

JOSH GREEN, M.D.
GOVERNOR

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LT. GOVERNOR



DEAN MINAKAMI
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
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Statement of
DEAN MINAKAMI

Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON HOUSING

February 04, 2025 at 1:00 p.m.
State Capitol, Room 225

In consideration of
S.B. 1169
RELATING TO COMMUNITY LAND TRUSTS.

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

HHFDC **supports** SB 1169, which authorizes the Hawai'i 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 low- to moderate-income households and report to the Legislature regarding the pilot program. It also appropriates moneys from the Dwelling Unit Revolving Fund (DURF) for establishment of the pilot program.

HHFDC concurs that community land trusts may be beneficial in helping to preserve affordable for-sale housing over the long term.

HHFDC requests that "low- and moderate-income households" be defined as a specific area median income (AMI). For example, "households earning no more than 140% of the county AMI."

Thank you for the opportunity to testify on this bill.

Carrie DeMott
Interim Executive Director
Nā Hale O Maui
190 N Church Street
Wailuku, HI 96793



February 3, 2025

RE: Testimony in Support of S.B. No. 1169 – Community Land Trust Equity Pilot Program

Aloha

My name is Carrie DeMott, and I am the Interim Executive Director of Housing and Land Enterprise of Maui, dba Nā Hale O Maui (NHOM). I submit this testimony in strong support of S.B. No. 1169, which seeks to establish a Community Land Trust (CLT) Equity Pilot Program through the Hawai'i Housing Finance and Development Corporation (HHFDC). This initiative would provide CLTs with a low-cost line of credit, enabling us to build homes more quickly and efficiently, saving money that can be reinvested into housing for more working families on Maui.

Nā Hale O Maui is a nonprofit 501(c)(3) Community Land Trust established in 2006. Our mission is to secure and preserve a permanent supply of affordable housing for low- to moderate-income families in Maui County. Governed by a tripartite board that has representatives from the community, our homeowners, and experts, NHOM currently stewards 50 properties under a 99-year renewable ground lease, ensuring affordability in perpetuity. Since our inception, 57 families have benefited from our program, and our impact continues to grow.

Access to capital is one of the greatest challenges in developing affordable housing. NHOM has successfully borrowed funds from financial institutions in the past to leverage and construct homes. However, this process is costly and time-consuming. A preapproved, low-cost line of credit dedicated to CLTs would allow NHOM to act swiftly in acquiring distressed properties and developing housing on land we already own. This would significantly increase our efficiency, reduce project costs, and ultimately allow us to serve more families.

Hawai'i is facing a severe housing crisis. One in three residents is considering leaving the state, with housing being the number one concern. Since 2000, the median home price in Hawai'i has increased by 3.5 times. According to the UHERO Repeat Sales Index (RSI), which examines homes that have sold multiple times and estimates the average rate of price appreciation while controlling for changes in housing quality over time, the median price of a single-family home on Maui in December 2024 was \$1,374,238. In contrast, NHOM was able to sell two homes in 2024 for approximately \$490,000 each, demonstrating the affordability our model provides. Additionally, the seven homes we plan to build in the Fairways will be four-bedroom homes, affordable in perpetuity, making homeownership attainable for working families. The money from our sales goes directly back into our program, allowing us to acquire additional homes and provide housing for more families in need.

NHOM is well-positioned to act on this opportunity. We currently have seven lots ready for construction and the capacity to manage additional projects as land becomes available. Additionally, the County of Maui has generously granted NHOM more land, currently serving as emergency housing, which we anticipate converting into permanent housing in the next five years. With sufficient funding, we could also acquire additional properties, expanding the reach of our CLT model to benefit more families in need.

The demand for affordable homeownership in Maui County is substantial. Our current list of qualified buyers includes 129 families, and just last week, 25 families attended our Homebuyer Orientation Seminar. With hundreds of families awaiting orientation, we will continue hosting weekly orientation sessions for the coming months to meet this overwhelming demand. The need is clear, and NHOM is prepared to provide real solutions. However, we require access to flexible and affordable financing options to build the homes that our community so desperately needs.

As both NHOM's Interim Executive Director and a homeowner in our CLT program, I have witnessed firsthand the transformative impact of secure, permanently affordable housing. Homeownership through a CLT not only stabilizes families but also strengthens communities, ensuring that affordability is preserved for generations.

S.B. No. 1169 represents a crucial investment in a proven, sustainable model for affordable housing. This pilot program has the potential to create lasting change, enabling families to achieve homeownership, the community to have a say in its future, and ensuring that housing remains affordable in perpetuity. We urge the committee to pass this bill and support CLTs in our mission to provide stable, affordable housing for Hawai'i's working families.

Mahalo for your time and consideration.

Sincerely,

Carrie DeMott

Interim Executive Director
Nā Hale O Maui



Support for SB1632

Aloha e Senators, Chair, Vice Chair:

We are testifying on behalf of Locals In My Backyard (LIMBY) Hawai'i. LIMBY Hawai'i is a hui of concerned kama'āina and kānaka working to help develop solutions to our state's housing crisis.

We are concerned that NIMBYism has driven up costs and driven our friends and families out by opposing all development. We are equally concerned that the apparent answer to this, YIMBYism, insists that anything resembling true affordability is impossible so instead they promote building housing that gets bought by overseas investors. ***We know we won't solve our housing woes without building more, but we won't solve them by simply building more.***

The true solution is to create a housing market for locals: one that houses locals first, is tied to local wages, and is managed in trust. We detail real solutions to our housing woes on our website and through our newsletter.

The future for kama'āina and kānaka will be LIMBY or Las Vegas.

SB1669 tips things in favor of a future in Hawaii.

Community land trusts as a model are the critical missing piece in long term affordable homes. They, and equivalent systems, are the fundamental tool behind affordable housing in markets across the globe.

So many of our "affordable housing" programs amount to this: giving the developer land, financing the building, and then paying the developer rent. It's an absurd model that is a poor use of public funds and traps renters in a cycle of poverty.

In the current model, the state "rents" affordability from the developer. By investing in community land trusts, the state is buying permanent affordability. It is a far superior use of public funds.

Makana Hicks-Goo,
Organizer on behalf of LIMBY Hawaii

SB-1169

Submitted on: 1/31/2025 5:33:27 PM

Testimony for HOU on 2/4/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jennifer Mather	Individual	Support	Written Testimony Only

Comments:

Aloha mai e Chair Chang, Vice Chair Hashimoto, and Honorable Members of the Housing Committee,

My name is Jen Mather, and I am testifying in strong **SUPPORT** of SB1169 as a community land trust homeowner and a board member of Nā Hale o Maui Community Land Trust. Today, however, I submit this testimony as an individual, speaking on behalf of myself and my ‘ohana.

My children and I are kānaka ‘ōiwi, and our ‘āina kūpuna is Lāhainā. Nearly four years ago, rising costs, speculative market forces, and the lack of truly affordable homes forced us to leave Lāhainā. After years of bouncing from place to place, we met that ever elusive sweet spot of making enough money to qualify for a mortgage, yet not enough to disqualify us using the county AMI % to apply for one of two homes sold by Nā Hale o Maui in 2024. After nearly 9 years on their qualified buyer's list, we were finally selected and have been in our home in Wailuku, in Vice Chair Hashimoto's district, since July 2024.

For families like mine, community land trusts (CLTs) are not just about homeownership—they are about stability, security, and the opportunity to stay rooted in the place we are cosmogonically connected to. CLTs provide a proven, long-term solution by keeping housing affordable in perpetuity and ensuring that local families don’t get priced out of their own communities.

Nā Hale o Maui, Maui’s first and only county-wide CLT, has been a lifeline for many families over the past two decades. By removing homes from the speculative market and preserving their affordability for future generations, Nā Hale o Maui has helped local families remain on Maui despite the overwhelming cost of housing.

The devastating August 2023 fires in Lāhainā made it painfully clear how vital community-driven housing solutions are. Many homeowners in Nā Hale o Maui’s CLT program lost everything in the fire. While insurance may help some rebuild, others are stuck in limbo, uncertain if they’ll ever be able to return. Without immediate action, many of these families—who once had the security of homeownership—may be forced to leave Maui entirely.

In response to this crisis, the Lahaina Community Land Trust (LCLT) was recently established to ensure that Lāhainā’s lands remain in local hands and are developed for the benefit of Lāhainā’s people, not outside investors or corporate interests. This is a critical step to prevent predatory

land grabs and give displaced families a direct role in rebuilding their community in a way that respects Lāhainā's rich history and cultural heritage. But as a newly formed organization, LCLT faces significant funding and resource challenges.

SB1169 is a necessary step in strengthening the CLT model in Hawai'i. By creating the Community Land Trust Equity Pilot Program, this bill would provide CLTs like Nā Hale o Maui and Lahaina Community Land Trust access to a low-cost line of credit, allowing them to acquire, rehabilitate, and develop more affordable homes. This funding would help keep local families in their communities and prevent further displacement at a time when many are at risk of losing everything—not just their homes, but their connection to the place that raised them.

Now more than ever, we need to invest in solutions that prioritize people over profit. SB1169 provides a pathway for Hawai'i to protect its families from the instability and predatory forces of the real estate market, ensuring that housing remains affordable for generations to come.

I urge you to pass this measure and take a stand for the future of homeownership in Hawai'i.

Mahalo for your time and consideration.

Me ka ha'aha'a pau 'ole,
Jen Mather

SB-1169

Submitted on: 1/31/2025 7:28:24 PM

Testimony for HOU on 2/4/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Dawn Eshelman	Individual	Support	Written Testimony Only

Comments:

Aloha,

I am a 70 year old woman, and 35 year resident of Maui. I have struggled with sustainable housing most of my time here. I was fortunate enough to own a home in Makawao from 1997 thru 2000, then a home in Kula in 2001. I could only afford a home at that time because I was married. I lost the home in Kula right after 9/11, due to an abusive marriage and subsequent divorce. I have been renting ever since (and 6 years prior to owning). So I have been renting in Maui for 26 years. I have had 11 rentals. I have been fortunate enough to receive assistance through HUD for the past 14 years, without which, I would either be homeless, or having to leave an island I consider home.

I have recently taken a Financial Education and Homebuyers class through Hawaiian Community Assets, and a Orientation class through Na Hale O Maui. I have worked hard throughout my life to maintain a good credit score, and have prequalified with several lenders. My only hope of owning a home on Maui is through the HUD homebuyers program, or through Na Hale O Maui (or hopefully a combination of the two?). As a 70 year old single woman, hoping to enjoy stability and pride of ownership in my final years, would mean everything to me.

SB-1169

Submitted on: 2/3/2025 7:07:38 AM

Testimony for HOU on 2/4/2025 1:00:00 PM

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

Comments:

Aloha Chair Stanley Chang and members of the committee

I am writing in strong **support of SB1169.**

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.