



What Is A Housing Cooperative?

- A housing cooperative is a community of people joining together on a democratic basis to own and control the building(s) in which they live.
- Gramercy Lake Shore Drive is a limited equity cooperative, which means there are restrictions placed on the resale of cooperative interests to make them affordable to future buyers. A pre-determined equity is accumulated on each dwelling unit.
- The cooperative owns the building, land and all common areas; the “members” each own one voting share or a “membership” in the cooperative.
- As a member you own a cooperative interest represented by a Membership Certificate and an exclusive right to occupy a particular dwelling unit that is owned by the cooperative corporation.
- The Cooperative holds a master mortgage that is insured by HUD for the entire building and its grounds. Members/owners do not assume personal liability of the mortgage.
- Members pay a monthly amount (carrying charges) that covers operating expenses, taxes and mortgage. Because cooperatives operate at cost, their carrying charges are often 15-25 percent below rental market value. Heat, central air conditioning, cable TV, and taxes are included in these charges.
- The cooperative is governed democratically by its members including electing the board of directors, amending the bylaws and making decisions about the sale of cooperative’s property.

- The board of directors is responsible for the general operation of the cooperative. The board hires and oversees a management company, sets community policies, approves operating budgets and approves candidates for cooperative membership.
- There are tax benefits for people who have taxable income and file a Federal income tax return. Members may deduct their share of the cooperative's mortgage interest and real estate taxes on their personal income tax return. Members have the same ability to exclude gain on sale of their cooperative interest from taxation as any homeowner. In most instances, cooperative and its members receive the same benefit as single-family homeowners.
- Members in a cooperative need to participate; commitment to community and involvement is THE major difference between cooperatives and other housing types. Participation by individual members toward group goals is what builds cooperative communities.
There are many committees and activities in which to become involved; Aesthetics, Finance, Common Areas, Marketing, Writers' Group, Book Club, Discussion Group, Woodshop, Crafts, Lunch Bunch or many more.
- Members may decorate their homes without approval; remodeling must have board approval.
- Pets are allowed at Gramercy Lake Shore Drive; (1) dog or cat up to 20 lbs or (2) cats.
- A garage space is included with each membership; it may be leased to others.
- When a member wishes to move out, their share is resold, and the member and their estate receive the amount of the initial share cost plus the equity, or predetermined increase, for each year the member lived in the cooperative.
The Cooperative has an option, but not an obligation, for a period of 90 days, to purchase the Membership.