

FAQS

ESTHER'S PROJECT QUESTIONS

Does EB PREC already own Esther's?

Not yet. We're in contract and expect to close escrow on June 15 after completing our financial underwriting and due diligence.

Who is on the project team? What experience do they have on a project like this?

EB PREC Staff on this project include Ojan Mobedshahi, Miliaku Nwabueze and Noni Session.

This project is Noni and Ojan's third collective purchase and rehabilitation project.

Ojan brings a wealth of healthy land use experience in landscape design, restoration, education, real estate brokerage, construction, development and political organizing.

Noni, as project director, brings the radical imagination that separates a project like this from other development projects. She also brings a plethora of experience incubating cooperatives, organizing community members, and aligning the networks, relationships and technical, financial resources necessary to support black and indigenous people of color and allied communities.

Miliaku's experience spans across corporate America, non-profits, grassroots organizations, cooperatives, and a multitude of different projects and initiatives.

Others have tried this before, why will this be successful?

EB PREC is POC-led and we recognize that community development as it exists is not sustainable for the community to return cultural and social capital. Our model centers community to determine our own destiny. In the example of Esther's, we are developing a business model that is fundamentally intertwined with community engagement and activation. We recognize that in order to be financially sustainable, our community is indispensable. Our business model prioritizes community control.

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There are a number of other projects planned on the corridor, including a Dones project across the street. How are you working/not working with them and what impacts may their projects have on your vision for 7th St?

EB PREC and SUDA are connected to some of the same community partners, like Mandela. We are working in parallel to build and improve 7th street from different angles. Dones is interested in bringing jobs and commercial space to the corridor. EB PREC is interested in preserving and grounding culture on the corridor.

Who are your commercial tenants for Esther's? Do you have lease agreements/LOI contracts with them? How will you ensure that new/upstart businesses in these spaces will be successful?

We are working with several different artist collectives to conceive and build viable community business concepts to be ready to take ownership of the space by the end of 2022.

Our model ensures the success of these businesses by providing a ramp up period before business need to cash flow, and deeply affordable monthly contribution fees at 50% of market rate. We are also in partnership with Oakland-based business development and technical assistance providers focused on BIPOC entrepreneurs.

The 7th Street Cooperative Cultural Corridor Plan mentions therapy space/juice bar/etc? Is this a separate business? Who runs it?

The future commercial residents will determine how the space is programmed. Their cooperative businesses will operate independent of EB PREC.

Their success is of course tied to the success of the project. To support their success EB PREC will offer the commercial residents a monthly contribution payment of 50% of the current market rate for commercial space.

Is the 7th St Cooperative Cultural Corridor Revitalization Plan document available to the community to read?

The CCC Plan is still underdevelopment. If you have ideas or would like to be involved in the creation of it please reach out to Miliaku@ebprec.org

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How will you prevent crime and attracting the “wrong element?”

Our business model and our community activation model are one and the same. We are acquiring Esther’s Orbit Room for the use and benefit of those who live and work around the 7th St census tract, thus those who already have ownership over the space.

Criminal elements gather where there is no investment, where there is not ownership. We head off this eventuality by building buy-in from the already existing community, into our ramp up to launch.

If you are investing so much into West Oakland, what about East Oakland?

We can only speak about our plan, which is to lift folks all over Oakland. This is our West Oakland project for this year. Later this year, we will do some anti-displacement work in East Oakland as well.

Both communities have been divested from and both are in need of resources. We will partner with community in both to see where we best fit in. We have shared thoughts with funders directly and in the press about how the field can move forward. Pitting two communities in need of resources against each other, moves neither forward.

URL to share: <https://www.insidephilanthropy.com/home/2021/4/19/funders-can-advance-community-self-determination-but-it-might-mean-leaving-their-comfort-zones>

If I invested during a previous campaign (789) and want to invest during this campaign (Esther’s), are dividends paid out at the same time? or are the 789 shares paid--board approving--in 2024 and Esther’s shares 2026?

No. Dividends can be paid any time the Board of Directors declares dividends.

Your initial investment, \$1000 must remain in the cooperative for a minimum of five years. Using the example outlined in the question, the \$1000 invested during the 789 campaign is eligible for redemption in 2024 and investments made in 2021 are eligible for redemption in 2026.

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An auditor named in the circular is based in Milwaukee and has all White leadership per their website. How are you baking racial equity into your professional services provider selection process?

In choosing the initial accountant for the cooperative we weighed the following criteria: racial equity and diversity, locale, and experience with bookkeeping and accounting for cooperative corporations. We found a couple of Black-owned accounting firms, one local and one on the east coast, that we wanted to work with and give our business to; without the experience with cooperatives they did not want to take us as a client. We decided, with so many variables as we build this new model for cooperative ownership, it would be prudent to work with an accounting firm with the most cooperative accounting experience in the country as we start out. In the future, we have designs to do a "community audit", where our own community and various EB PREC owner types across the cooperative audit the financials and report these to the SEC. In that way, we can skill share in community, and have a more knowledgeable ownership base.

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ESTHER'S FINANCIAL QUESTIONS

How much money is EB PREC raising for Esther's?

To realize our vision for the Esther's Orbit Room Cultural Revival Project we seek a total of **\$1.8 Million** to close our funding gap.

We need \$1.25 Million in investment funds (Investor Owner Shares) and an additional \$550,000 in grant funds. Raising this amount allows us to acquire the property and perform extensive renovations needed to make the property habitable.

Please visit ebprec.org/esthers for an up-to-date tally of our fundraising progress to date.

What is the total project cost?

We project The Esther's Orbit Room Cultural Revival project will cost \$4.9 million in total. We already have 65% of the funds committed. We're more than half way to our goal.

It's important to note that all funds raised are placed into EB PREC's general fund and spent at the discretion of the Board of Directors. Though we are demonstrating a concrete use of your funds by sharing our plan for Esther's, your investment is an investment in EB PREC's entire portfolio, not solely Esther's. Any dividends declared will be calculated on the performance of EB PREC's entire portfolio.

Material to share: <https://ebprec.org/esthers-project-prospectus>

What if you beat your fundraising goal?

If we exceed this campaign goal, or if costs for Esther's are less than expected, these funds will go towards other EB PREC Projects. Our current Direct Public Offering qualification allows us to raise up to \$50 Million over the next three years.

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What is the total construction cost for Phase 1 and Phase 2? What happens in each phase?

Total construction costs are projected to be approximately \$2.5 Million.

Phase one will cost an estimated \$2.2 Million. This phase includes rehabilitating the residential units, and bringing the whole building up to code, including seismic safety, and upgrading all the utilities and spaces for modern use. Phase one concludes with a “warm shell” downstairs, and move-in ready units upstairs.

Phase two costs are an estimated \$327,850, and include an earmarked \$50/sq ft tenant improvement budget. EB PREC staff and commercial tenants will jointly design the commercial space to tailor its layout.

The finished space will reflect the unique style and culture that will make this project a uniquely community-led and Black-led hub for Black arts.

Where does my investment go?

Investment funds will primarily be used to fund the rehabilitation of the buildings on the three parcels that make up the project. In **Phase 1** we will purchase the property and breathe new life into the three residential units upstairs. Simultaneously we'll bring the commercial space up to code, update it for modern uses, and perform a seismic retrofit to set this building up for a long life.

At the end of **Phase 1**, 8-10 resident owners will move upstairs, and the commercial partners will move into a warm shell and custom design their spaces using additional funds (\$50/sp. ft.) set aside for tenant improvement.

Material to share: <https://ebprec.org/esthers-project-prospectus>

Is there a risk I might lose my investment?

Yes. As with all investments, buying shares of EB PREC is a risk. You may lose your investment. Please see the risk factors section of the full offering circular for a more detailed explanation of possible risks, at tinyurl.com/ebprecipo.

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Are the shares being offered currently an investment solely in the Esther's Orbit Room cultural revival project, or would purchasing shares represent more of a general investment in EB PREC that contributes capital for all EB PREC projects?

We currently seek funds in connection with the opportunity to acquire and develop Esther's Orbit Room, but all such funds are placed in our general fund and spent at the discretion of our Board, consistent with our mission and the terms of our offering circular.

Your investment represents an equity share in EB PREC, a CA Cooperative Corporation. The project outlined here is a concrete example of how we create impact with investment dollars, but does not account for our full portfolio of projects. You are not purchasing an interest in Esther's Orbit Room specifically, and dividends, if any, will be distributed as a result of the performance of EB PREC's entire portfolio, not the success of solely the Esther's Orbit Room project.

Are you acquiring other properties? How do you decide which properties to purchase? As an investor, do I have a say?

We are constantly reviewing opportunities to acquire land and housing. Our Staff, Resident, and Community Owners are the primary decision-makers about what projects we acquire. As well, timing, opportunity and mission alignment drive a big part of our acquisition process. While we welcome input and suggestions from our Investor Owners, our governance is designed to prioritize the voices of those on the ground in our community. Investor owners are invited to attend our annual member meetings, get an equal vote on general items, and elect two board members. If you are located in the East Bay and want to get more involved in our governance processes, consider also becoming a Community Owner!

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DPO QUESTIONS

What is a DPO (Direct Public Offering)? How is this different from other types of crowdfunding?

A direct public offering (DPO) is a type of offering in which a company offers its securities (in this case shares) directly to the public to raise capital. Using a DPO eliminates the intermediaries - Investment banks, broker-dealers, and underwriters - that are typical in IPOs. This lowers the costs and barriers to entry, so EB PREC is not reliant on any financial institution or Wall Street, but can work directly with the public to fund community-led development!

There are various types of DPOs. We are excited to announce that EB PREC is the first permanent real estate cooperative to qualify for a national DPO under Reg. A+ through the Securities and Exchange Commission. This means we are able to raise up to \$50 Million dollars from the public, allowing investors, community members, foundations, and retirement accounts alike to divest from extractive industries and gentrification, and invest in community solidarity and a Just Transition through our fund. While we started in CA, the Reg. A+ qualification will allow us to expand the states from which folks can invest. The offering is currently available to residents of Alaska, California, Colorado, Connecticut, Delaware, Georgia, Maryland, Massachusetts, Minnesota, Missouri, Oregon, and Pennsylvania.

Who can invest?

An individual 18 years or older.

An organization (including non-profits, corporations, LLCs, trusts, and self-directed 401Ks)

Must be located in a state where EB PREC is qualified and registered.

Where is the offering available?

The offering is currently available to residents of Alaska, California, Colorado, Connecticut, Delaware, Georgia, Maryland, Massachusetts, Minnesota, Missouri, Oregon, and Pennsylvania.

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Where can I find all the investment details?

All of the investment details are available via our Offering Circular, available here: tinyurl.com/ebprecipo. All investors must confirm they have read the offering circular before investing at <https://ebprec.org/investor-owner>

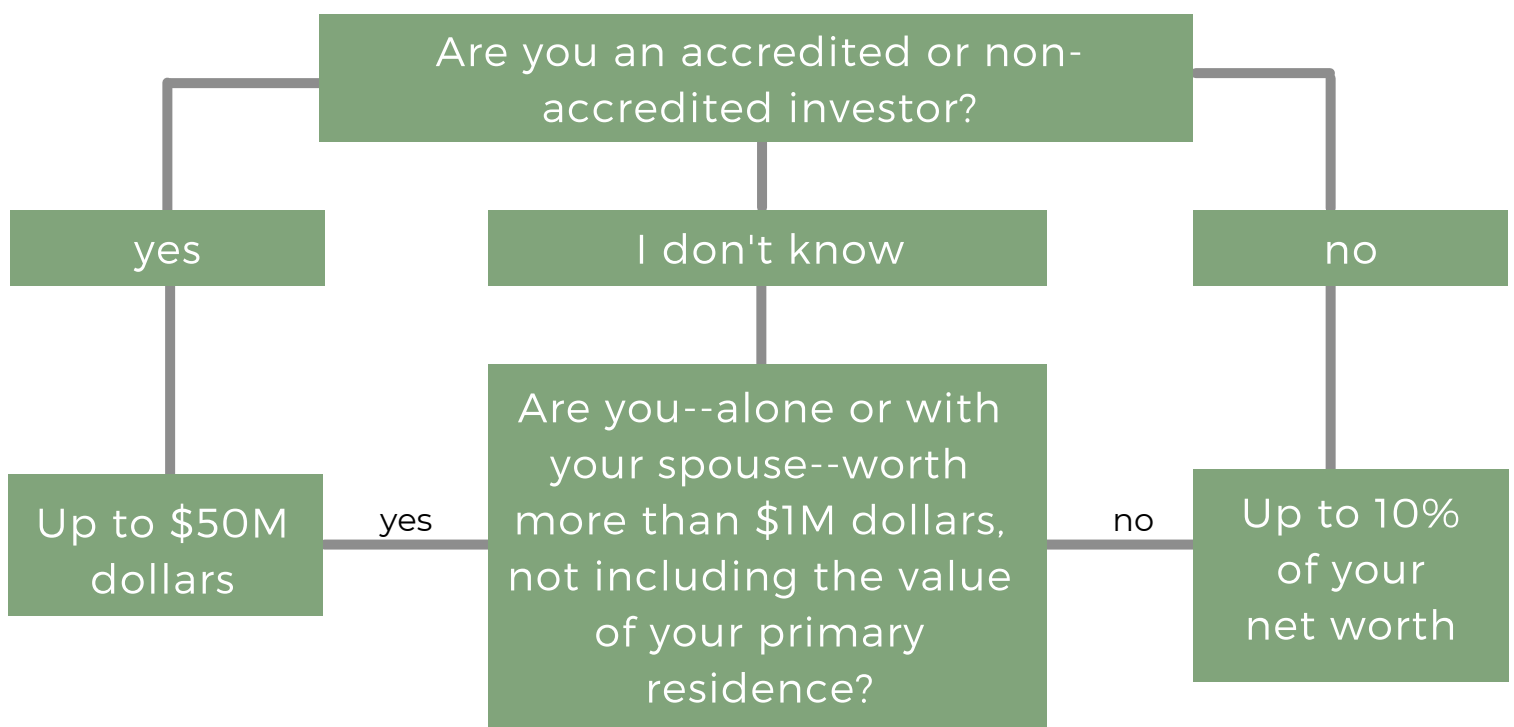
How much can I invest?

Determining how much you can invest depends on whether you are an accredited investor or not.

Accredited Investors may invest as much as they would like, within our maximum limit of \$50 Million, subject to EB PREC's approval.

Non-accredited individuals may not invest more than 10% of whichever is greater; their: annual income or net worth (see definitions of annual income and net worth in this federal rule: 17 CFR § 230.501)

Non-accredited businesses or organizations may not invest more than 10% of whichever is greater: their entity's revenue or net assets for their most recently completed fiscal year end.



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What/Who is an accredited investor?

An "accredited investor" is one of the following:

- A natural person who has individual net worth, or joint net worth with the person's spouse, that exceeds \$1 million at the time of the purchase, excluding the value of the primary residence of such person;
- A person whose individual net worth--not including the value of their primary home--exceeds \$1 M dollars.
- A person whose joint net worth with a spouse--not including the value of their primary home--exceeds \$1 M dollars.
- A natural person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year;
- A person whose joint income was more than \$200K annually for the last two years, or
- A person whose joint income with a spouse was more than \$300K for the last two years and a reasonable expectation of the same income level for the current year.
- A business in which all the equity owners are accredited investors;
- An employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of \$5 million;
- A bank, insurance company, registered investment company, business development company, or small business investment company;
- A charitable organization, corporation, or partnership, not formed for the specific purpose of acquiring the Securities offered, with total assets exceeding \$5 million; or
- A director, executive officer, or general partner of the company selling the Securities, or any director, executive officer, or general partner of a general partner of that issuer.

Do I have to present the full investment amount at once?

No. We offer an investment installment plan. If you want to purchase a share, but the full amount at once is out of reach, let us know and we can help you set it up. Reach out to Ojan@ebprec.org

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Is my contribution an investment or a donation?

Buying shares in EB PREC is an investment. You are a co-owner!

You are welcome to donate to EB PREC as well, but your investment is not a donation.

What's the difference?

Investments have a minimum contribution amount and the opportunity to earn dividends. Think of this type of contribution as a loan that may pay you back with interest.

Donations have zero minimum contribution, and zero chance for any return. Think of this type of contribution as a gift.

Why is EB PREC seeking both investments and donation/grant capital?

EB PREC does more than just acquire property. We also do outreach, education, organizing work and provide technical assistance necessary to position community members to acquire and retain land; as well as prepare them to co-live in their new community and with us in the larger community. This work manifests as resident owner education, but truly starts long before resident owners become residents. This work is a part of our larger mission, and is largely grant/donation funded.

We also use grant funding on a limited basis to subsidize project costs and keep costs affordable for resident owners.

Are the philanthropic funds tax-deductible?

Funds submitted through our fiscal sponsor, the Sustainable Economies Law Center, are tax deductible. Please send an email to info@ebprec.org with your donation receipt for any donations sent through theselc.org/give

Investments, however are not tax-deductible.

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Can I invest through an Individual Retirement Account (IRA) or a 401(K) plan?

Provided you are located in a state in which we are currently offering shares, then Yes! If you have that level of control over your IRA or 401(K) plan, there are no barriers to investment from our end. IRAs and 401(K)s are often invested in problematic industries, so we are excited about offering the opportunity to move those funds into community initiatives.

Can I sell my share to another investor?

No, shares are not transferable via sale.

What would you recommend to residents of a “co-op” community home in Berkeley who would want to invest together? Would we each make individual investments, or sign up as a home/organization?

With our new status, in the Direct Public Offering you can now invest as an organization.

How can I invest to support this work?

There are a few steps:

1. Review our Offering Circular Here: <https://tinyurl.com/ebprecipo>
2. NOTE: There are risks involved! As with any investment, please consult our full Offering Circular to understand all risks connected with this investment opportunity. We ask that all interested investors read our Offering Circular before making a decision to invest.
3. Go to ebprec.org/investor-owner to confirm you are in an eligible state
4. Read and Sign the Investor Owner Agreement (available at ebprec.org/investor-owner)
5. Contribute your investment. After you sign the investor owner agreement you can pay by Check or using ACH transfer.

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What happens if you don't raise all the \$\$ for your DPO campaign? Do you have a Plan B?

While we are feeling confident that we will be able to raise all the funds we need for this capital campaign, we recognize that we may fall short, especially given the impending recession that has hit many families and will likely continue well into 2021-2022.

We aim to have raised the bulk of funds needed for Esther's by fall of 2021. Our Plan B, if the funds are not yet in hand, is to extend the DPO campaign timeline into 2022 and work to bring the remaining funds in over a longer period of time. This plan allows us to cultivate major donors and investors over a year-long period and we feel this extra time will give us room to successfully arrive at our goal.

If by early 2022 we still have not reached our goal of \$1.8 Million, we would next seek to reduce the scope of work on Esther's and/or stage the work to minimize costs. Depending on the actual costs of construction and rehab, we will work with the funds we've raised to complete the necessary improvements (with a reduced scope) on Esther's and plan for further improvements that are not urgent at a later date, when we do have funds in hand to complete the work.

Do you have to be a California resident to invest?

No. The offering is currently available to residents of Alaska, California, Colorado, Connecticut, Delaware, Georgia, Maryland, Massachusetts, Minnesota, Missouri, Oregon, and Pennsylvania

We are registering in new states on a rolling basis. If you are outside of California, but would like to invest, let me send you a form to fill out.

URL to share:

<https://docs.google.com/forms/d/1F2bH7b746X7px7i3LvfhFG74UvXCc23iEvMOM4aCY-M/>

What is the time frame/deadline to invest or buy shares?

Our deadline to raise the \$50 M is the end of 2023.

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What are the terms of my investment?

The minimum investment term is 5 years. At the 5 year mark, investors may request to redeem their shares. EB PREC may pay the full amount due immediately, or pay only part of it, converting any unpaid amount to a promissory note payable to the former owner in installments.

One year after the redemption request, any unpaid amounts begin to accrue interest at a rate of 1.5% ; interest compounds annually. EB PREC will make reasonable efforts to pay all notes within 1 year, but may extend it up to 5 years in the event that payment of the note would leave the Cooperative unable to meet its other financial obligations. The term of the promissory note may not exceed 5 years without consent from the Owner. (Partly from Bylaws Slide 48).

I'd like my investment back after 5 years. Is that possible?

It's possible. Investors can request to redeem shares after a minimum of 5 years. The decision to redeem or not lies with the Board of Directors and is determined by the organization's financial health. It is possible, but it is not promised.

What is my return on this investment? Where does that money come from?

The targeted rate of return is 1.5 percent per year.

Excluding Investor Owners who forego receiving dividends, the Board strives to declare dividends annually on all investor-owned shares. Dividends are either disbursed to Investor Owners, or accrued for later payment. The Board of Directors has the authority to determine when payments are disbursed and can not declare dividends in a given year if doing so would put undue financial strain on the Cooperative. (From EB PREC Bylaws Slide 44)

Your investment principal and 1.5 percent targeted rate of return is recouped through monthly contributions paid by Resident Owners. Resident Owners of all of EB PREC's properties, including Esther's (once occupied), will make payments to the cooperative fund. These payments, future fundraising, and occasional refinancing of loans on EB PREC properties are expected to generate the liquid capital to pay dividend and redeem shares.

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EB PREC QUESTIONS

I have a project in mind. How can ya'll work with us to build our capacity to do my project?

Finding and vetting a project is a long arc of organizing and working with EB PREC. It starts with submitting the project via our intake form. Someone will review the project proposal and see how it aligns with our mission, vision and goals for the year. If it's aligned we'll schedule an intake call.

If you have a property in mind or are interested in becoming a resident owner. Please fill out this form: <https://ebprec.org/residence>

We are not able to move forward 90 percent of the projects that come across our desk as EB PREC properties. Yet, we are still eager to support many of these projects at different levels. Sometimes it's through connections, other times we can provide technical support.

What does it look like for other similar place-based initiatives beyond CA to be in solidarity with y'all?

Share our campaigns as we share theirs. Connect us to their funding and organizing networks as we do and share techniques and strategies with one another openly and generously.

I invested in the Coop789 campaign. Was that project successful? Can I invest again?

Yes. Coop 789 successfully kept 8 people rooted in the East Bay. When the pandemic hit and the State shut down, some lost their income, but the rest of the 789 pooled their resources to keep their neighbors housed.

Environmentally, buying Coop 789 diverted the creation of 169 metric tons of carbon dioxide. By rehabbing existing housing supply, and not building new, we've kept people of color housed, and are in the process of co-stewarding this property in a restorative and regenerative way.

You can invest again. Financially, our new Regulation A+ exemption allows people to purchase multiple shares in accordance with the Federal rule 17 CFR § 230.50. The TL:DR is: a non-accredited investor can invest up to 10% of their annual income.

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This is an ambitious project. What other sources of capital do you have for the acquisition?

This project has deep support from our local mission-aligned foundations. Our funding partners include the [Kataly Foundation](#), led by their executive director Nwamaka Agbo. The Kataly Foundation team have been amazing thought partners, and are underwriting an acquisition loan for the project. San Francisco Foundation's PRI committee has also approved a construction loan for the project, which was underwritten by Community Vision.

These loans have 0-2% interest, with generous interest-only periods, and 10 year terms that will let us complete the rehabilitation and have many years for the businesses to stabilize before we refinance at the end of the loan terms.

Are you acquiring other properties? How do you decide which properties to purchase? As an investor, do I have a say?

We are constantly reviewing other investment opportunities, and any additional funds we raise will be invested into subsequent projects. Our Staff, Resident, and Community Owners are the primary decision-makers about what projects we acquire. While we welcome input and suggestions from our Investor Owners, our governance is designed to prioritize the voices of those on the ground in our community. Investor owners are invited to attend our annual member meetings, and get an equal vote on general items, and get to help elect two of our board members. If you are located in the East Bay and want to get more involved in our governance processes, consider also becoming a Community Owner!

If these loans are due in 10 years how are you going to pay me back?

Your investment principal and 1.5 percent targeted rate of return is recouped through monthly contributions paid by Resident Owners. Resident Owners of all of EB PREC's properties, including Esther's once occupied, will make payments to the cooperative fund. These payments, future fundraising, and occasional refinancing of loans on EB PREC properties are expected to generate the liquid capital needed to pay dividends and redeem shares.

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How does the investment process work?

Here is a story showing how the investment process could work for someone who buys one share. Actual dividends or payback may differ:

Dontarious Johnson (he/they) lives in the East Bay, West Oakland to be exact, and they're honestly over the unaffordable rents. They have been participating in a direct action anti-houselessness group for some time and heard about EB PREC from an organizer who showed up to one of their events. He goes online to the [website](#) and reads the [offering circular](#) which has all the details about the Direct Public Offering (DPO).

They fill out an investor owner form and submit payment to buy one share for \$1,000. He receives updates, attends member meetings, and votes when necessary. He doesn't waive the right to receive dividends because he wants to get a little benefit from his investment.

Five years pass, and things go great for the co-op - each year EB PREC's Board decides to declare dividends at the target rate of 1.5%. They decide to accrue those dividends for the first 3 years, and to pay out dividends in the fourth year, and then accrue them again in the 5th year.

With a \$1,000 share, Dontarious earns about \$15 per year, which is accrued to his account and held by the co-op for the first three years, so when they're paid out in year four, he receives \$60.

In year five, Dontarious earns another \$15 which is accrued to his account, but in year six, the Board decides that declaring dividends would jeopardize EB PREC's financial health, and does not declare any dividends.

In year six, Dontarius requests that the co-op redeem his investment. EB PREC sends Dontarius his initial investment--\$1000--and his accrued dividends, the \$15 accrued in year five. If the fund paid 1.5% dividends in year 6, Dontarius could have earned another \$15, but since year six was not an earning year he only earned \$75 in total dividends--\$60 paid in year four-- and \$15 paid in year six--despite leaving his investment in the fund for six years.

How many of the current EBPREC resident owners are Black?

There are currently two Black-presenting residents.

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If the EB PREC model scales, it might stifle growth in Oakland? How does this project and others like it keep Oakland an attractive place for investors to invest?

Our model scaling is not a threat to the health of the City of Oakland. In fact, it ensures Oakland remains a vibrant community by creating the kind of permanence that enables people to remain rooted where they are, even if the surrounding landscape dramatically shifts.

This kind of permanence is typically reserved for those with the financial capital to purchase land on their own. Investing in EB PREC in any capacity creates long-term access for everyone regardless of socioeconomic status, and with a particular focus on supporting BIPOC community members.

How do you define success? What does success look like in 5 years?

Success for us means we have launched Esther's by 2023 and taken on at least one multi-unit--15-20 unit building--per year. By 2026, we will own 5 more properties, or be on our way to owning 5 more properties.

How do you calculate rent saved?

We found the average monthly rent for similarly sized units in the neighborhoods where our properties are located; Bushrod and Elmwood. By subtracting residents' actual contribution amounts from the average monthly rent, we found the difference in cost between market rate vs. what residents pay. Adding the differences for the number of months since residents began stewarding the property, produced the rent saved figure. Last year resident owners saved \$82,152.74 in rent. The average monthly rent figures came from rental research site Zumper.com.

How do you calculate metric tons of CO2?

Using buildcarbonneutral.org, we calculated the amount of carbon that would have been released had we built a similarly sized unit to house residents. Because we did not build new housing, but restored already existing housing, we want to draw attention to the negative environmental impact we did not create. Last year, EB PREC saved 203 metric tons of CO2 from being created, and still managed to house 12 people.

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How are you defining affordable housing?

We don't presume to define affordability, but work with our community to understand the various factors that lead to affordability, safety, and stability for each cooperative community.

Are your projects one off? Or are they intended for a specific geographic area?

Our first projects were opportunity based. The Esther's project is a direct effort to stabilize a legacy West Oakland corridor specifically.

Is our budget made for 2021?

Yes. For a look at our 2021 budget, please reach out to Ojan@ebprec.org.

What does it mean to become a Resident Owner?

Any resident in a property acquired by EB PREC may become a Resident Owner. Resident owners are co-owners in the cooperative at large, and they have specific rights when it comes to their home, as laid out in their Resident Share Agreements. These rights include a long-term renewable right to reside in the property, with monthly financial contributions tracking monthly costs. Similar to home-ownership, when the monthly cost drops (by completion of debt-service payments, for example) then their monthly contributions drop accordingly. They also have a right to a portion of the surplus generated by their monthly contributions. Resident Owners collectively elect a Resident Director to EB PREC's board of directors to represent their interests.

What happens if a resident decides to move out before the loan is paid off?

It depends on the property and the residents who live there. In short, a tenant moving does not affect paying off the loan and investments on a property, the subsequent tenant takes over with their monthly contributions.

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What is the difference between investor equity and resident equity? Please explain how your equity model works.

Investor Equity consists of shares in EB PREC at large. Each share is the same, valued at \$1,000. Investors contribute this Equity to the cooperative, and this Equity allows EB PREC to do things like acquire property.

Resident equity is surplus generated by Resident Owners who are making monthly financial contributions to the cooperative. That surplus may be returned, in part or in full, to the residents, either refunded directly, put into a reserve account for their property, or paid out if the resident decides to leave the cooperative. Each Resident Share Agreement determines exactly how the resident equity structure works for that specific resident, which allows us to live our values. For example, some Resident Owners may decide they want their surplus to go back to the cooperative to help subsidize other residents.

What does it mean to become an investor owner of EB PREC?

Investor owners purchase equity shares in the cooperative. This makes all of our Investor Owners co-owners of the cooperative, along with the staff, residents, and community members.

Investor Owners can...

1. Vote on any items brought to East Bay PREC's membership at member meetings or otherwise,
2. Vote on two board members: the Governance director and the Finance director,
3. Receive dividends - The Board shall strive to declare dividends of approximately 1.5% per year on Investor Owner shares. Dividends will either be disbursed to Investor Owners or accrued for later payment.

If you decide to leave the co-op after the minimum 5 years, or if you're experiencing financial hardship, we will work with you to get your investment back.

There are risks involved! As with any investment, please consult our full offering circular to understand all risks connected with this investment opportunity. We ask that all interested investors read our offering circular before making a decision to invest. Find our offering circular at tinyurl.com/ebprecipo

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If I become an investor/community owner does that guarantee me a chance at resident ownership?

No. Becoming an owner has its benefits, but it does not guarantee that you will become a resident owner.

Can I put my investment in my child's name?

Investors must be at least 18 years of age. If your children are not yet 18, you can include children as beneficiaries on your account. Contact ojan@ebprec.org to do so.

Are your projects one off? Or are they intended for a specific geographic area?

Our first projects were opportunity based. The Esther's project is a direct effort to stabilize a legacy West Oakland corridor specifically.