

# **MLU Support Letter - HB1052.pdf**

Uploaded by: Carlos Orbe, Jr.

Position: FAV

February 21, 2025  
The Honorable Marc Korman  
Chair, Environment and Transportation Committee  
Maryland General Assembly  
House Office Building  
Annapolis, MD 21401

Support for House Bill 1052 – Corporations and Associations - Limited Equity Housing  
Cooperatives - Establishment

Dear Chair Korman and Esteemed Committee Members,

At Maryland Latinos Unidos (MLU), we believe that housing is more than just shelter—it is the foundation of economic stability, community well-being, and opportunity. For many Latino and immigrant families in Maryland, access to affordable homeownership remains an unattainable goal due to systemic barriers, rising housing costs, and limited pathways to equity-building.

House Bill 1052 presents a significant opportunity to change this reality by enabling the creation of limited equity housing cooperatives, a model that prioritizes affordability and long-term stability for Maryland's working families. This legislation authorizes Maryland nonstock corporations to convert into limited equity housing cooperatives, ensuring that affordable housing options remain available for low- and moderate-income residents. Furthermore, the bill includes provisions to protect current tenants by requiring proper notification and relocation assistance if necessary.

This legislation is an essential step toward preserving affordable housing and preventing displacement in communities where Latino and immigrant families face the greatest risk of instability. By enabling cooperative housing, HB 1052 removes financial and institutional obstacles that prevent marginalized communities from securing stable and affordable housing.

MLU is committed to working with local housing advocates, community organizations, and policymakers to ensure Latino residents are aware of and can benefit from the cooperative housing opportunities created by this bill. Through outreach, education, and advocacy, we will support the implementation of HB 1052 in ways that best serve our communities.

We strongly urge the Environment and Transportation Committee to issue a favorable report on HB 1052. By passing this legislation, Maryland will take a crucial step toward ensuring housing security and economic empowerment for all its residents.

Sincerely,

Carlos Orbe, Jr.  
Communications and Public Affairs Specialist  
Maryland Latinos Unidos  
corbejr@mdlatinosunidos.org

# **HB1052\_DHCD\_SUPPORT.pdf**

Uploaded by: Chuck Cook

Position: FAV

**DATE:** February 25, 2025

**BILL NO.:** House Bill 1052

**TITLE:** Corporations and Associations – Limited Equity Housing Cooperatives - Establishment

**COMMITTEE:** House Environment & Transportation Committee

### **Letter of Support**

#### **Description of Bill:**

House Bill 1052 allows coops that have been set up as corporations to transition to become Limited Equity Cooperatives (LECs). The legislation clarifies the process the coop would have to undertake, including the process for submitting to SDAT for approval. The legislation also gives Maryland DHCD the ability to provide grants to coops.

#### **Background and Analysis:**

This bill attempts to fix an incongruence between state and local laws. Advocates have claimed that current Maryland laws related to coops are nearly forty years old and have seldom if ever been utilized because they are too prohibitive. HB1052 creates a statutory framework for LECs that reduces burdens and allows for conversion from a corporate structure to an LEC structure.

Generally speaking, coops are one among a number of alternative ownership models gaining popularity in recent years. Given the current context of high interest rates and escalating home prices, these alternative homeownership models represent important new pathways for wealth creation, especially for lower-income households who are largely excluded from homeownership opportunities in the status quo. It is important to note that this bill is narrowly tailored and doesn't open the floodgates to large volumes of new LECs. It does, however, reduce some of the regulatory confusion and barriers related to LECs that currently exist in state law.

#### **DHCD Position:**

The Department of Housing and Community Development respectfully requests a **favorable** report on House Bill 1052.

# **CDN HB 1052 FAVORABLE.pdf**

Uploaded by: Claudia Wilson Randall

Position: FAV



**TESTIMONY**  
**HOUSE BILL 1052**  
**House Ways & Means Committee**  
**February 25, 2025**  
**Position: FAVORABLE**

Dear Chairperson Atterbeary and Members of the Ways and Means Committee:

The Community Development Network of Maryland (CDN) is the voice for Maryland's community development sector and serves nearly 200 member organizations. CDN—focuses on small affordable housing developers, housing counseling agencies and community-based non- profits across the state of Maryland. The mission of CDN is to promote, strengthen and advocate for the community development sector throughout Maryland's urban, suburban and rural communities. CDN envisions a state in which all communities are thriving and where people of all incomes have abundant opportunities for themselves and their families.

HB 1052 - Establish statute specifically for converting to Limited Equity Coop. This bill makes the current Maryland statute workable for a group of low- and moderate-income working households without the monetary resources or technical expertise to fulfill the complex Maryland Coop Act requirements.

The Maryland Coop Act does not address a situation whereby the tenants have purchased their apartment complex, and want to organize themselves into a state-recognized low-income limited-equity cooperative that will keep the property affordable. There are burdensome requirements such as producing a property report, a public offering statement, and other costly and time-intensive document collection. This has been a barrier for implementation in Maryland.

A Limited Equity Cooperative (LEC) is a type of housing co-op designed to be affordable to people with low and moderate incomes. Equity refers to the rights to ownership, financial interests, and the co-op community that housing co-op members have.

In limited equity cooperatives, residents commit to gaining less financial equity when reselling their share in exchange for greater ownership and social equity while living in the co-op.

This model provides several benefits, including:

- Residents have greater control and input in decision making
- Tool for affordable homeownership
- Offer more stability (no responsibility for repairs, no drastic monthly charge increases, etc.)
- Build stronger communities with amenities

The current statute is unworkable for a group of low- and moderate-income tenants who work and do not have private resources or technical expertise to fulfill the complex Maryland Coop Act requirements.

Marylanders want a bright future for the generations to come. According to a recent poll conducted by UMBC, a majority of people see housing as the biggest challenge in the state of Maryland. We must work to find creative models for community ownership and last affordability because without housing, people and Maryland cannot thrive and build opportunity.

We urge your favorable report for HB 1052.

Submitted by Claudia Wilson Randall, Executive Director, Community Development Network

# **HB1052\_FAV\_Treible.pdf**

Uploaded by: Judy Treible

Position: FAV



# **HB 1052 - SUPPORT**

Judy Treible

Leeland Tenant Association

jatreible@gmail.com 240-355-6014

## **HB 1052 SUPPORT**

**Corporations and Associations - Limited Equity Housing  
Cooperatives -Establishment:**

Environment and  
Transportation Committee

February 25th, 2025

Dear Chair Korman, Vice Chair Boyce, and Members of the  
Environment and Transportation Committee:

My name is Judy Treible and I am the Secretary of the  
Leeland Tenant Association. I am writing in favor of HB  
1052. The Leeland Tenant Association is: “ a group of  
neighbors committed to nurturing the sustainability of our  
larger community, keeping our home safe and affordable, and  
supporting each other’s well-being.”

We are a culturally diverse community; half of us identify as  
non-white, with roots in El Salvador, Palestine, and the  
Philippines, to name a few.

We are artists, activists, teachers, environmentalists.

We are federal workers. We are nonprofit leaders. Award-  
winning filmmakers live here. Part-time poets live here.

Our interests range from soccer to sock puppets, roller derby  
to belly dancing to bees. We have brought Shakespeare to

detention centers and prisons, and nonverbal theatre to toddlers.

Original musicals were written here, to give LGBTQ youth a “happily ever after.”

A cancer battle was fought and won from this building, with the support of this community.

A neurodivergent child is growing up here, with neighbors who help look out for them, who don’t mind the noise they make.

We are 11 years old, going to school down the hill.

We are 77 years old, hoping to age in place.

These apartment units are also recording studios, theaters, classrooms, offices.

These apartment units are homes, where people who likely would not otherwise be able to, can proudly call themselves residents of Montgomery County, of Takoma Park.

We are storytellers, and we are Takoma Park’s stories.

We are 15 units of affordable housing in a safe, walkable neighborhood.

We are The Leeland.

In 2021 our landlord put our building at 112 Lee Ave in Takoma Park up for sale which threatened to displace all of the 15 low income households living there. In October of 2022 , the Leeland Tenant Association, utilized Takoma Park’s Tenant Opportunity to Purchase law to successfully acquire the property.

The LTA’s intention has always been to convert the building to a limited equity coop, ensuring it would remain affordable and

owned by the residents in perpetuity. Although more than 90 limited equity coops thrive in the District of Columbia, there are none in the state of Maryland. We soon learned the reason why: the existing state laws make the creation of a limited equity coop confusing, expensive and time-consuming. HB 1052 would simplify the process and allow more tenant associations to follow our lead. This bill, were it to become law, would create another tool to stem the growing housing crisis within the state of Maryland.

**I urge a favorable report on HB 1052.**

# **Testimony.HB1052\_Delegate Lorig Charkoudian.docx.p**

Uploaded by: Lorig Charkoudian

Position: FAV



## THE MARYLAND HOUSE OF DELEGATES

ANNAPOLIS, MARYLAND 21401

### HB 1052 - CORPORATIONS AND ASSOCIATIONS - LIMITED EQUITY HOUSING COOPERATIVES - ESTABLISHMENT

TESTIMONY OF DELEGATE LORIG CHARKOUDIAN  
FEBRUARY 25, 2025

Chairs Korman and Atterbeary, Vice Chairs Boyce and Wilkins, and Members of the Environment and Transportation, and Ways and Means Committees,

As Maryland seeks to increase affordable and attainable housing, limited equity co-ops are an important tool in the toolbox. A Limited Equity Cooperative (LEC) is a type of housing co-op designed to be affordable to people with low and moderate incomes. Equity refers to the rights to ownership, financial interests, and the co-op community that housing co-op members have. In limited equity cooperatives, residents commit to gaining less financial equity when reselling their share in exchange for greater ownership and social equity while living in the co-op.

This model provides several benefits. Limited Equity Co-ops:

- Are an important tool for affordable homeownership
- Offer more stability (residents are not responsible for repairs, units not prone to drastic monthly charge increases, etc.)
- Give residents more control (they have influence over decision making processes)
- Build stronger communities (often have community gardens, libraries, and events that bring folks together)
- LECs serve residents representing many ethnicities, languages, and incomes. They support cultural norms and traditions, which are critical to a sense of belonging in a community.

The current statute is unworkable for a group of low- and moderate-income tenants who work, take care of their family and then need to volunteer without the monetary resources or technical expertise to fulfill the myriad and complex Maryland Coop Act requirements. The Maryland Coop Act does not address a situation whereby the tenants have purchased their apartment complex, and want to organize themselves into a state-recognized low-income limited-equity cooperative that will keep the property affordable. There are burdensome requirements such as producing a property report, a public offering statement, and other costly and time-intensive document collection. This has been a barrier for housing in Maryland.

#### **This bill will:**

- Establish statute specifically for converting to an LEC mirroring the language used in Washington DC.

I respectfully request a favorable report on HB 1052.

# **HB1052\_FAV\_Mi Casa Inc (1).pdf**

Uploaded by: Will Duggan

Position: FAV



## **HB 1052 - SUPPORT**

Will Bien Duggan  
Mi Casa, Inc  
will@micasa-inc.org  
202-725-6387

# **HB 1052 SUPPORT**

## **Corporations and Associations - Limited Equity Housing Cooperatives - Establishment**

Environment and Transportation Committee  
February 25th, 2025

Dear Chair Korman, Vice Chair Boyce, and Members of the Environment and Transportation Committee:

As a representative of Mi Casa, Inc, I am here to testify in support of HB 1052. Mi Casa, Inc is a 501c(3) Nonprofit that has been working since 1992 to provide permanent affordable housing opportunities for low-income populations.

- We secure funding to develop affordable rental units, single-family homes, and Limited Equity Cooperatives.
- We invest in preserving and renovating buildings to provide high-quality, deeply affordable rental and Limited Equity Cooperative homes to reduce the shortage of housing that is affordable and available for extremely low income residents.
- We leverage laws such as the DC Tenant Opportunity to Purchase Act to avoid displacement and increase affordable housing opportunities for generations to come.

Since 2002, our Tenant Purchase Program has been working to develop limited equity cooperatives (LECs) to preserve long-term, deeply affordable, member-controlled housing and prevent displacement. Our Tenant Purchase Training & Technical Assistance program provides tenants support as they navigate the process of forming a tenant association and converting to cooperative-owned housing through development consulting, community partnerships, and ongoing trainings through our knowledge sharing-network of resident leaders.

Limited Equity Cooperatives are fundamentally different ownership structures that are legally distinct from market-rate cooperatives, condominiums, and rental ownership structures. They can uniquely solve for both anti-displacement and permanent affordable housing for low-income populations to collectively own and manage the building that they live in - when regulations make this pathway viable.

I can provide additional resources for these differences to be further understood, but in this limited time I wish to highlight the importance of establishing a legal pathway for limited equity

cooperatives that is distinct from other ownership structures whenever the following conditions are established:

- A tenant association of predominant LMI households that affirmatively votes to acquire their building as a limited equity cooperative, where all LMI households have the opportunity to become a member of the cooperative at an initial share price not to exceed the equivalent of one-month's rent. These provisions guarantee that:
  - All households, regardless of income, have the opportunity to become a homeowner as part of the cooperative.
- The Limited Equity Cooperative is committed to maintain affordable membership sales and ongoing housing costs in a legally-binding agreement that mandates a pre-established minimum commitment to fill any vacant units in accordance with affordable housing statutes for LMI households.
  - The cooperative is committed to continue to provide affordable homeownership opportunities to future generations of residents.

The first provision's intent is to maintain affordability and prevent displacement. We at Mi Casa can testify to the importance of these outcomes for maintaining community fabric.

The second provision is to guarantee that the homeownership structure will continue to be accessible for future generations of residents. We at Mi Casa can testify to the impotence of these protections for guaranteeing that this affordable homeownership structure will continue to be available for new residents if there is any occupancy turnover.

Mi Casa, Inc is working with the Leeland in Takoma Park, Maryland, to establish their limited equity cooperative with these outcomes and supporting provisions in agreement. The current provisions for conversions to market-rate cooperatives and condominium associations are prohibitively expensive or otherwise irrelevant to the basic ownership structure of a limited equity cooperative.

We greatly appreciate this bill's intent to establish a clear legal pathway so that this tool for affordable homeownership can more clearly and effectively move forward, and ultimately to serve the residents of Maryland with affordability for generations to come.

We urge a favorable report on HB 1052.



# **HB1052\_FAV\_Mi Casa Inc.pdf**

Uploaded by: Will Duggan

Position: FAV



## **HB 1052 - SUPPORT**

Will Bien Duggan  
Mi Casa, Inc  
will@micasa-inc.org  
202-725-6387

# **HB 1052 SUPPORT**

## **Corporations and Associations - Limited Equity Housing Cooperatives - Establishment**

Environment and Transportation Committee  
February 25th, 2025

Dear Chair Korman, Vice Chair Boyce, and Members of the Environment and Transportation Committee:

Paragraph 1: Mention your organization, the bill number, and the position on the bill in the first sentence. The first paragraph is typically used to provide a brief background (1-2 sentences) on the organization you represent, such as your goals, mission statement, and/or scope of work.

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