

**Testimony introducing
LD 1505, "An Act to Amend the Maine Cooperative Affordable Housing Ownership Act"**

**Senator Peggy Rotundo
November 28, 2023**

Senator Pierce, Representative Gere and other distinguished members of the Committee on Housing, my name is Peggy Rotundo and I represent Senate District 21, the City of Lewiston. I am here today to testify in support of a bill I am proud to co-sponsor, LD 1505, "An Act to Amend the Maine Cooperative Affordable Housing Ownership Act".

This bill will ultimately help low-income Mainers who live in cooperative housing by amending the Maine Cooperative Affordable Housing Ownership Act to include group equity cooperatives. It also makes it easier for residents of housing cooperatives to apply for assistance programs.

Residents of cooperatives save money by pooling their resources and own their homes collectively. These homes may include apartment houses, mobile homes and single-family dwellings. The State of Maine currently recognizes only two types of cooperative: market rate and limited equity. This arrangement favors residents who have more money to invest than most low-income Mainers have. LD 1505 creates a third group — group equity — which will require lower financial investment from residents and go a long way toward providing affordability for low-income co-op households.

Cooperative owners face many hurdles that other residents do not. Applying for assistance programs designed to help low-income Mainers, such as Low Income Heating Assistance (LIHEAP), is made difficult because there is currently no policy in place to handle applications from housing cooperatives. Programs sort applications into either the 'renter' pile or the 'owner' pile. Co-op residents are, in fact, both renters and homeowners. The application process represents a time-consuming logistical headache for program administrators and applicants, and can result in a loss of critical benefits for residents of cooperatives. This bill provides a framework for the state to process all applications efficiently, regardless of what type of housing the applicant occupies.

As Senate Chair of the Appropriations and Financial Affairs Committee, I am pleased that his bill will have no appreciable fiscal impact on the General Fund. This bill simply cleans up the statutory language concerning cooperative housing in order to help these folks enjoy the same benefits as those who own single-family houses.

Thank you for your willingness to consider these changes. I am happy to take any questions.