Limited Equity Housing Co-Op Conversion

The Limited Equity Housing Cooperative Bill will allow Maryland residents to more easily convert their resident-owned buildings into limited-equity cooperatives, where they can maintain housing affordability and achieve long-term stability.

What is a limited-equity housing cooperative (LEHC)?

An LEHC is a resident-owned building where households buy a membership share, elect a board, and set monthly charges together. Resale prices are capped by a formula, so homes stay affordable over time. Members build modest equity and long-term stability rather than chasing speculative gains.

What are the benefits to easing LEHC conversion?

Making it easier for residents to convert their building into an LEHC reduces displacement, while providing opportunities for low-income residents to take ownership and manage their property.

Why isn't this happening already?

Current law is not designed for tenant-owned limited equity cooperatives. This legislation creates a clear, simple path for residents to pursue conversion, while requiring transparent budgets and maintenance reserves to ensure future success through collective democratic governance.

Does this cost the state money?

This legislation is revenue-neutral.

This bill will

✔ Establish statute specifically for converting to an LEHC, including:

✔An outline of the conversation process (needed documents, voting procedures, timelines, etc.)

✔Requirements associated with being an LEHC

This bill is supported by organizations across the state:

COMMUNITY DEVELOPMENT NETWORK OF MARYLAND

GROUNDED SOLUTIONS NETWORK

SHARE Baltimore

MI CASA INC

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