

Honolulu, Hawaii

MAR 20 2025

RE: H.B. No. 833
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 833, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO COMMUNITY LAND TRUSTS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize the Hawaii 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;
- (2) Require a report to the Legislature regarding the pilot program;
- (3) Appropriate funds from the Dwelling Unit Revolving Fund for establishment of the pilot program; and
- (4) Sunset the pilot program on June 30, 2030.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, Office of Housing and Community Development of the County of



Hawai'i, Kohala Community Land Trust, Council for Native Hawaiian Advancement, Maui Chamber of Commerce, and two individuals.

Your Committee finds that community land trusts can reduce barriers to homeownership by producing and preserving long-term affordable housing. As a shared equity model, community land trusts are an innovative approach to maintaining affordability for housing units for future generations and remove a portion of the inventory from the speculative market to increase options for local families. Studies have also shown that six out of ten community land trust homeowners accumulate enough equity to purchase homes on the open market. Because one of the biggest challenges for community land trusts is obtaining financing to acquire and rehabilitate housing, this measure provides capital to enable community land trusts to quickly take advantage of opportunities and further address the State's chronic housing shortage.

Your Committee notes that to effectuate the Community Land Trust Equity Pilot Program, a significant amount of state funds are needed. According to the Hawaii Housing Finance and Development Corporation at a public hearing on this measure, fifty dwelling units are planned, with each unit costing an average of \$500,000. Therefore, it is necessary to revolve funds rapidly to ensure a sustainable, continuous pipeline of housing construction.

Your Committee has amended this measure by:

- (1) Clarifying that the Community Land Trust Equity Pilot Program shall fund housing that is for qualified residents as defined in section 201H-32, Hawaii Revised Statutes, rather than households earning not more than one hundred forty percent of the area median income;
- (2) Inserting language requiring the Hawaii Housing Finance and Development Corporation to prioritize applications requiring the least amount of state funds per unit, per year;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and



- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that this measure contains an unspecified appropriation amount. Should your Committee on Ways and Means choose to deliberate on this measure, your Committee respectfully requests that it consider inserting an appropriation amount of \$25,000,000 for the establishment of the Community Land Trust Equity Pilot Program.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 833, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 833, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Housing,


STANLEY CHANG, Chair



