

Chello

SQUARE





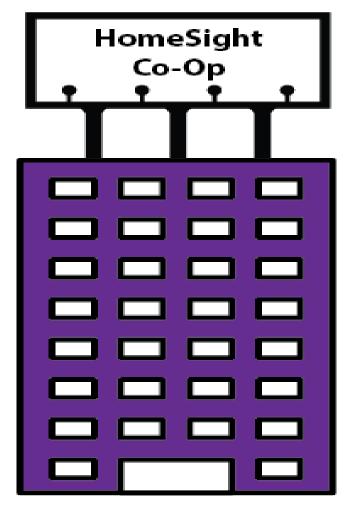
Othello Square - Affordable Homeownership Building

ARCHITECTS

What is a "Limited Equity" Co-op?







68 UNITS

1, 2, and 3 bedrooms

NeighborWorks CHARTERED MEMBER

Co-Op

- Own a share of the property
- Share allows occupancy rights to a unit (occupancy agreement)
- Financing amounts for loan to purchase a share
- Required to pay a monthly fees to cover communal expenses and the building carrying cost (portion may be tax deductible)
- Need approval for renovations
- **Build equity**

Condo

- Own unit along with portion of common elements
- Monthly fee to association to manage the property
- Can renovate or rent unit at will
- Responsible for all maintenance
- **Build equity**

VS

Rental

- Do not own unit
- Do not build equity
- Do not need to finance
- Landlord responsible for renovations and most maintenance

Co-op Benefits

Economic Benefits

- Affordable
- Stable housing payments
- Homeowner tax deduction
- Asset Building opportunity
- Limited Liability
- Co-op owners share in the value and benefits

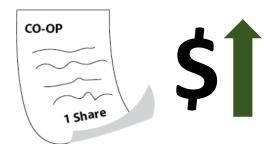
Social Benefits

- Self-Management
- Community Control
- Security
- Cultural Diversity
- Leadership Skill Development
- Democratic and Civic Participation



A Limited-Equity Example

CEILING ON RETURN





was able to purchase a unit today at an affordable \$1500



increased in value based on formula(just not at market rates)



allows for

was able to purchase a unit three years from now at an affordable \$1600 (market rate would have been \$2000)



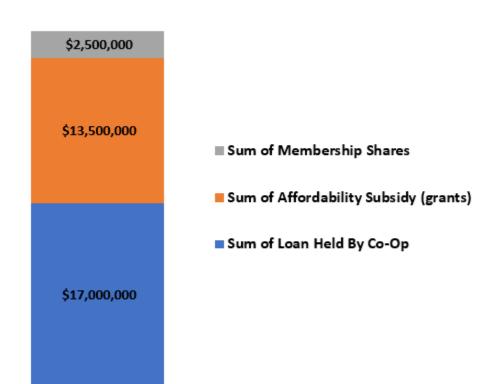
received a return of \$100 on the unit and helped continue the cycle of affordable housing!





Proposed Co-op Capital Structure

TOTAL PROJECT COSTS: \$33M







Questions







