Affordable cooperative took a decade of work

By Jeanette Almada
Special to the Tribune

When the Harold Washington
United Cooperative was
completed in West Humboldt Park,
it marked the end of a decade of
dated, political and development
for the nonprofit developer of
the $17 million, 87-unit long-
term affordable housing pro-
ject.

The co-op, built by Bickerdi-
ke Redevelopment Corp. and
designed by Chicago-based
Landon Bone Baker Architects,
consists of 18 buildings.

There will be six 799-square-
foot one-bedrooms; 27 two-bed-
rooms with 799 to 1,035 square
feet; 46 three-bedrooms with
1,186 to 1,300 square feet; and 8
four-bedroom units with 1,273 to
1,548 square feet, according to
Joy Aruguete, executive direc-
tor of Bickerdike, a 37-year-old
company that builds affordable
housing in West Town, Hum-
boldt Park and Logan Square.

Scattered lots

Bickerdike built the buildings
on 30 lots scattered between Chi-
cago Avenue and Ohio Street,
and between Albany and Kedzie
Avenues, in Ald. Walter Burn-
ett's 27th Ward. Bickerdike
bought 25 of the lots from the
city for $1 each, and purchased
the other five from private own-
ers at market prices, according
to Sheri Fox, a Bickerdike
spokeswoman.

Though construction of the
co-op began in September 2005,
Bickerdike actually began
working on the project a decade
ago.

People who formerly lived in

Spiegel
building
to become
condos

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$1.2 million in low-income tax credits that Bickerdike sold to the National Equity Fund, a syndicator, raising $9.2 million in equity.

The Washington Unit Cooperative operates as a master-lease co-op. The co-op corporation, which consists of the 87 resident shareholders, has entered into a 15-year lease arrangement with the Erie Cooperative Limited Partnership, which consists of a Bickerdike subsidiary and the National Equity Fund, Aruguete said.

**Limited-equity co-op**

In 15 years, when the residents, through their co-op corporation, buy the 18 buildings from the partnership, the project will become a limited-equity cooperative. To preserve long-term affordability, appreciation of shares will be capped annually at 5 percent of the appreciation of surrounding buildings, according to Aruguete.

The co-op’s units were marketed through block clubs and community groups to families earning $18,000 to $40,000 a year, according to Molly Sullivan, a Housing Department spokeswoman.

Residents will pay a monthly fee of $469 to $754 and had the option of buying their share as they moved in or deferring purchase until the corporation buys the buildings, according to Aruguete.

"The cost of those shares will go up with every year at a rate to be set by the board," Aruguete said. "So those who bought their shares when we finished the first building a year ago, paid the least for their share and those who buy in 15 years will pay the most for their share."

Residents who bought in 2004 paid $455 to $732 for their shares while the cost of those shares went up 2.95 percent this year, according to Aruguete.

"They can go up as much as 5 percent every year. It is a very low amount, and that is because we want to keep the units affordable. Residents who buy their shares in 15 years [after the co-op corporation buys the building from the limited partnership] will pay about $1,000 for their share, assuming a simple appreciation of 5 percent a year," Aruguete added.

The monthly fee, which will pay for the residents’ purchase of the buildings and maintenance costs, will increase 3 percent annually, Aruguete said.