



TESTIMONY
Senate Bill 511
Judicial Proceedings Committee
February 12, 2026
Position: FAVORABLE

Chair 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 511 – Establishes a 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 tenants who work and do not have resources or technical expertise to fulfill the complex Maryland Coop Act requirements.

Marylanders want a bright future for the generations to come. 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 511.

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