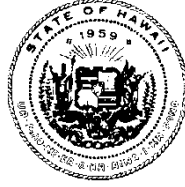


JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



DEAN MINAKAMI
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813
FAX: (808) 587-0600

Statement of DEAN MINAKAMI

Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON HOUSING

March 13, 2025 at 1:25 p.m.
State Capitol, Room 225

In consideration of
H.B. 833 HD1
RELATING TO COMMUNITY LAND TRUSTS.

Chair Chang, Vice Chair Hashimoto, and members of the Committee.

HHFDC **supports** HB 833 HD1, which authorizes the Hawaii Housing Finance and Development Corporation (HHFDC) to establish a five-year community land trust equity pilot program to provide community land trusts with a line of credit to fund the acquisition, rehabilitation, renovation, or construction of housing for certain households and report to the Legislature regarding the pilot program. It also appropriates funds from the Dwelling Unit Revolving Fund (DURF) for establishment of the pilot program and sunsets it on 6/30/2030.

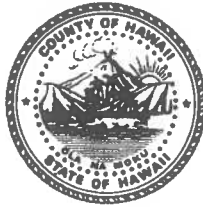
HHFDC concurs that community land trusts (CLTs) may be beneficial in helping to preserve affordable for-sale housing over the long term. We would gladly work with CLTs to establish financing programs that support our shared mission of providing affordable housing to Hawaii residents.

Thank you for the opportunity to testify on this bill.

C. Kimo Alameda, Ph.D.
Mayor

William V. Brilhante Jr.
Managing Director

Merrick Nishimoto
Deputy Managing Director



Kehaulani M. Costa
Housing Administrator

Keiko M. Mercado
Assistant Housing Administrator

County of Hawai'i
Office of Housing and Community Development

1990 Kino'ole Street, Suite 102 • Hilo, Hawai'i 96720 • (808) 961-8379 • Fax (808) 961-8685
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Kona: (808) 323-4300 • Fax (808) 323-4301

March 12, 2025

TESTIMONY IN SUPPORT OF HOUSE BILL 833, HD1
A BILL FOR AN ACT RELATING TO COMMUNITY LAND TRUSTS
COMMITTEE ON HOUSING

Sen. Stanley Chang, Chair

Sen. Troy N. Hashimoto, Vice Chair

Hearing Date: Thursday, March 13, 2025, at 1:25 PM

Place of Hearing: Conference Room 225 & Videoconference

Aloha Honorable Chairs Chang and Hashimoto, and members of the Committee on Housing,

On behalf of the County of Hawai'i Office of Housing and Community Development (OHCD), I am pleased to provide testimony in **support of House Bill 833, HD1**, which authorizes the Hawai'i Housing Finance and Development Corporation (HHFDC) to establish a five-year community land trust (CLT) equity pilot program.

CLTs are an innovative model for ensuring long-term affordable homeownership. Their shared equity structure enables homeowners to build equity while maintaining affordability for future generations. This model is especially crucial in Hawaii, where housing affordability remains a persistent challenge.

In the County of Hawai'i, we have seen the positive impact of this model firsthand. Through our Affordable Housing Production (AHP) Program, we have supported two HALE o Hawai'i projects. Additionally, our office has been collaborating with HALE o Hawai'i to develop projects on State land under executive order, which is being leased to the organization to further CLT efforts.

Thank you for the opportunity to provide testimony in support of House Bill 833, HD1.

Mahalo,

Kehaulani M. Costa
Housing Administrator





MARCH 11, 2025

CHAIR CHANG, VICE CHAIR HASHIMOTO, AND COMMITTEE MEMBERS:

I am writing on behalf of the Board of Directors of Kohala Community Land Trust, a non-profit created in the district of North Kohala on Hawai'i Island to keep Kohala homes, land and businesses in Kohala hands in perpetuity. We were awarded 501(c)(3) status in August 2024 and already have over 125 active members in a community with a census population of around 1,700 households.

More information on our objectives, structure and Board of Directors is at <https://www.kohalacommunitylandtrust.org/>.

We are in **full support of HB833 HD1**. This bill provides important recognition that the classic Community Land Trust model, governed by lessee and resident members, is a viable long-term solution to the affordability crisis for Housing in the State. By removing a portion of the inventory from the speculative market, it gives hope for local families.

One of the biggest challenges for a community land trust is tapping financing to acquire and rehabilitate properties. As a newer CLT, Kohala Community Land Trust is pleased to be named in this bill along with our community of peers. Providing a line of credit for a community land trust to act quickly as urgent opportunities arise will help us all gain momentum and convince other funders of the benefit of the model.

Thank you for your favorable consideration.

BETH ROBINSON

SECRETARY, KOHALA COMMUNITY LAND TRUST

**Council for Native Hawaiian Advancement
91-1270 Kinoaiki St., Bldg. 1
Kapolei, HI 96707**

Hawai'i State Senate Committee on Housing

HB833 – Relating to Community Land Trusts

RE: Strong support of HB833

March 13, 2025

The Council for Native Hawaiian Advancement (CNHA) writes in **strong support of HB833**, which seeks to expand the community land trust ecosystem in Hawai'i. Establishing a community land trust equity pilot program aligns with our organization's mission to prevent further displacement of residents and Native Hawaiians from their homelands.

As a Native Hawaiian organization, we deeply understand the importance of land, particularly when there is an ancestral or familial connection to it. For decades, we have seen more and more local families priced out of their generational homes, and the fallout from the wildfires has only exacerbated the situation. As a result, Native Hawaiians are increasingly forced to seek affordable housing out of state, leading to more Native Hawaiians residing outside of Hawai'i than within. This displacement threatens the survival of our Hawaiian culture and prevents future generations from building a future on their ancestral lands.

HB833 establishes a community land trust equity pilot program that provides community land trusts with a line of credit to fund the acquisition, rehabilitation, renovation, or construction of affordable housing. By prioritizing affordable housing for households earning no more than 140% of the county median income, this bill helps prevent displacement and ensure that housing opportunities remain accessible to local and Native Hawaiian families. A community land trust equity pilot program initiates a step toward creating and preserving affordable housing, increasing community control and stability, and reducing barriers to homeownership for low- to moderate-income households.

Existing community land trusts have demonstrated success in preserving affordable housing options. Expanding the community land trust ecosystem through this measure will help residents and Native Hawaiian families have the opportunity to build a future in Hawai'i. For these reasons, we humbly ask that you **PASS HB833**.

Me ka ha'aha'a,

Madelyn McKeague

Director of Advocacy, CNHA



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

LATE

**HEARING BEFORE THE SENATE COMMITTEE ON HOUSING
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 225
Thursday, March 13, 2025, 1:25 P.M.**

To The Honorable Senator Stanley Chang, Chair
The Honorable Senator Troy N. Hashimoto, Vice Chair
Members of the committee on Housing

SUPPORT HB833 HD1 RELATING TO HOUSING

The Maui Chamber of Commerce **SUPPORTS HB833 HD1** which authorizes the Hawai'i Housing Finance and Development Corporation to establish a five-year community land trust equity pilot program to provide community land trusts with a line of credit to fund the acquisition, rehabilitation, renovation, or construction of housing for certain households and report to the Legislature regarding the pilot program; and appropriates moneys from the Dwelling Unit Revolving Fund for establishment of the pilot program.

The Chamber notes that community land trusts are effective at producing and preserving permanently affordable housing, increasing community control and neighborhood stability, and reducing barriers to homeownership for low- to moderate-income households. Community land trusts create lasting assets and shared equity homeownership opportunities, which foster generational wealth and community stability.

We also highlight that the shared equity models of community land trusts enable many homeowners to transition to traditional homeownership. Studies show that six out of ten community land trust homeowners accumulate enough equity to purchase homes on the open market.

In light of the severe housing shortage in both the state and Maui County, we support measures that promote, rather than hinder, the development of housing for our residents.

For these reasons we **SUPPORT HB833 HD1** and respectfully request its passage.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

HB-833-HD-1

Submitted on: 3/11/2025 10:57:46 AM

Testimony for HOU on 3/13/2025 1:25:00 PM

Submitted By	Organization	Testifier Position	Testify
Justin Hughey	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Stanley Chang, Vice Chair Troy N. Hashimoto and members of the committee

I am writing in strong **support of HB833**.

The foreclosure moratorium on Maui ended January 4th and people on the ground are anticipating a foreclosure crisis as economic impacts of the fire continue. Not only do we need to prepare for the continued economic impacts from the Lahaina wildfire, we also are going to see the national economy slid into the abyss from Trump's five trillion dollar tax cuts for the wealthy. Every Republican President since Hoover that has cut taxes on the wealthy has produced a recession or worse. Without intervention, we know disaster capitalism will result in investors taking advantage of the crisis to purchase foreclosed properties and provide profit off them later.

My name is Justin Hughey and I am a 48 year old Special Education Teacher who lives in Wailuku on Maui. I moved here to take my first teaching job at King Kamehameha III Elementary in 2006. The cost of living was so high that I went into debt very quickly and had to work nights waiting tables as a second job in order to rent a one bedroom apartment and live paycheck to paycheck. I never gave up the dream of home ownership and started looking into very few options for affordable housing. I joined a seminar and learned about a new Community Land Trust called Na Hale O Maui. In 2010 there were a lot of foreclosed homes because of the current recession. John Anderson, then the current Executive Director expressed that this was a way to transform foreclosed homes into permanent affordable housing in perpetuity. I immediately started the paperwork to get on the pre-approved buyers list. Somehow my efforts and good fortune sprung myself to the top of the list and I was able to purchase their first home. The house is located at 37 Poniu Circle. It is a 3 bed, 2.5 bath, 1,521 square, two car garage just walking distance to downtown Wailuku. The house was built in 1988 but went into foreclosure. I was told the bank wanted to sell it for \$475,000 but ended up selling it to Na Hale O Maui for \$375,000. Na Hale O Maui then sold the home to me for \$270,000. The non for-profit owns the land on a 99 year lease at forty dollars a month with an option for another 99 years. I can sell the house to my kids if I wish. I own the house, Na Hale O Maui owns the land. The house today if it was on the market is listed on the internet for \$961,000 dollars. I can't just sell the house and keep the profit. I collect shared equity and whenever I sell it, it has to go to either my kids or a list of reapproved Na Hale O Maui buyers who will be able to purchase it at a truly affordable rate. The concept is that every home they purchase will be affordable in perpetuity. My mortgage is \$1,361.00. You can't find a one bedroom apartment, anywhere, at this rate. My wife, whom I

met after I bought the house is a teacher as well. We each pay about \$600 a month for housing. We both wanted to have children and if it wasn't for this truly affordable home, we would have moved to the mainland. We now have a five year old boy named Jasper and a three year old boy named Oskar. All the rooms are finally taken up. We are all so grateful. It was like winning a lottery ticket.

Governor Green suspended many state laws in his emergency proclamation to produce so called affordable housing. I am not seeing a lot of truly affordable housing being produced. With the high cost of the land and materials, I have not seen a better way of producing truly affordable housing than through community land trusts. The school I was working at burned down in the Lahaina wildfire. I was able to transfer to a school close to home but a lot of people I worked with in Lahaina were forced to leave. Now I teach at Kahului Elementary and even in central Maui I am working with children who's parent are struggling to find affordable options. Affordable housing is also a major factor in the fact that Kahului elementary started the year with thirteen school wide employment vacancies.

We need courageous as well as creative leadership, now more than ever. Thank you for hearing this bill. Making it easier for community land trusts to purchase foreclosed homes is a great start. We can make sure the local homes stay in local hands by: Prohibiting foreclosure properties from being bundled together. Giving tenants, community organizations, and the city or state the first opportunity to purchase. This gives locals a fighting chance at making sure the local homes serve local people. There are so many more hard working families like mine that deserve a chance at truly affordable housing.

Na Hale O Maui has over six hundred people on their home buyer orientation wait list. This bill would be a game changer for them by allowing them to produce more affordable housing with their proven model that helped me. This would allow them more buying power. This would allow Na Hale O Maui to look at converting more truly affordable homes in Lahaina. Overall this will help community land trusts to stop the gentrification of our community and produce truly affordable housing.

HB-833-HD-1

Submitted on: 3/11/2025 11:51:33 AM

Testimony for HOU on 3/13/2025 1:25:00 PM

Submitted By	Organization	Testifier Position	Testify
Autumn Ness	Individual	Support	Written Testimony Only

Comments:

Lahaina Community Land Trust is in strong support of HB 833.

Mahalo for the opportunity to share quick examples of why this is so important, and some details about how to ensure it's actually useful.

In Lahaina CLT case, a large portion of our initial funding was County funds:

\$15 million, all of it is a reimbursable grant, meaning we have to spend the funds up-front and then be reimbursed by county funds.

Lahaina CLT spent months piecing together an internal line of credit (LOC) so we don't have to pay market rate interest on a loan to make this work. Lahaina CLT also negotiated a below market LOC with a bank, but that required us to find a larger partner to "back" our line of credit and buy the interest rate down for us, bringing our interest rate down to 2%.

That is really low but is still money that won't go toward our work, which in practice means missed opportunities.

This process has taken so much time and energy away from our urgent work.

Also, the price per unit of our work (land and homes) is so big, the cost of capital to do even a short term loan is prohibitive and has a significant impact on funding

As you know, policy details matter, so Lahaina CLT shares the following input in hopes that this program will be effective from the start

Acquisition: depending on funding source, may take months to get reimbursement funds from the end-funder.

Construction: Funds return upon sale of home, but that can be over a year.

Please make the term of repayment 2 years for those cases.

In order to be able to move at the speed of real estate, the CLT needs a clear path to access this LOC, with the confidence in the process that will allow the CLT to make offers or sign contracts. Consider a pre-approval process for orgs so they can move quickly?