

Pat Schwebler
Cooperative Development Institute
LD 1505

Dear Representatives and Senators,

Affordable housing in Maine is at a crisis point and the cooperative housing model offers an equitable, affordable option. Please support LD 1505 for the reasons outlined below. This bill will expand the housing cooperative model in Maine to include group equity housing cooperatives.

Thank you,

Pat Schwebler
New England Resident Owned Communities
Co - Program Director
Cooperative Development Institute

“LD 1505 “An Act to Amend the Maine Cooperative Affordable Housing Ownership Act”

Presented by Representative CLOUTIER of Lewiston.

Cosponsored by Senator PIERCE of Cumberland and Representatives: ABDI of Lewiston,

BRENNAN of Portland, GERE of Kennebunkport, LEE of Auburn, LOOKNER of Portland,

SUPICA of Bangor, Senators: ROTUNDO of Androscoggin, VITELLI of Sagadahoc.

Summary: This bill amends the Maine Cooperative Affordable Housing Ownership Act to

include group equity cooperatives. It also provides that a housing assistance program must be

made reasonably available to residents of housing cooperatives.

What Does this Bill Do?

1. Makes it easier for low-income residents to benefit from cooperative housing in Maine

through group equity housing cooperatives.

The cooperative housing model allows residents to pool resources in order to own and manage

their homes together, including apartment buildings, mobile home parks, row houses, and single

family homes. This bill allows the state to recognize ‘group equity’ housing cooperatives, which

are most useful for serving low-income residents. Group equity housing cooperatives generally

require less initial investment from their members and promote long term affordability for future

low-income households. Currently, the state of Maine only recognizes 2 types of housing

cooperatives: market rate and limited equity, which primarily serve middle and moderate income

residents who have more savings to invest than low-income households.

2. Makes it easier for residents of housing cooperatives to access housing and utility assistance programs.

This bill establishes a formal method for housing and utility assistance programs to process

applications from housing cooperatives and their residents when such applications are submitted. Most programs do not have specific policy to handle applications from

housing

cooperatives, and this can be a burden both for the applicant as well as the administrator. For

programs that do have specific policies for applications from housing cooperatives, this statute

does not override those policies.

What Does it Cost?

There is no anticipated fiscal impact to amending the state statute. The State Secretary's

Office will need to update the Articles of Incorporation application form to include group equity

housing cooperatives as an option. Housing and utility assistance programs that receive public

funding will have to follow this statute if and when they receive an application from a housing

cooperative, but they are not required to create new policies. A simple flow chart has already

been created to help policymakers and administrators understand how applications should be

processed if and when LD 1505 goes into effect.”