

CITY REPORT

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 political and development effort for the nonprofit developer of the \$17 million, 87-unit long-term affordable housing project.

The co-op, built by Bickerdike 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-bedrooms with 799 to 1,036 square feet; 46 three-bedrooms with 1,186 to 1,300 square feet; and 8 four-bedroom units with 1,275 to 1,546 square feet, according to Joy Aruguete, executive director of Bickerdike, a 37-year-old company that builds affordable housing in West Town, Humboldt Park and Logan Square.

Scattered lots

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

Though construction of the co-op began in September 2003, Bickerdike actually began working on the project a decade ago.

People who formerly lived in

Spiegel building to become condos

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the gentrified River West neighborhood had hired Bickerdike.

"They had been forced out of their neighborhood as rent and property taxes increased," Arguete said in an interview last week. "They wanted housing stability, affordability and control."

Planned as the Erie Cooperative, it originally was slated to go up in the 1st Ward.

But building affordable hous-

ing depends on a developer's ability to find affordable land and to assemble financing. Bickerdike lost a decade to a series of delays as it struggled to reach a development agreement with then-1st Ward Ald. Jesse Granto. Eventually, the developer moved the co-op project to the Burnett's 27th Ward.

Attracting market-rate projects

Burnett now jokes that the

project is so attractive that longtime residents around the co-op accuse him of gentrifying the neighborhood.

"They look so good people think they are condos and don't realize it is affordable housing," Burnett said in an interview last week. "But also, it has helped to bring the community together, to inspire pride in the neighborhood."

"The cooperative board re-

quires that its residents attend monthly meetings and get involved in the surrounding community.

"Their resident meetings are open to the broader community and when they came to the neighborhood, they allowed residents in the neighborhood to sit on a board to screen those moving into the development," Burnett said.

"Now developers are rehab-

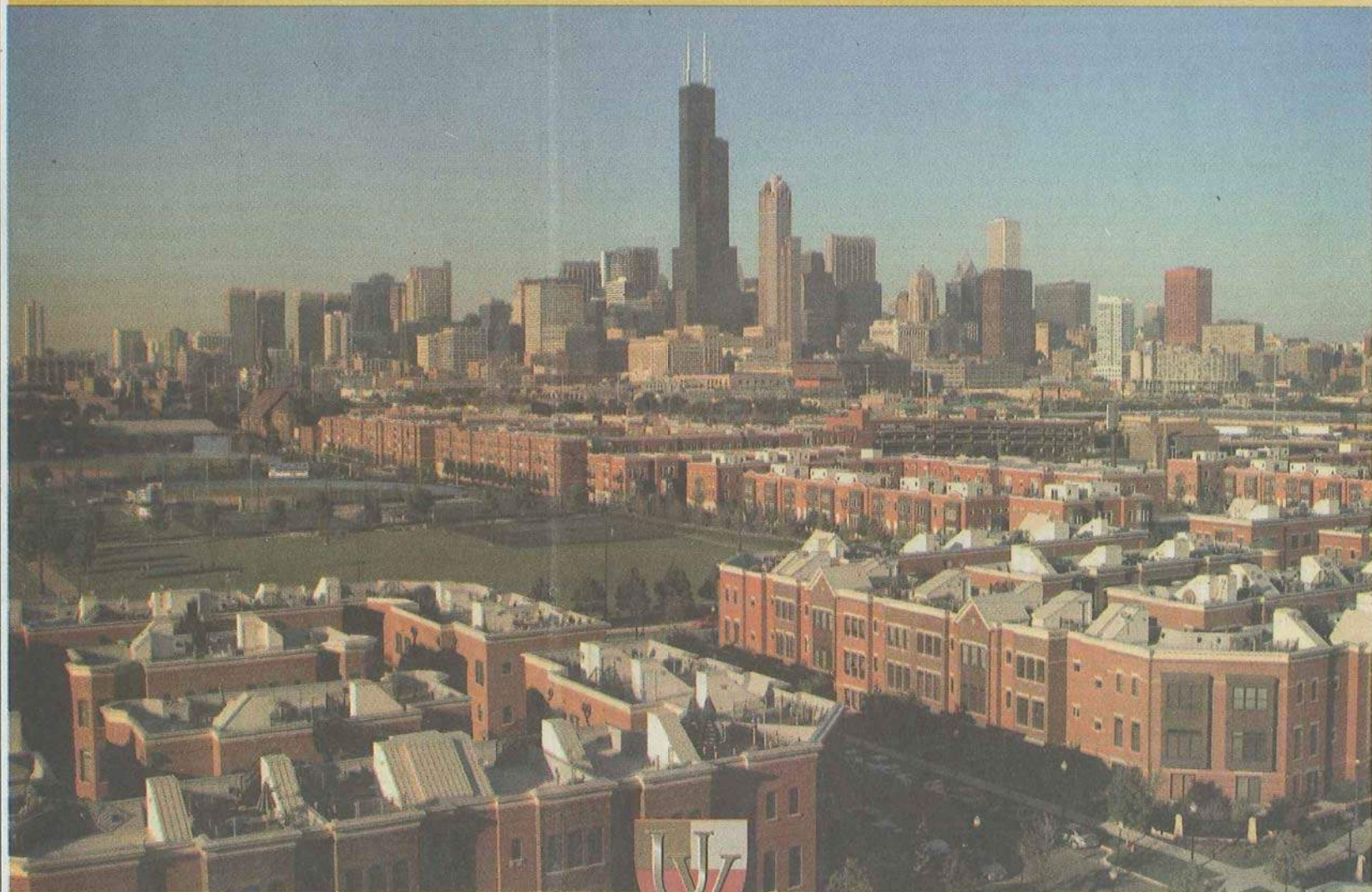
bing buildings in the neighborhood and we are receiving proposals for market-rate developments."

Of the project's \$17 million funding, \$15 million came through the city. The Chicago Department of Housing provided a \$6.3 million, low-interest, federal HOME loan.

The department also issued

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GRAND OPENING



CO-OP

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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 mar-



The \$17 million Harold Washington United Cooperative consists of 87 units in 18 buildings on 30 lots in the West Humboldt Park neighborhood.

keted 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.