

November 28th, 2023

Senator Pierce, Representative Gere, and Distinguished Members of the Joint Committee on Housing:

Maine Artists Cohousing (MAC) is writing on behalf of LD 1505, "An Act to Amend the Maine Cooperative Affordable Housing Ownership Act."

MAC is a newly formed group that seeks to establish an affordable live/work community for artists in Maine as well as a replicable model for future creative housing communities. We are interested in shared equity and cooperative frameworks in order to accomplish our goals of perpetual affordability.

In our outreach to similar groups we have heard many instances of applications being stalled, both on the developer side and the individual side, for public assistance programs where a cooperative housing model is in place, often due to confusion about whether a member of a cooperative is a renter or owner. LD 1505 clarifies this confusion by providing a simple flow chart to help program administrators more efficiently process these applications and it does so without a fiscal note and without asking programs to update their current policies on this matter if they already have one in place. Thus it is a simple technical change that will make it easier for residents/applicants of cooperative housing to move forward, as well as developers of cooperative housing to move their projects forward too. In turn, we are increasing the number of affordable housing options available to Mainers.

This bill also adds Group Equity Cooperatives to the state statute as an option for Cooperative Housing incorporation. Currently, Coop Housing Corps have to incorporate as either Limited Equity or Market Rate, whereas the Group Equity model makes coop housing available to very low income households and allows those organizations to raise some tax-exempt funds to establish and maintain this type of housing where members and residents are involved in a collaborative and democratic process of co-community management.

Group equity housing cooperatives require less initial investment from their members and create long term affordability that will benefit future low-income households. They are a critical addition to Maine's "toolbox" of solutions available for creating permanently affordable housing. By clarifying their ownership structure, LD 1505 will support increased development of group equity cooperatives across Maine.

Both pieces of this bill will help more established projects as well as projects like ours that are incorporating and seeking funding within the next couple of years. We urge you to report out LD 1505 as "Ought to Pass." Thank you for your work and for the opportunity to submit this testimony.

Peter Haller
On behalf of Maine Artists Cohousing