



New York City
Real Estate
Investment
Cooperative

**We want to help
communities take
back land.**

*Do you want to
shape our
future?*

Run for the board of the NYC Real Estate Investment Cooperative, or nominate someone!

About Us: We're a group of over 500 NYers pooling money and power to invest in real estate that ***preserves, restores and enhances local spaces for cultural, commercial and charitable uses in NYC.*** Consistent with the principles and spirit of the cooperative movement, we seek ***long-term, stabilizing and transformative investments for the mutual benefit of our member-investors and our communities.***

About You or Your Nominee: We seek nominees from all five boroughs who are committed to the grassroots-led development of their neighborhoods. People engaged in organizing to make their neighborhoods strong and healthy through the years of disinvestment that have preceded gentrification are encouraged to apply.

SAVE THE DATE : The election will take place on **SUNDAY, NOVEMBER 12, 2017** from 3pm to 6pm. We are being generously hosted by Prime Produce (424 W 54th St, New York, NY 10019): A, C, B, D, 1 at Columbus Circle.

**Nominate yourself or someone else by
contacting Todd Arena.**

For more information, please visit nycreic.com/elections or contact Todd Arena at arena.todd@gmail.com or (646) 730-6206.



Hello Neighbor!

Thank you for your interest in running for the NYC Real Estate Investment Cooperative's (REIC) *First Board of Directors*! Before we continue, let us take a moment to acknowledge and appreciate all of our members who have gathered from the many different walks of life that exist in our diverse city to get us to where we are today. It is often said that "showing up is half the battle," and in a city that constantly has so much going on, it is no small feat that we have attained a membership of over 500 people and elected a governing body (the Steering Committee / Founding Board) which has worked to form a legal entity for the REIC, adopt REIC bylaws that outline a more permanent governance structure, and acquire approval from the New York Attorney General for exemption from securities registration requirements.

What is the NYC REIC?

Our mission is to legally pool our money and resources to help small businesses and community groups purchase commercial real estate property and ensure that these properties remain permanently affordable. We ensure the permanent affordability of these properties by putting the land under them into local public stewardship arrangements: we put people, not developers, in charge of land.

What is the Board and why do we have one?

A lot of coordination is needed to accomplish our mission, and electing a small group of us to take the lead on this critical work helps us accomplish our goals. Think of it as circular accountability: our Board keeps us accountable to our goals, and we keep the Board accountable to us, the membership! However, the Board does not lead us; it represents us, and will lead the business by having general authority to make administrative and managerial decisions regarding the work of the cooperative, including management of the pools of money we raise to invest in New York City. Important decisions, such as approval of projects, must be decided by the entire membership.

Time Commitment

Being a member of our Board is a significant commitment and shouldn't be looked at as a hobby. Like most start-up co-ops, our Board is a "working board." This means that the regular business of the cooperative relies on the active involvement of the Board of Directors to complete projects focused on: technical challenges; legal and governance matters; relationship building with new communities, new members, other investors; and the vetting of projects to be presented as candidates for investment by member-investors. With sufficient fundraising and/or member engagement, the burden on the Board from these "mini-projects" can be reduced as responsibility and accountability is spread among the membership and/or staff. **Note: the co-op currently has no staff or other employees.**

The Steering Committee/Founding Board (the "SC," for short) members currently spend 1-10 hours per week, depending on workflow and the level of involvement of a particular Director in that week's work. During peak times this can increase to 10-15 hours per week. Each of the member



meetings¹ and the cooperative's mini-projects likely constitutes a "peak time." The SC members experienced 4-6 peak times a year; as a Director on the First Board you may experience more or less peak times, depending on how effectively the Board manages its time and workflow, the level of member involvement and whether the cooperative is able to hire staff/compensate members to support its work.

Directors on the Board will hold office for a period of 1-3 years. Each Director's term will be determined by the Board to ensure the best possible management and accountability.

The First Board's Duties

As a member of the First Board of Directors, you and your fellow Board members will be responsible for:

- 1) Putting into operation the business plan developed by the Steering Committee, including:
 - a) Developing an investment policy based on the development work of the workgroups and SC
 - b) Implementing a process for investment approval by the membership
 - c) Implementing a member-investor outreach program
- 2) Evaluating investment opportunities brought before the co-op by directors & members
- 3) Organizing, scheduling, and maintaining records of:
 - a) Meetings of the Board
 - b) All Member Quarterly Meetings
- 4) Overseeing and coordinating Committees grown out of the existing work groups;
- 5) Forming, overseeing and coordinating Committees of the Board (e.g. Executive, Finance, and Audit Committees) as and when needed or required; and
- 6) Forming, overseeing and coordinating ad hoc and standing project committees.

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¹ The Board of Directors is required to meet at least every three months, with a suggestion to hold meetings once a month – though perhaps more or less often as needed by discretion of the Board in order to fulfill its duties. Member meetings are also held every three months (quarterly), and there is also an annual member meeting where the members elect new Directors for the open seats on the Board.



Defining the need

An equitable, inclusive, resilient and thriving city requires commercial and cultural spaces that are accessible to a range of businesses and organizations, reflecting the communities they serve. In New York City, many cooperatives, small businesses, cultural groups and community-based organizations lack the access to capital to purchase and renovate workspaces in an increasingly expensive and financialized real estate market. Others are unable to meet rising rents, and are displaced. While affordable housing developers are supported by an entire sector of community development financial institutions, the manufacturing, arts, and retail sectors lack a coherent infrastructure for financing permanently affordable workspaces. As the New York City Real Estate Investment Cooperative (NYC REIC), we are coming together to generate an alternative to this narrative.

Our vision

We, the members of the NYC REIC, believe that a democratic investment mechanism for affordable commercial and cultural spaces will help build the equitable, inclusive, resilient and thriving city that we want. We will do this by combining different methods of fundraising, seeking traditional donations and investment dollars from individuals and social capital providers and supplementing these with loans and other mainstream financing.

Our vision is to build a different type of real estate investment platform.

We will:

- assist communities in raising the capital they need;
- work with community-based organizations to plan and implement their real estate development projects; and
- support local community activism to ensure that the city emphasizes affordable, community-controlled commercial space in its land use decisions.

We are committed to putting our vision into action through an initial pilot project as soon as possible and, within ten years, intend to create a reliable and replicable platform for protecting affordable community and commercial spaces in New York City.

See <http://nycreic.com> for more information, and to find out how you can get involved.



How we will get there

We, the members of the NYC REIC, are pooling our money and power to secure space for **community, small business, cooperative enterprise and cultural use** in NYC. Consistent with the principles and spirit of the cooperative movement, the NYC REIC aims to make long-term, stabilizing, and transformative investments for the benefit of our member-owners *and* our communities.

While member investments are the heart of the cooperative, during the start-up phase of the NYC REIC, they will be complemented by charitable contributions for the support of operating expenses. The NYC REIC will identify potential investment projects and/or properties, in accordance with the following criteria:

- The property to be acquired is in New York City.
- The programming proposed in the property supports culture, small business, cooperative enterprise, and/or provides community benefit.
- The programming in the property benefits populations that have traditionally faced barriers of access to stable places to assemble and/or do their work.
- The proposed property and programming are financially sound, so that we will be able to pay members back; we aim to minimize the risks we are taking with our money and resources.
- The property acquired is restricted from being transferred as a market commodity in the future, through legal mechanisms in its deed (e.g., covenants, conservation easements, community land trusts, etc.).

Once we have identified a few potential investment projects and/or properties, we are committed to engaging with residents and community-based organizations from the neighborhoods where those properties are located. Communities themselves will have final say over the structure of the investment and the programming of the space. The NYC REIC will strive to offer a variety of options to each community and clearly communicate the trade-offs of each option.

We will work to attract investments from other cooperatives, pension funds, and program-related investment accounts. We will collaborate with organizations with missions that are compatible with ours, to ensure an economically and culturally diverse NYC.

See <http://nycreic.com> for more information, and to find out how you can get involved.

Appendix A: Duties of the Board

As stated in the REIC's certificate of incorporation:

The NYC REIC is organized for the charitable and educational purposes of combating community deterioration and advancing long-term stability, diversity, vibrancy, and cohesion in New York City neighborhoods most affected by disinvestment and displacement. The NYC REIC develops solutions to preserve, restore, and enhance local spaces for cultural, commercial, and charitable uses by promoting community investments in real property.

The following are the duties of each board member:

The Members of the Board of Directors shall discharge their duties in good faith and with that degree of diligence, care and skill which an ordinary prudent person would exercise under similar circumstances in like positions. See also: **Appendix B: [Directors' Legal \(Fiduciary\) Duties](#)**

In the performance of their duties, the Directors shall:

- conduct their actions consistent with the ethical values of honesty, openness, social responsibility, and caring for others;
- provide education and training for the Members, elected representatives, managers, and employees, so they can contribute effectively to the development of the NYC REIC, their respective institutions, and their communities;
- strengthen the international cooperative movement by working with cooperatives and other member-controlled organizations through local, national, regional and international structures;
- inform the general public about the nature and benefits of cooperation; and
- work for the sustainable development of the communities of which they are a part.

The following is an additional duty of the full board acting as a whole:

When entering into agreements with other organizations (including governments), the Board shall work to ensure terms that promote democratic control by the Members and maintain the NYC REIC's autonomy.

Dear Prospective Members of the Board of Directors!

This is a brief introduction to the duties and responsibilities of being on the Board of Directors of NYC REIC, Inc. We will be making a more complete presentation in the middle of November. Please feel free to reach out with questions ahead of that meeting.

- Each member of the Board of Directors (a “Director”) is personally responsible, with the other Directors, for managing and overseeing NYC REIC, Inc., and for making corporate decisions.
 - In a membership corporation, like NYC REIC, Inc., some decisions may need member approval.
- The Initial Directors’ names and addresses will be on the Certificate of Incorporation, and may appear on NYC REIC, Inc.’s website and other public materials. The Initial Directors are responsible until the first Members Meeting after incorporation, when Directors will be elected by the Membership. Initial Directors may choose to run in that election.
- Individual Directors are not personally liable for harm caused by NYC REIC, Inc., unless they personally caused the harm.
- Each individual Director, however, has three key legal duties *to* NYC REIC, Inc. If a Director fails in these duties, other Directors, the State Attorney General, or a group of at least 10% of the Members may seek damages in court for harm caused to NYC REIC, Inc. or the public.
- The Duty of Care
 - Each Director must actively take care of NYC REIC, Inc. “in good faith and with the degree of diligence, care and skill which [an ordinarily prudent person] would exercise under similar circumstances in like situations.”¹ This includes:
 - Being informed about, and understanding all of your responsibilities;
 - Attending meetings;
 - Reading and understanding correspondence and reports by and about NYC REIC, Inc.;
 - Taking the work seriously, and using your best judgment;
- The Duty of Loyalty
 - Each Director must put NYC REIC, Inc.’s interests ahead of their own, and ahead of any other person or organization. This includes:
 - Avoiding conflicts of interest (e.g. where you could privately gain from NYC REIC, Inc.’s actions, or where your interests differ from NYC REIC, Inc.’s);
 - Disclosing anything that might appear to be a conflict of interest;
 - Upholding the organization’s good reputation;
 - Keeping nonpublic information confidential.
- The Duty of Obedience
 - Each Director must follow NYC REIC, Inc.’s rules, as well as federal, state, and local laws, ordinances, and regulations. This includes:
 - Understanding, and following NYC REIC, Inc.’s bylaws, resolutions, and policies;
 - If you disagree with any of NYC REIC, Inc.’s rules, seeking to amend them;
 - Learning about, and understanding, laws and regulations governing NYC REIC, Inc..

We look forward to discussing this further in person!

Jannon Stein, James Lacy (Student Lawyers)

¹ New York Not-for-Profit Corporation Law §717(a).



NYC REIC, Inc.
 Member-controlled non-profit 501c3
 1 member, 1 vote, open to all
 Board elected by members

Members of the NYC REIC
 can choose to be
 member-investors in a LLC
 that will invest in real
 property

LLC managed
 by NYC REIC,
 Inc.

People who live in
 neighborhoods where
 potential investment
 properties join the NYC
 REIC, Inc.



Tenants
 pay rent

LLC Invests
 in properties
 in NYC!

