



**Volume 1 Number 1**



**Table of Contents**

**Green Energy . . . . . 2**  
**Affordable Homes . 3**  
**Grow Your Own Food Co-op. . . . . 4**  
**BioFuel Co-op. . . . . 4**  
**Upcoming Events . . 4**

**OCTOBER IS CO-OP MONTH!**

**This month, cooperatives all across America celebrate the role, accomplishments and contributions of cooperatives.**

**California Center for Cooperative Development**

**430 F Street Suite 1  
Davis CA 95616**

**www.cccd.coop**

**Ph: 530-297-1032  
Fx: 530-297-1033**

# CO-OP CONNECTIONS

A PUBLICATION OF THE CALIFORNIA CENTER FOR COOPERATIVE DEVELOPMENT

**Fall 2008**

## CO-OP SOLUTION TO AFFORDABLE CHILDCARE

Cooperation is fundamental to Knights Landing Children’s Center (KLCC). Community parents, the local elementary school, the school district, the local Family Resource Center, and current staff of the California Center for Cooperative Development worked together to make the Center’s 2005 opening a success. Today, the Parent Cooperative Center continues to provide quality child care and preschool experiences for community children ages two to six.



*Co-op preschool students learn about colors, shapes, and textures.*

Knights Landing Children’s Center (KLCC) meets the unique needs of families in the rural agricultural community of Knights Landing. Most of

the parent members work in agricultural jobs and speak only Spanish. The Center is the only child care center in the community, and is conveniently located in a classroom at Grafton Elementary School.

Near the end of the school year last spring, the Grafton Elementary principal contacted KLCC director-teacher Clare Purtil to ask about the program because the standardized test scores for kindergarten and first graders who were co-op preschoolers were significantly higher than the school average. “I believe that parent involvement has a lot to do with those scores,” says Ms. Purtil.

The non-profit co-op is led by a board of parents who are elected by member parents. Each family is required to contribute five hours a month by either helping in the classroom or performing other functions that support the program. Every year parents must attend the annual membership meeting and a minimum of six education classes that focus on parenting issues.

*See KLCC on Page 2*

## A LETTER FROM THE CENTER...

This fall marks the beginning of the second year of operations of the California Center for Cooperative Development. The Center’s accomplishments have focused on utilizing and celebrating the cooperative model as a strategy to address social and economic problems.

I am delighted to work with a professional staff and a board of directors who are committed to the Center’s mission. My background in sociology and experience with community development has fortified my belief that the cooperative model is the best model for effective change.

Rather than a model that looks at a problem and seeks to present a service to “those people,” a cooperative asks those experiencing a shared specific need or issue such as housing, a



*CCCD staff, from left to right: intern Yu Ri Lee, Luis Sierra, E. Kim Coontz, Lisa Pray, consultant Andrew McLeod, and Danielle Fodor*

*See Letter on Page 2*



## Board of Directors

### Lucas Frerichs Chair

*Past President,  
Davis Food Co-op & Yolo  
Mutual Housing Association*

### Tim Huet Vice Chair

*Arizmendi Association of  
Cooperatives*

### Jessica Nelson Treasurer

*Plumas Sierra Rural  
Electric Cooperative*

### Leland Ruth Secretary

*President Emeritus,  
Agricultural Council of  
California*

### Karen Tiedemann Board Member

*Goldfarb & Lipman LLP*



## Staff

### E. Kim Coontz

*Executive Director*

### Danielle Fodor

*Cooperative Specialist*

### Lisa Pray

*Operations Manager*

### Luis Sierra

*Cooperative Specialist*

### Andrew McLeod

*Independent Consultant*

## FROM TRASH TO CASH:

### Orchard Waste Turned to Green Energy

California growers, facing a June 2010 deadline to stop burning orchard prunings in the field, came up with a potential solution with the assistance of a USDA grant and California Center for Cooperative Development. The deadline affects growers in 13 rural counties in California's Central Valley.

The grant funded a feasibility study of possible uses of orchard prunings, including grinding them in the field or transporting them to a mill where they would be resized into sawdust for export or for use as an energy source. A variety of financial models were developed, showing the best alternative is to form a cooperative of growers to resize and sell the prunings.

The feasibility study team included experts in

agricultural marketing, international trade and production economics. The cooperative will not only assist the farmers in meeting environmental requirements, but will also provide jobs in rural areas by using local labor to the transport and process the prunings.

Since the study's conclusion, a German company has expressed interest in developing a pellet mill near the Port of Sacramento. Pellets produced would be shipped to Germany to help companies meet their energy efficiency quotas. For California, this will support an environmental alternative to burning, ensure farmers a market for their by-products, as well as provide employment opportunities.

*Lisa Pray*

### Letter Cont.

lack of child care, or unemployment, to come to the table in planning out how to address the particular issue confronting them. It asks people to see what they have in common with each other and to recognize the potential they have as a group to address the issue. It requires that people make commitments that they continue to work to keep the dream, that they democratically make decisions, and they commit time and energy to the problem.

The result is that people are accountable, and they are able to tailor the solution to their specific shared need; rather than being presented with a 'take or leave it' model created in a one size fits all fashion. The cooperative process requires people to realize the power in themselves to solve problems. They experience the mutual benefits that emerge from working with others to address needs they have in common. The empowering experiences people have addressing a specific issue through a cooperative enterprise spills over to other areas of people's lives, and makes a positive community difference. Cooperators become more engaged citizens, see the capacity they have to make a difference, and they see the value of working cooperatively with others.

I believe that I am a very lucky person to be able to work where I am able to be a supporter and an observer of these powerful, cooperative processes. Please consider making a financial contribution to CCCD, to help us to advance the power of cooperation.



E. Kim Coontz  
Executive Director

### KLCC Cont.

KLCC board treasurer Gricelda Cardenas shares: "I am able to participate in my children's education. I receive parenting and educational support from both the staff and other parents." Member Sheryl Pedroia appreciates "the quality of learning at KLCC, the hands-on learning, having parents involved, and how this helps with children's learning."

While KLCC has a strong program and many success stories to share, it struggles with funding issues. The center prides itself on its economic diversity, but the reality is that the income level of many member families is at or below the poverty level. KLCC staff are trained to help qualified families apply for public subsidies, however public funds are insufficient to meet the demand so families are often unable to obtain subsidies for which they qualify. In recognition of this problem, the co-op maintains a sliding fee scale that allows parents of modest means to pay significantly less tuition than those with higher incomes. This means that outside funding must be raised to fill the tuition gap.

The California Center for Cooperative Development has offered ongoing assistance to Knights Landing Children's Center since the founding of CCCD. Two years ago CCCD was awarded funding from USDA's Rural Cooperative Development grant to provide technical assistance to the co-op. Since that time, student interns with CCCD have worked with CCCD staff and KLCC staff to identify funding sources, draft grant applications and prepare presentation materials. "CCCD has been an invaluable support to our co-op," remarks Ms. Purtil. CCCD is actively helping KLCC to create sustainable strategies that will help the cooperative child care program endure.

*E. Kim Coontz*

## COOPERATIVES PLACE HOMEOWNERSHIP IN REACH OF WORKING FAMILIES

Difficult economic times often create opportunities to implement nontraditional problem solving strategies. The crisis in the housing market creates an opportunity to promote cooperative housing to communities looking for viable solutions to home ownership for low and moderate income families. The California Center for Cooperative Development is currently engaged in a multi-year program to educate policy makers, affordable housing developers, and consumers about Limited Equity Housing Cooperatives.

Fueled by data showing that home ownership positively affects everything from improved school performance to reduced crime, an array of publicly funded programs exist to generate home ownership opportunities. Government supported lending programs like Fannie Mae and Freddie Mac assist a wide range of income groups. In addition, programs specifically target low and moderate income families who have not previously owned a home.

Traditional strategies focus on providing low and moderate income households with down payment and loan qualifying assistance to purchase single family homes. Flaws in this funding strategy have resulted in the squandering of public funds and left many program beneficiaries worse off than they were before the assistance.



*At Mariposa Grove Cooperative in north Oakland, members review plans of their community.*

First, traditional strategies lack effective mechanisms for preserving affordability when the initial household changes ownership and the subsidy benefit is not passed on to subsequent low income homebuyers.

Second, the financial monitoring mechanisms proved ineffective because many homeowners refinanced to predatory, sub-prime lending schemes and thereafter lost their homes. This caused federal, state, and local agencies to lose their investments and left homeowners with credit scores so low that even rental housing is difficult to obtain.

Limited equity housing cooperatives (LEHCs) offer home ownership opportunities for low and moderate income households that do not have the flaws



*Dos Pinos, a Limited Equity Housing Co-op founded in 1984, provides affordable homeownership to 60 households in Davis.*

of traditional programs. The buildings range from a group of single family houses to townhomes. LEHCs are financed with a blanket mortgage that covers the entire development. Homeowners own a "share" in the development that grants them occupancy rights to a particular unit. They pay monthly "carrying charges" that include their share of the mortgage payment and an investment in reserves to be used for maintenance and repairs. The financing model allows members to move to a smaller or larger unit if their needs change without costly transaction costs.

Enduring affordability is assured in the LEHC model because there is a cap on the re-sale appreciation value of the unit. The cooperative is a prudent investment for public subsidies because of this effective mechanism for preserving affordability over time and because the financing structure of the cooperative insulates the project from problematic refinancing schemes.

Although there is a limit on the re-sale equity a homeowner can earn, the co-op member still reaps homeowner benefits. Cooperative housing members gain a homeowner tax deduction, payment stability, asset investment, and control over how funds are allocated to infrastructure repairs and improvements. Cooperatives enhance social and community building mechanisms.

Patty Milich, a 22-year member of Dos Pinos housing Cooperative in Davis, CA says that her low monthly mortgage payment has allowed her to finance her daughters college education.

Claire Hirsch has been a member of Marathon Co-op in Los Angeles since 1986 and served as a board member for 12 years. Ms. Hirsch explains: "We are a pretty happy community. While we have house rules and sometimes there are problems, on the whole members really get along—we know we have a good thing."

*E. Kim Coontz and Danielle Fodor*

### Mission Statement

The mission of the California Center for Cooperative Development is to promote cooperatives as a vibrant business model to address the economic and social needs of California's communities.

## Upcoming Events

### Cooperative Executive & Director Education

Governance & Finance for Agricultural Co-ops  
November 13 & 14  
Visalia

### Nuts & Bolts of Cooperative Housing

How to create permanently affordable homeownership  
Spring 2009

### Co-ops & Communities

2 day conference for housing, consumer, artisan, & worker co-ops  
TBA 2009  
Bay Area

### Western Worker Co-op Conference

Fall 2009

## GROW YOUR OWN CO-OP

### Program Links Healthy Food to Under-Served Communities



*The Davis Food Co-op, founded in 1972, has over 9000 members.*

The California Center for Cooperative Development (CCCD) is developing a series of workshops about how to start a food co-op, called *Grow Your Own Food Co-op*. It is modeled after a successful project by the Northwest Cooperative Development Center in Olympia, Washington, which has reached more than a dozen communities over the course of five weekend-long events. Several participants have already opened their new stores in cities across the Northwest.

CCCD's program will promote community food security by targeting under-served neighborhoods and rural communities without access to affordable and healthy foods. The program recognizes the many contributions that cooperative grocery stores can make, from improving nutrition and civic engagement to stimulating economic development and job creation. This may be particularly effective in areas where communities face the loss of their primary grocery store.

Grow Your Own Food Co-op is recruiting the assistance of existing food cooperatives, and CCCD is actively seeking funds to launch the program.

Andrew McLeod

♻️ This newsletter is printed on recycled paper. ♻️

## CO-OP SPOTLIGHT:

### The BioFuel Oasis

The Biofuel Oasis is a filling station that sells locally-manufactured biodiesel from recycled vegetable oil. It is cooperatively owned and operated by an all-woman workforce.

**Location:** 1441 Ashby Ave. Berkeley

**Year founded:** 2003

**Co-op Type:** Worker-Owned

**Number of Members:** 5

**Purpose:** To provide greater access to biodiesel, a renewable fuel that reduces harmful tailpipe emissions.

**How It Works:** Members join by buying a share in the co-op, which collectively owns and operates the station. Each worker-owner has an equitable share of work responsibilities, including both administrative work and "on the floor" shifts at the filling station. Business decisions are made by consensus.

**About being a co-op:** "The thing that I appreciate the most is our customers, [...] the greatest customers ever. There's this sense of unity. Right now we are building a new station and we did this whole campaign to raise capital, asking people for \$100 each. We raised about \$60,000 that way. So we are a for-profit business, but we have this sense of unity with the community," says worker-member Novella Carpenter.



## YES! I WANT TO SUPPORT THE CENTER TODAY!

Name \_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_ Email \_\_\_\_\_

Donation Level  \$ 25  \$ 50  \$ 100  \$ 200  \$ 500  \_\_\_\_\_

You can donate via check payable to the California Center for Cooperative Development (CCCD), 430 F Street, Suite A, Davis CA  
Or donate online via credit card at [www.cccd.coop](http://www.cccd.coop).

Primary interest(s) in cooperatives :  Agriculture  Artisan  Childcare/Education  
 Credit Unions  Energy  Food  Housing  Worker  \_\_\_\_\_

Thank you for your tax-deductible donation to support the cooperative movement!