this and most transitions of chief staff position
 - a. Nonprofit research and findings about transitions
 - b. Typical phases and issues of transition
 - c. What's unique about GHI transition
- 3) Background and History of GHI Transitions
 - a. Eldon Ralph's tenure and agreement to provide one year notice when he decides to retire
 - b. Period of stability of GHI leadership
 - c. Longer look at GHI leadership
- 4) Summary of first phase work products of Succession Task Force (November, 2019 – September, 2020)
 - a. Board adopted Emergency Backup Plan and Succession Policy that guides hiring general manager (future Board briefing)
 - b. Interviews of other cooperatives and cooperative leaders – report available
 - c. GHI transition process timeline – working draft
 - d. Identification of five sustainability issues that will influence the hiring and success of next General Manager (1) governance – board and general manager authority, roles and responsibilities; 2) financial challenges - fee increases, anticipated costs and revenue generation; 3) member participation and leader development - member engagement, education and communication; 4) senior staff turnover – human resources and senior staff organization; 5) Information Technology Infrastructure)

- 5) Summary of work to date and proposed next actions of Transition Task Force (January 2021 – present)
 - a. Governance Work Group report and recommendations – see attached Interim Report
 - b. Fees and Revenue Generation Work Group – see attached Interim Report
 - c. Membership Engagement, Education and Communication/IT – proposed next actions – see attached Transition Issues Planning Worksheet
 - d. Senior staffing, human resources, and 2022 budgeting – proposed next actions – see attached Transition Issues Planning Worksheet

- 6) Wrap-up summary: building consensus on the change/pivots that will prepare GHI for general manager transition and sustain core values and a strong community for long term by answering: (see attached working draft)
 - a. What changes definitely ought to occur before Eldon retires?
 - b. What additional changes ought to be considered and voted on by the members before Eldon retires to decide if/when to address
 - c. What changes ought to be considered after the new general manager is hired?
 - d. What ideas or possible changes ought to be rejected or put on indefinite hold to ensure a manageable work load for board and staff over next several years?

- 7) Proposed next actions
 - a. Short-term recommendations for Board consideration
 - b. Agree on process for moving forward with member engagement in transition issues
 - c. Timing for follow-up discussion with Board and opportunity for one on one meetings with Board members

2. Transition Task Force and GHI Board Issue Planning Worksheet - Draft May 18, 2021

NOTE: This worksheet is intended to aid communication and planning between GHI Transition Task Force, Board and members during the period of General Manager transition planning and transition. Items will shift and be added as discussions and planning move forward.

1) Changes recommended as priority actions before Eldon Ralph retires (because they improve readiness for transition or odds for successful hiring or both)

- **Governance**

- Shift from paper to electronic documents for Board meetings
- Empower Board president to experiment with approaches to manage the Board agenda and meetings in ways that improve efficiency of Board meetings
- Increase signature authority of General Manager from \$7500 to \$15,000 (or change to a percentage based on the size of the operating budget) and eliminate the requirement for second readings of contracts unless Board asks for a second reading when first reading occurs (will require a bylaw change)

- **Member Fees and Revenue Opportunities**

- Solicit input from members to guide next actions (see Member Engagement)

- **Member Communication, Engagement and Education**

- Establish a work group to advance agreed upon goals – see below
- Review website and IT changes in process and decide on any additional changes needed to improve member communication and engagement with the assistance of an outside professional communications consultant, working under the direction of the General Manager and the Communications Committee
- Educate members about ways member fees are calculated.

- **Senior Staffing and Human Resources**

- Review current organizational and management chart and budget and include a review of management structure as part of 2022 budget planning

2) Changes recommended to be considered by the members and Board before Eldon retires to decide if/when to address

- **Governance**

- Consider changing Board's ability to delegate decisions to Committees – e.g., Arch Review recommendations to Board only when there is not consensus in Committee
- Review GHI organizational culture and relationship between General Manager and Board including decision making authority

- **Member Fees and Revenue Opportunities**

- Review work to date of Transition Task Force on stabilizing member fees, including fee deferral program, and generating revenue
- Consult with staff and Long-Range Planning Committee to identify other issues related to financial challenges

- **Member Communication, Engagement and Education**

- Authorize Transition Task Force to work with leaders of Member Outreach, Communications and Board in developing a member communication, engagement and education timeline for next year that includes:
 - Review of website to identify short and mid-term ways to make more useful to more members
 - Plan a series of topical Member Talks aimed at informing members on key issues and soliciting input to guide policy and practice (Examples of topics include: GHI fees and why they increase; GHI policies and policy confusions; Board Committees and Task Forces – their benefit and cost; other priority topics identified)
 - Plan for two Member meetings – fall 2021 and spring 2022 – to address policy changes recommended before general manager transition

- **Committees and Task Forces**

- Decide on timing for review of the number and roles of GHI Committees and Task Forces and the costs in terms of staff and Board time (consider now or after new General Manager hired)

- **Senior Staffing and Human Resources**

Review with members current allocation of management and staff time and solicit member input on priority services and any new directions to inform senior staffing and budgeting for 2022-2023.

- 3) Changes to be considered after the new general manager is hired and successfully onboarded – to be completed as planning proceeds**
- Ensure that GHI planning proactively address the age and aging of GHI homes
 - Comprehensive review of by-laws changes to reflect desired organizational culture and elimination of specific and restrictive guidelines
 - Review options for revenue generation to minimize fee increases if new general manager sees opportunities for success and wants to explore with the Board.
- 4) Ideas or possible changes that are delayed, rejected or put on indefinite hold to ensure a manageable work load for board and staff over next several years - to be completed as planning proceeds**
- a. Revenue generation ideas with exception noted in 3 C.

Appendix A: GHI Transition and Sustainability Issues Report

Date: September 24, 2020

To: GHI Board of Directors

From: GHI Transition and Sustainability Subcommittee:

Tom Adams, Co-Chair, Amy Odegaard, Co-Chair, Frank DeBernardo, Chuck Hess, Stephen Holland, Tim Murray; staff liaison, Maesha McNeil

Re: GHI Transition and Sustainability Issues Report

Attached please find the **GHI Transition and Sustainability Issues Report** which provides the Board, staff and members an [overview](#), observation of [issues](#), and [recommendations](#) from GHI's Sustainability & Succession Task Force developed over the past several months. We believe the pending transitions of the General Manager and a number of senior staff will impact dramatically the operations and culture of GHI. Given this risk and opportunity, there is an urgency to start work on these issues as soon as possible.

Of all the issues confronting our cooperative, none are more important than a thoughtful, deliberative process that will position GHI to attract the best candidates for our professional ranks and to ensure our viability in the future.

To provide an opportunity for a full discussion, we request a Work Session with the Board at its earliest convenience to discuss this report in further detail.

We thank the Board for this opportunity, and we look forward to discussing our findings and recommendations in depth with you soon.

Overview

The GHI Succession Planning Task Force respectfully submits its Transition and Sustainability Issues report to the Board of Greenbelt Homes Inc., (GHI). This document completes our charge "... to recommend to the Board a set of policies and possible actions to reduce risks during leader transitions and increase mission sustainability, resiliency, and adaptability of GHI over the long term."

Leader transitions strengthen or weaken organizations. In the worst case, a flawed or failed transition can cause an organization to decline and even go out of business. While GHI has enjoyed stability of leadership for several decades, there were at least two periods in its history where the General Manager changed three times in four years.

To increase the odds of a successful General Manager transition when Mr. Ralph retires, we present this report. Our findings of critical transition and sustainability issues and our recommendations are based on numerous meetings of the Task Force, outreach to other cooperatives, interviews with key stakeholders--general manager, senior staff, and board members--as well as reviews of the work of related GHI sub-committees and task forces, and the history of GHI itself.

These details are offered not to be prescriptive, but to provide choices for the Board as it moves forward. The details will likely change as more is learned through the process.

Of all the issues confronting our cooperative, none are more important than a thoughtful, deliberative process that will position GHI to attract the best candidates for our professional ranks and to ensure our viability in the future. We believe there is an urgency to starting now to address the transition and sustainability issues outlined herein, and engaging the Board, staff and members in preparing for a period of much change and opportunity over the next several years.

We have provided three appendices to offer a clearer picture of how the recommendations can be realized. [Appendix 1](#) contains suggested Implementation Actions for each recommendation in this report. The Task Force has approved this list of options which was authored by our co-chair Tom Adams and is based on his experience as a leadership transition and search consultant for several decades. [Appendix 2](#) provides a sample timeline and process for implementation of these options. [Appendix 3](#) is a report on our research into how other housing cooperatives operate and handle succession.

As members of the Cooperative, we are grateful for the opportunity to contribute to the Board's vision of the future and to the successful sustained vitality of GHI for years to come.

Critical Transition and Sustainability Issues

GHI is facing challenges far more complex than the retirement of its General Manager. Some of these are known; others are less clear because they are masked by the stability provided by the long-tenured General Manager, senior staff, and Board leaders.

This period of transition provides a necessary opportunity to take a fresh look at GHI and how it does business. We have identified five Transition and Sustainability issues essential to the continued viability of the cooperative:

1) *Senior staff turnover*

In addition to the General Manager, several key senior staff are expected to retire in the near future.

2) *Financial Challenges*

a. Costs associated with maintaining our aging housing and infrastructure continue to increase.

- b. Filling the anticipated staff vacancies, as well as the need to increase staffing and continue to invest in technology, will result in increased costs.

3) ***Information Technology Infrastructure***

Outdated information technology (IT) and communication systems and practices all need upgrades. (Some of this is currently underway.) GHI's IT infrastructure and practices do not serve the needs of the cooperative's staff, board, and membership. In particular, GHI needs to improve its electronic forms of communication with a membership which is increasingly familiar and dependent on email, websites, tele-connecting, and social media for information.

4) ***Board and General Manager roles, responsibilities, and authority***

Current governance and management practices produce strains on the General Manager, staff, and Board members. Present Board practices require a lot of time from the General Manager, the Board, and senior staff, and these practices do not encourage delegation of authority or innovation. The Board currently handles both policy discussions and community issues. Focusing the work of the Board and the roles of members would advance leader development. Moreover, the lack of turnover in officers and members of the Board is not healthy for the Coop long-term. A new approach to officer and Board succession is needed prior to the hiring of a new General Manager.

5) ***Member participation and leader development***

GHI benefits from member involvement yet at the same time is challenged to find members interested in serving on some of the committees or running for elected office. No formal plan exists for encouraging leadership development among members. A new General Manager would benefit from more clarity of expectations about how GHI wants to involve members, encourage leadership development, and prepare for the next generation of Board and Committee leaders.

As noted above, all these issues do not appear troublesome at first glance because the highly satisfactory relationships which have developed among current Board and staff leaders for the past ten to twenty years have allowed things run smoothly. However, with the imminent major changes in staff leadership and a need to plan for succession at *all* levels, the current well-oiled machine can end up sputtering and stalling for years until it finds its groove again.

Addressing these challenges must be accomplished with a keen eye on the costs to our members and our resources at hand.

Transition and Sustainability Recommendations

We offer the following recommendations, which we look forward to amplifying when we meet with the Board:

1) *Organizational Direction Review Process*

We urge the Board to resist the temptation to fill the upcoming General Manager position as it is currently defined. We recommend Mr. Ralph, senior staff, the membership, and the Board all participate in a review of the direction, changes, and priorities of the cooperative. An external transition consultant should facilitate this review which would have the goal of determining what will be required of the next General Manager, the Board, and GHI senior staff and membership to meet the challenges and opportunities of the future. The Board should not rewrite the General Manager's job description without first performing this kind of review. Now is the time to anticipate the needs of the cooperative moving forward and how the new General Manager can meet them. The topics of the remaining recommendations below should certainly be included as part of this review.

2) *Financial Health*

Given member concern about rising monthly coop fees, revenue generation is critical to the sustainability of the cooperative. The ongoing need to invest in technology to keep management practices current, rising costs and difficulty filling positions at current salary ranges, and age of homes and infrastructure among other factors will add to need for increased income. Past discussions make clear there is no easy, quick solution to increasing revenue not coming from member fees. It is important to address this issue before hiring a new General Manager because a review of the options for expanding resources may affect the roles of the new General Manager and senior staff, while also impacting the future culture of GHI. We recommend the Board continue and expand its efforts to address this need with the assistance of a consultant/facilitator to guide a careful process of determining how the cooperative can best expand its earned income to supplement member fees. We recommend further that the focus be broadened to include not only revenue generation from earned income, but also from grants or partnerships with other organizations that benefit members and the community.

3) *Board/General Manager Roles and Authority Review*

The current twice-a-month Board meetings, the breadth of big and small issues addressed at Board meetings, and the current Board decision-making procedures add work for staff and add unproductive time to deliberations. In looking at how other cooperatives operate, we became aware that some delegate more responsibility to Board committees (Finance, Operations, Building and Maintenance), the general manager, and senior staff, freeing the Board to focus in more depth on larger policy issues and the long-term viability of the cooperative. Clarifying the role of the Board and the roles of the members would help address this issue.

We believe it will be difficult to attract a technically competent General Manager who is willing to support the current time-consuming governance and decision-making system. Early experimentation with new approaches can inform the finalization of the job description for the new General Manager and foster more innovation.

Board succession (for officers and members) can be addressed formally through term limits and by-law changes or informally through voluntary attention to ensuring a mix of leaders on the Board needed to manage this major transition. A Board slate that combines some of the current experienced members with other active members who bring skills and experience in organizational change management, housing management/finance and member engagement or other relevant experience is recommended.

4) *Member Education, Involvement, and Leadership Development*

Given the need to build a new senior team, increase revenue, and address infrastructure, we believe it is prudent to invest some time in clarifying expectations of members and how to increase membership involvement through education and leadership development. GHI members have for years relied on the considerable talents of a few dedicated individuals who have led us through many challenges such as the HIP, the pandemic, and more. We cannot overlook the fact that the Board also mirrors our staff leadership predicament. And, as with our professional staff, we have no system in place to recruit and develop Board leaders for the future.

5) *Senior Staff Reorganization*

When the issues above are combined with the anticipated retirement of key senior staff, the likely result will be the need for significant change of the roles and duties of senior staff. Once the direction and organizational changes are defined, we recommend a thorough review of the duties of current senior staff, their titles, compensation, as well as the developing an updated organizational structure to guide the filling of vacant senior staff positions. GHI has an opportunity to encourage phased retirements while making use of the skills of current senior staff and new hires to advance the agreed upon changes where appropriate. We further recommend that management adopt a vigorous cross-training and staff development effort to increase the likelihood that GHI can fill more of its senior positions from internal promotions. While it is ideal for the new general manager to hire her/his senior team where possible, the difficulty filling senior positions suggests consideration of immediately filling some part or full-time management positions in a way that expands the hiring options for the new general manager.

6) *Information Technology Infrastructure*

In order to attract the best possible candidates for the upcoming General Manager and Senior Staff vacancies while functioning as a modern, effective cooperative, GHI must sharpen its focus on IT needs and opportunities. In this day and age, IT can no longer be a

topic that is visited when current systems collapse or are need of repair but rather it must become an integral facet of GHI's daily operations and planning. We recommend that GHI increase staffing and resources to IT development and implementation including a recurring dedicated line-item in our budget, as well as a standing working group charged with exploring how to better communicate with members using technology and social media.

Conclusion

GHI is a strong, well-led cooperative. As our committee researched other cooperatives, we increased our appreciation for the many strengths of GHI. Our report is intended to build on the strengths of GHI and to use the lenses of past experience and foresight to make changes necessary to ensure a strong and vital GHI for many years to come.

We look forward to the opportunity to discuss this report in detail with the Board.

Appendix 1: Suggestions for Actions to Address Transition and Sustainability Issues Facing GHI - memo from Tom Adams

TO: GHI Board

FROM: Tom Adams, GHI Succession and Sustainability Committee co-chair, GHI member and retired leadership transition and search consultant

RE: Suggested actions to address the Transition and Sustainability Issues Facing GHI

DATE: September 9, 2020

Given the anticipated unprecedented staff turn-over and range of organizational issues facing GHI, the Committee asked me to share more concretely my recommendations for moving forward in transition planning for GHI. In a different time and situation, I would consider that premature until you have had time to review and digest the report.

However, these are unusual times and time for action is running out. **In my over 25 years of working directly with Boards preparing for and executing top leadership change, the biggest challenge is calling time out from business as usual and focusing time and resources on the big change and transition about to happen. The period for this leadership is now. 2021 needs to be the year to complete and begin implementing the transition plan to make the most of Mr. Ralph's agreement to give the Board one-year notice when he plans to retire.**

Times of transition are the best possible times for change. This requires openness to new possibilities and appreciation for the values and practices that make GHI the extraordinary organization it is.

The Board-general manager – staff – member relationships are dynamic and critical to GHI’s mission. It would be easy for the Board and members to see the change in general manager and senior staff as a set of hiring decisions. Narrowly defined, they are.

However, the opportunity to take a fresh look at the many strengths of GHI and the aspirations outlined in the Transition and Sustainability Issues report requires the whole leadership system – Board, staff, and members – to engage and make some decisions to ensure the future health and vitality of GHI.

The following offers detailed action steps as possibilities for each of the five recommendations in the Transition and Sustainability Issues Report. What follows are intended as suggestions and as noted above will need to evolve as the process unfolds.

1) Organizational review process

- a. Assume leadership transitions will begin in 2022 or 2023 and use 2021 to prepare.
- b. Appoint a Transition Committee now to follow-up the work of the Succession and Sustainability Committee.
- c. Hire a Transition Consultant to facilitate the 2021 Organizational Review and transition planning process and subsequent transition work. The complexity of this transition warrants an outside facilitator and consultant.¹
- d. Prioritize which transition and sustainability issues are to be addressed before GM retirement.
- e. Discuss and agree with transition consultant how to best involve Board, staff and members in preparing for GM retirement and addressing issues and timeline.
- f. Consider if other outside consulting help or temporary staff is needed to support work on the issues to be addressed. Some possible areas of need include:
- g. Technical expertise where needed in the exploration of new methods of revenue generation, grant solicitation or partnership with other nonprofits.
- h. Business process and internal systems including enhanced use of technology to supplement work on board-general manager roles and upgrading internal systems and technology infrastructure.
- i. Executive search firm or recruiter with expertise with cooperatives and recruiting the skills defined for the next general manager when the search occurs as needed.
- j. Establish a transition budget which includes direct transition costs, and working capital for investment in possible innovations to address transition and sustainability issues.
- k. Establish and implement a communications plan for appropriately updating Board, staff, and members from now until new General Manager successfully onboarded.
- l. Pay attention to the tension between democratic transparency processes and practical limitations of time/ volunteers/ money available. Find the GHI process sweet spot.

¹ In spirit of transparency, I am willing to continue to volunteer and serve on the Transition Committee. As a member, he would be too close to the situation to be the consultant, but I could perform particular functions as a way to reduce the cost of some of the work of this consultant.

2) Financial Health

- a. Summarize the conclusions from past efforts of expanding revenue. Broaden the revenue expansion exploration to include revenue producing initiatives, program and grant development and partnerships with other organizations that advance GHI's mission and the co-op's ability to attract, develop and retain the necessary work force. Appoint a Task Force supported by necessary staff and external consultants to ensure decision options within 120 days.
- b. Given national and local attention to aging in place and racial equity, and GHI's unique expertise in housing and property management, consider as one way to attract grant funding options for increasing revenue that advance GHI's ability to support aging in place and racial equity in Greenbelt.
- c. Prepare Board and senior staff for management of different cultures as revenue producing projects introduce a more entrepreneurial culture to part of GHI.

3) Board/General Manager Roles and Authority Review

- a. Ask the transition consultant to facilitate a process with the Board and senior staff to brainstorm a list of 10-20 procedural changes that would increase efficiency and reduce time demands on Board and staff without sacrificing quality or integrity of GHI.
- b. With such a list as a starting point, schedule a Zoom call with Brendan Keany, the general manager of Penn South Coop in New York to hear how Penn South operates including the roles of Board, committees and general manager. (This coop was found to be most similar to GHI, and has a structure that seemed relevant to GHI. See Report on Cooperative Research below for details.)
- c. Contact NAHC for recommendations for cooperative governance consultants who will be able to suggest other governance/management models.
- d. Consider using a six-twelve-month planning period to experiment with using Board time differently. Such changes might include doing the GHI business in one Board meeting and using the second monthly meeting to focus on Transition and Sustainability issues, delegating authority to a committee on a provisional and experimental basis, and/or shifting to one Board meeting a month.
- e. Ask the Transition Committee, the general manager, several Board members, and the transition consultant to develop a set of recommended changes in processes and authority to try out for an agreed period of time. The goal is to reduce the general manager's and senior staff time and energy spent on Board management and the work load of the Board including Board attendance
- f. Review how member committees and task forces can be supported with less time strain on staff. Involve senior staff in this review.
- g. Ask the transition consultant to facilitate a discussion of Board succession and to plan for the development of possible future Board candidates.

4) Member Education, Involvement and Leadership Development

- a. Review with Brendan Keany of Penn South Coop how that Coop involves members, with and without staff support.

- b. After structural review completed, develop a vision and mutual responsibility statement between GHI and members. Get input from members to inform this new agreement.
- c. Use electronic media more robustly to allow for members to participate in meetings, committee activities, other co-op programs, and to vote on key issues.
- d. Design (with input from NAHC and other cooperatives where helpful) programs of education about cooperative living for members as a way to develop involvement and new leaders.

5) Senior Staff Reorganization

- a. Seek input from senior staff on ideas for reorganizing senior staff.
- b. In 2021, consider repurposing any senior staff vacancies and adding part- or full-time positions to expand senior team and expand internal pool for senior positions when they become vacant.
- c. Direct the Transition Committee to develop organizational structure options for the Board with budget implication for GHI.
- d. Consider an incremental approach to staff reorganization in light of timing of planned retirements of senior staff. Consider asking senior staff where appropriate to transition to contract employee for a period to assist with the transition to a new general manager and staffing structure.
- e. Consider leaving as much of filling senior staff positions to the new General Manager as possible, while strengthening the internal senior staff team in 2021.
- f. Review the title of “General Manager” and other senior staff titles.

6) Information Technology Infrastructure

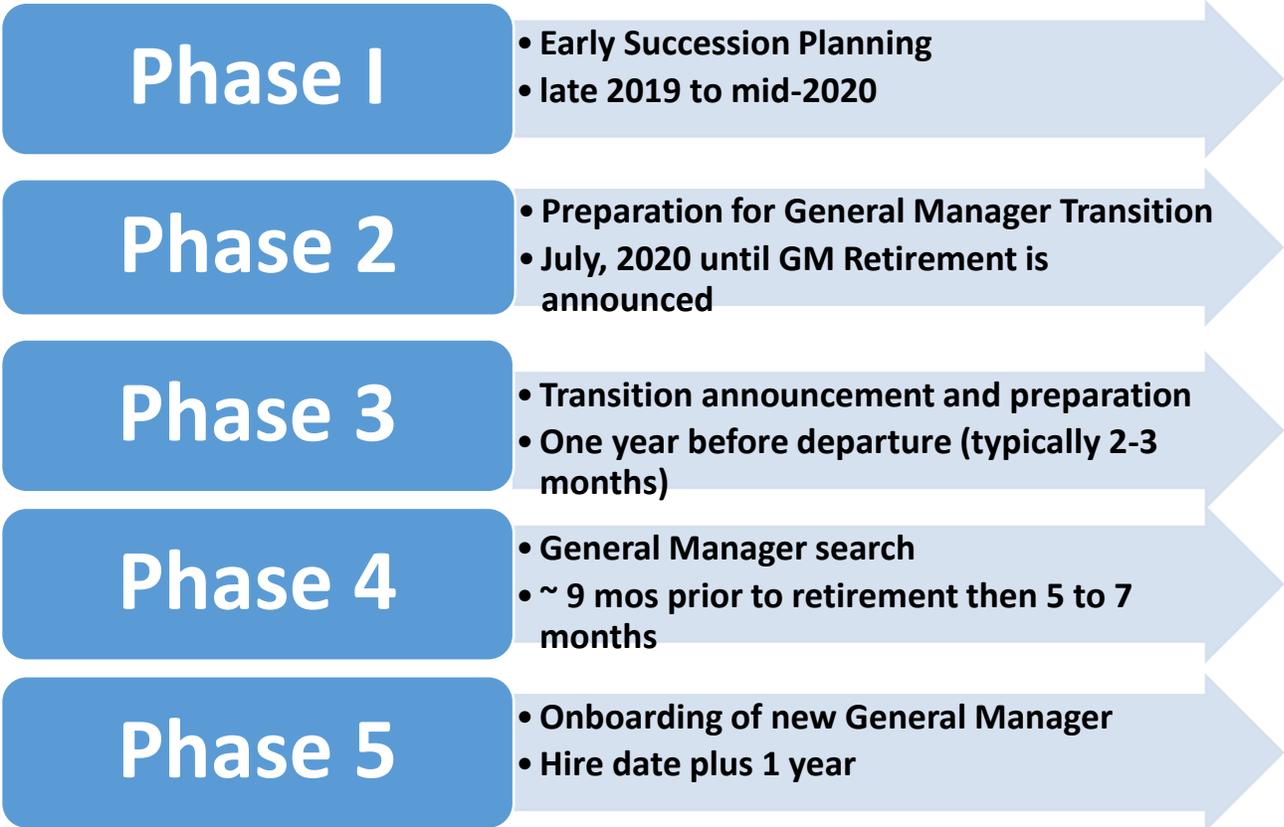
- a. Review current plans and progress in upgrading information technology and communication systems and availability of a staff/member team with the expertise to envision, budget for and plan for an upgraded IT and Communication system and staffing.
- b. Establish a planning and oversight group for this area with a budget and access to technical consultant(s) as needed.
- c. Adjust and revise current plans, timelines and budget with an eye to what changes are to happen before a new general manager is hired and what actions are assigned to the new general manager to review and propose a plan, timeline and as needed revised budget. This updated plan would budget for immediate and future/ongoing IT and Communications investments.

Conclusion

Transition will be a stressful time for GHI, its members, and the larger community. The Succession Task Force appreciates the Board will need to make difficult decisions to successfully navigate to a new general manager and senior staff and to preserve a well-run GHI. Ideally GHI will proactively manage this important transition and build on its track record of housing and community quality for members in this process.

Appendix 2: GHI Succession, Transition, Search and Onboarding Sample Timeline

The GHI Succession Task Force developed the following timeline to assist the Board in managing the complex process of preparing for and successfully transitioning GHI’s General Manager. It is intended to provide a general road map and possibilities; specific circumstances may necessitate adaptations of the suggested approach.



B. GHI Succession Planning Task Force Research on Comparable Coops

(Also Appendix 3 of the Transition and Sustainability Issues Report - May 23, 2020)

Executive Summary

As a supplement to the Succession Plan, this task force contacted eight housing cooperatives and associations to learn about their succession/transition practices and experiences, and to benchmark and learn about key operating and governance questions. We discovered the following:

1) Greenbelt Housing Incorporated (GHI) is not alone

Despite the limited number of organizations comparable to GHI, many housing coops share the same concerns and issues, such as maintaining affordable monthly fees affordable, recruiting staff, electing and orienting board members, and maintenance and long-term infrastructure.

2) Succession planning and leader development

Most coops attempt to develop back-up personnel plans for the general manager and key positions. Coops that receive additional revenue resources through federal and state subsidies are able to invest more in leader development and succession.

3) General Manager/Board roles and relationships

The two cooperatives that were interviewed in depth had their Boards focus on policy issues, while the General Manager focused on operations, and member or resident councils attended to building or community issues. Staff assignments and scheduled meetings varied with each cooperative.

4) Governance

- a. Most of the cooperatives interviewed shared the challenge of finding people to serve on the Board. A few have established processes to cultivate and orient future board leaders and provide organized leader development training. The exceptions are the coops with a state or federal subsidy who do extensive board and leader development.
- b. The size of the Board, term limits, and executive sub-committees assigned to long and short-range issues varied by cooperative. The larger more comparable coops had much simpler Committee systems (e.g., Board, Operations, Finance and Audit) and delegated more decisions to the General Manager.

5) Member involvement and cooperative principles

The more successful coops develop and support member engagement through the formation of member interest groups or advisory sub-committees. This structure is how community standards are identified and maintained, as well as how the cooperative chooses to handle other routine issues affecting the community. This work is often separate from that of the general manager and staff.

6) Finances and monthly fees

The more successful, larger coops were federally supported senior coops and the New York state assisted coops. The revenue models are based on subsidies from the past and seem less available for coops today.

7) Earned income

There is a wide range of entrepreneurial approaches that expand a cooperative’s earned income. Some coops provide services and amenities to specific populations, rent space to commercial endeavors, and/or located in places that lend themselves to billboards.

8) Information Technology Infrastructure

At the time this research was initiated, IT was not considered a priority for gathering information. The organizations and people listed below would be excellent resources for learning how other cooperatives use IT and Communications to advance the cooperative’s mission and quality of service to members and staff.

Specific details on the highlights listed above.

Succession planning and leader development	The Southeast Service Corporation provides cooperative housing for seniors and has the most developed approach to continuous leader development. It also has an annual education program for staff and board leaders. Penn South does not staff the resident council; CSI operates in different locations in a multi-state region so has staff assigned to member councils and to meeting with the boards of specific coops. In these two examples. In Penn South, there are only two standing Board committees: Operations and Finance. These Committees meet once a month and Board meets once a month. Any Board member can sit on either Committee. Member concerns take place outside the Board at Member Councils. Most member complaints are handled by staff (executive assistant to General Manager) unless they involve legal matters.
General Manager/Board roles and relationships	Two of the larger coops interviewed, CSI and Penn South Coop, both focus the Board on policy issues, the general manager on operations, and the member/resident councils on issues in the buildings or communities. Penn South does not staff the resident council; CSI

	operates in different locations in a multi-state region so has staff assigned to member councils and to meeting with the boards of specific coops. In these two examples, more authority is delegated to the general manager. In Penn South, there are only two standing Board committees: Operations and Finance. These Committees meet once a month and Board meets once a month. Any Board member can sit on either Committee. Member concerns take place outside the Board at Member Councils. Most member complaints are handled by staff (executive assistant to General Manager) unless they involve legal matters.
Governance	Board sizes seem to range from approximately 7 to 12. Some have term limits, while others don't. Most report a challenge in finding people who want to be on the Board. A few (CSI, Southern Regional, Amalgamated, Village Towers East, others?) coops have an organized leader development and preparation process to cultivate and orient future board leaders. In NYC, a Roundtable exists for board members from a variety of housing co-ops to share ideas and educate each other. Several coops commented on the challenge of preparing for succession when a long-time leader does a job particularly well for a very long time. One model of governance that was discussed was a board with a strong executive committee who would make routine decisions, while more important and long-range policy issues were handled by the entire board. Similarly, for particular types of issues, committees of board members are empowered to make decisions, freeing up other board members for different work.
Member involvement and cooperative principles	The more successful, larger coops develop and support member engagement, separate from the work of the general manager and staff. Cooperative principles and community spirit are developed through these efforts, and community connections made. Vigilance over community standards and handling of routine issues are handled in these programs. As noted above, member involvement also can lead to other services being offered on site.
Finances and monthly fees	The more successful, larger coops we examined were the federally supported senior coops and the New York state assisted coops. The revenue models are based on subsidies from the past and seem less available for coops today. (There was no evidence found for any special state financial support for coops in Maryland.) CSI, one of the senior coop providers interviewed, has received Section 202 financing subsidies for elderly coop development in Maryland. In New York, the larger city coops have services on site which have separate subsidies and also have developed their own source of electricity which reduces costs.

We reached out by email and phone calls to representatives from 11 cooperatives and associations

Association	Location	Person
Amalgamated Housing	New York, NY	Ed Yaker, former board president
Beekman Partners, former GHI General Manager	New York, NY	Shekar Narasimhan, CEO
Cooperative Housing Association of New England (CHANE)	East Hartford, CT	Kimalee Williams, President
Cooperators United for Mitchell Lama Housing	New York, NY	Dick Heitler, former president
New York Federation of Cooperatives	New York, NY	Greg Carlson
National Coop Bank	Arlington, VA	Terry Simonette – former CEO
Penn South Coop	New York, NY	Brendan Keany, general manager
Southeast Service Corporation	multi-state elderly coops	Nancy Carlson, CEO
Urban Homesteading Assistance Board (UHAB)	New York, NY	Andy Reicher, executive director

Appendix C: Governance Work Group – Interim Report 5.17.21

**GHI Transition and Sustainability Task Force
Governance Work Group – Interim Report 5.17.21**

**THESE DOCUMENTS ARE A WORK IN PROGRESS AND ARE BEING SHARED WITH THE BOARD
TO ILLUSTRATE THE TYPE OF ISSUES BEING DISCUSSED BY THE TASK FORCE**

Proposed Immediate Changes

Issue	Proposed Change	Benefit
Staff spend 26 hours per month printing, collating and distributing paper materials to Board members.	Board materials would be distributed electronically. GHI would offer to purchase laptops for Board members who do not have or want to use their existing computers. Board members who prefer paper copies could come to the office and print.	The burden on staff would be reduced saving a combined 26 number of hours per month with an estimated saving of \$680 a month or \$8,160 a year. Changes to agendas can be more easily incorporated. Electronic materials are more environmentally friendly.
Board meeting length and frequency require too much staff time and hinder Board and staff recruitment.	The Board Chair would be authorized to experiment with different ways of running the meeting and try a variety of options to streamline operations.	Shorter meetings would help with Board recruitment and make Board service more attractive to Board members with full time jobs and/or young families. General Manager and other senior staff jobs become more manageable which will benefit existing staff and aid in recruiting new staff.
Board meeting time is often spent on issues that have been unanimously decided by the Architectural Review Committee.	Unanimous decisions of Architectural Review Committee would not need to be reviewed by the Board unless a request is made. Job descriptions would be developed and a certain number of board members would serve. A summary of decision of the Committee would be provided to the Board.	Board meetings would be reduced by approximately 30 minutes on average- but in some cases it can be up to 1-2 hours. Projects could move forward more quickly creating cost savings. Member satisfaction should improve as the wait time is reduced.
GHI currently has 12 committees and 8 task forces. Virtually all of these has a staff liaison.	Review Committee and Task Forces to see if any can be eliminated or merged. Each Committee should have a specific charge.	Reducing the number of Committees and Task Forces would reduce demands on staff time preparing for and attending meetings. Elimination of even 1 committee would reduce staff burden significantly.

Changes Requiring By-Laws Amendment		
Board, staff spend too much time approving contracts because contracts of more than \$7,500 require Board approval, the requirement that the Board review contracts twice, provisions around multi-year contracts.	<p>The dollar amount of contracts needing Board approval should be raised and automatic increases should be built in or tied to percentage of operating budget.</p> <p>Second reads of contracts should be eliminated unless an issue is raised during the first reading.</p> <p>Multi-year contracts should not be treated differently than one-time contracts.</p>	<p>While approving contracts in general does not take that much time the preparation of the information for the board packet takes about an hour of staff time for each contract.</p> <p>Contracts often take a month to move forward because of the two readings. These delays can create scheduling and financial difficulties.</p> <p>Member satisfaction would improve as contracts would be approved in a more timely fashion.</p>
GHI Transition and Sustainability Task Force Longer Term Changes		
Board adds new work items after strategic plan has been adopted without eliminating other work areas.	<p>The strategic planning process should include time for Board and staff to prioritize items for the upcoming year.</p> <p>It should be extremely rare for new items to be added after the adoption of the strategic plan.</p>	<p>Staff can maintain focus and make more progress on priority items.</p> <p>Board meetings remain focused.</p>
Staff spend too much time publishing Board materials in GHI newsletter and Greenbelt News Review.	Board materials should only be published once. Different publication schedules create issues if Board materials change.	<p>Operations would be streamlined saving 30 minutes = approximately \$70 a month or \$840 a year.</p> <p>Confusion would be eliminated if changes occur between first and second publication of materials.</p>
Board grants too many exceptions which lengthens Board meetings and potentially creates some legal liability.	Board should consider whether a rule change would be more appropriate as opposed to granting an exception.	Rule changes would reduce the burden on staff, likely improve member satisfaction and understanding of the process, and reduce potential legal liability.

Appendix D – Revenue Generation Work Group – Interim Report 5.17.21

<p align="center">GHI Transition and Sustainability Task Force Revenue Generation Work Group – Interim Report 5.17.21</p> <p align="center">THESE DOCUMENTS ARE A WORK IN PROGRESS AND ARE BEING SHARED WITH THE BOARD TO ILLUSTRATE THE TYPE OF ISSUES BEING DISCUSSED BY THE TASK FORCE</p>		
Issue	Proposed Change	Benefit
GHI membership does not have a firm understanding of the components of membership fees and why they often increase	Engage in member education about membership fees.	Member satisfaction would increase because of increased understanding of how membership fees are calculated and the impact of operational inefficiencies on member fees.
GHI membership fees typically go up xx% a year.	Explore ways of increasing revenue such as providing maintenance or management services to other housing developments.	Additional revenues could be used to reduce fee increases and/or expand the fee deferral process. However it is unclear how to balance the current demands on staff with the idea of expanding services to others. A comprehensive business plan would need to be developed.
GHI membership fees typically go up XX% a year and is unaffordable to some members.	<p>Explore ways of expanding existing fee deferral program for members on fixed incomes or who have short term income losses.</p> <p>The current fee deferral program allows a permanent reduction of \$50/month on co-op fees to be repaid when the unit is sold or transferred or has a share loan added. The member may pay it off earlier if desired. This program is available only to those with incomes below \$25,000. It charges 1% over prime.</p>	These programs could both provide relief to members and enhance GHI’s financial situation.

	<p>Option A: Expand the current program to include those with incomes below \$30,000 and allow a reduction of \$100/month on co-op fees.</p> <p>Option B: Short Term Fee Deferral Allow members to defer all coop fees for a short period of time or amount. The deferred amount will need to be repaid with interest upon sale or transfer of the unit or addition of a share</p> <p>Option C: High Equity Fee Deferral</p> <p>This program permits those with substantial equity to defer \$200/month of their coop fees until the amount owed equals 40% of their available equity. As to not overextend GHI's finances, this program should also be limited to a total amount of deferral across the membership.</p>	
GHI has significant equity in the Parkway Apartments	GHI has not developed a long term plan for these apartments	Access pro bono and other consulting help to develop long term financial plan
INVESTOR FEES		