

MLU Support Letter - SB927.pdf

Uploaded by: Carlos Orbe, Jr.

Position: FAV

February 21, 2025
The Honorable William C. Smith, Jr.
Chair, Judicial Proceedings Committee
Maryland General Assembly
11 Bladen Street
Annapolis, MD 21401

Support for Senate Bill 927 – Corporations and Associations - Limited Equity Housing Cooperatives - Establishment

Dear Chair Smith and Esteemed Committee Members,

At Maryland Latinos Unidos (MLU), we know that safe and stable housing is more than just a necessity—it is the foundation of opportunity. For many Latino and immigrant families in Maryland, homeownership remains an unattainable dream due to rising housing costs, limited access to credit, and systemic barriers that prevent long-term stability. Senate Bill 927 provides a solution that will create lasting affordability, empowering working families to build equity and secure their future.

Latino communities in Maryland disproportionately struggle with housing insecurity. According to the National Low Income Housing Coalition, over 52% of Latino renters in Maryland are cost-burdened, spending more than 30% of their income on housing. This financial strain limits economic mobility, making it nearly impossible for families to save, invest, or plan for the future. By establishing limited equity housing cooperatives, SB 927 ensures that families can access affordable homeownership while protecting housing stock from speculative market pressures.

This bill offers a pathway to economic security by allowing residents to collectively own and govern their housing, preserving long-term affordability while giving families a stake in their communities. When families can remain in stable homes, children perform better in school, workers contribute more effectively to the economy, and communities become stronger. Studies from the Urban Institute have shown that housing stability significantly improves health outcomes, educational attainment, and job retention, demonstrating the far-reaching benefits of this approach.

MLU strongly supports SB 927 because it aligns with our mission to advance equity and opportunity for Maryland's Latino and immigrant populations. This legislation will allow families to escape the cycle of rising rents, invest in their future, and build generational wealth. As an organization dedicated to advocacy and community empowerment, we will work to ensure that our community members are aware of and able to take full advantage of the opportunities created by this bill.

We urge the Judicial Proceedings Committee to issue a favorable report on SB 927. By passing this legislation, Maryland can take a crucial step toward making homeownership accessible to all, not just a privileged few.

Sincerely,

Carlos Orbe, Jr.
Communications and Public Affairs Specialist
Maryland Latinos Unidos
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SB927

Uploaded by: Chuck Cook

Position: FAV

DATE: February 26, 2025

BILL NO.: Senate Bill 927

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

COMMITTEE: Senate Judicial Proceedings Committee

Letter of Support

Description of Bill:

Senate Bill 927 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. SB 927 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 Senate Bill 927.

CDN SB 927 FAVORABLE.pdf

Uploaded by: Claudia Wilson Randall

Position: FAV



TESTIMONY
SENATE BILL 927
Judicial Proceedings Committee
February 25, 2025
Position: FAVORABLE

Dear Chairperson Smith and Members of the Judicial Proceedings 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.

SB 927 - 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 SB 927.

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

SB0927_FAV_Treible.pdf

Uploaded by: Judy Treible

Position: FAV

SB 0927 - SUPPORT

Judy Treible

Leeland Tenant Association

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SB 0927 SUPPORT

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

February 25th, 2025

Dear Chair Smith, Vice Chair Waldstreicher, and Members of
the Judicial Proceedings Committee:

My name is Judy Treible and I am the Secretary of the
Leeland Tenant Association. I am writing in favor of SB
0927. 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. SB 0927 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 SB 0927.