

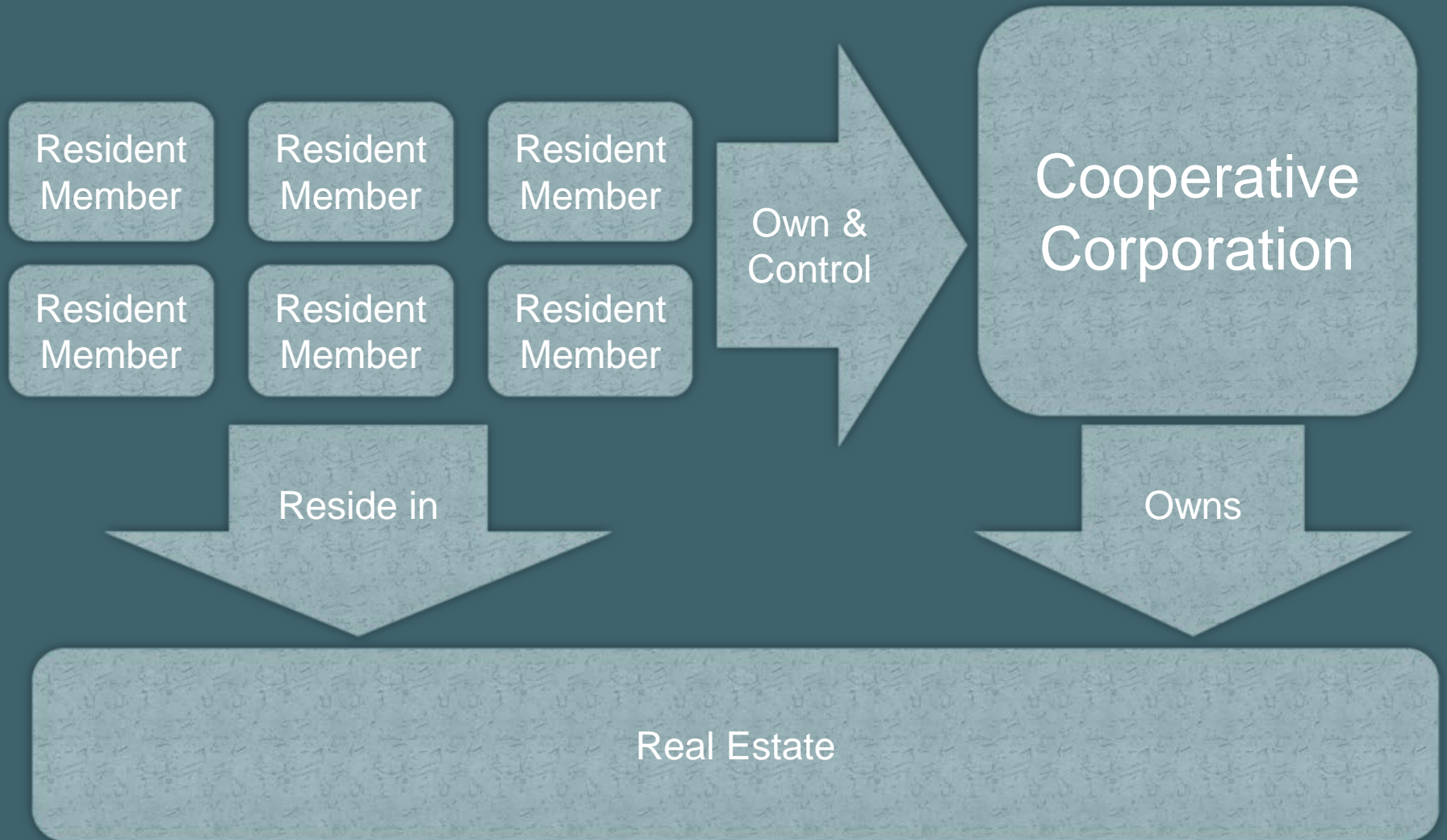
Affordable Home Ownership

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



Financing the Purchase - Debt & Equity



Share / Equity Valuation

A Share Value formula defines the affordability depending upon motivations



Restrict
increase in
share value

Allow for some
increase in share
value over time

Twin Cities Area Housing Cooperatives



Park Cooperative-Minneapolis



Rolling Meadows-Inver Grove Heights



The Nokoma - Minneapolis



Riverton Franklin St - Minneapolis



Kildahl Park Pointe - Northfield



Applewood Pointe - Woodbury



Wilder Square – St. Paul

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