

# ATTACHMENT 3

## CDP-Poland Activities and Results

(By Project Objective, June 1998-November 1999)

### Objective 1: Facilitating Physical Improvements

No.	Pilot Project	Description of Activity	Results
1	<p><b>Gdynia:</b> Constructed in 1960, this building contained 21 units.</p> <p style="text-align: center;"><b>SOPOT + BBG</b></p>	<p>Though intensive training program and day to day advisory support, the CDP helped the owners to create a renovation plan based on results of an energy audit that have been completed for the building. The audit was sponsored by CDP. The scope of needed improvements included:</p> <ul style="list-style-type: none"> <li>• Connecting the building to the main high pressure heating pipe</li> <li>• Installation of a new boiler</li> <li>• Automatic adjustment of heating regulation system to weather conditions</li> <li>• Replacement of electrical wire on the stairways</li> <li>• Roof renovation (based on CDP's recommendation) to increase the thermo-insulation qualities of the building.</li> </ul> <p>Work was carried out in two stages.</p> <p>Stage 1 – total value of work amounted \$9,459; of that amount:</p> <ul style="list-style-type: none"> <li>• Gdynia-condo association took credit of 25,000 PLN at Gdynia Communal Bank (<i>Bank Komunalny</i>) and</li> <li>• Condo members directly contributed \$2,703.</li> </ul> <p>Stage 2 – total work value of \$6,250; of that amount:</p> <ul style="list-style-type: none"> <li>• Gdynia-condo association took credit of 25,000 PLN at Gdynia Communal Bank (<i>Bank Komunalny</i>) and</li> <li>• Condo members directly contributed \$3,571.</li> </ul>	<p><b>21 improved units with total value of improvements: \$15,709.</b></p> <p><b>Financing from private sources: 100%.</b></p>
2	<p><b>Kutno:</b> This 30-unit building was constructed in 1965. It was selected as a CDP pilot in collaboration with local Social Housing Association (or TBS), who was (at that time) the manager of the condominium.</p>	<p>The CDP-advisor recommended the ways in which the manager could improve quality of performance, and together with condo members, worked out a renovation plan which satisfied the needs as they themselves defined. The evaluation of technical condition of the building (sponsored by the CDP) was the starting point to create that renovation plan. Carried out improvements included:</p> <ul style="list-style-type: none"> <li>• Connection of the building with the City central heating system,</li> <li>• Installation of a high performance boiler, with heating regulation system automatically adjusting to weather conditions.</li> </ul> <p>In addition, interior hallways and stairways were re-painted (completed in November 1999).</p>	<p><b>30 units improved with total value of improvements: \$12,500.</b></p> <p><b>Financing from public sources: 80%, from private sources: 20%</b></p>
3	<p><b>Warsaw – Boremilowska:</b> 27-unit building was constructed</p>	<p>The scope of renovation carried out was much more limited than it could have been. It included replacement of a horizontal part within water installation.</p>	<p><b>27 units improved with total value of improvements: \$2,250.</b></p>

	in 1956. It was selected as one of four pilots because of the existing (in-place) internal organizational structure.	Difficulties developed, however, when a relatively inexperienced young private property manager who managed the association (at the time) opposed preparation of an annual renovation plan following CDP's advice.	<b>Financing from private sources: 100%</b>
4	<b>Warsaw – Zakrzewska:</b> This was a 50-unit condominium constructed in 1954.	<p>The association asked for CDP's support in the difficult process of assuming management responsibilities. The majority of owners were not satisfied with the quality of performance of municipal condo manager. CDP advisors walked the condominium owners through the process of taking over management responsibilities, the selection of private property manager, and creation of condo renovation plan based on the most urgent needs of the building. Training for condo owners was conducted and different ways of taking over management from the municipality were presented. condominium Management was elected from among the most active condo owners and later, the Board selected GESTOR company as property administrator. In May 1999 the condominium decided to deal with the most immediate safety concerns which related to gas installation system for the whole building. The horizontal gas pipe was replaced in order to prevent possible explosion and thus secure the safety from explosion danger. Improvement included:</p> <ul style="list-style-type: none"> <li>• Horizontal gas pipe was replaced.</li> </ul> <p>For the Zakrzewska street condo association, the CDP sponsored carrying out of an energy audit with audit results serving as a basis for preparation of a renovation plan. The plan outlined further work leading to the increase in thermo-isolation qualities of the building. The CDP advisor also assisted the Board in searching for ways to finance this project, taking advantage of thermal-modernization loan program sponsored by the Polish government, and proceeds from the sale of adaptable attic space. Financing from private sources (up to 80% through credit and remaining portion from proceeds of attic space sale) was expected by the end of 1999.</p>	<p><b>50 units improved with total value of improvements: \$2,000.</b></p> <p><b>Financing from private sources: 100%</b></p>

## Objective 2: Training

The CDP-Poland developed an original one-day intensive training program to facilitate implementation of pilot projects. The primary objective of the training was to increase general awareness of condominium owners of organizational, managerial, and financial issues of condominium associations. Particular attention was paid to ways to facilitate improvement of management methods and to the establishment of renovation plans.

Activity Description	Results
<p>The training course included presentation of the following issues:</p> <ul style="list-style-type: none"> <li>• Basic condominium terminology</li> <li>• Owners' rights and responsibilities</li> <li>• Structure of the condominium's authorities</li> <li>• Organization and conducting owners' meeting and voting the resolutions</li> <li>• Development and usage the management plans (operational, capital, and cash flow budget)</li> <li>• Basic concepts of condo accounting</li> </ul>	<p><b>By November 1999, over 100 people took part in four training sessions.</b> Participants included condominium owners, renters, members of condominium Boards, and staff of property management firms.</p> <p>The feedback received from training participants, and results of activities undertaken by condominium associations following participation in training, prove the value of such sessions as an effective tool to increase condominium efficiency.</p>

### Objective 3: Manual

The CDP-Poland developed one of the first such manuals in Poland – *Manual for Condominium Owners*.

Activity Description	Results
<p>The Manual for Condominium Owners served as support material for CDP Training sessions. The manual addressed basic condominium sector needs and provided information explained in plain language. Chapters of the manual are similar to the topics outlined above in the the section on Training.</p>	<p>By November 1999, over 100 copies of the manual had been distributed among Pilot condo members, local government officials and property managers.</p>

### Objective 4: Non-USAID Capital Accessed

The following tables reflect (I) amounts already accessed and/or expended through CDP Pilot Projects for renovation works (capital and/or loans) and (II) estimated value of person-months of employment and equivalent dollar value of local gross income generated through home improvement projects:<sup>1</sup>

I. Amounts Accessed/Expended		
Pilot Project	Amount (złoty)	Amount USD (\$1=4 zł or 3.7 zł)
Gdynia	70,000.00	18,209.00
Kutno	50,000.00	12,500.00
Warsaw – Boremlowska	9,000.00	2,250.00
Warsaw – Zakrzewska	Accessed 8,000.00	2,000.00
	Expected 200,000.00	50,000.00
<b>TOTAL</b>	<b>337,000.00</b>	<b>84,959.00</b>

II. Estimated Value				
	Person-Months generated	Value of local gross income	Person-Months generated	Value of local gross income generated

<sup>1</sup> Based on CHF's estimates, with \$481/mo used as dollar equivalent of a gross monthly salary in construction sector. See B. Czachorska-Jones, *Assessing Economic...*, p. 10.

	<b>generated</b>	<b>generated</b>	<b>generated</b>	<b>income generated</b>
<b>Estimated Person-Months of Employment generated through pilot projects (128 improved units)</b>	<b>4.36 per unit</b>	<b>\$481/mo</b>	<b>(128*4.36) = 558</b>	<b>558*481=\$268,398</b>

## Objective 5: Dissemination of Knowledge and Experience

### 5b. Dissemination of knowledge and experience of U.S. experts

No	VIP	Assignment	Additional Results
1	<b>Catherine Rosenbery</b> , member of CAI, September 1998	Made presentation to representatives of Polish Urban and City Development Office, housing organizations and condominium population representatives. The focus of the presentation was modification of legal structure for the Polish condominium associations and presenting recommendations based on US experience for the Polish Act of Ownership modifications.	<ul style="list-style-type: none"> <li>• CAI made a donation of books to Warsaw-based CIM</li> </ul>
2	<b>Maria Rupp</b> , property manager November 1998	Worked for 3 weeks worked in Kutno to improve communication and relationship between property manager TBS Kutno and Kutno's condominiums. She also advised for Local Government Authorities in neighborhood City of Żychlin.	<ul style="list-style-type: none"> <li>• Workshops conducted;</li> <li>• VIP reported presented;</li> </ul>
3	<b>James Glantz</b> , Vice President of National Cooperative Bank (NCB), Washington, DC, February 1999	Worked with the BIG Bank Gdański (BBG) and the City of Sopot to review the loan condominium loan subsidy program and portfolio of current loans. The objective of this assignment was to recommend the ways to replicate similar program throughout Polish Cities and increase availability of funds based on public-private partnership. The CDP Volunteer also advised to the Polish Banking sector how to modify loan products for the condominium in order to define best loan collateral system.	<ul style="list-style-type: none"> <li>• Analysis of BBG condo loan portfolio conducted and presented to Bank representatives</li> <li>• Workshop conducted presenting challenges faced by US-based condominiums and cooperatives</li> </ul>
4	<b>John Conlon</b> , November 1999. President of Diamond Realty Management firm, in Latham, NY, which specializes in community association management for condominiums and homeowners associations in Northeastern New York State. DRM has a portfolio of 25 plus community associations ranging in size from 10 to 500 units with a total combined value of over \$350.0 million.	Advised CIM on housing project management systems and marketing of its services; conducted training.	<p>Areas covered by the consultancy to CIM included how to:</p> <ul style="list-style-type: none"> <li>• Broker loans to condominiums and cooperatives from financial institutions,</li> <li>• Market the professional services of local Agencies to Support Housing Initiatives (AWIMs)</li> <li>• Assess opportunities for property management in market environment</li> <li>• Prepare a checklist to evaluate property management performance</li> <li>• Prepare a case study utilizing U.S. examples, Conduct a conference to present property management experience and similarities between Polish and U.S. condominium markets</li> </ul>

### 5a. Dissemination of knowledge and experience of CDP Pilots

	Activity Description	Results
<b>Condominium Database</b>	As of 1999 the records contained 1,500 condominium files. The D-Base has already become an effective tool for mass mailing and information campaign. In August 1999, CDP's first database-based information campaign was conducted and information about available thermal-modernization loans set to 1,100 condominium associations throughout Poland. This was the first activity of this type in the country.	In addition to direct information dissemination, a number of publications about program achievements in Polish newspapers have been published.
<b>condominium Consultation Point in Gdynia</b>	Together with Association of condominium Associations (SWM) the CDP-Poland has created a Consultation Point in Gdynia. Consultants were trained to advise condominiums free of charge, and each attending participant had a chance to earn about lessons learned during Pilot Project implementation.	Several AWIM directors took part.