



*Woolman-Washington Co-op*

## Longitudinal Impact Study on CCLF's Shared-Equity Housing Financing





Helping create communities where people thrive

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## Background/Introduction

Chicago Community Loan Fund (CCLF) is a certified Community Development Financial Institution (CDFI) founded in 1991 to provide flexible, affordable and responsible financing and technical assistance for community stabilization and development efforts and initiatives that benefit low- to moderate-income (LMI) neighborhoods, families and individuals throughout metropolitan Chicago. CCLF's financing products work together to address the community development needs of distressed neighborhoods in the areas of affordable housing, community facilities, commercial retail development and new or expanded social enterprises. As a CDFI, CCLF couples its patient lending with technical assistance to help neighborhood-based organizations develop financially and environmentally sound projects and overcome roadblocks that prevent development projects from moving forward. These projects compliment other strategic initiatives to transform a city block, neighborhood, and community until the entire metropolitan region continues to prosper to its fullest potential.

In keeping with its primordial mission to make capital available for social impact development projects, CCLF takes on a comprehensive evaluation of its lending to measure social impact over time and establish new pathways forward that continue to meet urgent community development needs in LMI neighborhoods. This study provides an overview of CCLF's lending for shared-equity housing, also referred to as affordable housing cooperatives.

CCLF specializes in providing financing for housing cooperatives (co-ops), food co-ops and worker-owned co-ops. Since its founding through December 2017, CCLF awarded \$8,776,213 in loans to 27 affordable housing cooperatives. CCLF also financed one worker-owned co-op and two food co-ops.

Housing cooperatives are a form of shared home ownership in multi-unit buildings. The co-op is owned by all the members jointly. Members of the co-op buy a share of ownership that gives them rights to one unit. Share prices vary depending on the size of the unit. Shared-equity housing promotes long-term affordability and serves as an alternative to traditional home ownership. It offers members entry into the home ownership market with the full financial and legal responsibility shared among the families living at the co-op, making home ownership a real option for lower-income families. Oftentimes, members build enough equity and wealth while living in the co-op that they eventually move out to own their own single-family property, making their unit available for another member to buy into the co-op.

**The purpose of this study was to measure if shared-equity housing financed by a CCLF loan represents an economical form of home ownership that increases the wealth of owners/shareholders and the impact on the neighborhood.**



Sol House Co-op Garden

Co-op Name	Settlement Date	Loan Amount	Dollars Leveraged	Units of Housing	Neighborhood
Bickerdike Redevelopment Corporation (BRC2)	4/13/1995	\$145,000	\$4,426,733	40	West Town
Cambridge Manor Tenant Council	2/24/2011	265,000	9,246,014	312	Douglas
Ellis Cooperative	11/18/2003	350,000	-	36	Oakland
Freedom Road Cooperative	5/31/2001	619,468	337,000	6	Uptown
Genesis Cooperative Corporation	4/14/2014	410,000	-	21	South Shore
Good News Partners 1 (The BOS)	6/2/2003	354,000	-	6	Rogers Park
Good News Partners 2 (Phoenix Co-op)	10/19/2004	350,000	-	16	Rogers Park
Good News Partners 3 (Phoenix Co-op 2)	5/27/2010	200,000	-	4	Rogers Park
Good News Partners - Fargo	2/19/2016	225,250	-	4	Rogers Park
Hesed House Cooperative	8/21/2008	315,000	-	4	Little Village
HUB Housing Cooperative	12/30/2004	615,000	158,000	5	Little Village
Logan Square Cooperative	10/30/2001	332,000	251,500	8	Logan Square
Logan Square Cooperative 1B	12/9/2003	180,000	-	-	Logan Square
Lots in Common	12/28/2004	300,000	1,160,000	50	Hyde Park
Lots in Common II	5/14/2003	410,000	-	12	Hyde Park
NASCO Properties -Qumbya Cooperative	2/12/2009	1,022,495	120,000	38	Hyde Park
North American Students of Cooperation (NASCO) 1	8/5/1993	45,000	-	0	Hyde Park
North American Students of Cooperation (NASCO) 2	3/12/2002	315,000	911,000	20	Hyde Park
People's Reinvestment & Development Effort (PRIDE II) and Cooperative Association of Parkside (CAP)	9/22/1995	5,000	-	18	Austin
Racine Courts Cooperative	12/20/2007				
Spaulding Cooperative	11/23/2004	185,000	1,750	6	Logan Square
SOL House (previously Blue Stem Cooperative)	8/1/2011	626,000	287,328	6	Logan Square
Stone Soup Cooperative	8/31/2000	355,000	49,750	10	Uptown
Stone Soup Cooperative 2	4/30/2002	165,000	24,505	7	McKinley Park
Winthrop Apartments Cooperative	8/14/2015	158,000	288,033	18	Edgewater
Woolman-Washington Cooperative	11/23/2015	144,000	-	51	West Town
<b>Cooperative Housing Totals: 27 Loans</b>		<b>\$8,776,213</b>	<b>\$1,261,613</b>	<b>819</b>	

## Methodology

The sample size for this study included all of the 27 co-ops that received a CCLF loan. The goal of the study was to obtain feedback from at least 50% of the co-ops. Survey questions were developed by CCLF staff and the consultant, and suggestions received from Charles Daas, former executive director of Chicago Mutual Housing Network and editor of *Affordable Housing Cooperatives: Their Conditions and Prospects in Chicago* (2004). Daas is also a CCLF Board member. Design of the questionnaire was to obtain generalizations about the co-op and not just the person interviewed. The majority of interviewees were able to provide these general statements about other owners/residents living in the co-op. These general statements can be fairly accurate because of the close nature of co-op living and the structure for operations lends itself to having personal knowledge of neighbors/co-owners. The questionnaire was comprised of four sections which included general demographics, how CCLF's financing created or preserved affordable housing, how the co-op contributes to community, and how CCLF financing advanced the mission of the co-op. CCLF's financing of these co-ops has helped to create or preserve affordable housing for many years.

Sixteen (59%) of the 27 co-ops participated and responded by phone interview or an in-person interview. In-person interviews were conducted with NASCO Qumbya (which owns two properties)<sup>1</sup> and SOL House. Phone interviews were conducted and completed with Freedom Road, Genesis, Hesed House, HUB, Logan Square, NASCO 1, NASCO 2, Spaulding, and Woolman-Washington. The Good News Partners 1 (The BOS), Good News Partners 2 (Phoenix), Good News Partners 3 (Phoenix 2), and Good News Partners (Fargo) interviews were conducted in-person but incomplete due to key leaders within the organization not being available. The completed answers to all questions from the four Good News Partners properties were received by written response to the questionnaire. Interviewers included Claudette Baker and Corlis Moody, president and senior consultant, Claudette G. Baker & Associates, Inc.<sup>2</sup>, respectively.

### CCLF HOUSING COOPERATIVE CUSTOMER PROFILE

The number of initial owners of each co-op surveyed had five to 20 members whose ages ranged from 20-70 years. Some owners were disabled, LGBTQ, mostly Caucasian, and were blue collar working families.

<sup>1</sup> NASCO Qumbya interview conducted in-person and by phone.    <sup>2</sup> Corporate profile listed on page 14.

## CCLF Co-op Demographics

Co-Op	# Initial Members	# Current Members	Average Age	Ethnicity	Geographic Area
Freedom Road Cooperative	14	18	60-70	89% Caucasian, 5% African American, 5% Hispanic	Uptown
Genesis Cooperative Corporation	20	15		100% African American	South Shore
Good News Partners 1 (The BOS)	6	4	32	66.7% African American, 33.3% Hispanic	Rogers Park
Good News Partners 2 (Phoenix 1)	26	12	35	37.5% Caucasian, 25% African American, 18.8% Hispanic, 18.8% Other	Rogers Park
Good News Partners 3 (Phoenix 2)	4	2	35	33.3% African American, 66.7% Hispanic	Rogers Park
Good News Partners- Fargo	5	5	38	25% Caucasian, 24% African American, 50% Hispanic	Rogers Park
Hesed House Cooperative	7	9	25-60	100% Caucasian	Little Village
HUB Housing Cooperative	10	11	29-65	100% Caucasian	Little Village
Logan Square Cooperative	8	8		63% Caucasian, 37% Asian American	Logan Square
NASCO Lots in Common	12	12	30	90% Caucasian, 6% Asian, 4% African American, Latino	Hyde Park
NASCO Qumbya University	20	19	20-40	90% Caucasian, 6% Asian, 4% African American, Latino	Hyde Park
NASCO Qumbya Blackstone	18	17	20-40	90% Caucasian, 6% Asian, 4% African American, Latino	Hyde Park
NASCO Qumbya Ridgewood	12		20-30	90% Caucasian, 6% Asian, 4% African American, Latino	Hyde Park
Spaulding Cooperative	5	6		83% Caucasian, 16% African American	Logan Square
SOL House	5	6		100% Caucasian	Logan Square
Woolman-Washington Cooperative	51	49	23-92	African American, Hispanic, Caucasian	West Town

## Preserving Affordable Housing

A DePaul Institute for Housing Studies states that in Cook County roughly 51% of all renter households in the county were housing-cost burdened, meaning they spent more than 30% of their income on housing. For homeowners, 34.7% were cost burdened and 15.4% were severely cost burdened, or 1.4 times the national rate. The same report also found that in 2017, Cook County's rental rate was at its highest level since 1990. Affordable housing cooperatives are a way to help families reduce housing cost burden and build wealth.

A cooperative is "an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise".<sup>3</sup> In the beginning, co-ops had admission requirements and were very similar to private country clubs, housing many of the families in Chicago that were economically prosperous. But throughout history, co-ops have become more economically diverse due to a number of rule changes. Co-ops came before condominiums as the first way for apartment ownership in Chicago.<sup>4</sup> A primary advantage of a housing cooperative is the ability to group members' resources together to leverage their collective buying power, which lowers the cost per member in services and products linked to home ownership.<sup>5</sup> Affordability can include lower down payments, lower closing costs, economies of scale, and a longer mortgage term, which makes cooperatives more affordable than other ownership housing. In this study, affordable housing has allowed members to volunteer, become entrepreneurs, provide childcare, and do more activities with their children.

<sup>3</sup> www.cicopa.coop, C. J. (n.d.). CICOPA. Retrieved July 19, 2017, from <http://www.cicopa.coop/What-is-a-cooperative.html>

<sup>4</sup> Ames, J. (2009). Understanding Coop Apartments in Chicago. Retrieved July 19, 2017, from <http://www.liveandplayinchicago.com/index.php/understanding-coop-apartments-in-chicago/>

<sup>5</sup> Housing cooperative. (2017, July 13). Retrieved July 19, 2017, from [https://en.wikipedia.org/wiki/Housing\\_cooperative](https://en.wikipedia.org/wiki/Housing_cooperative)

## Affordable Housing (cont.)

The household family income of CCLF co-ops ranged from \$30,000 to \$90,000, depending on the area. The median income for families living in the co-ops was generally slightly less than for homeowners in the area. According to U.S. Census data, the median income for housing owners for the geographic areas where the co-ops are located ranged from \$20,000 to just above \$122,000.

## Co-op Rates and Costs

Income and Market Housing Rates				
Co-Op	Owner-Occupied Median Household Income	Owner-Occupied Median Housing Costs	Geographic Area	Zip Code
Freedom Road	\$91,016	\$1,776	Uptown	60640
Genesis	\$59,977	\$1,282	South Shore	60649
Good News Partners (The BOS) <sup>1</sup>	\$78,071	\$1,440	Rogers Park	60626
Good News Partners (Phoenix 1)	\$78,071	\$1,440	Rogers Park	60626
Good News Partners (Phoenix 2)	\$78,071	\$1,440	Rogers Park	60626
Good News Partners Fargo	\$78,071	\$1,440	Rogers Park	60626
Hesed House	\$43,053	\$1,155	Little Village	60623
HUB	\$43,053	\$1,155	Little Village	60623
Logan Square	\$88,394	\$1,950	Logan Square	60618
NASCO Lots in Common <sup>1</sup>	\$67,209	\$1,335	Hyde Park	60637
NASCO Qumbya-University	\$67,209	\$1,335	Hyde Park	60637
NASCO Qumbya-Blackstone	\$67,209	\$1,335	Hyde Park	60637
NASCO Qumbya-Ridgewood	\$67,209	\$1,335	Hyde Park	60637
Spaulding	\$93,580	\$1,977	Logan Square	60647
SOL House	\$93,580	\$1,977	Logan Square	60647
Woolman-Washington	\$132,370	\$2,345	West Town	60622

<sup>1</sup> Good News Partners (4) and NASCO Properties (4) are median rental income and median rental housing costs.

Source: U.S. Census 2011-2015 American Community Survey Estimates

Since the initial establishment date of the co-ops, six have experienced a decrease in owners, five have increased the number of members, and five have continued with the same number or original owners. Notably, Genesis co-op located in the South Shore area attributed its decrease to crime in the area. The South Shore ranks 9th among Chicago's 77 community areas for violent crimes reports in 2017 from May 31st to June 30th.<sup>6</sup> On the other hand, Woolman-Washington located in West Town maintains a waiting list and has two units that are currently being rehabbed<sup>7</sup>.

The units owned by NASCO Qumbya are all rental properties designed for students seeking affordable housing. Housing on the University of Illinois campus is approximately \$1,010 a month for a room and \$667 per month for food. To rent a studio in Hyde Park near University of Chicago is on average around \$950 a month and doesn't include food or utilities.<sup>8</sup> Larger apartments that can be shared with roommates are more expensive.

<sup>6</sup> Crime in Chicago, Chicago Tribune. (n.d.). Retrieved July 19, 2017, from <http://crime.chicagotribune.com/chicago/community/south-shore>. Crime reports in South Shore May 31-June 30, 2017 ranked 9th.

<sup>7</sup> Woolman-Washington's current loan from CCLF is to rehabilitate the two units.

<sup>8</sup> Hyde Park. (n.d.). Retrieved July 19, 2017, from <http://www.chicagoapartmentfinders.com/chicago-neighborhoods/Hyde-Park.aspx>

## Co-op Rates and Costs (cont.)

The co-op ownership opportunity is promoted in Craigslist, national co-op housing listings, Facebook and by word of mouth. In some locations, applicants can attend membership meetings.

Qualifying to become a member of a co-op is less difficult than qualifying for a traditional home mortgage. Information is gained by conducting limited background checks, adhering to guidelines established for the amount of rent not exceeding a specific percentage of household income, providing proof of ability to pay rent and food costs, and by conducting reference checks. These are general guidelines to follow in many instances and are not written into the bylaws. Qumbya Co-op has a formalized income restriction based on the adjusted gross income (AGI) for the area. Nationally, other co-ops may use AGI to determine monthly charges unless they are subsidized to target particular income ranges.

Buying into a co-op varies and is based on an income formula or a flat fee regardless of the number of bedrooms. These costs start as low as a \$250 membership fee up to \$34,000 as the purchase shares. Residents' monthly cost and assessment ranged from \$200 for a studio up to \$1,550 for a 3-bedroom.

The co-ops buy-in variations in this study can be attributed to the financial equity of members to include zero shares interest; or the co-op is a small apartment building self-managed with limited equity; or the co-op is subsidized to make it affordable. CCLF-financed co-ops have a built-in structure for affordability and the impact realized is due to their structure as zero to limited equity.





## CCLF Co-op Housing Costs

Co-Op	Buy-in amount	Studio	1BDR	2BDR	3BDR	% Housing Cost to Monthly Income	Geographic Area
Freedom Road	\$34,000				\$1,285	20-25%	Uptown
Genesis	\$4,000		\$539	\$739			South Shore
Good News Partners 1 (The BOS) <sup>1</sup>	\$250			\$1,100		25-40%	Rogers Park
Good News Partners 2 (Phoenix 1)	\$250		\$650	\$800		20-40%	Rogers Park
Good News Partners 3 (Phoenix 2)	\$250		\$650	\$750		20-40%	Rogers Park
Good News Partners Fargo	\$250	\$600	\$680	\$900	\$1200	20-40%	Rogers Park
Hesed House <sup>2</sup>	\$15,000			\$1,200		25%	Little Village
HUB	\$6,000-\$25,000	\$946	around \$1275	\$1,275		≤30%	Little Village
Logan Square	\$850		\$850	unknown	unknown	45%	Logan Square
NASCO Lots in Common <sup>3</sup>			\$455				Hyde Park
NASCO Qumbya University			\$455				Hyde Park
NASCO Qumbya Blackstone			\$455				Hyde Park
NASCO Qumbya Ridgewood			\$455				Hyde Park
Spaulding	\$30,000			\$500	\$500	20%	Logan Square
Sol House	\$25,000-\$32,000				\$1,250 - \$1,550	30%	Logan Square
Woolman-Washington		\$200	\$300	\$400	\$500		West Town

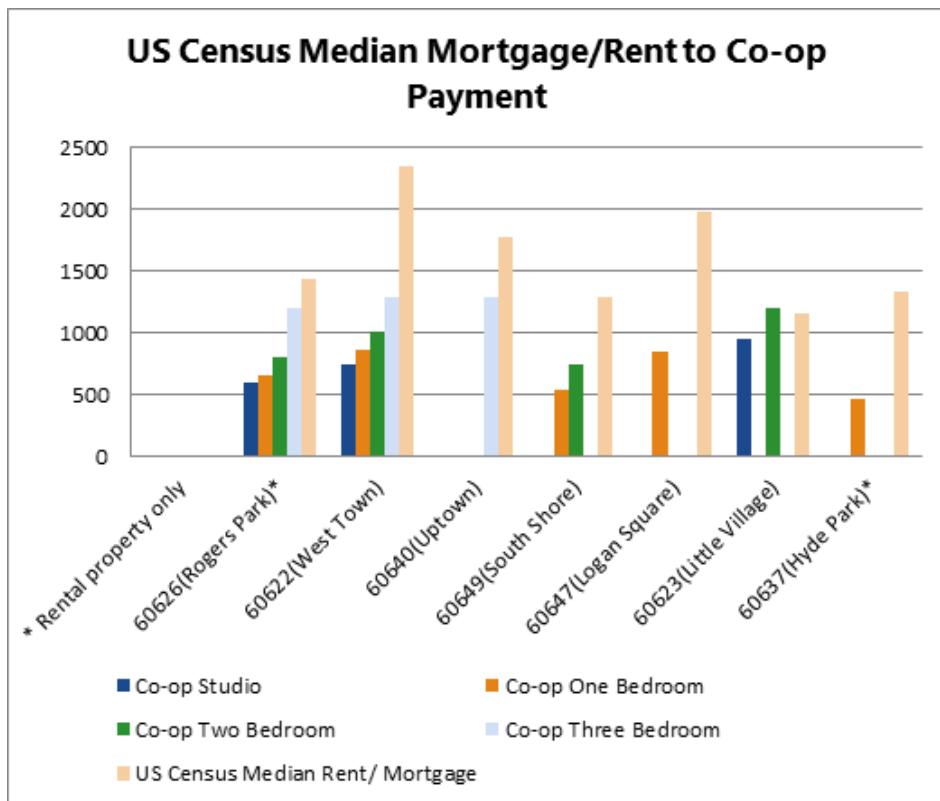
<sup>1</sup> Good News Partners buy-in is a membership fee.

<sup>2</sup> Hesed House has 6 owners and 9 renters. Rental cost based on square footage.

<sup>3</sup> All NASCO Properties are rental.

According to U.S. Census Bureau, in areas where CCLF-funded co-ops are located, the mortgage/rental market rates start at \$868 for an income of 20,651. By comparison, the market mortgage/rental rate of \$2,009 in the Logan Square neighborhood is 300% more than the lowest amount (\$500) charged for a three-bedroom at Spaulding Co-op, located in this area.

## Co-op Housing Costs and Benefits



Housing co-ops monthly mortgage payments are less than market rates.

The percent of housing cost of monthly income was as low as 20% up to 40% which is within the national range (20-30%) excluding the 40% that Good News Partners members pay. At Woolman-Washington Co-op, some residents pay market rate because their income surpasses the income guidelines.

The average length of residency for the co-ops combined was eight years with very little turnover. Woolman-Washington (1981), Genesis (1983), Freedom Road (2003), and SOL House (2011) Co-ops have original members who continue to reside at the location. Reasons cited for turnover included moving to a larger place, relocation to a different part of the country, change in marital status, and job-seeking opportunities.

Two co-ops (SOL House and Freedom Road Cooperative) received subsidies for building improvements. The City of Chicago provided an elevator, Peoples Energy awarded a grant for re-installation of steam heat pipes, and the Center for Neighborhood Technologies insulated the roof cavity to reduce heat loss. The impact on the co-ops having received a subsidy reduced their operating expense. Summarily, there may be subsidies available to all of the co-ops; however, where to access financial assistance and how to submit proposals should be explored and inquired within the City of Chicago and other entities.



## Co-op Housing Costs and Benefits (cont.)

Members have a mortgage interest deduction pro-rata share of ownership interest in property taxes. The resale formula for the co-ops varied and is sometimes spelled out in the bylaws and purchase agreements. Resale formulas cited were the amount of mortgage left on the unit plus equity, value of a share, and the co-op's first right of refusal. NASCO and Good News Partners properties are rental housing and do not have resale formulas.

Co-op members have disposable income as the result of saving on housing costs. Examples of these cost savings include a produce store; starting pilates, journalism, and yoga businesses; members being able to work part-time while attending college or pursuing an advanced degree; members making a decision to change career; ability to travel; engaging in the community as activists; volunteering time with AmeriCorps; devoting time and being fully engaged in their work as pastors and social workers; and living comfortably in an area of the member's preferred choice.

### Co-op Benefits



## Community Impact

In general, co-ops are governed by an elected board of directors from the membership or all members sit on the board in smaller co-ops. The purpose of the board of directors is to provide a voice and representation in the governance of the property, and to provide flexibility in addressing issues that may arise. Members are engaged and participate in their co-op by serving as officers, serving on committees, attending meetings, fulfilling chores and conducting minor repairs. Support for each other is one of the benefits of co-op living and is broadly categorized as sharing, social networking and financial. Generally, members in the co-op get along well with each other. They help each other if someone is ill, they may loan money, they are aware of their neighbor's lives and reach out when there is death in the family, and they may cook and eat meals together. Any concerns about the property where members may have disagreements, are discussed at meetings and considered issues to be addressed. Issues that have surfaced include having more projects than money to pay for repairs, roof repair, unauthorized members in the building, cleanliness of common spaces, working toward a common goal, and payment plan policy.

The co-ops are governed using various methods, including partnership agreements, that require the signature of every member, use of consensus voting, and adherence to bylaws. Other documents used in governing the co-ops include adhering to a policies and procedures manual and occupancy agreements that define the responsibilities of members. Fifty percent (50%) of the co-ops allow the property to be rented compared to 12.5% that stipulate owner occupied only, and 12.5% that allow sublets from six months to one year with an option to buy. The co-ops are self-managed excluding the NASCO properties. Properties owned by NASCO that are managed by Qumbya require members to sign a lease and management agreement. NASCO requires the co-op to be democratically controlled and to appoint members to the NASCO property board. All of the interviewed co-ops, excluding Good News Partners - The BOS, stated the board understands their fiduciary and management role. Good News Partners-The BOS is developing the necessary disciplines of self-sufficiency.



Stone Soup Co-op

*"If something really happens they [members] will support you and that is what I like about co-ops. It is and should be family."*

-Diane Hedges, Genesis Cooperative Corporation

The majority of the co-ops have a regular schedule of maintenance and budgets for improvements that are discussed and prioritized at meetings. Improvements to the properties have included new roofs, electrical services, rebuilt façades and balconies, created growing space by removing parking lot, rehabbed units, restructured basement, installed new windows, replaced space heaters with radiators, lead remediation, remodeled kitchens, rebuilt porches to comply with city code, and interior painting.



Good News Co-op

Housing Cooperative Benefits	
Sharing	<ul style="list-style-type: none"> <li>• Meals</li> <li>• Daycare</li> <li>• Internet</li> <li>• Gardening supplies</li> <li>• Maintenance and minor repairs</li> <li>• Joint purchasing</li> </ul>
Social Networking	<ul style="list-style-type: none"> <li>• Well-being checks</li> <li>• Movie and bingo nights</li> <li>• Activities for children</li> <li>• Annual reunion</li> </ul>
Financial	<ul style="list-style-type: none"> <li>• Generous payment plan rather than eviction</li> <li>• Member loans money for improvements</li> </ul>



## The co-ops help to sustain their communities in a number of ways.

Some examples include:

- Creating local food sourcing
- Beautifying the property with gardens
- Supporting a homeless shelter for women and children
- Maintaining sustainable housing cost in the neighborhood
- Supporting neighborhood businesses, restaurants and hardware stores
- Using green appliances to lower utility use
- Creating a green roof on a portion of the building
- Recycling and utilizing solar hot water

**Some co-op owners stated the neighborhoods have experienced an economic boost that is supported by the members.**

These include:

- Increased property value and commercial development
- Target store opening
- Popularity of the area
- Unprecedented development

Other co-ops noted their areas as remaining flat or slow growth while the Genesis Co-op noted they have experienced a decline due to an increase in youth violence in the South Shore area.

*"Through the connection with Good News Partners these co-ops help support a homeless shelter for women and children, a 52-room SRO hotel and several below market rate apartment buildings."*

**- Marcos Ramirez,  
Executive Director,  
Housing, Good News  
Partners**

## Impact of CCLF Financing

Financing for affordable housing cooperatives from traditional sources is not easily obtained and requires a significant amount of time to educate lenders how co-ops are structured and how they operate. Survey respondents found CCLF's financing to be beneficial, citing if it were not for a CCLF loan, purchasing the property and/or making property improvements would not be possible. Members mentioned their appreciation for CCLF working with them through the underwriting process and cited the professional staff and long-term financing offered were valued. One of the co-ops interviewed was exploring alternative options for the property due to the difficulty of members taking ownership of its co-op status and developing the necessary disciplines of self-sufficiency.

Overall, as a result of CCLF's financing:

**The co-ops committed to maintaining affordability and have no plans to sell or close the property.**

*"We would go back because they [CCLF] have been good to deal with and they already know our situation so it would streamline the process."*

**JoLynn Doerr, Logan Square Cooperative**

## Facility Improvements

Co-Op	Type of Improvement	Annual Improvement Budget
Freedom Road Cooperative	Porch repaired	yes
Genesis Cooperatie Corporation	Restructured basement, tuck pointing, rehab 5 units	no
Good News Partners (The BOS) <sup>1</sup>	Maintained to city standards or better	yes
Good News Partners (Phoenix 1)	Maintained to city standards or better	yes
Good News Partners (Phoenix 2)	Maintained to city standards or better	yes
Good News Partners-Fargo	Maintained to city standards or better	yes
Hesed House Cooperative	Roof replaced, tuck pointing and masonry work, resealing and painting window frames, gut rehabbed studio apartment, insulated attics, replaced boiler, enclose back stairs	yes
HUB Housing Cooperative	Tuck pointing, refinished wood floors, depaved partial concrete courtyard for gardening, replaced windows and doors	yes
Logan Square Cooperative	Furnace and windows replaced, solar hot water system, bathrooms remodeled, replaced windows and doors	yes
NASCO Lots in Common	Complete rehab	yes
NASCO Qumbya-University	Lead remediation, electrical upgrade, remodeled kitchen, attic insulation	yes
NASCO Qumbya-Blackstone	Lead remediation, electrical upgrade, remodeled kitchen, attic insulation	yes
NASCO Qumbya-Ridgewood	Lead remediation, electrical upgrade, remodeled kitchen, attic insulation	yes
Spaulding Cooperative	Replaced windows, radiators and water heaters	yes
SOL House	Rebuilt facade and balconies, removed parking lot to create growing space, asbestos remediation	yes
Woolman-Washington Cooperative	Rebuilt back porches, rehab laundry room, rebuilt two bedroom units, new windows, new boiler, tuck pointing	yes

## Recommendations

- Further study of housing cooperatives that will analyze annual data to compare market housing rates to gauge if zero to limited equity co-op housing properties remain affordable.
- Government subsidies are needed to provide financial assistance to properties that have unforeseen repairs due to aging structure.
- In addition to educational support that the co-op could receive from local and national entities such as the Urban Homesteading Assistance Board (UHAB), National Association of Housing Cooperatives (NAHC), and North American Students of Cooperation (NASCO), more technical assistance or a telephone hotline is needed to help members address questions related to property management.
- Housing co-ops have a different structure that do not qualify for low-cost mortgages from traditional lenders and they should have access to low-cost financing.
- A list of financial institutions that provide shared loans to co-ops should be developed and maintained to be accessed by local members.



## Conclusion

Housing co-ops are an affordable housing option for home ownership with mortgage payments in Chicago below market rates. CCLF's financing has afforded some members to pay as low as 20% of a family's monthly income on housing. Membership in a co-op meets a person's economic, social and cultural needs and is built on honesty and caring for others. Because members are able to save on housing costs, they have disposable income to spend on school and transportation, build their careers, or start a business. Chicago Community Loan Fund has proved to be a valued resource that understands and can help co-ops maintain their facilities and expand. Many of the co-ops surveyed would return to CCLF for financing because of staff knowledge, care, concern and know-how.

*"Because CCLF gave our cooperative a loan, the co-op was able to purchase a multi-unit building, providing the members with an affordable option for home ownership."*

**-Emily Hendel, Hesed House Cooperative**



Qumbya Co-op

## Credits

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**Photos By:** Steve Becker

**CCLF is most grateful  
to its housing cooperative borrowers  
for having the vision and fortitude  
to maintain affordable housing for families  
among competing market conditions.**

**Thanks to all the borrowers that responded to the survey  
and those that agreed to be interviewed.**

**About Claudette G. Baker & Associates, Inc.** Claudette G. Baker & Associates, Inc. is a management consultant and training company established in 2011. For 20 years, Claudette Baker, founder and president, has been making a difference in the nonprofit sector as an agent for building capacity within organizations. Her experience is diverse and crosses industry segments, having worked previously in government and the for-profit sector. Baker & Associates' focus is on transforming organizations by improving effectiveness in management, governance and fundraising. Baker & Associates also works with foundations to help them achieve their strategic goals by working with their grantees.



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