Affordable Home Ownership

Limited Equity Cooperatives
Limited Equity Housing Cooperatives

- Shared ownership of real estate by the residents

- Democratic structure: One person = One vote

- Removes property from the speculative market, value is determined by the residents

- Share value structure can provide long term affordability and/or modest wealth creation

- Provides standard tax benefits of other home ownership
Housing Cooperative Structure

- Resident Member
- Resident Member
- Resident Member
- Resident Member

Reside in

Resident Member

Cooperative Corporation

Own & Control

Owns

Real Estate
Financing the Purchase - Debt & Equity
A Share Value formula defines the affordability depending upon motivations.

- **Long Term Affordability**
  - Restrict increase in share value

- **Wealth Creation**
  - Allow for some increase in share value over time

**Share / Equity Valuation**
Forms of Public Support Needed

- Make housing cooperatives an eligible use for all existing affordable housing programs

- Provide subordinate debt or grants for cooperative purchase of real estate

- Provide financial or staff support for technical assistance to housing cooperatives

- Allow for tenant right-of-first-purchase of existing multifamily properties