



## **Policy Memo: Supporting the Development of Congregate Housing Cooperatives**

The City of Syracuse should support the development of congregate housing cooperatives where different owners occupy bedrooms in shared homes. These co-ops can be registered as securities and structured with voting shares for residents and non-voting investment shares open to community members. Bitternut Homestead, a former city-owned property in the process of becoming a cooperative corporation on the Near Westside, can serve as a model.

Support for housing co-ops can be provided through a combination of methods.

1. The land bank can prioritize the creation of housing co-ops. Properties can be given to individuals and groups that intend to turn them into housing co-ops. Co-ops can be created with properties purchased elsewhere, but opportunity for innovation exists here.
2. The city or a partner can facilitate the creation of housing co-ops with legal and financial assistance. This can include assistance in navigating legal formation processes and paperwork, as well as the fees and other costs associated with the formation process.
3. A registry, publicly or privately created, can be created to help match those interested in creating and living together in a housing co-op with others who might form a group to create the co-op entity, purchase a home or property, and build or renovate collaboratively.
4. The city, foundations, and lenders can assist financially by providing direct funding (including from the city's housing strategy and housing trust fund) and loan programs. The city and other groups can also act as guarantors on loans. Sweat equity from the initial members of co-ops in renovations & construction can be applied toward the loans.
5. The city can spread awareness about congregate co-ops as a housing option.

### **Benefits of Congregate Housing Co-Ops:**

Congregate housing cooperatives can provide opportunities for housing affordability and ownership, benefitting those unable to afford a full house and not needing the space of a full house, but wanting to gain ownership and prevent their displacement due to rising rents. Though this sort of housing ownership is partial, equity shares can be bought and then sold back to the co-op, so cooperative share ownership builds individual/family wealth similarly to single-family home ownership.

The cost of renovating housing in the City of Syracuse often exceeds market value. Due to the shared cost and increased utility for a greater number of people provided by a co-op, supporting the creation of housing cooperatives can make feasible the restoration of a larger number of homes, preventing their decay and demolition, revitalizing neighborhoods, and providing community for housing cooperative residents existing outside of traditional family structures. New structures and existing move-in-ready homes can also be used as housing co-ops.