

## Presentation Links

Katie's Cohousing Solutions home on the web :: <https://www.cohousing-solutions.com>  
Hearthstone Cohousing was part of the larger Elitch Gardens site in Denver.

<https://hearthstonecohousing.com/>

Katie's 500 Communities landing page <https://www.cohousing-solutions.com/about-the-program>

Joren and Team's UD+P website :: <https://www.udplp.com>

Housing21 web page on the Co-Housing where you can download their Co-Housing Strategy Document. <https://www.housing21.org.uk/our-properties/cohousing/>

<https://www.communityledhousing.london/wp-content/uploads/2020/07/CLHLondon-MHOS.pdf>

Here is link to the UDP slides -

<https://www.dropbox.com/s/ao7du2ko2j980pn/COHO%20UDP%20Role%20.pdf?dl=0>

Cohousing Botanico video: <https://youtu.be/Bdg3gJ62ASQ>

Here is where you can fill in your contact information

<https://www.cohousing.org/cohoevents/2022-summit-program/?ppwp=1>

Google sheet for contact list:

[https://docs.google.com/spreadsheets/d/1vwt4Z4cr4uToOAK7AYkd\\_f4Jl5EsCqErLp4l5vob4W8/edit#gid=1735467850](https://docs.google.com/spreadsheets/d/1vwt4Z4cr4uToOAK7AYkd_f4Jl5EsCqErLp4l5vob4W8/edit#gid=1735467850)

<https://www.youtube.com/watch?v=jAZW9e8is28>

## US Cohousing Models

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Sure. So, our first session is going to be about co housing development models and us.

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Katie mechanic. Many of you probably know her already, but she is because she is known throughout the world as a pioneer. She and her former husband travels to right where the architects who introduced cohousing to the US by reading the first cohousing

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book published in English, I believe, and this inspired many generations of CO houses to form their own communities. She's the founder of CO housing solutions development company that helps forming communities around the US.

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And I'm hoping Katie that you will find a moment to talk about your 500 Communities Program, because there are several presenters.

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That will, including Lou, that were graduates of the 500 Communities Program and I think it's important for you to share with that is, She's Katie's also joined by joining Beth of UDP, which is a development company working in cohousing joins an architect

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turned developer, and he's working on numerous co housing projects around the US, and they will both be sharing. Sharing development models and specific examples.

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Thanks, right go here. Yes. go. Okay.

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So first I really want to thank grace and the CO Housing Association for allowing us to do this and facilitating it. I know our co housing us Association has really been a fabulous supporter, particularly forming communities, and I would encourage all

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of you to have a nonprofit like this.

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Never got close up.

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Are you seeing the big screen or do I need to do the reverse. Great. Okay, great. Yeah, so it's great static I'm going to talk a little bit about us models, and, you know, so just, you know, a little bit of emphasis I've been doing this literally my entire

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adult life.

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I started working with Chuck. Chuck and I no longer work together but we certainly launched something and it's so exciting to see so much happening all over the world.

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When we were doing our research in Denmark in 1984 1985, you know there were, you know, less than 20 communities in Denmark and it was really hard to find anything outside of that so it's really grown.

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But just as a little bit of background, I made some very specific choices. Early in my career, about where I thought my emphasis is going to be I mean it was, it was for very specific reasons so you know my connections were originally in the affordable

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housing world so we started there. When we came back and published our first book, but this was the Reagan years of the mid 80s, and the US government was cut making significant reductions in our, in affordable housing, and we just we couldn't find any

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any grants, we could find no financial support whatsoever. And so we we just basically hit a point that if we're going to get cohousing launched the United States that has to be a market rate model, and we need to go to the buyers.

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And I would say probably one of the most important things we learned from the Danes was, go to the buyers, not to the developers. So, but the other thing that really affected me early in my career was a focus on sustainability and an interest in in climate

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change and looking at the impact of the American middle class has on the earth.

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And I just found it absolutely frightening to think that the entire world was looking at the American subdivision as, as the dream that everybody was striving for.

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And what every country should do. And, you know, there's no better way to kill the world than to, you know, sync everything you've got into a housing model that's take so many of the Earth's resources, just to exist.

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So early on we sort of went the direction of we need to make this work as a market rate model, we need to prove that people are willing to pay for community that there's value in that.

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With the belief that if we could prove that, that it would trickle down so to speak at the great American economic metaphor. And I do think that's true.

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I do I still believe that, in fact, when we did our original book I remember saying, we've got to sell community like it's Italian lighting.

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It's something that you want that if you can afford it, you want to do it.

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And then we can find the subsidies to help other people find a way to do it.

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So here we are, 35 years later.

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I've worked as an architect as a developer partnering with groups. Now as a development consultants, I've lived in to have my own communities. I think cohousing is great.

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And I actually don't know how other people manage out there raising kids are getting older, without living in community.

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And I, but I'm going to focus today on talking about, not the exceptions, but the way most cohousing is built in the United States.

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There's over 180 communities built and, and they've been really successful people are very happy with them they hold their value. They definitely use less resources.

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They are great models that people find quite attractive.

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Unfortunately, it hasn't gotten any easier in actually getting these communities built.

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So, that, you know, I think, as I've always taken the approach of my life is not long enough to reinvent the American housing finance system. And so that at the end of a project when it's completed, you can get a typical mortgage to buy your house.

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And so, The real challenge is getting the communities built.

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So, not there are definitely exceptions I could do a whole nother presentation on the one offs the exceptions. But today, the way most American communities are built, you know even 35 years after we built the first ones is most of them are initiated by

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the future residents. Currently there's not. I actually don't know of a single developer initiating projects, tying up land negotiating for land that are you go I think what you're doing is great.

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I think that that was a model that Jim Leach and I pioneered, I think, groups looking, and negotiating for land they're just not very good at it.

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So it's a lousy way to start a project. If developers would take the lead. I feel like there's a lot of options, but currently United States, you know buyers are expected to pay for all the pre development cap costs that means cash out of their pockets

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to pay for the architect the engineers the planning fees and the equity for the construction loan. So what that means is that our buyers groups have to raise something between 20 and 35% cash, but put in the deal.

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In order to get to a construction loan, even when they're partnering with the developer.

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20% is doable. I've seen groups do that over and over again. 30% 35% If I tell groups that straight up at the beginning, I could just kill every project out there.

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I mean, this is become such a hurdle. And it's much different than it was pre recession, when I feel like this a backlash out of the banking community from the 2009 recession is getting more and more conservative.

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The other thing we face is American banks, expect that somebody is going to put up a personal construction loan guarantee so you have a multimillion dollar construction loan, you need somebody with some significant resources to back that loan, and to

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put that up as collateral against your loan.

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In my mind that's the number one reason to partner with the developer.

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It's very difficult has been done, I've done it, but it is much more difficult to find a bank willing to loan to a group without a developer guarantee, where you are, where they're looking at a group of households to guarantee the construction loan.

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So, yes, it's been done.

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I'm doing it right now, but it is often very difficult to find those loans.

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So, communities partner with private developers really to manage the development process and to help secure that construction financing to build the project, but they still need to come up with the cash up front to, you know, to fund that development

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process so that is really the big hurdle that we are facing today is that that's actually gotten harder, despite our success.

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So, you know, the current models now Jordan is going to talk more about their model is the group partners with a private developer and often my role as a development consultant is getting groups, up to that stage where they are realistic, they understand

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what it takes to succeed, and they can be a good partner for a developer, like UDP and I have found that I can find developers, in most regions.

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If I, if I get a group to that stage, you know, so, you know, I'm working with up on a bunch of projects and, but also you know what the in Washington state and in Montana, I have local housing developer builders so they're both the builder and a developer,

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and they are partnering with the CO housing group to help secure those construction loans and particularly to oversee construction.

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So, the group still has to come up with that, you know, the big money, but at least they have a professional developer that they're working with through construction in the non UDP models, they, you know, local developers, just, they don't know really

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how to work with the CO housing group so I bring that aspect, they don't have a specialty in cohousing, and they. The group has to do more of its own internal project management.

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But it is a workable solution.

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The there, as I said, there are communities right now there is a project under construction in Tulsa, Oklahoma, a senior cohousing community where the group is acting as its own developers, they are, they put up their own guarantees for the loan.

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So there, there's not a private developer involved there so that that can happen it does happen, the trick was really finding a bank is willing to do a construction loan on that, but much to my dismay, after all these years.

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What is not happening in the US is developers are not initiating projects they are not finding land and negotiating, which I think groups are really bad at.

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And there's nobody providing financing assistance so each group has to go through its own trying to raise the money that it takes to get to construction.

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This is just the most recent example this is a project in the Sacramento region and here in California that I'm working on with UDP and this the bank just came back and lowered their loan ratios to less than 65% of the total cost so you have a \$26 million

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project that has 28 committed buyers that have already put a bunch of money in the project. It's a beautiful design very small units.

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You know opening onto this back courtyard, in a very walkable neighborhoods, so it's it's you know, it's a lot of the buttons on sustainability and just a much more less resource intensive lifestyle.

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But the bank backed off. And now the group is needing to raise additional funds so by the time we can get this project under construction, hopefully in the next couple months, the buyers will have raised over \$8 million.

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That's just a lot of money to ask, even middle class buyers to come up with.

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So, I'm thinking a little bit on my 500 Communities Program, so you know I played a lot of different roles and co housing, over the years, and I'm now at that ripe age where my focus is more and how do we train the next generation, how do we get more

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people out there, understanding how to work with in a collaborative development model. So the 500 Communities program it's a 12 month program, the trains future professionals, it's not for people to build their own community is for people who want to

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It's for people who want to work in this realm of do multiple projects, and the exciting part is that, you know, the conversations that happen there so you know some people come more on the project management side, some more on the sales and marketing

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side some of the process side and just looking at the range of professionals, and how do we support this type of development.

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I've had very little interest from developers, I do have one, David Kelly down in Houston is finally getting cohousing built in Texas. So, you know, I hope to see more developers coming into this world but mostly it's people who would work as consultants.

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And I think that that actually is it really useful model for the world to look at is.

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So Jim leeches in the photo here, Jim started and then I had a development company here in California, where we were really specializing in cohousing.

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We got creamed by the recession, frankly, not because cohousing was worse off but just, we got hit so hard.

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But the.

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But when I read now really focused on is training people who can really be the translators between the real estate development world, and the CO housing and collaborative development world to the buyers and the future residents, so that any housing developer

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could potentially decide to do a co housing project, and we could provide the translation and the best practices for how they work with the buyers group.

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So that's really been my focus, you know is trying to sort of how do we not expect developers to be co housing specialists, but are able to provide those best practices and work with them so that they can bring their real estate expertise, without specializing

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necessarily in CO housing. I have to say my biggest question right now is just how do we even attract more developers to this. I think we've done been very very successful at building successful communities.

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We have not been as successful at building business models where we can really scale this, and I'm a big piece of that is the lack of professionals, as you'll see on this at this conference there's lots of architects, but it's really, it's the money is

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the money it's all about the money where's the money to build these projects. And how do we arrange the financing. So, can we, you know, get beyond architects really supporting the CO housing movement to other real estate professionals and really seeing

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this as a viable part of the housing market.

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As you can see I'm not even focusing on affordability, that's a whole nother world to talk about there. But I, you know, my own personal interest is how do we change the American housing market so it doesn't take the whole world down with this use of

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resources. and that is a market rate market.

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So there are certain advantages to the American approach.

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You know I think we've really proven that there's value to buyers, even at full cost without subsidies that people some people not everyone, but there was ever growing number of people, particularly as our households get smaller and smaller so you know

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the the largest, fastest growing American household type today is a single person living alone. We've got to get away from our single family house model, the pandemic didn't help that more subdivisions than ever.

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It is also a model that is not dependent on government support.

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And so, you know, the ups and downs of the American government doesn't have a big effect on co housing development here because we never really looked at government support to build projects.

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It really builds on America strength which is private initiative, you know i mean i think we are one of those cultures where people still relate to people coming across the west and the covered wagons and building communities on their own you know we

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can do it. So, it really builds on that, you know what is probably the strongest part of the American culture.

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And those who actually succeed build really strong communities.

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I think we have a lot of really successful communities.

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The. And the key and what we've seen is that this lifestyle the CO housing lifestyle does in fact really reduce how much people drive how many resources we use how much energy we use Anak directly leads to healthier lifestyles.

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So, it is doing what we wanted to do and that way the communities have been very successful.

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But obviously there's a lot of disadvantages and the number one is affordability.

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Many people cannot afford a new build community, and I'm, and I'm really sad to say that it's actually gotten much worse over the last 10 years.

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The US definitely has a housing crisis. It's hard for me to even make the case that governments support middle class co housing. when we have so many people living on the streets.

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So this is, you know, a constant discussion, not a lot of great solutions I don't see a lot of new money coming out to support affordable housing the United States, frankly, you know my own you know what i think i can do is encourage boomers, the more

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mature generation to build communities that will then be available for younger people to buy in. Once they're built.

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So I think the other disadvantages buyers take on a lot of risk and developing our own communities. I think most people who get involved in forming cohousing communities don't even know how much risk are taking on.

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And they certainly don't realize what they're going to have to do to get to construction so you know part of my role is trying to gently bring people up to what is really going to take and and not kill them in that process.

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So the other that really limits the market. You know how many people are going to put that kind of money in when they still have to pay for the house they're living in right so in the development process.

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and it definitely favors a middle class more mature buyers.

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And so boomers are playing a huge role in CO housing, new co housing groups, because they are the ones that have some funds and have made a substantial amount of money on their existing housing from the last two years.

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So, but it's much harder for young buyers to start new communities.

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I'm really excited I'm seeing young buyers moving in and my own community. We have a number of new young families but they're moving into existing communities, and it's much more difficult for them to be involved in these early communities just because

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of the cash you have to put up, you might be able to qualify for the mortgage. But where do you find the money.

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And so, you know, so that's the question is like how much larger could the housing market be if we could actually make it easier for people to get in.

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And so that's the question I have is how do we in the US make it easier for those of you who are not in the US. You know I just, I do think that there is a really, you know, for me, I was really hard for me to ask people for money, initially, and now

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I've gotten really good at it in terms of telling people what they need to invest in their own community.

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And I would really, you know, so I think there is a lot to learn from the US, in terms of you can do this as a market rate model.

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You build really strong communities when people put their money behind their values and really back their ideas. By investing personally in it.

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And there's real limits to arm, and I am more aware of the limits than most people. So, with that, George is going to talk a little bit about the UDP model.

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At this point in time, UDP based in Portland, Fabulous group of people.

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They are really the only repeat co housing developer, you know, 20 years ago I thought we would see a bunch of new developers coming into this.

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I haven't seen that, those that were doing it have retired.

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And so what we need is we need your into inspire a bunch of developers to come on board I should also say Danny Millman here will actually work for me work for me Kevin dread architects years ago and has come back to co housing is working with UDP so

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Kevin dread architects years ago and has come back to cohousing is working with UDP so I get to work with these two lovely people, most days of the week.

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Oh, Jordan, take it away. Okay, well try to keep it pretty quick so maybe we can have a few questions.

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And Katie really, you know, laid out a lot a lot of our model already and you know, sort of the same reasons we got into it, just maybe, you know, 25 years later.

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So, We were currently.

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We've were just finished our latest one that residence moved in the final residence moved in over the weekend up in Spokane, Washington. So, we have two completed projects and we currently have six other ones that are in the pipeline from under construction

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to early design work going on. So, yeah, we've kind of jumped in with both feet we're, like I said, we're based in Portland, we have some staff. Other places in the West Coast, where we have two parts of our company we kind of know where we are private

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equity developer so we we do that work as well as cohousing has become a larger and larger part of our company as well as it's grown we've been involved in cohousing now for eight or nine years.

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And we got into it because of PDS comments in Portland, when the early founders loop hours on here came to us and asked us to be their partner.

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We then went to one of the first national or went to our first national co housing conference and looked around the room and didn't see really any other developers there and thought, well this is interesting.

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You know, here's a huge market segment of, you know folks are looking for a housing model, and really no developers, other than Katie and Jen leech there so we've partnered with Katie on majority of our co housing and really adopted the model that Jim

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Lee started and Katie help perfect.

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We really see ourselves as a partner with the communities as Katie said, so you know these are some of the projects, just a sampling of of projects that are either completed or under construction.

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I'd say mostly right now Washington California and Oregon based. So, our role we really see as a partner to the community.

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As with the other consultants that joined a project, you know, expertise with the, with the development process expertise in in working with the diverse stakeholders, and this is frankly what scares most developers away most developers are are not used

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to working with a diverse, you know group of of households or folks that are coming into the project.

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They're used to driving it and making quick decisions based on their, you know their, their company models or their development model. So, that that takes us that's that takes a special shift for the, for a development company to get around, project management

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is, you know, another piece of it, legal expertise in the structure and how the equity comes in and, you know, it's just, it's it's just a different model, we use here in the US for co housing then say a spec development.

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And then the big one.

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As Katie talked about is securing the construction financing. And this is, you know, the ability to provide that guarantee our projects that guarantee ranges, you know, from a value of some, you know, probably on the low end as low as 12 million up to

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close to 15 million for our biggest project that's in the, in the works right now for co housing so into the development world these are not big projects, but from a diverse group of households.

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You know, guaranteeing a \$50 million loan is is not a you know is where the developer needs to come in with a, you know, strong balance sheet and and track record.

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We really see it as managing the risk for homebuyers. This is Katie alluded to, you know, the, the, the risk in for the US model that we're seeing here.

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Most of them. Most folks who joined a community don't really understand the amount of risk, that's involved in real estate development or development of CO housing.

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happen here in the last two years in the world, things that affect you know the economic climate and development climate and housing payment mortgage, and so are all we see is really managing that risk.

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A lot of that is by moving the community quickly through the project as quickly as we can.

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But it's also, you know, managing the construction and all the other pieces that affect home prices, and we want to, we want to try to help communities with that.

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So these are some of the rules but yeah.

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Sorry.

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I don't know if you know, but your slides aren't moving forward it's just on the front page, oh shoot.

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Okay, well I'll just

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do this quickly.

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I think it's, well maybe I'll have to skip them and share them because I don't want to waste time working with that too much because I know whir whir whir whir whir we're moving quickly past our time.

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But when we look at those roles of the project management, moving a project through entitlement and securing the financing, we see that as that as really the areas where we can take a lot of the weight off the community.

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And we can handle it. What we really look for the community to do is to work on the marketing and membership side.

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And if we can help from the development side to take those those responsibilities off the community. then it.

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It allows them to really focus on, on that, that membership and can attracting, you know the the folks that are going to be serious, community members and, and, and, you know, buyers into the community.

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And so, you know, we encourage the communities that we work with. To do that, we're partners so they can you know they can be involved in the other parts, but we really want them doing the work out there to attract community members and and that's also

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a way we see is, you know, sort of taking the risk off of the community.

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And in sharing them really sharing the load. So, I guess I'll just go to questions for Katie and since you know, we only have 30 minutes so it's hard to get too far into this but

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if there are.

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Yeah Do people have questions do you want to jump in, write them in the chat and encourage folks to put them in the chat as an efficient way to get questions asked and then we'll let you answer them, hopefully it works.

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I know Peter asked about rental co housing and we just haven't you know in order to do rental cohousing you have to have someone who wants to own it.

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And I worked on a couple of projects that with were affordable housing rentals with nonprofit housing developers, not unlike housing 21. And, but haven't seen that grow and haven't seen private developers doing rental want to do this, which is interesting

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because right now in cities, you'll see a lot of a new rental developments that are hundreds of units I mean it's just sort of a big growth in the last since the recession, actually, and rental housing where they have common amenities.

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But I think mostly that's coming amenities are for show.

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And not anybody who actually uses them at least is my daughter in Washington DC, being the radical co Hauser she got her ultimate frisbee team to take over the common areas for a meeting, but it was the only time anybody was actually seen sitting there.

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Any other questions or we've been so discouraging that you're just going back to Europe and don't want anything to do with,

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you know, besides the risk I'll say the other, the other real advantage for the developer and in the strong professionals with the community is in the US, we still have to we have to get the project to fit within what we want, you know, we kind of call

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the standard rails of real estate, you know at the end of the project.

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You know we need the homes to praise properly we need folks be able to get, you know, mortgages and.

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And so that's a big part of the, of the professionals role developers role is letting the community dream, but also figure out how those dreams can fit in to, you know, sort of the the understandable boxes that construction lenders understand and that

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appraisers understanding and mortgage lenders can understand and navigating those and, you know, we're, we're encouraged the more cohousing that's done that you know the last conversations we have to have with, with new appraisers a new lenders about

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what is co housing.

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And that's our, you know ultimately our goal we would love to be able to win, you know one of those new lenders calls us up or we speak with them, that they say oh yeah I know cohousing I, you know, I live next to it or you know friends that lived in

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it or they've i've landed I've done a, you know, a load on them before, and we're starting to see that in that on the West Coast I'd say.

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And of course we work with, you know, we try to do as much work as we can with those sort of professionals as well but we're always encouraged when we get calls at UDP from other developers who are thinking about it.

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It's pretty rare still, but we're always encouraged and happy to sort of share our model and some of our, you know, tips and tricks because we see it as a, you know, it's needed and it will be helpful for all to, to, to have it it's for us it's not about,

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you know, any kind of sense of competition we just would be much more courage than others.

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And there's a question in the chat from Leslie, asking at as developers, what do you do when units sold. Yeah. Yeah. So, are we have a simple metric that we work with communities is that, before we start construction, we look for roughly 75% of the units

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to be reserved or, you know, have members that have equity in the project.

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We then, you know, we're trying, you know, helping the community do everything we can to go ahead and, you know, fill the remaining units before the end of construction.

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Our base agreement with the community is that if we get to the end of construction and their unsold units that as the developer.

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Then as the developer. We have more control on selling those final unit so the community can kind of use whatever membership process they want, up until the end of construction and then because we're guaranteeing the loan at that at that point you know

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selling those units.

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If they're not sold as costing the project money and you know we have a, we have a risk, some risk on the line.

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So, So far we've never had that issue. In fact, the majority of our projects are either 100% claimed and we start construction or. Well, in the sort of 85%.

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And so far, you know, we end up with weightless. At the end, you know, our fallback would be to fall back to sort of standard, you know, real estate marketing, we had to hire a you know real estate broker to sell him but we've yet to see that that you

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know brokers are not really helpful in CO housing. But

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yeah, I would just say on that I mean I think both communities and developers.

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They so that they think that they can do it you know like communities to get really worried about the developer taking over and selling the last units and developers get really worried about they need they want to be able to turn over you're not UDP but

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developers want to turn units over to a real estate agent because they think they know how to sell them better. And I've just seen over and over again. The best way to sell co housing is always a strong combination that you really, you can't sell community without introducing people to the community.

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And so it really and I think that's actually one of the areas we've learned.

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I certainly have learned and I would say that we as a movement have learned a tremendous amount, since the recession on terms of, you know, how do you really sell community, and we've got some, some new people, as available as consultants that have really

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specialized in that I think Shelly will be talking tomorrow. Grace is that right.

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Yeah.

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And we found that we released our model with the, with the development is that we're, we're so connected with the community and how the market the sort of membership is growing and growing.

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If there's a unit or two that is not selling.

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We can't, there's something you know, we're really in touch with, is there a reason you know is it a. Is it a community issue or is there something with the design or, you know, is it a.

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Is it, is its price wrong as you know is that the budgeted price.

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And we can make those adjustments a lot easier.

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It were if we hired a real estate broker to come in, you know, they're really coming in blind so we're far more in touch and there's been, you know, by the time we get to the end of construction there's usually been hours of conversation about what you

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know how do we move.

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You know somebody into this level, and it's just, just not an issue.

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Yeah.

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Yeah. Somebody asked about Peter it seems a lot of questions here about, is it possible to us that you could finance all the houses together and everyone's that renter.

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I'm actually working with a group in Calgary and Canada we also we're exploring that as they were sort of struggling with what to do.

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During the pandemic and things getting a little bit harder for them and would that allow them to, would it be easier for people to buy in that way. I think one of the things with that and grace can speak to her community.

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to people how you get in how you get out in the United States, you know, literally since the 1920s. We've been very the government's been very supportive of home ownership. And so you can write off the interest on your mortgage on your taxes, there is a way of

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buying and selling.

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And, and so I know my, my own bias is, the less I have to invent the broader market, I can reach, and I see.

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Grace nodding there. So I think, you know, people do all sorts of creative things to get their projects built.

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But is it a repeatable model is what I often ask so I, you know, you do what you have to do, but trying to find those repeatable models that you people don't have to wrap their head around a completely different idea of home ownership and can just really

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be attracted by community so one of the things that I have found to be very useful in marketing is to say once you move in you're just owning a townhouse with a homeowner's association, and you can get a competitive mortgage from any number of mortgage

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lenders all across America, so that the really unusual part is how do we get these communities built, not the long term ownership. And by plugging into that mortgage model, you know you have low interest rates.

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After you get the project built, you can buy with a 5% down payment. So, you know, while there's plenty of people who can't qualify to buy there's, you know, there are a lot more people who can.

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And I wouldn't think of that, I think that's the big sort of difference in our culture's though I think America, and maybe some, maybe, maybe the UK falls into this category as well, but unlike the Netherlands or Denmark or other countries that have more

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of a practice around social housing.

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I think the US model is is very much biased towards homeownership. And so there's stigma around renters that other countries just don't have. And there's this this tendency for lending institutions for people that are investing money to assume that they're

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using their, their home purchase as wealth building.

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And that's the biggest difference and that's the thing that we had. We spent a lot of time talking with our perspective, neighbors, that this was not a real estate investment if they wanted a real estate investment scheme, they should go buy a condo downtown,

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they should purchase something elsewhere because this was not. We did not intend this to be a profit making wealth building project it was more about social capital building.

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It's a very different paradigm than, then you have in in Holland.

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Yeah. Somebody else asked about a limited equity model.

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And again, you know, so I looked in that pretty deeply every state has slightly different regulations around co ops.

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But the limited equity model is really designed for something between rental and homeownership, and in order to make it work and need subsidies.

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And we just don't have the subsidies right i mean i i don't where know where I can find, you know, I would say that the large majority of the CO housing market fits within the 80 to 120% of median income, which is the group of people that have the hardest

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time affording housing and there's no subsidies to assist.

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And so we just kind of fall through the cracks on that so yes I think he could definitely do it it's a limited equity model.

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If you could find the subsidies to help support the project.

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Yeah. And so we've you know a lot of the communities we've worked with have talked about you know are explored.

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You know, creating some cyber cities within the group retaining, you know some, some units as rentals, or doing some limited equity model and a few units within the unit.

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It's been really challenging.

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In the last say two years with projects because the construction costs in the US and I assume, pretty much everywhere have been so volatile, that in climbing steeply that, you know, groups are really interested in it but but but haven't had the sort of

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internal community wealth to really go too far. But, again, that doesn't that doesn't create a replicable model that we, you know, wish we could see out there if we could find, you know, subsidies and work across projects would be what Federico asked,

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why would cause me more difficult than finance in a classic condominium.

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And I just said nobody's building condominiums.

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And so what I'm what I'm often shocked and Jordan I do want you to weigh in on this, I've what I hear what it takes to build typical housing is just that there's more profit built in, but really I mean in the United States nobody is building middle class

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housing. All new construction in the market rate models pretty much targeted to the higher end because that's where the profit is.

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And I don't.

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I mean, you know, people can. It's not that anybody is making huge profits necessarily even doing that but I think the risk of lower, not, not low income but, you know, entry level, housing, that's what got hit hardest during the recession, it's seen

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as a bit a bigger risk, and you make less money so it's very in a market driven economy it's difficult to convince market rate doubt Bell uppers to do that.

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Yes, because it's been harder and harder. I mean, we just have seen.

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Speak up. It's been harder and harder. I mean, we just have seen. You know, there's no starter homes being built, for the most part, in, at least in the western United States where we're working it's just it's just not there anymore, and it's not it's not sustainable.

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you can't really you can't really blame the developers or anybody, you know, it's a whole variety of forces that have really driven the market away from those, you know, among them can be just simply in the western United States, you know the the regulations

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and the some of the, you know, taxes that that we pay per unit to build in housing are not very or not right size right so you pay the same amount of of what we call system development charges on a house or a unit, whether it's a small unit, or it's a

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really large unit.

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And you know in in Portland, you could easily, you know, pay system development charges of getting close to \$100,000.

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You know per unit, and that makes it really hard for developers to, to build a you know a starter home.



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That's just one that's just one example, we're working on a project in Berkeley, and those system Development Charges and and fees.

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You know are totaling more than what starter hold would cost, generally I'm you know they're they're getting up in that 250 300,000 just, just in, you know, and that's not even that's no land costs are building costs or other costs, those are just costs

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to see and, and it's not that those are needed for the infrastructure and to help with affordable housing and all, but they're not right sized based on unit size that that generally Some are some aren't.

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starter homes the smaller units, who, who, you know, pay in many ways the same amount in those sort of fees and costs and so that's why we see, you know, most development in the larger you know larger scale because frankly they can, you know, they can

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they can sell it in it and it comes in at a lower cost per square foot. So.

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All right, thank you so much Katie and joy and we're going to move on to the next session.

## Chat Window

02:43:20 Neil Planchon (Oakland CA USA) neil@ic.org: Katie's Cohousing Solutions home on the web :: <https://www.cohousing-solutions.com>

02:51:40 Owen Jarvis UK Cohousing Network: Katie - any experience of working with larger sites where a smaller area is set aside for cohousing groups within it - it seems promising on paper - and we've had some promising discussions - with developers who see it as offer a pre-sold shop window to the rest of the site.

02:52:03 Federico Bisschop | Cohousing Projects | Belgium: We have done that a couple of times in Belgium.

02:53:36 Owen Jarvis UK Cohousing Network: The developer seemed relaxed about financing the project through to handover as long as the group used their builder and architecture.... did you have any luck there? @federico @katie...

02:54:11 Danny - UD+P (USA): Hearthstone Cohousing was part of the larger Elitch Gardens site in Denver. <https://hearthstonecohousing.com/>

02:54:28 Federico Bisschop | Cohousing Projects | Belgium: Yes, however we demand that the design is supervised by us.

02:54:43 Neil Planchon (Oakland CA USA) neil@ic.org: Katie's 500 C (communities) landing page <https://www.cohousing-solutions.com/about-the-program>

02:54:46 Bryan Bowen (he-him) | caddis collaborative: Aria, Wild Sage, and a few others as well. Jim Leach pulled all of those together.

02:55:22 Owen Jarvis UK Cohousing Network: Thanks....

02:58:32 Raines Cohen, Cohousing Open (Berkeley, CA, US): In a sense, US government support is built in, with commoditized/standardized low-fixed-rate mortgages for residential properties of all sorts, cohousing here is engineered to fit that model, as condominiums that regulatory agencies treat the same as other market-rate homes.

02:58:59 Raines Cohen, Cohousing Open (Berkeley, CA, US): (Plus mortgage interest tax deductions federally and in many states)

03:01:12 Owen Jarvis UK Cohousing Network: Presumably even in mature cohousing schemes - if prices tied to market price - they are just as likely to escalate and price out younger buyers as new ones - unless some create solutions are in place?

03:01:35 Neil Planchon (Oakland CA USA) neil@ic.org: Joren and Team's UD+P website :: <https://www.udplp.com>

03:02:53 Harry Randhawa: Housing21 web page on the Co-Housing where you can download their Co-Housing Strategy Document. Katie - There is a section on management also which is more detailed than my ramblings. <https://www.housing21.org.uk/our-properties/cohousing/>

03:04:14 Peter Bakker: What about house-renters in the USA?

03:05:42 Katie McCamant: To find out more about my 500 Communities Program: <https://www.cohousing-solutions.com/about-the-program>

03:06:44 Neil Planchon (Oakland CA USA) neil@ic.org: @Danny: DO you have a way of nudging Joren, the slides are not moving. Thanks 😊

03:06:51 grace kim (she/her) schemata workshop | USA: Peter - there are not many rental schemes in US Cohousing. In general, our country has a strong bias towards home ownership - even though close to half of our population live in rental housing. I live in a "rental" model, but we are more like a limited-equity co-operative. So we are technically "owners", we just didn't have the high-cost initial down payment than typical ownership projects.

03:07:31 Neil Planchon (Oakland CA USA) neil@ic.org: @Danny: Thanks!

03:07:48 Katie McCamant: To have a rental cohousing, you need to have someone who wants to own the property, and I have not seen that interest.

03:11:08 Elena Pereyra - Cohousing Australia: I would be keen to hear more about your limited-equity co-operative @Grace

03:11:25 grace kim (she/her) schemata workshop | USA: Peter - that is why I'm very interested in Bruce/Housing 21. We would like to encourage more rental housing developers to build cohousing for renters.

03:12:02 grace kim (she/her) schemata workshop | USA: Elena - we will be giving a virtual tour of my community on Friday. And I will ask Mike to include a bit about our ownership model.

03:12:20 Elena Pereyra - Cohousing Australia: Excellent

03:12:21 Leslie Shieh: UD+P: As developers, what do you do when units are not all sold?

03:12:38 Camilla-Denmark: In Denmark we do experience several private investors/developers, who move into the field of 'rental cohousing models'. I will talk a bit on that Saturday (Bærebo).

03:13:04 Owen Jarvis UK Cohousing Network: Sounds interesting - in UK I wonder if we have something similar - it's not taken off yet - <https://www.communityledhousing.london/wp-content/uploads/2020/07/CLHLondon-MHOS.pdf>

03:15:51 Peter Bakker: Is it possible in the USA that you finance all houses together and everyone is renter?

03:16:11 grace kim (she/her) schemata workshop | USA: Peter - that was our model.

03:17:02 grace kim (she/her) schemata workshop | USA: But we were very explicit in our marketing. This community is not a real estate investment. This is an investment in social capital.

03:17:03 Peter Bakker: great Grace

03:19:11 Ernie: Hi how are you both compensated for services?

03:19:24 Joren Bass: Here is link to the UDP slides - <https://www.dropbox.com/s/ao7du2ko2j980pn/COHO%20UDP%20Role%20.pdf?dl=0>

03:19:47 Raines Cohen, Cohousing Open (Berkeley, CA, US): Community land trusts have developed coop communities, though usually common facilities and activities are limited. Coliving communities can be genuinely centered around relationships among the renters. Open Path LLC has done some good examples both.

03:20:36 Harry Randhawa: Do you cap the house value?

03:20:39 Owen Jarvis UK Cohousing Network: I can confirm that we are home ownership maniacs in the UK - to answer all questions - something to live in, another house for pensions etc....

03:21:47 Federico Bisschop | Cohousing Projects | Belgium: Joren, why would a cohousing be more difficult to finance than a classic condominium? It's the same thing legally: only the list of common areas is larger.

03:23:33 Ann Zabaldo: Lack of developers is definitely a bottle neck in the expansion of cohousing. Stating the obvious here ... in a HOT housing market like Washington, DC how do you attract developers to build 30-40 units when they can build 240 units of luxury condos? What's the message?

03:23:38 grace kim (she/her) schemata workshop | USA: middle income housing or middle housing is not being built

03:24:21 Federico Bisschop | Cohousing Projects | Belgium: So, there's your answer to scale up: pitch cohousing to the higher income housing developers. In the end, the movement will drip down. Tesla is the most expensive car you can get, but it broke up the car market.

03:38:51 Federico Bisschop | Cohousing Projects | Belgium: Cohousing Botanico video: <https://youtu.be/Bdg3gJ62ASQ>

03:41:10 grace kim (she/her) schemata workshop | USA: Thanks Federico!

03:47:03 Ann Zabaldo: Thank you, Angelica!

03:53:44 Angelica Rojas: My pleasure, and thank you Ann

04:00:49 grace kim (she/her) schemata workshop | USA: So the Seoul government pays the interest for the project for up to 8 years?

04:01:31 Yunfa Chung (Seoul, ROK): 2% of the interest for the project for up to 8 years only for those who build private rent models

04:05:22 Katie McCamant: I hope everyone will fill out your contact information on the website so we can stay in touch. <https://www.cohousing-solutions.com/about-the-program>

04:08:00 Katie McCamant: <https://www.cohousing.org/cohoevents/2022-summit-program/?ppwp=1> here is where you can fill in your contact information

04:09:04 Danny - UD+P - Development: Google sheet for contact list: [https://docs.google.com/spreadsheets/d/1vwvt4Z4cr4uToOAK7AYkd\\_f4Jl5EsCqErLp4l5vob4W8/edit#gid=1735467850](https://docs.google.com/spreadsheets/d/1vwvt4Z4cr4uToOAK7AYkd_f4Jl5EsCqErLp4l5vob4W8/edit#gid=1735467850)

04:09:54 Yunfa Chung (Seoul, ROK): <https://www.youtube.com/watch?v=jAZW9e8is28>

04:09:56 Neil Planchon (Oakland CA USA) neil@ic.org: Rooms are ready!

04:10:02 Mary Huang (Canadian Cohousing, Concorde Cohousing) - Ottawa: Question for Nanju and Yunfa I was wondering if they looked at Singapore's Housing Development Board (HDB) model of 99 year ownership.

04:10:37 grace kim (she/her) schemata workshop | USA: Mary - please join the breakout room hosted by Nanju and Yunfa

04:10:45 Peter Bakker: I cannot enter information in het registratie formulier: is readonly.

04:10:45 Yunfa Chung (Seoul, ROK): Above is the video of a private rent model that passed the certification system

04:11:09 Neil Planchon (Oakland CA USA) neil@ic.org: Thank you, Angelica, Nanju and Yunfa, for all the work you have put into your presentations 😊