



Garrick R. Good, JD, MBA, CFRE  
Executive Director

February 17, 2023

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Hon. Kumar P. Barve, Chair

Environment and Transportation Committee

Room 251

House Office Building

Annapolis, Maryland 21401

RE: HB 0567 Residential Property-Affordable Housing Land Trusts-  
Authority to Establish Condominium Regimes

Dear Chairman Barve,

North East Housing Initiative “NEHI” in Baltimore City supports HB 0567 and asks the Environment and Transportation Committee to give it a favorable report. The bill makes a technical change to Condominium Act that will clear up confusion between its regulatory structure and that of Affordable Housing Land Trusts.

NEHI was established in 2014 to provide permanently affordable housing for families at or below 80% area median income through Affordable Housing Land Trusts (AHLTs), also called Community Land Trusts (CLTs), that were forming in Baltimore City. AHLTs/CLTs provide housing that also supports development without displacement. AHLTs legally separate land from the housing upon it, and then knit them together in legal documents that enable homeownership, rental, and co-operative housing to occur in traditional ways with traditional financing, but on land owned by a community-led non-profit organization. The legal land trust agreement that brings them together keeps this housing permanently affordable by prior-set formulas that govern subsequent sales. This enables the community to maintain an affordable sector regardless of market conditions.

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5307 Belair Road  
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A number of Affordable Housing Land Trusts (AHLTs) are developing multi-unit housing and providing the units for homeownership through a condominium-like structure. However, the current condominium law does not envision or make provision for the AHLT agreements. AHLT agreements, commonly known as ground leases (though distinct from “ground rents”), technically makes the AHLT housing a “leasehold estate.” Such estates are prohibited in the condominium structure that is governed by the Residential Condominium Act (MD Real Property Code Ann. Sec. 11-101 et seq.).

AHLTs must sidestep this prohibition by first creating a “commercial” condominium and then a “residential “one. These two-steps add complexity and confusion to financiers, both public and private, and operate to delay and prevent successful property acquisition and housing financing.

The Affordable Housing Land Trust Act (MD Real Property Code Ann. Sec. 14-501 et seq.) exempts the Affordable Housing Land Trust Agreement from statutes pertaining to ground leases but does not address condominiums. While legislative acts must be construed by the courts *in pari materi* (in harmony), there is no reason for this to be resolved by litigation. This simple fix to the Condominium statute would exempt Affordable Housing Land Trust Agreements from being deemed “leasehold estates” for purposes of the Condominium Act. The amendment is consistent both with the intent of the regulatory structure under both the AHLT and Condominium acts, in harmony with each considered together, and involves no fiscal cost to the state.

We thank you for your anticipated support and favorable report of HB 0567.

Sincerely,

A handwritten signature in cursive script that reads "Garrick R. Good".

Garrick R. Good, JD, MBA, CFRE  
Executive Director