

OWNERSHIP STRUCTURES

	Limited Equity Corporation (LEHC)	Nonprofit Mutual Benefit Corporation	Community Land Trust	Lease From City
<i>Ownership and Legal Structure</i>	Resident Owned – -Non-profit public benefit corporation that is intended to become an LEHC. -The 501(c)3 application is a separate process.	Resident Owned – Operates under PAC Board’s existing designation.	Trust Owned - Residents Do Not Own.	City Owned - Residents Do Not Own.
<i>Duration, Conditions of Land Ownership</i>	-Must own land in perpetuity. -Share price of LEHC designed to remain stable — can’t increase more than 10% per year. -If LEHC is sold it must be sold to a non-profit or other cooperative.	-In Perpetuity. -Land value can increase — goes to 501(c)4. -No known value restrictions.	Up to 99-year lease terms, with option to renew.	-State law restricts lease to 55 years. -Other restrictions possible.
<i>Governance Structure</i>	Board elected by residents — could consist of current PAC Board members.	Current PAC Board members.	Typical board would consist of: 3 Park residents, 3 external members, 3 public officials.	City management - status quo.
<i>Potential Land Property Tax Burden</i>	-To be determined. -1997 tax basis is a possibility.	Likely taxed at current assessed value – no exemption.	No property tax because trust owns land.	Status quo - currently paying approx. 59k/yr in lieu of property tax.
<i>Loan/Lease Conditions</i>	-ROC USA -slightly below market (110%, LTV), -Includes affordable housing and regulatory reporting requirements.	-50% Freddie/Fannie or Commercial Multi-family loan: -80-85% LTV	Land trust would need to find funds to purchase property.	Lease terms and fees unknown.

Membership Fee/ Buy in Requirements/ Level of Participation Needed	- \$100–1,000 membership buy-in is typical range. - 60-80 % of Coop members needing to approve final loan. - New residents must become Coop members.	- Approx. \$5,000 - \$10,000 per unit for loan down payment assuming \$15M loan. - Larger \$ if fewer members. - 65%+ participation required.	TBD	N/A
Loan Negotiation Fees, Administrative Support Costs	- ROC Capital (CDFI) 2-4% (likely closer to 2%) max \$400,000. - Administrative costs for ROC loan. i.e., as a technical assistance provider for 10 years. - ROC does that as part of loan fees.	Consultant to assist with purchase and obtain commercial loan: \$300,000 – \$600,000.	\$200,000 charge to become a CLT.	City will likely continue to charge administrative support costs.
Reserves, Operating Costs, Capital Improvements	- ROC LTV 110% - CDFI can handle up to \$3M CIP reserve. - Capital reserves financed from loan are managed by ROC: they pay for CIP items.	- Creation of reserves is part of the negotiation. - PAC Board manages funds.	TBD	Status quo
Low-Income Preservation *Note – some grants might have added restrictions.	- City Rent control restrictions apply. - No LEHC-specific restrictions. - Co-op Bylaws contain resale conditions.	- City rent controls apply. - PAC Board could decide on other restrictions. - No resale value limit.	- Restrictions on resale appreciation for seller. - Inheritance value set by CLT Board.	Unknown
Other Pros/Cons	+ Expert Technical Support from ROC USA and CCCD + Proven Track Record + Documentation and Planning + Other Funding Support Options	+ Opportunity for share price to increase for residents who buy in. - Member/nonmember inequality.	+ Rent could be low under certain lease conditions.	+ General terms similar to current - Lease escape clause likely