

A Guide to ORGANIZATION and GOVERNANCE

Prepared by U-HAB The Urban Homesteading Assistance Board and HPD Department of Housing Preservation and Development of the City of New York

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OVERVIEW

Welcome

A Guide to Organization and Governance is a *Homesteader's Handbook*, part of a series of hands-on resource and reference manuals developed by the Urban Homesteading Assistance Board (UHAB) in conjunction with the Tenant Interim Lease program (TIL) of the City of New York's Department of Housing Preservation and Development (HPD).

About TIL

TIL, the **Tenant Interim Lease** Program, is a “*self-help*” program designed to encourage and assist tenants who are trying to take responsibility for their own housing. The goal of TIL is to enable tenants to convert their landlord-abandoned, city-owned buildings to “**tenant ownership**,” creating lasting, self-managed cooperatives for low- and moderate-income tenants. In TIL, tenants do most of the work. First they have to form a tenant association; then they sign a renewable 11-month TIL lease with HPD and take over legal responsibility for managing their building, and finally, after several years of training and practice, the tenants can form a cooperative corporation and purchase their building from the City.

About U-HAB

UHAB, the **Urban Homesteading Assistance Board**, is a private non-profit organization dedicated to supporting the self-help housing movement. UHAB works closely with HPD to provide technical assistance, training, coordination and back-up for tenants who are managing their own buildings.

UHAB offers classes and workshops on a wide range of topics, including tenant management and ownership, day-to-day operations, governance and decision-making, and building maintenance and repair. We also publish a number of manuals and handbooks, including this one, which help tenants to learn more about tenant self-management and the process of co-op conversion.

Throughout your experience in the TIL program, HPD staff will be there to help. You'll have a lot to learn. You will attend classroom sessions and receive direct training on all aspects of making the change to tenant self-management and eventual ownership. Among other topics, you will learn program policies and regulations, how to develop a building repair plan, and ways of improving your management skills. At the same time, UHAB staff will provide you with additional individualized training and technical assistance (A complete list of UHAB publications is included in the center page of this book.).

Success in TIL depends on your ability to develop a strong working relationship with HPD and UHAB, and to take advantage of the training and resources they can provide.

Use us; we're here to help.

ORIENTATION

About the Homesteader's Handbook Series

The purpose of the *Homesteader's Handbook* series is to outline and explain the many responsibilities and tasks involved in tenant self-management, and to suggest methods that will help tenant associations complete those tasks and meet those responsibilities effectively, efficiently, and cooperatively. Every tenant group is different, and no book can teach you everything you need to know about successful

organizing and building management, but the *Homesteader's Handbooks* attempt to present the basics, standard practices developed and successfully employed by tenants, UHAB, and TIL during the program's first sixteen years.

Titles in the *Homesteader's Handbook* series include:

- **Volume 1** Organization & Governance
- **Volume 2** Communications, Problem Solving & Decision Making
- **Volume 3** Tenant Selection, Eviction & Tenant Relations
- **Volume 4** Banking, Budgets & Rents
- **Volume 5** Operations & Record Keeping
- **Volume 6** Building Maintenance & Repair
- **Volume 7** Sample Forms

How to Use This Book

The contents of this manual are divided into four sections:

SECTION 1 - *Tenant Association Structure and Function* (pgs 8–17), offers an introduction and overview to your tenant association. You will find a discussion of Tenant Association responsibilities, including those found in the TIL Lease with HPD. In addition, the structure of the Tenant Association is described in detail, including the responsibilities of the Board, Officers, and Individual Tenants. Committees, another important part of your Tenant Association structure, are also discussed. The section covers the types of committees that are required as well as others that you might choose to have, and gives you a sample set of guidelines for a Maintenance and Repair Committee.

SECTION 2 - *By-Laws, House Rules and Policies* (pages 18–21), focuses on the two most important governing documents for your tenant association, the by-laws and house rules. These are documents that all officers and board members should be very familiar with, and all tenants can

benefit from knowing what they contain and having a basic understanding of them. An annotated table of contents will help you learn your way around the by-laws, and a sample set of house rules is also provided. Other important policies, such as HPD program policies and general tenant association policies, are briefly mentioned.

SECTION 3 - *Elections* (pages 22 and 23). This section provides a detailed outline for holding an election. This includes requirements for notifying HPD when you are planning elections, as well a detailed description of each step necessary to carry out a legal tenant association election. Everything is here from how candidates are nominated, requirements for notification, voter eligibility, and procedures for ballots. Use this as a guide for holding your next election!

SECTION 4 - *Planning for the Sale* (pages 24 and 25) provides some basic information to keep in mind as you plan for your eventual purchase of your building. In addition to describing four important areas to pay attention to, this section directs you to other *Homesteader's Handbooks* that will be useful as you prepare for your cooperative conversion.

*for more
information call:*

**UHAB (212) 226-4119
or TIL (212) 386-7312**

*Finally, don't be afraid to contact HPD
or your UHAB representative if you are
at all confused or have any questions.*

Good luck!

TENANT ASSOCIATION STRUCTURE AND FUNCTION

Introduction

**This guidebook
explores the
structure and
function of the**

tenant association and its members. A clear understanding of the documents and policies which govern management and decision-making helps members understand their roles. It also helps you to make decisions in a cooperative and business-like manner which allows for maximum participation. These are important components of a strong organization which can manage your building effectively and succeed in making the transition to cooperative ownership.

Congratulations! Your tenant association is assuming responsibility for managing your building through participation in the Tenant Interim Lease Program (TIL). If things go well, you will one day have the opportunity to buy your building as a cooperative. It is not an easy undertaking. There is much to learn, both about running your tenant association and about building management. Fortunately, there is help available from the TIL Program and from UHAB. Prior experience is not required. Through hard work and common sense, most tenant associations succeed.

The focus of this manual is on organization and governance. Your tenant association is an organization which acts primarily through its Board of Directors, Officers and

Committees. Like any organization, in order to function effectively its members need a clear way to interact with each other in order to make decisions and work together.

Governance means the exercise of control or authority by the tenant association over its members. This includes how you relate to one another, the structure and roles of your elected and appointed representatives and the rules for communication and decision-making. One major form of governance is setting and overseeing policies - these policies are similar to laws and regulations that are an important part of any government. Policies establish a common agreement on how your tenant association defines itself and how you want to operate.

Some tenant associations find it very easy to work together and others do not. Some times things will go smoothly and other times there will be crises and conflicts. One of the challenges of participating in the TIL Program is learning to work with the people who happen to be your neighbors. Remember that you are now operating a business. You need to relate to each other as business associates and represent the interests of everyone in the tenant association.

You didn't choose each other. You may be friends. You may not be. The important thing to remember is you don't have to be. Clearly defined structures and roles, open communication, a commitment to democratic participation and decision-making, will allow you to do the work necessary to set policies and manage your building even during those times when things are difficult. You must respect each other. You don't need to like each other. Understanding that difference is the essence of having positive, business-like relationships, regardless of any differences you may have on a personal level.

Tenant Association Responsibilities

Your officers signed a lease on behalf of your tenant association (TA) with the Department of Housing Preservation and Development (HPD) to enter the Tenant Interim Lease Program (TIL). This lease gives your TA responsibility for managing your building. There are many

responsibilities, both explicit and implied, that you are assuming by forming your TA, signing the TIL lease, and entering the TIL Program.

Your tenant association has a responsibility to its members, the residents, to act in their collective best interest and to function in a democratic and participatory manner as governed by your TA by-laws and policies (see “BY-LAWS, HOUSE RULES AND POLICIES” beginning on page 18). Your TA has a responsibility to HPD, under the TIL lease, to manage your building effectively and to follow the terms of the lease and TIL policies (see “The TIL Lease” and “TIL Policies” below). Your TA also has a responsibility to obey all Federal, state and city laws (these are beyond the scope of this guidebook). If you keep these responsibilities in mind as you go forward, you are more likely to succeed and to avoid major difficulties along the way.

Distinguishing Between Management and Policy

Governing your tenant association and managing your building are two different functions. Governance is primarily about making decisions and then making sure those decisions are followed or carried out. This includes setting policies that establish formal procedures or guidelines about what to do or how to do it. Management is primarily about carrying out those policies that involve taking care of the day-to-day business of the financial and physical upkeep of the building.

Your Board of Directors, the main governing body, establishes policy and decides who is responsible for carrying out that policy - including who is responsible for management. Your manager may be a tenant or officer (this is called self management) or you may hire someone else, possibly outside the building, as a manager. Your manager(s) is always accountable to the Board and may be terminated if they don't perform as outlined in their contract. It is important to be clear about who has the authority to make policy decisions and who is responsible for management. In a self-managed building, members may need to wear both “hats”. They need to be mindful of when they are decision-makers, acting as Board members, and when they are acting as managers, accountable to the Board.

The TIL Lease

The TIL Lease is a legal document signed by two officers on behalf of your tenant association and by an official representative of HPD. It is a contract which legally defines your TA's relationship with HPD under the Tenant Interim Lease Program. The term of the Lease is for eleven months and is renewable at HPD's option. The Lease includes the following specific rights, responsibilities and policies:

- ♦ Promoting tenant cooperation and participation in all aspects of building management
- ♦ Collecting rents and leasing vacant apartments to new tenants
- ♦ Maintaining a checking account for building income and expenses
- ♦ Keeping records in accordance with HPD policy
- ♦ Initiating legal action against non-rent paying or disruptive tenants
- ♦ Hiring and paying employees and/or securing contractors and voluntary participation for the repair and maintenance of the building
- ♦ Submitting monthly accounting reports by 15th of the month
- ♦ Receiving up to eight percent of the rent collected as a management fee
- ♦ Contracting for management and/or bookkeeping services with written permission from HPD
- ♦ Following income guidelines
- ♦ Following primary residency and subletting requirements

Structure of the Tenant Association

The main components of your tenant association are the Board of Directors, officers, individual tenants and committees. The Board is the main decision-making body. Acting on behalf of TA, the Board is in charge of ensuring

that the TA's responsibilities, as outlined under the TIL lease, are carried out.

The Board is given its authority by the Articles of Association and By-Laws:

ARTICLE III, Section 1. The Board of Directors shall be in full charge of the day-to-day operations of the property, including interests, business, and transactions of the Association, consistent with the lease signed by HPD.

Board members are elected by the TA membership and are accountable to them. They meet at least monthly to set policy and make sure that policies are carried out. Elections are held annually and members are elected for a one year term - see "ELECTIONS" below for more information.

The number of board members often varies in buildings of different sizes. As a general guideline, buildings with:

less than 20 units
4 DIRECTORS

more than 20 units
5 DIRECTORS

more than 50 units
7 DIRECTORS

Officers are elected by the Board at its first monthly meeting. There are at least three officers: President, Secretary and Treasurer. No one can hold more than one office at the same time, and no two members living in the same apartment can both be officers at the same time. Officers must be at least eighteen years old and can't be two months or more in rent arrears.

While officers have different roles (see page 13), all officers have equal decision-making authority. Their primary decision-making role is as Board members; as officers they carry out Board decisions and policies. Their decision-making

power is not personal—they are acting on behalf of tenant association at all times.

Individual tenants have the responsibility to pay their rent on time and to take care of their apartment. They also have the responsibility to participate in the affairs of the tenant association— your TA is only as strong as its individual members! Participation includes attending meetings, voting in elections, serving on the Board and on committees, and as an officer.

It is important that there be good communication among officers and Board members, and good communication with tenants, TIL, and UHAB. This is key to working together effectively and succeeding in the TIL Program. It is an essential ingredient to effective democratic decision-making—it allows everyone to have input, to know what's going on, and to feel they are a part of the decision-making process (For more information on meetings, communication, etc., please see the *Homesteader's Handbook Volume 2: Communications, Problem Solving and Decision-Making*.)

Responsibilities of the Board of Directors

- represent and act on behalf of the tenant association
- move the building towards cooperative ownership
- comply with terms of the TIL Lease
- elect and monitor the officers
- meet at least monthly
- make democratic decisions
- resolve conflicts
- maintain the building as a housing resource for low- and moderate-income tenants as per Section 8 income guidelines
- prepare and monitor an annual budget
- oversee management and review monthly and annual reports
- choose and supervise consultants such as a lawyer
- prioritize repairs in a fair and consistent manner
- select and oversee contractors with open and competitive bidding

Responsibilities of Association Officers

- attend to day-to-day management issues (like collecting rent, signing checks, paying bills, etc.)
- ensure compliance with the By-Laws and TIL policies
- fulfill their duties as described in the By-Laws
- communicate with each other, with the Board, with the tenants, with TIL and UHAB coordinators
- encourage the active participation of all tenants
- determine apportionment of the management fee

Individual Officer Responsibilities

RESPONSIBILITIES OF THE PRESIDENT:

- chairing Board and Association meetings
- delegating responsibilities to the appropriate committees and officers
- coordinating activities to ensure that the Board and the Association adhere to cooperative principles and HPD policy
- explaining the goals and objectives of the Tenant Association
- representing and acting on behalf of the Tenant Association's interests
- signing documents such as the TIL Lease, rental leases and letters on behalf of the TA

RESPONSIBILITIES OF THE TREASURER

- oversee books and financial records
- care and custody of all funds and securities of the Association, including depositing of funds in Association bank accounts (unless there is an outside manager who deposits funds)
- maintaining the financial records of the Association
- making and distributing written summaries of financial reports at the monthly meeting
- assisting the Board with the preparation of the annual report, accounting for all monies received and spent
- answering any and all questions regarding finances put by members of the Association, the Board, HPD, or the IRS
- providing for the issuance of rent receipts to all tenants upon receipt of rent payments
- holding the checkbook and ensuring that all checks are signed by two officers

- explaining the goals and objectives of the Tenant Association
- ensuring monthly reports are completed and submitted to HPD in accordance with financial policy

RESPONSIBILITIES OF THE VICE-PRESIDENT

- chairing Board and Association meetings in the absence of the President
- knowing how to perform the duties of an absent officer
- assisting the President or other officers
- acting as the liaison between the Board and the Association
- coordinating activities to ensure that the Association and the Board adhere to cooperative principles and HPD policy
- overseeing special projects or committees
- explaining the goals and objectives of the Tenant Association

RESPONSIBILITIES OF THE SECRETARY

- in charge of all non-financial records of the Association
- recording attendance and minutes of all meetings of the Association and the Board and distributing them within 7 days after the meeting
- writing up, maintaining in a permanent file and sending the minutes to HPD each month
- posting the notice of the agenda for general meetings
- explaining the goals and objectives of the Tenant Association
- signing on behalf of the TA and maintaining in a permanent file all leases, correspondence, etc.

Responsibilities of Individual Tenants

- pay rent on time each month
- obey the house rules
- take care of their apartment; report any repair problems to the Repair and Maintenance Committee; consider making any repairs they can do on their own
- take care of the building—e.g., don't litter the hallways; put garbage and recycling in designated areas; keep building entry door locked
- volunteer for sweat equity projects such as cleaning out the basement, painting the public hallways or planting a garden

- participate actively in the tenant association—join a committee, serve on the Board, serve as an officer, help out with daily tasks

Committees

Committees play an important role in your tenant association. They carry out the work of the Board that can't be accomplished at monthly meetings. Committees allow for maximum participation by providing a vehicle for non-Board members to get involved in the life of the TA. This participation gives people more control over decision-making and spreads the work load, taking pressure off officers and Board members and preventing burn-out.

According to the By-Laws, your tenant association must have at least two committees: **Maintenance and Repair** and one other. Each committee must include at least one Board member (or more if so designated in your committee guidelines). Membership is open to all tenant association members in good standing, and each committee selects its own chairperson who is not a board member. Guidelines for each committee should be developed as soon as the committee is established. They must then be approved by HPD and the tenant association.

POSSIBLE ADDITIONAL COMMITTEES

Tenant Selection: responsible for advertising residential and commercial vacancies, interviewing candidates and recommending their choices to the Board of Directors.

Rent Collection: responsible for assisting the Treasurer with collecting rent, negotiating payment agreements with tenants in arrears and recommending commencement of eviction proceedings to the Board.

Nominations: responsible for identifying potential candidates for the Board of Directors and seeking their agreement to have their name placed in nomination for the annual election.

Social/Activities: responsible for making recommendations to the Board for social events and activities for the tenant association and coordinating preparations for such activities.

Floor Captains: responsible for communicating with tenants on their floor about tenant association business and for working to get tenants to participate in the TA, including attending meetings and elections.

Security: responsible for recommending a security plan to the Board of Directors and for coordinating the ongoing implementation of that plan.

Sample Guidelines for Maintenance and Repair Committee

RESPONSIBILITIES OF THE MAINTENANCE AND REPAIR COMMITTEE:

- negotiating a repair plan with HPD and presenting it to the Board of Directors and tenant body for approval
- managing all of the repair and maintenance issues and projects that are going to come up in the building including: conducting periodic building condition surveys; prioritizing repairs; and scheduling and overseeing all maintenance and repairs
- drafting and negotiating a contract, job description and schedule with the superintendent and designating a supervisor who shall monitor the superintendent's job performance
- negotiating and entering into service contracts, e.g., extermination, elevator and boiler maintenance
- communicating about, scheduling and arranging access for repairs

MEMBERSHIP ELIGIBILITY:

- all tenants who are interested in participating are actively encouraged and welcomed
- people who have any kind of repair and maintenance background —such as construction workers, plumbers, electricians, the building superintendent— are encouraged to join this committee
- at least two members of the Board must also be members of the Maintenance and Repair Committee, at least one member of the committee should be home during the day

COMMITTEE STRUCTURE

Chairperson: prepares agendas, calls and chairs committee meetings.

Officer/Board Liaison: reports committee business to the officers and board at officer and board meetings and communicates with officers and board members between meetings as necessary. Advises the committee on the financial status.

Tenant/contractor contact: is available by telephone for contact with tenants and contractors to receive repair requests and to make arrangements for repair and maintenance work to be done.

Committee Secretary: records minutes of the committee meetings and gives a copy to the TA secretary for the building's permanent files. *(No member may hold more than two of the above positions. Other committee members may be assigned responsibilities as necessary.)*

MEETINGS

Meetings will be held the first and third ___ day of every month at ___ p.m. in the basement meeting room. Additional meetings will be held as necessary.

REPAIR PRIORITIES

Repairs shall be done according to the following priority system: 1) repairs needed to protect life, health and safety; 2) repairs needed to prevent building deterioration; 3) cosmetic repairs have least priority, unless otherwise directed by HPD or by a Court stipulation.

AUTHORIZATION AND SOLICITATION

The Maintenance and Repair Committee may authorize repairs costing up to \$500 (up to a maximum of \$3,000 per month) and shall be responsible for soliciting all such contractors. References shall be checked and bids compared whenever possible. The Board must authorize, solicit and select contractors for repairs costing more than \$500 and must authorize repairs exceeding \$3,000 per month following the procedures outlined in the By-Laws ARTICLE XI Section 3.

MAINTENANCE CONTRACTS

The Maintenance and Repair Committee shall solicit at least two bids for any maintenance contract (e.g. extermination, elevator or boiler maintenance) and check two references for each. The Board shall make the final selection.

EMERGENCY PROCEDURES

An emergency is a situation which immediately threatens life, health and safety or which would cause considerable damage if not taken care of immediately. In the event of an emergency requiring the expenditure of more than \$500, the Officer/Board Liaison must attempt to contact all Board members to gain majority approval for proceeding with the work. If unable to reach a majority of Board members a decision to proceed may be made by the Committee Chairperson or Officer/Board Liaison in conjunction with the President or Vice President.

BY-LAWS, HOUSE RULES AND POLICIES

Introduction to By-Laws

By-Laws are the rules that govern your tenant association. They provide fair and consistent guidelines for running your building. The by-laws define who may be a tenant association member, what officers' duties are, procedures for setting up committees and holding elections, and policies on subletting, organizing repairs, and hiring contractors. Although HPD issues a standard set of by-laws for all TIL buildings, you may wish to change some parts with a majority vote of your tenant association subject to HPD approval and in accordance with Federal, state, and city laws which govern unincorporated associations. The by-laws may be tailored to fit the specific needs and characteristics of your building.

Board members and officers should become very familiar with the By-Laws. All tenants should refer to them when necessary to provide guidelines for organizing your tenant association and running your building. When you are unsure of how to proceed about something, check the By-Laws and see what they say about it!

Using the By-Laws

The following is an Annotated Table of Contents for help in learning what the By-Laws cover:

ARTICLE I: NAME AND LOCATION

This article states the name of your tenant association and its location.

ARTICLE II: DECLARATION OF PURPOSE

This article states your purpose which is to provide decent housing in accordance with cooperative principles. The primary duties of the Association under the TIL Lease are listed here.

ARTICLE III: DUTIES AND POWERS

This article lays out the general powers of the Board of Directors in management, decision-making and hiring.

ARTICLE IV: MEMBERSHIP

This article clarifies who is a member of the tenant association and who is not: all residential tenants are members; superintendents in rent free apartments are not; commercial tenants are not.

ARTICLE V: MEETINGS

This article lists the types of meetings held, their frequency, notification requirements, voting rules and quorum requirements.

ARTICLE VI: RENT

This article specifies the rules for payment of rent and procedures to follow for non-payment.

ARTICLE VII: DIRECTORS/OFFICERS

This article specifies the requirements for your Board of Directors and the duties of the officers. It also includes provisions for elections, resignation, termination and recall.

ARTICLE VIII: COMMITTEES

This article states that the Board must establish two committees, one of which will be a Maintenance and Repair Committee, and specifies membership requirements.

ARTICLE IX: SELECTION OF TENANTS

This article outlines the process for selecting new tenants, including the establishment of a Tenant Selection Committee, and addresses conflict of interest and income eligibility requirements.

ARTICLE X: PRIMARY RESIDENCE

This article explains the primary residence requirement and subletting procedures.

ARTICLE XI: MAINTENANCE AND REPAIR

This article specifies the duties and responsibilities of the Maintenance and Repair Committee, including procedures for soliciting contractors and maintenance contracts, and specifies the Board's role in decision-making.

ARTICLE XII: CONTRACTS AND OTHER COMPENSATION

This article details provisions for entering into contracts, including special provisions for contracts with Association members.

ARTICLE XIII: AMENDMENTS

This article describes how the By-Laws may be amended.

ARTICLE XIV: HOUSE RULES

This article requires that house rules be developed and specifies the procedure for adoption.

House Rules

Your house rules guide the everyday operation of your building. They should be developed by the tenants, discussed at general meetings and explained to new tenants, so that

everyone knows their part in creating, supporting and enforcing the rules. After house rules are developed by your tenant association, they should be submitted to HPD for approval and then officially incorporated into your by-laws by a majority vote of the eligible tenants at a duly called general meeting.

When creating or revising your house rules, remember that your building is unique. Specific circumstances may warrant a house rule that wouldn't apply to most TIL buildings. You may want a rule, for example, on what days and hours tenants are permitted to use the building's community room for a private party. Also, it is helpful to create rules that are reasonably easy to enforce. Writing a lot of rules that will not be enforceable is a waste of time.

SAMPLE HOUSE RULES

Health and Safety

1. Public hallways, stairways and fire escapes should not be obstructed or used for any other purpose than entrance to and exit from apartments.
2. Tenants have to maintain their apartments in a condition that is not hazardous such as a fire or health condition. This also includes the restriction of any severe odors.
3. The front door and the roof door of each building must be kept locked at all times. Strangers shall not be admitted.

Noise Restrictions

Between the hours of 11 p.m. and the following 8 a.m. on weekdays and between the hours of 11 p.m. and the following 11 a.m. on weekends, no tenant shall make or permit any disturbing noises in the building so as not to interfere with the rights, comfort and convenience of other tenants.

Cleanliness

Garbage shall be placed in suitable containers provided by the Tenant Association.

Recycling

Tenants must separate trash in compliance with local recycling programs.

Pets

No pets will be allowed in the building. Written exceptions may be made at the discretion of the Executive Committee. Such a request shall not be unreasonably denied.

Enforcement Measures

Any tenant who violates any part of the by-laws, by a vote of the Board of Directors, shall be fined \$10.00 for the first occurrence and \$25.00 for subsequent occurrences.

TIL Policies

In addition to the requirements specified in the TIL Lease and By-Laws, the TIL Program adopts and amends

policies from time to time which all TIL participants must follow. They help clarify program requirements and procedures and provide a standardized approach to good business practices. Some of the most important policies govern issues such as:

For more information about specific policies, contact your TIL Coordinator.

- rent collection
- financial management
- repair and maintenance
- minimum tenant participation
- rental policy
- elections
- sales

Tenant Association Policies

Your Board of Directors will adopt policies to address issues that may arise or to clarify procedures to follow. Some of these policies may become amendments to the By-Laws or may become part of your House Rules. Others will be part of a committee's operating guidelines. Still others will stand alone. Examples of such policies include a maintenance and repair policy that outlines priorities, procedures and responsibilities for getting maintenance and repairs done, and a tenant selection policy that outlines criteria, procedures and responsibilities for choosing tenants to fill vacancies.

All decisions made to adopt or amend policies will be part of the minutes of your meetings, and should be reflected as motions and votes. It is useful to keep an additional copy in a designated place so they can be referred to easily.

Writing Policies. Before submitting a proposed policy to a vote, test your proposal against the following checklist:

- Does the new policy conflict with the TIL lease, tenant association by-laws, HPD policies or other applicable laws?
- Is the policy enforceable?
- Have you considered the short and long term effects of the policy?
- Is the policy discriminatory in any way, or does it favor anyone unfairly?
- How will the policy benefit the entire building?
- What are the drawbacks, if any, to the proposed policy?

- When will the policy take effect, if adopted?

ELECTIONS

The Steps for Holding An Election

1. Inform TIL in advance that you are planning elections—they may require that they have a representative present. The election meeting is your Annual meeting of the Association and should be held the same month each year. Remember that the Association elects the Board of Directors; the Board then elects the Officers.
2. Distribute By-Laws and election procedures to all tenants.
3. Two months before the election, hold an association meeting to review the election rules and procedures. Pay particular attention to the issues of voter eligibility, quorum (you must have a majority of eligible voters present), and absentee voting. See Article V of the By-Laws. In addition, establish a Nominations Committee which will solicit candidates for the Board by approaching tenants directly and asking them to consider running.
4. One month before the election, hold another tenant association meeting for the purpose of announcing the Nominations Committee's candidates for Directors and for soliciting additional candidates. Each additional nomination must be seconded and accepted by the proposed nominee. It is preferable to have more nominations than there are Board seats, but not required. Nominations can also be taken during the election meeting, but are best done in advance.
5. Post nominations with a sign announcing the election meeting and listing the candidates. Distribute a written notice to each tenant at least ten days prior to the election.
6. At the election, as tenants sign in, their names will be checked against the rent roll by the TIL representative, who will determine which tenants are eligible to vote. Only tenants who are less than two months in arrears are eligible. Candidates may be given the opportunity to say why they wish to serve on the Board. Tenants in arrears who wish to

vote must pay **before** the election unless they pay with a money order.

7. Distribute ballots (printed in advance if possible) by roll call using the rent roll and sign in sheet. Call each eligible apartment in order and give them a ballot. The ballot should have numbered spaces corresponding to the number of Board seats being elected.
8. When people are finished voting, collect the ballots in the same order (by roll call). Count them to make sure the total collected is not more than the number distributed. You may collect fewer ballots than the number distributed if someone decides not to vote.
9. The new Board is in power immediately. Therefore you should schedule a Board meeting as soon as possible to elect Officers and prepare for the transition.
10. Notify all tenants in writing of the new Board of Directors and Officers as soon as possible and post a notice on your bulletin board.
11. Plan an educational session to train new Board members.

PLANNING FOR THE SALE

Planning For Cooperative Conversion

The term “Cooperative Conversion” refers to the process in which ownership of your building will be transferred from HPD to the tenant association. Once HPD is satisfied that your building is ready for conversion, your association will be given the opportunity to purchase shares in the corporation that will own the building.

In order to be eligible for cooperative conversion, you must demonstrate that you have learned how to manage your building effectively and run your tenant association in a democratic and cooperative manner. The Tenant Interim Lease Program is considered a training period for your tenant association to learn the skills necessary to own and operate your building for years to come.

There are four important areas to pay attention to. The first is having good participation in the Tenant Association.

This means good attendance at meetings, active membership on committees, and rotation of those serving as board members and officers. Encouraging participation is discussed in the *Homesteaders's Handbook Volume 2:*

Communications, Problem Solving & Decision Making.

The second is good rent collection. Collecting all of the rent due each month, or even most of it, allows you to pay your bills and make repairs and improvements to the building. It also demonstrates the satisfaction and cooperation of tenants in the work of the tenant association. Good rent collection procedures are discussed in the *Homesteaders's Handbook Volume 3: Tenant Selection, Eviction & Good Tenant Relations.*

The third important management area is having good maintenance and repair practices. Keeping your building well maintained and getting repairs done in a timely manner has a big impact on the quality of life for all tenants and helps encourage good rent collection and active participation. See the *Homesteaders's Handbook Volume 6: Maintenance and Repair* for more information. The fourth area is having good record keeping and reporting practices. They provide the basis for sound management decision making and help establish a professional and business-like atmosphere. This area is discussed in the *Homesteaders's Handbook Volume 5: Operations and Record Keeping.*

Conclusion

Governing your tenant association requires understanding the structure of your tenant association and the roles that officers, board members, committees and individual tenants play. It also requires familiarity with basic documents such as the TIL lease and tenant association by-laws and house rules. This manual is intended to be a reference that you use as you carry out your responsibilities of governance, particularly as officers, board members, and committee members. These responsibilities include setting policies, forming committees, holding elections, ensuring that policies are followed and overseeing your manager.

But familiarity with these structures, roles, and documents is not enough. Working together successfully in governing and managing your building requires good communication and problem-solving skills, knowledge of how to run good meetings, the ability to gain the participation

of the majority of building residents and more. These topics are covered in the *Homesteaders Handbook Volume 2: Communications, Problem Solving & Decision Making*. We strongly encourage you to read this companion volume.

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