



Senator Pierce, Rep. Gere, and members of the Joint Select Committee on Housing. My name is Cate Blackford and I am the Public Policy Director of the Maine People's Alliance. MPA is Maine's largest community action organization, with over 32,000 members across the state.

Thank you for the opportunity to talk with you today about LD 1505 and express MPA's support for this bill.

As you are all well aware, the housing crisis in Maine requires a multifaceted set of policy solutions to increase the supply of housing, improve tenants' opportunities, and increase access to resources for dealing with the high costs of housing.

This bill, the Act to Amend the Maine Cooperative Affordable Housing Ownership Act, is a rare piece of legislation that addresses each of these needs. By including group equity cooperatives to the existing regulations for housing co-ops, it creates a mechanism for an innovative type of housing development to be more broadly used to meet Maine's housing needs.

Group equity housing cooperatives generally require less initial investment from their members and promote long term affordability for future low-income households. They sell shares in the corporation that owns the units, which are typically much lower than the costs to "buy in" to market rate co-ops and limited equity co-ops - more like a regular rental deposit - and then the equity that develops in the development is held by the group, instead of being paid to the members as cash or limited cash. This then helps the co-op fund its ongoing growth and costs, while facing less pressure to raise rents.

By having the State recognize group equity co-ops, LD 1505, makes it easier to develop this type of housing where suited. It expands opportunities for renters to experience long-term housing stability and to govern their residential communities. It also allows the co-op and residents of the coop to participate as landlords and tenants, respectively, in existing housing programs and access those resources such as rental assistance.

LD 1505 does not require state funding to implement; it clarifies how public and private agencies interact with group equity coops.

Our current for-profit housing model, which treats housing as a commodity and a financial investment, has led to today's crisis. Alternative models of ownership and investment, including group equity co-ops are key to addressing that crisis and carving a path forward that establishes housing primarily as a source of shelter and stability.

I urge you to support LD 1505. It is a technical change with the potential to have broad impacts across the state. Thank you for your consideration.